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Chapter 1

Overview of Travel and Tourism Intermediaries

1.1 Meaning and nature of Travel and Tourism Intermediaries

Tourism requires a wide range of tourism related services. Tourism suppliers need to approach their potential customers and meet their needs effectively and efficiently. However, this task is not so simple because of the vast geographical distance between the suppliers and the consumers, as consumers spread all over the globe.

This demands intermediary to link the suppliers and consumers/tourists. This link in the tourism system is the intermediary. The intermediary is called tour operator or travel agent. They form the channel of distribution or the place from where the tourism offerings are made available to the consumer. Their role is to bring the consumers or buyers and sellers or suppliers together. Travel agents; either working for a travel agency or individuals working on their own; assist their clients in planning their trips, planning the tour itineraries, making reservations for airlines, hotels, and other services.

They sell a variety of travel products and services and help their clients in turning their dreams into reality.

The tour operator play an important role in the development and promotion of travel sales. They put together all the components of the tourism product and sell them to the tourists. The tour operator thus organizes the travel for the consumer.

The tour operator are also referred to as ‘travel consultants’, travel counselors’. tour operator serve as a link between the travel suppliers and the tourists. Hence, a tour operator is like a retail store, with a uniqueness; that it serves on behalf of both the suppliers and the consumers. For example, a client walks into a tour operator/ travel agency for booking tours.

The tour operator after getting an initial booking amount from the client will book the air tickets/ rail tickets, arrange for a pick-up from the airport/rail station, make reservation at the hotel, book a vehicle for sightseeing, etc.

Thus the tour operator has not only served the tourist but also given business to the airlines/railways, transport operator, hotel, etc. Each and every tourist does not have the time to book and arrange for the travel and the suppliers also cannot get in touch with every potential customer.

1.2 Historical background of Travel Agencies and Tour Operators

The business of travel agency or tour operation was taking place much earlier in history, although the term dates to early 19thC.

1670-the 'Grand Tour' concept was developed especially for educational purposes.

1730-health experts suggested that sea water is found to 'cure' many diseases.

1841- a fortunate day in the history of travel trade when Thomas Cook, as secretary of the South Midland Temperance Association, organized a trip by train for 570 members of the association, to a distance of 22 miles from Leicester to Loughborough in England.

He brought railway tickets in bulk with discount price to sell them back to people.

The experiment was successful and everybody was overjoyed.

Mr. Cook has done this job on a nonprofit basis.

But, incidentally, it gave him a new idea and he turned it in to a tour business.

1843-Cook set up 'World's First Travel Agency' to organize excursions.

During this time, he took nearly 3000 school children on a trip from Leicester to Derby in England.

Due to this innovative approach, Mr. Cook is known as the Father of Travel Agency Business.

He coordinated railway and steamship excursions throughout England.

However, the railways gave him only 5% commission which was not enough to cover overheads.

So, he decided to diversify his business in to tour operation.

1855-Mr. Cook started operating package tours. He conducted world's first international tour from England to Paris. He negotiated with transport and accommodation providers, as he knew each provider want to fill their seats and rooms, respectively.

1.3 Selected terms & abbreviations used in travel and tourism business

Reservation Records

FIT	Foreign Independent Tour (Ref. Package Tour) An international tour planed exclusively for a client by a travel agent
DIT	Domestic Independent Tour A custom-made tour of a part of Ethiopia planed exclusively for a client by a travel agent
MICE	Meetings & Incentives Conference Exhibitions The arrangements of convention centers, hotels, sightseeing and so on for the participant of international meetings and conventions
RQ	Request
WL	Waiting List
OB	Overbooking To sell more seats of rooms than are available *Airlines & Hotels are afraid of someone's cancel, so they sometimes make reservations over their capacities.
Pax	Number of Passengers
FD	Full Day
HD	Half day
MT	Meeting with guests (mainly at airport)
TRF	Transfer
S/S	Sightseeing
HTL	Hotel
RCFM	Reconfirm
Meal	BB: Breakfast, LL: Lunch, DD: Dinner
FB	Full Board Including all meals during staying
HB	Half Board Including Breakfast and 'Lunch or Dinner'
T/C	Tour Conductor (Coordinator)
T/L	Tour Leader
FOC	Free of Charge
CIQ	Customs, Immigration, Quarantine

Air Reservation & Ticketing

Airline Code:

Each Airlines have own Airline Codes based on IATA's rule. For example, Ethiopia Airline is ET, British Airways is BA.

Airport Code:

Each Airport have own Airport Codes based on IATA's rule. For example, Adiss Ababa is ADD, Gondar is GDR.¹

OW One Way (ADD/GDR)

RT Round Trip (ADD/GDR/ADD)

CT Circle Trip (ADD/BHD/GDR/LLI/AXU/ADD)

Ethiopia Airlines (ET) has several discount fares for Circle Trip (CT) Travelers.

OJ Open Joe (ADD/BHD//GDR/ADD)

Some tourist moves to another city without using airplanes.

CRS Computer Reservation System

Recently, all Airlines use the Computer Reservation System (CRS) to manage their records. Large-scale Airlines such as United Airline (UA) have their own reservation systems, but small-scale Airlines use other airline's reservation systems.

PNR Passenger Name Record

PNR includes Name (Family Name / First Name), Flight Segment and Status. PNR are made by CRS.

Flight Segment

Flight Number, Date, Departure & Arrival City, Departure & Arrival local time, and Status

Status (Record)

HK, HL, PN, NN, KL, KK, RR and others²

Status (Ticket)

OK, RQ, SA, NS³

Class Category

First (F), Business (C, J), Economy (Y, etc.)

There are many Class Categories up to Airlines and Fare Bases.

¹BHD: Bahar Dar, LLI: Lalibela, AXU: Axsum, etc.

²HK: Direct Confirmed, HL: Waiting List, PN: Pending, NN: Request, KL: Confirmed(HL→HK), KK: Confirmed(PN/NN→HK), RR: Reconfirmed etc.

³SA: Stand-By, NS: No seat for infant

Fare base

There are various prices of tickets. Some kinds of tickets are limited the term of validity, but the price is cheaper than normal fares.

- Normal Fare: Basic Tour Fare
- IT Fare: Inclusive Tour Fare (GIT, IIT)
- PEX Fare: Special Excursion Fare
- APEX Fare: Advance Purchase Excursion Fare
- Zone PEX Fare: Fare that was set up based on PEX fare by each Airlines
- Child Fare: For 2-11 years old, 67% of Adult
- Infant Fare: For 0-1 years old, 10% of Adult, NS
- Youth Fare: For 12-26 years old
- Student Fare: For student
- Add-On Fare: Surcharge for an additional Flights

Seat Assignment

Window Seat, Aisle Seat

Air Report

Weekly Sales Report for Airlines

TL Time Limit

Airlines make a time limit to issue the ticket after reservations. If the ticket is not issued until TL, the reservations will be canceled.

Local Contact (Abbreviation is not unified.)

Airlines need the contact telephone numbers in both of the departure and arrival places.

SSR, OSI

Request for Airlines from users

SSR: Special Service Requirement

OSI: Other Service Information

RMKS Remarks

Message for Airlines from users

FFP Frequently Flyer Program

A program that awards travelers free-travel, discounts, up-grade for flying a certain number of miles on a single airline; Sheba Miles/ET

Hub A central airport used by an airline as a connecting point to route passengers to their destinations

MCT Minimum Connecting Time

Minimum time to transit at the airport for passengers

ROE Rate of Exchange

Air fares are based on local currency. So, NUC is used in the case which itinerary sits astride in 2 or more countries. Therefore, we must convert the every currency into NUC to use ROE.

NUC Neural Unit of Construction

Numerical value used only for fare calculation

MPM Maximum Permitted Mileage

The longest mile with the official fare

TPM Ticketed Point Mileage

The mile between the areas that is written to the air ticket

GI Global Indicator

There are some kinds of air fares for one-way in the Tariff, because the air fare differs by the rout. GI shows the routing ground.⁴

TC1: Tariff Conference 1

Western Hemisphere; America Continent etc.

TC2: Tariff Conference 2

Eastern Hemisphere; Europe, Middle East, Africa etc.

TC3: Tariff Conference 3

Asia Area other than TC2; Asia, Oceania etc.

Issue & Sales

S: Sale T: Ticket issue

I: Inside country of commencement of international transportation

O: Outside country of commencement of international transportation

SITI: Sale/Inside & Ticketing/Inside

SITO: Sale/ Inside & Ticketing/Outside

SOTI: Sale/Outside & Ticketing/Inside

SOTO: Sale/Outside & Ticketing/ Outside

Hand baggage & Excess

Passengers can carry their personal luggage with them on FOC. This limit is 20kg for economy class passenger; 30kg for business class; 40kg for first class on IATA's rule,

⁴EH: Eastern Hemisphere, AT: Atlantic, PA: Pacific, AP: Atlantic & Pacific etc.

but some airlines make their own limits such as Ethiopian Airlines (30kg for Y, 40kg for C, 50kg for F). Normally, Excess fare is 1% of the first class normal fare.

No-Show: A person who makes a reservation but fails to use it

Chapter: 2

Tour Operation Products

A tour product is different from most other product because what is being sold is the consumption of an experience rather than tangible product. The “product” is primarily service-based. This means that the customer often walks away from the tourism offering with only a memory or experience.

An example of this would be a tourist’s overnight experience at a bed and breakfast. The bed and breakfast establishment will offer a meal, a wakeup call, or possibly advice on local tourist attraction in the area. All of which are forms of services. So when we talk about “tourism product’ it means the combination of products and particularly services, which make up the total experience.

