



# Sales And Marketing Transformation In Travel Agency Sector – An Analytical Approach

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## ABSTRACT

The travel agency industry has undergone significant changes in the last decade due to rapid technological advancement, evolving customer expectations, and increased competition from online travel portals. This study investigates the current sales and marketing practices of travel agencies, which primarily offers flight booking services. The study examines how traditional relationship-based selling and word-of-mouth promotion continue to influence customer behavior, while also highlighting the growing role of digital tools and technology. Using primary data collected through surveys and interviews, the research identifies gaps in customer acquisition, lead generation, and digital engagement. Recommendations are provided to help travel agencies adopt modern marketing practices, strengthen customer relationships, and remain competitive in a dynamic travel marketplace.

**Keywords:** Travel agency, sales and marketing, digital tools, customer acquisition, technological interventions.

## INTRODUCTION

The global travel industry has witnessed remarkable growth, but the way traveler's book and plan their trips has changed dramatically due to digitalization. While online travel agencies (OTAs) and airline websites have gained popularity for their convenience, traditional travel agencies still play a crucial role by providing personalized service, human support, and custom solutions. In India, mid-sized travel agencies continue to serve corporate and leisure travelers, focusing mainly on flights and their ticket bookings.

Despite strong client relationships, such agencies face challenges in competing with large OTAs that leverage AI, dynamic pricing, and aggressive digital marketing. This paper explores how travel agencies can transform their sales and marketing approaches to bridge the gap between conventional practices and new-age customer expectations.

## LITERATURE REVIEW

The research highlights the growing importance of innovation and digitalization in the travel industry. Sharma and Sharma (2025) examined digital marketing adoption among small travel agencies in India and proposed a PLS-SEM model that identified the technological, organizational, and environmental factors influencing adoption. Their study demonstrated that digital marketing tools directly enhance the growth potential of travel businesses, indicating that technology has moved from being optional to essential.

Satit et al. (2012) further supported this view by linking the traditional marketing mix to customer decision-making, while emphasizing that technology-driven enhancements are now necessary for sustained customer engagement.

The human component of service delivery also remains significant, as highlighted by Koc (2003), who underscored the role of travel agency staff as a critical marketing communication tool capable of influencing customer trust, satisfaction, and overall service perception. This perspective suggests that customer engagement is a multidimensional concept that extends beyond digital platforms to include interpersonal interactions that shape customer loyalty.

In the digital domain, Alhassan (2025) explored the role of Online Travel Agents (OTAs) in shaping customer experience within the hospitality sector. While the study presented strong evidence of the positive impact of OTAs on convenience and service accessibility, it did not provide specific direction for traditional travel agencies seeking to enhance customer experience to improve flight ticket bookings, revealing a gap in existing research.

Aamir et al. (2025) examined the adoption of multisided digital platforms among travel agents and argued that such platforms foster innovation; however, their study also indicated that integration remains inconsistent due to differences in digital readiness across agencies.

Complementing these views, Bunghez (2020) and Albattat (2020) identified the positive contribution of online marketing to customer acquisition, brand visibility, and overall sales performance. Yet, both studies observed that many agencies continue to underutilize online marketing tools, limiting their competitive edge in a rapidly digitalizing environment.

Overall, existing literature suggests that while the industry acknowledges the need for digital transformation, many agencies are still transitioning from traditional sales processes to data-driven, technology-enabled marketing frameworks.

## RESEARCH METHODOLOGY

The research was conducted in Mumbai, Maharashtra, a major metropolitan city and one of India's most prominent travel and commercial hubs. Mumbai's dynamic environment, with its mix of corporate clients, frequent business travelers, and a large population of leisure tourists, offers an ideal setting for examining travel-related services and sales patterns. The city's high level of digital adoption, competitive market conditions, and diverse customer base provide a strong foundation for understanding how travel agencies operate and how various factors influence travel booking trends. This makes Mumbai a suitable and representative location for the present study.

## OBJECTIVES OF THE STUDY

- To examine current sales and marketing practices used by travel agencies.
- To analyze customer acquisition and lead generation techniques.
- To evaluate the impact of digital tools and technological interventions.
- To recommend best practices for improving brand outreach and sales performance.

