

Secondary Stage



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NCF 2023

**12**  
CBSE

# Tourism

Skill Education | CODE 806



**FULLMARKS**

**12**  
CBSE

# Tourism

**Skill Education | CODE 806**

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# Preface

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Tourism is now widely acknowledged as a significant economic contributor on a global scale. India, boasting an array of captivating destinations throughout the year, stands out as a top-tier choice for various types of tourists. The increasing recognition of tourism's economic importance has led to heightened focus from both the Indian government and various entities in the public and private sectors, as well as academia. Exploring the historical evolution of travel trade worldwide and in India sheds light on its rich legacy.

Simultaneously, the new millennium has witnessed a sustained surge in interest regarding how individuals spend their leisure time. Some experts posit that leisure time, particularly during holidays, plays a defining role in shaping individual and familial lives. This burgeoning interest revolves around the consumption patterns during holidays, especially in the context of travel and vacations, marking concentrated periods of leisure. This global phenomenon, involves utilizing leisure time to explore diverse places and destinations featured prominently in holiday plans.

The surge in tourism has presented substantial business opportunities and ample room for service providers such as travel agencies and tour operators. In response, the Government of India has implemented several initiatives over the past decades to cultivate a pool of skilled professionals capable of meeting the growing demand for trained manpower in the tourism industry.

This book serves as an introductory guide, offering insights into the functions and operational intricacies of travel agencies and tour operations. Additionally, it provides a comprehensive overview of the tourism industry, aiming to foster further exploration and kindle interest of students in this dynamic field of study.

**–Authors**

# INSIDE THE BOOK

## Learning Resources

### Learning Outcomes

Students will be able to know about

#### Learning Outcomes

- 1.1 Evolution of Travel Business
- 1.2 Type and Organizational Structure of Travel Agency & Tour Operator
- 1.3 Difference between Travel Agencies and Tour Operators
- 1.4 Market Trends & Travel Agency Business Scenario
- 1.5 Business Integration

### Glossary

This section contains definitions of important terms.

#### GLOSSARY

1. **Tour costing** : the process of estimating and calculating the expenses associated with organizing and conducting a tour or travel package
2. **Cost sheet** : reflects the cost of each component in the package tour
3. **Cost of package sold** : the sum total of cost components of a package tour
4. **Cost-Plus Pricing** : setting a price by adding a markup percentage to the total cost of producing or providing the product or service
5. **Penetration Pricing** : setting an initially low price to quickly penetrate the market and gain a large customer base
6. **Skimming Pricing** : setting an initially high price to "skim" the market and target early adopters or customers willing to pay a premium
7. **Bundle Pricing** : packaging multiple products or services together and offering them at a discounted price compared to purchasing each item individually
8. **Value-Based Pricing** : setting prices based on the perceived value of a product or service to the customer
9. **Loss Leader Pricing** : selling a product or service at a loss or minimal profit to attract customers who are likely to make additional, more profitable purchases

### At a Glance

This section provides summary of the chapter.

#### AT A GLANCE

- ♦ The travel business is influenced by global trends, economic conditions, and technology advancements.
- ♦ The travel business includes various sectors, such as transportation, accommodation, tour operating agencies, and related services.
- ♦ Travel and tour operators engage in marketing activities to promote their services.
- ♦ The travel sector is highly competitive, and operators need to differentiate themselves through unique offerings, excellent customer service, and effective marketing.
- ♦ The travel trade in India is a dynamic and rapidly growing industry that encompasses a wide range of services related to travel, tourism, and hospitality.
- ♦ A travel agency is a business or organization that provides a variety of services related to travel and tourism.
- ♦ A tour operator is a company or organization that specializes in designing, organizing, and selling pre-arranged travel packages, commonly known as tours.

### Sample Practical Work

Practical learning helps students learn more

#### PRACTICAL EXERCISE-1

#### Learning Outcomes of Practical

- |                      |                  |
|----------------------|------------------|
| 1.1 Aim of Practical | 1.2 Procedure    |
| 1.3 Observations     | 1.4 Calculations |

#### 1.1 Aim of Practical

Develop a plan for a sustainable adventure tourism trip to Himachal Pradesh for a group of 10 college students.



## SAMPLE PROJECTS

### PROJECT-1

#### Learning Outcomes of Project

- |                                   |   |
|-----------------------------------|---|
| 1.1 Ecotourism and its Importance | 1.2 Promoting Ecotourism in Rural India |
| 1.3 Calculations                  | 1.4 Future Scope                        |

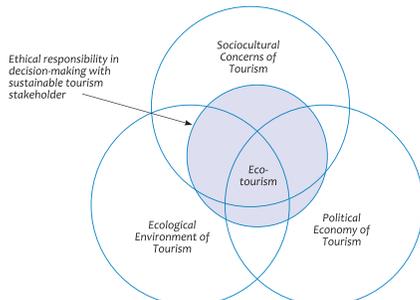
#### 1.1 Ecotourism and its Importance

Ecotourism refers to a form of responsible travel that focuses on experiencing natural areas while minimizing environmental impact and benefiting local communities. It goes beyond simply visiting nature; it's about understanding and appreciating the environment, respecting local cultures, and actively contributing to their preservation.

Here's a breakdown of its key aspects:

#### Meaning

- **Eco:** Derived from "ecology," emphasizing nature and environmental consciousness.
- **Tourism:** Travel for experience and exploration, but with a responsible twist.



### Sample Project Work

#### Project Work

It helps the students work outside the classroom environment while improving their practical skills.

# Assessment Tools

## Knowledge Assessments

It presents questions before the students to access their current progress on the ongoing topic.

**II. Fill in the blanks:** (1 Mark)

- The American Express was established in ..... year with Headquarters at .....
- Cox & Kings was established by .....
- In the distribution channel, principles are also known as .....
- ..... bundle the diverse travel services.
- OTA stands for .....
- DMO stands for .....
- Partnerships/interconnections refers to ..... linkages.
- Relationships/associations between the large tourism business and small local businesses is known as ..... Linkages.
- The open sky policy was launched for private players in .....
- ITDC was formed in .....
- The planning commission of India recognized Tourism as an industry in .....
- The national tourism policy came in the year .....
- IRCTC was enlisted in National stocks Exchange in .....
- ..... is the oldest functioning steam engine in the world.
- Indian railways was nationalized in .....

**Answers:**  
 1. 1841, New York 2. 1758 3. suppliers 4. Aggregators 5. online travel agencies  
 6. Destination Management Organisations 7. horizontal linkages 8. vertical linkages  
 9. 1993 10. 1966 11. 1982 12. 2002 13. 2019 14. fairy Queen 15. 1951

**III. State whether the following statements are true or false:** (1 Mark)

- Palace on wheels was launched on 1982.
- Maharaja express runs on four different circuits.
- Deccan odyssey is collaboration between Indian Railways and ITDC.
- Golden Chariot takes passengers to Karnataka, Kerala and other states.
- ITDC was formed in 1970.
- Royal Rajasthan on Wheels was launched in 2009.
- IRCTC became a Miniratna company in may 2008.
- Kalka Shimla railway is UNESCO world heritage site.
- The travel trade is not a single entity and is a network of different intermediaries.
- Principals and aggregators are same.

**Answers:**  
 1. True 2. True 3. false 4. true 5. false 6. true 7. true 8. true 9. true 10. false

## Activity

It provides an activity to the students allowing them to research and learn new things.

**3. Activity:**

- Identify the required assistance you expect from travel agency/tour operation.
- If you are planning to go to tour during your vacations, who will provide travel relate solutions to you?

**Ans.** 1. Do it yourself. 2. Do it yourself.

## Additional Questions with Answers

It contains MCQs, Fill in the blanks to test and improve their mental dexterity.

**Additional Questions with Answers**

**I. Multiple Choice Questions** (1 Mark)

- What does GDS stand for  
 (a) Global Data System (b) General Distribution Service  
 (c) Global Distribution System (d) General Data Service
- What is the primary purpose of a Global Distribution System?  
 (a) To manage global financial transactions  
 (b) To distribute and facilitate the booking of travel-related services  
 (c) To provide weather information globally  
 (d) To regulate global communication networks
- Which of the following is a key function of GDS in the travel industry?  
 (a) Managing hotel staff (b) Providing restaurant recommendations  
 (c) Facilitating airline reservations (d) Designing travel brochures
- Travel agencies use GDS to:  
 (a) Access a centralized database of travel-related information  
 (b) Manage their office supplies  
 (c) Play online games  
 (d) Create marketing campaigns
- What kind of information is typically included in a GDS database?  
 (a) Cooking recipes  
 (b) Space exploration data  
 (c) Travel-related information like flights, hotels, and car rentals  
 (d) Historical facts about ancient civilizations
- GDS helps in:  
 (a) Increasing travel agency expenses  
 (b) Simplifying the booking process and providing real-time information  
 (c) Reducing the number of available travel services  
 (d) Eliminating the need for travel agents
- Which of the following is NOT a major GDS provider in the travel industry?  
 (a) Amadeus (b) Sabre (c) Galileo (d) Uber
- What is the role of a Global Distribution System (GDS) in the travel industry?  
 (a) Managing hotel reservations  
 (b) Facilitating the distribution and booking of travel services  
 (c) Providing transportation for travellers  
 (d) Offering sightseeing tours
- Which of the following is a key benefit of using a GDS for travel agencies?  
 (a) Increased office space  
 (b) Reduced global connectivity  
 (c) Access to a centralized database of real-time travel information  
 (d) Limited service options

## Exercise

It contains a variety of questions to assess the concepts taught in the unit/chapter.

**EXERCISES**

**CBSE Textbook Questions with Answers**

**Review Questions-1:**

- Explain the historical background of travel industry.  
**Ans.** In 1670, the Grand Tour concept was developed for educational purposes. In 1730, the health experts suggested sea water useful to cure many diseases. As a result, many resorts around the English coast were constructed to attract the visitors. In 1815, the steamboats connected London to Gravesend. During the period major resorts were constructed to accommodate the vessels on their arrival. In 1820, the European cultural centers were opened to British travellers. In 1830, Liverpool and Manchester were joined with the rail link.  
 Remarkably, the peninsular and Oriental Steam Company started steamship services between India and Fast East in 1830.  
 Cox and Kings is the longest established travel company in the world. Its history goes back to the May 1758, when Richard Cox was made the regimental agent of the company. The 250th anniversary of the company was celebrated in 2008. Since then, the travel and tourism industry is developing everywhere in the world.
- How Thomas Cook played a key role in evolution of travel business?  
**Ans.** In 1841, Thomas Cook became the secretary of the South Midland Temperance Association. He organized a trip by train for 570 members of his association to a distance of 22 miles. He bought the railway tickets in bulk and sold them to the people. It was an experiment far him and it proved very successful. At first, Cook did this job with no profit motive, but it gave him a new idea which he turned into a tour business. Gradually, he established the 'World's First Travel Agency' to conduct excursions. It is because of this act of Cook, he is known as the 'Father of the Travel Agency Business'.  
 However, he did not stop his efforts to popularise tour and travel business. In 1885, he started package tours and conducted the world's first international tour from England to Paris. Actually, it was an inclusive tour. Thus, he developed the concept of inclusive tour. Moreover, in 1870,



# Syllabus

	UNITS	NO. OF HOURS for Theory and Practical	MAX. MARKS for Theory and Practical
<b>PART A</b>	<b>Employability Skills</b>		
	Unit 1 : Communication Skills-IV	10	2
	Unit 2 : Self-Management Skills-IV	10	2
	Unit 3 : ICT Skills-IV	10	2
	Unit 4 : Entrepreneurial Skills-IV	15	2
	Unit 5 : Green Skills-IV	05	2
	<b>Total</b>	<b>50</b>	<b>10</b>
<b>PART B</b>	<b>Subject Specific Skills</b>		
	Unit 1 : Introduction to Travel & Tour Operations Business	20	6
	Unit 2 : Operations of Travel Agency	10	4
	Unit 3 : Transport Network	15	6
	Unit 4 : Itinerary Planning	10	5
	Unit 5 : Tour Packaging & Programming	15	8
	Unit 6 : Package Tour Costing	15	8
	Unit 7 : Government and Professional Bodies	20	8
	Unit 8 : Global Distribution System	15	5
	<b>Total</b>	<b>120</b>	<b>50</b>
<b>PART C</b>	<b>Practical Work</b>		
	Project	90	20
	Viva		05
	Practical File/ Portfolio/ Power Point presentation		10
	Demonstration of Skill competency via Lab Activities		05
	<b>Total</b>	<b>90</b>	<b>40</b>
	<b>GRAND TOTAL</b>	<b>260</b>	<b>100</b>

## PART-B: SUBJECT SPECIFIC SKILLS (CLASS XII)

S. NO.	UNITS	DURATION IN HOURS
1.	Unit 1 : Introduction to Travel & Tour Operations Business	20
2.	Unit 2 : Operations of Travel Agency	10
3.	Unit 3 : Transport Network	15
4.	Unit 4 : Itinerary Planning	10
5.	Unit 5 : Tour Packaging & Programming	15
6.	Unit 6 : Package Tour Costing	15
7.	Unit 7 : Government and Professional Bodies	20
8.	Unit 8 : Global Distribution System	15
	<b>TOTAL DURATION</b>	<b>120</b>

UNIT	SESSION/TOPIC	ACTIVITY/PRACTICAL
1. Introduction to Travel & Tour Operations Business	1.1 Evolution of Travel Business	<b>Session:</b> History of Travel
		<b>Session:</b> Travel Trade in India
		• Understanding the development of Travel Trade in India through the development of various organizations.
	1.2 Type and Organizational Structure of TA & TO:	<b>Session:</b> Meaning & concepts of Travel Business
		<b>Session:</b> What is the Travel Agency? • Understanding the working of a Travel Agency • Learning about the different types of Travel Agencies Session: Who is a Tour Operator? • Understanding the working of a Tour Operator • Learning about the different types of Travel Agencies
	1.3 Difference between Travel Agencies and Tour Operators	<b>Session:</b> Organizations Structure of Travel/Tour Company • Understanding the design of Organization Structure within a travel/ Tour Company
1.4 Market Trends & Travel Agency Business scenario	<b>Session:</b> A comparative Analysis between Roles, Functions & Working of a TA & TO	
1.5 Business Integration	<b>Session:</b> Understanding the reasons that led to changes in the Business Handling in the Travel Agencies • Change in commission system • Introduction of Internet	
2. Operations of Travel Agency	2.1 Agent	<b>Session:</b> Understanding the chain of distributions within the Travel and Tourism Business • Horizontal Integration • Vertical Integration
	2.2 Origins of Travel Agency	<b>Session:</b> Who is an Agent? How does an Agent Operate?
	2.3 Operations of Travel Agency	<b>Session:</b> Learning about the Origin of Travel Agencies • Cox & Kings • Thomas Cook
	2.4 Organization of Travel Agency	<b>Session:</b> How do Travel Agencies make Profits and ensure safety against possible commercial failures?
	2.5 Commissions	<b>Session:</b> Understanding the Principles, Characteristics and range of tasks undertaken by a travel agent
	2.6 Travel Agencies in the 21st Century	<b>Session:</b> What is commission? How does it work?
3. Transport Network	3.1 Transportation	<b>Session:</b> Understanding the development of G.D.S
	3.2 Tourism & Transport	<b>Session:</b> Understanding the Importance of Transportations in Tourism Industry
	3.3 Air Transport	<b>Session:</b> Learning about the relationship between Tourism & Transport
	3.4 Rail Transport	<b>Session:</b> Understanding the Evolution & Categories of Air Transport
	3.5 Road Transport	<b>Session:</b> Understanding the Importance of Rail Transport & It's Challenges
		<b>Session:</b> Understanding the importance of Road Transport & Learning about the Phases of National Highway Development Projects
	3.6 Shipping	<b>Session:</b> Learning about car travel and coach travel. Understanding the Car Rental System.
3.7 Mass Transportation	<b>Session:</b> Learning about shipping and the cruise industry. Understanding evolution of Cruise business and major cruise lines. Information about Indian waterways.	
4. Itinerary Planning	4.1 Itinerary Planning	<b>Session:</b> Understanding the Definition and Significance of Mass Transportation system
	4.2 Importance of Travel Itinerary	<b>Session:</b> Understanding meaning and features of Itinerary
		<b>Session:</b> Learning about the different type of Itineraries • How they are differentiated from person to person • Prerequisites of Itinerary • Things to consider • Step by Step procedure • Dos/Don'ts
4.3 Packages or Inclusive Tours	<b>Session:</b> What is the Package Tour? What does it Entail?	

