

TOUR OPERATION

LEVEL – II

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Module Title Tourism Products and Service Packages

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Contents

	Page
Acknowledgment.....	3
Acronym.....	4
Introduction to the Module.....	5
Unit one: Settings of tour package.....	6
1.1. Arranging Tour packages for Clients	7
1.2. Client requirements	7
1.3. Host enterprise requirements to tour packages	11
1.4. Purposes of tour packages	12
1.5. Tour package Product and Services	13
Self-check.....	14
Unit two: Sources of Tour package.....	18
2.1 Tour package information	19
2.2 Conducting Tour Package Research	20
2.3. Checking applicability of tourism products and services	23
2.4 Selecting tourism products for the package.....	26
Self-check.....	27
Unit three: Tour Package creation.....	30
3.1 Tour planning requirements.....	31
3.2 Tour Package Components	37
3.3. Duration for packages	38
3.4. Price points for tour packages.....	39
3.5. Tour package Terms and conditions	54
3.6. Drafting tour itinerary	60
3.7. Sales monitoring arrangements.....	70
3.8. Plan marketing activities for packages	73
self check.....	77
References.....	78

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Acronym

FIT	Foreign Independent Tour
DIT	Domestic Independent Tour
UNWTO	United Nations World Tourism Organization
CRS	Computer Reservation System
GDS	Global Distribution System
RMS	Reservation Management System

Introduction to the Module

In Tour operation Field of study; Source and use information on the Tourism and travel Industry

Helps to know and demonstrate source and use of current and emerging information on the tourism and travel industry. This includes industry required source and evaluate products and services for inclusion into packages for sale to individual and/or generic groups of clients.

This module is designed to meet the industry requirement under the Tour Operation occupational standard, particularly for the unit of competency: **Tourism Products and Service Packages**

This module covers the units:

- Settings of tour package
- Sources of tour package
- Package creation of products and services

Learning Objective of the Module:

- Describe the context for packages
- Source products and services for packages
- Package creation of products and service

Module Instruction

For effective use this modules trainees are expected to follow the following module instruction:

1. Read the information written in each unit
2. Accomplish the Self-checks at the end of each unit
3. Perform Operation Sheets which were provided at the end of units
4. Do the “LAP test” giver at the end of each unit and
5. Read the identified reference book for Examples and exercise

Unit one: Settings of tour package

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Arranging tour packages for Clients
- Client requirements
- Host enterprise requirements to tour package
- Purposes of tour packages
- Tour package Products and services

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Provide Client tour packages
- Identify Client requirements
- Host enterprise requirements to package
- Identify Purposes of tour packages
- Perform Tour Products and services

3.2. Arranging Tour packages for Clients

What is tour package?

Tour package is: a pre-planned, organized travel experience consisting of several and separate elements operated over a fixed itinerary and time frame. These programs may encompass a wide spectrum of interests, events and activities but must, by regulatory requirement, contain at least one night's confirmed accommodation any two of the following components:

- Air transportation
- Surface transportation
- Local transfers
- Car or recreation vehicle rental
- Sightseeing or guide services
- Accommodations and meals

The ever increasing rise in popularity in tourism packages demonstrates that it still is an attractive option for many clients in meeting their travel needs.

The range of package tours available has certainly become greater and more varied, with the notion that package tours only applying to cheap budget holidays not a true representation of the 'tourism package' industry.

Today, travel packages are aimed at:

- Different clients
- With different budgets
- Seeking different experiences
- For different durations
- In all corners of the world.
- Transfers and transport, for example air, sea, rail, car hire.
- Entrances to attractions for example wildlife parks, theme parks, national parks, museums
- Tourist guiding services & tours
- Tickets to entertainment, events or adventure activities
- Venue and equipment hire
- Meetings, events, functions and conferences.



3.3. Client requirements

Client requirement is Client Requirements means the materials and/or information which is required from the Client in order for the Company to provide the Services, as set out in the Order Form, or as subsequently becomes necessary from time to time in the course of providing the Services. These are:-

- Destination preferences
- Budget-allocating necessary budget for travel(i.e. Budget for ticketing, to buy packages etc.)
- Timing and duration issues- to travel tourists must have convenient time to visit certain area.
- Constraints and the need for integration with an associated tour and travel program
- Cultural and religious issues
- Product and service requirements
- Practicality-reality of the service availability
- Service styles and standards
- Length of stay--how many days the tourist stay at the intended place
- Identified focus for undertaking the trip

The standard information contained within these documents is as follows:

- a) Name, initial and title
- b) Dates of birth for passengers, in particular children
- c) Contact details for home, work and mobiles
- d) Special meal requests or seating preferences
- e) Frequent flyer information and club memberships
- f) Details of travel such as dates, places and products
- g) Payment details
- h) Wholesaler or Consolidator used.



It is important to understand the different types of clients that may be requiring tourism packages. Clients can be anyone, from anywhere. They can be of any age.

Clients may include:

- Domestic and international people
- Males and females

- People from different age groups
- Special interest groups
- Special needs clients
- Open groups, i.e. groups comprising an unpredictable mix of the general public
- Homogenous target market groups as defined by various demographic characteristics.
- Elderly.

Tour requirement General Questions

How many people will be travelling?

What type of holiday and/or destination do you have in mind?

When do you want to travel?

How long do you want to be away?

Where did you go on your last holiday?

What standard of accommodation are you looking for?

How much are you considering spending?

Are you a member of any frequent flyer programmes?

Rooming/cabin type required?

Preferred departure/return points?

Do you have any special requirements?

Is your passport valid?

What is the country of origin of your passport?

Flight preferences

Dept Date	Origi	Destination	Airlin	ETD/ETA	Costing

Land preferences

Arr Date	Dept Date	Accommodation/Ship/Tour	Room Type	No.	Costing

Checklist

Travel insurance	
Passport details	
Visa	
Schedule of fees	
Merchant fees	
foreign currency	

Follow-up

Date quote provided	
1. Call back date/time	
2. Call back/date/time	

3.4. Host enterprise requirements to tour packages

As part of the packaging process you should assess features and benefits, costs, profit potential, accessibility and availability of potential products and destinations to not only meet your client's expectations but also fit your business objectives and style.

Whilst each organisation will aim to meet the needs of as wide a clientele base as possible, in reality they will focus on a niche market or clients with similar needs.

This is often done, not only to ensure your product knowledge is focused in one area, but also to establish your organisation as an expert in a certain market segment.

Review host enterprise requirements

Besides the client, it is essential to consider your business when creating packages. Host enterprise requirements that need to be considered when creating a packaged tourism product include, but not limited to:

Host enterprise requirements may be related to:

- Business objectives
- Key market segments or clients
- Types and style of tourism activities and products current offered
- Types of products or services that could be combined with current activities and services
- How the packaging could be used to improve service
- Enhancing and expanding product range including product initiatives that conform to business plan and marketing objectives
- Movement into new target markets
- Reputation and image
- Business agreements, including franchise and other contractual arrangements
- Meeting competition

- Involvement of colleagues in determining requirements
- Potential increase in business and profitability.

3.5. Purposes of tour packages

Tourism operators are regularly asked to quote on individual touring arrangements and are required to meet the special needs and requests of their client. In many instances, the client is asking for professional advice about destinations and the products within them. Often, the client has not visited the destination and relies on the tourism operators to source and package appropriate destinations and packages.

The purpose of packages may be focused towards one or more of the following:

- Specific age holidays, packages and tours
- General interest
- Conferences
- Social events
- Holidays and recreation
- Tour programs
- Incentives
- Series tours
- Eco-tours
- Education
- Experience
- The environment

The main attraction of package tours for clients is the convenience of having the opportunity to participate in activities or visit locations without having to spend time organising the components. Recently, the tourism industry has responded positively with ever expanding needs for new and variety of tour packages demanded by clients, in all corners of the world.

This section will explore the different types of packages that may be offered by tourism organisations to potential clients.

3.6. Tour package Product and Services

a. *Independent Packages*

An independent tour is prepared to meet the needs of an individual client's specification. In this tour, a traveller is free and independent to select any component for his journey.

An independent holiday is where the clients travel at their own pace. There is no set itinerary, the decisions about where and when to go is left to the individual.

The travel agency or tour operator puts the individual tour components together by working directly with suppliers including, but not limited to airlines, hotels, cruise lines, transport operators and others.

The suppliers will quote a net figure to the travel agency. They in turn, will mark up the price, to cover time, expenses and profit margins.

In independent tour, the travel agent will quote the rack rate for individual

Thus, an *independent tour* may be a package of air and non- air transport arrangements specifically tailored to the individual client's preferences and a tour brochure.



Generally, this type of tours are known as 'Foreign Independent Tours' (FITs) and '*Domestic Independent Tours*' (DITs) as per the location of the destination involved in the package.

b. *Inclusive Packages*

In this type of tour, the tour components are purchased, combined and sold as a package at an inclusive price to clients by a tour operator is known as an inclusive tour.

It is an advertised tour package which includes travel and ground arrangements at group rates.

This makes the inclusive tour less expensive than the independent tour. In fact, in this case, the tour operator has to guarantee that those seats, rooms, etc. will be sold in order to get the group rate. In the event where spaces are not sold, the tour operator will absorb the total loss. Thus, an inclusive tour is a prepaid and well planned tour covering all components including services at special rates, requiring that all tour members must travel on the same flight round trip and must travel together during entire course of the tour.

Page 13 of 79	Author/Copyright Ministry of Labor and	Tourism Products and Service Packages	Version -1
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Today, a variety of inclusive tours are offered by tour operators such as inclusive tour excursion and inclusive tour by charter, to name a couple of types.

There are many companies who offer modular packages with options that can be combined to make up a holiday. The options available include:

- Car hire
- Accommodation and accommodation passes
- Half day and full day city sightseeing tours
- Airport/hotel transfers
- Short duration coach tours (usually 3-7 days).

c. Escorted Packages

This type of tour is also known as a ‘Conducted Tour’. A tour escort is provided from the starting point back to the point of return to accompany the tour members. This type of tour is generally arranged by ground operators on behalf of main tour operator.

This tour normally involves a fully escorted coach tour with set departure dates and itinerary taking in all the major tourist destinations. All passengers travel together on the same coach and stay at the same hotels. Some meals may be included.

There is choice of budget-priced tours which use three-to-four-star hotels located in outlying suburbs or premium-range tours which offer four-to-five-star hotels in the best central locations.

Normally first time travellers prefer these tours whilst well-travelled people are quite confident in doing their own thing.

d. Business Packages: The nature of business tour is significantly different in many ways from that of other tour packages. As identified in the name, the audience, purpose and focus of the tour will differ to that of recreational and holiday tours. That said, the pleasure element cannot be separated from the business tours.

