

# **TRAVEL AGENCY AND TOUR OPERATION**



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## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# TRAVEL AGENCY AND TOUR OPERATION

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## ***Travel Agency and Tour Operation***

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### **BLOCK 1 : INTRODUCTION TO TRAVEL & TOURISM TRADE**

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- UNIT 1      HISTORICAL BACKGROUND OF TRAVEL TRADE
  
- UNIT 2      CLASSIFICATION OF TRAVEL AGENTS & TOUR OPERATORS
  
- UNIT 3      TRAVEL AGENCY & TOUR OPERATORS ROLES & RESPONSIBILITIES

# **INTRODUCTION TO TRAVEL & TOURISM TRADE**

## **Block Introduction :**

People have always travelled around the world to view monuments and other works of art, learn new languages, experience new cultures, and sample new cuisine. The travel agency industry is a relatively new one. It all began in 1758 with Richard Cox, who was followed by Thomas Cook. Despite having one of the highest volume sales in the world, this business was developed simply by coincidence. Thomas Cook is known as the "Father of the Travel Agency Industry." With the introduction of scheduled flights, the face of the travel agency industry began to drastically alter. When the travel bug hit after World War II, a slew of people established a presence as travel agencies. The tour operation business grew and travel agencies mushroomed all over the world. These were classified and functions were determined for the conveniences of smooth operation. You are going to learn all this here in following units of this block in greater detail.

## **Block Objectives :**

**After understanding this block learners will have knowledge and its objectives is :**

- Understand the global evolution of the travel industry
- Know about history of the travel industry, including the first travel companies.
- Recognize the historical context of India's travel industry.
- Be aware of a significant turning point in tourism development.
- Know what a travel agency is and what it does.
- Know the different sorts of travel agencies.
- Know what a tour operator is and what it does.
- Understand the many sorts of tour operators in the tourist industry.
- Determine the role and duties of travel agencies and tour companies.
- To gain an understanding of the various services provided by tour operators and travel agencies.
- To comprehend the interrelationships between diverse service providers.

## **Block Structure :**

**Unit 1 : Historical Background of Travel Trade**

**Unit 2 : Classification of Travel Agents & Tour Operators**

**Unit 3 : Travel Agency & Tour Operators Roles & Responsibilities**

# *Historical Conventions on Air Travel*

## UNIT STRUCTURE

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Evolution of Travel Business
- 1.3 History of Travel Trade
- 1.4 History of Travel Agency Business in India
- 1.5 Timeline in the Development of Tourism Worldwide
- 1.6 Let Us Sum Up
- 1.7 Answers for Check Your Progress
- 1.8 Glossary
- 1.9 Assignment
- 1.10 Activities
- 1.11 Case Study
- 1.12 Further Reading

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### 1.0 LEARNING OBJECTIVES :

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**After successfully comprehension of this unit learner will be able to :**

- Understand the evolution of travel business worldwide
- Know the history of travel trade along with initial travel companies
- Identify the historical perspective of travel business in India
- Know the important milestone in the development of tourism

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### 1.1 INTRODUCTION :

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The travel agency and tour operator business has gone through significant changes in the last few decades. There were the days when there were no formal travel intermediaries to help travellers visit places of interests. Many travel obstacles forbidden people from travelling distance places. Only a few fortunate people could manage to travel due to their own curiosity, motivation and spending ability. Many could not manage to travel due to the lack of communication network along with other facilities and amenities. Leaving behind the job of a travel agent, a destination did not even have minimum facilities to hold the visitors for few hours. So many changes have taken place over the decades. Now a day, most of the destinations are well connected by modes of transport and tourists find a place of stay at the destinations.

Modern communication system was introduced between 18th and 19th centuries, and the entire world witnessed mass movement leading to the demand of luxury transportation system and advanced arrangement of accommodation and sightseeing. Early planning of bookings of train, ferry, bus, airlines etc were organised by a person with sound experience and information. In the initial stage

of travel agency business, travel agents used to help their own community members in an informal way. Later, it became a formal form business with all professional practices and ethics.

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## **1.2 EVOLUTION OF TRAVEL BUSINESS :**

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In the beginning, the travel agency business was in a state of experimentation and community help. Gradually, the business grew up in such a scale that competitive travel companies around the world forged into the sophisticated business. The nature of the business was a sort of intermediary role to cater holiday related services to those who were away from home. Travel agencies made all possible efforts to ensure the service quality for enhancing the level of satisfaction. In practice, travel agencies were principally driven by the needs of the customers. It is very strange to see that travel agency business in those periods were run with reasonable investment and used to make reasonable amount of profit amidst certain risks such as confirmation of hotel rooms, security of customers, quality of foods, frontier formalities, political system, ethnic difference, long travelling hours, language, etc. Despite of confronting with all impediments, travelling to places other than the place of own domicile was a status symbol of society that pushed people in Europe to undertake travel. The invention of railways and sophisticated steamship also motivated people to travel because travellers urged for comfort and relaxation in the tour. Thus, Thomas cook's voluntarism to experiment his noble idea to assist people to reach at their destinations is really a matter of great contribution to the history of travel agency. Several travel simplification mechanisms were successfully experimented and proved to be the best options till today in the travel world. Thomas is credited to have rekindled interests among the people in England to plan holidays in advance. On 9th June 1841, a 32 year old cabinet-maker, evangelists and Baptist book seller named as Thomas Cook walked from his home in Market Harborough to the nearby town of Leicester to attend a temperance meeting. It was a milestone day in the annals of world travel history.

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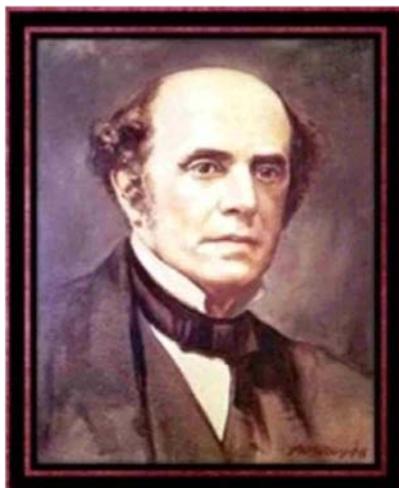
## **1.3 HISTORY OF TRAVEL TRADE :**

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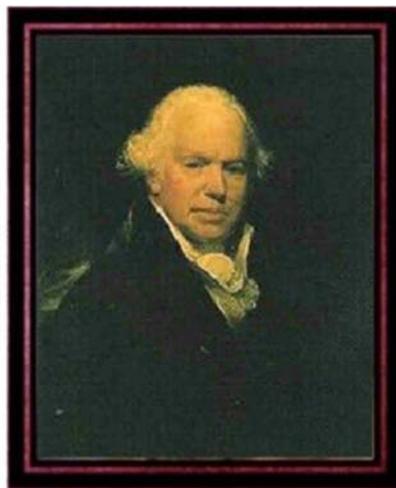
The Contribution of Richard Cox and Thomas Cook for had established professional travel agency in the 18th and 19th centuries respectively was significant. The nature of travel agency business at that time was basically to offer with various travels related services to the desired customers, and a very little amount of profit was booked by the travel professionals. Later, with the initiative of Richard Cox and Thomas Cook of United Kingdom, travel agency business saw a horizon.

**Journey of Cox & Kings :** Cox & Kings is the longest established travel company in the world. Its distinguished history began in 1758 when it was appointed as general agents to the regiment of Foot Guards in India under the command of Lord Ligonier. By 1878, C&K were agents for most British regiments posted overseas, including the Royal Cavalry, Artillery and Infantry, as well as the Royal Wagon Train and the Household Brigade. The Royal Navy was next and in 1912, The Royal Air Force came under its wings. Between 1750's and 1950's, Cox & Kings was witness to an exciting era in Indian history, and, in its own way, helped to shape it. In 1947, the British administration departed, but bound by strong ties to India, Cox & Kings stayed on and flourished. Today, Cox & Kings is a premium brand in all travel related services in the Indian subcontinent, employing over 5000 trained professionals.

**Journey of Thomas Cook:** Thomas Cook started organising leisure trips in the summer of 1841 when its founder, who gave his name to the company, organised a successful one-day rail excursion at a shilling a head from Leicester to Loughborough. During the next three summers Mr Cook arranged a succession of trips, taking passengers on trips to the midland towns of Leicester, Nottingham, Derby and Birmingham. Four years later, he organised his first trip abroad, taking a group from Leicester to Calais to coincide with the Paris exhibition. From its humble beginnings Thomas Cook steadily grew, adding more destinations and holidays and today is the second largest European travel group. It now has 33 tour operating brands, 2,400 travel agencies, 66 aircraft and employs 19,775 full time staff. Thomas Cook was nationalised shortly after World War Two when it became part of the state-owned British Railways. It was privatised in the 1970's with Midland Bank becoming its sole owner in 1977. It was then sold by Midland in 1992 to a German bank and charter airline. Today, Thomas Cook Group plc is one of the world's leading leisure travel groups, with sales of over £8.5 billion and more than 22 million customers. The group is supported by 22,000 employees and operates from 15 countries. It is number one or two in all its core markets. Thomas Cook's vision is to deliver trusted, personalised holiday experiences through our high-tech, high-touch strategy.



**THOMAS COOK**



**RICHARD COX**

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#### **1.4 HISTORY OF TRAVEL AGENCY BUSINESS IN INDIA :**

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Travel agents were not merely meant for selling travel-related services, but also used to take part individually or with group for promotion of tourism destinations. The international travel organisations like Thomas Cook, American Express and Cox and King have made remarkable contributions to the growth of travel agency and tour operation business. Those travel agencies brought several new ideas to the limelight. Similarly, travel agencies in various countries followed and practiced the innovative business strategies.

Travel trade in India was not considered as a business to grow given the scanty demand of people for travelling in domestic and foreign countries during the pre-independence period. Apart from Thomas Cook's organized package tour, there was hardly any entrepreneur from India who ventured into the business. The Government of India took a slew of measures during the post independence period to increase tourist traffic to India. It increased the inbound tourist traffic to India after 1950.

## **Travel Agency and Tour Operation**

The growth of travel agency business was not so significant in the first phase of the Post-Independence Period. Nevertheless, several initiatives were taken to increase the share of India's in international tourist arrivals and revenue receipts. The evolution of travel agency business in India is presented below.

**Pre-Independence Period :** The evolution of modern travel agency and tour operation business in India does not have a long history unlike the history of travel agency business in Western Europe and North America. The overseas travel agents like Cox & Kings and Thomas Cook used to operate the inbound tour in India. There was no formal and organized travel agency in small cities to handle the foreign visitors. Thomas Cook & Cox and Kings used to conduct the world tour and special interest tours for royal family members. Package tours were regularly conducted to India for British officials and their family members and relatives. They used to visit Kashmir and Agra.

The royal visit of Queen Victoria to Kolkata after the Sepoy Mutiny in 1858 was organized by Thomas Cook. Queen Victoria's visit to India removed the threat of safety and security from the minds of British nationals. The connectivity through sea route between India and the countries in Europe made travel easy, safe, comfortable and affordable. Peninsular and Oriental Steamship Company in 1878 was used to bring a group of British tourists to India. The group landed in Mumbai followed by a visit to Agra by train to see the Taj Mahal. The group finally visited the Kashmir valley. When Thomas Cook conducted this particular tour in India, he established the Thomas Cook and Sons International (Ltd.) at Mumbai and Kolkata for the inbound operation in 1880. The Eastern Princess Department was also established in 1887 to cater the travel needs of Indian royal family members. As reported, the British, the French and other nations in Europe visited Taj Mahal, Jammu & Kashmir, Shimla, Goa, Ajanta & Ellora, other hill stations and beach resorts.

A sizable number of young Indians travelled to England for higher study and preparation for civil service examinations. At the same time, Indian political leaders travelled to England to participate several round-table discussions. Thomas cook started booking train tickets, reservation of guest houses and arrangement of small car, mini coach, horse carts and animal-driven carts to transfer tourists from the railway stations to guest house followed by conducting sightseeing tour. Being a pioneer in operating tours in India, Thomas cook confronted many hindrances while conducting the tours. Unlike in the Europe, the Indian railways system was much underdeveloped in the context of integration with the travel agents and tour operators in the promotion of inbound and domestic package tour. The issue has not been addressed fully as yet. In the similar instance, the airlines had limited role to work with travel agents and at the same time, there were not much airlines connectivity with India. Because airlines were generally operated within the domestic sky and countries did not venture for linking airline services beyond the boundary of country for two important reasons like political turmoil and low-engine capacity for long-haul journey.

**Post Independence Period:** Some of the events during Post Independence Period opened windows of opportunities for the travel agents to expand more functions. One such event is the reported prepared by Sir John Sargent in 1945 about the development of means of travel from nearest railway station, residential accommodation, travel brochures and guide books, provision of authorized guides, etc. The formation of Tourist Traffic Branch coordinated with the travel

agencies and tour operators in India and overseas to promote domestic and inbound tourism in 1949. The branch also established coordination for conduct of conferences on tourism and coordination with railways. Establishment of Tourist Bureau in States and development of tourist centres and the training of guides were some of the initiatives of the Central Government for promotion of tourism.

**The First Indian Owned Travel Company :**

Pallonji Katgara & Jamshedji Dastoor created the Jeena and Company (a shipping and export company) with a seed capital of US\$ 75 in 1900. The Jeena Tours and Travels was established in 1920 with the privilege of being the first Indian – owned travel company. In 1961 the Company was merged into Travel Corporation (India) Pvt Ltd to become India's largest travel company under the leadership of the Katgaras. Later in 1951 Travel Agents Association of India (TAAI) was established to represent the issues of travel agency business to the government and protect the interest of its members. Prior to TAAI, travel business in India was managed in the able leadership of Jeena & Company, Lee and Muirhead India Pvt. Ltd. and N. Jamnadas and Co. Ltd. The Jeena and Company had entered into outbound tours as well. Along with the Indian travel companies, Thomas Cook and Sons and Cox & Kings and American Express came to India for inbound and outbound tour operation as well in subsequent years.

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**1.5 TIMELINE IN THE DEVELOPMENT OF TOURISM  
WORLDWIDE :**

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In the late 17th and 18th Century, the Grand Tour was a kind of education for wealthy British noblemen.

In 1758, Cox & Kings became the first travel company in modern history.

In 1822, Robert Smart of Bristol, England, announced himself as the first steamship agent. He began booking passengers on steamers to various Bristol Channel ports and to Dublin, Ireland.

In 1825, Railways were first introduced in England and the first train started between Liverpool and Manchester.

In 1840, the Abreu Agency was established in Porto by Bernardo Abreu, becoming the world's first agency to open its services to the public.

In 1841, Thomas Cook, a Baptist preacher who believed that alcohol was to blame for social problems, reached an agreement with the Midland Railway to organize the transportation of 500 members of his temperance movement from the Leicester Campbell Street railway station to a rally in Loughborough in exchange for a commission. He formed Thomas Cook & Son, which later became The Thomas Cook Group. It filed bankruptcy and underwent liquidation in 2019.

In 1871, Dean and Dawson was founded in the United Kingdom and in the 1950s, it was acquired by Thomas Cook.

In 1870, the Polytechnic Touring Association was founded in the United Kingdom.

In 1887, Walter T. Brownell established Brownell Travel, the first travel agency in the United States, and led 10 travelers on a European tour setting sail from New York on the SS Devonian.

## **Travel Agency and Tour Operation**

In 1895, Baldwins Travel was founded by Alfred K Baldwin, originally a printer, bookbinder and publisher in Tunbridge Wells. Baldwins begins selling railway tickets and helping friends to travel to Europe and beyond. News spreads and the former printers slowly build a strong side-line in travel at the back of the Baldwins Stationery shop at 27 Grosvenor Road.

Originally, travel agencies largely catered to middle and upper-class customers but they became more commonplace with the development of commercial aviation.

In 1905, Nippon Travel Agency became the first travel agency in Japan.

In 1918, Deutsche Lufthansa provides the first scheduled air passenger service from Berlin to Leipzig and Weimar.

In 1923, after being treated badly by a British travel agency, K. P. Chen formed what became the China Travel Service, the first travel agency in China.

The industry suffered during World War II. However, the Post-World War II economic expansion in mass-market package tours resulted in the proliferation of travel agencies catering to the working class.

In 1929, Intourist was formed as the official state travel agency of the Soviet Union, with the goal of convincing outsiders to visit the country.

In 1945, the end of World War II and the beginning of the era of mass tourism.

During the Cold War, travel agents were used by people from Western countries to travel behind the Iron Curtain.

In 1951, the precursor to Helloworld Travel became one of the first travel agencies in Australia.

In 1955, Henderson Travel Service became the first black-owned travel company and the first to take large groups of black tourists to Africa.

In 1963, the SITA World Travel (India) Ltd. Was established by Inder Sharma.

In the early 1980s, American Airlines' Sabre unit created a direct-to-consumer booking tool for flights, hotels and cars called eAAsySabre.

In 1989, with the liberalization of travel for South Koreans, Mode Tour became the first travel agency in the country.

In 1991, Hotel Reservations Network, the precursor of Hotels.com, was founded. At first, hotels did not pay much in commissions.

With the advent of the internet, travel agencies migrated online and underwent disintermediation by the reduction in costs caused by removing layers from the package holiday distribution network.

In 1994, Travelweb.com launched as the first online directory of hotels.

In 1995, Internet Travel Network sold the first airline ticket via the World Wide Web.

In October 1996, Expedia.com, funded with hundreds of millions of dollars by Microsoft launched as the first large online travel agency.

At the same time, Cheapflights started as a listing service for flight deals from consolidators.

In 1997 Thomas Cook On–Line is launched. It's the first UK retail travel agency to offer customers a way to buy holidays, foreign currency, travellers checks and guidebooks online.

In 1998, Lastminute.com was founded in the United Kingdom.

In 1999, European airlines began eliminating or reducing commissions, while Singapore Airlines did so in parts of Asia. In 2002, several airlines in the United States did the same, which led to an unsuccessful lawsuit alleging collusion among the airlines that was decided on appeal in 2009.

In 2003, the newly branded Thomas Cook Airlines is officially launched in the UK.

In 2007, Thomas Cook AG and MyTravel Group plc merge to form Thomas Cook Group plc, bringing a stronger Nordic focus with the incorporation of Ving, Spies and Tjäreborg.

In 2007, the launch of the iPhone and related mobile apps increased travel bookings made online.

In 2008, the launch of Airbnb created an online marketplace for spare bedrooms and apartments.

In 2011, the launch of HotelTonight highlighted instantaneous same–day hotel room booking.

In 2015, Thomas Cook Group plc announces a new partnership with Chinese investment group Fosun International Limited.

In 2019, December outbreak of Covid–19 and ban on international travel started across the globe.

In 2021, travel agency Baldwins Travel Group, which was founded in 1895 was bought by business group Inc & Co.

**❑ Check Your Progress :**

- In 1758 who has started travel company ?
  - Thomas Cook
  - Richard Cox
  - Jeena & Company
  - None of the above options
- Thomas cook was founded in year \_\_\_\_\_
  - 1758
  - 1741
  - 1858
  - 1841
- Pallonji Katgara & Jamshedji Dastoor started tours and travel company in year \_\_\_\_\_
  - 1900
  - 1910
  - 1920
  - 1930
- In 1905 Nippon Travel Agency was started in \_\_\_\_\_ country.
  - China
  - Korea
  - Thailand
  - Japan
- China Travel Setrvice was established by \_\_\_\_\_
  - Thomas Cook
  - Richard Cook
  - K P Chen
  - Alfred Baldwin
- In Soviet Union \_\_\_\_\_ was the official state travel agency
  - Intourist
  - Helloworld
  - Baldwin Travel Agency
  - None of the above options

## Travel Agency and Tour Operation

7. Mode Tour become first travel agency in \_\_\_\_\_  
a. North Korea    b. South Korea    c. China                      d. Japan
8. Who launched the first online directory of hotels.  
a. hotel.in    b. Travelweb.com  
c. Lastminute.com                                      d. None of the above options

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### 1.6 LET US SUM UP :

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The travel agency has gone through a lot of transformations throughout the years. It's fascinating to observe how travel agencies have progressed over time, with the first modern travel agency emerging in the 18th century. It may appear like this occurred a long time ago, yet it did not. The majority of people overlook the fact that the travel agency business is still relatively new and modern. This unit looks at the evolution of the travel industry around the world and in India.

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### 1.7 ANSWER FOR CHECK YOUR PROGRESS :

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#### Check Your Progress :

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (b) | 2. (d) | 3. (c) | 4. (d) |
| 5. (c) | 6. (a) | 7. (b) | 8. (b) |

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### 1.8 GLOSSARY :

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**Domicile :** The place or country of residence, which is legally or officially recognised.

**Grand Tour :** Tour taken by aristocratic and privileged classes in pursuit of culture, education and pleasure. The origins of such tours can be discerned in those elements of Roman society that travelled to Greece in pursuit of culture and education.

**Mass Tourism :** It occurs when large numbers of people visit the same place at any one time.

**Pilgrimage :** A journey made to sacred place as an act of religious devotion.

**Seed Capital :** Sometimes known as seed funding or seed money, is a form of securities offering in which an investor invests capital in a startup company in exchange for an equity stake or convertible note stake in the company.

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### 1.9 ASSIGNMENT :

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1. Explain the state of tourism in India after independence ?
2. How Richard Cox established Travel Company ?
3. What were the important milestones in the development of tourism in India ?
4. What was the contribution of Pallonji Katgara & Jamshedji Dastoor in the tourism sector of India ?

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### 1.10 ACTIVITIES :

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1. Examine the significance of the Char Dham Yatra in terms of tourism. Analyse the tourism at this Char Dham Yatra from the perspective of domestic tourism.

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## **1.11 CASE STUDY :**

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### **Reasons Behind The Thomas Cook Bankruptcy**

Thomas Cook Group was a British travel company which operated as both, an airline company and a tour and travel firm. The Group was founded after the merger of Thomas Cook AG and My Travel group in 2007.

However, the brand "Thomas Cook" is 178 years old and was trusted by travellers globally. Recently, Thomas Cook Group collapsed due to a lack of funds. They have announced their bankruptcy. We tried to find out what were the reasons behind the Thomas cook bankruptcy case.

### **News about Thomas Cook Bankruptcy Case**

Thomas Cook Group collapsed on Monday, 23 September 2019. This caused 22,000 losing their jobs which include 9,000 people from the UK. More than 150,000 travelers who were on holiday, lost their trip home.

On 26 September 2019, the British Civil Aviation Authority (CAA) announced that they have scheduled over 70 flights on Thursdays (26 September) to bring back 16,000 travelers who were on their holiday to different countries. Their program would continue until 6 October. They have more than 1000 flights planned to schedule for 10 days.

### **History of Thomas Cook Group**

Thomas Cook Group is the oldest travel agency in the world which was founded in 1841. Thomas Cook founded the company by helping people travel by train. He was a part of the Temperance Movement (A movement against Alcohol) and arranged meetings for the movement and carried temperance supporters from one British City to another.

At the same time, he founded the Thomas Cook Travel Agency and worked as the middle man for the travellers. Around 1860, the company was arranging foreign trips and was the first one from the country to take people to the US & Europe. It even arranged many world tours for travellers.

When Thomas Cook was succeeded in arranging many trips, he became sure about this business and bought a shop on Fleet Street, London, and started selling travel accessories along with travel arrangements. In 1872, Thomas formed a partnership with his son and renamed the company to Thomas Cook & Son. Thomas' son, John Mason Cook provided expertise for the commercials of the company.

Thomas retired in 1878 and John Mason and his son were now responsible for the business. By 1888, the company was able to establish its offices in various countries. By now, the company was developed in terms of its services. They were able to arrange many activities in other countries for their travellers like Opera, Mountain climbing, etc.

The company then ran by the family members only and remain the same until 1924 when it was renamed to "Thomas Cook & Son Ltd." after getting limited liability status.

The third generation of the family was even more successful as travel became more popular. However, the company was sold to Hays Warf Cartage Company in 1942. After few decades, it was then acquired by the British Government and was renamed to "Thomas Cook Group Ltd."

## **Travel Agency and Tour Operation**

Between 1974 to 2001 Thomas Cook Group Ltd. was acquired by many companies until C&N Tourist AG acquired it and renamed it to "Thomas Cook Group AG". Later in 2007, Thomas Cook Group AG was merged with My Travel Group to form "Thomas Cook Group Plc".

### **Reasons Behind Thomas Cook Bankruptcy Case**

Why Thomas cook failed? Some of the reasons which led to the failure Thomas Cook Group and caused Thomas cook bankruptcy case are:

#### **Funding**

The major and the most obvious reason for the collapse of Thomas Cook is that they were not able to secure the funding of £200 million or almost \$250 million. If the company would have received the amount of funding, it could have easily survived instead of getting bankrupt but due to lack of funding led to the Thomas cook bankruptcy case.

#### **The Debt**

Thomas Cook had a debt of over \$2.1 Billion. It is the reason the investors backed out of investing in the company. The bosses of Thomas Cook even met many lenders and creditors in London but failed to raise any funds. Again investors backed which led to the Thomas cook bankruptcy case.

#### **The Model**

The business model of a travel agency depends on segregating the different aspects of travelling and packing it into one travel package. However, with the easy and direct access to any service through the internet, the travel package, or going through a travel agency has become obsolete.

#### **Airline Expenses**

Thomas Cook was a service travel company that even provided flights to travellers. However, operating an airline is not an easy task. An airline company needs a lot of funds to bear its running cost. Costs like fuel, maintenance, crew, etc. need to be fulfilled.

#### **Brexit**

The company is calling it the top reason for the collapse. In May 2019, the CEO of Thomas Cook, Peter Frankhauser said: "the Brexit process has led many U.K. customers to delay their holiday plans for this summer."

And of course, one reason for its failure is the common reason for most of the business failure, resisting change. Thomas Cook was unable to adapt the changes according to the new generation and ended up collapsing.

#### **Why Thomas Cook India is Safe ?**

Even though the whole world is shocked by seeing the 178 years old company collapsed, Thomas Cook India is still doing business as always.

The reason behind it is that Thomas Cook (India) Ltd. was acquired by Fairbridge Capital Ltd. is a subsidiary of Canada-based company, Fairfax Group.

Hence, Thomas Cook India is totally safe and still operational. However, they have put this warning to let the users know that their company is independent of the brand of Thomas Cook.

Even though Thomas Cook India is still operational, they have seen a sudden downfall in their share price. Their share price decreased by 5.23%.

### **Conclusion**

Thomas Cook has been a great business since its birth. The company changed the way people travelled. In the age when it was a luxury to travel to another city, the company made it possible to easily travel to other countries. Along with its travel business, it has also been a great financial company for travellers.

However, everything has an end. So, it is an acceptable truth and not a surprise that the company ceases to operate anymore. Even though the travel industry has grown as a whole, but it has also evolved in the process. So, if any company has to survive in any industry, they need to adapt change according to the generation.

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### **1.12 FURTHER READING :**

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1. Sunetra Roday, Archana Biwal & Vandana J (2009), Tourism Operations and Management, Oxford University Press
2. A. K. Bhatia (2012), The Business of Travel Agency and Tour Operations Management, Sterling Publishing
3. Dr. Mohinder Chand (2007), Travel Agency Management: An Introductory, Anmol Publications Pvt. Ltd.

**UNIT STRUCTURE**

- 2.0 Learning Objectives
- 2.1 Introduction
- 2.2 Meaning of Travel Agency
- 2.3 Types of Travel Agency
  - 2.3.1 Other Types of Travel Agencies
- 2.4 Meaning Tour Operator
- 2.5 Types of Tour Operator
  - 2.5.1 Other Significant Tour Operators
- 2.6 Difference between Travel Agent and Tour Operator
- 2.7 Let Us Sum Up
- 2.8 Answers for Check Your Progress
- 2.9 Glossary
- 2.10 Assignment
- 2.11 Activities
- 2.12 Case Study
- 2.13 Further Reading

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**2.0 LEARNING OBJECTIVES :**

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**After successfully comprehension of this unit learner will be able to :**

- Know the meaning and definition of travel agency
- Understand the various types of travel agency
- Comprehend the meaning and definition of tour operator
- Understand the different types of tour operator in tourism sector

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**2.1 INTRODUCTION :**

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The travel business is an economic activity that involves the continuous and regular purchase and sale of travel-related services in order to meet needs of the tourists. It has been agreed that the travel industry is a service industry. In tourism, service refers to anything that is supplied to a traveller in order to travel, stay, and participate in tourism activities. Humans have been fascinated by travel for millennia. Travel was available in the past, but 'tourism' was not. They were not travelling for the pleasure of it, and they were not looking for a break from their daily life. Tourism began when people learned to distinguish between work and play. The tourist sector flourished and the travel business thrived once travel agencies were founded to market travel-related services.

In the new millennium, the function of the travel agency in the marketing of tourism is critical. Travel middlemen play a crucial role in the growth of tourism sector. You learnt about the history of travel and tourism in the previous

unit. The concepts of a travel agency and a tour operator are distinct, and the following topics will explain these differences along with meaning.

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## **2.2 MEANING OF TRAVEL AGENCY :**

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A travel agency is an organisation which organises traveller's arrangement which is required for the movement. When a tourist or a traveller plans the trip, he or she must think for the tickets may be by air, rail, water or road. The second important component is to search for suitable accommodation at the destination, and later proceeds for selecting places of interests at and around the destination. Once tourist or traveller thinks for planning a trip, they start for conducting a research on the destinations, and collects secondary data related to their trip. A travel agency acts as a catalyst in the entire process by providing consultancy services to the tourists. Once the trip is finalised, travel agency makes the arrangements for their transport by the means of rail, road, water or air, books accommodation, arranges local sightseeing, provides guide services, and also arranges for their food and beverages, program schedule, and takes care for their safety and security. Thus, a travel agency can be called as a private retailer or public service providers which provides tourism and travel related services to the people on behalf of suppliers like airlines, car rental companies, cruise lines, hotels, railways, and package tours services. Apart from dealing with ordinary tourists most of the travel agencies also have a separate department dedicated for making travel arrangements for business travellers too, and some travel agencies are specialise in business travel only. There are some travel agencies which serve as destination management companies or as general sales agents for international travel companies, keeping them to have offices in other countries where their head office is located.

### **Definition of Travel Agency :**

According to Airlines Reporting Corporation (ARC) a travel agency is defined as "A business that performs the following functions: quotes fares, rates, make reservations, arrange travel tickets and accommodation, arrange travel insurance, foreign currency, documents and accepts payments."

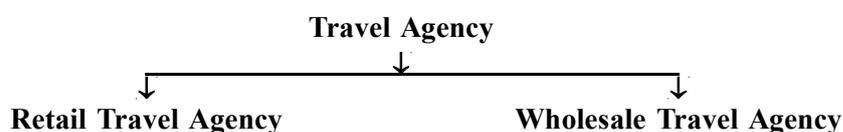
According to SARC (1967), "Travel agency business consists of the activities involved in selling tourism products/services directly to the tourists and performs normal functions such as issuing air tickets, making accommodation and transportation reservation, providing specialised services, and accepting and making payments."

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## **2.3 TYPES OF TRAVEL AGENCY :**

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Travel agencies are broadly divided into two basic categories: Wholesale travel agency and retail travel agency as per the distribution of sale of tourism related services. In addition to the above mentioned classification, travel agency can also be classified as implant agent, conference and meeting planners, trade fair organiser, Destination Management Company (DMC), online travel agency, home based travel agent etc.



## **Travel Agency and Tour Operation**

- 1. Wholesale Travel Agency :** A wholesale travel agency accumulates different components of tourism services to design tour packages for catering Free Individual Traveller (FIT) and Group Inclusive Traveller (GIT). A wholesale travel agency is one which initiates the process of designing organised package tours or sells the individual travel components directly or indirectly through franchise, sub agents and retail agents. For example, a wholesale agent of Lufthansa airline or Sheraton Hotel chain is authorised to sell the airline tickets or hotel rooms on behalf of the principal service vendors. A wholesaler may be a consolidator or a manufacturer of tour packages or can act as a General Sales Agent (GSA). Whole seller purchases travel related service components in bulk from different service provides and prepares packages, and sells or resells these components together to retail agencies or customers. The wholesale travel agencies in India are Makemytrip, Cox & Kings, Thomas Cook, SOTC, yatra.com, International Travel House, Mercury Travels etc.
- 2. Retail Travel Agency :** A retail travel agency is one which sells its services directly to tourists or travellers at various small locations. Retailer receives commission from the gross sale of hotel rooms, airline, railways, bus, car and cruise tickets, insurance, foreign exchange, etc. The primary source of revenue is commission which they receive from various service providers. A two-way selling method is followed in retail travel agencies. The role of retail travel agencies is very crucial as majority of principal travel service providers have no choice to increase the sale without the help of retail travel agencies. Thus, there is a definite growth of retail travel agencies dealing with the booking of hotel rooms, airlines tickets, cruise line packages, amusement parks, restaurants, bars etc. Through the retail travel agencies, wholesalers reach bottom level retail clients, and it is considered as sustainable and reasonable. Some retail travel agencies in India are Indian Air Travel, Voyagers Club, Discovery Travels Pvt. Ltd, E-bookers Holidays, Jungle Travels Pvt. Ltd, RJ Trade Wings etc.

### **2.3.1 Other Types of Travel Agencies :**

- 1. Implant Agent :** It is a different type of travel agent which is located in the premises of corporate offices to take care of their travel arrangements. Generally a retail or wholesale travel agency makes an agreement which corporate house to serve their employees, A mutual agreement is done between both the parties where corporate house provide travel agent space and basic infrastructure at their premises, and travel agent organises their own set up for exclusively serving the employees. One of the major implant agents is HRD SITA.
- 2. Conference and Meeting Planners :** Meeting, convention, and event planners coordinate all aspects of events and professional meetings. They arrange meeting venues, transportation services, accommodation, food and beverages for participants, pre and post conference sightseeing and other related activities. Meeting, convention, and event planners spend time in their office premises and onsite at hotels or convention centres. They also work onsite at hotels or convention centres, and they often travel to attend events and visit prospective meeting sites. One of the major conference agents is Orbitz.

3. **Trade Fair Organiser** : Trade Fair Organisers have a clear commitment to organise package to various national and international trade fair venues as the principal core of their mission is to promote trade fairs. They are backed by consumers, are engaged actively in supporting exhibitors, visitors, national and international bodies, and create awareness raising. They are also involved in campaigning and promoting national and international trade fairs at various locations of the world. One of the major Trade Fair agents is SOTC Trade Fair Tours.
4. **Online Travel Agency** : Online Travel Agencies are travel websites which provide online booking facilities for hotels, airlines, cars and other travel related services to clients. Online Travel Agencies work on B2B2C (Business to Business to Customer) system.

In a B2B2C system, the owner of the website or the sellers uploads their products. The clients will book the products either from the owner or seller directly from the website. In this process, the owner can have a commission from the seller. This kind of system is also known as Marketplace. For example, we can consider yatra.com, it is a hotel and airlines marketplace where hoteliers and airlines upload hotel rooms and airlines inventory and users are given a wide variety of choices of components to select and book. Whenever a user makes a reservation through the website, yatra.com gets its commission from the hotel. The Online Travel Agencies generally take a commission ranging from ten to thirty percentages.

5. **Home Based Travel Agent** : Home-based travel agency is one engaged in the marketing and selling of travel products from a home office. But that can cover a wide variety of different types of home-based travel agents who might have very different looking businesses. In the travel industry and more specifically in the travel distribution industry, the term "home-based travel agent" is most often used to refer to someone who works out of their home office as an outside sales representative for a bonded, accredited travel agency, usually referred to as the "host agency." The home-based travel agent finds, qualifies, and books the customer; the host agency prints the tickets (if any) and serves as the conduit between the home-based agent and the travel supplier whose product the home-based agent is selling.

The home-based travel agent and the host agency share the commissions paid by travel suppliers according to a negotiated percentage split that reflects (or should reflect) the amount of work and effort expended by each party in making the booking happen.

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## **2.4 MEANING TOUR OPERATOR :**

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Tour operator is an organisation, firm, or company who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through intermediary is called a Tour Operator.

More precise tour operators are primarily responsible for delivering and performing the services specified in a given package tour. They can provide these services themselves as some have their own cars and coaches, hotels, and other travel-related services or can obtain these from the other suppliers. That is why they are called manufacturers of tourism products.

**Definitions of Tour Operator :**

Poyther defines, "tour operator is one who has the responsibility of putting the tour ingredients together, marketing it, making reservations and handling actual operation."

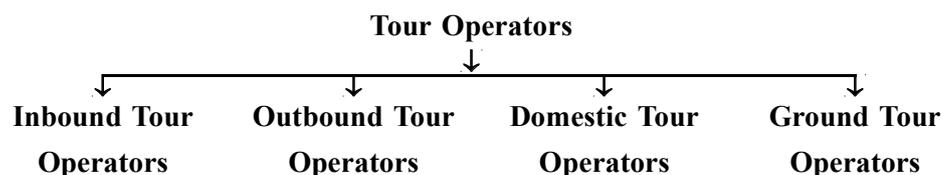
Holloway stated that tour operations undertake a distinct function in the tourism industry, they purchase separate elements of tourism products/services and combine them into a package tour which they sell directly or indirectly to the tourists.

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**2.5 TYPES OF TOUR OPERATORS :**

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Tour operators are basically categorized into four types. These are categories on the basis of their nature of the business and its operations.



**Inbound Tour Operators :**

These are also known as incoming tour operators. Technically, the operators who receive guests, clients/tourists, and handle arrangements in the host country are called inbound tour operators. For example, a group of American Tourists is coming through TCI Ltd. to India and the company makes arrangements and handles the group in India then TCI is called an inbound tour operator.

These tour operators formulate tour package individually or in collaboration with foreign tour operators. The packages may be marketed directly or by means of the intermediaries. In fact, inbound tour operators are the 'image' builders of a country as they convert all touristic resources of a nation into a saleable commodity.

They also contribute valuable foreign exchange earnings to the economy of host country. Recognizing the vital role played by inbound tour operators in the healthy growth and promotion of tourism, every nation has extended several financial and non-financial incentives to these operators.

Incidentally, the inbound traffic to the country for the last two decades has been decreasing. Essentially the tour operators need to adopt innovative marketing strategies and should introduce a special interest tour to cater the special needs of Japanese, Americans, French and British people.

**Outbound Tour Operators :**

Tour operator who promotes tours for foreign destinations, maybe business tour or leisure tour is called outbound tour operators. For example a group of American tourists going to a trip of India and Thomas Cook handle arrangement in America like as ticket reservation, hotel booking etc. then Thomas Cook is called Outbound Tour operators in the context of America.

The outbound tour operator arranges travel documents, transportation to a central point where the tour starts and contracts with inbound tour operators/ground operators to provide accommodation, transportation, local sightseeing and other services as needed throughout the tour.

Generally, these operators work in liaison with the inbound tour operators/ground operators and offer services involving meeting inbound tour group at the

airport, transferring the tour group from the airport to the arranged place of accommodation in town hotel, arranging/organizing local sightseeing that may be a single day or multi days tour of the home state, region or area. These may be in the form of business or leisure oriented tours.

**Domestic Tour Operator :**

Today, the domestic market has witnessed attractive growth rates as large players in the travel industry are aggressively entering and promoting this market. Leading tour operators usually focus on the international market where margins are higher but now, in addition, they are floating new packages to create a niche in this segment to tap the vast potential in the domestic market.

