Yashwantrao Chavan Maharashtra Open University

BTH 350/HTS 503: TOURIST GUIDE AND TOUR OPERATION

YASHWANTRAO CHAVAN MAHARASHTRA
OPEN UNIVERSITY

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UNIT 1	TOUR OPERATIONS
UNIT 2	TOUR PACKAGES AND ITINERARY PLANNING
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UNIT 1: TOUR OPERATIONS

1.0 BEFORE WE BEGIN

Tourism is travel for pleasure or business; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. Tourism may be international, or within the traveler's country. The World Tourism Organization defines tourism more generally, in terms which go "beyond the common perception of tourism as being limited to holiday activity only", as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

Tourism can be domestic or international, and international tourism has both incoming and outgoing implications on a country's balance of payments. Today, tourism is a major source of income for many countries, and affects the economy of both the source and host countries, in some cases being of vital importance.

Tourism suffered as a result of a strong economic slowdown of the late-2000s recession, between the second half of 2008 and the end of 2009, and the outbreak of the H1N1 influenza virus, but slowly recovered. International tourism receipts (the travel item in the balance of payments) grew to US$1.03 trillion (€740 billion) in 2011, corresponding to an increase in real terms of 3.8% from 2010. International tourist arrivals surpassed the milestone of 1 billion tourists globally for the first time in 2012, emerging markets such as China, Russia and Brazil had significantly increased their spending over the previous decade. The ITB Berlin is the world's leading tourism trade fair.

In this unit, you will learn about tour personnels, like tourism guide, tour manager, tour operators. You will learn various categories of tourist guides and types of tour operators. You will learn interesting concepts of tour whole salers. We will learn how tour is designed, how reservation system works, and what the various modes of payments in tourism industries are. Tourists have to necessarily make payments for the services they avail or for food and other purchases they make while travelling. They have several options for making payments—traveler's cheques, credit cards, debit cards, etc. These eliminate the need to carry large amounts of cash. These various options will be explained in this unit.

1.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- State various definitions of Tourism
- Describe the duties and responsibilities of a tourist guide
- List and explain the various categories of tourist guides
- Familiarize yourself with the role of a tour manager
- Explain the concepts about tour operators and their types, and tour wholesalers
- Elaborate how to design a tour
- Discuss about tour operations, and input and output of tour operations
- Explain the reservation system used in the tourism industry
- Describe the importance of the central reservation system (CRS)
- Elaborate importance of traveler's cheques

1.2 TOURISM AND TOURIST GUIDE

1.2.1 Definitions of Tourism

In 1936, the League of Nations defined a *foreign tourist* as "someone traveling abroad for at least twenty-four hours". Its successor, the United Nations, amended this definition in 1945, by including a maximum stay of six months.

In 1941, Hunziker and Kraft defined tourism as "the sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and are not connected with any earning activity." In 1976, the Tourism Society of England's definition was: "Tourism is the temporary, short-term movement of people to destinations outside the places where they normally live and work and their activities during the stay at each destination. It includes movements for all purposes." [1]In 1981, the International Association of Scientific Experts in Tourism defined tourism in terms of particular activities chosen and undertaken outside the home.

In 1994, the United Nations identified three forms of tourism in its *Recommendations on Tourism Statistics*:

- Domestic tourism, involving residents of the given country traveling only within this country
- Inbound tourism, involving non-residents traveling in the given country
- Outbound tourism, involving residents traveling in another country

The terms *tourism* and *travel* are sometimes used interchangeably. In this context, travel has a similar definition to tourism, but implies a more purposeful journey. The terms *tourism* and *tourist* are sometimes used pejoratively, to imply a shallow interest in the cultures or locations visited. By contrast, *traveler* is often used as a sign of distinction. The sociology of tourism has studied the cultural values underpinning these distinctions and their implications for class relations.

1.2.2 What is the concept of Tourist Guide?

A **tour guide** (U.S.) or a **tourist guide** (European) provides assistance, information and cultural, historical and contemporary heritage interpretation to people on organized tours and individual clients at educational establishments, religious and historical sites, museums, and at venues of other significant interest.

The CEN (European Committee for Standardization) definition for "tourist guide" – part of the work by CEN on definitions for terminology within the tourism industry – is a "person who guides visitors in the language of their choice and interprets the cultural and natural heritage of an area, which person normally possesses an area-specific qualification usually issued and/or recognized by the appropriate authority". CEN also defines a "tour manager" as a "person who manages and supervises the itinerary on behalf of the tour operator, ensuring the programme is carried out as described in the tour operator's literature and sold to the traveller/consumer and who gives local practical information".

In Europe, tourist guides are represented by FEG, the European Federation of Tourist Guide Associations. In Europe, the tourist guiding qualification is specific to each and every country; in some cases the qualification is national, in some cases it is broken up into regions. In all cases it is embedded in the educational and training ethic of that country. EN15565 is a European Standard for the Training and Qualification of Tourist Guides.

In Australia, tour guides are qualified to a minimum of Certificate III Guiding. They belong to a couple of organisations, notably the Professional Tour Guide Association of Australia and Guides of Australia.

In Japan, tour guides are required to pass a certification exam by the Commissioner of the Japan Tourism Agency and register with the relevant prefectures. Non-licensed guides caught performing guide-interpreter activities can face a fine up to 500,000 Yen.

1.2.3 Duties and Responsibilities of a Tourist Guide

According to (https://job-descriptions.careerplanner.com/Tour-Guides-and-Escorts.cfm) the duties and responsibilities of Tourist Guide include:

1) Conduct educational activities for school children.

2) Escort individuals or groups on cruises, sightseeing tours, or through places of interest such as industrial establishments, public buildings, and art galleries.

3) Describe tour points of interest to group members, and respond to questions.

4) Monitor visitors' activities in order to ensure compliance with establishment or tour regulations and safety practices.

5) Greet and register visitors, and issue any required identification badges and/or safety devices.

6) Distribute brochures, show audiovisual presentations, and explain establishment processes and operations at tour sites.

7) Provide directions and other pertinent information to visitors.

8) Provide for physical safety of groups, performing such activities as providing first aid and directing emergency evacuations.

9) Research environmental conditions and clients' skill and ability levels in order to plan expeditions, instruction, and commentary that are appropriate.

1.2.2 Categories of Tourist Guides

The Tourism Ministry grants licenses to the following three categories of tourist guides:
• Regional tourist guide
• State-level tourist guide
• Monument tourist guide

Regional Guide

According to Tourism Department(http://tourism.gov.in/sites/default/files/120620121101707.pdf)

There shall be four categories of Regional Level Tourist Guides as per the following details:

i) **General:** There would be regional level guides who would be authorized to work in their respective regions on a full time basis.

ii) **General Linguistic:** Linguists with fluency in foreign languages (apart from English) , such as French, German, Spanish, Korean, Russian, Japanese, Thai, Arabic, Hungarian, Polish, Hebrew, Chinese etc., as identified by the Ministry from time to time would be approved under this category.

iii) **Expert Guides :** In order to encourage scholars, specialists etc., in the fields of Tourism, Indian History, Architecture, Culture, Wild Lifeand other related fields of tourism, there would be a special category of Regional Level Tourist Guides known as Expert Guides.

iv)**Expert –Linguistic:** This category of Regional Level Tourist Guides would be scholars, specialists tc.,in the fields of Tourism, Indian History / Architecture / Culture/ Archaeology / Wildlife or other related fields of Tourism with fluency in foreign languages (apart from English),such as French, German, Spanish, Korean, Russian, Japanese, Thai, Arabic, Hungarian, Polish, Hebrew, Chinese etc., as identified by the Ministry from time to time would be approved under this category.

Monument Guide:

According to the Archeological Survey of India (http://asi.nic.in/orders/Binder2_09.pdf) the following are some of the policy guidelines that have been laid down for ASI Monument Guide:

2.1 From now onwards there shall be only one category of guides known as "ASI Monument guide" who would be authorized to work in the centrally protected monuments or monuments & sites maintained / administered / managed by the Archaeological Survey of India for which he is licenced.

The policy shall be applicable only to such guides who are allowed to work in the centrally protected monuments or monuments & sites maintained / administered / managed by the Archaeological Survey of India having valid license granted by the Specified Authority as required under Rule 8(d) of the AMASR Rules, 1959.

2.2 The assessment of number of tourist guides for each monument or group of monuments would be determined by the foot fall, growth potential, extent and size of the monuments/group of monuments. The process would be done every five years by the Archaeological Survey of India .

2.3 The license would be granted to individuals only and not to any firm or association or company or other body corporate, after following due process of selection.

2.4 The Archaeological Survey of India shall be responsible for conducting the tests and work out mechanism for grant of such licenses. In so far as Monument Guides operating within the centrally protected monuments are concerned, the various categories of guides who have qualified the test to be conducted under this policy shall only be entitled to operate within the centrally protected monuments.

1.3 TOUR MANAGER

A tour manager (or concert tour manager) is the person who helps to organize the administration for a schedule of appearances of a musical group (band) or artist at a sequence of venues (a concert tour). In general, road managers handle small to medium-sized tours, and tour managers are used on large-scale tours.

The performances on a concert tour are booked by the act's booking agent, who works with concert promoters to place the act in suitable venues and festivals in a time frame and territory agreed with the act's management. Individual concert promoters negotiate the financial, technical and hospitality requirements of the artist and make an offer to the booking agent for the show. The tour is announced and tickets put on sale when agreement is reached on the tour dates. As modern concert touring involves complex financial, legal and technical arrangements, the booking agent or artist manager hire a concert tour manager to organize the logistics. Concert tour managers are usually freelancers working on a tour-by-tour basis.

1.3.1 Duties

The tour manager is given the itinerary for the tour by the booking agent. Working from this itinerary, the tour manager handles the following activities.

Financial

The itinerary includes information about the potential ticket income (fees) for each show. Using this information the tour manager can produce a budget for the tour, calculating costs for crew wages, per diems (daily basis), accommodation, transport, sound, lighting and video equipment, visas and work permits, rehearsals and other expenses such as booking agent commissions. Weekly reports are submitted to the business manager,

Advancing

Advancing is the process of contacting each promoter and venue to ensure the entire artist's technical and hospitality demands (the *rider*) are met and to resolve any problems the promoter or venue can foresee. The artist's rider covers catering, production (sound, lights, stagehands needed), security, general show, and legal issues. During the advancing process the tour manager checks contact names and addresses, arrival times, equipment load-in times, sound check and performance times, any supporting/opening acts, and live music curfews.

This information is collated into a "tour book" which is issued to the band and crew.

On the road

The tour manager travels with the band on the tour. The job on the road varies depending on the type and success level of the act. A tour manager's day-to-day workload can include:

- Overseeing hotel departures on time
- Settling accommodation bills
- Overseeing travel arrangements; i.e. band and crew onto the bus or to the airport in good time
- Paying per diems to the band/artist and crew
- Overseeing venue arrival - double-checking hospitality and technical arrangements
- Arranging up-to-date running order with venue and promoter
- Overseeing promotional activities; i.e. TV, radio and press interviews at the venue or at other locations
- Supervising setup operations
- Supervising any support or opening acts
- Ensuring venue is ready to open on time by supervising sound check times
- Liaising with transport department regarding the next days' travel
- Ensuring all acts perform on time and for the allotted time
- Settling performance fee with promoter and collecting any due cash
- Ensuring all touring equipment is re-packed and loaded back onto tour transport
- Preparing band and crew schedule sheets for the next day
- Overseeing band and crew on to appropriate overnight transport or to next hotel
- Reporting this show's attendance figures to management and booking agent
- Troubleshooting unforeseen issues and emergencies that occur
- Ordering after show food for the band and crew
- Preparing an accurate tour budget for the manager and business manager to approve
- Doing daily tour accounting if there's no tour accountant
- Preparing the tour book (itinerary) which contains information such as venue details, hotel details, promoter details, show schedule and daily travel details
- Hiring the road crew (roadies)
- Supervises the creation of tour backstage passes
- Coordinates gear rental (sound, lights, backline) with production manager
- Coordinates any visas and work permits needed for touring entourage
- Deals with foreign artist tax deductions (when applicable) with business manager and promoter
- Updates artist contract rider when necessary
- Coordinates air, sea and land cargo when necessary
- Coordinates ordering of tour supplies (guitar strings, drum sticks, batteries, etc.) when needed
- Coordinates creation of show scenics such as backdrops and scrims when needed
- Prepares carnets for equipment with shipping companies when necessary
- Supervises creation of stage plots and input charts with stage crew when necessary and adds them to rider
- Completes daily guest list for band and crew
- Supports merchandiser when needed

1.4 TOUR OPERATORS AND THEIR TYPES

1.4.1 What are tour operators?

A tour operator typically combines tour and travel components to create a package holiday. They advertise and produce brochures to promote their products, holidays and itineraries.

The most common example of a tour operator's product would be a flight on a charter airline plus a transfer from the airport to a hotel and the services of a local representative, all for one price. Niche tour operators may specialise in destinations, e.g. Italy, activities and experiences, e.g. skiing, or a combination thereof.

The original raison d'être of tour operating was the difficulty for ordinary folk of making arrangements in far-flung places, with problems of language, currency and communication. The advent of the internet has led to a rapid increase in self-packaging of holidays. However, tour operators still have their competence in arranging tours for those who do not have time to do DIY holidays, and specialize in large group events and meetings such as conferences or seminars. Also, tour operators still exercise contracting power with suppliers (airlines, hotels, other land arrangements, cruise companies and so on) and influence over other entities (tourism boards and other government authorities) in order to create packages and special group departures for destinations that might otherwise be difficult and expensive to visit.

The three major tour operator associations in the U.S. are the National Tour Association (NTA), the United States Tour Operators Association (USTOA), and the American Bus Association (ABA). In Europe, there are the European Tour Operators Association (ETOA), and in the UK, the Association of British Travel Agents (ABTA) and the Association of Independent Tour Operators (AITO). The primary association for receptive North American inbound tour operators is the Receptive Services Association of America (RSAA).

1.4.2 Types of Tour Operators by volume of market and operational strategies

Depending upon their target market, there are two types of tour operators:

Mass Market or Whole-sale Tour operators

They buy services in volume from the suppliers and afford to sell them to the customers inexpensively. A mass-market tour operator faces increasing pressure to prove his value to consumers

who use cheap airlines and low prices found on the Internet, to put together their own holiday packages. The price advantage that could be offered through economies of scale is decreasing, and profitability and productivity are becoming critical factors because of the complexity in sourcing business. To maintain market share, a tour operator has to bring foreigners to his home country. In order to achieve this, it is necessary to extend sales reach and be easily available to all customers, be it traditional retailers or online players. They also try and capture customers directly through their own websites.

Wholesale Tour Operators sell a product through established retail distribution channels, both shop front and online. For example, Qantas Holidays, which negotiates product rates directly with suppliers and creates packages that are either distributed to retail tour operators (travel agents) or sold directly to customers via website. Similar to the retail travel agents, the wholesalers charge a commission of around 20%.

Thus, a mass market tour operator

- arrange travel for the majority of holidaymakers travelling on inclusive tours
- They can sell holidays very cheaply because they buy services in volume from the suppliers
- Mass market tour operators produce holiday packages with wide public appeal usually visiting well-known and highly developed resorts
- A typical product selection might be the following:
  o Summer sun (Mediterranean);
  o Winter sun (Canary Islands);
  o Ski (Three Valley in France);
  o Long haul (Florida);
  o Short breaks (Rome);
  o examples: (http://www.airtours.co.uk) (http://www.tui.de)

A tour wholesaler can be defined as intermediaries between supplier in the travel industry and consumers that puts together the services of airlines or other transport carriers, ground service suppliers and other travel needs into a tour package which is sold through a sales channel, such as a retail agent, to the public. The tour wholesaler is involved in developing, preparation, marketing and reservations of inclusive tours and individual travel packages. They provide the retailer with a wide selection of tours to a large number of destinations at varying costs, for varying duration and in various seasons.

Tour wholesaler can be divided into three kinds:

1. The independent tour wholesaler, who combines both transportation and ground services into tours or packages and sells them through travel agencies to individual or group travellers.
2. Wholesaler who work in close co-operation with airlines. Some airlines have wholesaling divisions that put together tours. For example: British Airlines
3. The retail travel agent who packages tours for its clients. Some retail travel agents prepare individual or/and group tours which they market themselves. For example: DesigNZ on travel

A wholesaler in the travel industry is similar to a wholesaler in any other industry. The difference is that the wholesaler in the travel industry usually does not take title of the 'goods' they 'sell'. Wholesalers sell then-packages (to the consumer) through retail travel agents, not directly to the tourist. Sometimes, however, tour wholesalers may sell directly to the public, generally through their own retail travel agency outlets. For example, Jetset Tours deals directly with the public through its retail outlet, Jetset Travel. Other examples are Jetabout Holidays through Jetabout Travel, Thomas

Cook and American Express. They act as 'middlemen' involved in distributing travel services. They are the link between suppliers (ground operators/businesses which deliver the tourism experience, carriers, etc.), and the retail network (travel agents).

A tour wholesaler decides the kind of 'tour packages' that would appeal to travellers, package the services accordingly and sell them. Lower prices—than the prices that they would pay if purchasing directly from a supplier—are set to make the packaged tours attractive to potential travellers. Also, they use attractive and colourful brochures to describe the places and events the traveller will experience. Properly packaged tour merchandising is not simply a list of hotels and airlines that a traveller can utilize—it is the total package that is emphasized.

A tour wholesaler is able to price his product at a lower rate than the price of the sum of the individual products because they can contract the suppliers/operators (e.g., accommodation, or other products) at substantially reduced prices. Generally, they secure reduced prices due to the volume of business they generate for suppliers / operators and the increased exposure and distribution they provide them. Sometimes, a tour wholesaler secures large blocks of advance reservations on airlines and for ground services such as hotels and sightseeing tours.

Specialist Tour Operators

They provide service to the niche market that has interest in a particular geographical area or a special kind of activity. Winning new customers is very important, and this requires a distinguished, well-positioned product offer to customers. An attractive website can help to draw in new business and encourage customer loyalty by offering a great experience and presenting rich content, detailed destination information, maps and pictures. For this, efficient, cost-effective and easy-to-use solutions and the technology to create tailor-made packages, are needed.

In other words, Specialist tour operators

- deal with niche products and markets
- focus might be on a particular activity, travel to a geographic area or a certain type of holiday maker
- Specialist tour operators prefer regular flights to charter flights; try to keep the groups small and don't compete with the price
  example: Olympia Lentomatkatoimisto in Finland.

Tour Wholesaler and Tour Operator

A tour wholesaler links the various aspects of a tour or a holiday to a particular destination, that is, transport, accommodation, sightseeing, transfers, etc., and puts them together as a total package. A tour wholesaler then designs a brochure to promote the package(s) and distributes it for sale. The brochure may comprise only one particular tour, like a special interest tour for a common interest group, or it may comprise a variety of holiday options to a destination. A tour wholesaler supports the brochure with the following:

- An industry launch on its release
- Travel agency familiarizations (to enable its sales force to experience the product first hand
- Press and PR release to inform the public
- Consumer and travel trade advertising
- A sales force to call on travel agents

By packaging through a tour wholesaler, an operator or supplier can increase its distribution network and sales force without any major increase in its overheads. It is important for the suppliers to remember that the 20 per cent commission aimed at increased distribution and promotion is to be paid only if they get results. Therefore, without bookings there can be no payments. Very few small operators/suppliers can afford to produce the quantity or quality of brochures required to satisfy the demands of the retail travel agency network.

Usually, a small operator does not have the resources to provide a sales team to call on travel agents. A tour wholesaler provides this service, not necessarily for the individual operator within the programme, but for the total package. A tour wholesaler builds brand loyalty with the retail travel agency network to generate ongoing business. Credit and billing assistance is another area where a tour wholesaler assists the suppliers. Full payment for the package is made by the consumer who pays the wholesaler who, in turn, pays the supplier.

Under this system the supplier only has to look to one single payment source rather than a number of individual consumers. Payment from the wholesaler to the supplier is dependent on individual arrangements. If the wholesaler is providing volume business, payment would be on a 'return basis' for set periods; for example fortnightly or monthly. Tour wholesalers should not just be seen as being able to provide volume business to a supplier. They can be looked upon to provide 'top up' business or assisting in developing 'off season' packages as well.

A comparison of mass and specialist operators

A Mass tour operator (also known as wholesale tour operator) sells standardized products (in contrast to specialist or alternative tour operators who sell "unique" locations. Wholesaler tour operator's offering is higly packaged and have many resort activities pre-arranged, while the Specialist/ alternative tour operator have independent activities on individual basis offered in resort.

About pricing, Mass tour operator have low to medium price range, based on high level of sales and have frequent sales promotions. On the other hand, Specialist/ alternative tour operator have higher prices, as they target customers who are willing to pay higher prices for specilised treatment and products.

Regarding Promotion, Mass tour operators use of brochure to appeal to target market, combining promotion of company brand and actual holiday product. Their promotional materials have information tightly organized, uniform for all destinations. On the contrary, Specialist/ alternative tour operators use of brochure to promote the company product, the country, differentiating aspects of a unique image, the information on their promotional material have more general resort information.

CHECK YOUR PROGRESS

Describe the concept of tour operator.
Which are the two major types of tour operators by strategy on market volume they focus upon? Describe briefly.
Describe how a mass market tour operate function.
Briefly describe the three categories of tour wholesaler.
Describe a specialist tour operator.
Compare the tour wholesaler with the specialist tour operator.

Other kinds of tour operators by operational strategies

Direct Sell Tour Operators

These tour operators sell the tourism packages directly to their customers bypassing the travel agent. They don't pay the amount of commission to their travel agent hence, the customer can avail for a package at a lower price. In addition, the direct sell tour operators also can offer a large variety of destinations and packages. It is better to go for these operators if one wants to be very sure about the expectations to be drawn from a package.

Retail Tour Operators

These travel agents are the face of main distribution channel for package holidays. They sell the tour operator's tourism product in return for commission. Their commission generally ranges from 10% to 15% of the booking price. They are motivated to sell a product to earn commission and they are keen to attract repeat business. They setup a retail outlet, both shop-front and online; as an accessible place for their customers.

Cross-seller Tour Operators

People say about tour operators that they are old fashioned and unnecessary. But is this the case or are tour operators still profitable. Cross selling is a way of getting the customers attention and trying to sell an extra, additional or other kind of product. In terms of a tour operator this could be an extra service such as a transfer from the airport to the hotel or cruise ship, or a whole new extension in terms of a different city or experience. Retention methods are used to create returning customers for the specific operation.

Cross selling can be used as a method to make customers more involved in your business and by doing this, customers can climb up the customer engagement pyramid. Once a customer climbs up the pyramid, he or she becomes more valuable for the organization. This indicates a better profitability per customer. As mentioned before, a tour operator can cross sell on many different levels in the industry and with different kinds of customers as well. For example, for customers who book a trip through the highlights of China with cities as Beijing, Xian and Shanghai, a tour operator can try to cross sell Hong Kong as well. This is a city that is not included in the main trip of these customers, and is an interesting place with a lot of history and shopping facilities. When customers are flying through Dubai for their trip to China, a cross selling opportunity is to try and sell Dubai as a destination as customers have to transfer anyway and now have an opportunity to stay in Dubai.

Up-seller Tour Operator

Upselling can happen when tour operators try to sell additional nights in a certain destination, try to get the customers in a more expensive hotel or get them to do a business class upgrade on their flights. Majority of the tour operators is already using these techniques, as they know how important it is to keep your customers loyal and to make the most profit from them while they are loyal. The reason for any business to keep clients loyal is because the organization has all the details about the clients in their system already. As well as their previous purchases and the preferences of the specific customer. Because of this, businesses can anticipate on the customers' needs and wants easier and they can target them with the right advertisement, which cuts the marketing costs.

Online Tour Operators

Travel Agency which provides travel information through online mode by own websites are known as online travel agency. As more and more people have the access to the internet nowadays, the need for travel agencies has declined as the airline companies have started to sell products directly to the customers online. As a result, many agencies have started their own website with details of the travel information. These websites use high end technology travel solutions which help them to deal with the latest updates and details of thousands of hotels, flights and car rental services.

Some of these websites also provide options that allow the users to compare flight and hotel rates with other companies. The travel agencies have used dynamic packaging utilities, which has helped them provide services that are fully bonded at the same prices and sometimes even lower than the online booking sites. All the online sites work with different travel agencies, which provides them with more efficiency once a customer orders a ticket or books a hotel.

Online travel agencies do not have an office or overhead, they can generally get better deals on airfare and hotel accommodations than travel agents with offices and overhead. Online travel agents usually work from the comfort of their own homes and are fortunate enough not to have to go into an office.

The savings that the company receives by not having an office can often be passed on to the customer. There has never been a better time to travel, both on an international and domestic level.

Online travel sales in India have crossed $2 billion in 2010. The online travel market is growing in several Asian countries, because of rising Internet use in large cities. India is showing great potential for online businesses and as a result, great potential for online travel retail. Leading top 10 Online Travel Agency of India are as follows.

1. Makemytrip.com

2. Yatra.com

3. Cleartrip.com

4. Ezeego1.com

5. Arzoo.com

6. Travelguru.com

7. Travel.indiatimes.com

8. Ixigo.com

9. Travelocity.co.in

10. Desiya.in

CHECK YOUR PROGRESS

Describe how a Direct Sell Tour Operator works.
Explain the operational strategy of a Retail Tour Operators.

Categorization by geographical area

Depending upon the geographical area and tourists they handle, there are the following typical types of tour operators:

Multinational or Outbound Tour Operators

They provide multinational tourism. They take residents of their own country to visit another country or continent. They sell tour products or packages to the customers in their own country who wish to travel to another country. A multinational tour operator incurs higher administration, commission and brochure production costs as it operates in a more competitive environment. Today, many travelers use low-cost airlines and put together their own, low cost, holiday packages from the Internet. So tour operators are losing the price advantage that they were previously offering through economies of scale. Competition has also increased due to the presence of hordes of players in the market, which make prices more transparent for end consumers. Risks are higher, and planning and securing capacity has become a more complicated task. Tour operators now need effective tools to plan effectively and respond to market changes.

Inbound Tour Operators

Tour operators who deal and handle directly inbound foreign tourists, provide them various services on their arrival and departure such as transfer, accommodation, transportation, sightseeing, entertainment, currency, insurance services etc. are known as inbound tour operators.

These tour operators formulate tour package individually or in collaboration with foreign tour operators. The packages may be marketed directly or by means of the intermediaries. In fact, inbound tour operators are the 'image' builders of a country as they convert all touristic resources of a nation into a saleable commodity.

They also contribute valuable foreign exchange earnings to the economy of host country. Recognizing the vital role played by inbound tour operators in the healthy growth and promotion of tourism, every nation has extended several financial and non-financial incentives to these operators.

They provide trips within a country to the tourists visiting from other countries. They provide local assistance for the tourists arriving in their country. They are also known as receptive tour operators. These tour operators make the local arrangements for airport pickup and drop service, arrange for local attraction visits and activities, provide local guides, and are responsible for the tourists' stay. Incoming tour operators purchase tourism services in their own countries and package them into products that are subsequently marketed abroad by partners. Some incoming tour operators also play an essential complementary role to that of the outgoing tour operator by providing a range of optional services at destinations, such as passenger transfers, tours, sports activities, special visits, etc.

Domestic Tour Operators

They provide trips to the residents of a country within the boundaries of a country. They are also called resident operators. They have an upper hand to know the domestic seasons, culture, and food. They can repeat trips, sense the demand of local market, and suggest destination requirements to nearest DMOs.

Today, the domestic market has witnessed attractive growth rates as large players in the travel industry are aggressively entering and promoting this market. Leading tour operators usually focus on the international market where margins are higher but now, in addition, they are floating new packages to create a niche in this segment to tap the vast potential in the domestic market.

Even leading hotel chains are also receiving healthier response in this context. In the UK, USA, Japan, India, China and Hong Kong many tour operators are specialized in domestic holiday packages.

Generally, domestic tour operators operate within the boundary of home country and cater the diverse needs of individual and group travelers. They promote tour packages both through their own outlets and other retail travel agents. In fact, they are contributing to the cause of national integration.

CHECK YOUR PROGRESS

List and explain various types of tour operators by the geographical area of their operation.
Describe how a Multinational or Outbound Tour Operators works.
What is the concept of operation of Inbound Tour Operators?
What is the difference and similarity in the concepts of domestic tour operation and inbound tour operation?

1.6 DESIGNING A TOUR

You must first define the realistic travel distance for tour attendees on a single day and the type of tour conducted (ie. guided, self-guided, kick-off event, etc) based on the site owners' preferences.

Guided: A tour to 2-5 sites with specified times for tour attendees to view each site. Provides an easier experience for site owners who want to know exactly when people will be touring their site, talking once to a larger group of people, and the security of knowing when and the number of people arriving. Tour attendees also appreciate the camaraderie and networking opportunities with others on the tour. Transportation may be walking (if sites are close), a shuttle (not supported by GEO), or the tour attendees' personal vehicles driven as a caravan to each site. More work may be necessary to determine realistic travel time to each site and appropriate time for tour attendees to spend at each site. Adequate parking is also a concern if a large number of attendees participate with their own vehicles.

Self-Guided: A tour organized to many sites in one area that have defined 'open house' hours depending on the site owners' availability to staff his/her site to greet tour attendees. The hours that

each site is open may be from 2-8 hours and provides more flexibility for tour attendees to spend more time at sites of their choice. Site owners will have to be aware of tour attendees arriving at stagger times and respond by providing many duplicate 'tours' to people over the open house time period. This format lends itself to sites that are not close to other sites to be in a guided tour, but the risk is few people may make the trip depending on the clean energy features that are on display.

Kick-Off Event with Tour: More successful and well-attended tours have been those that feature a kick-off event at the beginning of the tour followed by a guided or self-guided tour. The event allows tour attendees to meet at a centralized location and participate in a series of presentations by speakers on clean energy, technologies available to them and what they can expect on the remaining tour. This option demands the most work to design an agenda, secure quality speakers and handle meeting logistics, but allows the greatest opportunity to register tour attendees and gauge response by participants. In most cases, a sponsor will be needed to provide support for meeting location, food (optional), and promotion.

CHECK YOUR PROGRESS

How is a tour designed?
How is a self-guided tour designed?
What is the concept of kicking off an event with a tour?

1.7 TOUR OPERATIONS

1.7.1 Various theories of Tourism Intermediaries

According to EU, Package Holiday Directive, a packaged holiday is 'a pre-arranged combination of two or more components when sold... at an inclusive price …includes overnight accommodation'

A tour operator is then defined as the organizer of a package holiday.

The role of the tour operator is

- Purchase in bulk components of a holiday,
- Package them into a standardised repeatable product
- Brand them into a single entity
- Offer them to the public at an inclusive price

You may ask, *How does this differ from the role of the travel agent?* An agent, you should remember, acts for a principal (the producer of the product) and provides a service for a fee or a commission. In British usage a travel agent is someone who sells travel and holiday packages for a commission, usually from retail shops. This distinction is becoming blurred.

There are some more intermediaries involved in tourism industry. Figure 1.01 shows them

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The Tourism Industry
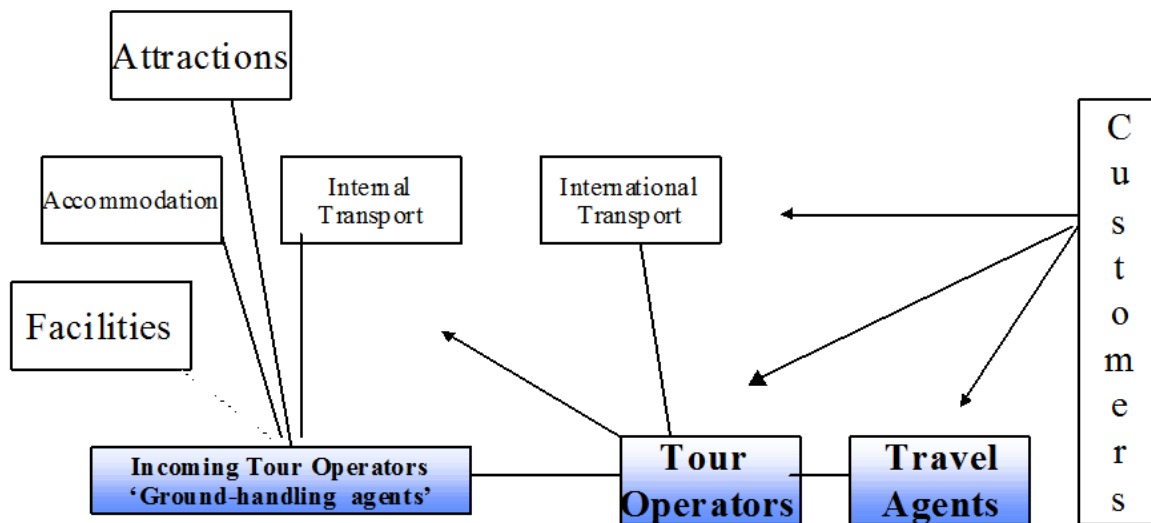
Fig 1.01: Various intermediaries in Tourism Industries

Let us ask ourselves, *what theories can help us understand how this industry works?* One obvious answer would be: **the value chain Theory**. Devised by Porter in 1980 to analyze what happens inside companies, where the value is added to the end product. It was applied by Kogut in 1985 to the whole external supply chain. Terpstra has written important paper in 2000 regarding 'configuring the value-added chain', which activities to do yourself and which to pay someone else to do. Figure 1.00 shows the vale added chain for any industry.

The Value Added Chain
Terpstra and Sarathy (2000)
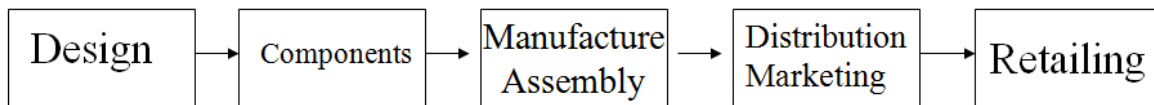
Fig 1.02: Value added chain for any industry

Now you will ask the question, *How does the tour operator add value*? The answer is, "By providing the 'principals' with a marketing channel for their products". Here, Marketing Channels are defined as, "Sets of inter-dependent organisations involved in making a product available to the end-user customer". They carry not only flows of product but information, promotion, payment and ownership. They offer the suppliers 'contractual efficiency' in reaching the end customer. Further, they make the product available in the 'utilities' of form, time and place required by the customer. According to Stern, they require members to subordinate their own needs to the success of the channel.

Second important theory of management which can be applied to the understanding of how tour industry works is Network theory. Network theory looks at relationships, networks and interactions. It

studies a complex web of influences on the quality of the product. It may be noted that these influences can conflict with each other. Competition is between 'networks of value-delivery systems' (Kotler 1998) rather than individual firms.

The following are the elements of network theory:

• Resources needed to create the product

• Actors - firms, organisations involved

• Interactions - between actors to create

• Activities that produce the product

• Relationships that develop to ensure long-term commitments

Let us now see how this theory is applied to the Tourism industry. Figure shows the destination network for the Tour industry. Here hotel is at the hub. The hotel has links with other hotels, travel agents, conference centres, resort amenities, etc. Travel agents have contacts with the people in charge of the tourist spots and get tickets and passes seamlessly for the tourists staying at the hotel and arranging trips with them. The Tourism Board has an overall control on all the activities of the tourism. This interaction is shown in the following diagram.
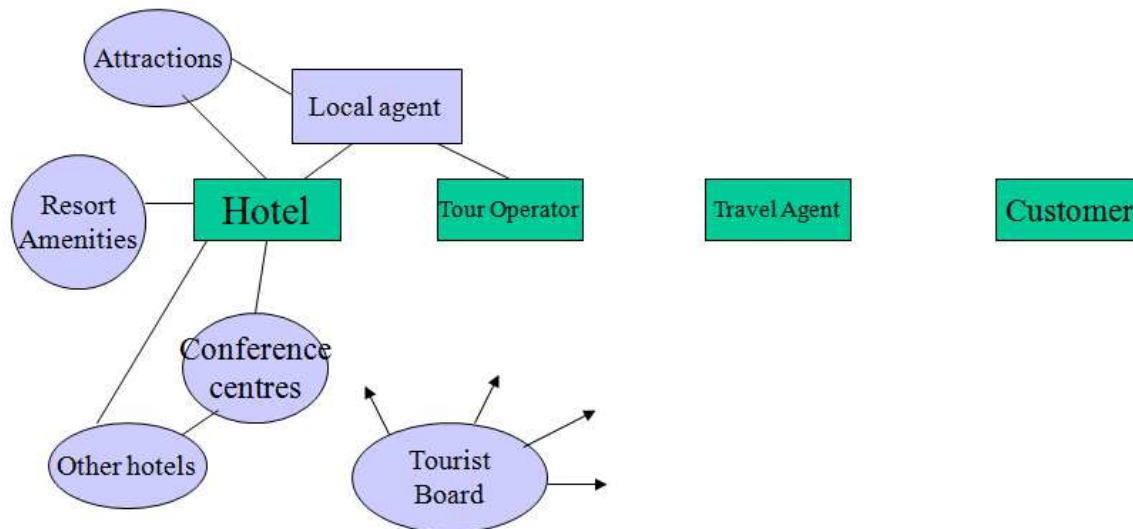
Fig 1.03: Destination Network.

As we know the act and processes of tourism involves four major components: the customer, travel agents, tour operators and hotels. We have shown in the previous diagram interaction at the destination of the flow: that is the destination network. Let us now add to it, further layers of Transport Network and Support Network. Tourim will involve transportation of the tourists from airports or railway station to the hotel as well as transporting them from hotel to the places of attractions by road. Thus, travel agents and tour operators have to enter into alliances with the airlines and personnels at the airports for picking up customers from air port to hotel. They make deals with the air lines so that they can pick the most favorable time schedules at the most reasonable costs. They also establish contacts with the car rental or bus operators for arranging packaged tours to take customers to the places of interests. This forms the transport network.

