Chapter One
Travel Agency & Tour Operations

Meaning: Travel Agent, travel consultant and travel agency.

Attributes of a Travel agent personnel

Types of travel agent: Retail Travel agent, Wholesale Travel agent.

Full Service travel agent, Commercial Travel agent, Implant travel agent, Group /Incentive Travel agent.
Meaning: Travel Agent

• Travel agents acts as **intermediaries** serving between the various service providers and travel consumers

• They **sell**, and at times market the products and services sold by suppliers such as hotels. Airlines, railways, cruises etc.

• They **organize travel** for consumers and are also referred as **travel consultants** or **travel counselors**
## Benefits of intermediaries

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<tr>
<th>Benefits to suppliers</th>
<th>Benefits to customers</th>
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<tbody>
<tr>
<td>- Financial: saves costs related to selling</td>
<td>- Convenience: under one roof</td>
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<tr>
<td>- Minimizes risk: of unsold product</td>
<td>- Provide expert knowledge</td>
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<td>- Bulk purchasing: ensures minimum occupancy</td>
<td>- Saves money: pass part of discount they enjoy from suppliers, competitive rates</td>
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<td>- Variety and latest information</td>
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<td>- Minimizes risks and uncertainties</td>
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Definition: Travel Agency

• A travel agency may be a **business firm** or a **company** which acts as an **intermediary** in the sales and promotion of different **travel related services**, such as accommodation, airlines, railways, road transport, cruises etc. and earns a **commission** received on selling services to its clients.
Definition: Travel Agency

• According to Airline Reporting Corporation (1987), “a retail travel agency is defined as a business that performs the basic functions of quoting fares and rates, books seats for airlines, railways, coaches, makes reservations for hotels, arranges for passport, visa, and other documentation services, and acts on behalf of the tourist vendors”.
Meaning: Travel Agent

• A travel agent is a private retailer that provides travel related services to the public on behalf of suppliers such as hotels, flights, care hire or package holidays (tour operators).

• Aka Travel Consultant. Assesses clients’ needs, budgets, likes and dislikes to make appropriate recommendations
Meaning: Tour Operator

• TO are professionals who have all the required skills, expertise and knowledge of organizing travel.

• They assemble all the different components of travel and sell it as a package tour, to and from a destination, with complete ground arrangements.

• They offer different types of package tours
• “Tour Operator is one who has the responsibility of putting the tour ingredients together, marketing it, making reservations, handling all financial and accounting aspects, and selecting as well as managing tour managers”. (Poynter, 1993)
Types of Tour Operator

• Inbound Tour Operators
• Outbound Tour Operator
• Domestic Tour Operator
Package Tours

• The various components of travel, such as accommodation, transportation, (air, water, rail and road), attractions etc. are combined and sold as a package tour to a tourist by the tour operators and travel agents.

• A package is thus a single product which is planned, organized, combined and sold as an “all inclusive tour” at a specified price.
Attributes of a Travel agent personnel

• Dependability:
  – Reliable and punctual
  – Deliver correct information to clients and on time

• Passion:
  – Passionate about travel, people, latest developments

• Insightful:
  – About customers’ needs and desires for a unique experience
  – Not focus on selling them what they will not enjoy
Attributes of a Travel agent personnel

• Relationship building:
  – Repeat business
  – Raving referrer
  – With genuine advice and professionalism

• Authenticity:
  – Be honest in dealing and do not be fake
  – Do not sell purely based on discounts or commission or promotion

• Drive:
  – Constant communication
  – Drive to learn and promote
Types of travel agents

1. Retail TA
2. Wholesale TA
3. Full Service Agency
4. Commercial Agency
5. Implant Agency
6. Special Interest TA
7. Online Travel Agent
1. Retail travel agents

- Sells the different travel-related services directly to its clients on behalf of the principal service providers/suppliers, i.e. hotels, airlines, cruises, railways, coach operators, etc.

- Earns a commission or may add a mark up cost on these travel services
1. Retail travel agents

- Services performed by a retail travel agency are as follows:
  - Preparation of tour itineraries
  - Transportation (air, rail, road)
  - Accommodation
  - Insurance services
  - Foreign exchange
  - Travel documentation
  - Special interest tours
2. Wholesale travel agents

- Plans, organizes, develops and sells package tours through a network of travel agencies or directly to the clients as a retail travel agency
- Some TAs operate as both retail as well as wholesale TA
- Eg. Thomas Cook, Travel Corporation of India
- They are a medium between the principal suppliers and retails TAs
3. Full service travel agents

• Handles all types of tours for leisure, free individual travelers (FITs), group individual travelers (GITs), corporate travelers for inbound, outbound and domestic destinations.

• Individual departments work on different functions for example: leisure department, inbound department, outbound department etc.
4. Commercial agency

• Specialized agencies for meeting the requirements of corporate travelers

• Located in business centres and cater only to business travelers
5. Implant Agency

- Branch office of a full-fledged travel agency / tour operator functioning on the premises of a corporate office
- It handles the travel arrangements of the corporate office
6. Special Interest Types of travel agents

• Specializes in creating tour programs for special interest groups, such as adventure, wildlife, religious etc.

• For example: Pug marks
7. Online travel agents

- Also known as virtual / online travel agents (VTA / OTA)
- Eg. MakeMyTrip, Yatra, Goibibo, Cleartrip
- These web portals allow consumers to access information and make online bookings
Functions of a Travel Agency

• Providing travel-related information
• Planning tour itineraries
• Liaisoning with the tourism suppliers / vendors
• Tour costing
• Ticketing – domestic and international
• Reservations
• Documentation
• Settlement of accounts
• MICE
• Forex
7.3 Different departments of a typical large-scale travel agency