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FACULTY OF AGRICULTURAL SCIENCES

DEPARTMENT OF AGRICULTURAL ECONOMICS AND EXTENSION

PROGRAMME: HOSPITALITY AND TOURISM MANAGEMENT

COURSE CODE: HMT314

COURSE TITLE: TRAVEL OPERATIONS

CREDIT UNIT: 2 UNITS

HMT 314: Travel Operations (2 credit units)

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HMT314 COURSE GUIDE

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Introduction

The course, TRAVEL OPERATIONS is a core course, which carries two (2) credit units. It is prepared and made available to all degree course students offering Hospitality and Tourism related Programme in the Faculty of Agricultural Sciences, Department Economics and Extension at the Nation Open University of Nigeria. Travel operations is the application of principles of travel regulations to the operations of tourism and hospitality industry. This course material is useful in your academic pursuit as well as in your workplace as managers and administrators.

What You will Learn in this Course

This course consists of four modules which are sub-divided into 13 units. This course guide tells you what the course is all about. What course materials you will be using and also suggests some general guidelines for the amount of time you are likely to spend on each unit of the course in order to complete it on schedule. It also gives you guidance in respect of your Self- Assessment Exercises (SAEs) which will be made available in the assignment file. Please attend those tutorial sessions. The course will introduce you to the rudiments of travel operations.

Course Aim

The main aim of this course is to arm you with adequate information on the concept of travel operations in hospitality and tourism management. The course also aims at making you have a greater understanding of the rules and regulations guiding travel operations in relation to hospitality and tourism management. This will prepare the student for a future career in hospitality and related disciplines.

Course Objectives

To achieve the aim set out, the course has a set of objectives which are set out as intended learners' outcome under each unit. You should read these objectives before you study the unit. After going through this course, you should be able to:

- Explain the meaning of travel operation

- Discuss the history of Travel and Tour Operation
- Explain the Functions of Travel and Tour Operation
- Define Travel Agent and Travel Agency
- Describe various functions of Tour Operator
- Importance of Tour Operators
- Discuss different Types of Tour Operators
- Explain booking in travel operation
- Discuss various types of booking
- Explain methods of booking an airline ticket
 - Discuss various types of information systems - Components and Classification of Information Systems
 - Distinguish between Information Systems and Information Technology
- Explain travel agency acting as agent and responsibilities of travel agents
 - Understand coach operations
 - Write the functions of coaches and buses
 - Evaluate the difference between a coach and a bus
 - Explain the types of buses and coaches
 - Discuss the coach travel benefits.

Working through the Course

This course involves that you devote a lot of time to read and study the contents. Each unit contains self-assessment exercises for this course and at certain points in the course you would be required to submit assignments for assessment purposes. At the end of this course, there is a final examination. I would therefore advice that you attend the tutorial sessions where you would have the opportunity of comparing knowledge with your colleagues.

Course Materials

You will be provided with the following materials

- Course guide
- Study units
- References
- Assignments
- Presentation schedule

STUDY UNITS

There are four modules of 13 units in this course, which should be studied carefully.

Assessment

There are two components of assessment for this course:

- The Tutor Marked Assignment (TMA)
- The end of course examination.

Tutor-Marked Assignment

The TMA is the continuous assessment component of your course. It accounts for 30% of the total score. You will be given four TMA's by your facilitator to answer before you can sit for the final examination.

Final Examination and Grading

This examination concludes the assessment for the course. The examination will account for 70% of total score. You will be informed of the time for the examination.

Summary

This course intends to provide you with underlying knowledge of travel operation principles and regulations for the study of Hospitality Management and Tourism.

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MAIN CONTENT

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Unit 2 Tour Operators

Unit 3 Tour Guide and Tour Packaging

UNIT 1 ORIGIN AND DEVELOPMENT HISTORY OF TRAVEL OPERATION

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1.1 Introduction

The business of travel operation has witnessed a buoyant growth in the recent years. This upbeat sector provides huge income and employment opportunities and offers complete travel solutions to the new age travelers. This unit will focus on travel operation, functions and its development in different stages. This can enlighten learners to a great extent in gaining extensive ideas and knowledge of travel operation.



1.2 Learning Outcomes

At the end of this unit, the learner will be expected to:

- Explain the meaning of travel operation
- Discuss the history of Travel and Tour Operation
- Explain the Functions of Travel and Tour Operation
- Define Travel Agent and Travel Agency
- Describe the Classification of Travel Agents
- Explain the Essential Qualities of a Travel Agent



1.3

Introduction to Travel Operation

1.3.1

Definition of Travel Operation

Travel operation is defined as the preparation and implementation of all activities within a journey within a given time frame, within the estimated costs, in order to meet the expectation of the paying client. Customer satisfaction or meeting the expectations of clients is the delivery of services requested by the buyer (traveler) from the supplier (seller), as arranged by the middlemen (travel agent and tour operator).

1.3.2 History of Travel Agency and Tour Operation

In the beginning, the travel agency business was in a state of experimentation and community help. Gradually, the business grew up in such a scale that competitive travel companies around the world forged into the sophisticated business. The nature of the business was a sort of intermediary role to cater for holiday related services to those who were away from home. Travel agencies made all possible efforts to ensure quality service, thus enhancing the level of satisfaction. In practice, travel agencies were principally driven by the needs of the customers. It was very strange to see travel agency business in those periods.

Travelling to places other than the place of own domicile was a status symbol of society that pushed people in Europe to undertake travel. The invention of railways and sophisticated steamship also motivated people to travel because travelers urged for comfort and relaxation in the tour. Thus, Thomas cook's voluntarism to experiment his noble idea to assist people to reach their destinations is really a matter of great contribution to the history of travel agency. Several

travel simplification mechanisms were successfully experimented and proved to be the best options till today in the travel world. Thomas Cook is credited to have rekindled interests among the people in England to plan holidays in advance.

On 9th June 1841, a 32-year old cabinet-maker, evangelist and Baptist book seller named Thomas Cook walked from his home in Market Harborough to the nearby town of Leicester to attend a temperance meeting. It was a milestone day in the annals of world travel history. A former Baptist preacher, Thomas Cook was a religious man who had a firm opinion that most Victorian social problem revolved around the consumption of alcohol and that the lives of working people would be greatly improved if those people were refrained from drinking alcohol. They can be better educated. As he walked along the road to Leicester, he later recalled his thoughts, “The thought suddenly flashed across my mind as to the practicability of employing the great powers of railways and locomotion for the furtherance of this social reform”. The introduction of pleasure travel and continental travel round the world by Thomas Cook and other contemporary travel agencies ushered a new horizon in the international tourism. Travel coupled with hotel coupons, circular notes, credit cards, advance reservation of all required services for visitors were some of the travel innovations of those periods.

Although, certain modifications have taken place the origin of the concept has significance in the study of the history of travel business in the world. The history of professional travel agency may be traced back to 1841 when Thomas Cook organized his first excursion tour for his own friends to attend a temperance meeting held in Leicester. To make the journey more comfortable and relaxed, he devised a creative method of engaging a special train hired from the British Railway to transfer his friends from Leicester to Loughborough and back to attend a rally. A group of 570 participants were signed off at the rate of one shilling per person for a twenty-two mile round

trip. The tour gave birth to the idea of all-inclusive packages. Thomas Cook was so articulate and enterprising that the trip embraced a band to play typical hams, a picnic lunch of hams as well as the afternoon tea for refreshment.

During the next three summers, Thomas Cook arranged a series of trips between Leicester, Nottingham, Derby and Birmingham on behalf of local temperance societies and Sunday schools. Within these limits many thousands of people experienced rail travel for the first time, and Thomas Cook was able to assess his strength to expand the areas of operations within the country. That brief success gave him ample solace to think about deepening his aim and interest to enlarge the scope of travel business in Europe. This turnaround laid the foundation of his future travel business. He later described this period as one of 'enthusiastic philanthropy' since, beyond the printing of posters and handbills; he had no financial interest in any of these early excursions. It may be the grace of almighty to make the coincidence of the existence of the two giant travel companies in the world.

The opening of the American Express, a Travel Agency Company in USA in the year 1841 brought about a significant change in the system of banking transaction. The company was contemporary to Thomas Cook's Travel Agency and both in the initial period operated the business in their own continent. In its early years, the American Express focused on freight business and gradually penetrated other areas of travel and financial services with banks as its largest and most consistent clients. The core business of the company revolved around supplying and delivering of small parcels like stock certificates, notes, currency and other financial instruments to the banks across the USA. The company was giving considerable priority to small parcel services rather than transporting larger freight. Over the periods, the company shifted to other financial and travel businesses. One of the early travel agencies was Cox

& Kings known for having the longest established travel company in the world. The company was drafted for making travel arrangements for the regiment in India. The company did not have diversified travel business as Thomas Cook operated in the early period. The notable history of the year of establishment of Cox and Kings started in 1758 when it was appointed as the general agent to the regiment of Foot Guards in India under the command of Lord Ligonier. By 1878, Cox and Kings has become agent for most British regiments posted overseas, including the Royal Cavalry, Artillery and Infantry, as well as the Royal Wagon Train and the Household Brigade.

The first German Travel agency in the line of modern travel agencies was Immigration agencies. This agency was engaged in booking ship passages and sometimes group journeys from a collection point to the point of embarkation. The oldest of such agencies was Reiseburo Rominger in Stuttgart in 1842. This agency subsequently extended its activities to the whole range of travel services in Europe. To make traveling simple for individuals, the concept of tickets for means of transport were introduced and issued by these larger agencies in Europe.

1.3.3

Functions of Travel and Tour Operation

1. Provision of Travel Information

Travel agencies and tour operations provide essential information that must be:

- Clear and describes places of tourist interest pertaining to climate, accessibility, amenities, facilities, activities, people, culture, etc.

- Very particular as in tour brochure contains description with images about the places, hotels, transports and other inclusive services.
- Free of cost through telephone and internet.

2. Market Research and Development

- Research and development activities are carried out continuously (for exploring new destinations, events or attractions) and the effects of package tours are assessed.
- Researches are conducted on trends of market, itinerary, elements of services in package tours, customer preference, branding and costing of products for customers' satisfaction and new product development.
- Large tour wholesalers are committed for research work and field-based study for package tours.
- Travel agencies and tour operators have identified cruise packages to prospective clients as more lucrative.

3. Preparation of Itinerary

- Itinerary is an important exercise that tour operators engage senior executives to design in a methodical way.
- Reflects the nature of tour, types of services and duration of tour.
- Package tour is operated as per the descriptions and instructions in itinerary.
- Tour operators make full-proof survey of the places of tourist interest, facilities and amenities, etc before finalization of itinerary.

4. Costing Package

- Tour Costing is an important activity of a tour operator while developing package tour.
- Includes variable and fixed costs.
- Itinerary preparation and costing go together.
- Tour operators take all precautionary measures to reduce the cost that helps in maximizing profits and passing benefits to customers.

5. Designing Package Tour

- There is a huge market for organized inbound, outbound and domestic package tour market.
- Tour operators are now devoting their full resources for developing innovative package tour as it is the business of tour operator to generate revenue as compared to traditional ticketing business.

6. Conducting FIT (Free Independent Travellers), GIT (Group Inclusive Tour) and FAM (Familiarization)Tour

Tour operator is more particular about the operation of FIT, GIT and FAM tour in a professional manner.

- Developing an appealing package tour does not end the responsibility of tour operator rather responsibility increases for conducting tour for individual and group travelers.

7. Promotion and Publicity

- Tour operator designs tour packages and sells directly to customers or through retail travel agents at various locations.
- Primarily intermediaries for marketing tour packages, hotel services, air services, car rental services, travel insurance etc.
- Marketing is a key function so tour operators earmark money (part of budget) to spend on advertisements, sales promotions and publicity.
- Publicity is a promotional method that travel agents and tour operators prefer to popularize the products with minimum costs.

8. Reservation and Cancellation

The Computer Reservation System (CRS) or the Global Distribution Systems have enhanced the simplifications of reservation of hotel rooms. Hotels put up all the necessary information in advance on their web pages. This information includes type of hotel, room, facilities and services, meal plans, tariff and seasonal offers. It gives wider options to customers to search, compare, chose and finally book a room of their choice. Online booking can be done with the online transfer of payments through internet banking or debit/credit cards upon the arrivals.

- Reservation and cancellation are two important functions of travel agents and tour operators.
- Booking of air and bus tickets, hotel rooms and cruise line is the primary activity of travel agents and tour operators.
- Reservation registration form is filled manually and electronically by tour operators or travel agents and sent to the hotel or airline for reservation.

- The procedures for cancellation of reservation of rooms and tickets are followed as per the agreements.

9. Corporate Social Responsibility

- Ethical and fair-trade, responsible, pro-poor and sustainable tourism aims to provide maximum protection to local ecology and environment.
- Tour operators share the revenue and disburse the part meant for educational empowerment or social welfare to the appropriate institution.
- The concept of Corporate Social Responsibility (CSR) is explained as a social obligation on the part of a firm or organization towards the welfare of communities.

10. Training and Development

- Travel agency and tour operation deals with intangible and perishable aspects for which the job of qualified and skilled human resource is needed to provide services.
- Majority modern travel agencies and tour operators are now visiting for on-campus placement to tourism and travel management institutes.
- In-house training is conducted for the employees with help of professional trainers or senior executives.

11. Maintaining Relationship with Tourism Ministry

- Various operations and activities of travel agents and tour operators are regulated and supported by the National and State Tourism Organizations.

- As per the guidelines of Tourism Policy, a travel agent or tour operator must be an enlisted and recognized business firm or enterprise to run the business.
- The Ministry of Tourism also provides links to recognized travel agents and tour operators in the official websites.
- It encourages them to take part in familiarization tour and exhibitions within the country or abroad.

12. Membership of National and International Travel Organization

- Memberships of different travel and tourism bodies provide much exposure to the members in annual conventions and meetings.
- Apart from using the logo in letter head, signboard and websites, it helps the members meet foreign and domestic travel agents to initiate new business.
- Travel Agents and Tour Operators usually become the active members of Universal Federation of Travel Agents Association (UFTAA), Pacific Asia Travel Association (PATA), American Society of Travel Agents Associations (ASTA), World Association of Travel Agencies (WATA) for sharing common data and policy suggestions for mutual benefits.

13. Travel Insurance

- A new business area that constitutes an attractive source of revenue.
- Customers are much aware of safety of their travel and compensation of package tour.
- There are attractive insurance schemes introduced by insurance companies to take care of life and package tour insurance.

14. Currency Exchange

- All outbound and inbound tours need authorization to do the transactions of receiving and paying through different foreign currencies like US Dollar, UK Pound, Euro, etc.

15. Operation of MICE (Meetings, Incentives, Conferencing, and Exhibitions)

- Organizing seminar, conferences, conventions and exhibitions is also being undertaken by travel agencies and tour operators apart from their regular travel services, though there are specialized event management companies for handling such events and programmes.
- Those two areas of business used to provide standard rate of commission.
- The business of travel agency and tour operation has undergone radical changes with so many diversifications.
- Travel agents are more focused into hotel bookings, sale of package tours and processing of travel documents.
- Tour operators do focus much on diversification of package tour business as the trend of travel is changing due to the change in income, traits and lifestyle.
- The common interest of any travel agents or tour operators is to make profits to manage the fixed and variable costs.
- Some of them are interested in offering services with premium price to the target customers and others do offer services to budget customers with the target of selling more.

- An intelligent travel agent is one who makes all possible efforts to maximize returns at a fast rate by increasing volume of sales or reducing the cost of selling and operating conducted package tours.
- Travel agencies or tour operation units are located at the prime places in cities, towns and tourist centers for easy accessibility of customers and vice-versa.
- This is a typical business that attracts those customers who largely take the travel assistance for making hassle-free travel.
- Interactions cannot be substituted with web technology as customer relationship is established through internet.
- Online travel agents have forayed into the travel market and have posed challenges to the traditional travel agents.

16. Reservation of Tickets:

Due to stiff competition amongst airlines and low cost carriers globally to an extent, airlines are working on zero margin commission for travel agencies. In the recent years, the scenario is slowly changing and online travel agencies especially are selling tickets online. Global Distribution Systems have changed the way ticketing used to be.

Self-Assessment Exercise (SAEs 1):

- | | |
|----|---|
| 1. | What are the Corporate Social Responsibility functions of travel and tour operation? |
| 2. | Identify the functions of travel and tour operation in relation to travel information. |
| 3. | What are the various ways that travel and tour operation maintain relationship with Tourism Ministry? |

1.4 Travel Agency

1.4.1 Definition of Travel Agent and Travel Agency

A **travel agency** is a business that operates as the intermediary between the travel industry (supplier) and the traveller (purchaser). Part of the roles of a travel agency is to market prepackaged travel tours and holidays to potential travellers. The agency can further function as a broker between the traveller and hotels, car rentals, and tour companies. Travel agencies can be small and privately owned or part of a larger entity.

A **travel agent** is the direct point of contact for a traveller who is researching and intending to purchase packages and experiences through an agency. Travel agents can specialize in certain types of travel including specific destinations; outdoor adventures; and backpacking, rail, cruise, cycling, or culinary tours etc. These specializations can help travellers when they require advice about their trips. Some travel agents operate at a fixed address and others offer services both online and at a bricks-and-mortar location. Travellers are then able to have face-to-face conversations with their agents and also reach them by phone or email. Travel agents usually have a specialized diploma or certificate in travel agency/travel service.

The criteria for starting a travel agency or tour operation unit are:

- a. Selection of Ideal Location
- b. Selection of Office
- c. Selection of Furniture
- d. Technological Gadgets

- e. Paid-Up Capital
- f. Opening Current Account
- g. Hiring and Retaining Qualified & Trained Staff
- h. Customized Transport
- i. Recognition from Airlines
- j. Obtaining Franchise from Cruise Line and Multinational Travel Agency
- k. Membership of Local, National and International Associations
- l. Parking Area
- m. Managing Capital and Cost
- n. Cost on Obtaining IATA Recognition
- o. Cost on Acquiring Latest Technological Gadgets and Transports
- p. Travel Agency Organization Structure
- q. Delegation of Authority through Hierarchical

1.4.2 Classification of Travel Agents

Travel agents can be classified based on the following:

1. Nature of Business: Based on Nature of business travel agents can be classified into two: wholesale and retail. Wholesale travel agents deal with all the packages and tours and market the

same to ultimate consumer through smaller retail travel agencies. The retailers offer the product as was offered by the wholesaler who does the most groundwork in the preparation of product.

2. Nature of Service: The inbound tour operators invite the foreign tourists and make arrangement for their stay. Those who make arrangements in the foreign countries are called as outbound tour operators. Those who make arrangements for domestic tourists in the domestic country are called domestic tour operators.

3. Size of Business Operations: A travel agent that perform all the above activities; inbound, outbound, and domestic, under one roof is classified as a mega travel agency.

4. Specialised Activity: Agents are also classified on the basis of activities specialised on. There is general travel agency with 2 to 10 employees catering to all the issues related to travel and tourism. Business travel agency is the type of agencies, which shall focus on providing specialized services to a segment like business and arrange facilities for meetings and conferences. The second category specializes in business travel.

5. Business and Commercial Travel Agencies: Travel agencies have a department of business travel and of leisure travel. Each department specializes on the deal for a particular traveler either for business or for leisure. However, there are also travel agencies that specialize strictly in business and commercial travel. Incidentally, there aren't a whole lot of agencies that restrict themselves solely to leisure travel.

6. Online Travel Agencies: Internet has become boon for all the companies and industries including travel agency. Internet allows travel agents and their travelers to compare a wide variety of options for hotels and airline tickets. Ironically, there were some fears for a period of time that, by selling tickets directly to travellers, the travel agencies would go out of business.

However, it was proven that, even if a traveller can personally find good deals, there are still instances where a travel agency can find a better one for the traveller. Many travel agencies now have full-service web sites to enable travellers get the best of both worlds: convenience of self-serve online booking with the benefit of talking to a real person when the traveler needs it.

7. Multi-destination and Niche Agencies: Agencies can be split into just two types of travel agencies, multi-destination and niche. Multi-destination outbound travel agencies are usually larger, offering flights to anywhere in the world. Niche agencies are usually independent, and focus on one specific part of the world. If a traveller is intending to fly to Greece, that person might find a niche agent who knows the area or route very well. Most of these niche agencies cater mainly to people with family in that country, or who do business there on a regular basis. One must consider the individual needs, preferences, and trip objectives when choosing a travel agent. Different types of agencies provide different levels and types of services.

1.4.3 Essential Qualities of a Travel Agent

Some of the essential qualities of travel agents are stated below:

An agent should have all the information pertaining to travel and tourism products.

The location of a travelling agent's office should be conveniently accessible to the customers.

The agent should be well versed with immigration rules of different countries.

The staff of the travel agency should be courteous and customer friendly as they play a key role in customers' satisfaction and retention.

Ability to work for long hours as the international travelling is round the clock business.

Capable of solving the problems of travellers and tourists at any time by assisting in providing information.

Ability to establish good contacts with the providers of tourist products like hotels, airlines, and other travel modes,

1.4.4 Functions of Travel Agents: Travel planning is difficult and time consuming as airfares and schedules keep on changing. Travel agents perform variety of functions for the benefit of the traveler. These functions are listed below:

Motivation: Travel agents raise a person's spirit to travel and plan and prepare the trip. Agents help clients in finding their travel interests and needs, including time and budget requirements. They work out tentative plans and suitable alternatives and then make all the arrangements.

Customer Information: Agents book tours for different clients; they make group tours and design trips for individuals. Travel agents check a variety of published and computer-based sources for information on departure and arrival times, economical fares, car rentals, and hotel ratings and accommodations. Sources of their information include maps, official guides, tariff books, internet, and other reference materials to obtain schedules, fares, and related information.

Travel Arrangements: Agents make airline, hotel, and car reservations. They make the reservations and issue itineraries using computerised reservation and ticketing systems similar to those used by airlines. They also compute costs and take deposits.

Customized Service: A travel agent can form a vacation or travel plan by arranging special accommodations, adapting a schedule to fit client needs, and designing group packages and tours.

Source of Information: Agents update clients with customs regulations, passports, visas, immunization requirements, and currency exchange rates. They give information on climate, prices, what to bring or buy, and attractions worth seeing. They keep themselves

up-to-date by travelling, reading travel publications, and attending industry seminars and trade shows.

Deals in Foreign Currency: They arrange for foreign currency and inform the traveller about the currency regulations prevailing at scheduled destinations.

Market Information: They provide market information to clients. This is an important function of travel agent. This helps in improving and planning better tours. Agents work indoors and usually share offices with several other agents. Travel agents spend most of their time conferring with clients, completing paperwork, contacting airline and hotels for travel arrangements, and promoting group tours. Work may be done three or four times due to travellers changing their schedules as working with people can be difficult and demanding, especially with hard-to-please clients. They may be under a great deal of pressure during vacation seasons. Self-employed agents frequently work long hours.

Self-Assessment Exercise (SAEs 2):

1. Distinguish between travel agent and travel agency.
2. Identify the essential qualities of travel agents.



1.5 Summary

This unit discussed history of travel agency and tour operation, functions of travel and tour operation, travel agent and travel agency, classification of travel agents, essential qualities of a

travel agent, functions of travel agents, tour operators, types of tour operators, functions of tour operators and importance of tour operator.



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1.7 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The Corporate Social Responsibility functions of travel and tour operation include:
 - i. Travel and tour operation provides ethical and fair-trade, responsible and sustainable tourism to ensure maximum protection to local ecology and environment.

- ii. To disburse the share of revenue meant for educational empowerment or social welfare to the appropriate institution.
- iii. Travel and tour operation has a social obligation on the part of a firm or organization and towards the welfare of communities.

2 The functions of travel and tour operation in relation to travel information are:

- i. Travel and tour operation provides essential information to travellers.
- ii. Provision of travel information that must be clear and able to describe the places of tourist interest pertaining to climate, accessibility, amenities, facilities, activities, people, culture, etc.
- iii. Provision of tour brochure that contains description of images about the places, hotels, transports and other inclusive services.
- iv. Travel agency and tour operators provide information free of cost through telephone and internet.

2 Travel and tour operation maintain relationship with Tourism Ministry as follows:

- i. Various operations and activities of travel agents and tour operators are regulated and supported by the National and State Tourism Organizations.
- ii. As per the guidelines of Tourism Policy, a travel agent or tour operator must be an enlisted and recognized business firm or enterprise to run the business of travels.
- iii. The Ministry of Tourism provides links to recognized travel agents and tour operators in the official websites.
- iv. It encourages them to take part in familiarization tour and exhibitions within the country or abroad.

UNIT 2 TOUR OPERATORS

CONTENTS

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 Definitions of Tour Operator
- 2.4 Types of Tour Operators
- 2.5 Functions of Tour Operator
- 2.6 Importance of Tour Operators
- 2.7 Functional Differences Wholesale, Retail and Ground Tour Operation
- 2.8 Summary
- 2.9 References/ Further Readings
- 2.10 Possible Answers to Self-Assessment Exercise (SAEs)



2.1 Introduction

In the preceding unit, we discussed travel operation, the history of travel and tour operation, functions of travel and tour operation, travel agent and travel agency, classification of travel agents, essential qualities of a travel agent, functions of travel agents and Operation of MICE (Meetings, Incentives, Conferencing, and Exhibitions). In this section our study will focus on tour operators.



2.2 Learning Outcomes

At the end of this unit the student will be able to;

- Define tour operator
- Describe various functions of Tour Operator
- Importance of Tour Operators
- Discuss different Types of Tour Operators
- Analyze the differences between wholesale, Retail and Ground Tour Operation
- Evaluate the tour Package Design and Selection Process



2.3

Definitions of Tour Operators

Tour operator is one who has the responsibility of putting the tour ingredients together, marketing it, making reservations and handling actual operation. A Tour Operator is a person or company that thinks up or initiates ideas for holidays, researches on the ideas, designs the holiday itinerary and content, contracts the services needed for the holiday, accommodation, transport, guides, tour leaders or resort representatives etc. and then markets the resultant package. Tour operators are persons that combine two or more travel services (e.g., transport, accommodation, meals, entertainment, sight-seeing) and sell them through travel agencies or directly to final consumers as a single product (called a package tour) for a global price.

Today, tour operators have become highly competitive. They endeavor to achieve a high volume of turnover, and maximum International and domestic market share by effectively operating. Moreover, the success of many developed and developing nations as tourists' destinations depend heavily on a tour operator's ability to attract tourists, development and promotion of tourism plan, diversification of tourism product and their social responsibilities to develop a remote and backward area.

2.4 Types of Tour Operators

Tour operators are basically categorized into **five types**. These are categories on the basis of their nature of the business and its operations.

1. Inbound Tour Operators
2. Outbound Tour Operators
3. Domestic Tour Operators
4. Receptive Tour Operators (RTOs)
5. Ground Operators

Inbound Tour Operators

These are also known as incoming tour operators. Technically, the operators who receive guests, clients/tourists, and handle arrangements in the host country are called inbound tour operators. For example, a group of American tourists is coming through TCI Ltd. to Nigeria and the company makes arrangements and handles the group in Nigeria then TCI is called an inbound tour operator.

Incidentally, the inbound traffic to the country for the last two decades has been decreasing. Essentially the tour operators need to adopt innovative marketing strategies and should introduce a special interest tour to cater the special needs of Japanese, Americans, French and British people.

Outbound Tour Operators

Tour operators who promote tours for foreign destinations, maybe business tour or leisure tour is called **outbound tour operators**. For example a group of American tourists going for a trip at India and Thomas Cook handle arrangement in America like as ticket reservation, hotel booking etc. then Thomas Cook is called Outbound Tour operators in the context of America.

Domestic Tour Operators

Domestic tour operators are those who assemble and combine tourist components into inclusive tours and sell it to the domestic travelers. In general, these tour operators provide travel services within the tourist's native country.

Receptive Tour Operators (RTOs)

Receptive Tour Operators (RTOs) provide tourism products to tour operators in other markets (as a business-to-business relationship). Specifically, RTOs sell tourism products, whether they are sold in a tour package or alone, to tour operators and/or travel agents. They are essentially wholesalers and they don't sell directly to the public.

One may the ask the question - So how do they make money? They add a percentage rate (or fee) to the final price that the tour operator is selling the product or service for. When a travel agent

buys the tour product, they incur the RTO's fee in the final price. In that sense, RTOs do not charge commission. They simply market the tourism product and add their fee to the final product price

The domestic tour operators operate within the boundary of the home country and offer package tour to the travelers - domestic inclusive tours or independent tours.

Ground Operators/Destination Management Companies

These are commonly known as handling agencies and their main function is to organize tour arrangements for incoming tourists on behalf of overseas operators. Let us take the case of India as a destination that has a varied culture.

When a tour operator himself promotes beach holidays, wildlife holidays, adventure tours, heritage tours at different places, some difficulties or challenges will eventually be encountered.

It is the ground operator then who by handling the incoming travelers in the same season but at different places ensures that the entire operation is according to the package tours or agreements.

Sometime when a handling agency is at a prominent tourist place i.e., Delhi and it has to make arrangements to Goa, then it contracts (If it has no office of its own) with a local operator (known as excursion agent) to handle the arrangement on his behalf.

Why Ground Operators?

Obviously, the tour operation companies do not have close contacts with suppliers, governments, destinations and so on. It leaves no choice with the companies but to appoint handling agencies at the destinations. The main reasons are:

- Introduction of new products or plant to promote an exotic destination.
- Lack of Government regulations.
- Lack of personal contract.
- Language problem.
- The company cannot establish its own branch.

Recognizing the very fact that the reputation, performance, and profitability of tour company in its own market largely depends on the efficiency and effectiveness of ground operators, it has become necessary for the company to consider various factors before the selection of a handling agency. These factors are:

- Size of business
- Professional staff
- Length of business
- Area of operation/Product line
- Market share

Functions of Ground Tour Operators

Over the years of functions and activities of destinations, companies have changed drastically to cope with the changing environment of the tourism industry. In fact, today's destination companies have become more professional and are bound to provide personalized travel services to the tourists. The following functions are performed by ground tours operators:

1. Land arrangement
2. Contract and Negotiate with other vendors

3. Handling of Arrival and departure procedure
4. Planning and organizing local package tour
5. Escorting the tourists
6. Providing market information
7. Costing and pricing package tour

Practically, if we see the working of the travel agencies and tour operators in the industry we find that most of the organizations are performing different types of activities like the retail travel agency, wholesale travel agency, and tour operators.

Thus, the small and medium scale travel agencies are disappearing or merging or falling instead of rising. On the other hand, a new concept has also emerged i.e. tour operation business. The tour operation business is new but a maturing business at the global level.