Figure 1.02 shows in addition to the destination network, Support Network and Transport Network having been added. The support network consists of Financial system and IT support system. The Financial system sub-network further supports the insurance and foreign exchange services infrastructure. In transport layer of the system, you have persons and infrastructure to take care of transport from and to airport, communication and liaisons with airlines, airline-alliances and car rental for taking patrons to various places of interests.
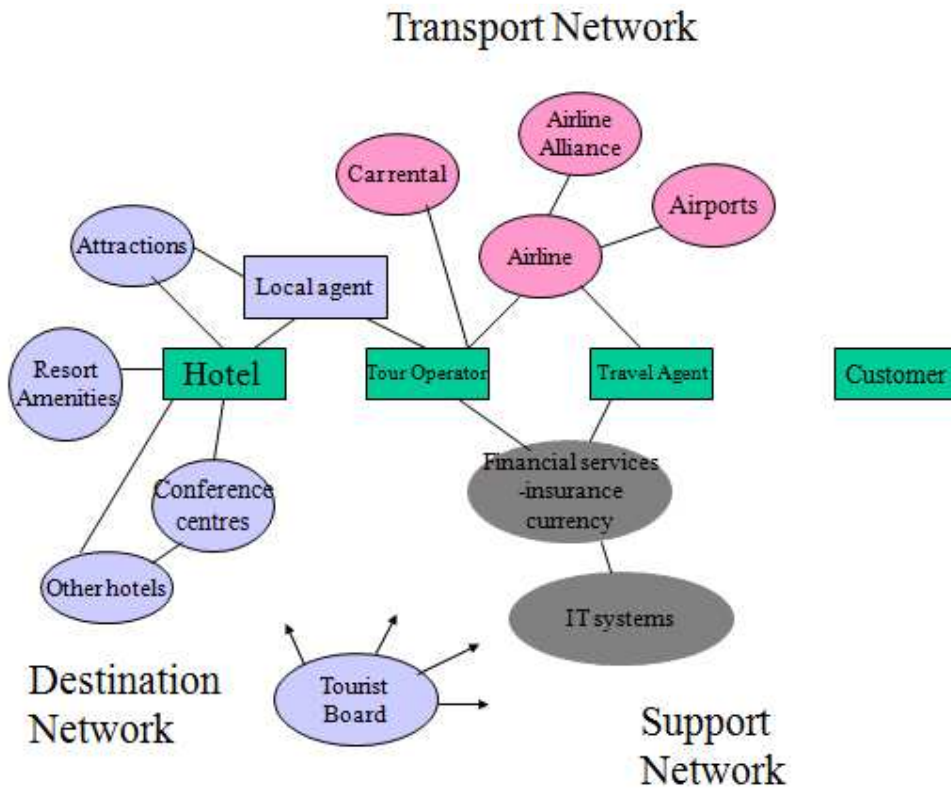
Fig 1.04: Destination Network, Support Network and Transport Network for the Tourism Industry.

Finally we show in Figure 1.05, the other important players added. Tourist boards are concerned with the overall activities of the tourism institutions and permeates the process at all levels. The corporate clients are linked to customers and travel agents. The retail centre management activities are to be coordinated between customers, the IT support system, and the travel agency. The IT support infrasture helps in development of the portal for the institution which further interacts with the customers.
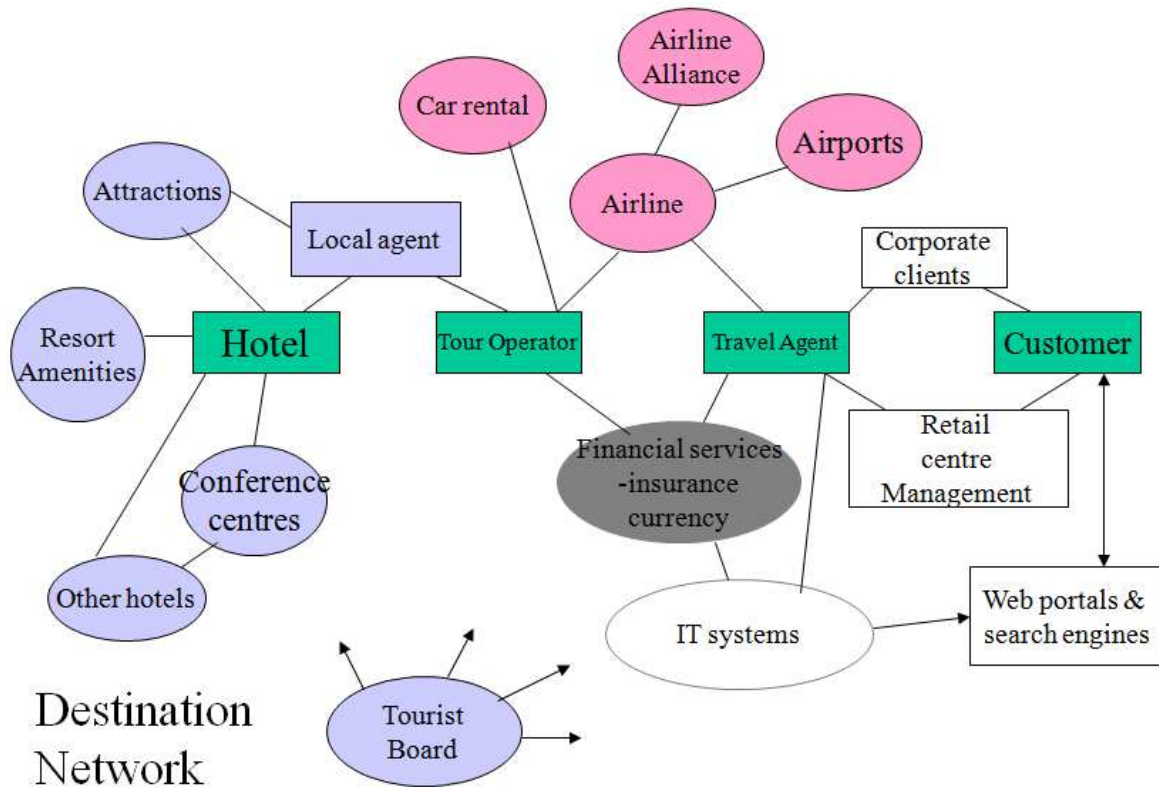
Fig 1.05: Various networks in the Tour Industry.

CHECK YOUR PROGRESS

Which are the various theories of Tourism Intermediaries?

How does role of a tour operator differ from the role of the travel agent?

What is the concept of the value chain theory?

Which are the various intermediaries in tourism? Explain how they are connected?

What is the importance of the network theories in understanding the travel industry?

1.7.1 Functions, Duties and Responsibilities of Tourist Agencies

The scope and range of travel agency operations would depend on the size of an agency. If the company is large, the range of activities will be more comprehensive. In this case the agency will have specialized departments, each performing different functions. To deal with the subject of travel agency operations, the best method of approach is, perhaps, to consider its functions.

The main function of a travel agency could be summarized as follows

- Advisory : The agency advices potential travelers on resorts, carriers, travel companions and travel facts worldwide.
- Reservation : The agency makes reservations for all the travel requirements
- Planning : It plans itineraries of all kinds including complex multi-stop over independent tours.
- Computation : It computes accurate airline and other fares and does costing of tours and ticketing
- Correspondence : It correspondences by telephone, letter, telex, fax etc, with travel principals and customers.
- Records : It maintains accurate files on reservation.
- Travel brochure : It maintains and displays stock of travel brochures
- Complaint handling : It intercedes with principals in the event of customers complaints
- Insurance : It arranges insurance facilities for the customers
- Liaison : It maintains liaison with providers of the services
- Foreign exchange : It provides foreign exchange facilities for customers
- Miscellaneous : It arranges any other special services ordered/required by the customer.

Let us elaborate some of these functions.

(a) Provision of travel information

A retail travel agency provides necessary travel information to the general public. The intending tourists come to the office of the travel agent and seek information regarding their proposed visit.

The travel agent should be having a very knowledgeable man and should supply up to date and concrete information relating to travel.

He must have great communication skill and he should be thorough in the art of catching the potential customers. The knowledge of foreign language is a desirable qualification for those working in a travel agency.

A good travel agent should act like a personal counselor who knows all the details about the travel and also the needs and interests of the intending traveller. Communication plays a key role in dissemination of any type of information This is equally true in the case of dissemination of travel information. The person behind the counter should be able to communicate with the customer in his language. The knowledge of foreign languages is an essential prerequisite for personnel working in a travel agency.

(b) Preparing itineraries

A tourist journey involves preparation of different types of itineraries. There are different means of transport with their respective advantages and disadvantages. A travel agent advises the potential tourist to choose the most convenient course. A travel agent gives advice to intending travelers on the type of programs which they may choose from for their holiday or business travel. The study and realization of itineraries require perfect organization (technical and administrative) as also knowledge of the desires of the public for a holiday and the propensity to receive tourists by the receiving locations.

(c) Liaison with providers of services

A travel agent should maintain constant contact with the providers of various services like the transport companies, hotel managers and providers of surface transport like motor cars from airport to hotel and for sightseeing etc. Before any form of travel can be sold to a customer, contracts have to be entered into with the providers of various services. These include transportation companies; hotel owners; surface transport providers, like motor cars or coaches for transfer to and from hotels and for sightseeing, etc.; and also general service providers. This work is usually done by owners or senior employees of the agencies concerned. In case of a large agency with worldwide branches, the liaison work involves a great deal of coordination with the principals.

(d) Planning and costing of tours

The contracts and arrangements having been entered into, there comes the task of planning and costing tours, both for inclusive programmes and to meet individual requirements. This job is intensely interesting and at the same time challenging.

This job calls for a great deal of initiative and drive. The job calls for travel to those places which are to be included in the itineraries.

This is essentially a job for a meticulously minded person and calls for considerable training and ability. Many agencies with the cooperation of airlines and other transportation companies take the opportunity of arranging educational tours for such staff to countries with which they deal.

Many agencies have people who are authorities on particular countries and, in addition to a general programme, many will issue separate programmes dealing with territories.

Separate programmes dealing with holiday offers based on specific forms of transportation, e.g., air, rail, road or sea, may also be prepared. Programmes also have to be issued to cover different seasons of the year.

Publicity is an important part of the programme. Having spent considerable time and money on preparing all that goes into the issue of a programme, publicity must feature considerably in the activities of a travel agency and more so if the agency happens to be a large one.

The majority of large travel agencies have their own publicity departments under the management of a publicity expert.

(e) Ticketing

Selling tickets to tourists for different modes of transport like air, rail and sea is a very important function of a travel agent. Ticketing is not an easy job as the range of international air fares is very complex.

Computerised Reservation System (CRS) has revolutionised the reservation system both for air and train tickets and also a room in a hotel.

(f) Settlement of accounts

Linked with the function of ticketing and reservation of accommodation in a hotel, is the settlement of accounts of the clients. This is one of the major duties to be performed by the travel agency. Dealing with the settlement of accounts in various parts of the world calls for a thorough knowledge of foreign currencies, their cross currency rates and, above all, the intricacies of exchange control regulations, which vary from country to country.

(g) Provision of foreign currencies

Provision of foreign currencies to people who intend to travel is another specialized activity of a travel agency. Some of the larger travel agencies deal exclusively in the provision of foreign currencies, traveller's cheques, etc. This is an important facility to travellers as it saves them a lot of time and energy in avoiding visits to regular banking channels.

(h) Insurance

Insurance for personal accident risks and risk for loss of baggage is an important function of a travel agent.

The idea of buying a package of travel, accommodation and perhaps some ancillary services such as entertainment became established in Western Europe in the 1960s. By 1970, tour operation had become a full-fledged part of tourism. Its growth was spectacular.

It succeeded in reducing the real price of travel abroad, in doing this; it brought holidays abroad to a segment of the market not reached by conventional methods of taking a holiday.

Today in most countries which are generators of tourism, tour operation is the dominating feature of the holiday market.

An inclusive tour is a package of transport and accommodation and perhaps some other services which are sold as a single holiday for a single all-inclusive price. The popular term, 'package holiday' describes the nature of a tour more accurately than the term 'inclusive tour'.

The original demand for inclusive arrangements came from the convenience of buying a single travel product.

Insurance (both for personal accident risks and of baggage) is yet another important activity of a travel agency. Some of the larger travel agents keep sizeable shipping and forwarding departments, aimed at helping the traveller, to transport personal effects and baggage to any part of the world, with least inconvenience.

CHECK YOUR PROGRESS

List various functions of a travel agency.
Elaborate the role of a travel agency in providing information.
Explain the function of preparation of itineraries carried out by a travel agency.
How a travel agent does helps in providing foreign exchange to the tourist?

Rights and Duties of a Travel Agency

In many countries, the activities of travel agencies are authorized, controlled and limited by the state. Such regulations have often been enacted for protecting customers and guaranteeing professional standards. Thus a travel agency:

- Must look after the rights and interests of its customers;
- Must hand them a dated and stamped ticket;
- Must see to it that the customer compiles with frontier regulations, such as personal documents, passport, visas, custom declarations etc.
- May terminate the contract in certain cases and in certain conditions stipulated before hand in which case the customer may be entitled to manage up to a certain amount.

• Recognize the traveler's right to terminate the contract provided he pays the agency for all the expenses incurred and waive the deposits made in advance.

The public resorts to the services of a travel agency in the following cases, in particular.
• For taking part in tours with an involved program where there are numerous stages and various means of transport used.
• For stays in highly popular tourist resorts where it is difficult to book rooms.
• For prolonged stays for which the tourist wishes to leave nothing to change and to profit from the lower rates.
• For taking part in certain types of tourism which are not available otherwise (curious, safaris, etc).

1.8 RESERVATION SYSTEM

A computer reservation system or central reservation system (CRS) is a computerized system used to store and retrieve information and conduct transactions related to air travel, hotels, car rental, or other activities. Originally designed and operated by airlines, CRSs were later extended for the use of travel agencies. Global distribution systems (GDS) book and sell tickets for multiple airlines. Most airlines have outsourced their CRSs to GDS companies, which also enable consumer access through Internet gateways. Modern GDS's typically allow users to book hotel rooms, rental cars, airline tickets as well as other activities and tours. They also provide access to railway reservations and bus reservations in some markets, although these are not always integrated with the main system.

Airline reservations systems may be integrated into a larger passenger service system, which also includes an airline inventory system and a departure control system.

Origins

In 1946, American Airlines installed the first automated booking system, the experimental electromechanical Reservisor. A newer machine with temporary storage based on a magnetic drum, the Magnetronic Reservisor, soon followed. This system proved successful, and was soon being used by several airlines, as well as Sheraton Hotels and Goodyear for inventory control. It was seriously hampered by the need for local human operators to do the actual lookups; ticketing agents would have to call a booking office, whose operators would direct a small team operating the Reservisor and then read the results over the telephone. There was no way for agents to directly query the system.

The MARS-1 train ticket reservation system was designed and planned in the 1950s by the Japanese National Railways' R&D Institute, now the Railway Technical Research Institute, with the system eventually being produced by Hitachi in 1958. It was the world's first seat reservation system for trains. The MARS-1 was capable of reserving seat positions, and was controlled by a transistor computer with a central processing unit and a 400,000-bit magnetic drum memory unit to hold seating files. It used many registers, to indicate whether seats in a train were vacant or reserved to accelerate searches of and updates to seat patterns, for communications with terminals, printing reservation notices, and CRT displays.

Remote access

In 1953, Trans-Canada Airlines (TCA) started investigating a computer-based system with remote terminals, testing one design on the University of Toronto's Manchester Mark 1 machine that summer. Though successful, the researchers found that input and output was a major problem. Ferranti Canada became involved in the project and suggested a new system using punched cards and a transistorized

computer in place of the unreliable tube-based Mark I. The resulting system, ReserVec, started operation in 1962, and took over all booking operations in January 1963. Terminals were placed in all of TCA's ticketing offices, allowing all queries and bookings to complete in about one second with no remote operators needed.

In 1953, American Airlines CEO C. R. Smith chanced to sit next to R. Blair Smith, a senior IBM sales representative, on a flight from Los Angeles to New York. C.R. invited Blair to visit their Reservisor system and look for ways that IBM could improve the system. Blair alerted Thomas Watson Jr. that American was interested in a major collaboration, and a series of low-level studies started. Their idea of an automated airline reservation system (ARS) resulted in a 1959 venture known as the Semi-Automatic Business Research Environment (SABRE), launched the following year. By the time the network was completed in December 1964, it was the largest civil data processing system in the world.

Other airlines established their own systems. Pan American World Airways launched its PANAMAC system in 1964. Delta Air Lines launched the Delta Automated Travel Account System (DATAS) in 1968. United Airlines and Trans World Airlines followed in 1971 with the Apollo Reservation System and Programmed Airline Reservation System (PARS), respectively. Soon, travel agents began pushing for a system that could automate their side of the process by accessing the various ARSes directly to make reservations. Fearful this would place too much power in the hands of agents, American Airlines executive Robert Crandall proposed creating an industry-wide computer reservation system to be a central clearing house for U.S. travel; other airlines demurred, citing fear of antitrust prosecution.

Travel agent access

In 1976, United began offering its Apollo system to travel agents; while it would not allow the agents to book tickets on United's competitors, the marketing value of the convenient terminal proved indispensable. SABRE, PARS, and DATAS were soon released to travel agents as well. Following airline deregulation in 1978, an efficient CRS proved particularly important; by some counts, Texas Air executive Frank Lorenzo purchased money-losing Eastern Air Lines specifically to gain control of its SystemOne CRS.

Also in 1976 Videcom international with British Airways, British Caledonian and CCL launched Travicom, the world's first multi-access reservations system (wholly based on Videcom technology), forming a network providing distribution for initially 2 and subsequently 49 subscribing international airlines (including British Airways, British Caledonian, TWA, Pan American World Airways, Qantas, Singapore Airlines, Air France, Lufthansa, SAS, Air Canada, KLM, Alitalia, Cathay Pacific and JAL) to thousands of travel agents in the UK. It allowed agents and airlines to communicate via a common distribution language and network, handling 97% of UK airline business trade bookings by 1987. The system went on to be replicated by Videcom in other areas of the world including the Middle East (DMARS), New Zealand, Kuwait (KMARS), Ireland, Caribbean, United States and Hong Kong. Travicom was a trading name for Travel Automation Services Ltd. When BA (who by then owned 100% of Travel Automation Services Ltd) chose to participate in the development of the Galileo system Travicom changed its trading name to Galileo UK and a migration process was put in place to move agencies from Travicom to Galileo.

European airlines also began to invest in the field in the 1980s initially by deploying their own reservation systems in their homeland, propelled by growth in demand for travel as well as

technological advances which allowed GDSes to offer ever-increasing services and searching power. In 1987, a consortium led by Air France and West Germany's Lufthansa developed Amadeus, modeled on SystemOne. Amadeus Global Travel Distribution was launched in 1992. In 1990, Delta, Northwest Airlines, and Trans World Airlines formed Worldspan, and in 1993, another consortium (including British Airways, KLM, and United Airlines, among others) formed the competing company Galileo International based on Apollo. Numerous smaller companies such as KIU have also formed, aimed at niche markets not catered for by the four largest networks, including the low-cost carrier segment, and small and medium size domestic and regional airlines**.**

Let us now see the major reservation systems.

Name	Created by	Used by the following airlines	Also used by
ameliaRES	• InteliSys Aviation Systems	• Over 40 low-cost carriers and regional airlines	• Several large corporations
Avantik PSS	• Bravo Passenger Solutions	• Over 20 low-cost carriers and hybrid airlines use the Avantik PSS	
Abacus (purchased by Sabre in 2015)	• All Nippon Airways • Cathay Pacific Airways • China Airlines • Dragonair • EVA Airways • Garuda Indonesia • Malaysia Airlines • Philippine Airlines • Royal Brunei Airlines • SABRE • SilkAir • Singapore Airlines	• Malaysia Airlines move to Amadeus on 10 June 2017 • Air India	• Online travel agencies • Over 450 individual airlines • Over 25 countries in Asia Pacific • Over 80,000 hotels
ACCELae	• ISA,	• Air Arabia	

ro	Information Systems Associates FZE	• Mahan Air • Zest Air • KAM Air • Over 14 airlines including low-cost carriers and full service carriers	

Amadeus (1987)	• Air France
	• Iberia Airlines
	• Lufthansa
	• Scandinavian Airlines System
		• All Nippon Airways
		• Adria Airways
		• Aegean Airlines
		• Air Astana
		• Air Berlin
		• Air Caraïbes
		• Air Corsica
		• Air Côte d'Ivoire
		• Air Dolomiti
		• Air France
		• Air Greenland
		• Air Mauritius
		• Fiji Airways
		• Air Serbia
		• Air Vanuatu
		• airBaltic
		• Aircalin
		• Asiana Airlines
		• Austrian Airlines
		• Binter Canarias
		• Blue1
		• British Airways
		• British Midland International
		• Brussels Airlines [1]
		• Bulgaria Air
		• Camair-Co
		• CapeAir
		• Cathay Pacific
		• China Airlines
			• 144 Airline Passenger Service System Customers through 60,000 airline sales offices worldwide
			• 90,000 travel agencies worldwide, both offline and online, in 195 countries. Online agencies include:
			    o Yatra.com
			    o MakeMyTrip
			    o Expedia
			    o CheapOair
			    o ebookers
			    o CheapTickets
			    o Opodo
			    o Jetabroad
			• 440 bookable airlines (including over 60 Low Cost Carriers)
			• Over 100,000 unique hotel properties
			• 30 Car rental companies representing over 36,000 car rental locations
			• 21 Cruise Lines
			• 203 Tour Operators
			• 103 Rail Operators
			• 23 Travel Insurance Companies

		• Cimber Sterling	
		• Corsairfly	
		• Croatia Airlines	
		• Czech Airlines	
		• Dragonair	
		• EgyptAir	
		• El Al	
		• Estonian Air - bankruptcy	
		• EVA Airways	
		• Finnair	
		• Garuda Indonesia	
		• Hex'Air	
		• Hunnu Air	
		• Iberia	
		• Icelandair	
		• Japan Airlines (soon)	
		• Jin Air	
		• KLM	
		• Kenya Airways	
		• Korean Air	
		• Kuwait Airways	
		• LACSA	
		• Libyan Airlines	
		• LOT Polish Airlines	
		• Lufthansa	
		• Malaysia Airlines (10June2017)	
		• Middle East Airlines	
		• Montenegro Airlines	
		• Niki	
		• OpenSkies	
		• PLUNA	
		• Qantas	
		• Qatar Airways	
		• Rossiya	
		• Royal Air Maroc	
		• Royal Brunei Airlines	

| | | Royal Jordanian Safi Airways SATA Air Açores SATA International Saudi Arabian Airlines Scandinavian Airlines Seaport Airlines SilkAir Singapore Airlines South African Airways Southwest Airlines SriLankan Airlines Swiss International Air Lines TACA Airlines TAM Airlines TAM Mercosur TAP Portugal Thai Airways Thai Smile (Soon) Thomas Cook Toumaï Air Tchad Trans Air Congo Tunisair Twin Jet Uni Air Ural Airlines Widerøe XL Airways France | |

CHECK YOUR PROGRESS

What are the roles and responsibilities of a tour operator?

How did the Computerized Reservation System originate?

Explain the concept of remote access to the computerized reservation system to the travel agency.

1.9 PAYMENT SYSTEMS

Let us see the historical background of payment system in Hospitality and Tourism. You should definitely, have heard about "Thomas Cook". There are many shops in major Indian cities (an in the world) showing the brand name. In 1841, Thomas Cook, who was a very intelligent and active member of a Temperance Society of England, organized a trip by train for 570 members of his Society, to cover a distance of twenty-two miles. He became the first agent to buy tickets in bulk and sell them back to other people. The experiment was successful and everybody was happy. The cost of the return trip was only one shilling each. Mr Cook had done this job on a no-profit basis. It however popped up new idea. Could he turn it into a business, he wondered.

In 1845, Thomas Cook set up a full-time excursion agency to organize excursions. The railway company gave him a 5 per cent commission on sale of tickets, but this was not sufficient to meet all his overheads. So, he had to diversify. He started operating package tours which included transport, hotel accommodation, sightseeing, guides-services and meals at the other end of the journey. Figures 1.6 and 1.07 show some famous tourism locations.

Fig 1.6 *Tourist locations like Rome's Colossus makes tourism interesting and enlightening*

Fig 1.7 *The famous opera house at Sydney Australia is an attraction due to its unique design*

1.9.1 Traveller's Cheque

A traveler's cheque is a medium of exchange that can be used in place of hard currency. They can be denominated in one of a number of major world currencies and are preprinted, fixed-amount cheques designed to allow the person signing it to make an unconditional payment to someone else as a result of having paid the issuer for that privilege.

They were generally used by people on vacation in foreign countries instead of cash, as many businesses used to accept traveler's cheques as currency. The incentive for merchants and other parties to accept them lay in the fact that as long as the original signature (which the buyer is supposed to place on the cheque in ink as soon as they receive the cheque) and the signature made at the time the cheque is used is the same, the cheque's issuer will unconditionally guarantee payment of the face amount even if the cheque was fraudulently issued, stolen, or lost. This means that a traveler's cheque can never 'bounce' unless the issuer goes bankrupt and out of business. If a traveler's cheque were lost or stolen, it could be replaced by the issuing financial institution.

Fig 1.08: American Express Traveller's Cheque worth fifty Australian Dollars

Their use has been in decline since the 1990s. Around this time, a variety of more convenient alternatives, such as credit cards, debit cards, and automated teller machines, became more widely available and were easier for travelers to use. Traveler's cheques are no longer widely accepted and cannot easily be cashed, even at the banks that issue them. Other factors that have led to a decline in

traveler's cheques include the fees charged by the issuer and agent, as well as the less favourable foreign exchange rate commonly used on traveler's cheques, especially compared to those on credit card transactions.

History

Traveler's cheques were first issued on 1 January 1772 by the London Credit Exchange Company for use in 90 European cities, and in 1874, Thomas Cook was issuing 'circular notes' that operated in the manner of traveler's cheques.

American Express developed a large-scale international traveler's cheque system in 1891, to supersede the traditional letters of credit. It is still the largest issuer of traveler's cheques today by volume. American Express's introduction of traveler's cheques is traditionally attributed to employee Marcellus Flemming Berry, after company president J.C. Fargo had problems in smaller European cities obtaining funds with a letter of credit.

Between the 1950s and the 1990s, traveler's cheques became one of the main ways that people took money on vacation for use in foreign countries without the risks associated with carrying large amounts of cash.

Several brands of travelers cheques have been marketed; the most familiar of those were Thomas Cook Group, Bank of America and American Express.

Purchasing cheques for later use

Traveler's cheques are sold by banks and agencies to customers for use at a later time. Upon obtaining custody of a purchased supply of traveler's cheques, the purchaser would immediately sign each cheque. The purchaser will also receive a receipt and some other documentation that should be kept in a safe place other than where they carry the cheques. Traveler's cheques can usually be replaced if lost or stolen, assuming the owner still has the receipt issued with the purchase of the cheques showing the serial numbers allocated.

Cashing cheques

To cash a traveler's cheque to make a purchase, the purchaser would, in the presence of the payee, date and countersign the cheque in the indicated space.

Denomination and change

Traveler's cheques are available in several currencies such as U.S. dollars, Canadian dollars, Pounds sterling, Japanese yen, Chinese Yuan and Euro; denominations usually being 20, 50, or 100 (x100 for Yen) of whatever currency, and are usually sold in pads of five or ten cheques, e.g., 5 × €20 for €100. Traveler's cheques do not expire, so unused cheques can be kept by the purchaser to spend at any time in the future. The purchaser of a supply of traveler's cheques effectively gives an interest-free loan to the issuer, which is why it is common for banks to sell them "commission free" to their customers. The commission, where it is charged, is usually 1–2% of the total face value sold.

Any change for a purchase transaction would be given in the local currency.

Deposit and settlement

A payee receiving a traveler's cheque would follow its normal procedures for depositing cheques into its bank account: usually, endorsement by stamp or signature and listing the cheque and its amount on the deposit slip. The bank account will be credited with the amount of the cheque as with any other negotiable item submitted for clearance.

In the United States, if the payee is equipped to process cheques electronically at point of sale (see: Check 21 Act), they would still take custody of the cheque and submit it to a financial institution, particularly to avoid any confusion on the part of the purchaser.

Security issues

One of the main advantages traveler's cheques provide is the replacement if lost or stolen. However, this feature has also created a black market where fraudsters buy traveler's cheques, sell them at 50% of their value to other people (such as travelers) and falsely report their traveler's cheque stolen with the company from which the cheque was obtained. As such, they get back the value of the traveler's cheque and make 50% of the value as profit.

The widespread problem of counterfeit traveler's cheques has caused a number of businesses to no longer accept them or to impose stringent safeguards when they are used. It is a reasonable security procedure for the payee to ask to inspect the purchaser's picture ID; a driver's license or passport should suffice, and doing so would most usefully be towards the end of comparing the purchaser's signature on the ID with those on the cheque. The best first step, however, that can be taken by any payee who has concerns about the validity of any traveler's cheque, is to contact the issuer directly; a negative finding by a third-party cheque verification service based on an ID check may merely indicate that the service has no record about the purchaser (to be expected, practically by definition, of many travelers), or at worst that they have been deemed incompetent to manage a personal chequing account (which would have no bearing on the validity of a traveler's cheque).

Some purchasers have found the process of filing a claim for lost or stolen cheques is cumbersome, and have been left without recourse after their cheques were lost or stolen.

Alternatives to Traveler's Cheque

The widespread acceptance of credit cards and debit cards around the world starting in the 1980s and 1990s significantly replaced the use of traveler's cheques for paying for things on vacation.

In 2005, American Express released the American Express Travelers Cheque Card, a stored-value card that serves the same purposes as a traveler's cheque, but can be used in stores like a credit card. It discontinued the card in October 2007. A number of other financial companies went on to issue stored-value or pre-paid debit cards containing several currencies that could be used like credit or debit cards at shops and at ATMs, mimicking the traveler's cheque in electronic form. One of the major examples is the Visa TravelMoney card. **Figure 1.9** shows the various American Express Credit Cards

Fig. 1.10 *American Express Credit Cards*

CHECK YOUR PROGRESS

What are the advantages of a traveler's cheque?
What are the alternatives to the traveler's cheque?
Discuss the security issues related with the traveler's cheques.
.

1.10 SUMMARY

- An international tourist is defined as a visitor who spends not less than twenty- four hours in a country other than his own country, spending his own currency.

- Visitors coming to a country for employment and education are not counted as tourists.

- Each country keeps a count of foreign visitors and also monitors the expenditure incurred by them. Expenditure is generally calculated by sample surveys.

- Similarly, a domestic tourist is one who spends at least a night in commercial establishments like hotels, in a place other than his own—at least 50 kilometres away from home.

- India's domestic tourism is growing, but it is still relatively small. Over a hundred million domestic holiday travellers move about in India every year—not counting the pilgrims.

- The worldwide estimate of domestic tourists is 5 billion in a year. Domestic tourism is as important for India as international tourism. The money spent by domestic tourists has the same impact on the local economy as the money spent by international tourists.

- Money has no nationality or colour. Tourism provides more jobs than many other industries.

- Tourism is labour-intensive and creates many jobs. It generates economic activity in the host cities, states and countries.

- Developing countries benefit from tourism or the money earned from foreign visitors can be used to import essential goods from other countries.
- International tourism is one 'export' for which a country does not have to move goods from its shores.
- It is an invisible export as a country earns foreign exchange without exporting tangible goods.
- Tourism is called a 'smokeless' industry as no factories are needed to make goods for export. It earns about Rs 15,000 crore annually for India.
- Although money earned from international tourism is impressive, India's share in international tourism is very small, 0.37 per cent only. India has a lot more potential.
- Compared to some of our neighbouring countries like Thailand and Singapore, India's performance in tourism is rather unimpressive; 2.6 million annual arrivals compared to 7 million of Singapore.

1.11 KEY TERMS

- **Traveller's cheque :** Apre-printed, fixed-amount cheque that allows a person signing it to make an unconditional payment to someone else as a result of having paid the issuer for that privilege.
- **CRS :** A computerized reservation system. Comprising a computer network that can be used by travel agents to reserve an air or rail accommodation as also accommodation in a hotel.
- **Tourist :** A visitor who spends not less than twenty-four hours in a country other than his own country, spending his own currency.
- **Incoming tour operators :** Tour operators who purchase tourism services in their own countries and package them into products that are subsequently marketed abroad by partners.
- **Tour wholesalers :** They sell their packages (to the consumer) through retail travel agents, not to them. Sometimes, tour wholesalers may sell direct to the public, generally through their own retail travel agency outlets.
- **Tour operator :** A person who helps in providing information about travel.

1.12 END QUESTIONS

1. Define Tourism as per United Nations.
2. What are the functions and responsibilities of a tourist guide?
3. What are the policy guidelines for of a ASI Monument tourist guide?
4. What are the categories of tourist guides as per Ministery of Tourism in India?
5. Describe the concept of tour manager.
6. What is the concept of advancing in context of functions of tour manager?
7. What are the day-to-day functions of a tour manager?
8. Describe the concept of tour operator.
9. Which are the two major types of tour operators by strategy on market volume they focus upon? Describe briefly.
10. Describe how a mass market tour operate function.
11. Briefly describe the three categories of tour wholesaler.
12. Describe a specialist tour operator.
13. Compare the tour wholesaler with the specialist tour operator.
14. Describe how a Direct Sell Tour Operator works.
15. Explain the operational strategy of a Retail Tour Operators.
16. Discuss the concept of working of Cross-seller Tour Operators.

17. What is the importance of Online Tour Operators.
18. List and explain various types of tour operators by the geographical area of their operation.
19. Describe how a Multinational or Outbound Tour Operators works.
20. What is the concept of operation of Inbound Tour Operators?
21. What is the difference and similarity in the concepts of domestic tour operation and inbound tour operation?
22. How is a tour designed?
23. How is a self-guided tour designed?
24. What is the concept of kicking off an event with a tour?
25. Which are the various theories of Tourism Intermediaries?
26. How does role of a tour operator differ from the role of the travel agent?
27. What is the concept of the value chain theory?
28. Which are the various intermediaries in tourism? Explain how they are connected?
29. What is the importance of the network theories in understanding the travel industry?
30. List various functions of a travel agency.
31. Elaborate the role of a travel agency in providing information.
32. Explain the function of preparation of itineraries carried out by a travel agency.
33. How a travel agent does helps in providing foreign exchange to the tourist?
34. What are the roles and responsibilities of a tour operator?
35. How did the Computerized Reservation System originate?
36. Explain the concept of remote access to the computerized reservation system to the travel agency.
37. What are the advantages of a traveler's cheque?
38. What are the alternatives to the traveler's cheque?
39. Discuss the security issues related with the traveller's cheques.
40. How is the traveler's cheque used by a tourist?

1.13 FURTHER READING

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UNIT 2 : TOUR PACKAGES AND ITINERARY PLANNING

2.0 BEFORE WE BEGIN

Tourism is travel for pleasure or business; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. Tourism may be international, or within the traveler's country. The World Tourism Organization defines tourism more generally, in terms which go "beyond the common perception of tourism as being limited to holiday activity only", as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

On this course in tourism guide and tour operation, we will be studying the tourism industry in great details. We have studied in Unit 1, the definition of tourism as per United Nation, the importance, function and role of tour guide, the policy guidelines of tourist guide as per ASI, the categories of tourst guides as per Minitry of Tourism, GoI, the concept of tour manager, the day-to-day functions of a tour manager, the concept of tour operator, major types of tour operators by geographical area and strategy on market volume they focus upon, mass market tour operator, specialist tour operator, how a Direct Sell Tour Operator works, the operational strategy of a Retail Tour Operators, the concept of working of Cross-seller Tour Operators, How a tour is designed, the various theories of Tourism Intermediaries, the concept of the value chain theory, the various intermediaries in tourism, various functions of a travel agency, the roles and responsibilities of a tour operator, the Computerized Reservation System, the concept of a traveler's cheque and the various alternatives which are now available to the traveler's cheques.

In the present unit we will learn in details about the concepts like package tour or package holiday, travel agency, their responsibilities as per ASTA (American Society of Travel Agents), the concept of tourism product, points are to be kept in mind while selling a tourism product, the scope of work of a travel agency, the features of travel agencies in the internet era, various types of tours, Free Independent Traveler, the various types of group tours, custom designed tours, the various components of tours, the various plans like American Plan, Modified American Plan and Continental Plan, advantages offered by tour brochures, the major types of travel resources, various features of the tourism resources, the impact of low cost carriers and internet on the global distribution of air travel, how a travel agents gain insight on deciding which destinations to include in its tourist packages, the top 10 Indian domestic airlines, the top 10 Middle Eastern international airlines in 2011, the concept of Minimum Connection Time, the various ways in which the travel agents may book flights for the tour, the concept of PNR in connection with the GDS flight booking, and various related topics.

This unit is essential to make a good professional as tour operator as these are the vary activities which you need to perform and their understanding will help you make sound business decisions.

2.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

Define package tours
explain the various categories of package tours

List the different types of package tours
Discuss group inclusive and package or inclusive tours
Define free individual travellers
Explain CRS
Elaborate the essentials of itinerary planning and timetables

2.2 PACKAGE TOUR

A package tour, package vacation, or package holiday comprises transport and accommodation advertised and sold together by a vendor known as a tour operator. Other services may be provided such a rental car, activities or outings during the holiday. Transport can be via charter airline to a foreign country, and may also include travel between areas as part of the holiday. Package holidays are a form of product bundling.

Package holidays are organized by a tour operator and sold to a consumer by a travel agent. Some travel agents are employees of tour operators, others are independent.

2.2.1 Recognizing a Reliable Package Tour

You can tell that a package tour is reliable based on the following points :

The tour operator should be in the consumer agency's package travel register.
The tour operator should have a valid insurance, which guarantees that you will get a refund for the holiday you have paid for if the tour operator goes bankrupt.
The tour operator's certificate of registration should be displayed in the travel agency and the registration number is mentioned in advertisements.
Before you sign the contract the customers should be told who is responsible for organizing the holiday.