Page 14 of 79	Author/Copyright Ministry of Labor and	Tourism Products and Service Packages	Version -1
			December, 2022

Because business persons travel for a variety of reasons, destinations are not chosen by them but predetermined and more often attractions are added to make business tours more effective and attractive. This is not only aimed at the core traveller, being the business person, but also aims to meeting the needs of their non-business travel companions.

Today, two forms of business tours have received a special attention from the tour operators. These are:

1. Conference Package
2. Special Events Package.

Business tours have become a very profitable venture for many tour operators, mainly for the fact that company budgets are generally greater than those of private travellers and that guaranteed numbers attending these tours are higher than for leisure tours.

Business packages include a wide range of activities such as venues for business meetings and conferences, accommodation, transportation, secretarial services, conference equipment's, local sightseeing and other facilities.

e. Incentive Packages

Incentive tours, one of the largest and growing segments in the tour package industry, are offered by a business organisation to its employees and their spouses as reward for some special endeavour or as a spur to achievement.

Tourism operators, such as Inbound Tour Operators regularly create one off special itineraries for incentive groups. These would be clients who may have 'won' their holiday from their employer because they have reached their sales target. These packages are almost always complex and include items such as formal promotional dinners, the use of the companies livery on coaches and business presentations.

These packages have been found to have greater motivating power than cash reward and other incentives given to the employees.

Page 15 of 79	Author/Copyright Ministry of Labor and	Tourism Products and Service Packages	Version -1
			December, 2022

f. Special interest Packages

Special interest tour is another form of tour package, which is also gaining weight in the tour operator industry.

Inbound Tour Operators and Outbound Tour Operators regularly design on-off itineraries. Special interest groups generally share a common interest and may want to book specialist products or services.

These tours are designed and arranged for those interested in eco-tourism, farm tourism, ethnic studies, safaris, skiing, beaches, adventures, deserts, cultural events, and pilgrimage etc.

Page 16 of 79	Author/Copyright Ministry of Labor and	Tourism Products and Service Packages	Version -1
			December, 2022

Self-Check 1

Written Test

Instructions: Perform the following tasks. Write your answers in the answer sheet provided:

- Which of the following is a tourism industry organization? (1 points)
A. Airlines B. Accommodation C. Tour operators D. Local, regional and National information services E. All
- _____ Organise meetings, conferences and major events by booking flights, accommodation, tours and the meeting facilities for their Client and their guests. (1 points)
A. Meeting and events B. Accommodation C. Tour operator D. Airlines
- Among the following one is not destination related information. A. Safety B. Currency
C. Travel guides D. Time zones E. None
- Which of the following is local community information? A. Local attractions B. Shopping and retail areas C. Events and festivals D. Eateries and Supermarkets E. Local transport and Activities F. All
- Tour information includes: A. Company name, name of tour and duration B. Departure date, time and location address C. End date, time and location address D. Type of accommodation E. All
- _____ are the main reason for choosing a specific destination for tourist. A. Tour operators B. Attractions C. Local transport D. Accommodation E. None
- Information that needs to be sought in relation to accommodation includes: A. room type B. Room tariff C. Blocked dates D. Check in and out time E. All
- Which of the following is serve as a source of tourism products and services information?
A. Travel guide B. Maps C. The internet, travel websites, travel advisor, blogs
D. Hotel and accommodation guides and indexes E. All

Unit two: Sources of Tour package

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Tour package information
- Conducting Tour package research
- Check applicability of tourism products and services
- Selecting products and services for the package

This guide will also assist you to attain the learning outcomes stated in the cover page.

Specifically, upon completion of this learning guide, you will be able to:

- Provide Tour package information
- Conduct Tour package research
- Check applicability of tourism products and services
- Select products and services for the package

2.1 Tour package information

There are endless sources of product information that can be collected, analysed and used by a travel and tourism organisation for the benefit of the organisation itself or to assist clients with potential travel plans. The following are sources of package information:

Tourism industry organisations

When compiling product information for your 'product knowledge' data bases, it is essential to identify the different types of businesses in which your potential clients may use.

Whilst gathering information from all tourism operators is impossible and impractical, identifying commonly used tourism providers enables you to gather information relating to the products and services they provide.

In addition it enables you to ensure that the information that you have gathered is accurate and up to date. Depending on the types of tourism offerings provided by your organisation possible businesses in which you may seek product information from includes, but not limited to:

- Airlines
- Other travel suppliers
- Suppliers
- Accommodation
- Attractions and theme parks
- Tour operators
- Inbound Tour Wholesaler
- Outbound Tour Wholesale
- Retail Travel Agents
- Local, regional and National information services
- Meetings and Events
- Corporate Agents

- Ministries of Tourism
- Tourism boards
- Industry authorities
- Industry associations.
- International destination information

2.2 Conducting Tour Package Research

The aim of the research process is to collect accurate and relevant information to meet the needs of the client and any requests they have made.

This section will explore the different ways in which information may be gathered. It will focus on:

- The need to identify the research points
- Collecting primary and secondary data
- Recollection of personal observations
- Accessing internal sources of information
- Gathering feedback from customers
- Accessing external sources of information
- Establishing industry networks.

Each of these different channels of information have their own benefits and is vital in building a solid base of information, that whilst can meet the needs of current individual requests for tourism packages, can certainly be used in future enquiries.

Defining the research points

The first step is to try to identify exactly where the focus of research and information collection should be concentrated on.

As seen earlier in this manual, there are a number of ways in which client needs can be identified. Naturally the use of a quotation planner is the most advantageous tool in identifying all the needs clients may have. By identifying the research points, the process of undertaking research will be able to be performed in a methodical and efficient manner.

Collect primary and secondary data

When collecting information for inclusion in tourism packages, in essence you are collecting data.

Data is a piece of information that can be collected and interpreted by an organisation for their use.

Page 20 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

Data that is specifically aimed to help an organisation is the most desirable; it is not always possible for an organisation to collect its own information.

So what types of data can be collected and used by a tourism organisation?

The two most common sources of data are:

- Primary data – collected for a specific purpose
- Secondary data – generic information.

Primary data

Primary research data is newly generated information that you yourself or the organisation create, as opposed to the existing secondary data. The need for primary research data commonly arises because of gaps in the information available through the secondary research data.

The most common forms of primary market research for tourism businesses include:

- Customer surveys
- In-house questionnaires and feedback sheets
- Focus groups
- Electronic responses on the website
- Observation.

Primary data is considered to be either *qualitative* or *quantitative* research.

Secondary data

Secondary data is information that already exists. It just needs to be found. A business can generate secondary research data from its sales figures, statistics, databases and from other peak bodies who have already undertaken primary research and published the results of that research

Types of secondary data

Whilst the list of secondary data is endless, it may include:

- Domestic and international visitor statistics on departures, expenditure, visitor nights
- Visitor profiles including tourist origins, volume, purpose of trip, seasonality, accommodation, transport and expenditure

- Industry and government research reports on industry trends, current development activity and forecasts of future developments.
- Client feedback
- Feasibility studies for new developments or products
- Responses to surveys, questionnaires on preferences, needs and current tourist activities.

Sources of secondary data

- Government statistics
- Libraries
- Internet
- Government websites
- Private market research firms
- Trade, professional and business associations
- Newspapers and magazines
- Business and industry-specific journals and periodicals

Recollection of personal observations and experiences

Naturally one of the best types of information that can be used by a sales person is that which has been personally collected or experienced. The first reference point when collecting information for a client is to recollect personal observations and experiences

This includes:

- Previous bookings
- Discussions had with previous clients
- Familiarization tours previously conducted
- Personal notes
- Report and findings
- Log books
- Records of interviews
- Notes of first-hand meetings.

2.3. Checking applicability of tourism products and services

The products and services identified must fit into the image of the organisation.

If the organisation is seen as a leader in 'luxury' experiences it should not focus on travel experiences in which they have limited experience, such as budget accommodation and trips aimed at the student market.

In addition, suppliers may offer items may generate high profit margins, but if little is known about them, not only may it put your reputation in danger, it may actually put the safety and security of clients at risk, let alone your clients having a negative experience

Verifying reputation of products and services,

This includes assessment of client perceptions in relation to potential carriers, suppliers, destinations, products and services

It is essential that any supplier selected has been verified as a reputable supplier of specific products and services.

It is important to check any registration or licensing obligations required by suppliers in the operation of different products and services.

Identifying features and benefits,

This includes comparisons with similar packages offered by competitors.

In any competitive market, clients may choose to look at different travel companies when seeking quotations for a tourism package.

Even if they do not look elsewhere they will certainly feel disappointed if what they were offered is not a competitive and attractive value for money offer in comparison in what your competition is providing.

Even as a tool for developing a competitive advantage over your competition, it is important to regularly check your offerings against that provided by competition, be it in your local region, online or directly offered by the supplier themselves.

Checking match between products/services

Checking identified objectives and client demand/requests for the package

Page 23 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
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Whilst it may appear obvious, but it is important to constantly look back at the original demands of the client and the organisation and ensure the items included in packages reflect these needs.

Determining destination characteristics

It is important to carefully look at the characteristics and features of the destination in question including but not limited to:

- Accessibility and transport
- Accommodation and attractions
- Facilities
- Seasonal influences
- Degree of infrastructure
- Government regulations
- Special events
- Supporting venues
- Human resource potential to deliver required services
- Promotional potential
- Existing promotional material
- Weather
- Retail outlets
- Medical services
- Banking services
- Ancillary support services
- Legal considerations.

Understand local laws and regulations

It is essential that any activities to be promoted take into consideration local rules and regulations.

These laws may relate to:

- Entry requirements
- Insurance
- Age related issues - drinking of alcohol, renting cars etc.

- Prohibited areas.

Identifying cultural considerations

When offering involves visiting a place where clients from different cultural groups live, these cultural differences need to be taken into consideration.

It is important to recognize any special customs and codes of behavior that may apply.

Meeting special needs

It is essential that any products and services selected as part of a tour can accommodate any special needs or requirements of clients.

Special needs may focus on physical disabilities or other special needs.

Physical disabilities

- Mobility restrictions
- Sight impairment
- Hearing impairment.

Dietary requirements

For a variety of reasons, people have certain foods they must avoid including:

- Allergies - dairy products, peanuts are the most common
- Celiac menus - gluten free products - no wheat, barley or grains
- Vegetarian - no meat products (some vegetarians will eat white meat or seafood)
- Lacto vegetarian - no meat and no dairy
- Vegan - no meat, eggs, dairy or any ingredients derived from an animal
- Diabetic - avoid refined carbohydrates, sugar, fats and salt.

