

Module 1: OVERVIEW OF TOURISM INDUSTRY

(Meaning, nature and evolution of tourism; classification of tourists; major motivators and deterrents to tourism; structure and components of tourism industry; emerging areas of tourism, Natural and man-made tourism resources of India; social-cultural tourism resources of India)

MEANING OF TOURISM:

Tourism is an activity of multi-dimensional, multi-faceted nature involving large number of people and good number of economic activity.

DEFINITION:

The UNWTO (United Nation of World Tourism Organisation) in 1995 defined Tourism as comprising 'the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

NATURE OF TOURISM

Intangibility: Many tourism products are intangible. The services related to the tourism industry cannot be seen, touched or felt. The person can experience the tour or related services but does not get any tangible product in hand. Thus travel products like the flight experience, the cruise experience, or the experience of the view are experiences.

Tourism is very fragile(harmed) in nature: An accident and crisis can leave long lasting footprint. In the present context, global economic depression is causing recession in many long haul destination.

Perishable in nature: All tourism products are perishable like the capacity of hotels, entry to tourism sites, etc. These cannot be stored till the consumer decides. Thus, the travel services need to be consumed as soon as they are produced.

For example, for each flight, there are tickets to seats that the airline has to sell, and the hotel has rooms that need to be rented out every night.

Tourism is multidisciplinary subject: It is connected with many other disciplines like social sciences and even with environment.

Tourism products cannot be shifted: Many tangible products are produced at one place and time and then consumed in another place at another time. But most travel-related products are both made and consumed at the same time and in the same place.

Tourism is not static process: It has been changing since 1000 years and the process will go on. It is geographically fixed at different places. It is not a constant in nature.

Demand fluctuation: Demand fluctuation is one of the major issues that the tourism industry faces. It is an industry that has to deal with seasonal demand fluctuations. Apart from this, it is also influenced by natural or artificial events (like natural disasters) events (like riots, war, etc.) that can affect demand.

EVOLUTION OF TOURISM

Tourism industry has taken more than 1000 years to evolve and reach at the present level. If we start tracing travelling of human beings, we could begin with the nomadic period. The following could be the order.

1. Nomadism
2. Pilgrimage
3. Travel for Trade and Business
4. Migration
5. Travel for research and education
6. Multi-destination tourism

Nomadism: Nomads were people who travelled from place to place in search of food. Even today, you will find many people moving on caravans with their children and their entire belongings. We have read that this movement of people was concerned with survival. Now a-days, it is confined to places like deserts or mountains where food is not available.

Pilgrimage: Some trips were patronized by Ashoka, Harshavardhana to spread religion and built monasteries and temples. Pilgrimage is a journey to holy places as per the beliefs and faith. In modern times, pilgrimage has become a source of mass tourism, because as development of transport and other facilities increased the number of people visiting such places increased too.

Travel for Trade and Business: As trade routes were discovered, and new lands opened up. People started moving from one place to another. Soon trade began and exchange of goods started which increased with the coming of the Industrial Revolution.

Sea routes discovered by Vasco da Gama and Columbus led to the discovery of new destinations. Ship building assumed a very large role and so did the demand to sell finished goods and buy raw materials.

Migration: With the rise of Industrial Revolution in the West began the worldwide search for markets to buy and sell finished goods. Migration is the movement of people from one place to another. This has been happening since very long time.

Travel for Research and Education: With passage of time movement of people began for specific purposes. Then people moved to far flung places in search of good education. This gave tremendous boost to educational tourism.

Multi-destination Tourism: Multi-destination tourism includes travelling and visiting a series of places for tourism purpose. It has become a very popular activity with tourists. When tourists are travelling, they are not confined to a single place but are visiting many places one after another. Hence today, multi-destination tourism is the need of the hour.

CLASSIFICATION OF TOURISM

Tourism can broadly be divided into three types:

1. International tourism (consists of inbound and outbound tourism)
2. National tourism (consists of domestic and outbound tourism)
3. Internal tourism (consists of domestic and inbound tourism)

Inbound: Tourist visiting from another country.

Outbound: Tourist going outside his own country.

Domestic: Tourist travel only within his own country.

