COMPETITIVE ANALYSIS OF THE TRAVEL INTERMEDIARIES OF KASHMIR: A Study of select Travel Agencies of Kashmir

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ABSTRACT

Purpose: This paper aims to study the level of competitiveness in the Travel Industry of Kashmir through the application of Porter's five forces model. The purpose of the paper is to evaluate the competition amongst the select travel agencies of Kashmir division spread across 10 districts. The paper also tries to establish the impact of each force on the overall level of competition. It concludes by highlighting the grey areas in the industry and subsequently suggest measures to improve them.

Research Design/Methodology: It follows an analytical descriptive method making use of both quantitative as well as qualitative methods. The author has used secondary as well as primary data for the study. A structured questionnaire has been used to extract data with regards to the five forces which has been supplemented by the focus group discussions held with the senior management of the travel agencies.

Findings: It was found that Bargaining power of the suppliers and rivalry among the existing competitors contributed the highest to the overall level of competition in the Travel Industry of Kashmir followed by the threat of new entrants. Lower bargaining power of the buyers and very low levels of restrictions on the entry and exit of the new entrants were the major causes which were destabilizing the business ecology of the Industry.

Limitations: Covering ten districts of the valley was a mammoth task and due to the time and cost constraints only 05 travel agencies were chosen from each district. Moreover for this study only Competitiveness of the firms was studied and not the Competitive Advantage which could have further enhanced its research value. The author aims to study the Competitive Advantages in the Travel Industry in future.

Originality/Scope/Importance: The literature review revealed that not much work has been done with regards to studying Competitiveness especially through the application of Porter's model in the field of Travel &Tourism. Very limited studies were found on the study of competition in Travel Industry and none as far as the region of Kashmir is concerned. This study can serve as the basis of future research in the area and shall help in the understanding the competitiveness quotient of the travel industry of Kashmir. It will help in highlighting the grey areas and the areas of strength for the Industry. At the end, the author has made some recommendations for the improvement of the standards in the Industry based on the findings of the research.

Keywords: Competitive Analysis, Competitiveness, Porter, Five forces. Bargaining power, Suppliers, Tourists, Rivalry, new entrants, substitutes,

I. INTRODUCTION

In today's day and age every field has become insanely competitive ranging from manufacturing sector to the services sector. Competitiveness brings with it, its own pros and cons into the industry it dwells in. "In recent years, the concept of competitiveness has emerged as a new paradigm in economic development. Competitiveness captures the awareness of both the limitations and challenges posed by global competition, at time when effective government action is constrained by budgetary constraints and the private sector faces significant barriers to competing in domestic and international markets” (Wikipedia, 2011).

Tourism industry being a service industry has its own challenges and competitions to face, which again has its own advantages and disadvantages. By and large the competition in Tourism has always been very beneficial to the end-user/tourist as it has improved the standard of services provided to the tourists. Higher levels of competition push for a better service quality and service delivery by the service providers in the garb of gaining more market share. The tourists in turn are benefitted if the competition in the travel industry is higher. Tourists are able to experience better services at cheaper prices. Travel enterprises are major intermediaries of the Tourism Industry which take care of the hiring of transport services, booking of hotels, booking of tickets, itinerary preparations etc. Travel Agencies play a very significant role in the total experience of travel to a specific destination. The Travel Agencies are now not limited to providing only the basic hiring and booking services but are now taking care of the entire planning of the trip from the moment one leaves the home to the moment one reaches back to home from the trip. The travel agencies have now evolved into complete travel planners depending on the budget of the customers. This paradigm shift of the Travel Industry globally as well as nationally is credited to the ever increasing competitiveness within the Industry.
Kashmir Valley- a part of the Union Territory of India is the northern most region of the Country. Kashmir for its ideal weather and picturesque locales has been a hotspot for the Tourists globally. It is annually being thronged with tourists from all parts of the world. The increasing number of tourists visiting Kashmir has forced the Travel Industry to improve its service standards to an acceptable level. The diverse range of tourists visiting the Valley and the encouraging signs by the people towards travel has encouraged the existing the Travel entrepreneurs to increase the range of services in order to meet the satisfaction levels of their clients. This paper aims at assessing the level of competition that exists in the Travel Industry of Kashmir by applying the Michael Porter's Five Forces Model. Michael Porter's Model is a comprehensive model to explain the competitiveness of any Industry. This is a novice study conducted in the region, which will help in analyzing not only the level of competition but also the factors that contribute to the competition among the Travel Agencies in Kashmir. The model has been used in conducting a competitiveness Analysis using the five forces ,Viz.