Even leading hotel chains are also receiving healthier response in this context. In the UK, USA, Japan, India, China and Hong Kong many tour operators are specialized in domestic holiday packages.

Generally, domestic tour operators operate within the boundary of home country and cater the diverse needs of individual and group travellers. They promote tour packages both through their own outlets and other retail travel agents. In fact, they are contributing to the cause of national integration.

**Ground Operator :**

Ground operator is also referred to as, 'reception operator', 'destination management companies' and 'handling agencies' e.g. ground operators in the United States– 'reception operator, 'handling agencies' in India and destination management companies in UK.

Ground operators are normally expected to provide 'land arrangements' at a particular destination. Thus, a ground operator who provides the services required by large tour companies where they do not have a local branch/office or are not dealing at the source with the principal suppliers such as hoteliers, transport operators, car rentals, entertainment organizations and so forth.

The reception operator secures, coordinates, supervises and handles accounts/ payments of all services related to the tour in his region/area. His services are invaluable for an efficient and successful operation of inclusive group as well as foreign independent tours.

**2.5.1 Other Significant Tour Operators :**

**Special Interest Tour Operator :**

Special interest tour operator offers and promotes the special interest package tours. They mostly do customer to customer marketing for the packages or offer their services through retail agents. For example, Compass Tours and Travels, New Delhi offers adventure tours in the Himalayas in India. It is wildlife and ecotourism tour operator and it design wildlife, adventure and ecotourism packages for group in the niche market. This type of tour operator does not go for mass market as buyers are limited. When a company plans for dealing with special interest clients, there must be potential buyers for the package tours as the nature and cost component is relatively higher in comparison to the conventional package tours. The specialist tour operators only arrange and organize tours in pleasant climate and the business is seasonal in nature.

In the recent times, many specialist tour operators are moving towards corporate travel, incentive travel, MICE travel, ecotourism, rural tourism, Trade fairs, Cuisine tourism and cultural tourism. They are also referred as personalized

## **Travel Agency and Tour Operation**

or customized tour operators as package tours are made as per the choice and customization of tourists. These are the following areas that specialized tour operators are promoting package tours.

- Ayurveda and Health
- Archaeology and historical sites
- Adventure and ecotourism sites
- Buddhism and Jainism ancient religious sites.
- Special cuisines at each place.
- Desert and jungle safari tour
- These are the following activities that specialized tour operators carry out during the tour.
- Arrangement of visit of fairs and festivals venues
- Arrangement for shopping and exhibitions grounds.
- Provision of hiring equipment for sports and games (Golf, winter sports and water sports.)
- Provision for scholarly interpretation of objects with the help of experts at the museums
- Arrangements for host community interaction
- Organizing special cultural program in the palaces
- Special amenities for the tourists in the train or bus journey

### **Mass–Market Tour Operator :**

When a large number of people visit the same destination at the same time, this is known as mass tourism. A person or organization that creates package journeys for tourists is known as a mass market tour operator. They buy in bulk, resulting in cheaper inventory cost. They arrange transportation to and from the destination, as well as lodging, activities, and any additional services that may be required. They must have a thorough understanding of the tourism business and be aware of the most cost–effective routes and types of transportation. Where can tourists gain the most excitement and what services can be provided for free? A mass market tour operator must be familiar with the operations of similar businesses and how they complement or compete with their own.

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## **2.6 DIFFERENCE BETWEEN TRAVEL AGENT AND TOUR OPERATOR :**

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Travel Agent and Tour Operators are the crucial links in the tourism industry. They both are assumed to be one by lay man but their role, functioning and nature is different from each other. The main difference between a tour operator and a travel agent is that a tour operator designs tour package, whilst a travel agent is in business of selling and administering tour package to the visitors. Further under this topic we will see the other differences between the two as mentioned below:

- Tour operator is the company or person responsible for planning the trip as per the requirements put forward by the travel agent. Where travel agent is an intermediary selling the tour packages purchased from tour operator fulfilling the needs of the visitor.

- The major role of tour operator is to take care of the tourist according to the package description. Whereas the role of travel agent is to sell the holiday packages purchased from different tour operators as per the requirement of visitors
- Tour operator is specialised in one or a few destinations as the nature of business is bulk. They are referred as consolidator of tourism industry. However this is not applicable to the travel agent. Travel agent deal with multiple destinations in order to aggregate the service for the tourists.
- In terms of earning tour operator earns huge profits since they set the price tag and their risk is bigger in terms of investment. Earning of travel agent is in terms of commission based on the number of bookings made against the destination package.
- Travel agent is heavily dependent on tour operator for the functioning of travel agency work. All the dealing of travel agent is from various travel agents. Tour operator is an independent business entity. They can sell their package on their own. However if travel agent sell their packages against the payment of commission it is assistance to them in their business.
- Tour operator requires handsome investment to block seats in flight, purchase of hotel inventory, etc. They must possess sound business management skills to run the operations. Whereas travel agents require small investment in office infrastructure and good network of travelling people. A simple training about destinations and need analysis of visitor is enough for travel agent to run the agency.
- Tour operator offer advice on the issues and legal grounds to the travel agent related to the booking made or general factor of the destination. Whereas travel agent offer advice to the visitors concerning the travel documents like visa, passport and booking of hotel room, ticketing, sightseeing, etc.
- The nature of relationship toward tourist is indirect for the tour operators. They rarely come in contact with the travelling tourist. They take down requirement from travel agent and communicate through agent only. Whereas, travel agent directly in contact with tourist throughout the booking/reservation process. Even during the trip if required and after the trip to collect feedback of the tourists.
- Tour operators are the wholesalers in the tourism industry and travel agent is the retailers in industry.

**□ Check Your Progress :**

1. Which is not the type of travel agency ?
  - a. Retail travel agency
  - b. Outbound travel agency
  - c. Wholesale travel agency
  - d. None of the above options
2. Travel agency located in the premises of the corporate office is called as \_\_\_\_\_
  - a. Retail travel agent
  - b. Conference & Meeting Planner
  - c. Inplant travel agency
  - d. Home Based travel agency
3. Wholesaler travel agency may act as \_\_\_\_\_
  - a. Consolidator
  - b. GSA
  - c. Both option a and b
  - d. None of the above options

## Travel Agency and Tour Operation

4. Tour operator buys individual travel components from various \_\_\_\_\_
  - a. Suppliers
  - b. Travel agents
  - c. Online travel agencies
  - d. All of the above options
5. Acronym DMC in tourism management stands for \_\_\_\_\_
  - a. Double Managed Company
  - b. Destination Multiplying Corporation
  - c. Destination Management Company
  - d. None of the above options
6. Which is not the type of tour operator ?
  - a. Inbound tour operator
  - b. Outbound tour operator
  - c. Domestic tour operator
  - d. Implant tour operator

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### 2.7 LET US SUM UP :

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Individuals and groups planning trips might use travel agencies to arrange transportation, lodging, and entrance to entertainment activities. They provide destination recommendations, itinerary planning, and travel arrangements for guests. They are vital to the growth and development of the tourism industry. Retail travel agencies and wholesale travel agencies are the two categories of travel agencies. refers to the cost of a tour being marked up and sold at a greater price.

A Tour Operator is a person or corporation who comes up with holiday ideas, investigates them, creates the holiday itinerary and content, contracts the services required for the vacation, such as lodging, transportation, guides, tour leaders, or resort reps, and then markets the final package. We have studied about four types of tour operators; inbound, outbound, domestic and ground handler in this unit.

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### 2.8 ANSWER FOR CHECK YOUR PROGRESS :

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- |        |        |        |
|--------|--------|--------|
| 1. (b) | 2. (c) | 3. (c) |
| 4. (a) | 5. (c) | 6. (d) |

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### 2.9 GLOSSARY :

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**Commission** : It is the money that one gets for selling something.

**Consolidator** : A business (generally by tour operator) that has contracts with hotels, airlines, transporters, etc to sell tickets in bulk, generally at a discounted rate.

**Destination Management Company** : It is a professional services company with local knowledge, expertise and resources, working in the design and implementation of events, activities, tours, transportation and program logistics.

**Package Tour** : Also known as package vacation or package holiday. It is a form of product bundling. Package holidays are organised by a tour operator and sold to a consumer by a travel agent.

**Trade Fair** : A large event at which several companies show and try to sell their products and services in one place

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## **2.10 ASSIGNMENT :**

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1. Explain the retail and wholesale travel agencies in tourism industry.
2. Write a short note on online travel agency
3. Define and explain the term tour operator.
4. What is the major difference of working in inbound and outbound tour operators ?
5. How would you explain the special interest tour operators ?

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## **2.11 ACTIVITIES :**

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1. Visit 4–5 travel agencies and find out their principal tour operator whom they contact to consolidate the tour package.

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## **2.12 CASE STUDY :**

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### **A Case Study of Kuoni: You look at the world. We look after you**

Kuoni–India's key Outbound Division operates under the name of SOTC is the country's largest outbound tour operator. SOTC has escorted over 350,000 travellers across the globe to various destinations including Europe, Australia, New Zealand, USA, Africa, Mauritius, South Asia, and the Far East. SOTC has a wide distribution network of 130 sales outlets across India to retail its range of products and serve its customers better.

The flagship brand of SOTC, pioneered the designing and marketing of escorted tours to cosmopolitan travellers in India. Sport Abroad provide global sports–based holidays whilst Student Holidays strives to enrich the educational environment through travel and fun–filled experiential learning. SOTC Do–It–Yourself Holidays provides customized fully flexible holidays that cater to seasoned travellers. SOTC is also known for the domestic holiday brand which offers a wide range of organized domestic travel options across India, namely, Classic Holidays, Fun–filled Beaches, Hill Stations, wildlife Holidays and Spiritual.

The outbound travel division of Kuoni (India) has a 66 per cent share in the outbound–travel business in India. At least 60,000 to 70,000 Indians visit international trade fairs every year and small and medium entrepreneurs consider such visits as a business investment. Germany organises the largest number of these trade fairs, followed by Italy (Milan), China, France and Japan. The major trade fairs in Germany often attract 1.5 lakh visitors every year. The leading source of India's outbound travellers is Delhi and it shares covers somewhere at 26 per cent.

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## **2.13 FURTHER READING :**

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1. Dr. Mohinder Chand (2007), Travel Agency Management: An Introductory, Anmol Publications Pvt. Ltd.
2. Roday, S, Biwal, A & Joshi, V. (2009), Tourism Operations and Management, Oxford University Press, New Delhi.
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**UNIT STRUCTURE**

- 3.0 Learning Objectives
- 3.1 Introduction
- 3.2 Role of Tour Operators in Tourism Business
- 3.3 Travel Agencies Roles and Responsibilities
- 3.4 Services Offered by Tour Operators & Travel Agents
- 3.5 Relationship with Airlines
- 3.6 Relationship with Tourist Transport Providers
- 3.7 Relationship with Accommodation Providers
- 3.8 Relationship between Travel Agents and Tour Operators
- 3.9 Let Us Sum Up
- 3.10 Answers for Check Your Progress
- 3.11 Glossary
- 3.12 Assignment
- 3.13 Activities
- 3.14 Case Study
- 3.15 Further Reading

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**3.0 LEARNING OBJECTIVES :**

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**After successfully comprehension of this unit learner will be able :**

- To identify the role and responsibilities of travel agency and tour operators
- To know about the various services offered by tour operator and travel agency
- To understand the relationship with various service providers

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**3.1 INTRODUCTION :**

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As we know that travel agencies are the service providers which assemble services from various suppliers like airlines, car rentals, railways, hotels, cruise lines, travel insurance etc. to make it available to the guests. But this is not, in the major part of what they do, retailers or leaders in their own right who sell their own services. They are "agents" who sell to the people the transportation or accommodation services of others. The travel agency's function is to bring consumers who wish to purchase such services together with those who have such services to sell – suppliers.

In beginning travel agency was acting just as a middle–man who uses to buy various products from tour operator and assemble them to make the package available to guest through travel agents. But due to changing factors like technology, competitive environment, change in tourism trends, change in market trends, customer profiles and income, internet penetration in various market,

information and awareness and increase in standard of living the business has changed a lot. Therefore it is very important for travel agents to handle their suppliers discreetly.

The travel agent therefore needs to maintain a good relationship with the following suppliers to stay in the market for long. The following are major suppliers of tourism industry :

- Airlines
- Accommodation suppliers
- Car rentals
- Cruise lines
- Railways
- Travel Insurance
- All other services provider who are directly or indirectly involved in tourism Industry.

For bulk travel services travel agents have to enter in a long term contract with the above mentioned suppliers, so that the best product can be delivered at right time.

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### **3.2 ROLE OF TOUR OPERATORS IN TOURISM BUSINESS :**

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**Tour Packages Creation :** The tour operator is in charge of developing and maintaining guests tour packages. The preparation of activities that appeal to the specific visitors embarking on the trip is part of tour package management. When and how to adjust a tour package to best adhere to the group or individual's goals should be covered by the tour operator.

**Make Travel Arrangements in Advance :** In most circumstances, tour operators are responsible for making travel arrangements for the touring group. This covers transportation from one location to another, as well as ensuring that all members of the group arrive at their next destination. Tour operators frequently assist with flight tickets and collaborate closely with hotels to recommend lodging reservations, sightseeing alternatives, and other activities to group members.

**Tour Operations Budgeting :** Tour operators work hard to build tour packages that provide users with great service at a lower cost than if they booked each commodity separately, while still running a profitable business. Tourists purposefully seek out the assistance of a travel agent or tour operator in order to get more value for their money. Before finalising a tour package, tour operators should take the time to evaluate pricing.

**Providing a Relaxed and Safe Tour :** A tour should fulfil all of a traveller's expectations and beyond. A tour operator should be skilled at putting together an experience that will leave guests with lifelong memories.

It's just as crucial to provide a meaningful, good experience as it is to keep your passengers safe throughout the journey. Some tour activities may represent a possible risk to travellers, putting the tour organisation at risk. As a tour operator, you should encourage your visitors to purchase travel insurance. Insurance will give you and the tourists peace of mind as they go on once-in-a-lifetime experiences.

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### **3.3 TRAVEL AGENCIES ROLES AND RESPONSIBILITIES :**

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- It sells package tours on behalf of a wholesaler and functions as a retailer. Package tours are sold with a commission that is either fixed or variable depending on the agreement.
- In terms of providing package tours, travel related services in the case of outbound tours, and performing sightseeing tours in the case of inbound tours, it acts as the intermediary between tour operators, whole sale travel agents, and travellers.
- It creates tour itineraries and offers travellers with useful destination information.
- Visitors are transferred to their destinations by travel agents according to the itinerary.
- It serves as a ground handling agency, confirming and reconfirming services reserved by tour wholesalers such as return plane tickets, hotel booking, etc.
- It handles problems for travellers in accordance with tour operators' instructions.
- It entails dealing with main suppliers to negotiate commission terms and conditions.
- It frequently hires trained and semi-skilled workers as per the load of business.
- Consumer and supplier feedback is collected by a retail travel agency.
- It provides potential and current clients with travel-related information and knowledge.

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### **3.4 SERVICES OFFERED BY TOUR OPERATORS & TRAVEL AGENTS :**

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- Transfers to and from the airport and hotels are arranged.
- Making preparations for a traditional greeting at the points of arrival.
- Organising luggage transportation at the airport and train stations.
- Organising sightseeing trips with guided guides.
- Creating options and selections for itineraries to various locations across the world.
- Land arrangements for creating a custom itinerary.
- Clients can choose from a variety of hotels and make reservations.
- Meeting, conference, and meeting arrangements are the responsibility of the professional.
- Organising trade show and factory tours for visitors.
- The creation of themed parties and activities for travellers with a specific interest.
- Booking of airline tickets as well as making travel documentation such as passports, visas, health certificates, and permits for restricted areas.
- Tourists' foreign exchange and travel insurance are handled.

- Managing a team of skilled and competent tour guides, escorts, interpreters, and tour managers at the destination, as well as providing customised services.
- At the destination, coordinating with local tourist groups.
- In-house travel counsellor with Computerised Reservation System, managing implant operations.
- Promoting incentive travel in India and the entire world.
- Joining national and international tourism, travel, hospitality, and aviation groups as a professional member.

---

### **3.5 RELATIONSHIP WITH AIRLINES :**

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Airlines industry is a big industry with over 40 airlines in the world that operates more than 100 aircraft and about more 50 operators with fleets of 50–100 and on average, 17% of airline operating cost are attributed to distribution costs which are associated with commissions to travel agents, ticketing, credit card fees, CRS fees and promotion. In recent years, airlines have been questioning the role of travel agents in the distribution chain and renegotiating commission fee structures. The rate of commission paid is negotiated between travel agents and airlines, thus one may receive more commission in comparison to other which has led some airlines to stop giving commission for sale of their services. Hence the travel agencies and airlines have now started using information technology to improve their position with the competitors; it also serves as the perfect medium for distribution of the products instantly and is transforming the way of conducting the business. Even the ticketing and booking is getting mechanized.

In recent times the travel trade has experienced enormous environmental changes. Due to which supplier airlines have significant macro-economic deviations which are often impulsive. These deviations are as follows :

- Demographic changes
- Frequent changes in ATF prices
- Deregulation
- Dropping ATF prices reflecting on tickets
- Recession causing economic depression

There is basically one point of concern which will affect the entire travel agent services i.e. pricing which leads to two responses one is why the price keep changing, hence every airline wants increment in revenue per flight which means charging more or less over time depending on what they predict will maximize total revenue for the flight. This is done by using "yield management".

Yield management regulate projection of information in three ways to maximise the revenue :

- Capacity management
- Discount allocation
- Duration control

Example of a flight that has two fare buckets: discount price and full price. The flight has 200 seats that are available for an early morning flight on February 14th (Wednesday). The flight should easily be capable to sell off all seats at a discounted price, but it realises that an increasing number of clients will be

willing to pay full price for seats as February 14th gets closer. To make things easier, further they accept that the leisure demand occurs before business demand. The next thing to do is to decide how many seats the airline should sell at leisure fare and how many seats should it reserve for people who would pay full price. If the airline ends up reserving too many seats, it faces the risk of flying with unoccupied seats. On the other hand, if very few seats are reserved, the airline might end up dropping out on extra revenue that is usually generated from the business fliers.

In order to differentiate between the two groups, the airline often familiarised barricades or "fences" between the two market segments. For example, the airline might segment in the full fare seats as the flying date gets closer and segment out the discounted seats. Since holiday fliers are expected to reserve their itineraries in advance, they are more than likely to make the most of the discounted fares. On the other hand, a majority of the business trips are decided within a week or two from the date of travel. This permits the airline to collect full fares from business fliers.

Airlines are the chief suppliers and thus accept great significance in total package operations, therefore travel agents need to embrace a co-operative approach to obtain best rates from airlines, which may further lead to benefits to customers, special route fares for frequent fliers and discounts and rebates are another are which are to be negotiated in trade with airlines, both domestic and international.

Therefore the travel agent must ensure :

- The contractor's fiscal position.
- The reliability and willingness of suppliers to deliver packages.
- The existence of insurance and agreement to all pertinent licensing and safety regulations.

---

### **3.6 RELATIONSHIP WITH TOURIST TRANSPORT PROVIDERS :**

---

Transport plays an important role in tourism, without transportation tourism will be merely a local leisure. Technology has a significant part in transportation in determining speed, capacity, value, segment, volume and characteristic of tourism in a destination. The various suppliers of transport industry are private taxis and buses, airport shuttles, mass transit system, commercial vehicle and fleet operators, emergency service providers, state and regional transport undertakings. While dealing with the suppliers, it required to be in proper linkage and coordination with payment schedules, proper planning, maintenance of vehicles and training for personnel safety.

The transport industry hence is classified into four categories rail, road, water and air and all these modes of transportation has a different relationship with the tourist transport suppliers.

Private Taxi and Airport Shuttle Operators: As a travel agent it is foremost job for a travel agent to arrange the transfer when a group or an independent tourist arrives in a country. In other words it may be said that the tourist first mode of transport when enters a country is a private taxi or airport shuttle which is arranged by travel agency for the comfort of the tourist. In various countries including India, tourists are issued pre-paid vouchers by overseas operators to avail the airport shuttle services, for this travel agent have to maintain a cordial relationship with the service providers.

Private bus line operators: When the travel agent is dealing with large number of groups consisting many passengers then the importance of this segment of suppliers is assumed. For moving the entire group from one tourist centre to another, the travel agents will require the services of private buses. For example, many a times tourist wants to cover Golden Triangle on their itinerary and for route normally road journey is preferred for which they require the help of private bus services. Sometimes the travel agent assign the task to some other person rather than travelling themselves with the group, for which they require a better coordination with the private bus line operators for smooth operations.

Operators of Mass Transit Systems (MTS): These are effectual and fast transport for tourist known as advanced public transport system. This is introduced to improve customer service, dependable schedules, accurate information, reduce cost and on time enactment.

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### **3.7 RELATIONSHIP WITH ACCOMMODATION PROVIDERS :**

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Accommodation plays a very important part in travel agency operations. As a travel agent it is very important to be acquainted with all types of hotels, specifically when agency is limited to a particular region. For travels hotel can truly define their experience, as hotels has become a destination in itself. Many travel agents improve relationships with most important hotel chains. This is advantageous because these chains often have well conventional travel agent programs with a commission structure that is effective and well defined. Having a relationship with a hotel chain also permits a travel agent to take benefit of any loyalty programs that may be offered. International hotel chains are found worldwide, so you can unfailingly find a hotel that you are aware with and will endure to build your remunerations from the loyalty program.

Many travel agents elect to work with major hotel chains as they generally bid user friendly interfaces and have well customary and candid programs. Clients are also familiar with these hotels, so they have poise in the quality of the room they are being presented. Some of the major hotel chains that are particularly famous with travel agents are the Marriott, Hilton, and Sheraton. Many times clients also feel right to loyalty programs for these hotels. Make sure you make inquiries whether your client belongs to such a loyalty program before you make a reservation for them, and if they do not, consider acclaiming this option to them. The rewards can be exciting for regular travellers. Often these rewards programs vary somewhat for those hotels that are sited overseas. Sometimes the rules cannot be the same and restorative the rewards can be to some extent more perplexing in countries outside of the home country.

If your emphasis is on global travel, then you should acquaint yourself with the various hotel chains in your region of interest. Even though there are many major chains abroad that you are probable to be familiar with, some of the more reasonable selections may operate in only one or two countries. Regardless of not being found universally, these hotels time and again still offer tremendous commission programs for travel agents.

Likewise in India, Federation of Hotels and Restaurants Association of India, (FHRAI) and Department of Tourism in various categories ranging from 5 star deluxe hotels to 1 star hotels, within these categories of hotels you will be availed with various types of rooms namely Deluxe Room ,Superior Room, Executive Room, Deluxe Suite, Executive Suite, Presidential Suite and many more.

## **Travel Agency and Tour Operation**

Accommodation styles can vary vividly. Consumers often have an inclination for the type of place they wish to stay, but at times they are viewing for commendations and involvement from you, the travel professional. It's alluring as a travel agent to mention a client to a major hotel chain with whom you work regularly, but many clients will escalate it if you have a range of selections to offer them. Many travellers these days are considering for a more exclusive and tailored experience. It's imperative for you to cultivate relationships with autonomous hotels and inns. Bed and breakfasts are great options for many guests, but often their commission structure is not as well defined. You may have to initiate a discussion with the owner and reach impact before you begin doing trade. Even though the association may not be as open, many autonomous hotel possessors are still very engrossed in working with you. When you initiate the discussion with the possessors, talk to them about how many clients you may be able to send their way. If you can show them that you can give them a steady flow of business, they are likely to be quite generous with their commissions. Thus the hotels provide you with various meal plans which are reflected in the package also add to the commission which are as follows:

- European Plan(EP)– Only room basis
- Continental Plan(CP)– Only room and breakfast
- American Plan (AP) – Room, breakfast, lunch or dinner
- Modified American Plan (MAP) – Room, breakfast, lunch and dinner.

It is imperative to have knowledge about the plans and tariffs because it aids while negotiating the final rates and commissions.

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### **3.8 RELATIONSHIP BETWEEN TRAVEL AGENTS AND TOUR OPERATORS :**

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Travel agent and tour operators carry a very healthy relationship. This relationship is based on the coordination and understanding of both the traders. The travel agent fills the gap acting as the intermediaries between tour operators and customers. But this relationship today is facing a expected challenge from market condition as the travel agent are enforced to act as a tour operator to withstand their existence in the market, thus giving this relationship a huge gap.

In recent times, tour operators have started reaching to their customers straight due to huge competition and price warfare. Even big tour operators have on track marketing their distinctive tour packages for all sectors of the society be it up market or budget market, merely keeping any difference between tour operators and travel agents.

#### **☐ Check Your Progress :**

1. In normal situation tour package creation is done \_\_\_\_\_
  - a. Travel Agent
  - b. Tour Operator
  - c. Online Travel Agency
  - d. None of the above options
2. Selling and marketing of tour packages is normally carried out by \_\_\_\_\_
  - a. Travel Agent
  - b. Tour Operator
  - c. Online Travel Agency
  - d. None of the above options

3. 17% of airline cost is \_\_\_\_\_
  - a. Promotion cost
  - b. Distribution cost
  - c. Maintenance cost
  - d. Salaries
4. Which organisations in India accredited hotel with 5 star category ?
  - a. FHRAI
  - b. Department of Tourism
  - c. Both option a and b
  - d. None of the above options
5. Acronym MTS in transportation system stands for \_\_\_\_\_
  - a. Multi Tasking System
  - b. Mass Transit System
  - c. Multi Transport Solution
  - d. None of the above options
6. Which meal plan includes all meals (breakfast, lunch and dinner) ?
  - a. EP
  - b. CP
  - c. AP
  - d. MAP

---

### **3.9 LET US SUM UP :**

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Travel agencies and their suppliers should work in cooperation to develop their service supply to visitors by partaking data on product development, marketing and promotional strategies as well as future scattering edges. It is also imperative that both travel agencies and their suppliers should consider in the long term value of forming a relationship with each other. It is for this reason that reliance and assurance are requisites for the establishment of such a relationship. Thus travel agency should ensure selected supplies will offer components of travel services which make up the package tour. He should examine the dependability and inclination of providers to supply safe travel services. Tour operator must ascertain the existence of insurance and amenability to all pertinent licensing and safety regulation for the smooth conduct of tour.

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### **3.10 ANSWER FOR CHECK YOUR PROGRESS :**

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#### **Check Your Progress :**

- |        |        |        |
|--------|--------|--------|
| 1. (b) | 2. (a) | 3. (b) |
| 4. (c) | 5. (b) | 6. (c) |

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### **3.11 GLOSSARY :**

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**American Plan (AP) :** Means that the nightly rate quoted by a hotel or resort includes three meals a day, i.e. breakfast, lunch, and dinner along with room rent.

**Continental Plan (CP) :** Under continental plan or CP Meal Plan, room rent and complimentary free breakfast are included in the tariff.

**European Plan (EP) :** Means only the stay is included in the rates and you will have to pay extra for using the dining facilities at the hotel. In general terms, it can be called the "Room Only" Plan.

**Land Arrangement :** In travel parlance, is an arrangement other than the sea or flight portion of a travel plan, including hotel accommodations, car rentals, and attraction reservations.

## **Travel Agency and Tour Operation**

**Lodging :** The term Lodging describes a wide range of accommodation types (hotels, B&Bs, resorts, hostels, motels etc.) that provide shelter or a place to stay overnight.

**Modified American Plan (MAP) :** Means quoted rates include two meals a day, namely breakfast and either lunch or dinner along with stay in hotel room.

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### **3.12 ASSIGNMENT :**

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1. What are the roles of tour operator in tourism business ?
2. Discuss the relationship of agent with airlines, accommodation provider and tourist transport provider.
3. Enlist the service provided by tour operator and travel agents.
4. "There is a thin line between travel agents and tour operators but a huge gap in their relationship". Give your opinion by giving examples.

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### **3.13 ACTIVITIES :**

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1. Tour operator and travel agency both have significant linkages to provide services to the visitors. Explore the linkages tour operators need to have international travel for the visitors.

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### **3.14 CASE STUDY :**

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#### **Cost Savings and Online Adoption**

##### **Overview :**

The Client is a major European Insurance company, with offices across Europe, Asia and Latin America. CTM (travel company) has been engaged by the Asia Regional Office to arrange the business travels of the client's top executives and staff in Hong Kong and several other key markets.

CTM is responsible for managing the travel arrangements of the client's top executives and staff in the whole Asia region.

##### **Objectives :**

The main objective was to conduct a comprehensive review of the client's current travel programme to identify opportunities for cost savings and enhancement on client's employee satisfaction.

The key objectives were to :

- Maximise cost savings
- Increase online adoption
- Improve efficiency and accuracy
- Achieve greater employee satisfaction

##### **Challenges :**

The challenge lay in conducting a thorough review and makeover on the client's travel management system and implementation process. The client had negative experience with its previous local travel agency with regards to lack of regional coverage and lack of online booking tool. CTM had to work closely with the client's various departments to ensure its success.

**Solutions :**

Regional Account Management: CTM's regional account management team acted as the sole contact point to oversee, enhance and optimize the entire travel program across the region by planning and executing Strategic Account Management Plan (SAP). The team strived to deliver better company compliance, greater customer satisfaction and advanced travel technology to the client.

**Consolidation:** Past travel data was consolidated into CTM's single reporting platform, enabling much easier analysis in the future.

**CTM Portal :** The CTM Portal allowed access to all travel tools in one platform at any time to meet individual business unit's needs.

- **CTM Data :** The next-generation reporting platform supported automated and instantaneous dashboard reporting, with hypothetical data inputs showing how changes to the travel program can optimise cost savings in the future.
- **Lightning Online Booking :** Exclusively available via CTM, Asia Lightning provided a modern, intuitive and user-friendly OBT in market with sleek interface and content factory.
- **CTM Lightning Mobile Application :** A first-in-market corporate travel booking app enabling client to 'consumerist' their booking experience with policy compliance and built-in approval process.

**Specialised Training and Assistance :** CTM provided continuous training of our online booking tool and swift problem-solving assistance for the client's users and travellers.

**Highly Personalised Service :** CTM allocated a designated team to the client for timely consultation. The team was committed to provide highly personalised service and localised solutions, adapting to each market's specific needs and requirements.

**Results :**

- The client identified missed saving of HK\$272,000 with the conduction of a series of missed saving reason code.
- Average ticket price reduced by 12% for the top spending carrier while the spending and number of tickets were increased.
- Average ticket price reduced by HK\$695,000 on savings achievement through Asia Lightning OBT platform when compared to offline channel for client's top routing tickets.
- Achieved HK\$438,000 in cost savings when compared with using the previous travel agency.
- Online adoption exceeded 70% over the past year.

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**3.15 FURTHER READING :**

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1. Dr. Mohinder Chand (2007), Travel Agency Management: An Introductory, Anmol Publications Pvt. Ltd.
2. Roday. S, Biwal. A & Joshi. V. (2009), Tourism Operations and Management, Oxford University Press, New Delhi.
3. Goeldner, R & Ritchie. B (2010), Tourism, Principles, Practices and Philosophies, John Wiley & Sons, London.

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## **BLOCK SUMMARY**

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Meeting with the guests in a travel agency to discuss and learn about their travel needs. The agency is in charge of advising visitors on appropriate travel options based on their needs, wants, and skills. They also assist them in planning excursions to domestic and foreign places, tours, lodging, transportation, insurance, and fares. Different sorts of travel agencies operate based on the nature of the work they conduct to accommodate guests.

The planning, development, promotion, administration, and implementation of tourism products are all handled by tour operators. They are in charge of all day-to-day tasks, as well as supervising, motivating, and training employees. They work with travel agencies, transportation companies, resorts, and tourist sites. Tour operators are important to the industry because they create the packages that are marketed through travel agents. You learned the history and basics of tour operation management in this unit.

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## **BLOCK ASSIGNMENT**

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### **Short Question Answer**

1. How Thomas Cook established travel agency ?
2. What was the scenario of tourism industry before independence ?
3. How Thomas Cook established travel agency ?
4. What was the scenario of tourism industry before independence ?
5. What is the role and responsibilities of travel agent in tourism business ?
6. Describe the importance of agency–supplier relationship.

### **Long Question Answer**

1. Describe the significant milestone in the history of tourism industry.
2. Describe the significant milestone in the history of tourism industry.
3. "Travel agents can handle air services by various practices". Elucidate the sentence.

**Travel Agency and  
Tour Operation**

❖ Enrolment No. :

1. How many hours did you need for studying the units ?

<b>Unit No.</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>No. of Hrs.</b>			

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

3. Any other Comments

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# **TRAVEL AGENCY AND TOUR OPERATION**



**DR. BABASAHEB AMBEDKAR OPEN UNIVERSITY  
AHMEDABAD**

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## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# TRAVEL AGENCY AND TOUR OPERATION

## Contents

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### BLOCK 2 : TRAVEL AGENCY MANAGEMENT

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#### **Unit 1      Attributes of Travel Agency**

Introduction, Link between Customers and Travel Agency, Functions of Travel Agents, Highly Organised & Well Communicated Team, Affordable Services, Use of Technology for Better Experience

#### **Unit 2      Services Provided by Travel Agency**

Introduction, Hotel Booking, Important Consideration before Processing Hotel Bookings, Air Ticketing, Passport & VISA, Currency Exchange, Passport, VISA, Travel Insurance, Ground Handling, Advantages of Travel Insurance

#### **Unit 3      Professional in Travel Agency**

Introduction, Travel Consultant, Responsibilities, Requirements, Tour Guide, Responsibilities, Requirements, Types of Tour Guides, Tour Escorts or Tour Manager, Responsibilities, Requirements, Sales and Marketing Executives, Responsibilities, Requirements, Airport Representatives, Responsibilities, Requirements, Drivers, Responsibilities, Requirements

#### **Unit 4      Significant Travel Associations & Organisations**

Introduction, Regional Travel Associations, Pacific Asia Travel Association (PATA), European Civil Aviation Conference (ECAC), European Travel Commission (ETC), Indian Travel Associations, Travel Agents Association of India (TAAI), The Indian Association of Tour Operators (IATO), Tourism Finance Corporation of India (TFCI), Indian Tourism Development Corporation (ITDC), India Convention Promotion Bureau (ICPB), International Travel Association, UNWTO, International Air Transport Association (IATA), International Civil Aviation Organization (ICAO), World Travel & Tourism Council (WTTC), International Union for Conservation of Nature (IUCN)



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## ***Travel Agency and Tour Operation***

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### **BLOCK 2 : TRAVEL AGENCY MANAGEMENT**

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UNIT 1      ATTRIBUTES OF TRAVEL AGENCY

UNIT 2      SERVICES PROVIDED BY TRAVEL AGENCY

UNIT 3      PROFESSIONAL IN TRAVEL AGENCY

UNIT 4      SIGNIFICANT TRAVEL ASSOCIATIONS & ORGANISATIONS

# **TRAVEL AGENCY MANAGEMENT**

## **Block Introduction :**

Students will get an understanding of the basic principles of travel agency management throughout this block. The travel agency and its role as a connection between the tour operator and the customer will be discussed. Understanding how a travel agency works and its primary functions is also given special attention. Unit three highlights the services offered by travel agency, including hotel reservations, flight bookings, passport and visa applications, currency regulation, and other services. Travel consultants, tour managers/tour escorts, tour guides, drivers, ground handlers, and airport representatives are some of the professional who look after the needs of the passengers even before the tour begins. So you will learn what are the requirements and roles of these professional. The final unit of the block focuses on all of the major associations and organisations that seek to promote tourism not only in India but around the world.

## **Block Objectives :**

### **After reading this block learner will be able to understand :**

- The relationship between guests and travel agencies
- The functions of travel agents in the tourism business.
- The importance of a well-organized and well-communicated team in a travel business
- The meaning of affordable services that make use of technology to improve the tourist experience
- The services supplied to tourists such as hotel booking, air ticketing, passport and visa, currency exchange, travel insurance, and ground handling
- The importance of these services in tourism industry and regulations governing them
- The tourism sector professionals such as Travel Consultants, Tour Guides, Tour Escorts, or Tour Managers, Sales and Marketing Executives, Airport Representatives, and Drivers
- The qualifications required to be these experts and the responsibility they hold
- The significant tourism associations and organisations that are constantly trying to improve tourist service and expand tourism in the worldwide market

## **Block Structure :**

**Unit 1 : Attributes of Travel Agency**

**Unit 2 : Services Provided by Travel Agency**

**Unit 3 : Professional in Travel Agency**

**Unit 4 : Significant Travel Associations & Organisations**

---

**UNIT STRUCTURE**

- 1.0 Learning Objectives**
- 1.1 Introduction**
- 1.2 Link between Customers and Travel Agency**
- 1.3 Functions of Travel Agents**
- 1.4 Highly Organised & Well Communicated Team**
- 1.5 Affordable Services**
- 1.6 Use of Technology for Better Experience**
- 1.7 Let Us Sum Up**
- 1.8 Answers for Check Your Progress**
- 1.9 Glossary**
- 1.10 Assignment**
- 1.11 Activities**
- 1.12 Case Study**
- 1.13 Further Reading**

---

**1.0 LEARNING OBJECTIVES :**

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After reading this unit learner will be able to understand the relationship between guests and travel agencies after completing this unit. In addition, the student will learn about the functions of travel agents in the tourism business. The importance of a well-organised and well-communicated team in a travel business is also discussed in this unit. The meaning of affordable services that make use of technology to improve the tourist experience is discussed here.

---

**1.1 INTRODUCTION :**

---

A travel agent is an important intermediary in the travel industry. A professional travel agent primary responsibility is to connect customers with service providers which also called as tour operator. Unlike tour operator travel agent relationships with primary service providers are linked through the sale of primary services to customers. A travel agent is a connecting point that provides travel information and confirms hotel rooms, airline tickets, train, ferry, and bus tickets, as well as other ground services to visiting tourists.

The itinerary for organised package tours is designed by the tour operator, who obtains travel information from hotels, airlines, bus and car rental companies, cruise lines, tourism offices, and so on. It creates forward and backward links with service providers in order to design the packages. These links can be horizontal or vertical in order to keep competitors at bay. Depending on the nature of the business, links between travel intermediaries (travel agent) and primary service (Suppliers/tour operator) providers can be direct or indirect. Integration of tour operators and major service providers is critical for mutual benefit.

## **Travel Agency and Tour Operation**

Integration is an approach of accomplishing tasks collaboratively. Business integration is a method of combining generic talents and resources in order to produce superior products or provide high-quality services. It is very common in the manufacturing sector, and catching up very fast in service industry as well. It has become a common business strategy to prefer integration for marketing and selling products or producing products at the lowest possible cost. The primary goal of integration is to maximise output while minimising costs.

Business integration is critical in the travel and tour operation industry because no single service provider can provide comprehensive services. As a result, linkages and integrations are common business practises in the tourism industry. A tour operator maintains integration with another tour operator in another city in order to use shared resources.

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### **1.2 LINK BETWEEN CUSTOMER AND TRAVEL AGENCY :**

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A tour operator sells a "package holiday," which includes the hotel, flights, accommodation, visa, and other charges, but the travel agency is responsible for all other marketing and sales expenses. A travel agent is a retailer who sells travel products on commission or takes service charge from the ultimate customer who is going to visit. Package holidays are planned and delivered by tour operators. They form contracts with hoteliers, airlines, and ground transportation companies, and then print brochures promoting the vacations that they have put together. They pay for the services provided by various tourism parties, such as travel agents for air tickets or cruises, hotels for lodging, car rental agencies for the automobiles used, and so on.