5. Tour Packaging & Programming	5.1 Meaning and Classifications of Tour Packages	<b>Session:</b> Types of Tour Packages
	5.2 Components of Tour Package	<b>Session:</b> What are the Various Elements of the Package Tour?
	5.3 Customized or Tailor-Made Package and Group Inclusive Tours	<b>Session:</b> Learning about the methods of development customize and tailor-made packages
	5.4 Tour Formulation & Designing Process	<b>Session:</b> Learning about the process through which package Tour may be designed
	5.5 Tour Brochure Designing	<b>Activity:</b> Learning how to promote Tour Package through Tour Brochures(Create a Brochure)
	5.6 Tour Programming and Its Importance	<b>Session:</b> Understanding the role of Programming to add more value to the package
6. Package Tour Costing	6.1 Meaning of type of cost	<b>Session:</b> Understanding the definition of cost
	6.2 Concept of Tour Costing	<b>Session:</b> Learning about the different type of cost used in a package Tour <b>Session:</b> How to prepare a cost sheet to workout costing systematically
	6.3 Components of Tour Cost	<b>Session:</b> Learning about the various components that are incorporated to create a cost sheet
	6.4 Pricing Package Tour	<b>Session:</b> Understanding how to price for package Tour
	6.5 Pricing Strategies	<b>Session:</b> Formulation of pricing strategies for greater sale • Traditional pricing strategies • Recent pricing strategies
7. Government and Professional Bodies	7.1 Integration between Government and Professional Bodies	<b>Session:</b> Understanding the importance of Integration • Characteristics • Significance
	7.2 Rules for setting up Travel Agency and Tour Operators	<b>Session:</b> Understanding the approval procedure for setting up TA &TO
	7.3 Department of Tourism (DoT) Different Schemes and Policies	<b>Session:</b> What are the different Government scheme and policy for establishing Travel Business
	7.4 Professional Bodies and their Activities	<b>Session:</b> Learning about the various national and international professional bodies • Roles • Functions • Objectives
8. Global Distribution System	8.1 Global Distribution System	<b>Session:</b> Defining and understanding GDS
	8.2 The Evolution of Global Distribution System	<b>Session:</b> History and development of GDS. Halo-effect and regulation of GDS. Learning about the various interfaces of GDS.
	8.3 Amadeus and GDS	<b>Session:</b> Understanding display fares, display airlines schedules and availability and display of online portals • Amadeus • Galileo International • SABRE • World span
	8.4 Display Airlines Schedules and availability	<b>Session:</b> Understanding Airlines inventories through availability display

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# Introduction to Travel & Tour Operations Business



## Learning Outcomes

- 1.1 Evolution of Travel Business
- 1.2 Type and Organizational Structure of Travel Agency & Tour Operator
- 1.3 Difference between Travel Agencies and Tour Operators
- 1.4 Market Trends & Travel Agency Business Scenario
- 1.5 Business Integration

## 1.1 Evolution of Travel Business

Travel business is a dynamic and multifaceted industry that revolves around providing services related to travel, tourism, and leisure. This sector encompasses a wide range of activities and services, all aimed at facilitating and enhancing the travel experience for individuals, families, and groups. The key components of the travel business include:

- Travel Agencies
- Tour Operators
- Accommodation Services
- Transportation Services
- Destination Management Companies (DMCs)
- Travel Technology
- Adventure and Specialized Tours
- Event Planning and Corporate Travel
- Regulatory Compliance
- Customer Service and Experience



The travel business is influenced by global trends, economic conditions, and technological advancements. Successful operators stay adaptable and abreast of industry developments to meet the evolving needs and preferences of travellers. This sector encompasses a wide range of activities and services designed to facilitate and enhance the travel experience for individuals and groups. From planning and organizing trips to managing logistics and providing on-the-ground support, travel and tour operators play a crucial role in ensuring smooth and enjoyable journeys for their clients.

### 1.1.1 History of travel

The evolution of the travel has been shaped by historical, technological, social, and economic factors. Over time, this industry has experienced significant transformations, adapting to changing consumer behaviours and advancements in technology.

In ancient times, travel was often a necessity for trade, pilgrimage, or exploration. However, it was limited to specific routes, and the concept of leisure travel was not prevalent. During the Age of Exploration in the 15th to 17th centuries, explorers like Christopher Columbus and Ferdinand Magellan opened up new trade routes and facilitated cross-cultural interactions. This laid the groundwork for global travel. In the 17th and 18th centuries, the “Grand Tour” became popular among European aristocrats and young elites. It involved extended travels across Europe to enhance one’s cultural and educational experiences.

The 19th century, marked by the Industrial Revolution, saw the development of steamships and railways, making travel more accessible and efficient. This era also witnessed the emergence of the first travel agencies. The early to mid-20th century is often considered the “Golden Age of Travel.” With the expansion of commercial aviation and the development of luxury ocean liners, travel became more comfortable and accessible to a broader population.

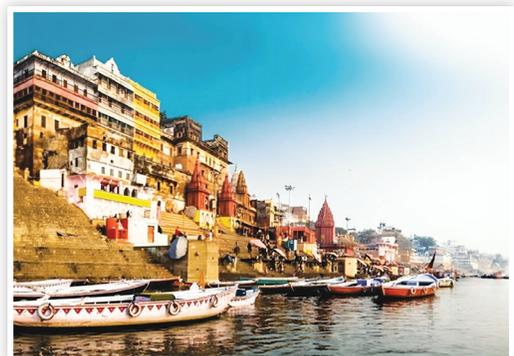


The post-World War II period saw the advent of commercial jet travel, dramatically reducing the time required for long-distance journeys. This led to the rise of mass tourism, with more people able to afford and undertake international vacations. The latter half of the 20th century and the early 21st century witnessed increased globalization and the rapid growth of the internet. Online booking platforms and travel websites revolutionized how people plan and book their trips, empowering consumers with more choices and flexibility.

The rise of sharing economy platforms, such as Airbnb and Uber, transformed the accommodation and transportation sectors. Travellers gained access to a wider range of accommodation options and transportation services. The travel business has evolved from simple modes of transportation to a complex global industry, continually adapting to societal changes and technological innovations. Today, it plays a crucial role in connecting people, cultures, and economies across the world.

### 1.1.2 Travel Trade in India

The travel trade in India is a dynamic and rapidly growing industry that encompasses a wide range of services related to travel, tourism, and hospitality. India has a rich and diverse cultural heritage, historical landmarks, and natural beauty, making it a popular destination for both domestic and international travellers. The travel trade in India includes various components and stakeholders contributing to the overall tourism ecosystem.



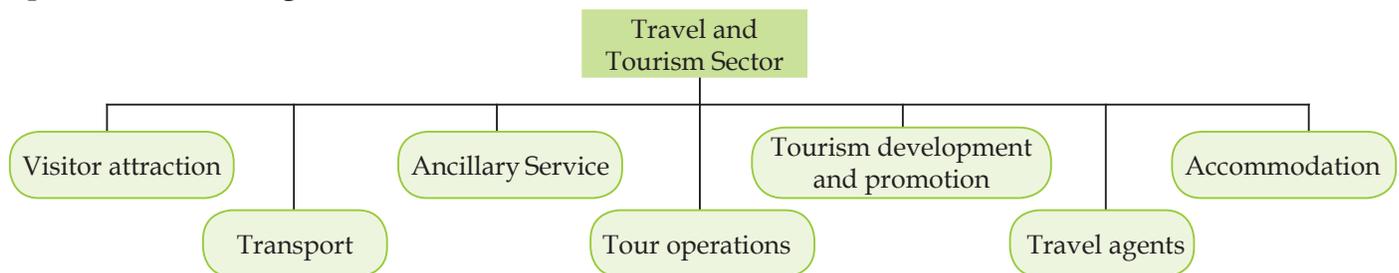
**Following are key aspects of travel trade in India:**

1. **Tour Operators:** Tour operators in India design, organize, and sell tour packages to various destinations. They plan itineraries, arrange accommodations, transportation, and activities, catering to the preferences and interests of different traveller segments.
2. **Travel Agencies:** Travel agencies act as intermediaries between travellers and service providers. They assist clients in planning and booking travel arrangements, including flights, hotels, transportation, and other related services.
3. **Hospitality Industry:** The hospitality sector in India includes hotels, resorts, guesthouses, and other accommodation options. It plays a crucial role in providing a comfortable stay for travellers, ranging from budget to luxury accommodations.
4. **Transportation Services:** India’s travel trade involves various modes of transportation, such as airlines, trains, buses, and car rentals. The country has a well-developed railway network and a growing aviation industry, facilitating domestic and international travel.
5. **Government Initiatives:** The Indian government has implemented various initiatives to promote tourism and support the travel trade. These include policies to ease visa regulations, infrastructure development, and campaigns to promote tourism destinations.
6. **Cultural and Heritage Tourism:** India is known for its rich cultural and historical heritage. The travel trade emphasizes cultural and heritage tourism, promoting visits to iconic landmarks, museums, religious sites, and festivals.
7. **Adventure Tourism:** With diverse landscapes ranging from mountains to beaches, India offers opportunities for adventure tourism. Activities such as trekking, mountaineering, water sports, and wildlife safaris attract adventure enthusiasts.
8. **Medical Tourism:** India has become a significant destination for medical tourism, with world-class healthcare facilities offering cost-effective medical treatments. Travellers from around the world visit India for medical procedures and wellness services.
9. **Digital Transformation:** Like in many other parts of the world, the travel trade in India has undergone digital transformation. Online booking platforms, travel apps and digital marketing play a crucial role in reaching and serving customers.

The travel trade in India continues to evolve, driven by factors such as changing consumer preferences, technological advancements, and global trends. As a vital contributor to the country’s economy, the Indian travel trade is expected to play a significant role in the growth and development of the tourism sector.

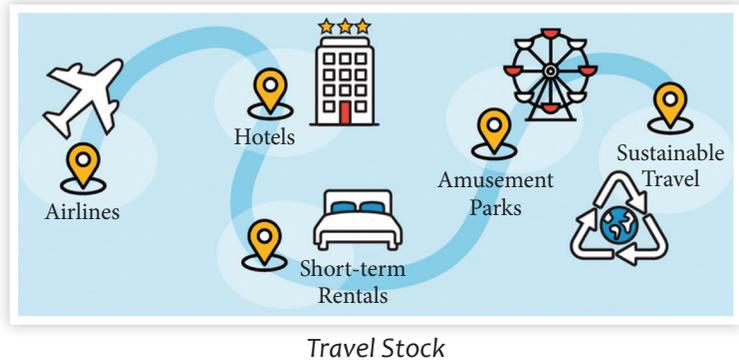
**1.1.3 Meaning and Concepts of Travel Business**

The term “travel business” refers to a commercial enterprise or industry that is involved in providing products and services related to travel, tourism, and hospitality. This encompasses a wide range of activities and services aimed at facilitating and enhancing the travel experience for individuals or groups. The travel business includes various sectors, such as transportation, accommodation, tour operations, travel agencies, and related services.



## Key Components of Travel Business:

- 1. Tour Planning and Organization:** Travel and tour operators design and plan various types of tours and travel packages. This involves creating itineraries, selecting destinations, and arranging activities to meet the preferences and needs of different customer segments.
- 2. Logistics Management:** Coordinating transportation, accommodation, and other logistical aspects is a fundamental responsibility. This includes booking flights, hotels, ground transportation, and activities to ensure a seamless travel experience.
- 3. Customer Service:** Providing excellent customer service is crucial in the travel industry. Operators assist clients in booking, offer travel advice, and address any concerns or issues that may arise during the trip.
- 4. Marketing and Sales:** Travel and tour operators engage in marketing activities to promote their services. This includes advertising, social media campaigns, and partnerships to attract potential customers. Effective sales strategies are also essential for business growth.
- 5. Risk Management:** Managing risks associated with travel, such as cancellations, unforeseen events, or emergencies, is a critical aspect of the business. Operators often provide travel insurance and contingency plans to mitigate potential issues.
- 6. Technology Integration:** Embracing technology is essential for modern travel and tour operations. Online booking systems, mobile apps, and digital platforms play a crucial role in reaching and serving customers.
- 7. Cultural and Environmental Awareness:** Travel operators must be mindful of cultural sensitivities and environmental impact. Sustainable and responsible tourism practices are increasingly important as travellers seek more ethical and eco-friendly experiences.



## Challenges in the Travel Business:

- 1. Global Events and Crises:** Natural disasters, health crises, or geopolitical events can significantly impact travel plans, leading to cancellations and disruptions.
- 2. Regulatory Changes:** The industry is subject to various regulations and policies that can affect operations. Keeping up with these changes is crucial for compliance.
- 3. Competition:** The travel sector is highly competitive, and operators need to differentiate themselves through unique offerings, excellent customer service, and effective marketing.
- 4. Technological Advances:** While technology offers opportunities, it also poses challenges as operators must continually adapt to stay relevant in an ever-changing digital landscape.

