



CORE-VII: TRAVEL AGENCY AND TOUR OPERATION MANAGEMENT

Mr. JAYAMANI JAYARAMAN,
ASSISTANT PROFESSOR,
DEPT. OF TOURISM & TRAVEL MGMT.,
GOVERNMENT ARTS COLLEGE (Autonomous),
COIMBATORE, INDIA.



UNIT 1 - CONTENTS

- Introduction – Travel Agent, Tour Operator, Principal Service Provider
- Types of Travel Agents, Tour Operators
- Travel Agency Vs. Tour Operation Company – Differences & Major Brands
- Linkages and Integration in Travel Trade



INTRODUCTION – TRAVEL AGENT, TOUR OPERATOR, PRINCIPAL SERVICE PROVIDER

Introduction

- *Tour operation business is an important constituent* of the tourism industry
- The tour operator is a *partner in the distribution channel* for catering to outbound, inbound & domestic tourists.
- The business of tour operation is *integrated with other tourism business* as it is a linking point between the tourists and other service providers.

Introduction

- Consequently, the tour operation business generates ample income sources for the host country and
 - offers wide range of services and
 - other ancillary services in a professional manner.

Changing Features of Travel

- The volume of travel trade business have been growing significantly over the last decade as holidaying or vacationing is a new concept
 - determining the life styles in the developing countries.
- As a result, the size of the travel market has become so large that several attractive and value added services are offered at competitive rates to satisfy the expectation of the tourists.

Changing quality aspects of Travel services

- Personalized services are the hall marks of the travel trade business today. The cost factor is substituted with quality of services
- Now a days, the tourists are more concerned about for having authentic experiences and for being in novel attractions.



TRAVEL AGENT

A travel agency is a private retailer or public service that provides travel and tourism-related services to the general public on behalf of accommodation or travel suppliers to offer different kinds of travelling packages for each destination.

Buys packages from Tour Operator and sells it for commission

Sometimes buys directly from PSPs

TOUR OPERATOR

- The tour operator is a vital link between tourists and the primary service providers.
- It act as a destination promotion agency
- Professionally tour operators are recognized as wholesalers as the
 - capacity of buying in bulk and
 - distributing through the channel is undertaken in a methodical and organized fashion.

Defining the Tour Operation Business

- The tour Operation business is defined as an organization, firm or company which
 - buys individual travel components separately from different suppliers and
 - assembles them into package tours by adding certain value and
 - selling them with their own price tag to the public
 - directly or through middle men (Retail travel agents/ travel portals/ Excursion agents etc)

Features of Tour Operation Business

- Tour operators are largely responsible for making timely delivery of services and
 - providing the services as per the contract.
- Tour companies are professionally managed with much expertise and experience in the
 - planning and
 - operation of pre paid and pre planned vacation packages for the general public
 - directly or through franchise travel agents.

How Tour Operators Work?

- Tour operators enter into long term contracts with air carriers, hotels, cruise liners and other suppliers for the provision of bulk travel services.
- The travel services are assembled into a package tour featuring
 - Round trip transportation
 - Ground transportation
 - Accommodations
 - Tours of local sites
 - Arrival & departure transfers
 - Entrance fees
 - Cultural programs

How Tour Operators Work?

- How ever, package tours are offered to the general public through intermediaries who function as a retailer.
- Tour operators are principal agents or wholesalers that are responsible for the provision of components of travel services of each tour package.
- An individual or company of entity (including all types of hotels & tourist accommodations) that offer
 - Tour packages & services such as transfers, lodging, meals, guided tours are called Tour Operators
- Tour operators are the organizers and providers of all inclusive tours or components of package holidays.

How Tour Operators Work?

- Tour operators can provide the services independently if
 - they have their own cars & coaches, hotels and other travel related services or
 - these services can be arranged through suppliers in the distribution channel.
- Thus tour operators are recognized as manufacturers of package holidays and are popularly known as wholesalers because they are
 - engaged in buying services in bulk in order to design various tour packages.
- The package tours are retailed through the travel agencies or directly to the clients.