Infants and babies

When promotion products and services to clients with infants and babies, it is essential that facilities such as strollers for rent, baby care centers, a place to prepare formula and warm bottles and diaper changing facilities are available or accessible.

2.4 Selecting tourism products for the package

This section explores some of the activities associated with selecting products and services.

The role of identifying and selecting suppliers of products and services will be explained in more detail.

- Identify list of final products and services
- Identify suitable suppliers
- Aligning with identified objectives
- Complying with client requirements
- Ensuring availability of products and services
- Negotiating agreements with suppliers, carriers and providers
- Organise supply of components and, where required, confirm agreements in writing.
- Ensure specific inclusion descriptions and cancellation policies are confirmed with the supplier
- Check and incorporate legal requirements for offering and promoting packages
- Present pricing structures to clearly indicate all inclusions and exclusions and add-ons
- Finalise and confirm details in writing.
- Ensuring value and potential saleability.

Types of suppliers

To date in this section, we have explored the different types of travel related products and services that may be sought for inclusion in a quotation.

It is important to remember, that these products and services may be booked directly or supplied through a number of suppliers.

These include:

- Principals / suppliers- Provide services to the wholesalers, inbound tour operators and the travel industry

Page 26 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

- Car rentals
- Wholesalers / tour operator - Packages different supplier services such as airfares, accommodation, coach tours, days tours, cruises, transfers, rail tours and rail travel, adventure tours and many other services
- Inbound tour operators - Provide travel solutions to overseas wholesalers on a specific destinations
- Airlines, coach companies and rail - Provides international, interstate and intra travel services in most destinations
- Retail agents - Provide and sell travel packages, principal and supplier services, airline, coach and rail services to the public
- Ticket consolidators
- State and regional tourism authorities
- Conference, event and incentive companies.
- Transportations , attractions, accommodations
- Catering, Entertainment & including recreational, arts, sports, cultural, music, festivals, and special events

Consider existing agreements & preferred suppliers

Your selection of suitable suppliers will to some extent be influenced by any existing commercial agreements, commonly termed preferred agreements that may be in place in the organisation where you are employed.

There are many suppliers out there, and sometimes it is difficult to know who to use and trust. Companies often have ‘preferred’ arrangements with suppliers. You will need to ask your manager for the list of ‘preferred’.

A preferred agreement is a formal commercial agreement between a supplier and a travel agent which facilitates the payment of extra commission and other benefits by the supplier to the travel agent in exchange for the travel agents agreement to sell the suppliers product.

Identify role of suppliers

Page 27 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

When taking into account suppliers, it is important to understand the role they perform in providing products and services to clients. This will help determine their suitability in providing products and service.

Supplier roles include:

- Selling destinations you need
- Selling transport you require – air, car, rail, coach, cruise etc.
- Selling accommodation style you require – hotel, motel, apartment, resort etc.
- Selling the appropriate level of comfort and inclusions your client needs
- Having competitive prices and offering value for money for your client
- Having a reputation for reliability, efficiency and easy payment
- Provide quality documentation
- Employ helpful and knowledgeable staff
- Pay competitive agent commission
- Have local representation.

Activities in identifying appropriate suppliers

As seen above, many organisations will have preferred suppliers which they will use for the majority of their travel needs, however at times new suppliers will need to be selected or current suppliers reviewed.

Therefore activities associated with identifying suitable suppliers include:

- Identifying client requirements in terms of products and services
- Collecting information as to whom provides these products and services
- Identifying suitable suppliers
- Assessing alternatives against the identified requirements for the quotation
- Evaluating the alternatives against the given criteria for the quotation
- Accommodating host enterprise requirements in relation to the use of preferred suppliers, providers and carriers
- Aligning with established client preferences and individual client market research data/feedback

- Determine and select suppliers, providers and carriers to be provided as options to the client.

Self-Check 2	Written Test
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Instructions: Perform the following tasks. Write your answers in the answer sheet provided:

- Which of the following is an activity associated with selecting appropriate products and services for inclusion in packages?(1 points)
 - Identify list of final products and services
 - Identify suitable suppliers
 - Aligning with identified objectives
 - Negotiating agreements with suppliers, carriers and providers
 - All
- One of the following is not types of supplies? (1 points)
 - Principals / suppliers
 - Wholesalers / tour operator
 - Airlines, coach companies and rail
 - Conference, event and incentive companies.
 - None
- Which of the following is not the role of suppliers? (1 points)
 - Selling destinations you need
 - Selling transport you require
 - refusing to deal with selling accommodation style you requires
 - Having a reputation for reliability, efficiency and easy payment
- Activities associated with identifying suitable suppliers include: (1 points)
 - Identifying client requirements in terms of products and services
 - Collecting information as to whom provides these products and services
 - Identifying suitable suppliers
 - Assessing alternatives against the identified requirements for the quotation
 - E. All

Unit three: Tour Package creation

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Tour planning requirements
- Tour package Components.
- Duration for tour packages
- Price points for tour packages
- Tour Terms and conditions
- Draft itinerary
- Sales monitoring arrangements
- Tour Marketing activities

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Identify Tour Pre-planning requirements
- Determine Tour package Components.
- Determine Duration for tour packages
- Calculate Price points for tour packages
- Develop Tour Terms and conditions
- Prepare Draft itinerary
- Prepare Sales monitoring arrangements
- Plan Tour Marketing activities

3.1 Tour planning requirements

Stages of planning a Tour Package:

Thus, the process of developing and planning a tour package and thereby satisfying the tourists can be conceived as a series of stages starting with market research and lasting with actual operation of a tour. Stages of development:

1. Research – Destination The main object of tour packaging research is to analyze and understand the key elements associated with a particular tourist market and destination. Generally, many tour operators find that it is very difficult to arrange all things for all people. Conceptually, a tour operator undertakes the following steps before entering the tourism market as such:

Identification of economic, political, social and climatic factors that influence the future development of package tours;

Basically, the positive progressive approach to be adopted by tour operators is based upon researching both tour ingredients and the market i.e. the clientele, competition and tourist resources at the destination area.

Therefore, it is certainly not to suggest that one should not enter the tour market but rather to stress the importance of undertaking marketing research prior to investing amount and time on a tour that the study would have shown to be unprofitable or unpromising.

2. Tour Itinerary Development: Once the study as regards the destination and the target market has been conducted, the second phase in the developmental process involves working out an effective tour itinerary. Generally, the new tour operators undertake ‘familiarization tour’ and after successful operation, they develop an itinerary. The itinerary is a summarized tour programme, which is designed to identify the origin points, destinations, en route points, accommodation, transportation, sightseeing activities and other services.

3. Negotiations with Tourism

Suppliers/Vendors: Once the

itinerary is finalized, the next step is to negotiate with prospective vendors. The tour planner works with many vendors depending upon the nature and size of the tour. The major ones are airlines, lodging companies, transport operators, car rentals, ground operators, sightseeing vendors and so forth. A tour planner has an option to negotiate with air carrier directly or through a travel agency.

4. Costing of a Package Tour: The concept of 'tour cost' is focal to understanding the connotation and practices of tour management in determining the monetary value of a tour package. In simple terms, 'cost' means the total expenses incurred to change the shape of individual ingredients into a tour package. As a general rule, the elements that make up the total cost of a tour package can be broken into various categories as, air travel cost, accommodation cost, local arrangement cost, payroll cost, research cost, marketing cost and other expenses.

5. Tour Pricing: After costing of a package tour, tour planner determines exchange rates, estimates future selling prices and finalizes tour prices. The tour planner has to finalize price structure some ten months or more before the departure of a tour.

herefore, apart from the usual hazards of determining the tour price in advance, tour operators must evaluate the financial risks such as foreign exchange, for payment of airlines, hotels, and other destination agencies.

The tour price is not solely determined in terms of the cost but also on the basis of expected goals such as Rate of return, Market share (both domestic and international) and Price competitiveness of the tour package.

Tour pricing is a very complex decision especially in view of the facts like the degree and intensity of linkages, the nature of tour ingredients, competitive tourism market, and problems involved in tourist demand.

6. Administrative Staff: Since the tour operation business is seasonal in nature, it requires extra personnel to meet the increasing needs. Tour operators are usually clear about what they want while selecting administrative staff to perform the extra activities, may be at a particular destination or at a resort. Tour operators recruit persons with friendly and sociable personalities, organizational skills, good humour, a sense of ethics, the ability to make decisions and a love for people, places and travel.

7. Marketing of a Tour

Package: The tour operators strategic

position between the various vendors encompassing airlines, transport operators, hotels, etc. and the ability to combine the various elements of travel industry into relatively affordable and standardized tour package, have emerged as the key manipulators of tourism industry.

They play a pivotal role in determining tourist flows to a particular destination, in both developed and developing nations. This part is explained in detailed in subsequent units.

8. Developing a Tour Marketing Plan: Tour marketing plan is centred on organizational objectives. It is important to have a clear understanding of what the tour operator desires to achieve through marketing plan.

In fact, a tour company needs to understand both its product and its market before developing a marketing plan. For many tour companies, budget is the first step in the process of developing a tour marketing plan. It is normally based on a certain percentage of projected expenditures for the next year.

9. Marketing Inbound and Outbound Tours: Generally, the international tour marketing is relatively more complex and difficult than domestic tour marketing. International tour market is composed mainly of tours organized and planned in another country and operated in other countries.

As an inbound tour operator handles these tours in different countries/destinations. Interestingly, obtaining contracts to handle inbound tours is quite different from handling outbound tours. For outbound tours, the tour operator usually is required to approach each and every tour member to sell its product (package), directly or through travel agencies. In many cases a tour operator undertakes substantial contracting with inbound tour operators or ground operators to provide services as prescribed in the tour programme.

However, for marketing inbound tours, a tour operator procures lists of those tour companies and travel agencies which are interested in travel business from the destinations served by the inbound tour operators.

10. Tour Operator's Brochures-developing promotional tool: The tour operator's vital marketing tool is its tour brochure which contains comprehensive information to persuade and motivate potential holiday makers to purchase tourist products/services.

Middleton (1988) demonstrates that tour marketing relies on brochures to a much greater extent than other forms of consumer marketing.

It presents the product ‘stock’ at the retail level but, at the time of sale, the total tourism product is no more than an idea – the brochure establishes expectation of quality, value for money, product image and status. Holloway (1992) lists the information that should be included in a tour operator’s brochure.