The travel business is influenced by factors such as consumer preferences, economic conditions, geopolitical events, and technological advancements. It plays a significant role in the global economy, contributing to employment, cultural exchange, and economic development in various regions. It's important to note that the travel business is diverse, encompassing both large corporations and small businesses, and it requires adaptability to changing market trends and



customer demands. Additionally, responsible and sustainable practices are becoming increasingly important in the travel business as awareness grows regarding environmental and social impacts associated with tourism.

## 1.2 Type and Organizational Structure of Travel Agency & Tour Operator

### 1.2.1 Travel Agency

A travel agency is a business or organization that provides a variety of services related to travel and tourism. These agencies act as intermediaries between individuals or groups seeking travel services and the various suppliers or providers of travel-related products and services. Travel agencies facilitate the planning, booking, and organization of trips, offering assistance to clients in arranging transportation, accommodations, tours, and other travel-related activities. Travel agency is one of the most important organizations in the tourism private sector which plays a significant and crucial role in the entire process of developing and promoting tourism in the country or at a destination.



### 1.2.2 Tour Operator

A tour operator is a company or organization that specializes in designing, organizing, and selling pre-arranged travel packages, commonly known as tours. These packages typically include a combination of travel-related services such as transportation, accommodation, meals, guided tours, and other activities. Tour operators play a crucial role in facilitating seamless travel experiences for individuals or groups by handling various logistical aspects of the trip.



### 1.2.3 Organizations Structure of Travel & Tour Company

Organizational structure is a setup that reflects how organizational activities should be carried out to meet its goals and objectives. Apart from this, the organizational structure also outlines the flow of communication channels within and between various levels of the organization. It ensures the effective management of an organization. The size of a travel agency and the type of business that it handles determine the organizational structure. Travel agencies with large-scale operations have a formal organizational structure, whereas the organization structure is limited to small and medium-scale travel businesses.

Following the growth of the travel business, its organizational structure should be modified and updated. For example, after its merge with Thomas Cook, TCI has undergone a significant modification in its organizational structure. Similarly, when a travel agency expands its business, its organizational structure also expands with the inclusion of departments required to meet the updated organizational goals.

**For an organizations structure to be effective, it should have the following characteristics:**

- A good organizational structure should be flexible to accommodate alternations when the need arises.
- There should be a clear flow of authority which in turn ensures proper delegation of power and responsibilities.
- A less complex organizational structure with minimum managerial levels avoids mismanagement and confusion.

Figure 1.1 shows a detailed organizational structure of a large-scale travel agency. The chart depicts the hierarchical structure of the agency where the authority rests with the Chairman or CEO, who makes

the major decisions for the organization while in large establishments the top hierarchical position rests with the Board of Directors consisting of more than one top-level position who collectively makes the decisions. However, only the headquarters of the large travel agencies are more likely to house all these departments. In retail outlets and small-scale travel agencies, generally, there would be only a few sections overlooking the operations based on the nature of business. No one size fits all approach in formulating organizational structure. Hence, it varies from one travel agency to another based on the business' size, nature of business, and type of services.

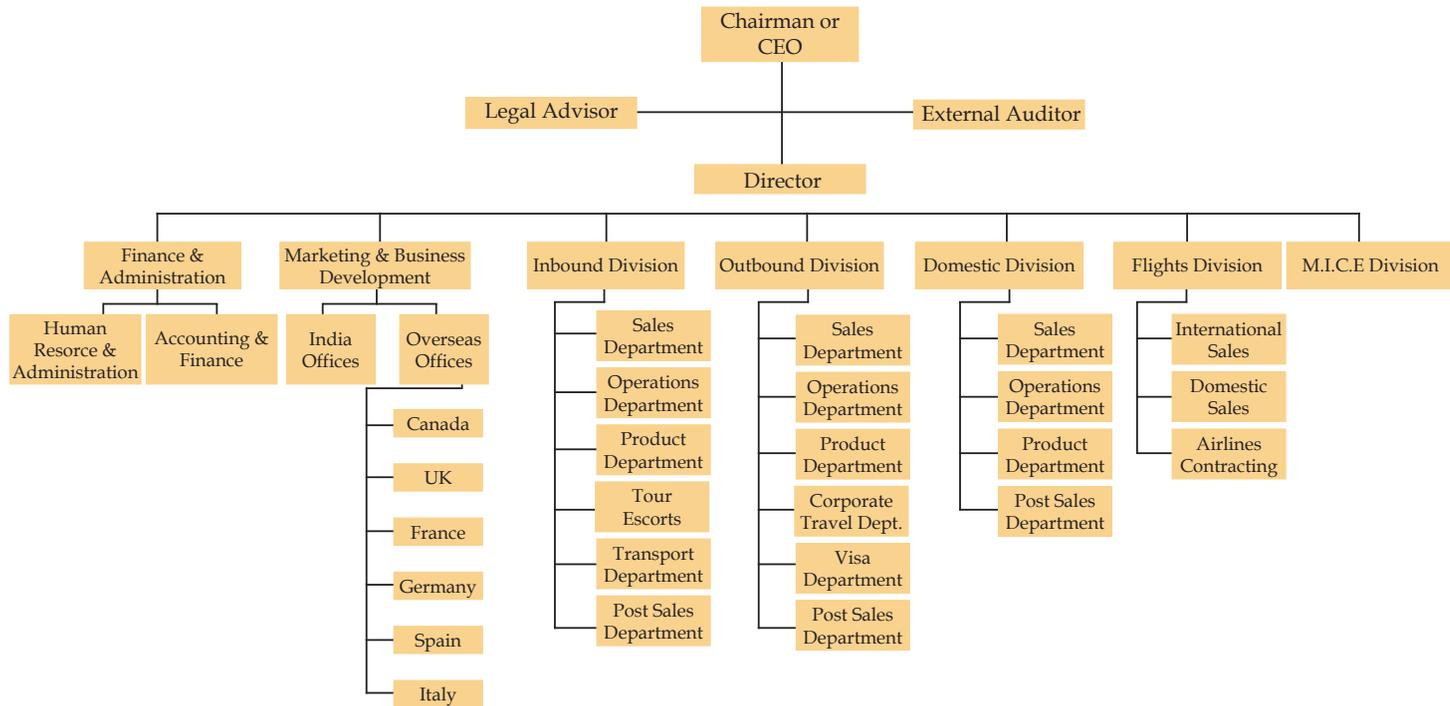


Figure 1.1: Organizational Structure of a Large-Scale Travel Agency

Due to the high demand, travel agencies have a separate division for MICE travel. This division mainly deals with corporates and facilitates arrangements for MICE travel. The Incentive Division of SOTC has around 100 employees across its Indian outlets who specialize in MICE outbound travels. Travel agencies also have overseas offices established in countries across the globe depending on the nature of the product and customer base.

### 1.3 Difference between Travel Agencies and Tour Operators

#### Types of Travel Agency

**Retail Travel Agency:** A retail travel agency sells tourist products directly to the public on behalf of the product suppliers and in return gets commission. Some package tours are sold in two ways i.e. on a commission basis and mark-up price. When a travel agency sells at our package on marked up price, it means that first it marks up the cost of a tour and then sell it at a higher rate. The mark up price is the difference between retail price and wholesale cost.

A retail travel agency is defined as 'a business that performs the following functions: quote fares and rates, make reservations, arrange travel tickets and accommodation, arrange travel insurance, foreign currency, documents and accept payments.' The main source of revenue for a retail travel agency is the commission received from the vendors. However, the rate of commission differs from organization to organization and from travel component to



travel component. In India, retail travel agencies receive ninety five percent of their revenue from commission and the remaining five percent from consultancy services.

**Wholesale Travel Agency:** These agencies are specialized in organizing package tours, which are marketed to the customers/tourists through the network of a retail travel agency or directly to the prospective clients (if the wholesale travel agency has a retail division). A wholesale travel agency purchases tourist product components in bulk and designs package tours. Sometimes, a wholesale travel agency buys travel components from a vendor in bulk and resells them to another travel business organization.

Wholesale travel agencies assemble package holidays and sell them to the clients by retail travel agencies. A typical package tour includes – air ticket, accommodation and sometimes other services may also be included in it such as entertainment, sightseeing and sports activities. These packages are referred to as ‘package tours’ as most of these tours include the services of escorts but a few are sold to people who wish to travel independently. How a wholesale travel agency generates profit? Generally a wholesaler receives volume discounts from principal suppliers because a wholesaler might agree to purchase a large number of seats from a particular airline or reserve a large number of rooms at a particular hotel and resort.

Practically, a wholesaler who sells package tours is called a tour operator. However, technically there is a difference between a wholesaler and a tour operator. A wholesaler who sells tourists products individually without assembling them into package tours is called a consolidator. Mostly, these are specialized in a particular product component, such as air tickets, accommodation, conferences and conventions.

## Types of Tour Operator

**Inbound Tour Operators:** These are also known as incoming tour operators. Technically, the operators who receive guests, clients/tourists and handle arrangements in the host country are called inbound tour operators. For example, a group of American tourists coming through TCI to India and the company makes arrangements and handles the group in India, then TCI is called an inbound tour operator. Incidentally, the inbound traffic to the country for the last two decades has been decreasing. Essentially, tour operators need to adopt innovative marketing strategies and should introduce special interest tours to cater to special needs of the foreign tourists.

**Outbound Tour Operators:** Tour operators, who promote tours to foreign destinations, may be business tours or leisure tours are called outbound tour operators. Indian outbound tourist traffic is growing at a rate of 10 percent annually and this makes India the second largest country in the world with regard to the traveling population. However, India’s outbound tourism is not only holiday oriented but it is business oriented too. There are many travel companies which offer outbound packages such as SITA, TCI, Thomas Cook, etc.



**Domestic Tour Operators:** Domestic tour operators are those who assemble and combine tourist components into inclusive tours and sell it to the domestic travellers. In general, these tour operators provide travel services within the boundary of home country and offer package tours to the travellers viz. domestic inclusive tours or independent tours.

**Destination Management Companies/Ground Operators:** These are commonly known as handling agencies and their main function is to organize tour arrangements for incoming tourists on behalf

of overseas operators. When a tour operator himself promotes beach holidays, wildlife holidays, wildlife tours, heritage tours, cultural tours at different places, the difficulty arises. It is the ground operator who handles the incoming travellers in the same season but at different places ensures that the entire operation is according to the package tours or agreements. Sometimes when a handling agency is at a prominent tourist place, for example Delhi and it has to make arrangements to Goa, then it contracts (if it has no office of its own) with a local operator (known as excursion agent) to handle the arrangements on his behalf.

### **Key functions of travel agencies include:**

- 1. Flight Reservations:** Assisting clients in booking airline tickets, including selecting flights, seating arrangements, and providing information on fares.
- 2. Accommodation Booking:** Helping clients find and reserve lodging options such as hotels, resorts, hostels, vacation rentals, or other types of accommodations.
- 3. Transportation Services:** Arranging ground transportation options, which may include car rentals, airport transfers, and other local transportation needs.
- 4. Tour Packages:** Creating and selling pre-packaged tours that include a combination of transportation, accommodation, and guided activities.
- 5. Cruise Bookings:** Specializing in organizing and booking cruise vacations, including selecting cruise lines, itineraries, and cabin options.
- 6. Travel Planning:** Providing expert advice and assistance in planning travel itineraries, taking into consideration client preferences, budget constraints, and any special requirements.
- 7. Visa and Documentation Assistance:** Offering guidance on visa requirements, travel documentation, and other essential paperwork necessary for international travel.
- 8. Customer Service:** Offering ongoing support to clients before, during, and after their travels, addressing queries, handling changes or issues, and ensuring a smooth travel experience.
- 9. Group Travel Services:** Organizing and managing travel arrangements for groups, such as families, corporate teams, educational institutions, or other organized entities.
- 10. Corporate Travel Management:** Providing specialized services for business travellers, including managing corporate accounts, arranging business meetings, and facilitating business-related travel needs.
- 11. Technology Integration:** Utilizing online platforms, reservation systems, and mobile applications to enhance the booking process and improve customer convenience.

Travel agencies may operate in physical storefronts, virtually through online platforms, or through a combination of both. They earn revenue through commissions from travel service providers (airlines, hotels, etc.) for bookings made on behalf of their clients, as well as service fees charged directly to clients for the assistance and expertise provided. Travel agencies play a crucial role in simplifying the travel planning process, offering a one-stop solution for individuals and groups looking to explore destinations worldwide.

### **Key functions of tour operators include:**

- 1. Tour Planning:** Tour operators plan and create itineraries for travel packages, determining destinations, activities, and the overall structure of the tour.
- 2. Logistics Management:** They coordinate and arrange the logistical details of the tour, including transportation (flights, buses, or other modes), accommodations, meals, and any other services specified in the package.

3. **Contracting with Service Providers:** Tour operators negotiate and enter into agreements with various service providers such as airlines, hotels, transportation companies, and local tour guides to secure the necessary components of the travel package.
4. **Marketing and Sales:** Tour operators promote their packages through various channels, including advertising, online platforms, and partnerships. They engage in sales activities to attract customers and encourage bookings.
6. **Customer Service:** Providing customer support is a critical aspect. Tour operators assist clients in booking, offer information about the tour, and address any concerns or issues that may arise during the trip.
7. **Risk Management:** Tour operators assess and manage potential risks associated with travel, such as cancellations, unforeseen events, or emergencies. They may also offer travel insurance to mitigate risks for their clients.
8. **Specialized Tours:** Some tour operators specialize in specific types of tours, such as cultural tours, adventure tours, eco-tours, or themed experiences. This allows them to cater to different interests and preferences.
9. **Technology Integration:** Many tour operators leverage technology to streamline operations, manage bookings, and enhance the overall customer experience. Online booking systems and digital platforms are commonly used in the industry.
10. **Quality Control:** Tour operators are responsible for ensuring the quality of services provided throughout the tour. This includes selecting reputable service providers, monitoring tour guides, and addressing any issues that may impact the customer experience.
11. **Sustainability and Responsible Tourism:** In response to growing concerns about environmental and social impacts, some tour operators focus on sustainable and responsible tourism practices, promoting ethical travel experiences.

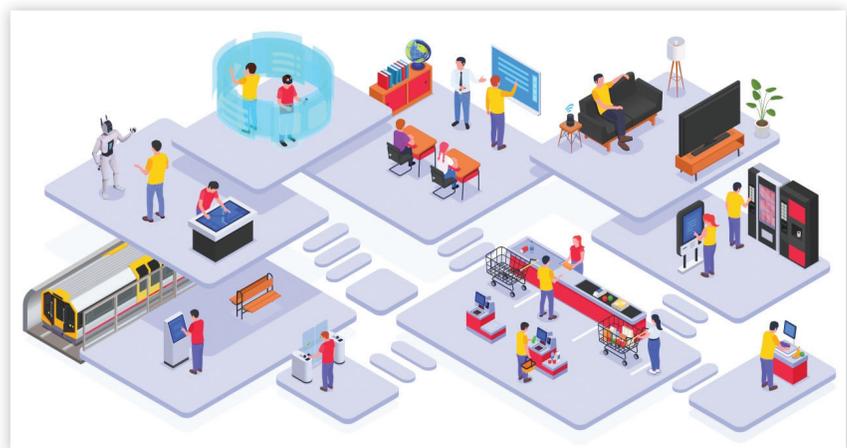
Tour operators can operate on a global scale, offering tours to destinations worldwide, or they may specialize in specific regions or types of tours. Their role is essential in simplifying the travel planning process for customers by providing comprehensive and well-organized travel packages.