2.5 Functions of Tour Operators

A tour operator is an organization, firm, or person who is responsible for the actual arrangement of transport and accommodation facilities on any tour or vacations. They are also responsible for operating and providing vacation through contracting, booking, and packaging together of the various components of the tour such as hotel, transportation, meals, guides, optional tours, and sometimes flights. A tour operator is like a service provider, providing the most convenient option for tourists to stay, visit, as well as leave from the city. A tour operator owns a high volume of travel services across carriers, services, and accommodation. Some most important functions of the tour operators are following as:

Planning a Tour

The most important functions of the tour operators are planning a tour. Tour operators plan a tour and make tour itinerary which contains the identification of the origin, destination and all the stopping points in a traveler's tours. A prospective tour operator also gives advice to intending tourists in various types of tour programmes, which they may choose for their leisure or commercial travel.

Making Tour Package

Tour operator buys individual travel components, separately from their suppliers and combines them into a package tour. Tour operators make tour package by assembling various travel components into a final product that is called tour package which is sold to tourists with own price tag. Making tour packages is also an important function of Tour Operator.

Arranging a Tour

Tour operators make tour package and also arrange a tour according to tourist demands. Tour operators arrange the tour package and various tourists' activities to provide the best experience to tourists/travelers.

Travel Information

Irrespective of the size of tour operators, it has to provide necessary travel information to the tourists. This task is utterly difficult and very complicated because a tour operator must give up-to-date, accurate and timely information regarding destinations, modes of travel, accommodation, sightseeing, immigration, health and security rules about various permits required to travel in a particular area etc.

Reservation

It is a very important function of all types of tour operators and travel agencies. Tour operators make all the reservation by making linkages with accommodation sector, transport sector and other entertainment organizations to reserve rooms, and seats in cultural programmes and transportation.

Travel Management

Tour operators manage a tour from the beginning to the end of the tour. A tour operator has the responsibility to look after the finer details of a vacation or tour such as hotel, accommodation, meals, conveyance etc. Tour operators provide travel guide, escorting services and arrange all travel related needs and wants.

Evaluate the Options Available

Tour operators evaluate all available options to provide a unique or unforgettable travel experience to tourists during their journey. Tour operators evaluate the various options available for a tour package and provide best of them to tourists.

Promotion

Tour Operators make tour packages and promote them into various tourists markets at domestic as well international level. Tour operators promote a travel destination to attract a large group of tourists at domestic as well as international level. In the promotion of tourist destination, tour

operators play a key role. Travel agencies or tour operators are called *image builders* of a country.

Sales and Marketing

Tour operators do sales and marketing of tourist products. Tour operators buy individual travel components, separately and combine them into a tour package, which is sold with their own price tag to the public directly. Tour operators do marketing of tourist destinations and tourism product to attract the attention of the tourists/travelers.

Tours operators are also called handling agencies which handle tour package and take care of all the glitches and problems arises during a tour package. Tour operators fix the glitches and provide the best available alternative to tourists during their journey.

2.6 Importance of Tour Operators

Tours operators play a key role in the tourism sector. Tour operators create tourist products, promote them and finally sell them to tourists.

Tour operators provide the best and competitive price to the tourist. Tour operators negotiate with suppliers of tourism products such as hotels, airlines and provide the best possible price to the tourist. Tour operators buy tourist products in bulk and get huge discounts from suppliers, so that they provide tourist products to tourists at a cheap price.

Tour operators organize a tour in the best way. They personalize and make sure each and every component of the tour is well-taken care of. Tour operators provide the best travel experience

during a tour. Tour operators save tourists time and money. You may ask how? Yes they do by taking their time to do all the necessary arrangements and negotiations before presenting the outcome to travelers.

Tour operators provide immediate support systems at the host country as well as a foreign land. When tourists travel to a foreign land and things get uncertain, maybe it's a health challenge or loss of documents and need to return back or change travel plan, a qualified tour operator will efficiently take care of all these unseen events.

2.7 Functional Differences of Wholesale, Retail and Ground Tour Operation

A. Wholesale tour operator

A wholesale tour operator is a travel professional that creates travel packages to be sold to travelers directly or through travel agencies at a discount. Tour wholesalers operate in a very similar way to wholesalers in other industries. However, instead of supplying tangible products they supply touring options including travel, accommodation, and tours. A tour wholesaler supplies to retail travel agents, they do not sell directly to consumers. Wholesalers link individual tourism operators with retailers. They consider which type of tour program would appeal to a particular market and promote that accordingly. A tour wholesaler supplies to retail travel agents, they do not sell directly to consumers. Wholesalers link individual tourism operators with retailers. They consider which type of tour program would appeal to a particular market and promote that accordingly. What is tourism package? Package tourism is formed when several tourists travel in an organized way by using pre-arranged services. It is produced, marketed, and sold by commercial tourism companies (tour operators/wholesalers) at an inclusive price.

Functions of wholesale tour operator:

- Tour wholesalers package products together. Wholesalers are able to achieve lower prices because of the volume of business and exposure they generate.
- National and international tour wholesalers will mostly turn to a local, inbound tour operator to book specific touring options.
- Tour wholesalers specialize in dealing directly with tourism operators.
- Every wholesaler will have a different price for operators to participate in their programs.
- Wholesalers will rarely include a product in their brochures that doesn't have a proven track record.

B. Ground Operators/Destination Management Companies

Ground tour operators operate domestically. They are however different from domestic tour operators in that they organize tours for incoming tourists on behalf of an inbound tour operator (and sometimes, outbound tour operators). You may know ground tour operators as “handling agencies” because they organize tours for incoming tourists on behalf of overseas tour operators

Let's look at an example to better understand the role they play. Nigeria will be the destination in this example. So, here's how it works:

An inbound tour operator designs and promotes beach holidays, adventure, and heritage tours in different parts of Nigeria. Problem: the inbound tour operator doesn't have offices across Nigeria. The inbound tour operator also doesn't have close contacts or partnerships with

suppliers and key agents in certain parts of the country. So, they consult with ground tour operators.

It is the ground operator that will handle the incoming tourists at those various destinations around Nigeria. They oversee land arrangements; negotiate with and contract local vendors; coordinate arrivals and departures; plan and put together local tour packages; escort tourists; provide market data; and cost and price tour packages. Overall, it is their duty to ensure that the entire trip goes smoothly based on the package tours and agreements.

Functions of Ground Tour Operators

These are commonly known as handling agencies and their main function is to organize tour arrangements for incoming tourists on behalf of overseas operators.

When a tour operator himself promotes beach holidays, wildlife holidays, adventure tours, heritage tours at the different places, the difficulty arises. It is the ground operator then who by handling the incoming travelers in the same season but at different places ensures that the entire operation is according to the package tours or agreements. The functions of ground tour operators have been earlier discussed (section 2.4). You can read go back to it to refresh your memory.

C. Difference between Retail Travel Agencies and Wholesale Travel Agencies

Retail travel agency: Retail travel agency is not merely a ticket seller. Practically, it is a specialist whose experience and knowhow enables him to counsel tourists on how to travel wisely and within the confined budget. The followings are the main services which are performed by a retail travel agency: Prepare travel itineraries; Arrange transportation;

Transfer tourists; Arrange accommodation; Handle and advise insurance, currency, travel documents etc; Use professional expertise, know-how and imagination; Arrange reservations for special-interest activities; Provide one-stop convenience in planning and collecting payment for all services. A retail travel agency sells tourist products directly to the public on behalf of the products suppliers and in return get commissions. Some package tours are sold in two ways i.e., on a commission basis and mark up the price basis. When a travel agency sells a tour on the marked-up price it means that first, it markup the cost of the tour and then sell it at a higher rate. The markup price is the difference between retail price and wholesale cost.

Wholesale travel agency: The concept of wholesale travel agency is different from that of retail travel agency. A wholesale travel agency is specialized in planning, organizing and developing package tours, which are marketed to the tourists through the network of retail travel agencies or directly to the clients if it operates a retail division. The wholesale travel agency is the marketing intermediary who purchases travel components in large quantities from the travel vendors for selling to the retail travel agencies. Thus, these are the connecting links between the travel suppliers and the retail travel agencies. “A wholesale travel agency is one which designs tour packages and markets them under his agency’s name”. Practically, wholesale travel agencies develop, and promote package tours (inbound, outbound, and domestic) that are offered with pre-determined features, price and dates. Generally, wholesale travel agencies contract for travel components from airlines, hotels, transportation, and other allied organizations in bulk volume in order to achieve low cost principle, and then repackage the components for resale through retail travel agencies. Thus, the success of a wholesale travel agency operation is dependent upon its creativity and ability to design and market tour package.

Hotel appoints a wholesaler to sell the rooms directly or through the retail travel agents. Here tour operators are largely called as wholesalers and travel agents are basically called as retailers.

Difference between Retail Travel and Wholesale Travel Operation

Retail Travel Operation	Wholesale Travel Operation
<ul style="list-style-type: none"> • Travel agency provides selling outlets to tourism wholesalers and producers. • Saves the tourism vendors from the inconvenience and expenses of selling the services in small lots to a large number of tourists. • Retail Travel Agencies communicate the needs and desires of tourists to the tourism product suppliers such as hoteliers, airlines and transporters. • Retail Travel Agencies may arrange for ground transportation to the ultimate consumers. • Retail Travel Agencies anticipate the needs of consumers and accordingly 	<ul style="list-style-type: none"> • Establishes a link between the travel vendors and retail travel agencies. • Conducts market research especially 'Tour Testing' . • Negotiates with destination travel operators for bulk quantities. • Assembles tour ingredients from - Airlines, Hotels, ground transportations, and other tourism suppliers; • Undertakes exclusive advertisements for increasing the sales volume. • Typically offers the largest range of products/services and covers maximum market segments. • The wholesaler is one which sells tour packages or hotel rooms to the retailers directly. It fixes standard and special

<p>assemble services/ products of different varieties. Thus they satisfy their demands and provide them a wide choice of services.</p> <ul style="list-style-type: none"> • Retail Travel Agencies sort out services supplied by the wholesalers and keep them in convenient tour packages for the benefit of the consumers. • Retail Travel Agencies even act as an advisor and guide to the tourists by bringing new products / services to their notice and educating them about its diverse benefits. • Retail Travel Agencies keep the consumers informed about the changing trends in the market about the different varieties of services/ products. • These also provide other services to the consumers such as insurance, currency, discounts/ offers, etc. 	<p>commission for retailers for the sale of these services.</p> <ul style="list-style-type: none"> • The need for a wholesaler is essentially important in increasing the sale of tickets of airlines and hotel rooms.
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D. Travel Agents and Tour Operators

- **Travel agency** is a firm qualified to sell services pertaining to tours, cruises, transportation, hotel accommodation, meals, transfer, sightseeing and other elements to the general public.
- Set up for providing services and earning profits.
- Uses some of the important management practices like division of labour, hierarchical authority and responsibility.
- Plans, organizes, directs, controls, coordinates and sets all resources together in such a manner that it can achieve objectives.
- When the functional areas of management are linked with organizational objectives, travel agency makes profits after satisfying customers.
- A business entity or firm that retails package tours or any other individual travel solutions to customers as a representative of airlines, hotels, tour companies, and cruise lines.
- Travel agents make the booking tickets for air, rail, sea or road travel and arrange hotel reservations or guest houses, hire taxis etc.
- Travel agents make international flight bookings and other bookings for special business tours or conferences.
- **Tour operators** deal with the bulk travel arrangements and management of FIT and GIT travel.
- Principal agent or wholesaler.

- It offloads the responsibility to the ground handling agents or takes care of receiving and dropping the guests at the airports/railway stations along with sightseeing arrangements.
- Tour packages are mostly promoted by tour operators through travel agents.

Tour operators also offer special packages like deep-sea diving, snorkeling, Himalayan trekking and camel safaris.

Difference between Travel Agent and Tour Operator

There is a lot of confusion about the difference between tour operators and travel agents. What exactly makes them different? The main difference between a Travel agent and Tour operator are following as:

1. A travel agent is a person who has full knowledge of tourist product – destinations, modes of travel, climate, accommodation, and other areas of the service sector. He acts on the behalf of the product providers/principals and in return get a commission.
2. Tour operator is an organization, firm, or company that buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen.
3. Tour operators are like wholesalers and travel agents are the retailers.
4. A tour operator makes the package holidays up and the travel agents sell them on.
5. Tour operator's (taking up the bulk of the responsibilities) fee is obviously much greater than a travel agent.
6. A tour operator has the responsibility to look after the finer details of a vacation or tour such as hotel, accommodation, meals, conveyance, etc.

Tour operator caters to the needs of tourists based on their taste of travel. Tour operator provides all the best available options according to tourist needs and demands.

Self-Assessment Exercise (SAEs 1):

1. What s the difference between inbound tour operator and domestic tour operator?
2. Who is a ground operator?



2.8 Summary

This unit discussed the concept of tour operator, various types of tour operators, functions of tour operator, importance of tour operators, functional differences of wholesale, retail and ground tour operation, difference between retail travel and wholesale travel operation and difference between travel agent and tour operator.



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2.10 Possible Answers to Self-Assessment Exercises (SAEs)

Answers to SAEs 1

1. Inbound tour operators are those operators who arrange, receive foreign guests or /tourists, say Americans and handle arrangements in the host country say Nigeria. They are also known as incoming tour operators, while domestic tour operators are those tour operators who assemble, combine tour components into inclusive tours and sell it to the domestic travellers. These tour operators provide travel services within the tourist's native country.
2. Ground operator is a handling agency whose main function is to organize tour arrangements for incoming tourists on behalf of overseas tour operators.

UNIT 3: TOUR GUIDE AND TOUR PACKAGING

CONTENTS

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Tour Guide
 - 3.3.1 Definition of Tour Guide
 - 3.3.2 Common Duties and Responsibilities of a Tour Guide
 - 3.3.3 Types of Tour Guides
 - 3.3.4 Qualities A Tour Guide Should Have
- 3.4 Packaged Tours
 - 3.4.1 Concept of Tour Package
 - 3.4.2 History of Tour Package Tour
 - 3.4.3 Types of Tour Package
 - 3.4.4 Factors Affecting the Tour Package Formulation
 - 3.4.5 Tour Package Design and Selection Process
 - 3.4.6 Significances of Tour Package
- 3.5 Summary
- 3.6 Glossary
- 3.7 References / Further Readings
- 3.8 Possible Answers to Self-Assessment Exercise (SAEs)



3.1 Introduction

In the last unit, we discussed the concept of tour operator, various types of tour operators, functions of tour operator, importance of tour operators, functional differences of wholesale, retail and ground tour operation, difference between retail travel and wholesale travel operation and differences between travel agent and tour operator. In this unit we will focus on Tour guides and tour package.



3.2 Learning Outcomes

At the end of this unit, the reader will be able to;

- Explain what tour guide is all about.
- Write the common duties and responsibilities of a tour guide
- Discuss Types of Tour Guides
- Describe the Qualities A Tour Guide Should Have
- Explain the concept of Packaged Tours and History of Tour Package Tour
- Analyze Factors Affecting the Tour Package Formulation
- Discuss Tour Package Design and Selection Process
- Explain the Significances of Tour Package



3.3 Tour Guide:

3.3.1 Definition of Tour Guide

Tour guides, or tourist guides, are members of the hospitality and travel industry who show visitors around places of interest. Tour guides may lead groups or individuals through historical sites, museums, geographic destinations and outdoor excursions. Typically, tour guides possess relevant cultural, historical and practical knowledge they can share with tourists. Companies and organizations often hire guides to provide a worthwhile experience for guests. Guides may possess exceptional knowledge and skill about their chosen destination, culture or recreational activity.

Tour guides provide many services, and their responsibilities depend on the type of tour guide they are. While group size, transportation method, age and trip length may differ, tour guides are typically responsible for entertaining guests, answering questions and sharing relevant information to the groups or individuals they are guiding.

3.3.2 Common Duties and Responsibilities of a Tour Guide

- **Learning:** Usually, tour guides possess substantial knowledge about a destination, time period or activity. A guide may have a personal interest in the subject, but their employer might request they complete a formal training to help them gather information that may interest or benefit tourists.

- **Greeting and welcoming Guests:** Regardless of how long the tour lasts, most guides strive to connect with their guests. They usually start with an introduction that involves welcoming everyone and announcing the beginning of the tour.
- **Explaining Safety procedure:** If a guide is leading an expedition, traveling in an unsafe area or guiding from a vehicle, they may take a moment to brief guests on any conditions they need to be aware of or the procedures they can take in the event of an emergency.
- **Providing Materials:** Some tours contain learning materials like brochures, maps and audio recordings. Others may require specialized gear or uniforms. Guides ensure everyone in the group has access to necessary supplies and may also be in charge of maintaining equipment after its use.
- **Responding to Guest's Needs:** For the duration of the tour, guides may be responsible for the comfort and well-being of their guests. This can mean making necessary accommodations, responding to first-aid emergencies and addressing guests' concerns. Similarly, tour guides may have to provide information on pricing, trip length and the frequency of their tours.
- **Guiding Tourists:** As the name implies, a major responsibility of working as a guide is leading groups and individuals on tours. This may require guides to have the route mapped out beforehand and for them to share interesting facts with their guests about the locations they pass along the way.

- **Translating:** Though not always a requirement, for guides working in a foreign country, it can be helpful to know the local language. Some tour guiding jobs may require guides to be bilingual so they can explain written communication, interact with locals and communicate with a variety of customers.
- **Scheduling:** Some tours require guides to purchase tickets, make reservations and work within time-constraints. It can be important for them to plan excursions in advance so they can expect any issues or special accommodations.

3.3.3 Types of Tour Guides

There are many kinds of tour guides working all over the world. Here are some common tour guide types.

1. Historical Guide

A historical guide leads tourists around historical landmarks and points of interest like ruins, temples, battlefields and other sites of historical importance. On these types of tours, patrons often want to learn more about the history of a particular area. Historical guides—either working as employees of the site, working as employees of a larger tour company or working independently—may have interesting facts and information about the area and events of the past that can appeal to sightseers.

2. Adventure Guide

Adventure guides lead guests on excursions that may be otherwise unavailable to them. In addition to knowing relevant facts and navigation information, adventure guides often possess the practical knowledge, skills and equipment patrons need to enjoy an activity or sport. Some common types of adventure guides are:

- **River Guides:** River guides, or raft guides, lead groups through river rapids and other obstacles in the water. Trips can last from a few hours to multiple weeks, and guides are often responsible for outfitting guests, setting up necessary camping accommodations and preparing meals. Many guides attend training to ensure their skills are proficient enough to provide for the safety of guests.
- **Climbing Guides:** Like raft guides, climbing guides often provide their guests with equipment to climb safely in an area. Climbing guides may lead guests on bouldering, sport climbing or multi-pitch adventures where they might teach techniques, belay climbers and provide instruction.
- **Hiking Guides:** Hiking guides may lead hikers or backpackers on short day trips or on longer mountaineering expeditions. For some hikes, peaks are inaccessible without a professional chaperone or guide. Hiking guides may also help tourists navigate difficult terrains like glaciers, mountain passes and mountain peaks.
- **Snowmobile Guides:** Snowmobile guides may assist groups or guests by providing snowmobiles and access to snowmobiling areas.
- **Trail Riding Guides:** Horseback riding is a popular activity for tourists visiting a new area and locals looking for a scenic adventure. Trail riding guides often lead horses and riders along routes and share interesting facts about the wildlife, geography and plants. Guides may also be responsible for caring for the horses and maintaining their enclosures before and after tours.

- **Fishing Guides:** Fishing guides may lead outings to help tourists access difficult-to-reach fishing destinations. Fishing guides may lead tours in oceans, rivers, creeks, lakes or ice. For excursions like fly-fishing or deep-sea fishing, guides may assist guests with instructional help, supplies and fish cleaning.
- **An all-terrain vehicle (ATV) Guide:** ATV guide may lead or drive guests along tracks and roads in jeeps, four wheelers or side-by-side ATVs. Like all adventure guides, two chief priorities of an ATV guide are ensuring both the safety and enjoyment of their guests.

3. Museum Guide

Museum guides work to offer insightful information to museum guests by giving them background knowledge on exhibits, works of art and artifacts. Museums may employ museum guides to chaperone guests and to make the museum experience more interactive and engaging.

4. Nature Guide

Nature guides usually guide tourists through outdoor areas of interest. Typically less extreme than adventure guides, nature guides might lead walking or hiking tours through wilderness areas focusing on subjects like geology, ornithology (study of birds) and ecology.

6. City Guide

A city guide may give tours of a city on bikes, buses, rickshaws, in cars or on foot. City guides may point out historical or cultural sites, restaurants or bars or architectural points of interest. Usually, a city guide is very familiar with the city where they work, so they are able to share worthwhile information with tourists.

7. Park Guide

A park guide may work in assisting guests in theme parks, zoos, state parks and national parks. A park guide may lead groups within the park, pointing out noteworthy attractions and providing information for park guests.

8. Freelance Guide

Sometimes, individuals may choose to offer their guiding services independently rather than representing a business, museum or location. Local guides who know a city well may guide tourists through points of interest using their personal boat, car or other vehicle. Freelance guides might not have access to the insurance provisions of a larger company or established employer, so it's helpful to be mindful of local laws and other legal requirements as a freelance guide.

3.3.4 Qualities A Tour Guide Should Have:

Tour guides handle a few or several tourists, at any given time. A quality tour guide should show accurate and significant knowledge while providing a simple and engaging experience for guests. Guides help to add a personal touch and influence to your experience. Here are qualities a great tour guide should possess:

1. Knowledge of the Tour Area

Your tour guide should be prepared to take you on a journey to some of the most unique places in the world. Tourists are educated during various parts of the trip by guides who know the area inside and out. Tour guides should be able to explain facts, history, landmarks, figures, local

customs and more. They should also be able to answer additional tour related questions that may come up during the trip. Knowledgeable guides can help make your trip insightful and memorable.

2. Ability to Communicate Effectively

Communication is one of the strongest qualities a tour guide needs to have. They must be able to articulate and project their voices and speak clearly, to help prevent any misunderstandings from their various tourists and groups. A good tour guide also needs to know how to properly pronounce words. Someone who knows how to command the attention of multiple people at once, is a good candidate for a tour guide position. Tour guides must be approachable and have excellent interpersonal skills because they will be involved with multiple people on a daily basis.

3. Strong Empathy and Understanding

Tour guides assist people from all over the world. For this reason, it is vital to be able to communicate effectively. Tourists may come from various walks of life, age groups, cultures, nationalities, and backgrounds, or speak different languages. The ability to handle social norms and expectations is key to being an effective tour guide. The best guides are empathetic to cultural differences and prioritize making each delivery unique to their guests. Your tour guide should also have a sensitivity and understanding for accommodating those guests with special needs.

4. Charismatic Personality

Your tour guide should be entertaining, and able to engage charismatically with numerous tourists. It is a plus to have natural charisma. Each day and every tour will be unique, so tour

guides must consistently find opportunities to be charming, interesting, delightful, funny and friendly. This helps groups enjoy one another, which can make the tour more appealing.

5. Keen Ability to Improvise and Adapt

Situations may change at the spur of the moment. Tour guides should be familiar with improvising and adapting to these changing situations. They should be able to know when their audience needs change and adapt to prevent loss of interest from the group. Your tour guide should also be able to adapt and keep up to date with changing times and constant advancements in technology and determine how they affect or enhance their tours.

6. Focuses on Building Rapport

People are excited to be embarking on once in a lifetime journeys. Tour guides can help by exhibiting patient, yet encouraging and cheerful demeanors throughout tour excursions. Guides should build rapport by encouraging effective conversations, asking questions, providing information, and demonstrating passion.

7. Engaging Storyteller and Actor

Tour guides should have a compelling zeal and passion for what they do. They do not have to be locals to be a guide in an area. They just need to have enough passion to learn the history of an area, naturally, tell the story and explain their knowledge with enthusiasm to eager guests. Tourists love learning about various fun facts and little known secrets about the area they will be touring. Guides should consistently have the ability to convey passion, act positively and tell various interactive stories.

8. Flexibility

At times, tour guides will need to go with the flow. They may need to use various approaches based on the audience they will be entertaining. A flexible approach to a situation can make a good tour even better. Great tour guides are flexible when it comes to unexpected issues and schedule changes.

9. Timeliness and Punctuality

Being punctual is one of the most essential characteristics your tour guide should possess because they need to have guests at designated areas at specific times. They usually follow a schedule from an itinerary with various timeframes. It is imperative that your tour guide makes specific allotments for these timeframes, and help guests get to where they need to be on time. The greatest tour guides are punctual and organized.

10. Eagerness to Learn and Willingness to Teach Others

Your tour guide should be able to keep the tour group well informed. Guests should learn new things and gather new insights while they are traveling. A good guide continuously aims to facilitate ways to learn how to make each tour distinct and unique from previous tours. They care about identifying needed improvements, and studies or pays attention to what guests gain from their tours. Tour guides learn by encouraging guests to provide necessary feedback so they can use the information to enhance future tours. A good tour guide is an expert in their destinations and area attractions.

11. Professionalism

Guides should maintain rapport by displaying a professional attitude at all times. Even when not working, quality guides exhibit behaviors that are representative of who they are.

Professionalism helps audiences see the tour guide as a credible and reliable source. Being professional includes essential attributes such as being honest, well groomed, punctual, attentive and courteous.

Having a good tour guide can be beneficial. Your tour guide should have the ability to guide with authority, enthusiasm and help you to have some of the most authentic, and rewarding experiences of a lifetime. Regardless of your destination, great tour guides utilize their qualities to ensure their guests have memorable tours.

Self-Assessment Exercise (SAEs 1):

1. Define tour guide?
2. Identify and briefly explain the common types of adventure guides.

3.4 Packaged Tours

3.4.1 Concept of Tour package

Tour package or simply the word ‘tour’ in the travel and tourism industry refers either to a package tour or package holidays escorted or not escorted by the tourist guide. When we say tour package, it means a pre-arrangement, prepaid trip that combines two or more travel components like airfare, airport transfer, accommodation, and other services.

Holloway defines a tour package as “a total tourism product consisting of transportation from the market area to the destination, accommodation at the destination and recreational activities

promoted by the tourists.”A tour package is advertised journey including specific features, arranged and promoted with tour literature by a tour operator and paid for in full by the tourists before starting the tour.

Technically, a package tour/tour package is a total tourism product as it generally includes transport from the place of origin to the destination, accommodation at an en route place or at the destination and other recreational or travel services.

In brief, a package tour encompasses the following elements:

- Accommodation in hotel, motel, resort, etc.
- Transportation-includes reservation in Airplanes, Railways, Coaches etc.
- Transfers, entrance fee/tool etc.
- Sight Seeing/Excursions.
- Guides or escorts.
- Special events, cultural shows and other activities

3.4.2 History of Tour Package

The term ‘tour’ was in vogue as early as 1670. The British tourists traveled to widen their knowledge of the continent, especially to study the culture and social life. This practice was gradually adopted by other lovers of cultural centers.

The result of the process was that many European historic and cultural centers were opened to the British tourists. By the early 1730’s the small fishing resorts around the British coast begin to

attract tourists seeking healing to their diseases by drinking the sea-water or by immersing themselves in it.

The introduction of a rail link between the major centers in 1830, had a profound impact on the pleasure travelers for the first time. Many entrepreneurs began to inspire rail travel by organizing excursions for the public at discounted offers.

However, to ‘the origin of package tour’ the credit goes to Mr. Thomas Cook in 1855, Cook, extended his business operation to different countries by introducing the first ‘inclusive tour to Paris.

Mr. Cook put together all the components of tourism products and sold them as ‘inclusive tour’ to the tourists. His pre-packaged tour inspired other tour organizations in the travel industry to organize similar tours to all parts of the globe.

Most of Cook’s tours were a linear tour i.e., the person went from place to place on a single destination. Basically, Mr. Cook developed the concept of ‘grand tour and escorted tour’, the concept which is still used. Incidentally, World War II has tremendously developed the package tour concept because of the following reasons:

- Social and Economic Conditions
- Lower Cost
- Increase in Aircrafts
- Marketing Conditions
- Legal Requirements
- Integration took place.

3.4.3 Types of Tour Package

There are five categories of tour packages.

A travel agency/tour operator deals with variety of 'tour packages,' catering to the diverse needs of tourists such as adventure, beach, architecture, cultural, business, conference, incentive tours, religious, incentive tour, special interest tours, cruise tour group tour, educational tour, heritage, monuments, wildlife lovers, etc. These are broadly classified into five categories:

1. Independent Tours
2. Escorted Tours
3. Hosted Tours
4. Incentives Travel/Tours
5. Freedom Tours

Independent Tour

Independent tours are prepared/formulated for those tourists who want to travel independently. The components of such tours are air travel, air transfer, accommodation, travel documents, sightseeing, boat riding, entertainment, and other travel services.

However, in some cases, the tourists are free to purchase every single component separately. Thus, this type of tour provides the tourists considerable freedom to plan the activities according to their own choice.

An independent tour may or may not be an all-inclusive tour. Therefore, tour price varies depending on the type of air travel, air transfer, accommodation and is inclusive of other tour components. The Foreign Independent Travel (FITs) and Domestic Independent Travel (DITs) are examples of an independent tour.

Escorted Tour

When a travel agency includes the services of a well educated and trained tour manager in its package, the tour is called an escorted tour. Basically, escorted tours are meant for those travelers who are planning to visit a foreign country first time.

The escort's responsibilities and duties are to provide comprehensive information and assistance to the group or individual traveler, at the origin, en route and the destination place. The excursion tours are the example of escorted tours.

Hosted Tours

A hosted tour means when an agency utilizes the services of another agency at a particular destination. Suppose a group of French tourists is coming to India. When the group arrives in India, they are greeted at the airports by TCI, which assists them in clearing their baggage and transfer them to the hotel.

Their tour-host (TCI) is available to offer device and information about the local attractions and entertainment. Further, when the group arrives at another designation, a different travel agency greets them at each tourist spot. Thus, a hosted tour provides the tourists maximum level of pre-arranged and personalized services.

Incentives Travel/Tour

It is a motivational programme or a fully paid holiday which is given to the employees by the enterprises as a reward. Mostly in medium and large-scale companies and usually too distant destinations to spur them in maintaining their track record, to increase output, improve the image and to earn the long period loyalty of the employees.

There are a number of other packages offered by a tour company such as a custom tour, an excursion tour, an adventure, and special interest package tours.

Freedom Tours

Freedom tours are becoming very popular these days among the working class. These tours are designed as per the choice of tourists. The tourist is free to choose and plan how they want to travel and enjoy their holidays. These types of tours are meant for that kind of people who like to decide how, when, and where to travel.

This tourist may be an individual, family, group holidays for families and group travel for business. These tours are promoted and developed by the ORBIT.

3.4.4 Factors Affecting the Tour Package Formulation

Generally, the business of package tours involves great risk, high breakeven, high-quality product, and competitive prices. Therefore, the tour management requires in-depth tour planning and market survey. However, before a tour is designed the tour manager should take into consideration certain factors which are crucial in the formulation process.