These two functions are frequently carried out by the same entity. A travel agent works on behalf of a company and assumes no liability for the services provided. A tour operator, on the other hand, is responsible for the tour's completion because they arrange the entire travel product on their own and combine them in such a way that it becomes appealing to clients and carries the ownership of the service responsibility with it.

Tour operators play an important role in the tourism industry's success. Tourists rely on tour operators to make their fantasy vacations a reality. Booking a tour is an easy way for a traveller to immerse themselves in a foreign land and ensure that they see the best sights. Both travel agents and tour operators have same intention to provide better service to their customers. Customer satisfaction is their prime motto.

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### **1.3 FUNCTIONS OF TRAVEL AGENTS :**

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We just studied that travel agent is the important link between customer and tour operator, so the functions of travel agent is very crucial. Travel agent need to coordinate between the two ends. It becomes difficult to meet both the ends exactly the way they wanted. For example airfares and schedules change, as a result travel planning becomes more difficult and time consuming. It takes a significant amount of time to research and select vacation packages.

This is the reason travellers frequently seek the assistance of travel agents in making the best travel arrangements. Travel agents perform a number of functions for the benefit of travellers, which are listed below :

**Motivation :** Travel agents inspire you to travel, plan, and prepare for your trip. Travel agents assist visitors in determining their travel interests and needs, including time and budget constraints. They develop preliminary plans and suitable alternatives before finalising all arrangements.

**Tourist Information :** Agents book tours for a variety of tourists. They organise group tours and design trips for individuals. Travel agents consult a variety of published and computer-based sources for information on departure and arrival times, low-cost fares, car rentals, and hotel ratings and amenities. Maps, official guides, tariff books, the internet, and other reference materials can be used to obtain schedules, fares, and related information.

**Travel Arrangements :** Airline, hotel, and car reservations are made by agents on behalf of tourists. They use computerised reservation and ticketing systems similar to those used by airlines to make reservations and issue itineraries. They also calculate costs and accept deposits.

**Customised Service :** A travel agent can create a vacation or travel plan by arranging special accommodations, customising a schedule to meet the needs of the client, and designing group packages and tours.

**Source of Information :** Customs regulations, passports, visas, immunisation requirements, and currency exchange rates are all kept up to date by agents. They provide information on the weather, prices, what to bring or buy, and must see attractions. They stay current by travelling, reading travel magazines, and attending industry seminars and trade shows.

**Deals in Foreign Currency :** They arrange for foreign currency and inform the traveller about the currency regulations prevailing at scheduled destinations.

**Market Feedback :** It is critical to provide market feedback. This is a critical function of a travel agent. This aids in the improvement and planning of better tours by tour operators. Agents typically work indoors and share offices with several other agents. Travel agents spend the majority of their time advising clients, completing paperwork, contacting airlines and hotels for travel arrangements, and promoting group tours. Working with people can be difficult and demanding, especially when dealing with difficult clients. Since travellers' schedules change, work may have to be completed three or four times. During vacation seasons, they may be under a lot of stress. Agents who work for themselves frequently work long hours.

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#### **1.4 HIGHLY ORGANISED & WELL COMMUNICATED TEAM :**

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A team is a group of people who work together to achieve a goal that is greater than their individual self-interests. A high-performance work team is a group of goal-oriented people with specialised expertise and complementary skills that collaborate, innovate, and consistently produce superior results. Through shared goals, shared leadership, collaboration, open communication, clear role expectations and group operating rules, early conflict resolution, and a strong sense of accountability and trust among its members, the group relentlessly pursues performance excellence.

Teamwork does not entail hiring robots to do the work for boss or an employer; rather, the people involved must be purposeful as well as effective. For this, they must be :

## **Travel Agency and Tour Operation**

- The employee must be sensible enough to judge the purpose and commitment for other members as well as dedicated towards the organisational goal.
- Compared to average teams high-performance work team have more ambitious performance targets.
- Mutual accountability and a clear understanding of team and individual responsibilities are essential.
- Should have a diverse range of expertise that complements the abilities of other team members

As we know service industry is human centric where not only product is sold or service is provided but more than that the transfer of emotion and value plays much more crucial role. Therefore travel agency need to hire empathic and customer oriented people who can take care of their customers. They must have understanding or may analyse customer expectation in order to provide desired travel product. Regular communication especially in terms of feedback and providing importance to the customer is also an important task to become more successful into the travel-tourism business.

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### **1.5 AFFORDABLE SERVICES :**

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These days customers are having more and more disposable income. This is due to increase in income. This stimulates the customer purchasing power and increases their need for tourism. Their expectations of tourism are constantly shifting. As a result, travel providers must create a diverse range of tourism products that meet market demands and provide higher-quality services for which customers are willing to pay.

Previously, travel suppliers sold their packages to the general public through travel agencies. They have changed their format because they are now also available with a single click. Without any verbal communication with the travel agent, the travel consumer can access the catalogue e-vacation, which includes reading necessary information and watching online videos of the destination they wish to visit. Some travel agencies offer packages or services with a mark-up price, while others offer the product at the same price as the supplier, and there is always a debate about these travel deals. Using such types of options enable them to provide affordable packages to their customers and adding more customers in their pool.

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### **1.6 USE OF TECHNOLOGY FOR BETTER EXPERIENCE :**

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The majority of tourists use their mobile phone to research their destination. Social networking sites have emerged as a new hotspot for promoting and advertising tourism services and attractions. The present generation's youth are tech savvy, and the services they prefer should be as well. There is great confidence growing on virtual world that if a tourism destination that is not listed on Google is some time considered illegal. The more information that is available on the internet, the more tourists are expected to visit the destination. Furthermore, user preferences for the use of tourism-related services are changing. The internet user wants everything in the palm of his hand right now.

This has altered service providers' strategies for developing services for mobile platforms such as android, iOS, Java, and other OS. The vast expansion of technology has extended far beyond the boundaries of Information Communication Technology (ICT). The battleground is how to use choice-based

services, how to provide a customised interface to each customer while also soliciting feedback from them. Technology is used in reservations through CRS and GDS, real-time settlements through Tourism Satellite Accounting (TSA), and IATA's billing and settlement plan (BSP). The use of digital technology and real-time data processing has also redefined the concept of travel. Location-based services are widely used by tour operators.

Technology has been used in a variety of services in the tourism industry, including :

**Reservation System :** The transportation industry is the primary service provider for the tourism industry. Accessibility is a critical factor in tourism. The use of technology in the transportation industry has simplified ticket booking via an online interface. IRCTC, Indian Railways' sole service provider for e-ticket booking, is setting milestones in ticket booking as well as time-saving services offered for cancellation and e-payments. The use of CRS and GDS has made it easier for tourists to book services as well as forecast demand and supply.

The majority of reservations for the transportation sector and hotels are made online and use the internet for booking, cancellation, seat allocation, real-time data on bookings and cancellations, and secured digital payment gateways. Almost all hotels have their own websites for booking, but the most amazing thing to come out of technological advancement is the rise of several indirect hotels booking websites. The few of many uses of technology in the tourism and hospitality sector are discussed below:

**Customer Services :** After-sales support is critical to grow customer base and keep existing customers satisfied. To communicate with them, the customer service department employs information communication technology and a variety of software. CRM systems are commonly used by mid to large sized businesses to maintain a database of current and prospective customers.

**Food and its Service :** Food is basic necessity of life so providing better food and beverage services to tourist plays a significant role. Food is a major tourist attraction for them. Gastronomy tourism is one example. The most recent technological advancements include the incorporation of cutting-edge cooking and serving equipment. Food preparation is now more quick and healthy thanks to the use of a variety of equipment such as an air fryer, the latest Bain-Marie to keep food hot and fresh, and many others.

**Enhanced Transportation System :** The transportation industry has been significantly reshaped by technological advancements. Transportation systems that are faster, safer, and more efficient are now available all over the world. Hi-speed rapid metro for city commuters, and future projects such as 'Hyperloop' for faster and more efficient long-distance transportation are all being developed. Airplanes changed the aviation scenario by demonstrating that their operation was safe, sound, and economical, which was previously considered controversial. The water navigation system has also been upgraded to ensure a safe voyage by sea; real-time data processing now provides real-time weather alerts, traffic alerts, and other useful information to water transportation.

**Exploring new Areas Through Remote Sensing :** This technique employs satellite imaging for the detection, mapping, and monitoring of remote areas. Remote sensing information is assisting in the development of eco-tourism in remote areas, allowing for the discovery of new potential tourism sites while also monitoring these areas for better conservation and protection.

## Travel Agency and Tour Operation

**Using Social Media to Promote Attractions :** Social media platforms reflect the moods and thoughts of people from various communities and ethnic backgrounds. Tourism destinations and attractions are now promoted through social media platforms because it is cheap, easy, and quick, and it reaches a large number of people. Customers can now review the destination and attractions on their own by sharing pictures, video clips, and location via Google maps.

### ☐ Check Your Progress :

- Travel agency act as a/an \_\_\_\_\_ in the tourism industry
  - Creator of package
  - Intermediary
  - Wholesaler
  - None of the above options
- The itinerary for organised package tours is designed by the \_\_\_\_\_
  - Travel agents
  - Conference & Meeting Planner
  - Tour Operator
  - GSA
- In business integration is an approach of completion of task in collaboration with support.
  - True
  - False
  - Can't say
- Normally travel agent earn money through \_\_\_\_\_
  - Commissions
  - Service Charge
  - Both option a and b
  - None of the above options
- Which of the mentioned below is function of travel agent ?
  - Motivation
  - Information dissemination
  - Customised Service
  - All of the above options
- Which is not the quality of service team in tourism sector ?
  - Empathic to the tourist
  - Mutual accountable team
  - Team must be diverse in expertise
  - Cunning and shrewd in profit making
- Disposable income of tourist is due to rise in \_\_\_\_\_
  - Income
  - Savings
  - Expenses
  - None of the above options
- Acronym ICT stands for \_\_\_\_\_
  - Incoming Tourist
  - Information Communication Technology
  - Integrated Circuit of Tourist
  - Integrated Customer Technology

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### 1.7 0 :

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#### 1.8 Let Us Sum Up

Customer behaviour is changing, as are their expectations of the tourism industry. People want to participate in activities that are vastly different from what tourists required a decade ago. It is no longer just about making travel

arrangements and booking hotel accommodations. As a result, tour operators, hotels, and restaurants that cater to tourists must upgrade accordingly.

The increased use of technology and the internet in the tourism industry has changed and simplified the working pattern. The tourism industry is being revitalised through the use of information and communication technology, digital systems, the internet, and mobile-based applications. Almost all hotels have their own booking websites, but the most amazing result of technological advancement has been the rise of several indirect hotels booking websites. Not only airlines, but also Indian railways as well as private and public bus operations, are gradually shifting through online and mobile platform.

Several companies promote their services through social networking sites and mobile app-based platforms. Social networking is a tried-and-true method for getting the word out about a newly established business or a start-up in the tourism industry, as they reach people of all ages, genders, and income levels.

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### 1.8 ANSWER FOR CHECK YOUR PROGRESS :

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#### Check Your Progress :

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (b) | 2. (c) | 3. (a) | 4. (c) |
| 5. (d) | 6. (d) | 7. (a) | 8. (b) |

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### 1.9 GLOSSARY :

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**Customer Lifetime Value :** A perspective on customer relationships that considers the entire cycle of customer interactions rather than individual transactions.

**Customer Relationship Management :** A business strategy for selecting customers and maintaining relationships with them in order to increase their lifetime value to the company

**Hyperloop :** A proposed type of train that would travel at very high speeds.

**Loyalty Programs :** Program that identify and build databases of frequent customers in order to promote directly to them, as well as programmes that reward and provide special services to those frequent customers

**Moment of Truth :** When a customer's interaction with a front-line employee has a significant impact on his or her perception of a company or destination

**Service Recovery :** When a customer's interaction with a front-line employee has a significant impact on his or her perception of a company or destination

**Information and Communications Technology (ICT) :** It is an extensional term for information technology (IT) that stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals) and computers.

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### 1.10 ASSIGNMENT :

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1. Explain the linkage between customer – travel agency – tour operators.
2. How importance is it to have highly organised and considerably communicated team in tourism business ?

3. Find out different innovative practices adopted by service organisation.
4. "The innovative practices included by travel agencies or tour operator may change future of the industry" find the stats for justification of this sentence.

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### **1.11 ACTIVITIES :**

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1. Visit different travel agencies and make a list of their innovative practices in different areas of service and discuss with your classmates.

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### **1.12 CASE STUDY :**

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#### **Recession Proof Strategy of Lama Tours**

Lama Desert Tours & Cruises L.L.C part of Lama Group has over the years made the concept of desert safari as one of the 'Must do's' for tourists visiting Dubai. Lama Group is not only one of the biggest tour operators in Dubai but also among the biggest inbound operators for Indian market.

Dubai-based Lama Desert Tours & Cruises L.L.C , popularly known as Lama Tours was the first company under the Lama Group which was started in the year 1997 to manage inbound tourism in Dubai. After 12 years of operations, today Lama Tours is one of the biggest names in Dubai's travel industry with other brands like Lama Desert Tourism and Cargo L.L.C; Lama Safari & Cruise L.L.C; Floating Restaurant

L.L.C and Lama Holidays. Talking about the company's goal, Kulwant Singh, Managing Partner, Lama Group said, "We saw an opportunity in the tourism sector of Dubai and took up the challenge of introducing Lama Group. Initially, we were only looking at being a safari operator and providing memorable desert adventures to our clients, therefore with a modest capital, few vehicles and a small office we started operating the desert camp in Al Habab in 1997. After 12 years, our goal did not change but widen to become a leader in the industry and supercedes everyone (including ours') expectations."

#### **Spreading its Wings**

Lama Desert Tours & Cruises offer sight seeing tours and adventures, desert safaris / Dhow cruises, air tickets, accommodation, inbound / outbound tours, meet and greet assistance, seminars / meetings, incentive travel, private parties, fishing trips and transfers. After realising the potential and demand of cruise operations in Dubai, Lama Group expanded its operations with a new company – Lama Dubai Floating Restaurants in 2001. The operations started with a two decker cruise having capacity of 150 passengers. According to Singh, within four years (by 2005) of operations, the restaurant business grew 200 per cent. Thus, it launched the largest three decker cruise in UAE region with a seating capacity of 350 passengers. Singh said, "We launched the three decker cruise with an aim to cater corporate functions, get together, half / full day conferences, business lunch and meetings and evening cocktail parties and product launches. It is one of the most fruitful diversification in our business." The company also launched Lama Holidays in 2005 offering holidays to UAE travellers to Europe, USA, Far East, Australia and New Zealand.

When asked about the reason behind diversifications, Singh said, "We have increased overall activity and have taken major initiatives to upgrade our websites and grow new lines of businesses like transportation (limo, luxury cars and buses,

etc.), hotel apartments, marketing and advertising and restaurants. We think that the best strategy is to venture out and specialise in an area where you see a growing demand that is recession proof. We also try to study and develop other potential markets by participating in various international exhibitions and road shows." According to Singh, Lama Group first observes and conducts detailed study (on the market size, segment, types of requirements, demand volume and quality, etc.) on the business where it wants to diversify and invest and once it receives a positive report, it diversifies. Singh said, "We believe in strengthening and preserving the core resources, customers, staffs, technology and fixed assets of the company; ensuring that the service we provide to our customers and the technology infrastructure is competitive, reliable and efficient. Companies have to follow rules like dedication (towards work), dynamism (thinking out of the box for products), technology (to enhance working process), cost cutting and correct sizing (in the right way) along with flexibility and diversity to attain success during tough times."

### **Partnering for Better Results**

Apart from diversifying into various business segments of travel and tourism industry, Lama Tours works closely with the industry partners and suppliers to enhance business relations and in turn improve business margins. Singh said, "We have online access for travel partners in UAE, India and other potential markets to book excursions as well as worldwide hotels through our portal with live allotment to over 66,000 hotels worldwide."

Due to its planned business strategy and focused business model, Lama Tours is performing well even during the tough times faced by the travel industry. According to Singh, the biggest challenge is to change the mindset of the traveller. He said, "More and more people are cutting back on spending in order to save money. Some are holding back vacation plans until the market is 'back to normal'. But this is the right time to travel, as major operators and destinations are out with unbelievable offers and packages."

Lama Tours plans to penetrate markets like Russia (Moscow, St.Petersburg, Ukraine) and Europe (Spain).From UAE, Lama Kiosk (tours on spot machines) will soon carry products like Atlantis (adventure and lost chambers) tickets, limousines services.

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### **1.13 FURTHER READING :**

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1. Swain, S.K. & Mishra, J.M.(2012). Tourism: Principles & Practices. Oxford University Press, New Delhi.
2. A. K. Bhatia (2012), The Business of Travel Agency and Tour Operations Management, Sterling Publishing
3. Dr. Mohinder Chand (2007), Travel Agency Management: An Introductory, Anmol Publications Pvt. Ltd.

**UNIT STRUCTURE**

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Hotel Booking**
  - 2.2.1 Important Consideration before Processing Hotel Bookings**
- 2.3 Air Ticketing**
- 2.4 Passport & VISA**
- 2.5 Currency Exchange**
  - 2.5.1 Passport**
  - 2.5.2 VISA**
- 2.6 Travel Insurance**
- 2.7 Ground Handling**
  - 2.7.1 Advantages of Travel Insurance**
- 2.8 Let Us Sum Up**
- 2.9 Answers for Check Your Progress**
- 2.10 Glossary**
- 2.11 Assignment**
- 2.12 Activities**
- 2.13 Case Study**
- 2.14 Further Reading**

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**2.0 LEARNING OBJECTIVES :**

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The learner will be able to grasp knowledge about services supplied to tourists such as hotel booking, air ticketing, passport and visa, currency exchange, travel insurance, and ground handling after completing this unit. The learner will also be aware of the importance of these services in tourism industry as well as the regulations governing them.

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**2.1 INTRODUCTION :**

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A travel agent is a person or an organisation, or a corporation that is referred as a travel agency. An agency is manned by travel agent and it is a place where all travel goods and services are assembled and coordinated to ensure that the travel agency's operation runs smoothly.

Organising a trip is a time-consuming and difficult task. In addition to providing advisory services and complete vacation packages, travel agents make this procedure easier for their consumers. They can book flights, cruises, rental cars, hotels, resort stays, and events, among other things. Agents serve a diverse clientele, including both individuals and businesses. They may also specialise in a particular area of the industry; for example, many travel agents specialise in

leisure travel, corporate travels, or destination-specific vacations to Europe, Africa, or Asia.

Consumers can choose from a variety of service levels to suit their needs in terms of air transportation, accommodation, dining, and ground transportation. While service levels vary greatly amongst agencies in terms of both name and the kind of services given, the travel agency business as a whole offers numerous typical tiers of services.

Outdoor recreation activities, airlines, car rentals, cruise lines, hotels, railways, travel insurance, package tours, insurance, guide books, VIP airport lounge access, arranging logistics for luggage and medical item delivery for travellers on request, car rentals, and bureau de change services are all services that travel agencies can provide. Airlines that do not have operations in a specific location can use travel companies as broad sales agents. The primary job of a travel agency is to operate as an agent for a supplier, selling travel products and services on their behalf.

For coordinating the booking of travel, travel agents typically receives 10% to 15% commission from accommodations, transportation companies, and attractions. This commission or amount is known as the Travel Agent's Commission (TAC).

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## **2.2 HOTEL BOOKING :**

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A travel agent simplifies the process of planning a trip for their clients and ensures they have the best trip possible. They interact directly with the public and with clients to determine the best possible accommodations for the client's specific needs. They may offer the visitors suggestions based on their experience, or they may offer complete packages from various hotels, motels, or resorts. They are frequently constrained by a budget and must be highly organised in order to provide their clients with arrangements that meet both their financial constraints and leisure expectations.

The level of commission that an agency earns on the booking of specific hotels is frequently a significant source of income for them. Travel agencies sell rooms per night on behalf of the hotels in their portfolio, while also providing an important service to their hospitality partners. The commission is then paid using manual invoicing before the payment is processed by the bank and deposited into the company's accounts.

### **2.2.1 Important Consideration before Processing Hotel Bookings :**

There are mistakes that can easily happen when processing bookings. Here the main points to note when hotel booking is made by travel agents:

- Check the guest name, address, email, mobile and contact number before heading for booking.
- Check room tariff and quote the rate per room or per person.
- What does the tariff include like, tax, meal plans, service charge etc. must be made clear to guests ?
- Are there any supplements for a view, balcony, and facilities in room ?
- Are there any cancellation charges or policy to the mentioned ?
- What meal basis is included AP, MAP, CP, EP etc ?

## **Travel Agency and Tour Operation**

- Have there been any changes in the itinerary? If so, have we changed the hotel reservation ?
- When and how much commission is to be paid to the travel agent ?
- Enter the correct billing routing instructions to the reservations.
- Ensure to attach all the reservation correspondences like vouchers, coupons etc to the booking.
- Verify and send the confirmation letter to the Travel Agent/Booker.
- If it is a multi-hotel itinerary then ensure to generate a separate confirmation letter for each hotel stay.

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### **2.3 AIR TICKETING :**

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A travel agency sells a variety of tourism products. Airline ticketing and reservation are major source of revenue to the travel agents. Travel agencies perform the function of airline ticketing and reservation on behalf of various airlines.

Agents use computers or call airlines to book seats for their customer convenience. They conduct research on their client travel plans and communicate critical information such as weather conditions, travel advisories, and required documents for their destination as well.

The ticket has to be booked in accordance with the requirement of travellers. It can be a paper ticket or E-ticket however, IATA has been mandated to use e-ticketing since 1 June 2008 for its members. Domestic ticketing and international ticketing are two sub-divisions of a travel agency. An electronic ticket, or e-ticket, is intended to function similarly to a paper ticket by reserving a seat on a flight; all you need to do at the airport is provide an identification number and show an individual identification.

The ticketing department is in charge of handling all ticketing inquiries, whether domestic or international. The executive at the travel desk should be familiar with computers and the internet. She/he has to be well-versed in flight schedules of various airlines and airlines applicable for journeys such as – Special fare, discounted fare, night fare, classed to travel, classes of travel, special fares, booking and cancellation policies, booking update, the city code, airport code and airlines code, reservation code, special service, and so on.

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### **2.4 PASSPORT & VISA :**

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While travelling abroad besides an airline ticket, VISA and Passport are necessary documents to carry. Basically, a passport is identification of citizenship and VISA is permission to enter into a country. The VISA issue is determined by the nature of the person's trip abroad. A VISA can only be issued by the consulate of the visiting country. A department of a travel business provides professional and timely visa services. The department also provides clients with information on visa requirements and/or other pertinent information for a certain destination.

#### **2.4.1 Passport :**

A passport is a document issued by the government of a country to its citizens. A passport is a piece of identification that includes a person's name, date of birth, gender, address, and birthplace. A passport's function is to identify the

person who holds the document. The navy blue ordinary passport for Indians must be renewed every ten years.

Indian nationals can obtain one of three types of passports from the Indian government. The first is a regular passport, which is navy blue in colour. It is given for personal or business travel. The diplomatic passport is the second option. A diplomatic passport's cover is maroon in colour. Only Indian diplomats and high-ranking government officials are eligible to receive it. Individuals who are representing the Indian government on official business are issued a white-cover passport in addition to the navy blue and maroon passports. It is a third form of passport known as an official passport.



#### **2.4.2 VISA :**

A visa is an official document that a government must issue to a passport holder from another country in order for them to visit the former country. A visa allows a passport holder to travel to a nation other than the one for which he or she possesses a passport. However, in order to enter the nation, the passport bearer must first clear immigration. That is to say, possessing visa does not ensure entry into the country; the final authority rests with the country's immigration office.

Every government offers some fundamental forms of visas to the visitors, although the particular categories of visa vary from country to country. The following are the main types of visas :

1. Tourist Visa
2. Transit Visa
3. Business Visa
4. Temporary Worker Visa
5. Student Visa

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#### **2.5 CURRENCY EXCHANGE :**

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Approved travel agency authorised by government body provides currency exchange services to tourists. Every tourist destination country has its own currencies, which may not be accepted at many places and at local vendors. The currency of tourist's country has to be exchanged with the currency of the intended destination. This specialised activity of a travel agency provides aids to the prospective travellers so that they can exchange their currency according to the destination country they are going to visit. Some of the larger travel agencies specialise solely in the provision of foreign currency, travellers' cheques, and so on. This is a valuable service for aspiring travellers because it saves them time and energy by avoiding visits to traditional banking channels.

You have no restrictions on bringing foreign currency into India. If the value of foreign currency in cash exceeds US\$ 5,000 and/or the cash plus traveller's cheques exceeds US\$ 10,000, it must be notified to customs authorities at the airport on arrival in India using the Currency Declaration Form (CDF).

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## **2.6 TRAVEL INSURANCE :**

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When travelling outside his/her usual environment, travellers may encounter a variety of health-related issues. If a traveller obtains travel insurance, he or she will be able to smoothly navigate the problem in terms of paying off the expenses through the insurance cover. When a passenger purchases travel insurance, there is a need to cover safety and security as well as medical contingencies.

To avoid such a situation, a passenger should purchase travel insurance to assist in dealing with such issues.

Aside from health insurance, policies are created to cover lost baggage, financial failures of service providers, and other misfortunes, among other things. The travel insurance policy can be purchased directly from insurance companies through their banks. The policy varies depending on the period and the rules of each country. There are various levels of coverage that vary from policy to policy.

Some large-scale travel agencies perform additional functions to serve their clients. Travel insurance protects travellers against the person as well as baggage losses resulting from a wide range of travel-related happenings and problems. It is primarily concerned with problems and events that may be encountered while travelling.

Travel insurance protects you against financial loss by covering a wide range of eventualities and risks. Most travel insurance policies cover things like trip cancellations, medical emergencies, lost or damaged luggage, and more. Rental car damage and trip cancellation for any reason are covered depending on the travel insurance you choose.

Furthermore, the following are some of the risks or losses that are covered by travel insurance :

- Personal accident cover
- Dental treatment relief
- Baggage delay
- Emergency evacuation
- Medical expense reimbursement
- Loss of passport
- Loss of checked baggage
- Trip cancellation
- Hijack
- Home burglary
- Trip curtailment
- Missed departure/missed connection
- Airline booking/bounced hotel

### **2.6.1 Advantages of Travel Insurance :**

- 1. Provides Peace of Mind :** The main benefit of purchasing travel insurance is that it provides you with peace of mind. You are unable to enjoy your trips because you are afraid of what can go wrong.
- 2. Provides Compensation for Lost Items :** It's likely that you'll carry some high-value items with you on your vacation, including as your wallet, camera, phone, and other valuables. Your travel insurance coverage may cover some or all of the costs if these things are lost or stolen.
- 3. Provides Medical Expense Coverage :** Anyone can become ill or have an accident at any time. However, due to the abrupt change in weather, food, drink, and time zone, the risks of becoming unwell when travelling are significant. While medical care can be costly when travelling abroad, you should have a solid strategy in place to deal with medical crises. This is where travel insurance can help you out once more.
- 4. Saves You Money in the Long Run :** While paying the high cost of travel insurance at the start of your tour may be inconvenient, you should consider it an investment. It serves as a beneficial component for both your health and your peace of mind in the event of any commotion or unexpected trip cancellation.

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### **2.7 GROUND HANDLING IN TOURISM :**

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The function of ground handlers for the visitors is critical, with local offices in the countries where passengers will be served. This was first driven by necessity, as it ensures a high level of control on the ground and ensures that guests have fantastic experiences while on tour. The local staffs, on the other hand, has progressed into leadership roles, giving staff confidence that they will be able to continue providing the exceptional service that customers have come to expect without the direct supervision of the travel agent's office.

Customer service at a travel agency staff is the primary point of contact between airlines, hotel, local transportation and other such services to the guests. They play a key role in providing the care required for successful ground handling operations, from check-in & check-out from hotel, proper arrangement of local transportation, arrangements for the sightseeing, activities and so on.

Ground handlers at airport are responsible for reconciling, tracking, and managing baggage. It must be synchronised in real-time with departing passengers and tracks throughout the airport. Flight delays may occur if baggage is not handled properly or is not loaded or unloaded on time.

#### **❑ Check Your Progress :**

- How much in general travel agent charge commission on package tour ?  
a. 5% to 10%    b. 10% to 15%    c. 15% to 20%    d. 20% to 25%
- Which is not the important consideration before booking hotel room?  
a. Date of arrival and departure    b. Meal plan inclusion or not  
c. Any supplementary charges    d. Charges of personal nature
- IATA made it mandatory to issue e-tickets for its members from .....  
a. 1988    b. 1998    c. 2008    d. 2018

## Travel Agency and Tour Operation

4. Colour of passport for the Indian officials representing government on their official tours.
  - a. Blue
  - b. Maroon
  - c. White
  - d. None of the above options
5. A visa allows a passport holder to travel to a nation other than the one for which he or she possesses a passport.
  - a. True
  - b. False
  - c. Requires immigration clearance
  - d. None of the above options
6. The traveller's cheque and cash in foreign currency should not exceed \_\_\_\_\_
  - a. USD 500
  - b. USD 1000
  - c. USD 5000
  - d. USD 10000
7. Which of the risks covered by travel insurance ?
  - a. Baggage loss
  - b. Trip Cancellation
  - c. Medical expenses
  - d. All of the above options
8. Ground handler is responsible for providing services to the tourist as per the commitment by travel agent at the destination.
  - a. True
  - b. False
  - c. Can't Say

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### 2.8 LET US SUM UP :

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On behalf of suppliers, a travel agency arranges travel for individuals, groups, and businesses end clients. They book hotels, airlines tickets, car rentals, cruise lines, railways tickets, assist in travel insurance, and so on. Currency exchange, which is an important activity the travel agency helps in this aspect also, as it is a licensed job. The role of various vendors is critical in the complete satisfaction and better experience to the tourist. The services provided as required to the tourist will also add to the reputation of tour operator and travel agent.

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### 2.9 ANSWER FOR CHECK YOUR PROGRESS :

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#### Check Your Progress :

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (b) | 2. (d) | 3. (c) | 4. (c) |
| 5. (c) | 6. (d) | 7. (d) | 8. (a) |

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### 2.10 GLOSSARY :

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**Domestic Tourism :** Travel is undertaken within one's own country or geographical limits of country.

**Electronic Ticket :** an airline/train ticket in the form of a computer entry

**Package :** A fixed price saleable travel product (transportation, accommodations, restaurants, entertainment, cultural activities, sightseeing, and car rental) makes it easy to buy and enjoy a destination or several destinations.

**Passport :** An official document required for travel outside the country that declares the holder's citizenship

**VISA :** Full form of it is visitor intended stay abroad. A validating document placed in a passport by a foreign government indicates that the traveller's passport has been examined and that the passport holder is permitted to enter that country.

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## **2.11 ASSIGNMENT :**

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1. What is the meaning of Visa and its various types ?
2. Explain the utility of passports and visa in tourism industry.
3. What is travel insurance and what risk it covers in journey ?
4. What is the meaning of currency regulation in tourism sector ?

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## **2.12 ACTIVITIES :**

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1. Visit the office of any Tour operator/Travel agency located in Ahmedabad or your hometown and observe their activities based on an interview with them.

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## **2.13 CASE STUDY :**

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### **Makemytrip.com to Target Non–Air Business, Offer Affiliate Products**

Makemytrip.com is all set to target non–air business through its retail shops and online portal for both B2B and B2C segments. They are also keen on growing their affiliate products.

Makemytrip.com has grown steadily year on year, evolving into an absolute travel company that is no more considered as a pure play online player. Having set a precedent for others to follow, the journey has been great for them. Today Makemytrip.com has evolved into a brand, which is known and recognised by its name and services across India.

Makemytrip.com started in 2000, with an objective to conquer the Indian market. Unable to sell holidays for several reasons, they changed their strategy to focus on NRI travellers to India. This was considered a very tactical move, as NRIs were net savvy with a lot of disposable income. It wasn't until 2005 that the company realised that the Indian market was ready for online shopping. Therefore, it launched its website [www.makemytrip.com](http://www.makemytrip.com), with the sole purpose of selling air tickets and hotel products. After establishing itself as a leading player in air products, the company has now realised the potential of the non–air products and is focusing on them.

One of Makemytrip.com most thought out and strategic moves was the outsourcing of its call centre to IBM Daksh. Commenting on this initiative, Sachin Bhatia, Co– founder, Makemytrip.com, said, "We have outsourced our post sales product to IBM Daksh to get operational efficiency. Currently it is not very cost effective, but in the long run it will be."

Makemytrip.com has very successfully established itself – as an online as well as an offline company. The company is keen to keep up this tempo, and is now gearing up itself for the challenges that lie ahead.

### **Non–Air Products :**

According to Bhatia, "The brand has moved beyond the online space." Hence Makemytrip.com main focus this year is on the non–air products, which it wants to make available online and offline through its 20 retail shops across India. Having established itself as a strong offline player, Makemytrip.com can now reap the benefits of both worlds.

Makemytrip.com sees tremendous potential in selling holidays which have larger margins, and this brought the idea of selling non–air products to the fore.

## **Travel Agency and Tour Operation**

It even came up with the tag line 'Humne toda wada to pay only adha', meaning that if a client is unhappy with their holiday, and if they feel that the company has not delivered its promises effectively, they can pay only half the amount that they are supposed to pay. This scheme has taken off well, drawing business on a large scale.

In addition to these, Makemytrip.com is keen to establish itself as a complete travel group, which offers everything from holiday to air products. It sells holiday packages for both long and short haul destinations. At the same time, the company believes in keeping the client happy to ensure further business. To cater to customers who prefer travelling in groups, the company has also started doing group tours.

### **B2B Portal Services**

The B2B portal space is another product which Makemytrip.com is keen on growing. The company wants to sell its non-air products through the portal. Decentralising the portal, it now has a dedicated team which meets travel agents on a regular basis. The company now wants to popularise its B2B product. Currently it sells maximum holidays through its B2B portal in Gujarat, followed by Karnataka.

Bhatia feels that there is no tour operator in India which sells domestic holidays nationally and Makemytrip.com wants to establish itself as a national player in this regard. He believes that the company's B2B platform can provide them with the impetus they want.

### **Affiliate Products**

Other than selling non-air products, the online portal has also ventured into white label solutions for online players who want to sell travel, and are looking for a partner. Through this channel, the company can create a whole white channel for online players who want to sell travel. Under this solution, a company can either co-brand with Makemytrip (mentioning that the online travel product is empowered by Makemytrip.com) or can decide on a complete white label solution, wherein a customer is not aware that he is making a booking through Makemytrip. This is a totally new product, which the company is yet to market. But once established, Bhatia is sure that it's going to do good business.

### **Future Prospects**

Presently, Makemytrip.com is working towards the goal of being number one in all of its initiatives. The company's strategy of focusing on non-air products (especially holidays), will gain it with an entry into the arena of well established tour operators. There again, it will have the edge of being the only tour operator which sells its domestic holidays nationally.

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## **2.14 FURTHER READING :**

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1. Sunetra Roday, Archana Biwal & Vandana J (2009), Tourism Operations and Management, Oxford University Press
2. A. K. Bhatia (2012), The Business of Travel Agency and Tour Operations Management, Sterling Publishing
3. Dr. Mohinder Chand (2007), Travel Agency Management: An Introductory, Anmol Publications Pvt. Ltd.

**UNIT STRUCTURE**

- 3.0 Learning Objectives**
- 3.1 Introduction**
- 3.2 Travel Consultant**
  - 3.2.1 Responsibilities**
  - 3.2.2 Requirements**
- 3.3 Tour Guide**
  - 3.3.1 Responsibilities**
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  - 3.3.3 Types of Tour Guides**
- 3.4 Tour Escorts or Tour Manager**
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- 3.5 Sales and Marketing Executives**
  - 3.5.2 Responsibilities**
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- 3.7 Drivers**
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- 3.8 Let Us Sum Up**
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- 3.12 Activities**
- 3.13 Case Study**
- 3.14 Further Reading**

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**3.0 LEARNING OBJECTIVES :**

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After reading this unit, students will have a better understanding of major tourism sector professionals such as Travel Consultants, Tour Guides, Tour Escorts, or Tour Managers, Sales and Marketing Executives, Airport Representatives, and Drivers. The students will also learn about the qualifications required to be these experts, as well as the responsibility they hold for ensuring complete visitor happiness.

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### **3.1 INTRODUCTION :**

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In private tourism sector, a travel agency is one of the most important organisations that packages and handles all of a country's tourism products viz. attractions, accessibility, facilities, and supplementary services for travellers. They coordinate the purchase of tickets, paperwork, lodging, entertainment, and other travel-related services from the major vendors. It may also help travellers obtain travel insurance and foreign cash. They could be a solitary store or part of a larger chain of stores. The work of larger agencies is frequently divided into different divisions, whereas in smaller businesses, each member of the staff is responsible for a variety of areas of the agency's operations. The majority of travel professionals are employed by travel agencies.

Travel agents are Individuals and groups planning trips can buy transportation, accommodation, and tickets to entertainment activities through travel agents. They provide location recommendations, itinerary planning, and travel arrangements for clients.

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### **3.2 TRAVEL CONSULTANT :**

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A travel consultant is a professional who coordinates and books travel for individuals, groups, and businesses. They differ from travel agents in that they provide more specialised services and act as an advisor, rather than representing an agency, airline, or hotel.

Despite the fact that the internet makes it simple and convenient for the average person to book their own travel, many individuals still use travel consultants to plan their travels and ensure they receive the best value for their money.

Forecasted weather conditions, as well as popular activities and events to participate in during a traveller's stay, are examples of advice given by the travel consultant. They also assist with the selection of the best hotels, restaurants, and other services at the most competitive prices, perfect vacation spot, as well as any special offers or discounts.

Travel consultants provide a broader range of services than traditional travel agencies and have visited a number of tourist destinations. They can suggest restaurants, shops, and other attractions. They might have more clout when it comes to making reservations at popular spots and negotiating prices.

#### **3.2.1 Responsibilities :**

- Researching travel options
- Determining client's requirements
- Providing advice based on the needs of visitors
- Help in booking trips
- Collection of payments
- Make aware clients about the cancellation policy and penalties of different service providers
- Ascertaining and adhering to the available budget
- Suggesting the most appropriate transport based on the available budget, requisite departure and arrival times, and preferred duration of transit

- Planning excursions based on each client's needs and interests
- Accounting for mobility and medical needs during each phase of the trip planning process
- Suggest do's and don'ts of the destination

### **3.2.2 Requirements :**

To work as a travel agent or consultant, a proper bachelor degree is needed from college/university. This ensures a comprehensive knowledge about travel tourism trade. Plus the training they receive when they are recruited. However, summer training or on the job training are part of the degree curriculum which is always handful and added advantage in career growth.