## 1.4 Market Trends & Travel Agency Business Scenario

There has been a gradual decline in the number of travel agency business around the world which can be attributed to some very tangible factors. The first was shrinking airline commissions beginning in 1995 and continuing until 2002, when they were eliminated. So, after decades of offering travel agents a standard commission of 10 percent or more, with no cap, many of the larger carriers stopped paying base commissions to travel agents.

These changes in the commission system driven by the airlines altered the distribution system fundamentally. Agents were no longer paid to process transactions.

To offset the loss of commissions, agents had to develop new sources of income. The most readily available source was service fees. In addition to charging fees, agents have also turned to selling



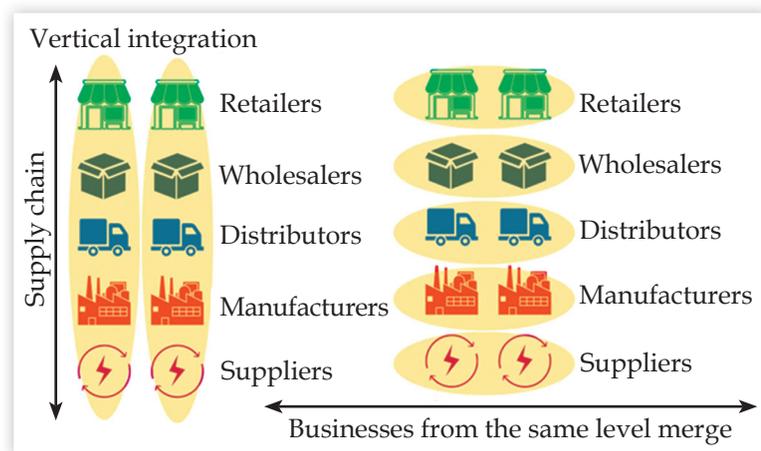
more cruises and tour packages and shifted to an emphasis on leisure travel. Service fees put agents at a price disadvantage because when airlines sell directly to passengers online, they do not add a separate fee to cover their own distribution costs. Therefore, an airline-direct fare for the same seat for the same journey is lower than a comparable ticket offered by an agent charging a fee. That provides an incentive for the customer to deal directly with the airline and reduces the agent's share of the distribution pie.

A second major factor is the Internet, which has impacted travel purchase behaviour. The Internet has changed the way commerce is conducted. Many businesses use the Internet as a way to bypass product and service intermediaries and deal directly with consumers. The airlines have been a leader in aggressively using e-commerce. The major carriers built powerful websites where passengers could make reservations, review frequent flyer accounts, and check on the status of flights. As a result, airline online bookings increased, as did the depth of information airlines were able to collect on customers. Such information gave the airlines a marketing advantage in creating direct relationships with consumers. The relatively low cost of e-mail marketing enabled the airlines to contact customers more frequently and less expensively than through the mail.

### 1.5 Business Integration

The tourism product consists essentially of transport, accommodation and attractions, both constructed and natural. The producers or 'manufacturers' of these services include air, sea, road and rail carriers, hotels or other forms of tourist accommodation, and various forms of constructed facilities designed to attract the tourist, such as heritage sites & amusement parks, and purpose-built activity centres such as skiing resorts. These services can be sold to the tourist in a number of ways, either direct, through travel agents (the retailers of the tourism industry) or through tour operators who can be described as wholesalers of tourism. A notable feature of the industry over recent years has been the steady process of integration that has taken place between sectors of the tourism industry. Horizontal integration is that taking place at any one level in the chain, while vertical integration describes the process of linking together organizations at different levels of the chain.

All business is highly competitive, and the tourism industry is no exception to this rule. Competition forces companies to seek ways of becoming more efficient in order to cut costs. Integration makes this possible by enabling companies to benefit from economies of scale. By producing and selling more of a product, the supplier reduces the unit cost of each product, since the fixed costs incurred are spread over a larger number of units, whether these are hotel bedrooms, aircraft seats or package tours. At the same time, buyers of these products, such as tour operators, can obtain lower net prices if they buy in large quantities, just as airlines can negotiate lower prices if they order more aircraft from the manufacturers. The savings achieved through both these economies of scale can be passed on to clients in the form of lower prices, making the product more attractive to the consumer.



In addition to these broad benefits offered by integration generally, there are other advantages specific to horizontal or vertical integration. Horizontal integration can take several forms. One form is the integration between two companies offering competing products. Two hotels may merge, for example, or two airlines competing on similar routes may unite. A second form of horizontal integration occurs between companies offering complementary rather than competing products. Close

links therefore form between the accommodation and transport sectors, which are interdependent for their customers. Without hotel bedrooms available at their destinations, airline passengers may be unwilling to book seats, and vice-versa. Recognition of this dual need has led many airlines to buy into or form their own hotel divisions, especially in regions of high tourist demand, where bed shortages are common.

As with horizontal integration, organizations can achieve significant economies of scale by expanding vertically. Vertical integration is said to take place when an organization at one level in the chain of distribution unites with one at another level. This integration can be forward (or downward in the direction of the chain) such as in the case where a tour operator buys its own chain of travel agents, or it can be backward (or upward against the direction of the chain) such as in the case where the tour operator buys its own airline. Forward integration is obviously found more commonly, since organizations are more likely to have the necessary capital to buy businesses further down the chain of distribution, which require less capital investment. For example, even the largest travel agency chain would be unlikely to have the capital needed to form its own airline.

### AT A GLANCE

- ❖ The travel business is influenced by global trends, economic conditions, and technological advancements.
- ❖ The travel business includes various sectors, such as transportation, accommodation, tour operations, travel agencies, and related services.
- ❖ Travel and tour operators engage in marketing activities to promote their services.
- ❖ The travel sector is highly competitive, and operators need to differentiate themselves through unique offerings, excellent customer service, and effective marketing.
- ❖ The travel trade in India is a dynamic and rapidly growing industry that encompasses a wide range of services related to travel, tourism, and hospitality.
- ❖ A travel agency is a business or organization that provides a variety of services related to travel and tourism.
- ❖ A tour operator is a company or organization that specializes in designing, organizing, and selling pre-arranged travel packages, commonly known as tours.
- ❖ A retail travel agency sells tourist products directly to the public on behalf of the product suppliers and in return gets commission.
- ❖ A wholesale travel agency purchases tourist product components in bulk and designs package tours.
- ❖ Travel agencies play a crucial role in simplifying the travel planning process, offering a one-stop solution for individuals and groups looking to explore destinations worldwide.
- ❖ Tour operators can operate on a global scale, offering tours to destinations worldwide, or they may specialize in specific regions or types of tours.
- ❖ Organizational structure is a setup that reflects how organizational activities should be carried out to meet its goals and objectives.
- ❖ The tourism product consists essentially of transport, accommodation and attractions, both constructed and natural.

### GLOSSARY

- 1. Travel Business** : a commercial enterprise or industry that is involved in providing products and services related to travel, tourism, and hospitality

- 2. Logistics Management** : coordinating transportation, accommodation, and other logistical aspects
- 3. Tour Operators** : the professionals who design, organize, and sell tour packages to various destinations
- 4. Travel Agencies** : the organisations which act as intermediaries between travellers and service providers
- 5. Hospitality Industry** : the services include hotels, resorts, guesthouses, and other accommodation options
- 6. Retail Travel Agency** : the small agency which sells tourist products directly to the public on behalf of the product suppliers and in return gets commission
- 7. Inbound Tour Operators** : the operators who receive guests, clients/tourists and handle arrangements in the host country
- 8. Outbound Tour Operators** : the tour operators, who promote tours to foreign destinations



## CBSE Textbook Questions with Answers

### Review Questions-1:

1. Explain the historical background of travel industry.

**Ans.** In 1670, the Grand Tour concept was developed for educational purposes. In 1730, the health experts suggested sea water useful to cure many diseases. As a result, many resorts around the English coast were constructed to attract the visitors. In 1815, the steamboats connected London to Gravesend. During the period major resorts were constructed to accommodate the vessels on their arrival. In 1820, the European cultural centers were opened to British travellers. In 1830, Liverpool and Manchester were joined with the rail link.

Remarkably, the peninsular and Oriental Steam Company started steamship services between India and Past East in 1830.

Cox and Kings is the longest established travel company in the world. Its history goes back to the May 1758, when Richard Cox was made the regimental agent of the company. The 250th anniversary of the company was celebrated in 2008. Since then, the travel and tourism industry is developing everywhere in the world.

2. How Thomas Cook played a key role in evolution of travel business?

**Ans.** In 1841, Thomas Cook became the secretary of the South Midland Temperance Association. He organized a trip by train for 570 members of his association to a distance of 22 miles. He bought the railway tickets in bulk and sold them to the people. It was an experiment for him and it proved very successful. At first, Cook did this job with no profit motive, but it gave him a new idea which he turned into a tour business. Gradually, he established the 'World's First Travel Agency' to conduct excursions. It is because of this act of Cook, he is known as the 'Father of the Travel Agency Business'.

However, he did not stop his efforts to popularise tour and travel business. In 1885, he started package tours and conducted the world's first international tour from England to Paris. Actually, it was an inclusive tour. Thus, he developed the concept of inclusive tour. Moreover, in 1870,

Thomas Cook introduced two new systems to eliminate payment in cash, and revolutionised the travel business.

**3. Activity:** Recall your last educational study tour.

**Ans.** Do it yourself.

**4.** Write one page details of your study tour.

**Ans.** Do it yourself.

### Review Questions-2:

**1.** What is the role of Travel Agents Association of India (TAAI) in commencement of travel trade?

**Ans.** TAAI plays a multifaceted role in kickstarting India's travel trade: regulating, educating, promoting, and improving travel experiences for both agents and travellers. They act as the industry's backbone, fostering professionalism, growth, and a positive travel environment.

The Travel Agents Association of India (TAAI) plays a multifaceted and crucial role in the commencement of travel trade in India as discussed below. TAAI established in 1951.

- (i) Promoting and regulating the industry
- (ii) Maintaining ethical standards
- (iii) Advocating for the industry
- (iv) Supporting and educating travel agents
- (v) Improving travel experiences

**2.** Describe the concept of travel business with suitable examples from India.

**Ans.** Travel, the very word conjures images of vibrant landscapes, exotic cultures, and thrilling adventures. But beyond the traveller's experience lies a diverse and dynamic world of travel businesses, making this journey possible. In India, a land brimming with diverse experiences, these businesses thrive on creativity, innovation, and a deep understanding of the evolving traveller's needs. Let's delve into some exciting travel business concepts that are shaping the Indian travel landscape.

- (i) The Classic Tour Operator
- (ii) The Niche Expert
- (iii) The Tech-Savvy Enabler
- (iv) The Sustainable Pioneer
- (v) The Experiential Curator

**3.** Collect the names of such travel agencies, which comes to your notice.

**Ans.** India's travel scene is a kaleidoscope of experiences, and its travel agencies are just as diverse. Here's a comprehensive list, categorized by niche, to help you choose the perfect partner for your Indian adventure:

#### 1. The Classic Tour Operator

- (i) Cox & Kings
- (ii) Make My Trip
- (iii) Kesari Tours
- (iv) SOTC
- (v) Yatra World

#### 2. Niche Experts:

- (i) Ibex Expeditions
- (ii) The Spicy Route
- (iii) Wildflower Hall, Mashobra
- (iv) Barefoot Scuba Diving
- (v) The Flying Monk

#### 3. Tech-Savvy Enablers

- (i) Goibibo
- (ii) Booking.com
- (iii) Cleartrip
- (iv) Paytm Travel
- (v) Ease My Trip

#### 4. Sustainable Pioneers

- (i) The Pugmark Trails
- (ii) Ecocamp Dhauladhar
- (iii) Responsible Travel India
- (iv) The Mountain Club of India
- (v) Travel the Himalayas

#### 5. Experiential Curators

- (i) The Unforgettable India
- (ii) India Unbound
- (iii) Intach Heritage Hotels
- (iv) The Cultural Routes
- (v) Storytellers Travel

4. **Activity:** Discuss with your family members/friends about names of travel agencies situated in town/nearby city.

**Ans.** Do it yourself.

#### Review Questions–3:

1. What do you mean by travel agency?

**Ans.** A travel agency acts as your travel concierge, helping you plan and book trips! They arrange things like flights, hotels, tours, and activities, making your travel dreams a reality. Think of them as trip-planning experts who save you time and stress, letting you focus on enjoying your adventure.

2. Discuss the functions of travel agency.

**Ans.** Travel agencies are your one-stop shop for travel, offering a range of functions:

**Trip planning and booking:** They design itineraries, book flights, hotels, tours, and activities, taking care of the logistics so you can relax.

**Expertise and advice:** Their travel knowledge helps you choose the right destinations, experiences, and travel documents for your needs.

**Negotiating deals:** They often have access to exclusive deals and discounts on flights, hotels, and packages, saving you money.

**Managing travel disruptions:** They help you navigate unexpected changes or problems during your trip, ensuring a smooth journey.

**Providing local knowledge:** They offer insights into local customs, culture, and hidden gems, enhancing your travel experience.

3. Describe the different types of travel agencies.

**Ans.** The travel agency world is diverse! Here are some main types:

**Classic Tour Operators:** These are your all-in-one experts, crafting package tours and organized itineraries, often for popular destinations. Think of Cox & Kings and SOTC.

**Niche Experts:** Craving adventure? These agencies specialize in specific interests like treks, diving, or food tours. Imagine Ibex Expeditions for thrilling adventures or The Spicy Route for culinary journeys.

**Tech-Savvy Enablers:** Go online! These platforms like Goibibo and Make My Trip let you compare deals and book flights, hotels, and even activities with ease.

**Sustainable Champions:** Want to travel responsibly? Choose agencies like The Pugmark Trails or Ecocamp Dhauladhar, focusing on minimizing environmental impact and supporting local communities.

**Experiential Curators:** Seek unique experiences? These agencies design personalized journeys like private cooking classes or homestays in rural communities. Think of India Unbound or The Unforgettable India.

**4. Activity:**

1. Make a casual visit to any of nearby travel agency.
2. Identify the location of travel agencies near to your native place.

**Ans.** 1. Do it yourself.      2. Do it yourself.

**Review Questions–4:**

1. What are the basis of classification of tour operators?

**Ans.** Tour operators can be classified based on several key factors:

(a) **Area of operation:**

**Inbound Tour Operators:** Cater to tourists visiting a specific country (e.g., inbound operators in India welcoming foreign tourists).