PRINCIPAL SERVICE PROVIDER

A Person/an organization who actually produces/offers service to the traveller (end-user) is called Principal Service Provider

Services in a tour package cannot be offered by one single person/entity. It is the combined effort of Principal Service Providers and Tour Operator/Travel Agent

Eg:

Accommodation Operators,

Sightseeing Operators,

Airline Operators,

Restaurants

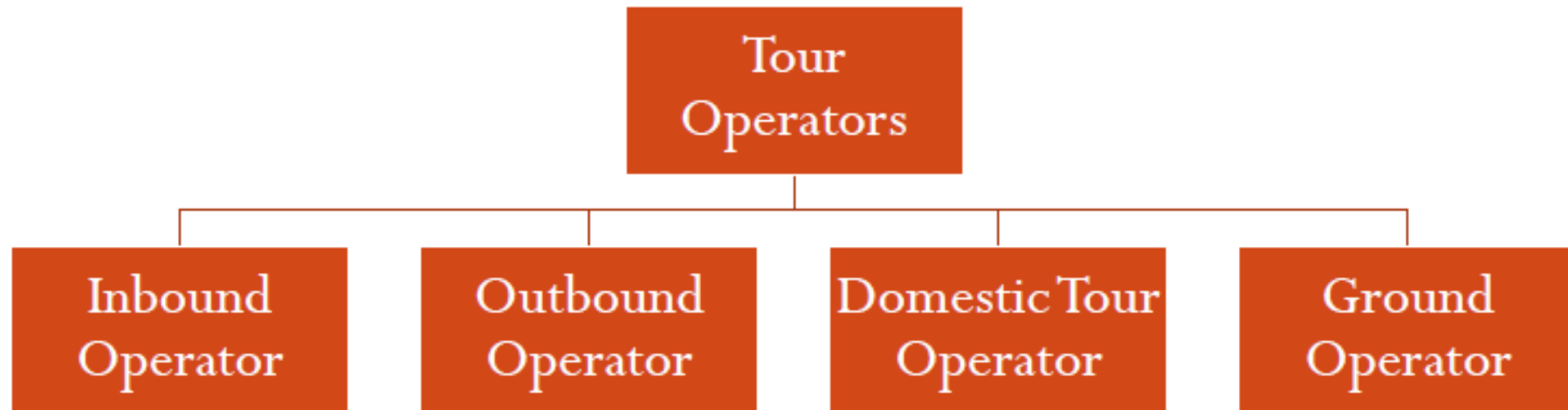
Guides / Interpretors

TYPES OF TRAVEL AGENTS & TOUR OPERATORS

TYPES OF TRAVEL AGENTS:

- Individual Travel Agents
- Franchisee Agents
- Specialized Agents
- Authorised Resellers

TYPES OF TOUR OPERATORS



TRAVEL AGENT VS. TOUR OPERATOR



TRAVEL AGENTS	TOUR OPERATOR
Retailers	Wholesalers. Deals with travel agents (retailers)
Acts as consultants or advisers to the traveller.	Acts as middlemen between the suppliers and the vendors.
Revenues are fixed and pre determined by suppliers	Have variable but limited revenues income and profit margins
Charges fees for documentation and ancillary services	Sells optional products and services and makes use of deposits

Difference between Tour Operators & Travel Agents

- The tour operator is a wholesaler who is responsible for manufacturing a tour package.
- The tour operator deals directly with tourists and foreign travel agents or principal agents.
- The itinerary is prepared by an experienced executive and possibility to any amendments of tour program lies with the tour operator.

Difference between Tour Operators & Travel Agents

- Retail travel agents are those who work for the tour wholesalers to sell the packages to earn commission.
- Travel agent mostly functions as an intermediary between tour operators and tourists to market tour packages.
- Tour operator sells varied services in the tour package and appoints a travel agency to handle ground services such as
 - Sightseeing, tours, airport arrival & departures, transfers, check-in, check-out, transportation, shopping, entertainment, shopping, entertainment, guide & escort services.
- Confirmation of various ground services is made by the travel agency to the tour operator.

Difference between Tour Operators & Travel Agents

- The travel agency depends on the tour operator for business and provides services at the destinations as per the contract
- Local problems faced by the tourists are solved by the travel agent under the guidance of the tour operator.
- Travel agents are the associate members of IATO to keep
 - contemporary track of the business and
 - to widen business relationship with the other members.