CHECK YOUR PROGRESS

What is a package tour or package holiday?
How would you recognize that a tour package is reliable?

2.2.2 Travel Agencies

A travel agency is a private retailer or public service that provides travel and tourism related services to the public on behalf of suppliers such as activities, airlines, car rentals, cruise lines, hotels, railways, travel insurance, and package tours. In addition to dealing with ordinary tourists most travel agencies have a separate department devoted to making travel arrangements for business travelers and some travel agencies specialize in commercial and business travel only. There are also travel agencies that serve as general sales agents for foreign travel companies, allowing them to have offices in countries other than where their headquarters are located.

2.2.3 Types of Travel Agencies

Fig 2.1: Allamanda Voyages travel agents in Paris

There are three different types of agencies in the UK: multiples, miniples, and independent agencies. Multiples comprises a number of national chains, often owned by international conglomerates, like Thomson Holidays, now a subsidiary of TUI Group, the German multinational. It is now common for the large mass market tour companies to purchase a controlling interest in a chain of travel agencies, in order to control the distribution of their product. (This is an example of vertical integration.) The smaller chains are often based in particular regions or districts.

Five different types of agencies exist in the United States: independent, host, franchise, consortium, and mega agencies. American Express and the American Automobile Association (AAA) are examples of mega travel agencies. Carlson Wagonlit Travel is an example of a consortium agency consisting of various types of specialty agencies. Expedia CruiseShipCenters is an example of a franchise travel agency, consisting of independently operated travel agencies ran by franchisees. Oasis Agent is an example of a host agency. An example of an independent travel agency, is one that is started by a sole proprietorship, or partnership between individuals that have no business partnerships with competition agencies. Each type of travel agency has its pros and cons.

Independent agencies usually cater to a special or niche market, such as the needs of residents in an upmarket commuter town or suburb, or a particular group interested in a similar activity, such as sporting events, like football, golf, or tennis.

Travel agencies choose between two approaches. One is the traditional, multi-destination, outbound travel agency, based in the traveler's originating location; the other is the destination focused, inbound travel agency, that is based in the destination and delivers an expertise on that location. At present, the former is usually a larger operator while the latter is often a smaller, independent operator.

2.2.3.1 Responsibilities of Travel Agents as per American Society of Tour Agent

ASTA (American Society of Travel Agents) is the world's largest association of travel professionals. Their members include travel agents and the companies whose products they sell such as tours, cruises, hotels, car rentals, etc. ASTA is the leading global advocate for travel agents, the travel industry and the traveling public.

ASTA offers many benefits to its members and the traveling public. The majority of ASTA's members are travel agencies. However, travel suppliers, such as airlines, hotels, car rental firms, cruise lines, and tour operators join ASTA. ASTA also has membership categories for students, travel schools, retail travel sellers, and others. ASTA is the organization for anyone related to the travel industry!

Travelers depend on travel agencies and others affiliated with ASTA to guide them honestly and competently. All ASTA members pledge to conduct their business activities in a manner that promotes the ideal of integrity in travel and agree to act in accordance with the applicable sections of the following Principles of the ASTA Code of Ethics. Complaints arising under this Code are to be filed in writing with the ASTA Consumer Affairs Department.

ASTA has the following categories of membership: Travel Agency Member (also known as Core Member), Travel Agency Employee Member, Independent Member, Non-Affiliated Member, Premium Agency Member, Premium Agency Employee Member, International Travel Agency Company Member, International Travel Associate Member, Allied Company Member, Allied Associate Member, Travel School Member, and Honorary Member.

Responsibilities of Travel Agency (also known as Core), Travel Agency Employee, Independent, Non-Affiliated, Premium Agency, Premium Agency Employee, International Travel Agency Company and International Travel Associate Members:

1. **Accuracy.** ASTA members will be factual and accurate when providing information about their services and the services of any firm they represent. They will not use deceptive practices.

2. **Disclosure.** ASTA members will provide in writing, upon written request, complete details about the cost, restrictions, and other terms and conditions, of any travel service sold, including cancellation and service fee policies. Full details of the time, place, duration, and nature of any sales or promotional presentation the consumer will be required to attend in connection with his/her travel arrangements shall be disclosed in writing before any payment is accepted.

3. **Responsiveness.** ASTA members will promptly respond substantively to their clients' complaints.

4. **Refunds.** ASTA members will remit any undisputed funds under their control within the specified time limit. Reasons for delay in providing funds will be given to the claimant promptly.

5. **Cooperation.** ASTA members will cooperate with any inquiry conducted by ASTA to resolve any dispute involving consumers.

6. **Confidentiality.** ASTA members will treat every client transaction confidentially and not disclose any information without permission of the client, unless required by law.

7. **Affiliation.** ASTA members will not falsely represent a person's affiliation with their firm.

8. **Conflict of Interest.** ASTA members will not allow any preferred relationship with a supplier to interfere with the interests of their clients.

9. **Compliance.** ASTA members shall not have been convicted of a violation of any federal, state and local laws and regulations affecting consumers. Pleas of nolo contendere, consent judgments, judicial or administrative decrees, or orders, and assurances of voluntary compliance and similar agreements with federal or state authorities shall be deemed convictions for purposes of these provisions.

CHECK YOUR PROGRESS

Define and explain travel agency.
Elaborate on different types of travel agencies.
What are the responsibilities as per ASTA (American Society of Travel Agents)?

2.2.3.2 Product sale

Tourism Product: A tourism product can be defined as the sum of the physical and psychological satisfaction it provides to tourists during their travelling en route to the destination. The tourist product focuses on facilities and services designed to meet the needs of the tourist. It can be seen as a composite product, as the sum total of a country's tourist attractions, transport, and accommodation and of entertainment which result in customer satisfaction. Each of the components of a tourist product is supplied by individual providers of services like hotel companies, airlines, travel agencies, etc.

Not only are today's travelers booking online, but they are increasingly turning to convenient and affordable tourism packages to meet all of their vacation needs. With a package, they get their hotel, airfare, transportation and a few activities all rolled into one convenient price. They do not have to worry about creating their own itinerary, or sifting through the many options available to them. As a tour and activity provider, you might be considering these packaged tourism products for your business. These tips will help you create enticing packages that also are good for your business.

Tips about Selling Packaged Tourism Products

Create a price early, and remain consistent. The price for your package should be established at least a year in advance. When creating a price for the package, be sure to take into consideration all of your operating costs, including equipment, staff, marketing, meals, maintenance and product development.

Take into account the commission you will need to pay agents for selling your packaged tourism products. In order to sell your package to the largest audience possible, you will need agents to help you promote your products. Different types of agents will earn varying commissions depending on their place within the distribution network. Commission levels can vary from 10%-30%.

Make it all legal. You may even want to work with a lawyer in order to develop the right language for your tour package. You need to provide explicit conditions of the sale of the package, since travel agents will need these legal conditions in place before they can resell your product.

Promote your package in order to increase exposure and awareness. One idea to consider is running a familiarization tour, where agents can come to your location and experience your products for themselves. This allows them to better sell your products to their customers and helps promote your brand as a whole.

Time it right. You may want to promote your product for your high season when travelers are most likely to arrive at your destination. In addition, you can create an alternative package that helps you increase your bookings during the slow tourism season for your region. Have patience, it can take 2 years or more to see an increase in your profits, but if you package your products correctly, your business will begin growing to the next level.

Of course, if you are going to offer an incredible package to your travelers, you need to make it easy for them to book. Implement an online booking system that increases your efficiency and showcases your live availability. An online booking system like Rezdy has been created just for tour and activity providers. It provides customizable tools that allow you to personalize the system for your specific business. In addition, it connects you with a agents that makes it easy for you to distribute your products.

2.2.3.3 Scope of work of a travel agency

A travel agency's main function is to act as an agent, selling travel products and services on behalf of a supplier. Consequently, unlike other retail businesses, they do not keep a stock in hand, unless they have pre-booked hotel rooms and/or cabins on a cruise ship for a group travel event such as a wedding, honeymoon, or a group event. A package holiday or a ticket is not purchased from a supplier unless a customer requests that purchase. The holiday or ticket is supplied to the agency at a discount. The profit is therefore the difference between the advertised price which the customer pays and the discounted price at which it is supplied to the agent. This is known as the commission. In many countries, all individuals or companies that sell tickets are required to be licensed as a travel agent.

In some countries, airlines have stopped giving commissions to travel agencies. Therefore, travel agencies are now forced to charge a percentage premium or a standard flat fee, per sale. However, some companies pay travel agencies a set percentage for selling their product. Major tour companies can afford to do this, because if they were to sell a thousand trips at a cheaper rate, they would still come out better than if they sold a hundred trips at a higher rate. This process benefits both parties. It is also cheaper to offer commissions to travel agents rather than engage in advertising and distribution campaigns without using agents.

Other commercial operations are undertaken, especially by the larger chains. These can include the sale of in-house insurance, travel guide books, and public transport timetables, car rentals, and the services of an on-site bureau de change, dealing in the most popular holiday currencies.

A travel agent is supposed to offer impartial travel advice to the customer, as well as coordinating travel details and assisting the customer in booking travel. However, this function almost disappeared with the mass market package holiday, and some agency chains seemed to develop a "holiday supermarket" concept, in which customers choose their holiday from brochures on racks and then book it from a counter. Again, a variety of social and economic changes have now contrived to bring this aspect to the fore once more, particularly with the advent of multiple, no-frills, low-cost airlines

2.2.3.4 Modern travel agency

With general public access to the Internet since the mid-1990s, many airlines and other travel companies began to sell directly to passengers. As a consequence, airlines no longer needed to pay the commissions to travel agents on each ticket sold. Since 1997, travel agencies have gradually been dis-intermediated, by the reduction in costs caused by removing layers from the package holiday distribution network. However, travel agents remain dominant in some areas such as cruise vacations where they represent 77% of bookings and 73% of packaged travel.

In response, travel agencies have developed an internet presence of their own by creating travel websites, with detailed information and online booking capabilities. Travel agencies also use the services of the major computer reservations systems companies, also known as Global Distribution Systems (GDS), including: Amadeus CRS, Galileo CRS, SABRE, and Worldspan, which is a subsidiary of Travelport, allowing them to book and sell airline tickets, car rentals, hotels, and other travel related services. Some online travel websites allow visitors to compare hotel and flight rates with multiple companies for free; they often allow visitors to sort the travel packages by amenities, price, and proximity to a city or landmark.

All travel sites that sell hotels online work together with GDS, suppliers, and hotels directly to search for room inventory. Once the travel site sells a hotel, the site will try to get a confirmation for this hotel. Once confirmed or not, the customer is contacted with the result. This means that booking a hotel on a travel website will not necessarily result in an instant confirmation. Only some hotels on a travel website can be confirmed instantly (which is normally marked as such on each site). As different travel websites work with different suppliers, each site has different hotels that it can confirm instantly. Some examples of such online travel websites that sell hotel rooms are Expedia, Orbitz, Reservations.com and Priceline.

The comparison sites, such as Kayak.com and TripAdvisor, search the resellers sites all at once to save time searching. None of these sites actually sells hotel rooms.

Often tour operators have hotel contracts, allotments, and free sell agreements which allow for the immediate confirmation of hotel rooms for vacation bookings.

Mainline service providers are those that actually produce the direct service, like various hotels chains or airlines that have a website for online bookings.

Portals serve as a consolidator of various airlines and hotels on the internet. They work on a commission from these hotels and airlines. Often, they provide cheaper rates than the mainline service providers, as these sites get bulk deals from the service providers.

A meta search engine, on the other hand, simply scrapes data from the internet on real time rates for various search queries and diverts traffic to the mainline service providers for an online booking. These websites usually do not have their own booking engine.

2.3 TYPES OF TOURS

2.3.1 Free Individual Traveler (FIT)

The modern tourist is increasingly mobile and enjoys greater freedom and independence than tourists of the past (Burkart and Medlik 1981). According to Holloway (1983), increasing car ownership has been the greatest influence on travel habits. Because of the increase in car ownership at home, accompanied by greater flexibility and independence, more people, when away, are demanding independent holidays by car. This trend is most pronounced with the more experienced travellers. Camping and caravan holidays have grown in parallel with car ownership. Americans whose priorities are often freedom in choice of destination and flexibility of movement, were the first to use campervans and caravans (Holloway 1983). Like Holloway, Roberts (1978) sees the trend towards camping with tents and caravans and away from 'all inclusive' hotel packages. Roberts believes the change in travel style in Britain is due to changing soCial patterns leading to new patterns in holidaying. Tourists in the 'free-and-easy' 1960s and 1970s rebelled against the constraints imposed by package holidays in general, and the accommodation sector in particular. Set meals at set times gave way to 'eat when you please, where you please and what you please' As people have become more accustomed to foreign travel they have turned away from package holidays and towards individual products. Consumer markets have moved away from the mass markets, and into smaller more specialist markets with varying needs and aspirations. Many of the old groupings are no longer relevant as spending power has become more evenly spread amongst demographic groups (Hodgson 1987). Many consumers have satisfied all their tangible product needs and are searching for opportunities for self-expression (Hodgson 1987).

The 1970's was the decade of the package tour. Since then, there has been a downturn in the demand for package holidays. Analysing Northern Europe tourist numbers, there were distinct drops in the demand for package holidays between 1979 and 1980 including a 30 percent drop in Scandinavia and a fifteen percent drop in Germany (Senior 1982).

Tour operators once provided a unique product - transport, accommodation and activities at an exotic destination. Today travel agents sell each of the holiday factors alone, and tour operators no longer have a monopoly on overseas travel. Travellers can customise their holiday, copying or changing products to meet their particular requirements (Hodgson 1987).

Both tour operators and travel agents have suffered from independently arranged travel (Senior 1982). Hodgson (1987) believes that as tour operators and travel agents widen the combination of choices available, the demand for independent travel will increase.

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CHECK YOUR PROGRESS

Elaborate on the features of travel agencies in the internet era.
Give various types of tours
Explain what is meant by Free Independent Traveler.

</div>

Free individual travelers prefer the following types of tours:

(1) Independent tours

An independent tour, as the name suggests, is a tour where participants travel independently without a group or guide. Participants in an independent tour can go and return on any day and can even adjust the length of their stay to suit their individual needs and preferences. Travellers, on such type of tour, may not even realize they are on a tour at all. It does, however, fit the definition of a tour because participants purchase some or most of their travel elements as a package.

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

Generally, independent tours will include a rental car as part of the tour package. Usually, the car provided is economy or standards type, but it may be upgraded for an additional charge. Many independent tours will also give travellers the option to select from a variety of hotels ranging in price and budget—economy to luxury. Hotel stays can be booked any time of the year, although during certain times travellers will pay a premium for accommodations. Travellers may also opt to extend the length of their tour beyond the original tour specifications by paying a fixed rate for each additional night of their extended stay. A popular type of independent tour is known as a fly/drive tour

The fly/drive tour is a very popular type of tour. Such type of tour allows travellers to visit a number of destinations during their trip and includes air transport, a car rental and lodging, with a selection of hotels, guest houses and even farmhouses. Fly/ drive tours appeal to travellers who like to visit multiple destinations and set their own travel pace. Frequently, tour operators will make agreements with hotel chains, allowing travellers to utilize hotel properties within the chain at different destinations. Usually, travellers are allotted a set of vouchers, one for each night of the tour. Another type of independent tour is 'go-as-you-please' tour. In this type of tour, tour operators give a number of vouchers to each hotel, matching the nu:. ber of nights travellers stay there. For a few of these tours, itineraries can be planned in advance and bookings made before leaving home. However, most tours book only the first night, so the travellers will have somewhere to go upon arrival at the destination. Then the rest of the bookings are made by the clients, who call and book the places they want to visit, a day in advance. These types of agreements between tour operators and suppliers, such as hotels, make for potentially more cost-effective touring. Independent tours are ideal for travellers who value the opportunity to make their own choices and set their own schedules. Independent tours are not, however, for everyone. Many travellers seek more structure to their travel plans. For such travellers, hosted and escorted tours may be a more appropriate option.

(2) Hosted tours

Hosted tours offer travellers an opportunity to travel independently, and at the same time also provide chance to receive guidance and assistance from a host at each of the tour's destinations. Generally, a 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. This host serves as an information specialist, facilitating the needs and wants of the tour participants.

Participants to a hosted tour usually arrive separately from other participants, although on certain hosted tours participants will arrive on a charter flight together. Once the participants have come, most of their activities are done individually, not as a group. Many hosted tours include a single destination with a single host, while others include a number of destinations with several hosts. On hosted tours with multiple destinations, participants commonly 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.

2.3.2 Package or Inclusive Tours

Opposite to the Free Independent Traveling, we have packaged tours or inclusive tours. Inclusive tours can be of the following types:

(1) Group inclusive tours (GIT)

Group inclusive tour is the most popular form of tour. Here people travel in groups of 15 or more participants. These tours are available for almost any destination. The terms and conditions for group inclusive tours are set by International Air Transport Association (IATA). The escort for such groups usually travels free as the airline provides him with free passage and accommodation.

(2) Foreign inclusive tours

Foreign inclusive tours (FIT), on the other hand, are unescorted package tours usually without a group. These tours are relatively more flexible. A traveller may choose a predetermined package with arrangements for sightseeing, hotels and certain meals, where necessary. He does not tour in a group. He can make his own arrangements and programmes according to his liking. The inclusive tour is one of the several devices which enable tourists to enjoy lower prices. This type is very similar to the Free Independent Travelling we discussed earlier

The low price of the package holiday or inclusive tour is made possible because of the lower unit costs, both for the air travel and for the hotel accommodation. Tour operators make long-term contracts for aircraft seats and similar contracts with hotels for booking rooms. Due to bulk packaging, in the form of package tours, the tour operators can procure substantial discounts from carriers, hoteliers, etc., and offer their package at much lower prices. A tour operator's profits and the success of his operations, thus, depend on achieving very high volume of sale for aircrafts and for hotels. In such a way, unit costs can be kept low enough to enable the tour operator to offer his package at a price which is often less than the least available fare. A breakthrough in the tour operation business happened when airlines recognized that tour operation can fill the empty seats and introduced special fares for use, exclusively by tour operators to make an inclusive tour.

A tour operator has therefore emerged as a true producer of the inclusive tour product which has been packaged, standardized and mass produced. He may offer this product directly to the public or through channels of the retail travel agencies. It can be marketed successfully in the countries which focus on tourism. This ensures a mass market because it is standardized, packaged and quality controlled. The product is, therefore, amenable to the similar marketing techniques that are applied to the marketing of consumer goods.

2.3.3 Custom-Designed Tours

Custom-designed tours are prepared according to the customers' interests and needs to suit their desires. Such tours are for those who cannot find exactly what they want from the rigid, set itineraries of the larger companies. Traveling should be fun, not a duty. On a holiday, a customer does not like a non-stop lecture on the history of the place of interest. He may also do without rigid timetables which expect him to put bags out at 7 in the morning in a different hotel each day. In a custom tour, a traveler gets a tour that is designed specifically for him, and meets his requirements.

Customers have to fill in a form which allows the operarors to design the tours according to his wishes, habits and likings. The more information a customer supplies, the more the tour will be accordint to his wishes. A traveler can ask questions, give suggestions, or make changes to the tour. Figure 2.1 is an example of a tour package.

CHECK YOUR PROGRESS

Which are the various ways in which Free Independent traveler prefers to travel?
Which are the various types of group tours?
Describe custom designed tours.

Fig. 2.1 *Tour Package*

2.4 COMPONENTS OF TOURS

Now that you have learned about various types of tours, let us explore the parts or elements which make up pre-packaged tours. There are many possible tour components and these will change depending on the. objectives of the tour and the budget. Certain elements, like transportation, accommodation, travel plans are common to all and any kind of tours. Let us study them in details.

(1) Transport

A tour requires the traveling of the customer, hence it is a compulsory part of any tour. Transport or transportation is the movement of people, animals and goods from one location to another. Modes of transport include air, rail, road, water, cable, pipeline and space. The field can be divided into infrastructure, vehicles and operations. Transport is important because it enables tourism and trade between people, which is essential for the development of civilizations.

Transport infrastructure consists of the fixed installations including roads, railways, airways, waterways, canals and pipelines and terminals such as airports, railway stations, bus stations, warehouses, trucking terminals, refueling depots (including fueling docks and fuel stations) and seaports. Terminals may be used both for interchange of passengers and cargo and for maintenance.

Vehicles traveling on these networks may include automobiles, bicycles, buses, trains, trucks, people, helicopters, watercraft, spacecraft and aircraft.

Operations deal with the way the vehicles are operated, and the procedures set for this purpose including financing, legalities, and policies. In the transport industry, operations and ownership of infrastructure can be either public or private, depending on the country and mode.

Passenger transport may be public, where operators provide scheduled services, or private. Freight transport has become focused on containerization, although bulk transport is used for large volumes of durable items. Transport plays an important part in economic growth and globalization, but most types cause air pollution and use large amounts of land. While it is heavily subsidized by governments, good planning of transport is essential to make traffic flow and restrain urban sprawl.

(2) Accommodation

Just like transportation, tourism is impossible without some form of the accommodation. A tourist by definition requires travelling and being out of one's place for more than 24 hours or so for leisure. Hence a tourist will need to rest or sleep at a place which may be a hotel, guest house, inn, host's dwelling, motel, a tent, a dharma shaala, religious place or other facilities.

Lodging or a holiday accommodation is a type of residential accommodation. People who travel and stay away from house for more than a day need lodging for sleep, rest, food, safety, shelter from cold temperatures or rain, storage of luggage and access to common household functions.

Lodgings may be self-catering, in which case no food is provided, but cooking facilities are available.

Lodging is done in a hotel, motel, hostel or hostel, a private home (commercial, i.e. a bed and breakfast, a guest house, a vacation rental, or non-commercially, with members of hospitality services or in the home of friends), in a tent, caravan/camper (often on a campsite).

Usually, participants choose accommodation from different price ranges. On group or escorted tours, the tour participants stay at the same accommodation, and this fact warrants special consideration. If the accommodation is a hotel, the premise must be equipped to handle groups. Hotels should be able to register groups efficiently, serve group meals and allot rooms that are similar in size and quality. This last point requires special attention, because few things are more upsetting to a tour participant than finding out that his or her neighbor has a significantly nicer room. It should be remembered that all tour participants pay the same price, so accommodations should reflect that fact.

A travel agent should pay particular attention to lodging when booking tours for travellers. Travellers require an accommodation that suit their particular tastes and needs. Roughly one-third of the tour

price and time is spent in accommodation; therefore, it is important that this aspect of the tour gives due satisfaction to the customer. Other aspects to pay attention to include availability of transfer services, parking and access for the motor-coaches, proximity to sightseeing attractions and accessibility for physically-challenged or handicapped tour participants.

(3) Itineraries

A travel itinerary is a schedule of events relating to planned travel, generally including destinations to be visited at specified times and means of transportation to move between those destinations. For example, both the plan of a business trip and the route of a road trip, or the proposed outline of one, would be travel itineraries.

The construction of a travel itinerary may be assisted by the use of travel literature, including travel journals and diaries, a guide book containing information for visitors or tourists about the destination, or a trip planner website dedicated to helping the users plan their trips.

In international travel, persons visiting certain countries may be required to provide their travel itinerary to authorities to insure that their plans are lawful.Figure 2.2 shows an example of an itinerary and Figure 2.3 is an example of an itinerary map.

(A) SIMPLE ITINARY

Tour Itinerary:

Day 01:	Reporting at the institute at 06.30 a.m. Departure from Pune by a 17 seater non a/c bus at 07.00 a.m. (230 kms -5 hours drive). On arrival check in into hotel Tourist Home. After lunch excursion to Paithan. (50 kms)Visit Sant Dnyaneshwar Udyan, Jayakwadi dam. Overnight at the hotel.
Day 02:	After breakfast excursion to Ajanta caves (103 kms -2 ½ hour's drive). Evening visit Bibi-ka-Maqbara and Panchakki.Overnight at hotel.
Day 03:	After breakfast visit Daultabad Fort (14 kms), Grishneshwar temple (32 kms), Ellora caves (29 kms), Aurangzeb's tomb at Khultabad. Departure for Pune at 5.00 pm. Arrival at Pune at 10.00 pm

Fig. 2.2 An Itinerary

Fig. 2.3: *An Itinerary Map*

(4) Sightseeing

Most tours have some type of sightseeing. Some tours, like escorted tours, may have itineraries that are packed with sightseeing. On an independent tour like hosted ones, tour participants generally receive sightseeing vouchers and admission tickets to featured attractions in advance. On an escorted tour, the escort will generally retain the vouchers and distribute them to the tour participants at the proper time. This has the added advantage to the participants of eliminating the responsibility of keeping track of vouchers and tickets. At times on escorted tours, sightseeing attractions will be added on the fly depending upon the interests of the tour participants.

A tour company plans most sightseeing attractions. However, when attractions are added in last minute or when the vouchers or admissions are not available in advance, the tour escort is responsible for obtaining the tickets. This is usually accomplished by having the escort precede the group and pay the admission fee at the point of entry.

(5) Meal

Many places are famous for their special dishes or eating luxuries and a tour is considered incomplete without having tasted such delicacies. If you go to Hyderabad, you would love to taste the Biryani or Kebab. Usually, a wide choice of meal plan is available on prepackaged tours. The level and type of tour plan is one of the factors that significantly affect the price of a tour. The following are some types of meal plans offered as part of tour itinerary.

- European plan: This type of plan does not include the cost of any meal and may therefore presents a significant saving to the tour operator. The tour participants are expected to pay for their meals separately or directly to the restaurant.
- American plan: With this type of plan, tour participants receive all three daily meals as part of their tour package. The American plan is common on cruise ships and tours that visit more remote or isolated areas.

- Continental plan: In this type of plan, tour participants receive a daily light breakfast such as bread, jams, fruit, cereal, coffee and tea. These plans vary from country to country, however, in certain countries a more extensive menu is available and may include meats, cheeses 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 either be a midday meal or an evening meal, depending on the country and tour. Due to the variation surrounding the term 'dinner', it is important to clarify the hour of day invo Ived and explain it to travellers.
- Bermuda plan: Tour participants, under this plan, receive breakfast, but no other meals are provided.

S. No.	Plans	Meaning
1	AP (American plan)	Room including all meals
2	MAP (Modified American plan)	Room including breakfast and any one meal
3	CP (Continental plan)	Room including only breakfast
4	EP (European plan).	Only room (without any meals)

Figure 2.4 shows a meal that a traveler might get on a tour.

Fig. 2.4 A Meal on a Tour

It is important to note that one way for tour operators to 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 example, a tour operator who offers five lunches and five dinners as part of the package is offering more than an operator who offers ten breakfasts. In similar manner, a tour operator who allows participants unlimited menu choices at a destination is offering more than one who restricts the participants to a selection of three main dishes or a set menu. It is important to keep in mind these

details when booking a tour for a client, because inclusion or exclusion of meals can be an important consideration for a client when booking a tour.

2.4.1 Additional Tour Components

In addition to the essential tour components discussed above, there are many other elements that 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 of real value to the client, primarily because including some or all of these items simplifies the tour from the travellers' point of view. Other elements may include promotional gifts, complimentary drinks or a welcoming event or reception. Typically, these items are of less value to the tourist than the items mentioned earlier.

As noted, the main components of tours are transport, accommodations, itineraries, sightseeing and meals. The cost of each of these elements may not be included by the tour operator in every tour. However, they are the key ingredients for most tour recipes. Selling tours to travel clients offers a variety of advantages to both the clients and the travel operator.

Advantages of including the cost and management of these ingredients to the clients include the following:

(1)   **Time efficiency:** As many tours are planned and operated according to a time schedule, they become very time-efficient. This means that a tour participant can see more destinations in less time.

(2)   **Increased security:** In a world of heightened security threats, increased safety is a perceived value to travellers. Escorted tours give travellers an extra measure of comfort and protection due to the presence of an escort. This may be particularly important to travellers who tour a part of the world with which they are totally unfamiliar and in areas where they do not speak the language.

(3)   **Ease and convenience:** As on most tours, the components are prepaid and packaged together which makes arranging and understanding details of the experience much easier for the travellers than if they had to arrange the details on their own.

(4)   **Cost savings:** Since tour operators and suppliers have access to tour components at a wholesale price, the tour participants might save costs.

(5)   **Less time in planning:** Since many elements of a tour are pre-arranged, tour participants spend less time in planning their trip. In a world where time is money, this advantage can be cruicial, particularly to travellers who have limited personal time.

(6)   **Easier and safer niche travel:** For travellers who seek a niche travel experience, such as river rafting, mountain climbing or an African safari, a tour organized by an operator 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 with a group of people; who by virtue of the fact that they are or the same tour are likely to have similar interests. For this reason, many tours are targeted towards special interests and to certain profiles such as singles or senior citizens.

Customers are not the only ones who benefit from the sale of tours; the travel professional who markets and sells tours benefits as well. Some of such benefits include the following:

(1)   **Profit potential :** As tours include a larger number of travel components, each of which will include a separate profit margin (an agent commission), selling tour offers has far more attractive profit potential than just selling a piece of the travel arrangements such as air tickets or accommodations.

(2)   **Customer relationship development:** A travel operator who sells tours, particularly one who accompanies the tour participants on some or all of the tours, has a chance to develop more meaningful customer relationships than an agent who merely sells a quick airfare.

(3)   **Repeat business potential:** Usually, people buy products from people they know and trust. The same is valid of travel products. If your tours offer a high level of customer satisfaction, travellers who book tours from you and are satisfied are likely to request additional services from you in future.

(4)   **Provide real travellers value :** Travellers appreciate value and choice. An operator selling tours can provide both value and choice to travellers with a single product. By providing this service they are more likely to gain the travellers' lasting confidence and trust, which will ultimately translate into additional revenue as well as a feeling of professional pride.

Tours offer great advantages to both clients and the travel professional. Clients save time and money, realize a higher level of security and safety, and have the opportunity to meet new friends. Operators can make more profit, develop closer customer relationships, and provide excellent value to their clients.

CHECK YOUR PROGRESS

Explain the various components of tours.
What is meant by American Plan, Modified American Plan and Continental Plan?
What benefits do the customers get when cost and management of travel, food, accommodation, itinerary and sight are left with travel operators?

2.4.1.1 Brochures and price quotations

The key aspects to consider while discussing a brochure with clients include cost, itinerary, group size, pace, single supplements, terms and conditions and consumer protection. Also, one can learn about important factors affecting the cost of a tour such as pre-tour transport, accommodations, sightseeing and attractions, occupancy rate and travel insurance.

With virtually thousands of tours to choose from, selecting the right tour for a client is no small task. Getting to know a client and identifying his needs and wants is part of the process, but knowing about the tour product is a key ingredient as well. For the latter part of the process, the brochure is an essential part of sales tool kit.

Tour brochures vary from simple one-color pamphlets with basic information to elaborate colorful booklets with detailed photographs, maps and related materials. As a professional, it is important to become familiar with tour brochures, understand their key elements and be able to apply that knowledge in a friendly and efficient manner. Before you present a brochure to a traveler, it is important that you talk to them about tours, and most importantly listen to them to get a thorough

understanding of their needs and wants. Only then one should consider introducing a brochure. Figure 2.5 shows a travel brochure that a traveller can use to plan his tour.

Tour Brochure is a small booklet or pamphlet, often containing promotional material or product information about destinations or travel services. A brochure (also referred to as a pamphlet) is a type of leaflet. Brochures are most commonly found at places that tourists frequently visit, such as museums, major shops, and tourist information centers. Another type of brochure is interpersonal brochures, which are brochures based on other people. The two most common brochure styles are single sheet, and booklet (folded leaflets) forms.

The most common types of single-sheet brochures are the bi-fold (a single sheet printed on both sides and folded into halves) and the tri-fold (the same, but folded into thirds). A bi-fold brochure results in four panels (two panels on each side), while a tri-fold results in six panels (three panels on each side).

Brochures are often printed using four color process on thick gloss paper to give an initial impression of quality. Businesses may turn out small quantities of brochures on a computer printer or on a digital printer, but offset printing turns out higher quantities for less cost. Compared with a flyer or a handbill, a brochure usually uses higher-quality paper, more color, and is folded.

Despite the fact that the travel information is available easily on the Internet, many people still turn to the traditional travel brochure when preparing their vacations or business trips. Travel brochures provide a wealth of information about specific locations, all in an easy-to-read, colorful, handy booklet that you can throw into your suitcase and take with you wherever you go. The Internet offers many deals and discounts as well as reviews from fellow travelers about hotels, destinations and airlines, but it's hard to beat the portability and ease of the travel brochure.

Portability: Travel brochures are small and portable enough to fit into a purse, backpack or suitcase. Even a big stack of brochures can lay flat and be bundled up into a neat package to take along with you on your next vacation. When you're having breakfast at your hotel restaurant and wondering how to spend your day, it's much easier and more convenient to pull out those handy brochures and browse through them as you plan your vacation itinerary.

Ease of Storage and Filing: A great advantage of collecting travel brochures that you can store them for future reference. For example, when you cross the state line at an interstate highway, you will often find a state "welcome center." It typically has a collection of travel brochures, maps and other useful information about the state and its most popular destinations. If you're in Colorado, you'll find maps and information about the Rocky Mountains, Colorado National Monument, Estes Park, Aspen, Vail and other must-see sights. In Texas, you can browse photographs and maps of Big Bend National Park, Fredericksburg, Austin/Hill Country, and other tourist hotspots. Even if you're just driving through, collect the brochures that interest you and file them away for the future. You might find yourself in Northern California and need some quick tips on where to go and what to see. An added bonus: you'll never need to pay for a map.

Convenience: If and when you'll find yourself in a location unexpectedly and don't know where to go or what to see. If you're on a business trip and didn't have much time to plan your itinerary for the off-hours, the travel brochures available at local tourist information centers, visitors' bureaus and even the lobby of your hotel will come in handy. Browse through the stacks and pick up the ones that catch your attention. Whether you love shopping, antiquing, river rafting, cruising, hiking or even balloon riding, you'll probably find plenty of things to occupy your time. Brochures allow vacationers who

prefer a more spontaneous approach to set their itinerary as they go. If you'd rather spend your time enjoying your vacation and less time actually organizing it, travel brochures are the way to go.
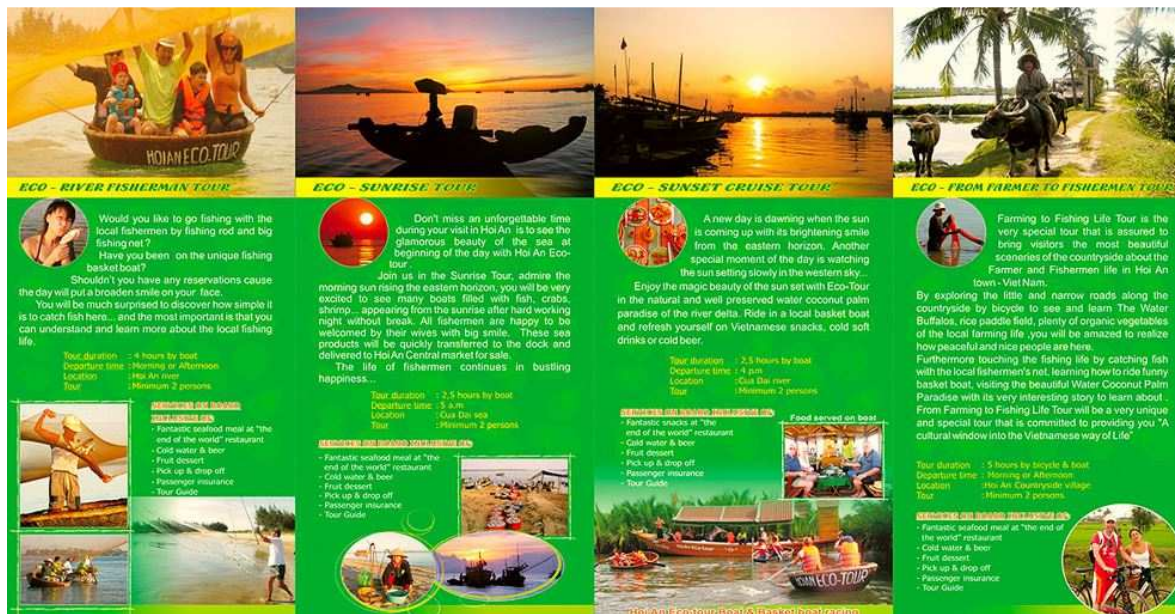
Fig. 2.5 *Travel Brochure*

2.5 TRAVEL AGENCY RESOURCES

You may define resource as *an input employed in the activities of business*. Success largely depends upon the efficiency by which a business utilizes or converts its resources into outputs. Resources can be broadly categorized as 'Tangible' (that, which can be seen, touched, heard or has smell) and 'Intangible' (those which cannot be sensed through our senses). The Tangible resources can further be grouped into broad categories, like, human, financial, physical (buildings, equipment, stock, etc.), and operational (airplanes, ships, coaches, etc.). Let us study some of these:

2.5.1 Tangible and Intangible Resources

Resources can either be tangible or intangible. The word "Tangible" means, "something which can be sensed by touch". Obviously it is treated as synonymous to "concrete", that is things which can be sensed through our senses of touch, sight, odor, taste and sound. Thus in tourism industry, Tangible assets include stocks, materials, machinery, buildings, human resources, finance, and so on. Intangible assets are thouse resources (meaning inputs which can are required to do the tourism business) which cannot be sensed by touch, sight, odor, taste and sound. Intangible assets, thus, include skills, knowledge, brand names and goodwill, patent rights, etc., but in tourism they also refer to what economists typically refer to as free resources. Tangible resources come from outside the organizations. Intangible resources, on the other hand, can often be developed within an organization. For example you can develop the culture of trust, honesty, promptness of service, etc through certain management practices and policies. However, as with tangible resources, the intangible assets have a *value* attached to them. This value may be difficult to quantify (how would you measure the value of the culture of trust, honesty, promptness of service, etc). The value of intangible assets can be bought and sold in markets (by merging or acquiring the company, the brand name gets transfer). Relationships with resource suppliers can form an important part of an organization's core

competence. For example, it can acquire the ability to attract the most appropriately skilled human resources in the job market.