The Tour operator’s product is different to that sold by other business in many ways and understanding this will go a long way to being successful

1. What you are selling is an *intangible product* that must be bought blind because it cannot be seen, touched or experienced by the consumer before use. Instead, tour operators prepare brochures which represent their products in words and pictures. These brochures cannot accurately give an impression of how any one particular client will experience the product, so sellers are often described as selling dreams. Buying a holiday is like buying a bar of chocolate; only memories are left after the product is consumed.
2. You are selling a *discretionary product*, meaning that the clients do not have to buy it in the same way that they do food or fuel. When finance are tight or during a recession, they may choose to spend their money that would have gone on a holiday on other consumer durables such as compact disc player or new washing machine.
3. It is not a *heterogeneous product*. You could buy a refrigerator like your neighbor’s and expect it to look identical and operate in exactly the same way, but holidays are by their very nature varied. Anyone coming to Ethiopia on a historical and cultural tour will have a different experience whether they come in July or October, even if they went with the same operator, stayed in the same hotels and ate at the same restaurants.

4. It is a ***perishable product***. Holidays are only saleable up to the date of the flight departures, especially if you organize fixed date trips.
5. Package holidays suffers from ***inseparability***. The behavior of everyone involved in the product, from the hotel porter to the vehicle driver can have an effect on the outcome of the experience. If we purchase a washing machine, our enjoyment of the product will not be reduced by an irritating plumber how installs it.

2.1 Package holiday

A tour package is a product of tour operator. It refers to travel service sold as a package, where many services are bundled together for the convenience of travelers who don't wish to spend time making their own arrangement. Package tour may be sold both to group travelers and independent travelers.

Package holiday is a fixed price salable travel product that makes it easy for traveler to buy and enjoy a destination or several destinations. Packages offer a mix of elements like transportation, accommodation, restaurants, entertainment, cultural activities, sightseeing and car rental.

Packaging tours is an innovative business concept that has gained worldwide visibility since it was first introduced in the mid of nineteenth century. Assembling basic and desirable services and offering them in one price is the primary function of package tour business. This serves two important purposes:

- First, it is to reduce the unwanted hassles for the customers and provide value-for-money services and
- Second, it is to give business opportunities to the travel agents, tour operators, transport operators, accommodation service providers, event companies, etc.

Thus, a package tour is a sum total of services consisting of transport from the point of origin to all traversing destinations, accommodations at en route places and at the destination, other recreational and travel services.

Classifications of Tour Packages

The package tour business was planned and organized after the conduct of organized package tour to Paris in 1855 by Thomas Cook's. Package holidays can be escorted or unescorted given the needs and demands of customers.

A package tour comprises a combination of two or more components of services with an objective of helping the clients or customers save time & cost and avoid uncertainties. It largely includes the services of transport, accommodation, food, guide and other miscellaneous services. Moreover, transport and accommodation form a significant proportion of the cost and service of any organized package tour.

These services are offered at inclusive prices and customers primarily prefer to pay a single price at one place as it is convenient for the high-end customers. Thus, pre-arranged services are selected to be incorporated in the package on the basis of the quality of services and good will of the service providers.

In addition, the design of package tour is done taking the travel trends and motivation into consideration. Hence, tour operators evolve strategies to increase the perceived value by combining complimentary products and services in more attractive ways. Increasing the value and demand for a tourism product through packaging and partnership is the ultimate objective of the tour operation business.

Classification of Package Tours

The tour operator is a consolidator or wholesaler in assembling primary and related services with a different price tag. However, packages are designed for the independent and group tours after making comprehensive study and analysis. Broadly, all these package tours provide a bundle of services to the customers who are generally leisure and business tourists.

The classification is made on the basis of the *operation and types of services*. Given the nature of package tour business, it may be named as group tour, individual tour, sponsored tour, special interest tour and common interest tour, guided tour, and escorted tour. Package tours are basically classified as independent tour, escorted tour, hosted tour and incentive tour.

- **Escorted Tour:** An escorted tour is accompanied by qualified, trained and experienced tour managers or guides, who provide information and assistance to the group at the origin, en- route and the destinations about flight boarding, and baggage handling, hotel check-in, meal arrangements along with interpretation about the places of tourist importance during sightseeing. Tour escorts provide timely assistance and advice about

the seating arrangements in flights, trains, and sightseeing coaches. For example, the affinity group package comprises the members of a community club to travel together.

- **Independent Tour:** A package tour is designed for independent tourists or free independent travelers. They are very much particular about selecting types of destinations, accommodation, and transportation as it suits the budget, comfort and time. Each individual element of service is purchased or a combination of components services is included in package. The independent tour largely includes domestic air tickets, hotel room services, processing of travel formalities, arrival, and departure transfer, and sightseeing. Other services include adventure sports, cultural events, and health related activities that generally enhance value of the independent tour. The cost of the package tour is relatively high as it includes most of the customized services. For example, the high-end or budget travelers prefer independent tours.
- **Hosted Tour:** A hosted tour is handled by the ground operator or destination management agency as an representative of wholesale tour operator for making ground services like cab, coach, guide, confirmation of hotel rooms, tool taxes, entry tickets, etc as per the contract. A hosted tour is one where the local ground operator becomes the host to receive the guests at the destination. This is a type of tour that brings in the concept of host-guest relationship that leads to demonstrating the local culture and heritage to the guests. It provides a traditional reception upon the arrivals of guests at the airports or railways stations.
- **Incentivized Tour:** Incentivized Tour is usually all-inclusive package tours that include all essential components of a standard package tour. It is organized package tour that is conducted for employees with the sponsorship from the business firms or corporate houses. It is an incentive or intangible reward for employees given periodically as per the organization's policy. For example, Thomas Cook, and SOTC promote corporate and MICE package tours.

Components of Package

The elements of a package tour determine the sale of package tour in the travel market. The tour includes the services that are the sum total cost of related and complementary services. Tour operators take the services from the airlines, hotels, cruises, railways, ground transport, and event planner. In order to make to package tour more appealing and attractive, tour wholesalers examine the buying ability of customers and the cost of components of the package tour, and finally add a profit margin to arrive at the final price of the package tour. Generally, tour packages are determined by the market demand and trends and tour companies try to reduce the cost of buying the services through aggressive negotiations and position the packages at the right time to have the flexibility of giving price tag. Tour operators assemble components of services to enrich the experience of tourists. The following component of services is delivered assembled in package tours. These are the following elements of package tours.

Accommodation: Accommodation is an important component of package tour and it constitutes almost one third cost of package. There are primary and supplementary accommodation service providers. The star hotels, business hotels, resorts and international hotels are the conventional accommodation operators with the provision of providing room cum food services. The supplementary accommodation service providers are lodges, guest houses, bungalows, service apartments, etc. Tour operators include the services of both the categories depending on the cost of package tours and affordability of customers.

Sightseeing Tour: Sightseeing is one of the most important elements of a package tour. It is an integral part of a package tour as it offers conducted tours to the places of tourist interest in the cities. Tour operators arrange for more activities in the sightseeing or excursion tours. Each member of the conducted sightseeing tour is billed in such a manner that the cost of cars or coach services is equally divided among them.

Airlines: Air travel is an important component in the package tour segment. This includes international and domestic flight tickets and on-board services. Tour operators can include the first class, business class, economy class, excursion fare in the package tour to cater different segments of customers.

Railways: Tour operators include the train travel and other on-board services in domestic sector. It is an important mode of travel to reach various off-the-beaten-track destinations as air connectivity is limited in many countries. For example, the Indrail pass, Eurail Pass, Brital Pass and AMTRAK are booked in advance to provide alternative and quickest mode of transport and different experience to the visitors.

Car Rental Service: Luxury car service is an important element of package tour as it is primarily needed at the time of arrival, departure and sightseeing. A wide range of luxury cars is customized for sightseeing and excursion tours. An annual contract with flat rate is done for the smooth operation of car rental services. Tour operators have now adopted the latest technology to make the schedule of cars.

Luxury Coach Service: All the conventional package tours include the luxury coach services provided it is a group travel. Each tourist coach is customized with elevated bucket seats, white window glass, micro phone, air conditioning, and refrigerator.

For example; the KPN travels provides luxury Volvo coach services for sightseeing and excursion trips.

Cruise or Ferry Services: Cruise Liners themselves promote the all-inclusive packages and get it promoted through the wholesale and retail travel agent. They include room, food, drinks, sightseeing, entertainment, casino, etc on-board. Package tours also comprise the service of ferry operators so as to provide alternative and safe conveyance service. For example, the Royal Virgo operates luxury cruise liners for high-end tourists across the countries.

Event Services: Tour operators take the services the MICE operators for the purpose of booking venues, food, conference kits, and pre & post-conference sightseeing programmes. Event management companies appoint tour wholesalers to sell the packages.

Insurance: Tour packages are insured for compensation to the tour operators or guests in the event of cancellation. Thus, insurance is included in the package tour. Health and luggage insurance are included the package tour.

Ground Handling Services: Apart from arranging the luxury cars and coaches, the services of guides and language interpreters, entrance fees and transfer and drop are also included in the package tour.

Miscellaneous Services: This service includes porter at airports and railway stations, tips to guides, interpreters and room boys, entrance fees, gifts and welcome dinners.

2.2 Tailor-Made/Custom Tour

A tailor-made tour is an independent tour designed to meet the needs of an individual client. At one time, tailor-made tours were called FIT, for “foreign independent travel,” or DIT, for “domestic independent travel.” In recent years, the term FIT has become so widespread that almost any type of tailor-made tour is referred to as an FIT.

In a typical FIT, every detail of the traveler’s itinerary from departure to return may be planned in advance. Sight-seeing tours, sports programs, theater tickets, or other activities may be included in the tour. Package tours are often used as building blocks in creating an FIT.

Designing tailor made tours

Designing tailor made tours require considerable research into client needs as well as the availability of travel components. If foreign destinations are involved, the process is potentially time-consuming and expensive. However, many clients still prefer tailor-made tours, hoping to combine the benefits of a tour with maximum flexibility.

Handling Tailor Made Tours

1. Destination

Travel agents need the concrete destination of their clients. If their clients don’t have the concrete destination, they have to recommend some destination after getting more information.

2. Period

Travel agents have to know the client’s travel period, because there are many kinds of air-tickets based on the period such as 10 fix, 30 fix, 2M open, 1Y open and so on. The price and booking priorities of air-tickets are decided by the period. And if time-consuming is not enough for the client’s distinction or the period, travel agents encourage changing the destination or the period to their clients.

