

The Role of Value Added Services between Customers and Service Providers in Tourism Industry

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ABSTRACT:

Modern travellers appreciate making reservations from companies that can handle all of their travel requirements in one place. The business of industries will greatly depend on value-added services. To create a more robust and improved ecosystem, the tourism industry has to advance by bringing everyone together. A critical topic of research to comprehend how companies may improve customer experiences and maintain competitiveness is the role of value-added services between customers and service providers in the tourist industry. Knowing how these services affect the general prosperity and competitiveness of tourism-related enterprises is crucial. Businesses may boost customer satisfaction and loyalty by knowing client expectations and customising their services to fit those needs. This can help in recognizing the particular value-added services that travellers want and expect from the travel business. Through this analysis, service providers can better understand which of their offers are beneficial and which may require modification. In this study, we will understand the particular value-added services that customers in the tourism industry want or desire, and identify the important facets of value-added services' function in the travel and tourism sector. Next this study, evaluates the effect of value-added services on competitive position of tourism businesses.

Keywords: Value Added Services, Customers, Service Providers, Tourism Industry

INTRODUCTION:

There are various strong reasons to investigate the role of value-added services in the relationship between service providers and customers in the tourism sector. Through knowing how value-added services work can assist service providers in figuring out how to increase client happiness. Customer satisfaction increases the likelihood that a business will receive repeat business and referrals. Businesses can differentiate themselves from rivals in a highly competitive industry like tourism by providing distinctive and useful services. Service providers can get a competitive edge by identifying value-added services through research in this field. Service providers can establish a viable business model by providing value-added services that correspond with the expectations and requirements of their clientele. Satisfying customer needs increases client loyalty and retention.

OBJECTIVES OF THE STUDY:

1. To understand the particular value-added services that customers in the tourism industry want or desire
2. To identify the important facets of value-added services' function in the travel and tourism sector.

REVIEW OF LITERATURE:

(Dwivedi, 2021), in his article has suggested travel trade fraternity to do value addition to their services and not just stick to ticket bookings. The more value addition the business does, it will attract more customers to do be in their track. The author here emphasises on more consolidated packages of the travellers need.

(Rhee, Verma, & Plaschka, 2009), these authors have used a market utility-based approach to evaluate the management trade-offs for cost, delivery performance, flexibility, and value-added service/support in a supplier selection process in this experimental empirical study. Cost, delivery performance, value-added service/support, and flexibility are the four conceptual categories they have established. Each of these categories has one or more subgroups, each of which has several features.

(Lexhagen, 2004), this study suggests that, in order to foster strong client relationships and loyalty, which may result in repeat business, travel websites should try to provide additional value-added services targeted at helping the customer in the postconsumption phase.

(Nysveen, Methlie, & Pedersen, 2002), in their article has stated that, Tourism businesses should offer more value-added services on their websites to close the gap between customers' preferences for such services and the companies' actual offerings, according to a comparison of the results of customer preferences for value-added services and the offerings of tourism companies.

VALUE ADDED SERVICES:

Value-added services, also shortened to "VAS," are extra features or services that a company or service provider offers in addition to their primary or core products. These added services are intended to give the consumer even more advantages by increasing the original product or service's value and utility. Value-added services help companies stand out from the competition, enhance customer satisfaction, and frequently bring in more money. Depending on the sector and the particular requirements of the clients or services, they can differ greatly. Travellers can be reassured and feel more protected when value-added safety and security services are offered, such as travel insurance, emergency help, and contactless check-in/check-out.

Effective value-added services must actually improve the customer's experience, address a concern, or fulfil a particular demand. These services can be provided independently for a price or combined with the main product. Businesses can gain a competitive edge by offering value-added services that increase revenue streams and aid in client acquisition and retention.

ABOUT TOURISM INDUSTRY:

The tourism business is a vibrant and diverse sector that includes a broad range of travel- and leisure-related activities. It encompasses people travelling for a variety of reasons, such as business travels, holidays, cultural exploration, and more. The sector contributes significantly to the world economy and is essential to fostering mutual understanding and cross-cultural exchange between various nations. Several important facets of the tourism sector include different kinds of tourism within the

tourist industry, including adventure, business, cultural, medical, and ecotourism. Every kind meets the various needs and interests of visitors.

Global events, shifting consumer preferences, technology breakthroughs, and economic situations all have an impact on the tourist industry's ongoing evolution. It provides a multitude of opportunities and problems for businesses, tourists, and places alike as it grows and changes.