Tourism is different from most other industries as free resources play important part of the product. You know that air (for air travel), sea (for cruise travel), climate (for holidaying in hill station), culture (for ethnic tourism) are free and available in great abundance. There is not much need for allocation or market place to get them. You may have to regulate the air space (as in case of airlines using airports) or number of tourists at a spot which may become too crowdie for the local population to cope with. Scarce resources on the other hand are the tangible and intangible resources, which are limited in their supply compared to the demand of consumers, and are therefore allocated in a market.

Tourism basically builds upon free resources (or 'renewable resources' as they are sometimes termed), with a mixture of public and private sector resources. Free resources along with scarce resources form what most tourists perceive as the tourist 'product'.

Resources may have competing demands; so if a resource is used for one activity it cannot be used for another. For example, a large, flat coastal area might be suitable for developing either a resort area to promote tourism or as a site for heavy industry, (but not both). If tourism is chosen over heavy industry, an opportunity to develop heavy industry on the site will be lost. The cost of this choice is known as the opportunity cost, which represents the potential economic returns that are given up in favor of the chosen option.

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CHECK YOUR PROGRESS

What benefits do the travel operators get when cost and management of travel, food, accommodation, itinerary and sight are left with travel operators?
What advantages are offered by tour brochures?
What is meant by a resource? What are the major types of travel resources?

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2.5.1.1 Features of tourism resources

Some points are peculiar to tourism's use of resources and to their management in the industry. Particular challenges posed to tourism managers while using resources include the following:

(1) Resource cannot be moved in space and time (immobility)

A General may move his troups (resource) from one front to another. Many resources in tourism industry, however, cannot be moved either in terms of place or time. You cannot move Taj Mahal from Agra to Dacca. Similarly, a particular beach or mountain, the Eiffel Tower or the cultures of Spain are geographically fixed. The Alpine shows of February cannot be replicated in May and the 'midnight sun', a tourist attraction in far northern latitudes can be observed only during midsummer.

(2) Resource cannot be replaced (non-substitution)

It is at times difficult to substitute one resource category with that of another. For example, in a car factory, efficiency gains may be possible, and indeed have been achieved by replacing employees with machines, which are the substitutes of human resources with operational resources. In hospitality industry human interface cannot be replaced by robots. In the case of a luxury hotel, an

airline or a cruise ship, the quality of service is often perceived to be closely linked with the quality and number of staff. Consequently, it is difficult to replace human resources with operational resources such as computers, and as a result tourism is usually viewed as a labour-intensive industry.

(3) Resource conflict and competition

Tourism often makes extensive demands to use certain resources which can be in serious conflict or competition with their other uses. Such resource conflict or competition can partially be resolved by pricing mechanisms, in which the activity that is more profitable can use the resources. Likewise, regulatory restrictions such as the geographical zoning of areas to permit specified activities only within a particular zone may resolve some conflicts. Some conflicts always remain. Thus, the competing demands of the British army to use gunnery ranges in the Isle of Purbeck, Dorset (an area of outstanding natural beauty) and in the Northumberland National Park at Otterbum, Northumberland, are in conflict with tourist demands for a clean environment. In a local government setting, tourism has to compete for its funding with other activities such as education and social services.

(4) Resource ownership and control

Tourism at times has to utilize resources that are owned nor controlled by other companies operating within a sector. This results in a high degree of interdependence between tourism-based businesses. Thus, airlines depend upon the physical resources provided by airports and the operating resources provided by air traffic control services. Although airlines may have some influence over the way in which these resources are managed, they are rarely directly owned and managed. Projects aimed at regenerating decaying urban environment often have tourism as the motive. These types projects are often developed as public-private partnerships in which the public sector (local and national government) manage and control the overall redevelopment and provide limited funding (often termed 'pump priming'). Private sector companies, in such cases, provide the major part of the financial resources. Examples of such public-private partnerships include the redevelopment of Cardiff Bay in the UK and of the Baltimore waterfront in the US.

(5) Seasonality

As we discussed earlier, some phenomena of tourist attraction happens at a particular time of year only. For example, July 4th is American Independence day and is a tourism attraction. Demand for most tourism resources and products (whether business or leisure based) is, thus, highly seasonal. This is due to factors such as climate, distribution of holiday entitlements, timing of events and festivals and historic travel patterns. Consequently, the price that organizations have to pay for their resource inputs and the prices that consumers have to pay to those organizations vary according to the season.

(6) Low rewards

You can do without a holiday, you can not do without medicine, food, safety, etc. Hence industries which produce food, military items, medicine, etc may demand more profit margin than the hospitality industry. Tourism is, hence, often viewed as a low-margin area of business. Whilst this is not necessarily the case, it is certainly true to say that rewards from tourism often materialize slowly and are subect to wide swings in cash flow and profitability. Rewards in tourism may be low for several reasons. The industry is often perceived to be relatively clean and pleasant, both to invest in and to work in. Therefore, employees can be made to work for lower wages, as they would rather work in such an attractive industry than elsewhere. Tourist destinations are often those places that have few alternative land uses and employment opportunities, and therefore, little competition is provided for the use of resources. This puts an effective upper limit on rewards in terms of prices paid

for land and development, and wages paid to employees; for example, the development of tourism in the Yucatan Peninsula on the Caribbean coast of Mexico over the recent years has taken place in an area that is economically poorly developed and which is remote from major markets for goods and services. Hence, the development of tourism does not face a strong competition from other industries for the use of resources and the costs of rewarding resources (in terms of land costs and wages) are relatively low in remote areas like the Yucatan Peninsula.

(7) Capacity constraints

What is the maximum volume which can be produced may be called as the capacity of an industrial unit. A printing press may give you 1000 prints in one hour. This is its capacity. It is constrained by the speed of the mechanical parts of machine. The capacity of tourism resources is frequently constrained in some way. Carrying capacity refers to the ability of a site, resort, or a region to absorb tourists without deteriorating. The notion of carrying capacity is central to the concept of sustainability. (We had hinted about it when we discussed the free resources). The rapid development of Spain's Costa del Sol, for instance, from the 1950s onwards demonstrates the need to constrain development. Extensive linear development along the coast to the West of Malaga led to overbuilding with poor planning controls. The relative popularity of the resort area subsequently diminished, as consumers opted for more recent and better planned resorts elsewhere. Thus, the overuse of resources exceeded the carrying capacity and led to arid deterioration of the environment that had attracted tourists in the first place.

Similarly, the capacity of physical and operational resources in tourism is often constrained, at least in the short to medium period. If a hotel (physical resource) is full or an airline flight (operational resource) is fully booked, it is difficult to add capacity quickly; whereas, if additional demand is apparent for a manufactured product, capacity can often be increased by working overtime, by putting on an extra shift of work or by running production lines at a faster rate. Therefore in the tourism industry, supply is often relatively fixed, whereas demand fluctuates.

The implication of this, from management point of view, is that managers will often (in short to medium term) try to influence demand rather than supply. Thus, pricing measures and promotional activities will be altered in order to increase or reduce demand so that it matches the supply that is available.

For example, it has become common for tour operators in the UK to alter prices in a very active manner in the weeks immediately prior to the date of departure and hotels often make late alterations to their accommodation rates. This active management of prices (which can easily be fluctuated to inhibit or encourage demand) is a way of managing the demand, so that it matches the supply which was fixed previously.

(8) Time

Unlike the purchase of household goods or other services, tourism consumers must also give up a scarce resource in addition to money, namely time. In a similar way to money, time has an 'opportunity cost' attached to it, that is, other ways in which it might be spent to which a value can be attached. Whilst much time is spent on tourism willingly, some consumers may view the time spent in travelling as a burden that, if at all possible, should be avoided or curtailed. The managerial implication of those consumers may result in choosing different products.

2.6 COMPUTER RESERVATION SYSTEMS (CRS)

Broadly speaking, the evolution of the distribution into the airline industry could be divided in 6 phases, each corresponding to a defined time period and characterized by a big advancement in the travel distribution practice:

1. Pre 1960

2. 1960s: birth of Computer Reservation Systems (CRS)

3. 1970: Development of CRS and the indirect channels

4. 1980 -early 1990s: globalization of CRS

5. 1990s: birth of internet and low cost carriers

6. 2000s: the consolidation of direct channels
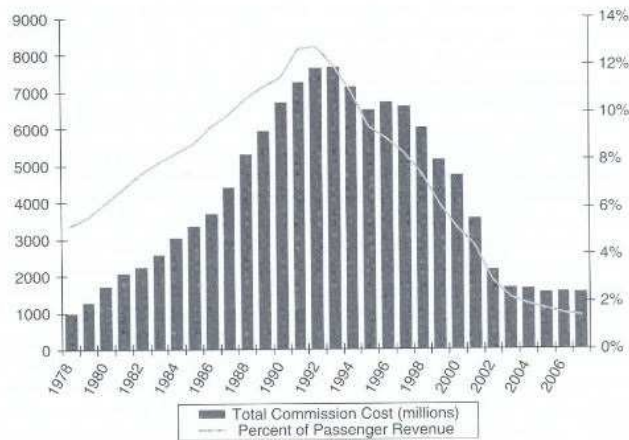
Evolution of U.S. airlines' commission costs, 1978-2007.

Source: US DOT Form 41

Fig 2.06: Evolution of American commission costs as total commission cost and as percent of passanger revenue.

In Figure 2.06, the evolution of distribution costs from 1978 to 2007 is depicted. This shows very clearly the impact that such technological innovations had in the distribution chain and in the whole industry. Starting by 1978, when airlines industry was deregulated in US, distribution began to rise as the Computer Reservation Systems became widespread in the travel industry. They continued to

expand until 1994 when Delta (after the downturn caused by the Gulf war in 1991) decided to stop the provision of commission to travel agents. Other airlines joined Delta, e-commerce development led to a reduced use of traditional channels and progressively distribution cost lowered quite abruptly, until 2003 when they stabilized to a level less than 2% of passengers' revenues.
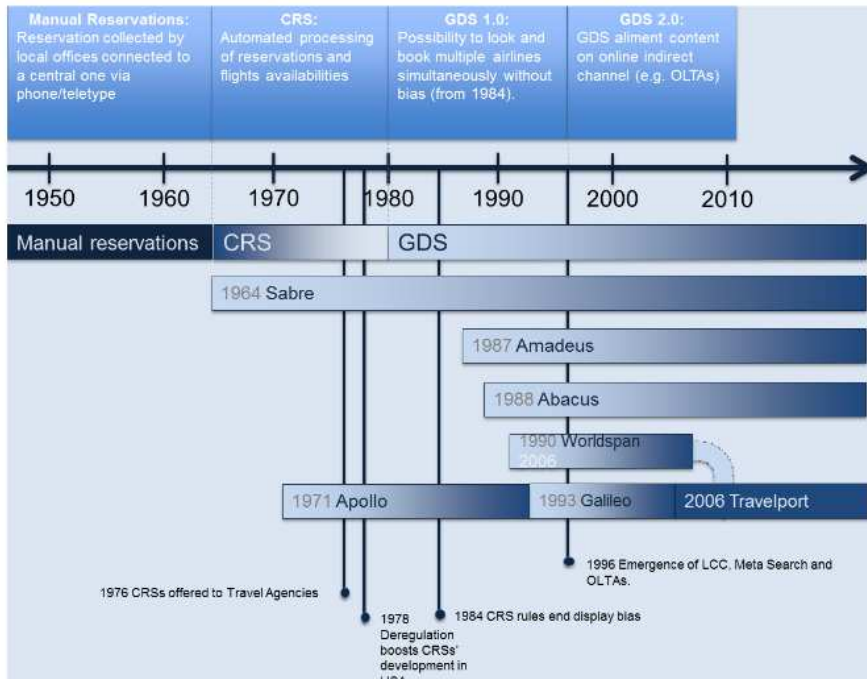
Fig 2.07: Timeline of development of online booking software

2.6.1 The 60's: CRS are born
American Airlines vision was to have a system that:

- could match passengers to seats

- permit speedy communications among airlines,

- contain seat availability

- print passengers itineraries and boarding passes directly in the travel agent office.

However, only 20 years later this vision was matched by technological capability. The first Computer Reservation System (CRS) denominated SABRE (Semi-automated Business Research Environment) was implemented gradually starting by 1961 and was able to ensure real-time teleprocessing for a very large number of reservations. The innovation of the introduction of Sabre was astonishing). At the beginning SABRE was able to manage an "unprecedented number of transactions, such as handling 83,000 daily phone calls " and Sabre was "the first real-time business application of computer technology, an automated system with complete passengers records available to any agent connected to the SABRE system".

Following the successful launch of SABRE in American Airlines, other airlines began to work together with IBM to develop their own Computer Reservation Systems (Delta and PANAM were among the first). Developments in IBM hardware and the know-how in software development accumulated with the aforementioned projects, led IBM to launch a standardized version of reservation system: the Programmed Airline Reservation System (PARS). This system was targeted to the medium-sized airline and aimed to be of the greatest appeal to such airlines, since not only it ensured the processing of even an increased number of transactions than SABRE, but it also dispensed airlines to develop their own CRS.

2.6.2 1970: CRS and the rise of the indirect channel

In the last years of 60's US travel agents managed approximately the 30% of the US airlines' tickets while the remaining 70% was trough the airlines' ticket offices in major cities and at airport ticket counters. Airlines soon realized the potential market opportunities and started quipping travel agents and large corporations with terminals connected to their CRS. This major shift by airlines was motivated by the need of reducing the costs in operating the ticketing offices in the centre of the cities. Airlines and travel agents soon realized the need of a common standard to for coordination with all industry participants.

Most of the CRSs developed similar pricing strategies for their agency subscribers in the late 1970s and early 1980s. In return for the hardware, installation, software and training, the agency agreed to pay the vendor a monthly subscription fee. This fee often depended on the level of usage. The more bookings the agency made on the system, the lower the monthly fee. Agencies offset this expense by increasing the total commissions paid by the airlines resulting from the improvement in travel agent productivity. At the time, US domestic commissions were approximately 10% and international commissions were slightly higher. With an average productivity increase of 40%, the travel agencies were quickly becoming more profitable.

The benefits for airlines to involve themselves in this process of "retail automation", as denominated this "practice of extending the reach of the reservations systems beyond the airline's organisational boundaries to the industry's distribution system", were absolutely clear. By providing access to their systems airlines, such as United or American, could generate revenues in multiple ways.

> CRS rental and/or usage fees charged to travel agencies
> Booking fees for each flight segment transaction charged to other airlines "hosted" in the CRS
> Revenues from bookings made due to CRS "display bias" in which the flight of the airline that owned the system were given preferential display, influencing ultimately the way in which travel agents presented option to their customers
> Revenues from bookings made due to a "halo effect": travel agents giving preference to the flights of the airline owner of the CRS.

After observing this, it becomes clear that airlines owners of CRS benefited in several ways, more than the ones that were hosted in their systems, thanks to a complicity of multiple effects of which the fairness is disputable.

In substance, travel agents had the following benefits to use the CRS:

It represented a great first opportunity to enhance the level of customer service as such systems gave them instant access to real-time availability and pricing information, as well as the ability to make instant bookings. To earn commissions on bookings
To earn override commissions

According to United States Department of Tourism (DOT), the percentage of tickets sold by travel agencies rose steadily from 38% in 1977 and 50% in 1979 to 60% in 1982. Until the end of 1970's the CRS was strictly a US phenomenon. Only at this point European carriers as Lufthansa (with START) and British Airways (with BABS) started developing their own systems in the attempt of replicating the best practices of their American competitors.

2.6.3 1980-1990s: from CRS to GDS
When you searched for availability of flights from one point to another, the CRS would show serach results in a biased way. Priority would be given by the program to those airlines which were its clients. Continental Airlines complained that its discounted fares never made it into the display feature in Sabre. This can be best appreciated if one knows that 90% of bookings were made on the first screen and that in over 50% of the cases the booking made would be that of the flight at the top of the first screen. Travel agents too joined the airlines' complaints.

This ended in 1984, when the US Department of Transportation, in an effort to eliminate display bias and preferential treatment for the airline owner made each CRS to make public its algorithm for showing the order of the flight options (e.g. shortest elapsed times, flight times closest to the departure requested). The European commission also enacted similar rules.

Since then, there were no major issues concerning the display availability but the debate remained on how airlines who made consistent investments could recover amounts invested in development of their CRS. As a solution, CRSs started to charge consistently other airlines for each booking made through their systems (2.8-3$ for each segment). This had dramatic effects. With over 40% of US travel agents using SABRE, CRS division became much more profitable than the airline itself! This influenced American Airlines' to make more investments in the CRS business. To counteract this, different European airlines decided to combine their efforts and form consortia. This led to the formation of GALILEO and AMADEUS in 1987 that started their operations in early years of 1990's.

In these years and in the following, CRSs really became a widespread global phenomenon and thus not only limited to the USA. Starting from mid 80s a new actor emerged in the travel distribution scenario: the Global Distribution System. The reasons for expansion included need to serve the new business travel marketplace more efficiently and shift of airlines clients to countries other than the Europe and America. The risk associated with an economic downturn in one region of the world is mitigated.

Another major development since the introduction of the CRS rules in 1984 has been the change in ownership of the major CRS and GDS companies. While many of the systems were developed by airlines in conjunction with computer companies, the majority are now public companies with either no or a vastly reduced airline ownership role. In general, there have been two shifts in thinking surrounding this divestiture trend. First, with numerous U.S. domestic and international airlines selling their shares in GDSs, it is possible that government regulations evolved to the point where the strategic advantage in GDS ownership has been lost. The airlines that continue to hold on to their shares are generally seen as doing so for investment purposes rather than for strategic or competitive reasons. The second shift in thinking revolves around the ties between airlines and the GDSs. As the

GDSs have transformed into more than just airline reservation systems, the close, nearly parental relationship between the two is no longer necessary.

As we have seen, distribution was largely influenced by developments in the airline business model. As global alliances between airlines emerged, GDS gradually adapted their products with the aim of offering a seamless integration between the carriers' flights in the booking phase.

<div style="border: 1px solid black; padding: 10px;">

CHECK YOUR PROGRESS

What was vision of American Airlines in developing computerized reservation system?
What is the impact of low cost carriers and internet on the global distribution of air travel?
What was the repercussion of the baised practices of some CRS system on airlines?

</div>

2.6.4 Internet and low cost carriers: a revolution in travel distribution

In 1993, (as seen in the graph in Figure 1) distribution costs (commission cost) reached their historical peak. At that time, airline distribution was dominated by large and concentrated technological players, owned by a restricted pool of airlines, that ultimately favoured the expansion of the indirect channels through incentive based commission systems (indirect sales accounted for three quarters of the whole airline tickets sold). As a result, distribution costs totaled 13% of US airlines passengers' revenues and something like 7.6 billion dollars was paid by US airlines for distributing their products, quite an astonishing figure for an industry of 60 billion dollars.

This situation began to change by the early years of the 90's, when the global airline industry experienced a hard downturn as a result of the Gulf War crisis in 1991. It was in those years that airlines began to systematically find various ways to reduce costs and they soon directed their attention to the distribution costs that since these times were basically untouched by airlines' cost reduction initiatives.

In the attempt to generalize the dramatic wave of change in distribution practices that characterized the industry from the nineties to 2000's, 4 factors can be individuated as the ones who shaped the distribution:

- Introduction of commission caps
- Development of interned direct and indirect channels
- Rise of the Low cost carrier (LCC) airlines phenomenon
- Changes in GDS ownership

2.6.5 Distribution in the third millennium (2001 onwards)

As the travel industry entered in the new millennium, airline distribution followed the general trends that characterized the 90s. In broad terms, during the last years of 1990s there were a renewed interest by airlines in customer loyalty and customer satisfaction – a sharp move from the strong focus in cost reductions and alliance building that characterized the early years of 1990s.

However, business priorities changed soon with the economic downturn of the 2000 and of 2001. Once again distribution was seen mostly as a way to reduce costs rather than a powerful strategic tool to improve revenue and customer experience. Even if there were many exceptions especially among the new LCC carriers, opportunities given by the internet and other technological advancements were often implemented in an inorganic way, by alimenting the growth of isolated IT silos rather than building an integrated IT system, capable to sustain the airlines in the new web environment. Although this "implementation model" has been quite successful to permit airlines to profit of the internet boom, in the other hand the coexistence of different technological platforms across airline

internal departments is one of the main causes of the weaknesses that characterise the airline distribution today and make it "less advanced" in e-commerce practices compared to other industries.

Even with such "incoherent" approach to IT planning, many airlines in the world managed to increase consistently the bookings made online and to shorten the time for electronic ticket adoption. However, the former did not happen at the expected pace as desired by airline executives. According to a survey, in 1999 the 43% of the world's leading airlines executives projected that by 2003 they would have sold over half of their tickets online. In reality, in 2004 the target was not even met halfway (29.5% in US, 15.2% in Europe and 7.2% in Asia of the total tickets were sold through airlines' own websites). Within this general trend some airlines performed better, notably the low-cost airlines (e.g. easyJet recorded an astonishing 96%, up from the 10% of 1997) . Among conventional airlines, British Airways and Aer Lingus performed better than their peers: the British carrier reached over 50% in 2004 in its European flights bookings, while the Irish flag carrier increased to 48% worldwide, up from the 2 % in only 2.5 years after the market collapse of the September 2001. While these airlines managed to push extensively the reach of their own website, other airlines still achieved decent online sales shares, by deciding to use primarily other travel websites. Thus, while 20% of airlines covered in the 2004 IT survey did not sell at all through their own website, these same airlines on average sold 14% of their seats through third-party online sites.

2.6.6 Recent trends in airline distribution costs and their impact on carriers
The latest evolution of passengers' commission costs shows that commission costs halved in 20 years as an effect of the rise of direct channels (i.e., channel of sale through the serving airline's portal) and today represent a low 6 % of total passenger revenues and 3.6 % of airlines' total costs.

It has been observed that commissions costs reduced at a halved rate, meaning that the "big" distribution costs reduction from indirect channels happened around the nineties. This reinforce the idea shared by some industry players that the benefits of further negotiating agreements with third party distributors will be lower in the future and the solutions have to be found elsewhere.

It seems that there is not considerable relationship between the commissions' costs and the level of expenditure of advertising, meaning that the greater reliance over the direct channels didn't necessarily translate in an augmented marketing effort. Instead advertising and marketing budget seemed to remain on the same levels without any large variation.

2.7 PRINTED/PUBLISHED REFERENCES

It is obvious that the best way to gain knowledge of travel itineraries is to travel to the destination by oneself. Unfortunately, it is impossible, even for the travel agents, to visit every possible destination that their clients might request. Therefore, the following resources are considered for use :

(1) **Travellers :** It is important to follow-up with the current travellers and find out about their trips. Feedback, both positive and negative, can be a valuable source of information. A client database could be developed where notes about their experiences could be made.

This type of follow-up will not only give valuable information about the destinations and itineraries that were planned, but it will also help in building rapport and establish client loyalty and trust.

(2) **Travelling guide book :** Libraries and bookstores carry large numbers of travel guidebooks. Many of these guidebooks are quite helpfiil to travel agents. Some guides that can be considered are Lonely planet, Michelin, Fielding, Foci or, Frommer, Birnbaum and the Blue Guides,

(3) **National and regional tourist boards :** Governmental tourist boards and offices offer a tremendous variety of useful information to travel agents. An agent can gather information about the history, culture, geography, transport system, lodging, museums, special events and local currency. Many of these boards will send professional brochures, posters, videos, etc., which can be used as a part of sales process.

(4) **Periodicals :** Subscribing or utilizing local libraries to locate appropriate travel articles can be helpful. There are dozens of excellent publications, including CondeNast Traveller, National Geographic, Travel and Leisure, and Travel Holiday. In addition, there are a number of magazines that focus on a particular aspect of travel such as Scuba diving, skiing or boating.

(5) **Specialty journals :** There are a variety of professional specialty journals that may be of help to an agent. Topics include anything from art to zoos and frequently include useful statistics to the travel industry; for example. Museum News published an entire issue devoted to cultural tourism.

(6) **Travel industry organizations :** Industry organizations are extremely useful sources of information to the professional travel agent. Examples of these include CLIA (Cruise Line International Association) ASTA, ARTA, ICTA, the Travel and Tourism Research Association, Adventure Travel Society, Ecotourism Society, Dive Travel Industries Association and the Fishing Travel Industry Association.

(7) **Travel industry journals :** Publications including Travel Weekly, Travel Agent and Travel Age are designed specifically for the professional travel agents. An agent can subscribe to one or more of these trade publications.

(8) **Internet :** Perhaps, two of the greatest technological advances for a travel agent are personal computers and the Internet. As we have seen, changes in the travel industry are occurring rapidly and an ability to keep abreast of these changes is essential for a travel agent. There is a variety of excellent computer CD-ROMs that contain volumes of information about geography and myriad travel issues and destinations. The Internet is also becoming an essential source of information to professional travel agents. Not only can a wealth of information be obtained through the Internet, but it is now possible to take 'virtual' tours of just about any destination in the world.

2.8 TIMETABLES AND CONSTRUCTING A CONNECTION

OAG (oag.com) operates globally in three vertical sectors: Aviation, Cargo and Travel. The Specialties includes: Aviation Data, Travel Planning Tools, Aviation Analysis, Passenger and Cargo Flight Schedules. OAG holds a breadth of aviation, cargo and travel related content and is best known for its airline schedules database. This feeds the world's global distribution systems and travel portals, and drives the internal systems of many airlines, air traffic control systems, aircraft manufacturers, airport planners and government agencies. Every ten seconds a flight is updated on the OAG system. The OAG contains information about flight schedules and frequencies for airlines throughout the world. The OAG includes information like:

(i) Air Carrier- Indicates the airline that operates the service between the airport pairs.

(ii) Origin Airport - The originating point of the flight.

(iii) Destination Airport - The endpoint of the flight.

(iv) Airtime - Time spent in air.

(v) Ground time - Time spent on the ground including waiting and transfer times at airports.

(vi) Seats - Number of available seats in the flight.

(vii) Distance - Flight distance in miles.

(viii) Frequency - Number of flights between the origin and destination during the considered time interval.

(ix) Aircraft type - The name and model of aircraft that was flown between the origin and destination airports.

Let us see some important pieces of information found from OAG.

Indian Top 10 Domestic Carriers

Indian Top 10 domestic carriers by capacity (to/from)		Source: OAG Schedules iNet
Carrier	Scheduled capacity 2011	Aircraft in service 2011
Jet Airways India Ltd	18,854,143	92
Air India	16,502,264	34
IndiGo	16,323,480	44
Kingfisher Airlines	13,927,206	63
SpiceJet	13,000,176	34
Kingfisher Red Service	7,658,413	3
Jetliner	6,238,531	19
Go Air	4,854,432	10
Indian Airlines	2,083,302	84
Air India Express	2,075,791	21

Middle East top 10 International Carriers

Middle East Top 10 international carriers by capacity (to/from)		Source: OAG Schedules iNet
Carrier	Scheduled capacity 2011	Aircraft in service 2011
Turkish Airlines	33,227,912	154
Emirates Airlines	22,521,212	156
Saudi Arabian Airlines	21,001,427	134
Qatar Airways	13,744,363	99
El Al Airlines	2,621,367	44
Etihad Airways	7,399,040	59
Gulf Air	5,441,356	35
Iran Air	5,088,289	50
Flydubai	4,647,888	17
Iran Asseman Airlines	4,522,933	39

Source: OAG Schedules iNet and Fleet iNet

CHECK YOUR PROGRESS

What was the reason that government and regulatory authorities had to require that computerized reservation system should declare their search result criteria?

How can a travel agent gain insight on deciding which destinations to include in its tourist packages?

Which were the top 10 Indian domestic airlines in 2011, the ascending order of scheduled capacity?

Three Letter City and Airport Code

There are three different ways that city / airport codes can be derived:

➢ The first 3 letters of the city

➢ 3 letters taken from the city and/or state

➢ 3 letters partially derived from the city name or the airport name.

Table gives examples of city codes

Cities / Countries and their Codes

City	Country Code
Bombay	BOM
Delhi	DEL
Frankfurt	FRA
Hong Kong	HKG
India	IND
London	LON
Madrid	MAD
Mexico City	MEX
Rome	ROM
Sydney	SYD
Tokyo	TYO
Toronto	YYZ

A List of Civil and Defence Airport Codes of India: Major City Codes

All the major airports have a unique three letter airport code to identify them. An old airline system, it is used for a variety of purposes. Airline personnel are able to read tickets with the abbreviated code at a glance much easier than they would if the full airport and city name were listed. This allows them to keep the line moving quickly. Baggage handlers too can quickly identify where a checked bags needs to be, based on the bag tag information. It's all about getting you and your luggage to the same destination at the same time, as quickly as possible.

1. Mumbai   Chattrapathi Shivaji International Airport   [Code BOM]

2. Bangalore   Bengaluru International Airport   [Code BLR]

3. Hyderabad   Rajiv Gandhi International Airport   [Code HYD]

4. Chennai   Meenambarkkam International Airport   [Code MAA]

5. Kolkata   Netaji Subhash Chandra Bose International Airport   [Code CCU]

6. New Delhi   Indira Gandhi International Airport   [Code DEL]

Carrier and Airline Codes

International Air Transport Association (IATA) airline designators, sometimes called IATA reservation codes, are unique two-character codes assigned by IATA the to the world's airlines in accordance with the provisions of IATA Resolution 762. They are used to identify its flights, tickets and other commercial documents. Many airlines have now entered into agreements, called code-sharing, whereby they share these codes, and usually coordinate their schedules as well. The result is that each airline can offer its passengers more destinations, and a more convenient routing to those destinations, than would be possible for either one of them alone.

Carrier Code	Names Of Airlines	Airline Code
Af	Air France	057
Ai	Air India Ltd	098
Ba	British Airways	125
Cx	Cathy Pacific Airways	160
Jl	Japan Airways	131
Nz	Air New Zealand	086
Os	Austrian Airlines	257
Sr	Swiss Air	085

They form the first two characters of the flight number. Designators are used to identify an airline for all commercial purposes, including reservations, timetables, tickets, tariffs, air waybills, and in airline interline telecommunications. There are three types of designator: unique, alpha/numeric, and controlled duplicate. IATA maintains two policies to deal with the limited number of available codes:

1. After an airline is de-listed, the code becomes available for reuse after six months;

2. IATA issues "controlled duplicates".

Controlled duplicates are issued to regional airlines whose destinations are not likely to overlap, in such a way that the same code would be shared by two different airlines.

Minimum Connecting Time

A Minimum Connecting time (MCT) interval is defined as the shortest time interval required in order to transfer a passenger and his luggage from one flight to a connecting flight, in a specific location or metropolitan area. In a cargo context, the MCT can be defined as the shortest time interval required in order transferring cargo shipment from one flight to a connecting flight.

Flights within Finland 25–35 minutes

Flights within the Schengen area 35 minutes

Flights from a Schengen area to a non-Schengen area 40 minutes

Leisure flight to any other flight 75 minutes

On leisure flights, your baggage will be checked through to your final destination when the connecting time between flights is at least 75 minutes. At Helsinki Airport, passengers can contact Finnair Transfer Services, where they will be checked in for connecting flights within Finland.

2.9 FLIGHT BOOKINGS

Flights can be booked over the telephone. However, in a constantly changing and ever more automated industry, more and more travel agents have access to computers to reserve flights. Travel agents book flights either directly with the airline over the telephone, or by using a computer reservation system (CRS).

Travel agents select and book flights for their customers by using either of the following two procedures :

(1) **Telephone reservation:** The agent checks the flight schedule using the OAG Flight Guide, then calls the airline(s) to check seat availability and the flight is booked. The airline's system allocates a reservation number/reference to each new passenger booking a seat. If any further changes need to be made to the itinerary (for example, date or flight time changes) an agent will again telephone the carrier, quote the reservation number to locate the correct booking, and request the required change(s). The airline's reservation staff checks the new flight availability and amends the previously booked flights in the airline's own computer system The reservation number usually remains unchanged.

(2) CRS reservation: The agent checks flight information, time, availability, frequency and prices using a computer reservation system such as Sabre, Galileo, or Apollo. He then discusses the flight options with the customer, who selects the most suitable flights. A flight is reserved by creating a PNR which, once completed, consists of one or more reserved seats on specific flights, names of all passengers intending to travel, contact details of the passengers and booking agency, and any other relevant or requested information.

Thus, flights are normally booked by telephone or by using a CRS; it is also possible to arrange flights by fax, e-mail, or by using the Internet.

An automated flight booking is known as a PNR (Passenger name record).

Agents use computer systems called CRS (Central Reservation System) to check flight information such as schedules and seat availability and to make reservations for passengers. Atravel agent will create flight reservations known as Passenger Name Records (PNR). The PNR is then transmitted directly to the relevant carrier. PNRs are also sometimes referred to as booking files (BF).

There are a number of international companies that provide GDS (Global Distribution Systems) to agent subscribers. Some of the main companies are Sabre, Galileo, Apollo, WorldspanandAmadeus. These companies work closely with many airlines who se flight information can be accessed by using the CRS. In addition to flight information and bookings, travel agents also use CRS to check information for flights, accommodation, car rental, cruises and ferries.

GDS allow travel agents access to most of the world's airlines'flight information. Non-automated agents can access some of the same information by using the OAG Flight Guide.

GDS companies such as those mentioned here allow travel agents to access a range of carrier (and other travel companies) information, select the most suitable itinerary, and reserve the flights. Reserving flights by computer eliminates the need for travel agents to telephone each airline in order to check seat availability and to reserve seats for their customers.

Once the booking agent has completed the reservation process a PNR number is obtained, which is communicated to the relevant airline almost immediately. Each PNR contains flight information relating to a passenger's intended journey. It may also contain special requests and information in the form of recognized coded messages.

All PNR information is divided into different fields that can be easily read by the recipient airline. When travel agents use a computer to create a PNR they will add the names of all passengers who intend to travel. The number of names recorded in a PNR, will match the number of seats booked. For example, when three seats are booked on a flight between PAR (Paris) and CCU (Kolkata), three passengers' names must also be added in the name field of the PNR.

The number of names that appear in a PNR should match the number of seats booked in all instances except when infants travel accompanied by an adult. Infants (between the ages of O and 2) do not need a booked seat, Infants may pay less, or sometimes travel free of charge, if they sit with an accompanying adult. The infant's name is, however, always added to the adult's PNR to inform the airline that an infant is travelling.

In other words, if two (2) adults and one (1) infant reserve seats from PAR to CCU the agent will reserve two seats but add three names (a special entry is used, indicating the infant's name).

CHECK YOUR PROGRESS

Which were the top 10 Middle Eastern international airlines in 2011, the ascending order of scheduled capacity?
Explain the concept of Minimum Connection Time.
Which are the various ways in which the travel agents may book flights for the tour?

2.9.1 Service information

The service information field is a part of PNR that is used to record information that airlines must have. It is a special field used to transmit passenger-related requests and information such as the ages of child passengers, special meal requests, or an indication that a passenger is blind, etc.

A more specific example would be a married couple who books a flight from Singapore to New York to attend their son's wedding. Both passengers are vegetarians and require the airline to prepare appropriate meals for their long flight.

2.9.2 Special Service Codes

As explained in Section 2.11.1.1, travel agents can request special services for their customers while on board a flight. Perhaps, a passenger is diabetic or vegetarian; if so, the agent should be told so that he could send a message to the carrier. Most carriers, given adequate time, will do everything

possible to provide a more enjoyable flight. In order to be sure that this information is passed on to the relevant carrier, the agent has the following two options :

(1)   Telephone the request directly to the carrier.

(2)   Attach the request to the passenger's PNR in the form of data entered into a service information field (also called a Special Service Request or SSR), using the appropriate code.

Table 2.1 shows the various SSR codes that are used along with their meanings.

Table 2.1 A Selection of Special Service Codes (SSR) and their Meanings

CODE	MEANING
AVML	Asian vegetarian meal
BSCT	Baby cofc^bassinet
BBML	Baby meal
BULK	Bulky baggage
BLND	Blind passenger
CBBG	Cabin baggage (for which extra seating has been purchased) *Specify weight and size, if known
CHML	Child meal
DEPA	Deportee (accompanied by an escort)
DEPU	Unaccompanied deportee)
DEAF	Deaf passenger *Specify if passenger can lip-read
DBML	Diabetic meal
FQTV	Frequent traveler information	
FRAG	Fragile baggage *Specify number, weight, size, if known
MAAS	Meet and Assist (perhaps an elderly passenger needing support) *Specify details
NSSA	No-smoking aisle seat request**
NSSW	No-smoking window seat request**
PETC	Passenger travelling with a pet in cabin
RQST	Specific seat request *Include a seat number preference
SMSA	Smoking aisle seat**
SMSW	Smoking window seat**
LANG	Language assistance required by passenger *Specify language (s) spoken

STCR   Stretcher passenger

SPML   Language assistance required by passenger * Specify type of food

TWOV Passenger in transit without a visa

UMNR Unaccompanied minor (child under 12)

VGML Vegetarian meal requested

WCHS Wheelchair required (passenger cannot climb stairs)

XBAG Excess baggage * Specify number, weight, size, if known)

Many of the codes listed in Table 2.1 require further explanation. For example, it is not enough to use the code SPML (special meal) without also describing the type of meal a passenger has requested.

A general information code (OTHS) can be used for any other request that does not have its own four-letter code. Details must be added if this code is used.

2.9.3 Types of Automated Messages

To clarify, there are two different types of messages. These are described as follows:

(1) **Special service requests (SSR) :** SSRs are messages which include a four- letter code and which makes a request for a specific service or facility. This type of message includes requests such as one for a vegetarian meal (VGML), a wheelchair (WCHS), or a message advising that a child is travelling unaccompanied by an adult (UMNR). SSR messages require confirmation from and preparation by the airline.