**Outbound Tour Operators:** Organize tours for local residents traveling to other countries.

**Domestic Tour Operators:** Focus on creating tour packages within a country's borders.

(b) **Nature of tour:**

**General Tour Operators:** Offer a broad range of tours catering to diverse interests.

**Niche Tour Operators:** Specialize in specific areas like adventure, eco-tourism, cultural immersion, or culinary experiences.

(b) **Business model:**

**Wholesale Tour Operators:** Create package tours and sell them to retail travel agencies or directly to consumers.

**Retail Travel Agencies:** Sell pre-designed tours from wholesale operators or curate customized itineraries for clients.

(c) **Target audience:**

**Mass-market Tour Operators:** Cater to large groups of travellers with budget-friendly tours.

**Luxury Tour Operators:** Offer exclusive and personalized experiences for high-end clientele.

**Specialized Tour Operators:** Target specific demographics like families, senior travellers, or solo adventurers.

2. List out the differences between travel agency and tour operators.

Ans.	Travel Agency	Tour operator
1.	It operates as a retailer.	It operates as a wholesaler.
2.	It acts as a local agent that confirms and reconfirms the services.	It acts as a principal agent who takes responsibility for the package they create.
3.	It does not usually design or create the holiday packages they sell.	It plans, arranges, sells, advertises, and operates its tour packages.
4.	It sells package tours on behalf of the tour operator.	Tour operators sell tour packages directly to the clients or use the services of travel agents to do so.

5.	It less tends to perform ground services.	It more tends to perform ground services.
6.	The size of the business is comparatively small.	The size of the business is large
7.	It deals with one specific component of the travel product.	It offers a variety of tour programs.
8.	It follows the tour itinerary.	It modifies the tour itinerary and program.
9.	Revenue is fixed and pre-determined by suppliers.	It has variables but limited revenue and gross profit.

3. Describe the integrative system in travel and tour business.

**Ans.** In the travel and tour business, an integrative system refers to complex interconnectedness between various components, all working together to deliver a seamless and efficient experience for travellers. It's like a well-oiled machine with different parts collaborating in harmony. Here are some key aspects of this system:

**Technology Integration:**

**Booking platforms:** Websites, mobile apps, and reservation systems connect travellers with travel agencies, tour operators, airlines, hotels, and activity providers, allowing instant bookings and comparisons.

**Data sharing:** Information flows seamlessly between different stakeholders, ensuring real-time availability, pricing updates, and personalized recommendations.

**Payment gateways:** Secure online transactions enable quick and easy payments for flights, hotels, and tours.

**Operational Integration:**

**Collaboration among stakeholders:** Travel agencies, tour operators, airlines, hotels, and transportation providers work together to create seamless travel packages and coordinated services.

**Standardized processes:** Common reservation systems, communication protocols, and information formats simplify operations and eliminate friction.

**Dynamic package building:** Travellers can customize itineraries by combining flights, hotels, activities, and transfers from different providers in real-time.

**Marketing and Customer Service Integration:**

**Targeted marketing:** Personalized promotions and recommendations through various channels based on traveller preferences and past booking data.

**Omnichannel support:** Customer service readily available through phone, email, live chat, and social media, offering assistance before, during, and after travel.

**Real-time updates:** Travellers receive instant notifications about flight changes, itinerary adjustments, and relevant information throughout their journey.

4. **Activity:**

1. Think why there are different types of travel agencies.
2. List out on paper the differences.

**Ans.** 1. Do it yourself.      2. Do it yourself.

**Exercises:**

1. Are you interested to travel? List out the requirements to undertake travel.

**Ans.** Visiting friends and relatives (VFR) and even visit to home place or relative place for birth ceremony, marriage, funeral, sacred thread ceremony, retirement function, Engagement event etc.

2. Explain the concept of tour operation.

**Ans.** The “5 A’s of Tourism” is a conceptual framework used to describe the essential elements that contribute to a successful and sustainable tourism experience. It comprises Attractions, Accommodation, Accessibility, Amenities and Activities.

3. Enumerate the organization structure of travel agency/operation.

**Ans.** The organizational structure of travel agency/operation largely depends on the size and type of the business handled by it. Commonly, in a small and medium travel agency/operation, you will find a simple organization structure, limited to its size, division of labour and so forth. However, in large scale travel agency/operation, such as Thomas Cook, TCI, SITA, etc. the organization structure is very formal.

4. **Activity:** Prepare a note on the different types tours and tour operators.

**Ans.** Do it yourself.

**Additional Questions with Answers****I. Multiple Choice Questions****(1 Mark)**

1. A key element of sustainable tourism practices is
  - (a) Maximizing tourist profits at any cost.
  - (b) Minimizing environmental impact and respecting local communities.
  - (c) Providing luxurious amenities to all tourists.
  - (d) Offering the cheapest travel packages possible.
2. Which of the following is NOT a common type of tour guide?
  - (a) Cultural guide
  - (b) Historical guide
  - (c) Adventure guide
  - (d) Robot guide
3. The main difference between a full-service travel agency and a discount travel agency is:
  - (a) Location: Full-service agencies are in prime locations, while discount agencies are online.
  - (b) Commission: Full-service agencies earn higher commissions, while discount agencies offer lower prices.
  - (c) Services: Full-service agencies offer personalized itinerary planning, while discount agencies focus on booking individual components.
  - (d) Target audience: Full-service agencies cater to luxury travellers, while discount agencies serve budget travellers.
4. A common challenge faced by tour operators is:
  - (a) Overbooking flights and hotels.
  - (b) Managing diverse interests and needs within a large group.
  - (c) Keeping up with rapid technological advancements in the industry.
  - (d) All of the above.

5. The acronym GDS stands for:
  - (a) Global Destination Showcase
  - (b) Geographic Discovery System
  - (c) Global Distribution System
  - (d) Guided Driving Solutions
6. Which of the following is NOT a benefit of online travel booking platforms?
  - (a) Convenience and access to a wide range of options.
  - (b) Competitive pricing and potential for last-minute deals.
  - (c) Personalized recommendations and expert advice.
  - (d) Reduced reliance on travel agents for booking travel components.
7. Responsible tourism practices can encourage:
  - (a) Cultural appropriation and exploitation of local communities.
  - (b) Preservation of cultural heritage and natural resources.
  - (c) Overcrowding of popular tourist destinations.
  - (d) Increased dependence on mass tourism models.
8. A key difference between an inbound and outbound tour operator is:
  - (a) Inbound operators cater to local residents, while outbound cater to international tourists.
  - (b) Inbound operators specialize in adventure travel, while outbound focus on cultural experiences.
  - (c) Inbound operators handle domestic transportation, while outbound arrange international flights.
  - (d) Inbound operators are typically smaller companies, while outbound are larger corporations.
9. An effective marketing strategy for a travel agency might include:
  - (a) Focusing solely on advertising in expensive travel magazines.
  - (b) Utilizing social media platforms and influencer marketing.
  - (c) Ignoring customer reviews and feedback.
  - (d) Offering packages that cater only to high-end, luxury travellers.
10. The future of the travel and tour operations business is likely to:
  - (a) Remain the same with few changes in technology and consumer preferences.
  - (b) Become increasingly personalized and niche-focused.
  - (c) See a decline in tourism due to environmental concerns.
  - (d) Be dominated by large, all-inclusive resorts with standardized experiences.

**Answers:**

1. (b) Minimizing environmental impact and respecting local communities.
2. (d) Robot guide
3. (c) Services: Full-service agencies offer personalized itinerary planning, while discount agencies focus on booking individual components.
4. (d) All of the above.
5. (c) Global Distribution System
6. (c) Personalized recommendations and expert advice.
7. (b) Preservation of cultural heritage and natural resources.
8. (a) Inbound operators cater to local residents, while outbound cater to international tourists.
9. (b) Utilizing social media platforms and influencer marketing.
10. (b) Become increasingly personalized and niche-focused.

**II. Fill in the Blanks****(1 Mark)**

1. To attract budget-conscious travellers, offering deals during ..... seasons can be a great strategy.
2. A ..... guide is responsible for ensuring the safety and enjoyment of visitors at historical sites.
3. Travel agencies often rely on ..... from airlines and hotels to boost their profits.
4. .... tourism focuses on minimizing environmental impact and supporting local communities.
5. A ..... tourists to enter and remain in a specific country for a set period.
6. For travellers seeking a personalized experience, ..... travel planning is gaining popularity.
7. .... platforms like Airbnb have disrupted the traditional travel industry by offering alternative accommodation options.
8. A retail travel agency is a business that provides variety of services related to .....
9. A wholesale travel agency purchases ..... components in bulk and design package tours.
10. Travel agency act as ..... between travellers and service providers.

**Answers:**

- |                    |                    |                   |                       |
|--------------------|--------------------|-------------------|-----------------------|
| 1. Shoulder        | 2. Cultural        | 3. Commissions    | 4. Sustainable        |
| 5. Visa            | 6. Curated         | 7. Online Booking | 8. Travel and Tourism |
| 9. Tourist Product | 10. Intermediaries |                   |                       |

**III. State whether the following statements are true or false****(1 Mark)**

1. Tour operators create and sell travel packages, while travel agents act as distributors for those packages.
2. Outbound tour operators specialize in bringing tourists from other countries into their home country.
3. Destination Management Companies (DMCs) handle ground operations and logistical support for tourists at their destination.
4. Sustainable tourism practices aim to maximize profits for tourism businesses without considering environmental or social impacts.
5. A travel agent's primary role is to provide passports and visas for travellers.
6. Global Distribution Systems (GDS) are used by travel agents to access and book travel inventory from various suppliers.
7. Travel insurance is mandatory for all international travellers.
8. Online travel booking platforms have significantly increased competition within the travel industry.
9. FIT stands for "Free Independent Traveller" and refers to travellers who plan their trips independently.
10. The primary goal of a tour operator is to maximize customer satisfaction and create memorable travel experiences.

**Answers:**

1. True    2. False    3. True    4. False    5. False    6. True    7. False
8. True    9. False    10. True

**IV. Short Answer Type Questions-I (2 Marks)**

1. Briefly explain the difference between a Travel Agent and a Tour Operator.
2. What are the different types of tour operators?
3. What are the main functions of a Destination Management Company (DMC)?
4. Describe the benefits and challenges of sustainable tourism practices.
5. How has technology impacted the travel and tour operations business?
6. What are some key factors to consider when choosing a travel insurance policy?
7. Briefly explain the importance of responsible tourism practices for travellers.
8. What are some emerging trends in the travel and tour operations business?
9. Describe the role of Travel Trade Associations in the industry.
10. Discuss the potential benefits and drawbacks of Mass Tourism for a destination.

**V. Short Answer Type Questions-II (3 Marks)**

1. What are the core components of a typical travel package?
2. Explain the roles of travel agents and tour operators in tourism.
3. Define sustainable tourism and its objectives.
4. What are the advantages and disadvantages of online travel booking platforms for travellers?
5. Give examples of niche tourism markets emerging in the industry.
6. Briefly explain the concept of "FIT" in the travel industry.

**VI. Long Answer Type Questions-I (4 Marks)**

1. Analyze the evolution of the travel and tour operations business, highlighting key milestones and their impact on the industry.
2. Compare and contrast the roles and responsibilities of Travel Agents, Tour Operators, and Destination Management Companies (DMCs). Use specific examples to illustrate their individual contributions to the travel experience.
3. Critically evaluate the potential benefits and drawbacks of Mass Tourism. Consider its impact on local communities, cultural heritage, and the environment.
4. Explain the importance of effective Marketing and Customer Relationship Management in the travel and tour operations business.
5. Imagine you are starting your own travel and tour operations business. Describe your target market, niche focus (if any), and the unique selling proposition you would offer. Discuss the key challenges you anticipate and your strategies for overcoming them.

**VII. Long Answer Type Questions-II (5 Marks)**

1. Explain in brief benefits and drawbacks of Mass Tourism.
2. Explain Marketing and Customer Relationship Management.
3. Explain the roles and responsibilities of Tour operators and Travel Agent.

## Previous Years' Board Questions

### I. Short Answer Type Questions-I

(2 Marks)

1. Differentiate between Tourist Itinerary and Bus Driver's itinerary. (CBSE SP 2023-24)
2. "Travel agencies are known as image builders of the country." Explain. (CBSE SP 2023-24)
3. Name the package tour which is conducted for employees as incentive or tangible reward. Discuss any two points. (CBSE SP 2023-24)
4. Explain the key features of customized tour packages. (CBSE SP 2022-23)
5. What do you mean by Cost of Package Tour? (CBSE SP 2022-23)

### II. Short Answer Type Questions-II

(3 Marks)

1. Discuss the functions of Travel Agency. (CBSE SP 2020-21)
2. What are the pre-requirements for Itinerary Preparation? (CBSE SP 2020-21)
3. Explain the types of Tour Itinerary. (CBSE SP 2020-21)
4. List out the stages of developing a tour brochure. (CBSE SP 2022-23)
5. Explain any three pricing strategies used in travel business. (CBSE SP 2022-23)
6. Which type of approval do Travel/Tour Companies need to obtain for IATA recognition? (CBSE SP 2022-23)
7. A package tour includes so many costs. List out any six cost components of package tour. (CBSE SP 2023-24)
8. Kavita wants to become a famous Travel Agent in Andaman and Nicobar island. Elucidate the various tasks that she should deal with. (CBSE SP 2023-24)

### III. Long Answer Type Questions-I

(4 Marks)

1. If Ravi arranges his own travel plans, a travel itinerary is a key component of staying organised and being able to maximize his vacation time. What are the different things to be considered while preparing an itinerary? (CBSE SP 2023-24)
2. Enumerate the vertical integration system in travel and tour business. (CBSE SP 2023-24)
3. Tourists satisfaction is the main aim of a Travel Agency. To achieve their goals, the Travel Agency takes care on each and every tour component, as we know that tour components are very essential for a successful tour. According to you, what are the tour components (any four) required for a successful tour? (CBSE SP 2022-23)

### IV. Long Answer Type Question-II

(5 Marks)

1. What are the basis for the classification of tour operators? (CBSE SP 2022-23)



# Operations of Travel Agency



## Learning Outcomes

2.1 Agent

2.3 Operations of Travel Agency

2.5 Commissions

2.2 Origins of Travel Agency

2.4 Organization of Travel Agency

2.6 Travel Agencies in the 21st Century

The role of travel agency in the promotion of tourism in India is very crucial in the new millennium. Travel intermediaries play a very significant part in the development of Indian tourism industry. In today's volatile market, travel organizations work towards showcasing India's rich tourism heritage in the form of designing organized package tours for the inbound, outbound and domestic tourists. The international travel organizations like Thomas Cook, American Express and Cox and Kings are the forerunners of the travel agency and tour operation business. Those travel agencies are responsible to bring this idea to the limelight and in the subsequent period, travel agencies in various countries started their operation on the line of them.