3. Budget

Travel agents have to grasp the client's budget for their travel. If their budget is fix and is not enough for the client's distinction or the period, travel agents encourage changing the destination or the period to their clients.

4. Trip Purpose

When any of the above 3 points do not fill the demand of the clients, the travel agents propose other destinations to their clients after the period and budget are considered. It is important for travel agents to grasp the trip purpose the client in this case.

5. Selection of the Airlines

The price of air ticket differs by the airlines in competition lines. However, all the clients do not necessarily purchase the cheapest air ticket. For example, there are clients who like the service that the airlines offer or other clients who want to use the particular airlines because they are the member of FFP of the airline.

6. Selection of Accommodations

There are many types of accommodations such as hotels, Inns, camps and so on. Every clients want comfortable for accommodations, but the concept of comfortable differs by clients. Some clients want to stay deluxe hotels which have 5 stars to enjoy their hotel life, but other clients want to stay economical hotels to serve their money.

Agents have to grasp the client's the concept of comfortable and recommend them some hotels matching with their tastes.

7. Airport Transfer

A city area is far from an airport usually. There are public transfer systems or taxi services which access to a city area from an airport. However some clients can not use them by themselves. For example, they are clients who have no experience to go abroad.

In this case, agents propose them to arrange the airport transportation services in an advance to secure the relief and safety of clients.

8. Activities in Host Country

Most of the FIT travelers aren't satisfied with the contents of package tours, because the contents are excessive and also be shortage.

Travel agents need discover the desires of their clients with the interview and construct the contents which they are satisfied with.

9. Estimation

Of course, travel agents need estimate the tour fee for a client; because a tailor-made tour is ordinal merchandise for each a client.

Chapter 3

Functions of Travel Agencies and Tour Operators

➤ Travel Agencies (The Travel Mart.)

The word mart, short for market-place, refers to the many outlets through which people can obtain travel information, make reservations and pay for trips. This component includes retail travel agencies, business travel department, scheduled airline ticket offices and travel clubs.

In the retail travel agency, travel agents deal with all kinds of clients. Travel agents help excited travelers plan their trips, make reservations and obtain tickets. Some agencies specialize in a specific type of travel: business or pleasure, domestic or international, individual or group.

A travel agency is one that makes arrangement of travel tickets (air, rail, road and sea); travel documents (passport, visa and other documents for travel), accommodation, entertainment and other travel related services from the principal suppliers. It may also secure travel insurance, foreign currency for the traveling people.

Some corporations have their own business travel departments for the business travel arrangement of employees. And travelers can also purchase travel products through a travel club. Travel club specialize in selling unsold travel products at discount price.

➤ Tour Operators (Wholesale Companies)

An organization, firm or company which 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 is called a tour operator. More precisely, tour operators are mainly responsible for delivering and performing the services specified in a given package tour. They can provide these services themselves as some have their own cars

and coaches, hotels and other travel related services or can obtain these from other suppliers. That is why they are called manufacturers of tourism products.

Tour operators are sometimes called wholesalers but this is partially true because a wholesaler buys goods or services in bulk at his own account to prepare a tour package and then retails it through the travel agencies or directly to the clients. However, a tour operator who has his own one or more tourist product components formulates a new tourist product for example 'inclusive tours'. Tour Operators generally offer variety of package tours to cater to the needs of different kind of travelers.

Wholesale Companies buy the products of Air Transportation and Services, Maritime Transportation and Services, Ground Transportation and Services, The Hospitality Industry and The Tourism Industry. Because they buy in large quantities, they receive discounts. Wholesalers make a profit by marking up the price of the products and then selling them through retail travel agencies.

There are three main types of wholesale operations in the travel industry.

1. Charter operators buy airplane seats, hotel rooms, car rentals or other travel products and sale them to tour operators or to the public.
2. Tour operators assemble transportation, lodging and sightseeing packages for various groups of travelers; they usually provide the group with an escort or guide.
3. Inbound operators are specialized types of tour operators providing travel package for foreign visitors to Ethiopia.

Typical Flow of Tourism Arrangements in Ethiopia

Company A: Travel Agency / Tour Operator (Foreign Country)

Company B: Travel Agency / Tour Operator (Host Country: Capital)

Company C: Travel Agency / Tour Operator (Host country: Provinces)

Order from Abroad Company

Tourist ⇒⇒⇒ Company A

Air: Company A ⇒⇒⇒ (Wholesaler: X) ⇒⇒⇒Airline(Int'l)

Land: Company A ⇒⇒⇒ (Wholesaler: L) ⇒⇒⇒Company B

- Coordination in Capital City

Company B ⇒⇒⇒ Hotel, Tour Guide, Transportation, Restaurant

- Coordination out of Capital City

Company B ⇒⇒⇒ Hotel, Airline(ET: Domestic), Company C

Company C ⇒⇒⇒ Tour Guide, Transportation, Restaurant

Walk-In Guest

Tourist ⇒⇒⇒ Company B

- Coordination in Capital City

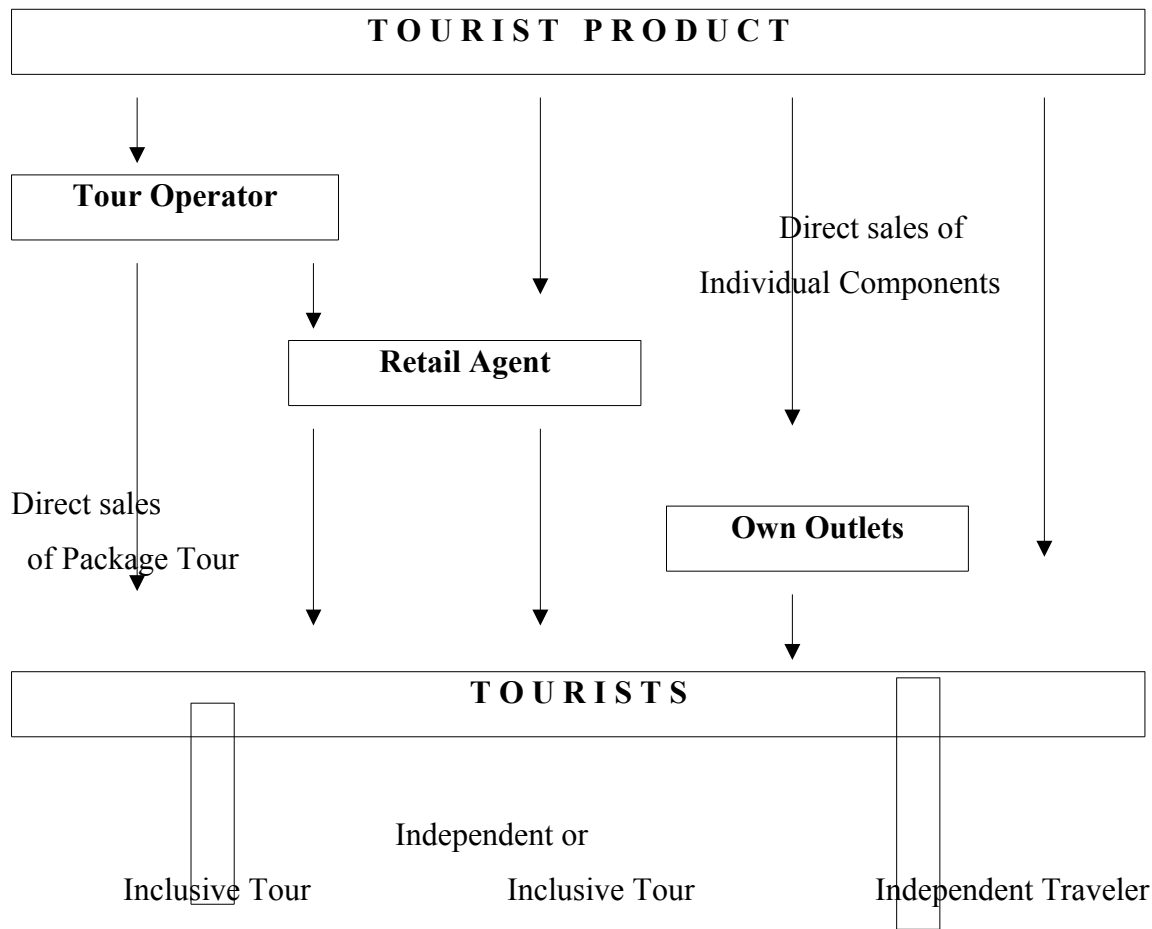
Company B ⇒⇒⇒ Hotel, Tour Guide, Transportation, Restaurant

- Coordination out of Capital City

Company B ⇒⇒⇒ Hotel, Airline(ET: Domestic), Company C

Company C ⇒⇒⇒ Tour Guide, Transportation, Restaurant

- Air ticket sales



3.1 Types of Travel Agencies and Tour Operators

a. Out-bound Tourism: Origin Country

- **Travel Agency**

Retail Travel Agencies

Retail travel agency is a store which sells package tours, air tickets, etc. that were provided from wholesalers in a basic meaning.

However actual situation differs from this definition. Some of travel agencies have an agreement with airlines and hotels directly or have branch offices in foreign countries to make their own travel products. Therefore, it is becoming difficult to distinguish between Travel Agencies and tour operators recently.

Retail travel agencies are operated independently or the branch office as part of a chain. They are located in department stores, shopping malls, or suburban and downtown business districts. Some agencies specialize in a specific type of travel. That is, business or pleasure, individual or groups, air or cruise, private or government, travel purposes, client's social classes and age, and destinations.

Business Travel Departments (BTD)

Some corporations have their own business travel departments for the business travel arrangement of employees traveling for business purposes. Sometimes, they have their own travel agencies for this purpose. We call them "In-house Agency" usually. Workers in a BTD and "In-house Agency" carry out work similar to that done by travel agents. The main difference is that the customers are company employees only and most travel arrangements are for business purpose.

However, several in "In-house Agency" are expanding a business for the public recently.