1. Factor-I: Rivalry among Existing Players
2. Factor-II: Threat of New Entrants
5. Factor-V: Threat of Substitutes

The Paper aims to assess each factor in the context of the Travel Industry of Kashmir and study its impact on the level of Competitiveness. For the purpose of this research a sample was drawn from only those travel agencies which are registered under J&K registration of Tourist Trade Act/Rules 1978/82/2011 and J&K Registration of Tourist Trade Rules 1979/SRO 198 with the Department of Tourism, J&K.

II. LITERATURE REVIEW

Porter (1990) a pioneer in the field of strategic management defined competitiveness as a measure of national productivity while Altomonte et al. (2012) defined competitiveness from the International perspective stating that it is the exchange of goods and services that are produced in access in home country for the goods and service that are scarce in the country. Ajitabh, Momaya (2004) defined Competitiveness from a firm's perspective stating that it is the market share in the competitive market. Chen, (2016) while conducting competitive analysis of Mandy Industry in China concluded that the competition that China's Mandy companies currently face is not pretty fierce within the industry or outside. With the development of China, this kind of competition is bound to increase accordingly with time. Katerina & Marjanova(2016) in their paper on studying the aspects of competitiveness in Macedonia concluded that Competitiveness is a basic prerequisite for the development of organisations in Macedonia and inorder to increase competitiveness, an organisation must adapt to modernisation and adoption of high technological standards. They said that Globalisation, Liberalisation and Privatisation has played the most significant role in increasing the competitiveness within the nations, organisations, firms and the products/services. Vinka Cetinski, Ines Milohni, (2008) in their research on competitive advantage and competitiveness in tourism & hospitality concluded that the tourism organisations must aim to offer new and improved products in order to create more value for the company and thus gain more profits and better competitive position in the market. Aigner, (2006), opined that competitiveness is “the ability to create welfare” which was contradicted by Krugman, (1994), who said “competitiveness is a dangerous obsession – a zero-sum game in which a company’s gain is another company’s loss”.

Ormanidhi and Stringa, (2008) concluded that for assessing the firm's competitive behaviour Porter's model is a very significant and an insightful tool because of its well-defined structure, popularity, simplicity, feasibility, generality and clarity.

Montalvo, (2007)) evaluated the Swedish electronic and concluded that the industry consisted of large sized firms in small numbers affecting the rivalry among the existing players, while the size of the industry was the major determinant of the bargaining power and was reduced because of small purchases of small quantities. In addition suppliers were also found to have little bargaining power and the threat of new entrants was also found to be small due to the entry barrier of requirement of huge capital investment in fixed assets. Gabriel (2006)) in his study concluded that out of the five forces of Porter, only the bargaining power of the suppliers was found to be significant to the banking Industry of Tanzania while as all the other factors were found to be insignificant. Oral & Mistikoglu, (2005) found out that there was a fierce rivalry among the existing players in the Turkish brick Industry due to the presence of similar sized companies, increases bargaining power of the buyers, lower entry and exit barriers in the brick industry of Turkey. Siaw & Yu, (2004)) studied the effect of internet banking on the five forces and concluded that internet initially played a very significant role in lowering the entry barrier, increasing bargaining power of the buyers which enabled the smaller banks to compete with the existing larger banks. Chin and etal, (2003) concluded that bargaining power of the supplier was the major determinant and also the moderating variable between the outcome and the orientation. Teo, (2002)) studied the effect of start-ups on the five forces and concluded that start-ups help in overcoming the entry barriers and intensity of rivalry in an industry.
Problem statement:
To conduct the competitive analysis of the Travel Industry of Kashmir by studying the level of competitiveness amongst the Travel Agencies of Kashmir using Porter's five forces model.

Objectives of the Study:
1. To conduct the competitive analysis of the Travel Industry of Kashmir through the application of Porter's Five Forces Model.
2. To assess the relative impact of the five forces of Porter on the level of competitiveness among the Travel enterprises of Kashmir.
3. To make suggestions and recommendations to improve the competitiveness and attractiveness of the Travel Industry of Kashmir.