International tourism: International inbound tourism is the number of visits to a country by non-residents, whereas international outbound tourism is explained as the number of visits by residents of a country to another country.

National tourism: It is described as residents travelling to other countries (outbound) and nationals travelling in their own country (domestic).

Internal tourism: It comprises the visits both by residents of a country (domestic) and by non-residents (international inbound tourists) within a country.

MAJOR MOTIVATORS AND DETERRENTS (DEMOTIVATES' S) OF TOURISM MAJOR MOTIVATORS:

1. Personal factors: Motivational factors consist of personal and situational characteristics. Personal characteristics include tourists with individual goals and beliefs that are reflected in the planning of the tour.

2. Situational factors: It offers opportunities for learning that generate interest in familiarising oneself with sites at the destination. Museums, art galleries, botanical gardens, national parks, science centres, zoos, aquaria. These attractions offer a fabulous experience to enrich knowledge through motivational factors.

3. External and internal determinants: Tourists can be categorised as external and internal. External determinants of tourist behaviour include demographic, political, economic, social and technological factors at the national and international level.

Internal determinants comprise promotions and word of mouth from friends, families and relatives.

4. Introverts and extroverts: Tourists who are **introverts** by nature make travel decisions based on their own experiences. For example, a tourist watches new channels, browses websites and reads magazines in order to figure out travel destinations that would be of interest to him or her.

Tourists who are **extroverts** by nature are more vulnerable to external determinants. For example, such tourists are influenced by advice and recommendations from friends and relatives.

5. Income facilitator: High disposable income is a facilitator. People with surplus income are more open to spending on lifestyle hobbies or activities and prefer going on leisure trips. Thus, income is a key facilitator in the sense that it determines budget, location, hotel and duration of tour.

DETERRENTS TO TRAVEL:

Some aspects become negative determinants which restrain a tourist from visiting specific destinations.

1. Cost
2. Lack of time
3. Health issue
4. Family stage
5. Lack of interest
6. Fear and safety

1. **Cost:** Low disposable income is a deterrent. When people have less income they usually avoid travelling or they cancel some of the destinations/events/activities.

2. **Lack of time:** Usually the businessmen and employees avoid travelling because of a busy schedule. They might postpone or cancel the trips.

3. Health issue: Few people avoid trips and travel because of their minor or major health issue. Which is also one of the deterrent.
Ex: lungs or asthma patients avoid travelling to cooler and ice covered areas.
4. Family stage: Sometimes at what stage the person is in the family also matters whether the person is bachelor or family person.
5. Lack of interest: introverts usually don't like to travel because of lack of interest. Some tourists want to travel only specific destinations only like teenagers won't show interest to travel to spiritual places instead they usually like take a trip for enjoyment or adventure purpose.
6. Fear and safety: fear is also a major deterrent if tourist are having any phobia like water, fire, depth etc. usually they avoid to travel for those palces. Safety is also another deterrent when safety measures are not there usually people wont travel to those tourist palces.

It is clear that all factors do not carry equal value with all tourists at all times. Different individuals may perceive certain factors to be more important than others, based on attitudes, personalities, principles and fears of past experiences.

STRUCTURE AND COMPONENTS OF TOURISM INDUSTRY

The structure of the industry is made up of several components of tourism and involves many different stakeholders. These components are all interrelated in one way of another. The components of tourism make up the entire tourism system.

1. Tourism board: A tourism board is responsible for the promotion of tourism in a particular area. This could be a city, a region, a country or a group of countries. A tourism board is usually Government funded and is usually a public travel and tourism organisation. A tourism board is also often referred to as a Destination Marketing Organisation (DMO)

International organisations: organisations which aim to promote tourism across more than one country. They will also play a role in the promotion of tourism in particular parts of the world. This could include the European Union, the ASEAN network or organisations such as the United Nations.

National tourist boards: A national tourist board is a national organisation whose aim is to promote tourism across the country.

Regional tourist boards: A regional tourist board is a tourist board that focusses on a particular region of a country. They are often a sub-division of a country's national tourist board.
Example: Karnataka tourism board, Kerala Tourism in India etc.

