# Opportunities and Challenges in E-marketing with Reference to Tourism Industry in India

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## Abstract

Indian tourism in the hospitality sector has reached new heights today. Tourism emerged as a dominant economic factor in the country. It plays a vital role in achieving a national objective of promoting social and cultural factors for national and international integration. Tourism in India has received a major boost in the past decade since the information and communication technology [ICT] has emerged as a new age technology. To integrate and develop the activities of the tourism industry the concept of e-marketing has to adopt in the tourism industry and it plays a significant role. Though it facilitates the tour operators, tourist and the government, certain challenges have influenced the industry as risk factors. A relevant research title has identified, formulated objectives, applied suitable statistical tools and conducted the elaborate analysis. It clearly reveals the opportunities, challenges and problems faced by e-tour operators in e-marketing and with special reference to the tourism industry in India.

## Keywords

E-marketing, Opportunities, Challenges, E-tourism, Information.

## 1. Introduction of Indian Tourism

The travel, tourism and hospitality industry today is a very dynamic and booming work sphere with great scope for the use of creativity, imagination and orientation on a global level. The tourism industry in India is one of the largest and most profitable industries in the country and contributes greatly to the National Income.

Tourism has grown leaps and bounds over the years in India, with each region contributing something to its magnificence and exuberance. India's rich cultural diversity is reflected through its people, languages, cuisine, traditions, customs, music, dance, religious practices and festivals, its holistic healing traditions, art and craft.

The increase in tourism in India has created many jobs in a variety of related sectors, both directly and indirectly. An approximate 20 million people now work in India's tourism industry. Indian Tourism is thriving, owing to a huge surge in both business and leisure travel by foreign and domestic tourists and is expected to generate approximately US$ 275.5 billion by 2018.

The government is promoting spiritual tourism and keeping the highest standard of hygiene at the sacred places. Ministry of Tourism is raising domestic tourism to increasing disposable incomes and a changing mind-set of Indian travellers, but at the same time the Government policy and procedures as far as the tourism industry is concerned, it creates a small hindrance for the smoother operations. In order to study the influence of e-marketing, the opportunities of tourism industry and the challenges faced by tour operators.

## 2. Statement of the Problem

The greatest challenge for any e-tourism is to provide a high level of quality services to satisfy their tourist as customer's needs and wants are always unlimited. Many studies have been carried out to study tourist satisfaction, few studies on online tourist satisfaction. As the tourism industry is the main contributor for GDP of any nation and generates employment opportunities, there arises a need for the importance of e-tourism. This study fills the gap between tourist satisfactions of traditional tourism industry with tourism industry with the application of e-marketing concept. In order to satisfy tourist with overall tour experience, this study is carried on. Due to recent European Economic Crises, most of the countries adversely got affected. In India, due to threats like Inadequate infrastructure, Transport problems, Environmental hazards, Pollution, Global warming, Bird flu, Anthrax, H1N1 virus, and Natural disaster adversely affects the tourism industry. In order to know the opportunities and challenges of the tourism industry, this study has been carried out. It also focuses on the problems faced by the Indian tourism industry.

## 3. Objectives of the Study

- To study the opportunities prevailing with e-marketing in e- tourism industry.
- To identify the challenges in e- tourism.
- To find out the problems faced by e-tour operators in e-tourism.
- To offer suggestions based on the study.

## 4. Scope of the Study

In this study, organizations has chosen that involved with online tourism services, e-tourism is selected due to their high usage of technology equipment such as computers and their high e-commerce involvement in running their Business activities, Generate national income, Promote employment opportunities, Government agencies promoting e-tourism, To create harmonious and stress free society, Promote unity in diversity, Enhance quality of life, Develop e-tourism activities.

At present, India has moved up 13 positions to $52^{nd}$ rank from $65^{th}$ in Tourism & Travel competitive index. The industry is expected to generate 13.45 million jobs, across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/ Tour Operators (0.66 million). The traffic and transactions from mobile apps and mobile websites are on the rise. Many Online Travel Agency (OTA's) is now observing more than 50% of their bookings through Mobile Apps and Mobile websites.