- Name of tour company responsible for tour;
 - Transport mode(s) – carrier name, aircraft type and use of scheduled or charter services;
 - Details of destinations, itinerary and travel time;
 - Duration of tour – nights and days;
 - Description of destinations;
 - Type of accommodation and meals;
 - Services of ground operators;
 - Price;
-
- Extra charges clearly indicated;
 - Details of special arrangements and facilities;
 - Full booking conditions including cancellation terms;
 - Any optional or compulsory insurance cover;
 - Documentation required for travel to the destinations featured; and
 - Any health hazards or inoculation recommended.

Thus, the tour brochure consists of several sections and sub-sections. The brochure cover shows the title, date, theme, tour code, and name of the tour company.

The inside pages/flaps highlight the tour features, a brief itinerary, modes of transportation, types of accommodation, payments, unique appeal of destination(s), payment conditions, insurance, currency, documents, internet address, website(s) and also contains a self-mail flag/page on which potential tourists may fill in tour registration information in order to sign up for the tour.

In actual practice, tour companies employ the following promotional techniques to create awareness and building brand image of tour packages:

- Advertising;

- Direct Mail;
- Sales Promotion;
- Public Relations;
- Personal Selling;
- Literature;
- Sponsorship;
- Exhibitions, Conferences and Debates etc.
- Travel Marts;
- Films and Video;
- Familiarization Tours;

11. Operation and Execution of a Tour: The success of a tour operator depends on how efficiently it operates a tour. This phase is very crucial and has capacity to convert promises into realities. So utmost care has to be taken to realize whatever had been promised in the package tour to offer to tourists. An experienced tour operator develops tour manual for tour manager, tour escort, tour guide, Destination Company and for other services to provide an understanding of how the tour company wants to operate and handle tour. A tour manual provides procedures and policies to conduct tours in more professional manner and the way in which procedures should be implemented as the tour progresses from beginning to end.

12. Post Tour Management: This phase is relatively more crucial, which involves preparation of several reports and their evaluation. In fact, it reveals the success of the tour, where tour planner should go for comparative analysis of the perceived goals, actual achievement and assessing the tourist satisfaction level, the financial gains, and the effectiveness of the tour packages. Many tour companies have a policy to obtain tour manager's perceptions regarding what tour participants (members) liked the most about the trip and what they disliked.

Detailed vendor reports are often required to evaluate the services rendered and products provided by these vendors. These reports are evaluated and reviewed to identify real or potential problems. Normally, each evaluation response is statistically analysed to calculate a mean average in determining an overall tour member's opinion. Other statistical tools may, however, be used to obtain more accurate results. These findings give an idea of how the next tour is to be planned, designed and marketed.

Seasonal influences

Dates of one-off events

Client demand

Position of other packages in terms of product life-cycle

Activities being undertaken by the competition

Page 36 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

3.2 Tour Package Components

Refers to the products and services for individual packages and will relate:

Inclusion

Exclusions

Add-ons

Tour package components,

Generally, a tour package may include a wide variety of components, and vary according to a key element or theme such components may categories as:

- Tour/Travel
- Transportation origin point to destination point and vice versa
- Ground Services
- Accommodations en route or at the destination (hotel, motel, bed and breakfast, etc.)
- Meals at or en route to the destination (bed and breakfast plan,
- Activities or entertainment,
- Mementoes or souvenirs (gifts of local arts or crafts).
- Related services (interpreters, translators, guides, instructors, equipment rental etc.)
- Extra and/or creative elements (photo service and film delivery,)

Page 37 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

3.3. Duration for packages

The primary factor when determining the duration of packages will always be based on the needs of the client.

Duration of a packages will be influenced by a number of factors, most of which are out of the control of the client. They will normally be based on suppliers of tourism products and services. This section will explore some of the factors that will affect the duration of a package.

Determine duration of packages

Once you have taken into account the influencing factors as mentioned above, it is now time to determine the final duration of packages.

This process will include:

- Formulating packages to accommodate differing timelines in order to meet identified client need
- Checking availability of products and services for specific dates
- Adding and removing inclusions to enable attainment of required duration while still delivering value and enabling saleability of package.
- Providing alternate dates, suppliers or routes to best meet
- Complying with agreed arrangements with suppliers, providers and carriers.
- Accommodate differing timelines

Page 38 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

3.4. Price points for tour packages

Now that the final components have been decided for a package, it is now time to calculate the costing that will accompany the quotation for the client.

The costs to be calculated will involve a number of factors.

Naturally the cost provided to the travel company will differ to that to be included in a proposal as suitable mark ups will be determined in line with organisational profit expectations.

This section will explore in more detail the costing considerations that must be taken into account when determining final costs that will be presented to the client in a quotation.

Calculating costs of products and services

Whilst some of these activities will be explored in more detail throughout this section, the main activities associated with calculating costs of products and services should include:

- Ensuring comprehensiveness and accuracy of all information provided
- Taking into account price point considerations
- Negotiating costs with suppliers, providers and carriers to obtain optimal prices
- Identifying direct costs
- Calculating commissions that apply to the quotation
- Calculating mark-up net costs
- Identify organisational fees
- Applying host enterprise procedures to determine selling prices
- Including all relevant and legitimate taxes, fees and other charges to provide a quotation that has no hidden charges
- Incorporating currency conversions into the statement of prices, where applicable
- Factoring allowable discounts

Page 39 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

- Considering and including package deals, where appropriate
- Taking into account seasonal and other premiums that may apply to bookings
- Estimations based on current year prices.

Costing price point considerations

Whilst it is essential to determine the actual costs for a package, including suitable profit margins, the price must still be in line competitively with what is being offered in the marketplace.

When calculating price points considerations to be taken into account include:

- Analysing prices offered by competition
- Determining target market affordability
- Ensuring required profit to host enterprise
- Identifying what the market will bear
- Developing price schedules, including special rates and discounts
- Determining host enterprise costs pertaining to package development and delivery
- Factoring in commissions.

Negotiate costs with suppliers

In most instances travel agents are not required to negotiate costs with suppliers. Usually this is done by the wholesaler, tour operator or General Sales Agent and by specific people within the organisation, commonly termed product buyers.

There may however be occasions where in order to secure a particular product or service for your client you may be required to go outside of the recognised channels and deal direct with the principal e.g. for a group, charter, conference, special interest or some kind of unique product/service not offered by a local supplier or if offered, where the pricing is prohibitive.

In this situation the following may be negotiable.

- The gross price
- The commission

Page 40 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

- The Nett price
- The currency
- The method of payment
- The deposit amount and deadline
- The final payment deadline
- The cancellation and/or amendment fees
- The allocation of seats / rooms / cabins
- The release back date for unsold allocations
- The deadline for final passenger names/numbers.



Bear in mind that while you may be able to negotiate a better price you will also be required to do a substantial amount of extra work in relation to the ongoing monitoring and management of product and services sourced in this way. In many instances, particularly with a group, there is financial risk to the travel agent and substantial deposits should be collected from the client before entering into arrangements where you are dealing direct with the principal.

Tour direct costs

Direct costs include component costs for all tourism products and services included in the package. This may include such things as:

- Accommodation
- Meals
- Transfers
- Amenities/entrance fees – for National Parks, attractions, entertainment, events etc.
- Equipment hire or use – electronic equipment,

Page 41 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

- conference requirements, special needs, etc.
- Wages/fees – organisation staff involved in delivering the product e.g. Guides.

Calculate mark-up net costs and commissions

A large part of the job of a travel agent is sourcing the best pricing for your client's itinerary, while at the same time ensuring that you are earning a reasonable return for effort expended and service provided.

It is essential therefore that travel consultants are familiar with the terminology and understand the various accepted pricing models used in the travel industry.

The underlying pricing principle is a business will source product and services from various principals and suppliers at a rate that is sufficiently competitive to allow for a reasonable margin.

The costing and pricing of these products and services will take account of currency exchange rates, margins for the wholesaler and the various levels of retail travel agent commission they intend to offer.

Here is an overview of the most common methods:

Method 1 – Gross price less commission

1. Local suppliers such as hotels, guides, coach companies, transfer companies etc. sell their product to local tour operators at a rate referred to as net.
2. The tour operators or wholesaler will contract for these services at the net rate and add a margin to allow for a reasonable profit. This rate is termed the net rate.
3. The tour operator or wholesaler will then add either a percentage or dollar amount to the net rate to allow for the payment of travel agents commission.
4. This then becomes the gross price for the product and service and it is this rate which is published in brochures and on websites.

Page 42 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

5. The product is then distributed and sold to the client via various distribution channels, one of which is the travel agent network. In exchange for distributing (promoting and selling) their product, the tour operator or wholesaler will extend a small payment to the travel agent. This is termed travel agent commission.

The percentage commission paid will vary depending on the type of product and any preferred agreements that may be in place however it averages around 10% for land arrangements. Commission on airfares can be anything from no commission to a maximum of 9% with most being around 5%.

Method 2 – Net plus mark-up

There are instances where a travel agent is offered or sources a net cost for a product or service.

The travel agent is then at liberty to mark up the net cost by adding a percentage or dollar amount to reach a gross price which is then provided to the client.

The amount of the mark-up (percentage or dollar value) is most often influenced by the organisation and the conditions in the market place.

In this instance the difference between the net cost and the marked up price represents the travel agent commission or margin. This typically applies to airfares where the airline or ticket consolidator will provide a net airfare to the travel agent.

Identify organisational fees

It is important to disclose any fees determined by the travel organisation to ensure charges for sales and product co-ordination activities are clearly understood by the client

A schedule of all fees charged by an Agency is usually displayed on all travel consultants' desks. These fees are applicable to all domestic and international bookings, are charged to the passenger and include the following:

- Flight booking
- Frequent Flyer redemption booking
- Itinerary planning
- Land only booking

Page 43 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

- Reconfirmation of airline reservations
- Passport/visa assistance
- International fax/phone calls
- Late booking fees
- Amendment fees
- Cancellation fees
- Credit card merchant fees.

Traditionally, the last four fees have always been imposed. The other fees have been introduced in recent years. These fees are displayed on the client invoice.

Variations in product pricing

There a number of factors that influence variations in product pricing. Here are some:

- Seasonality – high, shoulder, low or peak, off peak or combinations
- Validity dates – what prices apply to what dates
- Date of booking
- Date of travel
- Surcharges – weekend stays, extra bedding
- Restrictions – age, student, senior, nationality, validity of driver licence
- Standard – Luxury, moderate, standard, basic, budget or backpackers
- Inclusions/exclusions – meals, sightseeing, entrance fees, tour escort
- Bedding – single, twin share, triple, quad, multi/dormitory
- Child and infant costs – when is a child a child and when is an infant an infant
- Currency used and conversion rates
- Payments – early bird payments, instance purchase tickets
- Conditions of sale – book by for travel by
- Packages versus single items sold
- Stay Pay – stay 4 nights and pay for 3 nights

Page 44 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

- Last minute deals and spot specials – used to fill remaining seats, rooms, cabins.

