



Changing Market and Travel Trends: Marketing Strategies of the Department of Tourism-accredited Travel Agencies in the Cordillera Administrative Region

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ABSTRACT

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The emergence of new trends in a fast-changing environment is inevitable – the tourism industry is not an exception. Thus, travel agencies, which provides help on travel and tourism-related services, must be highly competitive in order to adopt to these changes to rise above the competition. This research has been comprehensively conducted by interviewing managers and/or owners of the five selected travel agencies in Cordillera Administrative Region to determine their marketing strategies in today's generation. With the use of thematic analysis, the researchers came up with three themes; traditional marketing, digital marketing and future platforms. Where, traditional marketing refers to marketing strategies that does not utilize the internet. While, digital marketing refers to marketing strategies that utilizes the internet through various digital platforms. The results indicated that most of the Department of Tourism-accredited Travel agencies in the Cordilleras uses traditional marketing to acquire and retain customers. Furthermore, they have been utilizing digital marketing tools to widen their reach and increase customer traffic; however, their digital marketing is still on entry level. Having said that, they have shared their plans on their future platforms they wish to fully utilize to adapt the digital competition on travel and tourism industry as well as to succeed in customer acquisition and customer retention.

Traveling is not an easy role to play – preparation and planning are necessary. It is a must to choose the best destination and check beforehand if visa is required. Things like transportation, accommodation, restaurants, places or attractions to visit, public transport and how to communicate to the host community should also be considered. Having said that, a traveler will have to spend their time searching and browsing the internet to gather information, some read journals, newspapers and magazines in their chosen destination. However, not all travelers have the luxury of time to do this stuff due to several circumstances like workload, family duties, school requirements, and other related time constraints. This is why travel agencies were established to aid travelers on their travel needs. Further, Hamlin (2020) explained that travel agents have access to rate and route information that common travelers do not have which helps in saving time and money, as well as a chance in scoring a great deal on a package or promotion. In the Philippines, as defined by the Department of Tourism (2012), travel agency is an entity engaged in the business or providing travel-related services such as transportation or accommodation reservations/bookings, documentation of travel papers, sale and/or issuance of tickets and selling of outbound tours for a fee, commission, or any form or remuneration. In order to survive the competition and meet traveler's demand, travel agency's marketing strategies should also be up-to-date, effective and as much as possible, cheaper than any other options. Thus, a gradual shift from traditional to digital marketing will definitely help and boost travel agencies.

Traditional marketing is a conventional mode of marketing that helps to reach out to a semi-targeted audience with various offline advertising and promotional methods. It is a type of marketing that is hard to ignore and includes the traditional ads we encounter on a daily basis. Usual and most tried offline marketing tactics come under the following five major categories: Print (magazines, newspapers, etc.), Broadcast (TV, radio, etc.), Direct Mail (catalogues, postcards, etc.), Telephone (telemarketing, sms marketing, etc.), and Outdoor (billboards, fliers, etc.) (Sherman, 2020). In addition, Carmichael (2019) refers traditional marketing as any type of marketing that is not online – print, broadcast, direct mail, phone, and outdoor advertising like billboards. On the other hand, Digital marketing revolutionized how businesses and other organizations communicate with their audience. Through digital, businesses have the opportunity to expand into new market, offer new services and products, interact with audiences in new, easy and cost-efficient ways (Chaffey & Ellis-Chadwick, 2019). Furthermore, the practice of promoting products and services in an innovative way, using primarily database-driven distribution channels to reach consumers and customers in a timely, relevant, personal, and cost-effective manner is known in the theory and practice as digital marketing. Additionally, alternative terms for digital marketing are often: 'online marketing', 'internet marketing' or 'web marketing'. The fundamental concept in digital marketing is based on the inbound marketing approach or generally called as customer centric approach (Dania, 2016).

According to Global Data (2018), a leading data and analytics company, travel companies are adopting various technologies to improve operational efficiencies and meet customers' expectations because the emergence of technology is fostering a change in the travel and tourism industry regarding how companies interact with customers. Technology has advanced in tremendous leaps and bounds, people can now use technology to plan their trip which makes it more convenient and easier (Leelingz, 2011).

This shows that new technology and media has changed the way of tourism, travelers turn to the internet to research on potential destinations and do bookings online (Essays UK, 2018). Vidal

(2019) postulates that mobile technology is the main character in the new ways of travel. Cellphones serve as a tour guide, travel agency, best restaurant locator, map, and more. It is by present during the entire purchase journey. With all the technology available in the market which a business can invest on and use for their operation, the new generation of travelers with diverse needs and wants for a travel agency to meet, as well as the existing customers who prefers to have everything in black and white, the researchers would like to determine the marketing strategies of Department of Tourism (DOT) accredited travel agencies in coping up with the changing market and travel trends in the Tourism Industry.