Ministry of Tourism is providing and promoting leisure, entertainment and recreational activities with a view to create a harmonious and stress-free society, and to promote unity in diversity as well as to enhance the quality of life of the citizens and tourists. This research is carried out to develop E-marketing and E-tourism activities so as to build the tourism industry into a key engine of growth and to make India the best tourist destination in the world.

## 5. Research Methodology

### a. Research Design

The research design refers to the overall strategy that is choosen to integrate the different components of the study in a coherent and logical way, thereby, ensuring effectiveness in address the research problems, it constitutes the blueprint for the collection, measurement, and analysis of data.

**b. Sampling Method and Technique**

To study the impact of e-marketing on Indian Tourism Industry Probability sampling method is followed to infer about the population and data have been collected by applying simple random sampling technique. The sample size for the study is 80 respondents.

**c. Sources and Collection of data**

I. **Primary data** were obtained through a structured survey questionnaire, observations, interviews, online survey.

II. **Secondary data** have been mostly extracted from the official publications of United Nations World Tourism Organisation (UNWTO), World Travel and Tourism Council (WTTC), Government of India (GOI), Ministry of Tourism.

**d. Statistical Tools**

Suitable statistical tools adopted from the data collected from respondents and Percentage analysis were adopted.

## 6. Review of Literature

**Archana Bhatia et al.,** (2013) states in her research that the tourism today is a leisure activity of the masses. Therefore, an attempt is made in this research paper to analyze the strengths, weaknesses, opportunities and threats of Indian tourism industry so that the same can be utilized to increase its foreign footfalls.

**Deepanshu and Nitin Gupta., (2013)** states in her study that the world today faces enormous challenges in establishing tourism as a sustainable tool to improvise the economic and social growth of the people around.

**Tryambak Hiwarkar et al., (2013)** The paper discovers the economic and social impact of e-commerce. E-commerce is currently rising at 30% Shopping site eBay Inc. is growing at 60%. The number of customers of the company has augmented from one million users to 2.5 million in India in the last four years. Some of the popular imported items imported by Indians include home decor, branded and unbranded apparel, accessories, and technology products like laptops.

**Hasan Ayyildiz and Gulcin Bilgin Turna., (2013)** states in the research that, questionnaire was conducted in the Netherlands in order to measure how Dutch people perceive tourism destination image (TDI) of Germany and Spain.

**Iulian Condratov et al., (2013)** states that tourism has closely been connected to progress of ICTs for over 25 years. The paper also presents future developments in e-tourism that will influence the tourism industry structure.

**Marco Ginanneschi (2014)** presents the results of a survey conducted in 2013 on a sample of 17 Tuscan hotels, this article analyses the impact of e-commerce on hotel management. It focuses on turnover, profitability and organization.

**Ziaullah, Muhammad et al., (2014)** states that the purpose of this study is to propose and demonstrate an integrative model of E-Tailing system quality, e-satisfaction, e-trust and commitment in China.

**Raffaele Filieri and Fraser McLeay., (2015)** states that Online reviews (ORs) are continuing to foster a renewed spread of word-of-mouth in the travel industry. The results of this study reveal that product ranking, information accuracy, information value-added, information relevance, and information, timeliness are strong predictors of traveller's adoption of information from ORs on accommodations.

**Veena Rani and Rajender Gupta., (2016)** an attempt to publish its views on importance of tourism in growth of the Indian economy from different perspectives.

**R. Ohlan., (2017)** states that study investigates the relationship between tourism and economic growth in India by considering the relative importance of financial development over the period of 1960–2014.

**Dr. Goutam Hazra., (2018)** states India has become one of the worlds, promising tourist destination with large number of visitors each year for its diverse climatic features and heritage cultures.