- Bachelors degree or diploma in Travel & Tourism
- Professional skills in tourism studies or related discipline
- Demonstrable experience as a travel consultant, with expertise in local and international travel arrangements
- Computer literate, with exceptional desktop research and professional writing skills
- Top-notch interpersonal skills, including communication, respect, and empathy
- Ability to source the best quotes
- A knack for delivering multiple outputs within tight turnaround times, as needed
- Capacity to deliver commendable services that surpass clients' expectations

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### **3.3 TOUR GUIDE :**

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Tour guides explain tourists about history, functions, and customs of a region or authentic knowledge about the historical monuments of the destination. A tourist guide's main responsibilities apart from proper welcome and safety of guests include explanation of history, culture, tradition and monuments of the destination, they are required to reciting and remembering standard tour scripts in keep up the quality. They may be part of conducting customer service contacts such as transaction and payment, and directing passengers to certain sites and routes. Skills required being a Tour Guide

Depending on the type of tour, different talents are necessary for tour guide. Most tour guide employers look for applicants that have the following skills:

- Effective Communication
- Customer service
- Significant and factual expertise
- Charisma
- Adaptability
- Punctuality
- Leadership

## **Travel Agency and Tour Operation**

### **3.3.1 Responsibilities :**

Their responsibilities include :

- Assists in planning itineraries in accordance with weather forecasts and the length of each tour
- Assists in scheduling visits and purchasing tickets to museums, galleries, protected parks, and other attractions ahead of time, if required
- Assists in planning alternate activities in the event that cancellations, closures, or any unforeseen event
- Greeting and welcoming travellers to the tour
- Informing them about the itinerary for each tour
- Gathering and maintaining the requisite equipment for each tour
- Familiarizing with the layout and history of the region
- Familiarizing travellers with each region or establishment
- Directing customers to other, non-competing services that might be of interest to them

### **3.3.2 Requirements :**

As far as education is concern they should have basic literacy with fluency in multiple languages. Knowing more than three international language except English gives advantage while working. Beside that :

- In India guiding licence from State or Central Government competent agency is must to be a tour guide
- Prior experience as a tour guide is advantageous
- Capacity to stand and walk for extended periods
- Adherence to prescribed safety codes
- Excellent conversational skills with a knack for storytelling
- Personable, humorous disposition
- Outstanding organizational, time management, and improvisational skills
- Passionate about travelling
- Ability to work during anti-social hours

### **3.3.3 Types of Tour Guides :**

Tour guides are of different nature and qualification in the tourism industry across the globe. Here are a few examples of different types of tour guides:

**Historical Guide :** Tourists are guided through historical landmarks and points of interest such as ruins, temples, battles grounds, monuments and other historically significant locations by a historical guide.

**Adventure Guide :** Guests are guided to the adventure destination. They're well-versed on the destination's knowledge, facts and navigational information. Adventure guides are generally equipped with the practical knowledge, skills, and equipments that guests require to participate in a particular activity or sport.

**Museum Guide :** Museum guides seek to educate museum visitors by providing background information about exhibits, works of art, and antiquities. To make the experience more participatory and interesting, museums may hire museum guides.

**Nature Guide :** Tourists are generally accompanied by nature guides via outdoor attractions. Nature guides, unlike adventure guides, may lead walking or hiking trips through wilderness areas, focusing on topics such as geology, ornithology, and ecology.

**City Guide :** A city guide can conduct tours of a city by bike, bus, rickshaw, automobile, or foot. Historical and cultural sites, restaurants and bars, and architectural landmarks may be highlighted by city guides. A city guide is usually well-versed in the city in which they work, allowing them to provide tourists with useful information.

**Freelance Guide :** Individuals may choose to provide their guiding services on their own rather than representing a company, museum, or place. Local guides with extensive knowledge of a city may use their own boat, automobile, or other vehicle to take tourists around sites of interest.

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### **3.4 TOUR ESCORTS OR TOUR MANAGER :**

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A tour escort, also known as a tour manager, is a professional who specialises in meeting and greeting clients and escorting them to their destination, assisting guests, regulating and managing the group's timing, ensuring the participants' presence and involvement, and verifying and confirming facilities and services.

Their role is to ensure that everything runs successfully, which usually entails making travel arrangements, organising with venues, managing money, facilitating media relations, and researching local resources at each tour stop.

#### **3.4.1 Responsibilities :**

Tour escorts are typically employed by tour businesses that are as diverse as their clientele. Some focus on certain activities or markets, such as archaeology or mountain climbing. Tour firms can be well-established, globally based, and well-structured, or they can be small, with only a few operators at their headquarters and twenty or thirty escorts on the road.

Tour manager is responsible for :

- Welcoming and accompanying groups travelling
- Checking tickets and other relevant documents, seat allocations and any special requirements
- Assisting holidaymakers with check-in and settle them into their accommodation
- Communicating a range of information on itineraries, destinations and culture
- Informing passengers of arrival and departure times at each destination on the itinerary and ensure that all members of the group are back on the coach before departing from each stop
- Developing a specialist area of knowledge
- Ensuring that the tour is running smoothly for individual members of the group
- Dealing with emergencies, such as helping a holidaymaker who is ill or those needing to contact family members urgently

## **Travel Agency and Tour Operation**

- Making contact in advance with places to stay or visit to check details and arrangements
- Liaising with hotels, coach companies, restaurants and other clients
- Advising about facilities, such as sights, restaurants and shops, at each destination
- Organising and attending tourism events, conferences, workshops, seminars and exhibitions

### **3.4.2 Requirements :**

Tour escorts must have great communication, organisational and financial management skills. They must be able to remain calm in the face of emergencies such as airline strikes and bus breakdowns. Clients demand both leaders and friends from their escorts.

- Through knowledge of discipline like archaeology, geography, history, modern languages, travel, tourism, leisure studies
- A pleasant, outgoing and friendly manner with excellent people and verbal communication skills
- The ability to get on well with people of all ages and backgrounds
- Supportive, tactful and approachable manner
- Good listening and interpersonal skills
- Excellent planning and organisational skills
- Self-confidence and the ability to inspire confidence in others
- The capacity to make decisions quickly and change arrangements as required
- The ability to work well under pressure and cope with emergencies

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## **3.5 SALES AND MARKETING EXECUTIVES :**

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Sales and marketing executives conduct research and build a company's marketing and sales strategies. Their goal is to plan and implement targeted marketing tactics in order to increase sales. Customer connections, sales data tracking, and performance reports are all responsibilities of sales and marketing executives.

### **3.5.2 Responsibilities :**

- Contributing to the development of marketing strategies
- Conducting market research on rival products
- Designing and implementing marketing plans for company products
- Coordinating with media representatives and sponsors
- Working with the sales team to develop targeted sales strategies
- Answering client queries about product specifications and uses
- Maintaining client relations
- Tracking sales data to ensure the company meets sales quotas
- Creating and presenting sales performance reports

### **3.5.2 Requirements :**

- Any formal degree or diploma like Bachelor's degree in marketing, business, or related field
- Proven work experience as a sales and marketing executive
- Knowledge of modern marketing techniques
- High-level communication and networking skills
- A passion for sales
- Understanding of commercial trends and marketing strategies
- Good project management skills
- Excellent interpersonal skills
- Ability to work well under pressure.

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### **3.6 AIRPORT REPRESENTATIVES :**

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They ensure that all arriving passengers with flight information are paged and are assisted with luggage and transportation. With the assistance of hotel employees, they assist them during pick-up and transfer to and from the hotel. They also act as the representative of the organisation and promote the facilities and services in accordance with operating requirements.

#### **3.6.2 Responsibilities :**

- Be present at all scheduled flight landings and assist incoming passenger with baggage clearance and directing them to transport facilities
- Arranging the transportation to and from accommodation
- Ensure luggage handling
- Give information to the tourist and assists them in to their vehicle
- Inform hotel reception manager, concierge or guest relation officers when VIP on their way to the hotel
- Write all the additional instruction for guests or information about tourist arrival or departure in the logbook and should be transferred to the expected arrival list of each airport rep.
- Any changes on arrival and departure flight must be reported to the hotel
- Maintain a good relationship with airline personnel, immigration, custom officers and hotel as well

#### **3.6.2 Requirements :**

Ability to read and write in English is required; other languages are considered an asset in this profession. a graduate with a diploma and a bachelor's degree in a related field will add advantages to career.

- Pleasing personality
- Good communication and interpersonal skill
- Knowledge of English writing and speaking
- Friendly attitude
- Knowledge of area, destination and other tourism products
- Flexible approach and be able to adapt to unpredictable events

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### **3.7 DRIVERS :**

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Drivers are licensed professional, local vehicle driver. They are person who is directly involved in handling, pick-up and drop of tourist from and to various destinations.

#### **3.7.1 Responsibilities :**

- Use route navigation apps and knowledge of area to drop the customers on time
- Interact with customers in a professional manner
- Work occasional evenings and weekends
- Complete daily maintenance checks on vehicle and notify manager of any issues
- Drive in inclement weather, such as light snow
- Maintaining the vehicle safe and clean
- Assist clients with loading and unloading their luggage
- Listen to traffic and weather reports to stay up-to-date on road conditions
- Adjust the route to avoid heavy traffic or road constructions, as needed
- Maintain electronic logs to track routes and deliveries

#### **3.7.2 Requirements :**

- Basic written and spoken English and local languages
- Well-versed in the area, and can provide with general information about the area
- Need to be a valid country Driving License holder
- Prior experience as a delivery driver
- Minimum visual acuity of 20/50 (or corrected to 20/50)
- Good ability to drive with no prior violations
- Flexible approach
- Able to adapt to unpredictable events
- Ability to manage time and routes for a streamlined delivery experience
- Familiarity with GPS devices or map apps

#### **☐ Check Your Progress :**

1. Which is not the responsibility of Travel Consultant ?
  - a. Researching tour options
  - b. Determining requirements of client's
  - c. Helping travel bookings
  - d. Creation of tour package
2. The tour guide must have certain set of skill like \_\_\_\_\_
  - a. Punctuality
  - b. Effective communication
  - c. Significant and factual expertise
  - d. All the above options
3. Tour guide require licence to carry out guiding work and only person authorised to guide tourists. The statement is \_\_\_\_\_
  - a. Correct
  - b. Incorrect
  - c. Can't say

4. Guide who is expert of monuments, know architecture, explain ruin is called as \_\_\_\_\_
  - a. Nature Guide
  - b. Museum Guide
  - c. Historical Guide
  - d. City Guide
5. An employee who looks after the arrangement and requirement at the destination is called as \_\_\_\_\_
  - a. Tour manager
  - b. Tour escort
  - c. Both a and b options
  - d. None of the above options
6. A person with Bachelor's in Marketing fit for the \_\_\_\_\_ job.
  - a. Tour Manager
  - b. Tour Guide
  - c. Travel Consultant
  - d. Sales Executive
7. In general a representative from ground handler who receive the guest at airport.
  - a. Tour Escort
  - b. Airport Representative
  - c. Both options a and b
  - d. None of the above options
8. A minimum visible acuity of 20/50 is required by which travel professional.
  - a. Travel Consultant
  - b. Tour Guide
  - c. Airport Representative
  - d. Driver

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### **3.8 LET US SUM UP :**

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The travel services business is made up of a complicated web of relationships including a variety of suppliers, tourism products, destination marketing organisations, tour operators, and travel agents, to name a few. Tour operators, on the other hand, require tour guides, tour managers/tour escorts, travel consultants, airport representatives, sales/marketing executives, and drivers to carry out their operations on the ground. It is hard to keep the guests isolated and complete the trip without interacting with them. As a result, it becomes even more critical that these individuals handle themselves in a professional manner, ensuring that tourists enjoy their visit and leave with fond memories. We have studied the requirement and responsibilities of these people which they must possess before they take up the job.

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### **3.9 ANSWER FOR CHECK YOUR PROGRESS :**

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#### **Check Your Progress :**

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (d) | 2. (d) | 3. (a) | 4. (c) |
| 5. (c) | 6. (d) | 7. (b) | 8. (d) |

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### **3.10 GLOSSARY :**

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**Anti-Social Hours :** Working on holidays, weekends or any other special days.

**Tourism Services :** Other services that support the development of tourism and the delivery of guest experiences

**Tour Escorts :** They accompany groups of people on organised trips called package tours.

**Tour Guide :** A person who provides assistance, information on cultural, historical and contemporary heritage sights to the visiting tourists.

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### **3.11 ASSIGNMENT :**

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1. What is the role of tour manager or tour escort in providing services to the guests ?
2. Explain the requirement of driver a key person in travel operation.
3. What is the meaning of tour guide and explain types of tour guide ?
4. How travel consultant is responsible to the travelling visitors ?

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### **3.12 ACTIVITIES :**

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1. Visit the leading brand of travel agency in your area and find out the role and responsibilities of employees working there.

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### **3.13 CASE STUDY :**

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#### **An Easy Mix of Online and Offline Models**

As India's travel trade continues to debate whether OTAs are a threat or opportunity, some companies are using the interface to lay the dilemma to rest for good. Ezeego1 is more than a distinct example in this regard

The way people or corporations react to new – and at times – sweeping trends, reveals a lot about how they perceive change. The one endearing feature they share is that they view the two with the broad brush of opportunity and never a threat. When one considers Cox & Kings (C&K) in the same vein – a large and long-established tour operator with a relatively strong offline presence long before the Internet was considered as a remotely plausible avenue for travel retail – it's not easy to believe how it could size up the Internet as a sterling opportunity. Yet, that's how it turned out. In May, 2006, the company launched what it coined as a neutral online market place called ezeego1, which is now one of India's leading OTAs in a segment that is vulnerable to the creation of a bubble of very similar players, breeding eventual stagnation. Having achieved vital differentiation, the OTA is now looking beyond the online space to augment its scope of relevance and engage the traditional and non-traditional retail world at large. An all-inclusive stance Online consolidation is a phenomenon that is still evolving and one that principals, particularly the airline, view with some concern given their lopsided dependency on consolidators in the offline space. ezeego1's approach, however, was to create an accessible marketplace rather than acquire inventory by itself. This, all inclusive stance made it more approachable from both a principal and travel agent perspective, thereby achieving a master stroke of comfort with both entities within the distribution loop. ezeego1 lists airlines, hotels, tour packages, car rentals, foreign exchange, et al from principals including, interestingly, some of C&K's competitors. The objective, according to ezeego1 COO Neelu Singh, is to bring all such services onto a single platform. "It is a sort of leisure GDS if you may. ezeego1 is trying to find a niche away from the slew of recently launched portals in the same space. It serves as an interface both, for consumers and travel agents." This virtual travel marketplace has many layers to it, according to Singh. This is so because, unlike random surfers, travel agents who are part of ezeego1's network are accorded a specific login and password to access rates, which they can then add their margins to in order to sell to their clients. Travel agents are also empowered with tools like

white labeling and dynamic packaging, which allows them to sell several products with variable value propositions.

Similarly, due to the presence of multiple competitions, suppliers have an opportunity to control their pricing as per the market trends and fulfil last minute supply and demand. In this manner, ezeego1 has been able to empower principals and travel agents alike to choose between the price and value emphasis, depending on the product they are selling, allowing them to apply their individual yield management strategy. "The strength that ezeego1 will leverage is the ability to gather and provide real time information, inventory and transaction capability online. ezeego1 has also tied up with various payment gateway providers and has installed a 24x7 call centre to answer trade and consumer queries," Singh added. Most recently, Ezeego1.com entered into partnership with Rail Europe to offer real-time online booking capability to its travel agents members and customers – something it claims to be the first OTA in South Asia to have managed. Adopting the hybrid model having established and set in motion the travel meta-search engine, ezeego1 went about implementing the second phase of its strategy, launching an offline extension to its website. The OTA is targeting close to 50 travel shops in the first year across key metro and tier two cities with a future threshold of at least 300. The travel shops, according to Singh, will increase its scope of appeal and accessibility to the net-averse or hesitant profile. Singh says, "Travellers are still reluctant to pay online, particularly if the sums are large, which in the case of travel, they tend to be. There are also norms regarding foreign exchange that prevent an end-to-end transaction without an offline element." ezeego1's first shop opened in August this year in Mumbai. Kiosks at locations of high consumer footfalls, enabled with fulfilment akin ATMs are also being currently being tested. "We believe the Indian market needs a hybrid model, which includes an online and offline interface. The ezeego1 travel shop will serve as that alternative channel for booking and will enable customers to interact with travel counsellors on a personal level." The OTA has also built in the franchisee proposition, thereby opening it up to non-traditional players who meet the criteria of space, capital and operational standards. While the company remains open in terms of strategy about whether the offline extension may grow substantially, the hybrid model is one that testifies to the uniqueness of the Indian market. Both consolidation and online travel retail are realities, which have worked up an irreversible. To combine the two in ways that do not take in the so-called inhibiting evils – that these typically entail – is a challenge ezeego1 appears to have taken on. Creating an open market place, allowing flexible pricing by principals and travel agents alike and opening new vistas of revenue to the traditional travel agent – all of this echo the imperatives that OTAs in general need to incorporate to cinch sustainability. ezeego1, it seems, has been, long on that job.

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### **3.14 FURTHER READING :**

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1. Dr. Mohinder Chand (2007), Travel Agency Management: An Introductory, Anmol Publications Pvt. Ltd.
2. Roday. S, Biwal. A & Joshi. V. (2009), Tourism Operations and Management, Oxford University Press, New Delhi.
3. Goeldner, R & Ritchie. B (2010), Tourism, Principles, Practices and Philosophies, John Wiley & Sons, London.

**UNIT STRUCTURE**

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 Regional Travel Associations
  - 4.2.1 Pacific Asia Travel Association (PATA)
  - 4.2.2 European Civil Aviation Conference (ECAC)
  - 4.2.3 European Travel Commission (ETC)
- 4.3 Indian Travel Associations
  - 4.3.1 Travel Agents Association of India (TAAI)
  - 4.3.2 The Indian Association of Tour Operators (IATO)
  - 4.3.3 Tourism Finance Corporation of India (TFCI)
  - 4.3.4 Indian Tourism Development Corporation (ITDC)
  - 4.3.5 India Convention Promotion Bureau (ICPB)
- 4.4 International Travel Association
  - 4.4.1 UNWTO
  - 4.4.2 International Air Transport Association (IATA)
  - 4.4.3 International Civil Aviation Organization (ICAO)
  - 4.4.4 World Travel & Tourism Council (WTTC)
  - 4.4.5 International Union for Conservation of Nature (IUCN)
- 4.5 Let Us Sum Up
- 4.6 Answers for Check Your Progress
- 4.7 Glossary
- 4.8 Assignment
- 4.9 Activities
- 4.10 Case Study
- 4.11 Further Reading

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**4.0 LEARNING OBJECTIVES :**

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After reading this unit students will be able to comprehend the significant tourism associations and organisations that are constantly trying to improve tourist service and expand tourism in the worldwide market.

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**4.1 INTRODUCTION :**

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The service sector is currently one of the most developed in the world. Tourism, which is a part of this sector, has remained mostly unaffected by the economic and financial crisis, and tourist motivations and needs have evolved over time. The travel agency serves as a link between service providers and potential tourists, which is why it is so crucial.

It is appropriate to assume some responsibility towards customers as long as the travel agency offers travel packages. Customers must have a set of rights and guarantees as a result of the duties of tour operator agencies and stores.

In the new millennium, the function of the travel agency in the marketing of tourism in India is critical. These tourism organizations can be international, national, and regional organizations that help develop and manage tourism. Middlemen in the travel industry play a crucial role in the growth of the global tourism industry. We will discuss some of the practices of the important organisations working in either part of the world or looking into global matters for tourism and its aspects. We'll also go over the tourism organisations working closely with different international bodies to provide better services to the tourists in India and outside India.

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## **4.2 REGIONAL TRAVEL ASSOCIATIONS :**

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Regional tourist Associations are non-profit organisations that are led by the tourism industry. They play a crucial role in ensuring that tourism regions remain competitive and viable. Each of these groups is responsible for regional coordination and leadership.

These organisations contribute to the development of tourism by activities such as strategic planning, research, product development, training, capital, and marketing, in collaboration with tourist partners.

The Pacific Asia Travel Association (PATA) is a collaboration of governmental and non-governmental organisations dedicated to promoting tourism sector professionalism in Asia and the Pacific. The European Civil Aviation Conference (ECAC) is a regional organisation specialising in tourism and concerned with European airline cooperation and coordination. The European Travel Commission is a strategic alliance that allows thirty-three European national tourist organisations to collaborate.

### **4.2.1 Pacific Asia Travel Association (PATA) :**

The Pacific Asia Travel Association (PATA) is a non-profit membership-based organisation that promotes responsible growth of travel and tourism to, from, and within the Asia Pacific area. It was founded in 1951. Since 1998, the company's headquarters have been in Bangkok. Beijing and London are also home to the Association's official offices or representation.

PATA creates significant collaborations by bringing together private and public sector members to improve the value, quality, and long-term growth of travel and tourism to, from, and within the Asia Pacific area.

More than 650 member organisations, including 82 government, state, and city tourism bodies, 14 international airlines and airports, 71 hospitality organisations, and 75 educational institutions, as well as thousands of youth (YTP) members around the world, benefit from the Association's aligned advocacy, insightful research, and innovative events.

### **4.2.2 European Civil Aviation Conference (ECAC) :**

The European Civil Aviation Conference (ECAC), founded in 1955 as an intergovernmental organisation, aims to harmonise civil aviation laws and practises among its Member States while also promoting policy understanding between its Member States and other regions of the world. The main aim of this

organisation is to promote the continuous development of a safe, efficient, and sustainable European air transport system.

It has close ties to the International Civil Aviation Organization (ICAO). ECAC can serve as a unique European venue for discussion of every important civil aviation problem. It has Memorandums of Understanding with its sister regional organisations ACAO, AFCAC, and LACAC, as well as the European Commission, EUROCONTROL, and the JAA Training Organization. It has especially valuable connections with industry and organisations that represent all aspects of the aviation industry.

#### **4.2.3 European Travel Commission (ETC) :**

The European Travel Commission, which was founded in 1948 and represents the National Tourism Organizations of Europe, is a one-of-a-kind organisation in the travel industry. Its purpose is to support Europe's long-term development as a tourist destination. It has established itself at the forefront of the European tourism industry over the previous several decades, establishing its expertise and forming relationships in sectors of tourism centred on promotion, market intelligence, and best practise exchange.

ETC's long-term goal is to develop a new, unique forum where public and private tourism stakeholders can collaborate to create benefits and eliminate barriers for Europe's travel industry. Through the Associate Membership Program, the organisation extends its membership to private organisations and universities for this purpose.

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### **4.3 INDIAN TRAVEL ASSOCIATIONS :**

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The growth of tourism industry some organisations need to be established. These help in designing, developing, and monitoring the project, its success and growth. India is too needed for a Tourism Organization on the national level. They are crucial in promoting and developing India's travel and tourism industry. In India, we have a number of organisations that are involved with the National Tourism Organization. The rise and development of tourism in India can be viewed as a result of their involvement.

#### **4.3.1 Travel Agents Association of India (TAAI) :**

The Travel Agents Association of India (TAAI) was founded four years after India's independence, in 1951. It thrives on high-quality growth and the potential to support industry expansion. TAAI is India's primary, nodal, largest, and oldest travel and tourism organisation. More than 2500 major Indian organizations working in tourism provide constant advice to their members through their 20 Regional Units, each of which is led by an elected Chairman, Secretary, and Treasurer. The member agencies get together on a regular basis. It most successfully facilitates road shows, presentations, and interaction on industry updates. The role and functions of TAAI can be summarised as :

- Offers a common forum for tourism activities in India
- Helps the government to formulate tourism policy for the country
- Help in the promotion of inbound, outbound, and domestic tourism
- It aids in the continuous and effective dialogue with other tourism organisations
- It provides professional help to its members

- Conducts market research
- Helps in developing Human Resource
- It provides up to date information about the industry
- TAAI runs advertising initiatives from time to time
- Try to maintain ethical trade practices
- Categories Travel & Tourism Organisations

#### **4.3.2 The Indian Association of Tour Operators (IATO) :**

The Indian Association of Tour Operators (IATO) is the national organisation of the tourism industry, founded in 1982. It has about 1600 members who represent every sector of the tourism industry and now it has international recognition and connections. It maintains close linkages with other tourism organisations in Nepal, Indonesia as well as the United States. These organisations include USTOA, NATO, and ASITA, and are expanding their worldwide networking with professional organisations to better serve international travellers visiting not only India but the entire region.

IATO works closely with the government on all essential issues affecting India's tourism industry, with tourism facilitation receiving top attention. It works closely with all of the government's ministries and departments, as well as chambers of commerce and industry, diplomatic missions, and other organisations. It serves as a conduit between decision-makers and industry, presenting both sides with a comprehensive perspective and enabling them to work together on a common objective of tourism facilitation.

IATO membership is divided into five categories: Active, Allied, Associate, International, and Honorary. Before being admitted to the IATO fraternity, all of its active members must be recognised and certified by the Indian government's Department of Tourism and have at least three years of experience with international tourists to India. Main roles and functions can be summarised as :

- Promotion of national integration and international understanding
- Acts as an image builder
- Organizes 'Farm Tour' (overseas)
- Encourage tourism education and research
- Settle disputes between the members
- Protect the members from the mal-practices
- Provides information

#### **4.3.3 Tourism Finance Corporation of India (TFCI) :**

The National Committee on Tourism (Yunus Committee) is considering founding a tourism association to handle the industry's requirements and projects. As a result on January 27, 1989, Tourism Finance Corporation of India was established as a public limited company under the Company Act, 1956. On February 1, 1989, the operational activities began. It was established as a specialist cell to serve the tourism and hotel industry's demands. It was expected to give tourism and tourism-related initiatives top priority in funding.

To date, the TFCI has aided a third of the total capacity of branded hotels in India. ITC, Leela, Taj, Lalit, Lemon Tree, Hyatt, Marriott, Hilton, Radisson, Holiday Inn, Ramada, and other significant local and worldwide hotel operating

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brands have all been affiliated with it. TFCI has also acted as an advisor to the central government, multiple state governments/affiliated agencies, and has assisted in the development of master tourism plans, promotional activities, market potential assessments, tourism flow surveys, market feasibility studies, and other activities aimed at increasing tourist influx.

It has worked with the Government of Himachal Pradesh, the Ministry of Environment and Forests (GoI), the Government of Gujarat, the Gujarat State Tourism Development Corporation, the Tamil Nadu Tourism Development Corporation, the MP State Tourism Development Corporation Ltd., the Delhi Tourism Transport Development Corporation, the Jharkhand Tourism Development Corporation, and others, to name a few. TFCI also advised the Ministry of Railways on how to create and manage luxury train services across India. The major functions of TFCI are following as :

- Rupee loans to develop infrastructure in tourism sector
- Underwriting of public issue of share/debenture and direct subscription on such securities.
- Guarantee for deferred payments and credits raised in India and/ or abroad.
- Equipment finance and equipment leasing.
- Assistance under suppliers credit.
- Merchant Banking and Advisory services.

### **4.3.4 Indian Tourism Development Corporation (ITDC) :**

The association is the second most significant and is run by the government. The ITDC's principal goal is to promote India as a tourism destination. For two reasons, the alliance became the Indian private sector. To begin with, private businesses were unwilling to invest in tourism infrastructure. Second, they believed that investing in tourism amenities would provide an uncertain reward. In the year 1966, the organisation was founded. Hotel Corporation India Ltd, India Tourism Transport Undertaking Ltd, and Indian Tourism Corporation Ltd merged to become Indian Tourism Corporation Ltd.

The Corporation operates hotels and restaurants for tourists in a variety of locations, as well as providing transportation. In addition, the Corporation produces, distributes, and sells tourist promotional literature, as well as offers entertainment and duty-free shopping to visitors. The corporation has expanded into other areas/services, such as Full-Fledged Money Changer (FFMC) services, engineering consulting services, and so on. The Corporation's Ashok Institute of Hospitality & Tourism Management provides tourism and hospitality training and education.

ITDC currently operates eight Ashok Group hotels, six joint-venture hotels, two restaurants (one of which is an airport restaurant), 12 transport units, one tourist service station, 37 duty-free shops at international and domestic customs airports, one tax-free outlet, and two sound and light shows.

The role of ITDC :

- Infrastructure development
- Promotes India as a tourist destination
- Helps in the promotion of domestic tourism in collaboration with railways
- Provides consultancy

- Promotes inbound tourists traffic
- Provides training

#### **4.3.5 India Convention Promotion Bureau (ICPB) :**

The India Convention Promotion Bureau (ICPB) is the only travel industry organisation that includes state governments, hotels, airlines, tour operators, travel agencies, professional conference organisers, event managers, educational institutions, and more.

Aside from promoting India as a conference venue, the ICPB's goals and objectives include increasing conference traffic to India through ongoing activities that raise awareness of the importance and benefits of congresses and conventions in achieving national goals. ICPB's goal is to have well developed convention centres all around the country, making India the world's preferred destination.

##### **Aims & Objectives of ICPB**

- To promote India as a competent and credible MICE destination.
- To undertake a continuing programme of creating better awareness of the role and benefits of MICE in the context of national objectives.
- To collect, both from primary and secondary sources, relevant information that could be used to develop a data bank and to disseminate such information to the membership.
- To undertake research for development for India's MICE industry and disseminate that information.
- To undertake a continuing programme of marketing, through media, for motivating national associations to bid for conventions, etc.
- To encourage growth of professionalism in the MICE segments and evolve an industry code of ethics.
- To provide necessary guidance and feedback to the central government and advise state governments in the development of infrastructure and facilities for MICE segments.
- To conduct seminars, group discussions, courses of study and organize exchange of visits between Indian organizations and relevant world associations/organizations.
- To seek affiliations with world bodies with similar aims and objectives.

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#### **4.4 INTERNATIONAL TRAVEL ASSOCIATION :**

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A cross-national tourist organisation is referred to as an international tourism organisation. Because these organisations are not local, they do not work to create and manage tourism on a national scale. In terms of educating and administering tourism, international tourism organisations know no bounds. In reality, these organisations set national and regional norms for other organisations.

##### **4.4.1 UNWTO :**

The United Nations World Tourism Organization (UNWTO) is a specialised agency of the United Nations tasked with promoting responsible, sustainable, and universally accessible tourism. Its headquarters are in Madrid, Spain. It is the world's leading international tourist organisation, promoting tourism as a driver of economic growth, inclusive development, and environmental sustainability, as well as providing industry leadership and support in the advancement of

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knowledge and tourism policy around the world. It is a global platform for tourist policy concerns as well as a useful source of tourism research and expertise.

It supports the implementation of the Global Code of Ethics for Tourism in order to maximise tourism's contribution to socio-economic development while minimising its negative effects and it is dedicated to promoting tourism as a tool for achieving the United Nations' Sustainable Development Goals (SDGs), which are aimed at reducing poverty and promoting global peace and development.

As the world's largest tourism organisation, UNWTO promotes tourism as a driver of economic growth, inclusive development, and environmental sustainability, and provides leadership and assistance to the industry in the advancement of knowledge and tourism policies around the world. It is focusing on Sustainable Development and Competitiveness.

### **4.4.2 International Air Transport Association (IATA) :**

The International Air Transport Association (IATA) is the world's airline trade association, representing 290 carriers and 83% of all air traffic. They contribute to the development of industry policy on crucial aviation issues. Its mission is to promote safe, reliable, and cost-effective air transportation, as well as to research industry-related issues. Ticketing, prices, airline air route bills, luggage inspections, and other paperwork are all standardised.

The organization's top mission is to safeguard the safety of aeroplanes and air travellers. IATA has established panels to develop safety standards for air carriers and experts in order to ensure that the laws and regulations are followed to the letter. IATA's efforts resulted in numerous advances in air travel safety, as well as a significant reduction in the frequency of aviation accidents.

Terrorism and hijacking are commonplace aboard flights. Following the increasing number of hijacking incidents and the September 11 attacks, the International Air Transport Association (IATA) has implemented strict reforms and created provisions to strengthen airline security. The technique is based on passenger classification and risk assessment.

### **4.4.3 International Civil Aviation Organization (ICAO) :**

The International Civil Aviation Organization (ICAO) develops aviation safety, security, efficiency, and regularity, as well as environmental protection rules. The organisation also regulates the technical field of aviation's operating practises and processes.

The International Civil Aviation Organization (ICAO) establishes protocols for use by signatory agencies of the Convention on International Civil Aviation in their respective countries during air accident investigations.

It also oversees air navigation regulations and practices, as well as its infrastructure. They guarantee that flight inspections are carried out in accordance with established procedures and that standards are satisfied. The International Civil Aviation Organization is also in charge of preventing unlawful interference and facilitating international civil aviation border crossing processes.

### **4.4.4 World Travel & Tourism Council (WTTC) :**

WTTC is a membership organisation that represents the world's top travel and tourism executives. It was founded in 1990 and represents the Travel and Tourism private sector globally. WTTC is a gathering of global business leaders that includes the presidents, chairs, and CEOs of 100 of the world's most

prestigious corporations. It is the only organisation in the world that represents the private sector in all aspects of the travel and tourism business. The objective of the World Travel and Tourism Council is to raise awareness of the full economic impact of travel and tourism, the world's largest creator of wealth and employment, accounting for 200 million jobs and over 10% of global GDP. Governments are encouraged to use a policy framework for sustainable tourism development to realise the industry's potential.

In collaboration with Oxford Economics, the WTTC conducts and publishes research on the economic and social effects of the travel and tourist industry. The WTTC's research effort is based on a series of yearly Travel & Tourism Economic Impact Reports. A global report, as well as 24 regional and 184 national reports, are included. The economic impact of the industry is calculated in the reports, which includes direct and total GDP impacts, direct and indirect employment, investment, and exports. The council publishes one-year and ten-year projections for these impacts using models based on Tourism Satellite Accounting. Major media, such as Forbes and Bloomberg News, rely on this research. It also provides country statistics for the World Economic Forum's Travel and Tourism Competitiveness Report, which rates countries according to the Travel and Tourism Competitiveness Index. Each year, the WTTC hosts a global summit, generally in April, followed by a regional summit in the third quarter, with up to 1,000 people in attendance.

#### **4.4.5 International Union for Conservation of Nature (IUCN) :**

IUCN membership is available to both government and non-governmental organisations. It draws on the expertise, resources, and reach of more than 1,400 member organisations, as well as the contributions of over 18,000 professionals. IUCN is the world's authority on the state of the natural world and the steps required to protect it because of its diversity and depth of knowledge.

The conservation of biodiversity is at the heart of the IUCN's mission. The IUCN demonstrates how biodiversity is critical to addressing some of the world's most pressing issues, such as climate change. Climate change, sustainable development, and food security are just a few examples.

IUCN has broadened its focus beyond conservation ecology in recent decades, and also includes concerns connected to sustainable development in its programmes. The IUCN does not seek to rally the public in support of environmental protection. By offering information and guidance, as well as forming partnerships, it aims to influence the activities of governments, businesses, and other stakeholders. The IUCN Red List of Threatened Species, which analyses the conservation status of species around the world, is the organization's most well-known publication.

At the United Nations, the IUCN has observer and consultative status, and it participates in the implementation of various international conventions on nature protection and biodiversity. The World Wide Fund for Nature and the World Conservation Monitoring Centre were both founded by it. IUCN has been chastised in the past for prioritising the interests of nature over those of indigenous peoples. Its stronger ties with the business sector have sparked debate in recent years.

The International Union for Conservation of Nature (IUCN) was founded in 1948. The International Union for the Conservation of Nature and Natural Resources was its former name.

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### ☐ Check Your Progress :

1. The Indian Tourism Development Corporation was established in the year \_\_\_\_\_.  
a. 1966                      b. 1947                      c. 1951                      d. 1990
2. International Civil Aviation Organization has been established to\_\_\_\_\_  
a. Aviation safety    b. Efficiency  
c. Regularity    d. All of these
3. The \_\_\_\_\_ founded in 1990, is the body that represents the Travel and Tourism private sector globally.  
a. IATO                      b. IATA                      c. WTTC                      d. TAAI
4. \_\_\_\_\_ has an objective to conserve biodiversity.  
a. ICAO                      b. IUCN                      c. IIPT                      d. IATD
5. UNWTO was established in \_\_\_\_\_.  
a. 1975                      b. 1951                      c. 1947                      d. 1966
6. \_\_\_\_\_ is a hospitality, retail and education company owned by the government of India, under the Ministry of Tourism.  
a. IATD                      b. WTTC                      c. TAAI                      d. ITDC
7. WTTC means \_\_\_\_\_.  
a. World Tourism and Trade Council  
b. World Travel and Trade Council  
c. World Travel and Tourism Council  
d. World Tour and Travel Council
8. IUCN was established in year \_\_\_\_\_.  
a. 1928                      b. 1938                      c. 1948                      d. 1958

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### 4.5 LET US SUM UP :

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As tourism has a significant impact on the image building of the nation. For maintaining the image and cultural, economic, and environmental impact of the country, many tourism organisations have been established at various levels. Some of them bring together national tourist organisations or other tourism-related service organisations such as airlines, hotels, motels, and travel agents.

The tourism organizations consist of international, national, and regional organizations that help develop and manage tourism. They may be into education and training, marketing, regulations, investment, environmental management, or socio-cultural programs.

UNWTO, as the world's largest tourist organisation, promotes tourism as a driver of economic growth, inclusive development, and environmental sustainability, and provides leadership and assistance to the industry in the advancement of knowledge and tourism policies around the world.

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### 4.6 ANSWER FOR CHECK YOUR PROGRESS :

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#### Check Your Progress :

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (a) | 2. (d) | 3. (c) | 4. (b) |
| 5. (a) | 6. (d) | 7. (c) | 8. (c) |

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#### **4.7 GLOSSARY :**

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**Code of Ethics :** A guide of principles designed to help professionals conduct business honestly and with integrity.

**Policy :** A course or principle of action adopted or proposed by an organization or individual.

**Sustainable Development :** Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

**Tourism Infrastructure :** A collection of the various devices and institutions like accommodation facilities, food and beverage facilities and communication facilities which become the basic materials for tourism management and development.

**Tourism Organisation :** A commercial or non-commercial establishment, that organizes and conducts tourist trips, promotes domestic and/or international tourism and may help in the formulation of policy for it.

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#### **4.8 ASSIGNMENT :**

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1. What are the main function of TAAI to develop tourism in India ?
2. Explain the role of ITDC in the development of tourism in the country.
3. What are the aims and objectives of ICPB in promotion of conference in India ?
4. Find out various initiatives taken by the UNWTO for the development of tourism across the globe.
5. Write a short note on WTTC.

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#### **4.9 ACTIVITIES :**

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1. Collect information about different Tourism organisations working in any part of the world, which has not been discussed in this chapter.

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#### **4.10 CASE STUDY :**

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##### **The Flow of Tourism in India**

The land to travel heaven of tourism delights a civilization to tour through, bounded by the majestic Himalayan range in the north and edged by an endless stretch of golden beaches. India is a vivid kaleidoscope of landscapes, magnificent historical sites and royal cities, misty mountains, retreats, colourful people, rich culture and festivals. Modern India is the home of the tribe with its anachronistic lifestyle and the sophisticated existence amicable with the microchip. Its ancient monuments are the backdrops for the world's largest democracy. Teaming with over a billion people who voice over a million concerns in fifteen hundred different languages, India is where people live with variety, thrive on diversity and are too familiar with largeness to let it boggle them. Mud huts and mansions face off across the city street. Lurid luxury and limp living are inhabitants of the same lane. India's widespread diversity has always attracted both foreigners as well as its own citizens alike to explore the mirth and gaiety that it has to offer the world. Every nook and cranny of the country offers exquisite as well as exclusive tourism resources which echoes the heritage as well as the tradition of that particular area. There is hardly any country in the world which offers such

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a wide variety of tourism. Tourism in India is the largest service industry; with a contribution of 5.9% to the national GDP in 2011 and this creates 8.78% of the total employment in India. In 1997, India received 2.37 million foreign tourists but as we reached 2011, there is a phenomenal growth in foreign tourist arrivals to India i.e. 6.29 million. Our foreign exchange earnings from tourism in 1997 were only USD 2889 million and by 2011 we have a foreign exchange earning of USD 16564 million tourism business and that is expected to increase to US\$375.5 billion by 2018 at a 9.4% annual growth rate. Tourism is one economic sector in India that has the potential to grow at a high rate and ensure consequential development of the infrastructure at the destinations. As per the statistics of UNWTO, in 2011, there were over 983 million international tourist arrivals worldwide, representing a growth of 4.6% when compared to 940 million in 2010. International tourism receipts (the travel item of the balance of payments) grew to US\$1.03 trillion (€740 billion) in 2011, corresponding to an increase in real terms of 3.8% from 2010.