On Line Travel Agencies

Internet providers sell travel components for customers on line. They have a license of Travel agency by themselves or make a contract with other travel agencies or tour operators. They have unsubstantial shops, that is, internet malls. Of course, the other kind of travel agencies use internet as their sales tools.

Travel Club

Travelers can also purchase travel products through a Travel Club. Travel Clubs specialize in selling unsold travel products, such as a cabin on a cruise ship or an airline ticket at discount prices. To take advantage of these travel bargains, Travel Club members an annual fee and must have flexible schedules so that they can leave for a trip on short notice.

This system is common in United States but it is not in the world.

• Tour Operator

Package Tour Organizer

Tour Operator means Package tour Organizer, usually.

Air Ticket Whole Sale Company

Some package tour organizers sell air ticket to travel agencies, because they must stock seats of some airplanes voluminously to keep cheap price for their package tours. There is the company which has quit the sales of package tours and be specializing in the sales of aviation tickets. The system that stocks voluminously and sells them to retailers is a usual commerce custom.

Cruise Whole Sale Company

This is the same system as the above fundamentally.

Land Operating Company

Land Operating Company is likely to the bridge between the travel agencies of host countries and the travel agencies of origin countries. Namely, Land Operating Companies transmits the order to the travel agencies of host country from the travel agencies of origin country. Also, Land Operating Companies collect tour fee from the travel agencies of origin countries and transfer tour fee to the travel agencies of host country.

While the destination of clients is various, each travel agencies and tour operators don't make a contract with the travel agencies of host countries all over the world, because most of the travel agencies don't have connection with the host country and the trouble of transferring foreign currency is required also.

Besides, Land Operating Companies give the information about host country to the travel agencies in origin country.

Hotel Rep (Hotel Representative)

Hotel Rep is the company which handles the reservation only hotels. Hotel Rep is divided to 2 kinds largely. One of these is Hotel Rep made by hotels which are unfolding the world wide chain. These Hotel Reps make a reservation of the group hotels only. Another is an independent

Hotel Rep. These make a contract with each hotel directly or through the travel agencies of host countries. The discount rate is adapted to this contract usually.

Hotel Rep sales their hotel reservations to clients through travel agencies and directly. In the case that Hotel Rep sales their hotel reservations to clients through travel agencies, they pay commissions to travel agencies.

b. Inbound Tourism: Host Country

Land Operating Company

This means the company which makes the various arrangements about tourism inside host countries. Generally, the travel agencies of host countries manage this business. The contents of these company's operations are making reservations of hotels and restaurants, and arrangements of car and tour guide, for example.

It is important for Land Operating Companies to give the information needed for tourists about host country to the contract company in origin country.

c. Internal Tourism

Retail Travel agencies

The function is almost same in the case of outbound tourism.

Package Tour Organizer

The function is almost same in the case of outbound tourism.

Land Operating Company

Even if it is domestically, it is difficult for the travel agency to arrange tours when the destination of clients is far from there. In such a case, the travel agency orders the substitution of the arrangement to the travel agency where is in the destination of clients.

3.2 Functions of Travel Agencies

A travel agency sells arrangements directly to the public. More specially, an agency sells air, and sea transportation; lodging accommodations; cruise trips; package tours; travel insurance; and other related products. Some travel agencies combine retail and wholesale activities on the same premises. For example, American Express Travel Related Service offices⁵ sell tour packages to other travel agencies and also provide retail services to the public. Thomas Cook USA,⁶ an outgrowth of the world's first travel agency, also sells both retail and wholesale products.

An in-plant or in-house agency is a department or division of company set up to handle the travel requirements of the company's employees. The company's employees are the in-plant agency is

⁵ Associated company of **American Express**

⁶ Associated company of **Thomas Cook**

located on the premises of a client company but is actually an extension or branch of an independent travel agency or air line reservation center.

ARC (Airlines Reporting Corporation) defines a retail travel agency as a business that performs the following functions:

I. Quotes fares, rates, and/or schedules

- a) Airfares
- b) Hotel room rates
- c) Rental car rates
- d) Tour package prices
- e) Cruise fares
- f) Bus or rail fares
- g) Travel insurance rates

II. Making reservations

• Addis Ababa – London – Paris – Frankfurt – Addis Ababa

- a) Number of passengers
- b) Contact telephone numbers
- c) Mailing or delivery address
- d) Caller's name

The client can be contacted in the event, such as a schedule change, a flight cancellation.

The name of person who requested the reservation is obtained for reference.

- e) Service information for special requests
Special foods for fasting, special support for a blind person etc.
- f) Ticketing date
- g) Form of payment (Cash, Check, Credit card)

III. Accepts payment for travel

IV. Arranges for delivery of tickets or other transportation documents

V. Assists clients with other travel arrangements

- a) Package tours
- b) Cruises
- c) Hotel accommodations
- d) Car rentals

- e) Sightseeing excursions
- f) Bus transportations
- g) Travel insurances
- h) Rail transportations

VI. Arranges for the issuance of tickets or other travel documents

VII. Issues tickets or travel documents

3.3 Functions of Tour Operators

a) Offering Package Tour

Package tours and many components that are used in custom tours are arranged by tour operators. Technically, the term tour operator refers to a business that sells products for resale by other businesses, but does not sell products directly to the public. However, some tour operators do sell products directly to travelers.⁷ In this regard, tour operator refers to the way products are designed, rather than the way they are sold. To design a tour, a tour operator usually arranges to purchase one or more components at a discounted rate.

b) Laying Travel Components in stock

- Air

Many airlines allocate a preset quantity of seats on selected flights that can be sold by tour operators. Such flights usually operate between a major gateway and a popular tour destination. Depending on airline, flight and season, up to 30 percent of the seats in the coach cabin may be available for sale by tour operators. A large tour operator might charter its own flights or guarantee to purchase a large block of seats on selected flights operated by an airline.

Another source of low-cost air space is a special class of discount fares, called 'Net Fares'. Net Fares are available to retail travel agencies as well as tour operators, but to the general public. When the ticket is purchased at a Net Fare, the full price appears on the ticket, regardless of the actual fare paid by client. The tour operators or travel agents can sell the ticket at any price they choose. Net Fares are offered by most international airlines.

- Land

Low-cost hotel space and car rentals are obtained in the same manner as discount air space. Many hotels, especially resorts in popular leisure destinations, set aside a predefined number of

⁷It is difficult to distinguish the difference between Travel Agency and Tour Operator recently.

rooms, called a Room Quota, which can be sold by tour operators. Large hotels often have a discount wholesale rate extend the same rates to tour operators that are offered to tour operators that are offered to conventions or other groups.

In some cases, a tour operator may negotiate with a specific hotel to obtain a discount rate. If a special rate is negotiated, the tour operator may be required to meet a quota in order to receive the same rate in the future. A room quota is a preset number of rooms that must be sold during a specified period, such as six months or a year. Some tour operators guarantee to purchase a large room block at selected properties in order to obtain a discount rate. If a room block is guaranteed, the tour operator is obligated to pay for any unsold rooms.

3.4 International Travel Formalities

3.1 Passport and Visa

Passport and Visa are the license for traveling foreign countries. This system was established internationally after the First World War.

Passport:

Passport is a necessary official document when the individual travels foreign countries and it is issued only for the person who has the nationality of the country ordinary. It proves the nationality and personality of the holder and it is an inevitable thing to receive the protection and convenience of the country consul. It is the license for the possession person leaves or enters his/her country also.

Visa:

The visa is the proof that the government of the host country authorities approved the passport officially. In other words, the government authorities of the host country examine the passport and admit the efficacy. And Visa is the certificate that is suited in the law to visit the country for the Visa possession person.

There are many kinds of Visa by the usage in a present such as Entry Visa, Tourist Visa, Business Visa, Employment Visa, School attendance visa, Spouse Visa and so on. The kind of the visa is not international common and each government can decide independently.

3.2 Foreign Currency

Cash:

Each nation is issuing an original currency generally in a present and the currency is circulating domestically. When international tourists entered into the host country, they need exchange their own currency to the currency of the host country. However, the financial institutions in the host country are not able to correspond to the currency of all in the world. Therefore, most of the international tourists are usually to purchase the international currency such as US dollar and Euro within their country. In any case, the first deed of international tourists begins from the exchange of their currency.

Travelers Cheques:

Most of international tourists are carrying Travelers Cheques other than cash. Travelers Cheques are the check of a trip exclusive use for private parsons. The Travelers Cheques are major that are issued by American Express, Thomas Cook (Master Card) and Visa Card. Generally, these are issued in US dollar or Euro. Travelers Cheques are used like cash in the country such as US etc. However, Travelers Cheques, as currency, must be exchanged with financial institutions in most of countries.

The user need to make his/her signature in 1 place on the surface when he/she purchases Travelers Cheques and same signature are necessary on other places on the occasion of use for him/her, furthermore. Namely, others are not able to use it because the same signatures are needed in 2 places for using Travelers Cheques. The surpass point of Travelers Cheques is that it is able to be reissued on the occasion of robbery and missing comparing with cash.

Credit Card:

American Express Card, Dinners Club Card, Master Card, Visa Card and JBC Card are representative for Credit Cards. The price of the shopping in the foreign countries is settled with the bank account of the home country of the card holders in this system. Therefore, the card holders are released from the trouble of exchange and the risk they have cash.

However, the use of Credit Cards is limited because there are many countries where the diffusion of this card is not going. This card can be used at Ethiopia Airlines Office, Sheraton hotel, Hilton Hotel etc. in Addis Ababa. Furthermore, the Credit Card companies take the fee from both of the card users and sellers generally.

3.3 CIQ (Customs, Immigration, Quarantine) Documents

Health Card

Some country's governments require Health Card for the international tourists to enter their counties, because they are afraid that the international tourists bring fatal diseases from foreign countries.

For example, some international tourists need "International Certificate of Vaccination or Revaccination against Yellow Fever" which is certified by World Health Organization (WHO) to enter into Ethiopia.

Custom Declaration Card

You must receive customs examination when you enter all countries. The goods that become the object of taxation is various by a country.

