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Research Paper

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Correlation of Marketing Strategies and Financial Performance of Selected Travel Agencies in the NCR

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Abstract

The main objective of this study was to determine and analyze the correlation of marketing strategies and financial performance of selected travel agencies in NCR. The City of Quezon and Manila is the respondents of this study. Marketing plan research was the design used. The researcher gathered information about the different marketing strategies and the financial performance of the said company. This method enabled the researcher to interpret the theoretical meaning of the findings and develop the marketing plan. The financial performance of the travel agency, is gaining its profit based on the three years observation. After deducting all the expenses of the business, the company can cover the short-term liabilities of the travel agencies by the current assets such as the payments made by both local and international tourists. It has the ability to meet its long-term fixed expenses and they are able to accomplish the long-term expansion and growth. They are capable to have a branch widen their network and expand their firm. Travel agency is continuously enhancing their product and services. They keep on innovating to meet and exceed the expectations and to satisfy the guest, both domestic and international tourist worldwide.

Keywords: *Travel agency, Travel agents, Travel agency product, Marketing mix*

1. Introduction

Travel agencies play an essential role in the worldwide travel and tourism industry. It enables a tourist to travel from one place to any point to another destination. They can be either a middleman between the customers and the firm supplying the services demanded by both domestic and international tourists.

Republic Act No. 9593 or "The Tourism Act of 2009" declares a national policy for tourism as an engine of investment, employment, growth, and national development. With this regard, the Department of Tourism (DOT) has been tasked to generate investments and improve the image of the country as a viable investment destination. This is through the formulation and implementation of investment promotion strategy for synchronized investment promotion efforts, including the generation of investment opportunities, conduct of inbound and outbound missions, enhancement of investor servicing, including the facilitation of investor's transactions and requirements, the implementation of special projects and other investment promotion related activities.

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The tourism promotion sectors, specifically the travel agencies have the primary function of promoting the Philippines as a tourist destination domestically and internationally. It devises integrated marketing and promotional activities such as information dissemination, public relations, special events, and related tourism programs and activities.

Marketing strategies, therefore, are one of the major concerns of travel agencies. The art of marketing promotion connotes building a relational commonality with the customers in a manner that spans, increasing the latter's switching costs and moving them upward in the hierarchy of customer loyalty ladder; from indifferent status to prospect, trial, loyal, product support, and viral. Perhaps this explains why organizations devote chunk of budget to sales force competence, though many are still persistently worried about its continual abysmal contribution to marketing performance irrespective of such support.

Travel agencies, however, have the dilemma on how to attract both local and foreign guests to buy their travel packages for the different tourist destinations. Tourists directly go to the different tourist spots in order to save money rather than buying a tour package in a travel agency which will cost them more. Likewise, its seasonal characteristics in the tourism industry, which involve the frequency of visitors for only a limited part of the year, making it uneconomic, also affect its profitability. This fact considerably affects both the marketing and financial performance of travel agencies.

General Managers of the different travel agencies have the overall responsibility for the financial performance of their business. As such, they need to focus on performance measures that are indicative of the "big picture." These measures must also tell the general manager how the capital structure that has been established is performing. The key measures must cut to the very core of the cost-volume-profit relationship that is at the heart of every business.

To enhance therefore the profitability of the travel agencies, managers should give close attention to the marketing performance of their business because it greatly affects the performance of the travel agency as a whole. It is within this concept that this study was conceived. The study would like to find out the different correlates to financial and marketing performance of the travel agencies. The results of the study shall provide insights to the marketing and financial management of travel agencies to avoid investment risk.

2. Statement of the Problem

This research study seeks to find the correlation between marketing strategies and financial performance of selected travel agencies in Metro Manila. Specifically, it answers the following questions:

1. What is the profile of the travel agency in terms of:

    1.1 Years of operation,

    1.2 Services offered,

    1.3 Invested capital,

    1.4 Assets,

    1.5 Number of employees,

    1.6 DOT accreditation,

    1.7 Number of branches, and

    1.8 Membership of different organizations?

2. How may the demand for travel agency services be described in terms of:

    2.1 Number of domestic tourists, and

    2.2 Number of international tourists?

3. What are the marketing strategies of the travel agency in terms of:

    3.1 Product,

    3.2 Price,

    3.3 Place,

    3.4 People, and

    3.5 Promotions?

4. What is the financial performance of the travel agency in terms of:

    4.1 Profitability,

    4.2 Liquidity,

    4.3 Solvency, and

    4.4 Financial leverage?

5. Is there a significant relationship between marketing strategies and financial performance of the selected companies?

6. How may the findings of the study be utilized in designing a marketing plan of the selected travel agencies?

3. Assumption

The information/data obtained are valid and reliable. The profile of the travel agency with respect to their: years of operation, services offered, invested capital, assets, number of employees, DOT accreditation, number of branches, and of different organizations. The demand for travel agencies is described with their: number of domestic tourists, and number of international tourists. The marketing strategies of the travel agency when it comes to product, price, place, people, and promotions. The financial performance of the travel agency will be described with their: profitability, liquidity, solvency, and financial leverage.

4. Significance of the Study

Since the research study deals on the correlations of marketing strategies and financial performance of travel agencies, the results will, therefore, be very beneficial to all travel agencies operating in the country, especially the new ones. This research may benefit the various stakeholders in terms of the following:

The **Business Students** may be assisted in preparing for their future. This will serve as their investment and will guide them assess what industry and specific companies have potential of success. The business studied may be an opportunity for them to create their own business in the future endeavor.

The **DOT** may be assisted in formulating plans and actions in the tourism and travel industry and the awareness of the financial performance and the marketing strategies of the travel agencies.

Government for the future references in providing guidelines for the development of the destinations and regulating the industry, and collaboration with other government agencies.

The **Tour operators** will help them assess and find out the different factors affecting their business, especially their net income.

The study will give insights to **managers and marketing officers** on how they may design their marketing schemes best to maximize their profit.

This study may benefit **Potential Investors** by giving them ideas on the profitability of the travel agencies.

Future researchers who want to further study the marketing and financial performance of the travel agency.

5. Scope and Limitation of the Study

The research was conducted in two cities of Metro Manila. The respondents were limited to five (5) travel agencies located in the City of Manila and Quezon City.