Hypotheses:
To study the level of competitiveness among the Travel Agencies in Kashmir, hypotheses are stated as:
H0:1 : There is no significant effect of the rivalry level among the existing Travel Agencies on the level of competitiveness among the Travel Agencies in Kashmir.
H0:2 There is no significant effect of the potential entry of new competitors on the level of competitiveness among the Travel Agencies in Kashmir.
H0:3 There is no significant effect of the bargaining power of the tourists on the level of competitiveness among the Travel Agencies in Kashmir.
H0:4 There is no significant effect of the bargaining power of suppliers on the level of competitiveness among the Travel Agencies in Kashmir.
H0:5 There is no significant effect of the threat of substitutes on the level of competitiveness among the Travel Agencies in Kashmir.

III. RESEARCH METHODOLOGY

3.1 Study methods and Data collection:
This paper has adopted an analytical descriptive research design to meet its objectives. The research involved the use of both primary and secondary data, quantitative as well as qualitative methods. Secondary data used included theoretical literature of the subject, previous literature, magazines, journals, books, websites, periodicals, and e-versions. JKTDC and Directorate of Tourism reports, annual reports and calendars of the Travel Agencies were also used for the study. For collecting quantitative data a detailed questionnaire was administered as a tool for collecting primary data. The questionnaire used for this research was adapted from the study conducted by Mohammad Farahat Farahat” (Farahat, 2011)”. The questionnaire was adopted, modified to suit the researchers study. Validity and reliability of the questionnaire was checked keeping in view the context of the study. For qualitative data, focus group interviews were conducted with the senior management of the sampled travel agencies.

3.2 Research Instrument:
The research instrument was divided into two parts. The first part contained general information and demographic profile of the respondents while as the second part consisted of five sections, each carrying items of one Porter's Five forces. All items pursued the 5point likert scale ranging from Strongly Agree(5) to Strongly Disagree(1).
3.3 Research Population & Sampling:
The research population included the senior management of the 50 sampled Travel Agencies across the districts of Kashmir. The region of Kashmir is divided into three regions i.e North, Central & South with 10 districts as such multi-stage sampling was used in this survey. Five (05) travel agencies (quota sampling) from each district were chosen based on simple random sampling drawn from the list of travel agencies available for each district. Using the research advisory table, the optimum sample size at 95% confidence level and 5% margin of error was determined as 365, as such the researcher chose a sample size on a higher side i.e 400. The sample of 400 respondents, considering 08 respondents per Travel Agency were chosen on the basis of convenience sampling/availability.

<table>
<thead>
<tr>
<th>No.</th>
<th>Regions</th>
<th>Districts</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>North</td>
<td>Baramulla, Kupwara, Bandipora</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Central</td>
<td>Srinagar, Budgam, Ganderbal</td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>South</td>
<td>Anantnag, Kulgam, Shopian, Pulwama</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>50</td>
</tr>
</tbody>
</table>

3.4 Validity of the questionnaire:
In order to evaluate validity of the research instrument, a pilot study was conducted by the researcher, which included content and criterion validity. Content Validity was done by getting the questionnaire screened by a linguistics expert for the semantics, validity of the content, meaningfulness of the words used, and appropriateness in the sentences etc. For the criterion validity Pearson correlation test was applied to a small sample of thirty questionnaires measuring the correlation coefficient. Only those items were retained in the questionnaire which had p-values less than the permissible 0.05. All items were found to be significant at α= 0.05, except for seven (07) items in total which were eliminated viz. (01) from Factor-1, (02) from Factor-2, (01) from Factor-3, (02) from Factor-4, and (01) from Factor-5, where the correlation coefficient was found to be more than 0.05 (3.27, 2.04, 0.73, 0.66, 0.96, 0.88, 1.77), as such were removed from the questionnaire for administration to the actual respondents.

3.5 Reliability of the questionnaire:
The study used the Cronbach's Alpha Coefficient to test the reliability of the questionnaire. The results were found to be in the permissible range of 0.0 to +1.0 ranging from 0.799 and 0.900. The overall reliability for all items was found to be 0.841 which confirmed the high reliability of the questionnaire and higher degree of internal consistency.

IV. DATA ANALYSIS & INTERPRETATION

4.1 Normality: One Sample K-S was used to analyse the data to check the normality of the data: Result tests showed that the five factors were having p-value of 0.426, 0.293, 0.695, 0.332, 0.198, clarifying that the calculated p-values are greater than the significant level 0.05 (p-value > 0.05), denoting that the data follows normal distribution, hence parametric tests were used.