## RESEARCH DESIGN

A descriptive and analytical research design was used for this study to capture existing practices within the travel sector and to examine the relationship between sales strategies, technology usage, and customer behavior. This approach helped in understanding current trends while also analyzing how different factors influence travel sales.

## DATA SOURCES

The study used both primary and secondary data. Primary data was gathered through surveys administered via Google Forms and through interviews conducted with travel agency professionals and customers. Secondary data was sourced from journals, research articles, industry publications, and reports from recognized organizations such as IATA, providing additional context and support for the findings.

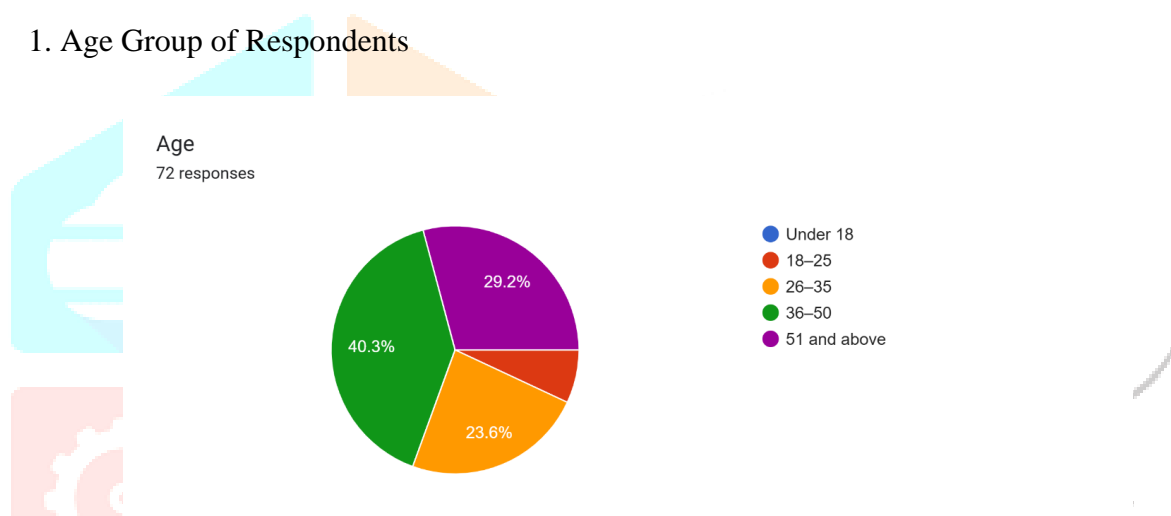
## SAMPLING TECHNIQUE

The study employed a combination of purposive sampling for industry professionals and convenience sampling for customers, resulting in a total sample size of 72 respondents. The participants represented a diverse demographic between 25 and 55 years of age, including corporate travelers, families, and solo tourists. Data was collected using structured questionnaires, interviews, and observational methods. The study focused on key parameters such as customer awareness, preferences, satisfaction levels, communication modes, digital adoption, and the influence of promotional activities.