Calculating required currency conversions

When dealing with airlines, wholesalers and suppliers, the price that they will advise will be in local currency. There may be certain cases when you will not receive a quote in local currency, but in a commonly used currency such as USD (United States Dollars).

Some examples may be that you are quoting a price to your passenger that is:

- Sourced directly from a supplier’s website that does not have the option of local currency
- Quoting an airfare from an airline’s website or reservations office where the airfare is only priced in their local currency, not YOUR local currency
- Extra services provided by hotels - if unable to purchase in advance or your wholesaler does not offer that service as part of their contracted rate. e.g. meal packages, rollaway beds, wedding packages.
- For some adventure or overland tours, there will be an additional amount called a ‘Kitty’ that cannot be prepaid in your country. It is collected by the tour leader at the start of the tour and your clients must be made aware of this amount before their arrival. The ‘Kitty’ amount is usually in USD to be paid in cash and is used to buy food and additional supplies while the group is on tour.

If you need to convert a foreign currency into local currency, you can use:

- The currency conversion command via your CRS systems (Galileo, Sabre or Amadeus)
- Websites such as:
- Universal Currency Converter - <http://www.xe.com>
- Travelex - <http://www.travelex.com.au>.

Before advising the final price in local currency to your client, ensure that you have used the correct conversion method and record both the foreign and local currency amount in the client file – just in case there is a cost discrepancy.

Securing quotes and costs from suppliers

In order to calculate the cost for the arrangements requested you will need to contact the applicable supplier, tour operator and wholesaler for the individual components that you have

Page 45 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

selected based on the client's requirements.

Typically, contact is made via a call to the reservations area or electronically via a travel agent only area of the applicable website.

Both supplier websites and their brochures are good resources to use when researching product and services.

These 'agent only' access areas of supplier websites are user name and password protected and some will allow the agent to initiate a quote or booking.

General considerations when securing quotes and costs

It is important that when dealing with these suppliers that you bear the following in mind:

- Be polite and respectful at all times
- Have all the necessary information to hand before you make contact
- Have a pen and paper ready
- Listen and accurately record what you are told
- Get the name of the person you are dealing with
- Secure and record the quote reference number
- Request an email copy of the quote.

Securing tour operator quotes

To secure a quote from a tour operator (e.g. Peregrine, Contiki Tours Holidays etc.) you will need:

- Your agency name, password or code
- Passenger names exactly as they appear in their passports
- Tour number, name of tour, departure date and departure city
- Number of passengers travelling
- Age of passengers – especially children
- Room type and configuration – single, twin, triple
- Any additional requirements – airfares, transfers, pre and post tour hotel accommodation.

Securing wholesaler accommodation quotes

Page 46 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

To secure a quote for an accommodation package with a wholesaler (e.g. Tempo Holidays) you need:

- Your agency name, password or code
- Passenger names exactly as they appear in their passports
- Accommodation name
- Number of night required – in and out dates
- Early and late check-in, check-out or day use
- Number of passengers travelling
- Age of passengers – especially children
- Room type and bedding configuration required - single, twin, double, triple, king, queen, adjoining rooms, kitchenette, 1 or 2 bedroom apartment
- Any additional requirements – airfares, transfers, meals, tours.

Securing wholesaler cruise quotes

To secure a quote for a cruise wholesaler e.g. (P&O, Crystal, Cunard, Carnival) you need:

- Your agency name, password or code
- Passenger names exactly as they appear in their passports
- Name of the ship or cruise company name
- Cruise name, number and date of departure and departure port
- Number of passengers travelling
- Age of passengers – especially children and seniors
- Cabin type, bedding configuration required - single, twin berth triple berth, quad berth, inside, outside, cabin, deck name or level, balcony
- Any additional requirements – airfares, transfers, pre and post cruise accommodation.

Securing car hire quotes

To secure a quote for a car hire or motorhome (e.g. Drive away Holidays, Avis, Hertz, Budget) you need:

Page 47 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

- Your agency name, password or code
- Passenger names exactly as they appear in their passports
- Vehicle type or code – size, air conditioned, petrol or diesel, manual or automatic
- Number of passengers travelling
- Age of passengers – especially those under 25 years and any children
- Pick-up and drop off dates – duration impacts rate
- Pick-up and drop-off times – important when calculating number of days
- Pick-up and drop-off location – fees apply for one way rentals
- Number of drivers - often surcharges apply for additional drivers
- Where the client plans to take the vehicle – some countries are restricted
- Any additional requirements – baby seat, GPS, ski racks.

Identifying final supplier details and costs

At the conclusion of the process, you should ensure that you have secured and noted down the following information:

- The name of the supplier, wholesaler, tour operator
- The date, time and name of the person providing the quote
- The detail of the various products or service and the price – make a special note of the pricing structure i.e. per person, per rental, per room etc.
- Quote reference number.

All these details should be recorded, either written or electronically, against the clients quotation file for future reference. It is from these notes that you will compile and prepare the quotation for the client.

Check all calculations against all product and service components

Prior to providing the client with a quotation you must check all your calculations in relation to the prices secured.

The process of collating and pricing the itinerary must include checking the detail of the products

Page 48 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

and services as well as how these have been priced e.g. per person, per night, or per rental etc.

Pricing for air fares is always per person and will consist of the airfare and the taxes which are subject to change up to and until the booking has been ticketed.

General Price quotations

General information normally contained in a quotation includes, but not limited to:

- Date of quotation and reference number (if applicable)
- Clients name
- Phone contacts and fax (if applicable)
- Email address
- Address
- Month of travel
- Length of travel and class of travel
- Flight details
- Tours
- Accommodation
- Transfers
- Inclusions and exclusions
- Insurance details
- Payment requirements and cancellation fees
- Conditions of the quote
- Deposits required
- Service fees
- Expiry date of the quotation
- General conditions and rules.

Preparing specific quotation details

Depending on the type, nature and inclusions of packages, specific information may relate to:

Flights

- Airline details
- Destinations and routings
- Class of travel
- Departure and return dates – remember to include the year
- Fare validity – for sale and for travel dates
- Air fare per person
- Taxes per person (always state that these are subject to change).

Accommodation

- Name of accommodation and location

Page 49 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

- Room type and bedding configurations
- Check-in and check-out dates
- Total number of nights
- Any extras or inclusions such as meals, transfers etc.
- Cost per person per night and total amount for the stay.

Car hire/Rentals

- Name of company they are using – Avis, Budget, Hertz etc.
- Vehicle group or type – compact, midsize, group C etc.
- Transmission – manual or automatic
- Pick up and drop off dates, times and location
- Rate – if paying direct
- Rental Inclusions – mileage, additional drivers, insurances, taxes
- Any additional local payments for additional services e.g. GPS.

Cruises

- Name of the cruise line or company
- Name of the ship
- Name of cruise, including code
- Number of days or nights
- Departure date, time and location
- Return date, arrival time and location
- Cabin type and deck location.

Tours

- Tour company name
- Tour name, code and duration
- Departure date, time and location/city
- Arrival date, time and location/city
- Rooming details – single, twin, triple
- Inclusions.

Transfers

- Date, time and location of transfers
- Type of transfer – seat in coach, private transfers, limousine etc.

Insurance: company used, policy type and length of policy

Sample-1: tour package template

Page 50 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

Travel Agent Details

Tour package template PROPOSAL

Quote Date: 13-12-20XX

Consultant: Super Samo

PO/Group Code:

Quote No: 10275-00041760

Email: superdupertravel@bigpond.com

Charged to:

Lead Passenger: JONES/SALIMEHMS

Salimeh Jones

Other Passengers: BROWN/HILMEMR

9 Pickersgill Avenue

Cherry Orchards, Victoria 3001

Details	Qty	PP price	Taxes	Inc.Total
Domestic flight 10 nights Addis Ababa 6 nights Arrive Melbourne 13 Jan	2	\$1,278.00	\$554.00	\$3,664.00
MOANA hotel Ocean view room 10 nights in 27 Dec – out 06 Jan No meals	1	\$2,500.00	\$0.00	\$2,500.00
Comprehensive Insurance 12 Days Plan A	1	\$420.00	\$0.00	\$0.00
TOTAL				\$6,584.00

Conditions

Quote Condition: Please note that this is a quote only and no booking has been made. The quoted price is subject to change anytime.

Comments

This quote is valid for 7 days from date of issue

“Without a Travel Agent, You’re on your own”

Sample-2: Tour Package Development.

Tour operator: KUSH Tour

Page 51 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

Tour Operator: Kush Tour PLC.

Tour name: Mursi 2023 carvan TOUR.

Country: Ethiopia

Tour rout: Southern Ethiopia

Tour activities: January 30 – February 06/2023

Group size: 6-10 pax

Required

Develop a tour package

Calculate Service charge or mark-up (10%)

Calculate VAT(Value Added Tax=15%)

Calculate Total tour cost (quotation)

Calculate Contingency plan(5%)

Develop itinerary

A group of 10 pax wil visit local culture day today life style of Omo people, mursi, omorate, ,turmi, Turkana, Konso and Darashe people. Tourists want to visit the area /destination/ due to the communities' unique cultural practices and the peoples' life style.

How to develop tour cost? The look the following is example

Page 52 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

- ✓ To travel you should know first the cost of your journey. Example: Car rent cost = 7500 birr/day

To calculate the tour cost you should first add all costs at once:

- ✓ Car rent + Guides fee + Entrance fee + Accommodation + Food and Drinks + Miscellaneous expense etc.

