

Trend Analysis of Online Tourism in Indian Railway

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ABSTRACT

Indian railway introduced online tourism services using their online business portal in January 2008 to leverage emerging technological solutions into their business operations and since then it is providing varied services to tourists such as online booking facility of rail tour packages and holiday packages, online hotel booking, online cab booking and online airticket booking. This study focused on illustrating the pace and pattern of above online tourism services initiated by Indian railway and identifying the key issues that deserve attention of tourism players to exploit the opportunities provided by online tourism in long term perspective. All the data used in the study has been collected by authors' themselves from the records maintained by Internet Ticketing Reservation Centre of Indian Railways (IRCTC). The results of the study observed more inclination of consumers towards online tourism services as compare to paper based services. But only few online services such as tour package bookings are performing well and some other services such as online cab booking and hotel booking are not very responsive. In this backdrop, this study develops an argument to offer more integrated online services to users, to focus more on creating awareness among users about benefits of online tourism services along with providing some promotional incentives to users.

Keywords: *Online Tourism, Trend Analysis, Travel and Tourism, IRCTC, Website Evaluation, Competitive advantage.*

INTRODUCTION

The rapid growth of the travel industry requires sophisticated information technologies (ITs) for managing the increasing volume and quality of tourism traffic. The emergence of new tourism services and products, coupled with a rapid increase in tourism demand, has driven the wide-scale adoption of ITs in general, and in particular, the Internet as an electronic intermediary. In other words, the Internet serves as a new communication and distribution channel for e-travelers and suppliers of travel services and products. This new channel also enables tourism businesses to improve their competitiveness and performance. Indian railway introduced online tourism services using their online business portal in January 2008 to leverage emerging technological solutions into their business operations and since then it is providing varied services to tourists such as online booking facility of rail tour packages and holiday packages, online hotel booking, online cab booking and online airticket booking. Tourism portal of Indian railway i.e. www.railtourismindia.com is fast growing

into a one stop travel shop which meets all the travel & tourism needs of a customer. This paper aims to study the pace and pattern of above online tourism services initiated by Indian Railway and to pinpoint the key issues that deserve attention of tourism players to exploit the opportunities provided by online tourism in long term perspective.

LITERATURE REVIEW AND PROPOSITION

Given the growing significance of technology and tourism convergence, a number of authors addressed varied related issues for developed as well as emerging economies during last two decades such as Inkpen, G. (1998), Werthner and Klein (1999), Buhalis, D. (2003, 2005), Wallsten (2006). However, to make a contextual framework for the study, this section focuses on relevant published research work in the areas such as online tourism using a website, ICT and tourism, e-marketing issues in tourism, internet and tourism. McIvor, O'Reilly et al. (2003) discovered important factors which affect on customers in order to use airlines' website for buying e-ticket such as real-time decision making mechanisms, up to date information for customers and reduction in customer's search and transaction costs etc. Gratzner et. al. (2004) outlined changes caused by ICT in travel and tourism industry which lead to several threats and opportunities to gain competitive advantage. The study pinpoints that use of the internet has become an essential competitive factor for travel and tourism organizations. Badnjevic et. al. (2006) examined the ICT awareness in small travel agents and tour operators, in terms of ICT awareness definition, its level, and the affecting factors. A seven weeks long field study was made in four large Indian cities. The awareness was defined in terms of consciousness about ICT benefits and barriers, and technological and strategic issues. The study highlighted that the ICT level in India is relatively high for a developing country but low when considering the opportunities. Tandon (2008) attempted to critically review the status of B2C offerings in India. The idea was to elucidate the origins of such offerings; and juxtapose them with key ground variables in order to properly evaluate their economic and consumer worth. Gupta and Gupta (2008) highlighted the role of Informational and communication technology (ICT) to bring about transparency and illustrated ICT interventions in the tourism life cycle. Shankar (2008) discussed different challenges for developing countries, like India, adopting E-Tourism such as designing efficient destination managements systems and integrating the economy with new Information society and participating in it. Kabir et al (2012) discussed existing business models for E-Tourism and suggest an E-Commerce model in E-Tourism for the developing or under-developed countries named as Government to Business to Customer (G2B2C) in which government (G) renders necessary support to tourist service providers/operators (B) to operate seamlessly and thus, tourist service providers can provide better service to the tourists (C) to promote tourism. After exploring these contextual references research gap is found out and to fulfill that the present paper aims to study the pace and pattern of above online tourism services initiated

by Indian Railway and to pinpoint the key issues that deserve attention of tourism players to exploit the opportunities provided by online marketing in long term perspective.

