
PREFACE

In this course, we shall deal with various aspects of Travel and Tourism Management, Tourism Organization, Travel Agent and Tourism Products.

The block consists of the following units:

- Concept of Travel and Tourism Management
- Tourism Organization (IATA, TAAI, ASTA, PATA, WTO)
- Transport System (Air Transport, Railway, Road, Sea and Waterways)
- Tourism and Travel Formalities and Regulations (Passport, VISA, Foreign Exchange, Customs & immigration)
- Various Department of Travel Agent
- Tour Operators (Function, Types, Guide Services)
- Marketing of Travel and Tourism Products

The first unit of this block deals with the: - *Introduction, Travel management and Corporate, Tour management, Traveler, the Tour Organizer, Itinerary, Summary, Key Terms.*

The second unit of this block deals with the: - *Introduction, Travel and Tourism Organization, IATA, TAAI, WTO, ASIA, PATA.*

The third unit of this block deals with the: - *Introduction, The Airline Industry, The Rail Industry, The Bus industry, Rental Cars, The Cruise Industry.*

The fourth unit of this block deals with the: - *Introduction, The Passport, VISA, Immigration, Passport and Customs control, The gate area, Clues to Answers.*

The fifth unit of this block deals with the: - *Travel Agents, The Dimension of the Travel Agency Business, Sources of Information, Running a Travel Agency, Car rental reservation, Airline reservation, Railway Reservation.*

The sixth unit of this block deals with the: - *Types of Tours and Tour Components, A Brief history of the package tour, The Role of the tour operator, Types of tours, Tours Defined by Destination, Tours Defined by purpose, Food Plan, Advantages of selling tours, Key Terms.*

The seventh unit of this block deals with the: - *The Ingredients of a Tour, The Tour as product, Attitudes and Traits of a Travel Professional, Client's budget, Types of Travel Arrangement Made, Communications.*

CONTENTS

Chapter	Particulars	Page No.
Unit 1- Concept of Travel and Tourism Management		Page No: 2 to 23
1.0	Introduction	
1.1	Travel Management and Corporate	
1.2	Tour Management	
1.3	Traveler	
1.4	The Tour Organizer	
1.5	Itinerary	
1.6	Summary	
1.7	Key Terms	
 Unit 2- Tourism Organisations		 Page No: 24 to 62
2.0	Introduction	
2.1	Travel and Tourism Management	
2.2	IATA	
2.3	TAAI	
2.4	WTO	
2.5	ASIA	
2.6	PATA	
 Unit 3- Transport System		 Page No: 63 to 96
3.0	Introduction	
3.1	The Airline Industry	
3.2	The Rail Industry	
3.3	The Bus Industry	
3.4	Rental Cars	
3.5	The Cruise Industry	
 Unit 4- Travel & Tourism Formalities and Regulations		 Page No: 97 to 115
4.0	Industry	
4.1	The Passport	
4.2	VISA	
4.3	Immigration, passport and Customs control	
4.4	The gate area	
4.5	Clues to Answers	
 Unit 5- Travel Agents Functions and Departments of the Travel Agency		 Page No: 116 to 135
5.0	Introduction	
5.1	Conservation of Forests and Wildlife	
5.2	Sustainable use of land and water	
5.3	Tropical deforestation	
5.4	Check your progress	

Unit 6- Tour Operators

Page No: 136 to 166

- 6.0 Types of Tours and Tour components**
- 6.1 A brief history of the package tour**
- 6.2 The Role of the tour operator**
- 6.3 Types of tours**
- 6.4 Tours Defined by Destination**
- 6.5 Tours Defined by Purpose**
- 6.6 Food Plan**
- 6.7 Advantages of selling tours**
- 6.8 Key Terms**

Unit 7-Marketing of Travel and Tourism Products

Page No: 167 to 193

- 7.0 The Ingredients of a Tour**
 - 7.1 The Tour as Product**
 - 7.2 Attitudes and Traits of a Travel Professional**
 - 7.3 Client's budget**
 - 7.4 Types of Travel Arrangement Made**
 - 7.5 Communications**
-

Travel & Tourism Management

M-263

TRAVEL AND TOURISM MANAGEMENT

Course Introduction

- Unit 1 Concept of Travel and Tourism Management**
- Unit 2 Tourism Organizations**
IATA, TAAL, ASTA, PATA, WTO
- Unit 3 Transport System**
Air Transport, Railway, Road, Sea and Waterways
- Unit 4 Tourism and Travel Formalities and Regulations**
Passport, VISA, Foreign Exchange, Customs & immigration
- Unit 5 Various Department of Travel Agency**
Function of Travel Agency
- Unit 6 Tour Operators**
Function, Types, Guide Services
- Unit 7 Marketing of Travel and Tourism Products**

UNIT - 1: CONCEPT OF TRAVEL AND TOURISM MANAGEMENT

Structure

- 1.0 Introduction**
- 1.1 Travel Management and Corporate**
- 1.2 Tour Management**
- 1.3 Traveler**
- 1.4 The Tour Organizer**
- 1.5 Itinerary**
- 1.6 Summary**
- 1.7 Key Terms**

1.0 Introduction:

Today the professionals in the travel industry are very excited and energized about the possibilities that lie ahead they welcome the infusion of strong talent and innovative technology and products. The goal of the travel industry is not simply to be bigger, but to be better. The cultures and values of the various sectors of the industry are more alike than they are different, and the plan is to combine the best elements of each company. As one organization(the various sectors of the industry being unified), we can provide even better service and more dynamic solutions, as well as deliver to clients the savings benefits that come with economies of scale.

In order to manage the travel industry in a better manner, integration teams will now come together and begin to define the optimal structure for the combined organization, as well as to determine the products and services that will best meet the needs of the combined firm's clients. In a few years, the integration teams will aim to deliver a seamless integration that preserves both business practices and enhances their offerings to employees, clients and the marketplace. The principles-driven approach will allow growth opportunities for talented associates, while focusing on customer retention, business synergies and the promotion of a unique and prosperous culture.

Clients play a vital role in the decision-making process for integration and the intention of travel management is to involve them in integration planning. every decision made would involve the interest of the clients first. This applies not only to larger clients, but also to the small and mid-size business that is served around the world. To ensure that clients continue to receive full attention, a separate dedicated team is created to work on the integration project.

Travel management is nothing but to skillfully manage so that business moves to the next phase and it involves intense focus on both employees as well as clients. Successful travel management also creates an environment which also fosters creativity and empowers employees to make a difference for clients. The companies that incorporate the concept of travel management are which means that the efforts bring in a positive industry change.

The concept of travel management is also clearly understood by the customers who understand that the companies in the travel trade are highly motivated, and are committed to providing the clients with a long-term value.

Travel management companies offer a variety of service delivery options (from onsite offices to telephone call centers to online travel fulfillment) and have expanded their presence in order to meet the growing demands of clients for customized service that is available anywhere-anytime.

In continuing its mission of providing unparalleled educational opportunities for the business travel professional, the travel management program (conducted by the travel companies) uses an interdisciplinary approach that addresses both the opportunities and challenges of conducting business today's environment. The program aims to provide individuals with the keys to create value for corporations and customers, and to inspire professional achievement.

1.1 Travel Management and Corporate:

With the emergence of business travel management as a strategic corporate function, business travel and its components are responsible for key missions throughout the entire corporate structure, contributing value to all elements of a company's productivity and financial performance. With factors including rapidly changing technology, consolidation, merge's e-commerce and globalization - travel professionals are facing challenges never before faced.

As the economy forces corporations to conduct business with greater efficiency, a heavier emphasis has been placed on business travel and its management, and the need to assure its quality, support productivity and achieve cost avoidance:

- Anticipating and meeting the needs of travel professionals in regard to research and education
- Dedicating a minimum of 75% of all funds raised to support the pursuit of research, education and scholarships
- Developing tangible research and education products that advance the understanding of the business travel profession and the entire business travel industry.

Check your progress-1

What is Travel Management?

.....

.....

.....

.....

.....

What is the goal of Travel Management?

.....

.....

.....

.....

.....

1.2 Tour Management:

The tour management or director is responsible for the day-to-day even minute-by-minute, operation of the escorted tour. It is a pivotal position; the reputation of a tour operator can hinge on how successfully the tour operators usually like to employ European natives.

Certification through the NTA program is an excellent qualification for a tour manager, as is membership in the International Association of Tour Managers (IATM)

It should be noted that tour management is not only career field in itself, but also an entry-level step toward management of an entire tour operator company. In addition to professional tour managers who work full time, there are also opportunities for part time tour managers. Part-time positions are also available as tour organizer. These positions are often held by people with a second income (for example, teachers) or by

retirees by employed as tour guides if they have an in depth knowledge of a certain destinations or subject.

The sales representatives are the most visible employee in this department. The position entails personal calls in this department. The position entails personal calls on travel agents and group presentation to promote the company tours. Other position within the promotional department includes publicist and writer. In addition, graphics specialists are employed to design and layout brochures and other promotion material.

Impressions of the Indian Business Travel Scene and the Expectations of the Discerning Corporate

Impressions of the Indian Business Travel Scene The Indian business travel scene is in the midst of immense change. We are witnessing increased competition from established and emerging players and the need is to serve up a workable panacea for corporate firms, domestic and multinational. This has also brought in enhanced levels of services.

Degree of Probing Discernment:

With the tremendous increase in the number of Indians travelling abroad on work and leisure, there definitely is a degree of probing discernment. Quality service is put under a lens. India has always been and will continue to be a price-sensitive market. Therefore, we can continue to expect travelers to exact more than precise value for every rupee they spend on travel. Also, the Internet has exposed Indian travelers to information on the destinations, prices and product options available.

Corporate Travel and its Approach:

Leisure travel and business travel are two completely different ball games! Typically, leisure travelers spend more time and effort finalizing their holidays - they look at a variety of options before actually arriving at the travel agent's door. Transactions are almost always paid for in full before departure. Business travel transactions, on the other

hand, are mostly made in the nick of time and are subject to changes at the drop of a hat. Business houses normally deal with one or more designated travel vendors. Customers come to expect and enjoy a huge amount of credit. Collecting money is often the toughest part of a business travel agent's job.

Controlling Travel Expenditure and its Effect: -

What we are witnessing today is the evolution of the business travel scenario in our country. The aggressive push by multinational corporations, who have been exposed to such T&E (Travel Expenditure) savings initiatives in major developed markets, has been primarily responsible for this shift. Yes, bottom lines of corporate travel agents have taken a beating with shrinking margins; the smarter ones will continue to make money with focus on technology, increased efficiencies of scale and reduced operating costs.

Handling Large Corporate:

Handling large corporate with huge travel volumes calls for very strong travel management companies that have sufficient working capital as well the infrastructure and human resources to service their varied requirements. It's a question of being able to bear the cost of mounting overheads, not something smaller agents can cope with.

Needs for the Business Traveler:

The needs of the business Traveler have undergone a revolutionary change over the last few years. What was a 'delight' item in the 80s is considered a 'given' in today's scenario. The techno-savvy Traveler expects instant confirmations, access to online bookings, ability to place orders on the Net, online changes while travelling as well as products and services which make his or her travel hassle-free and cost-effective.

In-house Travel Department:

There exists a significant awareness about benefits that a good travel service provider can bring in as savings, both in terms of purchasing as well as processing.

Many corporations are downsizing in-house travel departments. Travel companies are playing the role of travel managers and corporations are beginning to realize its profitable spin-offs.

1.3 Defining the Traveler:

Tour operators develop packages by determining where people want to go (destination) and what they want to do when they get there (purpose). In addition, tours must be designed to fit the MNEs (Multi National Expectation's) of different kinds of travelers. We can identify a number of basic MNEs. These include:

- *Security*: Many people do not feel confident about traveling alone -especially overseas, where the language and customs may be unfamiliar. An escorted tour, with an experienced tour manager at the helm, offers these travelers the security that an independent tour lacks.
- *Companionship*: Some people are perfectly happy traveling on their own; for others, participation in a group tour fulfills their need for companionship while away from home. They may simply want to share experiences with others on the tour or they may hope to form long-lasting friendships.
- *Status*: Being first on the block to visit China or some other exotic destination can be an important motivation for travel.
- *& Romance*: "Love Boat" cruises and honeymoon packages fulfill a desire for romance while on vacation.

The Traveler's Age While some tours are designed for people of all ages, others are tailored to attract specific age categories. These categories include:

- The student market.
- The youth market.
- The family market.
- The middle-aged/mature market.
- The senior citizen market.

Each market has its own particular MNEs(Multi National Expectation's). Economy is likely to be a major consideration for students on a limited budget. Young people typically demand action, adventure, and entertainment, with free time to go off on their own. Families are attracted to packages designed with children's interests in mind, such as visits to amusement parks and zoos. Middle-aged travelers tend to have more money than older groups and can afford the luxury of traveling in style. If they are experienced travelers they may be keen to explore new and exotic location. Finally, senior citizens traditionally favor worry-free tour (for relaxation) conducted at a leisurely pace and with plenty of scheduled activities.

Flexibility and Pacing:

Every tour must be flexible enough to suit the divergent tastes of the different participants. On a general-interest tour of the capitals of Europe, for example, it would be unwise to schedule three consecutive nights at the opera. Opera lovers might be delighted, but others would want more diversified entertainment. Meals have to be varied, too. Some group members might want to experience exotic local cuisine at every stop. Others would flinch in horror at the thought of a plate of frog legs and would prefer more familiar food.

Balance is the key word here. To keep everyone happy, the package must offer a variety of entertainment and a choice of meals. It must also achieve a balance between scheduled activities and free time. Not all travelers want their every waking hour filled with organized activities. Many appreciate an occasional quiet night at a hotel, as well as free time for relaxation, sightseeing at leisure, and so forth.

The pace of a tour is another consideration. Many tours stop at a different destination virtually every night. This may look appealing in the brochure, but, in reality, a succession long days on the road can be exhausting, especially for older travelers. Again, balance is essential. A good tour operator will try to schedule a day without travel after a particularly long journey (or after a tiring initial flight).

Price:

A tour is a product, just like a television set or any other commodity. Not everyone can afford the deluxe color television with wide screen and stereophonic sound, similarly and the deluxe, all-inclusive tour package is beyond many people's budgets. Tour operators must offer a range of products at a range of prices to appeal to different markets. American Express, for example, has packages in four price categories -thrifty, carefree, priceless, and limited edition. Itineraries can be similar in each category, but (the number of features included and level of accommodations vary).

1.4 The Tour Organizer:

Tours that are promoted and sold to a specific group or within a local market often entail the participation of a tour organizer. He or she may either be a member of the group (for example, the president of a garden club who leads a tour to the Chelsea Flower Show in London), or a media celebrity who shares an interest with the group (for example, a sportscaster who leads a tour to the super bowl)

The tour organizer will be compensated with a free trip if there are enough people on the tour (15 is usually the minimum). The tour organizer may also receive a certain amount of money of each participant. The tour operator will either add a pro rata surcharge to each fully paid package or build the cost of the organizer's free trip into each package.

Local and Nationwide Tours:

The terms "local tour" and "nationwide tour" refer to the market place in which the tour is promoted, not to be destination. An example of a local tour is a high school spring trip to Washington, DC such tour would only be marketed to local high school students. Local tours are often joint efforts, involving a tour organizer, local travel agency, tour operator, and transportation representative. Sign-up parties with promotional film shows might be held to attract potential buyers.

Nationwide Tours, on the other hand, are promoted and sold from coast to coast. You can buy the same American Express, Cartan, or other big-name tour in any of the 30,000 travel agencies throughout the United States.

Career Opportunities:

The rapidly expanding tour industry offers a wide variety of career opportunity at entry-level position with good prospects for advancement. Many people are attracted to the tour operator field by the promise of unlimited free travel to glamorous destinations throughout the world. In reality, only a few employees (Such as tour managers) get to travel extensively. For the rest, the work entails years-round office work, with only limited opportunity for travel at discount prices.

Careers are available in four main areas:

- The tour operator office
- Tour management
- Tours sales and promotion
- Entrepreneurship

A tour operator office employs a number a clerical workers and supervisory staff, some positions are described below:-

Reservationist:

The primary duty of the reservationists is to handle incoming calls from travel agents who are interested in booking the operator's tours. Reservations can be confirmed over the phone or in writing or via email. The reservationists must be familiar with all the components of each tour.

Operations Clerk This position requires little or no personal contract with the travel. The charter is promoted and sold by direct mail and in the alumni newsletter, those who decide to take the tour send their money to the alumni association.

As an example, a school charters a 4C-seat bus for a trip to the circus. The bus company charges Rs.10, 000/- for the bus. If all seats sold, the price per passenger will be Rs. 250/-.

Entrepreneurship

From the past 20 years, a flood of new tour operators, transportation companies, and charter operator have entered the market. Those who aspire to own and operate their own business should consider the following:

- Motor coach and sightseeing companies
- Small tour operator companies
- Charter operators
- Incoming or reception operators
- Freelance tour management

Most people need working experience in the tour industry before they go into business for themselves

Job Title	Educational Requirement and training	Advancement Opportunities
Operations	HS diploma college education with business major helpful	Supervisor possibly sales or managerial position
Reservationists	HS Diploma college education with business major helpful	Tour operator, tour Manager
Tour guide	HS Diploma, College Education helpful, knowledge of foreign languages useful	Tour operator, tour Manager
Tour operator	HS Diploma college education	Tour Manager

	Helpful	
Tour Manager	IIS diploma, college degree in travel and tourism helpful; knowledge of foreign languages NTA certification helpful (after two years in the tour industry)	Possibly to sales and managerial position
Wholesale Travel Agent	HS Diploma; college education helpful	Travel agency manager or owner

Career Opportunities in the Tour package Industry

Sector organizations, tour operators and travel agents

Operations, costing brochure production and promotions, are the four main stages in the preparation of a tour package.

Charters, either private or public, offer travelers the advantages of considerable savings on transportation cost.

The tour product is channeled from producer to consumer by one of the four distribution systems.

Tours can also be categorized as local tours or nationwide tours, depending on the place in which the tour is promoted

Check Your Progress-2

1) What is the Responsibility of a Tour Management?

.....
.....
.....

2) Name the area where career are available with Tour Industry.

.....
.....

What is the education qualification required for the Tour Manager?

.....
.....

1.5 The Itinerary:

Concept of Itinerary:

An itinerary is a day to day schedule of a travel program. Normally the itinerary gives a detailed description of the date of travel, arrival and departure timings at various places, airport name as well as terminal and airline details, time spent in each place, meal plan offered, recreation as well as shopping facilities offered.

Another important aspect if the itinerary is the pace at which the itinerary is conducted. The pace of conduction of the itinerary would again depend on the crowd / passengers and their preference and the nature of destination covered. The pace at which the-itinerary is offered can be classified as:-

- Fast paced
- Leisure paced

A better understanding of the pace at which an itinerary could be conducted, could be achieved after going through the below mentioned example.

Our tour would be considered relatively fast-packed because it has several destinations in a short space of time. The configuration is:

211123 (10 nights spent in 6 cities)

A more leisurely paced tour might have three nights at each destination.

Even though the tour includes a lot of cities, there are only three full days of traveling (Days 4, 6, and 9). Time and distance on the road per day is an important consideration and few tour operators schedule more than ten hours or 350 miles of travel in any one day. Even fewer have consecutive days of full traveling.

Our tour also achieves a fairly good balance between scheduled activities and free time. Although there is no single day when tour participants are free from dawn to dusk, Days 2,3,8,10 and 11 offer free afternoons, while Days 5,7 and 9 have quiet evenings. Days 4 and 6 are the only two filled with scheduled activities.

Another consideration in selecting the itinerary is the location of the hotel. A central location is preferable, especially on a tour such as ours with overnight stays in major cities. Participants do not want to be inconvenienced by traveling long distances into the city center when they have free time for their own activities.

Role of World Tourism Organization in assuring Quality which is the basic concept of tourism.

Quality: IN SEARCH OF EXCELLENCE & ETHICS

WTO aims at integrating the various components of a quality tourism experience. WTO's programme of Quality and Trade in Tourism are designed with the measures to improve the design and supply of tourism products and services.

The following components of quality are covered:

- Trade in tourism services, including access to tourism markets, competition and globalization

- Safety and security, including health issues
- Destination, product and service quality standards ;

On trade issues, WTO works closely with the United Nations Conference on Trade and Development (UNCTAD) and with the World Trade Organization (WTO-OMC). The aim is to relate rules and measures contained in the General Agreement on Trade in Services (GATS) to tourism policies and to facilitate debate on an industry-specific Tourism Annex to GATS. Seminars on trade in tourism are held periodically to help Members carry out comprehensive and informed trade policies.

Two specific projects in the area of quality, the Global Code of Ethics for Tourism and the Task Force for the Protection of Children from Sexual Exploitation in Tourism, support international campaigns to prevent irresponsible tourism. The Task Force activities are carried out in association with industry associations and nongovernmental organizations. Since 2001 this programme has received a 2 million grant from the European Commission. Another project is the establishment and operation of a Safety and Security Network and Task Force for Tourism to help member countries improve the safety of their tourism destinations.

Global Code of Ethics

Adopted by the WTO General Assembly in 1999 and endorsed by the United Nations General Assembly in 2001, the Global Code of Ethics for Tourism sets out a

10-point blueprint for safeguarding the resources upon which tourism depends and ensuring that its economic benefits are equitably shared.

The Code is based on the principles of sustainability that underpin all of WTO's programmes, with special emphasis on involving local communities in planning, managing and monitoring tourism development.

It includes nine articles outlining the 'rules of the game' for destinations, governments, tour operators, developers, travel agents, workers and travelers themselves. The tenth article involves implementation of the code through the activities of the *World Committee on Tourism Ethics*.

TRADE IN TOURISM SERVICES

The World Tourism Organization enjoys observer status in the World Trade Organization on issues regarding trade in tourism services, in particular in connection with a proposal to introduce an Annex on Tourism to the General Agreement on Trade in Services (GATS) and further initiatives seeking to articulate the importance of tourism services in the Doha Development Agenda of the World Trade Organization.

Quality Standards

In its work programme WTO is guided by the understanding of quality in tourism as "the result of a process which implies the satisfaction of all the legitimate product and service needs, requirements and expectations of the consumer, at an acceptable price, in conformity with mutually accepted contractual conditions and the underlying quality determinants such as safety and security, hygiene, accessibility, transparency, authenticity and harmony of the tourism activity concerned with its human and natural environment". [Defined and modified by the WTO Quality Support Committee at its sixth meeting (Varadero, Cuba, 9-10 May 2003)]

The analysis of each term used in this definition suggests concrete actions which can be evaluated from the perspective of quality criteria, which are as follows :

"Result" implies that quality is attained and perceived at a given time. It cannot be in place without harmonious and active engagement of all the factors intervening in tourism experience. The "result" can be *measured by consumer satisfaction as well as by social, environmental and economic effects of the tourism activity concerned.*

"Process" means that a single undertaking is not sufficient to attain quality. Work towards quality always has to be in place, it cannot be discontinued because of the temporarily attained quality result. It also implies a seamless or flawless process in which it is possible to identify and do away with the constraints of a supply which spoil the tourism product and are responsible for direct and indirect losses to the company or destination.

"Satisfaction" introduces the elements of subjectivity in quality perception. According to their characteristics, customers have different requirements and expectations. Informed quality-driven marketing caters to these characteristics and attempts to identify consumers according to the different types and levels of perceived quality.

"Legitimate" brings into the analysis the elements of rights and entitlement. Consumers cannot expect to receive more than what they remunerate by payment or what has been determined by social and environmental limits. The role of tourism planners and entrepreneurs is to relate quality types and levels to remuneration and external limitations.

The notion of needs follows on the concern for legitimacy and looks for satisfying people's basic and vital needs which should never be overlooked while bringing into tourism projects and programmes the other aspects with a view to introducing attractions, strengthening experiences, etc. The needs are primarily related to the underlying quality determinants, although over time the expectations related to the type and volume of "basic needs" change and usually increase. Basic needs of the past are not exactly the basic needs of today.

The notion of **"product requirements"** emphasizes a need to relate a single service and facility use to the whole product and the total tourism experience. One good quality service is not sufficient to give rise to tourism product quality perception, although an excellent service may positively impress the consumer to make him or her close their eyes to shortcomings and defects experienced elsewhere in the tourism product.

The term **"service requirements"** relates quality to its human, personal and personnel dimensions which are often intangible and

apparently difficult to measure, evaluate and quantify in contrast with the physical attributes of tourism facilities which are used primarily in facility classifications or grading. However, certain service elements are quantifiable, for example waiting time, frequency of service (e.g. cleaning), the number and type of services included in the basic price, etc.

The term "**expectations**" relates to the requirement of positive communication and perception of the product characteristics to the potential consumer. *There should be no negative surprises at the time of delivery of a service or supply of a product, the consumer must receive what has been promised (or even more).*

Expectations should also be legitimate, there are limits to expectations, and some expectations cannot be fulfilled even at a very high price which can be offered.

The term "**consumer**" relates to individual (end) consumers, who may include groups of people (e.g. a family), corporate consumers (e.g. a company purchasing an incentive trip) and commercial intermediaries (e.g. a tour operator). The latter may request that the product quality be assessed and certified by its own representative or a recognized external third party.

"**Acceptable price**" suggests that the client's expectations reflected in the price cannot be attained at any cost, and that "positive surprises" should not be too generous, otherwise this may imply excessive allocation of resources which do not receive adequate remuneration. If quality is guaranteed and the product exceptional, there should be no expectation that it should be sold cheap.

"**Mutually accepted contractual conditions**" is an additional concept included in the definition by the WTO Quality Support Committee, at the indication of the private sector. It introduces the element of commercial and legal nature and is related to transparency. Acceptance can be explicit or tacit (implicit), depending on the regulations governing the tourism sector in a given country or the type of transaction. For example, some contracts may need to be signed, while

other transactions would only require prior communication of the price on ordering a service.

"The underlying quality determinants" suggest that there should be common, irrevocable criteria of quality which are vital for the consumer independently of category or class of the product, establishment, facility or service sophistication. They establish the minimum level of consumer protection under which quality, or total quality, is impossible to achieve, or when failing to meet any of such determinants will significantly reduce the quality of tourism experience.

- **Safety & Security :**

A tourism product or service cannot represent danger to life, damage to health and other vital interests and integrity of the consumer (even if we talk about "adventure tourism"). Safety and security standards are normally established by law (e.g. by fire prevention regulations) and should be considered as quality standards per se.

- **Hygiene:**

For example, an accommodation facility just has to be safe and clean, one cannot pretend that such requirements are more important to high-class establishments. Food safety standards (often also established by law) must be met and be common to all types of food outlets, from street vendors to luxury gourmet restaurants to airline catering.

- **Accessibility :**

This determinant requires that physical, communication and service barriers must be done away with to allow, without discrimination, the use of mainstream tourism products and services by all people irrespective of their natural and acquired differences, including people with disabilities.

- **Transparency:**

It is a key element to provide for legitimacy of expectations and consumer protection. It relates to providing and effectively

communicating truthful information on the characteristics and coverage of the product and its total price. It includes to state what is covered by the price and what is not in the product on supply.

- **Authenticity:**

In a commercial world, authenticity is the hardest and most subjective quality determinant to attain. It also has marketing and competition dimensions. Authenticity is culturally determined and one of its results is making the product markedly distinct from other similar products. Authenticity must meet consumer expectations. It diminishes and eventually terminates when the product loses its links with its cultural and natural background. In this sense, a "genuine" ethnic restaurant can never be entirely authentic in a place distinct from its original setting. This does not mean that such an establishment cannot be an attraction and that it cannot be assessed from the viewpoint of quality with respect to production (content and design), marketing, distribution, sale and delivery of the service concerned. A theme park representing other lands and far away cultures is a good example of an initially artificial tourism product which may create an authenticity and a quality image of its own. On the other hand, an authentic product can also develop and adapt to needs and expectations.

Harmony:

Harmony with the human and natural environment pertains to sustainability which is a medium- and long-term concept. "Maintaining the sustainability of tourism requires managing environmental and socio-economic impacts, establishing environmental indicators and maintaining the quality of the tourism products and tourist markets" (WTO Guide for Local Authorities on Developing Sustainable Tourism). There can be no sustainability without quality.

1.6 Summary:

- The tour evolved from the grand tour, through custom-made tours, to the package tour.

- The package tour is a combination of two or more travel components put together by a tour operator and sold to the consumer as a single product at a single price.
- Package tours have become increasingly popular because they offer travelers worry-free vacations, with the benefits of known costs, bargain prices, and guaranteed arrangements.
- Tours can be categorized by format, destination, and purpose.
- Independent, hosted and escorted are the three basic package tour formats.
- The need for flexibility, different paces, and different price ranges are important considerations in developing tours.
- The tour manager accompanies a group for the duration of an escorted tour, making sure that all the ingredients come together as planned.
- Since deregulation, the USTOA and NTA have set financial and ethical standards for the industry.
- All overseas tours are required to conform to IATA regulation.
- The production of the tour product entails a close working relation between suppliers and public

1.7 Key Terms

Foreign Independent Tour (FIT) Actually used generically now for a travel package put together by a travel agent from separate components such as car, hotel and airfare, adjusted exactly as the traveler wishes. May include city tours, theater tickets, and other "independent" options, and may also include custom mapping/routing to accomplish the client's goals.

A la' carte: According to card (normally found in 5star hotel)

Table d' hote: Table of the day (it is a fixed menu found in mess, cafeteria)

Tour Manager: The tour management or director is responsible for the day-to-day even minute-by-minute, operation of the escorted tour.