A travel agency is a business that specializes in providing travel-related services to individuals, groups, and corporations. The primary goal of a travel agency is to assist clients in planning, organizing, and booking their travel arrangements, ensuring a smooth and enjoyable experience. These agencies act as intermediaries between clients and various travel service providers, coordinating transportation, accommodations, activities, and other elements of a trip. The travel agencies play a crucial role in simplifying the travel planning process, offering expertise, convenience, and personalized service to individuals and businesses alike. Their ability to navigate the complexities of the travel industry contributes to creating memorable and seamless travel experiences for their clients.

## 2.1 Agent

An agent is a person acting for or employed by some company. If the company appoints another person to act for it in the course of business, the same person becomes the agent, whether the appointment is full-time or part-time and whether or not the agent receives a fixed salary or a fee from the company. In a travel agency any individual director or employee or a self-employed person who are acting for the travel agency is functioning as an agent of the company.

You should also know that a travel agency is actually a private retailer or public service that provides tourism related services to the public on behalf of suppliers such as airlines, car rentals, cruise lines, hotels, railways, and package tours. Besides dealing with ordinary tourists, most travel agencies have a separate department devoted to making travel arrangements for business travellers and some travel agencies which specialize in commercial and business travel only. Moreover, there are also travel agencies that serve as general sales agents for foreign travel companies, allowing them to have offices in countries other than where their headquarters are located. Thus, the agent plays a remarkable role in the Tourism industry.



## 2.2 Origins of Travel Agency

### 2.2.1 Pre-Independence Period

The evolution of modern travel agency and tour operation in India is not as old as the flourishing travel agency business in the Europe and the North American countries. As there was no such formal and organized form of travel related services, overseas travel agents exploited the vast potential of inbound travel markets of India. The framework of modern travel agency business in India was designed on the line of function and activities of earliest group of travel agencies like Thomas Cook, Cox and Kings and American Express. Those two UK based travel agents were well-experienced to conduct round the world tour and special interest tours to different parts of the world and more particularly, package tours were regularly conducted to India for British officials and their family members and relatives. It was the maiden attempt of Thomas Cook to take a pioneering attempt in commencing the package tour to India during the visit of Queen Victoria to Kolkata after the end of the Sepoy Mutiny in 1858. The success of the tour had made much impact in terms of safety and security in India.

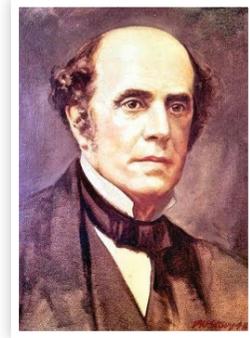


*Pre-Independence Period*

The success of the tour had made much impact in terms of safety and security in India.

Subsequent improvement of sea route connectivity between India and the Europe opened a new avenue for providing safe, comfortable and affordable journey. It was a matter of renewing relationships between the uprooted families of British officials living in the Europe and their counterpart living in India. Therefore, the prevalence of travel brought people of India and the Europe together. In 1878, Mr. Cook brought the first British Group of tourists to India by taking support of the Peninsular and Oriental Steamship Company. The group landed in Mumbai, traveled to Agra by train to see the Taj Mahal. In the final leg of tour, the group visited Kashmir valley. The tour turned to become very successful and Mr. Cook gained confidence to set up offices in India. In the beginning, the Thomas Cook and Sons International (Ltd.) continued the inbound operation in India with its main branches and offices in metro cities. In 1880, Thomas Cook and Sons established offices in Mumbai and Kolkata as those two provinces were regarded as significant hubs of trade and commerce. Considering the huge demand of royal families, the Eastern Princess Department was also established in 1887 and that

resulted in the rise of outbound travellers to Europe. Thomas Cook took much care and interest to arrange the sophisticated tour for India Princess to Queen Victoria's Jubilee Celebration. The outcome of the tour brought about drastic changes in the perception of elite class people in India to plan leisure trips to Europe. A large chunk of the British, the French and other European nationals had much greater interest to meet their friends and relatives in India and vice versa. Many Europeans wished to undertake travel through sea routes to India for visiting selected tourist places of interest such as the Taj Mahal, Jammu & Kashmir, Shimla, Goa, Ajanta & Ellora, hill stations and beach resorts.



Thomas Cook

The unique attractions of India were blended with unprecedented and exceptional history, exquisite art, architecture and sculpture, natural scenic places above all, a land of wonders. It is in fact relevant to mention that it was Thomas Cook who opened opportunities for taking travel to India and more particularly, the company ensured travel to all places by multiple modes of transport. In the later period, people from other parts of the Europe were motivated with the attractive and well organized package tours to India. A large number of people in Europe had much fascinating perception and feelings about India and its cultural and natural wonders. Towards the middle of the 19th century, a sizable number of young Indians sailed particularly to England for pursuing higher study and appearing civil service examination and in the later periods, Indian political leaders traveled to England to participate several round table discussions on the solution for socio-economic and political issues. More particularly for the British nationals, Thomas Cook got involved more actively in the inbound operation to India for long period of time. Thomas cook used to book train tickets, reserve government run guest houses, arrange small car, mini coach, book horse carts and animal driven carts to transfer the tourists from the railway station to their places of stays, followed by conducting sight seeing tour in and around the places.

#### **Thomas cook used to face the following obstacles for conducting tours in India:**

- Lack of amenities and facilities such as road, bridges, railway stations, accommodation, money exchanger, public toilets.
- Lack of trained tour conductors, guides, escorts and interpreters.
- Untrained staffs in the guest houses and other eating places.
- Cab drivers without having essential attributes worked for the travel agents.

#### **Thomas Cook and other contemporary travel agencies were also confronted with certain issues related with service factors.**

- Travel agents were not properly manned by the qualified and trained manpower.
- Lack of technology was a vital bottleneck in the growth of travel agency business.
- Lack of credit facility to the travel agent for the reservation of hotel rooms and airlines tickets.
- Lack of diversification of business was also an important factor that narrowed the scope of the expansion of opportunities for generation of revenue.
- Lack of promotional measures was also another pertinent factor to ensure higher growth rate in the travel agency sector.

Unlike in Europe, the Indian railways system was much underdeveloped in the context of integration with the travel agents and tour operators in the promotion of inbound and domestic package tour. The issue has not been addressed fully as yet. In the similar instance, the airlines had limited role to work with travel agents and at the same time, there were not much airlines connectivity with India. Because airlines were generally operated



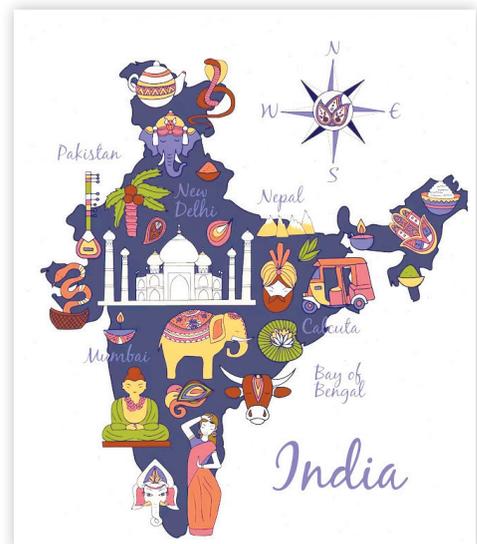
within the domestic sky and countries did not venture for linking airline services beyond the boundary of country for two important reasons like political turmoil and low engine capacity for long haul journey. The Indian Travel Agencies like Jeena & Co., Lee & Muirhead India Pvt. Ltd and Jamnadas & Co. Ltd located at Mumbai and operated inbound and outbound tours ventured into the so called sophisticated travel business. Meanwhile Thomas Cook and American Express Co. were uploading the inbound package tour business through Jeena & Co. and other contemporary travel agencies.

Howsoever, it might be the business scenario, Mr. J. N Katgara joined the travel agency club in the world as the pioneer travel agent in India. In 1920 the first travel agency was founded in the name of Jeena and Company to cater to the domestic travel needs and the operation of the company was mostly serving the demand of Mumbai. As the cosmopolitan city was a major and busy port not only for arrival and departure of passengers, but also for the goods and the inflow of foreigners to India was possible. Major trading centers were located in and round Mumbai. Mr. Katgara capitalized the opportunities of the volume of business and started looking into the cargo and courier business in the beginning and in the due course, shifted to other components of travel related services like ticket booking, hotel reservation, package tour, transport arrangements, etc. The company along with other travel agents underwent massive reformation and development in the post independence period.

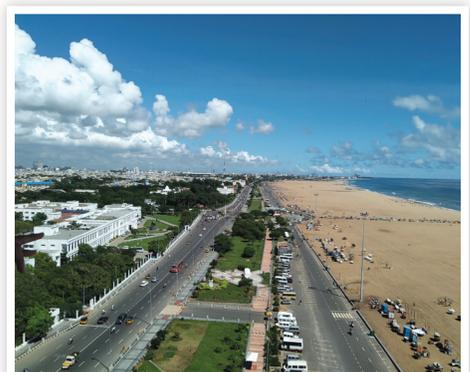


### 2.2.2 Post Independence Period

Even before the world war -II, the importance of tourism was well recognized as a critical segment of economy. The outbreak of war stalled the progress in the direction of tourism. The post independence tourism development and its bearing on the travel trade in India unveiled a new chapter in the annals of Indian tourism scenario. The great concerned shown by the then colonial Government to appoint a committee headed by Sir John Sargent in 1945 was a major step forward to fathom the potentials of tourism products dotted across the country. After a through investigation, the committee duly figured out the potentialities of developing tourist traffic in the country. The committee in one its suggestions mentioned about the development of means of travel from nearest railway station, residential accommodation, travel brochures and guide books, provision of authorized guides, etc. that should be provided at places both for the domestic visitors and foreign visitors.



The resultant impact was the formation of a separate Tourist Traffic Branch under the Ministry of Transport in 1949 to deal with the task of increasing tourist traffic to India. The tourist traffic section was mostly entrusted the charge for coordinating with the travel agencies and tour operators in India and overseas to augment the internal and external tourist traffic. It also dealt with internal conferences on tourism, coordination with railways, establishment of tourist bureau in states and development of tourist centers and the training of guides. Another most important action was taken to open a chain of tourist offices both in India



and abroad and Regional Tourism Offices were also opened in Delhi, Mumbai, Kolkata and Chennai. The tourism offices located at different regions and destinations coordinated and controlled various segments of travel trade and ensured that the foreign tourists would get various services at reasonable cost and would not be hassled at any cost. There was a great leap forward when operation and functioning of eighteen overseas tourism promotion offices formally started to display the tourism potentials of the country. Those offices were based at countries and regions from where maximum inflow of foreign tourists to India was originated. As a result, overseas tour operators were encouraged to design itinerary and package tour for India and in a regular interval, local and regional tour operators held meetings with the India's overseas tourism promotional offices and sought all kinds suggestions related to the operation of tours, booking of hotels, safety and security. Foreign tour operators were also encouraged to participate in the familiarization tour program in India and overseas tourism offices and Air India hosted the tour with the purpose of introducing those places of interest to them. Both tourism offices in India and abroad were equipped with colourful brochures. Foreign tour operators were enthused to promote package tours to India and there was a steady increase in the tourist traffic to India. In 1950, 17 thousands foreign tourists visited India when there were no such overseas promotion offices or any promotional measures taken for the increase of inbound tourist traffic.

The Travel Agents Association of India (TAAI) was formed towards the end of the year 1951 by a group of twelve leading travel agents, who felt that the time had come to create an association to regulate the travel industry in India.



The primary purpose was to protect the interests of those engaged in the industry, to promote its orderly growth and development and to safeguard the rights of the travelling public. TAAI represents all that is professional, ethical and dynamic in our nation's travel related activity and has been recognized as the voice of the travel and tourism industry in India. With a membership data base of over 1800 active; allied and associate members comprising of IATA accredited Travel Agencies; Airlines & General Sales Agencies; Hotels and Tour Operators; TAAI is the largest Travel Association of India. Travel agency and tour operation business in India was relatively in the preliminary stage in first phase of independence. Even after also, there was hardly any travel company with full-fledged facilities. With the setting up of the Travel Agents Association of India (TAAI) in Mumbai in 1951, the travel business in India started in an organized manner. The Jeena and Company, the first Indian Travel Agency organized group tours abroad and in India for Indian travellers and it handled the first group of foreign tourists in 1950.



However, the Jeena and Company and other two Indian Travel Agencies were merged into one composite travel company known as Travel Corporation of India Ltd. (TCI) in 1961. Moreover, the bulk of International tourists were then handled by the Thomas Cook and Sons and The American Express. Followed by the growth, there were a good number of travel companies established in India such as SITA (1963), Thomas Cook India Ltd. American Express, Cox and Kings, India Travel and so forth. As per the Foreign Exchange Regulation Act (FERA) 1973, Thomas Cook India (Ltd.) was established under the companies Act 1956 in 1978. The Asian games were hosted in 1952 in India made a significant impact on the inbound traffic to India. The scenario of travel trade stimulated by promotional measures underwent remarkable change due to the rising number of tourist traffic. From 1951 to 1961 travel agencies were banking on airlines tickets and inbound operations to limited destinations. Travel agents started operating at Delhi and other destination points like Agra and

Jaipur. More particularly travel agencies were resorting to the ticketing business and inbound tours to golden triangle circuit. Travel Agencies were facing the shortage of transport fleets to conduct sight seeing tours in the cities. There was no such means to arrange different transports to conduct sight seeing tours in the lesser known destinations. It was certainly a challenging moment for travel agents which had business plan to handle additional demand for the operation of package tour.

In those times, travel agencies had to take much time to confirm the booking of hotels, transports, train tickets, guide services and other ground arrangements to the clients. Scope of business was not expanding owing to have limited operational network. The concepts of tour through ground handling agents were not fully known as there were very limited professionally skilled people to take the responsibility of handling the tours. Presently, there are around more than thousand travel agencies and tour operation companies on the approval list of the Department of Tourism, Government of India. . These are located in over 50 cities of the country and many have promotional offices in abroad. In addition to this, there are a large number of non- recognized travel agencies scattered all over the country. In India there are more than 400 travel agencies which have been approved by the IATA and a number of them have more branch offices.