### **Question for Discussion :**

1. Which organisation can streamline the tourist flow ?
2. Why do you think that streamlining the tourist can be an essential task to develop Tourism in India ?

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### **4.11 FURTHER READING :**

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1. Dr. Mohinder Chand (2007), *Travel Agency Management: An Introductory*, Anmol Publications Pvt. Ltd.
2. Roday. S, Biwal. A & Joshi. V. (2009), *Tourism Operations and Management*, Oxford University Press, New Delhi.
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## **BLOCK SUMMARY**

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Learners will be able to understand the fundamentals of travel agency management in this block. You've probably figured out that the travel agency serves as the most significant link between the tour operator and the customer. As a result, it is even more critical to comprehend the operation of a travel agency and its primary functions. The services provided by travel agencies, such as accommodation–flight booking, passport–visa documentation, currency regulation, and so on, are highlighted in this block. This block also discusses the professionals who assist tourists at different phases of their journey, such as travel consultants, tour managers/tour escorts, tour guides, airport representatives, and drivers. The block's last unit gives special attention to all of the main associations and organisations working to promote tourism not only in India but around the world.

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## **BLOCK ASSIGNMENT**

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### **Short Question Answer**

1. What are the main functions of travel agency ?
2. Enlist the innovation in reservation system across the tourism industry in recent time.
3. What are the advantages of travel insurance ?
4. Explain the requirements to be airport representative.
5. What role tour guide play to provide satisfactory services to the visitor ?
6. How TFCI is assisting budding entrepreneur in tourism sectors to start the businesses ?

### **Long Question Answer**

1. Describe the term affordability of services with suitable example from tourism industry.
2. Passport and visa are the most important travel documents give a brief account of both these documents in relation to the tourism sector.
3. What are the important points to consider by travel agent before reserving room in hotel for the guests ?
4. How regional travel association and organisation assist in developing tourism in particular region ?

**Travel Agency and  
Tour Operation**

❖ Enrolment No. :

1. How many hours did you need for studying the units ?

<b>Unit No.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>No. of Hrs.</b>				

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

3. Any other Comments

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# **TRAVEL AGENCY AND TOUR OPERATION**



**DR. BABASAHEB AMBEDKAR OPEN UNIVERSITY  
AHMEDABAD**

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The content is developed by taking reference of online and print publications that are mentioned in Bibliography. The content developed represents the breadth of research excellence in this multidisciplinary academic field. Some of the information, illustrations and examples are taken “as is” and as available in the references mentioned in Bibliography for academic purpose and better understanding by learner.’

## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# TRAVEL AGENCY AND TOUR OPERATION

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**Open University Ahmedabad**

## ***Travel Agency and Tour Operation***

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### **BLOCK 3 : TOUR OPERATION MANAGEMENT**

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- UNIT 1    FUNDAMENTALS OF TOUR OPERATION
- UNIT 2    ITINERARY PLANNING BY TOUR OPERATORS
- UNIT 3    COST & REVENUE IN TOUR OPERATION
- UNIT 4    DISTRIBUTION NETWORK IN TOUR OPERATIONS

# **TOUR OPERATION MANAGEMENT**

## **Block Introduction :**

In this block the learner will learn about the basics of tour operation management. In this block they will learn about the different types of tour hosted by the tour operator depending upon the facility and number of visitor travelling together. Meaning and significance of itinerary in tour operation along with various types of itinerary will be studied by learner. They will also learn about the planning of tour itinerary and what we should be considered and should not be considered while preparing itinerary. After itinerary another important consideration in tour operation is costing and revenue generating sources. Tour costing types and strategies to increase revenue is learnt in this block. In this block focus is also given on how tour operator distributes the travel product made. Various distribution channel, importance and cost associated with them are also discussed in this block. In all after complete understanding of this block learner have clarity about the concepts of tour operation.

## **Block Objectives :**

- Understand the Independent and escorted tours
- Meaning of terminology Group Inclusive Tours for Foreign/Free Independent Travellers
- The comprehension of terms hosted tour, incentive tour, and customised tour
- The purpose of familiarisation tours and its importance
- Itinerary's meaning and significance
- Different types of Itineraries and their requirements
- An Itinerary's Do's and Don'ts to be kept in mind by the tour operator
- Describe the steps involved in putting out a tour itinerary
- Recognise the elements that influence tour package design.
- Understand the cost of a tour and the various costs that included in it
- Examine the tour operator's numerous revenue sources.
- Learn about earnings tactics.
- Understand the different distribution channels in travel and tour industry
- The importance of various distribution channels
- The cost associated with different distribution channels

## **Block Structure :**

**Unit 1 : Fundamentals of Tour Operation**

**Unit 2 : Itinerary Planning by Tour Operators**

**Unit 3 : Cost & Revenue in Tour Operation**

**Unit 4 : Distribution Network in Tour Operations**

# *Fundamentals of Tour Operation*

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**UNIT STRUCTURE**

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Independent and Escorted Tours
- 1.3 FIT and GIT
- 1.4 Hosted Tours
- 1.5 Incentive Tours
- 1.6 FAM Tours
  - 1.6.1 Travel Agents
  - 1.6.2 Tour Operators
  - 1.6.3 Media
  - 1.6.4 Tourism Industry
- 1.7 Customised Tour
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  - 1.8.1 Planning a Tour
  - 1.8.2 Making Tour Package
  - 1.8.3 Arranging a Tour
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  - 1.8.5 Flight Reservation
  - 1.8.6 Accommodation
  - 1.8.7 Travel Information
  - 1.8.8 Taking Care of Glitch
- 1.9 Let Us Sum Up
- 1.10 Answers for Check Your Progress
- 1.11 Glossary
- 1.12 Assignment
- 1.13 Activities
- 1.14 Case Study
- 1.15 Further Reading

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**1.0 LEARNING OBJECTIVES :**

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After studying the learner will be able to understand following from the unit :

- The meaning of independent and escorted tours
- Terminology Foreign/Free Independent Traveller & Group Inclusive Tour

- The important term like hosted tour, incentive tour and customised tour
- The explanation and significance of familiarisation tours

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## **1.1 INTRODUCTION :**

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The term "tour" was popular in 1670, and the concept of a grand tour was created specifically for educational purposes. The British travelled to gain a better understanding of the continent, particularly in terms of culture and social life. Other cultural centre enthusiasts gradually embraced this method.

In the year 1730, there was yet another significant advance. Sea water has been discovered to be beneficial in the treatment of a variety of ailments, according to health professionals. As a result many resorts were developed near seas.

A tour operator is an organisation, firm, or company that purchases individual travel components from vendors and combines them into a package trip that is marketed directly or through middlemen to the general public with their own market value.

A travel agency/tour operator deals with a wide range of 'tour packages,' catering to a variety of tourist interests such as adventure, beach, architecture, cultural, business, conference, incentive tours, ayurvedic packages, Buddhist, religious, incentive tour, special interest tours, cruise tour group tour, educational tour, heritage, monuments, wildlife lovers, and so on.

For better understanding, to provide better service, get segmented people of same interest etc., have encourage the classification of tour. Rather we can say the classification defines the purpose as well as need of tourist for a particular tour.

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## **1.2 INDEPENDENT AND ESCORTED TOURS :**

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### **Independent Tours :**

These trips are majorly liked by free spirits. It allows tourists to determine their own schedule, they are not part of a group, and they are responsible for making lunch reservations.

Independent tours are designed for travellers who wish to travel on their own time. Air travel, air transfer, lodging, travel papers, sightseeing, boating, entertainment, and other travel services are all included in such tours. However, in other situations, travellers have the option of purchasing each component separately.

As a result, travellers on this type of vacation have a lot of freedom in terms of planning their activities. An all-inclusive tour may or may not be included in an autonomous tour. As a result, the cost of a tour varies based on the kind of air travel, air transfer, and lodging, as well as other tour components. FITs and DITs are examples of such type of tour.

Tourists on an independent tour vacation still have their accommodation, transportation, excursions, and certain meals included in the package, but they have complete control over the rest. Many people choose independent tour because they provide more independence, flexibility, and solitude. However, some travellers prefer escorted and hosted tours versus self-guided tours since they are uncomfortable being in an unfamiliar environment.

**Escorted Tour :**

The tour is termed as an escorted tour when a travel firm incorporates the services of a well-educated and trained tour manager in its package. Escorted tours are designed for people who are visiting a foreign nation for the first time.

The escort's role and responsibilities include providing detailed information and help. At the start, en route, and at the destination, to the group or individual traveller. The Escorted trips include things like excursion tours.

They manage everything from start to finish. Some escorted tours are one-day affairs in which the tourists are picked up from their hotel in the morning, taken to visit the sights, and then returned to the hotel in the evening. There is usually a precise schedule with eating times and places to visit put up for tourists.

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**1.3 FIT AND GIT :**

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**Free Independent Traveller (FIT) :**

Free Independent Traveller (FIT) or Free Individual Traveller (FIT) is a term that refers to a person who travels independently. An individual (or small group of 10) travelling and vacationing on a self-booked itinerary or package trip is referred to as a FIT.

The FITs tour packages are designed with personalised services. Such packages give customers the option of adding services of their choice and interest to a travel package. They give tourists more freedom to vacation on their own, without following a set itinerary or travelling with a group, while also allowing them to pay for all aspects of a trip in advance, including transportation, transfers, housing, sight-seeing excursions, and sometimes certain meals. These companies are operated to connect to specialised clientele, as it caters to their lifestyle and travel habits. These Travellers are free independent tourists who travel beyond their home country on an independent tour, whereas Domestic Independent Traveller (DIT) is free independent tourists who travel within their own nation. Transfers, housing, sight-seeing excursions, and, in certain cases, meals are all included.

**Group Inclusive Tours (GIT) :**

All-Inclusive Tours for Groups are organised by tour operators for groups of people who share a common interest. The majority of these tours adhere to a defined schedule. The majority of these tours adhere to a defined schedule. Short- and long-distance travel is available with the GIT. The former is appropriate for MICE events, while the latter is appropriate for leisure and enjoyment activities. It's possible that the participants are from the same organisation or group.

Inclusive tours, such as the GIT, are usually put up by a tour operator that bundles travel, lodging, and other services, such as insurance, meals, and sightseeing, into one package. The traveller can save money by purchasing the package rather than purchasing each component separately.

This tour varies from an escorted tour in that the passengers in a GIT have something in common, whereas the members of an escorted tour may or may not share a similar bond, such as living in the same region.

---

## **1.4 HOSTED TOURS :**

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When an agency uses the services of another agency in a specific place, it is referred to as a hosted tour. Tours that are hosted are a type of guided tour. It's comparable to the Escorted tours in certain ways. Passengers, on the other hand, are greeted by a local representative instead of a Tour Manager. All activities and functions are escorted. At all locations, local guides are available to accompany visitors to the sites. The tour may include some meals, hotels, and sightseeing. This tour is great for those who prefer some independence while yet enjoying the benefits of a guide.

Escorted tours and hosted tours are fairly similar. Tourists are most likely to be with the same group of people throughout the tour, and they are taken to and from hotel, much as on an escorted tour. However, the distinction between both is that tourists are not accompanied to each and every activity and function. A local guide is present to answer questions throughout the tour, but a tourist is on their own for the most part.

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## **1.5 INCENTIVE TOURS :**

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It is a motivational programme or a fully compensated vacation that businesses provide to their employees as a reward. Usually in medium and large-scale organisations with far-flung destinations to encourage them to keep their track record, raise output, improve their image, and earn the long-term loyalty of their staff.

A tour operator may also provide alternative packages such as a personalised trip, an excursion tour, an adventure, and special interest package tours.

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## **1.6 FAM TOURS :**

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The abbreviation FAM stands for "familiarisation" tour. It involves bringing people together (in this case, travel journalists, tour operators, and travel agents) to get a hands-on experience at what the organisation has to offer. It is a low-cost trip or tour offered by a supplier or group of suppliers to travel agents in order to familiarise them with their destination and services.

Travel destinations, restaurants, and attractions host FAM Tours to familiarise travel professionals with products and services they believe helps them sell their destinations or services. This tours can be as simple as inviting the local Information Centre staff or local travel agents to a meal or overnight stay at a local restaurant or B & B in the community. The concept is 'It is much easier to sell first-hand experiences'.

In order to raise awareness, a Familiarisation (FAM) Tour involves hosting tour operators, travel agents, and travel media. The goal of having a travel agent or tour operator accompany you on this type of tour is to improve your product and/or destination knowledge. Participants on the tour are better able to relay information to their readers and clients after experiencing it directly. This is a useful tool for them because their jobs entail disseminating information to large groups of people.

There are four different types of FAM tours. Travel agents, tour operators, the media, and the tourism industry are all involved.

### **1.6.1 Travel Agents :**

A travel agent will almost certainly take a FAM tour to gain a better understanding of a destination so that they can better sell it to their clients. Because travel agents have become increasingly specialised, it is critical that they are experts in their field. When it comes to selling tours, travel agents frequently collaborate with tour operators. These tours are sometimes organised by tour operators for their top-selling travel agents to ensure that they are fully informed about the product they are selling.

### **1.6.2 Tour Operators :**

If a tour operator includes a product from a supplier in their brochure, they frequently arrange a tour for their employees. This allows the agents to get an actual look at the product and better sell it to their clients.

### **1.6.3 Media :**

The goal of a media FAM tour is to generate favourable editorial coverage for a destination or organisation. This differs from paid advertising in that the publicity gained through media relations efforts is based on the writer's editorial opinion, which is often regarded as more valuable than paid advertising. It can be Individual or Group tour.

**Individual :** This tour is preferred by many journalists who prefer to experience a destination on their own rather than with a group of other journalists. Journalists who travel alone usually have a specific storey assignment or are writing on "spec" and have a specific storey idea in mind.

**Group :** In collaboration with other tourism organisations, they frequently organises group media tours. These media groups are escorted by a member of the establishment and have detailed itineraries.

### **1.6.4 Tourism Industry :**

FAM tours are provided to frontline staff of associations, sector organisations and agencies, ministries, and other organisations.

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## **1.7 CUSTOMISED TOUR :**

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Now a days, one of the most convenient ways to travel is through a tour and travel agency, which provides a wide range of trip package alternatives. These packages cover all of the important characteristics that any tourist requires, such as meals, lodging, and transportation. Apart from these essential features, depending on the package's worth, these packages also include various optional extras.

A custom made trip is a private tour created expressly for individuals, couples, families, or groups based on their personal needs, interests, dates, and budgets. It often includes all or nearly all of the components of an escorted packaged trip, such as flights, airport transfers, lodgings, ground transportation, guides, sightseeing, meals, and other services and activities customised to the clients' preferences. Tourists travelling alone or with a companion on these customised vacations go at their own speed. One can travel to a variety of countries, fly the airline of one's choosing, and stay in hotels of one's choice.

Travellers can choose from a variety of theme-related packages, such as a honeymoon package, an adventure package, or even a wildlife package. At picking up travellers from their lodging to dropping them off after a day trip,

everything is taken care of. Their safety is also ensured, ensuring that they do not encounter any problems during their journey and that their entire day excursion runs smoothly and quickly. During their stay, travellers can expect the greatest cuisine services to gratify their taste buds.

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## **1.8 SPECIAL SERVICES BY TOUR OPERATORS :**

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Tour operators are in control of the tour from beginning to end. They are in charge of the finer points of a vacation or tour, such as the hotel, housing, meals, and transportation. They offer tour guides, escorting services, and assistance with all aspects of travel.

A tour operator is similar to a service provider in that it offers travellers the most convenient way to stay, see, and leave the city. A tour operator is a company that owns a large number of travel services, including carriers, services, and lodging. The following are some of the most essential functions of tour operators:

### **1.8.1 Planning a Tour :**

The planning of a tour is one of the most crucial functions of tour operators. Trip operators arrange a tour and create a tour itinerary that includes the origin, destination, and all points of interest in a traveller's journey. A potential tour operator can also advise incoming travellers on the many sorts of tour programmes available for their leisure or business travel.

### **1.8.2 Making Tour Package :**

Individual travel components are purchased individually from providers by tour operators and then combined into a package tour. Tour operators assemble numerous travel components into a final product known as a tour package, which is then sold to tourists at a set price. The Tour Operator's role also includes the creation of tour packages.

### **1.8.3 Arranging a Tour :**

Tour operators provide tour packages and customise tours to meet the needs of tourists. To provide the finest experience to tourists/travellers, tour operators organise tour packages and numerous tourist activities.

### **1.8.4 Travel Management :**

From the beginning until the finish of the excursion, tour operators are in charge. A tour operator is in charge of overseeing the finer points of a vacation or tour, such as hotel, lodging, food, transportation, and so on. Tour operators provide tour guides and escorting services, as well as organising all of client vacation needs and desires.

### **1.8.5 Flight Reservation :**

The tour operator makes every effort to obtain the most cost-effective flight reservations possible for all destinations. Any preference for a specific airline is, of course, taken into account when making bookings.

### **1.8.6 Accommodation :**

They provide consumers with a variety of options for their individual lodging needs, no matter where they are – regionally, nationally, or worldwide. Corporate discounts are available at certain chosen lodging establishments (with bill back facilities).

### **1.8.7 Travel Information :**

Whatever the size of the tour operator, it has given travellers with vital travel information. This is a really difficult and complicated task. A tour operator must provide current, accurate, and timely information about destinations, modes of transportation, lodging, sightseeing, immigration, health and security rules, and numerous permits required to travel in a specific place, among other things.

### **1.8.8 Taking Care of Glitch :**

Tour operators are sometimes known as handling agencies since they handle tour packages and take care of any faults or difficulties that may emerge during the tour. During guests' journeys, tour operators address the problems and supply the best available alternative.

#### **❑ Check Your Progress :**

1. \_\_\_\_\_ type of tour is a fully compensated vacation that businesses provide to their employees as a reward.
  - a. Customised Tour
  - b. Incentive Tours
  - c. Hosted Tours
  - d. Independent
2. The concept of 'grand tour' was created specifically for :
  - a. Recreational purposes
  - b. Tour and Leisure purposes
  - c. Educational purposes
  - d. All of the above
3. Full form of FIT is :
  - a. Fair Individual Tour
  - b. Free independent Tourism
  - c. Free Independent Traveller
  - d. Free Individual Tourism
4. \_\_\_\_\_ tours are designed for travellers who wish to travel on their own time.
  - a. Customised Tour
  - b. Hosted Tours
  - c. Independent Tours
  - d. Escorted Tours
5. \_\_\_\_\_ type of tour is done to get a hands-on experience.
  - a. Customised Tour
  - b. FAM
  - c. Independent
  - d. Escorted Tours
6. \_\_\_\_\_ FAM tour is preferred by journalists who prefer to experience a destination on their own rather than with a group.
  - a. Tour Operator
  - b. Travel Agents
  - c. Individual
  - d. Group
7. The full form of GIT is :
  - a. Group Inclusive Tour
  - b. Green Independent Traveller
  - c. Group Independent Tours
  - d. Group Independent Tourist

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### **1.9 LET US SUM UP :**

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Tour operators have become quite competitive in recent years. By efficiently operating, they want to obtain a significant volume of turnover and a large international and domestic market share. Furthermore, the ability of a tour operator to attract tourists, the development and promotion of tourism infrastructure, the diversification of tourism products, and their social responsibilities to develop a remote and backward area all play a role in the success of many developed and developing countries as tourist destinations.

## **Travel Agency and Tour Operation**

Tourists on an autonomous tour holiday have complete control over the rest of their vacation, including lodging, transportation, excursions, and select meals. Many people choose solo tours because they give them more freedom, flexibility, and privacy. Programs that are distinctive Excursions to sporting events, employee incentive programmes, seminars, and other activities can all be arranged. Soccer, rugby, or any other sport could be included in the package.

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### **1.10 ANSWER FOR CHECK YOUR PROGRESS :**

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#### **Check Your Progress :**

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (b) | 2. (c) | 3. (c) | 4. (c) |
| 5. (b) | 6. (c) | 7. (a) |        |

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### **1.11 GLOSSARY :**

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**Domestic Independent Tour (DIT) :** A custom-made tour of a part of the country planned exclusively for a client by a travel agent

**Domestic Escorted Tour :** A packaged, pre-planned itinerary, including the services of a tour manager (escort) within a travelers own country.

**FAM Tour :** An abbreviation for familiarization tour which is often a complimentary or reduced-rate travel program for travel agents, tour operators, travel writers or others to acquaint them with a specific destination or attraction, thereby helping to stimulate sales

**High Season :** Time of the years at any destination when tourist traffic and as a result rate are regularly maximum.

**Low Season :** Time of the years at any destination when tourist traffic and as a result rate are regularly low.

**Leisure Travel :** Travel undertaken for pleasure and unrelated to paid work time.

**Shoulder Period :** It is the calendar period between the peak season and an off peak or lean season for which the promotional rate is adjusted in a manner that it is on the lower side of the peak season and on the upper side of the off-Season.

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### **1.12 ASSIGNMENT :**

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1. Explain the term customised tour with example.
2. What the main difference between FIT and GIT tours.
3. How are the hosted tours conducted by the tour operator ?
4. What services required to conduct a tour by the tour operator ?

---

### **1.13 ACTIVITIES :**

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1. Visit office of few of tour operators, collect as many package tour brochures, study them and make list of unique service provided by each of them.

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## **1.14 CASE STUDY :**

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### **Zero Commission and Diversification of Revenue Generation**

Traditionally, travel agents used to depend largely on the ticket sales for the bulk of share of total revenue. With airlines selling tickets directly to travellers through multiple e-ticketing platforms, travel agents do not have any choice and they are out from their dominant business haven. This direct sales method is a global trend resulting from the need for airlines to maximize revenues or minimize loss while keeping costs down. As such majority of airlines are facing the challenge of breakeven and other issues leading to the closure of the companies. For example, Kingfisher airlines shut down the services abruptly in 2011 due to the heavy losses. International and domestic airlines used to offer 8 and 5 per cent commission on a ticket sold to travel agents respectively. However, it was gradually reduced to one percent and it is now zero percent due to overheads cost. It is observed that several airline sites even offer reduced costs and extra incentives for customers ordering tickets online. Zero percent commission and ticket booking through website is one of the 47 recommendations of Prof. Dholakia Committee Report on the cost cutting in Air India. The Ministry of Civil Aviation has accepted all these recommendations. The Zero Commission policy on ticket sales adopted by almost all airlines has forced the travel agencies to switch over to the new streams of revenue along with new services. To reduce their reliance on airline commission payments, travel agencies are resorting to the following strategic options to sustain and survive in the business.

- Streamlining operations and controlling staff costs whilst ensuring the customer feels as little impact as possible
- Expanding or moving into the leisure business where commissions on non-air products remain high (cruise & hotel)
- Specializing in geographic areas or becoming niche players for specific leisure products (e.g. destination weddings, student travel, group travel & cruises only)
- Establishing a service fee driven business model

Diversification is a form of growth strategy. Growth strategies involve a significant increase in performance objectives (usually sales or market share) beyond past levels of performance. Diversification strategies are used to expand firms' operations by adding markets, products, services or stages of production to the existing business. Many organisations pursue one or more growth strategies.

- Coffee shops
- SMS marketing
- MICE
- Foreign exchange
- Courier service
- Film Ticket booking.

Travel agencies are now adopting the E-business revenue models, Digital Content Revenue Model, Advertising-Supported Revenue Model and Fee-for-Transaction Revenue Model.

**Travel Agency and  
Tour Operation**

**Questions :**

1. What triggered the airlines to stop paying usual commissions when travel agents still play dominant role in the airline markets ?
2. What are the business strategies of travel agents to overcome this zero commission challenge ?

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**1.15 FURTHER READING :**

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1. Dr. Sanjeev Sharma (2018), Tour Operation Management in Tourism, Random Publications
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## **UNIT STRUCTURE**

- 2.0 Learning Objectives
- 2.1 Introduction
- 2.2 Importance of Itinerary
- 2.3 Types of Itinerary
- 2.4 Resources and Steps for Itinerary Planning
- 2.5 Do's and Don'ts of Itinerary Preparation
  - 2.5.1 Do's
  - 2.5.2 Don'ts
- 2.6 Let Us Sum Up
- 2.7 Answers for Check Your Progress
- 2.8 Glossary
- 2.9 Assignment
- 2.10 Activities
- 2.11 Case Study
- 2.12 Further Reading

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### **2.0 LEARNING OBJECTIVES :**

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**After reading this unit, you will be able to understand about :**

- Meaning and importance of itinerary
- Types of itineraries and its need
- Do's and Do Not's of an Itinerary
- Explain the steps in planning tour itinerary

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### **2.1 INTRODUCTION :**

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A schedule of events relating to planned travel, which typically includes destinations to be visited at specific times and modes of transportation to get between those destinations, is called as travel itinerary. A good itinerary is one that is created with the least amount of money and maximises the return on investment for tour operators. As is the general psychology and tendency of the average customer, a tourist wants to get the most out of his or her visit in the least amount of time and money. The itinerary provides the best possible options within the constraints of the available resources, which is a time-consuming task. Before entering the market, a travel company conducts all pre-testing of the itinerary and services at the destination.

One of the most important functions in any travel company is itinerary planning. Itineraries in Travel Company can be pre-planned or customised by the visitor. The itinerary must be carefully planned because many details must be considered, such as time, date/day, inclusion/exclusion, hotel detail, airline detail,

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sightseeing, and monument opening/closing timings. The primary goal of an itinerary is to make the travelling passenger's journey easier.

An itinerary for travel is a list of events that will take place during a trip to a specific location. It includes the date, day, and specific time for visiting the destinations, as well as the mode of transportation used to travel between them. Travel itineraries, for example, would include both the itinerary of a vacation trip and the route of a road trip. The use of travel literature, such as travel guide books, journals, and diaries, can aid in the creation of a travel itinerary. These sources provide information about the destination's art, architecture, cuisine, dance, music, festivals, shopping, and so on.

Visitors to certain countries may be required to provide their travel itinerary to authorities to ensure that their plans are legal.

Once all the information has been collected from the travelling passenger the next job is to plan the itinerary as per their requirement. It works on the principle of providing maximum information to the passenger and covering all the aspects of tour.

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### **2.2 IMPORTANCE OF ITINERARY :**

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Itinerary is important because it can help in maximising the travelling time. It can also assist in determining which activities can be afforded on trip as well as accuracy in estimate of the trip.

As an itinerary includes all types of tour requirements in written form and is regarded as proof of all the needs requested by the traveller to satisfy travel, stay, and activities.

The quality of the tour package is an important consideration. It can be measured by including all major details, such as time/day/date, a brief description of the places to visit, package inclusion/exclusion, dos and don'ts at the destination, and so on. These details provide assurance of the travel agency's services and dispel any doubts in the minds of the guests. This is why tour itineraries, along with the services provided during the trip, are printed in travel literature. After extensive research, travel literature is printed.

The coordinated efforts of the tour operator and travel agency can eliminate the possibility of error, and proper planning becomes the foundation of the tour's smooth operation. Itinerary is a plan that includes all of the information about services provided by various vendors in a logical and sequential order. The itinerary has been tested by the travel company to ensure its success. The familiarisation trip is the testing of the itinerary and services at the destination. The travel company can amend the itinerary based on the flaws discovered during the familiarisation trip.

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### **2.3 TYPES OF ITINERARY :**

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There are various types of travel itineraries based on the purpose of the trip, the use of the itinerary, the type of tour package, and so on. It is classified into five types with the primary goal of reminding different stakeholders involved in the organisation of a package, such as tour managers, vendors, coaches, drivers, interpreters, escorts, and guides, of their duties and responsibilities. It includes the following items: the tourist's itinerary, the tour manager's itinerary, the escort or guide's itinerary, the vendor's itinerary, and the coach driver's itinerary.

- 1. Tourists' Itinerary :** The itinerary of a tourist is given to a specific tourist for his reference as part of the package tour. A tourist expects the tour to be organised in accordance with the itinerary specified in the package tour he or she has purchased. Apart from arrival and departure points/times and check-in and check-out times, it is a reference for the tourist to follow during his journey such as points of halt, meal plans, activities, attractions to visit, and so on. The itinerary is expected to be strictly followed by tour operators. If they intend to change or modify it, it should only be for the sake of the guests' safety and security. And, before doing so, they should gain the trust of their client.
- 2. Tour Manager's Itinerary :** The tour manager is in charge of all aspects of the tour, from planning to execution. When organising a tour, professional expertise, knowledge of various travel issues, crisis management, and his/her own personal experiences are all important factors to consider. From the first to the last day of the tour, this itinerary contains all of the details. It contains information about alternative arrangements, contact details, quick references, differential rates and tariff details, and details of coach drivers, escorts, and guides, in addition to the general details listed in a tourist's itinerary. This allows him/her to have complete control over the tour's smooth running as well as to execute contingency plans if required at times.
- 3. Escort or Guide's Itinerary :** An escort or guide should be well-versed in the location of the group, the activities and events that will be planned, and the time management of the group. An escort's or guide's vast experience, knowledge of practical ground difficulties, presence of mind, and readiness to handle a crisis all contribute to the successful conduct of a tour. Since the escorts are physically present with the group/tourist throughout the journey, they are more than expected to deliver and maintain the company's image in high regard.
- 4. Vendor's Itinerary :** Vendors play a significant role in delivering what is specified in the client itinerary. As a result, it is unavoidable to be aware of the specific parts of the itinerary in order to make the necessary arrangements in advance and deliver to the guests' complete satisfaction when they arrive at their destination. For example, a hotel may organise a surprise welcome event when the group arrives based on the nature of the group and the time of arrival, offer special services, and improve service satisfaction and value addition. It is only possible if the vendors are aware of the specific portion of the client's itinerary that is expected from them.
- 5. Coach Driver's Itinerary :** A typical coach driver's itinerary includes group arrival and time, pickup points and time, turn around points, restricted driving areas, sightseeing activities, other entertainment activities, parking spaces, entry points, and drop-in points, all with specific times. For example, a driver may be asked to drive slowly in places specified in his itinerary so that tourists can get a better view of a monument and take photographs. A copy of the client's itinerary is similar to a coach driver's itinerary, but with the additional information mentioned above. This allows the driver to better coordinate with the escort and manage the group.

Another type of itinerary classification can be done with the needs of tourists and the convenience of tour operators in mind, such as GIT itinerary, FIT

itinerary, Tailor-made itinerary, and special interest itinerary. According to one of the classification it can be of two types; General Itinerary and Personalised Itinerary.

A General Itinerary aimed at and marketed to a broad range of clients.

It is an open itinerary that takes into account a wide range of interests. Whereas Personalized Itinerary created specifically for a specific client based on the client's needs and interests

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## **2.4 RESOURCES AND STEPS FOR ITINERARY PLANNING :**

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In the tourism industry, products such as destinations, tour packages, or individual services are promoted as products. Advertisement, product launch, exhibition, and other methods are used to promote the products. However, the most widely used method of promoting tourism products is through the distribution of brochures. These brochures contain information about the destination, its attractions, various modes of transportation, available accommodations, tourist activities, the best time to visit, and much more. The brochure may be published by the tourism department of a state or centre, or it may be published by a private travel company. The primary reason for publishing the brochure is to publicise the destination and attract as many visitors as possible.

Other than the destination to be promoted, the brochure is distributed. Travel companies plan and design brochures with the various stages of tourism destination development in mind. They solicit feedback from all stakeholders before promoting the destinations. The brochure-mentioned destinations are promoted by travel company offices, agents, and guides. The brochures are generally distributed at no cost to tourists. During the design process, both the tangible and intangible aspects of a destination are considered. It must be appealing and eye-catching. It can be customised for a specific group or event.

- 1. Hotel Brochure & Tariff Card :** To create itineraries, hotel brochures and tariffs from various hotel promoters are collected or downloaded from hotel websites. Brochures may not be practical for evaluating a hotel's service, but they do provide useful information for planning a tour itinerary. Hotels make room details, services, and destination information available to the public, and customers learn about hotel prices, quality, and amenities through reviews. As a result, it is much easier to compile and compare hotel rooms in order to attract customers and ensure that they have a pleasant stay. Hotels are an important resource for tour operators to consult when planning an itinerary.
- 2. Accessibility and Mode of Transport :** The primary service providers at the destination are destination management companies (DMCs) or local ground handlers. Interaction with tourists for transportation services will vary according to the destination and budget. Local transport handlers, like hotels, design and publish brochures on modes of transportation, facilities and amenities while travelling, safety, and so on, as well as tariffs to refer to when planning an itinerary.

The brochure of transport operators depicts images of coaches/cars with facilities and amenities for tourists during their visit. Exclusively designed coaches for tourist sightseeing and excursions are provided by the transport operator. Before assigning work to transport operators, tour operators designate an employee to physically inspect the coach. Information about

road, rail, water, and air connectivity for various tourism destinations is gathered from government tourism offices. Road conditions, for example, are typically checked with the assistance of local operators. It is critical to understand road conditions in order to determine travel time, vehicle type, number of stops, and so on.

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- 3. Flight and Railway Fare & Schedule :** Airline schedules and fares are frequently used to plan tour itineraries because business and high-end leisure travellers prefer to travel by air to reach their destinations in less time and in a more comfortable manner. Many airlines, as well as many code-sharing airlines, publish their timetables and distribute their PSAs. Airlines, in addition to publishing scheduled flights, also book non-schedule or charter flights to various destinations. As a result, it is critical to subscribe to or purchase those flight schedules on a regular basis.

Likewise, Railways print timetables on a regular basis and distribute them to various railway offices and markets for sale. When railway companies publish or revise their timetables, well-known tour operators receive a copy. Apart from luxury trains such as Palace on Wheels, Royal Orient, Fairy Queen, and Deccan Odyssey, tour operators pre-book berths for foreign and domestic customers on overnight and long-distance trains.

- 4. Activities Calendar :** The inclusion of local activities such as fairs, festivals, cuisine, handicraft, folk dance or music, and so on adds value to any tour itinerary. Tour operators must collect information about local activities and include one or two of them in the itinerary. Even tour operators can create a calendar of activities based on the months of the year and distribute it to all travel agents at the start of the year. Activities such as white water rafting, wildlife safaris, fairs and festivals, events and exhibitions will take place during specific months of the year, so tour operators must keep these dates in mind for a better tourism experience for the tourists.
- 5. Travel Information Manual (TIM) :** Travel information manuals provide detailed, up-to-date information on travel formalities for travel agents and tour operators to use when planning tour itineraries. It is useful in providing guidelines for the issuance of passports, health certificates, restricted area permits, and currency certificates. Country-specific information is provided, as well as procedures for preparing documents.

The necessary travel documents are issued based on the papers submitted by the passenger to the tour agent. Each tour operator or travel agent must have a TIM to which they can refer when creating a tour itinerary.

- 6. Culture and Tradition Information :** The tourism articles are used to gather information on the local culture and people. Tour operators also provide information on the destination's culture and people. During familiarisation tours, tour operators get to know the people and the culture.

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Culture includes a variety of traditions and customs, which are the most appealing features for tourists visiting the destination. The majority of the members of the host community are friendly and welcoming to visitors. The tour operator has planned these visits and they are included in the itinerary. Tourists will enjoy these interactions with the local community while also learning about the culture.

7. **Socio–Geo–Political Information** : The tour operation industry is highly sensitive, and both tour operators and tourists may face risks. Communal riots, terrorism, war, cyclones, floods, tsunamis, earthquakes, and other socio–political risks must all be taken seriously by visitors. These uncontrollable factors act as roadblocks for tour operators, as they may be forced to compensate clients and lose advance payments for bookings or services components in package tours.

Tour operators do not operate tours in areas that are prone to natural disasters or have unfavourable socio–political conditions. Background information on the socio–political situation in various destinations is gathered.

8. **Permits for Restricted Area** : The government's notification of restricted areas is distributed to tour operators. Simultaneously, tour operators can collect the notification directly in order to be aware of areas where tourists must seek prior permission to visit the destination.

Tour operators also gather information about the competent authority in charge of issuing permits to visit these restricted areas. The competent authority will also issue do's and don'ts to be followed in the areas during the visit on a regular basis.

9. **Weather Information** : Weather has a direct impact on tour operations. During the winter or summer, the itinerary must include information about the expected temperature during the day and at night. The tour itinerary also includes information about the amount of precipitation. For a tourist–satisfying tour, tour operators must be extremely conscientious about the weather. Tour operators obtain advance information about the weather at destinations from the meteorological department, so that accurate forecasts can be provided to tourists to help them prepare. Tourists can make clothing and other arrangements for a comfortable stay at the destination.

10. **Maps for Location** : Tour operators keep a variety of world maps on countries, cities, and the road, rail, water, and air transportation networks on hand. Tourism destination maps are also useful for planning tour itineraries and determining route options. Temples, monuments, forts, palaces, textiles, handlooms, handicrafts, hotels, restaurants, shopping, and other important locations are highlighted in an exclusive tourist map. They're best used by tour operators for identifying locations and connecting by road, rail, and air. Travel agents and tour operators can use customised maps to create tour itineraries. Indian Railways publishes a network map of train services, and Air India publishes a global route map. The route maps of cruise liners' operations are also published. A map is an essential tour kit that every tourist should have in order to understand and enjoy the destination to which they are travelling.

### **Steps for Itinerary Planning**

**Step 1 :** Research other tours in the marketplace

**Step 2 :** Name the tour

**Step 3 :** Figure out the duration, frequency and departure details

**Step 4 :** List the major locations and tour highlights

**Step 5 :** Research tour content and draft commentary

**Step 6 :** List any 3rd party activities, attractions, entrance fees and inclusions

**Step 7 :** Organise suppliers for meals

**Step 8 :** Organise accommodation approvals (if required)

**Step 9 :** Perfect your timing

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## **2.5 DO'S AND DON'TS OF ITINERARY PREPARATION :**

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### **2.5.1 Do's :**

- Do add tourism destination to be visited with date and time.
- Do provide a brief summary of the sightseeing to be done.
- Do mention the correct name of the hotels, type of vehicle and the time of arrival and departure.
- Do mention the meal plan and option of vegetarian and non-vegetarian food.
- Do provide additional information about the city, sights, restaurants and activities.
- Do provide maps and location of important places of the city.
- Do provide local vocabulary to the tourist for his convenience.

### **2.5.2 Don'ts :**

- Don't add irrelevant information which can create perplexity to the tourist.
- Don't back track the destination already travel, try to avoid it.
- Don't forget about the nature of group, age group, physical disabilities, eating habits and language barriers.
- Don't do experiment with the new hotel or restaurant while making itinerary.
- Don't include shops which are not registered, restricted areas without availing permits etc.
- Don't forget about restaurant recommendations and try for the famous cuisine.