Itinerary: An itinerary is a day to day schedule of a travel program.

Check your progress:

- 1) Define the term Traveler and how you will organize a Tour.
- 2) What are the areas of career Opportunities in Travel Industry?
- 3) What are the minimum education and training required for the following job Title: -

(a) Tour Manager (b) Tour Guide
- 4) Define the term itinerary.
- 5) Discuss on the topic "Trade in tourism service".

CLUES TO ANSWERS

Check your progress-1

Refer Sec 1.1

Refer Sec 1.1

Check Your Pogress-2

- 1) Refer Sec 1.2
- 2) Refer Sec 1.4
- 3) Refer Sec 1.3

UNIT - 2: TOURISM ORGANISATIONS

Structure

2.0 Introduction

2.1 Travel and Tourism Organizations

2.2 IATA

2.3 TAAI

2.4 WTO

2.5 ASIA

2.6 PATA

2.0 Introduction

The Travel and Tourism industry has many sectors each of which have different interests. Grouping of such sectors into organizations and associations allow them to focus on common issues and undertake a range of activities to develop an industry professionalism and defend their interests against external interests.

2.1 Travel and Tourism Organizations:

Travel and Tourism Organizations play a major role in advancing the interests of the industry. They provide forums for discussions of common issues, lobby for industry cause, especially those which promote the industry's interests and members from different parts of the world to network and learn from one another. Nearly all organizations are involved in doing research, providing marketing services and training schemes that are most cost effectively done jointly under an umbrella organization.

Such organizations come together by shared interests (such as airlines or travel agents) or geographically (by region). Some are even more finely segmented, such as by gender or age. Others also include

societies specializing in incentive travel, sales and marketing efforts, education and eco tourism, or exhibition and convention centers.

In addition to a large number of global associations and even organizations, many others reflect regional, national and even provincial interests and issues. Associations have the common goal of identifying the need of their members and working to meet them. They provide a common forum for people with similar lines of work to get together to discuss common issues. Well organized and clearly focused international travel and tourism organizations play a major role in upgrading industry standards and are taken seriously by government as well as public.

Nowadays they are coming under pressure to justify their existence and ensure that they are not just extended bureaucracies. Many have been restructured in recent years in line with changes in the industry at large to make them more productive and efficient.

The following are some of the major global Travel and Tourism organizations. The travel agencies, tour operators and airlines have been deeply involved in many of them. They all have websites and they provide channels of information on a large number of issues affecting Travel and Tourism, from automation to taxation, from research to legal issues.

2.2 International Air Transport Association (IATA):

Founded in 1945, IATA the global representative of the international scheduled air transports industry. With over 260 members from almost 140 nations, IATA is the prime vehicle from inter-airline co-operation in promoting safe, reliable, secure and economical air services.

IATA was involved in establishing a sound technical and legal framework for the operation of the world airlines. It organized the first world Traffic Conference in 1947 which worked out agreements related to fare construction rules for multi-sector trips, revenue allocation-prorating rules baggage allowances, ticket and airway bill design and agency appointment procedures. IATA is also the co-coordinator of Multilateral Interline Traffic agreement that allow nearly 300 airlines

around the world, to accept each others tickets and air way bills-and thus their passenger and cargo traffic-on a reciprocal basis.

In 1952, the pattern for airline-travel agent relations was set with the introduction of the Standard Passenger Sales Agency Agreement. There are now nearly 81,000 IATA agents worldwide and 135,000 students who have enrolled for IATA sponsored agency training courses since they were introduced.

One of the IATA major issues today is taxation and used charges (payment for using airports and air navigation services). IATA makes specific challenges to the legality of certain taxes and points out to governments to counter-productive effect of excessive aviation taxation. High user charges mushroomed during the 1960's and 1970's of IATA 's task is to minimize their impact by ensuring that the charges are for facilities actually required, that charges are cost related and that productivity improvements are built into cost projections.

IATA plays a primary role in the regulation of tours outside the United States. It requires that:

1. The tour includes air transportation on the flights of a IATA member (though the airfare can be quoted separately).
2. Accommodations be included for the duration of the tour,
3. At least one additional feature is included (for example, sightseeing, entertainment, transfers).
4. The tour price is not less than 20 percent of the airfare (if departure is from the United States).
5. The tour brochure meets IATA standards.

IATA represents leads and serves the airline industry. To fill our mandate, we focus our efforts on Industry Priorities, which are approved by our Board of Governors and on some issues particularly important to our Members and Partners. Below is a list of sectors in which IATA gets involved or plays an active role.

Contributing to Industry Efficiency:

- **Costs :**

Cutting the level of costs incurred from rates charged by governments and third-party service providers, and to achieve savings/cost avoidance of (US) \$700 million

- **Fuel Services :**

IATA Fuel Services represent and promote the interests of the Members in all commercial and technical aspects of Jet Fuel management.

- **Insurance :**

Ensuring that the government role in third-party war risk is fully defined and that necessary coverage is *widely available, stable and affordable*

Taxation:

IATA Taxation works to reduce the foreign tax burden on the *airline industry to a minimum.*

- **User charges:**

Since Sept. 11, governments around the world have undertaken to strengthen existing aviation security measures and authorities, *generally resulting in increased, or entirely new, security charges imposed on the passenger.*

Financial Systems:

- Integrate IATA Settlement Systems with industry financial systems to provide an end-to-end treasury service
- Introduce new Agency programmes, as necessary, for passengers and cargo

- Implement, promote and enhance e-business solutions for industry financial, distribution and other services

To assist the industry in achieving adequate levels of profitability and in consultation with our Members and external experts, IATA has developed a wide range of financial tools and services, including those listed below. Members receive preliminary notification of all enhancements and new offerings.

Agency Programmes

IATA accredited travel and cargo agents are the marketplace intermediaries who make it possible for airlines to sell their services worldwide.

Airline sales revenue that is generated by individual agents is sent to the airlines that earned it, via the Billing & Settlement Plan (BSP) for passenger agents and Cargo Account Settlement Systems (CASS) for cargo agents.

Since travel industry suppliers other than airlines now account and collect revenue via the BSP, IATA has developed a Travel Industry Designator Service (TIDS) to give them unique numeric coding for reservations and commission tracking.

Billing & Settlement Plan (BSP) Data Interchange Standards

With more than 292 million transactions processed annually by the BSPs, the automated transfer of data can provide substantial cost savings to the participating airlines.

Revision 20 of the BSP Data Interchange Specifications Handbook (DISH Revision 20) is the global IDFS data interchange standard to be implemented by all BSPs.

Integrated IATA Card Services solutions permit airlines to minimize global credit card settlement costs and maximize management control of settlement.

IATA Clearing House provides for the netting and settlement of inter-company payables and receivables to over 300 participants.

CRS Harmonization develops standards for current and future reservations tools and procedures by reviewing system activities between airlines and CRS suppliers, including government regulations, as they impact industry reservations systems' communication standards and technical procedures.

IATA Currency Clearance Service This is a global cash management tool designed to assist airlines and travel partners in the centralized management of their world-wide sales proceeds, which are collected via local Billing and Settlement (BSPs), Cargo Account Settlement Systems (CASSs) and, most recently, direct General Sales Agent (GSA) settlements. ICCS enables airline treasurers to do this quickly and at low cost, while obtaining attractive interest and market exchange rates. Airlines are able to use their treasury staff more efficiently, thus saving personnel cost.

IATA's Enhancement and Financing Services addresses problems in the invoicing and collection of charges levied by Air Traffic Control (ATC) and airport authorities. It also assists in the financing of various aviation infrastructure projects. Members benefit from consolidated invoicing and more efficient payment methods.

Exchange Rates Tariff Services and Interline Settlement are supported through the provision of a series of Exchange Rates, namely: IATA Rates of Exchange (IROE), Five-Day Rates (FOR), Monthly Mean Average Rates (MMR), and Call Day Rates (CDR) and euro rates of exchange.

Extensible Markup Language (XML) Standards

Internet standards and procedures to support e-business and e-commerce solution the airline industry

IATA link Family of Products

Since 1999, IATA has progressively implemented an extensive business improvement programme, introducing Web-based technologies to streamline its attribution and financial services.

The IATA *link* banner brings together several of these newly launched services which are founded on flexible interactive features. Each service is designed to improve the way in which IATA and the airlines interact with their industry partners.

- ADDT link is an outsourced ticket audit and refund processing service designed to help airlines and agents to manage recoveries and optimize cash flow. Retrieval of ticket images, audit data, management information and ADM copies are all available to the user via the internet. For further information, please contact auditlink@iata.org.

BSP link is an innovative, Internet-based system to facilitate interaction and exchange of information between all BSP participants. Linking all the agents, airlines and BSP offices via an electronic infrastructure that gives all parties effective communication and information exchange. *BSP link* is currently being implemented on a worldwide basis. For more information, contact bsplink@iata.org.

CASS//n/r is designed to improve workflow among the major players in the cargo settlement process - a triangle of carriers, forwarding agents and CASS offices working together to deliver a high-quality and efficient settlement system.

CASS//n/e is being implemented in phases to progressively address three main areas:

Step 1: Electronic output (invoices, volume reports, data validation reports, irregularity reports) from the CASS offices to our customers

Step 2: Global data gateway to the CASS offices (electronic data submission from carriers, with validation checks and immediate error reports)

Step 3: Online presentation of invoices and statements with enhanced functionality in the form of online correction features that would auto-generate DCM transactions. A direct bank interface would also be incorporated to facilitate agent simplified payment processing.

Environment:

A Responsible and Essential Industry:

Air transport makes a valuable and unique contribution to the sustainable development of our global society. Efficient and affordable access to regional and global markets helps improve living standards and economic growth, which in turn alleviates poverty and is conducive to less environmental degradation.

Significant investments in air transport technology and infrastructure have enabled vast reductions in noise annoyance and emissions to be achieved over the years. Aircraft entering today's fleets are typically 20 decibels quieter than comparable aircraft 30 years ago. In practice, this corresponds to a reduction in noise annoyance of about 75%. Today's world fleet is around 65% more fuel efficient than in 1970. Between 1990 and 2000, fuel efficiency improved by 17%.

Challenges:

The industry is faced with the challenge of reconciling the growing demand for air transport and the need to mitigate its environmental impact. Despite continuous improvements in the environmental performance of the air transport industry, some specific noise and emissions concerns still exist. In response to these concerns, some regulatory bodies have shown a tendency to impose operational constraints and financial burdens on air transport.

The Role of IATA:

IATA supports its Member airlines by focusing on the activities summarized below. These are led by the Aviation- Environment department, which is part of the Safety, Operations and Infrastructure division.

Developing and Promoting Industry Strategies for Improving the Environmental Performance of Air Transport, whilst Enhancing its Role in the Sustainable Development of Society

- IATA brings together industry experts, working to improve environmental performance, through its Environment Task Force (ENTAF). ENTAf Members are appointed by IATA's Director General. ENTAf provides advice to the Board of Governors on environmental developments and policies.

IATA stimulates and supports the dissemination of environmental good practice guidelines. The publication *Flight Path to Environments! Excellence* provides practical examples of airline environmental management that are applicable during the course of a typical flight sequence. In addition, IATA is currently developing an industry-wide database of environmental good practice. Contact environment@iata.org for further information.

IATA's Aviation Training and Development Institute provides a course for those wishing to learn more about issues related to aviation and the environment. The next course will take place from 12 to 16 July 2004, in Geneva.

IATA is a funding member of the Air Transport Action Group, with whom we work closely on issues such as sustainability and promoting infrastructure capacity improvements in an environmentally responsible manner.

- IATA acts as a catalyst for environmental studies and research. In 2001, IATA commissioned a study on the potential for greenhouse gas emissions trading schemes involving the air transport sector.

Working to Promote Global Solutions to Environmental Concerns whilst Protecting the Interests of Member Airlines

IATA promotes and supports the International Civil Aviation Organization (ICAO's) leadership in developing global solutions and uniform standards and seeks to ensure recognition by ICAO of the industry's needs and views.

- IATA is an observer to ICAO's Committee Aviation Environmental Protection (CAEP). As such, we provide input and support to CAEP's working groups, which cover matters such as noise and emissions

technical and operational issues; market based options; and forecasting and economic analysis. IATA successfully defended industry views at the sixth meeting of CAEP, which took place in February 2004.

One of IATA's industry priorities in 2003 was to "formulate an industry position on climate change, including emissions trading and voluntary agreements". This was in preparation for CAEP/6 and for the 35th ICAO Assembly (September 7 October 2004). The finalized position was unanimously endorsed by IATA's Board of Governors in December 2003.

Assessing the Potential Impact of Regulatory Initiatives on the Industry, Formulating Strategies and Co-coordinating Lobbying Efforts.

- IATA monitors and evaluates regional, local and international regulatory developments, working with airlines and other industry stakeholders to formulate strategies and co-ordinate lobbying efforts, when necessary.

Industry Information and Analysis IATA provides to its Members and to other representatives of the air transport industry the most comprehensive aviation industry traffic and airport forecasts and statistics, market and economic analyses, market research, data collection and surveys.

Aware that staying abreast of change is crucial to the industry, IATA organizes conferences, meetings, roundtables and briefings, and develops an array of publications and newsletters focused on specific sectors of the industry.

The IATA Web site is another medium through which IATA keeps its Members and the industry informed of recent developments and progress in numerous technical areas. It also provides links to relevant government and non-government sources of information.

The Director General regularly addresses the CEOs of Member airlines on current topics and issues of importance to the industry, as well as IATA's role in each area.

Whenever major regulatory developments are announced, IATA publishes *aero news* for Government Affairs contacts in the industry. In addition, it makes available selected papers and background material relating to current *aero* political issues.

IATA's unique industry position and access to data from IATA Member airlines and industry associates permits IATA to produce aviation information and research products and services of premium quality and timeliness.

Products

Ready-Made Reports provide the latest statistics, trends and analyses of the air cargo and passenger markets.

Syndicated benchmarking programmes enable clients from airlines, airports and industry suppliers to benchmark their performance or review their market position and strategies.

Traffic statistics and forecast collections provide participants with valuable information that is not in the public domain

Customised services include:

Air Transport Consultancy Services

IATA's Air Transport Consultancy Services responds to the air transport industry's needs for consultancy services. We offer a wide range of *airport consultancy services*, including Air Traffic Forecasts, Airline/Airport Strategy and Development Economic and Statistical Studies, and Airport Planning and Development.

We are uniquely qualified to bring a global perspective to projects and clients, as we have access to airline experts and other specialists. We also have access to privileged data from airlines, which enables us to carry out unbiased consultancy research.

- **Custom Analysis and Statistical Services**

We offer a special data extract service that enables us to provide tailored reports to meet your requirements. These customized reports are an ideal tool for the industry professional, as they take the effort out of data report compilation. This leaves you more time to analyze key results and trends

- **Market Research**

We offer a full range of research agency services, with a full range of traditional and innovative research techniques. Personnel in this group consist of quantitative and qualitative research specialists with extensive experience in conducting research across the world.

With continuous development of existing and new research products, the market research group provides comprehensive research expertise to the industry.

Regulatory and Public Policies

IATA's goals in this area:

- promote government action to ease national ownership laws
- maintain necessary exemptions for industry cooperative activity, and promote government support for the multilateral interline system
- protect the industry position on slot allocation and seek an appropriate longer-term compromise

IATA develops industry positions on zero political, regulatory and other policy matters, and represents industry views to ICAO and other inter-governmental and non-governmental organizations.

It advises governmental and inter-governmental groups on air transport policy. In addition, it develops an integrated strategy for industry responses on issues such as liberalization, competition policies, consumerism, safety and the environment.

IATA leads the industry on consumer issues, including passenger rights. It also promotes government action to ease national ownership laws, and monitors open-sky bilateral agreements concluded with the U.S. Furthermore, it defends necessary exemptions for industry cooperative activity.

Since air transport is still a heavily regulated industry, IATA's activities can encompass almost any aspect of aviation, including (but not limited to):

- the airline industry's views on the revision of the EU Slot Allocation Regulation
- Airline Passenger Service Commitment
- U.S. Customs' demands for Advance Passenger Information requirements
- liberalization of airline ownership and-control requirements, and GATS negotiations in the World Trade Organization

IATA promotes the Association's activities through:

- the dissemination of press releases, documentation, publications and speeches
- participation in conferences and exhibitions
- development of its Web site as a key source of aviation industry information

The sustainability of the aviation industry is also ensured through IATA's support for specific campaign and lobbying actions.

IATA makes available selected papers and background material relating to current aero political issues. Whenever major regulatory developments are announced, IATA's Government Affairs contacts receive *GOWAF Aero news reports*.

IATA seeks to develop and encourage industry strategies for improving the environmental performance of air transport, whilst enhancing its role in the sustainable development of society.

Furthermore, it assesses the potential impact of regulatory measures on the industry, formulates policies and co-ordinates lobbying efforts.

IATA is also a funding member of ATAG - the Air Transport Action Group - an independent coalition of organizations and companies throughout the air transport industry that have united to drive infrastructure improvements in an environmentally-responsible manner.

The IATA Air Transport Safety Information (ATSI) project helps the media to understand the industry's commitment to safety and gain access to the information they need to report fairly and accurately when safety makes the headlines.

In the area of security, IATA:

- provides airline input to governments and other international organizations
- assists in the development of International Standards and Recommended Practices
- participates in the ICAO Aviation Security Panel of Experts
- provides input to ICAO regional activities
- encourages governments to ratify, implement and adhere to international security conventions

IATA aims to maintain necessary exemptions for industry cooperative activity. In such areas as the *multilateral interline system and Traffic Conferences*, the international regulatory and aero political environment to support activities involving conferences and the setting of standards, including necessary exemptions from competition laws.

Industry Affairs Committee:

The Industry Affairs Committee (IAC) advises IATA's Board of Governors, the Director General and CEO, and other IATA-bodies on commercial/industry affairs and aero political matters affecting international passenger air transport.

The IAC has specific responsibility for the anti-trust immunity and competition law exemptions that IATA enjoys. It also identifies and develops industry policies and positions, supervises policy implementation and promotes policy campaigning.

Airline-Consumer Forum:

The Airline-Consumer Forum (ACF) is a neutral, independent body composed of representatives from the airline industry and from leading consumer organizations. Its members discuss issues of common interest, ensure that two-way communication is maintained, and increase mutual understanding.

Regulatory Affairs Review (RAR):

This publication brings together information and supporting documentation on government policies affecting the international scheduled aviation industry.

Safety

SAFETY STRATEGY

As the premier organization in global safety for the air transport industry, IATA provides leadership solutions in the following six critical segments:

- *Auditing*

The IATA Operational Safety Audit (IOSA). The only safety audit recognized by airlines and regulators.

- ***Cabin Safety***

Standards and procedures have been established to ensure safe cabin operations, while taking new regulatory initiatives into account.

- ***Dangerous Goods***

The safe, efficient and timely delivery of a broad array of dangerous goods is based on standards established in conjunction with numerous international industries.

- ***Data Management and Analysis***

Exclusive provider of global safety incident data collection and analysis

- ***Infrastructure***

The safety of air side operations has been improved using standards and procedures developed with carriers, ground handling companies and airport authorities. Enhanced safety of air traffic management (ATM) is among the essential areas of involvement.

Training:

Comprehensive course and conference offerings relating to all aspects of operational safety.

Security :

IATA's mission is to represent and serve the airline industry. IATA's principal goal is to promote safe, reliable and secure air services.

On behalf of its Members and the entire aviation industry, IATA works to ensure that new and enhanced security measures are effective, internationally harmonized and minimize disruption to passengers and shippers.

To do this, IATA collects analyses and disseminates information about international civil aviation security to its Members. It also assists in

developing industry policies and procedures' to combat unlawful acts against civil aviation.

The 58th IATA Annual General Meeting, held in June 2002, adopted a Security Resolution calling on all Member Airlines to ensure that effective airline security programmes are in place, consistent with ICAO Annex 17 requirements and the IATA Recommended Security Standards. All Member airlines are now required to have a Security Programme in place which meets or exceeds the requirements of the IATA Recommended Security Standards.

IATA's Security Committee (SEC), composed of 25 heads of security from IATA Member airlines, meets twice a year to address aviation security issues and to propose and implement solutions.

Following the tragic events of 11 September 2001, and in accordance with SEC recommendations, the Global Aviation Security Action Group (GASAG) was formed. This forum of worldwide aviation industry organizations has reached consensus on a number of security issues. These industry positions are described fully in the GASAG position paper.

Key Issues being currently addressed by IATA and Product/Services offered to Members/Industry Partners are as follows:

- **Global Harmonization** - The need for effective globally harmonized Security Measures is a priority issue for IATA. IATA meets regularly with key regulators to emphasize the need for global harmonization when developing their respective regulations and participates in appropriate ICAO for a discussing security measures.
- **MANPADS** - The threat of Man-Portable Air Defense Systems (MANPADS) has been highlighted recently following attacks against civil aviation. IATA established the OPC MANPADS Task Force to develop industry positions and provide guidance for implementation of appropriate countermeasures. Due to the sensitive nature on the subject, the web site for this Task Force is

a password protected site restricted to Security representatives of Member Airlines.

- **Air Cargo Security** - IATA has initiated an industry-driven project to develop enhanced air cargo security procedures and quality assurance systems which can be promoted to governments as a model to ensure enhanced security while minimizing disruptions to international trade. IATA also monitors regulatory initiatives worldwide including several led by Customs Administrations to enhance supply chain security.
- **IATA Airport Consultancy Services** offer airport security expertise that is required at the planning and design stages of airports
- **The IATA Security Manual, 3rd Edition** assists Member airlines to develop or enhance their Security Programmes to conform to IATA Standards. The Manual is restricted to security professionals.
- **IATA Security Partners** - The IATA Partnership Programme enables non-airline companies to work alongside IATA Member airlines in the standards and policy-setting processes for the airline industry. Security Partners can attend Security Committee meetings; participate in AVSEC World, and enroll in IATA Aviation Security Training courses.
- **Simplifying Passenger Travel (SPT)** is an industry initiative established to safely and securely use new technologies to simplify the passenger travel experience. This work is undertaken by the SPT Interest Group whose members include airlines, airports, customs and immigration authorities, industry suppliers, system integrators and consultants. IATA contributes project management support.
- **Security Training courses** are designed by IATA experts for airlines, airports cargo and civil aviation staff to enable them to develop, implement and manage aviation security programmes

that meet international standards. All courses are based on the most recent regulations, technology and standards.

Check Your Progress-I

1) What is the role of Travel and Tourism Organization?

.....
.....
.....

2) What is the Goal of IATA?

.....
.....
.....

2) The 58th IATA Annual General Meeting, held in

.....
.....
.....

2.3 The Travel Agents Association of India (TAAI):

The Travel Agents Association of India (TAAI) was formed towards the end of the year 1951 by a group of twelve leading Travel agents, who felt that the time had come to create an Association to regulate the Travel industry in India.

The primary purpose was to protect the interests of those engaged in the industry, to promote its orderly growth and development and to safeguard the rights of the traveling public.

TAAI represents all that is professional, ethical and dynamic in our nation's Travel related activity and has been recognized as the voice of the Travel and Tourism industry in India.

TAAI endeavors to build in its constituents, and others it deals with, a commitment to.

- Apply superior technical skills to the job on hand.
- Deliver the highest quality of service
- Act with responsibility within sound financial parameters.
- Build trust and credibility in the marketplace.

In fulfilling its mission and supporting traditional values as well as embracing change, TAAI's objectives are to work towards:

- A committed national membership.
- Widening its area of influence by judiciously delegating authority and responsibility to Regions, Chapters and City Committees.
- Professional management of its affairs at all levels
- A responsive and well equipped Secretariat which benefits all members

The manner in which TAAI conducts itself on issues of trade principles and practices will determine its contribution to the Travel and Tourism industry.

The Travel industry is now highly specialized and the average Traveler depends upon the professional Travel agent to guide him wisely. The Principals who appoint Travel agents to represent them also depend upon their approved agents to follow the best traditions of salesmanship and ethical conduct. The growing number of Travel agents and their increased scale of activities require their adherence to fair dealing and ethical practices.

Therefore, each TAAI member by reason of their membership admits and acknowledges that they are aware of the TAAI Code of Ethics and subscribes to and supports the precepts and principles contained therein.

RELATIONS WITH THE PUBLIC:

- The TAAI member should endeavor to eliminate any practices which may be damaging to the public or to the dignity and integrity of the Travel agents profession. The TAAI member shall report in writing to the respective Chapter / Regional Sub-Committee on any alleged unethical or unlawful practice which comes to their attention, accompanied by all evidence as they are able to gather in support of allegations.

Such a report shall be confidential in nature and unless otherwise agreed shall not be disclosed to any person. If, after due consideration of the evidences, the Chapter/ Region considers such report sufficiently valid, it shall submit the same to TAAI Headquarters with its comments and recommendations. In performing its functions in this context, TAAI shall give regard to the provisions of the Consumer Protection Act and other relevant laws.

- It is the duty of the TAAI member to keep him self and his staff informed and updated in respect of all important aspects of the travel requirements, in order to give clients effective, accurate and professional travel advice, in keeping with the main objective of the Association.
- The TAAI member should possess adequate knowledge of procedure and requirements of Central and State Authorities
- The TAAI member shall consider every transaction with their clients to be strictly confidential in nature and will not divulge any related information, which may be damaging to either the clients or the trade.
- At the time of discussions of travel related plans the TAAI member's staff should fully advise their clients on all formalities and costs involved in the program, and ensure, to the best of his ability that such formalities have been satisfied before travel.

- The TAAI member shall use available advertising materials to acquaint the public with the advantages of dealing with a TAAI member. Additionally the TAAI Logo should be incorporated in all advertising materials issued by him. The TAAI member shall display the TAAI insignia on entrance doors or display windows, and on all official stationery
- The TAAI member shall not imitate, simulate or copy any name, design, style, mark or patter used by, another TAAI member or Principal without prior permission.
- The TAAI member in his' advertising shall avoid incorrect and misleading statements, doubtful superlatives and any negative reference to his competitors.

RELATIONS WITH CARRIERS AND OTHER PRINCIPALS:

- The TAAI members shall, at all times, follow the best traditions of marketing ethics and fair dealing by presenting all carriers, hotels and other agencies which they represent in a fair and impartial manner to prospective clients.
- The TAAI members shall make him elf thoroughly conversant with tariff rules, regulations and changes in procedure introduced by his principals and the appropriate regulatory bodies. .
- (a) The TAAI members shall not attempt to improperly influence his principals or other organizations for the purpose of securing preferential considerations in the assignment of booking with his status in the trade and in society.
- (b) The TAAI members must discourage receiving any personal favors in the conduct of his profession, in keeping with his status in the trade and in society.
- The TAAI member shall not make any false, deceptive or misleading statements when called on to give an opinion of a Principal's service to a client or any other interested party.

- In the event of a complaint or grievance by a client against any Principal, the TAAI member shall give the Principal an opportunity to make a full investigation before any further action on his part.

RELATIONS WITH FELLOW MEMBERS AND OTHER TRAVEL AGENTS:

- The TAAI member shall conduct his business so as to avoid controversies with his fellow Travel agents. In the event of a controversy between TAAI members, the matter should be settled by mutual discussions, failing which it should be brought to the notice of the TAAI Managing Committee for settlement before any direct course of action is resorted to by the parties.
- The TAAI member shall not denigrate the business dealing of another TAAI Member and shall not volunteer any negative opinions thereon. If his opinion is sought, it should be given with strict professional integrity and courtesy.
- The TAAI member shall not willfully violate any decision of TAAI Managing Committee. He shall adhere to the decisions taken, Memoranda of understanding or agreements initiated by TAAI from time to time.
- The TAAI members shall secure, preferably, a No Objection Certificate or at least a relieving letter from the previous employer of any person the former is planning to employ, particularly if the previous employer is a TAAI member. The former will help the latter in recovering dues, if any, from such an employee.
- If a TAAI member happens to take any account previously serviced / handled by another TAAI member, the member shall make all efforts to assist the previous member in recovering dues and clearing accounts.
- The TAAI member shall circulate the names of defaulters in his client list strictly as per the mode and format specified by TAAI,

sufficiently in advance, to save other TAAI members from any risk of business loss.

- The TAAI member shall endeavor to participate regularly in the meetings of their respective Chapters and Regions, and shall contribute to the best of his ability in promoting the interests of the Association.
- The proceedings of all meetings of TAAI should be kept confidential and decisions taken shall not be disclosed, in part or full, to anyone not belonging to the Association.

MEMBERSHIP

ACTIVE MEMBER:

Active member is an IATA approved Head Office location of a Travel Agent providing Comprehensive services

ASSOCIATE MEMBER:

Branch Office location of an Active Member

ALLIED MEMBER:

Organization engaged in allied businesses i.e. various segments of Travel and Tourism industry such as Excursion Agents, Tour Operators, Hoteliers, Airlines, GSA's of Airlines, CRS etc.

TOUR OPERATORS:

The applicant must have recognition from Department of Tourism, Government of India

EXCURSION AGENTS:

The applicant must have recognition from Department of Tourism, Government of India or from the respective State Tourism Department.

HOTELS:

The applicant with an existing running property must be a member of the Federation of Hotels & Restaurant Association of the respective Region.

AIRLINE COMPANIES:

The applicant must be an IATA member operating scheduled airlines

ALLIED SERVICES:

The applicant must have a proven record of 5 years but must not be a ticketing agent for any Airline/agent/GSA.

GOVERNMENT MEMBER

Central and State Government Department and Public Sector Tourism Organizations, Department of Tourism-Government of India, State Tourism Departments, Tourism Development, Corporations of various State and any other Travel and Tourism related government undertakings.