Following the report of ad-hoc Committee on Tourism documented by the Jha Committee in 1963, that recommended the role of public sector in the promotion tourism. Along with other two corporations, India Tourism Transport Undertaking was set up in 1965; later it merged with other two tourism public undertaking subsidiaries of Government and gave birth to India Tourism Development Corporation (ITDC) in 1966. ITDC was, in the beginning, fully geared up with the plans and programs to develop new infrastructure and strengthen the existing facilities, resultantly, many such hotels were constructed at popular tourist destinations and luxury transport facilities were also provided to the tourists. With the construction of hotels at many key destinations catered demand for accommodation and restaurant facilities, which enhanced the total hotel room capacity and ITDC associated travel agents and tour operators for the booking of rooms on the basis of commission. Overseas tour operators were completely apprehensive about the availability of rooms and other facilities and amenities in the destinations. When ITDC hotel properties came up, subsequently after, the apprehension was removed by the establishment of ITDC properties. There was a surge in tourist traffic to India. The fact remains that rooms, other facilities and amenities of ITDC hotels were at par with the international star hotels that provided a kind of impetus and confidence to Indian tour operators and foreign tour operators to conduct package tours. As the quality of rooms and transports are two significant components in the package tour, so when those facilities were plentifully available at the places of tourist interest, it is obvious that there were many tour operators that showed their interests to organize tours in India.

Thus, the number of travel agents and tour operators went on increasing and the business was treated to be feasible and profitable. When accommodation and transportation capacity were somehow manageable, overseas tourist promotion offices took initiatives to showcase India to Europe in 1968 in a mass scale by launching a promotional campaign in a very grand way. With the exposure of introducing India to Europe campaign, the strategy for marketing India's tourism overseas underwent a significant change. In the later period, the scheme was extended to UK in 1970 and to USA in 1971. However, overseas tourism promotion was jointly sponsored and organized by the Department of Tourism with Air India's active participation and support. All those efforts were translated into tangible results. The tourist arrivals registered a growth from 17, 000 in 1950 to 188,820 in 1968. From the year 1965, there has been a constant increase in the number of tourists visiting India and International tourists arrivals also increased to 1329950 in 1990. The share of India in the world tourism receipts has been varying between 0.64 per cent in 1991 to 0.38 per cent over the last few years.

### 2.2.3 Post Liberalisation Period

The expansion of business opportunities for travel agency and tour operators depends on the active role of the governments to formulate certain strategic objectives for the tourism development sector. These strategies comprise five key actions such as to position tourism as a national priority, enhance India's competitiveness as a tourism destination, improve and expand product development, create world class infrastructure and draw up effective marketing plans and programmes. This growth-oriented strategy indicates vast of opportunities for the travel agents and tour operators. While travel agents are profiting from the tourist boom in the past couple of years, a number of them also feel threatened and are worried about the future. Commission cuts by airlines and the rapid technological advancement, especially the increasing penetration and use of the Internet has forced the travel agents community to rethink their business models and strategy for not just growth, but their survival in the future. Airlines and hotels have turned away from intermediaries in the past couple of years, preferring to invest heavily in their corporate sites and offer best-rate guarantees in an attempt to woo e-tourists. In face of these commission cuts, the main income generator, many travel agents are attempting to diversify their operations by providing other services and also remodeling themselves as travel consultants, a makeover, which happened in the developed markets quite a while ago.

Another recent trend, which is hitting the small time travel agents hard, is consolidation in the travel distribution network that has significantly reduced the number of travel agencies. Currently the Indian travel industry is in the midst of a transition towards becoming a mature market and the key words for all stakeholders are adaptation and innovation. One way towards the future is adopting the idea of service fee. This practice highlights the advisory role of the travel agent as a professional or a consultant where clients pay for the agent's expertise instead of suppliers having to pay a commission. The role of a consultant dovetails nicely with the trend towards customized travel. Indian tourists today are well traveled and want to enjoy a certain freedom. They want to go beyond the beaten path, yet enjoy the benefits of a hassle free planning and expertise offered by a travel agent. This means that agents must have the flexibility needed to offer customized travel products.

Apart from changing their business models to meet the challenges of the future, travel agents and tour operators also have a wider and important role to play in the development of tourism. They can coordinate with the Ministry of Tourism and other related central and state ministries in their endeavor to improve facilities, guaranteeing safety and security of tourists and disseminating information. Besides this, travel agents and tour operators also need to establish channels of communication and liaison with the department of tourism, state and other public and private bodies and take all necessary steps to promote and develop tourism in India, while also promoting environment protection, cultural exchange and national integration. The challenge for the travel agent and tour operator community is also to formulate a uniform code of conduct to govern the procedure of booking, confirmations, payments, refunds, cancellations, no-shows, changes, prepayments and postponements, retention charges, commission and discounts.

## 2.3 Operations of Travel Agency

The operations of a travel agency involve a combination of administrative, sales, and customer service functions to facilitate travel and tourism. Here is a detailed look at the key operations of a travel agency:

### 1. Customer Inquiry and Consultation:

- Interacting with potential clients to understand their travel preferences, needs, and budget
- Providing information, guidance, and recommendations on destinations, packages, and travel options

## 2. Reservation and Booking:

- Coordinating with airlines, hotels, car rental agencies, and other travel service providers to secure reservations for clients
- Utilizing booking systems to confirm travel arrangements, including flights, accommodations, and transportation

## 3. Documentation and Itinerary Planning:

- Assisting clients with the necessary documentation, such as visas, passports, and travel insurance
- Creating detailed travel itineraries, including departure and arrival details, accommodation information, and scheduled activities



## 4. Sales and Marketing:

- Developing and implementing marketing strategies to attract new clients and retain existing ones
- Promoting travel packages, special deals, and exclusive offers to generate sales

## 5. Technology Integration:

- Implementing and utilizing technology for online booking systems, customer relationship management (CRM) tools, and other software to streamline operations
- Ensuring that the agency's website is user-friendly and provides essential information for clients

## 6. Supplier Relationship Management:

- Building and maintaining relationships with travel suppliers, negotiating contracts, and securing favorable terms for services
- Collaborating with airlines, hotels, tour operators, and other service providers to enhance offerings

## 7. Payment Processing:

- Handling financial transactions, collecting payments from clients, and processing payments to travel suppliers
- Ensuring secure and efficient payment processing systems

## 8. Customer Support:

- Providing ongoing support to clients before, during, and after their travels
- Addressing inquiries, concerns, and assisting with changes or emergencies

## 9. Risk Management:

- Managing potential risks associated with travel, such as cancellations, disruptions, or unforeseen events
- Offering travel insurance options to mitigate risks for clients

## 10. Training and Development:

- Keeping travel agents updated on industry trends, new destinations, and changes in regulations
- Providing ongoing training to enhance product knowledge and customer service skills

## 11. Record-Keeping and Documentation:

- Maintaining accurate records of client information, reservations, and financial transactions
- Ensuring compliance with legal and regulatory requirements regarding documentation and data protection

## 12. Quality Control:

- Monitoring the quality of services provided by travel suppliers to ensure customer satisfaction
- Addressing and resolving issues related to accommodations, transportation, or other aspects of the travel experience

## 13. Continuous Improvement:

- Regularly evaluating and improving internal processes to enhance efficiency and customer experience
- Staying informed about industry developments and incorporating innovations into operations

The successful operations of a travel agency require a well-coordinated effort across these various functions. Adaptability to changing market trends, technological advancements and customer preferences is essential for sustained success in the dynamic travel industry.

## 2.4 Organization of Travel Agency

The organization of a travel agency involves structuring its various departments and roles to efficiently manage the diverse functions required for successful operation. While the specific organizational structure may vary based on the size and focus of the agency, here is a generalized overview of the typical components:

### 1. Management and Leadership:

- *Owner/CEO*: Provides overall strategic direction and leadership.
- *Management Team*: Includes executives responsible for different aspects such as operations, finance, and marketing.

### 2. Administrative Department:

- *Office Manager*: Overseeing day-to-day administrative tasks.
- *Receptionist/Administrative Assistants*: Handling phone calls, e-mails, and general administrative duties.

### 3. Sales and Marketing Department:

- *Sales Manager*: Overseeing sales strategies and targets.
- *Travel Agents/Sales Representatives*: Interacting with clients, providing information, and closing sales.
- *Marketing Team*: Developing and implementing marketing campaigns, advertising, and promotions.

### 4. Product and Operations Department:

- *Product Manager*: Managing relationships with travel suppliers and negotiating contracts.
- *Operations Manager*: Overseeing logistics, bookings, and travel arrangements.
- *Travel Coordinators*: Handling reservations, itinerary planning, and documentation.

### 5. Customer Service Department:

- *Customer Service Manager*: Managing customer support and satisfaction.
- *Customer Service Representatives*: Assisting clients with inquiries, changes, and addressing concerns.

### 6. Technology and IT Department:

- *IT Manager*: Overseeing the agency's technological infrastructure.
- *Web Developers/IT Specialists*: Maintaining the website, online booking systems, and other technological tools.

### 7. Finance and Accounting Department:

- *Finance Manager*: Managing financial transactions, budgeting, and reporting.
- *Accountants/Bookkeepers*: Handling invoices, payments, and financial records.

### 8. Human Resources Department:

- *HR Manager*: Overseeing recruitment, training, and employee relations.
- *Human Resources Specialists*: Handling personnel matters, benefits, and compliance.

### 9. Legal and Compliance Department:

- *Legal Counsel/Compliance Officer*: Ensuring adherence to legal and regulatory requirements.
- *Documentation Specialists*: Managing contracts, agreements, and compliance documentation.

### 10. Quality Control and Assurance:

- *Quality Control Manager*: Monitoring the quality of services and addressing any issues.
- *Quality Assurance Specialists*: Ensuring compliance with industry standards and customer expectations.

### 11. Training and Development Department:

- *Training Manager*: Developing training programs for travel agents.
- *Training Coordinators*: Facilitating ongoing education and skill development.

### 12. Business Development Department:

- *Business Development Manager*: Exploring new markets, partnerships, and growth opportunities.
- *Business Development Specialists*: Identifying and pursuing business expansion initiatives.

This organizational structure ensures that each department and role has specific responsibilities contributing to the overall success of the travel agency. It allows for effective communication, collaboration, and specialization in various areas of expertise within the dynamic travel industry. The size and complexity of the organization may influence the level of detail and specialization within each department.

## 2.5 Commissions

In the context of a travel agency, commissions refer to the fees or percentages that travel agents earn for facilitating the sale of travel-related products or services. These commissions are typically paid by the travel suppliers, such as airlines, hotels, cruise lines, car rental companies, and tour operators, to the travel agency as compensation for bringing in customers and generating bookings. The commission model is a common revenue stream for many travel agencies. Here are key points related to commissions in the travel industry:



#### 1. Commission Structure:

- Commissions can vary widely based on the type of travel service being booked and the agreements between the travel agency and the suppliers.
- Airlines may pay commissions on airfares, hotels on room bookings, and tour operators on packaged tours.

#### 2. Negotiation and Contracts:

- Travel agencies often negotiate commission rates and terms with travel suppliers to ensure a mutually beneficial relationship.
- Contracts between the agency and suppliers specify the commission rates, payment terms, and any additional incentives or bonuses.



The integration of technology, emphasis on personalization, and commitment to sustainable practices have become integral to the success and relevance of travel agencies in today's dynamic travel landscape. While the landscape of travel agencies has evolved significantly in the 21st century, the fundamental role of assisting travellers in planning and organizing trips remains. Adapting to technological changes, embracing digital platforms, and understanding the evolving preferences of modern travellers are crucial for the continued success of travel agencies in this dynamic era. Overall, 21st-century travel agencies are navigating a landscape shaped by technology, changing consumer expectations, and global trends.

## AT A GLANCE

- ❖ Travel intermediaries play a very significant part in the development of Indian tourism industry.
- ❖ A travel agency is a private retailer or public service that provides tourism related services to the public on behalf of suppliers such as airlines, car rentals, cruise lines, hotels, railways, and package tours.
- ❖ The evolution of modern travel agency and tour operation in India is not as old as the flourishing travel agency business in Europe and the North American countries.
- ❖ Even before the world war-II the importance of tourism was well recognized as a critical segment of economy.
- ❖ The expansion of business opportunities for travel agency and tour operators depends on the active role of the governments to formulate certain strategic objectives for the tourism development sector.
- ❖ The operations of a travel agency involve a combination of administrative, sales, and customer service functions to facilitate travel and tourism.
- ❖ Adaptability to changing market trends, technological advancements and customer preferences is essential for sustained success in the dynamic travel industry.
- ❖ The organization of a travel agency involves structuring its various departments and roles to manage the diverse functions required for successful operation.
- ❖ Commissions refer to the fees or percentages that travel agents earn for facilitating the sale of travel-related products or services.
- ❖ The integration of technology, emphasis on personalization, and commitment to sustainable practices have become integral to the success and relevance of travel agencies in today's dynamic travel landscape.

## GLOSSARY

- 1. Travel Agency** : a business or organization that provides a range of travel-related services to individuals, groups, or businesses
- 2. Agent** : a travel professional or travel agency that provides services related to planning, booking, and organizing travel arrangements for individuals, groups, or businesses
- 3. Commissions** : fees or percentages that travel agents earn for facilitating the sale of travel-related products or services

### ABBREVIATIONS:

- 1. GDS** : Global Distribution System
- 2. OTAs** : Online Travel Agencies
- 3. TAAI** : Travel Agents Association of India
- 4. FERA** : Foreign Exchange Regulation Act
- 5. CRMS** : Customer Relationship Management Systems



## CBSE Textbook Questions with Answers

### Review Questions-1:

1. What are the elements of a travel agent?

**Ans.** Personal Qualities:

(a) Communication and Interpersonal Skills (b) Organization and Time Management

Professional Knowledge and Skills:

(a) Destination Expertise (b) Industry Knowledge (c) Technology Proficiency

2. Discuss the reasons behind the origin of travel agency.

**Ans.** The origin of travel agencies can be traced back to several converging factors in the late 19th and early 20th centuries, creating a perfect storm for their emergence:

- (i) Expanding Transportation Networks
- (ii) Information Asymmetry and Complexity
- (iii) Growth of Leisure Travel and Tourism
- (iv) Industrialization and Specialization
- (v) Early Pioneers and Technological Advancements
- (vi) Government Support and Regulation

### 3. Activity:

1. Identify the required assistance you expect from travel agency/tour operation.
2. If you are planning to go to tour during your vacations, who will provide travel related solutions to you?