The assessment profile of the respondents focused on the position/designation and the number of years employed in the company. Likewise, the profile of the selected travel agency included only years of operation, services offered, invested capital, assets, number of employees and DOT accreditation, number of branches, number of domestic tourists, number of international tourists, and the membership in different organizations.

The researcher asked permission to administer the survey questionnaires to at least 20 employees, however, only five (5) employees per travel agency were allowed by the Manager/Supervisor to participate. As such, observation and interviews were conducted to gather other information.

The marketing strategies of the travel agency were measured in terms of product, price, place, people, and promotions. While it's financial strategies were measured in terms of operating profitability, liquidity, solvency, and financial leverage. The financial performance of the travel agencies during the previous three years was assessed.

In terms of relationship of variables, the profile of the respondents and the profile of the travel agency and their relationship to the marketing strategies and financial performance of the travel agency were assessed.

6. Review of Related Literature and Studies

Travel Agencies have become a significant part of the tourism industry, especially in the hospitality and transportation sectors. An intermediary that sells the tour packages to the tourists and who acts as a liaison between the tourist and the company. Travelers are faced with a myriad of alternatives as to transportation, accommodation, and other travel services.

Singh and Ranjan (2019), the internet revolution have changed the scenario of travel industry through easily accessible of travel products to the mass consumers by their virtual presence rather than physical. E-travel Agents and Virtual Travel Agents (VTS's) are the Online Travel Portal (OTP) also known as the Online Travel Agents. Travel agency concept link between consumer and supplier. The agency make effort to add value to the products and services of the major suppliers.

Mancini (2006), said that there are different kinds of travel agencies that are likely to sell package tours, and this are: *Independent Agencies* – These agencies are privately-owned and unaffiliated with many larger institutions. They are often called "Mom and Pops", and they are the "corner store" of travel retailers, usually with small staff and a keen sense of the communities they served. *Agency Chains* – As with most retailing industries, they are large groups of regionally or nationally branded agencies. Some embrace more locations in a defined geographic area. Chains have two kinds: the first is the wholly owned agencies. This kind of agency is wholly owned by the agency; whereas the second type is a franchise agency. It is a semi-independent agency that pays for the right to use a chain's name, preferred products and services. *Consortium–affiliated agencies* – They have greater independence than they would have if they were agency franchise. *Cruise only agency* – Sometimes they are called as the cruise-oriented agencies. They pride themselves on their especially deep knowledge of ships, cruise lines and ports.

Tourismnotes.com (2019), tour operators are responsible for operating and providing vacation through contracting, booking, and packaging together of the various components of the tour such as hotel, transportation, meals, guides, optional tours, and sometimes flights.

7. Setting up a Travel Agency

Like other businesses in the Philippines travel agencies require legal matters before they can transact business and sell their products and services to the various markets.

Ng (2019), pointed out the key issues to consider before opening a travel agency. Travel agents must understand what type of services they offered, the types of payment required, personal information of the clients, the person responsible for ensuring the proper visa, the travel insurance of the costumers and the matters which the travel agency are not liable for.

Travel Agencies Survey 2018 (2019), Statistics and Census Service (DSEC) indicated that there were 221 travel agencies operating in 2018, an increase of 11 year-on-year; total number of persons engaged edged up by 0.7% to 4,530. Receipts and expenditure of the travel agencies amounted to MOP 9.17 billion and MOP 8.75 billion respectively, up by 10.4% and 10.6% year-on-year.

8. Agency Products

Poonja (2019), travel agencies in their digital and physical modalities are undoubtedly the most important link in the commercial supply chain of the tourism sector. **Travel Agency Products** are transportation, accommodation, and packaged vacations (tours). Airline tickets are the primary products line of most travel agencies.

Figure 1: Travel Agency Products, Negi (2005)
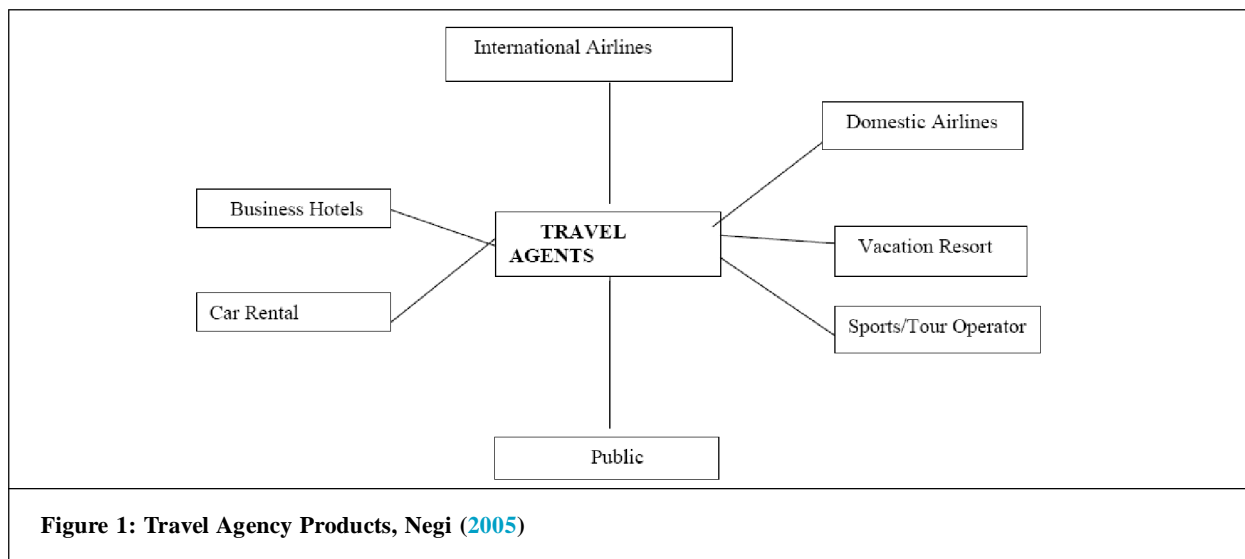
9. Functions of Travel Agencies

Functions of travel agency the scope and range of travel agency operations would depend on the size of travel agency. Some functions of the travel agency to consider are classified into provision of travel information, preparation of itineraries, travel facilitation, planning and costing tours, provisions of foreign currencies, insurance, travel organization, individual ordinary trips, marketing, knowledge about air schedules, international ticketing guides, passenger air ticket and e-ticketing (Bhatia, 2012).