## 7. Data Analysis and Interpretation

### Table – 1
### Opportunities to Online Tour Operators

| Factors | Yes / No | Frequency | % |
|---|---|---|---|
| **a) Increase business** | a) Yes | 68 | 85.0 |
| | b) No | 12 | 15.0 |
| | **Total** | **80** | **100** |
| **b) Reduce transaction time** | a) Yes | 49 | 61.3 |
| | b) No | 31 | 38.8 |
| | **Total** | **80** | **100** |
| **c) Generate competitive** | a)Yes | 37 | 46.3 |
| | b) No | 43 | 53.8 |

|  | Total | **80** | **100** |
|---|---|---|---|
| **d) Reduce cost of operation** | a) Yes | 31 | 38.8 |
|  | b) No | 49 | 61.3 |
|  | **Total** | **80** | **100** |
| **e) Easy marketing** | a) Yes | 43 | 53.8 |
|  | b) No | 37 | 46.3 |
|  | **Total** | **80** | **100** |
| **f) Direct contact with tourist** | a) Yes | 27 | 33.8 |
|  | b) No | 53 | 66.3 |
|  | **Total** | **80** | **100** |
| **g) Reach new tourist** | a) Yes | 53 | 66.3 |
|  | b) No | 27 | 33.8 |
|  | **Total** | **80** | **100** |
| **h) Global level expansion** | a) Yes | 33 | 41.3 |
|  | b) No | 47 | 58.8 |
|  | **Total** | **80** | **100** |
| **i) Speed up business** | a) Yes | 47 | 58.8 |
|  | b) No | 33 | 41.3 |
|  | **Total** | **80** | **100** |
| **j) Improve quality of** | a) Yes | 48 | 60.0 |
|  | b) No | 32 | 40.0 |
|  | **Total** | **80** | **100** |
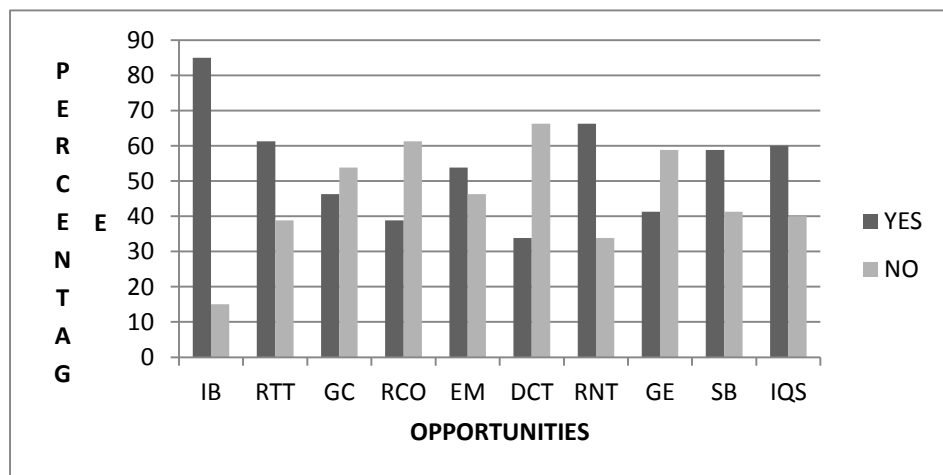


**Chart – 1**
**Opportunities to Online Tour Operators**

It is inferred from the table that 85% of the tour operators increase business due to online tour operation, 61.3% of the tour operators Reduce Transaction Time (RTT), 46.3% Generate Competitive advantages (GC), 38.8% Reduce Cost of Operation (RCO), 53.8% do easy marketing, 33.3% have Easy Marketing (EM), 66.3% Easy marketing, 41.3% are doing Global level expansion (GE), 58.8% Speed up Business Processes (SB) and 60% Improve Quality of Services (IQS).

**Majority of the tour operator's i.e., 85% of them opined that their business increases due to online tour operators for which e-marketing plays a vital role.**

**Table – 2 Challenges in E-tourisms**

| Factors | Yes / no | Frequency | % |
|---|---|---|---|
| **a) Cost of infrastructure** | a) Yes | 36 | 45.0 |
| | b) No | 44 | 55.0 |
| | **Total** | **80** | **100** |
| **b) Technological barrier** | a) Yes | 28 | 35.0 |
| | b) No | 52 | 65.0 |
| | **Total** | **80** | **100** |
| **c) Upgrading of information** | a) Yes | 28 | 35.0 |
| | b) No | 52 | 65.0 |
| | **Total** | **80** | **100** |
| **d) Risk of online fraud** | a) Yes | 54 | 67.5 |
| | b) No | 26 | 32.5 |
| | **Total** | **80** | **100** |
| **e) Problem of obsolescence** | a) Yes | 20 | 25.0 |
| | b) No | 60 | 75.0 |
| | **Total** | **80** | **100** |
| **f) Market competition** | a) Yes | 42 | 52.5 |
| | b) No | 38 | 47.5 |
| | **Total** | **80** | **100** |
| **g) Problem of online payment and settlement** | a) Yes | 44 | 55.0 |
| | b) No | 36 | 45.0 |
| | **Total** | **80** | **100** |