4.2 One Sample t-test One sample t-test was used to analyse the responses of the respondents. The analysed data received after the application of t-test, was interpreted to derive meaning of the opinion of the respondents. The Response was divided into three categories based on the result of the One sample t-test:
   1. The response for the content of each item was considered Positive, if the weighted average was greater than 60% and the p-value was less than 0.05.
   2. The response for the content of each item was considered Negative, if the weighted average was less than 60% and the p-value was less than 0.05.
   3. The response for the content of each item was considered Neutral, if the p-value was more than 0.05.

Factor I- Level of rivalry among existing Travel Agencies in Kashmir:
The items contributing the highest to the level of rivalry among the Travel Agencies in Kashmir are:
   1. In item No. (6), the weight mean was found to be “81.00%” and p-value equal to “0.003”, suggesting that the presence of good number of Travel Agencies in the Valley i.e higher number of competitors results in higher levels of rivalry among the Travel Agencies.
   2. In item No.(8), the weight mean was found to be “75.03%” and p-value equal to “0.006” infering that the ticketing of airlines is one component which is leading to higher levels of rivalry among the Travel Agencies.
The items contributing the lowest to the level of rivalry among the Travel Agencies in Kashmir are:
1. The item No. (7), the weight mean was found to be "42.36%" and p-value equal to "0.020", which inferred that the respondents do not believe that the investment on fixed asset in Travel agencies is a factor that contributes to rivalry among existing players.
2. The item No. (2), the weight mean was found to be "43.66%" and p-value equal to "0.042", inferring that size and diversity of the competitors contributes less to rivalry among existing players.
3. The item No. (4), the weight mean was found to be "45.20%" and p-value equal to "0.044", inferring that lower differentiation of the products leads to lesser rivalry among existing players.

The mean value for all items of the above field was found to be equal to "3.384", the weight mean equal to "62.46", and the p-value equal to "0.000", which implied that the level of rivalry among existing Travel Agencies of Kashmir is moderately high.

Factor II- Level of restrictions and constraints that limit the entry of new Travel Agencies in the sector:
The items contributing the highest to the level of restrictions and constraints that limit the entry of new Travel Agencies in the sector are:
1. In item No. (2), the weight mean was found to be equal to "87.91%" and p-value equal to "0.033", which means that the access to networks of the existing Travel Agencies with allied service providers like transporters, hotels, restaurants, airlines etc are difficult to emulate leading to a higher barrier for the new entrants to enter the Industry.
2. In item No. (4), the weight mean equal to "68.67%" and p-value equal to "0.000", which means that lower cost of allied services provided by the suppliers to the existing Travel Agencies also leads to a higher barrier for the new entrants to enter the Industry.

The items contributing the lowest to the level of restrictions and constraints that limit the entry of new Travel Agencies in the sector are:
1. In item No. (6), the weight mean equal to "28.99%" and p-value equal to "0.000", which means that the respondents believe that the Travel rates will not be affected if new Travel Agencies enter the Industry.
2. In item No. (1), the weight mean equal to "27.65%" and p-value equal to "0.034", which means that the establishment of Travel Agencies requires little capital as such does not prove as a barrier for the new entrants.

The mean value for all items of the above field was found to be equal to "1.108", the weight mean equal to "21.08", and the p-value equal to "0.000", which means that the level of restrictions and constraints that limit the entry of new Travel Agencies into the sector are very low.

Factor III- Bargaining power of the Buyer to control and take decisions:
The items contributing the highest to the bargaining power of the Tourist/Buyer to control and take decisions are:
1. In item No. (7), the weight mean equal to "63.56%" and p-value equal to "0.007", which means that the ease to switch from one travel agent to the other is empowering the Tourists/buyer to control and take decisions.
2. In item No. (5), the weight mean equal to "62.45%" and p-value equal to "0.000", which means that the sufficient information available about local Travel Agencies is enabling them to switch easily and thereby providing more bargaining power.

The items contributing the lowest to the bargaining power of the Tourist/Buyer to control and take decisions are:
1. In item No. (8), the weight mean equal to "31.46%" and p-value equal to "0.006", which means that the clients do not seek to reduce the cost of obtaining the service from the Travel Agent at all available means.
3. In item No. (9), the weight mean equal to "41.46%" and p-value equal to "0.002", which means that since only a few clients continue to choose to be served by one travel agency on regular basis and not a good portion of the money is being shelled out by these clients in one go as such buyers don't adopt a commanding position and don't take control over decisions.

