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Flying Far and High: A Case Study of Cox & Kings with Respect to India.

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Abstract

Objectives: This paper aims at studying the marketing strategies of Cox & Kings which enabled them to become a premium brand. The environmental analysis is also intended to take deep insights into business environment of a travel operator.

Methodology: To study the objectives of the study, case study design is followed which incorporates secondary data collected through journals, books, news & non news articles, websites etc. In addition to it, primary data using observation method is also employed to collect information for the purpose of the present study.

Findings: The marketing strategy of Cox & Kings is quite interesting and comprehensive. It succeeds in attracting customers belonging to different segments of the market. The manner in which they implement Marketing Mix proves to be very beneficial in terms of better understanding the customer needs & wants and satisfying the same. The SWOT analysis highlights various points of their business environment.

Keywords: Cox & Kings, Case study, Marketing Mix, Segmentation, Travel & tourism.

1. Introduction

Nowadays as the global tourism industry is growing, more travelers from all over the world come to India. The integration of various tourism providers helps the tourists to earn beautiful travelling experiences. Travel operators act as advertising agents to promote their packages contributing to overall tourism development of a destination [1]. The increased rate of tourists has resulted in enhancement of travel agencies.

A travel company is the key thread between customers and the suppliers, i.e., primary service providers such as tour wholesalers, hotels, airlines, etc. The primary job of a travel agency is to provide easy and trouble-free travel to traveler. According to NAICS, travel operators work for better experience of the tourists by helping them in planning, reserving and implementing their tour (Government of Canada, 2014). The role of travel agency is to market their prepackaged tours to the potential customer in order to set their web all over the world, Cox and Kings as a company is very good at organizing outdoor tours, cruise, specific destinations etc. As per [2], agency work as broker between traveler and hotels. The working of any organization depends largely on its internal as well as environment. The internal environmental factors provide them certain strengths & weaknesses while the external one creates opportunities or pose threats. Hence, it is very important to carefully analyze the environment of a company to ensure its smooth and productive functioning. SWOT analysis is an important technique for environmental analysis through which environmental factors effecting the organization can be observed easily. It is the systematic identification of factors that helps in bringing out the strategies to maximize the business strength and opportunities by drowning the weaknesses on the other hand. The details of its components are as follows:

- **Strength** includes skills, good relationship between buyer-supplier, competitive edge, better resources, etc that prove to be unique asset for the organization.
- **Weaknesses** mean the shortcomings of a company with respect to its competitors, in what terms the company is deficient of resources, where it needs to improve, etc. Based on its strengths and weaknesses a company can analyze what measures can be taken for ensuring better future performance or to eliminate present business problem.
- **Opportunities** represent viewing the past market segmentation, buyer-supplier relationship and then improvising it into new changes with respect to the market conditions.
- **Threats** include the major threats to the organization. It provides the opportunities to identify the problems that the firm is facing or may face in future. By grabbing the opportunities and eliminating the threats, a company can develop strategies for its better future performance.

Hence, as a summarized depiction of environmental factors and their impact on future conditions, the profile is created to draw the attention of top management, which helps the firms in overcoming the weaknesses in effective way.

2. Literature review

The use of internet is specified by numerous researches in travel sector. They can advertise the promotional offers related to packages on web at any period of time. According to [3], the enhancement of IT industry not only helped in bringing new advancement but the threats too. The study of [4], "Role of Tourism Policies and Competitiveness of Indian Tourism" has explained that tourism industry will reach new heights in 21st century. They attempt to review about the tourism related initiatives taken by the government of India after independence and concluded that India lacks in providing security, cleanliness, education in terms of tourism. In the study, "Tourism Industry in India - A study of its Growth and its Developmental needs" [5], the growth of Indian tourism industry on the basis of tourist arrival has been studied. The study has also focused on infrastructural facilities such as accommodation and transport and the role of tourist guides. Another article is also introduced by [6] in which they pointed out that the Central government has the essential role in the international tourism infrastructure by casing appropriate tourism policy. The study "The marketing strategies for Beach Tourism in Kerala" by Suthan, Michael, Raja, Rafi and Baiju (n.d) has tried to find out what strategies has to be opted out to increase the beach tourism in India and what are the futuristic expectation of beach tourists in India. Tourism and its effect have been studied by various researchers worldwide. [7] Examined the relationship between tourism and economic growth for Latin American countries from 1985 to 1998. The findings indicated that tourism development can contribute to the economic growth of medium or low-income countries.

3. Objectives of study:

- 1- To study the marketing strategies and marketing mix of a successful travel advisory/Tour operator (Cox & Kings).
- 2- To study the strength and weaknesses of a tour operator (Cox & kings).
- 3- To suggest strategies that can be used by travel agencies or tour operators to sustain in the highly competitive market.

