



CORE-VI: TRAVEL AGENCY AND TOUR OPERATIONS

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UNIT 1 - CONTENTS

- Evolution of Travel and Travel Trade
- Emergence of Thomas Cook and American Express Company
- Travel Agency & Tour Operation Business
- Linkages and Integration with the Principle Service Providers



EVOLUTION OF TRAVEL AND TRAVEL TRADE

EVOLUTION & GROWTH OF TRAVEL TRADE

ERA	YEAR	MILESTONE
PRE-HISTORIC AGE	Human Evolution	Travel in search of food, shelter & survival
	10000 BC	Learnt & developed agriculture & domesticated wild animals
	5000 BC	Began to try water transportation (Canoes, dugouts & rafts)
	4000 BC	Invention of Money by Sumerians (Babylonia)
	3000 BC	Invention of Wheel
MIDDLE AGE	1000 BC	Chinese constructed roadways. Religious travel grew in Europe
	776 BC	Olympic Games held in Olympia, Greece
	300 BC	Alexander the Great conquered territories & propagated trade
	100 BC - 400 AD	Romans made mighty empires (paved roads of 80,000 kms)
	1100 AD	Chengis Khan created mightiest empire in history (Vast connection from Europe to Asia & Russia)
	1640 AD	First Intercity Coach travel between London & Edinburg (631 kms)
	1700 AD	Invention of Steam Engine

CONTD...

ERA	YEAR	MILESTONE
RENAISSANCE STAGE	1763 – 1773 AD	Development of steam ships, locomotive & motor cars.
	1830	First passenger train service begins
	1841	First organized special train excursion by Thomas Cook from Leicester to Loughborough (England) for 570 members
	1872	Thomas Cook first organized 'the round the world trip'
	1888-89	The Savoy, Claridge, & Carlton hotels were opened in London
MODERN DAY TRAVEL	1903	First Flight by the Wright brothers. First major hotel company-Trust Houses- opens a chain of hotels throughout Britain
	1945	IATA was established
	1950	Commercial air transportation started to boom
	1966	UFTAA was founded
	1975	WTO began its legal existence
	2000 Onwards	Era of Globalization



EMERGENCE OF THOMAS COOK AND AMERICAN EXPRESS COMPANY

THOMAS COOK, WHO INVENTED THE PACKAGE TOUR



HISTORY



- ◉ In 1808 -**Thomas Cook** was born in Melbourne, Derbyshire
- ◉ At seventeen Thomas joined the local **Temperance Society**
- ◉ 1841 -Cook arranged an eleven-mile rail excursion from Leicester to a Temperance Society meeting in Loughborough
- ◉ 1846 -took 500 people from Leicester on a tour of Scotland

- ⦿ Greatest achievements -to arrange 165,000 people to attend the Great Exhibition in Hyde Park.
- ⦿ 1865 -Cook moved his business to London where he arranged tours to Egypt
- ⦿ His son John managed the London office of the company that was now known as **Thomas Cook & Son**

- ◉ **1872 -Thomas Cook & Son** was able to offer a **212 day Round the World Tour** for 200 guineas.
- ◉ Cook retired in 1879 leaving John and his three sons to run the company.
- ◉ **Thomas Cook** died in 1892.

TCIL – Corporate Profile

History

Thomas Cook is widely acclaimed as the **Founder of World Tourism**

- ❖ Inventor of first package tour (1841)
- ❖ Designed the first holiday brochure (1858)
- ❖ Conceptualized first Travellers Cheque (1874)

In 1881, Thomas Cook commenced its India operations, (Mumbai) and since then Thomas Cook India Ltd has been the **leading integrated Travel and Financial services Company**

Post an open offer in Aug 2012, TCIL became part of Fairfax Group, Canada



Lines of Business

- Thomas offers a broad spectrum of services
 - Foreign Exchange services
 - Leisure Outbound Travel
 - Leisure Inbound Travel
 - Corporate Travel
 - Meetings, Incentives, Conferences & Events (MICE)
 - Domestic Travel
 - E-Business
 - Others – Visa, Insurance, Centre of Learning