10. Agency Income and Commissions

Traditionally, the sources of income of the travel agencies are commissions paid for bookings of hotels, airlines, car rentals, cruise lines, railways, sightseeing tours, tour operators, etc. The travel agent is paid through the fixed percentage of the price.

Travel Agent Income Report (2019), the industry is widely recognized as a fast-growing channel, in both sales and numbers.

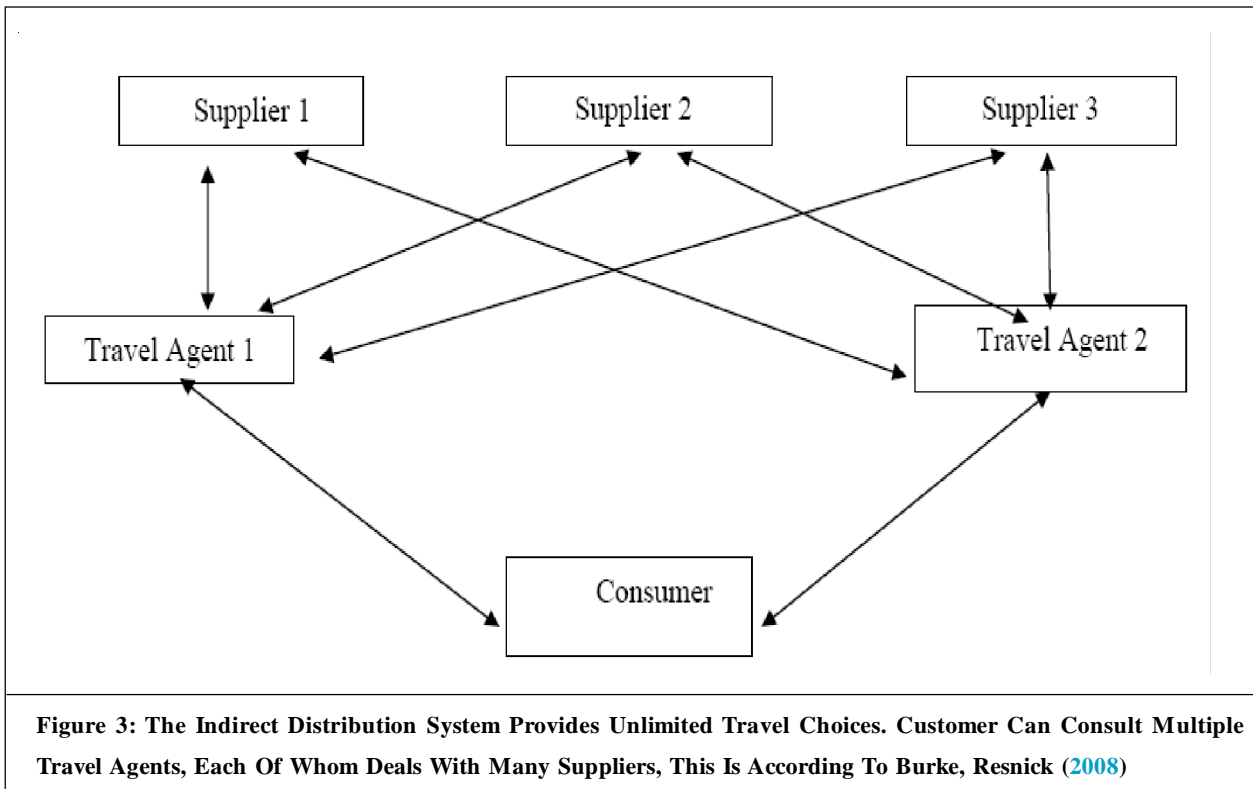The 2019 income of hosted travel agents is as follows:

1. 10% increase from previous years for established agents.

2. 25% of hosted travel agents reported for having ICs from 14% from previous year.

3. 74% of travel agents are compensated fairly.

4. 60% reported that the primary source of income is the selling travel.

5. 84% of travel agents reported that their income increased compared to previous years.

Figure 2: Travel Agency Commissions
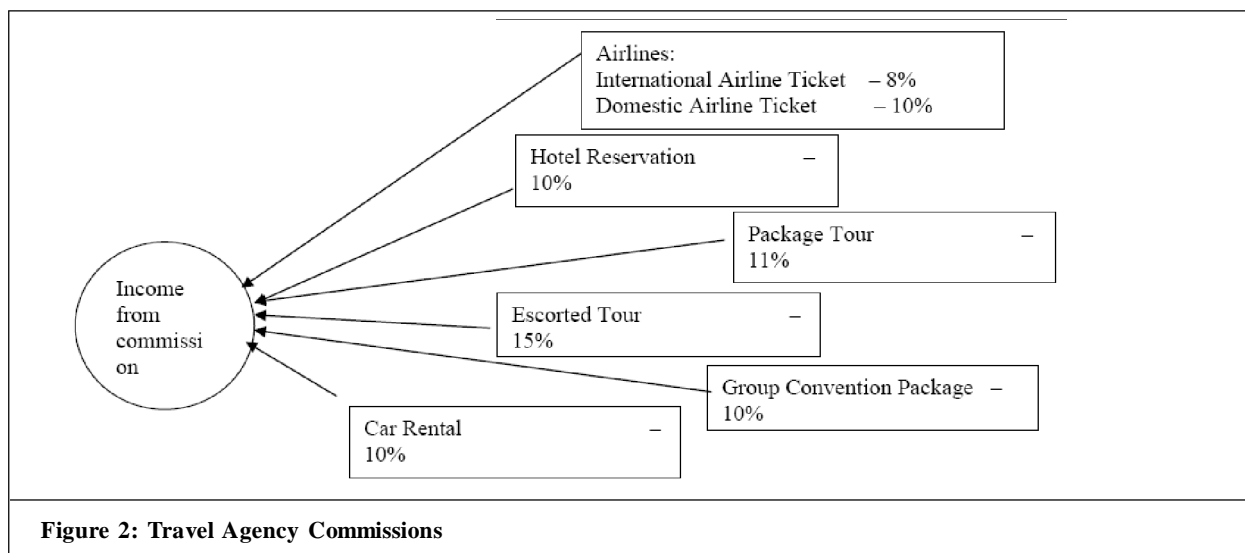
11. Distribution Models

The following examples below illustrate typical ways in which these systems operate. The system in which delivering the products and services of the travel agency from the manufacturer or supplier to the costumer.