2. Tourist information centres(TIC): A tourist information centre is the place where tourists can go for advice and help with regards to all matters related to tourism in the area. We will find staff who are knowledgeable about the local area. There will often be a range of printed and digital information for tourists including maps and guidebooks. Sometimes there will be virtual tourism facilities.

TIC have been an important component of tourism throughout the history of travel and tourism. However, they are coming under increasing pressure as a result of information that is available online. This has resulted in fewer people visiting TICs in person. These are usually centrally located.

3. Transport services: Transport is an integral component of tourism. Without transport, people cannot reach their intended destination. The most common and popular methods of transport that make up the structure of the tourism industry, however, are: air, road, train and water.

Travel by air: Travel by air has grown exponentially in the past few decades. With the introduction of low cost airlines and deregulation, the competitive market has been a tourist's paradise. During this time of Corona-virus epidemic most air traffic was halted, which had a devastating impact of the tourism industry world- wide.

Travel by road: It is more popular in some countries than others. This largely depends on accessibility options, distances required and road conditions.

Travel by train: In some parts of the world, such as China and Japan, there are world-class high-speed railways that can be more efficient than flying. In other parts of the world, the rail journey is part of the tourism experience. A good example of this is the Siberian Railway.

Travel by water: The structure of the tourism industry includes cruises, ferries and leisure boats, among other types of travel by water. Travel by water can vary considerably in price and can include anything from a round the world cruise to a short long tail ride in Thailand.

4. Accommodation services: Accommodation services make up an important part of the structure of the tourism industry. Whilst accommodation services were traditionally focussed mainly around the hotel industry, nowadays accommodation options for tourists are much more varied. This adds an additional layer of complexity to the structure of the tourism industry. Like hotel chains, accommodation innovations, hostels and budget accommodation and homestays.

5. Attractions: There are a multitude of different tourist attractions around the world. Natural attractions are attractions that have not been made by man. Natural attractions are found all over the world and vary in size and scope.

Some attractions are built for the purpose of tourism, such as theme parks or museums. Other attractions are built for other purposes but then become tourist attractions, such as the Empire State Building or the Sydney Opera House.

6. Conferences and events: Conferences, which often come under business tourism. It involves national leaders around the world. There are millions of events that take place around the world each year that vary in size and function. Many of these form an integral part of the tourism industry.

Examples: ITB is the world's leading international travel trade show. It is held in Berlin each year.

Holi Festival is celebrated in India each year during the month of March. This is a Hindu festival that signifies the victory of good over evil.

7. Tourism services: Without many tourism services, the tourism industry would fail to adequately function. The three major tourism services that make up the structure of the tourism industry.

Tour operators: A tour operator is the individual or organisation who puts together a trip. a tour operator would package together essential elements including accommodation, transport and transfer. They would then sell this package to the tourists.

Travel agents: a travel agent would sell the product that the tour operator has produced i.e. the package holiday.

Ancillary services: Ancillary basically means 'extra' or 'additional'. Any product or service that is additional to the core elements of accommodation, transport and transfer.

Examples- Attraction tickets, Meal tickets, Insurance.

NATURAL AND MAN-MADE TOURISM RESOURCES OF INDIA

1. Natural Tourism Resources: Natural tourism resources are the natural elements that attract tourists to a destination. These resources include geomorphological, climate, hydrographic, biogeographical, and protected natural heritage.

a) **Geomorphological Resources:** Geomorphological resources refer to the geological formations that attract tourists to a destination. These resources include mountains, caves, valleys, canyons, and beaches.

Example: the Mount Everest in Nepal, the Great Barrier Reef in Australia, and the Niagara Falls in Canada.

b) **Climate Resources:** Climate resources refer to the different types of climates that attract tourists to a destination.

Example: The deserts of Egypt, the polar regions of Antarctica, and the Mediterranean climate of Southern Europe. These resources offer visitors a chance to experience the unique climate of the region.

c) **Hydrographic Resources:** Hydrographic resources refer to the water bodies that attract tourists to a destination. These resources include rivers, lakes, waterfalls, and oceans.