| h) Problem of stealing the information | a) Yes | 26 | 32.5 |
|---|---|---|---|
| | b) No | 54 | 67.5 |
| | **Total** | **80** | **100** |
| i) Absence of face to face interaction | a) Yes | 12 | 15.0 |
| | b) No | 68 | 85.0 |
| | **Total** | **80** | **100** |
| j) Government norms and procedure | a) Yes | 37 | 46.3 |
| | b) No | 43 | 53.8 |
| | **Total** | **80** | **100** |
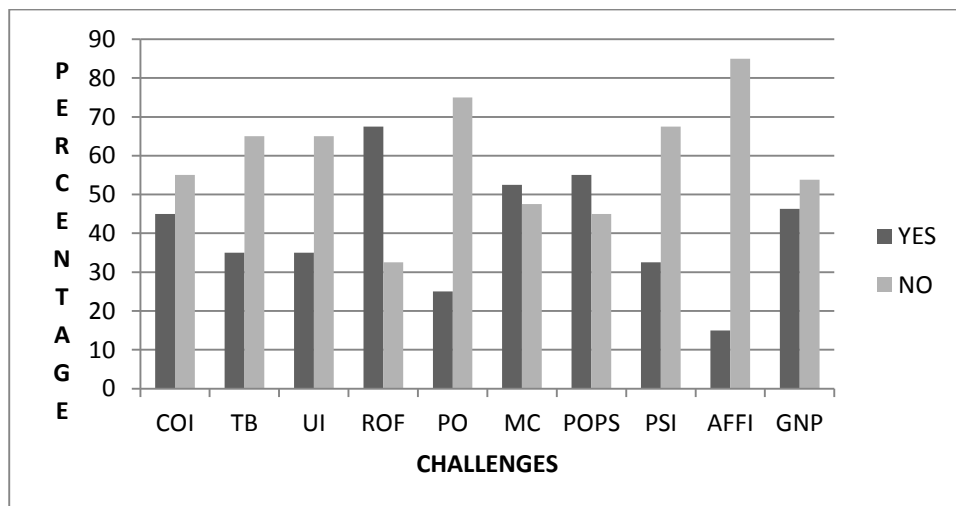


**Chart – 2**
**Challenges in E-tourism**

The above table shows that 45% of the tour operators feel high cost of infrastructure is one of the problem faced due to online operations, 35% feels Technological Barrier (TB) is one of the problems faced by them, 35% feels Up gradation of Information (UI)seems to be a problem, 67.5% as Risk of Online Fraud (ROF), 25% as Problem of Obsolescence (PO), 52.5% as Market Competition (MC), 55% as Problem of Online Payment and Settlement (POPS), 32.5% as Problem of Stealing the Information (PSI), 15% as Absence of Face to Face Interaction (AFFI) and 46.3% as Government Norms and Procedure (GNP).

**The Majority of the tour operators i.e., 67.5% of them accept that there is a problem of stealing the information in the e-tourism industry.**