12. Indirect Distribution System

Figure 3: The Indirect Distribution System Provides Unlimited Travel Choices. Customer Can Consult Multiple Travel Agents, Each Of Whom Deals With Many Suppliers, This Is According To Burke, Resnick (2008)

13. Markets and Motivators

In the study of Gnanapala (2012), Maslow's (1943) hierarchy of needs theory is considered as one of the most important literature support to discuss the interrelationship between the travel motives and the needs of the individuals. Goodall (1988) mentioned the human needs and motives are interrelated. Abram Maslo's physiological needs in tourism are food and beverages, hotels and accommodation, health and fitness, comfortable climate, sex etc. Safety plays a major role in the travel decisions of the individuals.

14. Organization of Travel Agency

Mancini (2006), said that the different organizations that regulate all the travel agencies are the following: International Air Travel Association (IATA), Alliance of Canadian Travel Association (ACTA), American Society of Travel Agents (ASTA), International Airlines Travel Agent Network (IATAN), Institute of Certified Travel Agents (ICTA), and Association of Retail Travel Agents (ARTA).

In the Philippines we have the government sectors that are responsible in formulating policies, market and planning for the development of the destinations. These are the DOT, the Philippine Convention and Visitors Corporation (PCVC), the Philippine Tourism Authority (PTA), and Municipal, City and Provincial Local Government Units (LGU's).

14.1. Marketing Mix

According to the study of Hung Do and Anh Vu (2020), the marketing mix is a series of marketing tools that an organization uses to produce the response it wants from its various target markets. The 4 P's model which consisting of Product, Price, Place and Promotion is commonly used in manufacturing industry in which products are tangible. On the other hand, 7P's is used to satisfy the needs of the market in the service industry: product, price, place, promotion, people, physical facilities and processes (Ivy, 2008).
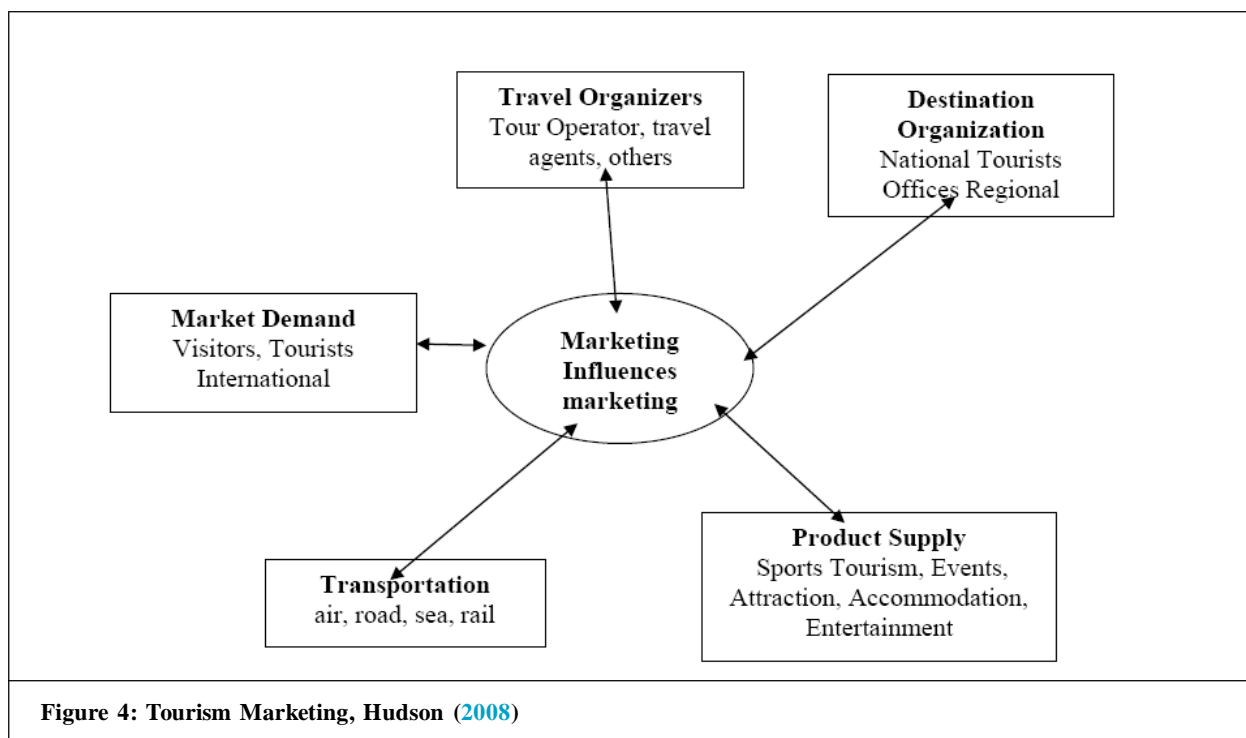
Figure 4: Tourism Marketing, Hudson (2008)

15. Role of Relationship Marketing in Competitive Marketing Strategy

Kanagal (2019), Competitive Marketing Strategy (CMS) has relationship marketing (RM) as one of the key functionalities in enhancing business performance. RM is defined as the identification, establishment, maintenance, enhancement, modification, and termination of relationships with customers to create value for customers and profit for organization by a series of relational exchanges that have both a history and a future.

Strategic marketing in service industries is influenced significantly by 'Moments of Truth'. By adapting to RM approach, the organization can virtually turn the 'Moments of Truth' in its favor, as the customers are continually attended to, in a relationship.

Moreover, Varadarajan (2017), a firm's marketing strategy encompasses both actions undertaken to enhance its performance, and actions undertaken to hurt the performance of its competitors.

16. Net Profitability Analysis of Travel Organizers and Travel Agencies

The effectiveness of enterprise activity is measured by different types of profitability alongside other activity and operating ratios (Andrew, Damitio, Schmidgall, 2007; DeFranco, Lattin, 2007; Gowthorpe, 2005; Jagels, 2007; Mackeviius, 2009). The net profitability ratio expresses the final result—evaluates all types of expenditures as well as the profit tax.