You usually go on to a green sign counter when customs reports are not necessary and a red sign counter when a customs report is necessary. In most of countries, you are requested to hand this card to a customs office only when a customs report is necessary.

Entry Card

Some governments request the submission of an entry card to travelers when they enter some country. Thus, the government of the host country can refuse the entry of persons who are unfavorable for them. Recently, the country that is omitting this system for the vicinity nations is increasing for the purpose of simplification of entry.

Travelers fill out the personal information such as name and trip purpose in an entry card. An immigration office does examination of the qualification of entry to these travelers comparing this information with passport.

The government of the host country can know the nationality and trip purpose etc. of the tourists by this entry card. The every country government is taking the statistics regarding foreigner travelers by this card.

Exit Card

Tourists need to hand a departure card to an immigration office on the occasion of departure from a country. The government of the host country can know the length of visit etc. of the tourists by this exit card.

Travel Insurance

Travel Insurance is essential to cover theft, loss and medical problems. A variety of policies is available. You have to check that the policy includes all activities you want to do when you make an application of your Travel Insurance. It usually excludes dangerous activities such as white-water rafting, rock climbing, motorcycling and diving. Sometime even trekking is excluded. Special contracts can cover these risks but some kinds of them are very expensive. For example, there is 'Abyssinian Flight Service' in Ethiopia.

International Driving License

You must make an International Driving License in the case that you want to drive a car in foreign countries, because the driver's license of your country is effective only the domestically. (However, there are a few exceptions for Tourism Promotions). If you have the license of your country, you can receive an International Driving License on the basis of your license fundamentally.

Chapter :4

Designing & Developing Travel Circuit and Itinerary

4.1 Developing Travel Circuit

The development of a travel circuit/tour route requires three major steps:

- identification of attractions,
- identification of main services and
- Coordinating attractions and services.

These will be discussed in brief below.

4.1.1 Identification of major attractions

- Attractions of a particular area are the features and related activities of that area which draws the tourist to visit the area.
- Attractions relate closely to the travel motivations because the tourist must want to visit and experience the attractions.
- The success of particular attractions may change through time as travel motivation and fashion changes.
- Tourism can be more successful in an area if more than one type of attraction exists or can be developed.
- An attraction is a thing which acts as push & pull factor:
 - ✓ The basis for developing tourism
 - ✓ Form the most essential part of the tourism product
 - ✓ Draws visitor
 - ✓ Satisfies recreational needs

Types of Tourist Attractions

Generally, tourist attractions can be grouped in to two broad categories, namely manmade and natural.

1. **Natural Attractions:** attractions related to natural environment

a) **Climate**

- Generally tourists from the colder climate, especially cold winter, seek warm/sunny, relatively dry climates.

- People from hot/humid may seek cooler climate.
- In many countries, seasonality of climate determines seasonality of tourist.
- Some tourist seeks different climate for health reasons

b) Landscape beauty, unusual characters & unique features.

- Natural landscape beauty and characters such as mountains, valley, rivers, lakes & deserts etc related to activities such as sightseeing, trekking, camping, rafting, boating, and photography.

c) Beaches and shoreline:

- Beach tourism is the activities such as sun bathing, swimming, beach walking.

d) Floras & faunas:

- Interesting representative and sometimes unusual vegetation and animal life including birds.

d) Unique and endangered species: to be preserved for scientific purposes.

e) Parks & Reserves (officially protected): Conservation (preservation & protection) of important natural environment is essential for both scientific & tourism reasons.

Manmade: attractions related to culture, entertainment & special manmade features.

1. Cultural patterns & life style:

- Includes – traditional cultural patterns, lifestyle & customs.
- Include modern life style, which is different than that of the tourist.

2. Festivals and events:

- Various types of festivals and events related to the local traditions and arts, and religious festivals can be major attractions.

3. Archaeological & historic sites & monuments:

- All types of archaeological or pre-historic sites including marine archaeology & special features such as industrial archaeology.
- All types of historic buildings, structures & areas including buildings of representative traditional & historic architecture & building techniques.
- Sites of important historical events such as battle fields

- Monuments to important historical events or people.
- Unusual & striking manmade structures such as large dams & bridges.

4. The art and handicraft

- Includes visual art of paintings, carving, etc and performing arts of dance, drama & music

5. Museums:

- These/museums are special features, which exhibit and explain aspects of history, culture, arts & handicrafts technology, natural, historical and other special areas of interest.
- e.g.: National Museum, Ethnography museum in Addis Ababa.

6. Sports activities & events:

- Many sports events are of local tourists interest and some of national & international interest
- Includes both speculation & participatory sports.
- Participatory sports such as snow & water skiing, tennis, golf, skiing & scuba diving are becoming increasingly popular although popularity of some specific sports changes as current fashion.

7. Entertainment:

- Includes dance/drama/films & music performance related to either traditional or modern culture.
- Night life, especially night clubs & discos with dancing & music
- Gambling like casinos
- Development require facilities such as theaters cinemas, stage performance, cultural shows, casinos with adequate access & parking facilities

8. Shopping:

- Usually secondary attractions but in some areas may be primary attractions (Important part of itineraries)
- Important means of tourist area to make money from tourism
- It includes shopping for locally made clothing, arts & handicrafts, furniture & locally processed items such as gems & stones), duty free items such as cameras & electronic equipment, antiques, etc.

9. Dinning & Cuisine:

- Most people/tourists require good quality but not necessarily high priced food.
- Many and some tourists like to try local food at least once & some tourists consider good quality food as a major attraction.
- High quality restaurants can become important attractions in some areas.

4.1.2 Identification of Main Service

a) Accommodation:

- All types of accommodation – hotels, motels, holiday villages, guesthouses, residential (self-catering) units, youth hostels, camping, etc. should be surveyed and evaluated.
- Identify kinds of facilities, services and quality levels.

b) Other facilities and services:

- Eating and drinking establishments
- Shopping and personal services
- Money exchange and banking
- Medical facility and services
- Public safety
- Postal services

c) Transportation and other infrastructures:

- Transportation facilities and services:
- Other infrastructure:
 - ✓ Water supply for tourist attractions
 - ✓ Electric power
 - ✓ Telecommunication

4.1.3 Coordination of Attraction & Service

After clearly identifying the attractions and services which are available at the destination then, it is easy to develop travel circuits.

- It is a matter of coordinating the attractions and services.

- But due attention should be given that the tourist attractions are worth visiting and the services available meet the expectations of tourists.
- Basically, an itinerary is designed to identify the origin, destination and all the en route stopping points along with transportation, accommodation and other services on a traveler's trip.
- It has been noticed that most of the tour companies prepare multiple itineraries for the same tour.
- In reality, a tour company needs to develop/prepare separate and distinctive itineraries for the tourists, tour managers, tour escorts, vendors and tourist guides.
- However, different itineraries are based upon an individual expansion of the tourist itinerary.
- The main itineraries are:
 - ✓ The tourist itinerary
 - ✓ The tour manager's itinerary
 - ✓ The vendor's itinerary
 - ✓ The bus driver's itinerary
 - ✓ The tour escort/country step-on-guide itineraries

4.2 Designing & Drawing feasible Tour Itinerary

Itinerary is known as a tour plan. It is related to the tour programs, timetable and the information of the places to be visited. A *program* includes only activities, whereas, an itinerary includes date, day, time duration and points of interests between the destinations, on the way to the destination, the special features of the tour and happenings at the destination etc.

An itinerary is the combination of the different components of tourism to form a product (package tour) ready for sale. So, it explains and shows how different components of tourism are joined together. Travel was there since a long time but there was no tourism. Hotels were there, transport or movements of the people were there but there was no tourism because there was no joint or coordinated effort.

By the introduction of the tour operations, there came the concept of tourism. Tour operators produce the tourism product that is to produce itinerary. Now the tour is sold as a single product. Tourism is defined as sum of the total activities related to travel and stay and itinerary joins that travel and stay together to form a product. Itinerary is the commoditization of tour.

Factors determining itinerary design

An itinerary is a schedule or an arrangement of programmes or events. It is prepared for *designing package tour*. The origin, destination and en-route halting points and duration of halts along with elements of services like hotel rooms, transports, activities and miscellaneous services are clearly described in tour itinerary.

An itinerary gives detailed information about nature, type, length and quality of package tour. Importantly, it determines sales of package tour and it is aptly a selling point for alluring customers to buy package tour.

The quality of itineraries is based on itinerary-mix-planning. Generally, the tour planner/operator takes in to consideration the various ingredients while preparing an itinerary such as:

- the right type of transportation, accommodation and destinations;
- right amount of sightseeing and quality of meals;
- professional tour conductors and a correct marketing approach;
- maximum entertainment in the right amount;
- reasonable free time, documents required and so forth.

To develop the best possible combination of tour ingredients, it is imperative to review and analyze the comment sheet of past tourists and incorporate suggestions received from the current tourists.

Thus, whatever the approach the tour planner/manager should adopt, he must develop an itinerary that attracts the tourists.

Particularly, the following are factors determining itinerary design:

1. Climate
2. Tourist budget
3. Time/period-short or long
4. Facilities and services-accommodation, transport and others
5. Total number of people travelling
6. Purpose of trip
7. Legal requirements-e.g. prohibited areas

Itinerary planning tools

For an effective tour itinerary preparation, the tour manager should familiarize himself/herself with the following itinerary planning tools:

- Timetables of airlines and railways like the official airline guide (OAG)
- Travel information manual
- Government tourist information center
- Internet
- Brochures of hotels and tour operators
- Magazines, Journals, and Periodicals
- Travel guidebooks
- Tourism organizations/associations

As per the tour operation industry environment, a tour planner should adopt the following step by step procedure:

1. Identify market/tourist requirements and their budget
2. Select the destination/s
3. Negotiate with destination operators and give them importance to ensure quality
4. Study and understand the use of worldwide city to city schedules ... Study and follow itinerary planning tools
5. Emphasize in right kind of sightseeing
6. Include optional ingredients with free time
7. Consider views of past tour participants

4.3 Itinerary Elements

Awkward, ill-designed, or inept tour – the kind that sell poorly or bring complaints-pepper the brochures of some tour companies. Each tour has its own particular demands. Certain general consideration, however apply to most successful tour planning.