Network & Reach

- **Leading integrated Travel & Travel Related Services Network**
 - 233 locations (18 airport counters)
 - 98 Cities & Towns with branches
 - Franchises- 111 Gold Circle Partners
 - PSAs- 165 (Preferred Sales Agents)
- Caters to over 180,000 leisure travellers, 1.6 mn foreign exchange transactions, 400+ Corporate client base together generating an annual turnover of over USD 3.7 bn

Awards & Achievements

- Best Tour Operator – Outbound: CNBC AWAAZ Travel Awards 2014 & 2013
- Best Company providing Foreign Exchange : CNBC AWAAZ Travel Awards 2014
- Superbrand 2014 & 2013 by consumers for excellence in travel services
- Best Tour Operator by Lonely Planet Travel Awards 2013
- Retailer of the Year – Leisure & Holidays by ET NOW 2013



AMERICAN EXPRESS COMPANY

Early History (1850 to 1917)



1850

- Started as an **express mail business** in Buffalo, New York.
- Was an **instant success throughout New York** state primarily because US Postal Service was slow and expensive.

1882

- Launched **money order business** to compete with the US Post Office's money order.

1891

- Introduced **Traveler's cheques** in denominations of \$10, \$20, \$50 and \$100. Travelers Cheques established American Express as an international company.
- Within 10 years was selling more than **\$6 million in cheques** annually.

1903

- Had **assets of \$28 million**, second only to the National City Bank of New York, among financial institutions in the city.

1914

- At the outbreak of World War I, American Express offices in Europe were among the few companies to honor the **letters of credit (issued by various banks) held by Americans**.

1917

- All contracts between express companies and railroads were nullified. This ended American Express's **express business**.

Modern History

Realise
the
potential™

Title Sponsor

1940s

- In 1947, US Government licensed AMEX to provide **banking services** to US military personnel and their families stationed abroad.

1950s

- Significantly expanded **international banking operations**, military banking offices grew from 9 to 194.
- Issued first **charge card** in 1958. Elvis Presley was among earliest card members.

1960s

- More than **1 million cards** were in use at approximately 85k merchants worldwide.
- Launched **Gold Card** in 1966.

1980s

- Shifted focus on **core businesses** and shed non core activities.
- In 1986, earnings exceeded **\$1 billion**.

2000s

- Company celebrated its **150th anniversary**.
- Became **world leader** in providing charge and credit cards to consumers, small businesses and corporations.