$7500 * 10 \text{ days} = \underline{75,000}$ birr (car rental cost sub Total Cost)

$250 * 10 \text{ days} = \underline{2500}$ birr (local guide sub Total Cost)

$1260 * 10 \text{ days} = 12,600$ birr (entrance fee sub Total Cost)

$6000 \text{ birr} * 10 \text{ days} = 60,000$ birr (accommodation sub Total Cost)

$7200 \text{ birr} * 10 \text{ days} = 72,000$ birr (food and drinks sub Total Cost)

Miscellaneous expenses = 7600 subtotal cost

15,200 birr (contingency plan 5% of subtotal cost) in total

Calculations:

Step -1- Sub total cost

$75,000 + 2,250 + 12,600 + 60,000 + 72,000 + 7600 = \underline{229,450}$ birr (sub-total cost)

Step-2- calculate service charge, Example 10% of service charge or called *mark up (Service Charge)*

Hence Service Charge = $229,450 \text{ birr} * 10\% = \underline{22,945}$ birr

Total service charge (mark up) = $\underline{22,945}$ birr

Step-3- calculate VAT(15%), add a service charge or Markup and sub total cost (STC + SC)

Sub Total Cost (STC)= 229,450

service charge or Markup(10%) = **22,945**

$229,450 + 22,945 = \underline{\underline{252,395}}$

Page 53 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

$$\text{VAT}(15\%) = 252,395 \times 0.15 = \underline{37,859.25 \text{ birr}}$$

Total cost = STC + SC + VAT

$$\text{TC} = 229,450 + 22,945 + 37,859.25$$

Total tour cost (TC) = **290,254.25Birr**

Step-3 Add 5% contingency plan (CP)

$$\text{CP} = 290,254.25 \times 0.05 = \underline{14,512.70}$$

To get price per person divided “TC” to 10 PAX.

$$\underline{290,254.25/10} = \underline{29025.425 \text{ Birr}} \quad \text{Or } \underline{\$537.50/ \text{ Per PAX}} \quad * \text{ PAX} = \text{Passenger}$$

Excluded costs:

- Alcoholic drink
- Medicine
- Personal consumptions (i.e. shopping)
- Exceptional entertainment activity
- Charity engagement
- Airplane ticket from and to original country
- Any cost out of agreement and terms of conditions

The common ways in which other products and services are commonly priced and published have been identified below.

Analyzing prices offered by competition

Determining target market affordability

Ensuring required profit to host enterprise

Identifying what the market will bear

Developing price schedules, including special rates and discount

Determining host enterprise costs pertaining to package development and delivery

3.5. Tour package Terms and conditions

All package quotations will come with terms and conditions that will apply to various aspects of

Page 54 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

travel arrangements.

Terms and conditions may be provided by:

- The travel agent themselves
- Suppliers
- The individual product or service provider.

You are strongly advised to refer to these terms and conditions when providing a quotation for your client.

It is essential that any terms and conditions are clearly identified and that clients understand them.

Types of terms and conditions

Whilst there may be an endless set of terms and conditions that may be established, to suit the needs of the respective suppliers and providers, taking into account organisational requirements and the nature of their services, there are common terms and conditions that relate to most travel related quotations.

General terms and conditions include:

- Terms and methods of payment, including dates for payment of deposits and final payment
- Notifications regarding final confirmation of the booking and, where relevant, numbers
- Cancellations and alterations, including timelines and charges
- Commissions due or payable
- Procedures and charges that apply to name and date changes for the booking
- Guarantees and warranties that apply to the products and services covered by the quotation
- Exclusion and limitation of liability clauses
- Identification of the period for which the quotation is valid
- Whether or not the quotation is subject to change with or without notice.
- Reference to associated terms and conditions as imposed by third party providers
- General industry rules, regulations and codes.



Page 55 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

- Complaint handling.

Booking conditions

Common booking conditions include:

- How to book – who to contact
- Amount of deposit required
- Prices and validity
- Assumption of risk
- Exclusion of liability
- Payment and ticketing deadlines
- Extension ticketing deadline
- Cancellation by the supplier
- Force Majeure
- Cancellation by the travel agent
- Cancellation charges
- Availability of any type of change to booking
- Availability of changes to class of booking
- Types of booking amendments and amendment fees
- Complaints
- Authority of suppliers and tour leaders
- Baggage allowance and excess baggage charges
- Health, fitness and age limits
- Publicity and Privacy
- Governing law.



Tour operator/Travel Agent Terms and Conditions

Each product or service included in the quotation will have a set of general conditions which will

Page 56 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

be provided to you by the wholesaler or operator that you are utilising.

They will commonly include terms and conditions relating to:

- Deposit and how to book
- Payment Options
- Amendments
- Final Payment
- Cancellations and refunds

Following is an example of travel agent terms and conditions.

For full terms and conditions relating to our products and services, please refer to the full terms and conditions as outlined in our brochure and on our website.

Deposit and how to book

In order to place a reservation, a non-refundable deposit of \$250.00 per person is required. Bookings made within 45 days of departure will require full payment at time of placing the reservation.

Receipt of the deposit indicates to our organisation that the traveller has agreed to their confirmed travel arrangements. Deposits paid are non-refundable.

Payment Options

- Cheque
- Smart Money
- Money Direct
- Credit Cards – AMEX VISA MASTERCARD + Merchant Fee
- Direct deposit Amendments

Should the reservation be altered after the original booking has been confirmed a fee of \$150.00 per amendment will be applied to cover additional administrative and communication costs.

Depending on the nature of the change, seasonal price adjustments, additional costs or cancellation fees may also be applicable.

Page 57 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

Final payment

Full and final payment is required no later than 45 day prior to departure.

If payment is not received by the due date, our organisation reserves the right to treat the booking as cancelled and will apply full cancellation charges as specified.

Cancellation and refunds

Cancellation fees for some programmes may vary from those stated below. Please check at the time of booking. If the reservation is cancelled the following per person fee will apply:

- Up to 45 before departure loss of deposit
- Between 45-30 days up to 50% of total cost
- Within 30 days of departure up to 100% of total cost
- After departure no refund for any unused service

All costs are subject to alteration and currency fluctuation without notice, up to and until full and final payment is received.

Supplier terms and conditions

It is important that all supplier, wholesaler, operator conditions are highlighted to the client together with your own travel agent terms and conditions.

Here is an example of a standard travel agent attachment. These, or a similar document are routinely used as an appendix to written or email quotations or as a hand out for clients.

Sample terms of condition

SUPPLIER – TERMS AND CONDITIONS				
<u>Validity</u> All quotes provided are valid for 7 days from date of issue and are subject to availability				
Page 58 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1	
	Author/Copyright		December, 2022	

and change.

Car Hire

Car hire companies will require a credit card deposit and/or guarantee upon pickup of vehicle.

Hotel Check In/Out

Most hotels have a check in time of 2pm and check out time of 10am. Should you wish to arrive or depart outside of these times, a room may only be allocated to you subject to availability.

Flight Schedules

Flight schedules are subject to change. We will endeavour to notify you as soon as possible if your itinerary is affected, but please be aware that changes are out of our control.

Amendment and Cancellation Fees

Cancellation charges can be up to 100% depending on the reason for and time of cancellation. Please refer to the terms and conditions in the brochures provided.

The operator will impose cancellation and amendment fees and we strongly suggest you peruse these conditions carefully. In addition, depending on the rules and conditions of the airfare purchased, the airline will charge cancellation and amendment fees.

Insurance

Travel insurance is strongly recommended for medical, cancellation and unforeseen circumstances. Please carefully read the conditions and inclusions of your selected policy, so you know you have adequate cover.

Taxes

Most countries now require taxes to be paid in advance. Any taxes already paid are detailed in your above costing. They are however subject to change at any time prior to the air ticket being issued.

Product or service provider terms and conditions

Individual product or service providers will often have a set of terms and conditions relating to their particular product or service.

These will cover, among other items:

- Pricing policy
- Payment conditions
- Inclusions
- Exclusions
- Any restrictions or limitations.

Page 59 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

As can be seen in this section there are many terms and conditions provided by various organisations involved in the travel booking process.

Naturally the extent and finer details or terms and conditions may seem overwhelming or not anticipated by the end user. Therefore the role of travel agents in ensuring clients understand them is a vital aspect of providing quotations. When agreeing with clients tour operators critically considers the following tools; these are:

Deposits and full/final payments, refunds

Fees and charges, including penalties, terms of payment and timelines for payment

Commissions due or payable

Cancellations and alterations, including timelines and charges

Limitation of liability

Guarantees and warranties

Complaint handling.

Changes to Schedules

Health

Insurances

Booking Change

Responsibility

Not Included

3.6. Drafting tour itinerary

An itinerary is a key and significant component of a tour package. It may be an initial itinerary or a final itinerary. Basically it is designed to identify the origin, destination and all the enroute stopping points along with the transportation, accommodation and other services on a traveler's trip. An itinerary has various portions and these portions are known as segments.

Practically, these segments are dependent on the type of journey undertaken by the tourist. Moreover, itinerary shows the sequence of the various tour ingredients and provides essential information such as assembling point, departure point, days of departure, duration of a tour, legal

Page 60 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

requirements, features of a destinations, optional activities, and meal and perhaps can be called as a central point for the success of a tour company.

Types of Itinerary on the bases of tour type:

- **Private Tour Itinerary** - This is a personalized itinerary which is designed by a tourist with the guidance of tour operator. This itinerary is more flexible in terms of time, accommodation, and travel destinations.
- **Group Tour itinerary** - In a group tour, the person becomes a part of the group, and the tour itinerary will be the same for all group members. It involves vehicle sharing, hotel information, and details about destinations to visit.
- **Special Interest Tour Itinerary** - This is the itinerary designed for any specific package tour like adventure tour, spiritual tour, honeymoon package, road trip, or women special tour.
- **Domestic Tour Itinerary** - This itinerary designed to travel in a tourist's home country.
- **Inbound Itinerary** - An itinerary designed for foreigners to visit our country. Persons who visit other countries during international travel may need to provide authorities with their trip itineraries to make sure their plans are justifiable.
- **Outbound Itinerary** - An itinerary created for domestic visitors to go abroad.

Travel itinerary types based on the purpose of travel:

- **Business Trip Itinerary** - A business traveler's itinerary may provide information on meetings, relevant contacts, tasks, hotel details, and some leisure activities.
- **Leisure Trip Itinerary** - Itinerary of a leisure traveler would include destinations, modes of transport, activities, and travel route.

Travel itinerary type based on the usage:

- **Tourist itinerary** - The travel company shall provide the tourist with detailed schedules when you book the tour with them. It has a clear overview of the trip and daily activities.
- **Tour Manager's Itinerary** - With all the tourist itinerary information, the tour manager will have additional information on transportation and accommodation, contact details of the concerned person, and tourist information.

Page 61 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

- **Tour Escort's Itinerary** - In addition to the tour manager's itinerary, this itinerary includes detailed information about all tourist destinations, ticket prices, a list of other essential tour items, and emergency contact numbers.

Tour Itinerary types base on Special Interest

The itineraries may be **ready-made** or **made on request**.

1. **Ready-made itineraries** are made in advance without knowing when and who will buy. It is similar to produce clothes, shoes and display in a shop. It is prepared to suit maximum number of potential travelers.

While preparing ready-made itinerary, a travel agent should consider its capacity, market, marketing strategy, competitor's policy, future company policy, pricing policy etc. They are used for packaging tours, so these are also known as package tours.