NON RESIDENT MEMBER:

Overseas Travels Agents, Tour Operators, Hotels etc. The applicant must be an IATA agent and a member of the respective National Travel Agents Association

2.4 World Tourism Organization (WTO):

WTO not to be confused with World Trade Organization serves as a global forum from tourism policy issues and a practical source of tourism know - how. Its membership includes 138 countries and territories and more than 350 Affiliate Members representing local governments, tourism associations and private sector companies, including airlines, hotel groups and tour operators.

Based in Madrid, TO is entrusted by the United Nations to help countries help countries maximize the positive impacts of tourism, such

as job creation, infrastructure developments and foreign exchange earnings, while at the same time minimizing negative environments and social impacts.

Representatives covering Africa, East Asia and the Pacific, Europe, the Middle East and South Asia are responsible for overseeing projects and working with tourism officials in various countries to analyze problems and to seek solutions. It also organizes conferences and seminars on issues such as aviation, infrastructure, development planning and marketing.

WTO is the only inter-governmental organization that offers membership to the operating sector and in this way becomes a unique contact point for discussion between government officials and industry leaders. Affiliate members include retail travel agents, tour operators, airlines and other transport companies, accommodation companies; banks; media groups, consultancies, educational and research institutes; local and regional tourism boards; and travel industry associations.

The transfer of tourism know-how to developing countries is one of its fundamental tasks. As an executing agency of the UN Development programme, WTO contributes to the sustainable development goals of nations. Acting on requests from member governments, TO secures financing, local experts, and carries out all types of tourism development projects

Mission for the New Millennium:

As the leading international organization in the field of travel and tourism, the World Tourism Organization (WTO) is vested by the United Nations with a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, with the aim of contributing to economic development, international understanding, peace, prosperity and universal respect for, and observance of, human rights and fundamental freedoms. In pursuing this aim, the Organization pays particular attention to the interests of the developing countries in the field of tourism.

Acting as an umbrella organization for world tourism, WTO plays a catalytic role in promoting technology transfers and international cooperation, in stimulating and developing public-private sector partnerships and in encouraging the implementation of the Global Code of Ethics for Tourism, with a view to ensuring that member countries, tourist destinations and businesses maximize the positive economic, social and cultural effects of tourism and fully reap its benefits, while at the same time they minimize its negative social and environmental impacts.

Through tourism, WTO aims at stimulating economic growth and job creation, providing incentives for protecting the environment and cultural heritage, and promoting peace, prosperity and respect for human rights.

In 2003 its membership reached 141 countries, seven territories and some 350 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities.

History

MORE THAN 75 YEARS OF TOURISM EXPERIENCE

The World Tourism Organization had its beginnings as the International Congress of Official Tourist Traffic Associations set up in 1925 in The Hague. It was renamed the International Union of Official Travel Organizations (IUOTO) after World War II and moved to Geneva. *IUOTO was a technical, non-governmental organization, whose membership at its peak included 109 National Tourist Organizations (NTOs) and 88 Associate Members, among them private and public groups.*

As tourism grew and became an integral part of the fabric* of modern life, its international dimension increased and national governments started to play an increasingly important role-their activities covering the whole spectrum from infrastructure to regulations. By the mid-1960s, it became clear that there was a need for more effective tools to keep developments under review and to provide tourism with

- intergovernmental machinery especially equipped to deal with the movement of persons, tourism policies and tourism's impacts.

In 1967, the members of IUOTO called for its transformation into an intergovernmental body empowered to deal on a worldwide basis with all matters concerning tourism and to cooperate with other competent organizations, particularly those of the United Nations' system, such as the World Health Organization (WHO), UNESCO, and the International Civil Aviation Organization (ICAO).

A resolution to the same effect was passed in December 1969 by the UN General Assembly, which recognized the decisive and central role the transformed IUOTO should play in the field of world tourism in cooperation with the existing machinery within the UN. Following this resolution, the WTO's Statutes were ratified in 1974 by the States whose official tourist organizations were members of IUOTO.

Thus IUOTO became the World Tourism Organization (WTO) and its first General Assembly was held in Madrid in May 1975. The Secretariat was installed in Madrid early the following year at the invitation of The Spanish Government, which provides a building for the Headquarters.

In 1976, WTO became an executing agency of the United Nations Development Programme (UNDP) and in 1977, a formal cooperation agreement was signed with the United Nations itself. In 2003, the WTO will be converted into a specialized agency of the United Nations and so even reaffirm its leading role in international tourism.

Since its early years, WTO's membership and influence in world tourism have continued to grow. By 2003, its membership included 141 countries, seven territories and some 350 Affiliate Members, representing the private sector, educational institutions, tourism associations and local tourism authorities.

Key Events

- 1925 International Congress of Official Tourist Traffic Associations,
The Hague, the Netherlands

1934 Creation of International Union of Official Tourist Propaganda Organizations (IUOTPO), The Hague, the Netherlands

1947 IUOTPO is converted to the International Union of Official Travel Organizations (IUOTO)

1969 Intergovernmental Conference in Sofia, Bulgaria and the UN General Assembly, call for creation of intergovernmental organization on tourism

1970 In Mexico, on 27 September (future date of World Tourism Day) IUOTO's Extraordinary General Assembly adopts the Statutes of World Tourism Organization

1975 First General Assembly of the World Tourism Organization is held in Madrid, Spain and WTO is officially launched with Robert Lonati (France) as Secretary-General 1976 WTO Secretariat moves from Geneva to Madrid 1977/1979 WTO General Assembly held in Torremolinos, Spain

1979 "World Tourism Day" created, to be celebrated every year on 27th September

1980 WTO convenes World Tourism Conference in Manila: the Manila Declaration on World Tourism is unanimously adopted

1981 WTO General Assembly held in Rome, Italy

1982 World Tourism Conference convened in Acapulco; Acapulco Document is adopted

1983 WTO General Assembly held in New Delhi, India

1985 Tourism Bill of Rights and Tourist Code adopted at WTO General Assembly, Sofia, Bulgaria

1986 Wilfried Pahr (Austria) elected Secretary-General

1987 WTO General Assembly held in Madrid, Spain

1989 WTO General Assembly held in Paris, France

- 1989 Inter-Parliamentary Conference on Tourism, jointly organized with the Inter-Parliamentary Union, adopts The Hague Declaration on Tourism
- 1990 Antonio Enriquez Savignac (Mexico) elected Secretary-General
- 1991 WTO General Assembly held in Buenos Aires, Argentina
- 1993 WTO General Assembly held in Bali, Indonesia
- 1995 WTO General Assembly held in Cairo, Egypt
- 1996 Francesco Frangialli (France) appointed interim Secretary-General after Antonio Enriquez Savignac's early retirement
- 1996 Second WTO Forum on Parliaments and Local Authorities: Tourism Policy-Makers, adopts the Bali Declaration on Tourism, Indonesia
- 1997 WTO General Assembly held in Istanbul, Turkey
- 1997 Francesco Frangialli (France) elected Secretary-General
- 1999 WTO General Assembly held in Santiago, Chile
- 2001 Fourteenth General Assembly held jointly in Seoul, Republic of Korea and Osaka, Japan
- 2001 Francesco Frangialli (France) re-elected Secretary-General 2003 Transformation of the WTO into a UN specialized agency

How WTO works

Structure

The bodies of the World Tourism Organization are the:

General Assembly

The General Assembly is the principal gathering of the World Tourism Organization. It meets every two years to approve the budget and programme of work and to debate topics of vital importance to the tourism sector. Every four years it elects a Secretary-General. The General Assembly is composed of Full Members and Associate Members. Affiliate Members and representatives of other international organizations participate as observers

Executive Council

The Executive Council is WTO's governing board, responsible for ensuring that the Organization carries out its work and adheres to its budget. It meets twice a year and is composed of 27 Members elected by the General Assembly in a ratio of one for every five Full Members. As host country of WTO's Headquarters, Spain has a permanent seat on the Executive Council. Representatives of the Associate Members and Affiliate Members participate in Executive Council meetings as observers

Regional Commissions

WTO has six regional commissions-Africa, the Americas, East Asia and the Pacific, Europe, the Middle East and South Asia. The commissions meet at least once a year and are composed of all the Full Members and Associate Members from that region. Affiliate Members from the region participate as observers.

Committees

Specialized committees of WTO Members advise on management and programme content. These include: the Programme Committee, the Committee on Budget and Finance, the Committee on Statistics and Macroeconomic Analysis of Tourism, the Committee on Market Intelligence and Promotion, the Sustainable Development of Tourism Committee, the Quality Support Committee, the WTO Education Council, the WTO Business Council and the World Committee on Tourism Ethics.

Secretariat

The Secretariat is led by Secretary-General Francesco Frangialli of France, who supervises about 90 full-time staff at WTO's Madrid Headquarters. He is assisted by the Deputy Secretary-General Dawid de Villiers of South Africa. These officials are responsible for implementing WTO's programme of work and serving the needs of Members. The WTO Business Council is supported by a full-time Chief Executive Officer at the Madrid Headquarters, a position that is financed by the Spanish Government. The Secretariat also includes a regional support office for Asia-Pacific in Osaka, Japan, financed by the Japanese Government. The official languages of WTO are English, Spanish, French, Russian and Arabic.

Regional activities

AROUND THE WORLD

Direct actions that strengthen and support the efforts of National Tourism Administrations are carried out by WTO's regional representatives.

Each region of the world - Africa, the Americas, East Asia and the Pacific, Europe, the Middle East and South Asia - receives special attention from its regional representative based at the Headquarters of the World Tourism Organization in Madrid.

Regional representatives are WTO's front line of contact with member countries. They are constantly on the go, but regional representatives are much more than travelling ambassadors.

- They meet with the top tourism officials from each of the countries in their region to analyze problems and offer solutions.
- To create specific development projects, they act as a liaison between tourism authorities and financing sources, especially the United Nations Development Programme.
- They represent WTO at national and regional tourism events.

- They organize national seminars on topics of particular relevance to a" individual country.
- They hold regional conferences on problems that are shared by many countries so that Members can exchange experiences and work towards common goals. Recent conferences have been held on the Challenge of Globalization in the Middle East, Human Resource Development in East Asia and the Pacific, the Euro and Tourism in Europe and Quality Standards in the Americas region, Crisis Management in East Asia and the Pacific, etc
- They help facilitate productive contacts between tourism authorities and other branches of government - often at the presidential level.

All of these activities are designed to help increase the stature of National Tourism Administrations within their own country, while at the same time building awareness of new developments in tourism and improving technical, operational skills.

In a special effort to help boost tourism to sub-Saharan Africa, WTO has developed a specific programme of technical activities for the years 2003 - 2004.

WTO's six Regional Commissions meet at least once a year to discuss the Organization's activities and set priorities for the future Affiliate. Members from the region are encouraged to participate in the meetings and seminars.

Who can join the World Tourism Organization?

WTO has three categories of membership. Full Members, Associate Members and Affiliate Members.

- Full membership is open to all sovereign States.
- Associate membership is open to all territories not responsible for their external relations. Membership requires the prior

approval of the government which assumes responsibility for their external relations.

- Affiliate membership comprises a wide range of organizations and companies working directly in travel, tourism, and related sectors. These may include: airlines and other transport, hotels and restaurants, tour operators and travel agents, banking institutions, insurance companies, travel assistance, publishing groups, etc. Affiliate membership is made up of three groups, the WTO Business Council, the WTO Education Council and the WTO Task Force on Destination Management. Affiliate membership requires endorsement by the government of the state in which the headquarters of the applicant is located.

WTO is the only intergovernmental organization that offers membership to the operational sector and in this way offers a unique contact point for discussion between government officials and industry leaders. WTO's broad-based Affiliate membership also has its own programme of activities which includes regular meetings and technical seminars on specific study topics. In 2001 the year-long topic was e-Business for Tourism and in 2002 it was Public-Private Sector Cooperation and Partnership.

2.5 American Society of Travel Agents, INC.(ASTA)

Based in Alexandria, Virginia, ASTA describes itself as the world's largest association of travel professionals. It has 26,500 members in 170 countries, the majority of them in the United States of America. The majority of ASTA's members are travel agencies. However travel suppliers, such as airlines, hotels, car rental firms, cruise lines and tour operators also join. The society has separate membership categories for students, travel schools, retired travel professionals, retail travel sellers, and others. ASTA members uphold a strict code of ethics, the pledge on which members stake their reputation. It pledges that if consumers ever have a problem with an ASTA member they can contact the Society's Consumer Affairs Department to file a complaint and the Department will help the complainant get it resolved. ASTA publishes a directory to

help the complainant get it resolved. ASTA publishes a directory to help consumers find the nearest ASTA travel professional.

Members are provided with education and information resources to help them boost their professional services to the clients. One of its major activities is constantly monitoring the travel industry to identify "swindle" operators and others whose practices cheat consumers and negatively impact the travel industry.

The American Society of Travel Agents (ASTA) is the largest (over 20,000 members) and most influential trade association of travel and tourism professionals' world wide. Established in 1931, ASTA continues to serve the best interests of the travel industry and the travelling public. ASTA's purpose is to promote and advance the interests of the travel agency industry and to safeguard the travelling public against fraud, misrepresentation, and other unethical practices.

ASTA is organized into 27 U.S. chapters and 39 chapters overseas, each with its own elected officers and appointed committees. An ancillary organization, ASTA Canada, serves Canadian members.

The society's membership may be found in 128 countries. All officers of ASTA are working travel agents. They are elected every two years by the society's active members. Day-to-day activities are administered by a staff of over 70 professionals located at ASTA's world headquarters in Washington, D.C. and a regional office in San Diego, California.

ASTA is organized into committees as follows : Executive, Finance, ASTA Canada, Automation, Aviation, Awards Council, Bonding and Insurance, Bylaws and Election Policies, Car Rental, Chapter Presidents Council, Public Relations, Congress Site Selection, Consumer Affairs, Education and Training, Hotel, International Division of ASTA, Inbound Services, Legislative, Maritime, Membership, Motor Coach / Sightseeing, Nonprofits, Organizational Structure, Rail and Tour Relations.

In addition to these regular committees are the following ad hoc committees: ASIA Proficiency Program, ASIA Promotions, Committee

on Divisions, Committee on National Tourism Policy, Committee on Priorities and Special Projects, and the Committee on Services and Procedures Analysis. In addition to these committees, three special officers are appointed: protocol officer, UFTAA (Universal Federation of Travel Agency Association) representative, and archivist.

Within ASIA world headquarters are the following paid staff: president, chief operating officer, staff vice-president, general manager, and department heads for Public Relations, Chapter and International Affairs, Consumer Affairs, Education and Training, Finance and Administration, Legal and Industry Affairs, Meetings and Conventions, Sales and Membership, ASIA West Coast Officer, and ASIA Membership Group Insurance Trust. An insurance consultant is a member of the Graduate School of Business Administration faculty at Michigan State University.

Check Your Progress-2

1) What is the primary purpose of TAAI?

.....
.....
.....

2) How many members are there with WTO?

.....
.....
.....

3) Who can join the World Tourism Organization?

.....
.....
.....

2.6 Pacific Area Travel Association (PATA):

Founded in 1951, PATA is the dominant industry association in one of the world's most popular Travel and Tourism regions. Its membership includes nearly 100 government, state and city tourism bodies, 76 airlines and cruise lines, some 2000 companies and organizations, and 17,000 individuals in 78 Chapters worldwide. Its programmes are designed to help members enhance their competitive edge through research and marketing services, product development and educational seminars and workshops. It also produces a number of statistical and research reports feeling the pulse of the¹ region. Based in Bangkok, PATA maintains Divisional offices in Sydney, Singapore, Monaco and San Francisco and a representative office in Tokyo.

The Pacific Asia Travel Association (PATA), a not-for-profit travel-trade organization, is the recognized authority on Pacific Asia travel and tourism. PATA provides marketing, research and educational opportunities to a membership of government tourist offices, airlines, hotels, travel agencies, tour operators and related companies. PATA's mission is to enhance the growth, value and quality of Pacific Asia travel and tourism for the benefit of its membership.

Mission Statement

The Pacific Asia Travel Association, founded in 1951, is a not-for-profit travel organization whose mission is to enhance the growth, value and quality of Pacific Asia travel and tourism for the benefit of PATA members.

Policy document

Pacific Asia Travel Association Memorandum of Understanding and Declaration in Support of ECPAT

In accordance with the PATA Board of Directors' resolution signed in January 1998, the Pacific Asia Travel Association (PATA) hereby declares its active support for the aims and objectives of End Child Prostitution and Trafficking (ECPAT) and all those working to:

- Condemn any form of sexual exploitation and abuse of children

- Pledge never to promote in any way travel or tourist programmes with pedophile purposes
- Commit themselves to exclude without delay any member proven to be engaged in sex tourism
- Recommend to their members to inform employees and clients alike in the most appropriate way the impact and dramatic consequences of child prostitution in countries of destination
- Declare their willingness to cooperate with the authorities in countering child sex abuse and exploitation at all levels and with various public- and private-sector organizations concerned with the welfare of children, to identify offenders and to assist the victims
- Urge all PATA members to reinforce their judicial cooperation and to adapt their legislation to criminalize child sex abuse and to introduce extra-territorial prosecution in accordance with the Stockholm Declaration.

Purpose and aims:

The PATA mission is to contribute to the growth, value and quality of travel and tourism within the Pacific Asia area on behalf of PATA members. PATA is the leading authority on Pacific-Asia travel and tourism.

Description of activities:

Research and information projects: statistical reports, outbound market studies, research forum, market analyses, trend forecasts, technology conferences and studies, information dissemination; Marketing and promotion projects: marketing seminars and conferences, trade shows, trade missions and trade advertising; Development projects: heritage conservation programs, environment conservation programs, transport and infrastructure development advisory services, travel and health issues, air travel congestion issues, investment seminars, and task forces; Human resource development: education and training programmes,

seminars and conferences; Public relation at fostering capable personnel in tourism and recreating-related business.

Check your progress: -

Define the following: -

WTO (b) IATA (c) TAAI (d) PATA

What is the role of IATA?

CLUES TO ANSWERS

Check your progress-1

1. Refer Sec 2.1

2. Refer Sec 2.2

3. Refer Sec 2.2

Check Your Progress-2

1) Refer Sec 2.3

2) Refer Sec 2.4

3) Refer Sec 2.4

UNIT - 3: TRANSPORT SYSTEM

Structure

3.0 Introduction

3.1 The Airline Industry

3.2 The Rail Industry

3.3 The Bus Industry

3.4 Rental Cars

3.5 The Cruise Industry

3.0 Introduction:

When we discuss the private sector we typically think of the firms that furnish the travel product to the consumer. These are commonly referred to as suppliers. Suppliers are those organizations that actually supply the transportation, offer the accommodations, make the arrangements, and provide entertainment for travelers. Examples are airlines, ship lines, rail lines, bus and motor coach lines, ground operators who provide local transportation and local tours, taxi companies, auto rental firms, charter boat services, and aerial tramways.

Accommodations suppliers include hotels, motels, resorts, clubs, condominiums, timesharing (sometimes called interval ownership) resorts, youth hotels, bed and breakfast homes, tourist homes, camps, and others sports equipment suppliers, for boat rental operators, and other water - oriented sports equipments suppliers, for example, suppliers of wind surfing gear. In resort areas suppliers of tennis, golf, and other activities.

Suppliers of arrangements are dominated by retail travel agencies. However, there are also tour operations and wholesalers, consolidators, tour organizations and managers, tour guides, couriers,

escorts, tour directors, and others who may assume a leadership position with a traveling group. Restaurants, cafes, caterers, food stores, bars / taverns, and similar eating and drinking places make up the components of the food and food service group. Finally, there are places of amusement and entertainment, such as theme parks; national, state and local parks; public forests; wildness areas; lakes, streams, seashores, and beaches, and beaches; night clubs; sports facilities and events; and theaters.

Supplementing all these are stores and shops of various kinds that provide opportunities for travels to obtain whatever type of goods and services they need or want in any particular place. Each of the major components' of the private sector will be examined separately in the following sections.

3.1 The Airline Industry:

In the span of 50 years the airline industry has grown from infant to giant ; by 1983 the air shares of the common carrier passenger mile market was 88.0 percent (Table 3-1). Airlines now account for 232 billion passenger miles a year.

The airlines have revolutionized travel, and the range and speed of jet travel has greatly expanded what tourists or business travelers could once accomplish with the equivalent time and funds at their disposal. Today, for example, it is possible to fly around the globe in less than it takes to drive across the United State. The system is also incredibly efficient you need only make one call to an airline or a travel agent and purchase a ticket to your desired destination (regardless of how many stops or airlines are required); then all you have to do is go to the airport and check your bags through to the final destination. The logistics that make it happen are complex, but the system works well. For example, American Airlines serves over 1100 domestic parts of points on its system, not including its connections with domestic airlines and worldwide airlines. Other airlines have similar structures and combine to make a total system that blankets the country.

Table 3.1 Intercity Passenger Travel in the United States, 1973 vs. 1982-1983

(Passenger miles in millions)

	1973	1982	1983
Common Carriers			
Airlines	132,400	213,600	232,000
Railroads*	5,049	5,474	5,561
Motor Buses	26,400	26,900	26,100
Total	163,849	245,974	263,661
Air share %	80.8	86.8	88.0

* Excludes commutations

Source: Air transport Association. Air Transport 1984 (Washington, D.C. ATA, 1984) P7

Although the major advantages of air travel is speed, which results in more time for other activities, there are negative aspects for those who wish to travel by air. These include some people's fear of flying and lack of geographic accessibility many communities in the country are not served by air transportation. An additional problem is the length of time spent getting to and from the airport. Frequently, this time exceeds that spent en route.

The \$39 billion air transportation industry in the United State is dominated by a small number of large firms; the 11 major trunks - American, Continental, Delta, Easter, Northwest, Pan American, Republic, TWA, United U.S. Air, and Western all record over \$1 billion in revenue annually. However, airlines deregulation has encouraged a number of small firms to enter the marketplace. In 1983 there were over

90 domestic operations flying some 3585 aircraft, enplaning 317 million passengers, and employing over 328,000 workers.

The classes of air carriers are generally characterized by their operating authority. These classes are major, nationals, large regionals, and medium regional. The airlines falling into these classification in Air Transport 1984 are shown in Figure 3.1 Because of deregulation, the reader will not that a number of these airlines are no longer in business.

A number of publications report on the rapidly occurring changes in this industry, including Air Transport world, Aviation week and space Technology, and the journal of Air law and Commerce. One of the best sources of data on the airline industry is an annual report entitled Air Transport, published by Air Transport Association of America, 1709 New York Avenue, N.W. Washington, D.C. 20006. Another useful source of information on the airline industry is the Federal Aviation Administration. Consumer protection established by the civil A. Board (CAB) was transferred to the Department of Transportation on January 1985.

With the advent of deregulation, the industry January has undergone a dramatic change. However, because transportation by definition is an essential ingredient in travel and tourism, the future of the airline industry continues to remain linked to the performance of the entire tourism industry.

The airline industry is supported by the three major organizations. IATA and ICAO have already been discussed under international organizations, they are two key association controlling air travel. The major U.S. organization is the Air Transport Association of America, or the ATA.

Air Transport Association of America

The Air Transport Association of America (ATA) represents and is composed of all the scheduled air carries operating with in the United States. Its principal purposes are to protect the industry from unfair legislation and to develop the airline industry by enhancing and

promoting the market for air transportation in business, industry, and leisure and recreation.

Majors	Large Regionals	Aspen
(Annual Revenues	(Annual Revenues	Best
of over \$1 billion)	of \$10 million to \$75 million)	Big sky
American	Air Midwest	Blue bell
Braniff	Air Wisconsin	Cascade
Continental	Alaska International	Challenge
Delta	America West	Colgan
Eastern	American International	Elan
Northwest	Empire	Emerald
Pan American	Hawaii Express	Galaxy
Republic	International	Great

	1 Air Service	American
Trans World	Jet America	Gulf Air Transport
United	Midway	Imperial
US Air	Muse	Jet Charter
Western	New York Air	Jet fleet
	People Express	Kodiak
Nationals	Reeve	LAB
(Annual Revenues	Southern Air	Mid-south
of \$ 75 million to	Sunworld	Midstate
\$1 billion)	Zanto	Mississippi Valley
Air California		Munz
Alaska	Medium Regionals	New Air
Aloha	(Annual Revenues of	Northem Air

Flying Tiger	less than \$ 10 million)	Overseas
Frontier	Aerostar	Pacific East
Hawaiian	Air Nevada	Peninsula
Ozark	Air North / Nenana	Rich
Pacific southwest	All Star	Rocky Mountain
Piedmont	American Trans Air	Sea Airmotive
Southwest	Arista	Sky west
Transamerica	Arrow	South Pacific
Wien		T. Bird
World		Western Yukon

Under deregulation, December 31, 1984 was set as the termination date for antitrust immunity of the old agency program (administered by the ATA). Consequently, in the fall of 1984 the ATA formed the Airlines reporting Corporation (ARC), which established two categories of agents industry and- other. The new system was set up to preserve the essential services being performed by the Air traffic Conference and to be consistent with the law of antitrust immunity. The ARC was designed to take over the Air Traffic conference agency accreditation program and the area settlement plan. The settlement plan

is a system whereby travel agents and tour companies holding ARC appointments deposit the funds that are owed to airlines in local banks. The funds are then transferred to regional banks and are credited to the proper airline's account.

3.2 The Rail Industry

Rail Passenger transportation, once the major mode of travel in the United States, reached its peak volume in 1920. Major railroads have wished to rid themselves of the passenger business, and today the survival of service (other than commuter service depends largely on Amtrak.

Amtrak:

The Rail passenger Service Act of 1970 authorized the National Railroad Passenger Corporation to manage the basic national rail network and be responsible for the operations of all intercity passenger trains, excluding commuter trains, under contracts with the rail roads. Three purpose underline the corporation (1) to provide modern efficient intercity rail passenger service within the basic rail system of the nation, (2) to employ innovative operating and marketing concepts to develop the potential of modern rail service in meeting intercity needs, and (3) to strive for operation on a "for profit" basis.

Amtrak has introduced America to a new generation of long - distance passenger trains with the introduction of it bi-level super liner cars. Operating on Western routes, these trains set a new standard for luxury and reliability in rail travel. (Photo courtesy of Amtrak)

At the present time it appears that, despite its mixed record, Amtrak is at least holding its own. The Amtrak railway system, which heavily subsidized government funds, showed some increase in rail passenger traffic in the mid - 1970s and percent gain in 1980 was followed by slight declines in 1981 and 1982. A small gain in passenger miles was recorded in 1983. In that same year, Amtrak served more than 19 million passengers, maintained 24,000 miles of track, and reached approximately 500 communities.

Amtrak has greatly improved its service and physical plant, putting into service 1600 new or completely renovated cars and investing \$1 billion in fleet modernization. With this new equipment Amtrak only has limited capacity and pales in comparison to rail systems in other countries. Amtrak's approximately 2000 cars operate over a 24,000 - mile network, whereas countries like France and Germany each have some 17,000 cars serving approximately 13,000 route miles. Amtrak is now working with travel agents to build tour packages, and the resulting success has led to projections of growth in Amtrak's tour business.

Because Amtrak is so heavily subsidized, suppliers of the other modes of transportation (especially bus) feel that Amtrak is attracting their customers with taxpayer assistance. However, even with the controversy, Congress is likely to see that Amtrak remains in business for the foreseeable future.

3.3 The Bus Industry

The bus companies are the second most important common carrier in intercity passenger travel in the United States, having a 9.9 percent share of the market in 1983. The industry accounts for 26.1 billion passenger miles (see Table 3.1). Over the past decade bus passenger volume appeared to be setting a long-term downward trend; however, since 1977 bus passenger volume has been fluctuating. The fares and routes of the intercity bus industry were closely regulated by the Interstate Commerce Commission (ICC) until 1982. When deregulation eliminated many of the most restrictive regulations while maintaining a regulatory framework for the industry.

Contrary to many perceptions, the intercity bus industry is not a two-company industry but a small-business industry with a great deal of flexibility. The nation's 1470 companies range from the industry, Greyhound and Trailways, to small family operations, these companies operate 21,200 buses over 280,000 miles of scheduled routes, providing not only regular route services but charter and tour service as well.

The industry is the largest, most pervasive form of public intercity transportation in America and provides service to 14,600 communities served by buses. 14,000 have no other form of transportation. In contrast, Amtrak provides service to about 500 locations; the airlines, to about 700. This means that accessibility is the bus industry's greatest advantages over train and airline service. During 1981, buses carried 375 million passengers, more than Amtrak and the airlines combined, although in passenger miles the airlines far exceed those for the bus industry, reflecting air's dominance in long - haul transportation.

The bus is the most fuel - efficient form of intercity mass transportation. In schedule service in 1981, operating at only 45 percent of capacity, the bus averaged 108 passenger miles per gallon of diesel fuel. In tour and charter service (which have higher load factors), the bus delivered 205 passenger miles per gallon. Overall during 1981, the bus averaged 141 passenger miles per gallon. The comparable figure for Amtrak was 48 for the airlines it was 24. A 47 passenger bus can be manufactured and sold profitably for a fraction of the cost of a railroad passenger car or an airplane. An intercity bus needs only one driver. "An airplane or train requires a crew. A bus needs less sophisticated maintenance and support personnel than does a plane or train, and implementing a new bus system does not require massive, billion-dollar construction projects because the road system is already there.