APPROACH/METHODOLOGY/STRUCTURE

This study adopts descriptive approach to carry out the research work. It employs secondary data that has been collected from the records maintained by IRCTC of Indian Railway. It is divided into three sections. Section second explicates the trends of varied online travel services of Indian railway such as online booking facility of rail tour packages and holiday packages, online hotel booking, online cab booking and online airticket booking. The third and final section offers some general conclusions and explains some policy implications that deserve attention of tourism players to exploit the full potential of technology and tourism convergence.

TRENDS OF ONLINE TOURISM SERVICES OF INDIAN RAILWAY

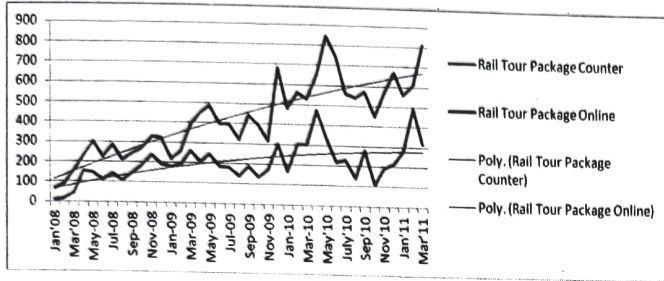
E-Tourism provides the information searching, tour management and e-payment facilities to tourists. The use of internet and specifically a 'corporate website' in tourism are enhancing in India as it ensures a single and sustainable electronic infrastructure for the organizations and enhances the coverage of the tourism value chain. It also facilitates the creation of tailor-made tourism products and enables one-to-one marketing, mass customization, e-publicity and e-promotion facilities. Indian railway also introduced online tourism services in January 2008 to adapt to the changing landscape of e-travel realities. To keep abreast with the best of industry practices Indian railway has adopted a dynamic tourism marketing strategy in collaboration with state tourism departments and major tour operators for providing exclusive tour packages across the country. With varied online travel services and a vast tickets delivery network it has shown excellent growth in a short span of four years. At present, the numbers of users registered for online tourism service is very high and showing an up warding trend. In this section trends of various travel services will be studied.

Online Booking of Rail Tour Packages

Monthly trend of rail tour packages is being analyzed since its introduction from January 2008 to March 2011. Indian railway is offering rail tour packages which can be booked through counter as well as online. Online as well as counter bookings of rail tour packages are showing an upward polynomial trend but the numbers of online bookings are greater than counter bookings in every year (Figure 1). During the three months of 2008, the Indian railways have booked 305 packages online as compared to 64 through counter. The growth rate of online rail tour package is also very high as compare to counter booking of rail tour packages (Table 1). The Indian Railway has registered more than double online bookings as compare to counter booking in 2010-11. It shows more inclination of consumers towards online services as compare to counter bookings. The share of online tour

packages in total bookings has been consistently high since the service launched (Figure 2). This has further prompted the railway to further look into the possibilities of booking more online rail tour packages.

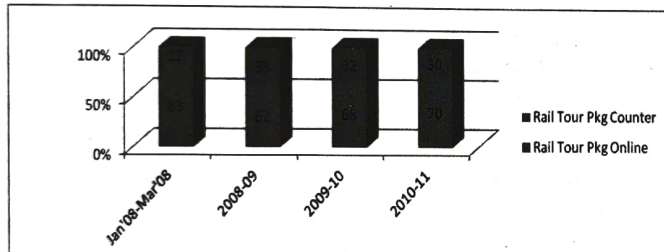
Figure 1: Monthly Trend of Rail Tour Packages (Online & Counter)



Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Online Rail tour Package:
 $Y = -0.142x^2 + 20.41x + 91.71$; $R^2 = 0.761$
 Counter Rail tour Package:
 $Y = -0.134x^2 + 11x + 52.53$; $R^2 = 0.422$

Figure 2: Share of Rail Tour Packages (Online & Counter)



Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Table 1: Growth Rate of Rail Tour Packages (Online & Counter)