2. **Special or tailor-made itineraries** are made on request to suit the individuals. They are made on request or on demand of the particular customer. While preparing these types of itineraries, two way communication is possible so that we can ask and prepare as per the requirement. In this type of itinerary, duration, places of visit, date, hotel plan, type of service required is known. We know who and when will buy the tour.

The key features of tour itinerary include:

- Grass roots travel using all forms of local public transport where possible
- Using small scale locally owned accommodation and homestays were available and using local Restaurants and markets for dining.
- Employing leaders who facilitate the company's values to travellers and local communities, educating them in sustainable tourism practices.
- Intrepid also employ local guides to aid travellers understanding of local culture and etiquette.
- Having maximum group sizes of twelve, which allow travellers to experience, cultures at a grass roots level offering greater opportunity for cross-cultural understanding.

There are essentially two types of itineraries:

Page 62 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

1. Skeletal and 2. Narrative(Descriptive) itinerary

1. **Skeletal** – is an itinerary of the proposed and preliminary schedule of activities. It's generally not too detailed. Technical – specifies the details, like the scheduled transportation, arrival and departure schedules, duration of sightseeing, land travel time and/or type of accommodation.

Time	Activity
Day 1: LAIYA	
5:00 AM	ETD Manila
8:30 AM	ETA Lipa City Tour (Lipa Cathedral, Carmel Church, Casa de Segunda)
11:00 AM	Lunch at a Goto or Lomi place
1:00 PM	Arrive in Laiya, hotel check-in
2:00 PM	Swim, laze by the beach
7:00 PM	Dinner
Day 2: MALABRIGO + ANILAO	
6:00 AM	Resort check out, drive to Malabrigo
8:30 AM	Check out Malabrigo Beach and Lighthouse
10:30 AM	Drive to Batangas City for lunch
11:40 AM	Lunch at a bulalo place in Batangas City
1:00 PM	Drive to Anilao
2:30 PM	Check in at Anilao resort
3:00 PM	Rest, chill, watch sunset
7:00 PM	Dinner
Day 3: TINGLOY	
7:00 AM	Start island hopping tours (Sombrero Island, Sepoc Beach, Masasa Beach, etc)
3:00 PM	Back at mainland
4:00 PM	Drive back to Manila

Fig.1 Skeleton Itinerary template

2. **Descriptive (Narrative) itinerary:** Descriptive Itinerary (Travel/Tours) is a schedule of travel activities presented in a detail and an accurate, descriptive manner primarily for marketing purposes.

Descriptive (Narrative) itinerary Tour Itinerary Sample-

Southern Ethiopia 12 days trip

Day 1, Activity: Drive to Hawassa

In the morning drive to Hawassa via Mojo and Ziway and we will stop over at lake Ziway for relax and then continue driving, On the way you will visit the Abidjatta –Shalla National park

Overnight B.L.D

Day 2, Monday: Drive to Yabello

In the morning visit The fish Market at Lake Hawassa

After the visit drive to Yebelo via Dilla and Yirga Chefe on the visit the coffee farm around Yirga Chefe

Overnight B.L.D

Day 3, Activity Tour around Yabelo

On this day excursion to visit the salt mine lake of El Sod and the Singing Wells where the local Borana people extract water for their cattle making a human ladder.

Overnight B.L.D

Day 4, Activity: Drive to Konso

After breakfast drive to konso, these tribes are known for the erection of stones and poles are part of the Konso tradition. A generation pole is raised every 18 years, marking the start of a new generation. The age of a village can be determined by how many poles are standing. Carved wooden statues are also used to mark the grave of a famous Konso tribal member. The marker, called a Waga is placed above the grave and smaller statues are then placed around the larger one representing his wives and conquered enemies.

Overnight B.L.D

Day 5 Activity: Drive to Jinka

Page 64 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

After breakfast visit the Konso chief house and visit Carved wooden statues are also used to mark the grave of a famous Konso tribal member.

The marker, called a Waka is placed above the grave and smaller statues are then placed around the larger one representing his wives and conquered enemies.

After the visit drive to Jinka, on the my stop at key Afere town, in this town if the day is Thursday there will be open-air Beena tribes weekly market and in this market you can see Hamer, Ari and Stmay tribes, buying and selling their goods. to visit Beena we

Overnight B.L.D

Day 6 Activity: Drive to Mursi Village

In the morning drive to Mursi village- a minority people living in the Lower Omo Valley. The women in this tribe are known for a big clay plate they put in their lips for decoration, whereas the men are known for the different patterns they paint on their body for decoration. After Mursi village drive back to Jinka and In the late afternoon visit Jinka museum and Ari tribes village.

Overnight B.L.D

Day 7 Activity: Drive to Turmi

After breakfast drive to Turmi on the way stop at small Hamer tribes town Dimeka for a Market day, we will visit the colorful market and maybe on this day we can find one of most unique event of bull jumping- a ceremony when a boy is pronounced “man” after proving his capacity to jump 5 up to 13 cattle’s stand in a row, The day includes a special event in which a woman shows her appreciation for the bride groom by letting the boys whip them with a stick until they bleed. At night the day is called off after a colorful party with Evan Gady dance (night dance).

Overnight B.L.D

Day 8, Activity: drive to Turkana and back to Turmi

In the morning drive to Dassench village around Lake Turkana: this tribe lives just north of Kenya’s Lake Turkana. Their neighboring tribe is the Turkana people. The Daasanech are pastoralists (cattle herders), but due to the harsh territory, they have moved south to grow crops and fish. Cattle are used by the tribesman for meat, milk and clothing. Often their cattle die from disease and drought. Of all the tribes in the Omo Valley, the Daasanech are the poorest.

Overnight B.L.D

Page 65 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

Day 9, Monday Activity: Drive to Kara Village

Morning drive to Kara Village called Duse or Labuck around 80Km off-road; Karas are a small tribe with an estimated population between 1,000 and 3,000, they live along the east banks of the Omo River in southern Ethiopia and practice flood retreat cultivation. The crops that are grown by them are sorghum, maize and beans. After the village drive back to Turmi

Overnight B.L.D

Day 10, Monday Activity Drive to Arba Minch

In the morning start driving to Arba Minch, after we get there you will take a boat trip in Lake Chamo, to visit the crocodile market, it is a local name for a place in Lake chamo that the crocodiles went out of the lake and chill, there is no buying or selling, also you will see hippos and different kinds of birds.

Overnight B.L.D

Day 11, Activity: Visit Dorzy Tribes and drive to Lake Langano

After breakfast drive to Dorzy village, This people set high up in the Gughe Mountains where we see the traditional Dorze beehive shaped huts recognized as one of the visually attractive structural houses by the UNESCO. After the village drive to Lake Langano, here you can relax swim in the Lake. Overnight B.L.D

Day 12, Activity: Relax around Lake Langano and Drive to Addis Ababa

After breakfast relax around lake Langano and after start driving back to Addis, on the way visit tiya, is known for the 10th centuries adjacent archeological site, which is distinguished by 36 standing stones or **steal** “32 of which are engraved with enigmatic symbols, notably swords,” marking a large, prehistoric burial complex. The archeological site was designated a **World Heritage Site** in 1980 also it listed as world heritage by UNESCO.

Overnight B.L.D

In this day we will take you a nice traditional house to show you the Ethiopian traditional dancing style.. All we do here is depend your departure time. END OF THE TOUR!

The following information should be kept in mind when planning an itinerary:

Page 66 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

- Always have an interesting and attractive heading for your itinerary
- Show the date and time clearly
- You must draw special attention to your highlights
- Always break your itinerary up into paragraphs with new dates
- Provide as much information about the attractions and activities included in your tour plan, as possible
- Always use the 24 hour clock,
- Allow sufficient time for each highlight
- Place each highlight in logical order. Remember you need to save your client traveling time and cost
- Try to finish each day with a special highlight, if possible
- Distance must be realistic, try to use the 100km per hour rule
- Never make promises in your description that you may not be able to keep, (e.g. don't say, "You will enjoy a glorious sunny day at the beach", it could pour with rain on that day). To avoid this, provide the Client with alternative that they could pursue if the plans have to change. Contents
- Write clearly and to the point.
- The client must want to travel immediately to their preferred destination when they read your itinerary.
- It must however leave the client wanting to travel in order to discover the destination for them.
- Give them just enough information to wet their appetite.
- Never use the word etc. in an itinerary
- If your itinerary is for five days or more, you can include one day at leisure but be sure to suggest a variety of things to do on that day, that would match the clients profile

Page 67 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1
			December, 2022

- You must be clear about accommodation, transport, attractions, and activities that the tourist is paying for.

Tour Itinerary may be prepared on the basis of the following points.

- Single or multiple destinations: To include only one destination or to include more than one destination in one itinerary.
- Special interest package: For example adventure package, cultural package, holiday package, etc.
- Tour package: An itinerary prepared for pleasure, relax.
- Travel package: An itinerary especially for travel.
- Outbound package: An itinerary prepared for domestic tourists to visit foreign countries.
- Inbound package: An itinerary prepared for foreigners to visit our country.
- Domestic tours: An itinerary prepared for local people to visit own country

Tour Itinerary Arrangements

The following criteria are of utmost importance for our hotel selection: cleanness, safety, comfort & location.

Accommodation: All accommodation used by Trendsetters Travel is screened for quality.

Flights: Since the most expensive component in traveling is usually the flights, we take care to get as many quotations as possible for each tour. We have good relationships with all major airlines and are able to secure the best available group fares.

Transportation: We only use good quality, modern air-conditioned executive coaches. We include all necessary empty runs, driver's accommodation and meals.

Meals: Our programs will include all breakfasts as standard. However we can also include other meals (lunches and dinners) as per your requirements.

Page 68 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

Excursions: One of the most important aspects on each tour is to allow the learners to see and experience as much as possible in the foreign country! Each itinerary will include various excursions as per your requirements. Your Trendsetters consultant will be more than happy to assess your needs and make recommendations for suitable excursions.

School visits / University visits: We usually include one or two school visits or University visits to academic tour itineraries. From experience its learned that this is often one of the highlights on a tour, especially if the learners have the opportunity to interact with the foreign students.

Matches: An important element of a successful sports tour requires fixtures against teams with similar skills and of equal strength. Through our relationships with local schools and clubs we will source evenly matched competition.

Training sessions & coaching sessions: At Trendsetters Travel we realize that the purpose of a sports tour is not only to compete in fixtures and have a great time, but naturally to improve the team as a whole and to learn new tactics, movements and skills. That is the reason why all our sport itineraries will include training sessions at top facilities and organize professional coaching sessions for your group.

Host families / Billeting: Upon request, we can add a few nights of billeting (staying with host families) in the foreign destination. The billeting does not only add value to the group's learning experience but would also expose the group to the local customs and cultures and give them the opportunity to socialize with their opponents and peers on a personal level.