An itinerary may consists different items depending on the types of the tour package. The following are the main elements that usually included on the tour itinerary.

- a. Company name
- b. Tour package name

- c. Short summary
- d. Arrival & Departure date
- e. Activity descriptions
- f. Distance between two destinations,
- g. Travelling time between destinations
- h. Accommodation & vehicle type

4.4 Itinerary Format

There are no hard and fast rules for itinerary format. But, the following are some formats used by tour operating companies.

The first format has four columns, as follows:

1. Overview/Sector
2. Day/date
3. Program/Activity
4. Remarks/Suggestions

The second itinerary format has only three columns, as follows:

1. Overview
2. Day
3. Program/Activity

4.5 Tour Formulation and Designing Process

Formulation of a package tour involves managerial approach and the process involves proper planning, itinerary preparation, designing, costing and marketing. Research and development of firms invest time, money, experience and knowledge in the formulation of package tours. Before they are launched on full scale, marketing divisions do pilot launch and check feasibility and possible acceptance of their new package tours. Below is a detailed sequence of steps followed in the formulation of tour packages:

Market Research

Marketing research involves study of the economy of the country to visited, foreign exchange rate, demand for the product, consumer profile, competitors in the market, studying the product

components like sightseeing, transport, baggage allowance, ground service etc., sales status, channels of distribution, promotional measures.

Prepare an Itinerary

A well planned itinerary holds the key for success of a package tour. It needs to incorporate exciting places of interest and enough scope for events and activities. Identify and decide on mode of travel, hotels, destinations, dates, capacity and others. Sign contracts with principal service providers: Agreements with various service providers well in advance is important. Contracts for timely delivery of services by hotels, transportation, entry permits, ground handler etc. has to be signed.

Costing of the Package

After having signed contracts and designing of package systematic costing of the package will be done which includes cost to incurred towards all elements of a package tour are summed up and then package is given a mark-up price before a price tag is decided upon.

Preparation of Brochures and other Promotional Material

Promotion material is another important aspect in the formulation process. Both print and electronic media are widely used but brochures are integral part of it which play a major role. Hence designing and printing attractive brochures and other material is ready to used for marketing.

Marketing of the Product

In line with demand requirements of the markets right kind of marketing strategies are framed and then the product is marketed through the above listed means of promotion material.

Documentation

This last step in formulation process includes copy of the client's itinerary, tour vouchers, travel and other entry tickets, luggage labels and other useful information for the clients.

Chapter 5

Economics of Tours

5.1 Costing Tour Products

Cost is the sum total of all expenses.

- It is measured in terms of a monetary sacrifice involved.
- Tour cost means the total cost incurred or attributed to a tour product or service
- Tour cost is the sum total of costs incurred to create or formulate a tour package.
- Since a tour company does not manufacture a complete tourism product itself, the cost of package tours is determined according to the client requirement or company strategy.
- The methods to be used for the ascertainment of cost of a package to be sold are different from one tour company to another.
- This is because the components, which are the part of package tour are different from organization to organization.
- The sum total of cost components of a package tour is known as the cost of package sold.

Components of Tour Cost

1. Research and Development Cost

- It is also known as personal and research cost and is often underestimated by tour companies.
- It includes the cost of tour planner, manager and staff of the company who are involved in tour planning.
- It also includes the cost of —FAM Tours and any other costs incurred to develop a new or old package tour.

2. Travel cost

- This cost includes the cost of air travel or travel through other modes from the original point to the destination point, and the destinations to be covered during the tour.
- In other words, it is the total cost of travel ranging from departure to arrival at the original point.
- This cost is to be calculated on the basis of air ticket costs and the contract with transport operators.

3. Accommodation costs

- Accommodation cost means the price paid to acquire room in a hotel or resort.
- It depends on the negotiation between the hotel management and the tour manager/planner and other elements of the hotel product like food, beverage and amenities, etc.

4. Transfer costs

- Transfer cost is incurred for transferring the client from the airport to the hotel and vice-versa.
- The cost is according to the contract with transport operators.
- If the travel company has its own transport buses, the cost will be charged on mileage or duration basis.
- The costs will also be different depending on the type of car the tourist wants to use.

5. Sightseeing and activity costs

- This cost constitutes a major part of total cost and it is a high cost area which makes the clients satisfactory or unsatisfactory.
- The tour planner must select the activities, sightseeing or excursions that could be offered to clients.
- This cost is calculated by taking the per person cost for all activities and adding them up.
- The destination vendors usually offer these activities less expensively to a group.
- This can and should be negotiated with ground operators.

6. Administrative costs

- It is an indirect cost incurred by a tour company in formulating the policy and strategy for directing the organization and controlling the operations.
- Administrative expenses/costs are thus incurred in the general and financial management of a travel business such as:
 - ✓ office expenses,
 - ✓ salary to staff,
 - ✓ insurances,
 - ✓ audits,
 - ✓ financial or legal expenses and so forth.
- These expenses are of fixed nature, so these should be treated as period costs instead of product costs.
- Usually, it occupies 15 to 20% of the cost of sale.

7. Marketing costs

Marketing cost includes:

- Advertising expenses,
- Market research,
- Reservation of hotels, air and railway tickets,
- Commission to travel agents and
- Ground operators and distribution expenses.

8. Miscellaneous costs

- The miscellaneous costs vary from organization to organization.
- These costs include portage at airports, tips at airports, literature and other materials and gifts given to a tour member.
- It will more for a new tour company than an old one.

The tour cost can be classified in to two main groups: fixed and variable costs.

Fixed Vs Variable Costs

A **fixed cost** is one that never changes, no matter how many people are on your tour. For example, a Coaster Bus rent may cost \$ 100 per day, no matter if twenty people or fourteen people are on it. The daily salary of the tour manager, the monthly office rent, and the price of a ground operator's services will remain the same.

A **variable cost** is one of that changes according to how many people take your tour. For instance, if it cost \$ 20 per person to visit Rock-hewn churches of Lalibela, then you will have spend \$ 400 for twenty people. But if your tour is made up of five people, the expense will be \$100.

In other words, because of variable costs, the overall cost to operate your tour increase as the number of passengers increase (of course, do does the profit).

Other examples of variable tour costs would be expenditures for airline tickets, hotel rooms, and meals.

The Reasonable Number

How can you project your tour costs if they vary according to a number of passengers you can't predict?

The trick is to estimate a reasonable number of passenger for you tour and budget you tour on a per-person basis. Estimating a reasonable number will help you determine the per-client cost of your tour. For example, you decide that for a twenty-five passenger group tour, sixteen would be acceptable number of tour passengers.

So you settle on sixteen as a conservative, reasonable estimate of how many people will take your tour. (In reality, your reasonable number could be anything you decide up on.)

The Reason for Per-person Costing

Why figure things out on a per-person basis?

Be wary of making the following errors;

- ❖ Confusing fixed and variable costs. For example, if you fail to divide your group tour cost by a projected number of passengers, you'll write a mammoth per-person group cost in your right-hand column. This will throw your final total completely off.
- ❖ Forgetting to divide the room cost by two. If a room costs \$ 100, then it costs \$ 50 per person, since two people will be in the room. ***Tours are always costed on a double-occupancy basis.***
- ❖ Forgetting that a five-day tour spends only for night in hotels
- ❖ Forgetting that transfer moves twice at any hotel-once in, once out. So if transfer-in is \$18, then for transfer out you must multiply \$ 18X2

Determining the Sales Price

- A. Once you total up all your per-person costs, you have a figure that represents what it will cost you to operate your tour, per person.
- B. How do you factor in profit? First, determine what you'd like your profit to be. (20%, 25%, 30% or 40% for special and individually planned departures),
- C. At this time the Ethiopia government imposed a Value Added Tax (VAT) on tour operators. So don't forget to add VAT 15% on your cost.

D. Remember that you may wish to add a few percentage points as a safety margin to cover errors, inflationary increases, foreign currency fluctuations, and minor unanticipated costs.

E. Sum up the entire total.

$$\text{Sales Price} = \text{A} + \text{B} + \text{C} + \text{D}$$

Factors affecting the tour cost

- Determination of accurate tour cost is the main task of the tour planner/ tour costing planner.
- The total should be designed in such a way that it must generate an adequate profit for survival.
- Before costing a tour, the tour costing manager considers the following factors, which have a profound impact on company's profitability position:
 - ✓ Seasonality
 - ✓ Exchange rate movements
 - ✓ Increase in other costs

To start costing and pricing of a tour package:

- ✓ Identify the tour components
- ✓ Identify the cost of each tour component
- ✓ Segregate total cost in to fixed and variable costs
- ✓ Find out costs per PAX
- ✓ Multiply the total cost by budgeted percentage of profit

5.2 Pricing of tour products

Is there a formula for developing pricing for tourism businesses?

- Not really – tourism products are very rarely identical, often because of location, but also because of the people and the components that make up the experience you provide a traveler.
- It can be incredibly diverse and pricing strategies can evolve as a tourism business develops

its brand and market share.

- Even star ratings for accommodation only give a general guide for travelers on what the pricing will be – there are no set of criteria.
- So the purpose of this chapter is not about helping you with a formula to devise your pricing, but more of an outline of the things you should consider, components of your pricing strategy, different pricing types and ways to stimulate demand.
- Setting pricing for tourism businesses is a strong mix of marketing strategy and financial analysis.
- Pricing is an art.

Things to consider when setting your pricing strategy:

- How unique is your business?

The more unique your tourism product, the more flexibility you will have to decide your pricing.

- What value added services do you provide inclusive of the experience?
- What market do you want to attract and what positioning in the market do you want to establish?
- What are your operating costs (fixed and variable)?

Using your costs, get your accountant to help you calculate your break-even point and therefore what your minimum pricing should be for profit goals (estimates of revenue, occupancy rates, etc will be needed).