These factors have a profound impact on the tourist's satisfaction. The main factors are:

- Purpose of Tour
- Choice of Destinations
- Tourist Budget
- Legal Requirement
- Types of Tourist Accommodation
- Tour Period

- Departure and stay information
- Tour price; inflationary condition
- Tour Reference Tools
- Tour Features – political stability
- The relationship between the host and tourist generating nation

3.4.5 Tour Package Design and Selection Process

The quality of a package tour is entirely based on the above factors. Essentially, to design/formulate a travel product, the tour manager has to take the biggest responsibility, intuitiveness, imagination, and innovation coupled with a lot of business activities which range from finding new exotic destinations and planning, organizing or promoting such tour.

The following are the main stages in the tour design and selection process:

1. Initial Research

(i) The Destination Research

The decision to develop and formulate a new package is a multi-stage process that involves various positive and negative points/steps. Normally, the idea for a new product comes either from the tour executive within the company due to a review of the questionnaire completed by the previous tour members because of the political, economic and social development in a particular area.

When a tour manager sees that a large number of old clients are interested in taking a trip to particular destinations, naturally, those destinations become the nucleus of a new ‘tour concept’.

(ii) Market Research

Since tour package is a complete tourism product, obviously, before formulating/designing this product, market research needs to be analyzed and assessed in a systematic manner.

Market research provides us the answer to the following questions:

- What is the size of the tourism market?
- Who are the existing clients?
- Where do they live?
- Who will be their potential buyers?
- Who are their competitors – their strategy and area of business leisure?
- How many tourist ones want to cater?
- What price will the clients accept?
- What facilities are available and required?
- What are the constraints viz., license, permission, finance, restrictions, taxes, and others?

Once we know the basic components of the package tour, distribution channels, market conditions, constraints in the tourism market, we can develop the marketing strategy. It enables the smooth functioning of the agency and also offers a clear picture of the tour programme. Practically, market research is conducted by the private tour companies/ private tourism enterprises in order to penetrate the market.

2. Itinerary Preparation

By itinerary one means the designing of a programme which one wants to sell and it includes destinations, stopping points, number of days and the travel services that are to be included in the programme. Whether it is a lean season or an offseason, escorted or not escorted, consumer-

oriented or readymade tour programme, The itinerary is prepared to identify the origin, destinations, stopping points, accommodations, sightseeing and other travel services on travelers' trip.

3. Handling Agency or Destination Company

The appointment of handling agency is not only to ensure excellent travel services to the tourist but also make the operation smooth and profitable. It is a matter of great significance as the success of travel business largely depends upon the clients who are actually taken care of during the tour.

It is a positive match between the promised services and tourist's actual experiences or feelings. Thus, the tour operator should consider the experience of the handling travel agency in the business, the area of operation, reputation, credibility, professional staff, credit facilities and the competitive price in appointing a handling agency.

4. Negotiation

It is another important management decision area in tour designing and planning. Once the decision has been made regarding the destinations concerning their date, duration and number of clients to be carried during the trip, the tour management starts negotiations with the principal suppliers for a normal contract.

Negotiation means talk between the travel companies and the principal suppliers for the terms, conditions, and prices of the components of a tour package. When both parties are satisfied, it leads to a formal or informal contract between them. The tour company negotiates with the following tour vendors/suppliers:

- Airlines

- Accommodation
- Transport Operations- Rail and Road
- Ground Operators
- Cruise Companies
- Car Rental Companies
- The overseas representatives
- Ancillary Service Organizations

5. Costing and Pricing a Package Tour

The cost of a package tour encompasses the air ticket, the hotel room, car rental, entertainment charges, administrative costs, promotional costs, and other travel services. The confidential tariff helps the travel company in preparing the cost sheet which will enable the concern to determine its price strategy.

Tour pricing is a big factor in the success of the company's tour programme. The price of a package tour is, whether it is an escorted, independent or hosted the tour, often lower than the combined costs of the same components purchased separately from the principals. However, the purchase price of a travel product is based on three factors: Cost, competition, and demand.

Every tour package sold by a vendor has a quantifiable cost. To produce profit the price paid by the tourists must be greater than the agency's cost.

6. Tour Brochure

The tour package is an intangible product which has to be purchased by the tourists/clients without inspection and sometimes even without adequate knowledge. In these circumstances, the brochure becomes the principal instrument to perform the major tasks to inform the clients about the products and to pursue them to purchase it.

Designing, printing, and distributions of tour brochures require necessary skills and knowledge about the components of the tour package. Basically, in the era of specialization and intense competition, tour brochure creates awareness and provides the description of the holiday programme.

Thus, tour management should consider various pros and cons while preparing a tour brochure.

A brochure should contain the following information:

- Name of the Travel Company
- Means of transport
- Details about destinations
- Itinerary
- Accommodation, types, location, meals
- Name of the overseas representative
- Duration of each tour
- Booking, reservation and cancellation conditions
- Details of other services – insurance, currency, entertainment, travel documents required
- Details of price

7. Development of Reservation System

The next step in tour formulation process is reservation system. The agency management in order to put a package into operation must develop and implement a scientific reservation system. The system depends on whether the reservation is to be handled manually or with a computer working on the distribution method.

Whatever method the agency may adopt, the agency management should always keep in mind the sole objective of the reservation system.

8. Marketing of Tour Package

Once a tour package is ready, travel agency management has to make a careful decision regarding promotion and marketing of the particular package tour. The basic objective of management is to make a tour package widely known to make it more and more attractive.

To achieve these objectives, the management must consider the budget available, promotion mix, potential market, easiest and most effective media, campaigning through the international, regional or the public/private sector etc.

The promotion of a package tour means increasing its sales potential and creating an awareness of the existing and potential markets. The following methods are commonly used to promote package tours:

- Middlemen – Retail Travel Agents, GSA, consolidators
- Familiarization tours
- Building Brand Loyalty

- Encouraging Potential Buyers
- Competitive Market
- Courier

9. Tour Handling/Actual Tour Operation

After the successful marketing and achieving target sales, the next and final step in the process of tour designing is tour handling. It means an actual operation of tours, which generally includes administrative work and passenger handling like maintaining reservations, handling deposits, sending advice to ground operators, arranging travel representation, analyzing the feedback received from clients/escorts/ground operator and so on.

All this is not an easy task. At every stage, one has to face different types of queries and problems due to lack of coordination and communication.

3.4.6 Significances of Tour Package

Tour package is beneficial to travel companies, travelers, destinations and other organizations which are directly or indirectly involved in the tourism business. The main benefits are:

- Time Saver
- Increases the seasonality of a destination cost/price
- Earns foreign currency
- Better quality of products professional services
- Wide-variety of the tour package
- Provides bulk business to organizers

Self-Assessment Exercise (SAEs 2):

1. Identify the factors that have a profound impact on the tourist's satisfaction.
2. Of what benefit is tour package to travel companies, travellers and other organizations which are involved in the tourism business?



3.5 Summary

This unit discussed what tour guide is all about, common duties and responsibilities of a tour guide, types of tour guides, qualities of a tour guide, packaged tours, history of tour package tour, types of tour package, factors affecting the tour package formulation, tour package design and selection process and significances of tour package.

3.6 Glossary

Cruising - An activity of sailing (driving) around in an area for pleasure during leisure by boat, yacht, or cruise ship.

Itinerary – Is travel plans, travel document or travel guidebook which contains schedule of route of a journey.

Safari - A caravan and equipment of a hunting expedition to observe or hunt animals in their natural habitat.

Snorkeling - An activity of swimming while using a short tube to breathe through while keeping their face under water.



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3.8 Possible Answers to Self-Assessment Exercises(SAEs).

Answers to SAEs 1

1. Tour guides, or tourist guides, are members of the hospitality and travel industry who show visitors around places of interest. Tour guides may lead groups or individuals through historical sites, museums, geographic destinations and outdoor excursions. Typically, tour guides possess relevant cultural, historical and practical knowledge they can share with tourists. Companies and organizations often hire guides to provide a worthwhile experience for guests, guides may possess exceptional knowledge and skill about their chosen destination, culture or recreational activity.

2. **The common types of adventure guides that lead guests on excursions are:**
 - i. **River Guides:** River guides, or raft guides, lead groups through river rapids and other obstacles in the water. Trips can last from a few hours to multiple weeks, and guides are often responsible for outfitting guests, setting up necessary camping accommodations and preparing meals. Many guides attend training to ensure their skills are proficient enough to provide for the safety of guests.

 - ii. **Climbing Guides:** Like raft guides, climbing guides often provide their guests with equipment to climb safely in an area. Climbing guides may lead guests on bouldering, sport climbing or multi-pitch adventures where they might teach techniques, belay climbers and provide instruction.

iii. **Hiking Guides:** Hiking guides may lead hikers or backpackers on short day trips or on longer mountaineering expeditions. For some hikes, peaks are inaccessible without a professional chaperone or guide. Hiking guides may also help tourists navigate difficult terrain like glaciers, mountain passes and mountain peaks.

iv. **Snowmobile Guides:** Snowmobile guides may assist groups or guests by providing snowmobiles and access to snowmobiling areas.

v. **Trail Riding Guides:** Horseback riding is a popular activity for tourists visiting a new area and locals looking for a scenic adventure. Trail riding guides often lead horses and riders along routes and share interesting facts about the wildlife, geography and plants. Guides may also be responsible for caring for the horses and maintaining their enclosures before and after tours.

vi. **Fishing Guides:** Fishing guides may lead outings to help tourists access difficult-to-reach fishing destinations. Fishing guides may lead tours in oceans, rivers, creeks, lakes or ice. For excursions like fly-fishing or deep-sea fishing, guides may assist guests with instructional help, supplies and fish cleaning.

vii. **An all-terrain vehicle (ATV) Guide:** ATV guide may lead or drive guests along tracks and roads in jeeps, four wheelers or side-by-side ATVs. Like all adventure guides, two chief priorities of an ATV guide are ensuring both the safety and enjoyment of their guests.

Answers to SAEs 2

1. The factors that have a profound impact on the tourist's satisfaction are:

- Purpose of Tour
- Choice of Destinations

- Tourist Budget
- Legal Requirement
- Types of Tourist Accommodation
- Tour Period
- Departure and stay information
- Tour price; inflationary condition
- Tour Reference Tools
- Tour Features – political stability
- The relationship between the host and tourist generating nation

2. The benefits of tour package to travel companies, travelers and other organizations

which are involved in the tourism business are:

- Time Saver
- Increases the seasonality of a destination cost/price
- Earns foreign currency
- Better quality of products professional services
- Wide-variety of the tour package
- Provides bulk business to organizers

MODULE 2 BOOKING IN TRAVEL OPERATION

Unit 1 Booking in Travel Operation

Unit 2 Ticketing in travel Operation

Unit 3 Information System in Travel Operation

UNIT 1 BOOKING IN TRAVEL OPERATION

CONTENTS

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Booking Operation
 - 1.3.1 Meaning of Booking
 - 1.3.2 Types of Booking
 - 1.3.3 Methods of Booking an airline ticket
 - 1.3.4 Advantages and Disadvantages of an online booking system
 - 1.3.5 How to Book the cheapest flight possible to anywhere
- 1.4 Summary
- 1.5 References/ Further Readings
- 1.6 Possible Answers to Self-Assessment Exercise(s) (SAEs)



1.1 Introduction

In the preceding unit, we discussed what tour guide is all about, common duties and responsibilities of a tour guide, types of tour guides, qualities of a tour guide, packaged tours, history of tour package tour, types of tour package, factors affecting the tour package formulation, tour package design and selection process and significances of tour package. This unit focuses on the booking, types of booking, methods of booking an airline ticket, advantages and disadvantages of an online booking system, and how to book the cheapest flight possible to anywhere. Today an increasing number of businesses are realizing the benefits of having their own booking system. One of the main benefits of online booking systems is that they allow travelers to place their booking at a time that is most convenient for them. Using an online booking system, they can make their booking at any time of day or night, without having to worry if it's within business hours or not. Online booking systems can also save businesses time and money spent on admin.



1.2 Learning Outcomes

At the end of this unit, the student will be expected to:

- Explain booking in travel operation
- Discuss various types of booking
- Explain methods of booking an airline ticket
- Describe the advantages and disadvantages of an online booking system

- Explain how to book the cheapest flight possible to anywhere



1.3 Booking Operation

1.3.1 Meaning of Booking

A booking is an arrangement to reserve a certain ticket (eg, air ticket), accommodation or a place in advance. Booking is an act of making reservation for a seat, room, entertainer at a particular time in the future.

Passengers need to choose a return or a one-way ticket, their destinations, scheduled dates and number of people to fly to book their flight. After choosing the suitable flight listed on the page, passengers need to choose among the flight packages (Basic, Essentials, Advantage, Business Flex).

1.3.2 Types of Bookings

1. Direct Bookings

This is simplest of the two types of booking. Direct bookings are defined as those that are made through your own booking system. Direct bookings can be made online, over the phone or in person. In many respects, direct bookings are preferable to tour and activity operators. When you earn a direct booking, you don't have to pay a commission to an agent.

Ultimately, you generate more revenue per booking when you are able to secure a direct reservation over your website. The drawback of direct bookings is that they are more difficult to acquire in terms of how much work you as the operator need to do to get them.

2. Indirect Bookings

The second of the two types of bookings is indirect bookings. These are bookings (for your tours and activities) that come through a reselling agent. This could be a retail travel agent, an OTA, a hotel concierge or a representative from the local visitor information centre. Indirect bookings are critical because they allow you to increase your reach within the travel industry and access travelers who may not otherwise discover your brand. Some agents may specialize in solo travelers, while others coordinate group trips for clubs and organizations. By increasing your indirect bookings, you can boost your brand recognition.

3. Online Ticket Booking system

What is online ticket booking system?

Online ticket booking system is a software that allows potential customers to book and pay for a flight ticket directly through the website. That means that all stages of booking from choosing a destination to paying for the reservation, are handled online, that significantly reduces the staff workload and eliminates double-bookings. More advanced systems like ours demonstrate the ability to book through a variety of online methods, including mobile. Not only do they greatly expand the potential for bookings for your business, but also they better leverage the power of the Internet to drive growth and revenue.

Important features of the ticket booking system:

Below you can read about some important features of the ticket booking system

- **Global Distribution Systems (GDS) Integration:** connection to multiple airline reservations system (GDS's) allows you to find and deliver the best travel deals through integrating multiple applications (Application Programming Interface – APIs).
- **Easy interface:** a fast and intuitive point-and-click interface allows users to find the most suitable deal within seconds and then make reservation in one click.
- **Secure payment processing:** makes your customers sure that you provide secure online payments.
- **Flight ticket search option (one-way/round trip/multi-city):** provides you with the ability to compare flight prices, find the best value airline tickets, etc. fast and easy.
- **Filtering criteria:** multiple filtering options such as sorting by price, flight duration make it possible to apply a variety of field filters at the same time and satisfy users' requirements; adding flight tickets to new or existing packages (itineraries, quotes) and customers.
- **Reporting options:** you can get a quick overview on the status of your business and take immediate actions.

1.3.3 Methods of Booking an airline ticket

1. Booking an Airline Ticket Online

Look for flights in advance. Booking your tickets in advance can help you to get tickets at a lower rate. The best time to book a domestic flight is between 112 and 21 days before you depart to secure the lowest fare. Fifty four (54) days before is considered the perfect time. However, even booking 54 days before your trip is not guaranteed to get you the lowest fare.

- If you are booking an international plane ticket, you should book as far in advance as possible, especially if your destination is smaller or only has one nearby airport.
- If you are flying to a popular destination during a popular time, such as Florida during Spring Break, you should book as far in advance as possible. Because this flight is popular, it is unlikely that the fare will be lowered

2. Check airfare deal websites. Before booking, scan an airfare deal website, like Airfare Watch Dog, for sales. This is especially helpful if your destination or trip dates are flexible so you can take advantage of any deals.

- Airlines sometimes share sales with their customers through their websites or newsletters. You can subscribe to the newsletters of your top airlines or visit their sites to search for deals.

3. Enter your trip details on an aggregator site. Visit an aggregator website that searches multiple airlines, like SkyScanner, Momondo or Google Flights, and enter your trip information. The website will be able to show you lots of flight options for your requested destination and dates that you can sort by price, airline or length of trip.

- Many aggregator sites will allow you to enter multiple destinations and search flights on multiple dates. This will help you find the best deal if your trip is flexible.
- If you have time, check a few aggregator websites. Some sites may advertise different prices so it's good to check around and ensure you're getting the best deal.

4. Choose how many stops you want to make. Many flights, especially to far away locations, will require you to make stopovers at airports along the way. Sometimes these will involve changing planes and going through security again. As you look at flights, remember to keep in

mind how many stops you are comfortable making. Also check how long and what time of day the stops are.

- You may be able to find a cheaper flight if you're comfortable adding an extra stopover.

However, it's important to take into account if the length and time of the stopover is worth the money you will save.

5. Click through to the airline's website. Once you have found the best trip, select it on the aggregator site and move to the airline's direct website to book your tickets. Some aggregators allow you to book the ticket through their website, but there may be an additional service fee

6. Choose your seat. Many airlines will allow you to choose your seat at your time of booking. Ensure you choose seats for all of the passengers that you're booking airline tickets for. You can select to sit together, if there is space for your party, and whether you want an aisle, window or middle seat. You may also be able to select seat upgrades, like extra legroom, for an additional cost.

- If your airline does not allow you to select your seat at the time of booking, you may be able to do it when you check in. If you have a specific seat preference or need to sit with your travel companions, for example if you're traveling with a child, call your airline to see how you can make arrangements ahead of time.

7. Choose to make it a package deal or not. Towards the end of the booking process, your airline may suggest add-ons that you can book, such as hotels or car rentals. You can add these at the time of booking or book them separately from your airline ticket.

- Before choosing an add-on like a hotel stay or car rental, you should do some research online and ensure your airline is offering you a good deal.

- Usually, you can get airline tickets for a lower rate if you stay at the destination on a Saturday night.
- Business travelers are charged the most because they cannot stay a Saturday night.

8. Request special accommodations. If you require any special accommodations for your flight, such as a wheelchair, request these at the time of booking. If you are not prompted to enter this information during your online booking, call your airline directly.

- Other special accommodations may include traveling with service animals, medical concerns and dietary restrictions.

9. Choose to add insurance or not. During the booking process, you may also be prompted to add insurance. Read the fine print and decide whether or not your flight and trip requires insurance.

- You might be covered by insurance through your work, healthcare or credit card. It's a good idea to look into these options and compare costs if you want to add insurance coverage for your trip.

10. Book your ticket: On the airline's website, confirm that all of your trip information is correct. Then follow the prompts to enter your personal and payment information to finish booking your tickets. You may also need the personal information of anyone else flying with you.

11. Receive your confirmation and receipt: After booking, your receipt and ticket confirmation should be emailed to you. If you don't receive this within a few hours of booking, contact your airline.

- Save the email copy of the receipt in a safe folder. It would be a good idea to print out a hard copy as well.

12. Researching your Trip

- **Decide where you are going.** Depending on your trip, you may have some flexibility in terms of your exact location. Do some research to find the perfect destination for you.
- **Decide when you are going.** With your fellow travellers, decide when you are going on your trip and for how long. The more flexible you are with your dates, the easier it will be to find a deal. If your dates are not flexible or if your trip is coming up very soon, it's best to book as soon as possible. This is especially important if you are flying during a popular period, like Christmas or New year.
- **Check if you need visas or vaccinations.** Some international destinations will require visitors to have special visas to come to their country or get vaccinations ahead of time. Include this in your research so you have time to make arrangements, apply for any visas and schedule travel vaccination appointments.
- **Consider who and what you're travelling with.** For example, if you're travelling with an infant, depending on the flight carrier, you may not need to buy a separate seat for the child. However, travelling with a baby may also mean that you will need to pack extra things like a diaper bag or playpen.

13. Booking an Airline Ticket with a Travel Agent

1. **Collect all of your trip information.** From your research, establish your trip destination and dates, even if these are flexible. Also make sure you have your payment information and the personal information for yourself and your fellow travelers on hand.

For example, you may need to know all of the travelers' birthdates and passport numbers.

2. **Find a reputable travel agent.** Ask your friends and family for recommendations if you haven't worked with a travel agent before. If you can't get a personal recommendation, search online for a travel agency with good reviews.
3. **Meet with your travel agent in person or over the phone.** Depending on the travel agency, you may be able to go in-person or you may work with someone over the phone. Ensure your travel agent is knowledgeable, friendly and service-oriented. They should be able to answer all of your questions and have experience booking similar trips to the one you want to go on. Have all your questions ready ahead of time, preferably on a printed sheet of paper. This will ensure that you don't forget to ask any.
4. **Give your travel agent your trip information.** Provide your travel agent with the destination and dates of your trip. If you are flexible with nearby destinations, multiple stopovers or similar date, ensure you tell your travel agent that information. Also, let your travel agent know about your preferences and any required accommodations. For example:
 - Tell them your seating preference, such as aisle or window.
 - Let them know if you need special accommodations, like a wheelchair.
 - Mention if you're interested in purchasing add-ons, like hotel stays and car rentals.
 - If you need to purchase insurance, be sure to tell them this as well
5. **Book your ticket:** After receiving your information, your travel agent will present you with some flight options for your trip. Select the best option (for you) and continue speaking with your travel agent to finish booking your airline tickets. The agent will need

your personal and payment information. Have all of your information on hand and ready before you book your ticket. This will make the booking process more efficient.

6. **Receive your receipt and confirmation.** Your travel agent will likely choose to email you your receipt and confirmation of your airline ticket purchase. If you don't receive an email shortly after booking, call your travel agent. You may also be able to request your receipt and confirmation in hard copy if you don't have access to email. Save your email confirmation in a secure folder so that you don't accidentally delete it. Print the email as well, in case you encounter technical difficulties closer to your trip.

1.3.4 Advantages and Disadvantages of an online booking system

Advantages of an online booking system

1. Accessible 24/7

Using an online booking system means that you're open to your customers 24/7. That's because the system operates autonomously.

Customers who have decided to book a tour don't want to wait until you are in the office. Statistics show that more and more bookings are made during the evening when your target customer is at home. An online booking system allows you to receive booking 24 hours a day, seven days a week.

2. Reduces your workload

Processing all your bookings manually means a lot of work, and often you can make mistakes that cost you money.

A good online booking system will handle all the aspects of the booking, but often much more than just that:

- It will ensure that bookings can only be received when you have availability. So, there's no over-booking. And no need for cross-checking of booking statuses on emails and spreadsheets.
- Send an automated email to your customers after they finish the online booking process. They immediately receive a guarantee of obtaining services.
- Also, get all the information needed from a customer together with the reservation. Thus, no need for you to bother guests asking for further details about their trip.
- Have all the information you need in one place. Promotions, bookings, customer information, payments and analytics.
- Set up and manage all invoices, taxes, terms and loyalty programs with ease from a central position.

All mentioned above have a direct impact on the administrative workload of your business, leading to an increase in productivity.

3. Allows you to offer add-ons

When talking about online booking advantages and disadvantages, the easy addition of add-ons by your customer during the booking process is a big pro. That is a mandatory feature of online booking systems, simple as that.

You must be able to offer your customers extra services. And it's then up to them to choose whether they want additional features. By adding extra perks to your customers, you can easily boost the revenue for your business.

4. Provides you with important analytics and insights

An online booking system with automatic analytics helps you figure out what works and what doesn't for your travel business. It helps you:

Determine your most requested time slots, the most popular tours and which partnerships bring you more profit.

Take advantage of knowing what your customers want most.

Keep track of the best way to optimize your business.

Save time and money on offerings that don't bring you enough growth.

5. Don't pay abusive commissions

Commission-free means shifting bookings from Online Travel Agencies (OTAs) to your own sales channels. There are OTAs charging commissions as high as 30% per booking. By implementing an online booking system you get rid of the middleman. That means you are dealing straight with your customer.

6. Collect online payments

With an online booking system, your customers can prepay for your tours or activities. This puts money straight into your account without the lag time.

Don't worry about receiving payment on the day of the tour. With this, you reduce manual workload even more.

The risk of credit card fraud or scams is extremely low for online payment gateways. Making it an easy and safe way for your customers to both, book and pay.

7. Gives you a clear overview

All your customer data is in a structured system, in one place. You can check your reservations and availability from any device at any location.

Always know the status of your business and effortlessly manage your calendar.

Using different colours on your calendar such as red, orange or green color will immediately tell you the level of your occupancy.

Disadvantages of an online booking system

1. It needs internet access

You'll need constant access to the Internet, which could be a problem if you run tours and activities in remote areas.

If you're not a fan of technology or you don't have internet access, it might not be for you.

2. You don't have direct contact with your customers

Direct conversation with customers via phone/mail has some good sides. You can build trust and answer questions to clear some doubts your customer might have that are holding back their decision to book.

You can also receive precious feedback that will improve the quality of your products. Also, some customers may prefer direct, real contact rather than doing all the online booking process virtually.

3. You might face technical issues

All software is subject to technical problems. That's why there are whole teams of developers testing and fixing bugs before the final user can ever notice those issues.

For example, due to a bug, a customer may pay twice for the same ticket. That is a rare issue, but you should know that it's possible to happen.

4. A fast growth can be challenging

If you run a small business without enough staff members or resources, too many new customers may be a problem. That is a side effect of broadening your audience from local to global.

Expanding your activities and growing too fast might be frightening, but I'm sure this is a challenge you are willing to face.

5. Not every online booking software might be the right one

You must find out which online booking system suits your business better. Not all of them will offer you all the features and commitment that you are looking for.

There is nothing more frustrating than hiring a service that doesn't fulfill your needs.

1.3.5 How to book the cheapest flight possible online

1. Keep your searches top secret: Always search for flights in incognito or private browsing mode to see the lowest prices.

2. Use the best flight search engines: All search engines have inflated flight costs as part of taking a cut from the airlines. Some search engines (e.g. Expedia) consistently inflate much higher than others (listed below). It pays to familiarize yourself with sites that offer the best prices.

3. Identify the cheapest day to fly out: While many theories exist around booking specifically on a Tuesday to save money, the reality is there is no consistent truth to exactly which days are cheapest to fly. Most of the time it is cheaper to leave on a weekday, though this isn't always the case. Your best strategy is to get a quick visual of prices for a whole month to see what days are cheapest for your specific route.

4. Fly for free with points: The cheapest flight you can book is free, and the easiest way to do that is with points. If you don't have any, don't fret – signing up for just one travel rewards credit card and hitting the minimum spend can land you a major point bonus, often enough for a free flight.

5. Befriend budget airlines: Budget airlines offer significantly cheaper tickets than their full-service counterparts. It should be obvious, but this comes with compromises such as less leg room and no “free” food/drink on-board (which by the way, is normally covered in your higher-priced ticket with full-service airlines).

6. Search for airline error and sale fare: Airlines sometimes make mistakes when posting their fares, leading to seriously discounted flights. This can happen for various reasons – currency conversion mishaps, technical glitches, or human error. If you're in the know-how on where to find airline error fares, you can save yourself *hundreds* of dollars on a ticket.

7. Book connecting flights yourself for less: If you're flying somewhere that involves a transfer, say from Canada to Australia which typically involves Canada to Los Angeles, then Los Angeles to Australia, consider that it may be cheaper to book these two legs separately on your own by adding another destination to your trip.

8. Find the cheapest place to fly: Whether you know exactly where you're going or you just want to find the cheapest possible country to fly into, **kiwi.com** is a great tool to get the wanderlust going and save some big bucks. Hop on their site and enter your departure city, then select a date range to fly. Approximate costs then appear over hundreds of countries around the globe from your departure point, while the list of destinations is sorted by price, allowing you to see the most cost-effective place you can fly.

9. Mix and match airlines: Where Kiwi.com really shines is the way in which it mixes and matches airlines in order to find the cheapest price. For example, maybe you want to go to Rome, Italy from Washington, USA. A typical flight search engine will only suggest routes coming from a single airline and its partners. Typically, booking a whole trip with different airlines would be risky. If you missed your connecting flight with any airline you would lose your money.

10. Consider hidden city ticketing: Travelers long ago discovered a trick known now as “hidden city” flights. In a nutshell, sometimes a flight that *connects* in a city you want to go to

is cheaper than flying directly to it. So instead, you book that cheap flight which *connects* in your desired city and hop off there, not taking the ongoing connection.

Here are some factors to consider:

- **If your luggage is checked, it may go on to the final destination.** For this reason, with hidden city ticketing it's best to have carry-on luggage only.
- **You may not be allowed off the plane** (if the same plane is continuing onward to its final destination).
- **Airlines may detect that you did not take your connection.** The consequences of this are hard to say, especially since people miss flights all the time.

11. Don't forget about local airlines: While the above search engines are great, they do not always include small airlines, especially in less popularly booked routes and/or in remote regions. If you're flying somewhere obscure, Google search and ask around if there exists a local airline. When you do find small airlines, even if they are listed in a search engine results, it often pays to check the company site which may reveal exclusive online offers not found in a regular search engine.

12. If you know when and where you're going, don't wait to book: Rarely ever do airline tickets get cheaper as your departure date approaches, especially if you need to fly on a certain date. If you know when and where you're going, don't wait on an unknown sale. More often than not, your biggest savings come from booking far ahead when you can.

13. Check if it's cheaper to pay in other currencies: Before booking a flight, consider if the rate is cheaper if paid in another currency. Often budget airlines will make you pay in the currency of the country you're departing from, but this isn't always the case. An important note when doing this is to make sure you're using a credit card that is free of foreign-transaction fees.

Self-Assessment Exercises (SAEs 1):

1. State and explain the three types of booking available to travellers.
2. Describe the important features of ticket booking system in travel operation.
3. How can travellers book an airline ticket with a travel agent?



1.4 Summary

This unit discussed booking in travel operation, various types of booking, methods of booking an airline ticket, the advantages and disadvantages of an online booking system, how to book the cheapest flight possible to anywhere, and advantages and disadvantages of an online booking system.



1.5 References/ Further Readings

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Orioly (n.d) Online Booking Advantages and Disadvantages for tour Operators. From <https://www.orioly.com/online-booking-advantages-disadvantages/>



1.6 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The three types of booking available to travelers are as follows:

i. Direct Bookings: This is simplest of the two types of booking. Direct bookings are defined as those that are made through your own booking system. Direct bookings can be made online, over the phone or in person. In many respects, direct bookings are preferable to tour and activity operators. When you earn a direct booking, you don't have to pay a commission to an agent. Ultimately, you generate more revenue per booking when you are able to secure a direct reservation over your website. The drawback of direct bookings is that they are more difficult to acquire in terms of how much work you as the operator need to do to get them.

ii. Indirect Bookings: The second of the two types of bookings is indirect bookings. These are any bookings for your tours and activities that come through a reselling agent. This could be a retail travel agent, an OTA, a hotel concierge or a representative from the local visitor information centre. Indirect bookings are critical because they allow you to increase your reach

within the travel industry and access travelers who may not otherwise discover your brand. Some agents may specialize in solo travelers, while others coordinate group trips for clubs and organizations. By increasing your indirect bookings, you can boost your brand recognition.

iii. Online Ticket Booking system: Online ticket booking system is software that allows potential customers to book and pay for a flight ticket directly through the website. That means that all stages of booking from choosing a destination to paying for the reservation, are handled online, that significantly reduces the staff workload and eliminates double-bookings. More advanced systems like ours demonstrate the ability to book through a variety of online methods, including mobile. Not only do they greatly expand the potential for bookings for your business, but also they better leverage the power of the Internet to drive growth and revenue.