## DATA INTERPRETATION

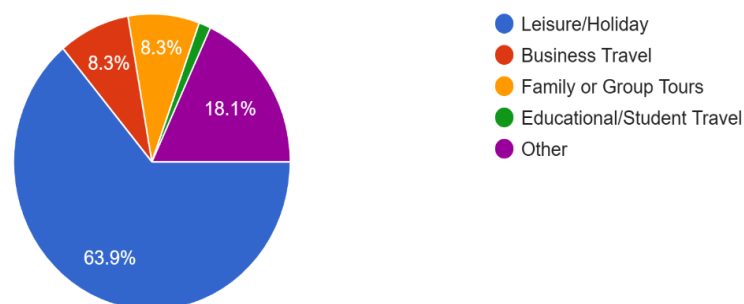
The survey results indicate that –

### 1. Age Group of Respondents



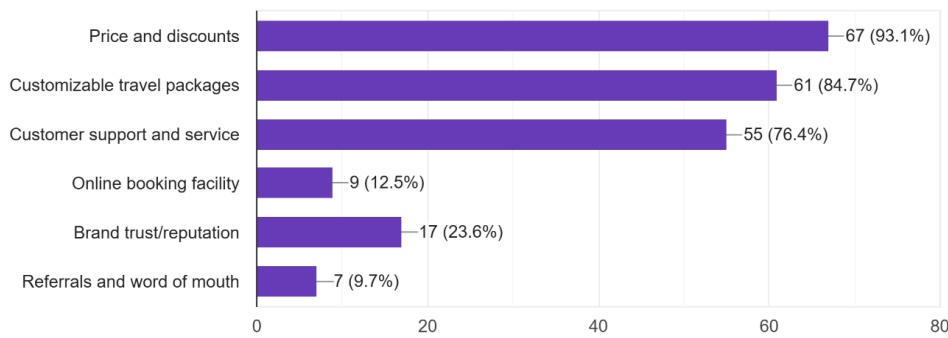
The findings show that the 36–50 age group forms the largest share of respondents, indicating that mid-aged individuals are the primary users of travel services. This demographic typically includes working professionals and families with higher travel frequency and spending power. Their preferences significantly influence travel sales trends for agencies.

### 2. Type of Travel Services Recently Used



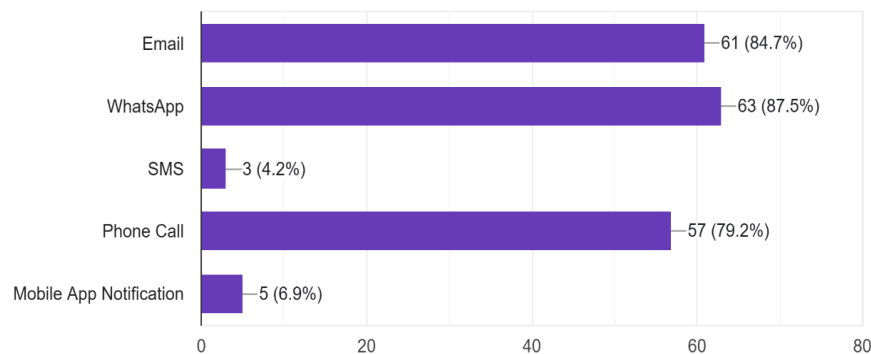
A majority of 63.9% use travel services for leisure, showing that holiday and personal travel dominate market demand. This highlights the need for agencies to focus on customized vacation packages, affordable fares, and seasonal deals. Corporate travel, while present, is secondary in volume.

### 3. Factors Influencing Choice of Travel Agency



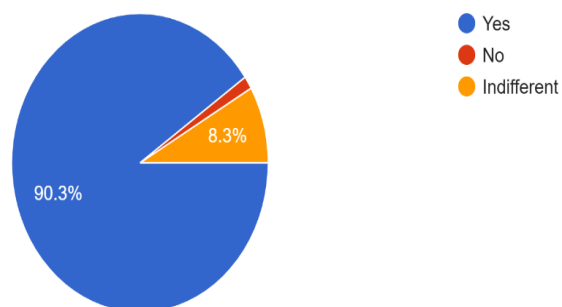
The data reveals that 93.1% prioritize price and discounts, making affordability the strongest decision-making factor. Customers clearly seek value-driven options over other attributes like brand reputation or service variety. This emphasizes the importance of competitive pricing strategies for travel agencies.

### 4. Preferred Mode of Communication



Most respondents prefer WhatsApp and email for regular communication, reflecting a strong shift toward digital and instant messaging platforms. Phone calls are still valued for personal interaction, but SMS and app notifications rank low. Agencies must adopt omnichannel digital communication to remain relevant.

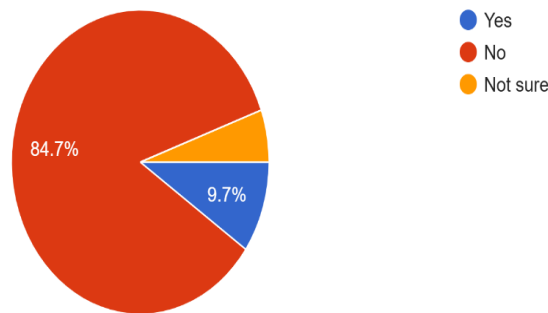
### 5. Preference for Digital Tools (Apps/Online Portals)



A large majority (90.3%) prefer agencies offering digital tools, indicating rising expectations for convenience and transparency in bookings. Only a small percentage are indifferent or uninterested, showing that digital integration is no longer optional.