Method

The researchers used qualitative method and collected data through interviews, both online and face to face, with the managers and/or proprietors of five (5) chosen Department of Tourism-Accredited travel agencies in the Cordillera Administrative Region. With the help of an interview script, it served as a guide to make the flow of the interview smooth and will stick to the topic. The researchers conducted the interview either online or face to face, and had asked the permission of each key informants to have the interview to be recorded. The researchers listened and made a transcribe of all their recorded interviews. In analyzing gathered data, thematic analysis was used to identify, analyze, organize, describe, and report themes found within a data set (Braun & Clarke, 2006). First, each transcribe was examined by the researchers and had compiled related responses and/or statements of the key informants. Second, categories were created for each group of responses related to each other. Since, there were a lot of categories created, the researcher digs deeper to determine the main themes of the interview extracts.

Results and Discussions

As the primary purpose of this research is to determine the marketing strategies of Department of Tourism-Accredited Travel Agencies in the Cordillera Administrative Region due to evolving travel trends, thematic Analysis approach was utilized in examining the narratives of the key informants. Three main themes were determined by scrutinizing the responses of the key informants; Traditional Marketing, Digital Marketing, and Future Platforms. The following are the discussions of each themes:

Traditional Marketing

Traditional marketing are marketing strategies that do not make use nor depend on the internet. These offline channels include brochures, word-of-mouth, referral, event marketing, television and radio adverts. Having said that, most of the DOT-accredited travel agencies in the Cordillera Administrative Region (CAR) utilizes traditional marketing to reach potential customers and retain existing customers through several traditional marketing channels such as flyers, magazines, brochures, local newspapers, attending events (travel expositions/trade fairs and event sponsorship), local radio advertisement, referrals and word of mouth. Based on the interview conducted, the researchers found out that the most effective traditional marketing channel for travel agencies in the Cordilleras are referrals and word-of-mouth. Previous clients who had experienced the service provided by the company exceeded their expectations, and as a result they would like their family and friends experience the same. In conformity with J. Imayaho (personal communication, June 04, 2020), she has repeated clients, specifically “balikbayans”, whom she

rendered her service in arranging their tickets and tours who were highly satisfied and refers their family and friends to her office for their travel needs.

In addition, travel agencies in CAR still rely on print advertisements such as brochures, flyers, magazines and newspapers, having at least two out of four in their respective offices. On the word of M. Chawag (personal communication, March 03, 2020), flyers, magazines and local newspaper are the print adverts their company is using to advertise their services and is preferred by her family and friends. Meanwhile, S. Maglaya (personal communication, March 10, 2020) gives out brochures and magazines for her clients to browse new and discounted deals, thus receiving almost 80% visits to avail services with combined efforts of print ads and referrals. Also, L. Abanag (personal communication, June 05, 2020) gives out flyers and brochures for her elderly travelers who are not into technology. Based on Nielsen consumer survey, catalogues and flyers have the highest impact on customers buying-decision making with 62% of 9000 participants, 5580, rated them as the top effective channel. Moreover, print ads are considered more trustworthy, an authoritative source of information and has deeper emotional connection. Consistent with Centre for Experimental Consumer Psychology at Bangor University, they ascertain that printed material created deeper impressions on the brain (Snap Marketing, 2017).

Furthermore, only one out of five key informants make use of local radio advertisement to market the company's services. It may seem as an old-fashioned, especially with the rapid emerging technologies today but travel agencies can still benefit from this channel. Local radio station and radio personalities are seen as part of the community and on-air personalities create lasting connections with their audience members through live contents designed for them. These on-air personalities or some called them as DJs uses their influence to promote the company's brand, therefore the trust of the audience has on the influencer will be extended to the company's brand, and build strengthen loyalty towards the company. Additionally, radio adverts are memorable as sounds are more effectively stored in memory due to frequency and repetitive efforts. Audience who are exposed to the advertisements will start to raise awareness and even build their own image of the service or product the company offers (Elezaj, 2018).