EXPRESS SHIPPING
COMPANY

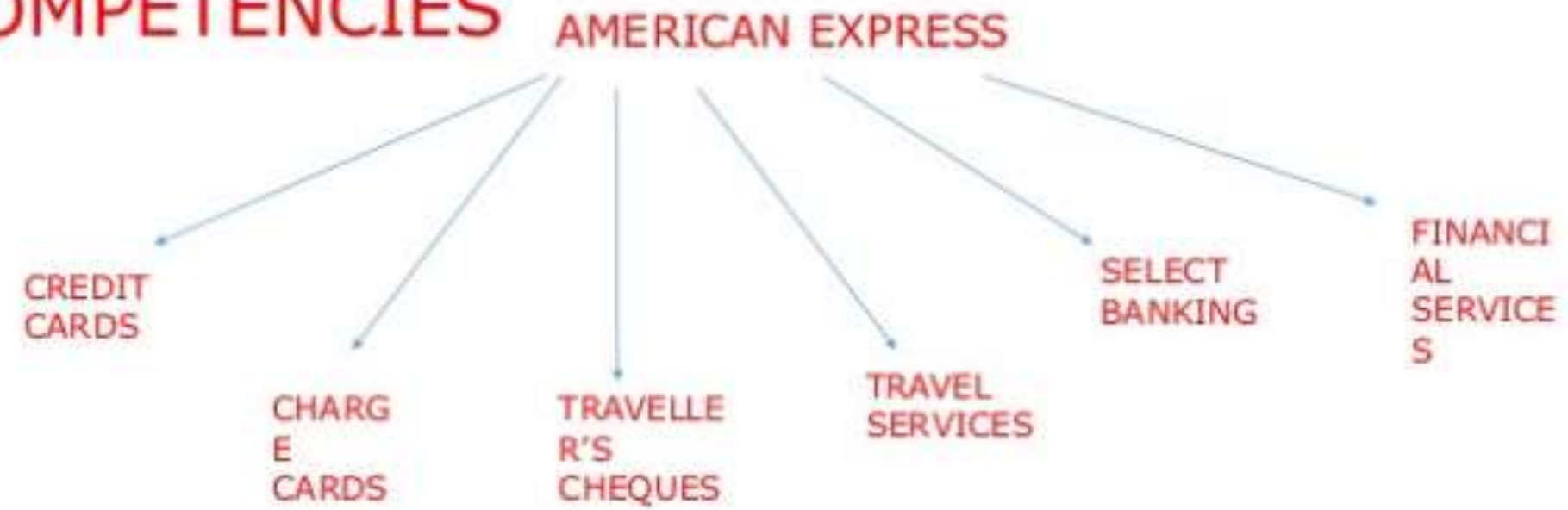


TRAVEL SERVICES
COMPANY



GLOBAL PAYMENTS
COMPANY

A LEAN COMPANY FOCUSING ON CORE COMPETENCIES





TRAVEL AGENCY & TOUR OPERATION BUSINESS

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

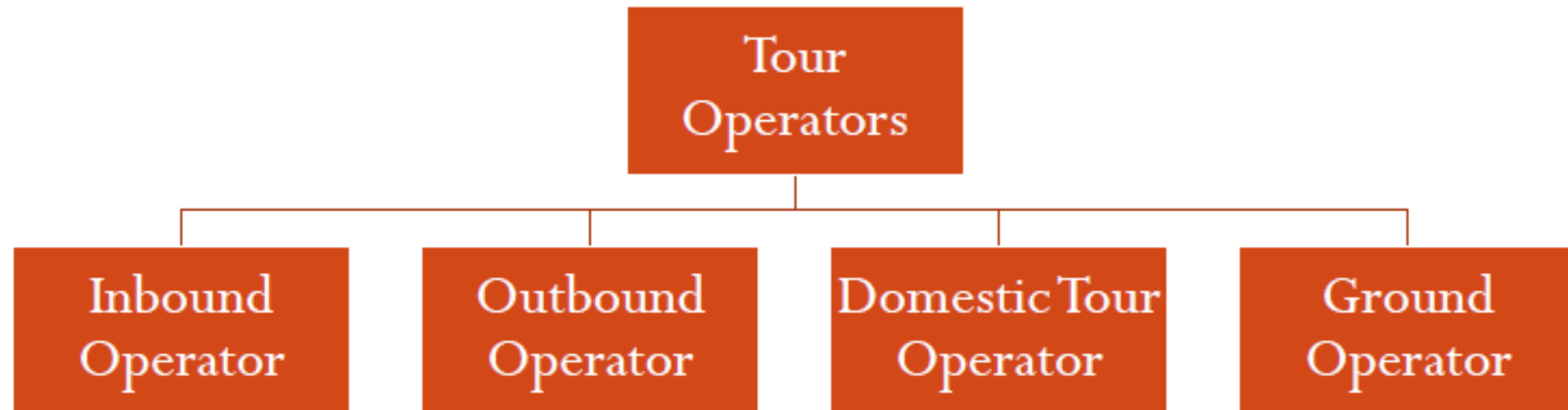
Guides / Interpretors