2. The important features of ticket booking system in travel operation are:

i. Global Distribution Systems (GDS) Integration: connection to multiple airline reservations system (GDS's) allows you to find and deliver the best travel deals though integrating multiple applications (Application Programming Interface – APIs).

ii. Easy interface: a fast and intuitive point-and-click interface allows users to find the most suitable deal within seconds and then make reservation in one click.

iii. Secure payment processing: makes your customers sure that you provide secure online payments.

iv. Flight ticket search option (one-way/round trip/multi-city): provides you with the ability to compare flight prices, find the best value airline tickets, etc. fast and easy.

v. Filtering criteria: multiple filtering options such as sorting by price, flight duration make it possible to apply a variety of field filters at the same time and satisfy users' requirements; adding flight tickets to new or existing packages (itineraries, quotes) and customers.

vi. Reporting options: you can get a quick overview on the status of your business and take immediate actions.

1. Travelers can book an airline ticket with a travel agent as follows:

i. Collect all of your trip information. From your research, establish your trip destination and dates, even if these are flexible. Also make sure you have your payment information and the personal information for yourself and your fellow travelers on hand.

For example, you may need to know all of the travelers' birthdates and passport numbers.

ii. Find a reputable travel agent. Ask your friends and family for recommendations if you haven't worked with a travel agent before. If you can't get a personal recommendation, search online for a travel agency with good reviews.

iii. Meet with your travel agent in person or over the phone. Depending on the travel agency, you may be able to go in-person or you may work with someone over the phone. Ensure your travel agent is knowledgeable, friendly and service-oriented. They should be able to answer all of your questions and have experience booking similar trips to the one you want to go on. Have all your questions ready ahead of time, preferably on a printed sheet of paper. This will ensure that you don't forget to ask any.

iv. Give your travel agent your trip information. Provide your travel agent with the destination and dates of your trip. If you are flexible with nearby destinations, multiple

stopovers or similar date, ensure you tell your travel agent that information. Also, let your travel agent know about your preferences and any required accommodations. For example:

- Tell them your seating preference, such as aisle or window.
- Let them know if you need special accommodations, like a wheelchair.
- Mention if you're interested in purchasing add-ons, like hotel stays and car rentals.
- If you need to purchase insurance, be sure to tell them this as well.

v. Book your ticket: After receiving your information, your travel agent will present you with some flight options for your trip. Select the best option (for you) and continue speaking with your travel agent to finish booking your airline tickets. The agent will need your personal and payment information. Have all of your information on hand and ready before you book your ticket. This will make the booking process more efficient.

vi. Receive your receipt and confirmation. Your travel agent will likely choose to email you your receipt and confirmation of your airline ticket purchase. If you don't receive an email shortly after booking, call your travel agent. You may also be able to request your receipt and confirmation in hard copy if you don't have access to email. Save your email confirmation in a secure folder so that you don't accidentally delete it. Print the email as well, in case you encounter technical difficulties closer to your trip

UNIT 2 TICKETING IN TRAVEL OPERATION

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- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 Ticketing
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- 2.5 References/ Further Readings
- 2.6 Possible Answers to Self-Assessment Exercise(s) (SAEs)



2.1 Introduction

In the previous unit, we discussed booking in travel operation, various types of booking, methods of booking an airline ticket, the advantages and disadvantages of an online booking system, how to book the cheapest flight possible to anywhere, and advantages and disadvantages of an online booking system. Here, we are going to focus on ticketing.



2.2 Learning Outcomes

At the end of this unit, the student will be expected to:

- Explain the concept of ticketing
- Evaluate air ticketing process
- Discuss types of flight tickets
- Identify who are reservation and ticket agents



2.3 Ticketing

2.3.1 Concept of Ticketing

What is Air Ticketing? Air ticketing is a process of issuing a document or keeping electronic record by airline or travel agency which confirms that an individual is entitled to a seat on a flight in an aircraft. Airline ticket is a document or electronic record, issued by an airline or a travel agency that confirms that an individual is entitled to a seat on a flight on an aircraft. The airline ticket may be one of two types: a paper ticket, which comprises coupons or vouchers; and an electronic ticket. Ticketing means that the seat is paid for and the passenger has the right to take it when embarking on trip.

To understand why ticketing is so important, it's good to first understand a three main purposes that flight ticket serves:

- **Tickets entitle passengers to a seat on the flight** - for travelers, a ticket is a confirmation that the seat has been paid for and that it's theirs – no one else can take

it. In this sense, it's a travel document. For the airline, the ticket contains information about the booking like the PNR number, passenger details and information about the itinerary, fare and payment.

- **Tickets create a contract between the passenger and the seller** - whether it's bought directly from an airline or through an agent, a ticket is what seals the contract and governs the conditions and responsibility for post-booking services like changes, cancellations or refunds.
- **Tickets establish responsibilities when multiple airlines are involved** - some itineraries involve multiple airlines working under a code share or interlining agreement. In these cases, a ticket helps divide responsibilities between the *validating carrier* (the airline that sold the ticket) and the *operating carrier* (the airline operating the flight).

2.3.2 Air Ticketing Process

The Air Ticketing process is generally broken down into the following steps:

Booking

For a flight to be booked, two key events need to occur:

2. **A Passenger Name Record (PNR) is created** – a Passenger Name Record is a digital file containing passenger information, contact details and itinerary information. When you book a flight, a PNR is created and logged in the airline's Computer Reservation System (CRS), creating an official record of your booking on the airline's system.
3. **Payment is made** – to guarantee your seat on the plane, airlines need proof of payment. When you pay for your ticket, the form of payment is added to the PNR and the price information is attached in file called a Transitional Stored Ticket

(TST). These two files together contain the information that will later appear in your final flight ticket.

At this point, your flight has been successfully booked and paid for. However, you still don't have the right to board the plane. For that to happen, you need to receive a ticket.

Ticketing

After booking, your PNR (with its TST attached) is sent to a ticketing server which automatically checks the information and issues the e-ticket. The booking is now *ticketed*, and the seat is officially yours.

In most cases, ticketing happens immediately after booking though this isn't always the case. PNRs can also be queued for ticketing with a pre-defined date and time for the ticket to be issued. In certain situations, like waitlisted bookings, open-return flights or overbooking, the booking and ticket process works a bit differently.

Accrediting organizations

Globally, there are two large accrediting organizations offering ticketing accreditation to agents that sell airline tickets. This means that these agents (sellers) need accreditation to issue traveling tickets on behalf of an airline. The two major accrediting organizations are:

International Air Transport Association (IATA)

IATA is the world's largest international airline association, with close to 300 member airlines in over 170 countries. Among many other functions, IATA runs the **Billing and Settlement Plan (BSP)**, a payment processing system that collects and distributes payments and commissions

among member airlines and agents. In order to issue tickets for any IATA airline, all agents registered outside of the US need to have IATA accreditation.

Airlines Reporting Corporation (ARC)

The ARC is a similar organization for agents registered in the United States or US territories and boasts of over 200 member airlines. The ARC's main role is to mediate payments between agents and airlines via its own payment processor. All US-registered agents need ARC accreditation to issue tickets for its member airlines.

So, does this mean you need IATA or ARC accreditation to start building your booking business? Well, if you want to issue tickets directly, yes. However, in the next section we'll cover how you can handle ticket issuance without the difficulty and expense of accreditation.

How to issue tickets without IATA/ARC accreditation

While ticketing requires IATA/ARC accreditation, booking does not. For example, our Self-Service flight booking APIs let you search, price and book flights on nearly 500 airlines worldwide without the need for any official accreditation.

However, to seal the deal with your travelers you'll still need to be able to send them an e-ticket after their purchase. You can do this by working with one of several types of IATA/ARC-accredited organizations that (for a fee) will issue tickets on your behalf:

- **Airline consolidators** – consolidators are basically flight ticket wholesalers; they negotiate large volumes of discount fares from airlines and then resell them to partner agencies. They also act as ticketing partners for non-accredited agents. In this case, you perform the booking (creating the PNR and receiving payment)

and then queue the PNR for ticketing by the consolidator. This is the best option for startups, online travel agents (OTAs) and other online booking projects.

- **Host agencies** – host agencies are IATA/ARC-accredited organizations and give independent agents access to tools and services (including ticketing) on a membership basis. In this sense, the independent agents are working as affiliates of the host agency. Most host agencies offer end-to-end services – training, marketing, GDS access – and are oriented towards at-home agents rather than online booking sites.
- **Franchises** – franchises work very similarly to host agencies but whereas host agencies offer services to a network of independent agents free to decide their own brands and strategies, franchises offer a pre-branded, out-of-the-box travel agencies with access to the franchisor’s ticketing accreditation. This option is most suited to brick-and-mortar travel agencies.

2.3.3 Types of Flight Tickets

One-Way Ticket: This is a type of ticket for one direction of travel only. It is ideal for travelers who do not require a return flight or for travelers who do not have an exact return date. Travelers who purchase one-way tickets must purchase a second ticket for return travel.

Round-trip Ticket: Round-trip tickets are tickets that allow the purchaser to travel to their destination and then back again. This type of ticket is for travelers who have plans to travel on specific dates.

First Class Ticket: First class tickets are a form of one-way or round-trip tickets that allow travelers to travel in first class. Because first class travelers have access to spacious seating,

quality food, drink and other in-flight amenities, these tickets are often the most expensive type of ticket available. First class ticket holders also have access to the airport lounge while waiting for their flight and a variety of entertainment options on-board.

Business Class Ticket: This type of ticket allows the purchaser to sit in business class. It is a ticket that provides travelers with a more comfortable traveling experience than coach/economy. For example, one of the benefits of business class is increased leg room. However, it does not have the features or luxuries that are available to travelers carrying first class tickets.

Coach Ticket: Coach tickets are type of ticket in which fliers travel in coach or economy class. This is the most basic means of travel and it is also the least expensive. Holders of coach tickets are often given limited snacks and drink and other comfort features such as leg room are limited.

Non-refundable tickets: This type of ticket is often purchased at a discount and is not eligible for a refund. Travelers who are unable to travel on the date or dates that are specified may request that the carrier transfer the ticket to another time. Rules regarding transferring travel dates with non-refundable tickets may vary from one carrier to another and a re-issuing fee or penalty may apply.

Refundable ticket: Refundable tickets are a ticket type that is eligible for a refund. Travelers that request a refund are not charged a fee or penalty.

2.3.4 Reservation and Ticket Agents

Reservation and ticket agents are employed by airlines, bus companies, railroads, and cruise lines to help customers in several ways. Reservation agents make and confirm travel arrangements for passengers by using computers and manuals to determine timetables, taxes, and other information.

Ticket agents sell tickets in terminals or in separate offices. Like reservation agents, they also use computers and manuals containing scheduling, boarding, and rate information to plan routes and calculate ticket costs. They determine whether seating is available, answer customer inquiries, check baggage, and direct passengers to proper places for boarding. They may also announce arrivals and departures and assist passengers in boarding.

Ticket agents are responsible for making and confirming travel arrangements for passengers. They are employed by railroads, airlines, bus companies, and cruise lines. Their day-to-day duties typically include selling tickets in terminals, planning routes using computers and manuals, and calculating ticket costs. In addition, they are responsible for answering customer inquiries and determining seating availability. Other duties may include directing passengers to assigned places for boarding, announcing arrivals and departures, and checking the baggage of passengers.

The Job of Reservation and Ticket Agents

1. Airline reservation agents are sales agents who work in large central offices run by airline companies. Their primary job is to book and confirm reservations for passengers on scheduled flights. At the request of the customer or a ticket agent, they plan the itinerary and other travel arrangements. While many agents still use timetables, airline manuals, reference guides, and tariff books, most of this work is performed using specialized computer programs.
2. Computers are used to make, confirm, change, and cancel reservations. After asking for the passenger's destination, desired travel time, and airport of departure, reservation agents type the information into a computer and quickly obtain information on all flight

schedules and seating availability. If the plane is full, the agent may suggest an alternative flight or check to see if space is available on another airline that flies to the same destination. Agents may even book seats on competing airlines, especially if their own airline can provide service on the return trip.

3. Reservation agents also answer telephone inquiries about such things as schedules, fares, arrival and departure times, and cities serviced by their airline. They may maintain an inventory of passenger space available so they can notify other personnel and ticket stations of changes and try to book all flights to capacity. Some reservation agents work in more specialized areas, handling calls from travel agents or booking flights for members of frequent flyer programs. Agents working with international airlines must also be informed of visa regulations and other travel developments. This information is usually supplied by the senior reservation agent, who supervises and coordinates the activities of the other agents.
4. In the railroad industry, train reservation clerks perform similar tasks. They book seats or compartments for passengers, keep station agents and clerks advised on available space, and communicate with reservation clerks in other towns.
5. General transportation ticket agents for any mode of travel (air, bus, rail, or ship) sell tickets to customers at terminals or at separate ticket offices. Like reservation agents, they book space for customers. In addition, they use computers to prepare and print tickets, calculate fares, and collect payment. At the terminals they check and tag luggage, direct passengers to the proper areas for boarding, keep records of passengers on each departure, and help with customer problems, such as lost baggage or missed connections. Airline ticket agents may have additional duties, such as paging arriving and departing

passengers and finding accommodations or new travel arrangements for passengers in the event of flight cancellations.

6. In airports, ticket agents assign seats, issue boarding passes, make public address announcements of departures and arrivals, and help elderly or disabled passengers board the planes. In addition, they may also provide information to disembarking passengers about ground transportation, connecting flights, and local hotels.
7. Regardless of where they work, reservation and transportation ticket agents must be knowledgeable about their companies' policies and procedures, as well as the standard procedures of their industry. They must be aware of the availability of special promotions and services and be able to answer any question customers may have.
8. Performs **Foreign Object Debris (FOD)** Walks which are routinely held to clear the flight line of any object alien to the area that could potentially cause damage to aircraft. Refuels and cleanses ground equipment, and remove (FOD) debris from tarmac.
9. Learns and follows Transport Security Administration (TSA) as well as **Federal Aviation Administration (FAA)** regulation as part of everyday activities.
10. Assists in the creation of VIP packages and work independently in additional departments providing clerical assistance. Organizes and makes preparations in airport VIP room for social events attended by groups such as government officials and executives.

Self-Assessment Exercises (SAEs 1):

- | |
|---|
| <ol style="list-style-type: none">1. Discuss the steps taken in air ticketing process.2. How can tickets be issued without International Air Transport Association (IATA)/ Airlines Reporting Corporation (ARC) accreditation? |
|---|



2.4 Summary

This unit discussed the concept of ticketing, evaluated air ticketing process, discussed types of flight tickets and identified who are reservation and ticket agents. Ticketing and booking are two separate processes. Booking just holds the seat on the plane. Ticketing means that the seat is paid for and the passenger has the right to take it during the flight. The Internet is a far easier option for customers to purchase airline tickets.



2.5 References/ Further Readings

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2.6 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The air ticketing process is generally broken down into the following steps:

A. Booking

For a flight to be booked, two key events need to occur:

i. A **PNR is created** – a Passenger Name Record (PNR) is a digital file containing passenger information, contact details and itinerary information. When you book a flight, a PNR is created and logged in the airline’s Computer Reservation System (CRS), creating an official record of your booking on the airline’s system.

ii. **Payment is made** – to guarantee your seat on the plane, airlines need proof of payment. When you pay for your ticket, the form of payment is added to the PNR and the price information is attached in the file called a Transitional Stored Ticket (TST). These two files together contain the information of what will later appear in your final flight ticket. At this point, your flight has been successfully booked and paid for. However, you still don’t have the right to board the plane. For that to happen, you need to receive a ticket.

B. Ticketing

After booking, your PNR (with its TST attached) is sent to a ticketing server which automatically checks the information and issues the e-ticket. The booking is now *ticketed*, and the seat is officially yours.

In most cases, ticketing happens immediately after booking though this isn’t always the case. PNRs can also be queued for ticketing with a pre-defined date and time for the ticket to be issued. In certain situations, like waitlisted bookings, open-return flights or overbooking, the booking and ticket process works a bit differently.

2. Tickets can be issued without IATA/ARC accreditation by working with any of the following IATA/ARC-accredited organizations that (for a fee) will then issue tickets on your behalf:

i. Airline consolidators – consolidators are basically flight ticket wholesalers; they negotiate large volumes of discount fares from airlines and then resell them to partner agencies. They also act as ticketing partners for non-accredited agents. In this case, you perform the booking (creating the PNR and receiving payment) and then queue the PNR for ticketing by the consolidator. This is the best option for startups, online travel agents (OTAs) and other online booking projects.

ii. Host agencies – host agencies are IATA/ARC-accredited organizations and give independent agents access to tools and services (including ticketing) on a membership basis. In this sense, the independent agents are working as affiliates of the host agency. Most host agencies offer end-to-end services – training, marketing, GDS access – and are oriented towards at-home agents rather than online booking sites.

iii. Franchises – franchises work very similarly to host agencies but whereas host agencies offer services to a network of independent agents free to decide their own brands and strategies, franchises offer a pre-branded, out-of-the-box travel agencies with access to the franchisor's ticketing accreditation. This option is most suited to brick-and-mortar travel agencies.

UNIT 3 INFORMATION SYSTEMS IN TRAVEL OPERATION

CONTENTS

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Information Systems
 - 3.3.1 Concept of Information System
 - 3.3.2 Types of Information Systems - Components and Classification of Information Systems
 - 3.3.3 Information Systems vs Information Technology
 - 3.3.4 Information System for Business Effectiveness
 - 3.3.5 Travel information systems
 - 3.3.6 Modern use of IS in Tourism Companies
- 3.4 Summary
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- 3.6 References/ Further Readings
- 3.7 Possible Answers to Self-Assessment Exercise(s) (SAEs)



3.1 Introduction

In the last unit, we discussed the concept of ticketing, evaluated air ticketing process, discussed types of flight tickets and identified who are reservation and ticket agents. This unit will focus on the information system as it relates to travel operations.



3.2 Learning Outcomes

By the end of this unit, you will be able to;

- Explain the meaning of Information System
- Discuss various types of information systems - Components and Classification of Information Systems
- Distinguish between Information Systems and Information Technology
- Evaluate Information System for business effectiveness
- Discuss the Travel information systems
- Analyze the modern use of IS in tourism companies



3.3 Information Systems

3.3.1 Concept of Information System

An information system is integrated and co-ordinate network of components, which combine together to convert data into information. It is a computer system designed to help managers

plan and direct business and organizational operations. It refers broadly to a computer-based system that provides travel and tour operators with the tools for organizing, evaluating and efficiently running their business. When information systems are designed to provide information needed for effective decision making by managers, they are called Management Information Systems (MIS). MIS is a formal system for providing management with accurate and timely information necessary for decision making. The system provides information on the past, present and project future on relevant events inside and outside the organization. It may be defined as a planned and integrated system for gathering relevant data, converting it to right information and supplying the same to the concerned executives. The main purpose of MIS is to provide the right information to the right people at the right time.

3.3.2 Types of Information Systems - Components and Classification of Information Systems

Components of information systems

An information system is essentially made up of five components: hardware, software, database, network and people. These five components integrate to perform input, process, output, feedback and control.

Hardware consists of input/output device, processor, operating system and media devices. Software consists of various programs and procedures. Database consists of data organized in the required structure. Network consists of hubs, communication media and network devices. People consist of device operators, network administrators and system specialist.

Information processing consists of input; data process, data storage, output and control. During input stage data instructions are fed to the systems which during process stage are worked upon

by software programs and other queries. During output stage, data is presented in structured format and reports.

Classification of Information System

In any given organization information system can be classified based on the usage of the information. Therefore, an information system in an organization can be divided into operations support system and management support system.

- **Operations support system**

In an organization, data input is done by the end user which is processed to generate information products i.e. reports, which are utilized by internal and/ or external users. Such a system is called operation support system.

The purpose of the operation support system is to facilitate business transaction, control production, support internal as well as external communication and update organization central database. The operation support system is further divided into a transaction-processing system, processing control system and enterprise collaboration system.

- **Transaction Processing System (TPS)**

In manufacturing organization, there are several types of transaction across departments. Typical organizational departments are Sales, Account, Finance, Plant, Engineering, Human Resource and Marketing, across which the following transactions may occur: sales order, sales return, cash receipts, credit sales; credit slips, material accounting, inventory management, depreciation accounting, etc.

These transactions can be categorized into batch transaction processing, single transaction processing and real time transaction processing.

- **Process Control System**

In a manufacturing organization, certain decisions are made by a computer system without any manual intervention. In this type of system, critical information is fed to the system on a real-time basis thereby enabling process control. This kind of systems is referred as process control systems.

- **Enterprise Collaboration System**

In recent times, there is more stress on team effort or collaboration across different functional teams. A system which enables collaborative effort by improving communication and sharing of data is referred to as an enterprise collaboration system.

- **Management Support System**

Managers require precise information in a specific format to undertake an organizational decision. A system which facilitates an efficient decision making process for managers is called management support system.

Management support systems are essentially categorized as management information system, decision support system, expert system and accounting information system.

Management information system provides information to manager thereby facilitating the routine decision-making process. Decision support system provides information to manager facilitating specific issue related solution

3.3.3 Information Systems vs Information Technology

It is often observed that the term information system and information technology are used interchangeably. In a literal sense, information technology is a subset of information systems.

Information systems consist of people, processes, machines and information technology. The great advancement in information systems is due to developments in information technology and introduction of computers.

Information System

An information system can be defined as a set of coordinated network of components, which act together towards producing, distributing and or processing information. An important characteristic of computer-based information systems information is precision, which may not apply to other types of information systems.

In any given organization information system can be classified based on the usage of the information. Therefore, information systems in business can be divided into operations support system and management support system.

Information Technology

Everyday knowingly or unknowingly, everyone is utilizing information technology. It has grown rapidly and covers many areas of our day to day life like movies, mobile phones, the internet, etc.

Information technology can be broadly defined as integration of computer with telecommunication equipment for storing, retrieving, manipulating and storage of data. According to Information Technology Association of America, information technology is defined as “the study, design, development, application, implementation, support or management of computer-based information systems.”

Information technology greatly enhances the performance of economy; it provides edge in solving social issues as well as making information system affordable and user friendly.

Information technology has brought big change in our daily life be it education, life at home, work place, communication and even in functions of government.

Comparison of Information System and Information Technology

Information system and information technology are similar in many ways but at the same time they are different. Some aspects about information system as well as information technology are:

- **Origin:** Information systems have been in existence since pre-mechanical era in form of books, drawings, etc. However, the origin of information technology is mostly associated with invention of computers.
- **Development:** Information systems have undergone great deal of evolution, i.e. from manual record keeping to the current cloud storage system. Similarly, information technology is seeing constant changes with evermore faster processor and constantly shrinking size of storage devices.
- **Business Application:** Businesses have been using information systems for example in form of manual books of accounts to modern TALLY. The mode of communication has also undergone great changes, for example, from a letter to email. Information technology has helped drive efficiency across organization with improved productivity and precision manufacturing.

Future of Information System and Information Technology

Information technology has shown exponential growth in the last decade, leading to more sophisticated information systems. Today's information technology has tremendously improved quality of life. Modern medicine has benefited the most with better information system using the latest information technology.

Information systems have been known to mankind in one form or the other as a resource for decision making. However, with the advent of information technology information systems have become sophisticated, and their usage proliferated across all walks of life. Information technology has helped managed large amount of data into useful and valuable information.

3.3.4 Information System for Business Effectiveness

In this digital age with fierce competition, it is essential that managers within organization are completely aware and receptive to evolving changes. One of the quickest evolving change is within information systems. This change in information systems has contributed to advances in computing and information technology.

Applying a concept that information system is strictly under the purview of IT department can lead to adverse situation for the company. Therefore, it is essential for organization to recognize information systems contribution in business effectiveness.

Systems and Innovation Opportunities

Development in information systems has brought opportunities but also threats. The onus is on the organization to identify opportunity and implement it. Organization needs to develop strategies, which can best utilize information systems to increase overall productivity.

The most common practice with regards to information systems is automation. Though automation is helpful, innovation using information systems give the organization a competitive edge.

Systems and Customer Delight

Organizations are fully aware that proliferation of information systems has reduced product life cycle, reduced margin and brought in new products. In such scenario customer satisfaction alone will not suffice, organization needs to strive for customer delight. Information systems with data warehousing and analytics capability can help organization collect customer feedback and develop products, which exceed customer expectation. This customer delight will lead to a loyal customer base and brand ambassador.

Systems and Organizational Productivity

Organizations require different types of information systems to mitigate distinctive process and requirements. Efficient business transaction systems make organizations productive. Business transaction systems ensure that routine process are captured and acted upon effectively, for example, sales transaction, cash transaction, payroll, etc.

Furthermore, information systems are required for executive decision. Top leadership requires precise internal as well as external information to devise a strategy for organization. Decision support systems are designed to execute this exact function.

Business transaction systems and executive decision support systems contribute to overall organizational productivity.

System and Workers Productivity

Information systems have facilitated the increase in workers' productivity. With introduction of email, video conferencing and shared white board collaboration across organizations and departments have increased. This increased collaboration ensures smooth execution and implementation of various projects across geographies and locations.

Information systems as a Value Add for Organization

Organization use information systems to achieve its various strategy as well as short-term and long-term goals. Development of information systems was to improve productivity and business effectiveness of organization. Success of information systems is highly dependent on the prevalent organization structure, management style and overall organization environment

3.3.5 Travel information systems

Uncertainty over journey and arrival times is a major problem for travelers and companies delivering goods. 'Smart' travelers and fleet managers increasingly expect reliable information to help them make well-informed decisions.

Accurate, integrated and comprehensive travel and traffic information helps all road users in their journey planning decisions and how to respond to disturbances that occur on the way. In this respect it supports the task of the road network operators as well.

Travel information – and by extension route advice – is considered to be a basic service. It constitutes the lowest level of traffic management. Road users and air travelers are free to decide for themselves if and how to react to the information or advice.

Investment in travel information systems by the road operator is a way of improving customer service. Information systems can also promote intermodal travel, for example by encouraging drivers to leave their cars at a Park and Ride site (typically because of localized congestion or high pollution levels ahead) and continue by public transport. Parking information systems also contribute significantly to reducing city-centre congestion and pollution by alerting approaching drivers of available spaces.

Traffic information concerns the conditions of road network use and can include predictive and current (real-time) information on traffic conditions. Stronger forms of direction include hazard messages or incident warning, and eventually control measures such as notice of road obstructions, lane control, or speed control.

Traveler aid covers all measures to disseminate predictive or current information on traffic conditions and to improve general conditions of network use. Its general aim is safety and user comfort.

Travel aid tasks are not specifically aimed at modifying traffic flows. However, when used for information purposes they must be closely coordinated with traffic management measures as they may induce users to change their travel time, route or mode of transport. In this context, they may be integrated in broader strategies related to demand management.

BASIC PRINCIPLES

Generation of travel information by the network operator is a broad concept that cuts across the entire field of operations and operates on the basis that:

- gathering regular information from operational partners

- providing user information on predicted traffic conditions (before trip) or current traffic conditions (on trip).
- the contribution to user information can make the operator's communication policy and to the user relationship
- road and traffic information as an important element for public transport, freight and fleet management operators

3.3.6 Modern use of information systems in Tourism Companies

Information and communication technologies are used in this sector to perform tourism product development, training of tourism personnel, marketing as well as distribution of tourism products. Information system is used in this industry to perform collaborative filtering. This is application of software that uses customer database built by the company or the intermediaries to classify customers with similar profiles using characteristics such as travel patterns, preferences as well as interests among other characteristics based on previously accumulated data.

In this case personalization software is used to track and monitor the purchasing trends as well as preferences of tourism consumers. The results are used to customize products and services according to the needs as well as preferences of customers. They can also be used to carry out direct marketing. Information system enables electronic transactions through electronic payment. Electronic payment simplifies the buying-payment process and help skip intermediaries.

It helps to monitor casual relationships so as to understand the correlation between the impacts of the company's advertisements and the outcome of purchase patterns. Tourism organizations also utilize the application of Virtual Reality and Web Casting. This provides cyberspace vacation experience to tourism consumers through the internet.

It enables customers to have a perfect view of the destination they are planning to visit. The technology is used by tourism organizations to market their products and services. Tourism organizations also use Computer Reservation Systems (CRS) as well as Global Distribution Systems (GDS) to aid reservations. CRS allows tourism organizations and service providers to communicate with the travel agents.

The system helps to increase sales volume as it provides information on available tourism products and is also utilized in selling the product. GDS on the other hand distributes reservation as well as information services particularly to sales outlets worldwide.

Advantages of Information Systems to Tourism Companies

1. Information system is used by tourism firms to assemble packages which are reflective of the market. It enables tourism companies research on the best offers in the market and use them to assemble their packages.
2. The packages are made in air travels, flight bookings through global reservation system, accommodation and transfers as well as add-on services.
3. Information systems enable tourism firms reinvent tourism packages with greater individual-focused activity thereby providing huge opportunities for intermediaries and principals. This helps enhance the total quality of the ultimate product.
4. Information systems are used in the tourism industry to enable tourism consumers to identify, customize and acquire tourism services and products.
5. It helps develop, manage and distribute offers to tourism consumers worldwide. Information technology has become a major determinant of tourism organizations' competitiveness.

6. Information systems can help lower administration as well as production costs through integration of internal data and processes.
7. Tourist organizations can reduce communication and operational costs by incorporating operational systems, capitalizing on internal efficiencies, lowering the labour costs in the back office and empowering tourism consumers to have timely access to information.
8. ICTs contribute to the decline of distribution costs incurred by tourism companies as more consumers can now serve themselves online. Tourism firms are also able to reduce the costs associated with purchases since they have the capacity to access market places through ecommerce.
9. Moreover, it helps them reduce administrative costs associated with procurements since they have e-commerce connection with suppliers. Networking channels both within tourism organizations and between partner organizations supports communication within the industry and individual tourism firms.
10. The growth of the internet and the development of intranets and extranets within and between companies help support communication between organizations, external partners, units and employees within an organization. Intranets as well as Enterprise Resource Planning systems enhance coordination of departments, functions and processes which enable the organization to reduce labour costs. Information and communication technology also supports the adoption of integrated electronic infrastructure.
11. ICTs provide revenue-management with critical information regarding previous demand patterns, events affecting demand as well as competitor pricing. In addition, it provides consistent interactivity with consumers and organization partners which enable

competitive and flexible pricing. They provide the capacity to monitor sales allowing tourist firms to adjust their products or prices. It also facilitates promotional campaigns.