Last, travel agencies in CAR also source their customers through renting booths in travel expositions/ trade fairs and sponsoring an event. Trade shows in travel and tourism showcases and demonstrates new products and services a certain company offers and with discounts too on a short-span of time, usually 2-3 days. With this opportunity, travel agencies will be able to conduct an in-person selling of their products and services where they have a direct contact, or a face-to-face interaction with attendees in the trade show who can make a direct purchase during the event or may contact them after. With trade shows, not only that these companies are getting more clients but also raising brand awareness and provides networking opportunities to meet suppliers and be a supplier. As per Rafalson (2017), 95% of marketers agrees that live events give a company the opportunity to genuinely form an in-person connection with the event participants. And as supported by L. Abanag (personal communication, June 05, 2020) traditional marketing including events provides the company to attend and show their sincerity face-to-face to the client. In addition, customers tend to be more trusting if you talk with them personally, more if you can share your experience like interesting places to visit since you've been there, can give tips and advise them right away (J. Imayaho, personal communication, June 04, 2020).

Therefore, majority of accredited travel agencies in the region opted to use traditional marketing as it is more effective and is preferred by their customers. Customers are greatly influenced to book

their tickets and tour packages when someone from their family, relatives, friends or even colleagues at work recommended a certain travel agency. Moreover, the trust they hold on the person who referred is being transferred to the travel agency unintentionally, thus builds a confidence that the business entity can do the same or even better service to them. In addition, print advertisements are being patronized by most travelers. While, it is true that technology nowadays disrupts business practices and led to various marketing alternatives a business can choose from, in the case of travel agencies in the region, print advertisements such as brochures, flyers and local newspaper adverts still achieve excellent results in acquiring potential customers and pulls them towards their respective offices. The availability of local radios makes it also beneficial for travel agencies as it reaches its local audience in the area resulting to make the agency presence stronger. Most locals prefer locally established businesses as they know their needs will be addressed and is comfortable conversing with the travel agents using their dialect. Additionally, travel agencies rent booths during events such as travel expositions and festivals to promote their services. With this, they attract customers through combination of paper adverts and personal selling. The presence of a travel agent in a booth who gives out promotional materials and can answer questions right away results to an on-the-spot deal or booking, consequently increases not only their presence but also their sales.

Digital Marketing

Digital marketing are marketing strategies of the key informants that use digital platforms with the use of the internet (e.g., e-mail marketing, website marketing, and social media marketing). Technology is becoming inherent in everyone's life and that goes the same with businesses like travel agencies. These tourism-oriented businesses need to adopt digital tools and platforms to survive the digital world, compete amongst their competitors and acquire more customers through various digital marketing channels. As postulated by Sherman (2020) Forbes determined that 82% of consumers conducts research online and Tech Crunch reports that 79% of people shop online. With this, travel agencies are building stronger online positioning to make their customer journey satisfactory.

Topping the list, Facebook is being used by all key informants as one of their platforms to engage with their customers online. Facebook utilization of the key informants includes posting and sharing of packages on their page, joining Facebook groups to market packages, receiving and answering queries and paid advertisements. Facebook is just one of the platforms a business can use for their marketing strategies to reach wider audience not just because it is free of charge but also easy to navigate. Cision PR Newswire (2020) posits that Facebook has an average of 1.66 billion daily active users, thus considered to be the most dominant social networking site which then provides huge opportunity to businesses offering their products and services on the said platform. To support, J. Imayaho (personal communication, June 04, 2020) said that she joins several Facebook groups to share her services. Moreover, according to M. Chawag (personal communication, March 03, 2020), Facebook is doing pretty well in letting other people know that our company exist. Additionally, Facebook page analytics shows how many audiences we reached for a certain post and every Sunday it provides a summary of data collected such as views, likes and engagements (S. Maglaya, personal communication, March 10, 2020).

Out of five key informants, only one uses Instagram and E-mail marketing. On the testimony of S. Maglaya (personal communication, March 10, 2020), Instagram is where they post pictures and short video clips of destinations and attractions that they promote to pull more clients to their

company. Images holds with them stories and that what makes Instagram unique from other platforms. Using this site allows you to connect with customers across multiple channels and increase cross-channel engagement (Millwood, 2016). Moreover, the use of E-mail marketing is for younger travelers since they prefer everything to be sent to their e-mail addresses as they are busy during the day and can check their e-mails during their vacant hours, after work and before work. Younger travelers cover both Millennials, born from 1981 to 1996, and Gen Z, born from 1997 onwards, who value high-quality of communication with brands in their inbox. People ages 18-24 check their e-mail first thing in the morning and even before getting to sleep. To add, 44% of millennials has started using e-mail between the ages of 10 and 14 (Wernet, n.d.). With this, email marketing can acquire customers 4 times than any social media platforms and the best option for initial brand contact. Not to mention, the cost in doing email marketing is low compared in doing paid online adverts. More importantly, this type of channel makes it more engaging and the chances of the recipient opening the email will increase by 20% if email is made personalized (Duenwald, 2018).