Example: Tourists visit the Amazon River in Brazil to witness the unique biodiversity of the region.

d) **Bio-geographical Resources:** Biogeographical resources refer to the unique flora and fauna that attract tourists to a destination. These resources include national parks, wildlife reserves, and botanical gardens.

Example: The Amazon Rainforest in Brazil, and the Yellowstone National Park in the United States.

e) **Protected Natural Heritage:** Protected natural heritage refers to the areas that are protected by law for their natural or cultural value. These areas include UNESCO World Heritage Sites, national parks, and wildlife reserves.

Example: Tourists visit the Taj Mahal in India, Machu Picchu in Peru. These resources offer visitors a chance to witness the unique cultural and natural heritage of the region.

2. Man made or Anthropogenic Tourism Resources: The Man-made elements that attract tourists to a destination. These resources include cultural assets, ethno- social resources, artistic resources, and ambient resources.

a) **Cultural Assets:** Cultural assets refer to the unique cultural features and attractions that attract tourists to a destination. These include museums, historical landmarks, and cultural festivals.

Example: the Pyramids in Egypt.

b) **Ethno-Social Resources:** Ethno-social resources refer to the cultural and social traditions of a destination that attract tourists. These resources include food, music, dance, and traditional clothing.

Example: Tourists visit New Orleans in the United States to experience the unique jazz music and cuisine of the region.

c) **Artistic Resources:** Artistic resources refer to the artistic creations and performances that attract tourists to a destination. These resources include architecture, music, dance, theater, and visual arts.

Example: Tourists visit Paris in France to witness the unique architecture and art of the region.

d) **Ambient Resources:** Ambient resources refer to the environmental and atmospheric features of a destination that attract tourists. These resources include clean air, clean water, and a safe environment.

Example: tourists visit New Zealand for its clean and green environment, the natural beauty of Norway. These resources offer visitors a chance to experience a safe and healthy environment while traveling.

EMERGING AREAS OF TOURISM

1. **Rural tourism:** It is a type of tourism activity in which the visitor's experience is related to a wide range of products generally linked to nature-based activities, agriculture, rural lifestyle/culture and sightseeing.
2. **Medical tourism:** It is a concept where two leading industries in a country i.e the healthcare and tourism industry join hands to provide healthcare services to people beyond the boundary limits of their home country. 'Medical Tourism' has become one of the fastest growing industries over the years, where people travel for getting medical or health-related treatments. 'Medical Tourism' provides people with accessibility, state-of-the-art healthcare infrastructure, and quality treatment and all others related services at affordable prices.
3. **Pilgrimage or religious Tourism:** Pilgrimage tourism is essentially the process of visiting pilgrimage sites. These are primarily religious destinations, and can even be said to have formed a very early version of tourism. Typically, pilgrimages are long journey taken over days, weeks or even months for religious purposes. The people who believe in god and faith taken this tourism in order to strengthen their relationship with their religion. Religious sites are not only visited by the pilgrims but also visited by non-religious tourists since they have cultural, historical and religious significance.
4. **Sports tourism:** Tourism and sports are interrelated and complementary. Sports – as a professional, amateur or leisure activity – involves a considerable amount of traveling to play and compete in different destinations and countries. Major sporting events, such as the Olympic Games, football and rugby championships have become powerful tourism attractions in themselves – making a very positive contribution to the tourism image of the host destination.
5. **Food tourism:** It is all about exploring food as a form of tourism. Whether that be eating, cooking, baking, attending a drinks festival or visiting a farmers market-all of these come under the concept of Culinary or food tourism. People specially to eat at a certain restaurant, classes as food tourism. It taken a new twist since COVID pandemic too, When many people would cook or eat a variety of different foods from around the world in attempt to bring an element of travel to their own home.

6. **Adventure tourism:** Adventure tourism is about connecting with a new culture or a new landscape and being physically active at the same time. It is not about being risky or pushing your boundaries. In fact, it is especially important to know and respect your limits while you are in an unfamiliar area. Example: Zip lining, Free falling, Trekking, Rafting, Mountain biking and etc.
7. **Cultural tourism:** Movement of people for essentially cultural motivations such as study tours, performing arts, travel to festivals and other cultural events, visits to sites and monuments, travel to study nature, folklore or art etc. Travelers look for an “authentic experience,” and community has its own special attributes that set it apart from others. These features include history, traditions, and yes, arts and culture.
8. **Yoga tourism:** Yoga Tourism entails a travel which involves practising spiritual or postural yoga during the journey. Such tours are mainly to places such as yoga centres or ashrams or a Yoga Academy where people can take training to be certified yoga practitioners. However, the scope for these venues is not limited either. One can practise Yoga tourism even in luxury resorts.