During 1982, the bus industry had revenues of over \$2 billion and directly employed 49,200 people. There is concentration in the bus industry; the class I carriers (those having revenues of \$3 billion) hold a dominant position. These 46 companies account for slightly over 70 percent of the total industry operating revenues and 59 percent of the passengers' miles. However, these carriers handle only 34 percent of the passengers; indicating the importance of the smaller companies operating over shorter distances.

The tourism components of the intercity bus industry have grown dramatically over the last decade. Until 1982, when the American Bus association (ABA) conducted a special study on the economic impact of bus travel, many components of the travel and tourism industry were not

fully aware of how great the impact was. The study showed that of the 375 million bus passengers in 1981, almost 55 percent were charter and tour passengers, and they generated over \$ 9 billion nationality in expenditures, for food, attractions, accommodations and ancillary services. ABA also developed estimates of expenditures, for bus companies and their passengers to gauge the impact of bus travel on tourism activity in each individual state. These Expenditures are shown in Figures 3.2

The faster- growing segment of the bus industry is the charter and tour segment, which has enjoyed continuous growth over the past decade. The charter bus market is almost completely deregulated and it is easy for new operators to enter the market. Smaller companies dominate the charter and tour segment of the business. Currently over 600 tour brokers and motor coach operators offer thousands of different programmes

The bus industry advocates believe that this form of transportation is particularly well suited to certain needs of tourism, especially one -way trips 150 miles or less. The increase in foreign visitors who frequently are bus travelers has benefited the industry. However, one of the problems that bus companies have faced over the years is the public's perception and attitude toward bus travel, that is bus travel has had a largely negative image. Moreover, buses are perceived as being slow and uncomfortable, even though their fares are inexpensive and they allow the passengers to see the countryside. In response, the bus industry has done a great deal to upgrade its product, putting in restrooms, heating and air conditioning controls, reclining seats, and tinted glass windows and building modern terminals.

Bus organizations

The American Bus American (ABA) is the national organization of the intercity bus industry and serves as the prime source of industry statistics. ABA members are bus operating companies. Have faced over the years is the public's perception an attitude toward bus travel. That is bus travel has had a largely negative image. Moreover, buses are perceived as being slow and uncomfortable, even though their fares are

inexpensive and they allow the passenger to see the countryside. In response, the bus industry has done a great deal to upgrade its product, putting in restrooms, heating and air - conditioning controls, reclining seats, and tinted glass window and building modern terminals

Bus Organizations

The American Bus Association (ABA) is the national organization of the intercity bus industry and serves as the prime sources of industry statistics. ABA members are bus operating companies, other travel industry participants, and others associated with providing bus transportation* Bus operating companies include some 450 carriers throughout the United States and Canada. Collectively, these carriers provide more than 90 percent of all intercity bus travel in the United States and Canada. The travel industry category includes hotel / motel chains and properties, food service organizations interested in working with bus travel in the United State and Canada. The travel industry category includes hotel/ motel chains and prosperities, food service organizations, attractions and theme parks, and local, state, regional and federal promotion organizations, interested in working with bus companies to expand tourism in North America. This category was established in 1977, has over 600 members, and is continuing to expand. The associate's membership category consists of bus manufacturers, oil and tire companies, and other suppliers of good and services to the industry.

The United Bus owners of America (UBOA) are the largest trade association servicing intercity owners. With a membership of almost 2000, UBOA members own all types of bus companies, ranging from the smallest to the largest. Bus manufactures and other industry suppliers are also members. Only a small number of associate memberships are held by hotels and other travel - related businesses. Major programmes of the association are safety, insurance, credit, computer services, resident agent services, meeting, lobbying, and communications.

In 1984 the National Tour Association (NTA) and UBOA announced a joint agreement between the two trade association for the exchange of certain membership benefits because the relationship

between bus companies and tour operators are many with the most fundamental being the use of the motor coach by both parties for tour and charter business. Many tour operators have become bus owners (about 80 NTA members tour operators own their own equipment), and bus owners have opened tour and charter departments. UBOA members will benefit from the tour expertise of NTA members, and NTA tour operator members will gain valuable insights into the bus industry. According to the U.S. Travel Data center, in its National Travel Survey, automobile travel accounts for about 80 percent of all travel away from home and 83 percent of the intercity miles. Two thirds of households use automobiles as their means of taking a family vacation. Additionally, the recreational vehicle is an important part of the automobile travel component. While the RV market has had it ups and downs because of the energy crisis and rapidly rising gasoline prices, the market for recreation vehicle is very much alive, and its long - term prospects are positive.

When we look at the intercity passenger travel in the United States, we find that approximately 84 percent of all travel is by automobile. Table 3.2 extends Table 3.1 to include all common carriers and the automobile. It shows that the common carrier importance of air and auto for passenger travel in the United States. The table shows the clear dominance of the automobile over other means of transportation.

All studies show the automobile's dominance, whether the study is from the Air Transport Association, the Highway Administration, the Census Bureau, or the National Travel Survey of the U.S. Travel Data Center. There is no doubt that the great bulk of intercity transportation of passengers is by automobile. Data also indicate that this has been constant for several decades. The energy crisis made some inroads into auto travel. Causing some shifts to common carriers made some inroads into auto travel, causing some shifts to common carriers but these inroads have been small. However, because of the great dominance of the automobile in travel, only a small shift in automobile travel to the common carriers can result in enormous increase in the carriers business.

The interstate highway system significantly encouraged vacation travel and especially encouraged long - distance travel. It made automobile travel much faster and more comfortable. A major concern of

tourism group today is the maintenance of the highway network. There is growing evidence that the highway system is in need of substantial repair to prevent it from suffering further deterioration. A poor road system costs the individual driver, the bus operator, and other users additional funds in terms of increased fuel use and vehicle maintenance, and the knowledge that a highway is in poor condition may cause the traveler to select another destination to avoid the problem.

On the whole, people's attitudes are very favorable toward travel by automobile. The key features of the automobile are immediate *accessibility and convenience*. The automobile owner can leave from his or her own doorstep at any hour of the day or night and travel by a chosen route to a chosen destination. When two or more persons travel by automobile, per person cost of travels is more favorable than it is with the other transportation modes. Air is the primary competitor to the automobile when it comes to travel, especially for long trips.

The advantages of air travel - the quality of service, speed and comfort must be weighed by travelers against the automobile's advantages of price and accessibility

Check Your Progress-1

1) What do you understand by Accommodation Suppliers?

.....
.....
.....

2) What is the principal purposes of ATA?

.....
.....
.....

3) Write about ABA?

.....
.....
.....

3.4 Rental Cars

Overview

Customers rent for business, pleasure and car-replacement reasons.

The car rental industry is dominated by fewer than 10 big global players. They operate large and varied fleets of cars in thousands of locations. However, there are also many local rental companies operating within their own countries.

Car rental includes more than just a vehicle. Amenities, insurance and maintenance form an integral part of any rental. Distribution of information to the travel trade and channels of reservations uses all means of modern communication.

These are three typical situations that may occur in your daily work. They characterize the three main reasons for renting a car.

- Commercial / Business
- Leisure / social
- Replacement

A fourth and less frequent reason is the rental of vans for moving furniture and other heavy goods.

Car rental is the right means of getting around in these situations.

With lots of luggage

With small children

With animal

When wishing to visit many different places in given area within a short period of time.

When intending to discover the country side and meet local people.

However, car rental may not be the right choice for point-to-point, e.g. From inner city to inner city. For estimated car travel times of more than four hours a close look at alternatives such as a rail and /or air travel is highly advisable. Distance is not a good guide when considering a different means of transport, as terrain, road conditions and traffic flows heavily influence the speed that cars can make.

The Key market players

The car rental industry is huge; Car master, Galileo's car rental programme for instance, lists 44 companies with over 14,000 rental locations worldwide.

There are fewer than ten globally operating companies including Alamo, Avis, Budget, Dollar, European, Hertz, National and Thirty. The largest, by number of locations, are Hertz, Budget and Avis.

Key Markets

Globally operating rental companies sell their services directly to:

- The public
- Travel agents (individual and chains)
- Tour operators
- Airlines
- Specialized car rental brokers.

The brokers resell back to the travel trade. The legal contract however remains between the client and the car rental company. Broker and travel act only as intermediaries.

Car Rental Includes:

The basis of car rental is obviously the use of a vehicle. However the client also gets.

Amenities and services

Insurance

Maintenance

Let us look at the various elements that are contained in a rental procedure.

Vehicles and vehicle Matrix code

To make it easy for booking agents to define the vehicle requested by each customer, there is the vehicle Matrix Code as approved by the Air Transport Association of America and outlined in the Trade Practice Standard Interline Passenger Procedure (SIPP)

Vehicle Matrix Codes

Car master uses globally recognized standard codes (SIPP - Standard interline passenger procedures) to Define Car Groups.

Each character in the 4 character vehicle code represents character instinct of the vehicle.

The Expanded matrix makes is possible to have over 400 vehicle types.

The car codes created by selection one character from Each column and combining them into 4 character car code E.G. CCMN is a compact car / 2 or 4 door / manual transmission/ no air conditioning.

<u>Class</u>	<u>Type</u>	<u>Transmission</u>	<u>Air Cond</u>
M Mini	C 2/4 Door	A	Automatic
R Yes			

E Economy	B 2 Door	M	Manual
N No			
C Compact	D 4 Doors		
I Intermediate	W Wagon		
S Standard	V Van		
F Full size	L Limousine		
P Premium	S Sport		
L Luxury	T Convertible		
X Special	F 4 Wheel Drive		
	P Pick up		
	J All Terrain		
	S Special		

Any car can be described by a combination of four letters. This matrix is an international Standard and is universally used by all computer Reservation Systems (CRS) and Global Distribution Systems (GDS) as well as in car rental documents such as vouchers.

Extra Amenities

Cars can be equipped according to your client's particular needs or for particular road conditions in certain areas with, for instance:

- Toddler and baby car seats
- Roof luggage racks
- Ski/ winter equipment, including ski rack, ice sprayers, all weathers or snow tires and / or snow chains.
- On- board navigation system
- Mobile Telephone.

Special Equipment codes

Please find below a list of all the valid special equipment codes available on car master today.

Special equipment options vary by Car Company and Location. Please check the specific Location for Details and price Options. See keywords spqu. and / or equip.

E.G. Cadxehdq/ Equip and or Cadxehdq/ speq

Bicycle Rack	BYE
Camcorder	CAM
Citize : Band Radio	CBR
Computer Driving Instructions	CDD
Child Seat / infant	CSI
FM Radio	CST
Hatchback Car	FMR
Hand Control / Left	HCL
Hand Control. Right	HCR
Lazer Disc player	LDP
Left FT Accelerator	LFA
Luggage Rack	LUG
Navigational System Plus Phone	NVP
Navigational system	NVS
Mobile Phone	PHN
Six Passenger car	SIX
Ski Equipped vehicle	SKI

Ski Rental	SNV
Now Chains	SNO
Spinner Knobs for Dis	SPN
Skierized vehicle	SVE
Cassette Tape Player	TAP
Trailer Hitch	TRH
Television	TVI

Special Requests and services

For physically changed or handicapped drivers, services such as designated parking at car rental stations and easy-access transfer buses in airport locations are provided. Special reservation codes apply. Special equipment is usually available on request for particular passenger requirements.

Chauffeur - driven vehicles are recommended in difficult terrain, in countries where people drive on the other side of the road than at home and in countries whose language differs from that of the visitor. It is also a relaxing way of traveling. Business clients can use their time on the road for discussion with fellow passengers, reading or preparing of meetings. Leisure travelers can fully relax and enjoy the scenery. Chauffeurs often serve also as tour guide and aides in difficult situations. Costs vary from country to country according to general salary levels. It is usually worth the extra expenses unless one has a strong desire to drive.

Insurance

The only general rule is that cars usually do not come with insurance. Insurance options depend on the rate type / programme you book for your customer. There are generally speaking 3 programmes / rate types available. It is vital for you to know what has a high impact on price:

- Exclusive
- Inclusive
- Partially Exclusive

Exclusive of any voluntary insurance (i.e. other than compulsory in insurance imposed by state and /or national law) is obviously the cheapest offer, but leaves all the risk as your client's responsibility. Partial cover may be adequate, as when your client privately subscribes to insurance schemes such as insurance against theft of GATE from a locked vehicle. To be on the safe (and expensive) side, fully inclusive would mean that your client takes out all locally offered types of insurance applicable to car rental.

Four broad categories of insurance options are offered by the car rental companies:

- **Collision damage or Loss Damage Waiver**

It limits the liability of the renter for damage to or loss of the vehicle rented. Without insurance, this Collision or Loss Damage insurance comes in two options with either a rather high excess to a minimum or even nil against an additional fee.

- **Theft protection (Vehicle and personal belongings)**

The Theft Protection insurance is mandatory in Italy and some Eastern European .

- **Personal Insurance**

It covers some medical insurance elements and some of the personal belongings of the renter.

Liability

This type of insurance scheme limits the liability of the renter in the event of third party damages. In Europe this is compulsory. For the rest of the world make sure that your customer is covered for Third Party Liability.

For insurance reasons, additional drivers have to be mentioned in the car rental contract. In some countries, supplements apply for extra drivers.

For all matters of insurance we urge you to consult car rental directories, CRS or CDS for up-to-date information and rates before finalizing the booking. This guarantees that you will include all recommended insurance schemes for a particular rental at the time of reservation. You are assured that the client is correctly insured and that you earn commission on the full rental deal.

Note: Unfortunately terminology, coverage and conditions vary considerably within and among the main car rental markets of North America, Europe and Australasia.

Maintenance

The major car rental companies operate fleet quality programs.

They check their vehicles after each rental.

Normal wear and tear is included in the rental fees. However petrol is the client's concern. Three ways of handling petrol costs have evolved over the last few years and clients usually have a choice of scheme at the pick-up rental location:

Bring the tank back full

Leave the filling up to the rental company and pay heavy extras (up to 100% more than official petrol price) for the fuel required to refill the car and for the convenience of this service.

Buy a tankful of petrol at a relatively low rate from the car rental company at the beginning of the rental; what is left at the end of the contract belongs to the car rental company.

The client has to pay dearly for petrol service provided by the car rental firm. However, he may not find a petrol station shortly before returning the car or simply has no time to do so before his flight leaves. It may be equally difficult to estimate how much petrol remains in the tank.

and avoid running out of fuel shore of the final destination. In view of the fierce competition on rental fees, car rental companies just have to make some money selling insurance a refueling series.

To rent a car is more than just to arrange for a vehicle at a given place and time for your customer: your customer; you have to check his or her credentials, consider special requests regarding equipment and services, inquire about insurance needs and point out how to handle the maintenance of the car

How and where car rental is distributed

From the customer's point of view there are three ways to book a car:

- Directly
- Through travel agents and airline offices
- Through car rental offices and their Web sites

Direct customers can book their cars directly by walking in at rental locations, calling the reservation centre or now, increasingly often, through the internet.

Travel agents use specific regional or national "toll-free" numbers provided by car rental companies, Airline Computer.

Check Your Progress-2

1) What is the benefit of Rental Car?

.....
.....
.....

2) What is the procedure of maintaining a Rental Car?

.....
.....
.....

3) How and where car rental is distributed?

.....
.....
.....

Reservation Systems (CRS) and Global distribution Systems (GDS) featuring car rental.

When car rental is part of a package deal, bookings will be made by the tour operator for the client and the retail travel agent acts as an intermediary only.

Car rental offices serve both the walk-in client without reservation airports throughout the world as well as in city centre locations. In a number of countries, particularly in Europe (e.g. Germany, Great Britain and Switzerland), rail-drive offices or counters are parts of many major railway stations. Large city hotels and big holiday resorts feature car rental desks manned at certain hours of the day and or certain days of the week.

As an agent you have two direct links to your car rental partners: "toll-free" numbers and computerized systems for inquiries, quotes and bookings. Car rental as part of a package is usually offered by tour operators.

An important aspect of automobiles travel is the rental car industry. Whose growth has been paralleling or exceeding the growth in air travel. While there is question, about the rental car business having heavy use by businesses, it also has sustained vacation use.

According to data compiled annually by the Hertz corporation the rental car industry now grosses \$4 billion a year. The Hertz study highlights, the growth of fly / drive travel for both business and leisure purpose during the 1973-1983 period of rising automobile and gasoline costs. During that decade, the rental car industry increased its fleet by 44 percent while the total number of cars on U.S. highways grew by only 24 percent.

Major companies in the rental car business are Hertz, Avis, National and Budget, which dominate the airport locations and claim about 95 percent of the Market. Many of the auto rental systems are international and have services in virtually every tourist destination area in the world. These companies arrange for the purchase, lease or rental of automobiles domestically and abroad. Companies representative of this type of organisation are American Rental Systems, Auto -Europe, Inc. Europe - by - car ; Hertz International Ltd, The Kemwel Group Inc. National Car - Rental Systems Inc and open Road International Inc.

Car rental discount schemes

There are many discount, fidelity and membership schemes in the car rental industry. :

NOTE:

Only form of discount is normally application to rental. Some promotional schemes exclude other discounts.

Corporate Discounts

Large firms and corporations often have bulk agreements with car rental companies and therefore enjoy discounted corporate rates. A Corporate Discount (CD) number is used to access the details in the reservation system. The number has to be mentioned rates often include hidden benefits such as free upgrades or free delivery. It is therefore in the customer's interest to use this corporate negotiated rate rather than shop around for a cheaper rate, as the cheaper one may not include such benefits.

Memberships

Members of Frequent Traveler Programs sometimes enjoy special rates and/ or benefits. Their membership card bears the required access code.

Members of clubs such as the American Automobile Association (AAA) and its partners worldwide receive discounted rental fees. Details are stored in the CRS.

Partnerships

Car rental companies and airlines-in some countries railways too - join up in apical deals to give reductions on the car rental, provided the client picks up a car directly following a flight or a train journey.

Upgrades

Car rental companies themselves offer branded products to the business traveler at standard rates. These offers usually include special features such as upgrades or free days. These deals are usually part of a contract negotiated directly with companies whose employees rent cars frequently.

Bulk Discounts

In the filed of leisure travel tour operators have bulk agreements with car rental companies. It may be worthwhile to check their selling rates even for business clients /; 9unless they benefit from corporate negotiated as explained above). In the sase of rentals of three and more days and a car return at the pick-up point, the leisure option may be cheaper than any other discount.

Restricted offers

Car rental companies offer branded products through tour operators for individual leisure travelers are educed rates. They often are based on weekly (e.g.no one-way rentals, limited availability, early booking required).

Qualifiers for Discounts

CRS and GDS display standard and promotional rates (and the same applies to printed material and rates quoted by calling "toll free" number, if availed) unless you request another rate type. Here is a summary of this rate type, which often requires 'qualifiers" that you have to check to check before booking.

Rate Type

RATE TYPE	QUALIFICATIONS
Credential	Airline Ticket or coupon
Business corporate	Evidence of employment at a company with a agreement applicable to pleasure travel.
Corporate	Evidence of employment
Industry industry such	Rates available to member's of the travel as travel agents and airline personnel
Standard	General public rate
Promotional	Seasonal and/or product related
Package products such	Available in conjunction with other travel as hotel stay and/ or cruise
Government	Available to employees of or people related to governmental agencies
Association only	Restricted to Automobile Association members only
Convention	Available to members, attendees of conventions

Note: It is important that you be aware of the fact that all these discounted fares still qualify for travel agent commission (logically with the exception of the industry ones)

There are three main reasons for tariffs cheaper than the published rack rates: bulk agreements, membership in particular associations and employees of specific organization.

Deposits and payments

Car rental requires the possession of an international credit card. This will cover all rental cost man be debited at the end of the rental to the client's credit card account.

Prepaid Vouchers (see further down) alone are not sufficient for payment. They cannot cover extra costs or damages not covered by insurance that may occur during the rental.

By prior agreement some car rental companies will accept deposits and payments in the form of traveler's cheques or cash. But these forms of settling the charges are less and less popular and no longer recommended to use.

At last: the booking procedure:

The reservation procedure consists of three steps:

Get the information

Before you call the car rental company's "toll-free" number or you access the CRS/GDS, request from the customer the following information, which will also be used for the voucher (see Figure 2.1):

- 1) Customers membership number (if applicable)
- 2) Corporate Agreement number (if applicable)
- 3) Family name and given name of renter
- 4) Rental location
- 5) * Return date
- 6) Rental length expressed in days
- 7) Return location
- 8) Special remarks (for instance, baby seat)
- 9) Car group
- 10) Your IATA or Travel Agent Identification number

Furthermore, you need to enquire how the payment will be made: Customer's credit card (you then need a referral to receive commission) you pay for the rental (you need a voucher)

Reserve the car

Make the reservation with the car rental company through the CRS/ GDS or a phone call to the specific "toll-free" number.

Issue the voucher

Fill-in the voucher, hand it over to the client and have pay the appropriate value.

You are now responsible for all car rental fees for up to 30 days of rental, if you establish a full value voucher for your customer.

Your commission

With your agent number in the relevant box of the Rent-a-Car Referral the rental company can trace you and retroactively credit you with the commission due to you

At the end of all rentals (with the- exception of a "Full Credit" Voucher, as mentioned above) the customer settles all his extra costs' directly with the rental company usually by international credit card). Followings the total settlement of the rental, you will receive your commission by the agreed method (bank payment, check etc.) from the car rental company.

Taxi and Limousine Service

Taxi and limousine companies play an exceedingly important part in tourism. Local transportation companies perform vital services for airlines in servicing departing and arriving "passengers as well as providing similar services for bus, rail and shipping lines. Businesspersons and tourists alike would have a difficult time getting from place to place if this service were not available.

Inclines and aerial trams serve as a form of taxi service and are of a special interest to visitors in scenic tourist destination areas as a form of recreation and sightseeing.

The international Taxicab Association (ITA) in Rockville, Maryland, is the major taxicab association. It was formed in 1966 by a

merger of the National Association of Taxicab Owners, the cab research Bureau, and the American Taxicab Association. ITA has 550 members who are fleet taxicab owners operating 30,000 vehicles. The association sponsors an annual convention and trade show, is involved with political action, and publishes *Taxicab Management*.

Automobile Clubs and Organizations

The American Automobile Association (AAA) is the world's ship travel group. With a membership of over 22 million, this Organization promotes travel in several different forms among its members, *including auto travel as a primary form of transportation*. It also operates worldwide travel services similar to those provided by a travel agency or tour company. The AAA Travel Department also provides travel services for nonmembers and is thus competitive with other tour companies and retail travel agencies. This additional service gives the club a certain glamour and status in the community, and nonmembers who are brought into the club office through the travel service become prospects for new members in the automobile club.

The AAA provides insurance protection to motorists through its various state and city affiliate organizations (such as the Automobile Club of Michigan), publishes travel maps and Tour Books, and has a national touring board as well as a national touring bureau staff. The principal function of the Tour Books is to describe the history, attractions, points of interest, and accommodations in hotels, resorts, motels, and restaurants that have been inspected and approved by AAA field representatives. All accommodations listed have been selected on the basis of a satisfactory report submitted by the AAA field representative.

An organization of wider geographic membership is the World Touring and Automobile Organization, with headquarters in London/England. Other organizations of a similar nature are the International Road Federation of Washington, D.C.; the Pan American Highway Congress, Washington, D.C.; Inter-American Federation of Automobile Clubs, Buenos Aires; and the International Automobile Federation, with headquarters at Paris.

3.5 The Cruise Industry

Although the passenger ship was once a major transportation mode, ships today are in the vacation cruise market rather than the transportation business of taking people from point A to Point B.

When the airplane replaced the ocean liner as the primary passenger transportation across the Atlantic, ship lines sought other markets to serve. A logical one turned out to be cruise vacations. This market has proven to be so viable that cruising is now the fastest-growing segment of the travel industry. Between 1982 and 1985, Cruise Line International Association (CLIA) members invested over \$1 billion to handle new travelers. Passengers on cruises tripled between 1970 and 1982 from 500,000 to over 1.5 million.

The Norwegians have been leaders in the American cruise market, maintaining about 27 percent of share and 25 percent of the revenue share.

Norwegian cruise ships were built specifically for cruising; they range from 16,000 to 70,000 tons and accommodate an average of 600 to 700 passengers. The ships typically have shallow hulls and stabilizers, which allow them to dock in Caribbean ports where the deeper-hulled transatlantic ships cannot. Their cruising configuration means more space for public rooms and smaller cabins. Norwegian ships also have an excellent reputation for service and food. While their rates tend to be high, they are innovators; the Norwegian companies were the first to serve the seven-day market and provide regularly scheduled fly/cruise packages to Florida, were the leaders in establishing the California cruise market, and were the first to stretch an existing ship to accommodate additional passengers.

Since the early 1970s, a sharp increase has occurred in the number of vacation voyages offered out of North American ports. These voyages have been designed to capitalize on the shift in the concept of a cruise vacation. While previous cruises were transportation oriented, and of substantial length, and appealed to a market of affluent people, the cruise concept has been designed now to stress the cruise experience in.

concert with the more common vacation objectives of relaxation, sun, and Service. The new cruises are still directed to more affluent vacationers, but they are also aimed at other segments of the market. Today's cruises with quality service are more affordable than were luxury cruises of the past, and seven-day cruises the Caribbean have proven to be the cornerstone of the market.

The major passenger port areas serving the North American market are New York, Florida, and the West Coast. Ports in the Northeast - which include New York, Boston, Baltimore, and Norfolk, as well as smaller ports such as Alexandria, Virginia, and Providence, Rhode Island - serve Bermuda, the Bahamas, and other Caribbean destinations. The important ports are Miami and Port Everglades. However, San Juan, New Orleans, and Galveston also serve the same areas. These ports generally serve all the Caribbean markets, including the Bahamas. The West Coast passenger ports include San Diego, Los Angeles, and San Francisco, as well as Vancouver, which serves many U.S. cruise passengers in the Alaskan market. The West Coast ports also serve the Mexican and transcanal cruise markets.

Florida departures have dominated the cruise market since 1971. At that time, approximately 60 percent of cruises departed from Florida ports, and the figure has grown to exceed 75 percent. The market share of cruises with Florida departures is currently hovering around that figure.

At one time the cruise market was dominated by older passengers, however, today's cruise passengers span all ages, occupations, and incomes. In 1983 over 41 percent of the first-time passengers were underage 34, and a five-year average of all cruise passengers showed the 18 to 34-year-old age group to be practically tied with the 55-and-over age group.

Cruise Organizations

Cruise Lines International Association (CLIA) is a trade association of steamship and motor ship lines that market cruises in North America. CLIA maintains a master roster of the entire member lines' sub agencies (travel agents) located in the continental United States and in Canada. From time to time it issues informational circulars to these sub agencies, the provisions of which are applicable to all member lines. The association also acts as a clearinghouse for advertising campaigns conducted jointly by the lines. It conducts a series of sales seminars to increase proficiency in selling-cruises by the agencies. CLIA devotes efforts to improving public relations and the recognition of cruising as a desirable vacation experience.

CLIA has taken over the operations of the International Passenger Ship Association and the Pacific Cruise Conference. In this capacity it functions somewhat like the ARC in setting rules and standards for travel agents to receive appointments to sell cruises. CLIA assigns identification numbers to travel agents and provides bonding.

Check your progress: -

- 1) How the following industries deal with the transport system -
 - (a) The Airlines Industry
 - (b) The Bus Industry
 - (c) The Rail Industry
 - (d) Cruise Line
- 2) How CRS and GDS featuring car rental?

CLUES TO ANSWERS

Check your progress-1

- 1) Refer Sec 3.0
- 2) Refer Sec 3.1
- 3) Refer Sec 3.3

Check Your Progress-2

- 1) Refer Sec 3.4
- 2) Refer Sec 3.4
- 3) Refer Sec 3.4

UNIT – 4: TRAVEL & TOURISM

FORMALITIES AND REGULATIONS

Structure

4.0 Introduction

4.1 The Passport

4.2 VISA

4.3 Immigration, passport and Customs control

4.4 The gate area

4.5 Clues to Answers

4.0 Introduction

In this unit we will go through the travel and tourism formalities and

Regulation

4.1 The Passport

A passport can be defined as an official document issued by a competent public authority to nationals or to alien residents of the issuing country.

Other than allowing access to another country, the passport can be used as means of identification. Another purpose of the passport is to provide legal entry into another country.

It is the responsibility of the travel agent to ensure that the passport is valid for

The country to which the client is traveling and

The period of time for which the client intends visiting a country.

A passport is normally issued for 10 years and is usually valid for all countries in the world. However, an agent will be confronted with many passports from various countries and should check the validity because it may vary. The expiry date of the passport is very important, and can be located in different places within the passport according to the country of issue. It must never be assumed that all passports are the same as those issued in your country.

Although most people will travel with a passport, it should be noted that other travel documents are also used in lieu of a passport. These include.-

- Certificate of identity
- Refugee travel documents
- Identification cards
- Travel certificates
- Military identity cards
- Seamen discharge books and records

These documents may not always have the same legal effect as passports and may be valid only for limited countries and purposes. If a client should be traveling with one of the above documents, it is essential that the travel agent contacts the issuing authority to verify that it can be used for travel arrangements being organized by him.

Joint Passports

Some countries allow persons traveling together to hold a joint passport which may include a spouse or children or both.

It should be noted that any member of the family included in the joint passport cannot travel without the person named first in the passport i.e. the person to whom the passport has been issued. Care should be taken by the agent to ensure that any member of the family included in a passport will in fact be traveling with the passport holder at all times. *

The passport holder is able to travel on the passport without those included in the passport, provided those included are staying in the country of residence.