4. Case study:

4.1 Company Profile

Cox & Kings

The earlier name of Cox & Kings was ""Eastern Carrying Company Limited". Subsequently it was changed to "Cox and Kings (India) Limited" with a fresh Certificate of incorporation on February 23, 1950. It is the oldest travel company around the globe with its history dating back to 1758 when it was named as general agents to Foot Guards in British India[8]. Gradually, it was officially appointed for providing services to most of the British regiments in India. However, it didn't pack up even after British administration left Indian soil. Cox & Kings continued their services in India and achieved a premium position in Indian subcontinent with more than 5000 employees. In addition to India, they have their subsidiaries in "United States, Canada, United Kingdom, United Arab Emirates, Japan, Singapore, Australia and New Zealand", while their operations are carried on in around 22 countries. With continuous performance and dedication, Cox & Kings have managed to earn respectable position around the world. At present they are providing "Leisure Travel" services in India along with 17 foreign countries.

Glorious Timeline

In 1980: Takeover of Cox & Kings (Agents) Ltd. (India).

In 1996: Sudden incursion into ForEx business

In 1999: Launching of "DuniyaDekho" and "Bharat Deko"

In 2002: Tulip hotels' ownership acquired.

In 2008: Redemption of Tempo Holidays Pvt Ltd.

In 2015: Cox and Kings was awarded with PATA gold awards.

(Source: Chaturvedi, 2018 [20])

4.2 Products & Services:

In Destination Management, Cox and kings have a renowned market in India, it provides the customer the luxury packages made according to their taste & preferences. With the help of various it software like ITA the luxury destination are booked by the tourists, it purely ensures the happiness of the potential and retained customers by providing them classic dream destination.

In Outbound tourism, when it comes to planning the tours for their customers, Cox & Kings strives hard to create customized packages as per the needs of their customers using their expertise and experience. One of its innovative schemes is "duniyadekho".

In Business travel, Cox & Kings offers wide service ranging to 200 corporate clients.

In Travel insurance, policies they adopted are:

- Loss of baggage
- Missed connections
- Emergency services

- Trip cancellation due to death. [9]

What marketing mix they follow?

Product: Cox and kings has maintained its benchmark in such a way that it has become one of the topmost companies. They offer packages which include domestic and international destinations. It also provides the consumers with rental taxi services in different cities across the country. The varied products of Cox & Kings can be categorized under Travel, business tours, VISA documentation, Travel Insurance [10] [11].

Price: At Cox & Kings, the pricing followed is quite interesting. They use different blends for different services. For bundled products and services they follow bundled pricing. For appealing to different customer segments they follow differential pricing under which the pricing is differentiated for each segment. Discounted offers are also provided by the operator to the tourists. As the competition among various tourism operators is increasing, combo package pricing is the new strategy adopted by the tour and travel companies.

Place: For 24*7 they are available for their customer at any time at any place around the globe. In India, the presence of Cox & Kings exceeds 241 points in more than 149 cities which consists of franchisees as well as sales shops [12]. An important point to be highlighted here is that they have a number of agents and executives based in several countries across the globe which provides them an important strategic advantage to serve their customers in an effective manner.

Promotion: They opt various promotional strategies in order to find the key potential customers. 1 million routes in India is covered by the network of Cox & Kings. Advertisements through sponsorship and various other routes are also entitled by them. Apart from Sales Promotional activities and advertisements, they also make use of direct marketing through e-mail to create personal relations with the customers as well as prospective customers. Bundled services are also provided with attractive names such as "Bharat Dekho", "DuniyaDekho" and "Flexihol" to implement strong brand positioning.

4.3 How they reach to customers:

Marketing Strategy

Online and Offline Mediums are used for the marketing of Cox & Kings in order to create brand awareness.

4.3.1 Offline Strategy

Franchise

It is the business in which the owner of the company (Cox and Kings) provides you the ownership of one of its business in a licensed way in order to operate a business based on franchisor's business concept, using its trademark.

Cox and Kings offers

Another strategy they follow is to sell and market their offers through offices which are located in all over India.

4.3.2 Online strategy

Cox & Kings uses advanced version of IT. They have introduced an online portal, which is dynamic in

nature. This system includes holidays, car, insurances etc. Its main objectives are to reach error free, secure and reliable management system.

4.4 Customers Positioning & Segmentation

Users of Tourism Services

The users of tourism services can be categorized in a number of ways.

1. In General, mixture of people is considered, like the Domestic, Youths, Movie stars are included.
2. In Gender both male and female are included.
3. According to Region, Rural and urban are included.
4. In Education both illiterate as well as literate are included.
5. In Profession the Executives, Academics are included.
6. White collar, Blue collar are included in occupation.

Another way of categorizing users on the basis of frequency of using the service: -

1. Non-users are the people who aren't interested to buy.
2. Potential Users are the one who are new in the market and hence need a triggering impulse to attract them to buy.
3. Actual Users are the customers who are loyal ones. They are already in touch with the company.
4. Occasional Users travel on certain events only.
5. Habitual Travelers are the customers who have formed a habit of buying packages.