Date	Rail Tour Package Online	Rail Tour Growth %	Rail Tour Package Counter	Rail Tour Growth %
Jan'08-Mar'08	305		64	
2008-09	3269		2034	
2009-10	5433	66.18	2503	23.06
2010-11	7561	39.16	3264	30.40

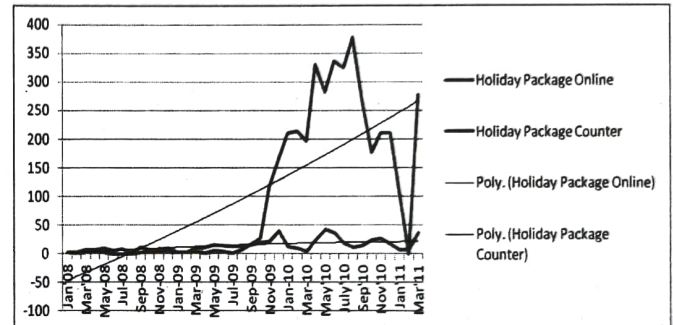
Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Online Booking of Holiday Packages

Monthly trend of holiday packages is being analyzed since its introduction from January 2008 to March 2011. On the website of Indian railway, users have given an option to book holiday packages through internet as well as through counter. The exploration of the data illustrates that customers enthusiastically receive the online holiday package booking

program for the first year but since 2009-10 consumers are showing more inclination towards counter bookings as compare to online bookings of holiday packages (Table 2). In figure 3, counter bookings of holiday packages are showing an upward polynomial trend on the other hand online holiday packages are not showing any kind of growth. The presentation of data in figure 4 also pointed that in the duration of first two years the share of online holiday packages in total bookings is quite high. But in 2009-10 a steep fall registered in online booking of holiday package as its share reached to 16% per cent in total share and reduced to 8% in 2010-11.

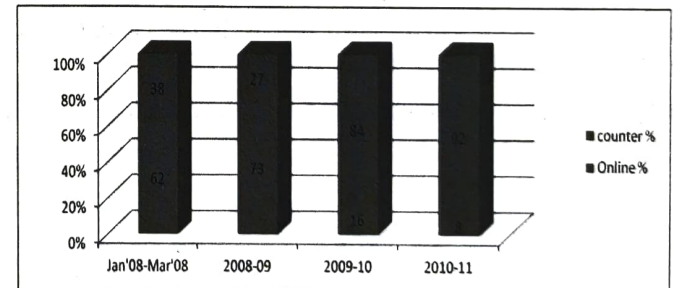
Figure 3: Monthly Trend of Holiday Packages (Online & Counter)



Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Trend Analysis of Online Holiday Package:
 $Y = -0.011x^2 + 1.003x - 0.058$; $R^2 = 0.342$
 Trend Analysis of Counter Holiday Package:
 $Y = 0.041x^2 + 6.573x - 53.10$; $R^2 = 0.546$

Figure 4: Share of Holiday Package (Online & Counter)



Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Table 2: Growth Rate of Holiday Packages (Online & Counter)

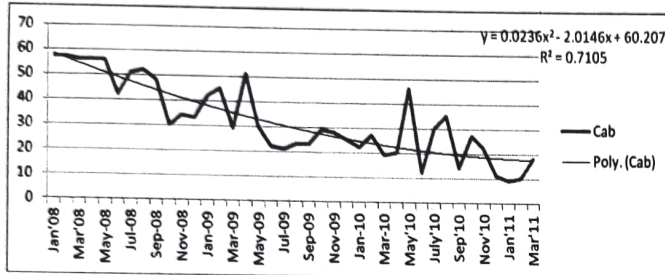
Date	Holiday Package Online	Growth %	Holiday Package Counter	Growth %
Jan'08-Mar'08	10		6	
2008-09	80	700	29	383.33
2009-10	186	132.5	964	3224.14
2010-11	261	40.32	2901	30.40

Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Online Cab Booking

To study the trend of online cab booking monthly data for the period of January 2008-March 2011 has been analyzed. Indian railway is providing cab facility through various travel agencies. It charges certain amount of commission from them on the basis of booking of cabs. Online booking of cab is consistently showing a decreasing trend. In January 2008 there were 57 online cab bookings and this figure reduced to 18 in March 2011. It is not performing well as compare to other online travel services as the monthly average for online booking of cab is only 32 (Figure 5).