Purposes of the passport:

Other than allowing access to another country the passport is often used as a means of identification. It is also evidence that a person has entered another country legally. It is therefore important that a person traveling abroad safeguards against loss of passport.

Because it is the only evidence that a person has of entering a country legally. It is not possible for those traveling on a joint passport to continue travel to another country abroad separately. For example, a mother and her child enter Australia together on one passport. The mother cannot proceed to say the United Kingdom, leaving the child would have no evidence of legal entry into Australia and would be unable to leave Australia without the mother.

Types of Passports:

Normal Passport

Most countries issue a normal passport which complies with the definition given previously.

Aliens Passport

Some countries issue this type of passport to alien residents. An alien is classified as a person living in a country of which he is not a citizen. In general, however, non-residents (or aliens) would travel on a passport of their citizenship.

Children's Identity card

These may be issued to minors instead of a passport e.g. The German "Kinderausweis". However, not all countries accept these. Therefore care should be taken in checking their acceptability in the countries to which the child is traveling.

Diplomatic or consular passport

Issued to *diplomatic, consular and other government officials* on missions entitling the bearer to diplomatic or consular status under international law and custom.

Other passports

International Red cross, Nansen and "Laissez-*Passer*" issued by international organizations such as the United Nations and the International Red Cross

Official, special or service passports

Issued to government officials or other persons on government missions. The type of passport has to be specified by the issuing authority.

Obtaining a passport:

Most people travel on a normal or standard passport and the procedure to obtain one is similar in most countries

An application form needs to be completed. Before completing an application however it is essential that citizenship is established. Citizenship usually means one of the following:-

Person born in the country

Parents born in the country

Citizenship granted through naturalization

Again there will be variations to the above and the issuing authority will give details as to what applies in the country.

It is usual for an applicant to provide evidence of citizenship, this can be in the form of a birth certificate, parent's birth certificate if citizenship is by descent or naturalization papers if applicable.

If an applicant's name has altered since birth (eg. Married women), then evidence showing the changes must also be produced. In some cases, there can be several changes of name and evidence must show the progression of these changes.

Passport Identification form:

Clear instructions are given as to how the form should be completed and what evidence and / or inclusions must accompany the form. Two sections that are normally included in the form are:

- **Photographs**

Size of photograph and the type of the photograph (i.e. black and white colour) will be indicated. Some countries require verification of identity by requesting that someone who has known the applicant for a specified minimum period of time signs the back of the photograph to that effect.

- **Proof of identity**

There is normally a section on the application form which contains a declaration to be completed by someone who has known the applicant for a specified minimum period of time as above. Generally this would be the same person who signs the photograph.

The amount of time that is, taken to issue a passport will vary from country to country and agents should check the regulations that apply in a country.

4.2 Visas

Some countries require that citizens of other countries obtain a visa prior to arrival in their country. This is normally a bilateral agreement between two countries and assists immigration authorities to know who and how many visitors are likely to arrive.

A visa is an entry in a passport or other travel document made by an official of a government, indicating that the bearer has been granted authority to enter or re-enter the country concerned. It usually specifies the authorized length of stay, the period of validity and the number of entries allowed during that period."

A single entry visa ceases to be valid once it has been used, even if its validity date has not expired.

A multi-entry visa lapses on the date its validity expires. The date of the entry stamp, which is imprinted on the passport at the time a person arrives in the country concerned, shows that the visa has been used. This stamp may be placed on the page bearing the visa or on another.

Generally speaking, once a visa has been issued entry will be granted. However the final decision regarding entry into any country always rests with the immigration authorities. It could be that a multiple "indefinite" visa has been issued and circumstances regarding the individual an "undesirable" visitor to the country concerned. This means that an agent is not in a position to guarantee entry although there would be very good reason for a country to refuse it.

It is the responsibility of the agent to advise all travelers of all the requirements for documentation to complete their travel arrangements. An agent cannot assume that a traveler, no matter how well trained he may be, knows the regulations.

In order to check visa requirements, the agent must look for:-

- Country of origin of travel (where the journey begins).

Stopover or transfer points en route

- Country of destination

Country of final destination

Before an agent is able to ascertain the above, it must be established what nationality the client is by checking the passport on which he intends to travel.

Once the nationality has been established, the agent must then look at the visa regulations regarding the tour areas above. To do this, the agent will need to check the "Travel Information Manual (TIM)" which is produced in book form or can be accessed on computer. It should be noted that the TIM relates to air travel and that if a client is traveling by land different regulations may apply.

Exit Permit

Some countries require residents/citizens to obtain an exit permit which entitles the holder to leave a country

Reentry Permit

Reentry permits entitle the holder to return to the country of domicile. These permits are generally required for returning residents, who are not citizens of a country.

Types of Visas

There are many different types of visas and different countries may call these by different names. However, the following notes explain the more common ones. It should also be noted that some countries refer to permits rather than visas. They can mean the same thing or something a little different, e.g. permits are issued to commonwealth citizens who wish to visit the UK whilst a visa is issued to other nationalities.

Transit Visa

Those who are entering a country purely to make travel connections or en route to a third country are normally issued with a transit visa. The regulations vary from country to country and these should be checked. Where the time permitted is barely sufficient to allow a flight connection, then it is probably wise to obtain an alternative visa that would allow for unforeseen circumstances such as flight delay or cancellation, especially as this can sometimes mean an overnight stay

Without a proper visa a client can be put under supervision by the immigration authorities if the transit visa expires, and the majority of passengers find this uncomfortable. The best idea is to explain the situation to a client and allow him the choice of a transit visa or some other type of visa which allows a stay if necessary. As the cost will be probably higher to obtain a visitor's visa, some passengers may prefer to take the risk.

Visitors Visa

For those wishing to make a short stay in a country, it is usual to obtain a visitor's visa. Some countries have different names for this visa (e.g. entry permit, business visa, travel pass, etc.) but the intention of the visa is to allow an alien the right to enter the country for a short stay.

The conditions regarding a visitor's visa usually includes a requirement that the traveler can prove he holds sufficient funds for the stay and the proof of prepaid onward travel. If such conditions apply, then the agent must make the client aware of these. As far as financial support is concerned, it is not the agent's duty to check this, but purely to advise what is required. Most countries enclose the requirements on a notice that is slipped inside the passport on the page where the visa has been stamped. Where onward travel arrangements are mandatory, the agent would normally arrange this for the client.

Most countries ask for proof of the above before issuing the visa and this often take the form of an agent's letter stating that the terms have been met.

Transit without Visa (TWOV)

Most countries have a provision allowing some nationalities to enter their country without a visa if they are stopping to change flights and are not leaving the airport. Once again, careful attention must be paid to the regulations for each country because these vary. The same principle as discussed under "Transit Visa" should be applied if there is a possibility that a connection could be missed or delayed.

Check Your Progress-I

1) What is the use of Passport?

.....
.....
.....

2) Other than the Passport what are the document required to travel other Countries?

.....
.....
.....

3) What is the full form of VISA?

.....
.....
.....

4.3 Immigration, passport and Customs control

The departure control

After check in and before being permitted to board an international flight, passengers have to comply with passport control and customs formalities. Before going through the passport control, passengers may have to pay an airport tax when leaving from certain countries. In some countries, a departure form must be completed: this is presented to the frontier authorities with the passenger's passport and boarding pass. Passengers also be questioned and searched by customs officials to ensure that they are in possession of goods or currency prohibited from export. As a nonresident, it may be possible to obtain a confirmation / stamp there to certify export of purchased goods. With such a proof, the exporting person may be eligible to claim back local taxes.

In some instances, an official of the country of destination will be present to check the immigration and customs facilities, before the passenger boards the flight.

The arrival control

The arriving passengers are checked to establish if they are authorized to enter the country and where applicable are subject to health inspection and/or check of the international vaccination certificate

There are four categories of persons to pas immigration control:

Stay to the country of -

1. Citizen and nonresident citizen

They can always return for an unlimited citizenship. Even if their passport is expired / lost / stolen during the trip. They are never refused to enter and an emergency document/passport could be issued after a severe control at the airport.

2. Aliens subjects not requiring a visa

Although the duration of the stay may be limited. Sometimes even expired passports or/and national identity cards are accepted.

3. Alien subjects requiring a visa

They must hold:

- A valid passport
- A Valid visa, which has not been used and which was issued before arrival
- A return / onward ticket
- Sufficient funds to finance their stay.

Some countries issue visas for certain alien's subjects on arrival. Usually passport photos are needed.

4. Inadmissible passengers

All alien subjects could be refused to enter a foreign country. A valid visa is no guarantee to enter a foreign country. The immigration officer alone will decide if a person is eligible to enter or not.

The customs control on arrival

The checked baggage is delivered in the baggage claim area after having been unloaded from the aircraft. The international baggage claim area is always located after immigration and passport control but prior to customs control. Normally it is possible to exchange foreign currency in the baggage claim area, when waiting for the baggage and before passing the customs inspection point. For arriving domestic flight, there is normally no passport or customs control.

The passengers may have the choice of two ways to pass beyond the custom inspection point to the exit to the arrival and meeting area:

1. The red channel goods to declare and paying voluntarily a regular duty for goods to import

It is the correct way:

- If the goods bought abroad exceed the personal duty free allowance.
- If the importing goods for business reasons
- If the goods to be imported need a special licence, certificate, authorization or should be declared on arrival. It is recommended to inquire about the local laws there are even countries where importation of chewing gum must be declared
- If the importing plants, seeds or/and animals or their products, to confirm the validation of the certificates, if needed.
- If there are questions about whether the goods to import are duty-free or not.

It may be possible without paying duty to deposit goods/baggage not intended for that country in the transit customs area. On departure those goods can be claimed and sent directly to the next stopover/destination of the passenger.

2. *The green channel nothing to declare*

A passenger, who brings personal effects and goods not exceeding the duty free allowance, is allowed to pass through the green channel. The exact quantity restrictions and prohibition of goods tolerated to import without payment of duty and without payment of duty and without offending existing laws, can be obtained from.

- The TIM - Travel Information Manual
- The embassy or consulate
- The tourist office
- Recent travel publications
- The airline or travel agents

When passing through the green channel, depending on the country of entry;

- The baggage might not be controlled at all.
- The customs officers might be doing some spot checks to enforce the law.
- All baggage might be opened and controlled very carefully (sometimes for every passengers)

Some countries have customs checks before check-in on departure. Especially countries, where the exportations of certain goods is not permitted, the pre-departure checks will be done very carefully.

It might be possible for an alien in some countries to be exempted to pay, the local sales tax of goods purchased. In that case, the shop will issue a tax exemption form, which should be stamped by the

customs authority before leaving the country, as the goods for exportation will not be subject to local taxes.

It is important to always give correct information to the customs and to respect local laws. Especially in a foreign country, to give wrong information or smuggling might be criminal offence and resulting in a lot of problems. The trafficking of illegal drugs, arms or other prohibited dangerous goods into a country might result in severe problems, many years of imprisonment or even in the death penalty.

Airside and transit area

The connecting passengers

Often, passengers arriving at an airport have not reached their final destination and must transfer to a connecting flight. In some large airports, such transfers necessitate the passengers and their baggage being transported from one terminal building to another. This will be arranged by the airline and / or airport operator, but to accomplish this sufficient time between the two flights must be allowed at the time of making the reservations. The minimum connecting time must always be observed.

When passengers transfer from one international flight to another at the same airport, their baggage is taken directly from one aircraft to another if it has been checked through the final destination right from the airport of departure.

Transferring passengers do generally not need to go through customs and immigration formalities, since they do not leave the transit area. For those not permitted to enter a particular country, some airports provide the facility of small rooms for stranded persons and inadmissible persons in the transit area.

Where the transfer is from an international flight to a domestic flight, passengers have to claim their baggage and clear it through customs prior to it being checked in for the domestic flight.

In some cities there are hotels or motels for overnight passengers or dayrooms within the boundaries of airport, or close by snack bars and

restaurants are located in the transit area to get refreshments and meals during waiting hours. It maybe possible to take a shower in the transit area between two flights.

The minimum connecting time

This is basically the minimum time needed for passengers and baggage to make a connection between two flights. It is recommended to add 30 minutes to 1 hour more time to guarantee such a connection. That way, the passenger will have to hassle to catch the connecting flight. If the arriving flight has a minor delay, there will be less risk that the baggage could not make the connection. The baggage which is through checked will need more time than a passenger walking from one gate to another. For the comfort of the passenger, an *overnight stopover* should be considered after a flight of about 10 hours instead of an immediate connection.

There are four main types of connections between two flights:-

- The international connection - between 2 international flights
- The domestic connection - between 2 domestic flights within the same country.
- The international to domestic connection - This is between an arriving international flight and a departing domestic flight.
- The domestic to international connection - This is between an arriving domestic flight and a departing international flight.

There are four types of connections, when connecting between two flights:-

The on-line connection - This is a connection between two flights of the same airline. Usually the minimum connecting time is much lesser, than an interline connection. There is no change of airports when making such a connection.

- The interline connection - This is a connection between two flights of different airlines. Even if no airport change will be

involved, the distance might be larger between the delivering airline and the connecting airline as a change of the gate or even of the airport terminal building might be necessary

- The same airport connection - Between two flights, there is no change of airports involved. It maybe necessary to change the gate area of he air terminal building. Airside and landslide transportation may be available between air terminal buildings free of charge for connecting passengers.
- The connection with a change of airport - If a change of airports is involved at a connection, the baggage has normally to be claimed at the arriving airport. Even, if the duration of the connection id only a few hours, the passenger has to be cleared by eventual immigration and customs control. The transport between airports is normally surface transportation over sometimes it can be by helicopters. Once arrived at the departing airport, the baggage has to be checked -in again to the next destination.

4.4 The gate area

The gate is the last checkpoint before boarding the aircraft. An exact inventory control of the actual passenger load is established by class and destination, counting in facts separately, as they do not occupy seats. If the seat numbers are not given at check-in, they will be given at the gate, except when the flight has free seating.

If the flight is fully booked, the following passengers will get a standby boarding pass with no seat numbers at the time of check-in. Priorities are given on a first served basis, but will be subject to the following categories:

- | | |
|----------|---|
| FIRST : | The confirmed passenger |
| SECOND : | The "no record" passenger |
| THIRD : | The "not confirmed" airline club member |

FOURTH : The waitlisted passenger traveling with confirmed passengers or for compassionate travel.

FIFTH : the waitlisted passenger

SIXTH : the go-show passenger

SEVENTH : the passengers traveling with space available
(stand by) tickets.

On the date of travel, an early check-in for waitlist passengers is recommended.

At the closeout of check in, the exact number of seats available and the number of seats available and the number of no-show passengers will be known. Passengers will be loaded according to the above priority list.

The actual number of passengers can be verified three times:-

- The actual number of checked in passengers
- The numbers of boarding pass portions collected, at the gate, from the embarking passengers.
- A head count in the aircraft giving the total number of passengers on board.

Passengers who have checked-in, but failed to go to the gate at the time indicated on the boarding pass, will be offloaded with their luggage. This will often cause a delay, as for security reasons, an aircraft should not leave with baggage not belonging to boarded passengers.

The following passengers will board separately:

- Passengers having medical problems, or who need assistance or a wheel chair
- Families with children
- Unaccompanied minors, young passengers traveling alone

- VIP passengers

Security checks

Security checks were implemented for all international and most domestic flights to prevent bombs and weapons on board an aircraft.

The following measures have been taken by the airlines and the governments all over the world:

- Most international airports have specially trained security guards responsible for the safety of the passengers on the ground, in public and non-public areas.
- Some airlines employ additional security personnel to supervise the check-in and the aircraft handling/turnaround.
- On some airlines, there are specially armed sky marshals traveling as passengers watching out for a possible hijacker.
- In case an aircraft is hijacked, governments have their own or could get a special anti-terrorist combat troop to negotiate and to free hostages

Security checks before check-in

The check intends to:

- Make sure that each passenger knows the content of baggage (search for dangerous articles)
- Check the identity of the passenger
- Ensure the passengers passport is still valid and that the necessary visa and international vaccination certificates have been obtained
- Refuse travel to unfit passengers.

The screening of checked in luggage

Many airports have facilities to check the content of departing and arriving luggage with X-ray machines. The information might be important for the security or related to smuggling for the customs authority. *Sometimes the baggage is physically searched in the presence of the passenger.*

The security check prior to the gate area

All passengers have to pass a metal detector and their hand baggage is checked by an X-ray machine. If no detector/X-ray machine is available, the hand luggage is searched physically and a body check of the passenger will be done. Items which could be used as a weapon will be removed and given to the captain to be transported as checked baggage.

Arrival Facilities

The baggage claim area

For international arrival, this is located after passport control (immigration) and before the customs check. The baggage should be *delivered to the waiting passengers between 15 and 45 minutes after the arrival of the aircraft.*

The public meeting area

Once the passenger has passed the customs control, he will find himself in the public meeting area. The meeting area could be vast and there might be a specially designed meeting point. If the arriving passenger is not known and met by a driver or a tour leader. The waiting person should carry a board identifying the company or tour operator, and in case of an individual transfer, write the passenger's name on the board.

Welcome desks

Besides shops, the following facilities are generally available to passengers in larger airports.

- An information desk(sometimes with paging service)
- A left luggage office
- A ticket desk for ground transportation (coach, bus, train, limousine or taxi)
- A hotel information and reservation desk or an electronic board
- Car rental desks
- Incoming tour operator desks
- Airline desks including sometimes air taxi charter desks

Check your progress:

What is Passport, what are the purposes of Passport and types of Passport?

Define the term VISA. Define types of VISA.

What are the four categories of persons to pass immigration control?

What is the use of X-Ray machines in Travel Management?

Define the following.

- (a) The Public meeting area
- (b) Welcome desks.

CLUES TO ANSWERS

Check your progress-1

- 1) Refer Sec 4.1
- 2) Refer Sec 4.1
- 3) Refer Sec 4.2

UNIT – 5: TRAVEL AGENTS FUNCTIONS AND DEPARTMENTS OF THE TRAVEL AGENCY

Structure

5.0 Travel Agents

5.1 The Dimension of the Travel Agency Business

5.2 Sources of Information

5.3 Running a Travel Agency

5.4 Car rental reservation

5.5 Airline reservation

5.6 Railway Reservation

Travel Agents

Travel, whether for business or pleasure, requires arrangements, the traveler usually faces a variety of choices regarding transportation, accommodations, and if the trip is for pleasure, destinations, attractions, and activities. The traveler may gather information on prices, value, schedules, characteristics of the destination, and available activities directly, investing a considerable amount of time and possibly money on long-distance telephone calls to complete the trip arrangements. Alternatively the traveler may use the services of a travel agency, obtaining all these arrangements at no cost.

What is a Travel Agent?

A travel agency is a middleman a business or person selling the travel industry's individual parts or a combination of the parts of the consumer. In marketing terms a travel agent is an agent middleman, acting on behalf of the client, making arrangements with suppliers of travel airlines, hotels, tour operators and receiving a commission from the suppliers.

In legal terms a travel agency is an agent of the principal, specifically transportation companies. The agency operates as a legally appointed agent, representing the principal in a certain geographic area. The agency functions as a broker, bringing buyer and seller together, for the other suppliers like hotels, car rentals, ground operators, and tour companies.

A travel agent is thus an expert, knowledgeable in schedule, routing, lodging, currency, prices of travel and travel opportunities. In short, the travel agent is a specialist and counselor?

A travel agent is thus an expert, knowledgeable in schedules, routing, lodging, currency, prices, regulations, destinations and all other aspects of travel and travel opportunities. In short, the travel agent is a specialist and counselor.

The travel Weekly studies conducted by Louis Harris and Associates define the travel agent as follows.

A travel agent, besides selling prepared package tours, also prepares individual itineraries. He arranges for hotels, motels, accommodation at resorts, meals,

Sightseeing, transfers of passengers and luggage between terminals and hotels furthermore, he can provide the traveler with a host of other information (for example on rates, quality and so on) which would normally be hard to get. The travel agent is paid for his services through commissions. For example, if a travel agent writes up an air ticket or makes a reservation in a hotel for a client, he gets paid by the carrier or < the hotel in the form of a commission. In short, the travel agent saves the customer both time and money.

Thanks to the reports sponsored by *Travel Weekly* magazine and conducted by Louis Harris and Associates, excellent data are available on the travel agency business. The latest *Travel Weekly - Louis Harris Study* was published in June 1984 and represents the seventh in a series of studies launched in 1970 on the character and volume of the U.S. travel agency market. The 1982 and 1984 studies' provide a comprehensive

examination of the industry since deregulation and computerization. The growth of the travel agency business has been remarkable.

5.1 The Dimension of the Travel Agency Business

The *Travel Weekly* survey reported that at the end of 1983 there were 22,633 conference-appointed agencies in the United States, 18 percent over 1981, and 238 percent

above the 6700 agencies first reported in 1970 (see Figure: 3.3).³ The average agency employs 8.4 people, of whom 6.2 are full time and 2.2 are part time. The average annual gross volume per agency is \$1.9 million.

Just as the numbers of travel agencies have increased so has The dollar volume. The annual estimated dollar volume for conference-appointed agencies reached \$43.7 billion in 1983 travel agency sales were over three times the sales of hardware stores and shoe stores, more than women's ready-to-wear stores, more than men's apparel stores and shoe stores combined, more than variety stores, and more men's apparel stores and shoe stores combined, more than variety stores, and more than household appliance, radio, and TV Stores.

The majority of agencies, 62 percent, operate as corporations, 20 percent operate as sole proprietorship and 7 percent as partnership. Ten percent of all agencies are branch offices and 1 percent are franchises. Large agencies tend to be incorporated, whereas the smaller agencies have chosen the sole proprietorship or partnership type of organization.

Average length of agency ownership is 10 years and has not varied much over the course of the *Travel Weekly* studies. Agency size appears to be directly related to ownership stability: agencies grossing \$5 million and over record 14 year's average Length of ownership, those grossing \$2 million and over has had their present ownership for 11 years, and those billing under \$1 million average about 8 years. Employment in travel a glides appears to be relatively arable; the average full-time employee has worked there for 4.7 years, the average part-time employee 3.3 years, and the average owner, manager, or senior employee 7.8 years.

Definitions

A travel agent sells either individual parts of or complete holiday packages to the customer. The main function of the travel agency is to sell the temporary use of transport (air, rail, coach, car.), accommodation (hotel, motel, and lodge), tours (packages) and other associated services (insurance, foreign exchange). This means that they are involved in the planning, booking, organization and documentation of travel arrangements for their clients. Often, this also involves advising, reassuring, explaining and encouraging the customer. However, they generally do not operate vehicles or accompany tourists themselves.

Travel consultants (the people in a travel agency who deal with the public) are expected to gather information on travel destinations and be capable of giving advice on travel products. Travel consultants require good inter-personal and organizational skills and the ability to deal with unexpected situations.

TRAINING REQUIREMENTS

Experience in the travel industry and a love of travel are some of the best training grounds for individuals wishing to enter the travel agency business. There is a clear distinction between those travel agents who sell air tickets and those who do not, and this choice is influenced by the qualifications of the travel agency consultants and the availability of start-up funds.

If you do not wish to be involved in the sale of air tickets, but wish to make arrangements for clients in terms of accommodation, transport and excursions, the International Air Travel Association (IATA) Diploma is not compulsory. However, it has become a benchmark for quality training in the travel industry, and would provide the travel agency with a mark of integrity and credibility which is critical in the early years. If you wish to be involved in the sale of air tickets, you must be registered with IATA which requires the completion of an IATA/UFTAA (universal air travel) Standard Diploma. You will need to register with a recognized educational institution (e.g. Dateline) in order to complete this diploma. The course is offered on a part-time basis to

individuals with a Grade 12 (Standard 10) education, preferably with *travel industry experience*. The IATA/UFTAA Diploma will provide a broad understanding of travel agency and airline operations, and enable the student to advise clients, make appropriate travel arrangements and reservations, calculate airfares, and complete international travel documents in accordance with IATA rules and procedures.

In addition, every IATA Travel Agency is required to have a qualified BSP (Billings and Settlement Plan) consultant in the office at all times. BSP is the standardized accounting function for IATA accredited travel agents, controlled by IATA. All travel agents should understand the BSP function in terms of ticketing and airline accounting, including information on cancellations, refunds, etc.

There are a number of other useful travel related courses (e.g. Galileo certificate, SAA Fares and Ticketing, British Airways Level 1, etc) available at various educational institutions, which should be explored according to your needs. These are available on a part-time basis, or as part of a one year, full-time Diploma in Travel and Tourism.

CODE OF CONDUCT

The Business Practices Committee, which is part of the Consumer Council, has published a Consumer Code for Travel Agencies which governs the conduct of travel agencies and protects the consumers. When complaints are directed to it, the Business Practices Committee assess whether harmful business practices were conducted, irrespective of whether the travel agent is a member of Association of South African Travel Agents (ASATA). In this respect, the Code is more than a voluntary code of conduct, although membership of ASATA is voluntary (see section on Voluntary Requirements).

The Code has three main benefits:

Firstly, it informs customers about what standard of service to expect, what recourse there is in the event of dissatisfaction and what their legal standing is when dealing with travel agencies, whether the latter are members of ASATA or not.

Secondly, it assists travel agents, whether they are members of ASATA or not, to meet desirable levels of business practice by providing the criteria that are broadly acceptable within the industry.

Thirdly, it sets a standard of service, professionalism and business practice for all travel agencies in South Africa. Copies of the Consumer Code for Travel Agencies can be obtained from ASATA or the Business Practices Committee

LAND AND PLANNING ISSUES

Space and Infrastructure

Sufficient space is needed where the public can sit and discuss their needs with the travel consultant. Access to basic office infrastructure is needed, including access to electricity, telephones, fax and email. Access to quite expensive computer equipment and software is required if the travel consultant is to be involved in the booking of air tickets. Registration with IATA will allow the keeping of airline ticket stock and the use of a ticket printer (see also licensing and Registration). The operational costs of an IATA registered travel agency are therefore likely to be higher than a business which is not registered.

Parking

The Local Municipality's town planners can advise you on the parking required.

Amenity Value

An attractive or appealing tourism office environment may be created with posters and maps and will be supported by being located in attractive, clean and well-kept surroundings.

Accessibility / Roads

Is the site easy to find for those people using their own or public transport?

The Local Municipality has controls for the erection of any signs. If new access onto streets is needed, the Local Municipality will

usually construct them, at the cost of the developer. Permission must be obtained from the Provincial Department of Transport to construct new access points onto main roads outside of Local Municipality areas.

LEGAL REQUIREMENTS

Land Use Zoning

Approach the Local Municipality to establish whether the Town Planning Scheme permits the activity on the site you have chosen.

Licensing and Registration

Approach the Local Municipality in order to register your business. You will also need to register with the District Municipality.

Regulations and By-Laws

Your application for a trading license will be circulated by the Local Municipality to the Health, Fire and Building inspectors, the Town Planning Department. These bodies will ensure that your plans comply with their regulations before the application can be approved.

Other Legal Requirements

If you wish to erect a road sign in the road reserve area (as distinct from on your own property) for the purpose of advertising your business then you need approval from:

Department of Transport in the case of national roads;

The Facility Signs Committee in the Provincial Department of Transport in the case of secondary roads;

The Local Municipal Engineer in the case of local roads within a Local Municipality area.

BUSINESS ISSUES

Structure of Your Business

You may be registered as a Sole Proprietor, or your business may be registered as a Private Company (Propriety Limited or (Pty) Ltd Company), or Close Corporation (cc). Chambers of Commerce are a good contact through which to obtain details of organizations that can give advice on the structuring of your business. Advice may also be obtained from Business Advice Center's*

Managing Your Business

Management of your business will involve:

- a decision on the types and packaging of services;
- Bookkeeping and accounting; arrangement of VAT and taxes;
- Record-keeping for your own records, for advertising reasons and for tax purposes.
- Taking and managing bookings from clients;
- Employment and lab our conditions which includes employment equity, lab our unions, and conditions of employment;
- Training of staff: it is vitally important that staff are trained in customer care and to be professionals in their field; and
- Insurance cover which includes both security and public liability.

Chambers of Commerce are a good contact through which to obtain details of organizations that can give advice on the management of your business.

Marketing and Advertising

Marketing and advertising may be done through a variety of media such as through printed brochures, internet, television and word of mouth. The KZNTA should be approached to enter your business into

their tourism assets database for the Province which provides freely available information to the public on tourism facilities. The District Municipality has a copy of the same database. Publicity Associations should be approached to help disseminate your information.

Any brochures produced to advertise your establishment should include an easily readable map showing your location.

Voluntary Requirements

Membership of ASATA* is advisable to ensure that minimum service standards are adhered to. Membership of ASATA can be used as a marketing tool and provides tourists with an assurance that certain standards are being maintained. The ASATA logo engenders public confidence and underwrites the integrity and reliability of the travel agent.

ASATA provides a sounding board in the form of monthly meetings where ideas are shared and members are kept abreast with the latest developments in the travel industry.

- Any person, firm or corporation may be considered for full membership provided he is engaged in Southern Africa in the sale of travel and the facilities of travel and who meets the criteria as determined by the Association and approved respective councils.
- Applications for membership must meet standards and criteria in the following areas: premises from which they operate; qualifications of their management and staff; business capital; financial stability; security and no criminal record. The application may be referred to the Membership Council for consideration of the proposed premises and caliber of the proposed staff.
- Full membership is only granted subject to agreeing to abide by the ASATA Constitution and Rules, Code of Conduct, Terms of Reference and all other agreements entered into by the Association and its respective sections.