In order to investigate the reasons for some ratio level or its changes, it is very important to estimate and assess the factors that make an impact. For a deeper analysis of the net profitability ratio, there may be used a pyramidal analysis system which decomposes the research object—the net profitability ratio—into factors of different levels which influence its changes.

17. Relevance of Literature and Studies Reviewed to the Present Study

Orlitzky, Schmidt, and Rynes (2003), remarked that the performance of business organizations is affected by their strategies and operations in market and non-market environments (Baron, 2000). In their study of Corporate and Financial Performance (CFP), their meta-analytic findings suggest that corporate virtue in the form of social responsibility and, to a lesser extent, environmental responsibility is likely to pay off, although the operationalizations of CSP and CFP also moderate the positive association.

A study by Li and Wetpaint (2009), shows that social media correlates to financial performance. The study ranks the top 100 global brands according to their engagement in social media. The study demonstrates a correlation between social media engagement and financial performance, suggesting that those who are "widely engaged in social media surpass their peers in terms of both revenue and performance."

According to Murphy (2002), research conducted over the last decade increasingly shows that there is a clear correlation between environmental performance and corporate profitability. Specifically, empirical studies have found that companies that score well according to objective environmental criteria realize stronger financial returns than the overall market (S&P 500), and companies that score poorly have weaker returns.

18. Theoretical Framework

18.1. Travel Agent Theory

Negi (2005), two possible roles for travel agents can be derived from theory and prior studies in the field. These are as follows:

1. Travel agents can survive if they focus on specific *specialized services*, such as travel consultation (specialization; hypothesizing that systematic differences exist between the usages of travel agents for different travel contexts).

2. Travel agents can survive if they focus on *specific segments* of the market, such as older travelers (segmentation, hypothesizing that systematic difference exist between the usages of travel agents depending on the personal characteristics of travelers).

    The theory of marketing evolved and has been applied extensively within the travel industry only in the 20th century. Traditionally, travel agencies developed a product and services that the target market would buy.

    The seven Cs of success, one of the universal models on the attainment of true success in every facet of one's life, indicate the following:

1. We need a clear *conception* of what we want, a vivid vision, a goal or set of goals powerfully imagined.

2. We need a strong *confidence* that we can attain our goals.

3. We need a focused c*oncentration* on what it takes to reach our goal.

4. We need a stubborn *consistency* in pursuing our vision, a determined persistence in thought and action.

5. We need an emotional *commitment* to the importance of what we are doing, and to the people with whom we are doing it.

6. We need a good *character* to guide and keep us on a proper course, and

7. We need a *capacity* to enjoy the process along the way.

    The overall framework of the seven Cs is a powerful tool kit for a satisfying achievement. Each of these conditions is an effective and important tool for building a successful life (Morris, 1994).

18.2. Research Paradigm

The paradigm is further explained as follows:

Box 1 presents the profile of the respondents in terms of position/designation and the years in the travel agency business.

Box 2 presents the profile of the travel agencies in terms of years of operation, services offered, invested capital, assets, numbers of employees, DOT accreditation, number of branches, number of domestic tourists, number of international tourists and the membership of the different organizations.

Box 3 shows the marketing strategies of the travel agencies measured through their sales, product, price, place, people and promotions.

Box 4 shows the financial performance of the travel agencies assessed through their profitability, liquidity, solvency and financial leverage.

Box 5 shows the enhanced marketing scheme of the travel agency.

Both Box 1 and 2 are considered independents variables; while both Box 3 and 4 are dependent variables. The paradigm predicts the correlation between the two variables, such that the marketing strategies as well as the financial performance of the travel agencies in the National Capital Region (NCR) are being affected by the profile of the agencies and the business operation.
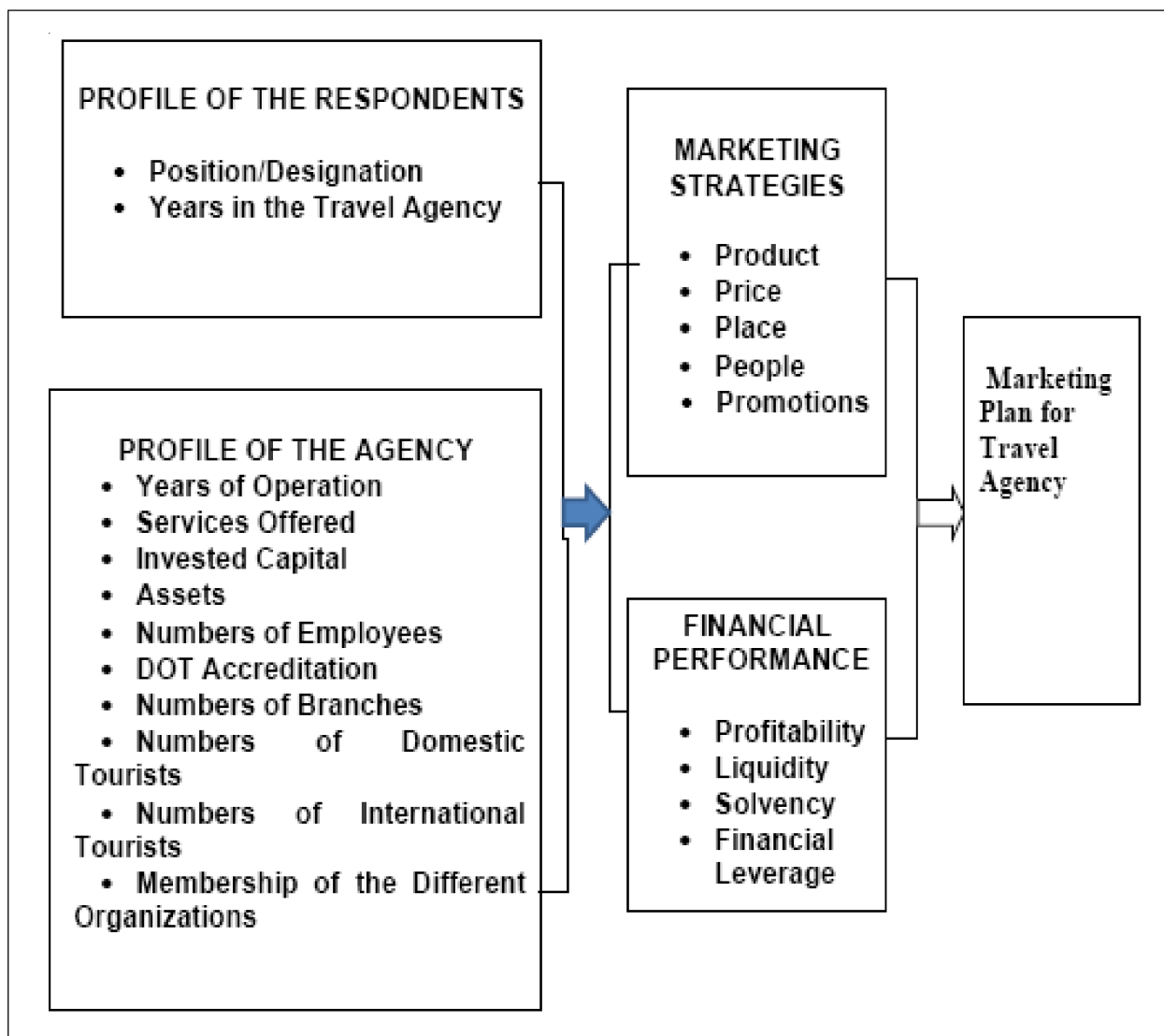
Figure 5: Research Paradigm