Disadvantages of adopting Information Systems in Tourism Companies

1. Initial investment into Information Systems is very costly. Implementation of application programmes such as GDS, GIS, CRS among other applications require massive investments since they involve complex network of large mainframe computers, PCs as well as telecommunications. Besides, the investment may not give immediate returns.
2. Maintenance of the network system is also expensive. It requires high level of expertise which is expensive and not easily available. Moreover, the applications of programmes are constantly modified meaning that the programmes have to be updated every time and again. These increase the operational costs of tourism organizations.
3. The availability of communication networks allows consumers to access tourism information and obtain products and services from several tourist companies. They therefore become more experienced and sophisticated making it difficult to please them.
4. Internet enhances the development of virtual corporations and increases globalization. This brings more market players in the tourism industry which in turn complicates the distribution channels raising heterogeneity as well as requiring standardization.

Self-Assessment Exercise (SAEs 1):

1. Describe the advantages and disadvantages of Information Systems to Tourism Companies.
2. Compare the Information System and Information Technology.



3.4 Summary

This unit discussed information systems, components and classification of information systems, information system for business effectiveness, travel information systems, modern use of IS in tourism companies and advantages and disadvantages of adopting Information Systems in Tourism Companies.

3.5 Glossary

APIs - Application Programming Interface

GDS - Global Distribution Systems

Momondo - website that searches multiple airlines

OTAs - Online Travel Agencies

Passenger Name Record (PNR) - a digital file containing passenger information, contact details and itinerary information.

TST - Transitional Stored Ticket



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3.7 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The advantages and disadvantages of Information Systems to Tourism Companies are as follows:

A. Advantages of Information Systems to Tourism Companies

- i. Information system is used by tourism firms to assemble packages which are reflective of the market. It enables tourism companies research on the best offers in the market and use them to assemble their packages.
- ii. The packages are made in air travels, flight bookings through global reservation system, accommodation and transfers as well as add-on services.

- iii. Information systems enable tourism firms reinvent tourism packages with greater individual-focused activity thereby providing huge opportunities for intermediaries and principals. This helps enhance the total quality of the ultimate product.
- iv. Information systems are used in the tourism industry to enable tourism consumers to identify, customize and acquire tourism services and products.
- v. It helps develop, manage and distribute offers to tourism consumers worldwide. Information technology has become a major determinant of tourism organizations' competitiveness.
- vi. Information systems can help lower administrative as well as production costs through integration of internal data and processes.
- vii. Tourist organizations can reduce communication and operational costs by incorporating operational systems, capitalizing on internal efficiencies, lowering the labour costs in the back office and empowering tourism consumers to have timely access to information.
- viii. ICTs contribute to the decline of distribution costs incurred by tourism companies as more consumers can now serve themselves online. Tourism firms are also able to reduce the costs associated with purchases since they have the capacity to access marketplaces through e-commerce.
- ix. Moreover, it helps them reduce administrative costs associated with procurements since they have e-commerce connection with suppliers. Networking channels both within tourism organizations and between partner organizations supports communication within the industry and individual tourism firms.

- x. The growth of the internet and the development of intranets and extranets within and between companies help support communication between organizations, external partners, units and employees within an organization. Intranets as well as Enterprise Resource Planning systems enhance coordination of departments, functions and processes which enable the organization to reduce labour costs. Information and communication technology also supports the adoption of integrated electronic infrastructure.
- xi. ICTs provide revenue-management with critical information regarding previous demand patterns, events affecting demand as well as competitor pricing. In addition, it provides consistent interactivity with consumers and organization partners which enable competitive and flexible pricing. They provide the capacity to monitor sales allowing tourist firms to adjust their products or prices. It also facilitates promotional campaigns.

B. Disadvantages of adopting Information Systems in Tourism Companies

- i. Initial investment into Information Systems is very costly. Implementation of application programmes such as GDS, GIS, CRS among other applications require massive investments since they involve complex network of large mainframe computers, PCs as well as telecommunications. Besides, the investment may not give immediate returns.
- ii. Maintenance of the network system is also expensive. It requires high level expertise which is expensive and not easily available. Moreover, the application programmes are constantly modified meaning that the programmes have to be updated every time and again. These increase the operational costs of tourism organizations.

iii. The availability of communication networks allows consumers to access tourism information and obtain products and services from several tourist companies. They therefore become more experienced and sophisticated making it difficult to please them.

iv. Internet enhances the development of virtual corporations and increases globalization. This brings more market players in the tourism industry which in turn complicates the distribution channels raising heterogeneity as well as requiring standardization.

2. Information System and Information Technology can be compared in the following ways:

Information system and information technology are similar in many ways but at the same time they are different. Some aspects about information system as well as information technology are:

- **Origin:** Information systems have been in existence since pre-mechanical era in form of books, drawings, etc. However, the origin of information technology is mostly associated with invention of computers.
- **Development:** Information systems have undergone great deal of evolution, i.e. from manual record keeping to the current cloud storage system. Similarly, information technology is seeing constant changes with evermore faster processor and constantly shrinking size of storage devices.
- **Business Application:** Businesses have been using information systems for example in form of manual books of accounts to modern TALLY. The mode of communication has also gone under big change, for example, from a letter to email. Information technology has helped drive efficiency across organization with improved productivity and precision manufacturing.

MODULE 3 LEGAL ASPECT IN TRAVEL OPERATION

Unit 1 Travel law, Responsibilities and Rights of Passengers and Airlines

Unit 2 Passenger Guideline, Customer Affairs Unit and Consumer Protection in Nigeria

UNIT 1 Travel Law, Responsibilities and Rights of Passengers and Airlines

CONTENTS

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Travel law
 - 1.3.1 Meaning of Travel law
 - 1.3.2 Travel Agreement and Tour Contract
 - 1.3.3 Application for a Contract and Time of Entry into Effect of a Contract
- 1.4 Responsibilities and Rights of Passengers and Airlines
 - 1.4.1 Obligations of Airlines in Nigeria
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1.1 Introduction

In the last unit we discussed information system in travel operation. This unit will focus on the legal aspect of travel operations. This aspect covers the basics of consumer rules and rights pertaining to travel. The goal is to protect travel consumers' rights and the rights of service providers.



1.2 Learning Outcomes

At the end of this unit, the student will be able to:

- Explain the meaning of Travel law
- Evaluate *Travel Agreement* and Tour Contract
- Describe travelers/ passengers rights and responsibilities
- Explain obligations of airlines



1.3 Travel law

1.3.1 Meaning of Travel law

Travel Law is the body of law, regional, national and international, that impacts directly and indirectly upon travelers and travel service providers. It has flexible boundaries depending upon one's perspective. An academic might define its limits differently from a practicing travel lawyer who in turn might look at it differently from a regulator. Much of it is the law of general

application e.g. agency, contract and so forth but applied specifically to this particular industry. However, central to any discussion of travel law are the travelers themselves and therefore a key point in the concept of travel law covers the following:

- the rights and obligations that impact directly upon travelers and exist between the traveler and
- the suppliers of travel services such as tour operators, airlines, cruise lines, ferries, bus companies, hotels and accommodation providers, tourist guides etc.
- those who facilitate the traveler's purchase of those travel services such as travel agents, travel consultants and so forth.

These rights and obligations are to be found not only in the law of contract, tort and agency but also in industry-specific domestic statutes and international conventions.

It should be noted however that travel legislations throughout the world, create rules that go beyond the direct relationship between travelers and travel service providers. With this in mind, if we look more widely we can see a regulatory framework that does not necessarily confer rights directly upon travelers but which nevertheless benefit travelers. For instance many jurisdictions impose licensing restrictions upon airlines, hotels, taxis, theatres, tourist guides, travel agents, tour operators etc. The purpose of these regulations is two folds:

- to protect the health and safety of travelers; and
- to guarantee the quality and financial stability of these suppliers and facilitators.

1.3.2 Travel Agreement and Tour Contract

Travel Agreement means an agreement, in the form of an itinerary booking confirmation between the Customer and Travel Service Provider, in pursuant to which the Travel Service Provider agrees, subject to the applicable terms and conditions of the Travel Agreement (whether expressly set out therein or incorporated by reference), to provide the Travel Services to the Customers.

1. A Tour Contract as stated in these General Terms and Conditions means a contract under which the Company, commissioned by the Traveler, undertakes to make arrangements so that the Traveler can receive services for transportation, accommodation, and other services for travel provided by transportation/accommodation facilities (here in after referred to as "Travel Services") by acting as a representative, as an intermediary, as an agent, etc., on behalf of the Traveler.

2. As stated in these General Terms and Conditions, "Domestic Travel" means travel only within Nigeria and "Overseas Travel" means travel outside Nigeria.

3. A "Travel Fee" as stated in these General Terms and Conditions means a charge which the Company pays to transportation/accommodation facilities such as a fare, accommodation charges, etc., and the prescribed travel business handling fee of the Company (excluding a fee for procedures for making a change as well as that for making a cancellation) in order for the Company to make arrangements for Travel services.

4. A "Communications Contract" as stated in this part means an Arranged Tour Contract which the Company concludes with a card member of the credit card company affiliated with the

Company (hereinafter referred to as the "Affiliated Company") in accordance with an application made by telephone, mail, facsimile, or any other means of communication with which the Traveler agrees in advance to settle any credit or debt of the Company in respect of the Traveler concerning the Travel Fee, etc., based on the Arranged Tour Contract on or after the date on which such credit or debt should be settled in accordance with the card Membership rules of the Affiliated Company separately established, and with which the traveler pays the Travel Fee, etc., in accordance with the method provided for in Paragraph 2 or 5, Article 16 of the rules.

5. An "Electronic Acceptance Notice" as stated in this part means a notice of acceptance with respect to an application for a contract which is sent by, among various methods using information and communications technology, the method of transmission on the telecommunications line connecting the computer, facsimile machine, telex or telephone (hereinafter referred to as "Computer, Etc.") used by the Company and the Computer, Etc., used by the Traveler.

6. A "Card Use Day" as stated in these General Terms and Conditions means the day on which the Traveler or the Company should pay the Travel Fee, etc., or settle the refund debts in accordance with the Arranged Tour Contract.

1.3.3 Application for a Contract and Time of Entry into Effect of a Contract in tour Operation

Application for a Contract

1. A traveler who intends to conclude an Arranged Tour Contract with the Company must enter the prescribed matters in an application form prescribed by the Company and submit it to the Company together with the application fee, the amount of which shall be separately specified by the Company.
2. Notwithstanding the provisions of the preceding Paragraph, a Traveler who intends to conclude a Communication Contract with the Company must notify the Company of his/her membership number and the contents of Travel Services which he/she intends to request.
3. The application fee referred to the amount which shall be separately specified by the Company and shall be treated as part of the Travel Fee, the cancellation fee or other money which the Traveler should pay to the Company.

Time of Entry into Effect of a Contract

1. An Arranged Tour Contract enters into effect when the Company has agreed to conclude it and has received the application fee.
2. Notwithstanding the provisions of the preceding Paragraph, a Communications Contract enters into effect when the Company has sent a notice of accepting the application. However, in case of sending an Electronic Acceptance Notice under that contract, such contract comes into effect when such notice has reached the Traveler.

Self-Assessment Exercises (SAEs 1):

- | |
|--|
| <ol style="list-style-type: none">1. State the key points which the concept of travel law covers2. At what condition is tour contract enters into effect? |
|--|

1.4 Responsibilities and Rights of Passengers and Airlines

1.4.1 Obligations of Airlines in Nigeria

Air travel has improved in recent times due to the convenience and not having to sit for countless hours as in road travels. Nevertheless, air travelers in Nigeria often have their rights violated with impunity by airlines. Unfortunately, they suffer in silence and never seek redress because they do not know that they have the legal rights to do so. Some who know about the existence of legal protection consider it a waste of time to test the law. These factors contribute majorly to the lack of progress in terms of consumer protection in the aviation sector.

Indeed, the Nigeria Civil Aviation Authority (NCAA) promulgated a regulation for the protection of air travellers. The regulation, which was gazetted in September 2012, became law in November 2012. The law known as the Nigeria Civil Aviation Regulations (CARs), deals with various aspects of the aviation industry. However, Vol. 2, Part 19 (CARs 2012, Vol II, 19) of this legislation deals specifically with consumer protection. This legislation is the legal basis for consumers to seek redress when flights are delayed or cancelled outright; when luggages are pilfered or lost; when boarding is denied on account of overbooking; among many other rights violations.

However, it is recognized that rights come with responsibilities. So the law also provides for the responsibilities of passengers. The law provides not only for obligations of airlines to passengers but also for the rights and responsibilities of passengers. The law can thus be applied by airlines in cases where passengers fail to discharge their responsibilities. All domestic and foreign airlines operating in the country are subject to the provisions of this regulation. Passengers may

also lodge complaints with the NCAA's Consumer Protection Directorate on any infringements upon their rights.

It is very necessary to know those duties owed to you by the Airline. Common Complaints that air travel customers usually border on issues such as :

- Loss of baggage in the care of the Airline: Delayed baggage, damaged baggage or pilferage, etc.
- Flight Schedule: Flight Delay, flight diversion, flight cancellation, Poor in – flight services, discrimination in flight etc.
- Denied boarding, Flight Booking, Down-Grading and Ticket Refund.
- Uncomfortable flight experiences or even discourteous airline personnel/hostess etc.

1.4.2 Travelers/ Passengers rights and Responsibilities

Air travel in Nigeria is regulated by the Civil Aviation Act and the Nigerian Civil Aviation Authority (NCAA) which has enacted the rights and duties of airline passengers for the protection of the rights of air travelers. All airlines, both foreign and domestic, are subject to the provisions of the regulations which prescribe the minimum rights and duties of passengers and the obligations of airlines.

The rights of passengers on regulation shall apply on the occurrence of any of the following:

- No-show and Overbooking of flights
- Denied boarding against the will of a passenger (Involuntary)
- Delayed scheduled flights
- Cancelled scheduled flights

- Claims relating to delayed, damaged and lost baggage could be enforced under the Montreal Convention 1999 provision which has been domesticated in the Civil Aviation Act 2006.

The appropriate body to lay complaints to when you encounter issues with an airline on matters stated above is the Consumer Protection Department (CPD) which is a division of the Nigerian Civil Aviation Authority (NCAA), and was launched in March, 2001, to ensure that all aviation consumers obtain the best services possible in air transportation.

The main mission of this body is to serve as the eagle eye of the industry by being responsible for informing, educating of consumers of their rights, and protecting them as well as ensuring the provision of quality services in the aviation industry in Nigeria.

Passengers' Rights and Responsibilities

- The right to the full value for your money
- The right to compensation for flight cancellation, delays, damaged/loss baggage and denied boarding for reasons other than technical, weather conditions, air traffic control restrictions, security risks and industrial disputes that affect the operation of the flight.
- The right to book and confirm tickets with an airline of your choice.
- The right to the provision of a conducive airport environment before, during, and after flights.
- The right to seek redress for all irregularities during your flight.
- The right to timely feedback in respect of matters/complaints lodged with service providers.
- The right to be fully informed about flight status.

- The right to be treated with respect and dignity irrespective of race or physical condition.

Claims relating to delayed, damaged and lost baggage could be enforced under the provisions of the Montreal Convention 1999 which has been domesticated in the Civil Aviation Act 2006.

The NCAA Regulations and the Montreal Convention provide for, with more specificity, the rights of passengers. Some of these rights are highlighted below:

Every passenger has a right to be informed of the reason for a delay within 30 minutes after departure time. Where the delay lasts for 2 hours, the passenger is entitled to refreshment and where delay lasts for 3 hours, the passenger is entitled to a reimbursement. A passenger is also entitled to transport and hotel accommodation where delay falls between 10:00 pm and 4:00 am. (See Regulation 19.6 of the NCAA Regulations)

A passenger is entitled to compensation by an airline where there is a cancelled flight, unless the said passenger is informed of the cancellation at least 24 hours before the scheduled departure time (See Regulation 19.7 of the NCAA Regulations).

Where an airline places a passenger in a class lower than that for which the ticket was purchased, the said passenger is entitled to a reimbursement within 30 days from the date of travel. The airline is also required to make an additional payment of 30 per cent and 50 per cent of the price of the ticket for domestic and international flights respectively. (See Regulation 19.11 of the NCAA Regulations)

A passenger is entitled to immediate monetary compensation by the airline in the event of a baggage delay, as well as the carriage of the said delayed baggage in the next available flight. (See Regulation 19.17 of the NCAA Regulations)

While the foregoing rights exist, airlines are mandated to place a notice stating clearly: “If you are denied boarding or if your flight is cancelled or delayed for at least one hour, ask the airline officials for a written statement of your rights, particularly with regard to compensation and assistance” at check-in points. Also, in instances where a passenger is entitled to compensation under the NCAA Regulations, the passenger is entitled to at least 25 per cent and 30 per cent of the price of the ticket in the case of domestic and international flights respectively. (See Regulations 19.16 and 19.8 of the NCAA Regulations)

Where there is a right, there is a remedy. Thus, rights that exist under the NCAA Regulations, the FCCPA and the relevant conventions are enforceable and could give room for compensatory/restorative orders or punitive orders. Either submitting a complaint to the Customer Affairs Unit of the NCAA or filing an action in court may enforce a passenger’s right. However, it is important to note that under the CAA, an action for breach has to be instituted within two years of its occurrence.

Travelers Fly Rights:

- If your flight will be re-routed or delayed, you must be notified at least 2 hours in advance.
- If you have a ticket or print-out that shows a confirmed reservation for a specific flight and date, an agent cannot deny you boarding because you have no reservation in the computer.
- If you need to cancel a ticket purchased under a non-refundable fare, you must be able to apply the fare you paid toward a future flight, minus any applicable charge or cancellation fees.

- You have a duty to arrive before the time on your ticket. Even if you have already checked in for your flight, an airline can cancel your reservation if you are not at the departure gate on time.
 - You must be compensated if a flight departs before the ticketed time.
 - If you do not check your baggage in sufficient time for it to be loaded on your flight, the airline will not be responsible for any delay in the delivery of your baggage to your destination
 - If however, your baggage is delayed or lost, you must be compensated within 5 business days.
 - If your flight is delayed for over 1 hour, cancelled or you are denied boarding, you have a right to compensation.
 - You have a duty to be courteous to staff and agents of airline operators.
 - If airline staff or agents treat you discourteously, you must be compensated by the airline.
 - You have a right to refreshments in-flight and when there is a delay of more than 1 hour.
- The airline must provide decent lodging and feeding for you if your flight is delayed overnight.
- As a passenger with mobility or other special needs, you have a right to priority treatment.
 - You have a right to sanitary restrooms in-flight.
 - You have a right to best price information; and flexible/refundable tickets at cost.
 - All adults are required to present photo identification upon check-in and at boarding.
 - If too many people show up for your flight, the airline must ask for volunteers to give up their seats for rewards from the airline (such as vouchers for future travel, a hotel stay or even cash).
- The rewards must be negotiated on an individual basis with the airline.
- If you are involuntarily denied boarding, the airline must explain your rights in a written document, which must state how the airline decides who gets to stay on an oversold flight. You may keep your ticket and use it on another flight. If you choose to make alternative arrangements, you can request an “involuntary refund” for the ticket.

- You have a right to choose between quiet and entertainment in-flight.

Passengers' Obligations to Airlines/Service Providers

- Check-in on time. It is advised to check-in two hours before boarding for domestic flights and three hours for International flights.
 - Acquaint themselves with the terms and conditions attached to the ticket as well as asking questions appropriately.
 - In addition to photo identification, passengers on international travels are requested to present passport/ visas or entry/ exit travel documents as well as health or any other document(s) required by the applicable regulations.
 - A passenger may be refused carriage if she/he fails to comply with applicable laws and regulations.
 - Mandatorily undergo security and safety checks, recommended by the Government/Airport authorities as well as those authorized by the carrier.
 - Be of good behavior at all stages of their journey. Airlines and agencies have a zero policy for unruly behavior.
1. All airport and airline staff deserves to be treated with respect and courtesy. An airline reserves the right to deny boarding/ disembark a passenger for unruly behaviour.
 2. Passengers are prohibited from interfering with flight crew and aircraft attendants' matters.

- Offensive, disorderly conduct such as physical assault, verbal abuse or sexual harassment of any airline or service provider staff will attract severe punishment in addition to fines or jail term.
- Turn off all cell-phones in flight. While safety is the paramount reason, usage of cell phones in-flight is also discourteous to fellow travellers. Passengers who fail to comply may be fined or disembarked from the flight.
- Report any issues, damaged/lost/delayed/pilfered baggage at the airline office or designated airline official before leaving the airport.

Self-Assessment Exercises (SAEs 2):

1. What are those Rights and Responsibilities of passengers as they embark on a journey?
2. What obligations do passengers' have towards airline operators?



1.5 Summary

This unit discussed legal aspect of travel operations and consumer protection as a regulatory framework for proper operation and management of activities involved in travelling. This is because travel operations involve a number of consumer agreements and contracts, which can include rental car agreements, airline reservations, and hotel room bookings. The unit covers *travel agreement* and tour contract, travelers/ passengers' rights and responsibilities and obligations of airlines.



1.6 References/ Further Readings

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Admin (2021). Travel Law <https://www.travellawquarterly.co.uk/wp-content/uploads/2021/08/travel-law-definition-final-draft-17-8-2021-with-endnotes.pdf>. Travel law Quarterly 18th August, 2021



1.7 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The key points which the concept of travel law covers are:
 - i. the rights and obligations that impact directly upon travelers and exist between the traveler and
 - ii. the suppliers of travel services such as tour operators, airlines, cruise lines, ferries, bus companies, hotels and accommodation providers, tourist guides etc.
 - iii. those who facilitate the traveler's purchase of those travel services such as travel agents, travel consultants and so forth.

2. The tour contract enters into effect when any of the following conditions is fulfilled:
 - i. An Arranged Tour Contract enters into effect when the Company has agreed to conclude it and has received the application fee.

- ii. Notwithstanding the provisions of the preceding Paragraph, a Communications Contract enters into effect when the Company has sent a notice of accepting the application. However, in case of sending an Electronic Acceptance Notice under that contract, such contract comes into effect when such notice has reached the Traveler.

Answers to SAEs 2

1. The Rights and Responsibilities of passengers as they embark on a journey:

- i. The right to the full value for your money
- ii. The right to compensation for flight cancellation, delays, damaged/loss baggage and denied boarding for reasons other than technical, weather conditions, air traffic control restrictions, security risks and industrial disputes that affect the operation of the flight.
 - i. The right to book and confirm tickets with an airline of your choice.
 - ii. The right to the provision of a conducive airport environment before, during, and after flights.
 - iii. The right to seek redress for all irregularities during your flight.
 - iv. The right to timely feedback in respect of matters/complaints lodged with service providers.
 - v. The right to be fully informed about flight status.

- vi. The right to be treated with respect and dignity irrespective of race or physical condition.

2. Passengers' Obligations to Airline operators

- i. Check-in on time. It is advised to check-in two hours before boarding for domestic flights and three hours for International flights.

- ii. Acquaint themselves with the terms and conditions attached to the ticket as well as asking questions appropriately.

- iii. In addition to photo identification, passengers on international travels are requested to present passport/ visas or entry/ exit travel documents as well as health or any other document(s) required by the applicable regulations.

- iv. A passenger may be refused carriage if she/he fails to comply with applicable laws and regulations.

- v. Mandatorily undergo security and safety checks, recommended by the Government/Airport authorities as well as those authorized by the carrier.

- vi. Be of good behavior at all stages of their journey. Airlines and agencies have a zero policy for unruly behavior.

UNIT 2: PASSENGER GUIDELINE, CUSTOMER AFFAIRS UNIT AND CONSUMER PROTECTION IN NIGERIA

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- 2.1 Introduction
- 2.2 Learning Outcome
- 2.3 General Guidelines for Passengers
- 2.4 Customer Affairs Unit (CAU)
- 2.5 Consumer Protection in Nigerian Aviation Industry
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 - 2.6.1 Travel Agency acting as Agent **and/or as tour operator**
 - 2.6.2 Travel Agency Acting As Agent
 - 2.6.3 Travel Agency As Tour Operator
- 2.7 Travel Insurance
- 2.8 Summary
- 2.9 Glossary
- 2.10 References/ Further Readings
- 2.11 Possible Answers to Self-Assessment Exercise(s) (SAEs)



2.1 Introduction

The previous unit discussed travel law and consumer protection as a regulatory framework for proper operation and management of travelling activities. The unit focused on *travel agreement and tour contract*, travelers/ passengers' rights and responsibilities and obligations of airlines. This unit focuses on passenger guideline, customer affairs unit and consumer protection in Nigeria



2.2 Learning Outcomes

By the end of this unit, the student will be able to;

- Explain general guidelines of passengers
- Discuss consumers' protection
- Explain travel agency acting as agent and responsibilities of travel agents
- Evaluate travel agency acting as tour operation
- Describe importance of travel insurance



2.3 General Guidelines for Passengers

Having all this in mind, there are also General Guidelines for Passengers that must be adhered to.

The following Things are not to be packed in checked-in baggage:

- Fragile objects (including Camera, laptops, cell phones, glassware, etc)
- Perishables such as fruits, vegetables.

- Cash
- Jewelries
- Negotiable Instruments
- Share Certificates\Medication
- Other valuables

Always ensure that you put valuables in your carry-on baggage to be able to take care of them properly or if you must check them in, ensure that you declare and tag them to the carrier.

Safety of the passengers:

The following rules are also in place for the safety of the passengers:

- Don't Resist Security Checks.
- Don't Disrupt Services on board the flight, cooperate with crew.
- Don't use cell phone, or other communication gadgets during flight.
- Don't be Aggressive or Abusive.
- Don't Smoke at "No Smoking Area" or on-board Aircraft.
- Don't get high on Alcohol before or during flight.
- Be a responsible passenger and encourage others to behave responsibly too.

2.4 Customer Affairs Unit (CAU):

All service providers in the industry have a responsibility as guided by NCAA to set up their own Customer Affairs Unit (CAU).

Customers who are not satisfied with their services are advised to direct their complaints **First** to the appropriate service provider's CAU before forwarding same to NCAA's **Consumer Protection**.

This is in place to ensure that the Airline is given an opportunity to right it's wrong before taking it up with the NCAA.

To forward a complaint to the NCAA, the passenger may follow the following steps:

- Obtain a **Consumer Protection** Complaint/Suggestion form from any Consumer Protection cubicle/service desk, Complaint/Suggestion box or NCAA office, or use the online WebForm; or fill a Non Punitive Report form.
- Complete the form or write a regular letter of complaint, stating precisely the complaint and the desired redress; or send a mail to cpd@ncaa.gov.ng. The link to the online form may be gotten from this website: <http://www.ncaa.gov.ng/directorates/consumer-protection/complaint-form/>
- State clearly the complainant's full name, contact address and telephone numbers;
- Attach copies (never originals) of all relevant documents such as flight tickets, baggage tags, airway bills etc., depending on what the complaint is all about;
- Be prepared to supply all further information and/or attend meetings that may become necessary in the course of investigation;
- Address the complaint to the Director General of NCAA, attention the Director Consumer Protection

- Drop the complaint (Hard Copy) in any **Consumer Protection** cubicle, complaint/ suggestion box or NCAA office or on-line at cpd@ncaa.gov.ng.

The issue will be investigated and the complainant will be given feedback as the investigation goes on. Tripartite meetings will be held between all parties involved.

2.5 Consumer Protection in Nigerian Aviation Industry:

Who is a Consumer?

The most common idea of a consumer is one who engages in the buying and selling of goods and services, in the context of this disquisition, however, a consumer would be someone who has purchased a ticket for the sole purpose of taking a flight.

Regulatory Bodies and Laws Governing the Nigerian Aviation Industry

The Nigerian Aviation industry is primarily regulated by the Nigerian Civil Aviation Authority (NCAA), which was established in pursuant to the provisions of the Civil Aviation Act (CAA) 2006, which vests the NCAA with the power to exercise control and maintain the activities of the Aviation industry, perform oversight functions of Airports and Airspaces, as well as provide economic regulations as may be deemed relevant to the operations of the industry.

The Consumer Protection Regulations is also a major regulation dealing with the Rights and Responsibilities of Aviation consumers, as well as the obligations of Airlines' to consumers, alongside the available restitutions for denied bookings, delays and cancellation of flights.

The Federal Airport Authority of Nigeria Act (FAANA) has its principal functions set out in Part II of the Act, a few of which are:

1. To develop, provide and maintain the airport's necessary services and facilities for the safe operation of flights;
2. To provide adequate conditions wherein passengers and goods may be carried by air, and under which aircraft may be used for other useful purposes, as well as the authority to prohibit the carriage of goods which may be prescribed as prohibited;
3. To prohibit the launching of any structure which is considered to be dangerous to the safety of air navigation by virtue of its high position;
4. To provide accommodation and other facilities for the effective handling of consumers/passengers and baggage/cargo;
5. To develop and provide resources for surface transport within airports;
6. To provide sufficient resources and personnel for effective security at all airports;
7. Generally, to create conditions for the development in the most economic and efficient manner of air transport and the services connected with it;
8. The Authority has the power to stop the use of an airport, subject to the consent of the Minister of Transportation.

More importantly are the provisions of the Constitution of the Federal Republic of Nigeria (CFRN), which vests the Federal High Court with the exclusive jurisdiction to entertain all matters bordering on Aviation.

The above laws have helped in regulating Airlines in their disposition towards consumers as well as transported goods. Agreeably, there are undeniable/unforeseen situations where flights may be delayed, one of which is as a result of the weather. There are certain rights that a passenger is entitled to when a flight booked has been delayed, most of which are provided for under the Consumer Protection Regulations:

1. Passengers are to be provided reasons why a flight is to be delayed within 30 minutes after the scheduled departure time, after the carrier reasonably expects the flight to be delayed.
2. Passengers are entitled to be taken care of two hours after a flight has been delayed. Such cares include refreshments, Emails and SMS.
3. Passengers are entitled to reimbursements once the delay is beyond 3 hours.
4. Passengers have a right to free accommodation when the delay has exceeded 10 pm to 4 am or where the airport is closed.

The above-mentioned rights are applicable to domestic flights. Consumers'/passengers' rights for international flights are slightly different, in the sense that passengers are entitled to compensation between two and four hours of the delay, meals, emails and SMS, hotel accommodation and transportation; where the reasonable time for departure has exceeded six hours.

However, Aviation passengers/consumers whose flights have been cancelled are entitled to a pre-notice of the cancellation between 3 and 7 days before the appointed time for departure.

They are to be offered re-routing in conjunction with the benefits applicable to a consumer, whose flight has been delayed beyond the reasonable timeline.