By continuously exerting efforts on entering and placing their presence across different social media platforms or digital markets, Travel Agencies will be able to reach prospected clients that their traditional marketing activities cannot cover alone. Since, Facebook tops the list of the social media being used by all travel agencies in the region and is linked to Instagram, travel agencies are hitting two birds in one stone by posting images and short clips of the attractions and destinations they sell. Combining the number of followers, they both have in Facebook and Instagram, these offices can reach twice the number of their target by uploading only once. Moreover, E-mail marketing serves as an e-brochure of the agency through subscriptions and newsletters. Aside from travel agencies does not incur any charges in sending out massive e-mails, customers can also just retrieve e-mails sent to them to view.

Future Platforms

Future platforms refer to digital channels and/or platforms a business would like to utilize as they lack these or doesn't fully utilize these strategies in their operations. In this regard, the key informants shared some of the platforms they opt to fully utilize in the future such as YouTube, Instagram, Twitter, Pinterest, Google AdWords, and a brand-new website with e-payment system. YouTube, as a video sharing-site, will serve as a gateway for the tourist to see preferred destinations, its inclusions, and must-see attractions to visit experienced first-hand by the company. Furthermore, travel agencies can deliver complex information in a more simplified manner while keeping their audience engaged (Oentoro, 2019). Posting pictures of various attractions and destinations in Pinterest will highlight the beauty of each place as well as an additional gain if pictures are sold on said platform. Since, according to West (2020), Pinterest boasts 320 million monthly active users who visit the site just to shop. Instagram and Twitter platform utilization, where photos of destinations are posted, will attract not only domestic tourist but also international tourist, thus increases customer traffic and engagements. On the report of Clement (2020), the United States of America topped the list on the numbers of Twitter users followed by Japan, India, Brazil and United Kingdom. In addition, as the 6th most popular social network worldwide, the top five countries with most Instagram users came still from the United States of America then India, followed by Brazil, next is Indonesia and Russia comes in fifth. With billions of active users of combined platforms, travel agencies can now enter and compete in the international market. Penetrating both platform and with utmost effort to increase number of followers though continuous

uploads of engaging contents, personalized post and active engagements, promoting business and adverts as well as receiving and answering queries will no longer be a problem.

Website will serve as a virtual office for customers who will not be able to drop at office due to some constraints and are located elsewhere. Also, a website with e-payment system will not only make the work easier and quicker but also guarantees each transaction immediately. As mentioned by M. Miguel (personal communication, June 05, 2020), Google ads is a best strategy if their website can accept online credit card payments. On top of that, with Google AdWords, it can definitely boost the company's official website through keywords being typed in google search and results will be displayed on top of the organic links, thus customers will choose among the first five of the search engine results pages (SERP). As supported by Advance Web Ranking (2014), an average web user will not go past the first five listing on a search engine results page (SERP) which the likelihood of customers clicking the company's website as displayed on top will increase web traffic up to 95% which makes the investment worth it (Jacobson, n.d). Though venturing into platforms that these Travel Agencies have not tried before may impose risks and unwanted costs, the experience and opportunity to move forward alongside the evolution and development of travel trends will benefit them by enhancing their adaptability and coping strategies to the rapid changes and emerging trends in the travel and tourism industry.

Determining the marketing strengths of the travel agencies as well as their areas of improvement will assist them in improving and optimizing their services. Having a full grasp of the customers preferences and the availability of technology today, agencies will be able to strategically invest on which channels and platforms will they fully maximize in order to retain existing customers and acquire new ones. It matters not if most customers will opt to have print adverts; however, combining it with another marketing alternatives will definitely boost the company's local and online presence as well as boost up overall sales.

Conclusion

The existence of travel agencies and travel agents rose to prominence since there is a need for assistance and guidance as to people's travel plans. Thus, travel agencies and travel agents always sought the most convenient and most accommodating tour packages that they can offer to satisfy their customers. Marketing travel services should also be strategically executed since travel trends and travel behaviors are highly dynamic. In the Cordilleras, travel agencies and travel agents are inclined to use traditional marketing efforts such as referrals, word-of-mouth, print and radio advertisements, and event marketing to reach their target customers, with referrals and word-of-mouth topping the list as the most utilized marketing strategy. This study also stresses the importance and huge potential of digital marketing in the region. The benefits of digital marketing are becoming more prevalent every day thus accepting this strategy is being eyed by travel agents and travel agencies in the Cordilleras.

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