(2) O**ther service information messages (OSI) :** An OSI message differs from an SSR in that it simply provides miscellaneous information related to the passenger that maybe of interest to the airline. Therefore, no action or confirmation is required.   .

(3) **OSIs :** OSIs for example, are used to inform an airline that a passenger is a VIP, a royal traveller, or some other famous individual or dignitary.

It is important for those working in the ah" transport industry to become familiar with the terminology, and when necessary, be able to translate the industry jargon for the benefit of travellers. An ability to apply these terms is also important when dealing with airline representatives.

CHECK YOUR PROGRESS

Explain the concept of PNR in connection with the GDS flight booking.
What purpose does the special service code serve in GDS booking?

2.10 SUMMARY

- A package tour is generally a combination of travel services bought as a package; for example, flight and hotel or hotel and service.

- A package tour is usually paid for in advance and organized by a responsible tour operator. There are many ways of recognizing a package tour that are mentioned in the unit.

- Travel agents are of two categories: wholesalers and retailers. The wholesalers develop package tours to many destinations and sell them either directly to travellers, or through retail travel agents to small travel agencies operating in each country.

- There are two types of travel agencies, viz., the general travel agency and the specialized travel agency.

- The general travel agency is a small organization (2-10 employees) that deals with almost all types of travels and offers nearly every type of travel-related service.

- The specialized travel agency is a fairly large operation and may specialize in one form of travel or travel service to a group or a community. Specialized travel agencies are not very common in India.

- The unit has discussed at length about travel retailing. Today, the travel agent has become an important, integral part of the travel and tourism industry in the world. Many people use the services of travel agents for organizing both international as well as domestic travel.

- The important role of the travel agent in the modem world is summarized in the principles of professional conduct and ethics of the American Society of Travel Agents (ASTA).

- The main function of a travel agency is the product sale. Product sale is a very complex subject, especially when the product relates to tourism.

- When a tourist, guided by his will and the thought of the tourist destination, decides on a trip somewhere outside his usual place of residence or work, he is buying a tourist product.

- It was the introduction of the air travel which gave a boost to the travel agency business.

- Over the years, the range and activities of a retail travel agent has increased manifold.

- Today, the role of a travel agent is rather different to that of most other retailers selling merchandise. A travel agent does not purchase travel with a view to reselling the same to its customers. It is only when a customer has finally decided on the purchase of travel that he approaches the principal on behalf ofhis customer.

- There are many types of tours that are available for a traveller, they are independent tours, hosted tours, custom-designed tours or pre-packaged tours.

- Apart from the types of tours, components of different tours are also important as they make up a tour.

- 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, which are transport, accommodation, itinerary, sightseeing and meals. There are additional tour components as well, which are discussed in the unit.

- The key aspects to consider while discussing a brochure with travellers include cost, itinerary, group size, pace, single supplements, terms and conditions and consumer protection.

- Also, one can leam about important factors affecting the cost of a tour such as pre-tour transport, accommodations, sightseeing and attractions, occupancy rate and travel insurance.

- WATA, the World Association of Travel Agencies, has prepared comprehensive guidelines for handling a traveller. These guidelines are based on the WATA Master-Key, an annual publication of the World Association of Travel Agencies. The guidelines are updated and published yearly.

- Activities of the Department of Tourism of India, ICPB and ITDC are also mentioned in the unit.

- India maintains an overseas tourist office, which the government of tourism maintains to promote inbound tourism.

- A resource is an input employed in the activities of business. Success largely depends upon the efficiency by which a business converts its resources into outputs.

- Resources fall into five broad categories, viz., human, financial, physical, operational and intangible.

- It is the agent's duty to convey the information about flight schedule and air travel information to the travellers. OAG Flight Guide and Supplement describes itself as a 'Complete Guide to Air Travel'.

- The two ways of booking a flight are telephone reservation and CRS reservation. Once the booking agent has completed the reservation process a PNR number is obtained, which is communicated to the relevant airline almost immediately.

- All PNR information is divided into different fields that can be easily read by the recipient airline.

- The service information field is a part of a PNR that is used to record information that airlines must have. It is a special field used to transmit passenger-related requests and information such as the ages of child passengers and special meal requests. These special requests have corresponding codes that are provided in the unit. These codes need to be provided along with the PNR.

- There are two types of automated messages, SSR and OSI.

- Working in the travel industry requires a person to be proficient at using airline codes as well as codes for cities and airports. These three types of codes are the most commonly used throughout the industry.

2.11 KEY TERMS

- **Package tour :** A combination of travel services bought as a package, for example, flight and hotel or hotel and service, such as a formula ticket, diving course or car hire. Package tour can also be tailored according to the choice of a traveller.

- **Inbound tour operators :** The tour operators who receive guests and handle arrangements in the host country.

- **Outbound tour operators :** People who who promote tours to foreign destinations.

- **Domestic tour operators :** People who operate tours only within their own country.

- **General travel agency :** A small organization (2-10 employees) that deals with almost all types of travels and offers nearly every type of travel-related service.

- **Specialized travel agency :** A fairly large operation which may specialize in one form of travel, or travel service to a group or a community.

- **Host :** A representative of a tour company or ground operator who assists participants with the planning and organization of their activities and other tour arrangements.

- **Resource :** An input employed in the activities of business.

- **Hosted tours :** They offer travellers an opportunity to travel independently, but also to receive guidance and assistance from a host at each of the tour's destinations.

- **PAT :** Refers to Passenger Air Tariff. It is the main tariff reference and most recognized manual used by airlines as well as travel agents in the industry.

2.12 END QUESTIONS

1. What is a package tour or package holiday?
2. How would you recognize that a tour package is reliable?
3. Define and explain travel agency.
4. Elaborate on different types of travel agencies.
5. What are the responsibilities as per ASTA (American Society of Travel Agents)?

6. How do we define tourism product?
7. What points are to be kept in mind while selling a tourism product?
8. Explain the scope of work of a travel agency.
9. Elaborate on the features of travel agencies in the internet era.
10. Give various types of tours
11. Explain what is meant by Free Independent Traveler.
12. Which are the various ways in which Free Independent traveler prefers to travel?
13. Which are the various types of group tours?
14. Describe custom designed tours.
15. Explain the various components of tours.
16. What is meant by American Plan, Modified American Plan and Continental Plan?
17. What benefits do the customers get when cost and management of travel, food, accommodation, itinery and sight are left with travel operators?
18. What benefits do the travel operators get when cost and management of travel, food, accommodation, itinerary and sight are left with travel operators?
19. What advantages are offered by tour brochures?
20. What is meant by a resource? What are the major types of travel resources?
21. Explain various features of the tourism resources.
22. Explain how tourism resources are immobile.
23. What is meant by resources conflict and competition?
24. What was vision of American Airlines in developing computerized reservation system?
25. What is the impact of low cost carriers and internet on the global distribution of air travel?
26. What was the repercussion of the baised practices of some CRS system on airlines?
27. What was the reason that government and regulatory authorities had to require that computerized reservation system should declare their search result criteria?
28. How can a travel agent gain insight on deciding which destinations to include in its tourist packages?
29. Which were the top 10 Indian domestic airlines in 2011, the ascending order of scheduled capacity?
30. Which were the top 10 Middle Eastern international airlines in 2011, the ascending order of scheduled capacity?
31. Explain the concept of Minimum Connection Time.
32. Which are the various ways in which the travel agents may book flights for the tour?
33. Explain the concept of PNR in connection with the GDS flight booking.
34. What purpose does the special service code serve in GDS booking?

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UNIT 3 : TOUR PLANNING AND PRE TOUR PREPARATION

3.0 BEFORE WE BEGIN

Tourism is travel for pleasure or business; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. Tourism may be international, or within the traveler's country. The World Tourism Organization defines tourism more generally, in terms which go "beyond the common perception of tourism as being limited to holiday activity only", as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

On this course in tourism guide and tour operation, we will be studying the tourism industry in great details. In the previous unit we have learned the about the concepts like package tour or package holiday, travel agency, their responsibilities as per ASTA (American Society of Travel Agents), the concept of tourism product, points are to be kept in mind while selling a tourism product, the scope of work of a travel agency, the features of travel agencies in the internet era, various types of tours, Free Independent Traveler, the various types of group tours, custom designed tours, the various components of tours, the various plans like American Plan, Modified American Plan and Continental Plan, advantages offered by tour brochures, the major types of travel resources, various features of the tourism resources, the impact of low cost carriers and internet on the global distribution of air travel, how a travel agents gain insight on deciding which destinations to include in its tourist packages, the top 10 Indian domestic airlines, the top 10 Middle Eastern international airlines in 2011, the concept of Minimum Connection Time, the various ways in which the travel agents may book flights for the tour, the concept of PNR in connection with the GDS flight booking, and various related topics.

In this unit we will learn about the importance of planning in tour operation, points to be considered while doing strategic planning, benefits of marketing planning, concept of market positioning, definition of Performance Indicators, importance of analyzing marketing effectiveness, the five major characteristics of marketing orientation, operating costs in a tour operation, factors are to be considered while deciding your profit margin, the importance of pricing in marketing, points to be kept in mind while deciding which distribution channel to choose from, the importance of distribution channel, the five important distribution channels, the various types of fare or tariffs, the concept of Excursion Fare offered by various airlines, the various types of group fares offered by various airlines, concepts about airline booking (like Origin, Destination, Intermediate stopover point, OW sub-journey, Sectors), the three important bases for computing the prices of airline travel, the various factors which characterize the pricing of tourism products, the various activities included in pre-tour preparation phase, the various choices of accommodations available to the tour planners, the various choices of shopping available to the tour planners, the five dimensions of Service Quality can be used for organization of conferences, the Service Gap Model as applied to organization of conventions, factors which are outside the control of organizers of conventions which may affect the customer satisfaction, the internal evaluation of an activity like convention is carried out and other related topics.

The study of these topics will help you become a better professional as these concepts are going to be used in all the day to day activities as a tour professional.

3.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- explain the latest means to be successful as a tour operator
- elaborate tour planning
- discuss about package pricing strategies
- explain the elements of pricing
- discuss about the different factors affecting pricing
- Describe the pre-tour preparation
- describe tour operational techniques

3.2 TOUR PLANNING: NEW DESTINATIONS

Any activity requires planning. It is said that things are created twice. First creation is in the mind of the designer. This is the planning or designing phase. Once all the possibilities have been considered then only the plan is executed. Thus the second creation is the actual execution of the planned activity. When a play is to be staged, the story writer writes the story, which is processed by the script writer and dialog writer and the background music director and the dance director and the director of the play in association with the financer or producer. After consuming all these inputs, the play is staged.

Similarly when a tour operator plans tours, she has to design it: consider which time of year is best suited to the customer in conjunction with the place of interest. For example, many people prefer to watch Taj Mahal in the moonlight on the night of a Full Moon day. Thus you need to plan tour accordingly. The first step in planning a tour is to research the best dates possible to embark on the said tour. Tour planning involves selecting tour elements for tourists from the tour integrated-information database according to their tour requirements, then to plan the tour timetable according to the tour elements selected. Tour planning is divided into two steps; one, to choose tour elements; two, to choose a tour route according the tour elements chosen.

We borrow the principles of management and apply it to the management of tourism business. Strategic planning is one of the most important stages in the application of the principles of marketing within an industry. In other words, the main function of strategic planning is to highlight to an airline its marketing strengths that can best be used to take advantage of opportunities that may arise in the environment. Essentially, strategic planning involves making advance decisions relating to courses of action which the airline's marketing department will take in the future. Strategic planning is long range and comprehensive.

The main aim of strategic planning is now seen to be the identification of attractive areas, new opportunities and the formulation of programs to develop these areas and opportunities. The facilities, finances and resources required to carry out this development are now considered secondary to the basic identification of the opportunities.

Long range strategic planning should include the following elements:

- Definite goals and objectives

- Determination of where the company stands, that is, a position audit, including strengths and weaknesses, and opportunities and threats
- Assessment of the resources available to put the strategic plan into action
- Assessment of alternative courses of action and the strategic options available
- Decisions regarding avenues likely to be subsequently pursued
- Preparation of plans to be conducted, that is, a strategic plan (including contingency plans)

Consideration must also be given to the number of subsequent years over which planning is to take place. The airline industry tends to shorten planning horizons. This is because of both increased competition and the process of deregulation. These factors also require flexibility, so that plans can be rapidly adjusted to meet changes in the environment. The factors involved in marketing planning are as follows:

- A basic strategy must be defined for tour operations in terms of its goals and objectives. The best option for achieving these must be outlined.
- Management also must make a number of interconnected decisions, concerning what to do, how to do it and who should do it, in order to achieve these objectives. Such tactical (i.e., short term) planning is contained in the short-range marketing plan, which covers any period up to one year. As has been seen, marketing plan is used to implement parts of a tour industry's marketing strategy. This implementation contributes to the achievement of an organization's overall goals.

The purpose of the marketing plan is as follows:

- To set out marketing objectives, strategies, and resources in such a way that they can be easily and quickly understood
- To eliminate confusion and misunderstanding among groups involved in the marketing function; for example, product development, field sales, publicity, standards, research, public relations, distribution, and so on
- To establish who will carry out what task, when, why and where, and ensuring as far as possible that all phases of the overall marketing operation are working towards achieving common goals
- To provide a permanent record of the marketing planning and the rationale behind it
- To develop a continuity of thought and effort from one year to the next
- To check that the annual marketing activity is in line with long-term planning
- To provide a better basis for monitoring performance and analyzing variations on target

The tour operator's business involves investments of money and human resources and appropriate marketing planning can bring certain benefits. These are common to any industries (including tour operator's business) and may be listed as follows:

- The marketing plan provides thorough analysis of situations, opportunities, options, and so on as a result of disciplined thinking and commitment of ideas to paper.
- It results in clearly-stated objectives and well-thought out strategies in advance of the time period covered.
- It demands consideration of all problems and opportunities and by anticipating events reduces the risk of having to suddenly deal with random problems.
- Marketing goals contained within the plan give guidelines for profitable development and provide a better basis for measuring performance than measuring revenue alone.

- The marketing plan results in activities being geared towards important issues and plans are always established well in advance.

The tour operator overall strategic plan studies the total market and then segments it into those sections which it has highlighted as being potentially the most profitable to enter. Once it has done this, it must decide what positions it wants to occupy in these segments. This process is known as market positioning. It is not enough for a business establishment (tour operator) to have an outstanding or excellent tourism product, if it is incorrectly positioned in its target market segment. For example if you are selling seven day tour to Europe, you must target on upper middle class customers who have the finances to buy you product.

Market positioning, at its most basic level, involves effective communication of a tour operator's image to the customers, identified as key contributors to market development. It must ensure that customers appreciate the advantages of a specific tour operator over that of its competitors. Market positioning, like every other marketing activity, should contribute to a tour operator's achievement of overall objectives. It is done by highlighting the most appropriate areas of investment and identifying those market segments which will yield the highest return on investments.

CHECK YOUR PROGRESS

What is the importance of planning in tour operation?
What should be considered while doing strategic planning?
What are benefits of marketing planning?
What is market positioning?

3.2.1 Marketing Effectiveness

Any activity requires to be done with a standard of quality. How do you know if you have achieved that standard of quality? Obviously it requires some sort of measurement, which translates outcomes into a number which can be easily studied, analyzed, and used to project your achievements, and set as targets. The parameters which tells you about the quality of a process or product, is often called as Performance Indicator (PIs).

For example, as a tour operator, one of your PI could be the revenue to be generated in the Europe Division of your company. Other PI could be the Customer Satisfaction Index, which you can define in terms of responses from the Customers after the tour is over, collected from the feedback form.

It is extremely important for any business to analyze its marketing effectiveness. The PIs for the marketing process may be the 'number of queries generated' and 'number of queries converted into customers' as a result of the marketing activities. Once such PI is in place you can analyze which marketing strategy worked best. Without some system for analyzing and interpreting the effects of a company's marketing efforts, it might continue to use strategies which are not suited to the target groups, outdated, and which do not help the company in obtaining its corporate and marketing objectives, and so on. The marketing manager is normally responsible for day-to-day marketing activities. He is also responsible for planning and control functions, and rarely has the leisure to casually contemplate the effectiveness of a firm's marketing efforts.

Marketing effectiveness is not necessarily revealed by current marketing performance. Economic conditions or chance factors, for example, being in the right place at the right time, may influence

results. Of course, analysis of marketing performance should also be carried out. Targets should be established and performance against these measured on a regular basis. With regard to a tour operator, its marketing effectiveness is reflected in the degree to which it exhibits the following five major characteristics of marketing orientation.

(1)   **Customer philosophy:** Total quality can be achieved if each operating division has a clear view of customer needs and knows that the customer is paramount. This view must be internalized by the staff in these divisions and must be reflected in the service which they provide. It is necessary for flexibility of information to exist within the tour operator company. That is, information must flow freely between the different operating divisions.

(2)   **Integrated and effective organization:** Information communicated by one division maybe critical to the operation of another and may affect the action which will be taken by that division. Effective channels of communication must be in place to allow free movement of such information. Communication must exist all the way up from the booking clerk to the top management. This sort of flexibility will allow the tour operator to serve individual customer needs who will perceive the company to be a caring organization.

Every person and every process in the tour operator, either immediately or ultimately affects the customer and the product; hence, customer satisfaction is everybody's responsibility. It requires pro-active rather than reactive management to apply the total quantity concept and the staff should be involved from 'top to bottom'. Increasingly, it is becoming clear that tour operators that do not put the total quality concept into practice are in danger of falling behind in the market.

(3)   Adequate information: Marketing managers must assess whether they have relevant up-to-date information on targeted markets. It must also be ensured that information relating to the quality of customer service is received from all functional divisions which affect the service.

(4)   Strategic orientation: A tour operator must assess whether it has a well-defined core strategy towards its marketing. It must investigate whether there is a formal system of annual and long-range planning together with contingency planning, if necessary. Business demands that the future plans be under constant review and that they always contain a certain contingency element. A contingency plan will make preparation to deal with problems.

(5)   Efficient operation: A tour operator must ensure that sufficient importance is attached to its marketing department and that appropriate resources (human and other resources, like financial and technical) are made available to carry out the various marketing activities. There should be clarity about the use of resource to achieve efficient operations. For example, from the point of view of human resources, the company personnel must be carefully recruited, assigned, trained and developed. Different marketing strategies will require managers with different personalities and skills. The total quality concept comes into play here. An analysis is required of how personnel see themselves, the company, the services that the company provides, and the overall importance of the customer. The tour operator must also recognize that the various marketing activities carried out by its marketing department must allocate finances appropriately if they are to achieve optimum efficiency. Technical areas such as reservation within an tour operator also require adequate funding.

Checking performance against set targets can also involve qualitative assessment and checklists can be used to examine such things as sales shop appearance, customer contact and staff attitudes.

3.3 PACKAGE PRICING STRATEGIES

Different tour packages have different price sensitivities, different travel motivations and different comfort levels. Price is the most important factor controlling the tourism market. The effectiveness of differential pricing as a way to maximizing yields cannot be overemphasized. It is a common practice for industry like tourism to have different fares for peak and off-peak seasons. Very often, on further scrutiny, one can identify sub-peak periods within the off-peak season and peak within the peak season. They can then be priced accordingly to maximize the yields.

Pricing is the most crucial function of marketing. The commercial viability of a tour operator's operations, its financial soundness, and in fact, its survival depends on its ability to operate profitably. Profitability, in turn, depends on pricing on one hand and cost control on the other. Success depends entirely on the ability to generate profits by optimum exploitation of revenue-generating opportunities in the marketplace. It is essential for a successful marketing manager to understand the airlines' cost structure and ensure that total airlines' costs are covered by the revenues generated through the marketing efforts.

Pricing is inseparable from the success of your tourism product. Get it wrong, consumers won't want to buy it, and distributors won't want to sell it. Get it right, and have an abundance of bookings and profit!

So what are the most important elements that tour operators need to factor into their pricing?

3.3.1 Operating Costs

There are 2 types of operating costs:

Fixed costs. These are the costs that do not depend on output. No matter what your sales are, these costs stay the same. Some examples are rent, equipment, and insurance.

Variable costs. These costs change according to output and typically increase in proportion to it. Examples are wages, gas, electricity, maintenance, stock, bank fees, and marketing.

Combined, your operating costs tell you what it costs you to run your tour or activity business.

3.3.2 Profit Margin

When you calculate your operating costs, make sure you're being accurate, so that you can decide on a good price that gives you enough profit while still being competitive.

To figure out which one of your products' profit margins can be increased, look at:

Your competitors. If your competitors' tour or activity is at a significantly higher price, then assess what value they're adding to justify the difference.

Demand from past and future customers. If there's a high demand, then you can increase your rates. If not, then think about what value you can add to your product to make it more attractive, without sacrificing profit.

It would also be worthwhile to target a particular market that you know works well for you.

3.3.3 Distribution Network Costs

Your valued agents are the ones that help you to distribute your tour or activity to the masses. And of course, they don't do it for free! Their sales skills boost your bookings, and your commission boosts their income.

All of your agents receive a different level of commission depending on where they are in the distribution network, so understand where they fit into it. Payment is expected *after* they send a booking your way.

So it's smart to split your booking channels into direct (via your website's online booking system) and through agents (a modern booking system will allow them to instantly send you bookings through it).

CHECK YOUR PROGRESS

Explain what is meant by operating costs in a tour operation.
What factors are to be considered while deciding your profit margin?
Explain the importance of pricing in marketing.

3.3.4 Distributing Tourism Products

Distribution could be defined as the means by which a marketer can enable customers to buy or gain access to products. A distribution channel is the way that your services get to your customer, and how they pay for it. It can either be a direct transaction (for example, through your website), or involve third party resellers.

Choosing the right distribution channels

Analyzing which distribution channels will be the most profitable to your business is crucial. Ask yourself:

- How do your target markets currently purchase your type of product and how do you go about establishing a relationship with these distributors?
- What sort of costs will be incurred by using these particular distributors?
- Are these proposed distributors familiar with your product? If not, what are the costs involved in developing product familiarity?
- Are these proposed distributors enthusiastic about your product? Are they potentially good sales ambassadors?
- Do they handle products provided by your direct competitors?
- What sort of incentive can you offer a distributor to encourage sales of your product, for example, a sales incentive scheme or "over-ride" commission?

A distribution channel is the way that your services get to your customer, and how they pay for it. It can either be a direct transaction (for example, through your website), or involve third party resellers.

As your business grows the use of distributors, as opposed to direct sales between you and your customers, is often the most cost-effective means of increasing sales. It is also a better option for filling large numbers of beds or seats, or bringing in better patronage during low season periods.

For tour operators, there are 5 third-party distribution channels that can't (or at least shouldn't) be ignored.

1. OTAs (Online Travel Agencies)

Online travel agencies will list your tour or activity on their site and allow their users to search for and click through to book with you. Usually this is through a pay-per-click format. Make sure that they have what they need to promote your business in a good light.

2. Government Websites

Destination-focused government websites are a good channel to leverage. For tours and activities, you will usually be required to meet certain criteria. For example, Destination NSW requires that you offer regular organised excursions with scheduled departures, a personal guide or host and commentary.

3. VICs (Visitor Information Centres)

VICs will organise accommodation, tour, and transport bookings for visitors. Because travelers often go to these centres to seek information on what to do at a particular destination, it would be wise to contact your local VIC and see how you can partner with them.

Some VICs don't ask for commission for bookings that they send to you, while others have a pricing structure to list on their site. It really depends on the VIC.

4. Daily Deal Websites

Vouchers and coupons are the perfect channel for filling your capacity during slower periods. A daily deal site can boost awareness of your business without spending thousands on marketing. It's also a good way to upsell by selling extras along with your deal. Just remember to set a logical limit to the number of coupons sold, and not to offer a discount that is too high.

5. Concierge Services

Concierges at hotels assist their guests with tasks that will help them get the most out of the destination. This means they make reservations for restaurants, spas, transport, events, tours and activities. Drop off your brochures at nearby hotels and convince your concierge that it's a good idea to resell you.

CHECK YOUR PROGRESS

What should be kept in mind while deciding which distribution channel to choose from?
What is the importance of distribution channel?
What are the five important distribution channels?

3.4 ELEMENTS OF PRICING

It is necessary for a travel agent to use several airlines to complete a trip. It is essential for him to know the geographical region and major route structure because no airline services every city.

There is a tariff structure or guidelines to establish passenger rules and fares. Airlines and travel agencies must have complete copy of all tariffs at all offices where air tickets are being sold. Also it is essential to review and revise them promptly.

The different fare can be seen below:

1. Normal fare tickets which are usually refundable, re-routable and have no expiry dates. Travel agents earn commissions from airlines through the sale of these tickets. The commission rates given to the ticketing consolidators are more favourable when compared with those given to IATA agents
2. Special fare tickets which have a number of restrictions in terms of routes or expiry dates. The airline has set a price and the ticketing consolidator marks up the price for sale to customers.
3. Group tickets allocated to ticketing consolidators in particular during peak seasons as an incentive to them. *Group tickets* with specified seats for the ticketing consolidators' ordinary use when operating tours. During peak seasons, the airlines may allocate a slot of group tickets to the consolidators for incentive purpose.

To attract more passengers airlines are offering cheaper promotional fares such as Excursion Fares and Group fares:

1. Excursion Fares: These are provided to the tourists on the basis of round trip journey and have conditions of minimum and maximum stay, restricted to one airline, cancellation fees, weekend travel purchase and so on. Some excursions also give seven day to twenty-day advance purchase requirements. These fares are discounted by twenty to forty per cent below the normal economy fare. The passenger must spend at least 10 days in the country where he is going. Such restriction is applied to discourage the business executives from using cheap excursion fares.

2. Group Fares: Group fares are applicable to groups and are discounted by 20 to 40 percent. There are three types of group fares:

(i) Group Inclusive Tour (GIT) Fare- Such fares are designed for group travel subject to certain conditions. GIT fare requires at least four passengers to travel together.

(ii) Incentive Tour Fare: A special fare designed for incentive groups where one organization pays for the entire trip.

(iii) Affinity Group Fare: This fare is used when a corporation or an organization pays for its employees or members to travel to a meeting, a convention or a conference. The airlines have two basic types of services- scheduled and chartered services. While the scheduled services operate as per timetable, chartered services operate like taxi services. Chartered flights are able to offer cheaper fares because they carry fully loaded flights both ways.

CHECK YOUR PROGRESS

What are the various types of fare or tariffs?
Explain the concept of Excursion Fare offered by various airlines.
Explain the various types of group fares offered by various airlines.

3.4.1 Some Basic Concepts

A journey consists of the entire routing included on a ticket or group of conjunction tickets, and is composed of the following ticketed points:

Origin: The initial starting point and the first ticketed point in the routing. It is also a fare construction point and is usually in the country of commencement of travel (COC).

Destination: The ultimate destination ofajoumey and as a terminal point in the routing. It is also considered a fare construction point or a fare break point.

Intermediate points: Ticketed via point(s) in between consecutive fare construction points. Also called transfer points that are further classified as follows:

> (i)   **Intermediate stopover point:** It is a point where a passenger breaks his journey and is not scheduled to depart within twenty-four hours of arrival. A stopover is arranged in advance and specified on the passenger ticket.

> (ii)   **Intermediate no stopover point:** It is a point where the passenger arrives and departs within twenty-four hours. It is also known as a transfer connection or connecting point.

Note: Transfer points are not the same as transit points. Unlike transfer points, transit points do not always involve a change of planes.

Fare component: A component or a portion of the itinerary between two consecutive fare construction points. Thus, a journey may have one or more fare components.

Pricing unit: Ajoumey or part of a journey which is priced as a separate entity, that is, it is capable of being ticketed separately.

OW subjoumey: Part of a journey wherein traveller from one country does not return to such country or which has an international gap.

Return subjoumey: Part of a journey wherein traveller is from a point/country and returns there, and for which the fare is assessed as a single pricing unit using halfRT fares; for example, round trip, circle trip and open jaws.

Sectors: Aportion of the journey comprising legs or segments, mostly used in reference to fare construction. This usually involves a pair of points.

Unit destination: The final stopping place of a pricing unit.

Ticketing notes: Manual ticketing entry. Figure 3.1 shows an example of manual ticketing entry.

Fig. 3.1 *Manual Ticketing Entry*

3.4.2 Airline Prices

Pricing refers to the process of determining fare levels, combined with various service amenities and restrictions, for a set of fare products in an origin-destination market. Revenue Management is the subsequent process of determining how many seats to make available at each fare level. Regulated Pricing the Civil Aeronautics Board (CAB) used a mileage-based formula to ensure equal prices for equal distances. It is possible that low volume Origin and Desination (O-D) markets are more costly to serve per passenger basis will see higher prices than high-density OD markets, even if similar distances are involved.

In practice, most airline pricing strategies reflect a mix of these theoretical principles for determining prices to charge in an OD market, airlines can utilize one of following economic principles:

1. Cost based pricing

2. Demand based pricing

3. Service based pricing

3.4.3 Price Discrimination Vs Product Differentiation

Price discrimination: The practice of charging different prices for same product with same costs of production –Based solely on different consumers' "willingness to pay".

Product Differentiation

–Charging different prices for products with different characteristics and costs of

production. Current airline fare structures reflect both strategies: Differential Pricing based

on differentiated fare products. But higher prices for fare products targeted at business

travellers are clearly based on their willingness to pay

Factors Affecting the Price

Type of Journey

1. One way

2. Round trip

3. Circle trip

4. Open jaw

Type of Flight

1. Non-stop

2. Direct

3. Interline connect

4. Online connection

5. Stopover.

3.4.4 Different Types of Trips

A trip is an entire flight itinerary and all of the flights in that itinerary. A segment, or leg, is a portion of a journey between two consecutive stops. One itinerary can have many segments, or it can have only one.

Let's take a look at the different types of trips.

1. One-Way Trip – A trip that begins in one city and ends in another.

MIA ⟶ TPA

Basic fare construction
One way – steps and application

1. FCP – Establish the fare construction point or Fare break points

2. NUC – Take the OW Neutral unit of construction from the origin to the destination of the fare component using the correct Global Indicator (Check the fare rules and ensure that the itinerary satisfies all conditions, collect stopover/transfer charges-if any)

3. SR – Check out if the fare component qualifies as a specified routing. If it is so then Ignore the mileage system and take the NUC as the applicable Fare (AF)

4. MPM – Establish the maximum permitted Mileage between the fare construction points of the fare component following the same global Indicator as that used in the NUC (refer PAT – Passenger Air Tarrif)

5. TPM – Add up the Ticketed Point Mileage of each sector and compare the total TPM to the MPM (refer PAT – Passenger Air Tarrif)

6. EMA – Deduct the extra Mileage Allowance, if any from the total TPM (refer PAT – Passenger Air Tarrif)

7. EMS – if the EMA is insufficient or not applicable, determine the Excess Mileage Surcharge (%) by dividing the TPM by the MPM. Take the result up to 5 decimals (refer PAT – Passenger Air Tarrif)

8. HIP – Look for the Higher Intermediate Point fare from –

      a. Unit origin to intermediate stopover point

      b. Intermediate stopover point to another

      c. Intermediate stopover point to the unit destination

(Check the rules to ensure that the fare qualifies as an HIP, do not collect any additional stopover/transfer charges)

Get the applicable one way (OW) through fare in NUC using above steps.

9. BHC – Apply the Backhaul check when there is a fare from unit origin to intermediate stopover point is higher than the fare from unit origin to unit destination.

a. Calculation:

HI fare – unit of origin to intermediate stopover point

Less (-) LO fare – unit origin to unit destination

Equal (=) OWM – OW minimum fare

(Check the rules to ensure that the fare qualifies as an HI fare)

10. Stop over/transfer charge(S) – collect stopover/transfer charge. Select the charge published in the currency of the country of fare component origin. Convert this into NUC at applicable IROE.

11. Surcharges (Q) – Collect security surcharges, if any. Convert into NUC at applicable IROE.

12. Total – add up all the NUC's to get the sum total.

13. IROE – Multiply the total NUC by the IATA Rate of Exchange based on the country of commencement of travel.

14. LCF – Round the resulting Local currency Fare (refer the required number of decimal units for the currency)

2. Round Trip – A trip that begins and ends in the same city. Technically, when the term is used for faring purposes, the return trip must be a mirror image of the outbound trip, with same airline, same routing, and same class of service.

MIA $\longrightarrow$ TPA

MIA $\longleftarrow$ TPA

3. Circle Trip – A trip that involves at least three different flights, and returns to the point of origin. The features of a round trip are as follows:

(1)   A round trip has only two fare components, that is, the outbound and the inbound components.

(2)   The outbound normal fare is equal to the normal fare of the inbound fare component.

(3)   The unit origin and unit destination points are the same.

For a journey with a single pricing unit, the COC is also the same as the destination country.

DEN $\longrightarrow$ STL

STL $\downarrow$ MIA

MIA $\longrightarrow$ DEN
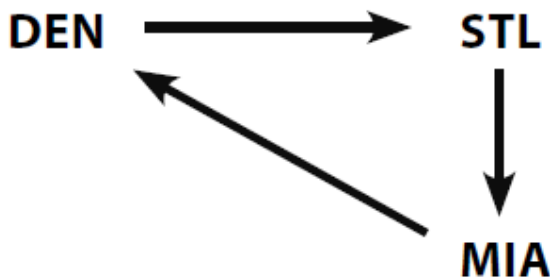
Fig. 3.2 Round Trip with MIA as the Point of Turnaround

The outbound fare may be different from the inbound fare because of the following reasons:

(1)   Carrier variations

(2)   Seasonal variations

(3)   Class of service variations

(4)   Midweek or weekend variations

        The round trip, as explained in Figure 3.2, is also known as point-to-point trip. Although the fares differ due to carrier variation, one would still consider this as a round trip as the routing for outbound and inbound is the same

        4. Multi-point round trip

        A multi-point round trip would start from city A, go through cities B, C, D and finally returns back to city A.

5. Open Jaw Trip:

In an open jaw flight, the outgoing leg of the journey is not identical with the incoming leg, and both are combined in a single ticket. Open jaw journeys for special fares (OJ) may have only two international fare components and may contain domestic surface sectors or international surface sectors, depending on the conditions of the special fare. Such journeys use VAT fares as specified by the special fare rule.

Fig 3.03: A sample itinerary for an open jaw electronic ticket from Montreal to Amsterdam, and returning from Munich (Source: Wikipedia)

The following are the types of OJ:

(5.1)   Single Open Jaw (SOJ): It contains one surface sector. A simple example would be a combination of flight from Frankfurt to Los Angeles with a return flight from San Diego to Frankfort. It makes good sense to combine these flights in one ticket. Otherwise, you would have to travel on the surface from San Diego to Los Angeles to get your return flight to Frankfort, or you would have to buy two separate one-way tickets. Another variant of this flight would be an arrangement where you travel from Frankfort to Los Angeles, and return from Los Angeles to Munich. It is of the following two types:

(i) **Turnaround single open jaw (TSOJ):** The outward point of arrival and the inward point of departure are different.

(ii) **Origin single open jaw (OSOJ):** The outward point of departure and the inward point of arrival are different.

(5.2) **Double Open Jaw (DOJ):** This contains two surface sectors, one at the origin point and the other at the turnaround point. This would be a combination of a flight from Hamburg to Los Angeles and a return flight from San Diego to Munich. You could buy two one-way tickets, if you pack these two flights into a single ticket as a double open-jaw flight. When a fare component terminates in the country of origin, the fare applicable from the country of origin is used.
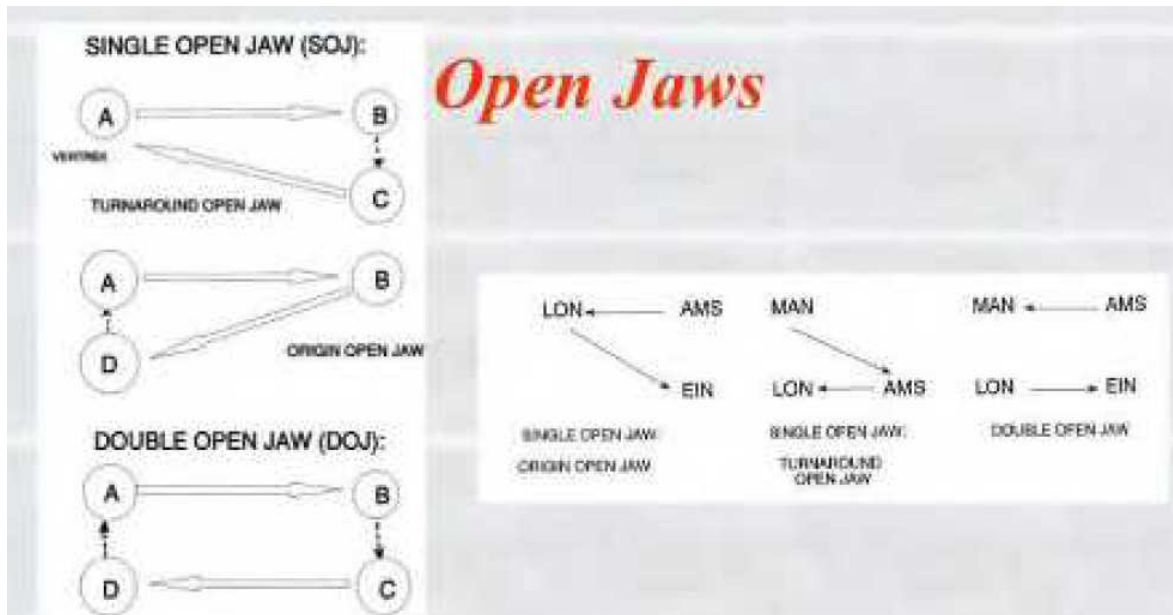
.Fig 3.04: Types of Open Jaw itinerary

3.4.5 Different Types of Breaks of Flights

Let's take a look at the different types of flights.

1. Non-Stop Flight – A flight that makes no stops

2. Direct Flight – A flight that makes a stop en route, but continues on to the destination without a change in planes (equipment). For example, DL293 flies from Atlanta to Los Angeles. This flight makes a stop in Dallas before continuing on to Los Angeles. Passengers do not have to get off the plane in Dallas to get to their destination.