A successful tour is always the result of careful planning and the right input. It is very important to plan ahead of time in order to ensure the satisfaction and good memories of the guests. It also serves as documented proof of the services provided by the travel agency and the manner in which they will be provided.

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### **Example of an Itinerary : Golden Triangle Tour of India**

The itinerary for the "Golden Triangle of India" (glimpse of India's royal and cultural heritage) is shown below, with all of the necessary components included for comprehension.

- Number of PAX: 2 Adult and 1 Child below 5 years
- Duration: 6 Days / 5 Nights
- Destination Covered: Delhi – Agra – Jaipur – Delhi

The journey covers three of India's most popular tourist destinations: Delhi, Agra and Jaipur. On the same platter, the tourists are served a portion of British, Rajputana, and Mughal royalty.

#### **Trip Highlights**

- Guided tour of Delhi– Laxmi Narayan Temple, Parliament House, India Gate, Red Fort, Jama Masjid, Humayun's Tomb, Gandhi Memorial and QutubMinar Complex
- Enjoy 'Dance of India Show' in the evening
- Guided trip to covering Agra Fort, Itmad–Ud–Daulah and TajMahal
- Guided trip to Fatehpursikri– Jama Masjid, Jodhabai Palace, Birbal Bhawan, Panch Mahal and Buland Darwaza
- Guided tour of City Palace, Jantar Mantar, Nawab Sahabki Haveli and the local bazaars

#### **Itinerary Details**

##### **Day 01 : Delhi (Arrival)**

When you arrive in Delhi, meet our tour representative, who will take you to the hotel you've chosen for your stay. Stay in a hotel for the night.

##### **Day 02 : Delhi**

Today, take a full–day tour of Laxmi Narayan Temple, Parliament House, India Gate, Red Fort, Jama Masjid, Humayun's Tomb, Gandhi Memorial, and QutubMinar Complex. In the evening, enjoy the 'Dances of India Show.' Stay in a hotel for the night.

##### **Day 03 : Delhi – Agra**

Today, in the morning, drive to Agra. Check into your hotel upon arrival in Agra. Following that, take an Agra sightseeing tour that includes the Agra Fort, Itmad–Ud–Daulah, and the Taj Mahal. Stay in a hotel for the night.

##### **Day 04 : Agra – Jaipur**

Leave for Jaipur by road in the morning. Stop along the way at Fatehpursikri, an abandoned Mughal city. You will visit the Jama Masjid, Jodhabai Palace, Birbal Bhawan, Panch Mahal, and the Buland Darwaza. When you arrive in Jaipur, check into a hotel for the night.

##### **Day 05 : Jaipur**

After breakfast in the morning, drive to Delhi. When you arrive in Delhi, you will be transferred to the airport to board your flight to your next destination.

#### **Price Guide**

- Price per person including taxes if 02 Adults are Travelling Together @ INR 19,750 /– X 02 Guests = INR 39,500 /–

- Price per person including taxes if 04 Adults are Travelling Together @ INR 18,650 /- X 04 Guests = INR 74,600/-
- Price per person including taxes if 06 Adults are Travelling Together @ INR 16,000 /- X 06 Guests = INR 96,000 /-
- Child below 5 year is complimentary and between 5–12 is half the price of adult

<b>Hotel to stay in</b>				
<b>Days</b>	<b>Schedule</b>	<b>Hotel or Similar</b>	<b>Room Category</b>	<b>Meals</b>
1	Arrival New Delhi	ITC Welcome Dwarka	Standard	–
2	Delhi Sightseeing	ITC Welcome Dwarka	Standard	Breakfast
3	Agra Drive	Trident	Deluxe	Breakfast
4	Jaipur Drive	Trident	Deluxe	Breakfast
5	Jaipur Sightseeing	Trident	Deluxe	Breakfast
6	Jaipur Departure	–	–	Breakfast

**Inclusions / Exclusions**

**Package Includes :**

- Accommodation on Twin Sharing Basis using starting room category of each hotel.
- CP plan, i.e. daily breakfast as per the package in the hotel.
- Airport / hotel transfers + city tour + drives as per the itinerary by air conditioned Tata Indigo car for 02 Guests and Toyota Innova for 04–06 Guests / Similar with an all India tourist permit.
- All currently applicable taxes, however, any other tax as and when levied by the Government shall be extra.

**Package Excludes :**

- Any meal unless specified above
- Air fare / Train ticket
- Any Guide Services
- All entrances fees to monuments
- Personal nature expenses like telephone / laundry bills etc.
- Airports tax and travel insurance etc.
- Services not specified above
- Validity from 20th Jul 2021 till 30th Dec 2021.

**Note :** There would be supplement charges for long weekend/ holidays/ festivals and above special rates are valid for Indian nationals only.

**❑ Check Your Progress :**

1. The most important benefit of Itinerary is :
  - a. Maximising the Travelling time
  - b. Convincing the Traveller to pay
  - c. To get greater Profit Margin
  - d. Gives impression on tourist

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2. Qutub Minar Complex is situated in:  
a. Agra                      b. Fatehpursikri    c. Jaipur                      d. Delhi
3. Tour operators need to obtain advance information about the weather at destinations from:  
a. Local Authorities                      b. Meteorological department  
c. Department of Tourism                      d. All of these
4. Golden Triangle of India includes cities:  
a. Agra–Mathura–Vrindaban                      b. Lucknow–Agra–Jaipur  
c. Delhi–Agra–Jaipur                      d. Jaipur–Delhi– Shimla
5. Information on the local culture and people to provide information to the tourist should be gathered from:  
a. Local People                      b. Tourism Articles  
c. Both (a) and (b)                      d. None of these
6. \_\_\_\_\_ gives all valid & accurate information with regard to travel to another country  
a. VISA  
b. Passport  
c. Travel information manual (TIM)  
d. None of the above
7. The information of local activities such as fairs, festivals, cuisine, handicraft, folk dance or music can be find in  
a. VISA  
b. Brochure  
c. Travel information manual (TIM)  
d. Activities Calendar
8. 'Hotel room type' is an unessential data in an Itinerary.  
a. True                      b. False                      c. May be                      d. Can't say

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### 2.6 LET US SUM UP :

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Depending on a traveller's interests, he will look for information on local attractions and activities that will meet his requirements. "The route of a journey or tour, or the proposed outline of one," says the word "itinerary." Anyone who has planned a trip knows how important it is to have a rough idea of what they want to see and do when they arrive. In fact, that kind of information could influence the tourist destination's choice. Also, once you arrive at your destination, suggested itineraries can be very useful for independent travellers. Self-guiding pamphlets and guides have traditionally been used for this purpose. Itinerary creation can be a useful tool for planning. It is essential for you to first gain knowledge about the market conditions and then acquires product knowledge.

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### 2.7 ANSWER FOR CHECK YOUR PROGRESS :

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#### Check Your Progress :

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (a) | 2. (d) | 3. (b) | 4. (c) |
| 5. (b) | 6. (c) | 7. (d) | 8. (b) |

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## **2.8 GLOSSARY :**

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**Cultural Heritage :** A group's or society's legacy of tangible and intangible heritage assets inherited from previous generations.

**Destination Management Company (DMC) :** a third-party company that is frequently hired to provide professional services for the planning and execution of out-of-town event programmes and services

**FIT (Foreign Independent Travel) :** It refers to vacations abroad without the use of an escort or a pre-arranged package.

**GIT (Group Inclusive Tour) :** A special travel programme that offers discounted vacations to a group of more than five people.

**Guided Tour :** A tour of a historic site or place of interest conducted by a guide

**PSA (Public Service Announcement) :** A public-interest message distributed free of charge by the media to raise public awareness and change behaviour

**Tourism Destination :** A strategic unit providing all necessary resources whose integrated activities allow tourists to have the kinds of experiences they expect

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## **2.9 ASSIGNMENT :**

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1. What is the meaning of the term itinerary in tourism and its significance ?
2. Why itinerary is required to the driver of the vehicle in a tour ?
3. Explain the certain do's we need to make sure while preparing itinerary.
4. Plan an itinerary for Buddhist circuit of India.

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## **2.10 ACTIVITIES :**

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1. Collect the itineraries of adventure tour, heritage tour, Wildlife tour and Honeymoon tour and analysis the requirements of each type of tour and make a report.

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## **2.11 CASE STUDY :**

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### **Simplicity and Transparency, Key to Cleartrip's Success**

With no banner, pop-up windows and blinking glitz on its portal, cleartrip.com is all about making travel simple. Started in 2006, the Mumbai based portal has not only redefined the online travel booking experience but also undermined the importance of non-revenue generating products.

2006 was the year when the Indian travel industry was witnessing a boom in Low Cost Carriers (LCCs), online railway bookings (irctc.com) and increasing penetration of credit cards for online bookings. During the same time, Cleartrip.com was launched with a core idea of – 'Making travel simple.' Selecting a right operating model for Cleartrip was a tough task. But the portal took a decision to make maximum use of technology and finalised on a 100 per cent pure online model instead of opting for off-line or hybrid (online and off-line) model. Initially, in a market like India, it seemed impossible to operate a pure online model (with most OTAs opting for hybrid model). Cleartrip planned to focus mainly on its booking engine to offer hassle free booking experience to end consumers.

**Keeping it Simple and Transparent :**

Rated (by 'JuxtConsult Consumer Research' conducted in March 2008) as one of the most user friendly websites, cleartrip.com makes effective use of technology and offers simple user interface. While designing the portal, Cleartrip team ensured maximum use of white space on its home page without any distracting animation, intruding advertisements or irrelevant information. Being extremely uncluttered, the home page of cleartrip.com shows options for flights, hotels and train bookings with basic font colours on a white background. The site does not need much scrolling on the user's part to check the availability of the desired flight and current offers.

An unique feature of the website is its service of offering comprehensive products with competitive pricing through various air fare graph/calendars/alerts and mobile search options. Cleartrip also provides transparency in terms of complaints and feedback posted by the clients on the portal. Commenting on this Noel Swain, Vice President – Marketing, Cleartrip.com said, "We make sure that travellers spend minimum time on our portal for bookings. We believe in the idea of transparency and thus offer options like blog, forums and complaints section, where even the negative comments about the portal are posted. We use the blog as an interactive section to communicate directly with our consumers and try to improvise on the product through customer feedback. By adding non–revenue generating filters like flight route, maps, graphs of various flights on particular route; we have generated tremendous amount of customer loyalty in our product."

**Getting the Right Business Model :**

In 2006, after studying the market conditions, Cleartrip team realised that Indian travellers are willing to book domestic flights online, but not international flights, hotels or other travel services. Thus, it started off by offering domestic flight tickets including major LCC tickets on its portal. After six months of launch, the portal started to offer hotel inventory online. Hotel product, being more experiential as compared to flight tickets was a tough product to sell. Swain said, "Three years ago, bringing the hotel inventory online was quiet a challenge. Firstly, the room inventory offered online was bare minimum as the distribution channels for hotels were not as large as airlines.

Secondly, hoteliers were not ready to move online and sell their inventory to an online travel supplier." Despite the challenges, Cleartrip.com started off with hotel booking options as an experimental model and received outstanding response. Along with offering hotel inventory, the portal put up pictures and few fast facts of every hotel in its inventory listings. While this was a non–revenue generating act, it directly impacted the booking behaviour of end consumers. This resulted in the hotel product became a huge success.

In October 2008, the portal added international flight booking option and the portal is receiving good response for US, UK and Middle East routes. This year, the portal introduced rail inventory by tying up with IRCTC (Indian Railway Catering and Tourism Corporation). Swain said, "Most cleartrip.com users never booked directly through irtc.com for railway bookings. Through additional information and making the online rail booking process more simple, we have increased the client base of Railways (through cleratrip.com) and as a result have complimented the online business of Indian Railways." Thus, the core business strategy of the portal is to ensure quick online bookings and launching products at the right time and in sequence. The portal recently (July 2000) started an

exclusive portal (www.cleartripforbusiness.com) for business and corporate travellers. There are plans to launch additional travel products like travel insurance, bus inventory, etc. once the portal gets convinced that the market is ready for these products.

Along with a pure online business model, Cleartrip also operates 24X7 call centre, which is considered as a service centre (guiding end consumers to book online). Despite knowing the price conscious Indian market, cleartrip.com never opted for 'Lowest Price' concept. Instead it focused on price competitiveness. It offers price transparency without hiding the 'taxes' side of the product. For instance: instead of showing the base fare on the main window, the portal highlights the total fare amount with a break up of the entire air fare price (Base fare + Fuel Surcharge + Passenger Service fee + Airport Development Fee + Service Tax + Service Fee + Discount offered by cleartrip.com).

#### **Building the Brand :**

The biggest challenge for Cleartrip after its launch was to attract traffic and ask the travellers to sample the portal. Thus, a concrete marketing and brand awareness strategy was designed to build the product in Indian travel industry. The portal started advertising through television commercials, print medium (main line and regional news papers, travel and trade magazines, etc). However, it later realised that the message of brand awareness has to reach the target audience (travellers willing or planning to book online travel products) and not the mass market.

Today, the key focus of the portal is promoting itself through social networking sites. Swain said, "We have a strong and active presence on Facebook.com and Twitter.com. Social networking sites provide us a platform to develop relations with end consumers and ensure that Cleartrip is a 'top-of-the mind' product for end consumers while booking travel services online. It also helps us in providing lots of information about consumer behavior, their requirements, market trends, etc. This further helps us to understand which product to launch in the market and what features to add with it." Apart from marketing itself through various advertising and marketing channels, the portal also comes out with promotional activities from time-to-time.

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#### **2.12 FURTHER READING :**

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1. Dr. Sanjeev Sharma (2018), Tour Operation Management in Tourism, Random Publications
2. A K Bhatia (2012), Business of Travel Agency & Tour Operations Management, Sterling Publishers Pvt.Ltd
3. Dr. Apsara Saleth Mary (2021), The Principles of Travel Agency and Tour Operation Management, White Falcon Publishing; First edition

**UNIT STRUCTURE**

- 3.0 Learning Objectives
- 3.1 Introduction
- 3.2 Factors Influencing in the Design of Tour Packages
- 3.3 Tour Costing
- 3.4 Types of Costs in Tour Packages
- 3.5 Worksheet for Pricing of Package Tour
- 3.6 Source of Revenue for Tour Operator
- 3.7 Strategies to Increasing Revenue
- 3.8 Tips to Increase Revenues
- 3.9 Let Us Sum Up
- 3.10 Answers for Check Your Progress
- 3.11 Glossary
- 3.12 Assignment
- 3.13 Activities
- 3.14 Case Study
- 3.15 Further Reading

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**3.0 LEARNING OBJECTIVES :**

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**After understanding this unit learner will able to :**

- Understand factors that influence the design of tour packages
- Comprehend tour costing and types of costs involve in tour packages
- Study various source of revenue for the tour operator
- Know the strategies to increasing revenue

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**3.1 INTRODUCTION :**

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Each tour operator and travel agency's ultimate goal is to make a profit while focusing on customer satisfaction. Whether it's a small or large investment, the goal is to get the most out of it. Each company tries to maximise profit from a small initial expenditure in a short period of time. A travel agency or tour operator business is a sort of business that provides services to people with a high income. This industry is not without risk and uncertainty, such as demand swings caused by a variety of unpredictable variables.

It is mostly a seasonal business, and the revenue flow is disrupted during the off season. As a result, travel businesses focus less on core business such as tickets and car rental for local clients and customers. Travel agencies and tour operators, on the other hand, have been observed to strive to specialise in one or two sectors of business.

A package tour's cost includes airfare, hotel accommodations, vehicle rental, entertainment fees, administrative fees, promotional fees, and other travel services. The confidential tariff aids the travel company in generating a cost sheet that allows it to define its pricing approach.

The success of the company's tour programme is largely determined by tour price. Package tours, whether escorted, independent, or hosted, are frequently less expensive than the total of the costs of the same components purchased separately from the principle. A travel product's purchasing price, on the other hand, is determined by three factors: cost, competition, and demand. Every tour package that a merchant sells has a measurable cost. Tourists' prices must be higher than the agency's costs in order to make a profit.

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### **3.2 FACTORS INFLUENCING IN THE DESIGN OF TOUR PACKAGES :**

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In general, the package tour business entails a high level of risk, a high breakeven point, a high-quality product, and competitive pricing. As a result, tour management necessitates extensive tour planning and market research. However, before designing a tour, the tour manager must examine a number of aspects that are critical to the formulation process. These elements have a significant impact on tourist satisfaction. The following are the most important factors :

- Tour Purpose
- Tourist Budget
- Selection of Destination
- Tour duration
- Seasonality
- Tourist accommodation and meal type
- Information about departure and stay
- Transport type air conditioned or non-air conditioned, personal or SIC basis
- Guides and their allowances and expenses
- Time of operations, peak season or off season rates
- Competition in the market
- Political stability of the destination
- The link between the host country and the tourist generating region

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### **3.3 TOUR COSTING :**

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Tour costing is the most vital role of a tour operator. After liaising with tourism suppliers/vendors, agents proceed to tour costing. After organising the tour and negotiating rates with the main supplier, the travel agent's next task is to calculate the tour cost. Both inclusive and non-inclusive tours are cost (package tours and individual tours). The tour costs are calculated on a per-person basis. Hotel, meal charges, airline flights, hotel airport transfers, sightseeing by car/coach, guide fees, and so on are all included in domestic tours. Hotel, airline, cab and coach transfers, Visa, passport, travel documents, forex, traveller check, guide, and local transportation are all included in the cost of international tours. The tries to give the best amenities at the lowest cost possible, based on

the client's needs and budget. As a result, the tour organised by the travel agency must be well-planned and cost-effective. The plans must be developed in such a way that the traveller receives the most level of comfort and economy feasible, while also accounting for the client's financial situation.

The financial worth of a tour package is determined during the costing of a package tour. The overall expenses incurred to turn the place of interest together with services into an enticing package trip are explained as the cost of a package tour. The cost of transacting with the major service providers are borne by the travel company. It assembles or purchases individual components in order to give a tour package a concrete shape. The price is set according to the needs of the client, the market, or the company's strategy. Fixed and variable costs are calculated by tour operators.

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### **3.4 TYPES OF COSTS IN TOUR PACKAGES :**

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When the number of packages sold grows over time, fixed costs change. The cost of hiring buses and guides or interpreters is included by tour companies. Fixed costs do not vary in the short run, but it varies in the long run. Fixed costs are expenses that must be paid before any sales may be made. These expenses frequently include the building's rent, furniture, and salaries. The following are a few important fixed costs for tour operators:

**Market Research :** The cost of market research comprises the costs of gathering data via field visits and analysing it using scientific instruments. It's also an endeavour to learn more about the destinations, as well as client travel habits and reasons.

**New Product Development Costs :** The cost of discovering new destinations and developing new packages is incurred. It includes the expense of creating planning documents. On their familiarisation tour, tour providers bear the cost. Cost allocation is required for the development of new packages.

**Costs of Administration :** The cost of coordinating the itinerary and package tour preparation is incurred. This is referred to as a "indirect" or "implicit" cost. Salary and incentives, insurance, financial or legal expenditures, and recruitment and selection costs are all included in the price.

**Technical Costs :** The acquisition of new software, hardware, and computers for the reservation of air tickets and tour packages is included in the technical cost.

**Staff Development and Training Costs :** The tour company's earnings is used to cover the expense of training the employees. Managers are sent for outhouse training, while front line executives are provided in-house training with the support of external or internal trainers.

**Printing and Promotional Costs :** The cost of printing tour brochures is paid when many copies of the brochure are designed and printed on coloured glossy sheets to showcase the trip itinerary and other significant features of package tours.

**Bank Interest Costs :** The expense of repaying the rate of interest and principle for borrowing loans from banks is also incurred.

**Cost of Depreciation :** Due to the obsolete nature of software and hardware, as well as electronic gadgets, the cost of depreciation of fixed assets is incurred in the long term.

Variable costs fluctuate when the number of customers in the organisation increases or decreases. Meals, lodging, admission fees, and other per-person expenses are included. Variable costs include the direct costs such as accommodation, tickets, and other package components incurred during the sale of each package. The overhead and marketing costs for each tour package are calculated proportionately depending on the costs of designing and selling each package. Break-even analysis is a technique for calculating the total sales required to cover all costs. As a result, the term "break-even" refers to a situation in which total revenue equals entire cost.

### **3.5 WORKSHEET FOR PRICING OF PACKAGE TOUR :**

The breakdown of cost components in the package tour is shown in a pricing worksheet. Let the price of a tour package is Rs 100,000, the elements of services are separated into direct and indirect costs. Major cost of tour package is accommodation, flight ticket and transportation which are roughly 25%, 20% and 15% respectively. Then for tour operator travel agent commission which is roughly 10% also comes in direct cost. Indirect costs such as administrative, advertising and promotion account for 15% of total costs. Another 5% is kept for other costs or contingency in tour package costs. As a result, a travel operator can generate roughly 10% profit on each sale of a package vacation. The average profit from package vacations is extremely little. Many non-travel businesses that sell consumer goods have a net margin of 10% to 20% on sales turnover. The tour cost structure is shown in the table below to have better idea of costs.

<b>Type of Costs</b>	<b>Basic Cost Components</b>	<b>% Contribution</b>
<b>Direct Cost</b>	Accommodation	25
	Flight ticketing	20
	Transportation (Bus, car or train)	15
	Travel Agent Commission	10
	<b>Total (A)</b>	<b>70</b>
<b>Indirect Cost</b>	Administrative	10
	Promotion and Advertisement	5
	Others	5
	<b>Total (B)</b>	<b>20</b>
<b>Net Profit</b>	<b>100 – (A + B)</b>	<b>10</b>

**Tour Cost Structure**

After determining the cost of a tour package, the tour operator looks at exchange rates, forecasts future selling prices, and finalises the price. The tour price is determined not only by the cost, but also by the estimated rate of return, market share, and pricing of competitors. The total cost and marginal cost methods, breakeven pricing, rate of return pricing, skimming, penetration, going rate, difference, and other methods are used to determine the price of a package tour.

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### **3.6 SOURCE OF REVENUE FOR TOUR OPERATOR :**

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When booking any type of tour, travel businesses provide life time experience and help visitors at every possible point to make trip memorable. After the trip is completed successfully, tour operators receive revenue from sales to travel agencies and other distribution partners in exchange for their services. This is the major reason to run an organisation.

#### **Group Inclusive Tour (GIT) Source of Revenue**

For travel companies, group travel can be a substantial source of revenue. Individuals with similar interests, families, or businesses enthusiastic in sending a top-producing corporate team on an enjoyable vacation should be targeted. Here, the tour operator keeps a lower profit margin and sends as many groups as possible to ensure consistent revenue growth. Since tour operators get favourable deals on bulk bookings from suppliers, they are able to make the most money.

#### **Foreign Independent Travellers (FIT) Source of Revenue**

Although the term is defined differently by companies, the general agreement among travel companies is that FIT travellers reject typical vacation packages in favour of a more customised vacation experience. Since more work is often necessary in preparing these types of vacations, travel businesses can sell on larger margins to these types of travellers. As a result, they are able to increase revenue.

#### **Revenue from Accommodation**

Independent hotels and other lodging providers have separate agreements or contracts with tour operators. These arrangements may be based on business policy or a tour operator's ability to deliver customers. In the case of hotel chains, the tour operator rates are normally fixed in advance. It is now operator need to decide whether or not to sign on the contract. It is only signed when operator have profitable deal. After payment is received from the guest profit of tour operator is credited to the account by the supplier.

#### **Revenue from Flights**

Airline tickets are the least profitable aspect of the trip. Typically, the rates are cheap and there is no space for negotiation. The majority of travel necessitates the use of a flight, airlines are in a position of authority, and they exploit that influence to retain as much profit as possible. The cost of the flight can fluctuate and can account for a significant portion of the overall tour cost, but it does not generate significant profits for the tour operator.

#### **Revenue from Travel Insurance**

One of the most profitable things on tour operator's offerings is travel insurance. It is generally low-cost and low-risk, but the traveller pays a premium for it. Travel insurance is more of an add-on than a part of the trip, operator often reward agents for up-selling clients to insurance coverage, and the commission paid is more than for hotels or other travel requirements. Travel insurance is also the one item on the trip schedule that can be bargained down if you negotiate to reduce the overall cost of the tour.

#### **Tour's Extras**

Local tours, car rentals, and transfers are all profitable aspects of the tour operator's business. Most tour operators and transfer companies are tiny enterprises

with a single location, they are more likely to work with successful operators who can deliver them large groups of tourists.

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### **3.7 STRATEGIES TO INCREASING REVENUE :**

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It's difficult to figure out how much to charge for your tours. There are a lot of variables and aspects to consider merely figuring out how much you should charge our consumers. Without charging enough none of the tour operator can sustain and increase revenue. The travel industry is fast becoming a highly competitive market, new revenue-generating tactics are required to sustain this potential market. Here are few strategies to increase revenue:

#### **1. Know your Target Market :**

A crucial step in increasing your revenue is to thoroughly understand your target market. First and foremost, you should endeavour to comprehend your customer's requirements. Only then will you be able to communicate in their language, meet their needs, and make them happy with your services. You should ask your customer some questions to get to know them better, but keep in mind that inquiries should not be too long or dull. It should be brief and to the point.

#### **2. Offer Cost-Effective Packages :**

When you combine multiple services, you may provide visitors a one-of-a-kind experience at a low cost. While price may be competitive, it should not degrade the tour's quality. You can advertise exclusive seasonal packages, reveal hot airline deals, and try to sell hotel and activity packages together for a better price. This might be exciting for both you and your consumers.

If you provide excellent and attractive service at low-cost to your consumers, they will almost certainly return for their next trip. This is how you can boost your company's revenue in long term.

#### **3. Provide Added Value :**

Offering more value to your customers' experiences as they agree to pay the fee for your tours is the simplest way to boost your revenue per customer. If you give your customer anything more than the offer, they will be satisfied.

You may, for example, include a free lunch or dinner as part of your tour package. You might also provide a day of free sight-seeing. If your tour is for a couple, you might serve a glass of wine and appetisers before the viewing to make the experience more romantic.

#### **4. Make Use of an Online Platform :**

It is critical to have a well-designed, appealing, and user-friendly website. When developing the website, make sure it has high-quality professional images and adequate functionality to attract customers immediately. The website should define each and every service supplied by your company, such as hotel reservations, automobile rentals, and travel reservations. You must ensure that your website has a solid SEO and is easily found. Your domain name should be simple to remember while simultaneously emphasising your brand. Another popular revenue generating technique for travel companies is the use of Social Media. Having a great website is not enough. You also have to get engage with social media like Facebook, Twitter, LinkedIn, Instagram, etc. That's because Google ranks content that is spread via these networks higher than other content. It is also fine to post some special offers or best deals on this page to increase revenue.

**5. Motivate your customers to leave feedback :**

Checking feedback before making a reservation is getting increasingly popular. You can encourage your clients to write valuable feedback by holding competitions each season for the best travel photo with reviews and rewarding them with discounts or an extra night on their next trip. Encourage previous customers to leave a review of their trip on your website so that future customers may book with confidence.

Reviews can be used as a gauge to determine whether or not the services you're delivering are meeting expectations, as well as to identify areas where you need to improve. It is not necessary to receive only good feedback. Negative feedback, on the other hand, constantly motivates you to better in areas where you fall short. As a result, you should always manage your customers' evaluations, both favourable and bad. You should also address the negative feedback and make improvements to your offerings. This is the most effective technique to boost revenue.

**6. Request Customer Referrals :**

If done right, referrals are one of the most effective ways to increase revenue. To attract more clients, you should make it a practise to ask for referrals. It's a modest sacrifice for a big payoff. People are sometimes hesitant to ask for referrals. It's not that customers don't want to assist you; it's just that it never strikes to them until you ask. As a result, it's critical to ask your client for referrals and to be explicit in your request. You will be wasting time if you do not notify your contacts who are your target customer.

Emails and social media channels can also be used to request referrals. You can draught the email for your client and ask them to include their name and forward it to their friends.

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**3.8 TIPS TO INCREASE REVENUES :**

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1. Variable mark-up on contracted supplier rates levied by tour operator in addition to his own mark-up, which should not be higher than the suppliers' published rates.
2. Use of cost-cutting measures and concessions for example, 15+1=16 is provided free of charge. In a travelling group of 64 people, a maximum of four concessions are allowed by the suppliers and tour operator pays for 60 only. While remaining four are profit for the tour operator.
3. Cancellation fees and advance deposits can add up to revenue without do much and this money can be utilised for other services.
4. Through the sale of optional tours which are often not included in package and charged premium from the guests to increase the revenue.
5. Foreign exchange earnings it totally depends on the exchange rate. Tour companies can make profit or lose on this component because of fluctuating rates.

**❑ Check Your Progress :**

1. Package tour cost includes \_\_\_\_\_
  - a. Accommodation
  - b. Airfare
  - c. Promotional charges
  - d. All of the above charges

2. Package price are majorly determined by cost \_\_\_\_\_
  - a. Demand
  - b. Competition
  - c. Both a and b options
  - d. None the above options
3. Meal plan is not the important factor in designing the tour packages.
  - a. Correct
  - b. Incorrect
  - c. Can't say
4. Apart from fixed cost the other component of cost is \_\_\_\_\_
  - a. Regular cost
  - b. Daily cost
  - c. Variable cost
  - d. Administrative cost
5. The cost of discovering new destinations and developing new packages is incurred in \_\_\_\_\_
  - a. Fixed cost
  - b. Variable cost
  - c. Both a and b options
  - d. None of the above options
6. Break–even analysis is a technique for calculating the \_\_\_\_\_
  - a. Mark up on package
  - b. Sales equalling to no profit and loss
  - c. Fixed cost
  - d. Variable cost
7. In a tour package the accommodation cost roughly \_\_\_\_\_
  - a. 15%
  - b. 25%
  - c. 35%
  - d. 45%
8. Which is not the right strategy to increase the revenue ?
  - a. Understand the target market
  - b. Effective pricing of package
  - c. Excluding value added extras
  - d. Use of digital platforms

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### **3.9 LETS US SUM UP :**

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Systematically planning and control of different down and upspring resources are used to handle a package tour business. The package tour's price is determined by its positioning and branding. After analysing market trends, tour operators employ marginal pricing approaches. The tour operators carefully assess the operational costs and profit margins before determining the package price. Tour operators have the latitude to set the price based on mark–up and the purchasing power of potential customers.

Mark–up, net rate, and gross profit are all important components of the cost factor in the package tour trade. The extra amount that the corporation can keep on each sale is known as mark–up. When it comes to negotiating with service providers to achieve the best possible price, tour operators have the best bargaining ability. The net rate is the amount that a supplier charges, which is used to determine package tour rates. Before arriving at the ultimate rate for the buyers, any amount of mark–up can be added. The commission accounts for a significant portion of tour earnings.

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### **3.10 ANSWER FOR CHECK YOUR PROGRESS :**

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#### **Check Your Progress :**

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (d) | 2. (c) | 3. (b) | 4. (c) |
| 5. (a) | 6. (b) | 7. (b) | 8. (c) |

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### **3.11 GLOSSARY :**

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**Depreciation :** The monetary value of an asset decreases over time due to use, wear and tear or obsolescence. This decrease is measured as depreciation.

**Direct Cost :** It is a price that can be directly tied to the production of specific goods or services.

**Indirect Cost :** It represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organisation and the conduct of activities it performs.

**SIC Basis :** It is Seat–In–Coach, but we often call it 'SIC' in short. It means that you will share the seats in a coach with other tourists. In other words, it is fundamentally a comfortable air–conditioned bus service with other travellers who have the same destination as you.

**Target Market :** It is a group of people with some shared characteristics that a company has identified as potential customers for its products.

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### **3.12 ASSIGNMENT :**

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1. How is fixed cost different from variable cost ?
2. Write a short note on Breakeven cost.
3. What are the different types of fixed cost for a tour operator ?
4. Explain the different source of revenue for the tour operator.
5. Enlist the tips to increase the revenue in tour operation business.

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### **3.13 ACTIVITIES :**

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1. Take an itinerary of adventure tour of minimum 6 nights and work out the cost of the entire tour assuming that 11 adults are travelling together from Ahmedabad.

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### **3.14 CASE STUDY :**

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#### **Trail Blazer Tours: Growth through Diversification**

Established two years ago in India, Trail Blazer Tours is among the companies, which focuses in a big way on servicing FITs and the corporate sector.

Launched in Delhi in 2007, Trail Blazer Tours India Private Limited today operates from regional, national and international branch offices. During the last two years, the company has experimented with numerous packages, products and niche areas of the Indian travel industry and has mastered the art of staying profitable even during tough times. Started initially as an inbound company for FIT segment, currently, the company is expanding its focus to the MICE segment along with having its presence in national and international markets.

#### **Early steps**

Shortly after the launch, the company acquired General Sales Agent (GSA) status from Kuoni Group, Globus & Cosmos, Qantas Holidays, Travco, Japan Rail, Taj Holidays, etc. and tied up with them for displaying their products at Trail Blazer Tours retail stores. To further increase its presence in the market, it planned to have retail shops across India. Hutokshi Marker, COO, Trail Blazer Tours India Pvt. Ltd. said that since its inception, the company had a set target and focus on

which segments to service. Started as an inbound company, the company had good business from Canada, USA, China, Korea and Middle East. Along with clear focus on expansion areas, the company also had definite projections of financial achievements right from the start. According to Marker, this was one of the best parts of the strategy – 'Be clear, Be focused.'

By early 2008, the company had its presence in global markets like Korea, Australia, Canada, America and France along with representative offices in Middle East and China to further promote inbound traffic to India. Talking about the expansion on an international level, Homa Mistry, CEO & Director, Trail Blazer Tours India Pvt. Ltd. said, "The main idea behind expanding on an international level is to sell 'Brand India' and keep in touch with wholesale tour operators abroad. We are keen on promoting inbound tourism to India through the international branch offices and representative offices through our numerous domestic packages."

#### Diversifying from traditional approach

In the industry, where most of the players try to establish themselves in a particular segment for years rather than moving to other segments, Trail Blazer diversified from the traditional working model and tried something new. Going ahead with inbound, outbound and domestic tourism packages and expanding on national and global level, the company entered into event management business in mid-2008. At the same time the company also got appointed as the Preferred Sales Agent (PSA) for Costa Cruises in India.

Along with growing product assets, the company also tied up with Indian cinema chain – Adlabs as an exclusive strategic business partner to promote Adlabs Cinema Park, Agra on national and international level among tourists. With the impact of global financial meltdown, the company started expanding focus from leisure segment to corporate travel market since April this year.

#### Divergent approach

Instead of expanding branch offices with common aim and focus, the company has designed different focus for all its branch offices across India. The company is considering opening offices in Hyderabad and Bengaluru. Currently, the company operates from Ahmedabad, Aurangabad, Agra, Kochi, Chennai, Gurgaon, Jaipur, Mumbai, New Delhi, Noida, Pune and Varanasi along with five international offices – Canada, USA, China, Korea and Middle East.

Marker said, "India being a diverse country, the needs and requirements of each state and region are different. For instance, a leisure traveller from Nagpur will have a different concept of holiday as compared to a Mumbai traveller. To meet the needs of local travellers, we have altered our services as per needs." Adhering to this rationale, the company opened the Mumbai office, which catered exclusively to the outbound segment. However, with increasing number of inquiries for inbound, the office also started handling inbound traffic. The offices in Jaipur and Varanasi handle only leisure traffic from domestic and inbound markets. The South India office employees have been well trained to sell destinations in Middle East and Far East as the traffic between South India and these regions is high compared to other markets. The company recorded a turnover of Rs 18 crore in the first year of operations (April 2007 – March 2008) and is aiming to touch Rs 100 crore in the current financial year.

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**3.15 FURTHER READING :**

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1. A K Bhatia (2012), Business of Travel Agency & Tour Operations Management, Sterling Publishers Pvt. Ltd
2. Dr. Sanjeev Sharma (2018), Tour Operation Management in Tourism, Random Publications
3. Mohinder Chand (2007), Travel Agency Management: An Introductory Text, Anmol Publications Pvt Ltd
4. Dr. Apsara Saleth Mary (2021), The Principles of Travel Agency and Tour Operation Management, White Falcon Publishing; First edition

# *Distribution Network in Tour Operations*

## UNIT STRUCTURE

- 4.0 Learning Objectives
- 4.1 Introduction
- 4.2 Associates Sales Agents
- 4.3 General Sales Agent
- 4.4 Online Travel Agency
- 4.5 Travel Agency
- 4.6 Customer Relationship Management
- 4.7 Destination Management Companies
- 4.8 Visitor Information Centre
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### 4.0 LEARNING OBJECTIVES :

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After understanding this unit learners will have knowledge regarding :

- Various distribution channels used in tourism business
- Meaning of each distribution channel
- The significance of the different distribution channel
- Cost associated with various distribution channels

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### 4.1 INTRODUCTION :

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Distribution refers to the various channels used to promote and sell product and services. These are the channels through which a business reaches out to their customers.

Product sales will be facilitated by efficient product distribution prior to their actual use. This is especially useful if the target markets include international visitors travelling on a pre-planned itinerary or domestic travellers who prefer to confirm their itineraries prior to departure.

A tourist distribution channel is a network of intermediaries that makes it easier for suppliers to sell and transport products and services related to tourism to consumers. It differs from those of physical things in that items are transported to customers, whereas tourists are conveyed to the products and/or services they purchase and consume in the majority of cases.

## **Travel Agency and Tour Operation**

Because the travel distribution system is a complex, global network of independent enterprises, understanding the distribution system's structure in specific target regions is crucial before marketing globally. This network is made up of a number of distributors or intermediaries who are involved in the design, promotion, and sale of tourism experiences.

Smaller businesses typically sell directly to customers and do not rely on distributors to do so. It is possible to increase sales and profitability by increasing the number of distribution channels through which products are sold.

There are some costs associated with establishing a business relationship with distributors. These are typically not upfront costs, but are incurred after a sale. This is commonly referred to as a commission and is categorised as a distribution cost. The use of a variety of distribution channels to sell product can lead to increased bookings and, ultimately, profits.

Distribution channels are dependent on target markets. options for distribution include working with distributors, such as wholesalers, or using promotional material and/or a website to spread the word about the product and generate sales. As a company grows, using distributors rather than direct sales between provider and customer is often the most cost-effective way to increase sales. It's also a better option for filling a large number of beds or seats, or bringing in more customers during low season.

Traditional distributors are classified into two types, each of which plays an important role in customer service. Retail travel agents and wholesalers are all examples of traditional distribution channels. The product must be established, well-regarded, and commissionable in order to work with these partners.

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### **4.2 ASSOCIATES SALES AGENTS :**

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Sales Associates, not to be confused with sales representatives, are typically regarded as the direct link between a company and its customers. They offer tour packages. They are also the greeters for the company they represent. They also act as consultants for tourists who require expert advice when purchasing any package or specialised tourism product. They play an important role in service and retail establishments because they are the customer's first and only point of contact. They can make a long-lasting positive impression on customers and entice them to return for the products and the shopping experience.

Associate sales representatives assist sales employees in presenting and selling products and services to individuals, other businesses and institutions, or governments. Their duties usually revolve around working with or for a client, communicating with them, and resolving any issues that may arise.

Sales associates are in charge of selling products or providing excellent customer service. Sales associates contribute significantly to the overall customer experience by assisting with sales, customer inquiries, merchandising, and store upkeep.