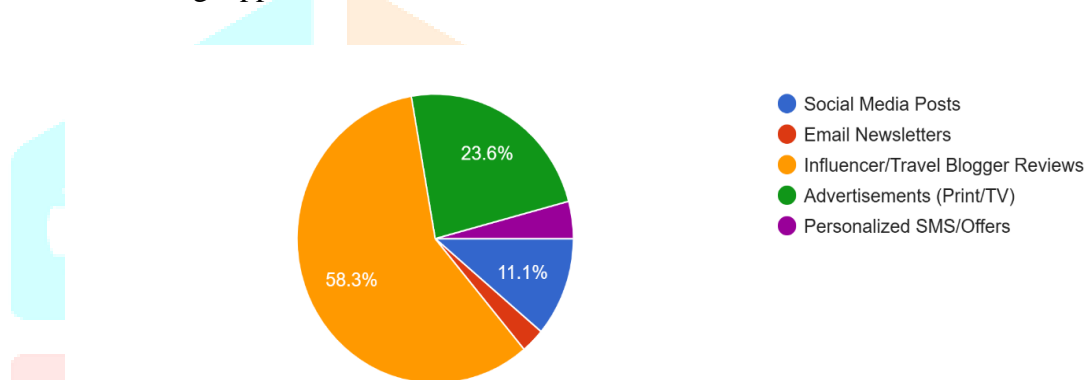
This reinforces the need for modernized booking systems.

## 6. Interaction with Chatbots or AI Tools



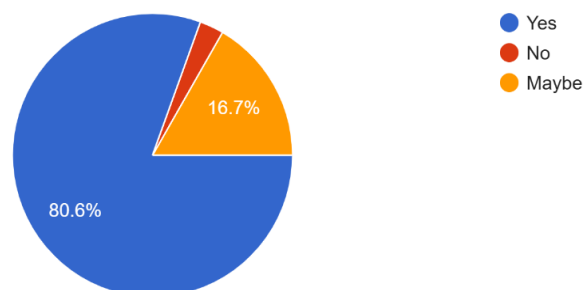
Only 9.7% of respondents have used chatbots or AI-based assistance during bookings, suggesting low exposure to automated technologies. This indicates that agencies have not widely implemented AI tools. However, the small adoption also implies untapped potential for enhancing customer support.

## 7. Marketing Approaches That Attract Customers



Influencer and travel blogger reviews are most effective in capturing customer attention, followed by online advertisements. Social media posts alone have limited impact unless paired with credible endorsements. This shows that content-driven and influencer-led marketing can significantly drive customer interest.

## 8. Influence of Loyalty or Referral Programs



With 80.6% supporting loyalty or referral rewards, customers clearly value incentives that provide long-term benefits. Such programs can strongly encourage repeat bookings and enhance customer retention. Agencies currently underutilizing these strategies may be missing a major opportunity.

## INTERPRETATION

Travel agencies are evolving but still rely heavily on traditional marketing channels and word-of-mouth. Customers appreciate personalization and value-driven pricing but increasingly expect technology-enabled convenience and transparency.

## KEY FINDINGS

Price Sensitivity - Customers prioritize affordable fares and flexible options.

Digital Expectation - Clients prefer agencies with mobile-friendly interfaces and instant updates.

Low AI Adoption - Minimal chatbot or automation integration restricts responsiveness.

Marketing Gaps - Limited social media and influencer engagement weaken brand outreach.

Communication Preference - Real-time interaction through WhatsApp and email is vital.

Customer Retention - Loyalty and referral programs remain underdeveloped despite high potential interest.

## CONCLUSION

The research concludes that the transformation of sales and marketing in the travel agency sector hinges on digital integration, data-driven personalization, and customer-centric strategies. Traditional relationship selling must coexist with innovative technologies such as CRM, AI chatbots, and social media analytics to meet changing traveler expectations.

Agencies that modernize their sales processes, enhance online visibility, and adopt digital tools will gain a sustainable edge. In contrast, those resistant to change risk obsolescence. Therefore, a balanced approach - combining trust-based human service with digital intelligence - is the key to future competitiveness in the travel sector.

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