3. Connection Flight – A flight that hooks up to another flight to get the passenger to his / her destination. A domestic connection is 4 hours or less between two flights and an international connection is 24 hours or less. On a ticket, or in a PNR, an X by the city code indicates a connecting flight. For example, a customer wants to go from Atlanta to Honolulu on American Airlines. AA does not have one non-stop flight that will take the customer directly from Atlanta to Honolulu, so they have to use 2 flights to get the customer to his / her destination.

ATL ⟶ DFW ⟶ HNL

A connection flight where the passenger stays on the same airline is considered an **on-line connection flight**. When more than one airline is used between the origin and destination cities, the connection flight is considered an **off-line** or **inter-line connection flight**.

4. Stopover – A voluntary break in travel that is 4 hours or more for domestic flights and 24 hours or more for international flights. It is a stop at an intermediate point before continuing on to another destination. In a PNR or on a ticket, an O next to the airport code indicates a stopover. If the stopover is overnight, it is usually called a Layover.

MCI ⟶ MSY ⟶ JFK

O

5. Layover – A stop on a trip, usually overnight and usually associated with a change

of planes or other transportation.

Basic fare construction

One way – steps and application

EMS – Excess mileage surcharge (%)

CHECK YOUR PROGRESS

Briefly discuss in one or two lines the following concepts: Origin, Destination, Intermediate stopover point, OW sub-journey, Sectors
What are the three important bases for computing the prices of airline travel.
Explain in 1 or 2 lines: one way trip, round trip, single open jaw trip, turnaround single open jaw trip.

3.5 FACTORS AFFECTING PRICING

The following factors affect the prices in the tourism industry:
- High cost
- Seasonally
- Ease of entry and exit
- Interdependence
- The effect of external shocks

These factors are not unique to travel and tourism, they are certainly very important to any consideration of strategic management in a travel and tourism context.

The last of these factors, tourism's impact on society, is unique to the industry, in that no other service industry can claim to have such a visible impact on the way organizations and destinations are managed. The factors are further explained as follows:

3.5.1 High cost

As travelling for fun is not an essential commodity for a common person, higher premium are charged for such luxury and governments also levy heavier tax on such luxuries. This makes tourism packages costlier. Travel and tourism products usually represent a relatively high-cost purchase for the consumer. Taking a holiday, buying an airline ticket or staying at a hotel is expensive. Indeed, in some cases such purchases will represent the largest single item of expenditure for a consumer in a given year, Consequently, making such a purchase does not usually occur without a great deal of thought and a comparison of alternative offerings. It js not like buying a fast-moving consumer good, which maybe done on impulse. This feature of travel and tourism products is important when formulating strategy, especially with regard to marketing.

3.5.2 Seasonally

People usually travel during the vacation times for children. This makes tourism highly seasonable activity. Some places are open only during a climatic season, for example, Badrinath and Kedarnath are open only between Akshay Tritiya to Deepawali (May to November) in a year. Tourism has one of the most highly seasonal patterns of demand for any product, having less variation than the demand for Christmas cards or air conditioners, but more than nearly all high-value individual purchases. This seasonally has implications for the price and quantity of tourism products supplied between seasons. One way in which management can respond to these problems ofseasonality is to develop or acquire counter seasonal business, that is, to develop from their own resources or to purchase businesses that operate primarily during other times of the year.

3.5.3 Ease of entry and exit

If we want to start a business in shoe-making industry, there are costs incurred in setting up a plant by buying land and purchasing machineries. Such costs are not incurred when we start a business of say tourism operator. In some areas of travel and tourism it is relatively easy to set up business or to leave the business, that is, entry and exist costs are relatively low (compared to some other industries which have higher capital set-up costs). For a tour operator, most of the travel services included in the holidays are leased, or are purchased as and when required. The greatest initial cost involved is often in producing the brochures and marketing the holidays to travel agents and the public. Similarly, travel agents do not purchase products from tour operators until the customer pays for them, to avoid the risk of unsold stock or stock-holding costs. Therefore, entry to the industry might be considered to be relatively straightforward and this means that if one company is seen to be successful in a particular segment of the market, then it is not difficult for a competitor to offer a similar product.

3.5.4 Interdependence

The travel and tourism industry depends upon various services and products for its smooth operations. For example, you need transportation service to take customers from railway stations and airports to hotels and cars or buses to take them to places of interest. The travel and tourism industry can be viewed as being comprising five component sectors, which are as follows:

(i) Accommodation

(ii) Attractions

(iii) Transport

(iv) Travel organizers

(v) Destination organizations

We can break Each of these sectors into several subdivisions. Some of the subdivisions, such as tour operators, are operated for profit while others, such as museums and national parks are often operated on a non-commercial basis. However, the important point to note in this context is that the sectors are all linked and depend upon one another, that is, there is interdependence between them. The accommodation sector, for example, relies upon the transport sector to transport guests to and from the accommodation. Similarly, the transport and accommodation sectors both rely upon the travel organizers sectors to provide them with customers.

If one sector fails to deliver a service it has a knock-on effect on other sectors. For example, if a tour operator organizes a holiday including seats on an aircraft, the quality of the holiday will be judged partly by the quality of the airline, regardless of whether or not the tour operator has any direct control over that airline's activities.

Individual companies will often straddle two or more sectors. Some hotel companies, for example, organize inclusive tour packages and thereby also operate in the travel organizers sector. In the late 1990s, travel companies in the UK and elsewhere undertook strategies of vertical integration whereby a single company may sell travel arrangements to customers (retail), provide travel arrangements (tour operations), transport customers (airline operations) and in some cases also own accommodation. As the industry stood in 2002, the 'big 4' outbound travel companies in the UK-Thomson, My Travel (Airtours), First Choice and Thomas Cook—were all vertically integrated in this way.

3.5.5 Effect of external shocks

As we noted earlier, traveling for fun or business may not be at the top of your priorities. The customers are, rightly, more concerned about their own safety. Many other factors like political upheavals, terrorist activities, law-and-order state at destination, climatic conditions, hate against particular communities, superstitions and faith, etc can dominate the demand side of the tourism industry. Thus it is highly susceptible to the external shocks.

Wars, hurricanes, terrorist attacks, pollution, adverse publicity or accidents can have a dramatic and speedy affect upon tourism business. For example, the 1990-91 Gulf War led to a severe downturn in travel and tourism, whilst the terrorist attack of 11 September 2001 had a similar effect upon the industry. Tourism business is prone to such acts of terrorism and should have contingency plans for unforeseen circumstances. One approach that the operators follow is by dealing in many countries, spreading the risks so that one upset does not destroy the business entirely. Thus, a tour operator specializing in tours to only one country would be vulnerable if a war or an environmental catastrophe was to occur in that country. By operating in several countries, however, the risks are spread and the overall vulnerability is reduced.

Effects of 11 September on tourism

The US Department of State define terrorism as 'the premeditated use or threat of violence by individuals or sub national groups to obtain a political or social objective' this often extends beyond the immediate victims.

Tuesday 11th September 2001 saw the most influential act of terrorism for the tourism industry as impacts were dramatic, widespread and long lasting. Consequently this caused tourists desires to travel by air to alter, resulting in downturns in air passenger numbers by up to 50%. In turn 9/11 caused the first year of negative growth in the travel business for two decades. However, the full

extent of the impacts will never be known as tourism growth reached its peak prior to the attacks.

Fig 3.05: The north face of Two World Trade Center (south tower) immediately after being struck by United Airlines Flight 175 (Source: Wikipedia)

The terrorist attacks caused passenger numbers and occupancy rates to reduce significantly as tourists became reluctant to travel. The 9/11 attacks had numerous knock on effects to the worldwide economy, it has been estimated up until 2002 that the attacks cost $36 billion.

The airline industry was the hardest hit with an abundance of airlines making cut backs with American Airlines and United Airlines cutting 20,000 jobs. Both British Airways and Air Canada also cut 5,000 jobs due to declining passenger numbers. This was the due to the global airline industry losing one-third of its flights, fleets, crew and passengers after 9/11.

The attacks impacted on tourists desires to travel as it made them feel unsafe and unwilling to travel, this can be identified by 4 million less international arrivals worldwide in 2001 compared to the

previous year. Various studies since 9/11 have highlighted that tourists are likely to alter their holidaying patterns if the threat of terrorism increases. For example Floyd et al (2004) report on Simmons Market Research (2001) which found 39% of people surveyed said the 9/11 attacks would affect their travel plans. Crotts et al (2007) results were more dramatic with 84% of respondents agreeing that they would be less willing to travel due to an act of terrorism. However, Tate's (2002) findings were surprising as only 3% of respondents felt safety was a primary concern when travelling, despite 9/11 happening a couple of months before. Floyd and Pennington-Gray's (2004) research shows some support for Tate's (2002) research as being targets of terrorism was not considered as a main issue. However, 69% of Americans did make alterations to their leisure plans because of the attacks.

Travellers' decisions to visit highly populated Muslim countries suffered with declining tourist arrivals, as they were considered to be risky destinations. Yet arrivals to the Balearic Islands and other European destinations saw increases in tourist arrivals.

As a result of the attacks the American federal government introduced new legislation and additional security measures including; screening of all bags, increased surveillance, a new permit system and random searches on passengers. In addition all foreign visitors would also be fingerprinted and photographed to identify if anybody is on the terrorist watch list and a national criminal database. Later in 2006 the EU agreed that American Intelligence agencies could have access to personal information about transatlantic passengers, in order to increase safety and improve security. These new enforcements were supported by the development of the Department of Homeland Security who established a new airport security department Transport Security Administration.

It was hoped that these measures would restore passenger faith in aviation however; developments were met with limited success due to the emergence of the 'hassle factor'. This is where increased security measures become a burden on the traveller, for example passengers now have to arrive two/three hours before the flight is due to take off and long delays caused because of the additional screening. Consequently this further turned people away from air travel and towards road or rail transport.

The media manipulate what we know and learn about the world often failing to show a true reflection. However, 9/11 to a large extent was different as the media altered its attention to show support for the thousands of people that lost their lives in this catastrophic event, rather than the rationale behind the attack. In turn this could help to restore and regain desires to travel by air once again.

Overall the 9/11 attacks had numerous impacts worldwide as tourists' desires to travel altered with safety becoming a major concern. Despite the introduction of new security measures people still turned away from air travel. This in turn had many knock on effects for the tourism industry and many other industries that are indirectly related, as tourists' attitudes to air travel changed.

3.5.6 Tourist Attraction

Tourist attraction is central to the tourism system. It includes a large number of diverse phenomena, including architecture, nature, museums, public sculpture, theme parks, retail parks and events. In fact, the sector is so diverse that it is hard to define all that it covers. Nevertheless, the importance of a visitor attraction is obvious; it helps make a destination and sometimes it is the destination. It attracts tourists in many ways, it gives the tourists motivation for travelling, and

therefore, it becomes a reason for paying visit to a place. Anyone involved in tourism at any level will appreciate how crucial this is to make tourism attractive.
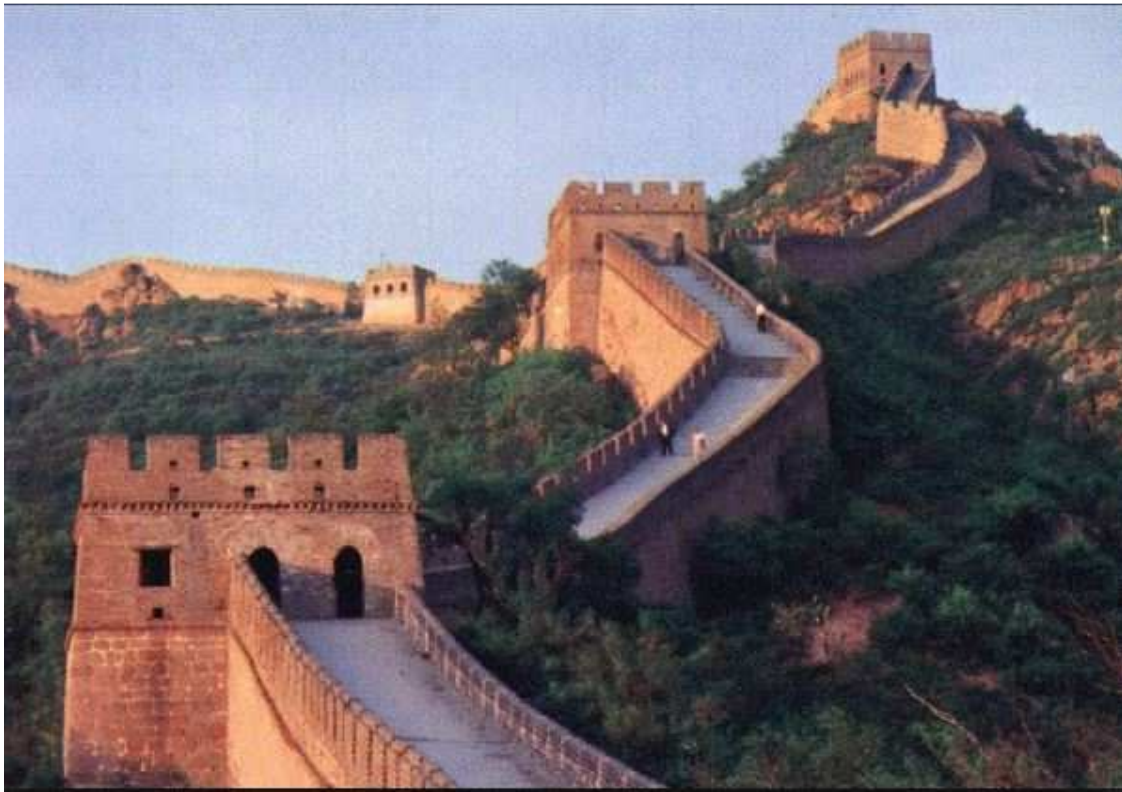
Fig 3.06: Tourism Attractions like China's famous wall is always an attraction to the tourists

Destination is the unit, which the tourism industry puts together and which it then presents and markets to the tourist or visitor as a complex product. A destination needs to have a range of facilities for the tourist, such as accommodation and catering for a range of customer types. It must also have the appropriate infrastructure to allow tourists to travel there and move around within it. More than anything else, however it must offer a reason or motive for tourists to go there; it must be able to attract tourists. It can do so in a number of ways. Ski resorts, for example, offer a well-defined range of winter sports-related leisure activities, based on the landscape.

CHECK YOUR PROGRESS

List the various factors which characterize the pricing of tourism products.

Explain how tourism industry is easy to enter and exit.

Explain why the tourism products are higher in cost.

3.6 PRE-TOUR PREPARATIONS

Pre-tour preparations includes the following:

- Planning travel itineraries
- Identifying the routes/destination
- Booking accommodation
- Providing the guide books

- Arranging (sightseeing) places

While planning tours, the following checklist will be useful:

- Location makes for easy accessibility.
- Wide choice of carriers.
- Intercontinental transit centres. International airport should be modem and efficient.
- Rapid immigration and custom facilities

Tour planning includes the following, which a planner should check before planning any incentive tour:

(1) Hotels

Fig 3.07: The Peninsula Paris hotel offers luxury life style to its tourists(Wikipedia)

Wide choice of luxury modem accommodation at competitive prices. Major international hotel chains like Hyatt Regency, Sheraton, Hilton, The Lalit, Ramada, Forte, Marriott and Holiday Inn as well as independent hotels offer the following:

(1) Top class beach resort hotels as well as mountain resorts

(2) Extensive range of restaurants featuring cuisine from around the world

(3) Varied nightlife-bars, pubs, night-clubs and discos

(4) Fully equipped conference and meeting rooms

(5) Superb health club and sporting facilities, including pools and private beaches

(2) Ground arrangements

- Choice of internationally experienced management companies and inbound tour operators
- Multilingual guides and well-trained drivers
- Modem air-conditioned coaches for airport transfers and excursion tours
- Less crowded streets, easy parking and wide tree-lined boulevards to make the stay pleasurable

(3) Tours and excursions

- Standard or tailor-made tours available lasting from two hours to several days
- Various kinds oftourss such as general, shopping, sightseeing, and so on
- Excursions to the desert or to the dried up riverbeds or to the starkly beautiful mountains or the sandy beaches of the seas or oceans around the place
- Visits to neighbouring areas for sightseeing
- Helicopter, boat and other traditional tours
- Special interest packages—water-sports, golf or archaeology

(4) Outdoor activities and sports

Fig 3.08: Paragliding is enjoyed by tourist who seek adventure and thrill(Wikipedia)

- Swimming or relaxing by the poolside in clean uncrowded, sandy beaches
- Water-related activities, such as water sports, fishing, sailing, windsurfing, scuba diving, white water rafting or snorkeling
- Golf in desert or desert safari
- Wide range of other sports, such as cycling and ice skating

(5)   Shopping

Fig 3.09: Flea Market at Helsinki, Finland (Wikipedia)

• Flea markets
• Choice of modem air-conditioned malls or shopping plazas
• Attractive traditional silverware and jewellery
• Other handicrafts and traditional and other arts and crafts, which are of ethnic value

Fig 3.10: City Centre Iconic at Dubai offers a shopper's paradise (Wikipedia)

3.7 TOUR OPERATIONAL TECHNIQUES

The SERVQUAL scale was first introduced by A. Parasuraman, V.A.Zeithaml and U.Berry in an article titled "A Conceptual Model of Service Quality and its Implications for future Research", Journal of Marketing Research, 49, p41-50, 1985. They attempted to develop an instrument that would measure service quality across a range of service industries. They stated that service quality has five dimensions

- Tangibles: physical facilities, equipment and appearance of personnel
- Reliability: the ability to perform the promised service dependably and accurately
- Responsiveness: willingness to help consumers and provide them with prompt service
- Assurance: knowledge and courtesy of employees and their ability to convey trust and confidence
- Empathy: caring individualized attention that is provided to customer

Although this model is for the service industry it can be very aptly applied to the MICE industry as well. Let us see how:

- **Tangibles:** These include physical facilities, equipment and appearance of personnel. The tangibles in this case would be the convention hall, its physical features and its general decor, etc. It would also include the office equipment provided, like the overhead projectors, screens, fax machines, computers, etc., and the smartness ofthe personnel catering to the attendees.

- **Reliability:** The ability to perform the promised service dependably and accurately. Reliability would include aspects like the promises made and the final product delivered. For example, the locale ofthe convention centre and the kind of environs it is located at would lend credibility to the convention centre and the managers involved.

- **Responsiveness:** Willingness to help consumers and providing them with prompt services. Responsiveness ofthe employees to help the attendees or delegates in terms of a crisis or an unusual circumstance, like maybe more number of delegates than anticipated and looking after their accommodation and their seating arrangements.

- **Assurance:** Knowledge and courtesy of employees and their ability to convey trust and confidence. Assurance in terms ofthe quality ofthe product supplied and the confidence in executing the entire set of process suitably would also indicate the level of services provided.

- **Empathy:** Individualized attention to customers. Empathy in attending to the delegates, special requests and meeting their demands that can be sometimes a little hard on the convention managers. All in making a centre a big success, for example, the request of a slight alteration in the excursion programme, if any, or in the hotel room facilities or room view, etc. Although this model is for the service industry it can be very aptly applied to the MICE (Meetings, Incentives, Conventions and Exhibitions) industry as well.

3.7.1 The Customer Service Gap Model

Today's consumer has become increasingly demanding. They not only want high quality products but they also expect high quality customer service. Even manufactured products such as cars, mobile phones and computers cannot gain a strategic competitive advantage through the physical products alone. From a consumer's point of view, customer service is considered very much part of the product.

Delivering superior value to the customer is an ongoing concern of Product Managers. This not only includes the actual physical product but customer service as well. Products that do not offer good quality customer service that meets the expectations of consumers are difficult to sustain in a competitive market. SERVQUAL (service quality gap model) is a gap method in service quality measurement, a tool that can be used by Product Manager across all industries. The aim of this model is to:

- Identify the gaps between customer expectation and the actual services provided at different stages of service delivery
- Close the gap and improve the customer service

This model developed by Parasuraman, Zeithalm and Berry in 1985 identifies five different gaps:

The Customer Gap: The Gap between Customer Expectations and Customer Perceptions

The customer gap is the difference between customer expectations and customer perceptions. Customer expectation is what the customer expects according to available resources and is influenced by cultural background, family lifestyle, personality, demographics, advertising, experience with similar products and information available online. Customer perception is totally subjective and is based on the customer's interaction with the product or service. Perception is derived from the customer's satisfaction of the specific product or service and the quality of service delivery. The customer gap is the most important gap and in an ideal world the customer's expectation would be almost identical to the customer's perception. In a customer orientated strategy, delivering a quality service for a specific product should be based on a clear understanding of the target market. Understanding customer needs and knowing customer expectations could be the best way to close the gap.

The Knowledge Gap: The Gap between Consumer Expectation and Management Perception

The knowledge gap is the difference between the customer's expectations of the service provided and the company's provision of the service. In this case, managers are not aware or have not correctly interpreted the customer's expectation in relation to the company's services or products. If a knowledge gap exists, it may mean companies are trying to meet wrong or non-existing consumer needs. In a customer-orientated business, it is important to have a clear understanding of the consumer's need for service. To close the gap between the consumer's expectations for service and management's perception of service delivery will require comprehensive market research.

The Policy Gap: The Gap between Management Perception and Service Quality Specification

According to Kasper et al, this gap reflects management's incorrect translation of the service policy into rules and guidelines for employees. Some companies experience difficulties translating consumer expectation into specific service quality delivery. This can include poor service design, failure to maintain and continually update their provision of good customer service or simply a lack of standardisation. This gap may see consumers seek a similar product with better service elsewhere.

The Delivery Gap: The Gap between Service Quality Specification and Service Delivery

This gap exposes the weakness in employee performance. Organisations with a Delivery Gap may specify the service required to support consumers but have subsequently failed to train their employees, put good processes and guidelines in action. As a result, employees are ill equipped to manage consumer's needs.

Some of the problems experienced if there is a delivery gap are:

- Employees lack of product knowledge and have difficulty managing customer questions and issues
- Organisations have poor human resource policies
- Lack of cohesive teams and the inability to deliver

The Communication Gap: The Gap between Service Delivery and External Communications

In some cases, promises made by companies through advertising media and communication raise customer expectations. When over-promising in advertising does not match the actual service delivery, it creates a communication gap. Consumers are disappointed because the promised service does not match the expected service and consequently may seek alternative product sources.

While advertising a convention, centre attendees are often shown seated in relaxed comfort in spacious convention halls. Elegant and smart personnel, who look as if they would be great problem solvers, attend them. The reality is however very different. The point is that marketing educates consumers about level of service, which might be beyond the capacity of the convention managers to deliver all the time. This might be when the personnel are on their peak performance, there are no untoward incidents and all attendees or delegates are relaxed.

The aim, therefore, should be to create realistic expectations in the minds of the customers; otherwise, evaluation of the tour will be a disappointment for the organizers of the event or meeting.

A major problem, for the tourism industry including MICE, is that of factors influencing product quality or customer satisfaction that is outside the control of organizers or managers; yet it leads to a lot of dissatisfaction. These include the following:

- Inclement weather, such as unseasonable rains or any other natural non- functioning ofthe intended scenario
- Strikes that effect tourists, such as air strikes or any other strike that may harm the smooth functioning ofthe convention
- Harassment of tourists by touts, beggars and traders
- Poor infrastructure in the country
- Poor hygiene, sanitation or diseases in the host country
- The unrealistic expectations ofthe tourists.
- The sometimes unruly behaviour ofthe tourists or hosts at a particular destination
- Government bureaucracy and bureaucratic features, such as visa restrictions and arrival and departure problems.

While evaluating a convention or meeting, adequate care has to be taken for these dissatisfaction levels as they might affect the total appraisal by the customer or the delegate. These things are beyond

the handling of the convention managers and they have to be resolved in a way that is both tactical and empathic, so that the customer is satisfied and does not carry a totally negative image of the event.

Another difficulty in relation to quality and attendee satisfaction is that different delegates will have different attitudes, standards and prejudices. Often, their satisfaction is based on subjective views about an issue which is important to them and which they judge in their own unique way. For example, some delegates may find people of the host city rude and unfriendly or they may find the city too expensive or dirty or too hot or cold. All these are subjective opinions and are based on the personal thinking of the tourists and their expectations. It is difficult to see how the tourism industry can effectively respond to such views in concrete terms and how far these can be effectively evaluated by the convention managers.

There is clear evidence that there are differences in the expectations of the business travellers from industrialized countries and fi-omthe underdeveloped countries. For example, German business travellers are very environment conscious than the rest of the travellers. These are called national differences and are of great importance and significance so far as the tourist expectations are concerned. There are also national differences in the supply side in terms of the quality of the product offered. The different quality standards can cover the following elements of the product:

- Fire safety standards in the convention centre
- Interpretation techniques in the venue
- Technical competence and altitude of the technical staff

Any convention centre that has fatty researched quality issues should be in a position to set quality standards which can be regulated and monitored, and which meet customer requirements. This is called benchmarking and this is usually a post-convention phase. The benchmark standards have to be set over times and will be adjusted to meet the growing quality expectations of the consumers.

Apart from the quality issues, number of other tasks need to be done operationally- The various committees present would do a number of post-convention tasks that arc a necessity. The following could be considered as examples:

- The registration committee would prepare a report which shows the total number of delegates registered, the amount paid to them as TAor DA, the remaining bags and other materials the management might have recieved and the feedback analysis received from the participants.
- The accommodation committee settles the bills with the hotels, and files a report in relation to the experience gained and the activities carried out.
- Similarly, the transport committee, entertainment committee and the reception or the protocol committee also do the remaining jobs and file their reports.
- The academic committee analyses, evaluates, and carefully examines the academic deliberations, prepares the proceedings, and in case they have to be published, the work gets lengthened.
- The steering committee takes stock of the entire event and suggests farther follow-up action to the organization if required. It also suggests the fature course of action.

3.7.2 Internal Appraisal

Any activity, including a tour, convention or meeting is, practically, not over until it has been evaluated. The purpose of evaluation is to ascertain whether or not the goals that were laid out during the conceptualization phase were reached.

Before undertaking an activity like meeting, tour or convention, its goal should be set, which have to be determined by the planners and communicated to all the internal members of the organisation.

During the initial planning stages, the sponsor and planner determined the reasons for holding a meeting in the first place. In evaluating the meeting, the sponsor and planner should return to these goals and decide if they were actually met.

For instance, if a particular meeting's main goal was to educate employees on how to use a new computer system, the evaluation must centre on how effectively this information was conveyed. Attendees should be asked direct questions, such as "Do you understand the new computer system better?" and "Are you more likely to use this system now than you were before this meeting? If this meeting had comfortable chairs, much publicity, and excellent food, but the employees did not, understand the working of the new computer system then this convention was, strictly speaking, not successful. In planning the next educational meeting, the sponsor and planner will want to make specific changes to make sure that the goals of the meeting are actually met.

There are a number of different ways in which meetings or conferences can be evaluated. Smaller meetings can be evaluated through informal methods. Comment cards and informal conversations with the planner give attendees a chance to give general feedback. Sometimes after a meeting, a sponsor or planner will telephone a few attendees and ask for their impression of the event.

Another method involves a focus group, which meets after the meeting, face to face to share specific concerns regarding the meeting and to offer suggestions for improvement.

Formal methods, such as questionnaires or surveys, are more common ways of evaluating attendee's perceptions of the event. Questionnaires should be straightforward, short, and easy to understand. The most effective time to distribute the survey is on-site, immediately after a workshop, convention or a seminar. A representative from the sponsoring organization should emphasize how important the survey is and ask attendees to complete and return it before they move on to the next event or pack up for going home. If immediate return is not possible then the questionnaire should be mailed and completed survey asked in return in postage - paid envelope.

Attendees usually appreciate the fact that their opinion counts and are often willing to give detailed suggestions for improvement. Many attendees, however, prefer to simply check off their answer in multiple- choice questions. Therefore, in order to increase the return rate, the survey should be designed so that it can be easily and quickly completed.

Formal surveys can be tabulated by a computer company or, in the case of small sampling, by individuals. The results will indicate what portions of the program attendees enjoyed and, even more importantly, what portions they disliked. When the same complaint is repeated several times, then this may be in indication that a change needs to be made in that portion of the program. Through valuation makes poor programs good and good programs excellent,

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CHECK YOUR PROGRESS

Explain how the five dimensions of Service Quality can be used for organization of conferences.
Elaborate the Service Gap Model as applied to organization of conventions.
Explain the Customer Gap as envisaged in the Service Gap Model applied to organization of

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conventions.
Explain the Knowledge Gap as envisaged in the Service Gap Model applied to organization of conventions.
Explain the Policy Gap as envisaged in the Service Gap Model applied to organization of conventions.
Explain the Delivery Gap as envisaged in the Service Gap Model applied to organization of conventions.
Explain the Communication Gap as envisaged in the Service Gap Model applied to organization of conventions.
List at least five factors which are outside the control of organizers of conventions which may affect the cursomer satisfaction.
Explain how the internal evaluation of an activity like convention is carried out.

3.8 SUMMARY

- People travel for many reasons. Principal among these are recreation and holiday, seeking adventure or outdoor sports, cultural travel to see how people in other countries or in other parts of the same country live, health tourism to spas or resorts, seeking medical treatment and business travel.

- Another increasingly pressing reason for travel is to attend business and professional conferences.

- Travel is also offered as a reward to good workers or salesmen of a company as an incentive. This segment is called incentive travel and millions of people travel all over the world having been rewarded by their companies.

- Modern tourism has emerged as a big business providing employment to millions of workers in the host countries and earning them foreign exchange for economic development.

- Governments, therefore, are bound to take interest and play an active role in tourism.

- Tourism also has the potential to damage the ecosystem of the host country or change the cultural pattern of the host communities, if allowed to develop unplanned and unregulated.

- Therefore, government? take keen interest in the planned and harmonious development oftourism.

- The primary functions of a tour department are promotion and marketing of the country as a tourist destination, planning and development of tourism infrastructure and in regulating to some extent, tourism-related activities.

- A good, efficient, honest and professional tourism organization can do a lot to promote and improve the development of tourism in a country.

- Before going on a tour, planning a tour is the most important and time-consuming part. Tour planning involves selecting tour elements for tourists from the l GUI integrated-information database according to their tour requirements, plan the tour timetable according to the tour elements selected.

- Tour planning is divided into two steps: (i) Choosing tour elements, (ii) Choosing the tour route according to the tour elements chosen.

- Strategic planning is one of the most important stages in the application of the marketing principles within an industry.

- The main aim of strategic planning is the identification of attractive areas, new opportunities and the formulation of programmes to develop these areas and opportunities.

- It is extremely important for any business to analyse its marketing effectiveness. Without some system for analysing and interpreting the effects of a company's marketing efforts, it

might continue to use strategies which are outdated, and which do not help the company in obtaining its corporate and marketing objectives.

- The marketing manager is normally responsible for day-to-day marketing activities.

- With regard to an airline or an area within an airline, its marketing effectiveness is reflected in the degree to which it exhibits the five major characteristics of marketing orientation, which are customer philosophy, integrated and effective organization, adequate information, strategic orientation and efficient orientation.

- There are different tour packages, with different price sensitivities, different travel motivations and different comfort levels. Price is the most important factor controlling the tourism market.

- The cost structure of airlines is divided into direct operating costs, indirect operating costs and overheads.

- There are many elements of pricing in the airlines industry which are based on the type of journey, viz., one way, round trip, open jaw journey or circle trip.

- Other factors that affect pricing, are high cost, seasonally, ease of entry and exit, interdependence, effect of external shocks.

- Tourist attraction is the main reason behind tourism. It could include architecture, nature, museums, public sculpture, theme parks, retailparks and events.

- A planner has to make pre-tour preparations, which includes planning travel itineraries, identifying the routes/destination, booking accommodation, providing guide book and arranging sight seeing places.

- Also, a planner has many tour operational techniques that he uses while planning, organizing, directing and implementing a tour.

- Sometimes, customer dissatisfaction might occur, which is called service gap concept. It is based on the idea that dissatisfaction in services is caused by gaps between expectations and perceived outcomes.

- Internal appraisals help in increasing the morale of the employees and also pointing out their mistakes.

3.9   KEY TERMS

- **DCO:** Refers to Direct Operating Costs. They occur only if a given flight is actually operated.

- **Unit Cost:** The average operating cost incurred per available tonne-kilometre.

- **Profitability Control:** An essential tool used to measure the profitability of a

company's different products, customer groups, territories and channels.

- **Distribution:** The means by which a marketer can enable customers to buy or gain access to products.

- **Travel organizer:** Functions mainly as a wholesaler by buying large blocks of airline seats in advance and then selling them as packages to other travel agents.

- **Intermediate stopover point:** A point where a passenger breaks his journey and is not scheduled to depart within twenty-four hours of arrival. A stopover is arranged in advance and specified on the passenger ticket.

- **Intermediate no stopover point:** A point where the passenger arrives and departs within twenty-four hours. It is also known as a transfer connection or connecting point.

- **Pricing unit:** Ajoumey or part of a journey which is priced as a separate entity, that is, it is capable of being ticketed separately.

- **OW sub-joumey:** Part of a journey wherein traveller from one country does not return to such country or which has an international gap.

- **CT:** Refers to circle trip. It involves travel from a point and return to the same point by a continuous, circuitous air route, including journeys comprising two fare components but which do not meet the conditions of a round trip definition.
- **Service gap concept:** According to this concept, dissatisfaction in services is caused by gaps between expectations and perceived outcomes.

3.10 END QUESTIONS

1. What is the importance of planning in tour operation?
2. What should be considered while doing strategic planning?
3. What are benefits of marketing planning?
4. What is market positioning?
5. What is meant by Performance Indicators?
6. Explain importance of analyzing marketing effectiveness.
7. What are the five major characteristics of marketing orientation?
8. Explain what is meant by operating costs in a tour operation.
9. What factors are to be considered while deciding your profit margin?
10. Explain the importance of pricing in marketing.
11. What should be kept in mind while deciding which distribution channel to choose from?
12. What is the importance of distribution channel?
13. What are the five important distribution channels?
14. What are the various types of fare or tariffs?
15. Explain the concept of Excursion Fare offered by various airlines.
16. Explain the various types of group fares offered by various airlines.
17. Briefly discuss in one or two lines the following concepts: Origin, Destination, Intermediate stopover point, OW sub-journey, Sectors
18. What are the three important bases for computing the prices of airline travel.
19. Explain in 1 or 2 lines: one way trip, round trip, single open jaw trip, turnaround single open jaw trip.
20. List the various factors which characterize the pricing of tourism products.
21. Explain how tourism industry is easy to enter and exit.
22. Explain why the tourism products are higher in cost.
23. Explain the various activities included in pre-tour preparation phase.
24. What are the various choices of accommodations available to the tour planners.
25. What are the various choices of shopping available to the tour planners.
26. Explain how the five dimensions of Service Quality can be used for organization of conferences.
27. Elaborate the Service Gap Model as applied to organization of conventions.
28. Explain the Customer Gap as envisaged in the Service Gap Model applied to organization of conventions.
29. Explain the Knowledge Gap as envisaged in the Service Gap Model applied to organization of conventions.
30. Explain the Policy Gap as envisaged in the Service Gap Model applied to organization of conventions.
31. Explain the Delivery Gap as envisaged in the Service Gap Model applied to organization of conventions.
32. Explain the Communication Gap as envisaged in the Service Gap Model applied to organization of conventions.
33. List at least five factors which are outside the control of organizers of conventions which may affect the customer satisfaction.

34. Explain how the internal evaluation of an activity like convention is carried out.

3.11 FURTHER READING

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UNIT 4 : TOURIST TRANSPORT

4.0 BEFORE WE BEGIN

Tourism is travel for pleasure or business; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. Tourism may be international, or within the traveler's country. The World Tourism Organization defines tourism more generally, in terms which go "beyond the common perception of tourism as being limited to holiday activity only", as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

On this course in tourism guide and tour operation, we will be studying the tourism industry in great details. In the previous unit we have learned about the importance of planning in tour operation, points to be considered while doing strategic planning, benefits of marketing planning, concept of market positioning, definition of Performance Indicators, importance of analyzing marketing effectiveness, the five major characteristics of marketing orientation, operating costs in a tour operation, factors are to be considered while deciding your profit margin, the importance of pricing in marketing, points to be kept in mind while deciding which distribution channel to choose from, the importance of distribution channel, the five important distribution channels, the various types of fare or tariffs, the concept of Excursion Fare offered by various airlines, the various types of group fares offered by various airlines, concepts about airline booking (like Origin, Destination, Intermediate stopover point, OW sub-journey, Sectors), the three important bases for computing the prices of airline travel, the various factors which characterize the pricing of tourism products, the various activities included in pre-tour preparation phase, the various choices of accommodations available to the tour planners, the various choices of shopping available to the tour planners, the five dimensions of Service Quality can be used for organization of conferences, the Service Gap Model as applied to organization of conventions, factors which are outside the control of organizers of conventions which may affect the customer satisfaction, the internal evaluation of an activity like convention is carried out and other related topics.

In this unit we will learn about the the importance of tourism in the economy of India, top states in India with the number of foreign tourist, the concept of International tourism, the Visa Policy of Government of India, e-visa policy formulated by Government of India, the role of transportation in tourism, the role does customer care plays in travel and tourism industry, the important points to be noted while considering customer care, the bus fleets in India and their the number of buses, the importance of road transport in India, the taxi services in India, the role of railways in India, the various types of passenger trains in India, the various initiatives taken by Indian railways towards modernization, the importance of Indian Railways in the progress of India, the various zones of Indian Railways, the importance, motivation, route and various awards achievements of Palace of Wheel, the importance, motivation, and route of Royal Orient express, the importance of maritime transport, the various types of Merchant Ships, the function and importance of roll-on/roll-off ship, the function and importance of ferries, the function and importance of cruise ships, the function and importance of ocean liners, the importance of cruise industry in the global economy, the function and importance of hydrofoil, the various operations of hydrofoils in the world, the function and importance of hovercraft, the various operations of hovercraft in the world, the scenario of air transportation in India, the status of airports in India, the aviation policy 2016 formulated by Government of India, the important documents which are required while traveling globally and various other related topics

The study of these topics will help you become a better professional as these concepts are going to be used in all the day to day activities as a tour professional.