SOCIO-CULTURAL TOURISM RESOURCES

Sociocultural impacts are the 'human impacts' of the tourism industry, with an emphasis on changes in the quality of residents' daily life at the tourist destinations and cultural impacts related to transformations in traditional values, norms, and identities arising from tourism.

Socio-cultural factors or resources that attract tourism attraction are:

1. Archaeological sites.
2. Buildings or old roads.
3. Prehistoric village sites.
4. Rock inscriptions
5. Battlefields.
6. Handicrafts
7. Traditions
8. Art and music
9. Architecture
10. Language
11. Religion (including visible manifestations)
12. Education systems
13. Dress

These above resources often yield unique information about past societies and environments that are of importance to society today.

The more major positive impacts of tourism on society and culture include the following:

- i. The creation of employment
- ii. The revitalisation of poor or non-industrialized regions
- iii. The rebirth of local arts and crafts and traditional cultural activities
- iv. The revival of social and cultural life of the local population
- v. The renewal of local architectural traditions
- vi. The promotion of the need to conserve areas of outstanding beauty which have aesthetic and cultural value.

Negative impacts of tourism on society and culture include the following:

- i. Social change.
- ii. Changing values
- iii. Increased crime and gambling
- iv. Changes in moral behaviour
- v. Changes in family structure and roles
- vi. Problems with the tourist-host relationship and the destruction of heritage.

Tourism and Travel Management

Module 2: TRAVEL AGENCY AND TOUR OPERATION BUSINESS

HISTORY, GROWTH AND PRESENT OF TRAVEL AGENCY

Travel during the early days of 19th century was a simple affair. The rapid transport systems had not evolved resulting in travel only within the neighbouring cities and areas. The role of the travel agent was also very simple, as in the case of Thomas Cook who was only responsible for booking rail tickets.

After the World War 2, tourism again has become even more popular as more and more people wanted to escape from the post war effects. It led to evolution of holiday making at more affordable prices and the start of package holidays which led to the beginning of many more travel agencies.

- **CONTRIBUTION OF THOMAS COOK AND AMERICAN EXPRESS**

In 1841, Thomas Cook, a British carpenter and Baptist missionary, arranged transportation for 570 rail passengers. Thomas Cook chartered a train from Leicester to Loughborough in England. He printed brochures and cost was pretty cheaper. With the development of different modes of transport, travel became more complicated and so did the functions of the travel agents.

His Paris excursions were the first true package tour in that all the details of transport and accommodation were pre-arranged. In 1863 Cook visited Switzerland where his ideas were greeted with enthusiasm by hoteliers and railway proprietors.

In 1865, Thomas Cook along with his son visited the American cities. The inclusive tour, in which everything is paid for in advance, was a creation of Cook as well as the Circular Note, which was the first type of the traveler's cheque, which he created in 1873. The 1860s also saw the introduction of Cook's railway and hotel coupons. By the 1890s, nearly 1,200 hotels throughout the world accepted his coupons.

Thomas Cook and his son John Mason Cook had established their first official London office in 1865. In the year 1880 John Mason Cook left for India and established offices in Bombay (Mumbai) and Calcutta (Kolkata). Thomas Cook and Son had made a revolution in tourism.

- **THE BEGINNING OF AMERICAN EXPRESS COMPANY**

American express company has also started its operations in 1841 by Henry Wells. He also contributed significantly to the growth of tourism and the company is also credited for creating awareness about the traveler's cheque and introduction of credit cards.

- **THE BIRTH OF COX AND KINGS**

Cox & Kings is another major company associated with the travel business. Although the company has its origin in the year 1758, Cox and kings was primarily a company associated with the handling of affairs of British officers stationed overseas. Travel agencies were also adversely affected during the World Wars and received a boom after the world wars when people desired to travel for pleasure and to forget the aftermath of the wars.