19. Methods of Research

The descriptive-correlational design was the research design used for the study. The descriptive method was used to describe the profile of the respondents in terms of position/designation, years in the travel agency business and it is also the method used to describe the profile of the travel agencies in terms of years of operation, services offered, operating capital, assets, numbers of employees and DOT accreditation. On the other hand it also measures through the business operations as to the operating capital, numbers of domestic tourists, numbers of international tourists, demand, marketing strategies and support received from DOT.

20. Sampling Technique

Travel agencies in NCR have the total populations of Five Hundred Fifty Nine (559). The research was conducted in the cities of Metro Manila. The respondents will be limited to five (5) travel agencies located in the Cities of Quezon City and Manila.

To produce valid and reliable results, sufficient representatives of the population and appropriate sampling procedures were employed in this study. Samples were determined in a manner that the characteristics, properties and variations are reflected. Random sampling was used since the respondents were determined through the judgment of the researcher and the objective of the research.

The correlation method, on the other hand, was used to determine how the marketing strategy correlates with the financial performance of the selected travel agencies in the NCR.

21. Respondents

The respondents of the study include the managers and selected staff of the sampled travel agencies in the City of Manila and Quezon City. They are in best position to provide information about the profile of travel agencies as well as the financial performance and marketing strategies of their business. The respondents were limited into five (5) travel agencies in Manila and Quezon City. Five respondents each travel agencies.

22. Sources of Data

22.1. Questionnaire

This is designed to accommodate sufficient and relevant information required from the respondents.

Construction: A combination of open-ended and closed-ended type of questionnaire was utilized. A list of choices among enumerated alternatives was provided (Rivera and Rivera Jr.,1996). Respondents answered questions in a pre-defined way and new issues cannot be raised. Respondents answered in a way which may not match their actual opinion. For simplicity, the researcher used modified Likert-scale. It was a way to reduce central tendency error.

Validation: The draft of the guide question was presented to her adviser, some experts in the field of measurement and evaluation, and an MBA professor for comments and suggestions. The suggestions were incorporated in the final copy of the questionnaire.

Administration and Retrieval: The researcher distributed the questionnaires to the respondent managers and staff of travel agencies of Manila City and Quezon City. To aid the respondents, a cover letter was attached. The researcher ensured that the respondents chosen have adequate knowledge about the topic and the survey results would be sufficient to answer the research questions. Answered questionnaires were retrieved thereafter.

Interview: This was used to gather additional information not obtained from the questionnaire and to validate the existing data.

23. Statistical Treatment of Data

1. Frequency and Percentage

The percentage and frequency distributions were used to gather information on the profile of the respondents, the profile of the travel agencies and their marketing performance and financial performance.

On the other hand, percentage was computed by dividing the frequency with the total number of respondents who participated in the survey. The formula is presented below:

Percentage (%) = f/n

Where:

% = percentage

f = frequency

n = total number of cases

2. Weighted Mean

The mean in each item was multiplied by a number (weight) based on the item's relative importance. The resultant aggregate/summation was divided by the total number of respondents.

The formula is:

WM = £WF

N

Where:

WM = weighted mean

W = weight

F = frequency

N = total number of respondents

The weighted means were given qualitative equivalents using the following set of values:

Weighted Mean	Degree of Agreement
1.00-1.74	Strongly Disagree
1.75-2.49	Disagree
2.50-3.24	Agree
3.25-4.00	Strongly Agree

3. **Ratio analysis** is the most widely known and most commonly used tool for **Financial statements analysis**. A ratio is a mathematical relationship between two numbers. The ratios utilized include the following:

1. **Liquidity Ratio** measures the ability to pay currently liabilities and financial obligations of the travel agency.

   a. **Current Ratio** describes the ability of a company to meet current financial obligations using its current assets.

      Current Ratio =Current Assets/Current Liabilities

   b. **Quick Ratio or** acid test ratio tells the company could pay all its current liabilities using its liquid assets.

      Quick Ratio = Quick Assets/Current Liabilities

2. **Assets Turnover Ratio** indicates how efficiently the travel agency utilizes its assets in its operations.

   a. **Receivable Turnover** measures the company's ability to collect from credit costumers.

      Receivable Turnover = Annual Credit Sales/Accounts Receivables

   b. **Inventory Turnover** measures the number of times a company sold its average level of inventory during the period.

      Inventory Turnover = Cost of Goods Sold/Average Merchandise Inventory

   b. **Average Collection Period**

3. **Financial Leverage Ratio** provides an indication of the long-term solvency of the firm.

   a. **Debt Ratio** represents the % of borrowed capital.