A sales associate assists customers in locating the best product or service for their needs by explaining the advantages and disadvantages of various items. They may also process the customer's payment and package the goods for the customer's departure from the store.

The tour and travel segment associate sales manager is in charge of identifying opportunities in the tour and travel segment as well as developing and

growing revenue for tour operators, travel brokers, local receptive operators, and time share companies in the assigned territory. This position keeps track of market and competitive trends and keeps the team informed of actionable situations. Associate Sales Manager in the tour and travel Segment will be responsible for soliciting new business, including all assigned accounts, through outbound cold calls, sales calls, and potential travel to trade shows.

They communicate and coordinate business opportunities with key stakeholders, and will deliver total solutions to customers in order to meet revenue targets. The position will place an emphasis on business development and sales strategies to tour and receptive operators in order to expand new sales opportunities and new accounts in order to meet set sales targets. They concentrate on client and hotel objectives in support of Our Quality Pledge and Service Standards.

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### **4.3 GENERAL SALES AGENT :**

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A General Sales Agent (GSA) is a company's sales representative in a specific region or country. The term is most commonly used in the travel industry in reference to airlines, hotels, and car rental companies. Companies typically use a GSA in areas where the company does not have an office and opening one would be prohibitively expensive. GSAs are in charge of all office and employee-related expenses. In return, the company they represent typically pays them a commission on all services sold in the region.

Companies also use GSAs because of the connections they have in the region they represent and the knowledge they have of that particular market. GSA responsibilities typically include making sales calls, visiting clients, and attending local trade shows.

In the airline industry, a General Sales Agent (GSA) is a sales representative for an airline in a specific country or region. Typically, the GSA is in charge of selling cargo space. Typically, a GSA will sell products from multiple airlines. Airlines typically use a GSA in areas where they do not operate, allowing them to maintain a sales presence in a country at a lower cost than opening their own offices in the short term. It may also use their services because the GSA has long-standing relationships with travel and cargo agents, which would be too time-consuming for the airline to establish on its own. The GSA receives a 3–5% commission on all revenue tickets and units of cargo space sold in the region it represents. The GSA is responsible for all costs associated with running the GSA's business, including insurance, rent, general office expenses, and any travel within the country or region required to promote and sell the product.

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### **4.4 ONLINE TRAVEL AGENCY :**

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An online travel agency (OTA) is a web-based marketplace that allows consumers to research and book travel products and services directly with travel suppliers, such as hotels, flights, cars, tours, cruises, activities, and more. It gives access to potential travellers/guests in places and at volumes that would be difficult for a tourism or related service provider to reach through marketing efforts. Furthermore, OTAs offer market insights and tools for targeting travellers, securing and processing bookings, communicating with guests, and managing reviews.

## **Travel Agency and Tour Operation**

It is a company that online mediates various travel services. Car rentals, flights, hotels, activities, and travel packages are examples of these services. OTAs do not provide services themselves, but rather mediate services provided by others. These pages are popular among travellers because they provide all of the information a traveller needs for a trip on a single page. Being listed on an OTA page provides service providers with a lot of exposure. These websites frequently act as authorities in their respective fields, making their recommendations reliable. Even if the customer does not book through an OTA site, it is frequently the site that directs them to the service provider's website.

All of its services are similar to those of a traditional travel agency. It operates on the internet via a website that is linked to a global distribution system. OTAs use e-commerce operational mechanisms to transact with their customers online. The OTAs provide information, hotel and car reservations, and seat reservations in airlines, railways, ships, and buses.

They sell package tours, customise tours, and clarify queries. Payments are also made online using online payment methods such as credit/debit cards, internet banking, PayPal, and so on. makemytrip.com, easemytrip, Travelguru, cleartrip, goibibo, yatra.com, Booking.com, Expedia.ca, Hotwire.com, Kayak.com and so on are some of the major OTAs in India.

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### **4.5 TRAVEL AGENCY :**

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The primary job of a travel agency is to operate as an agent for a supplier, selling travel products and services on their behalf. Individuals and groups planning excursions might use travel services to arrange transportation, lodging, and entrance to entertainment activities. They provide location recommendations, itinerary planning, and travel arrangements for clients.

Travel agencies are the primary source of travel information for both ordinary tourist and tourism service suppliers. For both business and pleasure travellers, the latter offers discounts on a variety of travel options, including hotels, airlines, car rentals, and theme parks, among others. The goal of a travel agent is to make the process of planning a trip as easy as possible. In order to fulfil their clients' travel demands, they provide professional, personalised service and expertise.

A travel agency can be a solitary store or part of a bigger retail network. Larger agencies diversify their businesses into counter service, corporate travel, and foreign exchange, to name a few. Each employee at a small business will be accountable for a variety of tasks. Some companies limit their services to vacation providers, transportation, and housing, among other things, as well as the customer. Companies that specialise in corporate travel are known as Business Travel Houses. They could be in charge of organising trade shows and conferences, as well as PR and bookings.

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### **4.6 CUSTOMER RELATIONSHIP MANAGEMENT :**

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Customer relationship management (CRM) is a set of principles, practises, guidelines, and tools that businesses use when interacting with current and prospective customers. CRM's primary goal is to improve customer experience and, as a result, the organization's profit.

Customer Relationship Management (CRM) is one of the most important business processes implemented by the tourism industry, as it leads to an increase

in perceived service quality among tourists, resulting in increased satisfaction and subsequent patron of both the destination and the service provider. Customer Relationship Management entails a number of processes and activities that must be completed in order to provide the customer with the most relevant and timely information. Customer data from multiple customer touch points must be continuously integrated and harnessed in order to build a comprehensive database from which business intelligence can be derived.

The need to attract, acquire, influence, and retain customers is one of the primary concerns of most tour-oriented businesses. In the face of fierce competition, customer acquisition and retention remain critical determinants of revenue growth and success. According to several studies, the average company loses half of its customers every five years, and acquiring a new customer costs five to ten times as much as keeping an existing one.

Many CRM tools are available on the market to help with customer relationship management. These tools are classified into three categories based on their primary functions: analytical, operational, and collaborative tools.

When CRM combined with business intelligence software, can assist businesses in making better use of customer information. It collects and documents the information about customers and disseminating this information throughout the organisation to ensure the creation of customised services by an organisation in order to provide a unique customer experience. CRM is widely used in the tourism industry, with loyalty programmes retaining customers and travel websites generating a high volume of e-transactions. Because customers come from different countries and cultures, globalisation in the travel and tourism industry requires companies to understand both global and local complexities.

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#### **4.7 DESTINATION MANAGEMENT COMPANIES :**

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A destination management company (DMC) is a third party professional services firm that designs and implements events, activities, tours, transportation, and programme logistics using local knowledge, skills, and resources. A ground service provided by a DMC is based on local knowledge of the destination. Meet and Greet, Transfers / Transportation, Hotel Accommodation, Restaurants, Activities, Excursions, Conference Venues, Themed Events, and Gala Dinners are all logistic services provided by a DMC (Destination Management Company) in their destination.

Destination Management Companies (DMCs) or Destination Management Organisations (DMOs) frequently contract travel products and sell relevant packages and itineraries to tour operators. They are commercial organisations that negotiate contracts with tourism operators directly on behalf of overseas wholesalers. They are in charge of creating itineraries tailored specifically for international travellers. They are also known as ground operators, and they offer a complete, priced travel schedule tour programme to customers through international wholesalers and travel agents. They usually plan itineraries for a year in advance.

It can be quite beneficial to a corporate event and meeting planner who is responsible for planning an out-of-town event. A destination management company (DMC) has extensive local knowledge of the place or region they represent, particularly in terms of coordinating and implementing everything from programme and event logistics to event activities on the ground. In a nutshell,

## **Travel Agency and Tour Operation**

a DMC is a highly specialised consultant that can help with nearly every aspect of out-of-town event planning.

A DMC can help a corporate event planner with transportation, lodging, food, and local activities. While a DMC maintains contacts with all local hospitality-related businesses, the firm's core job is the organisation and planning of the main event, whether it's a gala dinner, corporate meeting or conference, or even a corporate incentive trip.

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### **4.8 VISITOR INFORMATION CENTRE :**

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Visitor centres, also known as visitor services centres, are designed to provide information and assistance to present and future tourists in a destination's surrounding communities. The centre serves as a primary point of contact for tourists with travel-planning questions, as well as a location for local businesses and travel agencies to market their goods and services. It is a physical site that offers visitors with tourist information.

The tourism information centre in a community can serve a range of purposes, and it should be seen as a significant actor in the development and marketing of a destination. A centre could provide all or some of the aforementioned services, but it could also help to increase the number or variety of sites visited within a destination. When a traveller visits a destination or region, he or she is likely to visit popular attractions. A visitor might learn about lesser-known sites by visiting an information centre. DMOs employ its visitor centre to generate demand and encourage tourists to visit less popular locations, resulting in increased visitor expenditure.

Visitor's centres that bring actual value to their local visitor economy are aware of the realities of their surroundings. They understand that many visitors will be able to find the knowledge and inspiration they require for their town/region without ever having to leave their home.

#### **□ Check Your Progress :**

1. In a typical two-level distribution channel for tourism-related services, the intermediary will be a \_\_\_\_\_.
  - a. Visitors centre staff member
  - b. Travel agent
  - c. Wholesaler
  - d. Tour operator
2. CRM stands for \_\_\_\_\_.
  - a. Computer Reservation Management
  - b. Customer Reservation Management
  - c. Customer Relationship Management
  - d. Computer Relationship Manager
3. Which of the following tourism service suppliers has been the most aggressive in marketing through direct distribution channels?
  - a. Rental car companies
  - b. Airlines
  - c. Cruise ships
  - d. Hotels
4. A wholesaler who sells package tours is called a \_\_\_\_\_.
  - a. Tour operator
  - b. Travel Agent
  - c. Travel agency
  - d. None of these

5. CRM is a business philosophy that aims at maximizing \_\_\_\_\_ in the long run.
  - a. Customer Maximisation
  - b. Customer value
  - c. Customer retention
  - d. Customer satisfaction
6. Which of the following is not a typical distribution function performed by an intermediary:
  - a. Providing information
  - b. Warehousing services
  - c. Making reservations
  - d. Preparing tickets
7. A travel agency is also called as \_\_\_\_\_ of tourist product.
  - a. Retailer
  - b. Wholesaler
  - c. Manufacturer
  - d. Distributor
8. CRM is about
  - a. Acquiring right customer
  - b. Developing good relationship
  - c. Maintaining good relationship
  - d. All
9. Which of the following is NOT an example of an online travel agency ?
  - a. Goibibo
  - b. cleartrip
  - c. Travelocity
  - d. Thomas Cook
10. The acronym DMO stands for:
  - a. Destination Management Operation
  - b. Destination Management Organization
  - c. Development Management Organization
  - d. Digital Marketing Organization

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#### **4.9 LET US SUM UP :**

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Initially the travellers used to visit the area with the help of compass, map or ask local people about the destination. With the advancement and commercialisation of travel activities need of organised travel was considered. Also proper distribution channel is need in present time. The different channels used to market, sell products and services are referred to as distribution of products. These are the avenues via which a company communicates with its customers. With changing purchasing habits around the world, the travel sector has grown at a rapid pace. In this market, intermediaries have played a critical role in bridging the gap between demand and supply, as well as between tourists and destinations. Different distribution channel developed over the period of time.

An online travel agency (OTA) is a web-based marketplace that allows consumers to research and book travel products and services such as hotels, flights, cars, tours, cruises, activities, and more directly with travel suppliers using online platform. Travellers can compare hotel prices and book them online from the comfort of their own homes.

Travel agencies are the most important and low-cost distribution channel for airlines. 80% of all airline ticket sales are handled by them. This figure is expected to fall in the future due to the introduction of special fares by airlines over the internet.

Customer Relationship Management (CRM) is one of the most critical business processes being implemented by the tourism industry, as it leads to an increase in perceived service quality among tourists, resulting in an increase in satisfaction and subsequent re-patronization. CRM is widely used in the tourism

industry, with loyalty programmes retaining customers and travel websites generating a high volume of e–transactions.

Visitor information centres are primarily responsible for promoting local tourism products and services, and as a result, have a direct impact on the region's economic, social, and recreational well–being.

In this unit we have learnt all this in detail with the significance of all such distribution channel.

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#### **4.10 ANSWER FOR CHECK YOUR PROGRESS :**

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##### **Check Your Progress :**

- |        |        |        |        |         |
|--------|--------|--------|--------|---------|
| 1. (c) | 2. (b) | 3. (b) | 4. (a) | 5. (b)  |
| 6. (b) | 7. (c) | 8. (d) | 9. (d) | 10. (b) |

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#### **4.11 GLOSSARY :**

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**Computer Reservation Systems :** Also known as central reservation systems, are computerised systems used to store and retrieve information and conduct transactions related to air travel, hotels, car rental, or other activities.

**Customer Experience :** Everything related to a business that affects a customer's perception and feelings about it.

**Destination Marketing Organisation :** It is an organisation which promotes a location as an attractive travel destination. DMOs are known as tourist boards, tourism authorities or convention and visitors bureau.

**Distribution Channel :** It is a chain of businesses or intermediaries through which a good or service passes until it reaches the final buyer or the end consumer.

**Gala :** A formal occasion, often with entertainment, that typically marks a special event or is held to fundraise for a charitable cause.

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#### **4.12 ASSIGNMENT :**

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1. How GSA is offering product to the customer ?
2. Why OTA is getting so much importance in today's scenario ?
3. What is the role of Visitor Information Centre in the tourism industry ?
4. Explain the working of Destination management Company with an example.

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#### **4.13 ACTIVITIES :**

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1. Study the profile of different tour operators and find out the preferred distribution channel they chose to sell tourism products.
2. Find out what are the types of reservation systems available for booking and types of travel companies use these reservation system.

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#### **4.14 CASE STUDY:**

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##### **Abacus – Enhancing the Value Proposition**

Abacus has constantly made itself more relevant to both, the agent and airline by broadening the value proposition.

The advent of GDS companies was seen as a sweeping solution to the agent woes of manually peering through cumbersome airline schedule tomes. The GDS companies did automate the travel industry in so much as enabling them to build on and enhance their core efficiencies and some of them also sprang an unexpected pleasant surprise on the industry with a value proposition that extended beyond the CRS product. They offered a host of solutions that have opened up new avenues of business for the travel agent and airlines alike. One GDS in particular has been at the forefront of this value extension worldwide and in India, positioning itself as a partner rather than merely service provider. Singapore-based Abacus has taken this role very seriously, which is evident from not just its product portfolio but its inclination to introduce innovations into the marketplace and engage the travel agent in less typical ways. Differentiation was clearly the singular purple flake for all the competing GDS companies. The challenge lay in creating an integrated product that included the standard CRS, as well as other tools that widened the GDS's scope of relevance in the travel agent's overall business. And Abacus struck towards that strategy accurately with a diverse bouquet of products that complement the core function of reservation. The three key elements of Abacus' business philosophy are to maintain and build their distinctive Asian spirit, build rewarding relationships with their business partners and maintain industry leadership. According to Don Birch, President and CEO, Abacus International. "Abacus believes in the role of the travel agent in the future of travel distribution in Asia. We will harness our network of suppliers, including the 11 founding airlines partners, technology partner Sabre and others to ensure that the 15,000 plus Abacus connected travel agency locations have access to comprehensive travel content at competitive prices. Ensuring our technology is relevant for Asian conditions are a major focus and we have invested over USD 60 million to customise technology for local markets." Abacus's most notable attribute has been to understand the agent's business in important ways – his long term sustenance of which airline ticketing is but one, inevitably reducing aspect. For instance, Abacus is closely tracking the rise of online travel purchasing and is providing support and a suite of products such as, Abacus WebConnect to ensure Abacus connected travel agencies grow with the times and capitalise on the emerging online opportunity. With Abacus Whiz, a desktop tool that provides access to competitive travel content that enables agents to raise the bar on service delivery. Additional car and hotel booking facilities have added that important element of diversity to the agent business. It also has in its arsenal HotelSmart, an echelon above the vanilla hotel booking tool, it connects agents to hotels at wholesale rates through an integrated, end-to-end reservation process. Travel insurance is also thrown into the mix (TravelSecure). All of the above can be integrated into a single PNR and Abacus adds a vital touch of CRM with Virtually there, which allows agents to view their itineraries online whilst on the go. All the afore amount to a significant recognition of non-air products and a wide ranging trend that the future is being driven not just by shrinking margins but a new age evolution of the agency business model. Distribution-wise, this reflects in the growing bouquet of services that the agent relies on the GDS for access. The GDS Company is that important enabler from the travel agent's point of view and Abacus has clearly seen that, coming from a long way off. It's not just the agent that Abacus has focused its broadened value approach to. It has recognized its airlines' needs that extend beyond inventory distribution. These include personalised promotional communication to agent networks (SalesManager) and flexible pricing in line

## **Travel Agency and Tour Operation**

with the airline's yield management strategy (SmartPrice). Its most recent innovation is Abacus FareX, which provides airlines, wholesalers and retail agents an automated solution to circulate special fares on various different segments, since these may differ based on a multitude of variables. Another of Abacus's distinctions is its parallel offline thrust in terms of educating travel agents about not just the product utility but also the pervasive role of technology and human resource proficiency. According to Abacus India Managing Director, Viiveck Verma, "It would be a misconception to perceive GDS as hi-tech rather than 'high touch'. Our sales team on the field remains in close touch with the agents to educate them and increase their efficiency to match the level of business travel agents. Most agents who are progressive are already looking at how to enhance their revenue streams. This phenomenon can be observed across the country and not just in small demographic concentrations." Abacus's business philosophy, its range of products and working relationship with the travel agent, position it about as ideally as can be, to be able to make the most of the current and subsequent season of plenty.

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### **4.15 FURTHER READING :**

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1. Manjula Chaudhary (2010), *Tourism Marketing*, Oxford University Press
2. Philip Kotler, John Bowen & James Makens (2016), *Marketing for Hospitality and Tourism*, Pearson
3. Haiyan Song (2011), *Tourism Supply Chain Management*, Routledge; 1st edition

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## **BLOCK SUMMARY**

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The learner has learned the fundamentals of tour operation management in this block. They learned about the many types of tours offered by tour operators based on the facility and the number of visitors travelling together in this block. Learners have explored the meaning and importance of itinerary in tour operations, as well as different kinds of itinerary. They've also learned about tour itinerary planning and what should and shouldn't be addressed while putting together an itinerary. Following the itinerary, costing and revenue-generating sources are significant considerations in tour operations. This block introduces learners about various types of tour costs and revenue-generating tactics. This block also looks at how tour operators disseminate the travel products they create. This block also discusses various distribution channels, their importance, and the costs connected with them. After completing this block, the learner will have a better understanding of tour operation working.

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## **BLOCK ASSIGNMENT**

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### **Short Question Answer**

1. Explain the term incentive tour with example.
2. Who are the different individual and organisation chosen for the FAM tours ?
3. What are the don'ts we need to concentrate while preparing itinerary.
4. Enlist the important steps of itinerary planning.
5. What is the meaning of ASA and how it offers product to the customer ?
6. Explain the term tour cost and its significance in package tour.

### **Long Question Answer**

1. Visit web portals of top tour operators, study the salient features and note down the similarities and differences of different tour packages.
2. Make an itinerary of famous historical monuments of Gujarat. Itinerary must be for FIT and it should be of 6 nights itinerary.
3. Discuss the strategy in detail to increase the revenue for tour operator.

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Tour Operation**

❖ Enrolment No. :

1. How many hours did you need for studying the units ?

<b>Unit No.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>No. of Hrs.</b>				

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

3. Any other Comments

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# **TRAVEL AGENCY AND TOUR OPERATION**



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AHMEDABAD**

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## **ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING**

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self- instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual- skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is

particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self- instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)

## **PREFACE**

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect. All the best for your studies from our team!

# TRAVEL AGENCY AND TOUR OPERATION

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---

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#### **Unit 2 MICE Management**

Introduction, Meetings, Roles and Responsibilities of Meeting Planners, Incentive, Conference/Conventions, Events, Planning and Requirement for MICE, Venues, Transport Transportation, Accommodation

#### **Unit 3 Organisation Structure in Travel Agency and Tour Operators**

Introduction, Human Resource in Travel Agency and Tour Operators, Hierarchy in Travel Agency and Tour Operators, Departments in Travel Agency and Tour Operators



**Dr. Babasaheb Ambedkar**      **BBAATR-201**  
**Open University Ahmedabad**

## ***Travel Agency and Tour Operation***

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### **BLOCK 4 : SETTING-UP OF TRAVEL AGENCY AND MICE MANAGEMENT**

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- UNIT 1      REQUIREMENTS & PROCEDURE OF SETTING TRAVEL AGENCY
  
- UNIT 2      MICE MANAGEMENT
  
- UNIT 3      ORGANISATION STRUCTURE IN TRAVEL AGENCY AND TOUR OPERATORS

# ***SETTING-UP OF TRAVEL AGENCY AND MICE MANAGEMENT***

## **Block Introduction :**

The agency must be recognised by the Ministry of Tourism, through its Additional Director-General, to be a valid travel agency in India, and this recognition is effective for five years at first. Before this recognition is given, an inspection and preliminary report must be submitted and reviewed by the appropriate Regional Director and a five-member TAAI team. Following the initial period, a request to have the recognition renewed or extended must be submitted. Before the renewal is processed, the Travel Trade Division will review the documentation submitted. It will take about 60 working days to complete the entire process. Similarly, there is a process for IATA accreditation, which is a globally recognised seal of approval. We are dedicated to collaborating with all travel companies in order to increase customer service and choice. IATA helps airlines and passengers by streamlining operations and boosting passenger convenience while lowering costs and increasing efficiency. Travel agents must be accredited by IATA in order to sell tickets on behalf of our members. MICE tourism consists of huge groups that are brought together for the purpose of conferences, conventions, seminars, workshops, meetings, or exhibitions; these groups are usually arranged well in advance. MICE has been dubbed the "meeting industry" in recent years. MICE tourism has exploded in popularity during the last ten years all over the world. Selling such products necessitates a great deal of planning and preparation.

## **Block Objectives :**

- Identify the fundamental prerequisites for starting a travel agency
- Learn about the IATA certification procedure and how to seek a Ministry of Tourism approval for travel agency
- Examine the advantages of IATA Accreditation
- Recognise the Ministry of Tourism's guidelines for accreditation.
- Learn about the Ministry of Tourism's basic requirements and approval process.
- Understand the meeting planner's position and responsibilities.
- Understand the meaning of the term incentive as well as the viatal
- The meaning of conferences, conventions, and events, as well as how they are carried out
- Plan and analyse the need for MICE.
- Human Resources role in tour operation and travel agency
- Travel Agency and Tour Operator Hierarchy
- Departments in Tour Operators and Travel Agencies

**Block Structure :**

**Unit 1 : Requirements & Procedure of Setting Travel Agency**

**Unit 2 : MICE Management**

**Unit 3 : Organisation Structure in Travel Agency and Tour Operators**

## UNIT STRUCTURE

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Basic Requirements for Starting Travel Agency
- 1.3 IATA and Travel Agencies
- 1.4 IATA Accredited Travel Agency
- 1.5 Benefits of Accreditation from IATA
- 1.6 Guidelines for Recognition as a Travel Agent from the Ministry of Tourism
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- 1.9 Let Us Sum Up
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### 1.0 LEARNING OBJECTIVES :

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**After working through this unit, you should be able to :**

- Understand the basic requirements for starting travel agency
- Know accreditation process of IATA and Ministry of Tourism approved travel agency
- Explore the benefits of Accreditation from IATA
- Understand the guidelines for recognition from the Ministry of Tourism
- Know the basic requirement and approval process from Ministry of Tourism

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### 1.1 INTRODUCTION :

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The travel and tourism business is one of India's largest and most important sources of employment. According to the United Nations' World Tourism Organization (UNWTO), the travel and tourism industry directly employs 6–7 percent of global workers and indirectly employs many more through the multiplier effect. In terms of GDP contribution, India's travel and tourism business is rated 12th out of 184 nations, and the industry is expected to increase at a rate of 7.8% per year from 2013 to 2023. The travel and tourism business in India, which was valued at USD117.7 billion in 2011, is expected to grow to USD418.9 billion by 2022, providing lots of opportunities for new entrepreneurs looking to work as travel agents. The legislation, regulations, and taxation difficulties for beginning a travel agency business in India are discussed in this article.

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## **1.2 BASIC REQUIREMENTS FOR STARTING TRAVEL AGENCY :**

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The tourism sector is profitable and continues to expand. This is mostly due to an increase in people's eagerness to travel to new places. You must follow some fundamental guidelines when you are establishing a travel agency or an online travel business. However, due to fierce rivalry, it would be difficult for your agency to stand out in the market. These fundamentals will assist you in understanding your travel agency's requirements and running it successfully.

### **1. Choose Your Specialty :**

You should identify your niche market when you first establish your travel firm. It will assist you in developing your brand, naming your travel business, according to your niche.

However, starting a travel agency without deciding on a specialisation will cause a lot of problems. You'll lose your area of expertise. Without compass it'll be like moving in a million different directions without proper road map.

One of the most common mistakes young travel agency operators make is wanting to sell everything. As a result, they are encouraging stiff competition from all directions. It is not a good idea to establish a business like that because it lacks experience and resources.

As a result, identify your specific travel market. Because there are fewer operators working in a specific market segment, the competition is reduced. A niche market is one that only a few people have looked into. There is always possibility of growth in this industry.

### **2. Identify your Target Market :**

Know your target market from the inside out when considering how to start a travel business. You should conduct some digital research to establish which demographic is most likely to be interested in your company's offerings. You can then target them in your advertising activities once you know them.

You should carefully examine the demographic data in your location while conducting surveys. When you create a tour company, you can receive this information from your website or the local auditor's office.

You should also look at the travel statistics in your service region. Determine what percentage of your community is interested in your travel specialty.

### **3. Make an Effective Business Plan :**

A well-thought-out travel agency business plan keeps you on track. It aids you in your efforts to manage a successful organisation.

The business plan, on the other hand, is not about creating goals at random and having a hazy sense of what you'll be doing. There's a lot more to it than that. You should make a precise plan ahead of time.

Some crucial aspects must be included in your travel agency business plan. Make sure it's based on your market research and sales tactics. Make sure to include your funding needs and budgetary estimates in your proposal. To acquire a clear picture of your business goals, your business description should be precise.

#### **4. Business Entity Selection :**

Today's travel agents have a plethora of corporate entity alternatives to select from, and the venture's business plan will play a key role in determining the best fit. Most travel agencies opt for a Private Limited Company since it is one of the most extensively used and recognised business structures in India, and it comes with a slew of advantages. Entrepreneurs who want to sell their services online and swiftly scale up their business leveraging the internet's power, forming a private limited company is a necessary. Newly developed company forms, such as the Limited Liability Partnership (LLP) or the One Person Company (OPC), on the other hand, are perfect for entrepreneurs who want to build their firm slowly and/or part-time. Limited Liability Partnerships are suitable for entrepreneurs who are acquiring their first-hand experience in their enterprise because there is no obligation for audit till the turnover surpasses Rs.40 lakhs in a year. OPCs, on the other hand, are suitable for entrepreneurs who are starting a firm as a sole proprietor and do not want to be bound by significant compliance requirements. In any case, a travel agency would benefit from a business entity that provides restricted liability and independent legal entity status.

Entrepreneurs can also choose a proprietorship with a trademark if they want a unique brand name that is currently impossible for registration with the Ministry of Company Affairs due to naming guidelines.

#### **5. Recruit Qualified and Skilled Personnel :**

While considering how to start a travel agency, you may not require a large number of employees to help you get started. However, you'll still need to hire some people to handle bookings.

Recruit employees to assist you if you're running the firm from a physical location. However, make sure that the people you select have some experience and inter personal skills. Such individuals can save you a lot of time and help you manage your agency more efficiently.

#### **6. Make a Marketing Strategy :**

Marketing is key to push initial business. Advertisements bring a company's products or services to a targeted market. Advertisements are ubiquitous, they aid in capturing the attention of potential clients. When considering how to start a travel business, you should also consider developing a marketing strategy.

In the realm of advertising, you have a lot of possibilities. Word of mouth is the most cost-effective. You may simply tell your friends, relatives, guests, and anybody else you encounter about your new venture.

Then consider utilising local advertising networks to your benefit. Use a variety of locations in your neighbourhood, such as billboards, walls, signboards, and so on. In this circle, you can also encourage your friends to recommend your agency.

However, because offline advertising, such as newspaper ads, is expensive, your small firm may not be able to pay it. At the same time, don't completely disregard it. Consider online advertising, which is less expensive. To gain the most exposure for your agency, place ads on a variety of venues online.

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### **1.3 IATA AND TRAVEL AGENCIES :**

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Today, the International Air Transport Association (IATA) defines who shall distribute air travel products and how they should do it. It regulates the travel industry by establishing standards. When the first travel agencies began selling plane tickets in the 1920s, they served as clearinghouses or middlemen between passengers and airlines. Travel agents were in charge of ensuring that money transactions went smoothly in addition to disseminating vouchers. When the International Air Transport Association (IATA) was founded in 1945, it took over these processes and became a middleman between travel companies and airlines. That's how the IATA accreditation programme was started. Its purpose is to protect airlines and monitor revenue flow. As a result, in order to have access to airline inventory, a travel agent must first be verified by IATA.

Furthermore, IATA's Billing and Settlement Plan (BSP) – a system designed to streamline selling, reporting, and transferring activities for IATA-accredited agents – handles all sales data between an airline and an agency.

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### **1.4 IATA ACCREDIT TRAVEL AGENCY :**

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The business interaction between travel agents and airlines is substantially simplified as a result of IATA accreditation. The IATA accreditation package is for travel companies around the world that help suppliers issue airline tickets. Additionally, with a single Sales Agency Agreement and access to IATA's Billing and Settlement Plan (BSP), the IATA agent number introduces the travel firm to other IATA airline members. BSP is an invoicing and payment link between the agent, airlines, and transportation suppliers, as we said earlier. The agent's full certification also implies that he or she adheres to industry-standard ethics and behaviour guidelines. Let's have a look at it.

- 1. Familiarize yourself with the fundamentals :** Read the Travel Agent Handbook (TAH) with a fine-toothed comb. It's an excellent resource for IATA members and applicants. You'll find broad standards, rules, and regulations that apply all throughout the world here. Examine the local parameters that are specific to each country.
- 2. Be prepared to get a bond :** If your financial statements reveal that your current assets are less than your liabilities, you may be required to post a \$50,000 bond to demonstrate your financial stability.
- 3. Create an account with the Customer Support Portal :** Proceed to the registration page and complete the process. You must enter your personal information and create a password.
- 4. Fill out and submit the IATA application :** Complete the application according to the rules and upload it to the Customer Portal together with necessary papers. Follow the directions on the form to include the letters of recommendation.
- 5. Pay the registration money and wait for the results :** IATA will contact you for the next stages and to confirm registration fees after your application has been received and processed. The consideration phase usually lasts two weeks. The price for self-employed agents is \$165, while full-service or corporate travel businesses often pay \$360.

To apply for IATA accreditation and obtain the unique number necessary documentation are required. Here's a list of documentation you'll need to receive an accreditation.

- 1. Proof of General Business Operations :** If you're a branch operator, the documents should include hours of dedicated services or a copy of the agreement to serve as such. For instance, you may attach records about offering a particular kind of tour. The same works for solo operators.
- 2. Proof of your Qualifications :** Regardless of whether you have multiple agents or you are a solo operator, you must submit a business license or copies of any certifications, such as agent training courses. Here you must indicate that your agents meet the professional criteria, according to local business standards.
- 3. Confirmation of Prior Travel Agent Experience :** If you've previously collaborated with an IATA accredited agent or airline, then include this record in your documents. If possible, attach a recommendation letter from that company or documentation of employment. Documents indicating a basic knowledge of airline and ticketing operations may be also attached.
- 4. Proof of Financial Viability :** Attach copies of all of the travel–business–related bank transactions for the past year. Include loan or insurance documentation if you have any. All these records should be placed in chronological order. Detailed bank account records with deposits and withdrawals for the previous fiscal year are also required.

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### **1.5 BENEFITS OF ACCREDITATION FROM IATA :**

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IATA certification presently benefits 60,000 travel agents worldwide, who sell \$220 billion in plane tickets on behalf of IATA airline members. Some of the benefits are enlisted below:

- Access to IATA airline members through a single Sales Agency Agreement that allows the sale of both international and domestic tickets.
- Access to the Billing and Settlement Plan (BSP) of the International Air Transport Association (IATA), an efficient interface for billing and payment between the agency, airlines, and transportation suppliers.
- The "IATA Numeric Code" provides a unique identity throughout the worldwide travel business.
- The "IATA Accredited Agent" logo is displayed on the premises and on the website to provide exposure and credibility.
- Professional recognition – qualifying agency employees can apply for the IATA/IATAN ID Card, which grants them access to exclusive offers from travel providers.
- Standardized methods to ensure that airlines are treated fairly.

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### **1.6 GUIDELINES FOR RECOGNITION AS A TRAVEL AGENT FROM THE MINISTRY OF TOURISM :**

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The scheme for Travel Agent recognition aims to foster quality standards and service in this area in order to boost tourism in India. This is a voluntary program that is open to all legitimate travel agencies. To integrate them into the organised sector Ministry of tourism define travel agent/agency as one who makes

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arrangements of tickets for travel by air, rail, ship, passport, visa, etc. It may also arrange accommodation, tours, entertainment and other tourism related services.

The Ministry of Tourism (MOT), Government of India (GOI), New Delhi, will initially grant recognition as an approved DTO for a period of five years, based on the Inspection Report / Recommendations of a Committee comprised of the concerned Regional Director (RD) and a member of the Travel Agents' Association of India (TAAI). After that, a five-year renewal / extension will be granted following an inspection by a committee comprised of the concerned Regional Director and a member of TAAI, based on an application submitted by the Travel Agent together with the required fee / papers.

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### **1.7 BASIC REQUIRED FOR RECOGNITION FROM MINISTRY OF TOURISM :**

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The Travel Agency must meet the following requirements in order to be recognised by the Ministry of Tourism :

(i) The application for grant of recognition / renewal or extension shall be in the prescribed form and submitted in duplicate along with the required documents.

(ii) TA should have a minimum Paid up Capital (Capital employed) of Rs. 3.00 lakh for rest of India and Rs. 50, 000/- for the agencies located in the North – Eastern region, remote and rural areas duly supported by the latest audited Balance Sheet / firm's Statutory Auditor's certificate.

(iii) TA should be approved by International Air Transport Association (IATA) or should be General Sales Agent (GSA)/Passenger Sales Agent (PSA) of an IATA member Airlines.

(iv) TA should have been in operation for a minimum period of one year before the date of application.

(v) The minimum office space should be at least 150 sq. ft for rest of India and 100 sq. ft for hilly areas which are above 1000 meters from sea level. Besides, the office may be located in a neat and clean surrounding and equipped with telephone, fax and computer reservation system etc. There should be sufficient space for reception and easy access to toilet facilities.

(vi) The Travel Agency should be under the charge of the Owner or a full time member who is adequately trained, experienced in matters regarding ticketing, itineraries, transport, accommodation facilities, currency, customs regulations and tourism and travel related services. Besides this, greater emphasis may be given to effective communication skills, knowledge of foreign languages, other than English.

There should be a minimum of four qualified staff out of which at least one should have Diploma / Degree in Tourism & Travel Management from a recognized University, IITTM or an institution approved by AICTE. The owner of the firm would be included as one of the qualified employees.

The academic qualifications may be relaxed in case of the other two staff members who are exceptionally experienced personnel. The agencies located in the North – Eastern region, remote and rural areas, there should be a minimum of two staff out of which one should be a qualified employee with a Diploma/ Degree in Tourism & Travel Management from a recognised University, IITTM

or an institution approved by AICTE. The owner of the firm would be included as one of the qualified employees.

(vii) The Travel Agency should be an income-tax assessee and should have filed Income Tax Return for the current assessment year.

(viii) For the monuments protected under the Ancient Monuments and Archaeological Sites & Remains Act, 1958 (24 of 1958), the TAs should deploy / engage the services of Regional Level Tourist Guides trained and licensed by Ministry of Tourism, Government of India or other guides authorized by the Government of India or under orders of the Hon'ble Court(s). For other monuments and destinations, the guides authorized under the orders of the appropriate authority, if any, of the concerned monument/destination should be deployed / engaged by TAs.

(ix) For outsourcing any of the services relating to tourists, the travel agencies shall use approved specialised agencies in the specific field of activity.

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## **1.8 APPROVAL OF RECOGNITION BY MINISTRY OF TOURISM :**

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When filing for the recognition and renewal of the Head Office as well as each Branch Office, the Travel Agency will be asked to pay a non-refundable charge of Rs.3, 000/-. The fee shall be paid in the form of a bank draught to the Ministry of Tourism's Pay and Accounts Officer.

The recognition / renewal will be given to the Travel Agency's Head Office. Branch Offices will be approved at the same time as the Head Office or later, if the Branch Offices' details are submitted to the Ministry of Tourism for recognition and the concerned Regional Director for renewal and acceptance.

The Travel Trade Division will accept the documents received from applicants once they have been thoroughly scrutinised in all respects for first approval and by the concerned Regional Director for renewal. The Inspection Team will inspect the application for the first approval/renewal within the sixty working days of receiving the complete application.

The Travel Agency that has been given recognition / renewal is entitled to such incentives and concessions as the government may grant from time to time, and must adhere to the terms and conditions of recognition as defined by the Ministry of Tourism, Government of India, from time to time.

In the case of recognition or renewal, the decision of the Ministry of Tourism, Government of India, shall be final. MOT, on the other hand, reserves the right to refuse to recognise / renew any entity or to withdraw / withhold recognition at any moment. Recognition / renewal has already been given with the competent authority's consent. Before such a decision is made, the necessary show cause notice will be provided, and the response will be evaluated on its own merits. This will be done after careful consideration and generally as a last resort. Circumstances in which withdrawal is affected would also be indicated.

### **☐ Check Your Progress :**

1. According to UNWTO tourism industry employs around \_\_\_\_\_ global workforce.  
a. 5-6%                      b. 6-7%                      c. 7-8%                      d. 8-9%

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2. Young travel agent make most common mistake of selling \_\_\_\_\_
  - a. Nothing
  - b. Something
  - c. Everything
  - d. None the above options
3. LLP acronym stand for \_\_\_\_\_
  - a. Limited Liability Partnership
  - b. Limited Liability Period
  - c. Both a and b option
  - d. None of the above option
4. No audit till Rs 40 lakhs is possible in \_\_\_\_\_ business entity.
  - a. Limited Liability Partnership
  - b. Private Limited Company
  - c. One Person Company
  - d. Sole Proprietor
5. Sole proprietorship is right type of enterprise for \_\_\_\_\_
  - a. Want to work with technical partner
  - b. Work with limited liability
  - c. Don't want to bound by other compliance
  - d. All of the above options
6. What is the amount of bond required to demonstrate financial stability of agency ?
  - a. USD 500
  - b. USD 5,000
  - c. USD 50,000
  - d. USD 500,000
7. How much paid-up capital required to start travel agency business and recognised by MoT ?
  - a. Rs. 1 Lakh
  - b. Rs. 2 Lakhs
  - c. Rs. 3 Lakhs
  - d. Rs. 4 Lakhs
8. What is the fee for the application at Ministry of Tourism office for reorganisation of travel agency ?
  - a. Rs. 300
  - b. Rs. 3,000
  - c. Rs. 30,000
  - d. Rs. 300,000

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### 1.9 LET US SUM UP :

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When considering how to start a travel business, keep the following points in mind. To reduce your competition, start by identifying your travel specialty. Then, give your agency a catchy name and write a business plan. To fulfil expenses, you should have a good cash flow. Your travel agency should have a website, social media channels, and a strong online presence. Aside from that, specific accreditation and affiliations are essential to run a travel agency firm with trust and brand value. Aspects of travel agency essential requirement and accreditations were covered in this unit. Answers for Check Your Progress

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### 1.10 ANSWER FOR CHECK YOUR PROGRESS :

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#### Check Your Progress :

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (b) | 2. (c) | 3. (a) | 4. (a) |
| 5. (c) | 6. (c) | 7. (c) | 8. (b) |

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### 1.11 GLOSSARY :

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**Accreditation :** The action or process of officially recognizing someone as having a particular status or being qualified to perform a particular activity.