- New membership will not be granted until satisfactory reports are received by the Section Committee and the applicant agrees by signing the application that it will not advertise or in any way represent itself as being a member of ASATA until written confirmation for the application is received.
- In order to ensure financial integrity and professionalism of members to their clients, the audit report is of paramount importance. In terms of the Terms of Reference of the respective sections, it must be returned to the Executive Director on completion of the application form. Thereafter, depending on the type of business (sole proprietor, cc or other), the audit report will be required annually, within 6 months of the financial year end. This information will be inspected by the Executive Director and the Treasurer of ASATA and the confidentiality thereof will be secured. Any circumstances of financial irregularity that may appear will be dealt with in terms of the section Terms of Reference' and the ASATA Constitution.
- The application for membership should be submitted with the prescribed application fee. This will be credited to the applicant's account should the application be approved.
- The membership fee is payable immediately the application is approved and such approval will be confirmed in writing on receipt of the subscription.
- If, at the expiry of a period of 3 months from the receipt of an application by ASATA, any information required by ASATA is still outstanding or any action on the part of the application has not been carried out, the application shall be deemed to be abandoned and the application fee shall be forfeited to ASATA.
- The ASATA logo is a registered trade mark. AH members are required to sign the Trade Mark Agreement and to remove this mark from stationary and premises immediately membership lapses.

- ASATA shall be advised of any change of trading name, address or shareholding immediately the same comes into effect.

There are also benefits to joining trade associations such as improved marketing opportunities, access to information on the market, and liaison with authorities. Trade associations have set codes of conduct to govern the relationships of their members with their clients.

5.2 Sources of Information

A useful source of information for travel agents is the KZNTA website (www.zuluTorg.za). The KZNTA also has a resource centre which may be used to obtain information.

FINANCIAL ISSUES

Business Plan

Loan organizations normally require a comprehensive Business Plan to be prepared in applying for a loan. Such a Business Plan should include:

- business analysis;
- financial forecasts; based on rational assumptions and experience;
- budgeting guidelines;
- schedules determining the amount and kind of finance most appropriate for the business;
- details on proposed financing sources; and
- Useful information about the planned business which will aid decision making by the loan organization.

Financial Record Keeping

Good record keeping systems provide information for managing finances. The key items in record keeping include: - Original records e.g. sales slips, receipts, invoices etc; *

- Journals which record the details of every transaction in chronological order e.g. the cash book;
- Ledger where information obtained from journals is made more useable;
- Trial balance is a list of all ledger accounts balances taken out to prepare financial statements;
- Financial statements:
 - Income statement
 - Balance sheet.

The minimum requirements for a small business operation are:

- Cash Book
- Cash Control Systems
- Assets Register
- Debtors Record ,
- Creditors Record.

Budgeting

Budgets are based on past experience, current state of affairs and future expectations. Budgets will help provide an estimate of financial requirements in the execution of plans in the business operation. Kinds of budgets include:

- Sales budget: a forecast of expected monthly income;

- Materials budget: expected purchases;
- Labor budget: expected remunerations and numbers of staff members;
- Capital budget: expected fixed assets expenditure e.g. land, buildings etc;
- Cash budget: expected working capital requirements over a specific period.

Tariff Structures

Tariffs should be based on those of your competitors and a detailed analysis of income and expenditure for the proposed operation. Research will therefore be needed in order to set realistic tariffs.

Broadly speaking, a home-based travel agent is anyone engaged in the marketing and selling of travel products from a home office. That can cover a wide variety of different types of home-based travel agents.

However, in the travel industry and more specifically in the travel distribution industry, the term "home-based travel agent" is most often used to refer to someone who works out of their home office as an outside sales representative for a bonded, accredited ARC/IATAN travel agency, usually referred to as the "host agency." The home-based travel agent finds, qualifies, and books the customer; the host agency prints the tickets (if any) and serves as the conduit between the home-based agent and the travel supplier whose product the home-based agent is selling. The home-based travel agent and the host agency share the commissions paid by travel suppliers according to a negotiated percentage split that reflects (or should reflect) the amount of work and effort expended by each party in making the booking happen.

By definition (as well as by contract), the home-based travel agent is an independent contractor, which means that he or she has a great degree of freedom as far as determining how and with whom to do business.

Home-based travel agents

That means that some home-based travel agents function simply as referral agents, funneling business to a travel agency but not handling any of the booking details themselves.

Some home-based travel agents bypass host agencies altogether. One way to do this is to become a "cruise-only" agency. Another way to do this is to specialize in condominium vacations, a niche that has been underserved by traditional travel agencies and which is more than happy to deal directly with home-based travel agents. Other home-based travel agents simply market a limited number of travel products and form direct relationships with individual travel suppliers whose products they represent.

Some home-based travel agents specialize in forms of travel that have developed distribution channels outside the traditional storefront travel agency distribution channel. For example, some people are very content to market educational tours that not only offer extremely attractive pricing but allow the tour organizer (the home-based travel agent) to travel free and earn a stipend (a sort of commission) as well. Organizers of student travel, many of whom are full-time students, are another example of this approach.

Home-based travel agents, of whatever description or level of sophistication, can work either full-time or part-time or only occasionally. That's because the very nature of being an independent contractor is that no one can tell you when to work, how to work, or how hard to work. There are home-based travel agents who earn pin money, home-based travel agents who earn a tidy part-time income, home-based travel agents who bring down a substantial middle-class income, and home-based travel agents who earn six-figure incomes.

As you can see, there are so many variations and combinations that it is difficult to define the "typical" home-based travel agent. This means that virtually anyone can be a home-based travel agent, on their

own terms and at their own pace, creating the type of home-based travel marketing business that makes sense for them.

Check Your Progress-1

1) What is the main function of a Travel Agency?

.....
.....
.....

2) What is the basic Education Qualification required for Travel Agent?

.....
.....
.....

3) What do you understand by Budgeting?

.....
.....
.....

Types of Travel Agencies

Travel agencies differ according to their size, organization and their specialism in various markets within the travel scene. Travel agencies may be independent - Multiple or implant.

Independent Travel Agencies are privately owned often with a single location, sometimes with outlets within a local area.

Multiple travel agencies generally have more than twenty outlets, often on a nationwide basis. In the UK most of the major multiple travel agency chains have financial lines with major tour operating companies.

Implant travel agency are based within the premises of a corporate customer or within college or rather any public domain.

Travel agencies may also specialize in the customers for whom they cater for the regular bookings of companies in commerce or industry.

5.3 Running a Travel Agency

Travel agency costs

They are fixed or variable. The fixed costs are those that are determined by the organization or companies outside the control of the agency and variable costs are those which can be controlled by the agency.

Attracting Customers

Clients must first be enticed into entering or telephoning the travel agency with an initial enquiry if they are eventually to make a firm booking. The initial attractions can be stipulated by:

Word of mouth

Personal recommendation

The travel agent's window display

The arrangement of the brochures on the racks within the agency

The array of late availability cards to be found on the windows or doors of most agencies

Advertisements

Sources of Income for a travel Agency and Departments

Commission from principals

Commission is the main source of income in a travel agency. Commission is a payment made to a travel agent by the principal such as a tour operator, airline or ferry company. The payment is a percentage of the value of the booking made and the percentage varies between 1% to 37%. The average package holiday tour operator gives the travel agent 10% commission, but for selling scheduled airline tickets the travel agent

can earn 9% only with 7.5% commission on domestic tickets and about 9% from ferry bookings.

Incentive commission which is higher rate is offered by some principals to those travel agents with a higher turnover of business. Some cases a travel agent might be appointed as the "sole agency" for a principal in a particular locality. If these travel agents accept bookings from other travel agents in the area then they can receive over-rider commission which allows them to pay the standard commission to the other travel agents.

Service Charges

Service charges can be made by the travel agent just as they can be made in any retail outlet. Normally they are not a great source of income but are simply a means of recouping money on a transaction which might otherwise cost the travel agent some of the commission. A service charge may be made on a theatre. A service charge may also be made if the travel agent applies for a visa on behalf of the client. For business travelers there may be service charges in connection with the delivery of the tickets and the revalidation / reissue.

Interest on money held

Referral Vouchers

They are issued by principals in exchange for the travel agents recommendations to clients can be useful sources of income. For example a client maybe booking a independent holiday and the travel agent maybe recommend a particular hotel or car hire firm. giving the *client referral vouchers to present when making the booking*. The travel agent then receives commission or standard payment once the client has booked and paid directly for the hotel or car.

Utilising office space

Finally the travel agent could use any extra space in the office as a source of income. Part of the office could be sublet to a building society, a photo machine could be installed or the travel agent could sell travel related products such as adapters, baggage and accessories.

Value Added Tax

VAT is a tax imposed by Customs and Excise who provide a series of leaflets explaining the many intricacies of the tax. All traders whose turnover reaches a certain threshold are bound to register, receive a VAT registration number and they are responsible for collecting VAT at the current rate from their customers.

Departments of the Agency:-

The Various departments of the agency include:-

Reservation:-

Under this department there are sub divisions like:-

- Car rental reservation
- Airline reservation
- Railway reservation

5.4 Car rental reservation:-

Car rental / cab reservations are reservations for land transport. These reservations are done orally and they normally do not follow a sequence as far as domestic reservations in India follow.

But as far as the International Car rental reservations are concerned they follow a sequence and this sequence is further supported by a CRS system which gives the updated version of car models, comforts, facilities, formalities for renting out, routes covered and individual pricing. Pricing is based on hourly, daily, monthly basis. Usually a deposit is collected from the passenger before renting out the car.

Once the reservation is confirmed for a car / cab, payment is made through vouchers, usually payment is collect from the credit card as payments are made online.

The travel agent gets a commission from the car rental company on a monthly or fortnightly basis.

5.5 Airline reservation

Airline reservation is similar to car rental. Again a CRS is used to get the updated information regarding airline schedules, timings, flight numbers and prices. Apart from quoting fares from the CRS the agent will have to manually work out on the fares as far as international routings are required. Working out itineraries requires high skill as well as perfection and these calls for professionalism and accuracy on the part of the agent.

Again both domestic as well as international tickets are issued by the agents. Usually the domestic as well as international reservation departments are separate as the procedure for reservations are different

Documentation

This is the department which handles visas as well as passports. Depending on the volume of business of an agency this department exists either in a big way or it is clubbed with International Reservations. However all passport as well as visa documentation procedure is handled by this department.

5.6 Railway Reservation

As far as Indian railway booking is concerned, Agents get a quota of tickets which would facilitate the passenger to buy tickets. However the Indian Govt. does not give any commission from the railway fare and the agent will have to add his service, charges apart from the usual fare.

As far as International reservations of railway is concerned like Amtrak in USA as well as Eurail in Europe reservations can be done only through TCI Travel Corporation of India, and commissions are given to agents.

Check your progress: -

Discuss the points you will keep in your mind while running a travel agency.

What is the function of travel agency?

How you will plan a tariff while opening travel agency

CLUES TO ANSWERS

Check your progress-1

1) Refer Sec 5.1

2) Refer Sec 5.1

3) Refer Sec 5.2

UNIT - 6: TOUR OPERATORS

Structure

6.0 Types of Tours and Tour Components

6.1 A brief history of the package tour

6.2 The Role of the tour operator

6.3 Types of tours

6.4 Tours Defined by Destination

6.5 Tours Defined by Purpose

6.6 Food Plan

6.7 Advantages of selling tours

6.8 Key Terms

6.0 Types of Tours and Tour Components

It's one thing to decide to go on a tour, but quite another to organize the trip. Many people don't have the time or the inclination to plan a tour for themselves. They prefer to have somebody else make the decisions and the arrangement. For this reason, among others, the tour, package came into being. Tour package offer travelers prearranged transportation, accommodations, meals, and other vacation arrangements - all at a predetermined price. They take some of the aggravation out of travel and usually provide significant cost savings as well.

Americans are turning on to package tours in a big way. Today, the package tour industry is one of the fastest growing segments of the travel industry. In this chapter, you'll learn about the many different kinds of tours, discover some reasons for their popularity, and read about the career opportunities that the package tour industry presents.

Definition:

Without question, one of the most significant segments of the global, leisure-travel market is that of tours. A tour can be defined as any form of travel from place to place, with multiple features that can be packaged and sold as a single unit. Most people, including students of the travel industry, have preconceived notions about tours really involve. Usually they imagine guides with grueling itineraries. As we shall see, however, tours comprise a wide array of travel possibilities and in certain cases the participants may not even be aware that they are participating in a tour at all.

6.1 A brief history of the package tour

As you have learned, the concept of travel is an ancient one. But package travel, comprising combined arrangements for transportation, accommodations sightseeing, and other features, is a comparatively recent development. We can trace its origins to the grand tour. This extended journey through continental Europe was traditionally undertaken by the sons (and later the daughters) of the British aristocracy during the seventeenth and eighteenth centuries.

The primary purpose of the grand tour was to educate. Indeed, no education was considered complete without it. While he was abroad, the young nobleman was expected to enrich his knowledge of the classical past, acquire antiques and works of art, learn foreign languages, and develop socially desirable skills and manner. France and Italy - the cities of Paris, Rome, and Naples in particular - were the main destinations. Some itineraries also included stays in Germany, the Netherlands, Austria, and Switzerland.

Travel through Europe by stagecoach or riverboat was dangerous and arduous; and the grand tour could last long as three years. (By contrast, a comparable modern tour Europe takes about three weeks) There were no travel agencies, tour operator, or tour escorts in those days. The individual traveler had to make his own arrangements. He might carry letters of introduction to aristocratic European families, who

would provide him with lodging and entertainment. For the most part, he was on his own.

The development of railroads and hotels in the nineteenth century encouraged increasing number of middle-class travelers to embark on tours of Europe. With this middle-class "invasion" came a change in the motivation for foreign travel. The emphasis moved away from education and culture toward recreation and pleasure. It was the beginning of mass tourism.

The pioneer of the package tour

Thomas Cook, a Baptist missionary from England was the innovator of the organized package tour. In 1841, he chartered a train to carry 570 people to a temperance meeting. This first tour featured a number of components that were to become standard for later package tours. It included transportation (a 40-mile round-trip rail journey); meals (a picnic lunch and afternoon tea); entertainment (a band playing hymns); an event (the temperance meeting), and the services of a tour escort (Cook himself)

The success of this and subsequent excursions encouraged Cook to form the world's first travel agency and to branch out into overseas travel. In 1856, Cook led first conducted grand tour of Europe. By the late 1860's his agency was offering Nile cruises, rail trips to India, and guided tours of the United States, other first for Cook included the introduction of travel brochures passenger itineraries, and vouchers to speed payment for the services of suppliers.

The Evolution of Tour Formats

While personally conducted group tours were an important service offered by early travel agencies, the bulk of their business was in handling travel and hotel arrangements for travel, making independent trips. An American planning a grand tour of Europe, for example, would consult a travel agent to arrange his or her personalized itinerary. The travel agent would then organize the traveler's steamship passage across the Atlantic, rail travel within Europe, accommodations, and sightseeing. Such custom-made tours-known either as Foreign Independent Tours

(FITs) of Domestic Independent Tours (DITs) - were the norm for the vast majority of vacation travelers right up until the early 1960s.

The break through for the prearrangement package[†] tour came with the arrival of the jet age in 1958. Trans-Atlantic crossing time was cut to 7 hours (from 24 hours by propeller aircraft or 6 days by ocean line). Time savings, together with increased prosperity and low airfares, brought overseas travel within reach of ordinary working Americans, who had only two or three weeks of annual vacation. International travel was no longer exclusively for the wealthy few.

Tour operators developed a variety of packages to cater to the new class of travelers. The packages offered bargain prices, convenience, and reliability. Taking advantage of charters, reduced excursion fares, and all-inclusive tours packages, the number of Americans visiting Europe rose from under 700,000 in 1958 to more than 5 million in 1986.

Not only have package tours become more accessible in the jet age; they have also become more flexible in terms of length. In the days when overseas travel entailed a journey by steamships, tours were necessarily longer, commonly lasting two or three months. A few tour operators offer a 42 day-day "Super European." But most have scaled down to around 22 days. As a result, tours are less leisurely than they used to be, and less time is spent at each destination. Shorter tours, featuring only two or three destinations, have also been developed.

The Modern Tour

A package tour is a combination of several travel components provided by different suppliers, which are sold to the consumer as a single product at a single price. The package tour typically comprises:

- One or more forms of transportation (including fly/drive, fly/cruise, motor coach tour, and rail tour packages).
- Accommodations.
- Meals.

- Attractions and events (including sightseeing and admission to natural and commercial attractions, entertainment, recreations, and a variety of special events).

Extras (including transfer and baggage handling, tips and taxes, the services of a professional tour manager and tour guides, travel bags, discount coupons for restaurants and shops, etc).

Package tours vary in complexity from the two components package (for example, air transportation and limited sightseeing, or hotel accommodations are rental car) to the multi components, all-inclusive package. When a tour involves air travel to the destination or point of departure, the components are usually separated into air arrangements and land arrangements. Land arrangement includes surface transportation while on tour, accommodation, meals, sightseeing, and other activities. Some tour companies quote an all-inclusive price for both air and land arrangements. Other quote air and land rates separately. When the rates are given separately, clients can opt to buy just the air or just the land separately, clients can opt to buy just the land package and make their own arrangements. Other quote is given separately, clients can opt to buy just the land package and make their own arrangements to get to the starting point of the tour.

6.2 The Role of the tour operator

A tour operator or tour wholesaler contracts with hotels, transportation companies, and other suppliers to create a tour package for sale to the consumer. By buying hotel bed-nights, airlines seats, and admission tickets in bulk, the tour operator can get lower rates than those that would be offered to an individual traveler. The savings passed on to the consumer (after allowance for business overheads, profit, and any commission to the seller).

The terms tour operator and tour wholesaler are often used interchangeably, though operator refers more specifically to a company that sells packages directly to the consumer, while a wholesaler sells the package through a retail agency. For the purposes of this discussion, we will use the general term tour operator throughout.

There are four different kinds of tour operators. The first is the independent tour operator. This can be an individual or a multinational corporation. American Express is an example of the latter. The second category is the travel agency that functions as a tour operator. The agency packages tours that it sells to its clients or that it wholesales to other travel agencies. In-house tour operator makes up the third category. These are owned and operated by air carriers (United Airlines and Qantas, for examples). The fourth category consists of travel clubs and incentive travel companies, which do not sell their products to the public.

All tour operators take risks when they put together a packaged tour. They must make block reservations far in advance in the competitive market. (In reality, many will not) Suppliers are willing to reserve their product for the tour operator if they are given a deposit that will be refunded decreasing progressively as the departure time gets closer.

The popularity of Tours

The package tour industry is one of the fastest-growing sectors of the travel industry. The number of tour operators in business in the United States rose from 588 in 1978 to more than 1,000 in 1985. Package tours represent an important share of domestic tourism and an even more significant portion of overseas tourism (almost 50 percent of United States tourists traveling overseas now purchase a package tour). A recent study showed that 8 percent of United States vacation travelers would not travel if package tours were not available and a further 42 percent would significantly change their travel plans.

Why have package tours become so popular? The main reason is that they offer a variety of practical benefits that independent travel cannot provide.

Known Costs. Because all package tours are prepaid, the client can fairly accurately calculate the total cost of the tour in advance. This is especially true of an all-inclusive package. Accommodations, meals, sightseeing, entertainment, transfer, and taxes will all have been prepaid

before departure. The only additional expense, therefore, would be for personal items such as souvenirs, gifts, and drinks.

Bargain Prices. The single greatest attraction of the package is its relatively low cost. Because they buy in bulk from suppliers, tour operators can offer packages at a considerably lower rate than the sum of the travel is a marvelous thing. It's a time of your life when all the habits and obligations of daily existence are hurled aside, and the scope of your needs becomes no bigger than a suitcase. You emerge from familiar routine into a world where everything is unexpected, where even your language can no longer serve as a handy crutch. In that kind of setting, all the minutiae of life can fall away, an individual can finally know what he or she is all about - and find freedom." So says Arthur Frommer, founder of former Guides, manager of a wholesale tour company, and friend to thrifty travelers everywhere.

A graduate of Yale University Law school, Frommer caught the guidebook bug when he was an army corporal stationed in Germany in the 1950s. At first, he just took notes on his low-cost weekend's trips to various places and made copies of the information for his buddies. The next thing he knew, he was publishing *The GI's Guide to traveling in Europe*. (It suggested a personal budget of \$ 1.50 a day.)

Back home, Frommer returned to his law practice, but he found time to rewrite *The GI's Guide* for the civilian market. Re-titled *Europe on \$ 5 a day*, it became a bestselling travel guide. Annual editions of the book (which has had 11 in years) have come out faithfully since 1957. The 1987 edition is titled *Europe on \$25 a Day*, an undisputed bargain in these times.

Frommer's hallmarks have traditionally been hostels and pensions, since his audience consists chiefly of college-age backpackers. In recent years, as hostels have stopped limiting their service to the young, older travelers have been learning how to travel economically as well. Frommer also publishes other kinds of travel guides - for example, guides to individual cities or to facilities such as museums in a particular large city. In addition, he has put out a guide for the handicapped traveler. Frommer

still likes to refer to the series as "Europe on \$5 a Day" and strictly speaking, the \$5 day isn't lost forever. "You could go to North Yemen" Frommer says with a smile. But why would you?

Unlike some competing travel guides, the research and writing of a frommer guide is done by the author of the book frommer believes that having actually seen the place helps the writer convey the genuine look and feel - even the smell and taste - of a place. According to frommer, his writes seek out and pester" local residents who can tell of out-of-the-way restaurants and hotels frommer himself travels extensively and assisted by one full-time European employee, visits each lodging house and restaurant recommended in his guides every two years to make sure it remains up to the series standards.

Frommer believes in frequenting little-known restaurants and guest houses not merely because they are inexpensive, but also because they provide the best opportunity to experience a place firsthand. This philosophy has led naturally to his more recent, "Alternative" or "participatory travel options, including such things as voluntary work camps in Israel, Third World tours given by Taxes nuns, trekking (or ganized walking), and house or apartment swapping with European families. All these enable travelers to immerse themselves in a culture, if only for a short time, to immerse themselves in a culture, if only for a short time and get the most from travel.

Arthur Frommer is has always been and probably always will be a very busy man. He flies back and forth to countries as easily as some people commute to work. Somehow he also finds time to manage a wholesale tour company lecture before audiences, and prepare a cable television show this travel maverick has helped a generation of adventures to see more for less. And he has, to a great extent, changed the way for less, And he has to a great extend, changed the way Americans look at foreign travel individual components brought separately. Just as an institutional-size can of beans costs less per ounce than a single-servicing can, so a block reservation of hotel room's costs less per room than a single room reservation. Tour operator who provide a guaranteed high volume of booking to a hotel chain can pay as little as 50 percent of the standard rack rate. Even after the markup and standard

(10 percent) travel agent commission, the room is still less expensive than it would cost an individual. Volume discounts allow similar savings on other components of the package.

Guaranteed Arrangements: When travelers buy a package, they're also buying peace of mind. Independent travelers may have to cope with unpleasant surprises enroute, such as being bumped off a flight or finding that a hotel has no record of their reservation. A package tour takes the anxiety out of traveling, because all arrangements have been made in advance by the invariably honored suppliers. Tour operators rely heavily on the business generated by tour operators.

Guaranteed Entrance: It is often easier to get into a special event as a member of a tour than as an individual. This is true because tour operators make block ticket purchases to assure entrance to tour participants. For example, it's almost impossible to attend the Oberammergau Passion Play, staged every ten years in West Germany, unless you are part of a tour. There are even some countries, such as China and Albania which will only permit access to certain places to visitors who are part of a tour group.

Tried-and-True-sightseeing Tour operators have the experience to know which attractions are worth a special trip. They know which local nightspots offer the best entertainment, and which restaurants can be recommended. *Unlike individual traveler, the tour member doesn't have to worry that he or she is missing something.*

Time saving: On a package tour, the traveler doesn't have to spend time looking for accommodations, arranging transfers, or getting tickets for a show. Group travel can also lead to time saving at theaters and other attractions. Tour participants often don't have to wait in line; they can enter and exit more easily than individual

6.3 Types of tours

All tours can be categorized by the package format, by designation, or by purpose.

Basic Package formats

Deciding to go on a package tour is just the beginning. The traveler then has to decide what kind of package he or she wants. The tour package is a product that comes in many different formats.

Independent The independent package tour is the least structured of all formats. It offers participants the benefits of package savings but allows them the flexibility and freedom of traveling alone. An independent package features a minimum of components. Typically, it includes hotel accommodation plus one other land arrangement plus one other land arrangements (for example, round-trip transfers, use of a rental car, a daily continental breakfast, or a half day sightseeing tour).

Tour participants are free to depart and return any day. They can choose from a variety of different-priced hotels, and extend their stay by adding a fixed extra night rate for each additional night. A fly/drive package is a good example of an independent tour include resort areas (for examples, London and Paris).

Independent tours should not be confused with foreign Independent tours (FITs) and Domestic Independent Tours (DITs), which are custom-made for clients by travel agencies. FITs and DITs have become less common in recent years because they are much more expensive than package tours and far more time consuming for the travel agent.

Hosted On a hosted tour, a host is on hand at the hotel to arrange optional excursions, answer questions, and help people their free time. The host is not an escort and does not accompany the group on sightseeing tours or on overland journey. If the tour visits more than one destination, a different host will be available at each hotel on the itinerary.

Hosted tours are ideal for vacationers who wish to strike a balance between organized events and free time. Aside from scheduled sightseeing and entertainment features, participants are free to arrange their time as they please. As in an independent tour, they have the freedom to choose departure date, level of accommodations, and length of stay.

Escorted The escorted tour is the most structured of all formats. It offers participants accommodations at number of destinations, meals, point-to-point transportation, and a full program of organized activities. A professional tour manager or escort accompanies the group for the duration of the tour.

Escorted tours appeal to travelers who want their entire vacations to be planned in advance. For this privilege, they sacrifice the flexibility and independence that travelers on other tours enjoy. Participants travel as a group throughout, and have limited free time to branch out their own. They must begin and end the tour according to schedule and stay-in hotels selected by the tour operator.

Special Tour Formats In addition to the three basic tour types, there are a number of packages that are not available to the general public.

- **Incentive tours** are offered by companies as a reward to employees for achieving a sales goal or similar corporate objectives.
- **Convention tours** are packaged for sale to members of an association or group attending gathering such as convention, conferences, exhibition, or trade shows.
- **Special-interest group tours** are arranged for clubs, societies and Organizations whose members share a common interest (for examples, photography, bird watching, opera)
- All three special tour formats are developed by cooperation between the tour operator, travel agent, and company, association, or clubs. Tours designed primarily for the business and professional traveler are discussed in greater detail in Chapter 12.
- **Incoming Tours** An incoming tour is one that originates in foreign country and has the United States as its designation. The product is essentially the same as an *outgoing tour* with the itinerary reversed (for example, Rome-Newyork-Rome instead

of New York -Rome-New York). Foreign visitor are of great importance to the United States (as they are to other nations). They generate jobs, income, and tax revenues.

Check Your Progress-I

1) Define Package Tour?

.....
.....
.....

2) Name Four Types of Tour?

.....
.....
.....

3) What is Independent Package Tour?

.....
.....
.....

6.4 Tours Defined by Destination

Many tours are aimed at providing travelers with the general flavor or particular destinations. This is especially true of escorted tours that cover several countries in a short space of time. The grand tour of Europe, which sometimes visits as many as nine countries in 17 days, is a prime example. Spending a maximum of three days in any one country, tourists can only catch a glimpse of the major highlights.

An area tour allows for more time in each country, although there is little opportunity for an in-depth appreciation of any destination. A 15-day tour of scan-dynast, for example, might entail four nights in Denmark, five in Sweden, and six in Norway, with two nights in each capital. Other popular destinations for area tours include Alpine Europe and the British Isles.

Single-Country Tours are more focused and enable the traveler to see and do much more than is possible on an area tour. England, France, Italy, Germany, Spain, Israel, Japan, New Zealand, and countries other countries all lend themselves to this kind of tour. Some single-country tours concentrate on a particular area to give the visitor a more in-depth view. There are, for example, eight-and ten-day tours of Shakespeare country, of the French chateau country, and of the Canadian Rockies.

Tours to an individual city or cities are the most focused of all packages. These are usually independent or hosted. Two-city tours are ideal for travelers who do not want to be tied to a single destination. Equal time is usually spent in each city, with transportation between the two included in the price of the package. The two cities can be in the same country (for example, Rome and Florence, Montreal and Quebec), or in different countries (for example, London and Paris, Bangkok and Hong Kong). The latter combination gives the tourist and appreciation of two cultures.

Travelers who really want to get to know their destination might choose a single-city tour. This can be a four-day sight seeing tour, or a more extended visit. Mario Paul Perillo doesn't believe in doing everything, just in doing a few things right. There are a lot of places to which his company, Perillo Tours, does not take you. But Perillo claims to book the best trips available to Italy and to the Caribbean Islands. Perillo Tours is the largest first-class tour operator to Italy in the world. It is also pan American Air way's biggest single customer. Only a handful of companies have specialized so narrowly, and few of those have been as successful as Perillo Tours.

Joseph Perillo, Mario's father, started it all in 1946 when he began guiding first-class tours to Italy. At first, the tours went mostly by ship and had largely ethnic clientele-Italians visiting their homelands. Soon, however, as Mario Perillo puts it, "We went after the O'Malleys and the Rosenbergs essentially everyone." The growing popularity of charter travel in the fifties helped the company, the increased number of passengers meant lower per-traveler costs.