- For most tourism businesses, setting prices will be more market based – that is, what do competitors with similar products and services charge within your market?
- Be careful, however, you must be aware of your own financial position (debt levels, cash flow, etc) before you can decide whether you should compete in this way.
- Ideally, being competitive is not price driven, it's product driven.

Where to start

- Knowledge of your break-even point is an important place to start.
- But on launch of a new tourism business, set price lower than your longer term pricing expectations in order to attract volume, credibility and establish your brand.
- Then as you become more established with a regular booking base, you can consider increasing prices.

Pricing Approaches

- The price that company charges will be somewhere between one that is too low to produce a profit and one that is too high to produce any demand.
- Product costs set a floor for the price; consumers' perceptions of the product's value set the ceiling.
- The company must consider competitor's prices, and other external and internal factors to find the best price between these two extremes.
- Companies set the prices by selecting a general pricing approach that includes one or more of the following sets of factors:

1. Cost- Based Pricing

- It is the simplest pricing method (adding standard markup to the cost of the product).
- F&B managers often use cost-plus pricing method.
- Cost as a percentage of selling pricing is another commonly used pricing technique in the restaurant industry.

2. Break-even Analysis and Target profit pricing

- Another cost oriented pricing method/approach is break-even pricing, in which the firm tries to determine the price at which it will break even.
- At Break-even, total revenue matches with total cost (zero profit).
- Some firms use a variation of break-even pricing, called target profit pricing which targets a certain return on investment.

3. Value-Based Pricing

- Value-based pricing uses the buyer's perception of value, not the seller's cost, as the key to pricing.
- The marketer cannot design a product and marketing program and then set the price.
- Price is considered along with other marketing-mix variables before the marketing program is set.
- The company uses non-price variables in the marketing mix to build perceived value in the buyer's minds, setting price to match the perceived value.
- Any company using perceived-value pricing must learn the value in the buyer's minds for

different competitive offers.

- The best way to hold your customers is to constantly figure out how to give them more for less.
- More and more marketers have adopted value-pricing strategies.
- They strive to offer just the right combination of quality and good service at fair price.
- This can result in redesigning existing brands to provide more quality or offer the same amount of quality for lower price.

4. Competition-Based pricing

- A strategy of going-rate pricing is the establishment of price based largely on those of competitors, with less attention paid to costs or demand.
- The firm might charge the same, more, or less than its major competitors.
- Firms feel that holding the price will avoid harmful price wars.

Pricing Strategies

A. New product pricing Strategies

- Pricing strategies usually change as a product passes through its life cycle.
- Several options exist for pricing new product: Prestige pricing, market skimming pricing, and market penetration pricing.

1. Prestige pricing

- Tour operators, hotels and restaurants seeking to position themselves as luxurious and elegant will enter the market with a high price that will support this position.

2. Market Skimming Pricing

- Price skimming is setting high price when the market is price insensitive.
- It makes sense when lowering the price will create less revenue.
- It can be an effective short-term pricing policy

3. Market penetration pricing

Rather than setting a high initial price to skim off small but profitable market segment, other companies set a low initial price to:

- penetrate the market quickly and deeply,
- attracting many buyers and
- winning a large market share.

Chapter Six

Booking Services

6.1 Negotiation & Negotiation Types

Making a negotiation and contract

- Negotiations are first step for making contracts for all businesses.
- When tour operators negotiate with hotels, airline companies and others about their contracts, it is clear that the existing sales achievements are most important for negotiations.
- Furthermore, it is better to show your tour brochures, statistical materials and recommendations from a third party to negotiation partners.
- However, the contract in the highest condition is not able to expect from the beginning.
- If the companies have no existing achievements at the time of business, they must be devoted to sell the merchandise of other Tour Operators.
- At first, it is important to obtain trust, to make some connections and to build the achievement from these activities.

Renewal of a contract & Improvement of the conditions

- Airline companies and hotels expect tour operators to sell their seats or rooms voluminously.
- Airline companies and hotels examine each tour operator from the sales quantity of the former period.
- In other words, they don't make a contract with poor prospect customers.
- Then they decide the next conditions of a contract on the basis of the examination.

6.2 Tactics of negotiation

Structures of negotiation. The structure of negotiations is various. Below, is the structure of negotiations?

1. Number of the negotiation participants

Negotiation between 2 groups:

In this case, it is easy to grasp the negotiation partner and establish the strategy, so the negotiation is simple.

Negotiation between 3 or more groups:

In this case, groups whose interest is the same benefit connect each other, so negotiation is complicated with the element of —Power Game.

2. Position of the negotiation person

Simple layer negotiation:

- In this case, an actual negotiator can come to a conclusion directly.
- Therefore, the negotiation is simple.

Double layer negotiation:

- In this case, a negotiator is just the representative of an organization.
- A conclusion needs the agreement inside the partner organization.
- Therefore, negotiation is complicated.

3. Power distribution of the negotiator

Symmetric negotiation:

- In this case, each negotiator has equal power.

Non-symmetric negotiation:

- In this case, some negotiator has strong power and another has weak power such as the negotiation between parent and child.
- The weak must know the lowest compromise point clearly at the negotiation.

Tactics of Negotiation

You have to use the tactics corresponding to each negotiation to negotiate efficiently.

1. Threat

The threat is the simplest negotiation tactics. For example, the direct threat has a big effect for the hotel such as —We will make a reservation to other hotel if you do not offer rooms cheaply. However, this tactics is effective in only when the relation between the hotel and you is perfect casual situation and there is an alternate plan abundantly. Therefore, the threat is a last resort.

2. Reputation establishment tactics

This is the tactics that establishes a reputation by accumulating an achievement and tries to proceed with a negotiation advantageously. You can obtain the trust of a partner if you get the reputation that has not betray a partner in the past. Therefore, your negotiation goes ahead smoothly.

3. Good Cop/Bad Cop Tactics

This is the method for a hard negotiation without deteriorating the human relations. You make a negotiation partner think that you are a friendly person by making other bad fellows intentionally. For example, say, —I think this attaches conditions enough but my boss doesn't agree with this."As a result, you can obtain the compromise of a partner easily.

4. Ratification tactics

This means that you have a ratification procedure before making a final conclusion such as resolution of a board of directors meeting. Thus, you can avoid the risk that has made a contract with the pace of a partner. This tactics is effective to take a rest and keep your coolness before making a contract officially.

6.3 Contracting techniques

There are three main types of contracts used in touroperating:

- a) **Commitment/guarantee** – where the tour operator guarantees to pay for a certain number of bed spaces
- b) **Allocation and release back** – where the tour operator agrees an allocation of a certain number of bed spaces with the hotel and agrees to give back any that it has not sold by a certain date
- c) **Ad hoc** – this is the most flexible arrangement, when a tour operator agrees a contract (discounted) rate with an hotelier and makes bookings as and when required.

Negotiations on contract terms usually start a year before the holidays sold.

6.4 Booking of Services

- Confirm both the amount and method of payment.
- Always confirm and reconfirm what was said.
- It is all too easy, on either side, to hear —Bl as—Vll. To avoid this and other spelling errors, it is advisable to learn the international phonetic alphabets.

Confirmation of Tour Components

- Airport transfer - guide and car
- Restaurants - menu offered, quantity of food and position of good seat
- Hotel arrangement - check-in and check-out time so that rooms can be ready for tourists upon arrival,
- Rooming list such as single, double and twin.
- Air reservation - departure not changed? Make double reconfirmation: the first is based on the airline rule, and the second is on the previous day of departure date.

Quotations' amendment

- Quotation is about setting price for the tour product.
- So, quotation amendment is necessary.
- You have to adjust the price of the tour product based on your negotiations with the different suppliers such as accommodation establishments, car rental agencies and other suppliers.

Itinerary adjustment

- Based on the negotiations and adjustments in price,
- Make also adjustments in your itinerary.
- Your itineraries should always be updated.

6.5 Processing reservation & guest files

Recently, it is general to use the travel business management software when we control reservations. However, the software is based on a classic reservation control method. Therefore, we will study a classic reservation control method here.

Origin Country

1. Name and Title of a client

Enter it with the turn of Family name, First name, Title without fail.

(e.g. Shimamura / Masahiro Mr.)

In case that the spelling even 1 character is wrong, airlines sometimes refuses the boarding of the passenger. Especially, the spelling mistake is fatal on the occasion of overbooking.

2. Age of a client

Airlines requires passenger's age for reservation of the domestic airline's ticket in some countries.

3. Passport data of a client

A) Passport Number

B) Date of issue

C) Date of expire

There are many cases that a client has the expired passport.

Name and birthday of the client are recorded in a passport exactly, so it is desirable to obtain the copy of a passport if it is possible.

4. Address of a representative client in an origin country

A) Home address & telephone number

B) Office address & telephone number

C) Mobile phone number

D) E-mail Address

5. Local Contact of a client in a host country

The local contact in the host country of a client must be recorded to have connection with a client in an emergency and report it to airlines.

6. Tour Code

The tour cord usually controls the reservation record and it is given to each record.

7. The number of pax and details inside a client's group

The reservation of an air ticket requires even the number of adult, child and infant for each. (e.g. Adult 2, Child 1, Infant 1)

8. Departure date, Flight, Time (e.g. 08 Dec LH591/2340)

9. Arrival date, Flight, Time (e.g. 15 Dec LH590/2140)

10. The contents of Air Reservation
 - A) Request of the reservation: Request Date, Name of Contact Person
 - B) Reply from the airlines: Accept Date, Name of Contact Person

The above unnecessary if with PNR (Reference number necessary)

 - C) Reply to the client: Reply Date
 - D) Final confirmation from the client: Confirmation Date
 - E) Issue Ticket: Date of issue
 - F) Report of ticket number to airlines: Date of report, Ticket Number

Report be possibility even through CRS
11. The contents of Hotel Reservation
 - A) Request of the reservation: Request Date, Name of Contact Person
 - B) Reply from the hotels: Accept Date, Name of Contact Person
 - C) Reply to the client: Reply Date
 - D) Final confirmation from the client: Confirmation Date
 - E) Final confirmation to the hotels: Confirmation Date
 - F) Preparation of Hotel voucher: Preparation Date
12. The contents of Land Arrangement
 - A) Request of the reservation: Request Date, Name of Contact Person
 - B) Reply from the tour operator: Accept Date, Name of Contact Person
 - C) Reply to the client: Reply Date
 - D) Final confirmation from the client: Confirmation Date
 - E) Final confirmation to the tour operator: Confirmation Date
 - F) Preparation of Tour voucher: Preparation Date
13. Progress checklist
 - A) Preparation & Delivery of Confirmation Sheet/Contract document
 - B) Receipt of Deposit
 - C) Preparation & Delivery of Invoice
 - D) Receipt of Balance
 - E) Preparation of Final Itinerary (include Guidance of departure)
 - F) Issuing Air Ticket
 - G) Preparation of Hotel voucher or Tour voucher
 - H) Preparation of Insurance document
 - I) Set up Travel goods such as a name tag

J) Delivery of G/A (Final Document)

Host Country

1. Name of the ordered Travel Agency

2. Name List for Domestic Air Tickets

Sometimes, Airlines request the passenger age for domestic flights.