4.5 Why segmentation needed?

“Consumer behavior can be defined in psychological terms as the whole range of the generation of wants and their transformation into buying or using decisions” [13]. There are many factors which design or manipulate consumer's purchase decision. These factors are sometimes those which group the customers into homogenous groups or segments. Hence, it is very important to know about the segmentation of market or consumers so as to understand their preferences.

On what grounds they segment?

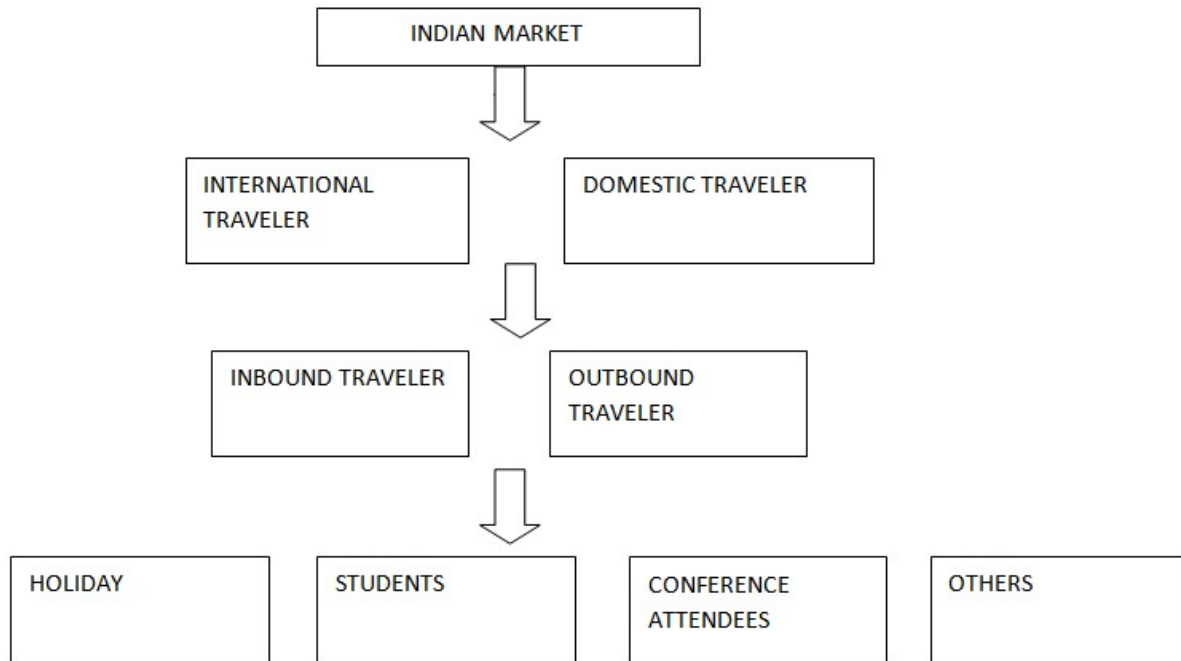


Figure 1 Segmentation Plan of Cox & Kings

4.6. Who are the competitors?

- Thomas and cook
- Yatra
- Make my trip
- Trivago

5. SWOT

“The overall assessment of a Businesses Strengths, Weaknesses, Opportunities and Threats is called Business SWOT analysis.” [13].

Strengths: -

- One of the earliest market entrants•
- It operates in 20+ countries.
- It is biggest largest travel company in the world as per the market share.
- It offers domestic vacations, business travel and international tour etc.
- It also contracted to luxury train services in India.
- It has strong marketing advertising strategies.

Weaknesses: -

- Generally people avoid online transactions in order to make any bookings.

- Limited service differentiation.

Opportunities: -

- It aims to provide easy visa rules.
- It is focusing on customized offering.
- Focusing on to increase partnership with corporate world in order to increase discount offers for top level management.

Threats: -

- Higher scale competition with newly rising online booking portals.
- Travel bogs & vlogs assisting travelers to arrange their trip on their own.

What are the Futuristic visions of Cox & Kings?

- It is set to expand its foreign exchange business to more centers in India.
- The Indian railway catering and tourism corporation (IRCTC) has signed an agreement to start a company in collaboration. The name of the company is (Royale Indian Tours Ltd.) and they are also planning to operate the first pan luxury train for the tourists in India.
- Future investment into the education travel with the help of internal accruals.

6. Conclusion

The study has been performed by searching various sources of journals and articles and reached on the conclusion that cox and kings has already attained the top level in the globe but in some sectors where it is lacking the strategies could be generated and could be acted upon accordingly. The unique strategies that help them attain competitive advantage are their strategic presence around the globe, Foreign & domestic tie ups, attractive product & services bundles, etc. As far as products and services are concerned, they have maintained a position where they can be trusted upon. Proper product planning along with efficient marketing strategies has enabled Cox & Kings to dominate the market in the long run. With its given SWOT analysis it is quite clear that Cox & Kings can be further expanded exploring new markets as well as attracting new customers. Any company that wishes to enter into the tourism industry can get many useful insights with the help of the present study. In addition, the already established players can also work on building competitiveness by following similar activities.

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