- **21ST CENTURY**

Travel agencies in 21st century have been sophisticated with the implementation of new technologies and establishing networks across the globe. Many travel agencies have their own websites which give necessary information relating to the services they provide with respect to travel, accommodation and others.

TRAVEL AGENCY

An agency means the office of a travel agent or organization where all travel services are assembled and coordinated for the smooth conduct of travel agency business. A travel agent may be an individual /firm or corporation who runs a travel agency.

FUNCTIONS OF TRAVEL AGENCY

a) Provision of Travel Information:

One of the primary functions of a retail travel agent is to provide necessary information about travel. This information is provided at a convenient location where the intending tourists may ask certain questions and seek clarifications about their proposed travel. This is a much specialised job and the person behind the counter should be a specialist with excellent knowledge of various alternate travel plans.

b) Preparation of Itineraries:

Tourists itineraries are a composition of a series of operations. A tourist journey is characterised by an itinerary using various means of transport to link one locality with another. Preparation of different types of itineraries is another important function of a travel agency. A travel agent gives advice to intending travelers on the type of programmes which they may choose for their holidays or business travel.

c) Travel Facilitation:

Tourists need information about what is available at the destination in order to get the most from the leisure holiday or a business trip. The information to be provided does not relate only to travel but on variety of topics like local transport, sites and destinations, fairs and festivals, cultural aspects of the country, accommodation available, medical facilities, entertainment, eating places, etc. A tourist seeking the help of a travel agent for planning his trip to a particular destination would require information on the following areas:

- i. Mode of travel to the destination
- ii. Travel within the destination
- iii. Travel advisories, like visa regulations and health precautions
- iv. Custom formalities
- v. Currency and exchange
- vi. Departure formalities

d) Tour planning and costing:

Once, the contracts and arrangements having been entered into, the next task is of planning and costing tours, both for inclusive programmes and to meet individual requirements. This job calls for a great deal of initiative and drive. The job calls for travel to those places which are to be included in the itineraries. Many agencies have people who are authorities on particular countries and in addition to a general programme, many will issue separate programmes dealing with territories.

e) Ticketing:

Selling tickets to clients using different modes of transport like air, rail and sea is yet another important function of a travel agency. Ticketing is not an easy job as the range and diversity of international airfares is very complex and varied. Change in international, as also in the local air schedules and additions of new flights from time to time, makes the job of the travel agent a constant challenge.

f) Accommodation:

Wide range of accommodation in the form of hotels and also supplementary accommodation catering to every budget and preference must be available with the travel agency. Information about the major private sector hotel chains with centralised reservation system offering a variety of options must be readily

available with them. Information about the public sector hotels, range of services, location and prices should be available with the travel agents.

g) Communication:

Every tourist visiting a country, away from home would like to be in touch with people back home. In this world of Information Technology a tourist would definitely like to know the procedures and modes of communication from the destination to his home country

h) Liaison (communication) with Providers of Services:

Before any form of travel can be sold over the counter to a customer, contracts have to be entered into with the providers of various services. These include transportation companies, hotel proprietors, the providers of surface transport like motor cars or coaches for transfer to and from hotels and for sightseeing, etc. and also for general servicing requirements. In the case of a large agency with worldwide branches, the liaison work involves a great deal of coordination with the principals

i) Insurance:

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

TOUR OPERATOR

Meaning: Tour operator is an organization, firm, or company who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen, is called a Tour Operator.

Definition: Poyther (1993) defines, "tour operator is one who has the responsibility of putting the tour ingredients together, marketing it, making reservations and handling actual operation."

FUNCTIONS OF TOUR OPERATOR

a) Planning a Tour

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

b) Making Tour Package

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

c) Arranging a Tour

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

d) Travel Information

Tour operators have to provide necessary travel information regarding the tour package to the tourists. This task is utterly difficult and very complicated. A tour operator must give up-to-date, accurate and timely

information regarding destinations, modes of travel, accommodation, sightseeing, immigration, health and security rules about various permits required to travel in a particular area etc.

e) Reservation

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

f) Travel Management

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

g) Evaluate the Option Available

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

h) Promotion

Tour Operators makes tour packages and promote them into various tourists markets at domestic as well international level. In the promotion of tourist destination, tour operators play a key role. Travel agencies or tour operators are called as image builder of a country.

i) Sales and Marketing

Tour operators do marketing of tourist destinations and tourism product to attracts the attention of the tourists/travelers.