Consumer Protection is, however, not limited to what passengers are entitled to before boarding a flight, as there are certain restrictions provided by law that may be considered as protecting a passenger. Some of these restrictions are:

- No person is allowed to willfully or negligently act in a manner likely to put an aircraft or any person or property in danger.
- No person is allowed to enter the airplane drunk or be drunk on the airplane.
- No person is allowed to smoke in any compartment of an airplane registered in Nigeria, at a time when smoking is prohibited in that compartment by a notice to that effect, exhibited by or on behalf of the commander of the airplane.

In light of the foregoing, the view is expressed here that the legal framework for consumer protection in Nigeria is relatively extensive, as it affords the right to seek redress in cases of infringement.

Self-Assessment Exercises (SAEs 1):

1. Give the various steps passengers should follow when forwarding a complaint to the Nigerian Civil Aviation Authority (NCAA),
2. Write out the few principal functions set out in Part II of Federal Airport Authority of Nigeria Act (FAANA).

2.6 Travel Agency Law

Are Travel Agencies Subject to Specific Laws?

Travel agencies and travel agents are subject to specific laws. A travel agency is a business that makes arrangements for individuals who are traveling, including booking airline tickets and hotel rooms.

Travel agencies and their agents are subject to travel law. Travel law regulates the travel industry. Travel law includes:

- Federal laws;
- State laws;
- Local law; and
- International laws.

2.6.1 Travel agency as agent and/or as tour operator.

The agent accepts the obligation to make an effort to provide an entitlement for services of other parties (operators, carriers, hoteliers, etc.).

Tour operator is the company either offering several touristic services at a package price (package holiday/travel organisation) or promising to render individual touristic services as services on own account and for this purpose usually providing own brochures, advertisements, etc.

If third party services are arranged accordingly (e.g. optional trips at the holiday resort), a company acting as tour operator may also act as agent if it refers to this function as agent.

The following conditions constitute the contractual text usually used by travel agencies as agents (section A) or as tour operators (section B) to conclude contracts with their customers/travellers (annotation: in the sense of the Consumer Protection Act).

The special conditions

- of the arranged tour operators,
 - of the arranged carriers (e.g. train, bus, airplane and ship) and
 - the other arranged service providers
- prevail.

2.6.2 Travel Agency Acting as Agent

The following conditions are the bases of the contract (agent's contract) concluded between customers and an agent.

1. Booking/contract conclusion

The booking can be put into effect in writing, per telephone or verbally. The travel agency should immediately confirm verbal bookings or bookings per telephone in writing.

Travel agencies should use booking notes containing all necessary details regarding the customer's order and referring to the travel advertisement (catalogue, brochure, etc.) forming the basis of the booking.

With regard to its own services or arranged services, the agent must – according to the provisions regarding the exercise of the travel agency industry – refer to these applicable general travel terms and conditions. In case of differing travel terms and conditions, he must demonstrably advise the customer of these differences and hand them out before contract conclusion.

If services of foreign contractors (service providers, tour operators) are arranged, foreign law may apply as well.

Whoever completes a booking for himself or for a third party, is regarded as principal contractor and in default of differing declarations, accepts the obligations under the contract award towards the travel agency (payments, contract cancellation, etc.).

In the booking, the travel agency may request a service charge and a (minimum) deposit. Both the balance and the compensation of cash expenses (telephone expenses, fax costs, etc.) become due upon the hand-over of the travel documents (these do not include personnel documents) of the respective tour operator or service provider at the travel agency.

Upon or immediately after the contract conclusion, travel organisations accepting bookings are obliged to communicate a confirmation regarding the travel contract to the traveller (travel confirmation).

2. Information and other incidental services:

i. Information on passport, visa, foreign currency, customs and health Regulations.

It is commonly known, that a valid passport is needed for travels abroad. Additionally the travel agency must inform the customer about the corresponding foreign passport, visa and health entry provisions and – upon request – about foreign currency and customs regulations if they can be obtained in Austria. The customer himself is responsible for compliance with these regulations. If possible, the travel agency will – against compensation – take charge of the provision of a visa that might be necessary. Upon request, the travel agency will – if possible – give information about special regulations for foreigners, stateless persons as well as persons holding a double citizenship.

ii. Information regarding the travel service

The travel agency is obliged to present the service of the tour operator or the service provider to the best of its knowledge in consideration of the characteristics of the arranged contract and the circumstances in the respective country or destination.

3. Legal status and liability

The travel agency's liability covers:

- the thorough selection of the respective tour operator and/or service provider as well as the thorough analysis of gained experience;
- the unobjectionable provision of services including the corresponding information of the customer and the delivery of the travel documents;
- the demonstrable forwarding of notices, declarations of intent and payments between the customer and the procured company and vice versa (like e.g. of changes in the agreed service

and the agreed price, notices of cancellation, complaints). The travel agency will not be liable for the provision of the service procured and/or obtained by it.

Together with the travel confirmation, the travel agency must notify the customer about the company name (product name), the address of the tour operator and – if applicable – of an insurer if this information is not already contained in the brochure, catalogue or other detailed means of advertising. If it does not do so, it is liable towards the customer as operator and/or service provider.

4. Impairments of performance

If the travel agency violates the duties incumbent on it under the contractual relationship, it is obliged to compensate the customer the resulting damage unless it proves that it has neither acted intentionally nor in a grossly negligent way.

For breaches of contract due to slight negligence, the travel agency is obliged to compensate the customer the resulting damage up to the amount of the commission of the procured business.

2.6.3travel Agency as Tour Operator

The following conditions are the bases of the contract – hereinafter referred to as travel contract – concluded between the booking party and a tour operator either directly or through an agent. In case of a direct conclusion, the agent's obligations analogously apply to the tour operator.

The tour operator generally accepts the applicable GENERAL TRAVEL TERMS AND CONDITIONS, deviations are highlighted in all its detailed advertising documents according to the provisions regarding the exercise on the travel agency industry.

1. Booking/contract conclusion

The travel contract is concluded between the booking party and the tour operator if there is an agreement regarding the material parts of the contract (price, service and date). This results in rights and duties for the customer.

2. Change in the person of the traveler

A change in the person of the traveler is possible if the replacing person meets all conditions regarding the participation and can be completed in two ways.

i. Assignment of the claim to the travel service

The booking party's obligations under the travel contract remain effective if it assigns all or single claims under this contract to a third party. In this case, the booking party will bear the resulting additional costs.

ii. Transfer of the travel event

Where the customer is prevented from proceeding with the package, he may transfer his booking to another person. The tour operator must be informed about the transfer either directly or via the agent within a reasonable period before the departure date. The tour operator may notify a

specific period in advance. The transferring party and the replacing person will be jointly liable for both the unbalanced remuneration and the additional costs arising from the transfer.

3. Contents of the contract, information and other incidental services

Exceeding the duty to inform also applicable to the agent (namely information on passport, visa, foreign currency, customs and health entry regulations), the tour operator must provide sufficient information about the service offered. The service descriptions in the catalogue and/or brochure valid at the time of the booking as well as the other information contained therein are the subject matter of the travel contract, unless differing agreements have been made at the booking. It is, however, recommended to record such agreements in writing.

4. Travels including special risks

If travels include special risks (e.g. expeditions), the tour operator will not be liable for the consequences of risks outside of his scope of duty.

The tour operator's obligation to thoroughly prepare the journey and to thoroughly select the persons and companies commissioned with the provision of the single travel services remains unaffected.

5. Legal bases in case of impairments of performance

i. Warranty

If the service has not been rendered or only been rendered imperfectly, the customer has a right to claim.

The customer agrees that instead of his claim to conversion or price reduction, the tour operator will – within a reasonable period – provide an unobjectionable service or improve the imperfect service.

Remedy can take place by removing the failure or by providing an equal or better replacement service that is subject to the customer's explicit consent.

ii. Compensation

If the tour operator or his assistants violate the duties of the contractual relationship either intentional or by negligence, the tour operator is obliged to compensate the customer for the damage.

To the extent, the tour operator is responsible for other persons than his employees, he will only be liable – except in cases of personal injury – if he does not prove that they have acted in an intentional or grossly negligent way.

Except in case of intention or gross negligence, the tour operator will not be liable for objects that are usually not brought along unless he has taken these objects in custody knowing the circumstances.

The customer is therefore advised not to carry along objects of special value. Moreover, it is recommended to orderly keep the objects that have been brought along.

iii. Notification of failures

The customer must immediately inform the tour operator's representatives of every failure in the performance of the contract that he locates during the journey. This implies that the customer has been notified about a representative and that the latter is available on site without considerable efforts. If this notification is omitted, this will not affect the customer's right to claim. This omission can, however, be imputed to him as contributory negligence and thus decrease his possible claims for damages. In this respect it is, however, necessary that the operator has informed the customer about this duty of notification in writing, either directly or via the agent. Equally, the customer must have been notified at the same time that any omission regarding this notification will not affect his right to claim, that it can, however, be imputed as contributory negligence.

If applicable and for lack of a local representative, it is recommended to either inform the respective service provider (e.g. hotel, airline) or the tour operator himself about failures and to request remedy.

iv. Special liability laws

Regarding flights, the tour operator will – inter alia – be liable under the Warsaw Convention and its additional conventions, in journeys by train and bus under the Railway and Motor Vehicle Liability Law.

6. Assertion of possible claims

In order to simplify the assertion of claims, the customer is advised to obtain a written confirmation regarding the non provision of services or improper performance respectively to secure receipts, evidences and witnesses. Consumer warranty claims can be asserted within 2 years. Claims for damages will become time-barred after 3 years.

In the interest of the traveler, it is recommended to immediately assert claims after having returned from the journey directly at the tour operator or via the procuring travel agency as upon an increasing delay, difficulties regarding the evidence have to be anticipated.

7. Cancellation of the contract

i. Cancellation on the part of the customer before the beginning of the Journey

a) Cancellation without cancellation fees

Apart from the legally granted cancellation rights, the customer may – without the operator having claims against him – cancel the contract if the following cases occur before the beginning of the service. If material components of the contract include the travel price are changed to a considerable extent. The frustration of the conditioned purpose and/or character of the travel event as well as an increase in the agreed travel price by more than 10% will in each case constitute such contract modification.

The tour operator is obliged to immediately notify the customer the contract modification either directly or via the procuring travel agency and to simultaneously instruct him regarding the

existing option to either accept the contract modification or they cancel the contract; the customer must immediately exercise his option. If the operator is responsible for the occurrence of the event entitling the customer to the cancellation, the operator is obliged to compensate the customer's damages.

b) Claim to replacement services

If he does not make use of the cancellation possibilities according to letter a) and in case of cancellation by the tour operator without the customer's fault, the customer may – instead of the contract rescission – request the contract performance by means of the participation in any other equal journey if the operator is able to provide this service.

Apart from the right to the option, the customer is also entitled to a claim for damages due to non-performance of the contract..

c) Cancellation with cancellation fees

The cancellation fee is a percentage of the travel price and with regard to its amount depends on the time of the notice of cancellation and the respective type of journey. The travel price or the package price is the overall price of the contractually agreed service.

In all cases not mentioned under letter a), the customer is – against payment of a cancellation fee – entitled to cancel the contract. In case the cancellation fees are not reasonable, they can be abated by court.

Depending on the type of journey, the following cancellation rates result per person applies:

1. Special flights (charter), group IT (group package tours using regular service), motor-bus, group excursions (journeys lasting several days)

until 30 days prior to departure 75%

29 to 20 days prior to departure 80%

19 to 10 days prior to departure 85%

9 to 4 days prior to departure 90%

as of 3 days (72 hours) prior to departure 95%of the travel price.

2. Individual IT (individual package tours using regular service), train group excursions (except for special trains)

until 30 days prior to departure 75%

29 to 20 days prior to departure 80%

19 to 10 days prior to departure 85%

9 to 4 days prior to departure 90%

as of 3 days (72 hours) prior to departure 95%of the travel price.

Special conditions apply for hotel accommodation, holiday flats, ship travels, one-day bus travels, special trains and scheduled flights at special tariffs.

Notice of cancellation

When cancelling the contract, you have to note the following:

The customer (principal) may inform the travel agency at which the travel has been booked at

any time that he will cancel the contract. In case of cancellation, it is recommended to do this

- by registered letter or
- personally, with a simultaneous written declaration.

d) No show

No show means if the customer does not appear for the departure, whether he does not want to travel or if he misses the departure for any negligence for which he is responsible or for any coincidence that happens to him. If it has been clarified that the customer cannot or does not want to make use of the remaining travel service, he must pay according to the type of journey 100% of the package price (e.g. special flights) and respectably 100% of the package price (e.g. individual IT). If the rates mentioned above are not reasonable, they can be abated by court in the special case.

ii. Cancellation by the tour operator prior to departure

a) The tour operator will be released from the contract if a minimum number of participants specified in the advertisement is not achieved and if the customer has been notified about the cancellation in writing within the following periods or those mentioned in the travel description:

- until 20 days prior to departure in journeys of more than 6 days,
- until 7 days prior to departure in journeys of 2 to 6 days,
- until 48 hours prior to departure in day trips.

If the operator is responsible for the non-achievement of the minimum number of participants to an extent exceeding slight negligence, the customer is entitled to request compensation. This

compensation is limited by the amount of the cancellation fee. The assertion of any damage exceeding this amount is, however, not excluded.

b) The cancellation is based on force majeure, i.e. due to exceptional and unforeseeable events that cannot be influenced by the party referring to force majeure and the consequences of which couldn't have been avoided despite applying the necessary care. This does, however, not include overbooking, but it includes governmental orders, strikes, war or situations similar to war, epidemics, natural disasters, etc.

c) In cases of letters a) and b), the customer will be compensated the deposited amount.

iii. Cancellation on the part of the tour operator after the beginning of the journey

The tour operator is released from the contract performance if within the scope of a group travel, the customer lastingly and despite a warning disturbs the travel performance by grossly improper behaviour.

If it was the customer's fault, the customer is obliged to compensate the tour operator for the damage he has incurred.

8. Changes in the contract

i. Price revisions

The tour operator reserves the right to increase the travel price confirmed in the booking for reasons not depending on his will if the period between the conclusion of the contract and the

departure is longer than two months. Such reasons only include changes in the transportation costs, e.g. the fuel costs, the dues, taxes or fees chargeable for certain services, like landing taxes, embarkation and disembarkation fees in harbor and corresponding fees on airports or the exchange rates to be applied to the particular package. In case of a price reduction for these reasons, it must be passed on to the traveler

Within the two-month period, price increases may only be effected if the reasons for this have been separately negotiated in the booking and stated on the booking note. During the 20 days prior to the departure date stipulated, the price stated in the contract shall not be increased.

A price revision is only admissible if upon compliance with the agreed requirements, an exact description for the calculation of the new price has been provided, as well. The customer must be immediately notified of the price revision and its reasons. If the price increase is more than 10 percent, the customer is entitled to withdraw from the contract without cancellation fees.

ii. Service modifications after beginning of the travel

– In changes for which the operator is responsible, the regulations as specified in section 5 (legal bases in case of impairments of performance) will apply.

– If it turns out after the departure that a significant proportion of the contractually agreed services will or cannot be provided, the operator must – without additional remuneration – make suitable alternative arrangements so that the journey can be continued. If it is impossible to make such arrangements or these are not accepted by the consumer for good reasons, the tour operator shall, where appropriate, provide the consumer, at no extra cost, with equivalent transport back

to the place of departure, or to another return-point to which the consumer has agreed. Furthermore, in the case of non-performance or improper performance of the contract the tour operator is obliged, to assist the customer to the best of his abilities in the solution of problems.

9. Provision of information to third parties

Even in urgent cases, information regarding the names of the travelers and their whereabouts will not be provided to third parties unless the traveler has explicitly requested an information provision. The costs caused by the transmission of urgent messages are for the customer's account. Thus, the travelers are advised to notify their relatives the exact holiday address.

Travel agents have many responsibilities. A travel agent definition is someone who sells and arranges transportation, accommodations, tours, and/or trips for travelers. They are fiduciaries, or representatives, of their customers. They are responsible for general duties in arranging travel plans. A travel agent should:

- Make and confirm reservations, including itinerary changes and delivery of tickets;
- Disclose the identity of tour operator and/or the supplier responsible for the services;
- Vouch for the reliability of the supplier and/or provide a warranty for services;
- Investigate the availability of travel services, such as cancelled flights and/or overbooked hotels;
- Convey needed information and provide needed travel documentation;
- Provide information on health and safety hazards;
- Advise on the availability of travel insurance; and
- Inform customers of any restrictions on transportation tickets.

Legal Duties and Obligations of Travel Agents

According to the state courts, travel agents have a higher standard of care because they have a special relationship with their customers. This includes special duties and obligations owed to their customers. Travel agents' duties and obligations include:

- A duty to warn the customer;
- A duty to investigate and disclose;
- A duty to inform;
- A duty to make reservations; and
- A duty to confirm reservations.

The duty to warn the customer includes a duty to reveal any negative information they have regarding the destination of the traveler. An example of this is if the traveler is going to a high crime area.

The duty to investigate and disclose includes a duty to investigate travel plans and be knowledgeable about the area to which the traveler is going. This includes knowing if there are certain conditions that would affect the consumers travel plans, such as a community event that may cause travel interference or delays.

The travel agent's duty to inform means the agent has a duty to inform their clients about important travel information. They must inform clients about things such as:

- Limitations on ticket changes;
- Documents needed to travel;
- Whether certain countries have requirements; and

- The availability of travel insurance.

The travel agent has a duty to make reservations at the request of the customer. The travel agent also has a duty to confirm those reservations and make sure they are ready for the customer.

2.7 Travel Insurance

Travel insurance reimburses a traveler for costs related to events that may occur during their trip. It is designed to cover those who purchase coverage for financial implications of issues that may arise during their trip. It may include costs incurred prior to travel, such as non-refundable tickets or hotel stays and/or events that occur during a trip, including travel interruptions and medical expenses.

Travel insurance usually covers 5 main categories, including:

- Trip cancellations;
- Travel medical coverage;
- Major medical coverage;
- Emergency medical evacuation; and/or
- Accidental death/flight accident.

Travel insurance is an optional coverage that the traveler can purchase when they book their trip. Should they wish, a lawyer can review the terms and conditions of any travel insurance.

Is Trip Insurance Required?

As noted above, trip or travel insurance is an optional coverage a traveler may purchase prior to taking a trip. In most cases, an individual's homeowner's insurance and/or health insurance policies will cover any medical costs or lost property, while at home or traveling. An individual's life insurance policy will usually cover the individual and their family members while traveling. Additionally, airlines must reimburse a passenger if they lose their baggage.

A traveler can also purchase trip cancellation or trip interruption insurance, which will cover any losses that are not covered by other insurance. This can be helpful to protect the cost of the trip, especially if it must be cut short due to unforeseen circumstances.

Travel can be extremely expensive, especially abroad. Trip insurance may assist with costs of travel delay and/or lost or damaged luggage if the airline fails to fully compensate the traveler. It may also protect a traveler from costly medical bills in the event they are injured or become ill during their trip. Trip insurance may cover extreme unforeseen circumstances such as emergency medical evacuation, accidental death and/or flight accidents.

Can Travel Agent Be Liable for Problems Encountered by customers on their Trip?

There are times when travel agents may be liable for problems a customer encounters. Travel agents may be liable to their customers for:

- Violations of general duties;
- Fraudulent misrepresentations; and/or
- Violations of applicable state regulations.

Some common issues travelers may encounter include:

- An injury;
- A delay;
- A cancellation;
- Discrimination;
- Lost, stolen and/or damaged baggage;
- A violation of consumer protection laws; and/or
- A deceptive port charge.

Sometimes, when an individual books a vacation, they may have to sign a travel agency contract.

These contracts are signed at the time the traveler books their trip. They may include:

- Baggage fees;
- Travel agent obligations;
- Cancellations;
- Payment terms;
- Additional fees;
- Travel documents;
- Confirmations;
- Governing laws; and/or
- Any other necessary clauses.

Do Travel Agents Need Insurance?

Similar, to other commercial businesses, travel agents benefit from obtaining business insurance to protect them from liability. Travel agent or travel agency insurance often comes in two forms: professional liability insurance and general liability insurance.

Travel agent liability insurance, or professional liability insurance, protects a travel agent for any errors that occur in business activities. It also assists when the travel agent is sued by a customer for not providing the service that the customer was due to receive per their contract.

General liability insurance protects travel agents and travel agencies in their offices where they meet with clients. This is generally for protection in case a claim related to an injury, such as a slip and fall accident, occurs.

Self-Assessment Exercise (SAEs 2):

1. How can passengers cancel the contract to travel before the beginning of the journey?
2. Discuss how tour operators reserve the right to change the travel price confirmed in the booking.
3. List the responsibilities of travel agents.



2.8 Summary

This unit discussed travel agreement and tour contract, application for a contract and time of entry into effect of a contract, responsibilities and rights of passengers and airlines, obligations of

airlines in Nigeria, travelers/ passengers rights and responsibilities, general guidelines for passengers, Customer Affairs Unit (CAU), consumer protection in Nigerian aviation industry, travel agency, responsibilities of travel agents and travel insurance.

2.9 Glossary

Consumer - Someone who has purchased a ticket for the sole purpose of taking a flight.

FAANA - Federal Airport Authority of Nigeria Act

No-show – Is a clause used by airlines in line with airline operation policy empowering them to cancel reservations when a passenger has missed flight.

Warranty – Traveler’s right to make claim for the service not properly rendered.

Warsaw Convention: Is an international convention or agreement that regulates the conveyance of goods or passengers or luggage in international transport, especially in the aviation industry



2.10 References/ Further Readings

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Ogono, P. (2017). The Obligations of Airlines in Nigeria and Passengers’ Rights From <https://infoguidenigeria.com/the-obligations-of-airlines-and-the-rights-of-passengers>



2.11 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The steps passengers should follow when forwarding a complaint to the Nigerian Civil Aviation Authority (NCAA):

- i. Obtain a consumer protection complaint/Suggestion form from any Consumer Protection cubicle/service desk, Complaint/Suggestion box or NCAA office, or use the online WebForm; or fill a Non Punitive Report form.

- ii. Complete the form or write a regular letter of complaint, stating precisely the complaint and the desired redress; or send a mail to cpd@ncaa.gov.ng. The link to the online form may be gotten here <http://www.ncaa.gov.ng/directorates/consumer-protection/complaint-form/>

- iii. State clearly the complainant's full name, contact address and telephone numbers;

- iv. Attach copies (never originals) of all relevant documents such as flight tickets, baggage tags, airway bills etc, depending on what the complaint is all about;

- v. Be prepared to supply all further information and/or attend meetings that may become necessary in the course of investigation;

vi. Address the complaint to the Director General of NCAA, attention the Director Consumer Protection

vii. Drop the complaint (Hard Copy) in any consumer protection cubicle, complaint/ suggestion box or NCAA office or on-line at cpd@ncaa.gov.ng.

2. The few principal functions set out in Part II of Federal Airport Authority of Nigeria Act (FAANA) are:

- i. To develop, provide and maintain the airport's necessary services and facilities for the safe operation of flights;
- ii. To provide adequate conditions wherein passengers and goods may be carried by air, and under which aircraft may be used for other useful purposes, as well as the authority to prohibit the carriage of goods which may be prescribed as prohibited;
- iii. To prohibit the launching of any structure which is considered to be dangerous to the safety of air navigation by virtue of its high position;
 - i. To provide accommodation and other facilities for the effective handling of consumers/passengers and baggage/cargo;
 - ii. To develop and provide resources for surface transport within airports;
 - iii. To provide sufficient resources and personnel for effective security at all airports;
 - iv. Generally, to create conditions for the development in the most economic and efficient manner of air transport and the services connected with it;

- v. The Authority has the power to stop the use of an airport, subject to the consent of the Minister of Transportation.

Answers to SAEs 2

1. Passengers can cancel the contract to travel before the beginning of the journey in the following four ways:

a) Cancellation without cancellation fees

A passenger may without the operator having claims against him cancel the contract if the following cases occur before the beginning of the service. If material components of the contract including the travel price are changed to a considerable extent. The frustration of the conditioned purpose and/or character of the travel event as well as an increase in the agreed travel price by more than 10% will in each case constitute such contract modification.

The tour operator is obliged to immediately notify the passenger the contract modification either directly or via the procuring travel agency and to simultaneously instruct him regarding the existing option to either accept the contract modification or they cancel the contract; the passenger must immediately exercise his option. If the operator is responsible for the occurrence of the event entitling the customer to the cancellation, the operator is obliged to compensate the customer's damages.

b) Claim to replacement services

In case of cancellation by the tour operator without the passenger's fault, the passenger may – instead of the contract rescission – request the contract performance by means of the replacement in any other equal journey if the operator is able to provide replacement service.

Apart from the right to the option, the customer is also entitled to a claim for damages due to non-performance of the contract.

c) Cancellation with cancellation fees

The cancellation fee is a percentage of the travel price and with regard to its amount depends on the time of the notice of cancellation and the respective type of journey. The travel price or the package price is the overall price of the contractually agreed service.

In all cases not mentioned under letter a), the customer is – against payment of a cancellation fee – entitled to cancel the contract. In case the cancellation fees are not reasonable, they can be abated by court.

d) No show

No show means if the passenger does not appear for the departure, whether he does not want to travel or if he misses the departure for any negligence for which he is responsible or for any coincidence that happens to him. If it has been clarified that the customer cannot or does not want to make use of the remaining travel service, he must pay according to the type of journey 100% of the package price (e.g. special flights) and respectably 100% of the package price (e.g.

individual IT). If the rates mentioned above are not reasonable, they can be abated by court in the special case.

2. Tour operators reserve the right to change the travel price confirmed in the booking under the following reasons:

The tour operator reserves the right to increase the travel price confirmed in the booking for reasons not depending on his will if the period between the conclusion of the contract and the departure is longer than two months. Such reasons only include changes in the transportation costs, e.g. the fuel costs, the dues, taxes or fees chargeable for certain services, like landing taxes, embarkation and disembarkation fees in harbor and corresponding fees on airports or the exchange rates to be applied to the particular package. In case of a price reduction for these reasons, it must be passed on to the traveler

Within the two-month period, price increases may only be effected if the reasons for this have been separately negotiated in the booking and stated on the booking note. During the 20 days prior to the departure date stipulated, the price stated in the contract shall not be increased.

A price revision is only admissible if upon compliance with the agreed requirements, an exact description for the calculation of the new price has been provided, as well. The customer must be immediately notified of the price revision and its reasons. If the price increase is more than 10 percent, the customer is entitled to withdraw from the contract without cancellation fees.

3. Responsibilities of Travel Agents:

- i. Make and confirm reservations, including itinerary changes and delivery of tickets;
- ii. Disclose the identity of tour operator and/or the supplier responsible for the services;
- iii. Vouch for the reliability of the supplier and/or provide a warranty for services;
- iv. Investigate the availability of travel services, such as cancelled flights and/or overbooked hotels;
- v. Convey needed information and provide needed travel documentation;
- vi. Provide information on health and safety hazards;
- vii. Advise on the availability of travel insurance; and
- viii. Inform customers of any restrictions on transportation tickets.

MODULE 4 AIRLINES, CRUISES AND COACHES OPERATIONS

Unit 1 Airline Operations

Unit 2 Cruise Operations

Unit 3 Coaches Operations

UNIT 1 AIRLINE OPERATIONS

CONTENTS

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Airline Operations
 - 1.3.1 Meaning of Airline Operations
 - 1.3.2 Aspects of Airline Operations
 - 1.3.3 Categories of Airline services in Nigeria
 - 1.3.4 Types of airlines
 - 1.3.5 Factors constraining airline operation and safety
- 1.4 International Civil Aviation Organization (ICAO)
- 1.5 International Air Transport Association (IATA)
- 1.6 Advantages of Air Transport
- 1.7 Summary
- 1.8 References/ Further Readings
- 1.9 Possible Answers to Self-Assessment Exercise(s) (SAEs)



1.1 Introduction

In the previous unit we discussed legal aspect and consumer protection in travel operation, general guidelines for passengers, Customer Affairs Unit (CAU), travel agency, responsibilities of travel agents and travel insurance. This unit focuses on airlines operations. Transportation has been an integral part of the tourism industry. It isn't easy to think of the tourism sector without transportation. Transportation is the main means to carry the tourists to the actual site where tourism services are performed. Tourism, as an economic activity, relies on transportation to bring tourists to destinations, and transportation itself can be part of the touristic experience.



1.2 Learning Outcomes

By the end of this unit, the student will be able to:

- Understand Airline Operations
- Analyze categories of Airline services in Nigeria
- Explain the types of airlines
- Evaluate Factors constraining airline operation and safety
- Describe the functions of International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA)



1.3 Airline Operations:

1.3.1 Meaning of Airline Operations

Airline operations are those activities involved in making aircraft fly on the day of operation. It includes those things you interact with at the airport and on the plane, for example : check-in, bag drop and baggage handling, loading the aircraft with cargo, bags, fuel and catering; embarking and disembarking the aircraft and the flying itself.

1.3.2 Aspects of Airline Operations

- 1. Flight Operations** - These including dispatch, flight planning, flight watch, weather data provision, operations control, ground to air communications and integration with crew, schedules and maintenance planning. Gate allocation, slot control, ATC and airport management can also be covered. There is increasing use of simulation and expert systems, for the management of irregular operations.
- 2. Ground Operations** - The use of management science techniques in reducing costs or increasing the effectiveness of manpower has been the concern of this group. Topics addressed include determination of operational manpower requirements, optimal task allocation, production of efficient roster patterns, planning of employment, annual leave, training, reward systems and strategic planning of recruitment. There has been some considerable interest in personal computer applications with demonstrations of systems under development. These are called contractors or employees that are responsible for checking in, printing your bag tags at the kiosk, navigating automatic bag drop, and

scanning your boarding pass as you enter the gate. Others include Engineers on call, tug drivers, teams that handle and process your baggage, freight, pets and refueling company, etc.

- 3. Network Operations-** Network Operation is the part of the airline that travelers do not see and majority don't know their existence. It is the part of the airline that has the biggest impact on the travelers' journey. Network operation runs the Operational Control Center (OCC). This has many different components which allow it control the operations of the entire flight network for the airline. The crew scheduling and control function which is responsible for making sure that there are the correct numbers of flight and cabin crew, with appropriate qualifications, in the right aircraft at the right time is part of the Network operation. The Operational Control Center (OCC) is responsible for making sure all the equipment (aircraft) are in the right place at the right time; closely liaising with numerous internal departments like the meteorologists, flight planning, flight dispatch (load control), slot controllers (a special dispatch team that re-accommodates passengers onto new flight if there is a disruption such as cancellation or missed connection).

1.3.3 Categories of Airline services in Nigeria

Airline services in Nigeria are divided into three:

- (i) **Foreign Airlines:**

These airlines operate on the international routes and are owned and controlled by foreigners. They operate in the international airports of Abuja, Lagos, Kano, Port Harcourt etc.

