



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 2 - CONTENTS

- Functions of a Travel Agency and Tour Operator
- Sources of Income of Tour Operation and Travel Agency Business
- Setting up a Travel Agency, Tour Operation Company
- Diversification of Travel Agency and Tour Operation Business



Functions of a Travel Agency & Tour Operator

INTRODUCTION

- Retailer/Wholesaler

- Role of Tour Operator
 - Act as Agents
 - Promoters
 - Destination Image Builders

- Derives income from
 - Commission
 - Service charges

WHAT IT TAKES TO BECOME A TA/TO?

To become a modern day TA is quite challenging

A thorough knowledge of the product – ‘The World’

- Fast facts
- Sightseeing attractions
- Knowledge about hotels
- Food & Beverage options
- Do's & Don'ts

Good communicational skills

Negotiation skills

Convincing ability

Extremely creative

FUNCTIONS OF A TRAVEL AGENCY & TOUR OPERATOR

- Provide information & expertise
- Recommend destinations, products & services
- Provide assistance in securing travel & related documents
- Reservation of tickets – Road, Rail, Air & Cruise
- Sale of hotel rooms & services
- Provide Ground services – cars, coaches, caravans, entertainment entries, guides & interpreters

CONT'D...

- Design & sale of Tour Packages
- Itinerary Planning
- Deal with Foreign Exchange
- Provide Travel Insurance
- MICE Operations – Meetings, Incentives, Conferences, Events/Exhibitions
- Assist in case of amendments/cancellations/refunds
- Miscellaneous Services
- Corporate Social Responsibility (CSR)
- Destination Promotion



Sources of Income of a Travel Agency

SOURCES OF INCOME

Primary Source - Commission (TAC)

Air/Rail/Cruise/Bus Tickets

- Travel Agent's Commission (TAC)
- Mark Up
- Performance Linked Bonus (PLB)
- FOC
- Ad Ticket
- Amendments
- Cancellation

Visa

- Service Charges
- Discount in Group Visas





CONT'D...

Hotel Booking

- Discount on Rack Rate
- Commission on Rack Rate
- Mark Up
- FOC

Sightseeing Entry Tickets

- Commission
- FOC

Package Tours

- Mark Up
- Commission while selling Tour Operator's package



CONT'D...

MICE Packages

On Tour Commission

- Sale of Optional Tours
- Deviation
- Missed / Unutilized services

Miscellaneous Income

- Travel Insurance
- Land transportation
- Guides & Interpreters
- Selling Forex
- International Sim Cards



SETTING UP A TRAVEL AGENCY/ TOUR OPERATION COMPANY

POINTS TO BE CONSIDERED

- ✓ Selection of Location
- ✓ Office set-up (Interior)
- ✓ Registration of Office
- ✓ Licenses and Permits
- ✓ Furniture and Fixtures
- ✓ Machinery (Computers, Printers, Copier, Scanners, Telephone)
- ✓ High Speed Internet and LAN Connection
- ✓ Files and Folders and other stationery (Business cards, Letterheads)
- ✓ Tour Brochures / Flyers
- ✓ Affiliations, Recognitions & Memberships (MOT, IATA, IATO Etc.)



CONTD...

- ✓ Marketing and Promotions
- ✓ Tie-ups and contracts signing
- ✓ Supplier Networking
- ✓ Customer Relationship Management tools

BUSINESS PROCEDURE

- Generating enquiries
- Submission of quotation/presentation
- Bidding process
- Signing of MOU
- Execute services
- Post tour accounting process
- Feedback

DIVERSIFICATION OF TA/TO BUSINESS

In order to reduce the chances of failure and to maximise profits, business diversification becomes mandatory these days,

Diversification of TA/TO Business can be done in many ways including,

- Cross selling and Up selling of Travel and related products
 - International Sim Cards/Calling Cards, Travel Insurance Policies, Travel Tags, etc.,
- Setting up a Travel Accessories Store in the premises
 - Travel Bags, Pouches, Neck Pillows, Card Readers, Adaptors, etc.,
- Sale of Optional Tours
 - Add-on packages, additional sightseeing entry tickets, experiences etc.,



THANK YOU!

HAVE QUESTIONS?

 LearnEasy with Jay



mail2jayamani@gmail.com



facebook.com/prof.jayamani