**Table-3**
**Problems Faced by E - tour Operators**

| Factors | Yes / No | Frequency | Percentage |
|---|---|---|---|
| **a. Competition from online booking sites** | a) Yes | 55 | 68.8 |
| | b) No | 25 | 31.3 |
| | **Total** | **80** | **100** |
| **b. Customer acquisition, marketing and sales** | a) Yes | 41 | 51.3 |
| | b) No | 39 | 48.8 |
| | **Total** | **80** | **100** |
| **c. Networking with other industry professionals** | a) Yes | 27 | 33.8 |
| | b)No | 53 | 66.3 |
| | **Total** | **80** | **100** |
| **d. Rapid change in technology** | a) Yes | 53 | 66.3 |
| | b) No | 27 | 33.8 |
| | **Total** | **80** | **100** |
| **e. Competitive atmosphere to increase quality standards** | a) Yes | 21 | 26.3 |
| | b) No | 59 | 73.8 |
| | **Total** | **80** | **100** |
| **f. Lack of trained manpower** | a) Yes | 22 | 27.5 |
| | b) No | 58 | 72.5 |
| | **Total** | **80** | **100** |
| **g. Reduced commission** | a) Yes | 55 | 68.8 |
| | b) No | 25 | 31.3 |
| | **Total** | **80** | **100** |
| **h. Not updating information of Government tour operators** | a) Yes | 25 | 31.3 |
| | b) No | 55 | 68.8 |
| | **Total** | **80** | **100** |

| i. Internal conflicts and terrorism | a) Yes | 10 | 12.5 |
|---|---|---|---|
| | b) No | 70 | 87.5 |
| | **Total** | **80** | **100** |
| j. Unstable political situation | a) Yes | 26 | 32.5 |
| | b) No | 54 | 67.5 |
| | **Total** | **80** | **100** |
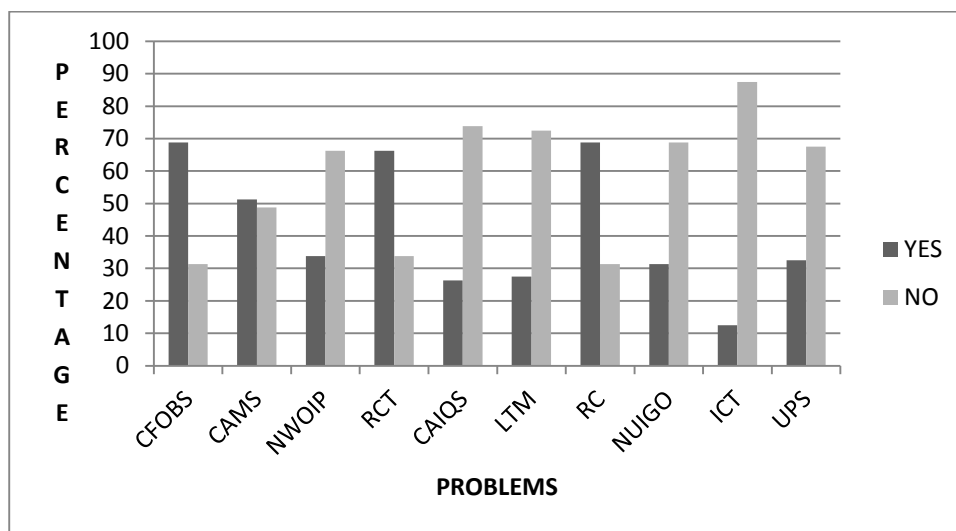


### Chart – 3
### Problems Faced by E-tour Operators

It is inferred from the above table that 68.8% faces challenges as Competition From Online Booking Sites (CFOBS), 51.3% face Customer Acquisition, Marketing and Sales (CAMS), 33.8% as Networking with Other Industry Professionals (NWDIP), 66.3% as Rapid Change in Technology (RT), 26.3% as Competitive Atmosphere to Increase Quality Standards (CAIQS), 27.5% as Lack of Trained Manpower (LTM), 68.8% Reduction in Commission(RC), 31.3% for not updating information, 12.5% as Internal Conflicts and Terrorism (ICI), and 32.5% as Unstable Political Situation (UPS).