**Ans.** 1. Do it yourself. 2. Do it yourself.

### Review Questions-2:

1. Explain the mechanism of operating travel agency.

**Ans.** The mechanism of operating a travel agency can be broken down into several key stages:

- (i) Understanding Client Needs and Preferences
- (ii) Research and Product Sourcing
- (iii) Itinerary Planning and Proposal
- (iv) Booking and Confirmation
- (v) Customer Service and Support

2. Discuss the organization system of travel agency.

**Ans.** The organizational system of a travel agency can vary significantly depending on its size, type, and focus. However, here are some common elements you might find across different agencies:

#### (a) Functional Departments

- (i) Sales and Marketing Operations
- (ii) Finance and Accounting Oversees
- (iii) Customer Service
- (iv) Product Development
- (v) Organizational Structures
- (vi) Flat
- (vii) Matrix

**(b) Technology and Tools**

- (i) Booking platforms
- (ii) Customer Relationship Management (CRM) Systems
- (iii) Financial management software communication tools

3. Write a small note on the functions of identified jobs.

- Ans.** (a) **Travel Agent:** Travel agents assist clients in planning and booking their trips. They provide advice on destinations, accommodations, and activities, ensuring clients have a seamless and enjoyable travel experience. Agents also handle logistics, such as booking flights, accommodations, and transportation.
- (b) **Tour Operator:** Tour operators design and organize travel packages. They plan itineraries, negotiate with suppliers, and handle logistics to create comprehensive tour packages. Tour operators cater to various interests, from cultural tours to adventure excursions, aiming to provide unique and memorable experiences for travellers.
- (c) **Hotel Manager:** Hotel managers oversee the day-to-day operations of a hotel. Their responsibilities include managing staff, ensuring guest satisfaction, and overseeing budgets. They work to maintain high standards in hospitality services, manage bookings, and address any issues that may arise during a guest's stay.
- (d) **Event Coordinator (Tourism Events):** Event coordinators in tourism plan and execute various events, such as conferences, festivals, or special tours. They coordinate logistics, manage budgets, liaise with vendors, and ensure that events run smoothly. These professionals contribute to the overall tourism experience by organizing engaging and memorable events.
- (e) **Customer Service Representative (Tourism Industry):** Customer service representatives in the tourism industry assist travellers with inquiries, concerns, and requests. They may work for travel agencies, hotels, or tourism boards, providing information, resolving issues, and ensuring positive interactions to enhance customer satisfaction.
- (f) **Adventure Tour Guide:** Adventure tour guides lead groups of travellers on outdoor excursions, providing information about the environment, ensuring safety, and coordinating activities. They possess knowledge of the local flora, fauna, and geography, offering an educational and adventurous experience for tourists.
- (g) **Cruise Director:** Cruise directors manage the entertainment and activities on cruise ships. They plan daily schedules, coordinate events, and ensure passengers have a delightful experience. Cruise directors act as a liaison between passengers and the ship's crew, contributing to the overall enjoyment of the cruise.
- (h) **Travel Blogger/Influencer:** Travel bloggers and influencers share their travel experiences through various media channels. They create content, including articles, photos, and videos, to inspire and inform their audience about destinations, accommodations, and activities. Their role involves promoting tourism-related products and services.
- (i) **Airport Operations Manager:** Airport operations managers oversee the efficient functioning of airport facilities. They manage staff, handle logistics, and ensure compliance with safety regulations. These professionals contribute to the smooth flow of passengers, baggage, and aircraft within the airport environment.
- (j) **Destination Marketing Manager:** Destination marketing managers promote specific tourist destinations. They develop marketing strategies, collaborate with tourism stakeholders, and create campaigns to attract visitors. Their goal is to enhance the destination's visibility, drive tourism revenue, and create a positive image.

#### 4. Activity:

1. Identify the Jobs involved in tour Operations.

**Ans. 1.** Do it yourself.

#### Review Questions–3:

1. Find out the changes that are happening in tourism business.

**Ans.** The tourism industry is a dynamic and ever-evolving landscape, constantly adapting to changing trends, technologies, and travellers preferences. Here are some of the key changes happening right now:

##### (a) Shifting Priorities

- (i) Sustainable Tourism
- (ii) Wellness and Experiences
- (iii) Bleisure Travel

##### (b) Technological Advancements

- (i) AI-powered travel planning
- (ii) Contactless Travel
- (iii) Rise of online platforms

##### (c) Other trends

- (i) Niche Market Specialization
- (ii) Focus on Authenticity and Local Experiences
- (iii) Increased focus on safety and health

#### 2. Activity:

1. Find out the sources of income for travel agency/tour operations.

**Ans. 1.** Do it yourself.

#### Exercises:

1. What are the elements of a travel agent?

**Ans.** These elements encompass both personal qualities and professional skills:

##### (a) Personal Qualities

- (i) Communication and interpersonal skills
- (ii) Organization and time management
- (iii) Problem-solving and adaptability
- (iv) Passion for travel and curiosity

##### (b) Professional Skills

- (i) Destination expertise
- (ii) Industry knowledge.
- (iii) Technology proficiency
- (iv) Sales and customer service

2. Explain the mechanism of operating travel agency.

**Ans.** Ref. to Questions 1. Review Questions-2.

3. What is the role of commission in operating?

**Ans.** Commission is the main source of revenue for a retail travel agency that is received from the vendors. However, the rate of commission differs from organizations to organizations and from travel component to travel component. In fact, the travellers can receive quality services from the retail travel agency if the agency gets high commissions from the suppliers. Therefore, commission ensures the best service for the travellers in tourism industry just like other product industries.

4. Explain the future of travel agents.

**Ans.** The future of travel agents is based on certain factors.

Some of them are:

- (i) The Impact of AI and automation
- (ii) Evolving travellers preferences
- (iii) The Role of technology in enhancing the agents experience
- (iv) Collaboration and partnerships
- (v) Focus on building trust and loyalty

### **I. Guidelines for Practical:**

1. Identify office material/machines involved in travel agency office.
2. Observe arrangement of office equipment and their logical arrangement.
3. Recognize people working with different roles
4. Observe the clients and understand their requirements
5. Find out various functions performed by people in travel agency.

Prepare a chart

**Ans. 1–5:** Do it yourself.

## **Additional Questions with Answers**

### **I. Multiple Choice Questions**

**(1 Mark)**

1. Which of the following is NOT a primary function of a travel agency?
  - (a) Booking flights and accommodation
  - (b) Arranging visa applications
  - (c) Providing travel insurance
  - (d) Creating customized travel itineraries
  - (e) Operating their own airline fleet
2. What is the most common source of revenue for travel agencies?
  - (a) Direct sales of travel packages
  - (b) Commissions earned from suppliers
  - (c) Customer service fees
  - (d) Advertising and marketing revenue
  - (e) Revenue from ancillary services
3. What type of travel agency specializes in catering to groups of tourists visiting a specific destination?
  - (a) Retail travel agency
  - (b) Wholesale travel agency
  - (c) Online travel agency
  - (d) Incentive travel agency
  - (e) Destination management company (DMC)
4. What is the term used for a pre-arranged travel itinerary offered by a travel agency that focuses on a specific theme or activity?
  - (a) Itinerary
  - (b) Brochure
  - (c) Package tour
  - (d) A la carte travel
  - (e) Themed itinerary
5. What technology has significantly impacted the travel agency industry in recent years?
  - (a) Cruise ships
  - (b) High-speed trains
  - (c) Online booking platforms
  - (d) Virtual reality experiences
  - (e) Eco-friendly tourism initiatives

6. What is the main difference between a FIT (Foreign Independent Traveller) and a GIT (Group Inclusive Tour)?
- (a) Accommodation type (b) Length of travel  
(c) Level of organization (d) Destination focus  
(e) Transportation mode
7. Which of the following is NOT a factor that travel agencies consider when recommending destinations to clients?
- (a) Client's budget (b) Client's preferred travel style  
(c) Current travel trends and seasonality  
(d) Local political climate and safety concerns  
(e) The agency's existing partnerships with suppliers
8. What is the main challenge faced by travel agencies in a competitive market?
- (a) Managing travel logistics and documentation  
(b) Providing personalized customer service  
(c) Competing with online booking platforms  
(d) Adapting to changing travel preferences  
(e) Maintaining relationships with travel suppliers
9. What is the term used for the process of promoting and selling travel services to potential clients?
- (a) Ticketing (b) Itinerary planning  
(c) Marketing and sales (d) Customer service  
(e) Destination management
10. What is the benefit of a travel agency using a global distribution system (GDS)?
- (a) Access to a wider range of travel products  
(b) Reduced commission fees  
(c) Lower operating costs  
(d) Increased competition with online booking platforms  
(e) More booking process complex travel

**Answers:**

1. (e) 2. (b) 3. (e) 4. (e) 5. (c) 6. (e) 7. (a) 8. (c) 9. (c) 10. (a)

**II. Fill in the blanks****(1 Mark)**

1. The process of researching and recommending travel destinations to clients is called .....
2. Travel agencies typically earn revenue through ..... from airlines, hotels, and other travel suppliers.
3. A ..... is a pre-arranged travel itinerary offered by a travel agency, often focusing on a specific theme or activity.
4. .... like online booking platforms, have posed significant challenges for traditional travel agencies.
5. .... travel involves catering to the needs of individual travellers, while ..... travel involves booking trips for larger groups.
6. An agency's ..... system stores and manages client information, travel bookings, and financial transactions.

7. .... skills are crucial for travel agents, as they need to effectively communicate with clients and understand their travel preferences.
8. .... marketing involves targeting specific channels or segments of the travel market.
9. Travel agencies can leverage ..... and ..... to provide virtual tours and enhance the travel planning experience.
10. .... tourism initiatives focus on minimizing environmental impact and promoting sustainable travel practices.

**Answers:**

1. Destination Management 2. Commissions 3. Package Tour 4. Technology Disruption
5. FIT, GIT 6. Reservation System 7. Interpersonal 8. Niche
9. Virtual Reality, Augmented Reality 10. Responsible

**III. State whether the following statements are true or false (1 Mark)**

1. Travel agencies only earn revenue from booking travel for customers.
2. All-inclusive packages typically include flights, accommodation, and some meals.
3. Luxury travel agencies exclusively cater to high-end clients with unlimited budgets.
4. Online booking platforms have completely replaced the need for traditional travel agencies.
5. Sustainable tourism practices are only relevant to eco-conscious travellers.
6. Travel agents mainly use spreadsheets and phone calls to manage bookings.
7. Knowing multiple languages is not essential for a travel agent.
8. Travel agencies have no role in arranging visa applications.
9. Technology has made travel planning more challenging for individuals.
10. The future of travel agencies lies in specializing in niche markets.

**Answers:**

1. False 2. True 3. False 4. False 5. False 6. False 7. False 8. False 9. False 10. True

**IV. Short Answer Type Questions-I (2 Marks)**

1. What are the main sources of revenue for travel agencies?
2. What are the different types of travel agencies?
3. What is the biggest challenge travel agencies face today?
4. How are travel agencies adapting to the digital age?
5. What is Global Distribution System?
6. What is responsible tourism?
7. What are some essential skills for a travel agent?
8. How can travel agencies stay competitive in the future?

**V. Short Answer Type Questions-II (3 Marks)**

1. What kind of travel agency specializes in group trips?
2. How is technology changing travel agencies?

3. What are some examples of responsible tourism practices?
4. What are some benefits of using a travel agency?
5. What legal and ethical considerations do travel agencies have?
6. What advice would you like to give someone interested in this career?
7. How do you visualise the future of travel agencies?

## VI. Long Answer Type Questions-I

(4 Marks)

1. Analyze potential dilemmas with regards to supplier relationships, pricing transparency, and data privacy, and propose best practices for ensuring ethical conduct and building trust with clients.
2. Discuss emerging trends like niche travel specialization, experiential tourism, and virtual reality integration, and predict how these developments will influence travel agency operations and redefine the travellers experience.

## VII. Long Answer Type Questions-II

(5 Marks)

1. Discuss the challenges and opportunities faced by travel agencies in this evolving landscape, and propose how they can adapt and stay competitive.
2. Explain the role of technology in modern travel agency operations. Illustrate how travel agencies leverage various technologies like GDS, customer relationship management (CRM) systems, and artificial intelligence (AI) to enhance their services and cater to changing travellers preferences.
3. Compare and contrast the different types of travel agencies, such as retail, wholesale, online, and destination management companies (DMCs). Identify their specific strengths and target markets, and discuss how they collaborate to meet the diverse needs of travellers.
4. Evaluate how travel agencies can incorporate sustainability principles into their offerings, support local communities, and minimize environmental impact throughout the travel experience.
5. Design a personalized travel package for a specific client, considering their interests, budget, and travel style. Explain the factors you considered during the planning process and highlight the unique selling points of your proposed itinerary.

## Previous Years' Board Questions

### I. Multiple Choice Questions

(1 Mark)

1. Which one of the following is not a part of the Chain of Distribution in the travel and Tourism business? (CBSE SP 2022-23)  
(a) Retailers (b) Workers (c) Wholesalers (d) Consumers
2. Travel Corporation of India Ltd. "(TCI) was established in ..... (CBSE SP 2023-24)  
(a) 1961 (b) 1951 (c) 1941 (d) 1981
3. Tourism is ..... in Nature. (CBSE SP 2021-22)  
(a) Optional (b) Regular (c) Social (d) Seasonal
4. Components of Tourism do not include. (CBSE SP 2021-22)  
(a) Accumulation (b) Accommodation (c) Accessibility (d) Amenities

5. Who is known as the father of Tourism Industry? (CBSE SP 2021-22)  
(a) Richard Cox (b) Thomas Cook (c) Steve Jobs (d) Rich Barton
6. The ..... marks the 250th anniversary of Cox & Kings, the longest established travel company in the world. (CBSE SP 2020-21)  
(a) 2000 (b) 2008 (c) 2012 (d) 2006
7. In 1920, ..... was the first Indian travel agency organized group tours abroad and in India for Indian travellers. (CBSE SP 2020-21)  
(a) Lee and Muirhead India Pvt. Ltd. (b) N. Jamnadas and Co. Ltd.  
(c) SITA (d) Jeena and Co.  
(e) Destination management
8. Thomas Cook first organized a package trip by rail in the (CBSE SP 2020-21)  
(a) 1860s (b) 1890s (c) 1840s (d) 1850s
9. A fixed percentage of the main element of the price is paid to the agent as a ..... . (CBSE SP 2020-21)  
(a) Commission (b) Tax (c) Fare (d) Fee

## II. Short Answer Type Questions-I

(2 Marks)

1. Write the meaning of travel business. (CBSE SP 2019-20)
2. What are the elements of a travel agent? (CBSE SP 2019-20)

## III. Short Answer Type Questions-II

(3 Marks)

1. Discuss the functions of travel agency. (CBSE SP 2019-20)
2. Define Travel Agents. (CBSE SP 2019-20)

## About the Book

Tourism is now widely acknowledged as a significant economic contributor on a global scale. India, boasting an array of captivating destinations throughout the year, stands out as a top-tier choice for various types of tourists. The increasing recognition of tourism's economic importance has led to heightened focus from both the Indian government and various entities in the public and private sectors, as well as academia.

Consequently the surge in tourism has presented substantial business opportunities and ample room for service providers such as travel agencies and tour operators. In response, the Government of India has implemented several initiatives over the past decades to cultivate a pool of skilled professionals capable of meeting the growing demand for trained manpower in the tourism industry. This book provides a comprehensive overview of the tourism industry, aiming to foster further exploration and kindle interest of students in this dynamic field of study.

**FULLMARKS**



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