**Billing and Settlement Plan :** It is an electronic billing system designed to facilitate the flow of data and funds between travel agencies and airlines.

**Limited Liability Partnership (LLP) :** It is a partnership in which some or all partners (depending on the jurisdiction) have limited liabilities. In an LLP, each partner is not responsible or liable for another partner's misconduct or negligence.

**Private Limited Company :** It is a company which is privately held for small businesses. The liability of the members of a Private Limited Company is limited to the amount of shares respectively held by them. Shares of Private Limited Company cannot be publically traded.

**Proprietorship :** It is also referred as a sole trader or a sole proprietorship. It is an unincorporated business that has just one owner who pays personal income tax on profits earned from the business.

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### **1.12 ASSIGNMENT :**

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1. What are the benefits of accreditation from IATA ?
2. Explain the basic requirements for the recognition from Ministry of Tourism.
3. What are the documents required for the accreditation of travel agency from IATA ?
4. What are the basic requirements to start the travel agency ?

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### **1.13 ACTIVITIES :**

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1. Find out the other accreditation and association apart from IATA and MoT need by travel agency to work with much more creditability and swiftly.

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### **1.14 FURTHER READING :**

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1. Accreditation process for Tourism Services by Government of India, Ministry of Tourism  
<https://tourism.gov.in/sites/default/files/2020-12/Tour%20Opertaors%20Revised%20Guidelines.pdf>
2. Accreditation process of travel agency by IATA  
<https://www.iata.org/en/services/accreditation/accreditation-travel/>

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**UNIT STRUCTURE**

- 2.0 Learning Objectives
- 2.1 Introduction
- 2.2 Meetings
  - 2.2.1 Roles and Responsibilities of Meeting Planners
- 2.3 Incentive
- 2.4 Conference/Conventions
- 2.5 Events
- 2.6 Planning and Requirement for MICE
  - 1.6.1 Venues
  - 1.6.2 Transport Transportation
  - 1.6.3 Accommodation
- 2.7 Let Us Sum Up
- 2.8 Answers for Check Your Progress
- 2.9 Glossary
- 2.10 Assignment
- 2.11 Activities
- 2.12 Case Study
- 2.13 Further Reading

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**2.0 LEARNING OBJECTIVES :**

**After successfully comprehension of this unit learner will be able to :**

- Know the role and responsibility of meeting planner
- Understand the term incentive and necessary requirements
- Meaning of conference/conventions/Events and their execution
- Plan and assess the requirement for MICE

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**2.1 INTRODUCTION :**

MICE is an acronym for Meetings, Incentives, Conferences, and Exhibitions. It's the pinnacle of business tourism, with the goal of bringing together top executives from every industry in an upgraded, tailor-made hospitality atmosphere.

Interpersonal, creative, organisational, and technological abilities are all essential for success in MICE tourist management. To build fresh event concepts, choose the correct venues, and promote efficiently, you'll need innovative creativity. Technical know-how ranging from audio-visual dexterity to accessing fast-track visa apps must be part of the strong practical component. If, for example, a large visiting party from a culturally distinct region is to be greeted with the right welcome drink, soft skills such as patience, empathy, teamwork, and problem-solving are essential.

It enables the company to expand its client base while maintaining its current market share. This can be accomplished, among other things, by attending large conferences, seminars, events, exhibitions, and other meetings.

The MICE industry can be divided into four categories. Those organisations encapsulate the meetings business and, in general, serve a similar goal. Even yet, there are minor variances between them.

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## **2.2 MEETINGS :**

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Meetings are generally held in hotel conference rooms or convention centres. They are one-day gatherings of professionals who come together to address a critical issue or set organisational goals.

Meeting arrangements are the actions that must be completed before to a meeting to ensure that it can take place, that all participants are able to attend, and that all of the meeting's resources are available.

Choosing who will attend a meeting is one of the first steps in planning a gathering. Once it is known who will be attending, it can arrange a place that will be large enough to accommodate everyone. After that, attendees are informed about the venue of meeting. Once the venue has been organised, arrange for any specialised equipment. It is recommended that everyone planning a meeting attend early to ensure that everything is set up properly. While some meetings are organised by the participants themselves, many large corporations hire someone to do so on their behalf. Venue, participants, equipment, agenda etc. are basic arrangements once must keep in mind for successful event. They may or may not be able to attend a meeting depending on the day and location. During the organising of a meeting, participants' needs must be taken into account. In the case of impaired persons, needs such as physical needs must be met. It may influence their decision on whether or not to go. It's critical to keep a meeting's time short enough so attendees will want to attend.

### **2.2.1 Roles and Responsibilities of Meeting Planners :**

The meeting planner's role varies from meeting to meeting and organisation to organisation, but meeting planners generally have the following responsibilities in the following areas:

#### **2.2.1.1 Pre-Meeting Activities :**

- Planning of meeting agenda
- Establishing meeting objectives
- Setting-up meeting budget
- Selecting venue for meeting
- Determining facilities
- Planning and arranging for transportation
- Organising for audio-visual needs

#### **2.2.1.2 On Site Activities :**

- Event briefing
- Execute plan
- Complain handling and troubleshooting
- People management

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### **2.2.2.3 Post Meeting :**

- Debriefing
- Evaluation
- Thanking everyone
- Shopping
- Plan for the next year

### **2.2.2.4 Related Activities :**

- Pre-conference tours planning
- Entertainment arrangements
- Shopping arrangements
- Post-conference tours planning

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## **2.3 INCENTIVE :**

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Various Organizations use incentive tourism when they want to reward their employees with a trip to an exotic location with their families; it might be for meeting targets, good behaviour, or project completion – anything. Incentive tourism is typically used for recreational purposes rather than for professional or educational purposes.

Incentive travel is a form of marketing. It is a reward given to factory workers, salespeople, and retailers who achieve specific objectives in relation to their work goals. Many problems can be solved with incentive travel programmes: productivity can be boosted, distribution lines can be extended, absenteeism can be reduced, and public image can be improved. Incentive travel can help a firm achieve its goals, no matter what they are. Incentive travel programmes have been shown to be the most effective method of motivation. People are motivated by excitement, and the idea of a trip with all costs covered can be a powerful motivator. The incentive travel programme is also a source of revenue for the company.

Individual, group, or partner incentives are travel benefits that a corporation may offer in exchange for exceptional professional performance. Employee loyalty can be boosted by spending a few days at a resort, hotel, or other prominent hospitality destination at company's expense.

Although incentive travel differs from meetings, conferencing, and exhibits in terms of aim and scope, it still falls under the MICE umbrella. Incentive trips, like other types of MICE travel, are logistically complex and have a lot of moving pieces. Each one necessitates the booking of spaces as well as coordination with a variety of different specialists, including:

- Tour operators and tour guides
- Local tourism boards and chambers of commerce
- Group activity planners and hosts
- Hotel and conference centre managers
- Food and beverage companies
- Trade organisations

A meeting planner's responsibilities are as varied as the meeting planners themselves. While more than two-thirds have obvious responsibility for the logical part of planning, sizable percentages are responsible for more than half of the strategic and tactical goals setting objectives: agenda creation and budgeting. The function of the meeting planner differs from one meeting to the next and from one organisation to the next.

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## **2.4 CONFERENCE/CONVENTIONS :**

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Conferences are created for a large business group to share knowledge over several days and take meetings to the next level. They frequently involve not just members of the organisation's leadership, but also guest's speakers and members of the general public.

Corporate conferences usually bring together a group of professionals or a personal interest with common interest from a particular sector, with the goal of exchanging knowledge and discussing a given issue. These conventions necessitate extensive pre-planning and itinerary management. They are distinguished from meetings mostly by their size. As part of a programme, a corporate or government conference or convention can have hundreds of participation meetings at the same time. This sector is dominated by annual conventions of industrial associations and organisations.

Every year, an organisation, usually an association will hold a convention with a theme related to the organization's topic. Those who want to attend the convention can pay the association a fee that covers all of the sessions, discussions, food and beverages, dinners, and site visits. Conventions, in particular, include a variety of events such as congresses (large-scale regular trade gatherings), conferences (small scale gatherings aimed at information sharing), confexes (conferences with a small exhibition attached), and one-on-one events (premium networking). All conventions can be classified as international, national, or regional.

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## **2.5 EVENTS/EXHIBITIONS :**

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Exhibitions are simply trade events where a company advertises its most important products and services to the general audience. They are focused events that promote company while also assisting employees in networking and forming long-term professional relationships.

In another word we can say that the exhibitions are events that are organised to display new products, services, and information to people who are interested in them, such as potential customers or buyers. The exhibitor, the company displaying their new products, typically rents a space from the organiser and sets up a booth to meet with potential buyers. Buyers and the general public must have an invitation or a ticket to enter the exhibition.

Event management entails the planning, organisation, and execution of live events, which could include the launch of a brand or product, an exhibition, a concert, or even a conference. It is essentially an extended form of advertisement, albeit one that is more interactive. It is expected to grow at a rate of 30% per year as a separate industry.

Conventionally, events were thought to be beneficial for rural markets and products that were prohibited from advertising, such as liquor and cigarettes. Because of low literacy levels and limited media penetration, events became a

necessary exercise in rural markets. However, events are no longer restricted to a few products and markets. Event marketing is gaining popularity in long-term brand image building and corporate humanization.

The goals of any event are to minimise risks while increasing the enjoyment of the event's audience. In most cases, careful consideration must be given to transportation, technology, and security, as well as a slew of other factors such as venue, theme, financial consideration, timings, Events team, contractors, and other stakeholders, and so on. Event management is the application of project management practises to the creation and development of festivals and events. Before actually carrying out the modalities of the event, event management entails researching the intricacies of the brand, identifying the target audience, developing the event concept, planning the logistics, and coordinating the technical aspects.

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## **2.6 PLANNING AND REQUIREMENT FOR MICE :**

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Meeting, conference, and convention tourism, which includes local meetings, training courses, seminars, and workshops as well as huge conferences and conventions, is a unique sort of tourism that exists all over the world. Many countries, regions, cities, resorts, and individual hotels have created conference, convention, meetings, or exhibition facilities dedicated exclusively to this type of tourism.

There are the various planners' responsibilities in the MICE planning process. Planning for it is distinct in that it necessitates a thorough grasp of the environment in which it develops and works. It's also a point that planning for MICE is a little tough. Factors involved in planning MICE are Group, Reason and Objective (Conduct Business, Education and Networking).

MICE planning require a great deal of coordination, possibly even more than the tourism sector as a whole. Although tourist planning requires a large number of people, MICE planning is more difficult. Let's look at the areas that are required to set a great planning in terms of MICE components.

### **2.6.1 Venues :**

Among the many problems of arranging an event, the location is one critical component that can have a direct impact on the event's success. Aside from the venue's size and cost, there are several other considerations to consider while selecting a venue. There are numerous considerations that must be made. It's critical to tread a fine line between the size of the venue and the size of the audience. It is not necessary to have a vast area, but it should provide enough room for attendees to stretch, socialise, and breathe.

### **2.6.2 Transport Transportation :**

Transport Transportation is one of the sector's most major challenges. This includes not only ground but also air transportation, as well as other variables to consider during the planning stage, such as the type of coaches to be used for road transportation, trained drivers, and escorts, to name a few. Tourism transporters are usually engaged to perform these services. When the travellers/delegates arrive at the airport, they can use the local transportation system to get about. This covers transportation to and from: Airport to hotel, hotel to Airport, Hotel to venue and so on. The convenience and coverage of transportation networks, particularly public transportation, in metropolitan areas are usually well-developed; therefore a venue located downtown or in an urban location may

have less worry with linking to transportation routes. As a result, countries with superior transit accessibility may have an edge over developing countries.

### 2.6.3 Accommodation :

The majority of MICE visitors prefer to stay near their meeting/conference/exhibition locations. Furthermore, these lodging units must be prepared to meet their commercial needs.

When compared to other groups, business tourists have higher expectations, both in terms of the sort of service they demand and the quality of that service. Business travellers frequently choose to stay one or more days in a location in order to attend a certain event. Due to the short amount of time available, it is critical that such clients be given with suitable lodging, access to a restaurant, and closeness to the meeting location, railway station, or airport. This type of amenity, as well as high-quality service, is highly valued. A corporate traveller will spend 10% to 45% more than a tourist who is visiting for health or enjoyment.

The meeting is the primary reason for travel, hotel proximity and transportation accessibility is critical. Alternatively, a scheduled shuttle service might be given at a low cost, or the cost could be factored into the planning stage or sponsored by a supplier as a favour.

**Waste Management :** Waste, water, and garbage management systems can add value to the services that venues can offer while also supporting green meeting objectives. The smooth running of the event is ensured by insuring against other potential risks. The majority of the time, venues insure against these dangers.

**Additional Support Services :** There are a number of factors (catering, shopping, entertainment, and others) that are limiting industry development and must be planned in order to maximise the benefits of the rising MICE scenario. To build a MICE destination, the sector must learn and grasp quickly. International MICE travellers can be helped by providing information on the weather, clothing regulations, language, tipping, and conduct, among other things.

#### Check Your Progress :

1. In MICE 'I' stands for \_\_\_\_\_
  - a. Individual
  - b. Income
  - c. Incentive
  - d. None of the above options
2. Incentive travel is a form of marketing.
  - a. Correct
  - b. Incorrect
  - c. Can't say
3. Confexes acronym stand for \_\_\_\_\_
  - a. Conference with a small exhibitions
  - b. Congress with a small exhibitions
  - c. Both a and b option
  - d. None of the above option
4. The exhibitions are events that are organised to display \_\_\_\_\_
  - a. New products
  - b. New company
  - c. New employees
  - d. None of the above options

## **Travel Agency and Tour Operation**

5. The consideration while selecting venue is \_\_\_\_\_
  - a. Size
  - b. Budget
  - c. Location
  - d. All of the above options
6. A corporate traveller will spend \_\_\_\_\_ more than a tourist who is visiting for health or enjoyment.
  - a. 10% to 45%
  - b. 20% to 55%
  - c. 30% to 65%
  - d. 40% to 75%
7. The additional support services for MICE are :
  - a. Catering
  - b. Shopping
  - c. Entertainment
  - d. All of the above options
8. Waste, water, and garbage management systems can add value to the services offered by the event planner.
  - a. Correct
  - b. Incorrect
  - c. Can't Say

---

### **2.7 LET US SUM UP :**

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MICE tourism consists of huge groups that are brought together for the purpose of conferences, conventions, seminars, workshops, meetings, or exhibitions; these groups are usually arranged well in advance. MICE has been known as the "meeting industry" in recent years. Other industry instructors believe that the industry should be referred to as the "events industry," as it encompasses the entire breadth of the meeting and events business. MICE events are frequently themed and targeted at a professional, school/college, academic, entertainment, or trade organisation, or other special interest group.

MICE enable the company to expand its client base while maintaining its current market share. This can be accomplished, among other things, by attending large conferences, seminars, events, exhibitions, and other meetings. MICE tourism, in addition to bringing industry peers together, aids in the synergisation of ideas and the increase of sales and income. Furthermore, the MICE sector is a service industry that includes transportation, sales, finance, and travel. The potential for the MICE business to help the economy is one of the reasons why it should be supported.

The meeting is the primary reason for travel, hotel proximity and transportation accessibility is critical. Alternatively, a scheduled shuttle service might be given at a low cost, or the cost could be factored into the planning stage or sponsored by a supplier as a favour.

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### **2.8 ANSWER FOR CHECK YOUR PROGRESS :**

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#### **Check Your Progress :**

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (c) | 2. (a) | 3. (a) | 4. (a) |
| 5. (d) | 6. (a) | 7. (d) | 8. (a) |

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### **2.9 GLOSSARY :**

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**Meetings :** A meeting is a gathering of people for the purpose of discussing or exchanging information. Others may regard meetings as a small-scale conference in specific places.

**Conference :** A formal meeting of people with a shared interest, typically one that takes place over several days.

**Convention :** A convention, in the sense of a meeting, is a gathering of individuals who meet at an arranged place and time in order to discuss or engage in some common interest. The most common conventions are based upon industry, profession, and fandom.

**Event :** A thing that happens or takes place, especially one of importance.

**Exhibition :** Refers to the events at which products and services are displayed.

**Incentive :** Leisure excursions that emphasise enjoyment and excitement and appear to have little or no link to business

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## **2.10 ASSIGNMENT :**

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1. What are the roles and responsibility of meeting planners ?
2. Enlist the different specialist need to be included in planning incentive activity.
3. Explain the consideration required to keep in mind while planning for venue of the event.
4. Why transportation or logistics deemed significant for the MICE ?

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## **2.11 ACTIVITIES :**

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1. Choose a particular conference and meeting held last year in Ahmedabad or any major city near you (choose atleast two different meeting) and attempt the following and describe their characteristics.
  - a. Can you find out the background information or history about the event ?
  - b. Who was the contact person ?
  - c. How long did it take to plan this event ?
  - d. How often does this event occur ?
  - e. Who decided where to have this event ?
  - f. Why attendees chose to attend this event ?
  - g. Were there any criteria on site selection ?
  - h. How many people attended this event ?
  - i. How long did this event last for ?
  - j. What kind of hotels did the attendees tend to stay in ?
  - k. What kind of venues or facilities did this event need ?

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## **2.12 CASE STUDY :**

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### **Targeting Market for MICE/Business Events Industry**

#### **Syamsu Rijal & Buntu Marannu Eppang**

The so called globalization has expanded business in all fields and it has triggered all sectors to conduct business events or Meeting, Incentive, Congress and Exhibitions. The number of MICE events is increasing rapidly because there are many new ideas to develop new business and introduce products to the worldwide community through MICE events. It has been claimed that the MICE

## **Travel Agency and Tour Operation**

industry is one of the fastest-growing segments of the global tourism industry (Dragičević et al, 2011).Indonesia has not yet become the main destination for MICE in Asia Pacific region. The International Congress and Convention Association (ICCA) noted that in 2012 Indonesia was in the eleventh rank in Asia Pacific and Middle East region in terms of number of international events, unlike neighbouring countries such as Singapore (sixth rank), Thailand (seventh rank) and Malaysia (ninth rank). The MICE Industry in the country has actually grown since 1980's. The number of visitors and delegates of MICE events has increased with average expenditure US\$ 210 per day for each participant of convention. In comparison with leisure tourism, the average expenditure of tourists is US\$ 400 for seven to twelve days. The expenditure of visitors for business tourism is twice or triples than visitors for leisure tourism.

The prospect of MICE industry is very promising because the Indonesian government has seriously supported the development of the industry. The government through the ministry of tourism and creative economy (previously ministry of culture and tourism) has established two directorates related to MICE industry including Directorate of Promotion for Conventions, Incentives, Events and Special Interest under the General Directorate of Tourism Marketing; and Directorate of Development for Special Interest, Conventions, Incentives and Exhibitions under the General Directorate of Tourism Destination Development. The government should have the courage through its tourism strategies in developing MICE industry so that the industry can also become a new resource to increase national income in tourism sector.

The direction of MICE development policy is pretty obvious based on a national meeting of coordination in tourism sector dated February 12, 2007 in Jakarta. The President of Indonesia provided an instruction that the development of tourism must focus on the development of MICE industry and this industry should be seriously handled. The industry should also become the important part of the tourism development and alternative ways for Indonesia to grab the market of tourism in international level.

One of the strategies to develop the MICE industry in Indonesia is to establish MICE destinations. The government through the ministry of tourism and creative economy has decided ten destinations of MICE in Indonesia and these destinations are divided into two categories: main destinations and potential destinations. The main destinations consist of several big cities in Indonesia including Jakarta, Yogyakarta, Surabaya, Bali and Batam. On the other hand the potential destinations consist of several big cities which are also the gate of entrance for visitors to Indonesia including Medan, Padang/Bukit Tinggi, Makassar, Manado and Bandung.

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### **2.13 FURTHER READING :**

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1. World Tourism Organization (UNWTO)World Tourism Organization (UNWTO) (2012), MICE Industry – An Asia–Pacific Perspective, UNWTO (Publisher)
2. Adele Ladkin & Julie Spiller (2000), The Meetings, Incentives, Conferences & Exhibitions Industry, Travel & Tourism Intelligence
3. Dr Rob Davidson (2018), Business Events, Routledge

**UNIT STRUCTURE**

- 3.0 Learning Objectives
- 3.1 Introduction
- 3.2 Human Resource in Travel Agency and Tour Operators
- 3.3 Hierarchy in Travel Agency and Tour Operators
- 3.4 Departments in Travel Agency and Tour Operators
- 3.5 Let Us Sum Up
- 3.6 Answer for Check Your Progress
- 3.7 Glossary
- 3.8 Assignment
- 3.9 Activities
- 3.10 Case Study
- 3.11 Further Reading

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**3.0 LEARNING OBJECTIVES :**

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After going through this chapter the learner will be able to know about :

- Human Resource in Travel Agency and Tour Operators
- Hierarchy of Travel Agency and Tour Operators
- Departments in Travel Agency and Tour Operators

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**3.1 INTRODUCTION :**

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A system that defines how particular tasks are directed in order to fulfil an organization's goals is known as an organisational structure. Rules, roles, and obligations are examples of these activities. The flow of information between levels inside the corporation is also determined by the organisational structure. The flow of information between levels inside the corporation is also determined by the organisational structure.

An organisational structure describes how specific operations are directed in order to meet a company's objectives. Each employee's task and how it fits into the wider system are defined by successful organisational structures. Decentralized systems provide practically every individual a high level of personal agency, whereas centralised structures have a defined chain of command.

An organisational structure explains how various tasks are distributed in order to achieve an organisation's goals. It describes an employee's job duties and obligations in a corporation. Employees with more authority will be promoted further up the organisational ladder. Furthermore, the more well-organized a structure is, the more efficiently a business may work. Functional structures, flatarchy structures, flat structure, matrix structures, and divisional structures are the common types of organisational structures.

## **Travel Agency and Tour Operation**

Small to medium-sized organisations commonly use a functional structure, sometimes known as a bureaucratic organisational structure. Organizations are split into specialised groups with defined functions and responsibilities in this structure. Employees are grouped by skill in this type of exercise, and there is a strong sense of teamwork. However, it lacks with communication with other departments and there may be an Unhealthy competition.

Between the executive and the entire team, a firm adopting this structure might only have one manager. It's a typical structure for a start-up or small business. It is a mix of a hierarchy and a flat organisation, they are called a Flatarchies.

A flat structure refers to a management system with only a few tiers. In a flat organisation, managers have a broad range of authority over a larger number of subordinates, and the chain of command is usually short. They can have more hierarchical structures and then build ad-hoc teams for flat structures, or they can have flat structures and form more structured ad-hoc teams.

A matrix organisation is one in which multiple lines of reporting managers are present. In other words we can say that the employees have more than one boss. It provides to the firm's flexibility and breaks up the monotony. Employees collaborate with colleagues from several departments who specialise in various functions. Employees who work for organisations that use a matrix structure have the opportunity to broaden their skill set because they may be assigned to a variety of projects that need varying degrees of experience or talents.

A functional organisation is a type of organisation that is broken into smaller groups based on specialised functional areas. A multitude of structures can be used to organise a company, each of which determines how the company operates and performs. An organisation is divided into smaller units by areas of speciality in a functional structure, which is a frequent configuration. These functional areas are referred to as "silos" by some.

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### **3.2 HUMAN RESOURCE IN TRAVEL AGENCY AND TOUR OPERATORS :**

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Human beings are sociable creatures that rarely live and work alone. Both consciously and unconsciously, we plan, create, and control our relationships. Relationships are the result of our actions and are heavily reliant on our ability to control them.

Human resources management (HRM) is a management function that focuses on hiring, motivating, and retaining employees in a company. It concentrates on the people who work in organisations. Designing management methods to ensure that human talent is utilised effectively and efficiently to achieve organisational goals is what human resource management is all about.

HRM is the people function that is concerned with the acquisition, development, compensation, integration, and maintenance of an organisation's staff in order to contribute to the achievement of the organization's goals. Personnel management is thus the process of planning, organising, directing, and controlling the execution of those operative functions.

The human resource department is one of the most important components in determining the success of a travel company. A travel company's travel agents will interact with customers on a daily basis. They inquire about pricing at hotels and resorts, as well as flight status. As a result, travel agencies require essential

items such as a computer with Internet access and other amenities. They require software and schedule calendars in order to keep and track information. The Human Resource Department's role is to make sure that the travel agents have all of the essential amenities.

In a travel company, motivating employees is equally critical to the company's success. Increasing the earnings of the organisation requires giving possibilities for travel agents to earn commission. Human resource development skills are required to reward employees depending on their performance. It is also necessary to speak with all members of the team on a daily basis in order to keep the lines of communication open.

Talent and skills connected to the travel sector, as well as job experience, are required during the hiring process. Only an experienced candidate with the ability to manage many people at once for the coordination of trip activities will be able to do the job successfully. A skilled HR manager can assess the significance of degrees and certificates in the travel and tourism business and select the most qualified candidate.

Human resources departments have a variety of duties and responsibilities, including safety, pay, communication, organisational culture development, organisational structure management, work–job design, employment relations, and career development. Depending on the company's structure, these functions vary substantially. Restaurants, major chain hotels, one–person–owned hotels, and family–owned hotels all have different duties in the tourist and hospitality business. The major function of the human resources department is to engage with all other departments within the firm.

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### **3.3 HIERARCHY IN TRAVEL AGENCY AND TOUR OPERATORS :**

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A travel/tour company's structure is largely determined by the size and nature of the business it handles. In general, division of labour and other factors are important in a small or medium–sized travel business or tour. Larger travel organisations, such as Thomas Cook, TCI, SITA, and others, have a more structured organisational structure.

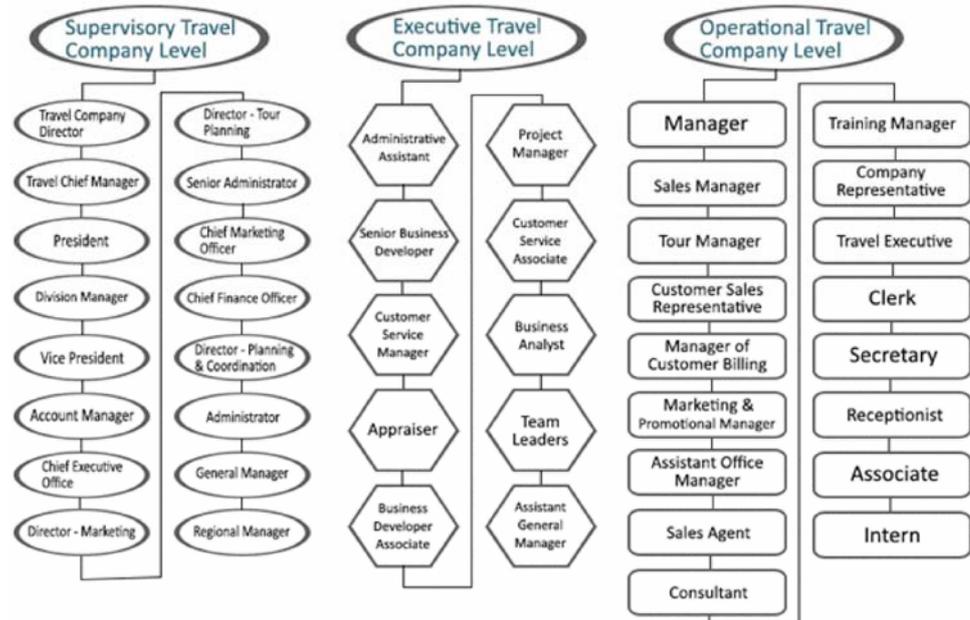
The different job profiles at this level of the hierarchy in Travel Company include these following :

- Travel Company Director
- Travel Chief Manager
- President
- Division Manager
- Vice President
- Account Manager
- Chief Executive Office
- Director – Marketing
- Director – Tour Planning
- Senior Administrator
- Chief Marketing Officer
- Chief Finance Officer

## Travel Agency and Tour Operation

- Director – Planning & Coordination
- Administrator
- General Manager
- Regional Manager

### HIERARCHY IN TRAVEL COMPANY



### 3.4 DEPARTMENTS IN TRAVEL AGENCY AND TOUR OPERATORS :

- 1. Operations Department :** Tour operations are the tourism industry's backbone. The major areas where these operations take place are inbound and outbound tours. As a trade manager, you must guarantee that your employees execute their tasks in a timely and professional manner. The inbound and outbound departments in tour operations are described below.
  - I. Outbound Department :** The outbound department is dedicated to providing services to exclusively those travellers who plan to fly internationally. It can be broken into the following functional sections to execute a range of jobs:

**Section of Documentation :** Travelling overseas necessitates the acquisition of a number of documents as well as the completion of a number of processes. As a result, this part concentrates on the formalities and documentation that are required for all sorts of international travel. The requirements and paperwork required for going overseas vary depending on the reason for the visit.

**Reservation Section :** This is another significant area that deals with reservations for visitors' surface transportation, flights, hotel accommodations, and other services. After receiving all reservation confirmations, this section generates vouchers for all services requested by visitors, which include all relevant information.

**Visa Section :** This section contains all of the information about the procedures for acquiring visas for various countries. The staff collects and

endorses passports on behalf of travellers, then delivers them to them well ahead of the scheduled departure date.

- II. Inbound Department :** A department that provides itineraries, product selection, arranges reservation, confirmation, and payment of travel services on behalf of its foreign clients, such as wholesalers or retail travel agents, is known as an inbound tour service provider. They combine elements such as accommodation, tours, transportation, and meals to create a completely included itinerary. Ground operators and destination management section are other terms for inbound tour department. As the local product specialist, this department job is to choose and agree to work with export-ready products. Wholesalers, direct sellers, travel agents, meeting planners, and incentive houses are among the international travel distributors who market these products. This department select products that will appeal to the customers to whom their international clients sell. When it comes to picking suitable products to work with, they are affected by the needs of their international partners.
- 2. Production & Marketing Department :** This department is responsible for negotiating prices and contract with hoteliers, partner agencies, Liaising and other related agencies for various functions like licensing and so on.
  - 3. Marketing and Publicity Department :** One of the primary functions of travel agencies and tour operators is to market and publicise tourist products in general, as well as tour packages and other services in particular. They promote and advertise a variety of travel services, including tour packages, hotel services, air services, car rental services, and travel insurance, among others.
  - 4. CSR (Corporate Social Responsibility) :** Until recently, CSR was viewed as a company's social responsibility to the society and communities in which it operates, but in today's market economy, it has also become an alternative way of positioning. As part of their corporate social responsibility, travel agencies and tour operators participate in social issues, community development, and public awareness. Destination sustainability is only achievable if all industry stakeholders take social responsibility seriously.
  - 5. Groups Department :** Responding to requests for bids from agencies based on catalogue/brochure, Cultural-Oenology, Archaeology, Agro-Tourism, Trekking, Bird Watching, Religion, art, Diving, Golf, Geology, and Special Interest Programs and Round Trips – Schools and universities can go on study tours are responsibilities of this department.
  - 6. Transfers Department :** Transfer department deals with reservations for groups and people, daily management of innovative vehicle fleet supply and schedules, and so on.
  - 7. Customer Service & Quality Control Department :** Escorting clients and educational participants during transfers, nights out, and hotel stays is a department's responsibility. Obtaining feedback from consumers during their stay and prior to departure, dealing with last-minute requests, and avoiding potential disappointment investigating and responding to customer complaints after they have left.

❑ **Check Your Progress :**

1. A system that defines how particular tasks are directed in order to fulfil an organization's goals is known as \_\_\_\_\_
  - a. Morality
  - b. Organisational structure
  - c. Hierarchy
  - d. All of these
2. A \_\_\_\_\_ structure refers to a management system with only a few tiers.
  - a. Flat
  - b. Functional
  - c. Flatarchies
  - d. None of the above
3. A \_\_\_\_\_ organisation is a type of organisation that is broken into smaller groups based on specialised functional areas.
  - a. Flatarchies
  - b. Functional
  - c. Flat
  - d. All of the above
4. Functional structure is also known as \_\_\_\_\_ organisational structure.
  - a. Flat
  - b. Flatarchies
  - c. Bureaucratic
  - d. None of these
5. Because of hybrid hierarchy and a flat organisation, they are called \_\_\_\_\_
  - a. Flatarchies
  - b. Functional
  - c. Flat
  - d. All of the above
6. A \_\_\_\_\_ organisation is one in which multiple lines of reporting managers are present.
  - a. Functional
  - b. Flat
  - c. Matrix
  - d. All of the above
7. This department is responsible for negotiating prices
  - a. Marketing and Publicity Department
  - b. CSR
  - c. Transfers Department
  - d. Production & Marketing Department
8. \_\_\_\_\_ department is responsible for social responsibility to the society and communities in which it operates:
  - a. Production & Marketing Department
  - b. CSR
  - c. Transfers Department
  - d. Groups department

---

**3.5 LET US SUM UP :**

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Regardless of the size of the enterprise, having an HR department is where it's at. An HR department's duty is to increase employee productivity all while protecting the corporation from workplace problems. Compensation and benefits, recruitment, termination, and staying current on any regulations that may affect the organisation and its employees are all examples of HR tasks.

Tourism has risen to prominence as a significant economic activity. It is a significant international industry and a key economic driver in the service sector of the twenty-first century. Human Resource Development (HRD) is at the heart of the movement for sustainable tourist development. It has been observed that the demand and supply pattern of human resources for the travel industry has changed through time, with the demand favouring highly educated and specialised employees.

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### **3.6 ANSWER FOR CHECK YOUR PROGRESS :**

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#### **Check Your Progress :**

- |        |        |        |        |
|--------|--------|--------|--------|
| 1. (b) | 2. (a) | 3. (b) | 4. (c) |
| 5. (a) | 6. (c) | 7. (d) | 8. (b) |

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### **3.7 GLOSSARY :**

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**Bureaucracy :** The term bureaucracy may refer both to a body of non-elected governing officials and to an administrative policy-making group. Historically, a bureaucracy was a government administration managed by departments staffed with non-elected officials.

**Corporate :** It is a legal entity that is separate and distinct from its owners. Under law, corporate possess many of the same rights and responsibilities as individuals.

**Departmentalisation :** the division of anything into divisions based on function.

**Hierarchy :** It is an arrangement of position in corporate that are represented as being "above", "below", or "at the same level as" one another.

**Silo :** A unit or department within which vertical communication and collaboration happens, with limited collaboration outside the unit.

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### **3.8 ASSIGNMENT :**

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1. Explain the term flatarchies in management system.
2. What is the role and importance of HRM department in the tourism industry ?
3. How is hierarchy followed in travel tourism industry ?
4. What is the working of customer service and quality control department in tourism sector ?

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### **3.9 ACTIVITIES :**

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1. Visit HR department of Thomas Cook, Navrangpura or other locality in your city and observe their activities and compare it with general HR practices.

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### **3.10 CASE STUDY :**

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#### **Carisa Travel**

Carisa Travel Group is a Scandinavian Destination Management Company (DMC) focused on providing tourism services for foreign customers. Carisa Travel Group offers services in the field of group and individual tourism in the Baltic and Scandinavian countries, and also provides assistance in obtaining visas and necessary documents, booking hotels, transfers, tickets, etc. Carisa Travel was founded in 2017. Turnover for the first year was over 1.1 million euro and it has increased every year rapidly until now. Currently Carisa Travel employs 8 people, include 3 senior managers. The main goal of the company is to help tourists to get best service in Baltic and Scandinavian countries as much as possible, and before that help to decide on the right choice of a holiday destination that will fit both the emotional and financial capabilities of the client. (Carisa Travel 2020).

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The mission of the company is to provide quality travel services to private and corporate clients, providing the required level of comfort in any country of the world, both on holiday and on business trips. The travel agency Carisa Travel provides the following travel services :

- Organisation of tours for individuals and groups
- Event tourism
- Corporate tourism
- Corporate holidays
- Airline tickets for flights of leading airlines / booking and sale
- Car rental, transport and excursion services
- Visa support for foreign citizens (Carisa Travel 2020)

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### **3.11 FURTHER READING :**

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1. Dr.Shiba Hamid (2014), Human Resource Development in Tourism, Bharati Publication
2. Tom Baum (2006), Human Resource Management For The Tourism, Hospitality And Leisure, Thomson Learning Publication
3. Dennis Nickson (2007), Human Resource Management for the Hospitality and Tourism Industries, Routledge Publication

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## **BLOCK SUMMARY**

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IATA accreditation, which is a worldwide recognised seal of approval, is a process. We are committed to working with all travel firms to improve client service and options. IATA assists airlines and passengers by streamlining operations, increasing passenger convenience, and reducing costs and increasing efficiency. To sell tickets on behalf of our members, travel agents must be IATA accredited.

To be a legitimate travel agency in India, the agency must be recognised by the Ministry of Tourism, through its Additional Director-General, for a period of five years. Before the appropriate Regional Director and a five-member TAAI team may award this honour, an inspection and preliminary report must be submitted and reviewed. After the initial period, you must file a request to have your recognition renewed or extended. The Travel Trade Division will verify all supplied documentation before proceeding with the renewal. The full procedure will take roughly 60 working days.

MICE tourism refers to large groups of people who are brought together for conferences, conventions, seminars, workshops, meetings, or exhibitions; these gatherings are normally planned well in advance. In recent years, MICE has been nicknamed the "meeting industry." MICE tourism has exploded in popularity around the world in the last ten years. Selling such items needs a tremendous deal of forethought and strategy. Learners have learnt accreditation process of travel agency and MICE management in depth in this block.

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**BLOCK ASSIGNMENT**

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**Short Question Answer**

1. What are the different levels of hierarchy in travel tourism industry ?
2. What is the meaning of meeting and its requirement to conduct ?
3. Differentiate between the terms conference and convention.
4. Explain the working of marketing and promotion department in travel agency.
5. How is IATA regulation the working of travel agency (if it is accredit from IATA) ?

### **Long Question Answer**

1. Describe the operation department in the travel agency with suitable example.
2. How is planning executed for the MICE activity ? Mention all the necessary requirements for smooth execution of the activity.
3. What are the guidelines for recognition as a travel agent from the Ministry of Tourism ?

**Travel Agency and  
Tour Operation**

❖ Enrolment No. :

1. How many hours did you need for studying the units ?

<b>Unit No.</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>No. of Hrs.</b>			

2. Please give your reactions to the following items based on your reading of the block :

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any other Comments

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