Some of the airlines which fly directly into Nigeria are: British Airways, South Africa Airways, Turkish Airlines, Asky Airlines, Egypt Air, Royal Air Maroc, Middle East Airlines, Rwandair and Kenya Airways.

(ii) Private Domestic Airlines:

These are airlines operating on the domestic scene. They are owned and controlled by Nigerians and they operate locally in Nigeria. Examples of such airlines include. Arik Air, Air Peace, Aero Contractors, Overland Airways, Dana Air, Max Air, Ibom Air and Azman Air, etc.

(iii) Private Airlines (Intercontinental and Domestic):

Since the demise of the Nigeria Airways Limited, some private airlines are now granted license to fly the international routes. Examples of some of these airlines are: Air Peace, First Nation Air, Allied Air, etc.

1.3.4 Types of airlines

The three major types of airlines that make them unique are as follows;

- Scheduled airline
- Charter airline
- Budget airline

1. Scheduled airline

The first category is the scheduled airline. A scheduled airline is an airline that works to a specific schedule. Just like a bus, a scheduled airline will work to a timetable. Seats will be sold to passengers and the flight should operate as planned regardless of how many seats are sold.

Of course, there are always circumstances when a flight may be cancelled or when schedules may be changed, but as a general rule, this type of airline will operate as planned.

Many scheduled airlines are national carriers that represent a particular country. They may be private organizations or they may be owned by the Government. Scheduled airlines traditionally provide an inclusive package that includes a seat, baggage and meals, although in recent years many airlines have been unbundling their products and selling each of these elements separately.

Scheduled airlines may also be referred to as full service carriers.

Examples of scheduled airlines include British Airways, Air India, Virgin Atlantic and United Airlines.

2. Charter airline:

The second type of airline is a charter airline. A charter airline is an airline that works on an adhoc basis. A bit like a taxi service, charter airlines only operate when they are required. As such, if there is not the demand to warrant the flight operating, the flight will not take off.

Charter airlines will often change flight times or change the number of flights that they operate based on demand. The more people that want to take the flight, the more flights that they will likely operate and visa versa. Charter airlines are often associated with holiday companies. Some

tour operators own charter airlines. Many people who book a package holiday will travel to their destination via a charter airline.

Charter airlines may require passengers to pay extra for food and baggage.

Examples of charter airlines

Examples of charter airlines include Air Charter Service Nigeria, Anap Jets, Dornier Aviation Nigeria AIEP Ltd, Fur Alle Nigeria Limited, Ideal Aviation Support Services, Mudita Limited, Private Jets Nigeria and Stargate Jets, TUI and Jet2.

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3. Budget airline

The third type of airline is the budget airline. Budget airlines, also commonly known as low cost airlines, low cost carriers or no frills airlines are airlines that operate on a budget. A budget airline will typically sell seats for lower prices than scheduled and charter airlines. However, these seats often have less leg room and are less comfortable.

Budget airlines make their money by selling ancillary products to passengers. This includes anything in addition to the seat, such as extra leg room, baggage, in-flight entertainment, insurance, in-destination excursions, credit card fees and more.

Budget airlines have grown considerably in the past couple of decades and they have revolutionized the aviation industry. Budget airlines are some of the most profitable types of airlines.

Examples of budget airlines -Dana airline, Air Peace, Arik Air, Medview, Max Air, etc.

1.3.5 Factors constraining airline operation and safety

1. Operational/maintenance costs

Airlines maintenance costs are mostly borne in foreign currency. Scarcity of forex for airlines operating in the country was even more pronounced in the wake of the recession in the 2016/2017 period. The exchange rate of the Naira to the dollar increased by over 200% at a point and this increased airlines' operational costs significantly. Taxes are equally high, so is fuel cost.

2. Small size of carriers

Nigerian airlines are small, with fleet sizes as low as three for some airlines, the actual market is equally small. Although market potentials exist along several under-utilized air corridors, the smallness of airlines does not permit them to explore these potential routes. Airlines may not be able to break even given the low load factors that are likely to exist on such routes. Small size of carriers also constrains capacity to offer frequencies and compete on regional and international routes. Nigeria's domestic airlines are therefore not strong players in the international and regional markets.

3. Lack of airline competition

Competition is a natural result of many players in an industry. Economies of large scale production naturally drive down costs. However, as profit oriented actors, airlines will not venture into an industry where there is low propensity to fly. The lack of airline competition and the absence of regional airport hubs are some of the constraints identified in Africa's aviation.

4. Infrastructure challenges

Power is one of Nigeria's biggest infrastructure challenges. The cost of providing alternative sources (usually using diesel powered generators) in the face of public power shortages is prohibitive. The airport operators naturally pass these costs on as part of airport charges. Airlines will then pass these on to the final consumers. These all add up to airfares.

Strategies for improved airlines' operations

1. Reduce airlines' maintenance costs

A worthwhile strategy would be to put policies in place which will enable airlines reduce cost of operations. Thereby, lower fares can be offered to attract more patrons into air travel. Establishing an aircraft leasing hub and aircraft maintenance, repair and overhaul facility in Nigeria will be a step in the right direction. If domestic airlines can access aircraft and maintenance services locally, then scarce foreign exchange can be conserved. New airlines venturing into the industry may also be given incentives in the form of some tax holiday for specified period. The responsibility here lies with the regulatory agencies—Nigerian Civil Aviation Authority (NCAA) and Federal Ministry of Aviation (FMA).

2. Explore airline co-operation

There may be economic sense in exploring co-operations at the national as well at the regional level. Such arrangements enable players to create and take advantage of scale economies. Hopefully, competitive prices and better quality will result and will trigger increased demand for air travel. Amalgamations will also enable domestic carriers compete better in the regional and international markets. Co-operations and alliances have proved useful among air carriers in

developed climes. Incidentally, carriers in developed countries are several times bigger than African carriers. The responsibility here lies with airline operators and management.

3. Provide alternative power infrastructure

It may be worthwhile to consider renewable energy options, such as solar power to complement power needs at the country's airports. Nigeria falls within the tropics and has average daily sunshine time up to eight hours in dry season months. Although the capex for solar power facility may be high, subsequent recurrent costs are likely to be far below costs incurred from current power provision options being explored. This could be another way of achieving reduced costs of airport operations and of airport charges passed on to airlines, which eventually gets passed to consumers. FMA and Federal Airports Authority of Nigeria (FAAN) will bear responsibility for this action.

1.4 International Civil Aviation Organization (ICAO)

The International Civil Aviation Organization-ICAO is an assembly of sovereign States and an agent of the United Nations charged with the responsibilities of standardizing uniform procedure and facilities for international air transport. It was formed in 1944 after the Chicago Convention, with its headquarters in Montreal-Chicago. ICAO deals directly with governments of member nations.

Aims and Objectives

The aims and objectives of ICAO are:- “to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to:

- (i) Ensure the and orderly growth of international civil aviation throughout the world;
- (ii) Encourage the art of aircraft design and operation for peaceful purpose;
- (iii) Encourage the development of airways, airports and air navigation facilities for international civil aviation;
- (iv) Meet the needs of the people of the world for safe, regular, efficient and economical air transport;
- (v) Prevent economic waste caused by unreasonable competition;
- (vi) Ensure that the rights of contracting states are fully respected and that every contracting state has a fair opportunity to operate international airlines.
- (vii) Avoid discrimination between contracting states;
- (viii) Promote generally the development of all aspects of international civil aeronautics.”

Functions of International Civil Aviation Organization (ICAO)

1. Promotion and improvement of facilities for regular and safe air transportation, ensuring standard runways, standard procedures, supervision of airport construction, lighting, beacons, various navigational aids and air traffic control.
2. Deals with governments in order to ensure that all its resolutions and recommendations are practiced and complied.
3. ICAO ensures that IATA members implement Annex 9 which deals with standardization of forms used in passenger handling of international traffic such as general declaration, passenger manifest, cargo manifest etc.

4. It maintains a close liaison with the Universal Postal Union for orderly and systematic carriage of post office mails on international routes.

1.5 International Air Transport Association (IATA)

The International Air Transport Association-IATA is a world organization of Scheduled Airlines. IATA as a voluntary, non-political and democratic association had its Articles of Association adopted by the International Air Transport Operators Conference at Havana, Cuba, in April 1945 at which the Association was founded. It has its Headquarters in Montreal, Canada. There are two kinds of membership into the association-Active and Associate. Active members are Airlines that operate scheduled international or International plus Domestic services. Associate members are those Airlines that operate Scheduled Domestic services only.

Aims and Objectives of IATA

The aims and objectives of IATA are:

- a) To promote safe, regular and economic air transport bodies engaged directly and indirectly in international air transport services.
- b) To provide means for calibration among the air transport bodies engaged in international air transport services.
- c) To foster air commerce.
- d) To cooperate with ICAO and other international organizations.

Functions of International Air Transport Association (IATA)

The functions are:-

- i. Organizes cooperation between airlines.

- ii. Acts as spokesman for the air transport industry in relation with government and governmental organizations.
- iii. Standardization of Traffic Procedures, including format for international tickets, Miscellaneous Charges Order (MCO), Air Waybill, Prepaid Ticket Advice (PTA), Excess Baggage ticket, etc.
- iv. Removing unfair competition and enforcement of established fares, rates and charges.
- v. Establishment of a clearing house in London for transaction of financial business by members.
- vi. Establishment of uniform procedures in the form of IATA Recommended Practices and/or Resolutions.

1.6 Advantages of Air Transport

The advantages of air transportation to nations such as Nigeria are many. From being the mode of transportation of tourists into and out of the country, it creates employment opportunities for youths, serves as a means of cultural, technical, educational and social exchanges among nations, aid population distribution, revenue generation and defense of the territorial integrity of a nation. Some of these advantages are discussed in detail below.

1. Boosting of Tourism

Air transport is essential for world business and tourism as it constitutes the most important means for foreign visitors to any country of the world. The import of air transportation to the Nigerian economy are tremendous be it tourism business, finance, cultural interchange and other industrial commercial activities.

2. Employment opportunities

Air transport industry has increased the employment opportunities and career prospects of Nigerians. Aviation careers span from reservation and engineering through flying, aviation service jobs, government, manufacturing, oil, electronics/avionics, etc. These careers are demanding and challenging.

3. Cultural, Educational and Social Exchanges

Air transport forms a unique global transport network linking people, countries and cultures safely. It provides the only worldwide transport network without a commercially viable alternative for medium and long haul travel. It has made possible educational exchange programmes and studies outside one's home country.

4. Distribution and Re-Distribution of Population

Cities with airports have replaced cities with seaports or on trade routes of other countries as centre of civilization and development. The same is true in Nigeria. The cities in Nigeria where the major airports are located constitute the largest centre of population, commercial and industrial activities. Examples of such cities are Lagos, Kano, Abuja, Port Harcourt, Kaduna and Maiduguri. In the same token, easy accessibility and availability of air transport has also influenced the re-distribution of population around or in the vicinity of airports cities. Air transport has more than surpassed the effects of seaports and cities on trade routes of earlier centuries in influencing population distribution and re-distribution.

5. It enhances Oil Industry Activities

The Oil Industry's rapid response to emergencies in their operational areas, especially in the Niger Delta and offshore locations, is made possible by air transport. In this regard, the air transport system brings about swift and efficient responses to emergencies and rescue operations in areas that are otherwise inaccessible. The oil sector relies heavily on air transport amongst other transport modes for its global movement of human resources and equipment. It also depends on it for exploration of both on-shore and off-shore oil resources. The choice means of travel by the industry that sustains the national economy is the air mode.

6. Defence

The euro-space industries of Europe started with the manufacturing of airplanes for purposes of defense and the prosecution of wars. It was later that planes were manufactured for commercial use in the movement of passengers, mails and cargoes. Today, planes play a major role in the prosecution of modern warfare. The Nigerian government's massive investment in airports and airspace infrastructure was informed by the need to have a virile, safe and secure military and civil aviation industry. The matter of defense forms a major policy objective of emerging national airlines and therefore could influence their aircraft utilization decisions. During the Nigerian civil war for instance, the Nigerian Airways aircrafts were occasionally used to transport food. Defense plays a dominant operations objective because of the set aims of government who provide what the National carrier needs to remain in business.

7. International Trade and Contribution to GDP

The revenue generated from air transport contributes so much to the International trade of the nation. Air transport contributes greatly to the nation's Gross Domestic Product (GDP). The Naira value aggregate contribution of the Air Transport to the GDP of Nigeria is remarkable.

Self-Assessment Exercises(SAEs 1):

1. Discuss three aspects of Airline Operations.
2. Identify and explain the three categories of Airline services in Nigeria.
3. Describe the strategies for improved airlines' operations in Nigeria.



1.7 Summary

This unit discussed Airline Operations, categories of Airline services in Nigeria, the types of airlines, factors constraining airline operation and safety, the functions of International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) and advantages of air transport to Nigeria. Air transportation is an important means to carry the tourists to the destination areas. Tourism, as an economic activity, relies on air transportation to bring tourists to destinations, as well as being part of the touristic experience in the destination.



1.8 References/ Further Readings

Keith, M. and Chikage M. C. (2009). Airline Business Models and their respective carbon footprint: Final Report from https://dspace.lib.cranfield.ac.uk/bitstream/handle/1826/12068/Airline_Business_Models-carbon_footprint_Final_report_2009.pdf?sequence=1&isAllowed=y



1.9 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. Aspects of Airline Operations

A. Flight Operations - These including dispatch, flight planning, flight watch, weather data provision, operations control, ground to air communications and integration with crew, schedules and maintenance planning. Gate allocation, slot control, ATC and airport management can also be covered. There is increasing use of simulation and expert systems, for the management of irregular operations.

B. Ground Operations - This is concerned with determination of operational manpower requirements, optimal task allocation, production of efficient roster patterns, planning of employment, annual leave, training, reward systems and strategic planning of recruitment. There has been some considerable interest in personal computer applications with demonstrations of systems under development. These are called contractors or employees that are responsible for checking in, printing your bag tags at the kiosk, navigating automatic bag drop, and scanning your boarding pass as you enter the gate. Others include Engineers on call, tug drivers, teams that handle and process your baggage, freight, pets and refueling company, etc.

C. **Network Operations-** Network Operation is the part of the airline that travelers do not see and majority don't know their existence. It is the part of the airline that has the biggest impact on the traveler's journey. Network operation runs the operational control center (OCC). This has many different components which allow it control the operations of the entire flight network for

the airline. The Operational Control Center (OCC) is responsible for making sure all the equipment (aircraft) are in the right place at the right time; closely liaising with numerous internal departments like the meteorologists, flight planning, flight dispatch (load control), slot controllers (a special dispatch team that re-accommodates passengers onto new flight if there is a disruption such as cancellation or missed connection).

2. The three categories of Airline services in Nigeria are:

i. Foreign Airlines:

These airlines operate on the international routes and are owned and controlled by foreigners. They operate into the international airports of Abuja, Lagos, Kano, Port Harcourt. Enugu etc. Some of the airlines which fly directly into Nigeria are: British Airways, South Africa Airways, Turkish Airlines, Asky Airlines, Egypt Air, Royal Air Maroc, Middle East Airlines, Rwandair and Kenya Airways.

ii. Private Domestic Airlines:

These are airlines operating on the domestic scene. They are owned and controlled by Nigerians and they operate locally in Nigeria. Examples of such airlines include. Arik Air, Air Peace, Aero Contractors, Overland Airways, Dana Air, Max Air, Ibom Air and Azman Air, etc.

iii. Private Airlines (Intercontinental and Domestic):

Since the demise of the Nigeria Airways Limited, some private airlines are now granted license to fly the international routes. Examples of some of these airlines are: Air Peace, First Nation Air, Allied Air, etc.

3. The three major types of airlines that make them unique are as follows;

A. Scheduled airline

The first category is the scheduled airline. A scheduled airline is an airline that works to a specific schedule. Just like a bus, a scheduled airline will work to a timetable. Seats will be sold to passengers and the flight should operate as planned regardless of how many seats are sold.

Of course, there are always circumstances when a flight may be cancelled or when schedules may be changed, but as a general rule, this type of airline will operate as planned.

Many scheduled airlines are national carriers that represent a particular country. They may be private organizations or they may be owned by the Government. Examples of scheduled airlines include Air Peace, First Nation Air, Allied Air, etc.

B. Charter airline:

The second type of airline is a charter airline. A charter airline is an airline that works on an adhoc basis. A bit like a taxi service, charter airlines only operate when they are required. As such, if there is not the demand to warrant the flight operating, the flight will not take off.

Charter airlines will often change flight times or change the number of flights that they operate based on demand. The more people that want to take the flight, the more flights that they will likely operate and visa versa. Charter airlines are often associated with holiday companies. Some tour operators own charter airlines. Many people who book a package holiday will travel to their destination via a charter airline.

Charter airlines may require passengers to pay extra for food and baggage.

Examples of charter airlines

Examples of charter airlines include Air Charter Service Nigeria, Anap Jets, Dornier Aviation Nigeria AIEP Ltd, Fur Alle Nigeria Limited, Ideal Aviation Support Services, Mudita Limited, Private Jets Nigeria and Stargate Jets, TUI and Jet2.

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A budget airline will typically sell seats for lower prices than scheduled and charter airlines. However, these seats often have less leg room and are less comfortable.

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4. Strategies for improved airlines' operations are:

i. Reduce airlines' maintenance costs

A worthwhile strategy would be to put policies in place which will enable airlines reduce cost of operations. Thereby, lower fares can be offered to attract more patrons into air travel. Establishing an aircraft leasing hub and aircraft maintenance, repair and overhaul facility in

Nigeria will be a step in the right direction. If domestic airlines can access aircraft and maintenance services locally, then scarce foreign exchange can be conserved. New airlines venturing into the industry may also be given incentives in the form of some tax holiday for specified period. The responsibility here lies with the regulatory agencies—Nigerian Civil Aviation Authority (NCAA) and Federal Ministry of Aviation (FMA).

ii. Explore airline co-operation

There may be economic sense in exploring co-operations at the national as well at the regional level. Such arrangements enable players to create and take advantage of scale economies. Hopefully, competitive prices and better quality will result and will trigger increased demand for air travel. Amalgamations will also enable domestic carriers compete better in the regional and international markets. Co-operations and alliances have proved useful among air carriers in developed climes. Incidentally, carriers in developed countries are several times bigger than African carriers. The responsibility here lies with airline operators and management.

iii. Provide alternative power infrastructure

It may be worthwhile to consider renewable energy options, such as solar power to complement power needs at the country's airports. Nigeria falls within the tropics and has average daily sunshine time up to eight hours in dry season months. Although the capex for solar power facility may be high, subsequent recurrent costs are likely to be far below costs incurred from current power provision options being explored. This could be another way of achieving reduced costs of airport operations and of airport charges passed on to airlines, which eventually gets passed to consumers. FMA and Federal Airports Authority of Nigeria (FAAN) will bear responsibility for this action.

5. The aims and objectives of International Air Transport Association (IATA) are:

- a) To promote safe, regular and economic air transport bodies engaged directly and indirectly in international air transport services.
- b) To provide means for calibration among the air transport bodies engaged in international air transport services.
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UNIT 2 CRUISE OPERATIONS

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2.1 Introduction

In the very last unit, we discussed Airline Operations, categories of Airline services in Nigeria, the types of airlines, factors constraining airline operation and safety, the functions of International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) and advantages of air transport to Nigeria. This unit focuses on cruise operations, history of cruise tourism, cruise tour packages, significance of cruise industry, and development of cruise tour package. Whether transportation plays an important role in enriching the travel experience of a tourist depends on the mode of transport and the frequency of use. Carrier can turn into a separate tourist attraction element such as cruise operation, airline operations and coach operations.



2.2 Learning Outcomes

By the end of this unit, the students will be able to;

- Evaluate Cruise Operations
- Write the history of Cruise Tourism
- Discuss Cruise Tour Packages and Significance
of Cruise Industry
- Development of Cruise Tour Package
- Explain Cruise Tour Sales and Marketing and
Cruise Ticketing

-

Discuss Factors for Cruise port to succeed and

challenges facing Cruise Port



2.3 Cruise Operations:

2.3.1 Definitions of Cruise Tourism

The cruise tourism is an increasingly important part of the employment structure of advanced industrial nations as well as developing economies. Cruise shipping was first established as the transportation of pleasure-seeking upper class travelers on sea-going vessels offering one or more ports of call in the United States and the Caribbean. Today this is a highly efficient global business. Many of the cruise industries key players have made a significant contribution to the economic growth and development of the nation such as Star Cruises, Holland and American line, Deluxe cruises, Crystal Cruises, Silver sea Cruises, Princess Cruises, Royal Caribbean, etc.

Cruise tourism provides and offers food, beverage, accommodation, recreational, casino, shopping, and other services to the tourist. It is like an informal industry which makes an arrangement of various services i.e., cruise packages and combines these with air travel to attract the potential customer.

The cruise package includes a plenty of facilities designed to meet the specific requirement of passengers – such as accommodation, food, beverage, deck games, swimming pool, yoga classes, quiet lounges, sheltered dock, library, casino, disco films.

2.3.2 History of Cruise Tourism

The cruise industry is a modern phenomenon but it rooted from the early years of the 19th century when travel by ship was the only means to travel overseas. The Duke of Bridgewater was initiated to start water transport services from Manchester to London in 1772. His boat was used to carry passengers as well as goods.

In 1815 steamboats were developed and used to carry passengers and goods. To launch first cruise ship the credit goes to the king Charles IV of Sweden when he started his personal cruise ship in 1821. In 1824 the first commercial cruise ship was started under the flag of Ireland. Gradually, steamship excursions became so famous and it resulted in the introduction of modern age cruise lines.

In 1938 the Peninsular and Orient steam (P&O) launched first long distance steamship services from India to the Far East. This company is still operating and has a good grasp of the cruise market. The Cunard ship company followed the P&O Company and began regular services to the American Continent in 1840.

During the 2nd half of the 19th century, Britain dominated the cruise industry. However, this dominance has decreased in the later century with the advent of the substantial emigrant from Europe and the steady growth of US visitors to Europe.

Thomas Cook (the father of travel agency business) stimulated the British tourists to visit North America. In 1866 he succeeded to operate first steamship excursion tour to the USA.

In the modern age, UK started first transatlantic lines ‘Titanic’ in 1912 which was sold to the Newfoundland Islands in 1913. Second important cruise line ‘Queen marry’ was started in 1934. It had 2000 passengers capacity along with 1100 crew members. It offered every facility for

passengers such as comfort, safety, and entertainment. It was considered one of the great ocean liners.

In 1938 another larger sister ship Queen Elizabeth was launched by the same company. During the Second World War, these ships were used to carry British troops but after the war, their main business was to carry passengers across the Atlantic.

The year 1958 was the turning point in the steamship travel, as commercial jet aircraft has ended the dominance of steamship. By 1970s steamship travel was only a curiosity. Due to less demand, high fuel prices and long duration of the journey all these resulted in the closing of many cruise company. Even many ship companies went bankrupt.

During 1980s some large ships were converted into luxury liners, offering holidays to travelers who have money and time. Many cruise lines have taken the place of scheduled liner services.

The cruise industry is currently the fastest growing segment in the world tourism market and all tour operators now include cruises in their tour package.

Many cruises include special interest themes – like astronomy, yoga, meditation, sequence dancing, classical music and many more.

2.3.3 Cruise Tour Package

A cruise tour package may be defined as a systematically planned return journey with entertainment and recreational facilities on board, and shore excursion. In other words, the cruise package is a pleasure an all-inclusive trip by boat or ship for specific days, to specific days, to specific destinations, and with a set price.

Cruise packages may be designed and planned for an individual group, families, FITs, business executives, honeymooners, and special interest tourists. Of course, these cruise packages are

designed for cruise passengers. However, these could not be segregated from air travel and land arrangement.

2.3.3.1 Types of Cruise Tour Packages

If we see the cruise packages offered and marketed by tour operators and travel agencies, we find similar as well as more ingredients in cruise packages such as port handling charges, airport taxes, visa processing charges and so forth. Therefore, the elements or components of a cruise package may vary from tour company to company, destination to destination and from region to region.

On the basis of above this discussion, actual cruise industry environment has the following main cruise packages offered by cruise liners:

- Incentive Cruise Packages
- Group Packages
- Family Packages
- Business Cruise Package
- FITs
- Honeymooners Package
- Special Interest Cruise Package
- Fly Cruise Package

2.3.3.2 Types of Cruise

Since the introduction of the first cruise in 1821, numbers of cruises came in the cruise industry. Some of them are still operating in the industry while others which were not attracting clients

withdrew from the industry. Thus, the following typology is based on sales, marketing and working conditions of the cruises:

1. Volume Cruise

As the name indicates, volume cruises concentrate on volume turnover. That is why these are called mass market cruises. Sixty five percent of all cruises are volume/mass market cruises. These cruises are very popular in the Caribbean sea, Asia Pacific and South East Asia.

In such cruises, accommodation and other services are comparable to the star hotel. Generally, these cruises emphasized two things i.e. Turnover and short-term passenger itinerary. These are further divided into three sub-categorized:

1. Short term cruises – Normally two to five days.
2. Standard cruises – For one-week duration.
3. Large cruises – Duration is from a week to two weeks.

2. Premium Cruises

Premium cruises are the second largest segment of cruise industry accounting for more than 40 percent of all cruise revenues. The duration of this cruise varies from one week to three months. Due to this, these cruises are known as upscale cruises. Their product and services are equivalent to its class resort, and hotel. Royal cruise, Star Cruises, Princess Cruises, Panama Canal Cruises are offering premium cruise service.

3. Luxury Cruises

Luxury cruises occupied a meager percentage of the cruise market. It may be due to its high-quality product and services and it focuses on long-haul itineraries for exotic destinations. These cruises are meant for elite people. The duration of itinerary may range from 6 months to 12 months. In spite of high prices, these cruises are more popular among the tourists and honeymooners. Luxury cruises are operated by the Royal Caribbean cruises, Crystal Cruises, Star cruises, etc.

4. Specialty Cruises

These cruises are launched to cater for the demands of specific interest passengers, such as newly married couple, whale watching, oceanography, scuba diving etc. The quality of products and services is comparatively low as other cruises. The duration of these cruises is very less but depending on the package.

Presently, there are more than 150 cruise ships with 90,000 cabins world over. The largest cruise lines is Royal Caribbean cruises liner (RCCL) with nine ships and have a capacity of 15,000 births. The Star Cruises is the 2nd largest cruise lines having five ships with 7000 births capacity; followed by Deluxe cruise lines, Crystal Cruises, Radisson seven seas cruises, Sea bourn cruises, Silver sea cruise and princes cruises etc.

2.3.3.3 Significance of Cruise Industry For Tourism

The tourism industry in many countries of the world has been profoundly helped by the cruise sector to shape the tourism product and to satisfy the sophisticated travelers.

The relationship between the cruise industry and tourism industry is, therefore, a highly complex subject involving a mixture of socio-economic factors, technological factors, market pressures, government policies, management attitude and tourist expectations.

The following points can be perceived pivotal for the significance of the cruise industry:

- Evolving cruise as a vacation option.
- Realizing the competitiveness.
- Development in MICE destinations.
- Image Conscious.
- Increasing the size of the cruise market.
- Alliances and Networking.
- Shifting tourist demands.
- Re-structuring ownership.
- Labor flexibility and Employment.
- Boom-bust cycles and tourism.

2.3.3.4 Process for Development of Cruise Tour Package

The development of air transportation and improvement in their technology in so far as safety, speed economy, and comfort are concerned have admittedly hurt the cruise industry. However, steamship travel remains as today's transportation of pleasure, relaxation, and comforts with service comparable to country's best hotels and resorts.

The cruise industry is now a resort or hotel activities that must be promoted as floating hotel/resort, not for just vacation at sea but a romantic interlude, wedding anniversary, mind-dazzling, nightlife, resort cruise, and a pleasure of meeting new people.

Many thousands of rupees are spent annually by the cruise companies to promote their products and services directly or, through the tour operators and travel agents but a crucial question remains unanswered. What should be included in the cruise package? How is it to be marketed? What will be the core ingredients? In many cases, tour operators failed to find the right mix of cruise package for their clients.

2.3.3.5 Standard Components of Cruise Tour Package

Cruise packages are developed to all clients such as honeymooners, nature lovers, students, adventurers, fitness/health conscious, sport minded, music lovers, special interests and education professional etc. Thus, a cruise company has to consider a wide spectrum of market demands.

Therefore, the components of a cruise package will vary from client to client and company to company. However, the following main components or ingredients can be drawn from the cruise packages offered by the most cruise companies and tour operators:

- Air travel or land arrangements.
- Cruise segments
- Accommodation
- Food and beverage
- Entertainment and recreation
- Deck games
- Swimming pool

- Health clubs
- Casino
- Films
- Music-dances
- Entertainment facilities for children
- Quiet lounges
- Sheltered decks
- Special Interest Theme
- Cricket
- Bridge
- Astronomy
- Education
- Library
- Shopping
- Other activities

Process of Cruise Tour Package Development

Developing cruise trips/tours, working with some other players; formulating effective marketing, managing and determining cost and price are the activities that are not easy to handle for the cruise company. However, if the manager approaches these in a planned and systematic way, tour designing will become a simple, and easy task.

2.3.3.6 Cruise Tour Itinerary

A well-planned cruise tour itinerary identifies embarkation points, ports of calls, types of cabin, cruise facilities, meal services, shore excursions, tipping, and other services. Gradually, the cruise itinerary combined with air travel and land arrangement to make it more attractive and effective.

However, individuals needs cannot be overlooked. Thus, in developing cruise tour itinerary, tour planners/cruise planners normally considered the market forces, cruise industry environment, and cruise reference tools. Moreover, a cruise planner keeps in mind the following facts while designing cruise itinerary:

- Name of the Cruise
- Sailing date
- Destinations
- Port of Embarkation
- Port of Termination
- Client choice client budget
- Legal formalities

Types of Cruise Tour Itineraries

Cruise tour itineraries are broadly categorized in the following types:

1. Short duration itineraries

2. Medium-haul – Short and long duration itineraries (7 night, 10 nights and above)
3. Long haul – Medium duration itineraries (7 months)
4. Transatlantic and Round the world itineraries (6 to 12 months)

Cruise tour itineraries are not limited only to sea but river cruise itineraries can be developed. The main rivers of the cruise are Amazon, Mississippi, Yangtze Kiang, Hung He, Nile, and the Rhine, etc.