**The Majority of the tour operators i.e., 68.8% of them feel that competition from online booking reduced their income from commission in e-tourism industry.**

**8. Findings of the Study**

**Findings of Descriptive analysis (tour operators)**

**I. Demographic factors**

- Majority of the respondents i.e., 60% of them are using all kinds of media such as Print brochure, Tourist guide book, Television, Affiliated with tour operators, Tourist agency and Magazine for advertising.
- Majority of the respondents i.e., 73.8% of them are having experience of more than 20 years in tourism field.
- Majority of the respondents i.e., 31.3% of them are member of Indian Association of Tour Operators (IATO).
- Majority of the respondents i.e., 60% of them have their operation in Domestic territory.
- Majority of the respondents i.e., 52.5% of them prefer to travel all the places.
- Most of the respondents i.e., 32.5% of them prefer to travel Australia.
- Most of the respondents i.e., 48.8% of them establish organisation as their family business.
- Majority of the respondents i.e., 87.5% of them use website application.
- Majorly i.e., 78.8% of the organisation uses regular email as promotional strategies.
- Majority of the respondent i.e., 21.3% of them use internet for online travel booking and reservation.
- Majority of the respondents i.e., 86.3% of them view internet every day.
- Majority of the respondents i.e., 58.8% of them view internet in evening time.
- Majority of the tour operators i.e., 85% of them increase business due to online tour operation.
- Majority of the tour operators i.e., 67.5% of them thinks risk of online fraud as main problem in online tourism.

**II. Opportunities to E-tourism and E-tour operators**

- Majority of the tour operators i.e., 85% of them increase business because of e-marketing in e-tourism.

- Majority of the tour operators i.e., 61.3% of them reduce transaction time due to online tour operation.
- Majority of the tour operators i.e., 53.8% of them increase easy marketing due to online tour operation or e-marketing.
- Majority of the tour operators i.e., 66.3% of them able to reach new tourist due to e-marketing.
- Majority of the tour operators i.e., 58.8% of them speed up their business due to online tour operation.
- Majority of the tour operators i.e., 60% of them improve their quality of services due to online tour operation.

### III. Challenges of E-tourism and E-tour operators

- Majority of the respondents i.e., 73.8% of them opined that the Online booking facility as offered by tour operators are facing certain challenges.
- Majority of the tour operators i.e., 66.3% of them feel that there is a rapid change in technology which is considered as another challenge in the e-tour industry.
- Majority of the tour operators i.e., 68.8% of them faces competition from online booking sites.
- Majority of the tour operators i.e., 68. 8% of them have revealed that their commission have reduced.
- Majority of the tour operators i.e., 67.5% of them opined that there is a risk of online fraud.
- Majority of the tour operators i.e., 55.50% of them are facing problems in online payment and settlement

## 9. Suggestions to Tour Operators

The online revolution and its utility provide lot of information on destinations, hotels, facilities, price & tariff, geographical features, climate and also customer feedback. Though the industry follows the procedure lay down by Government, this sector proves to be strong and adaptable enough to face any challenges. As far as the e-tourism and e-marketing concept is concerned it induces to grow the industry, generate more employment opportunity and overall economic and social development of the country. The following are the suggestions to tour operators based on the study.

- Since e-tourism encourages 24 x 7 operations, the tour operators need to extend their business working hours in order to get more business.
- It is also suggested to tour operators that they need to provide A to Z facilities i.e Airport to Airport or Railway station to Railway station to tourist, so that they can attract more tourist to their business.
- Based on the feedback given by the tourist, the tour operators are suggested to follow flexible, convenient and need based customer relationship to avoid delays, misunderstanding or mismatch in services offered.
- It is also suggested to the tour operators that, they have to follow the norms and guidelines of tourism department and also with Government policy to maintain smooth, cordial and transparent business transactions.
- Recent days witnesses digital transactions with the Smartphone, it is suggested to the tour operators that mobile commerce concept, social media concepts need to be given due importance to catch hold more tourist.

## 10. Conclusion

E-commerce and e-marketing creates a strong and positive impact on tourism industry. The concepts of m-commerce and s-commerce also provide more opportunities to tour operators as well as e-tourist with their different gadgets and it also create a direct relationship with service providers, hence it proven the booming of tourism industry. Today tour operators, hotelier, hotel owners and tourist able to get adequate information and related details directly from internet and from services providers. Though the ICT influence the positive impact on tourism industry. There are certain challenges which affect the business of tour operators. This particular study clearly focuses on the demographic factors of e-tour operators, opportunities in e-tourism, challenges in e tourism and also problems faced by e tour operators which creates confidence in the upcoming e-tourism industry.

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