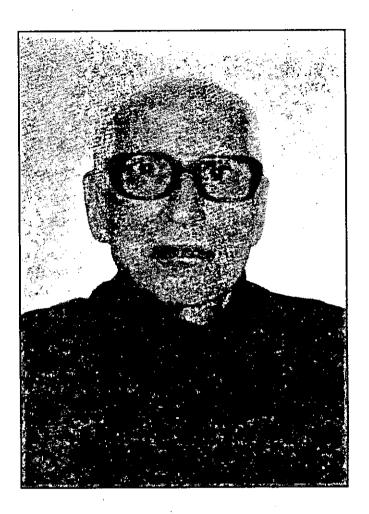
THE BUSINESS OF TRAVEL AGENCY & TOUR OPERATIONS MANAGEMENT

A. K. Bhatia





Remembrance

To our beloved father

Your memories are like fragrance spread in our life. You may not be with us but your presence is felt with every breath. Your simplicity, honesty, greatness and caring nature always inspire us to lead a life full af respect and dignity. We all miss you a lot, but your presence is felt in our hearts.

To our loving and caring mother Thank you for continuing to give us love, strength and blessings.

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Many thanks to Kuoni Academy which gave me an opportunity to work as Director of Education for over six years. Working in Kuoni Academy has been an extremely satisfying and rewarding experience. The goodwill of the senior management and the love and respect of thousands of students with whom I came in contact have encouraged me to complete this book.

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Finally, my thanks, gratitude and appreciation to all the professionals in the field and also to all the eminent persons in the travel industry, both overseas and in India whose indepth knowledge and experience proved to be of great value in explaining various facets of tourism.

A.K. Bhatia

Preface

In line with continuing shift in economic power to Asia, particularly to India and China and boosted by the concluded Commonwealth Games last year in New Delhi, the Asia-Pacific region will continue to lead world tourism growth in 2011.

The forecasts based on Asia Travel Monitor, part of the IPK International's World Travel Monitor as well as on interim inbound arrival data gathered by the UN World Tourism Organization (UNWTO) and the European Travel Commission (ETC), show that the Asia-Pacific region will be the fastest growing inbound and outbound tourism region in the world.

International tourist arrivals in Asia-Pacific increased by more than 8% in 2008 after recording a rise of 7% in 2006. And in terms of outbound travel demand, a number of Asian markets are showing even more impressive growth. The top eight markets alone (Japan, China, South Korea, Taiwan, Singapore, India, Malysia and Thailand) generate over 80 million outbound trips between them, as well more than 650 million foreign overnights a year, according to the Asia Travel Monitor.

Regarding international tourism arrivals the figure has crossed 900 million in the year 2008 and over a billion in 2010 according to the World Tourism Organisation.

The growth in the tourism industry being witnessed today, is a visible result of the great advancements in the technology which has changed social and economic fabric of people globally. Today, millions of people seem to enjoy the prospects of not only moving from one continent to another but within their own countries in a matter of hours.

The ever expanding tourism business resulting in the creation of millions of jobs presupposes the availability of trained manpower in the tourism sector. Maintaining high standards of professionalism in the industry is of paramount importance. As per the World Travel and Tourism Council (WTTC), employment opportunities in Travel and Tourism are expected to rise from over 49 million jobs in the year 2010 to over 58 million jobs by the year 2020, i.e., one in every 9.6 jobs. The industry is now ranked fifth in long term (10 years) growth and is expected to be the second largest employer in the world by the year 2019. On the other hand, the domestic tourism sector is expected to be the second largest employer globally by 2019.

The Business of Travel Agency and Tour Operations Management

The book is an effort to help upcoming professionals in the field of travel and tourism to acquire knowledge and skills in the area of managing the world's largest industry. The book will also be of help as a refresher programme to those already is the profession.

The book has been divided into thirteen chapters, each covering key areas of travel agency and tour operation business. All through, the approach has been to provide a simple and comprehensive outline of relevant areas.

The format of the book has been designed to assist the upcoming professionals pursuing systematic study of travel and tourism as a career, both at undergraduate as well as post graduate levels at colleges, training institutes, universities and management institutes.

Each of the chapters begins with chapter objectives. Appendices make the book more valuable, add interest and are an excellent support to the subject. The appendices include Hotel Industry Terms, Travel Trade Publications. International Tourism Periodicals, Travel Industry Journals and Periodicals. A list of Travel Research Journals, Education and Training in Travel and Tourism Institutes, International Organisations, Travel Related Publications of International Organizations and a Bibliography are also included. Later in the book, a comprehensive glossary of travel terms with special reference to Travel Agency and Tour operations has been added.

No single publication, however comprehensive, it may be, is sufficient to cover any subject in detail. Those who wish to make further detailed study of any particular topic will obviously have to undertake more reading.