4.1 UNIT OBJECTIVES

After going through this unit, you will be able to:

- Explain various concepts about tourism in India
- Describe the role of transport in tourism
- Discuss road travel and tourism
- Describe rail travel and tourism
- Explain sea travel and tourism
- Describe air travel and tourism
- Discuss about travel documents

4.2 TOURISM IN INDIA

Tourism in India is economically important and is growing rapidly. The World Travel & Tourism Council calculated that tourism generated Rs14.02 lakh crore (US$220 billion) or 9.6% of the nation's GDP in 2016 and supported 40.343 million jobs, 9.3% of its total employment. The sector is predicted to grow at an annual rate of 6.8% to Rs28.49 lakh crore (US$440 billion) by 2027 (10% of GDP). In October 2015, India's medical tourism sector was estimated to be worth US$3 billion. It is projected to grow to $7–8 billion by 2020. In 2014, 184,298 foreign patients traveled to India to seek medical treatment.

Share of top 10 states/UTs of India in number of foreign tourist visits in 2015[28]

Rank	State/Union Territory	Number	Share in %
1	Tamil Nadu	4,684,707	20.1
2	Maharashtra	4,408,916	18.9
3	Uttar Pradesh	3,104,062	13.3
4	Delhi	2,379,169	10.2
5	Rajasthan	1,489,500	6.4
6	West Bengal	1,475,311	6.3
7	Kerala	977,479	4.2
8	Bihar	923,737	4.0
9	Karnataka	636,502	2.7
10	Goa	541,480	2.3
	Total of top 10 states	20,620,863	88.4
	Others	2,705,300	11.6
	Total	23,326,163	100

(Source: Wikipedia, "Tourism in India", accessed on 20 July 2017)

About 88.90 lakh (8.89 million) foreign tourists arrived in India in 2016 compared to 80.27 lakh (8.027 million) in 2015, recording a growth of 10.7%. Domestic tourist visits to all states and Union Territories numbered 1,036.35 million in 2012, an increase of 16.5% from 2011. In 2014, Tamil Nadu, Maharashtra and Uttar Pradesh were the most popular states for tourists. Delhi, Mumbai, Chennai, Agra and Jaipur have been the five most visited cities of India by foreign tourists during the year 2015. Worldwide, Delhi is ranked at 28 by the number of foreign tourist arrivals, while Mumbai is ranked at 30, Chennai at 43, Agra at 45, Jaipur at 52 and Kolkata at 90.

The *Travel & Tourism Competitiveness Report 2017* ranks India 40th out of 136 countries overall. The report ranks the price competitiveness of India's tourism sector 10th out of 136 countries. It mentions that India has quite good air transport (ranked 32nd), particularly given the country's stage of development, and reasonable ground transport infrastructure (ranked 29th). The country also scores high on natural and cultural resources (ranked 9th). Some other aspects of its tourism infrastructure remain somewhat underdeveloped however. The nation has very few hotel rooms per capita by international comparison and low ATM penetration. The World Tourism Organization reported that India's receipts from tourism during 2012 ranked 16th in the world, and 7th among Asian and Pacific countries.

Foreign tourist arrivals by source country [e

Source countries for foreign tourist arrivals in India in 2015[28]

Rank	Country	Number	Share in %
1	United States	1,213,624	15.12
2	Bangladesh	1,133,879	14.13
3	United Kingdom	867,601	10.81
4	Sri Lanka	299,513	3.73
5	Canada	281,306	3.50
6	Malaysia	272,941	3.40
8	Australia	263,101	3.28
8	Germany	248,314	3.09
9	France	230,854	2.88
10	Japan	207,415	2.58
	Total of top 10	5,018,548	62.52
	Other countries	3,008,585	37.48
	Grand total	8,027,133	100

(Source: Wikipeadia, "Tourism in India")

The Ministry of Tourism designs national policies for the development and promotion of tourism. In the process, the Ministry consults and collaborates with other stakeholders in the sector including

various Central Ministries/agencies, state governments, Union Territories and the representatives of the private sector. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism. The Ministry also maintains the Incredible India campaign.

Despite the rich cultural and natural heritage which India possesses, the security issues and crime — especially against female visitors, form a persisting trouble that has plagued the Indian tourism industry.

4.2.1 International Tourism

International tourism refers to tourism that crosses national borders. Globalization has made tourism a popular global leisure activity. The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes". The World Health Organization (WHO) estimates that up to 500,000 people are in flight at any one time.

Modern aviation has made it possible to travel long distances quickly. As a result of the late-2000s recession, international travel demand suffered a strong slowdown from the second half of 2008 through the end of 2009. This negative trend intensified during 2009, exacerbated in some countries due to the outbreak of the H1N1 influenza virus, resulting in a worldwide decline of 4.2% in 2009 to 880 million international tourists arrivals, and a 5.7% decline in international tourism receipts. In 2010, international tourism reached US$919B, growing 6.5% over 2009, corresponding to an increase in real terms of 4.7%. In 2010, there were over 940 million international tourist arrivals worldwide.

CHECK YOUR PROGRESS

What is the importance of tourism in the economy of India?
List 10 top states in India arranged in the descending order of the number of foreign tourist (listing the state with maximum tourism as rank 1 and the state with least number of tourists as rank 10)
What is meant by International tourism?

4.2.2 International Tourism in India

Visa policy of India

India requires citizens of most countries to have a valid passport and apply for a visa at their local Indian embassy or consulate, before they travel. They can apply directly by mail or in person, or through their local travel services company. India has recently implemented an online method for citizens of 40 countries to apply and receive an e-Tourist Visa. Nationals of Bhutan, Maldives and Nepal do not require a visa. Citizens of Afghanistan, Argentina, Bangladesh, DPR Korea, Jamaica, Maldives, Mauritius, Mongolia, Nepal, South Africa and Uruguay are not required to pay a fee when obtaining Indian visa.

A Protected Area Permit (PAP) is required to enter the states of Nagaland and Sikkim and some parts of the states of Arunachal Pradesh, Himachal Pradesh, Jammu and Kashmir, Manipur, Mizoram, Rajasthan and Uttaranchal. A Restricted Area Permit (RAP) is required to enter the Andaman and Nicobar Islands and parts of Sikkim. Special permits are needed to enter Lakshadweep Islands.

e-Tourist Visa

In order to boost tourism, the Indian Government implemented a new visa policy in November 2014 that allows visitors to obtain a visa on arrival at 16 designated international airports by acquiring an Electronic Travel Authorization online before arrival without having to visit an Indian consulate or visa centre. As a result, 56,477 tourists arrived on an e-Tourist Visa during the October 2015 compared to 2,705 during October 2014, an increase of 1987.9%. During January–October 2015 a total of 2,58,182 tourists arrived on an e-Tourist Visa as compared with 21,995 during January–October 2014, an increase of 1073.8%.

The facility will be made available to citizens of about 180 countries in several phases. On 27 November 2014, India introduced its visa on arrival enabled by ETA facility for tourists and business visitors, to citizens of following countries – Australia, Brazil, Cambodia, Cook Islands, Djibouti, Fiji, Finland, Germany, Indonesia, Israel, Japan, Jordan, Kenya, Kiribati, Laos, Luxembourg, Marshall Islands, Mauritius, Mexico, Micronesia, Myanmar, Nauru, New Zealand, Niue, Norway, Oman, Palau, Palestine, Papua New Guinea, Philippines, Russia, Samoa, Singapore, Solomon Islands, South Korea, Thailand, Tonga, Tuvalu, UAE, Ukraine, USA, Vanuatu and Vietnam. The facility was extended to China, Macau and Hong Kong on 30 July 2015. The facility was further extended to citizens of Andorra, Argentina, Armenia, Aruba, Belgium, Bolivia, Colombia, Cuba, East Timor, Guatemala, Hungary, Ireland, Jamaica, Malta, Malaysia, Mongolia, Monaco, Mozambique, the Netherlands, Panama, Peru, Poland, Portugal, Seychelles, Slovenia, Spain, Sri Lanka, Saint Lucia, Saint Vincent and the Grenadines, Surinam, Sweden, Taiwan, Tanzania, Turks and Caicos Islands, the United Kingdom, Uruguay and Venezuela on 15 August 2015.

Fig 4.01: World Heritage sites in Southern India. (Source: Wikipedia)

The visa on arrival requires a tourist to apply online on a secure Government of India website, at least 4 to 30 days before the date of travel. If approved, the passenger must print and carry the approved visa with the travel documents. The visa allows holders of Electronic Travel Authorisation (ETA) to enter and stay anywhere in India for 30 days. The ETA can be obtained twice in a single calendar year. The visa on arrival facility is expected to be expanded to about 180 countries over time. In April 2015 the scheme was renamed to e-Tourist Visa in order to avoid confusion.

CHECK YOUR PROGRESS

What is the Visa Policy of Government of India?
Describe e-visa policy formulated by Government of India.

4.3 ROLE OF TRANSPORT IN TOURISM

Transportation and travel can be discussed without taking tourism into consideration, but tourism cannot thrive without travel. Transportation is an integral part of the tourism industry. It is largely due to the improvement of transportation that tourism has expanded. The advent of flight has shrunk the world, and the motor vehicle has made travel to anywhere possible. Transportation modes and management have been identified as the "important ingredients of the international tourism system," acknowledging that linkage by air, sea and land modes is essential for the operations as well as the availability of support services such as fuel stations, auto repair, motels and rest facilities for land travel. Transportation in tourism is most often seen as just part of the tourism system which is in charge of bringing the tourists to the destinations, a means of getting around the place and leaving it once the duration of the trip is over. Transportation system of a tourist destination has an impact on the tourism experience which explains how people travel and why they choose different forms of holiday, destination, and transport. The improvement in transportation modes plus low fares has increased the accessibility of areas once considered off-the-beaten-path. Accesses to tourist sites vary according to the nature of the site, the state of infrastructure, and the efficiency of the public transport system.

4.3.1 Customer Care in Tourist Transportation

Customer Services is directly related to Tourism because Travel Industry is based on Money and without customer there is no Income. Good customer service is required at every part of tourism either it is hotel, restaurant, travel agency, flight etc. Regardless of how rude and demanding the customer can be it is more important to keep positive attitude and be friendly with the customer.

Tourism is the industry in which passenger contact us to get what he/she dreams of for their holiday. Travelers at the end of the day go on a vacation to relax and to have a good time. Every airline, railway company or travel agency emphasize a strong customer service as to those who get service are more likely to return for their future travel arrangements. If tourists get good service in a well-known hotel then they will consider that hotel chain first whenever they will travel again and would recommend it to others within their social circle. Similarly if the traveler gets **good service** from any specific airline or travel trader then he will consider being a frequent customer with that specific service provider and in turn **will generate future business** for the serving companies, including Yatra.com, makemytrip.com, cleartrip.com and Travelocity.com, etc.

Poor customer service can ruin the reputation of that hotel, restaurant, airline or a travel agency. If customer gets bad experience then neither he will use that supplier again nor will he advise anyone to

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use it again. So directly that supplier will lose that customer revenue in future and indirectly he will lose the prospective client which could get them a lot of business in the future.

Customer care is an essential part of the hospitality industry.

Tourism is the industry that helps a country to get economical stability.
Tourist generates business in a country and plays a key role in achieving the socio-economic goals of development plans of the nation. Good customer service ensures more opportunities for business for the service providers .
Customer care is the base of any industry and its growth. It helps us develop a loyal customer base and improve relationships with our customers.

Tourism is such a wide industry and customers have many alternatives available for their requirement. The modern customer is well informed and needs full value for his money. In case of inconvenience, they do dial Toll Free Number of the customer care support of the company in rule. In such a competitive industry, it is very difficult to make him a loyal customer and a satisfied customer. Loyal customers come back again and again which promotes the business through of word of mouth, all goes with a good and strong customer support. By building a long term customer base, we can reduce the cost of looking new customers. **Good service helps to turn customer into ambassador of our business.** They will buy our product and service regularly and will give valuable feedback which will generate more revenue to the supplier in his good or bad time.

Keys to good customer service:

- Understand customer need.
- Make him feel special or important customer for the company.
- Deal with him patiently.

Thus, Customer care is the backbone of the Travel Industry and will always play an important role in for the growth of the Tourism sector.

10 Tips

Each industry must find ways to provide unique, memorable and personal service. There are basic service principles that every industry should follow such as treating customers or patients with attentive care, consideration and respect. However, in order to stand out from your competition and create loyalty, your customer service must exceed the expectations of your customers.

The Ritz-Carlton Leadership Center spoke to some of the past clients in the aviation and automotive industries and asked how they provide outstanding service for their customers. This lead to the most effective customer service tips:

1) Greet your customer by name with respect

Greeting a customer by name is critical for building trust and showing respect. Customers want to feel recognized and treated like a fellow human being—and not like a faceless transaction. A warm, sincere greeting also helps repeat customers feel remembered and valued.

2) Practice anticipatory service

Many passengers (or clients, patients, patrons, etc.) have questions, but do not like to ask them. They could be shy or are concerned about appearing ignorant. Encourage your staff to be proactive and approach passengers rather than waiting to be approached.

3) Be knowledgeable and prepared

Make sure all of your staff has a firm understanding of the top things they are likely to be asked. When your staff answers basic questions with confidence, competence and clarity, then your customers will feel more secure.

4) Adapt as needed

In aviation, your customer service role may be airside or land side, and therefore, your customers have different needs depending on where they are. You should tailor your message appropriately. For example, if you are interacting with customers who are arriving at their destination, your tone should be warm and welcoming. However, if you are assisting customers who are going through security, your tone will need to be more firm.

5) Invite interaction

Always ask open-ended questions to customers. An open-ended question gives customers the opportunity to tell you if they need any additional services. It is also more conversational, more caring and less abrupt.

6) Exercise discretion

Privacy is a serious issue in today's world, and customers feel less at risk when your organization values discretion. Spend extra attention making sure your customers' data is secure, and be sure all of your employees avoid disclosing any customer information.

7) Stress safety

All customers want to feel safe. This is especially true in transportation. Customer service agents can promote an atmosphere of safety by being alert and calm. Every small gesture of extra care—such as escorting customers to their desired location or providing umbrellas during inclement weather—helps reassure customers that they are cared for and safe.

8) Respect people's time

Long wait times often lead to irritated customers. Customers want convenience. Your organization can streamline processes by utilizing technology—such as mobile apps. One automotive company executive stated they are "implementing tablet technology for (their) service drive. It will work in conjunction with radio-frequency identification (RFID), and it will automatically load a customer's service appointment onto the tablet when the customer drives into (their) store. This eliminates making the customers wait while (they) get information from them."

9) Develop relationships

Every interaction (phone, email, text, live, in-market, etc.) is an opportunity to nurture and develop a 'client-relationship.' As one automotive company executive points out: "Customers may be enticed to visit your store because of the carrots—such as free gasoline or complimentary towels—but CLIENTS retain and purchase services from professionals." In other words, an incentive might get a customer through the door, but when you build relationships with customers, you earn loyalty.

10) Show transparency

Your customers do not want surprises. Hidden fees or confusing language will make your customers suspicious. You can't build relationships when your customers have their defenses up. Purchasing a

vehicle represents a large investment, and you must ensure your customers are provided with a clear understanding of the transaction and all the details—including pricing, maintenance, service and labor rates. When you educate your customers, you are creating informed buyers and reducing the risk of buyer's remorse.

To produce outstanding service that generates word-of-mouth, make sure your customer service is consistent and practiced by all of your staff. It is implies in point 9 above too: "Every interaction can make an impression". When your whole organization values your customer, you are sure to create customer service experiences that lead to customer loyalty.

Other aspects of quality control like good maintenance, trained manpower, good quality vehicles, etc., are also essential for customer care. The following are some tips for customer satisfaction in tourist transport operations:

(i) All facilities offered in the coach are functional, that is, fan, light switch, audio system, bell, etc. Necessary documents are there in the vehicle.

(ii) The vehicle has been given the green signal by the workshop.

(iu) The vehicle must be adequately fuelled before reporting for duty (it is not only bad service but also causes inconvenience to the tourists if they are driven to the petrol pump for filling fuel in the coach. They want to move towards the destination, obviously not the petrol pump).

(iv) The coach should reach the pick-up point well in advance of the given time.

(v) The air conditioner should be switched on well in advance to have a cool temperature before the tourists board it.

(vi) Tourists should be reconfirmed the estimated journey time. Drivers should run the vehicle smoothly.

(vii) Vehicles should be stopped at pre-announced scheduled stops.

(viu) To add value, the tourists could be given small surprise gifts, etc.

(ix) A count should be taken before the vehicle departs; this is to be repeated after every halt where tourists have de-boarded.

(x) No hawkers should be allowed inside the vehicle.

(xi) Speed limits must be maintained.

(xii) Periodical announcements with brief commentary about the scenes outside add value to travel.

(xiii) Sufficient cash should be available with drivers to meet emergency expenses.

(xiv) In case of vehicle breakdown take the customers into confidence, do not give false excuses or assurances; involve them in activities while repairs go on, etc.

(xv) In fact, the drivers should be trained in all the aspects mentioned.

(xvi) Machinery can break down at any point; taking care of the following can reduce the risks to the minimum and add to customer care:

- Regular maintenance of the vehicle
- Trained drivers and escorts
- Professional approach in business preprations
- Proper documentation of the vehicle

CHECK YOUR PROGRESS

Explain the role of transportation in tourism.

4.3.2 Customer Feedback

The best medium to provide maximum satisfaction and care to customer is through his/ her feedback on services consumed. The existing trend is to normally ask the driver/escort about the pleasant and unpleasant experiences during the trip. However, a small questionnaire could be designed by a tourist transport operator, which every customer can be asked to fill up. The customers can fill up these questionnaires either on the spot or they may take them home/hotel and send the duly filled up form either directly or through agents who booked the vehicle for them. This kind of exercise no doubt will add value to the services and will result in long-lasting relationship with customers.

4.3.3 Development of Means of Transport

From the start of human civilization, the means of transport has been changing according to the development of technology. The modes of transport mainly used were animals on land and sails at sea. The invention and application of steam and electricity way back in the 19th century and the internal combustion engine in the 20th century revolutionized travel and transport, and introduced the present era of mass transport. The next important breakthrough came in the late 1950s with the use of aircrafts with jet engines, opening to the whole world the immense benefits of air travel. Traveling became fester and more and more people could travel. The development of transport system in India, chronologically speaking, can be broadly divided as follows:

•   Pre-colonial period

•   Colonial period

•   Post independence era

Throughout these periods the wheels kept moving from one form of transport to another. One can go on adding to the list the various forms oftransportation such as riding on horses, camels, elephants, chariots, cycles and the trains. Similarly, boats and ships gave way to steamers. Cars, coaches and buses were soon to come on the roads, whereas airplanes took to the skies. Both goods and passengers were transported. The motives varied during each period, like linking ports to hinterlands and trade.

4.4 MODES OF TRANSPORT

Transport in India consists of transport by land, water and air. Public transport remains the primary mode of transport for most of the livelihood in India, and India's public transport systems are among the most heavily used in the world.

The four major modes of transport prevalent in India are as follows:

(1)   Road transport

(2)   Rail transport

(3)   Water transport

(4)   Air transport

Each of these modes has its own significance in relation to tourism and travel.

4.4.1 Road Travel and Tourism

Motor vehicle population in India is low by international standards, with only 24.85 million cars on the nation's roads as of 2013. In total, about 21 per cent households have two wheelers whereas only 4.7 per cent of households in India have cars/jeeps/vans as per 2011 Census. Despite this, the number of deaths caused by traffic is amongst the highest in the world and is still increasing. The automobile industry in India is currently rapidly growing with an annual production of over 4.6 million vehicles, with an annual growth rate of 10.5% and vehicle volume is expected to rise greatly in the future.

In 2015-16, Government of India, declared 106 National Waterways (NW) under Inland Waterways Authority of India to reduce the cost of transportation and lower the carbon footprint by moving the traffic from surface roads and railroads to waterways.

Despite ongoing improvements in the transport sector, several aspects of transportation are still riddled with problems due to outdated infrastructure and lack of investment in less economically active parts of the country. The demand for transport infrastructure and services has been rising by around 10% a year with the current infrastructure being unable to meet these growing demands. According to Goldman Sachs, India will need to spend US$1.7 trillion on infrastructure projects over the next decade to boost economic growth.

Buses are an important means of public transport in India. Due to this social significance, bus transport is predominantly owned and operated by public agencies, and most state governments operate bus services through a State Road Transport Corporation. These corporations have proven extremely useful in connecting villages and towns across the country. However, the share of buses is negligible in most Indian cities as compared to personalized vehicles, and two-wheelers and cars account for more than 80 percent of the vehicle population in most large cities. Many Indian state governments run have their own fleet of buses which are run under their state transport department.

Some of the top bus fleet is as follows:

Sr. No. ⬍	State ⬍	Bus Fleet of all STU's ⬍
1	Karnataka	23138
2	Tamilnadu	23078
3	Maharashtra	16000
4	Uttar pradesh	11851
5	Andhra pradesh	11785
6	Telangana	10479
7	Gujarat	9100
8	Kerala	6240
9	Rajasthan	5500
10	Haryana	4250
11	Punjab	2909
12	Himachal pradesh	2645
13	West bengal	2345
14	Uttrakhand	1419
15	Assam	585
16	Goa	565
17	Jammu & Kashmir	529
18	Orissa	462
19	Bihar	306

(Source: Wikipedia, accessed on 20 July 2017)

Taxis

In India, most taxicabs, especially those in Delhi and Mumbai, have distinctive black and yellow liveries with the bottom half painted black and upper half painted yellow. In Kolkata, most taxis are painted yellow with a blue strip in the middle. Private companies operating taxis can have their own liveries but need to get them approved from the government. Taxis and all other commercial vehicles have a yellow number plate so charging taxes and toll in highways is easier for the officials. Delhi is the only city in India with taxicabs running only on Compressed Natural Gas. To hail a taxicab, you normally just wait on the street or go to locations called taxi stands. Taxicabs are referred to as taxis in India and the word cab is rarely used.

New models of taxicabs like the Mahindra Logan, Tata Indigo, Tata Indica and Toyota Etios are commonly seen in metropolises in India.

Most of these cabs do not have an air conditioning system but there are numerous private taxi operators like "Cool Cab" are air-conditioning. The newer taxis are white, one of the many reasons why the expensive taxis have been dubbed White Taxis by the locals in cities. Taxis and all other

commercial vehicles have a yellow number plate so charging taxes and toll in highways is easier for the officials.

Depending on the city/state, taxis can either be hailed or are hired from taxi-stands. In cities such as Bangalore, taxis need to be hired from taxi stands, whereas in cities like Kolkata and Mumbai, taxis can be hailed on the street. There are additional surcharges for luggage, late-night rides and toll taxes are to be paid by the passenger. Thanks to the booming economy but due to disparities in income many types of taxis have come up. For example, in Delhi there are 5 types of taxi. auto rickshaws-which are the cheapest form of taxi-, Normal Taxis, Radio Cabs, White Taxis and Tourist Taxis. In posh areas like Noida and Gurgaon auto rickshaws are banned thus giving the taxis a monopoly. Chandigarh also has a well established system of modern radio cabs using cars like Tata Indigo/Indigo marina, Fiat Siena and Maruti Esteem. Kolkata has also got many No Refusal taxis that will never say no to the passengers. However, Taxicabs in Kolkata rarely ply by the meter and refusals and overcharging are common.

Taxis face stiff competition from auto rickshaws, but in some cities, for example Mumbai, auto rickshaws are banned in the main city district, thus giving taxis a monopoly.

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CHECK YOUR PROGRESS

Which are the top 5 bus fleets in India in the descending order of the number of buses?
Explain the importance of road transport in India.
Elaborate on the taxi services in India.

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4.4.2 Rail Travel and Tourism

India's rail network is the 4th longest and the most heavily used system in the world, transporting 8.225 billion passengers and over 970 million tonnes of freight annually, as of 2015. Railways transport 18 million citizens daily.

Rail transport is an important mode of long-distance transport in India, especially for passenger travel. As on 31 March 2016, the rail network traverses the length and breadth of the country, comprising 119,630 km of track over a route of 66,687 km and 7,216 stations. It is the fourth largest railway network in the world (after USA, Russia and China), It is one of the busiest networks in the world transporting 8.107 billion passengers and over 1.108 billion tonnes of freight annually, as of 2016.

Almost all rail operations in India are handled by Indian Railways, a state-owned organization of the Ministry of Railways. The urban rail transit systems across the country are operated independently of Indian railways. Indian Railways is the world's largest commercial or utility employer, with more than 1.4 million employees. As to rolling stock, IR owns over 200,000 (freight) wagons, 50,000 coaches and 8,000 locomotives.

Fig. 4.02 *Rail Transport in India*

Passenger service

Indian Railways has several classes of travel with or without air conditioning. A train may have just one or many classes of travel. Slow passenger trains have only unreserved seating class whereas Rajdhani, Duronto, Shatabdi, Garib Rath and Yuva trains have only air-conditioned classes. The fares for all classes are different with unreserved seating class being the cheapest. The fare of Rajdhani, Duronto and Shatabdi trains includes food served in the train, but the fare for other trains does not include food that has to be bought separately. From September 2016, the Indian Railways have introduced dynamic fares for all accommodation classes for Rajdhani, Duronto and Shatabdi trains(except 1AC and EC classes) to shore up revenue. In long-distance trains a pantry car is usually included and the food is served at the berth or seat itself. Luxury trains such as Palace on Wheels have separate dining cars, but these trains cost as much as or more than a five-star hotel room.

A standard passenger rake has four unreserved (also called "general") compartments, two at the front and two at the end, of which one may be exclusively for ladies. The exact number of other coaches varies according to the demand and the route. A luggage compartment can also exist at the front or the back. In some mail trains, a separate mail coach is attached. Lavatories are communal and feature both the Indian style as well as the Western style.

Types of passenger trains

Trains are sorted into various categories that dictate the number of stops along their route, the priority they enjoy on the network, and the fare structure. Each express train is identified by a five-digit number, the first digit as 1 and 2 for long-distance Express trains. If the first digit is 0, then the train is a Special. The first digit as 5 denotes a passenger train. The second digit indicates the zone that operates the train, the third the division within the zone that controls the train and is responsible for its regular maintenance and cleanliness, and the last two digits are the train's serial number. The system was changed from four digits from 20 December 2010, to accommodate an increasing number of trains.

For super-fast trains, the second digit is always 2 (the first remains 1 or 2), the third digit is the zone, the fourth is the division and only the last digit is the serial number within the division. Trains travelling in opposite directions along the same route are usually labelled with consecutive numbers. However, there is considerable variation in train numbers and some zones, such as Central Railway,

has a less systematic method for numbering trains. Most express trains also have a unique name that is usually exotic and taken from landmarks, famous people, rivers and so on.

Trains are classified by their average speed. A faster train has fewer stops ("halts") than a slower one and usually caters to long-distance travel.

Future of Railways in India

Indian Railways has a full-fledged organization known as Research Designs and Standards Organisation (RDSO), located at Lucknow for all research, designs and standardization tasks.

In August 2013, Indian Railways entered into a partnership with Indian Institute of Technology (Madras) to develop technology to trap solar energy for lighting and air-conditioning in the coaches. This would significantly reduce the fossil fuel dependency for Indian Railways.

Recently it developed and tested the Improved Automated Fire Alarm System in Rajdhani Express Trains. It is intended that the system be applied to AC coaches of all regular trains.

In recent years, Indian Railways has undertaken several initiatives to upgrade its ageing infrastructure and enhance its quality of service. The Indian government plans to invest Rs 9.05 trillion (US$140 billion) to upgrade the railways by 2020. Indian Railways is refurbishing 12–15 year old coaches at Carriage Rehabilitation Workshop in Bhopal to enhance passenger amenities and fire safety measures. Selected passengers with confirmed tickets will now be allowed to transfer them to someone else, but only once. IRCTC is now offering a pay-on-delivery option for train tickets on its website and app, where the customers can book the tickets and pay when it is delivered.

High-speed rail

India does not have any railways classified as high-speed rail (HSR), which have operational speeds in excess of 200 km/h (120 mph). The fastest train in India is the Gatimaan Express with a top speed of 160 km/h (99 mph), which runs between Delhi and Agra. Building the Diamond Quadrilateral project, which would connect the cities of Chennai, Delhi, Kolkata, and Mumbai via high-speed rail is a project approved as a priority for the government in the 2014 president's speech. Construction of one kilometer of high speed railway track will cost Rs100 crore (US$16 million) – Rs140 crore (US$22 million) which is 10–14 times higher than the construction of standard railway.

Government of India approved the choice of Japan to build India's first high-speed railway. The planned rail would run some 500 km (310 mi) between Mumbai and the western city of Ahmadabad, at a top speed of 320 km/h (200 mph). Under the proposal, construction is expected to begin in 2017 and be completed in 2023. It would cost about Rs980 billion (US$15 billion) and be financed by a low-interest loan from Japan. India will use the wheel-based 300 km/hr HSR technology, instead of new maglev 600 km/hr technology of the Japan used in Chūō Shinkansen. India is expected to have its HSR line operational from 2025 onwards, once the safety checks are completed.

Bio-toilets on railways

The bio-toilets, which have been developed by the railways and the Defence Research and Development Organisation (DRDO), have a colony of anaerobic bacteria, kept in a container under the lavatories that convert human waste into water and small amounts of gases. The gases are released into the atmosphere and the water is discharged after chlorination on to the track. The railways currently uses flush toilets in trains, in which human waste is dumped directly on the track. This makes the environment unhygienic and railway stations an eyesore, apart from the fact that the faecal matter corrodes the tracks.

Southern Railways officials say that except for the first- and two-tier AC coaches of Uzhavan Express, the remaining 34 coaches have been fitted with bio-toilets. "These toilets aim at zero defecation on the ground," says Vinay Srivastava, former director-in-charge of the bio-toilet project who is currently working as Director, Ministry of Environment and Forests.

More bio-toilets have been fitted into coaches this year more than the total bio-toilets fitted in the last three years. According to an IR source, the number of bio-toilets fitted in passenger train coaches

from April to July this year this year was 2,285, against 1,337 bio-toilets fitted during 2012–13, 169 during 2011–12, and 57 during 2010–11.

CHECK YOUR PROGRESS

Elaborate on the role of railways in India.
Discuss the various types of passenger trains in India.
Explain the various initiatives taken by Indian railways towards modernization.

The Indian Railways

Indian Railways (reporting mark IR) is a state-owned railway company, responsible for rail transport in India. It is owned and operated by the Government of India through the Ministry of Railways. It is the fourth largest railway network in the world comprising 119,630 kilometres (74,330 mi) of total track and 92,081 km (57,216 mi) of running track over a route of 66,687 km (41,437 mi) with 7,216 stations at the end of 2015-16. In 2015-16, IR carried 8.107 billion passengers annually or more than 22 million passengers a day and 1.101 billion tons of freight annually. As of the end of 2015-16, of the total 68,525 km (42,579 mi) route length, 28,327 km (17,602 mi) or 45% were electrified and 28,371 km (17,629 mi) or 37% were double or multiple line routes. The railway network is predominantly a broad gauge network. Small stretches of the network use metre and narrow gauges. All the electrified lines use 25 kV AC electric traction.

Railways were first introduced to India in 1830s for freight transport. The first passenger train ran from Mumbai to Thane in 1853. In 1951 the systems were nationalised as one unit, the Indian Railways, becoming one of the largest networks in the world. IR operates both long distance and suburban rail systems. Indian Railways ran on average 13,313 passenger trains daily in 2015-16. The trains have a five-digit numbering system. Mail or express trains, the most common types, run at an average speed of 50.9 km/hr. As of the end of 2015-16, IR's rolling stock comprised over 251,256 freight wagons, 70,241 passenger coaches and 11,122 locomotives (39 powered by steam, 5,869 by diesel fuel and 5214 by electricity). It also owns locomotive and coach production facilities at several places in India.

Indian Railways is the world's eighth biggest employer and had 1.331 million employees at the end of 2015-16. In 2015–2016 Indian Railways had revenues of Rs1.683 trillion (US$26 billion), consisting of Rs1.069 trillion (US$17 billion) freight earnings and Rs442.83 billion (US$6.9 billion) passengers earnings. It had an operating ratio of 90.5% in 2015-16.
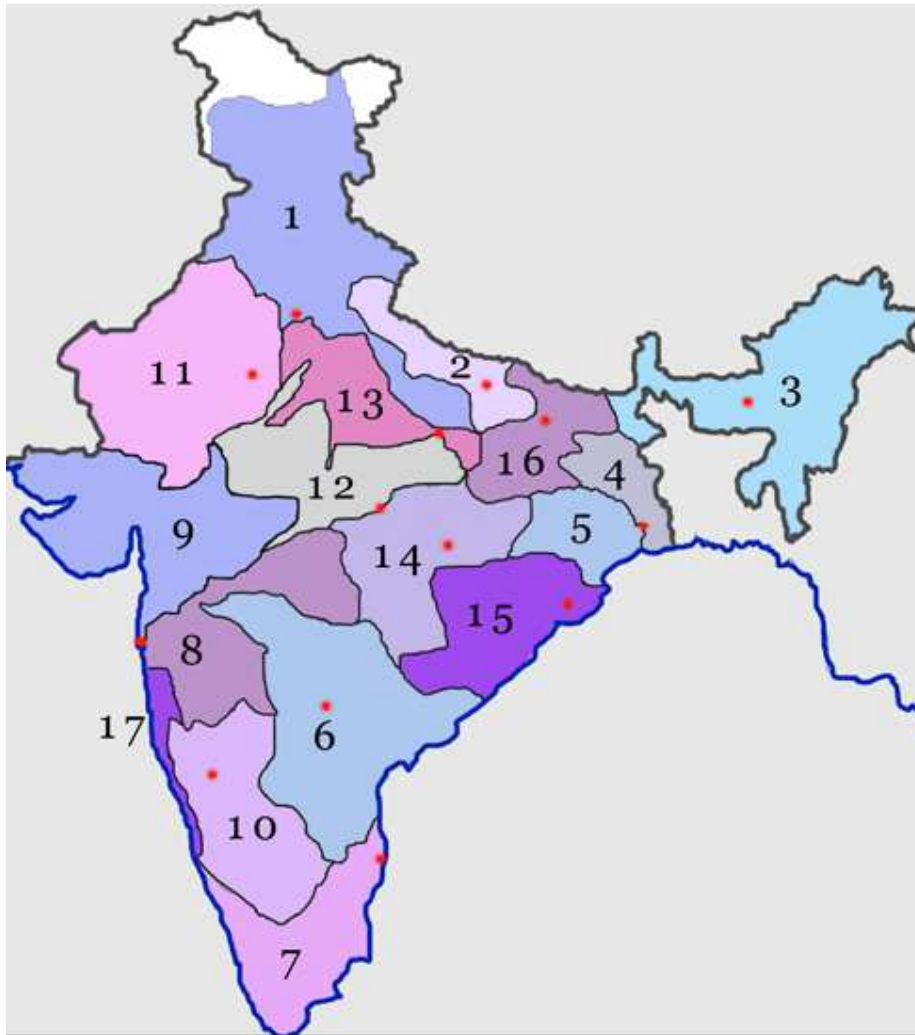
Fig 4.03: Zones of Indian Railways (Source: Wikipedia) 1-Northern 2-North Eastern 3-Northeast Frontier 4-Eastern 5-South Eastern 6-South Central 7-Southern 8-Central 9-Western 10-South Western 11-North Western 12-West Central 13-North Central 14-South East Central 15-East Coast 16-East Central 17-Kolkata Metro

List of IR Zones							
			Operational Statistics (in FY2011-12)				
Railway Zone	Code	Zone Headquarters	Route length (km)	Number of Stations	Revenue	Passenger Carried (million)	Railway Divisions
1. Central Railway	CR	Mumbai	3,905	612	Rs75,447 million(US$1.2 billion)	1,675	Mumbai, Bhusawal, Pune, Solapur, Nagpur

Railway Zone	Code	Zone Headquarters	Operational Statistics (in FY2011-12)				Railway Divisions
			Route length (km)	Number of Stations	Revenue	Passenger Carried (million)	
2. Eastern Railway	ER	Kolkata	2,414	576	Rs37,254 million(US$580 million)	1,173	Howrah, Sealdah, Asansol, Malda
3. East Central Railway	ECR	Hajipur	3,628	800	Rs59,386 million(US$920 million)	222	Danapur, Dhanbad, Mughalsarai, Samastipur Sonpur
4. East Coast Railway	ECoR	Bhubaneswar	2,572	342	Rs87,884 million(US$1.4 billion)	86	Khurda Road, Sambalpur, Waltair
5. Northern Railway	NR	Delhi	6,968	1142	Rs89,246 million(US$1.4 billion)	685	Delhi, Ambala, Firozpur, Lucknow NR, Moradabad
6. North Central Railway	NCR	Allahabad	3,151	435	Rs87,796 million(US$1.4 billion)	182	Allahabad, Agra, Jhansi
7. North Eastern Railway	NER	Gorakhpur	3,667	537	Rs17,667 million(US$270 million)	250	Izzatnagar, Lucknow NER, Varanasi
8. North Western Railway	NWR	Jaipur	5,459	663	Rs36,240 million(US$560 million)	157	Jaipur, Ajmer, Bikaner, Jodhpur
9. Northeast Frontier Railway	NFR	Guwahati	3,907	690	Rs21,079 million(US$330 million)	88	Alipurduar, Katihar, Rangiya, Lumding, Tinsukia
10. Southern Railway	SR	Chennai	5,098	890	Rs47,063 million(US$730 million)	801	Chennai, Tiruchirappalli, Madurai, Palakkad, Salem, Thiruvananthapuram
11. South Central Railway	SCR	Secunderabad	6,137	883	Rs89,114 million(US$1.4 billion)	378	Secunderabad, Hyderabad, Vijayawada, Guntakal, Guntur, Nanded

List of IR Zones

Railway Zone	Code	Zone Headquarters	Operational Statistics (in FY2011-12)				Railway Divisions
			Route length (km)	Number of Stations	Revenue	Passenger Carried (million)	
12. South East Central Railway	SECR	Bilaspur	2,447	358	Rs63,402 million(US$980 million)	126	Bilaspur,] Raipur, Nagpur SEC
13. South Eastern Railway	SER	Kolkata	2,631	353	Rs73,721 million(US$1.1 billion)	263	Adra, Chakradharpur, Kharagpur, Ranchi
14. South Western Railway	SWR	Hubballi	3,177	456	Rs26,384 million(US$410 million)	181	Hubballi, Bengaluru,] Mysuru,
15. Western Railway	WR	Mumbai	6,182	1046	Rs82,167 million(US$1.3 billion)	1,654	Mumbai WR, Ratlam, Ahmedabad, Rajkot,]Bhavnagar, Vadodara
16. West Central Railway	WCR	Jabalpur	2,965	372	Rs65,135 million(US$1.0 billion)	138	Jabalpur, Bhopal, Kota
17. Metro Railway	MTP	Kolkata	130	75	Rs348 million(US$5.4 million)	183	NA

List of IR Zones

Palace on Wheels

The Palace on Wheels is a luxury tourist train. It was launched by the Indian Railways in association with Rajasthan Tourism Development Corporation to promote tourism in Rajasthan.