In the years since Joseph Perillo began work as a travel guide, over half a million people have taken Perillo tours, and the company has remained a family business under the same name. Mario Perillo is now chairman of the board and the official brochure himself and to have visited all tour destinations personally. He places a strong emphasis on the "family" aspect of the business—in more than one sense. Yes, his father began it, he continued it, and he has already passed on some management tasks to his own son. But Perillo also draws attention to the warm "family" feeling that he tries to engender in every group tour.

A shrewd businessman, Perillo knows that family feeling alone will not sell tours. By continuing to book the tours in a small group of first class and deluxe and arranging all flights with Pan Am, he gains buying clout. This allows him to offer luxurious tours at relatively low prices with extras such as free drinks and in-flight movies on flights. Everything except lunch is included in the tour to Italy, and even lunch and complimentary wine are part of Club Perillo package, a new vacation offered at two locations: One in the Caribbean and one in Italy.

The Club Perillo concept is that of a friendly, quiet club where guests are pampered by personal hosts who act as everything from social directors to problem solvers. It is a package vacation with everything included, catering to singles, couples, families, and retirees alike. Mario Perillo's son Steve runs the Club Perillo in the Bahamas. Its opening was announced in July 1986, one month later it had over 5,000 bookings. The Bahamas Club Perillo offers restaurants, entertainment, a casino, sports activities, classes, shops, beaches - even activities for children. A "recreation register" helps guests find others with similar interests.

If a tour to Italy or a Club Perillo vacation does not appeal to you, you can always climb the Costa Riviera, the Perillo Caribbean cruise ship that flies the (you guessed it) Italian flag. The Costa Riviera has a staff of 500, carries almost 1,000 passengers, and offers everything from Jacuzzis for tired adults to supervised diversions for energetic kids. It sails the Caribbean in seven days and nights of luxury. It sails the Caribbean in seven days and nights of luxury. It sails the Caribbean in

seven days and nights of luxury. Touching dry land the Virgin Islands and the Bahamas, guests can sightsee, sunbathe, or shop, as their fancy takes them.

6.5 Tours Defined by Purpose

While the destination itself can be the strongest selling point of many tours, others are popular because they focus on a specific type of activity. The activity can be as strenuous as white-water river rafting or as relaxing as lying on a beach. Tour operators have developed packages to satisfy a multitude of motivations, needs, and expectations (MNEs)

Relaxation- Many people want nothing more from a vacation than the chance to relax, with plenty of sun, a sandy-beach, good food, and perhaps some nightly entertainment. Such stay-put resort vacations are available in many parts of the world (for example, the Caribbean, Hawaii, Mexico, and the Mediterranean). The vacations may be combined with some sports and recreation (as in a Club Med package), shopping, or limited sight seeing, but the main purpose is relaxation.

Scenic-Tours for people who want to enjoy spectacular scenery while they are away from home exist in great variety. Most involve a fair amount of traveling, either by motor coach (New England fall foliage packages, tours throughout Europe), train (trans-Canada packages, national parks of the American west), or ship (Alaska's Inside Passage, Rhine River cruises) They are almost always escorted trips.

Learning- Every tour provides a learning experience, but here we refer specifically to those tours taken by people traveling because of their interest in culture, history, science, or education. Some tour operators package this product under the generic term intelligent travel. Cultural tours come in various formats. Typically, they involve a structured program of visits to museums and art galleries, or attendance at theater productions, music festivals, and so on. Individual travelers can also arrange to stay with host families, thereby gaining a greater understanding and appreciation for the cultures they experience. Historical tours can entail participation in an archaeological dig or study of ancient civilizations- Members of a scientific tour might take part in a

geological expedition or study the botany of a particular region. Historical and scientific tours usually feature guest lecturers and other subject experts. The distinction between historical or -scientific tours and educational tours is often hazy, but the latter generally focus more on study in the classroom than on study in the field. All educational tours allow participants to achieve personal enrichment from their travels. Some offer, as an additional bonus, the opportunity to earn college credits.

Religious and Ethnic. The pilgrimage has been an important reason for travel since ancient times. Tour operators continue to create packages to holy sites for members of different religions (for example, Catholics to Rome, Jews to Israel, and Muslims to Mecca). Ethnic travel is a related category, covering Americans who visit the country from which their parents, grandparents, or earlier forbears came. Recent examples of ethnic travel include Black Americans going to WCM Africa, especially The Gambia, and Italian Americans visiting Italy.

Adventure. Travelers seeking adventure on vacation form a rapidly growing segment of the market. Tour operators such as Adventure Canada, Lindblad Travel, Mountain Travel, and Sobek's International Explorers Society offer a staggering array of escorted packages to exotic destinations.

Here's a small sampling of adventure tours offered:

- Mountaineering in the Himalayas
- Camel Expeditions in the Sahara
- Dog sledding in the Northwest Territories
- Trekking in Nepal
- African safaris
- Horseback riding in the Canadian Rockies.
- Hot-air ballooning over Kenyan game preserves.

- Amazon jungle expeditions.
- Riser railing in Alaska.

The selection is likely to grow larger as travelers continue to seek something new and exciting.

Sports and Recreation. The sports and recreation market has been strong since the early days of the package tour and has become more diversified in recent years. For those who want an active vacation, there are golf, tennis, and ski packages, as well as organized biking and walking tours. Recreational travel also includes visits to theme parks (for example, Disney World) and gambling packages (Las Vegas, Atlantic City). The recreational activity can be the sole purpose for the trip, or it can be combined with other features, such as sightseeing, relaxation, or study.

Spectator sports packages are put together with a special sporting event as the main attraction. Examples include the Olympics, World Series, Super Bowl, Kentucky Derby, Indianapolis 500, and Masters Golf Tournament. (Similar tours are also created around other types of special event, including New Orleans' Mardi gras, Munich's Oktoberfest, and the Cannes Film Festival).

Special Interest. This is a travel product with great potential for future development. Tour operators have packaged a wealth of different tours for groups sharing common interests. These include chocolate lovers' tours of Switzerland, bird-watching tours of China, and, in the United States, garden tours of Southern mansions. Some enthusiasts travel with a preformed group, club, or organization. Others buy a special-interest package as individuals.

Weekend. Statistics show that Americans are taking shorter and more frequent vacations, instead of a single, extended, annual vacation. Cut-price weekend packages, in particular, are becoming increasingly popular. These can be family packages (with free accommodations for children); second honeymoon packages; recreational, educational, or special-interest packages; or theme weekends (for example, a murder

mystery package). The common denominator is the concept of a "quick fix" or escape from the daily routine.

Special Needs. Wheelchair-bound travelers clearly have needs different from those of more mobile travelers. Access to hotels and public buildings is limited to those fitted with ramps, wide doorways, and other features that reduce architectural obstacles. Physically disabled people require specially equipped guest rooms and hydraulic lifts to help them on and off of vehicles. Special arrangements must also be made for developmentally people and for those whose hearing or sight impaired. Tour operator has only recently begun to tailor packages for this potentially large market. Those catering exclusively to handicapped people included flying Wheels Tours, Evergreen Travel, and vagabond Tours for the Deaf.

Custom-Designed Tours

Travelers who desire the highest degree of control over all of the elements of a tour will often select a custom-designed tour. Travel professional create custom-designed tours, usually by working needs and request a client makes with respect to the tour elements. Some of these considerations include accommodations, transport, meals, entertainment and similar elements.

A custom-designed tour is commonly referred to as an F.I.T. (or FIT), which is short for "foreign independent tour". The term FIT, however, is used loosely to describe both domestic and foreign. FIT'S are almost always organized for leisure travel, and are not commonly organized for business travel. FIT's were extremely popular prior to the 1960's, when pre-packaged tours became a more common manner to organize and operate tours. Because FIT's are tailor-made for the individual, they are generally more expensive to operate than pre-packaged tours. Also volume discounts that are generally available to organizers of prepackaged tours are not available to an organizer of FIT's. As a result FIT's are not as avidly available as they once were, perhaps because the incentives for travel professional to sell them have been reduced.

Independent Tours

An independent tour, as the name implies, is a tour where participants travel independently without a group or guide. Participants in an independent tour can depart and return on any day and can even adjust the length of their stay to suit their individual needs and preference. As mentioned previously, travelers on this type of tour may not even realize they are on a tour at all. It does, however, fit the definition of a tour at all. It does, however, fit the definition of a tour because participants are purchasing some or most of their travel elements as a package.

Many independent tours provide only the basics such as round-trip transport to the destination, transfer from the airport or arrival point and accommodations at a single hotel. Independent tours are particularly popular with travelers who are to go to a resort for the primary purpose of relaxation they are also favored by travelers to destinations that have efficient public transport system combined with a variety of local sightseeing tours that the travelers can choose one they are at the destination.

Frequently independent tours will include a rental car as part of the tour package. Generally the car is economy or standard, but the class may be upgraded for an additional expense. Many independent tours will also give travelers the option to select from a variety of hotels ranging in price from budget/economy to luxury. Hotel stays can be booked any time of the year although during certain times travelers will pay a premium for accommodations. Travelers may also elect the length of their tour beyond the original tour specification by paying a fixed rate for each additional night of their extended stay.

One popular type of independent tour is known as a fly/drive tour. This type of tour allows Travelers to visit multiple destinations during their trip and includes air transport, a car rental and lodging, with a selection of hotels, guest-houses and even farm houses. Fly/drive tours appeal to Travelers who want to visit multiple operators will make

agreements with hotel chains, allowing Travelers to utilize hotel properties within hotel chain. allowing Travelers to utilize hotel properties with the chain at different destinations. Usually, the travelers are given a set of vouchers, one for each night they stay there. For a few of these tours, itineraries can be planned in advance and booking made before leaving home. However, most tours book only the first night, so the client will have somewhere to go upon arrival at the destination. Then the rest of the booking is made by the clients telephoning ahead each day when they have decided where they want to go. These types of agreements between tour operators and suppliers such as hotels make for potentially more cost-effective touring.

As you have learned, independent tours offer tremendous flexibility and autonomy for the tour participants. Independent tours are ideal for travelers who value the opportunity to make their own choices and set their own schedules. Independent tours are not, however, for everyone. Many travelers seek more structure to their travel plans. For these travelers hosted and escorted tours may be a more structure to their travel plans. For these travelers hosted and escorted tours may be a more appropriate option.

Hosted Tours

Hosted tours offer travelers an opportunity to travel independently, but also to receive guidance and assistance from a host at each of the tour's destinations. Typically the host is a representative of a tour company or ground operator who assists participants with the planning and organization of their activities and other tour arrangements. The host serves an information specialist facilitating the needs and wants of the tour participants.

Participants in a hosted tour often arrive separately from other participants, although on certain hosted tours participants have arrive on a charter flight together. Once the participants have arrived, however, most of their activities are done individually, not as a group. Some hosted tours include multiple destinations with several hosts. On hosted tours with multiple destinations, participants typically receive round-trip transfers from the airport to their hotel, an orientation session that

frequently includes one sightseeing trip and the services of a host in each of the destinations.

The host's responsibilities vary from tour to tour but generally the host will greet each of the tour participants at the hotel or airport, give them a brief orientation to the tour components and destination and then remain available to the participants over the course of the tour. Host availability is also variable, but generally the host will be available at a hospitality desk or similar area at the participant's hotel.

Hosted tours are ideal for travelers who want independence and flexibility with respect to their itineraries and destination activities, but still desire the on site guidance of a travel professional.

Escorted Tours

Travelers who desire an even higher level of on-site assistance and structure will appreciate of an escorted tour. On an escorted tour, participants travel together as a group and are always accompanied by a professional escort, who coordinates, the group's itinerary and activities, and is responsible for making sure all aspects of the tour run smoothly. The accommodations, meals, transport and sightseeing on an escorted tour are all pre-arranged and as a result the details and difficulties of these matters are taken out of the hands of the participants.

Escorted tours commonly visit many destinations and as a result the tour participants are frequently on the move. Unlike independent and hosted tours, which frequently focus on a single destination, escorted tours often stop in a different, city every night. Travelling between the sightseeing stop in a different city every night. Travelling between the sightseeing stops is generally done in a motor-coach. The participants do not select the individual hotels during their stay, but rather select the individual hotels during their stay, but rather select a level of accommodation when they purchase the tour package. For example, a participant can select from budget/ Value hotels all the way up to Premium/Deluxe accommodations and once selected, all participants on the tour will stay in the same accommodation.

Pre-packaged tour components

Now that you have gained an understanding of both custom designed tours and pre-packaged tours, let us explore the component or elements that make up prepackaged tours. There are many possible tour components and these will vary depending on the objectives of the tour and the underlying budget. Certain elements, however, are basic to most tours; these include transport, accommodation, itineraries, sightseeing and* meals

Transport

Virtually all tours include transport as part of the tour package. Transport for tours comes in many forms and may include air, car, motor-coach, train or ship to name the most common forms.

Frequently, modes of transport are combined or used sequentially to achieve the objectives of the tour. For examples, there are fly/drive tours that use a combination of aero planes and rental cars. Some tours offer fly/cruise packages, wherein the travelers fly to a port of embarkation and then board a cruise for most of the tour.

Other commonly identified of tours features the name of the dominant mode of transport. For examples, a rail tour is a tour whose primary mode of transport during the tour is by train. Perhaps the most widely recognized form of touring is the motor-coach tour, which as the name implies, utilizes buses or motor-coaches to move participants from destination to destination and to visit sightseeing attraction along the way.

Included in transport are transfers, which are any mode of transport that shuttles participants from their point of arrival, frequently an airport, to their first accommodation, typically between airports and hotels. Virtually any type of transfer is possible, such as a shuttle bus between a railway station and cruise ship.

Accommodation

Virtually all pre-packaged tours that are longer than a single day in duration include type of accommodation. Accommodations range from

a simple tent to luxurious hotels and resorts, and as such can be tailored to fit almost any Traveler's budget.

Typically, participants choose accommodation from different price ranges. On escorted tours, the tour participants stay at the same accommodation is a hotel, the property must be equipped to handle groups. The hotel must be able to register groups efficiently, serve group meals and provide rooms that are similar in size and quality. This last point deserves special attention because few things are more upsetting to a tour participant than finding out that his or her neighbour has a significantly nicer room. Remember tour participants are all paying the same price, so accommodations should reflect that fact.

As a travel professional you should pay particular attention to accommodation when hooking tours for your clients. Travelers often place a high value in having accommodations that suit their particular tastes and needs. Remember roughly one-third-of the tour will be spent in a hotel or similar accommodation; therefore it is important that this aspect of the tour be to your client's satisfaction. Other aspects to consider include availability of transfer services, parking and access for the motor-coaches, proximity to sightseeing attraction and accessibility for physically-challenged or handicapped tour participants.

Itineraries

Selecting a tour with an appropriate itinerary for the individual client is another component of a pre-packaged tour. The elements of an itinerary the route, distance, travel times, activities and sightseeing during the tour.

Helping a client select a tour with an appropriate itinerary is an essential function for a professional travel agent and is effective way to gain client trust. Happy clients are also more likely to use your services in the future and to refer you to their friends and business associates, thereby generating additional revenue.

When considering tour itineraries, it is helpful to understand some basic guidelines, which may be broken down into five categories:

pace, Routing, Interest, Details and Energy (P.R.I.D.E) An explanation of these categories follows:

Pace: pacing refers to how quickly or slowly an itinerary moves. Providing a comfortable pace for clients is essential to their enjoyment of the tour. A client's age and health should also be considered when determining whether tour's pace is appropriate. Older clients often prefer to stay two to more nights at each hotel, thus reducing the need for constant packing and unpacking. Generally, younger and healthier clients can move at a faster pace, but this is not always true and each client should be considered on an individual basis.

Routing: Tour routes should be both interesting and efficient whenever possible, tour routes should avoid back-tracking doubling back or routing a client in circles. The hub and spoke routing has become increasingly popular for motor - coach tours. With type of routing, travelers stay at central destinations during the day, returning to the central destination at night.

Interest: One very significant way to add value to your client's tour is to match their interest with corresponding activities and attractions along the way. To do this effectively you must talk to your client and listen carefully to the types of activities and the manner in which they describe their interests. Determining and matching interests takes practice and tour-destination expertise, but the extra effort it takes to practice and learn will be rewarded in the form of client satisfaction.

Energy: Finally, matching the energy level of the client with the energy level and intensity of the tour itinerary is another way to assure the overall success of the tour. When considering this aspect, it is important to take note of how much walking certain tours require, whether or not the client is traveling alone or with a family that includes small children and what type of tour experience the client is looking for. Get a sense of your clients' energy levels, listen to what they tell you they want and then help match the tour itinerary based on your observations and experience.

Sight Seeing:

Many tours some type of sightseeing. Some tours, particularly escorted tours, may have itineraries that are packed with sightseeing. On an independent tour or hosted tour, tour participants generally receive sightseeing vouchers and admission tickets to features attractions in advance. On an escorted tour, the escort will generally retain the vouchers and distributed them to the tour participants at the appropriate time. This has the added advantages to the participants at the appropriate time. This has the added advantages to the participants of eliminating the responsibility and hassle of keeping track of vouchers and tickets. At times on escorted tours, sightseeing attraction will be added along the way depending upon the interests of the tour participants.

The tour company prepays most seeing attraction. However, when attraction is added or in certain cases when the vouchers or admission are not available in advance, the tour escorted is responsible for obtaining the vouchers. This is usually accomplished by having the escorted precede the group and pay the admission fees at the point of entry.

6.6 Food Plan

A wide range of meals plans is available on pre-packaged tours. The level and type of plan is one of the factors that significantly affect the price of a tour. The following is a breakdown of several types of plans that are commonly found as part of a tour.

- **European:** This type of plan does not include any meals and presents a significant saving to the tour operator. Under this type of plan, tour participants are required to pay for all of their own meals.
- **Continental plan:** With this type of plan, tour participants receive a daily light breakfast such as bread, jams, fruit, cereal, coffee and tea. Continental plans vary from country to country, however and in certain countries a more extensive menu is available and may include meals, cheese and even boiled eggs.

- **Modified American Plan:** Tour participants, under this type of plan, receive breakfast and one other main meal, usually dinner. Dinner can be either the midday meal or the evening meal depending on the country and tour. Because of the verification surrounding the term "dinner", it is important to clarify the hour of day involved and explain it to your clients.
- **American plan:** With this type of plan, tour participants receive at three daily meals as part of their tour packages. The American plan is common on cruise ships and tours that visit more remote or isolated areas.
- **Bermuda plan:** Tour participants, under the Bermuda Plan receive a full cooked breakfast, but no other meals are provided.

It is important to note that one way tour operator save money is by reducing or eliminating meals that are included as part of the tour. The type of meal is also an important consideration in tour cost. For examples, a tour operator who offers, lunches and five dinners as part of the package is offering more than as operator who offers ten breakfasts. Similarly, a tour operator who allows participants unlimited menu choices at a desanation is offering more than one who restricts the participants a selection of three main dishes or a set menu. It is important to pay attention of the details when booking a tour for a client, because inclusion or exclusive of means be an important consideration for a client when booking a tour.

Check Your Progress-2

1) Name any Five Adventures Tours?

.....

2) What is Custom-Designed Tour?

.....
.....
.....
3) What is the different between A.P and M.A.P?

.....
.....
.....
Additional Tour Components

In addition to the key tour components discussed above, there are many other elements they can be included in or excluded from a pre-packaged tour. Some of these components are gratuities, baggage handling, service charges and taxes. Many of these items can be real value to the clients, primarily because including some or all of these items simplifies the tour details from the client's perspective. Other *elements might include promotional gifts, complimentary drinks or a welcoming event or reception.* Typically, these items are of less value overall to the client than the items mentioned previously.

6.7 Advantages of selling tours

Selling tours to travel clients offers a variety of advantages to both the clients and the travel professional. Advantages to the clients include the following.

- 1) Time efficiency because many tours are planned and operated according to a time schedule, they are very time-efficient. This means that a tour participant can see destination in less time.

- 2) Increased Security. In a world of heightened security measures, increased safety is a perceived value to travelers. Escorted tours offer travelers extra measures of comfort and protection due to the presence of the escort. This may be particularly important to travelers who are touring a part of the world with which they are totally unfamiliar and is areas where they do not speak the languages.

3) **Ease and Convenience:** Because on most tours the components are pre-paid and packaged together, it makes arranging and understanding details of the experience much easier for the clients than if they to arrange the details on their own.

4) **Cost saving.** Because tour operators and suppliers have access tour components at a wholesale cost, there may be a cost saving to the participants.

5) **Less Time in planning.** Because many elements of a tour are pre-arranged tour participants spend less time planning their trip than other types of traveler. In a world where time is equated with money, this advantage can be significant, particularly to travelers who have limited personal time.

6) **Easier and safer Niche Travel** For clients seeking a niche travel experience such as river rafting, mountain climbing or an Africa safari, a tour simplifies the details and affords the tour participants much greater safety and security than doing the same itinerary on their own.

7) **Social.** For many travelers, tours offer a ready-made social situation that a group of people, who by virtue of the fact that they are on the same tour are likely to have similar interest. For this reason, many tours are targeted towards special interests and to certain profiles such as singles or senior citizens.

Clients aren't the only who benefit from the sale of tours; the travel professional who markets and sells tours benefits as well. Some of these benefit the following.

1) **Profit Potential.** Because tours include a variety of travel components, each of which will include an agent commission, selling tours often a far attractive profit potential than just selling a piece of the travel arrangements such as air tickets or accommodations.

2) **Customer Relationship : Development** A travel professional who sells tours, and particularly on who accompanies the tour participants on some or all the tour, stands to develop more meaningful customer relationships than an agent who merely sells a quick airfare.

3) Repeat Business potential. In general, customer buy products from people they know and trust. The same is true of travel products. Because tours offer a high level of customer satisfaction, clients who book tours from you and are satisfied will be likely to request additional services from you in the future.

Guides

Escorts commonly provide a wide variety of information throughout the tour, but at times local tour guides, who are experts on specific regions or tour participants. These guides are also referred to as step-on guides. Which as the name suggests are specialized guides who "step on" to the tour temporarily to conduct a portion of the tour. For examples, step-on guides can be utilized to lead the participants on a city tour or through an art gallery or museum. Some cities even require that licensed, local, tour guides conduct all sightseeing tours. In this way some level of quality control is assured and tour participants benefit by receiving a guide with specialized training.

Generally, participants in an escorted tour, travel together from the time the tour begins until the time the tour is completed. However, many tour companies now recognize the need to give participants some measure of flexibility during portions of the tour. As a result, some escorted tours now offer what are known as modules, which are choices of tour variations during certain segments of the tour. For examples, rather than selecting a 10 - day tour of Italy, participants can choose how they spend portions of their tour, such as *three days in Florence, four days in Venice or two days in Rome.*

For travelers seeking great independence and flexibility, escorted tours will probably not be the best choice. The group itinerary comes before individual needs. When the motor-coach is set to depart, all participants must leave. However, for travelers who want convenience and do not wish to be bothered with organizing travel details, escorted tours are a logical and popular choice. With the addition of modules, in some ways the distinction between hosted tours and escorted tours is less clear. The blending of categories also means that escorted tours will likely appeal to a wider of travelers.

Key Terms:

E.P- European Plan

C.P- Continental Plan

M.A.P- Modified American Plan

A.P- American Plan

Check your progress: -

What is "Tour". Define a package Tour.

What are the different types of tours? Explain in details.

What is a human element of tour?

Write a note on the popularity of tours.

CLUES TO ANSWERS

Check your progress-1

1) Refer Sec 6.1

2) Refer Sec 6.3

3) Refer Sec 6.3

Check your progress-2

1) Refer page no. 127

2) Refer page no. 129

3) Refer page no. 125

UNIT – 7: MARKETTING OF TRAVEL AND TOURISM PRODUCTS

Structure

7.0 The Ingredients of a Tour

7.1 The Tour as Product

7.2 Attitudes and Traits of a Travel Professional

7.3 Client's budget

7.4 Types of Travel Arrangements Made

7.5 Communications

7.0 THE INGREDIENTS OF A TOUR

The Human Element

Tours do not magically materialize out of thin air. Someone has to have the original idea for the tour and package the product so that it is attractive enough to sell to the consumer. As you read earlier in this chapter, most tours are put together by a tour operator and sold through travel agents to the clients. Our feature tour was created, let's say, by European Horizons, a Boston-based tour operator, and marketed to travel agents throughout the United States. The 27 tour participants come from cities all over the country and from a variety of backgrounds.

Not every tour, however, is the brainchild of a tour operator. Some tours are the idea of a member of an organization or club). For example, a high school Spanish teacher might want to put together a summer study trip to Spain. In this case, he or she is known as a tour organizer. The organizer may have experience in travel and will most likely cooperate with a local travel.

A Tour Management for Handicapped People

I'm a tour manager with a specialty: I arrange and guide tours for handicapped people. Doing my job well requires lots of advance planning, a sharp eye for detail, and deep understanding of and respect of my clients. In economic terms alone they demand respect: there are over 300 million disabled people in the United States and they make up 12 percent of all travelers.

When I tell people what I do they immediately think of my client as people in wheelchairs. Physically disabled people do make up the largest part of my clients. But there are others. Some clients are visually impaired or hearing impaired. Others are developmentally impaired, sometimes referred to as mentally retarded.

You really can't lump all disabled people together. Even beyond varying individual differences, groups have different needs and varying abilities. Visually impaired people, for examples, need lots of spoken information; the more description, the better. Physically disabled people don't need a running commentary and would probably be bored with it. Developmentally impaired clients don't travel well with most other groups; the sign languages that would make something understandable to a deaf person, for example, would mean nothing someone with a mental disability. That's why each of my tour groups is made up of people who have similar disabilities.

My first job is in planning a tourist to ask the right questions. I need to find out the extent of each traveler's disability and a little personal history. People who have never walked have different need from people who were disabled as adults in, say, an automobile accident. On a recent tour for physically disabled clients, carefully preliminary questioning revealed that one client couldn't bathe or dress herself. I knew then that she needed a traveling companion, either one of her own choice or one hired by my agency. Once I understand my clients, I work on building their confidence and stimulating their desire for travel, some people are eager from the outset; other are frightened, embarrassed, or self-conscious. Its part of my job to get everyone is eager from the out

part of my job frightened, embarrassed, or self-conscious. It's part of my job to get everyone ready to have a good time.

The next planning step is essential. I must check out all facilities to be sure they're suited to my tour group; Non-handicapped people tend to be pretty ignorant of what constitutes a barrier for the handicapped. I once called a hotel and asked if it had complete access for wheelchairs. The manager said yea, thinking mainly of elevator access to every floor. When I visited the place myself, I found that there were five steps leading down to the only dining room in the hotel, and no ramp. Getting to meals would have been a major problem for the group. For hearing impaired clients, rooms equipped with flashing lights to signal telephone calls or a knock at the door are essential.

Although more and more place is being built with handicapped people mind, progress is nowhere what it should be. Many airplane restrooms are not accessible by wheelchair, meaning that individual must to be sure to use the terminal facilities before boarding. Fortunately, planes such as the Boeing 767 have lavatories with assistance devices and access to all controls,

What makes me angry is that sometimes the solution would be so easy. For example, most cruise ships have a sill several inches high between the bathroom and the bedroom. It's designed to keep overflowing tub or sink water from entering the bedroom. But it also prevents a person in a wheel chair from entering the bathroom. Portable removable skills would solve the problem without calling for a major change in ship design. Fortunately, most new hotel are equipped with such features as wider bathroom doors for wheelchair access, ramping, and Braille menus for visually impaired people.

There are a lot of details to take care of in my job, but I really enjoy it. There's a feeling of accomplishment in seeing people have a good time. And I really enjoy my client, too. Most of them travel with the same enthusiasm as do non-handicapped people, and usually with a stronger tolerance for discomfort and more humor. Travel is a growth experience that all people should be able to enjoy, no matter how they

get around. Combination, and interaction. We can identify four main channels of distribution - one direct and three indirect.

One-stage/Direct Sale. The individual or group traveler can buy the tour product directly from the producer or supplier of tour services. This cuts out all sales intermediaries. An example would be a client who buys an air tour through an airline reservations center. Some hotels and sightseeing attraction also package tours for direct sale to the consumer.

Two-Stage The two-stage distribution system involves the intervention of a single sales intermediary. Usually the intermediary will be a tour operator who packages the various supplier services into a single tour product. Some travel agents also buy directly from the suppliers, as do incentive companies, travel clubs, convention planners, and corporate travel offices.

Four-Stage The four-stage system is the most complex of all, involving three intermediaries. The additional intermediary is normally a specialty channeled, whole role it is to intervene between the consumer and the travel agent. An organization planning a convention planner for advice on transportation and accommodations. The convention planner might then make the necessary arrangements with a travel agent who turn will contract a tour operator.

7.1 THE TOUR AS PRODUCT

A package tour, like any other complex product, is the end result of the work of many different people. Production of the tour product involves a close working relationship between the following groups:

- Suppliers (hotels, restaurants, airlines, cruise ships, bus companies, sightseeing companies, attractions, resorts and so on).
- Public-sector organizations (state and local tourism agencies, convention bureaus, and so on).

- Tour operators.
- Travel agents.

The suppliers are the producers of the various components of the tour product. Their primary aim is to sell their product to the consumer at a profit. Suppliers usually sell to intermediaries rather than to the consumer. What direct contact there is between the sales representatives for the suppliers and the prospective tour client is seldom one-on-one, but through group presentations, public speaking, and the occasional travel trade show open to the public.

The sales offices for the suppliers are often organized and structured in much the same way as airline sales offices - that is, by city, district, region, and nation. Locally owned or franchised suppliers, however, seldom have the need for a nationwide sales force.