MAJOR BRANDS

TOUR OPERATORS

Thomas Cook

SOTC

Cox & Kings

FCM / Travel Tours

American Express

TUI

Akbar / Riya / Alhind

TRAVEL AGENCIES (All Local Brands)

Emperor Traveline

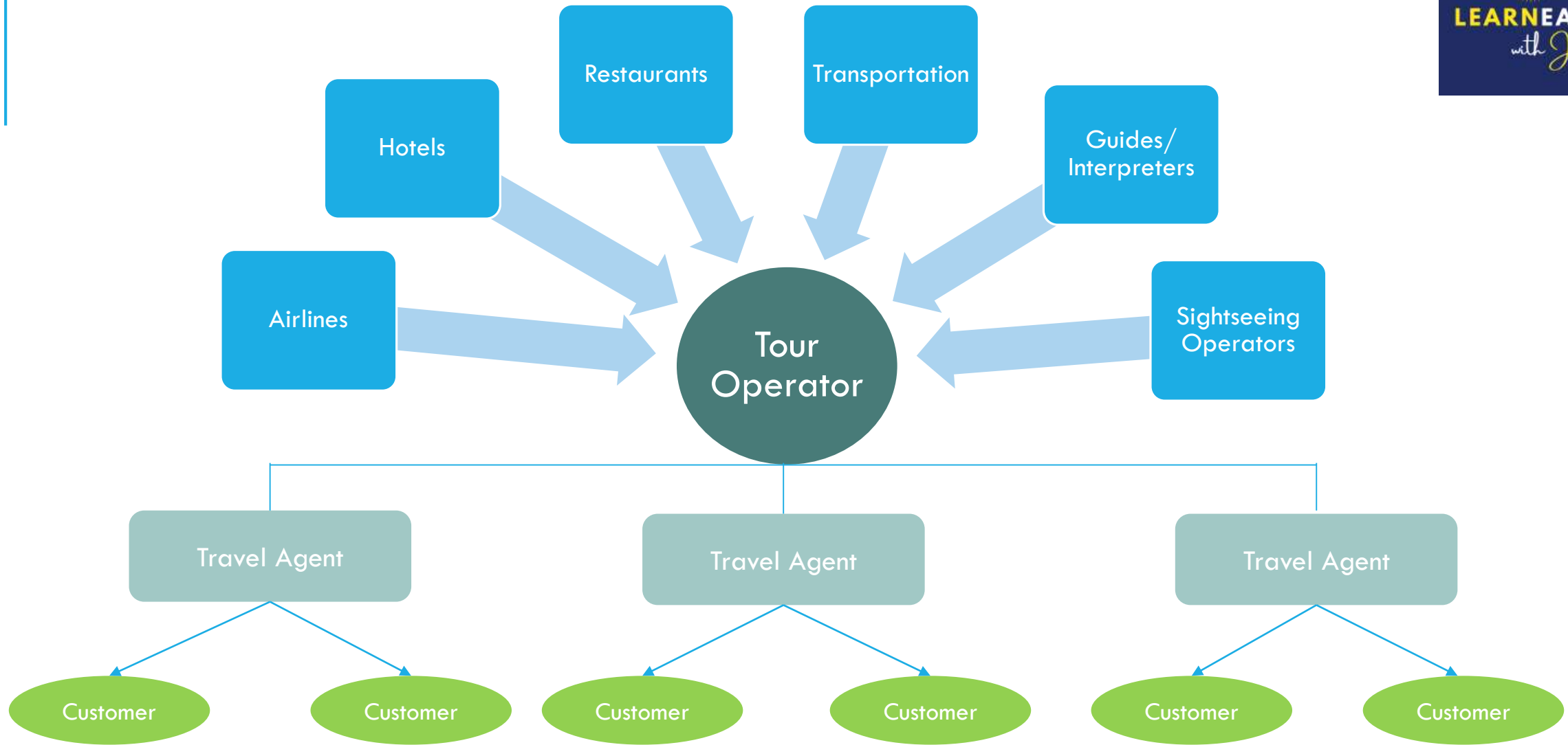
Express Holidays

Lotus Travels

Travego

Bajaj Travels etc.,

LINKAGES & INTEGRATION IN TRAVEL TRADE





THANK YOU!

HAVE QUESTIONS?

 LearnEasy with Jay



mail2jayamani@gmail.com



facebook.com/prof.jayamani