PROCEDURE TO BECOME TRAVEL AGENTS OR TOUR OPERATOR

Step 1: Start with a self-assessment: Some of the attributes of successful travel agents include outgoing personality, a passion for travel, highly developed problem-solving skills, patience and diplomacy, tech saviness, flexibility and adaptability.

Step 2: Know about the travel industry: Before stepping into it research the challenges of being a travel agent, career opportunities in area, and the income potential before commence the training.

Step 3: Get formal training- Most travel agents require at least a high school diploma, but some college education can help you gain essential knowledge in areas such as tourism, best business practices, international affairs, travel insurance, strategy, finances and marketing. Enroll at a college or university and obtain a bachelor's degree in business management which may find beneficial. Pursue a travel agent certification to show the expertise to clients and potential travel agency employers.

Step 4: Aware about requirements- Be aware that requirements for becoming a travel agent vary from state to province to country. Some areas require a certification or license while others do not. Be responsible for understanding and complying with the requirements of community or country.

Step 5: Develop or refine your interpersonal skills- Part of a travel agents success depends on the ability to interact with others, whether by phone calls, emails or in-person meetings. Effective communication and

interpersonal skills can help you gain and retain loyal clients, especially if you plan to work independently and not for a travel agency.

Step 6: Travel- It is difficult to recommend services and destinations to clients if you haven't walked in their shoes and experienced some of their travel challenges and delights. So travel agent should have a passion towards travel.

Step 7: Research planning and budgeting techniques- As a travel agent, your clients depend on you to help them save the most money possible while they travel, so it's beneficial to research deals on hotels, cruises, flights or events. You can also call or email these establishment to ask if they're offering special prices or packages for specific travel dates.

Step 8: Become a Destination Specialist- Creative travel agents are addressing the challenge of industry competition by becoming destination specialists. Consider focusing on a specific geographic location or type of travel. Separate from the competition by creating a business based on skills at putting together luxury destination packages or specialized tours that can accommodate special needs travelers.

Step 9: Networking- the only way people will know about the travel is by networking to build the client base, develop working relationships with suppliers, and connect with industry peers.

ORGANIZATIONAL STRUCTURE OF TRAVEL AGENCY

An organisational structure of a travel agency is a collective set up to pursue specific missions, goals and objectives. It is a rational coordination of various activities of functional department- Ticketing, tour planning, tour costing and pricing, tour reservation, documentation and other services for the achievement of some well-defined aims through division of labour, functions and through a hierarchy of authority and responsibility.

Like other businesses, the travel agency will operate most effectively and efficiently if an explicit organisational structure exists. This formal structure should specify the role that each member in the organisation plays and how each role relates to others through a reporting and decision making communication network.



1. ADMINISTRATION:

Administration must consist of a group of people who having common goals. It deals with day to day management activities of the company. They should focus on maximizing the profits by selling tourism products to clients.

It has a 4 functions:

- General administration.
- Personnel.
- Accounting.
- Finance.

2. OPERATIONS:

It is the core of the travel agency business and it engaged in the efficient and effective delivery of the organisations services.

This department has the following employees:

- Travel counsellor
- Reservation officer
- Liaison officer.

Travel counsellor:

- Travel counsellor provides all necessary information requested by prospective travellers.
- He recommends products and services best suited to the travellers needs.
- He keep updated on new travel information and trends.
- Fill out all travel information in the booking card for travel.
- He will take care of refunds and processing fees.
- Helps in monitoring process of travel documents and insure that they are in order prior to release to clients.

Reservation officer:

- Helps in placing all required reservations with different suppliers.
- His duty is to follow up on reservations placed until confirmed.
- To change reservations when itineraries are amended.
- Look for alternative suppliers in the same level of service in case preferred supplier is not available.
- Monitor issuance of travel vouchers and tickets.
- Act as back up to the ticketing officer.