The train service was refurbished and re-launched in August 2009 with a new decor, itinerary and cuisine. It was voted the 4th luxurious train in the world in 2010.

The Palace on Wheels started on January 26 in 1982. The concept of the Palace on Wheels was derived from the royal background of the coaches, which were originally meant to be the personal railway coaches of the erstwhile rulers of the princely states of Rajputana, Gujarat, the Nizam of Hyderabad and the Viceroy of British India.

Each saloon highlights the cultural ethos of the state, represented through the use of furniture, handicrafts, painting and furnishings. Delhi-based interior designer Monica Khanna did the interiors of the train.

There are 23 coaches in the train. 104 tourists can travel in train. Each coach is named after former Rajput states and matches the aesthetics and interiors of the royal past: Alwar, Bharatpur, Bikaner, Bundi, Dholpur, Dungargarh, Jaisalmer, Jaipur, Jhalawar, Jodhpur, Kishangarh, Kota, Sirohi and Udaipur. Each coach has four cabins (named chambers or saloons by the company) with luxury amenities and Wi-Fi internet. The train has two restaurants, The Mahārāja and The Mahārāni, with a Rajasthani ambience serving continental, Chinese cuisine, one bar cum lounge, 14 saloons and a spa.

Route

The train has a 7 nights & 8 days itinerary departs from New Delhi (Day 1), and covers Jaipur (Day 2), Sawai Madhopur and Chittaurgarh (Day 3), Udaipur (Day 4), Jaisalmer (Day 5), Jodhpur (Day 6), Bharatpur and Agra (Day 7), return to New Delhi (Day 8).

Awards and recognition

Train got PATA Gold Award in 1987 within few years of its inception. The award is given by Pacific Asia Travel Association(PATA).

Various TV channels like BBC, MTV, ZEE TV, National Geographic and Discovery channel have covered this train in their various shows.

In a survey done by global travel magazine Conde Nast, Palace on Wheels was voted as 4th best luxurious train in the world and best in Asia.

Fig. 4.04: *Palace on Wheels*

Royal Orient Express

The Royal Orient is an Indian luxury tourism train that runs between Gujarat and Rajasthan, covering important tourist locations in the two states. Modeled on the popular Palace on Wheels, India's first luxury tourist train, the train offers tourists a taste of royal luxury while "showcasing the best of Indian culture and heritage".

The train started in 1994-95 as a joint venture of the Tourism Corporation of Gujarat and the Indian Railways. The livery follows a blue scheme to differentiate it from the Palace on Wheels.

The train did not do well in the initial years, with passenger occupancy dropping from 25 percent in the first year to 15 percent in subsequent years. However, after an overhaul in 2007, things started looking up and the train started making profits.

There are 13 coaches in the train, named after erstwhile kingdoms of Rajputana. The coaches provide five-star hotel comforts to passengers. Cabins are furnished in a palatial style and have spacious baths attached. There are multi-cuisine restaurants that offer Rajasthani, Gujarati, Indian, Chinese and continental cuisine.

The Royal Orient starts from Delhi Cantonment railway station and has stops at Chittorgarh, Jaipur, Udaipur, Ahmedabad, Mehsana, Junagarh, Veraval, Sasan gir, Mandvi, Palitana and Sarkhej.

Some of the tourist spots covered are the Qutub Minar, Red Fort and Jama Masjid in Delhi, Chittorgarh Fort and Rani Padmini's Palace in Chittorgarh, Sabarmati Ashram in Ahmedabad, Lake Palace in Udaipur, the Gir Wildlife Sanctuary in Gujarat and the Hawa Mahal and Jantar Mantar in Jaipur.

Fig. 4.05: *Royal Orient Express Interior of Dining area*

CHECK YOUR PROGRESS

Elaborate on the importance of Indian Railways in the progress of India.
Elaborate on the various zones of Indian Railways.
Describe the importance, motivation, route and various awards achievements of Palace of Wheel.
Describe the importance, motivation, and route of Royal Orient express.

4.4.3 Sea Travel and Tourism

Travelling by sea (also known as Maritime transport) is watercraft carrying people (passengers) or goods (cargo). Freight transport has been achieved widely by sea throughout recorded history. Although the importance of sea travel for passengers has decreased due to aviation, it is effective for short trips and pleasure cruises. Transport by water is cheaper than transport by air, despite fluctuating exchange rates and a fee placed on top of freighting charges for carrier companies known as the Currency Adjustment Factor (CAF).

Maritime transport can be realized over any distance by boat, ship, sailboat or barge, over oceans and lakes, through canals or along rivers. Shipping may be for commerce, recreation or the military purpose; while extensive inland shipping is less critical today, the major waterways of the world, including many canals are still very important and are integral parts of worldwide economies. Virtually any material can be moved by water; however, water transport becomes impractical when material delivery is time-critical such as various types of perishable produce. However, water transport is highly cost effective with regular schedulable cargoes, such as trans-oceanic shipping of consumer products— and especially for heavy loads or bulk cargos, such as coal, coke, ores or grains. Arguably, the industrial revolution took place best where cheap water transport by canal, navigations, or shipping by all types of watercraft on natural waterways supported cost effective bulk transport.

Containerization revolutionized maritime transport starting in the 1970s. "General cargo" includes goods packaged in boxes, cases, pallets, and barrels. When a cargo is carried in more than one mode, it is intermodal or co-modal.

Ships and other watercraft are used for maritime transport. Types can be distinguished by propulsion, size or cargo type. Recreational or educational craft still use wind power, while some smaller craft use internal combustion engines to drive one or more propellers, or in the case of jet boats, an inboard water jet. In shallow draft areas, such as the Everglades, some craft, such as the hovercraft, are propelled by large pusher-prop fans.

Types of Merchant Ships

Most modern merchant ships can be placed in one of a few categories, such as:

Fig 4.06: Bulk carriers, such as the Sabrina I (seen here), are cargo ships

Bulk carriers, such as the Sabrina I (seen here), are cargo ships used to transport bulk cargo items such as ore or food staples (rice, grain, etc.) and similar cargo. They can be recognized by the large box-like hatches on their deck, designed to slide outboard for loading. A bulk carrier could be either dry or wet. Most lakes are too small to accommodate bulk ships, but a large fleet of lake

freighters has been plying the Great Lakes and St. Lawrence Seaway of North America for over a century.

Fig 4.07: Container ships are cargo ships

Container ships are cargo ships that carry their entire load in truck-size containers, in a technique called containerization. They form a common means of commercial intermodal freight transport. Informally known as "box boats," they carry the majority of the world's dry cargo. Most container ships are propelled by diesel engines, and have crews of between 10 and 30 people. They generally have a large accommodation block at the stern, directly above the engine room.

Tankers are cargo ships for the transport of fluids, such as crude oil, petroleum products, liquefied petroleum gas (LPG), liquefied natural gas (LNG) and chemicals, also vegetable oils, wine and other food - the tanker sector comprises one third of the world tonnage.

Fig 4.08: Refrigierated ship Salica Frigo

Refrigerated ships (usually called Reefers) are cargo ships typically used to transport perishable commodities which require temperature-controlled transportation, mostly fruits, meat, fish, vegetables, dairy products and other foodstuffs.

Fig 4.09: Roll-on, roll-off ship Chi-Cheemaun

Roll-on/roll-off ships, such as the Chi-Cheemaun, are cargo ships designed to carry wheeled cargo such as automobiles, trailers or railway carriages. RORO (or ro/ro) vessels have built-in ramps which allow the cargo to be efficiently "rolled on" and "rolled off" the vessel when in port. While smaller ferries that operate across rivers and other short distances still often have built-in ramps, the term RORO is generally reserved for larger ocean-going vessels, including pure car/truck carrier (PCTC) ships.

Coastal trading vessels, also known as coasters, ships used for trade between locations on the same island or continent. They are often small and of shallow draft, and sometimes set up as self-dischargers.

Fig 4.10: Ferries are a form of transport, usually a boat or ship

Ferries are a form of transport, usually a boat or ship, but also other forms, carrying (or ferrying) passengers and sometimes their vehicles. Ferries are also used to transport freight (in lorries and

sometimes unpowered freight containers) and even railroad cars. Most ferries operate on regular, frequent, return services. A foot-passenger ferry with many stops, such as in Venice, is sometimes called a waterbus or water taxi. Ferries form a part of the public transport systems of many waterside cities and islands, allowing direct transit between points at a capital cost much lower than bridges or tunnels. Many of the ferries operating in Northern European waters are ro/ro ships. See the Herald of Free Enterprise and M/S Estonia disasters.

Fig 4.11: Cruise ship Century

Cruise ships are passenger ships used for pleasure voyages, where the voyage itself and the ship's amenities are considered an essential part of the experience. Cruising has become a major part of the tourism industry, with millions of passengers each year as of 2006. The industry's rapid growth has seen nine or more newly built ships catering to a North American clientele added every year since 2001, as well as others servicing European clientele. Smaller markets such as the Asia-Pacific region are generally serviced by older tonnage displaced by new ships introduced into the high growth areas. On the Baltic sea this market is served by cruise-ferries.

Fig 4.12: Ocean Liner Queen Mary

Ocean liner is a passenger ship designed to transport people from one seaport to another along regular long-distance maritime routes according to a schedule. Ocean liners may also carry cargo or mail, and may sometimes be used for other purposes.

Ocean liners are usually strongly built with a high freeboard to withstand rough seas and adverse conditions encountered in the open ocean, having large capacities for fuel, food and other consumables on long voyages. These were the main stay of most passenger transport companies, however, due to the growth of air travel, the passenger ships saw a steady decline. Cruise ships later filled the void and are primarily used by people who still have a love of the sea and offer more amenities compared to the older passenger ships.

Cable layer is a deep-sea vessel designed and used to lay underwater cables for telecommunications, electricity, and such. A large superstructure, and one or more spools that feed off the transom distinguish it.

A tugboat is a boat used to manoeuvre, primarily by towing or pushing other vessels (see shipping) in harbours, over the open sea or through rivers and canals. They are also used to tow barges, disabled ships, or other equipment like towboats.

Fig 4.13: Multipurpose ship MV Beluga Projects

A Multi-purpose ship (sometimes called a general cargo ship) is used to transport a variety of goods from bulk commodities to break bulk and heavy cargoes. To provide maximum trading flexibility they are usually geared and modern examples are fitted for the carriage of containers and grains. Generally they will have large open holds and tweendecks to facilitate the carriage of different cargoes on the same voyage. The crew will be highly competent in the securing of break bulk cargoes and the ship will be equipped with various lashings and other equipment for sea fastening.

The cruise industry

A cruise ship or cruise liner is a passenger ship used for pleasure voyages, where the voyage itself and the ship's amenities are a part of the experience, as well as the different destinations along the way, i.e., ports of call. Transportation is not the only purpose of cruising, particularly on cruises that return passengers to their originating port (also known as a closed-loop cruise), with the ports of call usually in a specified region of a continent. There are even "cruises to nowhere" or "nowhere voyages" where the ship makes 2–3 night round trips without any ports of call.

By contrast, dedicated transport oriented ocean liners do "line voyages" and typically transport passengers from one point to another, rather than on round trips. Traditionally, a liner for the transoceanic trade will be built to a higher standard than a typical cruise ship, including higher

freeboard and stronger plating to withstand rough seas and adverse conditions encountered in the open ocean, such as the North Atlantic. Ocean liners also usually have larger capacities for fuel, food, and other stores for consumption on long voyages, compared to dedicated cruise ships, but they no longer exist with the exception of some preserved liners and Queen Mary 2 when on scheduled North Atlantic voyages.

Although often luxurious, ocean liners had characteristics that made them unsuitable for cruising, such as high fuel consumption, deep draught that prevented their entering shallow ports, enclosed weatherproof decks that were not appropriate for tropical weather, and cabins designed to maximize passenger numbers rather than comfort (such as a high proportion of windowless suites). The gradual evolution of passenger ship design from ocean liners to cruise ships has seen passenger cabins shifted from inside the hull to the superstructure with private verandas. The modern cruise ships, while sacrificing some qualities of seaworthiness, have added amenities to cater to water tourists, and recent vessels have been described as "balcony-laden floating condominiums".

Fig 4.14 *Cruise Ship*

Hydrofoils

A hydrofoil is a lifting surface, or foil, that operates in water. They are similar in appearance and purpose to aerofoils used by aeroplanes. Boats that use hydrofoil technology are also simply termed hydrofoils. As a hydrofoil craft gains speed, the hydrofoils lift the boat's hull out of the water, decreasing drag and allowing greater speeds. The hydrofoil usually consists of a wing like structure mounted on struts below the hull, or across the keels of a catamaran in a variety of boats (see illustration). As a hydrofoil equipped watercraft increases in speed, the hydrofoil elements below the hull(s) develop enough lift to raise the hull out of the water, which greatly reduces hull drag. This provides a corresponding increase in speed and fuel efficiency.

Wider adoption of hydrofoils is prevented by the increased complexity of building and maintaining them. Hydrofoils are generally prohibitively more expensive than conventional watercraft. However, the design is simple enough that there are many human-powered hydrofoil designs. Amateur experimentation and development of the concept is popular.

Modern passenger boats

Fig 4.15: Passenger hydrofoil "Flying Dolphin Zeus" moving at high speed near Piraeus, Greece.

Soviet-built Voskhods are one of the most successful passenger hydrofoil designs. Manufactured in Russia and Ukraine, they are in service in more than 20 countries. The most recent model, Voskhod-2M FFF, also known as Eurofoil, was built in Feodosiya for the Dutch public transport operator Connexxion.

The Boeing 929 is widely used in Asia for passenger services between the many islands of Japan, between Hong Kong and Macau and on the Korean peninsula.

Current operation

Current operators of hydrofoils include:

- TurboJET service, which speeds passengers across the Pearl River Delta between Hong Kong and Macau in less than an hour, with an average speed of 45 knots (83 km/h), mainly using Boeing's Jetfoil. Also services Shenzhen, Guangzhou and Kowloon. Operated by Shun Tak-China Travel Ship Management Limited.
- Voskhod and Polesye service between Tulcea and Sulina on the Danube.
- Meteor and Polesye service in Poland between Szczecin and Świnoujście.
- Cometa service between Nizhneangarsk and Irkutsk on the Lake Baikal.
- Cometa service between Vladivostok and Slavyanka.
- Polesye service between Mozyr and Turov on the Pripyat River (Belarus).
- Meteor service between Saint Petersburg, Russia and the Peterhof Palace, a summer palace of Russian tsars.

- Meteor service between Saint Petersburg, Russia and the Kronstadt, a strongly fortified Russian seaport town, located on Kotlin Island, near the head of the Gulf of Finland. It lies thirty kilometers west of Saint Petersburg. Since 2012 replaced by a catamaran Mercury.

- Meteor, Raketa and Voskhod hydrofoil types operate all over Volga, Don and Kama Rivers in Russia. Also the Lena River and Amur River.

- Meteor hydrofoils are operated by a number of tour operators in Croatia, mostly for packaged tours, but there are also some scheduled services to islands in Adriatic.

- Hydrofoils are regularly operated on the three major Italian lakes by branches of the Ministry of Infrastructure and Transport: Navigazione Lago Maggiore services routes on Lake Maggiore between Locarno and Arona, Navigazione Lago di Como services routes on Lake Como, and Navigazione Lago di Garda services routes on Lake Garda. Three units of the Rodriquez RHS150 type operate on each lake, for a total of nine hydrofoils. Navigazione Lago di Como still operates the last Rodriquez RHS70 in active service in Italy.

- Former Russian hydrofoils are used in southern Italy for connection with islands of Lazio and Campania. SNAV has five RHS200, RHS160 and RHS150 used in the connections between Naples and the islands of Capri and Ischia.

- A regular hydrofoil service runs from Istanbul to Yalova.

- Hellenic Seaways operate their Flying Dolphins service over many routes in the Aegean, between the Cyclades, Saronic Gulf islands such as Aegina and Poros, and Athens.

- Meteor (2), Polesye (4) and Voskhod (3) hydrofoil types operate in Hungary. MAHART PassNave Ltd. operates scheduled hydrofoil liners between Budapest, Bratislava and Vienna, inland liners between Budapest and the Danube Bend, and theme cruises to Komárom, Solt, Kalocsa and Mohács.

- "Voskhod" Flying Dolphin services are currently operated by Joy Cruises between Corfu and Paxos. They run from Corfu Port to Gaios using two hydrofoils: Ilida and Ilida II.

- Russian hydrofoils of the Kometa type operated on the Bulgarian Black Sea Coast connecting Varna, Nesebar, Burgas, Sozopol, Primorsko, and Tsarevo, and Raketa and Meteor models served the Bulgarian Danube ports between Rousse and Vidin. Both services were discontinued in the 1990s. In 2011 the service reopened between Varna, Nesebar, Burgas and Sozopol, operated by Bulgarian Hydrofoils Ltd.

- Vietnamese Greenline Company operates hourly shuttle service between Ho Chi Minh city, Vung Tau and Con Dao island. Hydrofoil lines using the Russian-built Meteor type also connect Hai Phong, Ha Long and Mong Cai in North Vietnam, Phan Thiet and Phu Quy Island and between Rach Gia and Phu Quoc Island in the South.

- The service between Busan, South Korea and Fukuoka, Japan is operated by two companies. Japanese JR Kyūshū Jet Ferry operates Beetle five times a day. Korean Miraejet operates Kobee three to four times a day. All of their fleets are Boeing 929.

- As of February 2008, all of the commercial lines in Japan use Boeing 929. The routes include:
  - Sado Kisen operates the route between Sado and Niigata.
  - Tōkai Kisen operates Seven Island, running between Tokyo and Izu Islands, via Tateyama or Yokosuka. The destinations include Izu Ōshima, Toshima, Niijima, Shikinejima, and Kōzushima. The same ship also liks Atami and Izu Ōshima.
  - Kyūshū Yūsen operates the route between Fukuoka, Iki, and the two ports of Tsushima.
  - Kyūshū Shōsen operates the route between Nagasaki and the two of Gotō Islands, namely Fukuejima and Nakadōrijima.
  - Kagoshima Shōsen and Cosmo Line operate the various routes between Kagoshima and Tanegashima or Yakushima.

Hovercrafts

A hovercraft, also known as an air-cushion vehicle or ACV, is a craft capable of travelling over land, water, mud, ice, and other surfaces. Hovercraft are hybrid vessels operated by a pilot as an aircraft rather than a captain as a marine vessel.

Hovercraft use blowers to produce a large volume of air below the hull that is slightly above atmospheric pressure. The pressure difference between the higher pressure air below the hull and lower pressure ambient air above it produces lift, which causes the hull to float above the running surface. For stability reasons, the air is typically blown through slots or holes around the outside of a disk- or oval-shaped platform, giving most hovercraft a characteristic rounded-rectangle shape. Typically this cushion is contained within a flexible "skirt", which allows the vehicle to travel over small obstructions without damage.

Fig 4.16: A Lithuanian Coast Guard hovercraft with engine off and skirt deflated

The first practical design for hovercraft was derived from a British invention in the 1950s to 1960s. They are now used throughout the world as specialised transports in disaster relief, coastguard, military and survey applications, as well as for sport or passenger service. Very large versions have been used to transport hundreds of people and vehicles across the English Channel, whilst others have military applications used to transport tanks, soldiers and large equipment in hostile environments and terrain.

Although now a generic term for the type of craft, the name Hovercraft itself was a trademark owned by Saunders-Roe (later British Hovercraft Corporation (BHC), then Westland), hence other manufacturers' use of alternative names to describe the vehicles.

The Commercial Uses of Hovercraft

The first passenger-carrying hovercraft to enter service was the Vickers VA-3, which, in the summer of 1962, carried passengers regularly along the north Wales coast from Moreton, Merseyside, to Rhyl. It was powered by two turboprop aero-engines and driven by propellers.

The Hovertravel service between the Isle of Wight and mainland England is currently the only public hovercraft service in the United Kingdom

During the 1960s, Saunders-Roe developed several larger designs that could carry passengers, including the SR.N2, which operated across the Solent, in 1962, and later the SR.N6, which operated across the Solent from Southsea to Ryde on the Isle of Wight for many years. In 1963 the, SR.N2 was used in experimental service between Weston-super-Mare and Penarth under the aegis of P & A Campbell, the paddle steamer operators.

Operations by Hovertravel commenced on July 24, 1965, using the SR.N6, which carried 38 passengers. Two 98 seat AP1-88 hovercraft were introduced on this route in 1983, and in 2007, these were joined by the first 130-seat BHT130 craft. The AP1-88 and the BHT130 were notable as they were largely built by Hoverwork using shipbuilding techniques and materials (i.e. welded aluminium structure and diesel engines) rather than the aircraft techniques used to build the earlier craft built by Saunders-Roe-British Hovercraft Corporation. Over 20 million passengers had used the service as of 2004 – the service is still operating (2015) and is by far the longest, continuously operated hovercraft service.

In 1966, two cross-channel passenger hovercraft services were inaugurated using SR.N6 hovercraft. Hoverlloyd ran services from Ramsgate Harbour, England, to Calais, France, and Townsend Ferries also started a service to Calais from Dover, which was soon superseded by that of Seaspeed.

As well as Saunders-Roe and Vickers (which combined in 1966 to form the British Hovercraft Corporation (BHC)), other commercial craft were developed during the 1960s in the UK by Cushioncraft (part of the Britten-Norman Group) and Hovermarine based at Woolston (the latter being sidewall hovercraft, where the sides of the hull projected down into the water to trap the cushion of air with normal hovercraft skirts at the bow and stern). One of these models, the HM-2, was used by Red Funnel between Southampton (near the Woolston Floating Bridge) and Cowes.

The world's first car-carrying hovercraft was made in 1968, the BHC Mountbatten class (SR.N4) models, each powered by four Bristol Proteus turboshaft engines. These were both used by rival operators Hoverlloyd and Seaspeed (joined to form Hoverspeed in 1981) to operate regular car and passenger carrying services across the English Channel. Hoverlloyd operated from Ramsgate, where a special hoverport had been built at Pegwell Bay, to Calais. Seaspeed operated from Dover, England, to Calais and Boulogne in France. The first SR.N4 had a capacity of 254 passengers and 30 cars, and a top speed of 83 kn (154 km/h). The channel crossing took around 30 minutes and was run like an airline with flight numbers. The later SR.N4 Mk.III had a capacity of 418 passengers and 60 cars to the Isle of Wight. These were later joined by the French-built SEDAM N500 Naviplane with a capacity of 385 passengers and 45 cars; only one entered service and was used intermittently for a few years on the cross-channel service until returned to SNCF in 1983. The service ceased in 2000 after 32 years, due to competition with traditional ferries, catamaran, the disappearance of duty-free shopping within the EU, the advancing age of the SR.N4 hovercraft and the opening of the Channel Tunnel.

The commercial success of hovercraft suffered from rapid rises in fuel prices during the late 1960s and 1970s, following conflict in the Middle East. Alternative over-water vehicles, such as wave-piercing catamarans (marketed as the SeaCat in the UK until 2005), use less fuel and can perform most of the hovercraft's marine tasks. Although developed elsewhere in the world for both civil and military purposes, except for the Solent Ryde to Southsea crossing, hovercraft disappeared from the coastline of Britain until a range of Griffon Hovercraft were bought by the Royal National Lifeboat Institution.

Hovercraft used to ply between the Gateway of India in Mumbai and CBD Belapur and Vashi in Navi Mumbai between 1994 and 1999, but the services were subsequently stopped due to the lack of sufficient water transport infrastructure

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CHECK YOUR PROGRESS

Elaborate on the importance of maritime transport.
Describe the various types of Merchant Ships.
Describe the function and importance of roll-on/roll-off ship.
Describe the function and importance of ferries.
Describe the function and importance of cruise ships.
Describe the function and importance of ocean liners.
Describe the importance of cruise industry in the global economy.
Describe the function and importance of hydrofoil.
What are the various operations of hydrofoils in the world?
Describe the function and importance of hovercraft.
What are the various operations of hovercraft in the world?

4.4.4 Air Travel and Tourism

Directorate General of Civil Aviation is the national regulatory body for the aviation industry. It is controlled by the Ministry of Civil Aviation. The ministry also controls aviation related autonomous organisations like the Airports Authority of India (AAI), Bureau of Civil Aviation Security (BCAS), Indira Gandhi Rashtriya Uran Akademi and Public Sector Undertakings including Air India, Pawan Hans Helicopters Limited and Hindustan Aeronautics Limited.

Air India is India's national flag carrier after merging with Indian (airline) in 2011 and plays a major role in connecting India with the rest of the world. IndiGo, Jet Airways, Air India, Spicejet and GoAir are the major carriers in order of their market share. These airlines connect more than 80 cities across India and also operate overseas routes after the liberalisation of Indian aviation. Several other foreign airlines connect Indian cities with other major cities across the globe. However, a large section of country's air transport potential remains untapped, even though the Mumbai-Delhi air corridor was ranked 10th by Amadeus in 2012 among the world's busiest routes.

Airports
While there are 346 civilian airfields in India - 253 with paved runways and 93 with unpaved runways, only 132 were classified as "airports" as of November 2014. Of these, Indira Gandhi

International Airport in Delhi is the busiest in the country. The operations of the major airports in India have been privatised over the past 5 years and this has resulted in better equipped and cleaner airports. The terminals have either been refurbished or expanded.

India also has 33 "ghost airports," which were built in an effort to make air travel more accessible for those in remote regions but are now non-operational due to a lack of demand. The Jaisalmer Airport in Rajasthan, for example, was completed in 2013 and was expected to host 300,000 passengers a year but has yet to see any commercial flights take off. Despite the number of non-operational airports, India is currently planning on constructing another 200 "low-cost" airports over the next 20 years.

Fig. 4.17 *Air Transport*

The following table shows the status of runways at the various airports in India.

Length of runways	Airports with paved runways[i]	Airports with unpaved runways
3,047 m (10,000 ft) or more	21	1
2,438 to 3,047 m (8,000 to 10,000 ft)	59	3
1,524 to 2,438 m (5,000 to 8,000 ft)	76	6
914 to 1,524 m (3,000 to 5,000 ft)	82	38
Under 914 m (3,000 ft)	14	45
Total	253	93

Fig. 4.18 *An International Airport*

Market Size of Aviation industry in India

Growth in civil aviation is evident from the fact that number of air passengers increased from 1.40 crores in 2000-01 to 13.5 crores (both domestic and international). That is, 16.3 percent growth annually. During 2015-16, this growth has been 21.6 percent and 9 percent in domestic and international passengers respectively. India is the third largest domestic civil aviation market in the world and is projected to become overall third largest aviation market by March 2018. It recorded an air traffic of 131 million passengers in 2016, estimated to be 60 million international passengers by 2017. The market is also estimated to have 800 aircraft by 2020. In 2015, Boeing projected India's demand for aircraft to touch 1,740, valued at $240 billion, over the next 20 years in India. This would account for 4.3 per cent of global volumes. According to Airbus, India will be one of the top three aviation markets globally in the next 20 years. Airbus is expecting an annual growth rate of over 11 per cent for the domestic market in India over the next ten years, while the combined growth rate for domestic and international routes would also be more than 10 per cent.

Civilian regulation

Ministry of Civil Aviation is responsible for civilian aviation and Ministry of Defence is responsible for the Indian Air Force.

Aviation Policy

The Government of India announced its draft National Civil Aviation Policy on 30 October 2015, seeking suggestions for the same. This policy, *inter alia*, focusses on expanding the open sky agreements and create a Regional Connectivity Fund.

The Government is planning to develop a sustainable air network in over 400 tier-2 cities across India with an estimated expenditure of Rs50 crore (US$7.8 million).

National Civil Aviation Policy 2016

The Government of India released the National Civil Aviation Policy on 15 June 2016.The NCAP 2016 covers the broad policy areas, such as Regional connectivity, Safety, Air Transport Operations, 5/20 Requirement for International Operations, Bilateral traffic rights, Fiscal Support, Maintenance, Repair and Overhaul, Air-cargo, Aeronautical 'Make in India'. The broad key features of the NCAP are :

- VGF for operation under Regional Connectivity Scheme (RCS).
- Revival of un-served or under-served routes under RCS.
- Introduction of a new Category 'Schedule Commuter Operator' under Commercial Air Transport Operations.
- Rationalization of Category-I routes under Route Dispersal Guidelines (RDGs) on the basis of criteria given in NCAP 2016.
- The requirement of 5 years and 20 aircraft for international operation has been modified to 0 years and 20 aircraft or 20% of the total capacity (in terms of average number of seats on all departure put together) whichever is higher for domestic operations.
- Liberalization of domestic code share points in India within the framework of ASA.

Tourists travelling to India

It is interesting to note that a vast majority of foreign tourists, as high as 98 per cent, enter India by air. Two decades ago, a sizeable number of foreign visitors—some 10 per cent—annually came to India via the Asian highway, but the political unrest in West Asia, Afghanistan and Pakistan has turned this flow into a trickle. Now, less than 1 percent crosses the international boundary of India.

Improvement in India's tourist transport

Commenting on the role of railways in the development of tourism in India, the National Committee on Tourism (NTC) has recommended the following:

- Introduction of special tourist trains with pre-set itineraries.
- The Great Indian Rover Tourist train in the east to be re-introduced for the Buddhist sector.
- A special train for tours of the temples in southern India to be introduced.
- The Indrail-Rover Scheme to be extended to cover a larger number of itineraries; and it should have an inbuilt system of advanced reservations.
- The Ministry of Railways to set up a full-fledged tourism directorate which would coordinate with other agencies including the Ministry ofTourism, airlines, travel agents and tour operators. It has since been done.

Regarding road transportation, the NCT recommended four-lane tourist highways and motorways with suitable midway facilities. Such facilities should be developed initially in pilot

projects in Delhi-Agra-Jaipur in the north, Chermai-Bangalore-Mysore in the south, Kolkata-Puri-Konark in the east and in some other regions to provide smoother access to tourist destinations.

The Committee also suggested urgent measures to develop the manufacture of integral coaches ofinternational class with pneumatic suspension, power steering, power brakes and other facilities. Pending their indigenous development, their import should be permitted. The tourist coaches on road, the Committee suggested, should have toilet facilities as in other developed countries. Import too has been liberalized.

The Committee felt that action should be taken to ensure adequate supply of road maps with gradation of types of quality of roads as per accepted international norms.

On inland water transportation, the Committee recommended the development of planned and organized backwater cruises in Kerala, the Sundarbans in West Bengal and river cruises on the Brahmaputra in Assam. Very little seems to have been done.

CHECK YOUR PROGRESS
(09) What are the three categories of water transport?

(10) What are the advantages of inland waterways?

4.5 TRAVEL DOCUMENTS

Travel documents differ depending on the kind of travelling undertaken. For domestic travelling, only the tickets are required. The following is a list of travel documents:

- Tickets
  - Airlines
    - (i) Executive class
    - (ii) Economy class
- Rail
  - (i) AC sleeper
  - (ii) II AC
  - (iii) Superiast
  - (iv) Fast
- Road
  - (i) Deluxe AC coach
  - (ii) Non-AC coach

Along with the ticket for airline, the following documents are also required for international travel:

- **Visa**—For the country to be visited.
- **Passport** — Authorized details about the traveller.
- **Health certification papers** — Certifying that necessary vaccinations have been done.
- **Permits**—For restricted areas.

The travel documents are handled by travel agencies and travel operators whose nature of business in majority of cases is small, leaving aside a few leading travel agencies like Balmer and Lawrie.

The travel agencies/operators have to design their own services; for example, the provision of services in handling travel documents, the type of manpower required to provide these services and

where all liaison work will have to be done. It is important to find out if all the travel agencies are following the same rules or whether they are working according to their whims and fancies.

In order that all the travel agencies work on set rules and regulations, give good and standard services to the guest, the agencies must be very professional in their approach, and must be stable and reliable. The travel agencies and tour operators have formed associations which work for their betterment, assist them in all decision making processes and act as a media for liaising with the government, promote tourism and protect the interests of the travel agencies.

The Association of Travel and Trade have been formed which protects the interests of its members and also advances the common interest of their members. The main objective of forming an association by independent firms is to get strong representations which act as channels of communication with government and other rganized roups to farther the interests of their members. They also ensure, arrange nd book travel itineraries with detailed flight scheduled information like the following:

- Start and end dates
- Days of operation
- Departure and arrival times
- Operating airline and flight number
- Aircraft type code
- Class of service
- Non-stop/stop flight indicator

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CHECK YOUR PROGRESS

Describe the scenario of air transportation in India.
Elaborate on the status of airports in India.
Explain the aviation policy 2016 formulated by Government of India.
What are the important documents which are required while traveling globally?

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4.6 SUMMARY

- The principal modes of tourist transport are automobile, inter-citybus services, coaches, railway services, ships and the airlines.
- Airlines are the second most popular mode of travel, both for holiday and business.
- Today, ships are used more for cargo. Passengers no longer use ships for normal traffic.
- In recent years, large luxury liners have appeared on the scene to look after the needs of holiday-makers who have time and money at their disposal.
- Millions of rich tourists travel through these cruise ships to wann waters, sometimes cruising to their destinations and returning by air or vice versa.
- People on holiday often combine all the modes of travel, taking a luxury liner to a destination, using automobiles for inter-city or inter-continental travel and taking a train or airline to return home.
- Interest is also increasing in cruise travel. Starting in NorthAmerica, it has spread to Europe and now to South-East Asia.
- In India too, cruising holidays are becoming popular. About 5000 Indians at present indulge in this fan every year.
- Renting a self-driven car on arrival at a destination is a common practice worldwide.

- Several car rental companies have been established to provide this service worldwide. Some of the well-known multinational companies are Hertz, Avis, Budget and National.
- In India too, these multinational car rental companies have appeared on the scene, but these are not yet popular.
- People prefer chauffeur-driven cars while on business or holiday.
- In a developing country like India, railways play the dominant role in providing travel services including holiday travel for domestic travellers followed by inter- city buses, special tourist coaches.
- Cars are owned by relatively few people in urban areas, though the number of car owners is steadily rising and causing concern.
- With increase in speed, railways are regaining their popularity at the cost of airlines, especially in Europe.
- Recently, the air transport in India has greatly developed. Also, the airports of many cities have been renovated.
- While travelling, a traveller needs some travel documents, especially when he is going to some foreign country. These documents are passport, visa, tickets, health certificates, etc. A domestic traveller just needs a ticket to travel.

4.7 KEY TERMS

- **Domestic tourist:** A person travelling for a purpose other than exercising a gainful activity or settling at the place visited.
- **Operations:** The way in which an organization transforms input into output, that is, transforming resources into goods or services.
- **Unclassified village roads:** Roads that are built and maintained indigenously by villagers.
- **Passenger kilometers:** The number of passengers carried and average distance traversed.

4.8 QUESTIONS AND EXERCISES

1. What is the importance of tourism in the economy of India?
2. List 10 top states in India arranged in the descending order of the number of foreign tourist (listing the state with maximum tourism as rank 1 and the state with least number of tourists as rank 10)
3. What is meant by International tourism?
4. What is the Visa Policy of Government of India?
5. Describe e-visa policy formulated by Government of India.
6. Explain the role of transportation in tourism.
7. What role does customer care plays in travel and tourism industry?
8. What are the important points to be noted while considering customer care?
9. Which are the top 5 bus fleets in India in the descending order of the number of buses?
10. Explain the importance of road transport in India.
11. Elaborate on the taxi services in India.
12. Elaborate on the role of railways in India.
13. Discuss the various types of passenger trains in India.
14. Explain the various initiatives taken by Indian railways towards modernization.
15. Elaborate on the importance of Indian Railways in the progress of India.
16. Elaborate on the various zones of Indian Railways.
17. Describe the importance, motivation, route and various awards achievements of Palace of Wheel.
18. Describe the importance, motivation, and route of Royal Orient express.

19. Elaborate on the importance of maritime transport.
20. Describe the various types of Merchant Ships.
21. Describe the function and importance of roll-on/roll-off ship.
22. Describe the function and importance of ferries.
23. Describe the function and importance of cruise ships.
24. Describe the function and importance of ocean liners.
25. Describe the importance of cruise industry in the global economy.
26. Describe the function and importance of hydrofoil.
27. What are the various operations of hydrofoils in the world?
28. Describe the function and importance of hovercraft.
29. What are the various operations of hovercraft in the world?
30. Describe the scenario of air transportation in India.
31. Elaborate on the status of airports in India.
32. Explain the aviation policy 2016 formulated by Government of India.
33. What are the important documents which are required while traveling globally?

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