The mean value for all items of the above field was found to be equal to "2.134", the weight mean equal to "45.58", and the p-value equal to "0.010", which means that the bargaining power of the clients opting for travel services of one travel agency is relatively Low, as such are not in control of the decisions taken regarding issues relating to rates of services i.e ticketing, accommodation, transport etc.

Factor IV- Bargaining Power of Supplier's to control and take decisions:
The items contributing the highest to the bargaining power of the Suppliers to control and take decisions are:
In item No. (4), the weight mean equal to "67.65%" and p-value equal to "0.015", which means that since the switching cost for the suppliers/allied service providers viz transport, accommodation, airline & railways etc to switch from one travel agent to the other is low as such Suppliers are in a better position to bargain. 

2- In item No. (6), the weight mean equal to "65.67%" and p-value equal to "0.005", which means that the suppliers/allied service providers viz transport, accommodation, airline & railways etc feel more control and power in bargaining because of the limited type and quality of service and rates supplied.

3- In item No. (3), the weight mean equal to "65.10%" and p-value equal to "0.007", which means that the suppliers/allied service providers viz transport, accommodation, airline & railways etc non-dependence on the orders of the one travel agency increases the bargaining power of the suppliers.

The items contributing the lowest to the bargaining power of the Suppliers to control and take decisions are:

1. In item No. (2), the weight mean was found to be equal to "34.34%" and p-value equal to "0.006" inferring that the easy availability of the substitute suppliers/allied service providers viz transport, accommodation, airline & railways etc hampers the bargaining power of the Suppliers.
2. In item No. (1), the weight mean was found to be equal to "37.89%" and p-value equal to "0.000", meaning that the lower propensity of the suppliers for forward integration also hampers the bargaining power of the suppliers.

The items contributing the highest to the threat of substitutes which effect the business of the existing Travel Agencies are:

1- In item No. (2), the weight mean was found to be equal to "80.13%" and p-value equal to "0.046", which means that the online travel service providers are posing a threat to the existing Travel Agencies in Kashmir.
2- In item No. (4), the weight mean was found to be equal to "70.98%" and p-value equal to "0.000", which means that Low capital requirement to start an online travel portal is posing a threat to the existing Travel Agencies.
3- In item No. (3), the weight mean was found to be equal to "69.87%" and p-value equal to "0.000", which means that the lack of government restrictions on blooming non-registered travel agencies is a threat to the business of the existing Travel Agencies.

The mean value for all items of the above field were found to be equal to "4.007", the weight mean equal to "73.47", and the p-value equal to "0.012", which means that the bargaining power of the suppliers’ to control and take decisions is relatively HIGH.

Factor V- Threat of Substitute which effect the business of the existing Travel Agencies:

4.3 Testing of research hypothesis

First hypothesis: There is no significant effect of the rivalry level among the existing Travel Agencies on the level of competitiveness among the Travel Industry of Kashmir:

Table II

<table>
<thead>
<tr>
<th>Section</th>
<th>Statistic</th>
<th>Rivalry level among existing Travel Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of the competitiveness among the Travel Agencies in Kashmir</td>
<td>Pearson coloration</td>
<td>0.7696</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
</tbody>
</table>

Above table shows that the correlation between the rivalry level among the existing Travel Agencies and the level of competitiveness is strong (76.96%) as such the First hypothesis is rejected.

The Second hypothesis: There is no significant effect of the potential entry of new competitors on the level of competitiveness among the Travel Agencies in Kashmir:
### Table-III

<table>
<thead>
<tr>
<th>Section</th>
<th>Statistic</th>
<th>The potential entry of new competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of the competitiveness among the Travel Agencies in Kashmir</td>
<td>Pearson coloration</td>
<td>0.247</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
</tbody>
</table>

Above table shows that there is a weak correlation (0.247) between the potential entry of new competitors and the competitiveness level among existing Travel Agencies of Kashmir as such the **Second hypothesis is not rejected.**

**The Third hypothesis:** There is no significant effect of the bargaining power of the buyers on the level of competitiveness among the Travel Agencies in Kashmir:

### Table-IV

<table>
<thead>
<tr>
<th>Section</th>
<th>Statistic</th>
<th>The bargaining power of Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of the competitiveness among the Travel Agencies in Kashmir</td>
<td>Pearson coloration</td>
<td>0.395</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
</tbody>
</table>