Public-sector organization promotes group travel to a destination such as a city or entire state. They include state departments of tourism, local and municipal tourism councils, and convention and visitors bureaus, all of which market their destinations to tour operators. Popular marketing approaches include direct mailing and the development of catchy slogans. The NTA's annual fall convention and spring Tour and Travel Exchange provide PSO representatives with a forum where they can market their destinations to tour operators.

National tourist officers (NTOs) exist to promote tourism to an entire country. In the United States, the federal government takes a low-key approach to the promotion of incoming tours through the United States Travel and Tourism Administration (US TTA), a branch of the United States Department of Commerce. The governments of some other countries play a much more active role in the promotion of tourism.

Tour operators consolidate the services of suppliers into a marketable tour package that is sold either directly or indirectly to the consumer. In the United States, tour operators are private business firms. Since deregulation, it has become relatively easy for tour operators to enter the market. The industry is characterized by low initial capital requirements, fast cash flow, and the potential for high return on equity.

invested. In communist bloc nations, where there is little or no free enterprise, tour operators are employees of the central government. A single, state-controlled tourist board may function as tour operator / travel agent, as in the USSR (Intourist), Czechoslovakia (Cedok) and Poland (Orbis), or there may be a handful of state-controlled tour operators, as in Hungary and Yugoslavia.

Travel agents are the final link in the chain, handling the actual sale of the tour product to the consumer. They represent the outlet for the suppliers' and tour operators' products, and are compensated for their services with a commission (usually 10 percent). The client is not required to pay a fee for the services of the travel agent.

Packaging the Components

The work involved in producing the package can be divided into four main stages:

- Operations
- Costing
- Brochure production
- Promotions

Operations: - The operations stage begins with planning. Market research enables the tour operator to determine which tours will sell. (Tours may also be created in response to an offer from a supplier who wants to attract group business, or in response to a suggestion from a representative of an organization.) Once the tour destination, approximate dates, and length of tour have been determined, the next stage is to negotiate with the suppliers of transportation and ground services. These ties in with developing a detailed itinerary for the tour.

Costing: All accurate costing of the various components of the package is a vital stage in the development of the tour. The package must be offered to the consumer at an attractive price. That price must allow markup to cover promotional costs, business overheads, commissions, and profit. Costs can be fixed or variable. Fixed costs are those that must

be paid regard less of the number of tour participants. If a tour operator books hotel rooms or bus seats in blocks, the cost will be the same whether 15 or 25 people take the tour. Such are the risks of block booking. Variable costs are those charged on the basis of the number of people on the tour. If hotel rooms are not block booking, variable costs are those charged on the basis of the number of people on the tour. If hotel rooms are not block booked, for example, the tour operator pays the supplier only for the rooms that are used.

Tour operators can vary the cost of a package by omitting or including various features accommodations and transportation only. A tour operator can economize by limiting the number of meals included in the package (and by offering table d'hôte rather than a la carte), by choosing first-class rather than deluxe hotels, and by scheduling more free time and fewer organized activities.

Brochure Production: The next stage of development is the production of a brochure for distribution to travel agents and potential clients. The brochure will typically contain general information on the tour operator and its product, listings of all available tours (featuring what is included, detailed daily itineraries, prices, maps and so on), and a statement of conditions. Many of the larger tour operators produce their own brochures. Smaller companies often customize "shells" produced by airlines, hotels, and tourist offerings. Shells are brochures that contain full-color photos and possibly a short generic text. The tour operator then fills in detail of its own tours. Shell brochures offer considerable savings in time and expense for the tour operator.

Promotions: The final stage is the promotion of the tour. Media advertising has long been recognized as an effective means of promotion and includes advertisements to travel industry professionals (in publications such as the NTA's monthly *Courier*, *Travel Weekly*, and the *Travel Agent*) and to potential consumers. Trade advertisements tend to be more informative, while consumer advertisements stress the glamour of particular tours. Tour operators also use direct mailing and group sales presentations to retailers considered to be good prospects for selling their tours. The familiarization (FAM) tour, offered to travel agents either at a

discount or for free, is another promotional technique that has proved successful in generating interest in tours.

References. A number of publications listing both domestic and overseas tours are available to the trade. The consolidated Tour manual (CTM) catalogs tours to destinations in the United States and in Canada, Mexico, the Caribbean, and Central and South America. It is published in four editions: All Year, winter, spring / summer/ fall, and Winter Sports. Tour operators pay a fee to be included in the CTM

Confidential Tariffs are published by several tour operators and include net cost price lists, which enable retailers to create their own local tour packages.

- The WATA Tariff lists members of the World Association of Travel Agents (WATA) and the services they offer worldwide. Like the Confidential Tariffs, the WATA Tariff quotes net rates and is available only with in the trade.

The official sightseeing sales and tour guide is published annually by Gray line Corporation. The Gray line guide lists net rates for sightseeing, transfers, limousine rental, and even shores excursions. Though it focuses on destinations in the United States, Canada, Mexico and the Caribbean, it also includes many other international destinations.

The American sightseeing international world wide tour planning manual is also an annual publication. It lists destinations, both in the United States and overseas, that the served by its member companies.

Marketing and Publicity Organization

Travel marketing consultants provide valuable assistance to any organization needing specialized sales services. A travel marketing consultant organization will provide assistance in planning a publicity and sales campaign., selecting markets, selecting media, providing market research, discovering new markets, and overall conducting of a sea4s and marketing program.

Most state-level tourism promotion programs are conducted through established advertising agencies. To conduct this program

successfully, these agencies must do market analysis of the travel industry, and many of these agencies have developed and expertise in this field. The name of the advertising agencies serving the various state tourism organization can be obtained by writing to the state organization. A list of the state tourism organizations can be obtained from the Travel Industry Association of America, 1899 L Street, N. W. Washington, D C 20036.

Meeting Planners

A growing area of interest to students of tourism is meetings and conventions. With the growth of more corporate and association meetings, there is a need for more meeting planners. Meeting consultants, and suppliers of goods and services to meeting planners. Professional meeting planners are involved with such tasks as negotiating hotel contracts, negotiating with airlines, writing contracts, planning education.

Every vendor in the travel industry competes against every other possible use for a traveler's money. For example, airlines do not just compete with other airlines, but also with trains, ships, and automobiles. Likewise, travel agencies do not just compete with other travel agencies, but also with airlines, hotels, bus lines, and railways. The many complexities and costs of travelling also affect the client's buying decisions. For example, when airfares are high, travelers have less money to spend on accommodations, but when airfares are low, revenues from the sale of higher-priced rooms tend to increase.

In the travel industry, successful marketing often depends on a vendor ability to create new needs and desires. For example at one time, airlines offered only two classes of service - first class and coach. Now many airlines also have special class of service for business travelers, fulfilling a need that did not previously exist.

Sales Strategies

The methods a seller uses to persuade a customer to buy are called sales strategies. The customer's responses to these strategies are called buying behavior. Merely offering to sell a product does not, by

itself, produce sales. For example, if an airline runs a large newspaper ad, the airline might attract some customers, but this action, by itself, will not persuade Travelers to purchase tickets. A newspaper ad can make people aware of the vendor and the vendor's products, but awareness alone is only one component of buying behavior.

Buying behavior consists of a series of predictable actions and reactions. A customer's reactions often provide signals as to what type of behavior will occur next. Until a customer actually buys an airline ticket, makes a hotel reservation, or purchases some other travel product, he or she is a prospective customer, or prospect. The objective of any marketing activity is to create prospects and convert them into buyers. To perform this conversion, the seller must be able to guide the prospect's buying behavior to a favorable outcome. From the seller's perspective, a favorable outcome in a sale.

Before deciding to travel, a client often makes three different types of commitments, rational, financial and emotional

Each traveler has a logical reason to take a trip, whether for business, leisure, education, or adventure. This logical need must be fulfilled before the traveler can make a rational commitment to buy. Without such a commitment, buying action is importable.

Besides a rational commitment, travelers also make a financial commitment. The product price may limit the type and number of buyers. A client may have a set budget or only an estimate of the amount he or she is willing to spend. In addition, the client must make a firm commitment to spend the necessary funds

There is an emotional aspect to every travel sale. Whereas, most business travel has a logical foundation, leisure travelers often have a highly developed sense of romance, excitement, or adventure. Clients also prefer to do business with people with whom they feel comfortable.

Sales Obstacles

The basic commitments that produce buying action are influenced by identifiable factors. For example, some travelers are

influenced by television commercials, fashion fads, and social trends. People of different ages, backgrounds, and social status are subject to different influences. Travel vendors are interested not only in the factors that produce buying action, but also in the factors that motivate travelers to select a particular vendor.

Buying behavior is influenced by such factors as competitive pricing, superior quality, individuality of design, or physical location. Some factors have a positive influence, others may pose potential obstacles to the sale.

Potential obstacles may exist to even the simplest type of sale. Sales obstacles are of five general types: space, time, knowledge, value, and ownership. The following situations illustrate each type of obstacle.

1. An airline has a space problem if it has to turn away passengers due to overbooking.
2. A time problem exists if reservations are unavailable on a desired date.
3. Knowledge is a potential obstacle if customers are unaware of the features and benefits of a particular product.
4. A value obstacle exists when the price exceeds the customer's expectations.
5. Ownership is an obstacle if a client cannot take possession of the product - for example, if the client's credit card has exceeded its credit limit.

Benefits

Buying behavior is stimulated, and obstacles are overcome, through the communication of benefits. Product benefits may be viewed in five categories:

1. Monetary benefits
2. Location benefits
3. Time benefits
4. Sensory benefits
5. Psychic benefits

monetary value is the most obvious benefit of a sales transaction. In this context, value is the user's perception of the quality of a product in relation to its price. Some travelers are more budget-conscious than others. However, when clients are confronted with two products of the same or nearly the same quality, they will usually select the one that has the lower price.

Location benefits include convenience, comfort, attractiveness and other advantages related to location. Often, a client selects a travel agency solely because of convenience to a particular company, district, or airport. In some cases, location benefits are not a product's primary benefits, but still affect the user's buying decision. For example, a client may use the services of an airport information booth to gather information and make reservations (see Figure 17-1).

In most travel-related transactions, time benefits are crucial. Travelers have set schedules. If a suitable flight or accommodation is not available on the desired dates, clients often will search for a solution elsewhere. Sometimes, vacations or business meetings are scheduled for tentative dates, with some flexibility permitted for adjustments. However, most travel arrangements are dependent on preset dates.

Sensory benefits are derived from sights, sounds, smells and taste. Examples of sensory benefits include pleasant surroundings, appealing decorations, comfortable furnishings and good-tasting meals (see Figure 17-2). Together, the overall impression created by the sensory benefits of an environment is called ambience. At hotels and resorts, sensory benefits contribute substantially to the feeling of hospitality that customers anticipate when they patronize a lodging establishment.

Many travelers also derive positive psychological effects, called psychic benefits. Relaxation, stress reduction, heightened self-esteem and pleasure are examples of some of the potential psychic benefits of travel.

Check Your Progress-1

1) Write short notes on a Tour Management for Handicapped People?

.....
.....
.....

2) What are the four stages of Packaging the Components?

.....
.....
.....

3) What are the five categories of Product Benefits?

.....
.....
.....

Organization Buying Behavior

Marketing to organizations is important to many travel agencies, tour operators and hotels, particularly those that target business travelers. Organizational buying behavior has many similarities to the processes that influence an individual's buying decisions. As with an individual traveler, an organization has internal needs that motivate buying behavior. An organization purchases travel services to enhance its own operations or to satisfy the needs of its employees or members. For example, sales representatives travel to call on clients, and trade associations hold conventions to elect officers, honor achievements and educate their members.

In marketing to corporations, economic benefits are important. The primary goal of a corporation is to produce profits, but social and personal factors also come into play. When a corporation holds a conference, the selection of the meeting site has influence on the

company's public image. Companies that wish to appear successful often select higher-priced hotels, called "up-market" properties, as conference sites, whereas organizations that wish to present an image of economy usually select low-end properties. Thus, financial seminars and sales conferences of large corporations are usually held at executive-class hotels, while meetings held by government agencies, schools, and hospitals are more often held at limited-service properties.

A large company may have corporate-rate contracts with several different travel vendors. The selection of a rate category may depend on the rank or status of the traveler. For example, officers and directors might be authorized to travel in business class and stay in first-class hotels, while middle managers and supervisors might be required to travel in economy class and stay at mid-market properties.

Organizational buying decisions are also influenced by the formal structure and procedures of a group. Expenditures above a preset amount may require authorization of a controller, purchasing agent, or department head. A buying decision may be a group responsibility, involving the opinions, recommendations, and discussions of several individuals acting independently or as a committee.

Whether targeting users or organizations, successful travel marketing requires a sound knowledge of buying behavior. Although most human behavior is predictable, there is no rigid model of how travelers make buying decisions. However, many studies have been conducted on how, why, when, and where people select travel products from a seemingly endless field of choices.

Repetitive Buying Decisions

Most people do not regularly behavior their behavior, and this principle is true of buying behavior. Many customers adopt a regular pattern of behavior out of convenience. People learn from their experiences and form their behavior on the basis of what they have learned. Thus, a satisfied client has a reason to believe that his or her satisfaction will be repeated in future buying decisions. Selecting the

same vendor when the occasion arises is called repetitive buying behavior.

Often, repetitive buying decisions are made on the basis of a limited range of selected options. For example, a business traveler might regularly patronize any of three or four airlines or hotel chains, depending on availability. Developing repetitive buying behavior in travel clients is an important marketing objective. Frequent traveler programs offered by airlines, hotels, and car rental chains are designed to cultivate repeat buying behavior. Two things are required to achieve this objective:

1. Persuasion of first-time tiers
2. Consistent quality

Anyone in a marketing or sales position is responsible for attracting new clients. To clients to do business with the company in the future, a vendor must maintain a consistent level of satisfaction. The motivation for repetitive behavior is based on cumulative experience—all of the traveler's experiences with the vendor acquired over time. Maintaining customer loyalty requires that the client's positive experiences outweigh any negative experiences. Unfortunately, in travel, one negative experience can overshadow all other efforts of a vendor and its employees. Because a customer's satisfaction with a travel product depends on the performance of the people, maintaining goods. For example, ticket and boarding agents, luggage handlers, flight attendants, and the crew all influence the satisfaction that a client derives from an airline flight. Likewise, the bell attendant, front desk receptionist, housekeeper, food servers, and other guests influence a client's satisfaction with a hotel. Achieving consistent quality in the travel agency business is especially difficult, because a client's satisfaction is based on all of his or her experiences with every vendor involved in trip.

Unless careful attention is paid to every aspect of customer service, consistency may diminish over time. For example, office premises must be kept clean and orderly to maintain an appropriate image, and new staff members must receive thorough orientation and training to maintain a consistent level of service.

Cultural Influences

Travelers do not make buying decisions solely on the basis of information processing and evaluation. They are also influenced by **cultural factors**, people, and lifestyle. Culture refers to the basic customs and beliefs of a community, religion, or ethnic group. The traits that characterize a particular culture are called cultural values and are passed from one generation to another. For example, in some Asian cultures, people consider cows to be sacred and, therefore, do not eat beef or dairy products. Because of this cultural value, steakhouses and ice cream parlors have difficulty marketing to these groups.

Most U.S. households have indoor toilets, and very few travelers would desire to stay in a hotel that does not have this feature. However, in some developing countries, indoor plumbing is found only in the residences of wealthy citizens, and, therefore, virtually any lodging establishment with a toilet is considered a first-class hotel yet, by U.S. standards, the same property might be considered primitive or unacceptable.

More refined values exist within each culture. For example, in the U.S., elderly people with fixed income, may have different cultural values than a

Learn to be sensitive to how people want to be treated. Address clients by the names they prefer, not by the ones that seem the most natural or convenient to you. For example, a client named Robert Smith might be Bob, Rob, or Bobby to his friends, but he might prefer *you* to call him Mr. Smith. Ask clients how they prefer to be addressed. Then enter the information in a card file or computer record. As a general rule, address a client as "Mr." "Mrs.," or "Ms.," unless he or she directs you otherwise.

Take the time to establish a comfort zone in which you and your client feel at ease conversing with one another. For instance, you might inquire about a body sport, or family member. Ask questions, and learn to be a good listener. Asking question indicates that you are interested in

your client. Listening to the answers indicates your respect and your attention to his or her needs.

7.2 Attitudes and Traits of a Travel Professional

The following are important attitudes and traits of a successful travel professional though many of the skills are discussed in relation to travel consultants pies are equally valid for other people in the travel industry who deal with the public.

Helpfulness An important part of a travel consultant's job is to provide information and share knowledge. A skilled consultant makes it as easy as possible for the client to buy. Travelers are sometimes opinionated or argumentative, but a successful consultant avoids engaging clients in a debate.

Confidence Skilled travel professionals sell their attentiveness, concern knowledge, and insight, as well as their products. A confident consultant strengthens the agency's image and inspires confidence in clients. Customers who feel secure about their travel arrangements are the most likely to buy.

Pride Successful travel consultants avoid seeming defensive. Each is a highly trained and skilled professional in an important, respected field.

Knowledge A skilled sales professional has a thorough knowledge of resources, products, prices, and vendors. A knowledgeable consultant is efficient, productive, and profitable. Of equal importance, the more confident a client becomes in the seller's knowledge and ability, the more the client will want to do business with the seller.

Persistence A successful sales professional pursues each task to completion, exhibiting initiative, perseverance, and the ability to produce results.

Inspiration A skilled travel consultant exercises initiative and inspires trust. Sincerity and honesty earn sales. Clients respond merely to the fact that a consultant sincerely cares about them.

Interpersonal Skills

Everyone whose job performance influences a traveler is a salesperson, not only for his or her employer but for the entire travel industry as well. Whether they book reservations, check passengers, sort luggage, or greet hotel guests, travel professionals influence the quality of each traveler's experience. Everything that an employee does or says in the presence of a traveler is a form of selling.

When two people meet for the first time, they are strongly influenced by their initial impressions. For communication to occur, a feeling of mutual trust must be established. People prefer to do business when they feel comfortable with the people they are dealing with. This trust bond is called rapport.

The attitudes, skills, and traits that are required to create and maintain client rapport are called interpersonal skills. For travel consultants and reservationists, establishing rapport is an important part of closing a sale. Whether booking an airline reservation, contacting a potential corporate account, or communicating with a vendor, a travel professional must have strong interpersonal skills. Rapport is created by both verbal and nonverbal communication.

Nonverbal Communication

First impressions are influenced by such factors as personal appearance, facial expressions, and tone of voice. To judge the importance of nonverbal factors in influencing first impressions, ask yourself the following questions:

* What does my appearance communicate? Does it indicate neatness, conscientiousness, organization, pride, and self-esteem? Or does it hint at carelessness, disarray, and lack of regard for what others think of me?

What do my eyes communicate? Do they show my respect and interest in people, open-mindedness, alertness, and willingness to assist? Or do they somehow portray reserve, absent-mindedness, or indifference?

What does my initial impressions communicate? How do I react when I meet someone for the first time? Am I outgoing and curious, or judgmental and reserved?

Ninety percent of all people form their most lasting impressions of others during the first five minutes of personal contact. If, during this critical period, your appearance is unprofessional, if your expression is unfriendly, if your voice is unpleasant, or if you seem unsure of yourself, roadblocks to rapport have already been established. But if you speak with certainty and enthusiasm, if your appearance is professional, if you maintain eye contact and smile, and if your voice reflects warmth and sincerity, the stage is set for making a sale.

Verbal Communication

First impressions are only part of establishing rapport. No matter how favorably someone responds to a stranger on first sight, verbal communication and mutual understanding must also take place to close a sale. This essential second phase involves getting to know your customer, and letting him or her get to know you.

Young professional couple with children. Economy hotels often direct their marketing efforts to students, single parents, and retired persons living on social security, whereas luxury hotels often focus on business executives, couples without children, and wealthy senior citizens.

Reference Groups

Besides cultural values, travelers are also influenced by other people. The people who provide information or offer opinions that influence a client's buying behavior are called a reference group. For example, a student is influenced by other people in his or her class, and an office worker receives information from other employees. The most influential reference groups are families and friends.

A reference group may have a formal structure, as in business in which employees make recommendations, but a supervisor or purchasing agent approves the purchasing decisions. Hotel representatives, travel

agents, and tour wholesalers are formal reference groups that influence many lodging decisions.

Members of a reference group may be one of three basic types:

1. Information sources
2. Influences
3. Key decision makers

Information source is anyone who provides information that affects purchasing decision made by someone else, for example, an office worker returning from a trip may tell other employees about a particular airline, destination, or hotel. In this respect, every guest of a hotel is a potential information source for other prospective clients.

An influencer is a person other than the end-user who has control over some aspect of the buying decision. For example, many hotels target their promotions to children, in the hope of influencing parents buying behavior. Some hotels conduct promotions aimed specifically at wives.

A key decision maker is the person who is responsible for the final buying decision. For example, an administrative assistant might recommend a particular airline for a business trip, but the general manager may have final approval. In family children might recommend a particular destination by their parents may make the final decision.

Identifying Client Needs

The needs of travelers are of presented needs, underlying needs, and expendable needs. A presented, or apparent, need is the need that is expressed during the initial contract between a buyer and a seller. To analyze the presented need accurately, a travel agent must understand such factors as the nature and size of the party and the purpose of the trip. On the surface, this process may seem simple enough, but good questioning technique, analytical ability, and accurate information gathering are often required to complete a sale.

Successful selling begins with effective questioning. A client's presented needs can often be determined from the answers to five "W" questions: Who? Why? When? Where? What?

Who is the client? How many people will travel, and what are their names? What personal traits or preferences might influence the client's choice of transportation and accommodations?

Why is the client traveling? Will it be a business trip, vacation, meeting, or research expedition? What would the client like to see and do during the trip?

When will the client travel? What is the desired departure date, and how long does the client wish to stay?

Where will the client travel? What is the final destination? What type of transportation and routing will be required? What side trips or stopovers might be arranged?

7.3 What is the client's budget?

Effective questioning enables a travel consultant to accurately identify the client's travel goals, desired benefits, intended travel period, and budget range. Leisure clients tend to have more flexibility in deciding when and where travel. Some have made a commitment to travel but have not yet decided on a destination.

Underlying needs, also called hidden needs, are needs that are not expressed by the client but may influence the buying decision. For example, the presented need of a physician traveling to a conference might be convenient transportation at an economical cost, but a hidden need might include accommodations at a property with a golf course. An **expandable need** is one that can be traded or supplemented. For example, a client requesting an airline reservation is a potential customer for such other services as a hotel booking, car rental, or sight-seeing excursion.

A common saying among advertising executives is that successful marketer "sell the sizzle, not the steak." The "sizzle" produces an emotional response in customers and implies that the "steak" is a quality product. "Sizzle" benefits that satisfy underlying customer needs.

The process of presenting benefits to fulfill client needs is called educating the client. An underlying need is fulfilled for a budget-minded client when the lowest airfare or the least expensive room rate is obtained. However, for a status-conscious traveler, an underlying need is filled when a travel agent makes the client feel important.

Often, the most effective response to a question or obstacle is another question. The more information that can be gathered, the better the client's underlying and presented needs can be fulfilled. For example, assume that a travel agent has recommended a cruise, and the client asks the following question:

"Are there many families with children on this cruise?"

Rather than simply answering yes or no, the agent might respond with a question, as follows

"Is it important to you that children be on the cruise?"

In this case, the agent does not know whether the client seeks a cruise ship that has families with children or one that does not. Depending on the client's response, the agent might consider re-evaluating the client's basic need categories. For example, the client may have changed his mind about some aspect of the trip, or the agent may have incorrectly identified the client's underlying needs.

The presented and underlying needs often, but not always, dictate the price level that the client is willing to pay. Price is a concern or obstacle in most sales, but nothing will abort a sale faster than a failure to adequately gauge the client's budget. Among other factors, the client's budget determines the class of service, the type and availability of accommodations, and, in the case of leisure travel, the destination.

Closing Sales

The concluding phase of a sales transaction is called the close. The close is presented when, in some fashion, the seller prompts the client to buy. One way to close a sale is to encourage the client to perform some positive action, such as signing a contract or making a decision. For example, an airline reservation agent presents the close by

asking the client which fare he prefers, and a hotel reservationist presents the close by asking the customer for the check-in date. These types of closing techniques are referred to as a call to action. The objective of a call to action is to involve the client in the sales process.

In general, there are two types of calls to action: open-ended statements and close-ended statements. To illustrate the two types, compare these attempts to close a sale:

"Would you like me to make a reservation?"

"Which room category does you prefer-ocean-front or garden?"

The first attempt is open-ended, because it encourages the client to make either a positive or negative reply. The second statement is close-ended, because it does not directly allow for a negative response. The problem with open-ended closes is that they do not specifically encourage buying action, but merely offer suggestions, which may either be accepted or declined.

The following are examples of assertive, close-ended calls to action: "Do you prefer a room with one king bed or two queen beds?"

"I will make a tentative reservation now, so that you will be assured of seats on the best available flight."

A close-ended call to action limits the client's options, thereby making it easier for the client to make a buying decision. Several behavioral studies indicate that the fewer options a client has to consider, the greater the likelihood of a sale.

7.4 Types of Travel Arrangements Made

As would be expected, the most common type of travel arrangement made is for air transportation. In 1983, 63 percent of total dollar volume was for air travel, a proportion similar to previous studies. Much smaller proportions of the total dollar volume are attributed to lodging, cruises, rail and miscellaneous arrangements, these activities accounted for 37 percent of total agency dollar volume.

Check Your Progress-2

1) What do you understand by Cultural Influences?

.....
.....
.....

2 Differentiate between Verbal and Nonverbal Communication?

.....
.....
.....

3 What is the client's budget?

.....
.....
.....

Market Intelligence

Influence of tourism Organizations in Marketing
INFORMATION, ANALYSIS AND KNOW-HOW

Assisting governments and tourism professionals in understanding the constantly changing tourism marketplace is the aim of WTO's Section on Market Intelligence and Promotion. Identifying market trends as they are happening; short term and long-term forecasting; analyzing the world's generating markets; conducting research into niche markets; and providing evaluation tools for promotional campaigns are just some of the activities carried out each year.

The annual series of Tourism Market Trends reports provides a timely and comprehensive analysis of tourism results around the world. It enables tourism authorities to compare their performance to other countries of the same region, examining arrivals, receipts and the main factors affecting growth in the previous season

Special attention is paid to studying tourism products, such as sports, cruises, MICE tourism (meetings, incentives, congresses and exhibitions) and market segments, such as ecotourism, youth or senior tourism. Another important task is the analysis of outbound tourism of both consolidated and emerging markets. Research can be initiated in any specific topics relevant for tourism development. For instance, to increase insight in the evolution of the tourism sector, it was studied how consolidation by means of alliances, mergers and acquisitions in the sub-sectors of accommodation, air transport and distribution is impacting destinations, travel agents, small businesses and the consumer.

To assist Member States with tourism promotion, the Section conducts periodic surveys on tourism budgets and sources of financing. It also provides practical guidance whenever pertinent. For instance, after the September 11th attacks it monitored the subsequent situation of uncertainty, studied lessons learned from past crises and helped Members with strategies to adapt to sudden change in market conditions.

WTO's seven-volume forecast *Tourism 2020 Vision* on worldwide forecasts is a landmark study based on data gathered from Member States and interviews with over 75 tourism visionaries about the future of the industry. It predicts that international tourist arrivals will grow by an average of 4.1 per cent annually for the 25-year period 1995-2020. *Tourism 2020 Vision* includes forecasts of inbound and outbound tourism growth for countries in every region of the world and examines the outlook for several market segments.

Results are disseminated in various ways, such as through presentations and seminars, the WTO website and in a broad range of publications, including:

Tourism Market Trends - five regional volumes and a world volume
Tourism Highlights

Tourism 2020 Vision - six regional volumes and a world volume
Budgets of National Tourism Administrations

Tourism Generating Markets *World Tourism Barometer*

7.5 Communications

A FOCAL POINT FOR TOURISM INFORMATION

Increasing awareness of the importance of tourism, promoting the WTO's work and objectives through effective communication in order to provide transparency of its

activities, helping achieve the goals of all sections and keeping you informed about new projects, studies, seminar results and upcoming WTO activities are the primary goals of WTO's Members receive the WTO News, published quarterly, and the electronic Members' Update, published fortnightly. Non-members are reached through the media. The Press and Communications Section maintain a database of 2,000 key journalists around the world and contact them regularly through news releases and press conferences.

The entire tourism industry is reached by WTO's website on the Internet and through major international tourism trade fairs where WTO operates an information booth, including:

FITUR, Madrid ITB, Berlin

- MITT, Moscow
- WTM, London

Improving the promotional efforts of Member States through effective media relations, organizing press trips and seminars on media relations and crisis management, are even more goals of WTO's Press and Communications Section. It publishes Shining in the Media Spotlight, a communications manual that includes a directory of major media in the world's top tourism generating markets. The World Conference on Tourism Communications (TOURCOM), to be held in early 2004, will become a regular meeting place of tourism professionals from both public and private sectors, with the international media.

Check your progress: -

Write in detail about sale of your product and techniques and strategies

Involved in selling.

What is marketing?

What are the obstacles that are involved during sales? Explain with examples.

CLUES TO ANSWERS

Check your progress-1

- 1) Refer Sec 7.0
- 2) Refer Sec 7.1
- 3) Refer Sec 7.1

Check your progress-2

- 1) Refer Sec 7.1
- 2) Refer Sec 7.2
- 3) Refer Sec 7.3