      Debt Ratio = Total Debt/Total Assets

   b. **Debt to Equity Ratio** is a proportion of borrowed capital as invested capital provided by owners.

$$Debt-to-Equity\,Ratio = \frac{Total\,Debt}{Total\,Equity}$$

4. **Profitability Ratio** offer several different measures of the of the financial performance of the firm.

   a. **Gross Profit Ratio** measure of the gross profit earned on sales.

$$Gross\,Profit\,Margin = \frac{Sales - Cost\,of\,Goods\,Sold/}{Sales}$$

   b. **Return on Assets** measures efficiency with which assets are used to operate the business.

      Return on Assets = Net Income/Total Assets

   c. **Return on Equity** measures the amount earned from the owner's investment.

$$Return\,on\,Equity = \frac{Net\,Income}{Shareholder\,Equity}$$

5. **Pearson Product Moment or Pearson (*r*) Correlation Coefficient** shows the linear relationship between two sets of data.

6. *t*-**statistics** is to determine the significance of *r*.

24. Results

As to the profile of the travel agency, majority of the respondents have been operating the business for 18, 20 and 34 years in the industry. Some travel agencies offered the same products and services, others are not offered to cater the needs of the markets. Majority of the travel agencies invest millions of pesos for this business. Current assets of the travel agency are getting higher except for the two travel agencies A and E. Out of five respondents one travel agency increase their fixed assets, the rest are decreased. Majority of the travel agencies have more than six but not higher than 15 population of employees. On the other hand, four out of five companies are accredited by the department of tourism. One out of five has six branches, the rest has two ticketing office branches. One out of five respondents has 12 member of organizations, the rest has four and three. As to the DOT agencies served monthly, Most of the domestic tourist demands are ranging to 30-125.5. Travel agency A has 125.5 number of domestic tourists the rest are 75.5-76.5 and travel B has only 30. Whereas, for international tourist demands are 30-175.5. Travel agency A has 175.5 the rest are 75.5-125.5 and travel agency B has 30.

As to the overall product marketing strategies of the travel agency, majority of the respondents strongly agree that the product marketing strategies of the travel agency are utilized in selling the company's product and services. As to the overall price, it shows, majority agree to price marketing strategies of each respondent. Price is one of the factors that determine the financial performance of the business. It is because the price for the product and services often fluctuate and it depends on the seasonality. However, there are some respondents who are satisfied with the firms' pricing. As to the overall distribution channels, majority of the respondents strongly agree that the company used different channels of distribution to promote and market their products and services to gain profit and to achieve financial freedom. As to overall sales personnel, all respondents believe and understand that the success of the firm will depend on who are the frontliners of the travel agency. This is because they up sell and give knowledge of all the product and services offered by the travel agency. For the overall promotions, majority of the respondents strongly agree that the marketing strategies of the travel agency will depend on the promotional tools used by the company. This is because it delivers all the products and services to the target market both domestic and international tourists.

As to the financial performance of the travel agency, is gaining its profit based on the three years observation. After deducting all the expenses of the business, the company is able to cover the short-term liabilities of the travel agencies by the current assets such as the payments made by both local and international tourists. It has the ability to meet its long-term fixed expenses and they are able to accomplish the long-term expansion and growth. They are capable to have a branch widen their network and expand their firm. Travel agency is continuously enhancing their product and services. They keep on innovating to meet and exceed the expectations and to satisfy the guests both domestic and international tourist worldwide.

It is shown in the Table 1 that there is a strong significant relationship of marketing strategies and financial performance of the selected travel agencies. Hence, the computed value is greater than the critical value the decision is rejected and it is significant. The Pearson (r) correlation coefficient and the t-statistics is the formula used in the study to come up with the result.

Table 1: Summary of the Results of Hypothesis Testing on the Significant Relationship Between Marketing Strategies and Financial Performance

$\alpha = 0.05$, df $= 8$

Marketing Strategies and Financial Performance as to:	r	Computed Value	Critical Value	Decision on H_0	Interpretation
1. Profitability	0.67	7.89	2.31	Rejected	Significant
2. Liquidity	0.75	10.06	2.31	Rejected	Significant
3. Solvency	0.44	4.39	2.31	Rejected	Significant
4. Financial leverage	0.46	4.64	2.31	Rejected	Significant

Note: +0.75 and above: Very Strong Positive Relationship; and +0.40-+0.69: Strong Positive Relationship.

25. Discussion

Travel agencies are often preoccupied by immediate issues and lose their sight of ultimate objectives. This business review and preparation of a marketing plan is a necessity. This may not be a recipe for success, but without it, the business is more likely to fail.

The plan starts with a SWOT analysis of the travel agency and ends with a marketing plan for long-term success.

25.1. SWOT Analysis

- Strengths

  The following are considered strength:

  1. Niche destination knowledge in the different tourist attractions all over the world.

  2. Excellent supplier relationship.

  3. Strong consortia membership with the different organizations.

  4. Reputation of marketplace is strong.

  5. Over a 100 travel agencies visited by combined travel agents.

  6. Well placed in community civic organizations.

  7. Good press contacts.

  8. Adequate financial resources.

  9. Good location.

  10. Excellent customer list.

  11. Destination specialist designation.

  12. Accommodating and friendly employees.

  13. Continuous technical training on travel agency management for staff and the top positions.

- Weaknesses

  The following are considered weakness:

  1. No experience with niche cruises.

  2. Mostly agents are new in the industry especially in the frontliner.

  3. Aging website with little traffic.

  4. Irregular company news letter publication.

  5. No understanding of social media

  6. Small historical emphasis and budget for marketing.

  7. No substantial great leader program

- Opportunities

  The following are considered opportunities:

  1. Series of articles in the news paper regarding the beautiful attractions in the Philippines.

  2. Two attractions in the Philippines are included in the seven wonders of nature and seven wonder cities namely: Vigan, Ilocos and Underground River, Puerto Princesa Palawan. This leads both domestic and international tourists to visits Philippines.

  3. We are known for tropical country.

- Threats

  The following are considered threats:

  1. Seasonality

  2. Internet booking/reservation

3. Resurgence of flu is a threat

4. Stiff competitions

5. Terrorist attack especially in Mindanao

25.2. Mission, Vision, Goal and Objective for the Travel Agency

Mission: "To enhance and provide quality service of the lives of travel professionals". To exceed guest expectations."

Vision : "A number one travel provider in the world of travel and tourism industry, an industry leader and cater customers to the best capabilities and markets beyond the geographical stronghold."