TYPES OF TRAVEL AGENTS & TOUR OPERATORS

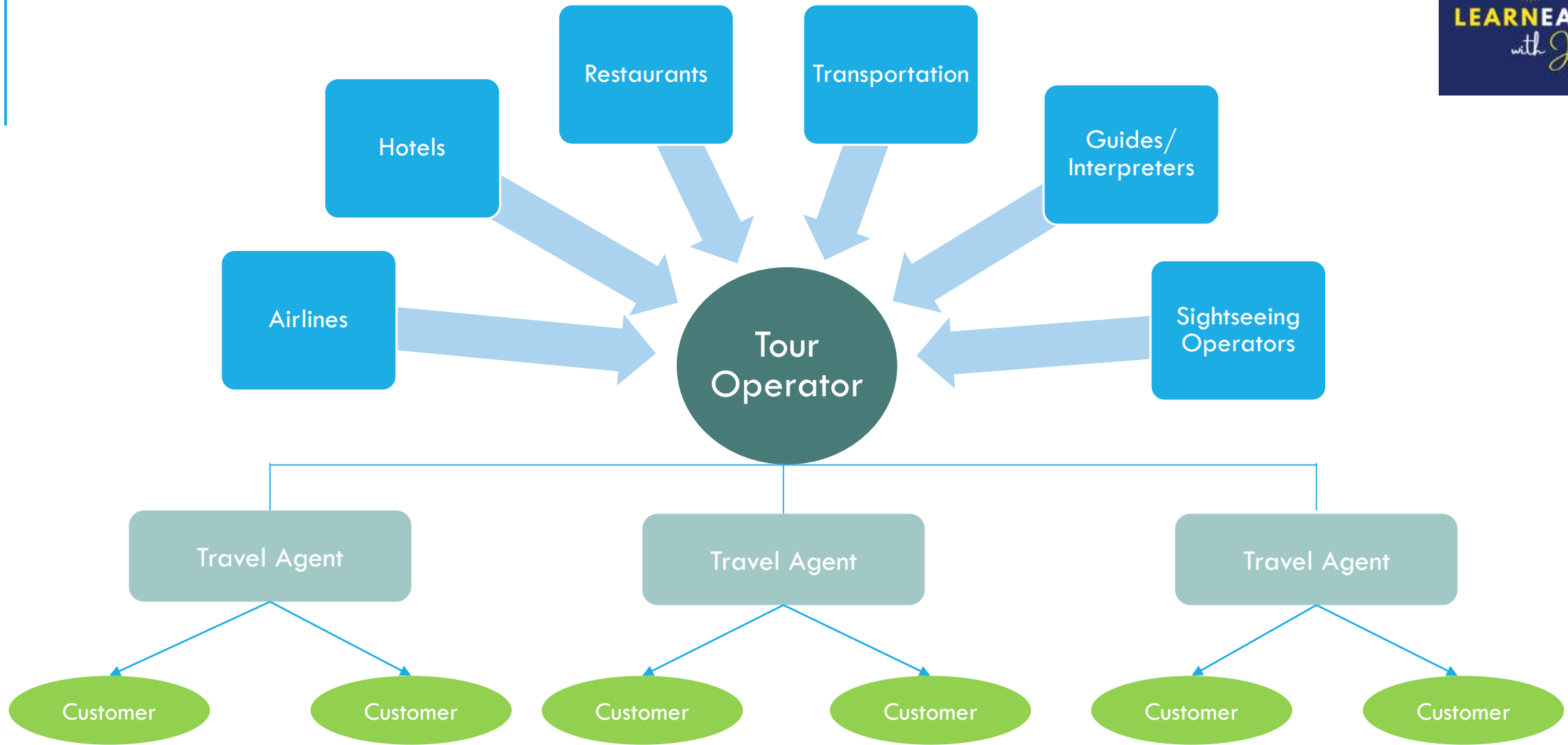
TYPES OF TRAVEL AGENTS:

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

TYPES OF TOUR OPERATORS



LINKAGES & INTEGRATION IN TRAVEL TRADE





THANK YOU!

HAVE QUESTIONS?

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