3. Rooming List for Hotels

When the foreign tourists check-in a hotel, they are requested the presentation of their passport from a hotel. However, in the case that tour operators are notifying their passport data to hotels in advance, most of hotels don't demand the presentation of their passport to them. Therefore, tour operators are desirable to obtain their passport data in advance for the convenience of them.

4. Local Contact of a client in a host country

Although this is clear when tour operators make a reservation of the hotels for clients, but when clients do by themselves, tour operators need to obtain this for the emergency in advance.

5. Tour Code

The tour code usually controls the reservation record. Tour code is given to each record. It is easy to distinguish records when each travel agency / tour operator is given each Tour Code. For example, NTS00001 is the first reservation from "Netherlands Travel Service", IET00025 is the 25th reservation from "Indian & Ethiopian Travel", and JTB00150 is the 150th reservation from "Japan Travel Burro".

6. The number of pax and details inside a client's group

The reservation of an air ticket requires even the number of adult, child and infant for each.
(e.g. Adult 2, Child 1, Infant 1)

7. Arrival date, Flight, Time (e.g. 08 Dec LH590/2050)

8. Departure date, Flight, Time (e.g. 13 Dec LH591/2340)

9. The contents of Air Reservation for domestic flights

A) Request of the reservation: Request Date, Name of Contact Person

B) Reply from the airlines: Accept Date, Name of Contact Person

The above unnecessary if with PNR (Reference number necessary)

C) Reply to the travel agency: Reply Date

- D) Final confirmation from the travel agency: Confirmation Date
 - E) Issue Ticket: Date of issue
 - F) Report of ticket number to airlines: Date of report, Ticket Number
Report be possibility even through CRS
10. The contents of Hotel Reservation
- A) Request of the reservation: Request Date, Name of Contact Person
 - B) Reply from the hotels: Accept Date, Name of Contact Person
 - C) Reply to the travel agency: Reply Date
 - D) Final confirmation from the travel agency: Confirmation Date
 - E) Final confirmation to the hotels: Confirmation Date
 - F) Preparation of Hotel voucher: Preparation Date
- Guide submits Hotel voucher to the hotel in the tour of guide accompanying.
11. The contents of Land Arrangement
12. Car Rental or Car Assignment
13. Restaurant Reservation & Budget per person
14. Tickets Arrangements (Train, Theater etc.)
15. Guide order or Guide Assignment
- A) Request of the reservation: Request Date, Name of Contact Person
 - B) Reply from the each: Accept Date, Name of Contact Person
 - C) Reply to the client: Reply Date
 - D) Final confirmation from the travel agency: Confirmation Date
 - E) Final confirmation to the each: Confirmation Date
16. Progress checklist
- A) Issuing Air Ticket
 - B) Accepting other tickets
 - C) Preparation of Hotel voucher
 - D) Preparation of Meal voucher
 - E) Preparation of Meeting Board
 - F) Guide Assignment
 - G) Give Away (Special Attention etc.)

Chapter 7

Organizing Tours and Travel

7.1 Pre Tour Preparation & Execution of Tour Program

- This is the final chapter, and of course your final preparation for you to start the actual tour and deliver it for the tourists.
- The requirements of a certain tour depend on its nature and to which tourists are travelling to.
- For example, if you are taking tourists for trekking, you should have the necessary materials that help successfully accomplish the tour.
- If you are travelling to destinations where there are no accommodation establishments, it will be necessary for you to have tents for camping.

Generally, the following are some of the requirements of a tour:

- Tour badges and name tags
- Bottled water
- Tents
- Sunscreen
- Cost sheet and note book for the guide
- Car and its spare parts-like extra tire and fuel
- Note on matters that need special attention in the destination
- Address book-Telephone numbers of police stations and hospitals/clinics in the destination
- Photo or video camera (optional)
- Tour manager

7.2 Assign and Briefing Tourist Guides & Others Staff

- The next activity is to assign and briefing the necessary staff.
- This depends on the type of arrangement you made or the type of package tour.
- For example, for escorted package tour, you have to assign a qualified tour manager/escort who will lead tourists from starting point of the visit to the destination and back to the origin.
- If the tour is hosted, you have to assign a host at each destination who will assist tourists starting from transfer to hotel and advising tourists about the destination.
- In addition, the manager of the tour company or other people should be assigned to follow up the progress of the tour-asking whether the tour is successful and answering their calls to provide prompts responses.
- After assigning, it is essential to brief the guides, tour managers, hosts and other concerned staffs about different issues regarding the tour.

7.3 Contact Service Providers

I. Liaise with operators and other industry colleagues

- Gather as much information on your audience as is possible and appropriate:
- Collecting passenger lists when relevant
- Contact who will be involved in your tour (e.g. coach captains, retail store owners, tour operators, attraction staff and other guides).

II. Reconfirmation calls

- This refers to the calls to conform for services.
- Importance of confirmation calls and what weshould do:

- ✓ True professionalism becomes evident in the area of reconfirmation calls to any service done by the guide or operator.
- ✓ Forgetting reconfirmation call is deceiving oneself and inviting to trouble
- ✓ Arriving at a hotel without reconfirmation call may result in no record of the group.
- In general, reconfirmation is very crucial because the more you tell him/her the easier it will be to both the service supplier and to the service receiver.

Activities:

- Each service must be confirmed by telephone, not later than 48 hours before arrival
- When you make a call to hotels for confirmation before 48 hours of arrival time, you should:
 - ✓ Have the voucher in front of you to check which services are refused and which are accepted.
 - ✓ Ask the name of the person who manages tour booking
 - ✓ Speak to him clearly and with authority to show leadership of your group
 - ✓ Give your name, the company's name, the tour name or code
 - ✓ Give detail of the actual needs of the tour written on the voucher (accommodation and meal request)
 - ✓ Inform the booking manager about changes if any. This is because there appears cancellation of reservation by clients.
 - ✓ Tell your estimated time of arrival and some special needs of clients e.g. vegetarians who do not eat meat.

7.4 Expense Allocation

- Identify all the necessary cost components for the tour to help you get the total cost.
- There will be such costs as welcome party, fare well party, client occasions and holidays such as X-mass.

- There are other costs which the guide might have incurred at the destination.
- Give the guide cost sheets to record it correctly. Calculate the cost accurately!

Expense account report sheet:

- It is a form in which expenses associated to any tour are recorded.
- There are two kinds of expense account report sheets:

i. Daily entry page:

- This is similar to incidental charges.
- We register expenses of telephone, fax, e-mail, etc.
- We register these expenses by forming categories.
- Example:

Laundry Services Communication Services

- The amount spent on each item is entered.
- At last, all subtotals are tallied (sum up) and deducted from the total amount taken from the office.

ii. An actual day by day estimate expenses:

- It is outlined in the itinerary:
- For example:

Transport Entrance

Boat \$750	\$85
Road \$1200	\$100

7.5 Tour Coordination and Preparations for Risks

A. Wardrobe and Packing:

- It is an important part of your pre-tour preparation.
- It means selecting material you use when you are on a tour.
- Factors to be considered are:
 1. Type of tour- safari tour, rafting, bird watching

2. Climate

3. Restriction/ limitation by carriers- air transportation, surface transportations

- To look fresh and well-groomed all time, select clothing that is easy to care for keeps the shape and has light weight as much as possible.

Wardrobes are: Cloths and other materials:

- fit to your tour and climate,
- considering color,
- weight and thicknesses of the clothes,
- shoes with comfort,
- taking rain coats and umbrella,
- toilet materials ,
- medication materials,
- Flight bags, etc.

Packing:

Experienced tour guides or operators can pack:

- Surprising amount of clothes in luggage's and flight bags
- Utilizes every inch—packing socks inside shoes ,rolling under wear, etc.
- Use your flight bag for your toilet articles and for your night cloths and reading materials (to tell up to date information's)
- Every evening on tour, layout every preparation for the next days and then pack your suitcase so that in the morning you will pack only your flight bag.

B. Monitor and adjust Tour

- The future is full of uncertainty and risk.
- There will be delays in flight that can shorten the time for visiting the attractions.
- You may run out of time to visit all the attractions in the destination.
- In such a case, you are forced to make adjustments in the itinerary.
- Some of the less important sites should not be visited to allow tourists to accomplish the tour within the time given.

- Or, the car will have some problems and delay your tour.
- One of the passengers might get sick or lost his baggage.
- There will be overcrowding and you may have short time to spend in the destination area.
- Sometimes, you will be forced to extend the tour for some period of time.

7.6 Assessing Tourist Satisfaction

- Assessing tourist's satisfaction on our tour package is significant for the success of our future business.
- It is better to do it both during and at the end of the tour.
- It is mostly part of post-tour activities.
- Tourist satisfaction assessment during tour might give you chances to take correction measures.
- The result of the assessment should be considered as an input to conduct successful tour in the future.
- It will tell what should be done with regard to the services of principal accommodation, transportation, and related services vendors at all level (departure, en route, and destination), tour leaders/escorts/hosts, and the tour company itself.