Special Interest Groups: carefully, identify a group and plan that has a special interest or unique requirements.

Guides: Trendsetters Travel includes a tour guide on all the tours to ensure that the highest level of quality is maintained throughout the trip.

Page 69 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

Comprehensive group travel Insurance: It is compulsory to take out travel insurance on all our tours. Trendsetters Travel strongly suggests that you consider groups insurance instead of individual insurance to minimize administration. Some companies offer comprehensive group travel insurance as standard on all tours. However, the choice of suppliers remains with the client. Insurance companies offer covers like medical emergencies, baggage, third party liability and lost travel documents.

Tour Fundraising/budgeting: Prepare enough budget for the tour

Passports & Visa Requirements: visa is a permit to live in the country; passport is a national or citizens identity document. When travelling please hold it with you.

Tour presentation: a comprehensive tour presentation is essential at your premises.

Safety & security: commitment to ensuring that all of our travelers return home safely.

Tour Costs: know firmly the tour running cost, so that you operate the tour in line with the predefined cost.

Now that all the vital information relating to products and services required for inclusion in a quotation have been compiled, it is now time to prepare:

- A quotation
- Itinerary.

There are many and varied formats used by travel agents for the provision of quotations and itineraries.

Today, most are provided using some form of pro-forma document which contains standard text and where allowance is made to personalise quotations and itineraries by inserting appropriate details.

3.7.Sales monitoring arrangements

By analyzing sales performance, management can see clearly the direction in which our sales are headed, what has been successful and how we can adapt to increase the sales of specific packages

Page 70 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

and packages in general.

We can also conduct comparative studies to make informed decisions on how to improve our sales performance further.

Preparing to monitor sales

Before the actual monitoring of sales performance takes place there are a number of activities that need to take place.

This may include:

- Establishing facilities to record enquiries in relation to packages
- Establishing internal systems to record package sales, including location of sale, seller, commissions and options selected
- Arranging for sales data to be forwarded from related businesses

Sales monitoring activities

Monitoring sales activities may include:

- Evaluating the results of different sales activities with reference to the nominated key performance indicators and sales objectives established by the organisation
- Identifying the sales turnover achieved by our sales team
- Track the performance of our sales team and develop appropriate strategies to help them perform better
- Evaluating the sales performance of individuals in the organisation
- Determine trends in sales and consumer preferences
- Distinguish between strong and weak products / services
- Better understand the performance of our products and services and determine how to exploit their strengths and enhance their weaknesses.
- Evaluating the success of different packages advertised to clients
- Identifying satisfaction level of clients who have undertaken packages prepared by the organization.
- Identifying innovative package suggestions

Make better sales forecast and set more realistic sales targets in future

Page 71 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

Common sales evaluation questions

Generic questions to be answered during evaluation may include:

- Did we meet our objectives?
- Did we get the response from the intended audience we were aiming to achieve?
- What aspects of the promotion worked and why?
- What aspects of the promotion didn't work and why?
- What customer feedback was received?
- Did we successfully cater for the demand we created?
- Are the existing objectives relevant or should be refine or create new objectives.

Sales evaluation activities

Specific activities that may be part of the evaluation process include:

- Interviews with staff and customers
- Comparison of actual sales or revenue statistics with expected or target figures
- Analysis of data collected – such as databases, customer feedback and market research data
- Review of the budget – to determine whether or not the promotion came in on, under or over budget
- Consideration of ancillary benefits and problems that arose. Some promotions generate unanticipated spin-off benefits such as extra sales, higher levels of customer traffic, more media exposure that expected etc.
- In addition some present un-anticipated problems such as disgruntled regular customers unhappy with the changes brought about by the promotion or lost opportunity cost. For example if you run Promotion A, you automatically lose out on the potential that attaches

Page 72 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

to running promotion B.

3.8. Plan marketing activities for packages

As in any organisation, it is important for a travel organisation to plan marketing and sales activities to help promote and sell packages. The purpose of marketing and sales activities will differ but always aimed at meeting specific marketing objectives the organisation has set to guide the direction of the organisation's activities in the future.

This section will explore the different marketing and sales activities that can be used by a travel and tourism organisation to promote their business, increase sales and improve the overall performance of the organisation.

Marketing planning activities

Activities associated with planning for marketing activities include:

- Identify marketing objectives
- Identify marketing and sales activities
- Training sales staff in relation to the packages
- Designing client feedback tools.

Identify marketing objectives

Whilst each organisation will have their own objectives, in line with the overall business plan, examples of travel and tourism marketing objectives may include:

- To reinforce, continue or extend previous promotions of an existing packages
- To introduce a new package to the marketplace
- To notify customers that an existing package has been revised and altered in some way
- To meet direct competition
- To resurrect flagging sales
- To support a promotion or sale
- To build a larger customer database
- To fill an empty space in the promotion calendar or on the floor
- To improve profitability
- To capture a bigger market share
- To achieve a profit of X %

Page 73 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

- To generate new clients
- Increased brand awareness in the market place
- Reinforcing or cementing success of organisation.

Identify marketing and sales activities

There are many ways in which a travel and tourism business can promote existing or new packages to its intended audience. Most organisations use a combination of promotional methods, which collectively known as the ‘promotional mix.

Promotional mix

“Promotion is persuasive communication, directed to its target audience. Specifically, promotion involves communicating information between seller and potential buyer in order to influence attitudes and behavior

The promotional mix is now usually referred to as the marketing communications mix, which is more precise because the purpose of communication to customers is not always to promote or persuade. Often the purpose of the communication is to make people aware, to inform or to reinforce an already promoted aspect of the product.

Promotional methods

The main types of promotional methods are:

- Personal selling
- Sales promotions
- Advertising
- Publicity
- Sponsorship
- Public relations
- Newsletters
- Special Events
- Community Relations
- Media Releases
- On-site tour
- Social media activities.



Page 74 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
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These promotional methods will be explained in more detail in this section.

Personal selling

In the tourism industry, every member of staff is perceived as a reflection of that company and a reflection of the organisation's attitudes toward its customers. The individual's experience with the organisation and its people is the strongest potential influencer as to whether they will make a travel purchase.

Even though special promotional offers may attract new customers or remind older customers that you are still around, customer retention will be determined by staff and their effectiveness as personal sales people.

Sales promotions

Types of sales promotion include:

- Samples
- Contests
- In store displays
- Trade shows/exhibitions
- Point-of-purchase promotions
- Banners and streamers
- Sponsored events
- Discounts and offers.

Advertising

Advertising is the main form of mass communication. Advertising is any paid form of non- personal presentation of ideas, goods or services by an identified sponsor.

Communicating with large numbers of potential customers at the same time can be less expensive and more flexible than personal selling, particularly when the target market is large and scattered.

Advertising can include paid content via:

- Television
- Radio
- Newspapers
- Magazines and journals



Page 75 of 79	Ministry of Labor and Skills Author/Copyright	Tourism Products and Service Packages	Version -1 December, 2022
---------------	--	--	------------------------------

Self-Check 3	Written Test
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- Newsletters
- Internet.

Publicity: While advertising must be paid for, another form of mass communication, publicity is free. “Publicity is any form of unpaid non-personal presentation of ideas, goods and services” Of course publicity people themselves are paid for but the favourable attention they draw to the company or an event without attracting media costs is not.

Sponsorship: Initially classified as one of the sales promotions tools, sponsorship is fast becoming a promotional method in its own right. It is crossing the boundaries between public relations and publicity and can take many forms in order to achieve different objectives.

Public relations: Public relations involves the building of favourable relations for organisations and products with its key publics through the use of a variety of communications channels and tools.

Newsletters: Marketers who have captured names and addresses of customers and potential customers can use a newsletter for regular contact with their targeted audience.

Special Events: Special events can be designed for a variety of purposes including, but

Community Relations: For many companies fostering good relations with key audiences includes building strong relationships with their regional community.

Media releases: A media release is an article, story or piece of information prepared by the organisation to inform media about something that is newsworthy and they may be interested in. It helps to assist them in writing the release by providing relevant and accurate information in an easy to use format.

PART-I

Page 76 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

Instructions: Perform the following tasks. Write your answers in the answer sheet provided:

1. Which of the following Activities associated with planning for marketing activities? (2 points)
 - A. Identify marketing objectives B. Identify marketing and sales activities
 - A. Training sales staff in relation to the packages D. Designing client feedback tools.
 - E. All
2. in line with the overall business plan, examples of travel and tourism marketing objectives may include: (2 points)
 - A. To reinforce, continue or extend previous promotions of an existing packages B. To introduce a new package to the marketplace C. To meet direct competition
 - D. To support a promotion or sale E. All
3. The main types of promotional methods include except : (2 points)
 - A. Personal selling B. Sales promotions C. Advertising D. Publicity and Sponsorship E. None
4. _____ is any paid form of non- personal presentation of ideas, goods or services by an identified sponsor. (2 points)
 - A. sales promotion B. Publicity C. Advertising D. personal selling
5. _____ is an article, story or piece of information prepared by the organization to inform media about something that is newsworthy and they may be interested in.(2 points)
 - A. media release
 - B. newsletter C. community relation D. special events
6. On-site tours will mainly be used for local tours or aimed at travel planners in a company.(2 points)
 - A. True B. False
7. _____ the social interaction among people in which they create, share or exchange information and ideas in virtual communities and networks.(2 points)
 - A. Onsite tour B. Social media C. Media release D. Public relations
8. Which of the following is not a type of social media platforms? (2 points)
 - A. Social networks
 - B. bookmarking sites C. Social news D. Media Sharing E. Non

PART-II: Operation Sheet

Operation title: Develop tour package quotation

Page 77 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

Purpose: To practice and demonstrate the knowledge and skill required in developing tour operation quotation.

Instruction: Use the given the following tools and equipment develop tour package quotation. For this operation you have given 3Hour and you are expected to provide the answer on the given table.

- **Tools and requirement:**

1. This operation sheet
2. calculator,
3. Pen
4. Paper

- **Precautions:** Measure at least three times before recording the result on the given format

- **Procedures in doing the task**

Step-1: Use the given tour package

Step-2: Develop a tour package

Step-3: Calculate Service charge or mark-up (10%)

Step-4: Calculate VAT(Value Added Tax=15%)

Step-5: Calculate Total tour cost (quotation)

Step-6: Calculate Contingency plan(5%)

Step-7: Develop itinerary

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Page 78 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022

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Page 79 of 79	Ministry of Labor and Skills	Tourism Products and Service Packages	Version -1
	Author/Copyright		December, 2022