Figure 5: Monthly Trends of Online Cab Booking



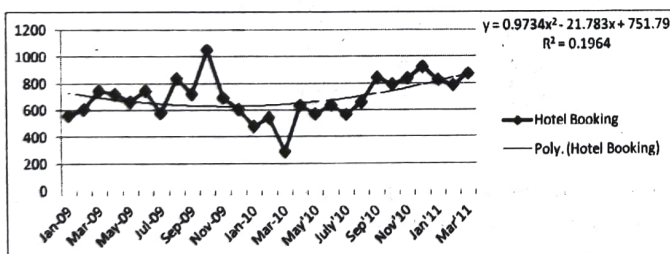
Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

Trend Line of Online Cab Booking:
 $Y = 0.023x^2 - 2.014x + 60.20$; $R^2 = 0.710$

Online Hotel Booking

Indian railway introduced online hotel booking in January 2009. Indian railway is providing hotel booking through two service providers ginger hotel and clear trip hotel. But it has not shown a very good growth over a period of time. In 2009 it has registered 8534 online hotel bookings and this figure reduced to 7787 in 2010. On an average it has accounted for only 697 hotel bookings in a month (Figure 6).

Figure 6: Monthly Trends of Online Hotel Booking



Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

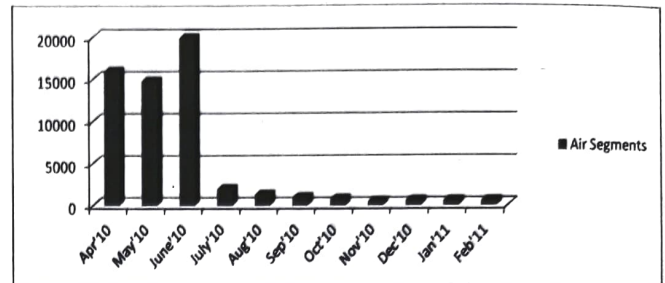
Trend Line of Online Hotel Booking:
 $Y = 0.973x^2 - 21.78x + 751.7$; $R^2 = 0.196$

Online Airticket Booking

Indian railway has introduced a one more new segment online air ticket booking through its website in April 2010. Monthly trends of online air segments booking (Figure 7) show that it gave a very good start up with 15912 booking in first month.

But it suddenly fell up to 1937 in July 2010 and it keeps on reducing up to only 573 bookings during the month March 2011.

Figure 7: Monthly Trends of Online Air Segments Booking



Source: Based on data provided by Internet Ticketing Reservation Centre of Indian Railway

CONCLUSIONS & POLICY IMPLICATIONS

Indian Railway has made a quantum leap forward in terms of switching over from paper based tourism business to online tourism business. The trend analysis revealed more inclination of consumers towards online tourism services as compare to paper based services. But only few online services such as tour package bookings are performing well and some other services such as online cab booking and hotel booking are not very responsive. On the other hand air segments gave a very good start up but subsequently shown a very steep fall. In this backdrop, the study suggests following measures:

- Different studies have indicated that modern travelers demand more high quality travel services, products, information, and value for their money (Christian 2001; lubetkin 1999; Samenfink 1999). Reflecting on this, the study emphasizes that Indian railway should focus on offering more integrated online services to users.
- To ensure security all the electronic transaction on IRCTC web portal is verified by Visa and CRIS. Yet security and confidentiality issues of travelers is an important area of concern
- Presently, IRCTC is sending e-mails to its users to provide different schemes and package tour information. Along with it, new modes of advertising such as mobile advertising and social media advertising can be used to create awareness among users about benefits of online tourism and for promotional activities.
- An on-line Complaint Management System (CMS) is provided on IRCTC portal so that the passengers could lodge their complaints. But there is a need to use Customer Relationship Management (CRM) system to retain and maintain more satisfied online tourism users.
- IRCTC is using two schemes namely 'Authorized Agents' and "Internet Café" in which few organization such as IATA (International Air Transport Association) and RSTA (Rail Travel Services Agents) along with few

authorized cafes are entrusted with the authority of booking tickets. These authorized agents and internet café can be used for promoting online tourism and as call centers to cater to those customers who require human interface while dealing online.

Along with the above initiatives there is a need to offer more integrated online services to users, to focus more on creating awareness among users about benefits of online tourism services along with providing some promotional incentives to users of online services.

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