Goal :1. "To increase the numbers of customers both domestic and international tourist."

2. "To exceed the highest level of expectations."

3. "Enhance guest communication."

Objective: "To acquires new 80% customers from both domestic and international tourist."

25.3. Marketing Plan

Travel and tourism industry is a fast-growing industry in the whole worldwide. Travel agency is one of the sectors which play a significant role to bring people to other parts of the world for so many reasons. It often encounters problems that sometimes arises during the operation of the business addressed to the business owners and managers that even the staff should pay attention to avoid such problems. The researcher research analyzes how the firm will increase its assets and profit. Moreover, believe that through different marketing strategies and planning, company will reach its target and will become successful in the industry.

A. The following situational analyses are given:

1. Different product and services of a travel agency should be appealing. Combine with different products that cater and satisfy the needs of both local and foreign guests.

2. Set a plan to have an edge from the competitors make a difference when it comes to products and services promotions and pricing strategies to meet the guests' demands.

3. Price product depends on the type of environment where the attraction is placed international, national, regional and local levels. Make strategy based on the seasonality factor that might affect the financial performance of the travel agency. Travel agency and the sales personnel should go with the technological advancement to clearly understand and be able to sell the product and services effectively.

4. Be able to anticipate the needs of the guest specially when it comes to guest preferences and their habit. Company should therefore offer a variety of products and services.

5. Enhance and innovate the products add interesting attraction in the package. Offer guest nicer package to be able to satisfy them and to feel that they are home and welcome.

B. The following are the applicable marketing strategies:

1. The target market of the travel agency is both local and domestic travelers, students, professionals and businessman.

2. To easily distinguish the company and the products and services offered. The travel agency should be located in the city center which is accessible to the target market, should have a unique brand name and the important is the quality of the product offered.

3. The objective is "To acquire new 80% customers of both domestic and international tourist."

4. Marketing strategies are as follows: the use of website is very accessible to the target market since the technology is one of the fastest growing industries it delivers the products to the target customers. Joined in the trade events so that the products and services offered by the travel agency will be promoted to the different markets. The use of free editorials and promos is another marketing strategy to catch the attention of both local and international tourist. It has psychological effects to the minds of the possible buyers.

Table 2: Designed Marketing Plan Based on the Findings

Programs	Objectives	Strategies	Time Frame	Budget	Personnel/ Market Involved	Evaluation	Follow-up Action
1. Product - Upgrade the package tours - Maintain the clean and friendly environment in the office. - Implement the plan for the success of the company. - Provide extra services for the guests to satisfy the guest demands. - Product training every month. - Product should have edge to competitors	- To be able to reach the specific target. - To meet the guest needs and expectations - Increase of the numbers travelers monthly and yearly	- Boost consumer confidence by satisfying them - Create awareness to guest about the product - Overcome objections and rejections - Set deadline	- Quarterly - Product training monthly. - Yearly - Often upgrade the package tours	Price will depend on the type of product and services purchase A budget for more than a 500,000 for the issuance and reservation of tickets and hotels	. Sales personnel . Wholesale travel agents . Retail travel agents . Walk in guests	The effectiveness and the success of the travel agency business will depend on the different marketing strategies that will effect to the financial performance of the travel agency.	Travel agency owners, managers and staff should always pay attention to the problems that might occur and set a plan to be competitive in the market and to be successful in the business.
2. Price - Promos - Price the products depend on the season - Give guest superior value -Discounts on frequent travelers - Price the product to minor distinctions that can make a bigger difference.	- To be able to meet the target amount by price strategy.	- Give promos - Give incentives	- Quarterly promo - Monthly	Price will depend on the type of product and services purchase	. Sales personnel . Wholesale travel agents . Retail travel agents . Walk in guests		
3.Distribtion Channel - Maximize the use of different channels of distribution. - Upgrade website selling - Selling to wholesale intermediaries - Selling to retail intermediaries - Give good discounts to the channels of distribution	- To be able to spread and deliver the products and services offered specially to the market that not accessible.	- Give discounts to the intermediaries expectations - Set deadlines	- Quarterly - Product training monthly. - Yearly upgrade website selling - Always give good discounts to the channels of distribution	Set a budget or a certain amount of commission agents will receive	. Sales personnel . Wholesale travel agents . Retail travel agents . Walk in guests	The effectiveness and the success of the travel agency business will depend on the different marketing strategies that will effect to the financial performance of the travel agency.	. Travel agency owners, managers and staff should always pay attention to the problems that might occur and set a plan to be competitive in the market and to be successful in the business
4.Sales Personnel - Refreshers about the product - Training on the product - Upgrade the knowledge of the sales person - Team building	- To be able to acquire the 80% target customer per month. - Sales personnel should show positive attitude.	- Uplift the confidence of the sales personnel - Give them benefits - Right salary or compensation - Give incentives	- Yearly upgrade knowledge - Quarterly refereshers	Allot budget for the employees in the company - Provide budget for the training	. Sales personnel . Wholesale travel agents . Retail travel agents . Walk in guests		

Conclusion

Majority of the respondents are mature enough in the travel agency business. Travel agency offers different variations of product and services to cater the needs of the target market both domestic and international tourist. Marketing strategy is one of the key factors in the financial performance of the travel agency. They enhance the product and plan for the success of the operation of the business.

There is a significant relationship between marketing strategies and financial performance of the selected travel agencies in NCR.

Recommendation

From the summary of findings and the conclusions are drawn, the following recommendations are offered:

For Business Students

1. Engage in a business where you are interested on.
2. Consider the profitability as well as the risk of the business.
3. Study how to prepare marketing plan and study further.

For Owners/Managers and Staff of the Travel Agency Business

1. Maintain harmonious relation among employees and intermediaries in one's business.
2. Retain communication skills with the target market and specially product knowledge.
3. Continue enhancing the product and services offered to the market.
4. Consider the marketing plan prepared by the researcher as a possible guide to achieve the company's objectives.

Potential Investors

1. Study carefully the business you are embarking on, specially, when it comes to the financial performance of the company.
2. Try out the marketing plan prepared by the researcher.

For Future Researchers

1. Conduct similar studies on developing a marketing plan for the travel agency business.
2. Replicate this study in another research environment.

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