The above table depicts weak correlation(0.395) between the bargaining power of the buyers and the competitiveness level in the Travel Industry of Kashmir as such the **third hypothesis is also not rejected.**

**The Fourth hypothesis:** There is no significant effect of the bargaining power of suppliers on the level of competitiveness among the Travel Agencies in Kashmir:

### Table-V

<table>
<thead>
<tr>
<th>Section</th>
<th>Statistic</th>
<th>The bargaining power of Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of the competitiveness among the Travel Agencies in Kashmir</td>
<td>Pearson coloration</td>
<td>0.719</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
</tbody>
</table>

The above table shows that the bargaining power of the Suppliers has a strong correlation( 0.719) with the competitiveness level among the Travel Agencies in Kashmir as such the **fourth hypothesis is rejected.**

**The Fifth Hypothesis:** There is no significant effect of the threat of substitutes on the level of competitiveness among the Travel Agencies in Kashmir:

### Table-VI

<table>
<thead>
<tr>
<th>Section</th>
<th>Statistic</th>
<th>Threat of Substitutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>The level of the competitiveness among the Travel Agencies in Kashmir</td>
<td>Pearson coloration</td>
<td>0.6145</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>400</td>
</tr>
</tbody>
</table>

The above table shows that the threat of substitutes has a relatively strong( 0.614) correlation with the competitiveness level among the Travel Agencies in Kashmir, as such the **fifth hypothesis is rejected.**
V. FINDINGS & RECOMMENDATIONS OF THE STUDY:

- The Travel Agencies in Kashmir were found to offer lower differentiation/diversity of products to the customers. The higher number of travel agencies in the market is restricting their operations to ticketing and bookings, and less on offering package tours. The Travel agencies are restricting the product offerings to leisure and pilgrimage tours and neglecting other forms of tourism packages viz MICE, Adventure & Sports, etc. It is recommended to broaden the scope of product offerings by bringing the local architecture, local cuisines, handicrafts and other sector based products into the tour packages to the valley.

- Lack of proper government control on the registration of the Travel agencies has led to booming of non-registered travel agencies which are operating without an office and disturbing the business ecology of the Travel Industry. It is recommended to establish a proper control system with stringent punitive actions against the erring agencies.

- Higher bargaining power of suppliers/service providers like private transporters, airlines, hotels due to easier and lower cost of switching for the suppliers and non-dependence of suppliers on the orders of one Travel Agency is resulting in escalation of prices of the services offered by the Travel agencies to their customers. It is recommended to regulate the services and prices in order to maintain a healthy market environment.

- Travel Industry of Kashmir is comprised of large number of small sized travel agencies restricted to an average of 5-8 employees. Packaged tours, business tourism, culture and entertainment events can only be initiated by larger firms with more number of employees as such it is recommended to provide subsidies to the deserving agents to initiate larger tourism events in the valley.

- One of the substitutes to the services provided by retail travel agents is the online portals which are taking away the business of the retailers. In this backdrop it is recommended all the travel agents to counter this threat by enhancing their e-business modules and make their websites more interactive and user friendly.

- Lower Bargaining Power of buyers (39.5%) is an unpleasant thing for the travel industry as it can lead to monopoly in pricing of the tourism products and services offered by the Travel agencies. Regulatory pricing policies must be adopted by the governments to check hoarding and black marketing in the Travel Industry of Kashmir.

- Economies of scale and access to distribution networks by the existing travel agencies is posing a threat to the new entrants and discouraging them to enter the industry. It is recommended to encourage young educated professionals to enter the market by providing easy registration, and ease of access to distribution channels.

- It was also found that only a few number of customers continue to hire the services of only one travel agent for longer periods meaning thereby that the travel agents are not in a position to develop loyalty of their clients towards their enterprise. It is recommended for the travel agencies to provide benefits and discount schemes to their customers to develop a stronger customer base for their organisation.

- Rivalry among the existing players followed by the Bargaining power of the suppliers were found to be the two major forces impacting the overall level of competitiveness in the Travel Industry of Kashmir. Constraints and restrictions on the entry of new entrants to the travel industry of Kashmir was found to be the least contributing factor to the overall level of competitiveness in the Industry followed by the Bargaining power of the buyers. It is recommended that the more transparency in pricing of the airline and other allied services should be established to improve the bargaining power of the buyers to have a fair and stable market.
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