

Potentiality of Implementation of Revenue Management Techniques in the Travel Agency Operations

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Revenue Management (RM) was popularized globally over the decades as an essential strategy in optimizing revenue in most of the capacity limited industries. The concept was originally derived from the airline industry and it was used not only as a mechanism to increase revenues but also to satisfy the customers' needs. Airline, hospitality and recreational industries, and many of other service sectors except travel agencies, have been successfully applied RM approaches. Highly competitive and unpredictable challenges in the travel agency operations have created the need of applying new strategic approaches to maximize the revenue due to the higher operational costs and reduced profit margins of Sri Lankan travel agencies. Key objectives of the study include examining travel agents' perception on Revenue Management applications in the travel industry, examining the nature of RM practices of travel agencies and identifying the barriers of RM implementation in Sri Lankan travel agencies. A sample of 13 travel agencies from Colombo district was selected for the study based on purposive sampling technique. Structured interview method was applied to investigate perceptions, potentiality of implement as well as barriers of implementation. Collected data was transcribed and analyzed using thematic analysis. Results of this study show that, Sri Lankan travel agencies are not familiar with the term of RM and have limited knowledge about RM approaches. All participants have positive perception on RM approach. The benefits of RM applications, advantages of RM to the travel agencies and facilitating factors that need for travel agencies, also were stated in this study. Based on the findings, researchers recommended improving the knowledge on RM approaches, benefits and application of RM approaches among Sri Lankan travel agencies.

Keywords: Revenue management, Travel agencies, Benefits and barriers, RM implementation, Profits maximizing