THE PARTICULAR VALUE-ADDED SERVICES THAT CUSTOMERS IN THE TOURISM INDUSTRY WANT OR DESIRE:

Depending on a variety of criteria, including their tastes, demographics, the kind of tourism they are engaging in, and the location they are visiting, clients in the tourism business may want or need different value-added services. Still, a lot of travellers value and want the following common value-added services:

1. **Free Wi-Fi:** *Access to free and dependable Wi-Fi is something that tourists frequently expect and value, particularly while visiting other countries. They may obtain knowledge, exchange experiences, and keep in touch thanks to it.*
2. **Safety and Security Services:** *Travellers' peace of mind depends on services like in-room safes, round-the-clock security, and guidance on safe places to explore.*
3. **Deals and Promotions:** *Travellers frequently value deals and promotions that are offered by local companies in conjunction with local restaurants, attractions, and activities.*
4. **Facilities for Wellness and Fitness:** *Travellers looking to unwind and take care of themselves may find it appealing to have access to fitness centres, spa treatments, and wellness initiatives.*
5. **Local Experiences and Personalised Services:** *A lot of tourists look for immersive, one-of-a-kind opportunities to interact with the customs, food, and culture of the place they are visiting. Cooking lessons, lectures on local culture, and expert-led tours are a few examples of this. Suggestions, plans, and offerings that are specifically designed with the traveler's unique tastes and interests in mind.*
6. **Services related to the airport and transportation:** *Travellers place a high importance on quick and easy shuttle services, airport transfers, and vehicle rentals.*
7. **Concierge Services:** *Advice on local activities and attractions, help with bookings, and recommendations from a friendly and informed concierge.*
8. **Free Breakfast:** *Having breakfast included in their lodging is appreciated by many visitors as it offers a handy way to start the day.*
9. **Digital services and mobile apps:** *Tourists can benefit from the simplicity of booking features, keyless entrance, and local suggestions via mobile apps.*
10. **Services for Travellers with Special Needs or Disabilities:** *Ensuring inclusion requires offering accessibility features and services for these visitors.*
11. **Entertainment & Recreational Activities:** *Activities such as live entertainment, guided tours, and recreational centres can make a person feel more relaxed.*
12. **Children and Family Services:** *Child care, kid-friendly amenities, and family-friendly activities are among the services that families who are travelling with kids may want.*
13. **Late Check-Out or Early Check-In:** *Check-in and check-out hours that are flexible can help travellers make the most of their stay and suit various flight schedules. Late check-out or early check-in.*

14. **Maps and tourist information:** *When a visitor is visiting a new place, maps, brochures, and details on nearby services and attractions can be quite helpful.*
15. **Multilingual Employees:** *The ability of employees to converse in various languages helps reduce communication obstacles and improve the general clientele experience*

It's critical for service providers in the tourist sector to customise their products and services to the unique requirements and preferences of their target clientele. Businesses can determine which value-added services will be most valued by their clients by conducting market research and collecting customer feedback.

IMPORTANT FACETS OF VALUE-ADDED SERVICES' FUNCTION IN THE TRAVEL AND TOURISM SECTOR:

In the tourism sector, value-added services are essential for improving the overall client experience and making service providers stand out in a crowded market. These services go above and beyond the basic offerings in an effort to give visitors more value and convenience. The following are some important facets of value-added services' function in the travel and tourism sector:

Improved customer experience: By providing additional benefits, conveniences, and personalisation, value-added services can greatly improve the general customer experience. For instance, offering free Wi-Fi, guided tours, or airport transfers can improve the comfort and enjoyment of a guest's stay.

Competitive advantage: Value-added services can help service providers stand out in a crowded tourism industry. They make companies stand out and draw in more clients. Providing special or one-of-a-kind services can work well as a selling factor.

Revenue generation: businesses in the tourism industry may be able to generate extra cash by offering value-added services. Consumers are frequently prepared to spend more for more comfort and convenience. For instance, an airline may impose additional fees for in-flight entertainment, greater legroom, or priority boarding.

Customization & personalization: value-added services can be made to specifically cater to the requirements and tastes of various clientele groups. This personalization can aid in drawing in a more varied group of visitors, including those with different hobbies and spending capacities.

Developing loyalty: offering services with additional value might help to foster client loyalty. Travellers are more inclined to return or suggest a business to others when they believe that the staff goes above and beyond to make their stay unforgettable.

Opportunities for cross-selling: value-added services can be used as a platform for the cross-selling of additional goods and services. To entice visitors to experience more of the area, a hotel might provide dinner packages, spa treatments, or guided tours.

Initiatives for sustainability: a few value-added services may concentrate on responsible travel and sustainability. For example, offering details on carbon offset schemes, eco-friendly events, or collaborations with nearby communities can draw in eco-aware travellers.

Integration of technology: the tourism sector is using technology more and more to provide value-added services. Examples of how technology can improve the customer journey include virtual reality experiences, mobile apps, and digital concierge services.

Safety and Security: Travellers might feel more at ease and secure when value-added services pertaining to safety and security are offered, such as travel insurance, emergency help, and contactless check-in/check-out.

CONCLUSION:

The findings demonstrate that tourism-related firms provide value-added services that reflect the current tastes of their clientele, such as service integration. To satisfy consumers' demands for these services, tourism-related enterprises should, overall, concentrate more on boosting the amount of value-added services offered on their websites. Customer happiness with value-added services depends critically on confirmation of the preferences of the customers for these services. To conclude, the tourist industry places great importance on value-added services as a means of improving client experiences, fostering corporate success, and preserving competitiveness in this ever-evolving sector. The following important conclusions from this study are highlighted: Enhancing client happiness is mostly dependent on value-added services. Increased client loyalty and repeat business result from these offerings, which also meet customer expectations, are convenient, and produce memorable moments. For service providers, successful value-added services can open up new revenue sources. This can eventually lead to financial development in the form of collaborations with nearby firms, upselling opportunities, and premium services. Brand building is aided by value-added services.

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