A.K. Bhatia

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Acknowledgements Preface Abbreviations

1. TRAVEL AGENCY MANAGEMENT

Retail Travel • Scope and Role of Retailers • Historical Perspective • Thomas Cook • Thomas Cook's European Tours • Competition with Railroads • Cook's Guided Tours • American Connection • Nile Tours • Hotel Coupons Thomas Cook's Indian Connections
American Express Company
Cox and Kings • Types of Agencies • Consolidators • Travel Retailing and Product Sale • Definition of a Travel Agency • Types of Agency • Suburban Agency • Business House Agency • On-site and Off-site Servicing • The Process of On-site Service Delivery Establishment • Difference between an "off-site" and "on-site" corporate travel department + Offsite Travel Service · What is "dedicated off-site" corporate travel department · Implants · Departments in a Corporate Travel Agency · MI-Management Information Critical Information required by the Corporate . Key Performance Indicators-KPIs · Key Account Management (KAM) • KAM Functions • Customer Expectations • Critical Behaviour That Causes Customers to Switch Services • Customer Service Facts • Handling Customers • Travel Agency Skills And Competencies • Travel Agency Economics • Travel Agency Appointments • The Future of Travel Agents

2. FUNCTIONS AND OPERATIONS OF A TRAVEL AGENCY

Organised Travel • Modern Travel Agencies • Travel Agency Operations • Travel Organisation • Individual Ordinary Trips • Knowledge About Air Schedules • International Ticketing Guides • Passenger Air Ticket • Sample of an E-Ticket • Settlement of Account • The Benefits of Insurance • General Details of Coverage • Conditions Applying To Insurance Policy

The Procedure to Claim Insurance

3. ITINERARY PLANNING

Principles of Itinerary Planning • Resources for Planning Travel Itineraries • Steps for Planning an Itinerary

4. SETTING UP A TRAVEL AGENCY

• IATA-Controlled Approval • Additional Appointments • Basic Conventions • The Chicago Convention • The Bilateral Agreements • The Warsaw Convention • The IATA General Conditions of Carriage • Application Form for Recognition • Sale of a Tour • FIT - Relations with Client • Hire of Private Car with Chauffeur • Quotations • Suggested Itinerary

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5. TOUR OPERATIONS

The Business of Travel Agency and Tour Operations Manageme

The Origins of the Packaged Tour • Growth in the Package Vacations • Mass Market Operators • Specialist Tour Operators • Domestic Operators • Incoming Operators • Types of Packaged Tours • Tour Operation Economics • Customised Tours and Excursions • Pricing a Tour • Control Over Tour Operating • Distributing the Product • Direct Marketing

6. INBOUND TOUR MANAGEMENT

Introduction • Types of Inbound Travellers • The Major Markets of Inbound Tourists • Trends in Inbound Tourists • Inbound Itinerary • Itinerary Description • Transport • Accommodation • Steps to Itinerary Making • Some Sample Programmes for Inbound Tourists • Cost of an Itinerary • Cost Sheet • Cost Includes • Terms and Conditions • Optional Tours (Tour Extensions) • Inbound Tourism Products • The Inbound Tourist Products Available • Popular Inbound Destinations in India • Requirements of Inbound Tourists • Access to Information • Transport • Facilities • Events • Attractions • Language • Cultural Differences • Some Tips • Inhouse Operations • Field Operations

7. OUTBOUND TOUR MANAGEMENT

Introduction • The Major Markets for Outbound Tourism • Major Outbound Markets of Indians (Countrywise) • Statistics of Outbound Indians • Visa • Better Connectivity: • New Destinations: • Better Packages: • Safety and Security: • Handling Outbound Groups: • Reasons for Growth • Potential of Indian Outbound Market • Profile of Outbound Travellers • Outbound Tourist Data • European Introduction • European Jewels • The Best of Italy and France • Switzerland • Super Saver USA • Jewels of USA • Tour Pricing • Fixed Costs • Variable Costs • Tour Participant Estimation • Total Net Tour Cost • Profit Mark-up • Tour Costing Sheets • Tour Cost Worksheet • Terms and Conditions • Cancellation and Cancellation Fees • Travel Protection • Revision Fees • Participation • Young Travellers • Smoking • Price Guarantee • Visas and Passports • Accommodations • Private Bath and Single Rooms • Baggage Allowance • Travel Documents • Refund • Service Inquiries after the Vacation • Holidays

8. AGENCY-SUPPLIER RELATIONSHIP

Relationship with Air Travel Providers (Airlines) • Customer Centric • Relationship with Tourist Transport Suppliers • Private Bus Line Operators • Operators of Mass Transit Systems • Relationship with Accommodation Suppliers • Category of Rooms • Relationship between Travel Agents and Tour Operators • Proper Co-ordination

9. TRAVEL TRADE ASSOCIATIONS

• Forms of Travel Associations • Major International Travel Associations • Membership Criteria • The Aims of the Federation • ASTA History • The 1950s • The 1970s • The 1980s • Present Day Activities • Membership • ASTA World Travel Congress • ASTA Chapters • Structure of the Association • Mission Statement • Code of Conduct • Aims and Objectives of Tour Operators • Of Excursion Agents • For Hotels • For Airline Companies • For General Sales Agents (GSAs) • Of Agents Providing Travel Related Services • Of Courier Companies • Of Banks • Administrative Set-Up

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10. TRAVEL AND TRANSPORT

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Hotel Accommodation Forms of Hotel Accommodation • International Hotels • Resort Hotels Commercial Hotels
Residential Hotels
Floating Hotels
Airport Hotels Hotel Reservation Checklist
Restaurant Services and Cuisines
Room Service • Meal Plans • Motels • Youth Hostel • Caravan and Camping Sites * Bed and Breakfast Establishments * Tourist Holiday Villages * Apartments * Farmhouses * Guesthouses * Bus Travel * Rail Travel Euro Rail System
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