Types of itineraries structured by cruise lines:

(a) perennial, responding to a region that is served throughout the year due to the resilient demand (with high/low periods) and stable weather conditions; Caribbean and to a lesser extent the Mediterranean are such markets

(b) seasonal, to serve periodical market potential in periods with good weather conditions; with the Baltic, Norway, Alaska and New England standing as typical examples and

(c) repositioning, between perennial or seasonal markets; a practice evident between the Caribbean and Mediterranean, and Alaska and Hawaii, though following the globalisation of the market in recent times has expanded to additional markets (i.e. Mediterranean and the Indian Ocean

2.3.3.7 Determination of Cruise Tour Package Cost and Price

Determination of cost and price of a cruise tour is one of the most difficult tasks of a cruise manager/planner. What should be the exact cost? What should be the right margin? These are the two important questions which a tour planner has to face. Total price must be perceived by the passenger to be reasonable.

The cruise planner must have information about the cost of required items. Thus, before determination of the cost of a cruise package tour planner considers the following factors:

- Length of Tour
- Types of accommodation
- Type and quality of facilities
- Position of cabin
- Density of ship
- Date of travel
- Government Policy
- Competitive forces
- Seasonality

A typical cruise package includes accommodation cost, meal cost, recreational and entertainment cost, activities for children and teenagers, port taxes, shore excursion cost, and airfare may also be a part of total cost. Thus, at first glance, it may seem an expensive package, but we must understand the cost represents not only the accommodation, food, and transportation but also entertainment together with other services and opportunities to visit a foreign port.

Cruise prices vary among cruise companies, depending on various factors and quality of product and services. More importantly, price depends on the selection of itinerary and standard of qualities. In cruise, segment price is not the main criteria but the quality of services is important.

Thus, a cruise package must create value for money to repeat clients. Generally, cruise companies adopt a mix of pricing strategies such as:

- Cost-oriented pricing
- Market-oriented pricing
- Product line pricings
- Competitive or seasonal pricing

2.3.3.8 Cruise Tour Sales and Marketing

The selling of cruise tour ticket is substantially different from the selling of airline ticket. One of the most important features relating to this is that the airline industry is well organized and regulated as compared to the cruise industry. Today, selling cruises are becoming easier and profitable than ever.

Due to competition, the cruise companies are offering more discounts and other promotional incentives to the passengers. Besides 15 percent commission, more incentives are offered to the tour operators or travel agencies by the cruise companies.

There is a minimum procedure involved in selling and booking cruise package. Like other means of transportation, cruise liner issue the ticket, and provide other information through cruise brochure such as accommodation, entertainment, travel insurance, foreign currency, travel tips, and so forth.

Thus, successful selling and booking steamship cruise requires knowledge of both passengers and cruise on which client will have the product services, comforts, and entertainment. Tour operators need certain information to book a cruise package about the client such as:

- Name of clients
- Itinerary
- Duration of tour
- Date of sailing
- Cabin choice
- Meal option
- Entertainment and Recreational activities
- Address with e-mail and telephone no
- Budget
- Other information which is mere relevant

After obtaining required information, tour operators negotiate with cruise lines/companies. He has various options – i.e. to select a cruise for any age group. A long cruise “**Round the World**” takes long-range planning while shorter cruise can be booked with 3 to 5 days or shorter notice. Tour operators or a travel agency follow a well defined and designed procedure for booking a cruise. The process may vary from company to company and point to point, but have many things in common.

2.4 Cruise Ticketing

Preparation and issue of cruise ticket is the last step in the process of cruise reservation. The cruise ticketing is mostly done by the cruise companies or by the tour operators/travel agencies who are authorized to hold stock and issue the ticket.

A cruise ticket is a legal contract between the cruise line and passenger, entitling him/her or groups, at a stated price, to travel and avail cruise facilities specified – i.e. cruise products or services during a set time. Thus, the acceptance of cruise ticket means acceptance of those terms and conditions which contained in the passage contract ticket.

A cruise ticket document includes or conditions the following items:

- Staterooms, inside, outside
- Food and Beverage
- Dining room seating
- Sports deck
- Movie
- Entertainment
- Social life
- Children's corner
- Teenager rooms
- Shopping
- Library
- Port of call
- Insurance
- Fare
- Date of issue
- Agent validation No.
- Address of tour operator
- Others

2.5 Factors necessary for the success of a Cruise port

A cruise port success relies on five different factors in order to succeed in becoming a chosen destination attracting calls and hosting cruise passenger movements. The factors are as follows;

1. **Location of the port (The extent to which the port is well positioned for integration in popular itineraries):** While cruise lines are interested in offering certain destinations, inclusion of ports in itineraries is also determined by the attractiveness of a port.
2. **Tourist attractiveness of the destination/region.** This is primarily determined by characteristics of the area (climate, social/cultural and/or natural factors, or proximity to touristic attractions), with the port industry and stakeholders having only a secondary influence, i.e. upgrading "tourist friendliness" via information and multilingualism availability.
3. **Accessibility of the destination/region.** Port proximity to airport that has airlifts to source markets, train station with good connections, and highways to serve the increasingly popular drive and cruise concept, might determine the potential of the port to host turnaround or just transit traffic.
4. **Port facilities and services on offer:** With different types of facilities expected from transit and turnaround ports, port fees stand as the fifth success factor. This is one of the most easily adaptable factor compared to the first three other success factors. A port that performs more poorly on location, tourist attractiveness and accessibility than another port is not likely to match the performance by making changes in facilities/services or fees.

5. **Geographical proximity to other cruise ports:** The conformity of its geographical location with the time and speed preferences of cruise lines, particularly the possibility to be included in itineraries involving several ports is a vital parameter, particularly for the development of a non-marquee cruise port. Today this formula results by the fact that ships ideally travel at 18 knots for 14 hours. This means that the maximum overnight distance is 252 nautical miles, whereas with the high speed of 20 knots the maximum overnight increases 280 nautical miles.

2.6 Challenges facing Cruise Port

The existing challenges to be addressed are of operational, social and environmental nature.

1. **Operational challenges:** Cruise ports and destinations aim to host an increased number of passengers. While the benefits, in term of spending at destinations are profound, this growth might be associated with congestion and related externalities. In small picturesque destinations cruise calls might mean the relatively unpleasant situations of a crowded location at certain days or hours, even distortion of other tourist activities. In bigger ports this might take the form of congestion at the time of arrival of bigger ships on which thousands of people are cruising. The arrival of two average size cruise vessels at a given port means more than 6 000 passengers disembarking at the same time. Without effective planning, during some days these destinations are subjected to the pressure and the negative effect of too many passengers that can hardly be accommodated in a way allowing for a positive experience.

2. Stakeholders' coordination: A number of complex challenges exist, in so far as the relations between cruise lines and ports are concerned. Resolving most of the problems demands more than an agreement on some technical issues. It also demands the development of two types of coordination. The first one is the coordination between cruise ports and cruise lines in order to synchronize the system at the port and the operations taking place at the port terminal; and systematic action to successfully address them is subject to coordination. The second one is the coordination of tourist destinations, including local public authorities, museums, retailers and, foremost transport service providers (coaches, buses, taxis) and travel related industries, so as to create a pleasant experience for cruise passengers and smooth embarkation and disembarkation processes.

3. Interaction of destinations and passengers: A key question refers to the forms of the interactions that hosting destinations develop with cruise passengers so as to secure an increased benefit for cruise destinations. These benefits do not result in direct spending alone. They also result in an improvement of the image of the destination with long- term benefits. From a non-monetary perspective, offering to multi-cultural cruise passenger groups an experience sharing the local culture, rather than simply copying and enforcing cruisers own home- town habits and preferences, or even offering a selection of which of the two he would like to experience, is important. Cruise lines serving specific destinations benefit from improved passengers satisfaction rates, so they have all the potential to be involved in partnership with ports and other stakeholders to improve the attractiveness of the experiences of their passengers.

4. **Expanding capacity in line with local economic development**

strategies: Securing most of the potential local gains via an expansion of the cruise activities requests a consensus of how this might be done and how it might be integrated with the local economic development strategies. Destinations and cruise ports have no unlimited spaces for the development of all different activities that they might wish to advance. There is frequently a restriction of space, either at the city or its waterfront, or at the port. Given this appreciation, citizens' objections to develop tourist activities or related infrastructures (parking slots, restricted access zones etc.) are not rare.

5. **Addressing social challenges:**

The expansion of cruise activities has not left unaffected the image of cruising. The elite activity of some passengers per year has been replaced by the mass transportation of thousands of cruise passengers at once. A community's decision to seek cruise ship visits requires a number of industries to be involved but will also affect many, either directly or not. It might displace current activities by other tourists or by local residents, causing changes in costs, access and variety. These changes can be positive or negative, i.e. overloading dock facilities or causing improved ones to be built; creating new services, or pricing the locals out of existing ones. The same change may be viewed as positive by those who benefit and negative by those who may not benefit. All these lead to societal approaches that conceive cruise growth being associated with the deterioration of the quality of life.

6. **Application of innovative technologies:**

Continuous improvements in the port and its associations with hinterlands are subject to the application of innovative

technologies. Infrastructures, such as mobile gangways and the innovative application of existing technologies so as to further lower the environmental impacts of a growing economic activity might provide competitive edge to a particular port or destination. The development of smart, technologically advanced, cruise ships might be a game changer. On the one hand, key innovations, such as the online check-in are already applied in specific cases. On the other hand, a wide spectrum of applications that would advance further smart operations, i.e. practical information, on-board entertainment, luggage tracking, tour transfers, last minute shore excursions offers or handling support systems, deserve investments, technological advancements and innovative applications of any technological advancements. Providing smart experiences and taking advancement of technological adaptations cruises broaden the target groups and increase passenger numbers. The path towards innovation and digitalization for the cruise, sector, includes stakeholders cooperation, skills training development, research based policy decisions and promotion of innovative information and communication technologies.

7. Limitation of environmental externalities

In recent times the environmental impacts generated from port and maritime operations have received attention. Ports in particular are economically, socially, culturally and administratively complex organizations considered as the source of multiple environmental, economic and social impacts. The emerging question is how can cruise shipping, ports and the related economic chain operate efficiently, within a socially responsible and acceptable framework? The various environmental externalities refer to the handling of waste produced, water quality, air emissions,

noise, and soil, whereas other issues (i.e. constructions that alters natural or build environment, fauna, energy resources, etc.) are also part of the relevant agendas.

(a) Waste reception: A key issue on the relation of cruising and the environment is the development of effective policies and practices for the collection and handling of the on-board produced waste and garbage. The amount and types of waste might vary from one cruise ship to another, yet cruises are generators of the highest amount of garbage. A cruise ship with 3000 passengers and crew generates about 50 tonnes of solid waste in a single week. An average cruise passenger generates a minimum of one kilogram of solid waste plus two bottles and two cans per day and an average of 50 tonnes of sewage (black water) per day. As cruise activities grow, the size of the waste produced during every single cruise is such that cannot be ignored.

(b) Air emissions: Port and shipping related emissions have attracted the vast interest of decision makers and port-cities that experience the negative externalities of port and port-related operations. Without counter measures, emissions of sulphur oxide (SO₂) and nitrogen oxide (NO₂) of the shipping industry would exceed all other emission sources in transport and result in bad air quality in ports and their surroundings. When emissions from shipping represent up to 50% of local emissions, the use of technology that already exists would decrease these emissions by a notable level. Cruise shipping is a relatively large emitter, due to large hotel load. Even though the average emissions in port account are comparatively low, the fact that cruise terminals are often close to city centers means that the exposure of human beings might be on the higher side.

(c) Noise emissions: There are different noise sources on ships during their dockage at ports, classified as diesel generator engine exhaust, ventilation inlets/outlets and secondary noise sources, e.g. pumps or reefers. Cruise ship operations generate disturbing noise for nearby areas and the crew, whereas they are also a source of low frequency noises.

Self-Assessment Exercises (SAEs 1):

1. Identify four types of Cruise Operation and explain each of them.
2. What are those facts that cruise planner keeps in mind while designing cruise itinerary?
3. In what ways is cruise tour itinerary broadly categorized?
4. List those factors that determine cruise tour package cost and price.
5. Clearly explain the five factors that cruise port relies on to succeed.



2.7 Summary

This unit discussed airline operations, various aspects of airline operations, categories of airline services in Nigeria, types of airlines, factors constraining airline operation and safety, International Civil Aviation Organization (ICAO), International Air Transport Association (IATA), advantages of air transport, cruise operations, history of cruise tourism, types of cruise, types of cruise tour packages, significance of cruise industry for tourism, process for development of cruise tour package, standard components of cruise tour package, cruise tour itinerary, determination of cruise tour package cost and price, cruise tour sales and marketing, cruise ticketing, factors for cruise port to succeed and challenges facing cruise port.



2.8 References/ Further Readings

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2.9 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The following are the types of Cruise Operation

A. Volume Cruise

As the name indicates, volume cruises concentrate on volume turnover. That is why these are called mass market cruises. Sixty five percent of all cruises are volume/mass market cruises. These cruises are very popular in the Caribbean sea, Asia Pacific and South East Asia. In such cruises, accommodation and other services are comparable to the star hotel. Generally, these cruises emphasized two things i.e. Turnover and short-term passenger itinerary. These are further divided into three sub-categorized:

- a. Short term cruises – Normally two to five days.
- b. Standard cruises – For one-week duration.
- c. Large cruises – Duration is from the week to two weeks.

B. Premium Cruises

Premium cruises are the second largest segment of cruise industry accounting for more than 40 percent of all cruise revenues. The duration of this cruise varies from one week to three months. Due to this, these are known as upscale cruises. Their product and services are equivalent to its class resort, and hotel. Royal cruise, Star Cruises, Princess Cruises, Panama Canal Cruises are offering premium cruise service.

C. Luxury Cruises

Luxury cruises occupied a meager percentage of the cruise market. It may be due to its high-quality product and services and it focuses on long-haul itineraries for exotic destinations. These cruises are meant for elite people. The duration of itinerary may range from 6 months to 12 months. In spite of high prices, these cruises are more popular among the tourists and honeymooners, Luxury cruises are operated by the Royal Caribbean cruises, Crystal Cruises, and Star cruises etc.

D. Specialty Cruises

These cruises are launched to cater for the demands of specific interest passengers, such as newly married couple, whale watching, oceanography, scuba diving. The quality of products and services is comparatively low as other cruises. The duration of these cruises is very less but depending on the package. Presently, there is more than 150 cruise ship with 90,000 cabins world over. The largest cruise lines is Royal Caribbean cruises liner (RCCL) with nine ships and have a capacity of 15,000 births.

2. Cruise planner keeps in mind the following facts while designing cruise itinerary:

- Name of the Cruise
- Sailing date
- Destinations
- Port of Embarkation
- Port of Termination
- Client choice client budget
- Legal formalities

3. Cruise tour itineraries are broadly categorized into the following types:

- i. Short duration itineraries
- ii. Medium-haul – Short and long duration itineraries (7 night, 10 nights and above)
- iii. Long haul – Medium duration itineraries (7 months)
- iv. Transatlantic and Round the world itineraries (6 to 12 months)

4. Factors that Determine Cruise Tour Package Cost and Price are:

- | | |
|-----------------------------------|----------------------------|
| i. Length of Tour | vi. Types of accommodation |
| ii Type and quality of facilities | vii. Position of cabin |
| iii. Density of ship | viii. Date of travel |
| iv. Govt. Policy | ix. Competitive forces |
| v. Seasonality | |

5. The five factors that cruise port relies on to succeed are:

- i. Extent to which the port is well positioned for integration in popular itineraries (location of the port): While cruise lines are interested in offering certain destinations, inclusion of ports in itineraries is also determined by the attractiveness of a port.
- ii. Tourist attractiveness of the destination/region. This is primarily determined by characteristics of the area (climate, social/cultural and/or natural factors, or proximity to touristic attractions), with the port industry and stakeholders having only a secondary influence, i.e. upgrading "tourist friendliness" via information and multilingualism availability.
- iii. Accessibility of the destination/region. Port proximity to airport that has airlifts to source markets, train station with good connections, and highways to serve the increasingly popular drive and cruise concept, might determine the potential of the port to host turnaround or just transit traffic.
- iv. Port facilities and services on offer: With different types of facilities expected from transit and turnaround ports, port fees stand as the fifth success factor. This is one of the most easily adaptable factor compared to the first three other success factors. A port that performs more poorly on location, tourist attractiveness and accessibility than another port is not likely to match the performance by making changes in facilities/services or fees.
- v. Geographical proximity to other cruise ports: The conformity of its geographical location with the time and speed preferences of cruise lines, particularly the possibility to be included in itineraries involving several ports is a vital parameter, particularly for the development of a non-marquee cruise port. Today this formula results by the fact that ships ideally travel at 18 knots for 14 hours. This means that the maximum overnight distance is 252 nautical miles, whereas with the high speed of 20 knots the maximum overnight increases 280 nautical miles.

UNIT 3 COACH OPERATIONS

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3.1 Introduction

In the preceding unit, we discussed cruise operations, history of cruise tourism, types of cruise, types of cruise tour packages, significance of cruise industry for tourism, process for development of cruise tour package, etc. This unit focuses on the coaches operations, difference between a coach and a bus, types of buses and coaches and coach travel benefits.



3.2 Learning Outcomes

By the end of this unit, you will be able to;

- Understand coach operations
- Write the functions of coaches and buses
- Evaluate the difference between a coach and a bus
- Explain the types of buses and coaches
- Discuss the coach travel benefits.



3.3 Coaches Operations

3.3.1 Concept of Coach Operations

A coach (or motor coach) is a bus used for longer-distance service, in contrast to transit buses that are typically used within a single metropolitan region. Often used for touring, intercity, and international bus service, coaches are also used for private charter for various purposes. It is guided bus tour for a group of holidaymakers that follow a scheduled itinerary.

Coach traveling uses the same road network as cars. Coaches are well suited for local mass tourism but can be perceived as a nuisance if in too large numbers since they require a large amount of parking space. They can be used for short duration local tours (hours) but also can be set for multi-days journeys where the coach is the conveyance moving tourists from one resort to another.

3.3.2 Functions of buses and coaches

Buses:

- Operate on a regular schedule
- Typically travel along the same route in a circuit
- Are constrained to operating within one metropolitan area
- Stop at regular intervals to pick up and drop off members of the public
- Are for public use

Coaches:

- Do not operate on regular schedules
- Are typically used for travelling longer distances, often between cities
- Are not constrained to one metropolitan area
- Rarely makes stops on journeys
- May be used for private charter

3.3.3 Difference between a Bus and a Coach

Coaches and buses are both used for carrying passengers from place to place. The differences between a bus and a coach may be hard to recognize, especially when coaches are often confusedly referred to as buses and the terms are used interchangeably. However, buses and coaches differ in service, comfort, distance, appearance, features and time schedule.

Services

Buses usually operate as part of a scheduled service, dropping off and picking up at various, frequent intervals, such as a school bus or public transportation bus. Coaches refer to a more luxurious form of bus. Coaches may make stops, but they tend to be more infrequent. Coaches are more likely to be chartered for long distances, such as between cities or even between countries.

Comforts

Coaches provide comforts that buses do not have. Due to the length of journey coaches make, they often provide toilets, DVD players, air conditioning and in some cases wireless Internet access. Coaches typically have cavernous luggage compartments beneath the passenger area. Coaches are often equipped with larger, comfortable plush seats, while buses have more standard two- and three-seat bench-style seats. Buses rarely have extra storage room or amenities. Due to the comfort and ease of travel offered by coaches, they are more expensive than buses. Buses may charge a ride fee each time you get on or leave the bus, while coach tickets may be a one-time cost for an extended journey, bought in advance and presented before you board.

Distance

A coach (or motor coach) is a bus used for longer-distance service, in contrast to transit buses that are typically used within a single metropolitan region. Often used for touring, intercity, and international bus service, coaches are also used for private charter for various purposes.

Appearance

You can usually differentiate between a bus and a coach by looking at them. Coaches are typically much larger than buses (though mini-coaches are smaller by design) and this is because of their ample storage space. Coaches and mini-coaches facilitate long-distance travel by providing space for passengers to store luggage.

Features

Coaches have more features than buses. Because they are typically used for travelling longer distances, coaches place more of an emphasis on comfort and entertainment. Coaches are often equipped with larger, more comfortable seats, whereas buses possess standard two and three-seater, bench-style seats. Though it will differ between makes and models, the following features are commonly found on a coach:

- Toilets
- TVs
- DVD players
- Air conditioning
- Wireless internet access

Time Schedule

Buses operate on a regular schedule and stop at regular intervals to pick up and drop off members of the public while coaches do not operate on regular schedule and rarely makes stops on journeys

3.3.4 Types of buses and coaches

In order to determine the type of coach to hire for your trip, you should have a closer look at the specifications below. You will find a short description of the various coaches and for what kind of trips they are suitable for.

1. **MINIBUSES (14 to 19 passengers):**

This size of coaches has a **capacity of 14 to 19 passengers**. It is the perfect size for smaller groups of travelers. These coaches are suitable for:

- Summer- and winter holidays, nationally and internationally
- School excursions
- Company events
- Sports arrangements
- Bachelor parties
- Family trips

These buses have much lower fuel consumption than a coach, which is why they are cheaper to operate and drive. Another advantage is that this type of bus is much more agile. They can operate in narrow streets, where a coach cannot go.

2. TOURIST COACHES (49 – 54 passengers)

This type of coach is suitable for an excursion. For any excursion, hiring a coach is the right choice for you. This fleet contains coaches between 49 and 54 passengers, which is perfect for the medium size group, requesting a certain level of comfort.

3. DOUBLE-DECKERS (78 - 89 passengers)

This type of coach is perfect for huge group. Double-deckers have capacity of 79 to 89 passengers. This coach will give a good comfort and guarantee a low price for each passenger.

4. SMALL MINIBUSES (7-9 passengers)

Do you need to go on a trip with a small group? Then, renting a small minibus is the obvious choice. This fleet has sufficient luggage space. They are equipped with automatic gearbox, cruise control, dark tinted side windows, climate control, AUX plug etc. This size of bus has provision for changing the seat layout with 3 seats vis á vis.

3.3.5 COACH TRAVEL BENEFITS

Coaches are a rather luxurious alternative to train and airplane travel, but without the hefty price tags or stresses that come with modern travel arrangements. Regardless of whether you're heading out on a day excursion with your friends or family, off on your holidays, or even just commuting to and from the office, coach travel is becoming an increasingly popular method of travel.

Coach travel offers a fantastic range of benefits, many of which outweigh the fuss of other modes of public transport or the cost of running a car. Such benefits include:

1. Fuss-free travel

When travelling by coach, you're able to sit back, relax, and let someone else deal with the roads. Instead of worrying about whether you've taken the right exit, or if you're in the right lane, you'll be able to soak up the views and socialize with other passengers. Coach travel is very relaxing - you remove the worry and stress that can come from taking to the roads yourself, and leave it in the very capable hands of your experienced driver.

2. Plenty of storage space

One of the other major benefits of coach travel is that you're not hindered by small cars or boot spaces, allowing you to take more items with you (within reason).

For example, if you're heading off on a short vacation and only have a small car, you may struggle to fit the most essential items amongst your suitcases, such as pushchairs, walking sticks, or sports equipment. The benefit of coach travel is that they have large storage compartments, allowing you to take all your essentials with you.

Just remember to check your baggage allowance with the tour provider if going away for a coach holiday so that you do not inconvenience other passengers by occupying the whole storage space.

3. Enjoy the scenery

When driving long distances, there's no doubt that you'll pass some beautiful countryside - but how much of it will you realistically be able to soak up when you're in the driver's seat?

Travelling by coach allows you to sit back and soak up the views as you pass the rolling countryside. The added bonus of coach travel is that you're typically sitting much higher from the other cars on the road - allowing you to catch the very best views.

4. Cheaper way to travel

Coach travel can be a more cost effective way to travel nowadays. This especially true for commuters who can cut the fares of rising air or rail ticket prices but ensure they get the comfort of their own seat- and often with charging facilities for their electronic devices. Even if you have access to your own car, when you calculate the price of petrol, tax, service fees and where necessary - congestion charge - it all adds up to be a rather costly way to travel.

When travelling by coach - whether as a commuter or passenger going on holiday, you only make one single payment, with the cost of these taxes and maintenance fees shared between you and other passengers. Of course, prices vary depending on the time you travel and the distance you're planning to travel. But for families or group travel bookings, you can usually secure a group-booking discount which still makes this a cheaper travel option.

5. Safety

Many people ask; "is coach travel safer than car?" And in many aspects, yes it could be considered safer than car travel. Aside from the obvious vehicle safety differences, coach travel is often considered a safer mode of transport because of the person driving. As an individual, if you don't know the roads you're on or aren't confident on where you're going, you could find yourself feeling unsafe or not relaxed.

But with coach travel, you can have peace of mind, knowing you are being transported by a professional driver who has experience in navigating the roads. By law, they'll be engaging in regular coach driver training and health checks, ensuring they're evaluated as safe drivers that are fit to work.

6. Comfort

By far one of the most beneficial reasons to travel by coach is the level of comfort you can experience. Coach travel far outweighs the comfort of train and bus travel, with their plush modern interiors. Coaches are very spacious, well-maintained, and offer air-conditioning for a comfortable journey. Some luxury coaches also come with on-board drink facilities, a W/C, and on some, a TV/DVD player - offering everything you need for great travel experience.

In this sense, travelling by coach allows you to arrive at your destination feeling relaxed and refreshed - ready to take on whatever the day ahead throws at you. This can be especially beneficial for commuters, who often arrive at the office feeling hot and weary after being crammed onto trains with limited seating availability.

7. Parking

A huge advantage of coach travel is that it completely eradicates the need to worry about parking. Often, cities have great coach drop-off bays, located close to all the popular local amenities, allowing you to make the most out of your time there. Usually, your friendly coach driver will drop you off and pick you back up from the same spot at a set time, and it's often only a short walk from the area you want to go and explore.

Unlike when driving your car, especially into a city, often you struggle to find a parking space and at the cost of parking or parking at the owner's risk.

8. Reduces your environmental impact

Over the past few years, lots of research has been carried out to look at ways to reduce the environmental impact our growing population is having on the planet, with coach travel being named as one of the best transport solutions.

A coach may be a large vehicle, but it has the ability to carry a large haul of passengers. If all those passengers had their own cars and travelled individually, there would be a significant increase in their carbon footprint. Also, many modern coaches are fitted with devices to help reduce the amount of harmful pollutants they produce.

9. No need to research itineraries

For individuals looking to take the fuss out of planning a trip, then booking a holiday or day excursion with a coach company is certainly the option for you. When you book your transport with a coach operator, they usually arrange all travel, accommodation and any entrance tickets you may need during your trip - which will be included in the price of your ticket. They'll also usually be on-board and travel with you to ensure everything runs smoothly and answer any questions you may have about the trip.

They'll also be available to contact throughout the trip and guarantee all your concerns are met and dealt with - so you can enjoy a fuss-free day or break with your friends and/or family.

10. One smooth journey

Coach travel eliminates all the fuss of having to check-in or have your baggage checked with unlike cruise or air traveling. As long as you have the necessary documents prepared for when you arrive, the travel operator will usually handle the rest for you.

There'll be no need to haul your luggage off the coach and through airport scanners, or battle with trying to rush through customs. Instead, you can enjoy one relaxing journey from start to finish - with plenty of comfort breaks along the way to allow you to stretch your legs and soak up some fresh air.

11. Convenient pick-up locations

With coach travel, many companies offer convenient pick-up locations located close to your home, reducing the amount of time and fuss needed to hop on-board. For commuters, those extra minutes in the morning or night are essential in helping you feel refreshed and stress-free.

For those going on holiday via coach, the tour operator may even arrange taxi or minibus travel from your home to the coach depot or pick-up location, meaning you can forget all worries about how to get to the vehicle with your suitcases.

Self-Assessment Exercise (SAEs 1):

1. List the functions of coaches and buses.
2. How can you differentiate between a coach and a bus?



3.4 Summary

This unit discussed coach operations, functions of coaches and buses, the difference between a coach and a bus, types of buses and coaches and coach travel benefits. Tourism activity also relies on coach transportation to bring tourists to tourist sites which contributes equally to tourist

experience. Carrier can turn into a separate tourist attraction element such as cruise operation, airline operations and coach operations.

3.5 Glossary

Cabin - Cruise ship room which is similar to hotel room but more compact than hotel rooms. There are four basic types of cruise cabins: inside cabins, outside cabins, balcony cabins, and suites.

CapEx - Capital expenditures are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company

Cruise: A vacation involving a voyage by sea, on a lake, or on a river.

Destination: Point of arrival for a traveler or tourist.



3.6 References/ Further Readings

Rodrigue, J. (n.d) B.7–Tourism and Transport From
<https://transportgeography.org/contents/applications/tourism-transport/>



3.7 Possible Answers to Self-Assessment Exercise(s) (SAEs)

Answers to SAEs 1

1. The functions of buses and coaches are listed as follows;

Buses:

- I. Operate on a regular schedule

- II. Typically travel along the same route in a circuit
- III. Are constrained to operating within one metropolitan area
- IV. Stop at regular intervals to pick up and drop off members of the public
- V. Are for public use

Coaches:

- I. Do not operate on regular schedules
- II. Are typically used for travelling longer distances, often between cities
- III. Are not constrained to one metropolitan area
- IV. Rarely makes stops on journeys
- V. May be used for private charter

2. A coach and a bus can differ in service, comfort, distance, appearance and features as follows;

i. Services: Buses usually operate as part of a scheduled service, dropping off and picking up at various, frequent intervals, such as a school bus or public transportation bus. Coaches refer to a more luxurious form of bus. Coaches may make stops, but they tend to be more infrequent. Coaches are more likely to be chartered for long distances, such as between cities or even between countries.

ii. Comforts: Coaches provide comforts that buses do not have. Due to the length of journey coaches make, they often provide toilets, DVD players, air conditioning and in some cases wireless Internet access. Coaches typically have cavernous luggage compartments beneath the passenger area. Coaches are often equipped with larger, comfortable plush seats, while buses have more standard two- and three-seat bench-style seats. Buses rarely have extra storage room or amenities. Due to the comfort and ease of travel offered by coaches, they are more expensive

than buses. Buses may charge a ride fee each time you get on or leave the bus, while coach tickets may be a one-time cost for an extended journey, bought in advance and presented before you board.

iii. Distance: A coach (or motorcoach) is a bus used for longer-distance service, in contrast to transit buses that are typically used within a single metropolitan region. Often used for touring, intercity, and international bus service, coaches are also used for private charter for various purposes.

iv. Appearance: You can usually differentiate between a bus and a coach by looking at them. Coaches are typically much larger than buses (though mini-coaches are smaller by design) and this is because of their ample storage space. Coaches and mini-coaches facilitate long-distance travel by providing space for passengers to store luggage.

v. Features: Coaches have more features than buses. Because they are typically used for travelling longer distances, coaches place more of an emphasis on comfort and entertainment. Coaches are often equipped with larger, more comfortable seats, whereas buses possess standard two and three-seater, bench-style seats. Though it will differ between makes and models, the following features are commonly found on a coach: Toilets, TVs, DVD players, Air conditioning, Wireless internet access etc.