Liaison officer: is a employee who builds and maintains mutually beneficial relationships, facilitates communications and coordinates activities among two or more people, agencies or organizations.

- Facilitating meetings and cooperation among people, agencies and organisations.
- Identifying problems and communicate among the groups.
- Collaborating and communicating with necessary constituents and the public.

3. SALES ACCOUNT EXECUTIVE

As Sales Account Executive, it is needful to be responsible for acting as a primary point of contact for our clients and responsible for managing the client accounts and offering them excellent customer service.

Responsibilities:

- Handling and managing clients accounts of the tourists who are all enrolled.
- Identifying new sales opportunities to secure deals.
- Building healthy relationships with new and existing clients.

- Explaining about tourism packages to clients.
- Working in the collaboration with the account executive.

Difference between tour operator and tour agency/agent

Tour Operator	VS	Travel Agent
<ul style="list-style-type: none"> ● A company that designs, arranges, and sells packaged travel experiences and tours. 		<ul style="list-style-type: none"> ● An intermediary who sells, arranges transportation, accommodations, and activities on behalf of suppliers.
<ul style="list-style-type: none"> ● Creates and operates travel package, involves accommodation, transportation, activities. 		<ul style="list-style-type: none"> ● Sells travel products and services to consumers, often including those provided by tour operators.
<ul style="list-style-type: none"> ● Package tours, excursions, guided tours, all-inclusive vacations. 		<ul style="list-style-type: none"> ● Flights, hotel bookings, car rentals, cruise bookings, travel insurance.
<ul style="list-style-type: none"> ● Directly to consumers or through travel agents. 		<ul style="list-style-type: none"> ● Primarily to consumers.
<ul style="list-style-type: none"> ● Organizes a 10-day European tour package including flights, hotels, and guided tours. 		<ul style="list-style-type: none"> ● Books flights and hotels for a client traveling to Europe, possibly using a tour operator's package.
<ul style="list-style-type: none"> ● Owns and operates tours, taking responsibility for the entire travel experience. 		<ul style="list-style-type: none"> ● Acts as an intermediary, earning commission or service fees from suppliers.
<ul style="list-style-type: none"> ● Direct control over the quality and execution of travel services offered. 		<ul style="list-style-type: none"> ● Limited control, relies on third-party suppliers for the quality and execution of services.
<ul style="list-style-type: none"> ● Higher risk due to investment in organizing and operating tours. 		<ul style="list-style-type: none"> ● Lower risk as they primarily sell services provided by others.
<ul style="list-style-type: none"> ● Can customize and add tours to specific groups or themes. 		<ul style="list-style-type: none"> ● Can offer customized travel planning, but often within the confines of available services and packages.

Module 3 : TOUR PLANNING AND PRICING CONSIDERATIONS

(Meaning of itinerary, factors to be considered while preparing itinerary, Meaning of tour package, components, types, advantages and dis-advantages of tour packages, Pricing and distribution strategies of tour packages)

MEANING OF ITINERARY

An itinerary is a document that outlines a detailed arrangement of an event or travel plan. Written in an itinerary are the route, dates, time, activities, and other relevant information that is pertinent to the trip or the event.

FACTORS TO BE CONSIDERED WHILE PREPARING ITINERARY

1. Planning a tour: It is very important to plan a destination before reaching there directly because, traveling to a place with no knowledge may lead to many critical problems such as communication problems, lack of safety and security, etc.

2. Interest: Few people will be very adventurous like they will be very enthusiastic to travel to explore their life with joy and happiness. Their interest regarding traveling makes tourism more memorable and realistic.

3. Season: Seasonality causes the fluctuation in tourists and visitor numbers to a destination. Therefore, some destinations at certain times have more tourists and visitors than they are able to accommodate, while at other times, there are too few tourists and visitors to the region.

4. Budget: A travel budget is a tool to help us to travel with total peace of mind. It can even help to manage our spending so that we can afford to get away more often. Whether we are dreaming of relaxing on the beach or hitting the slopes, read our guide to making a travel budget so that we can make our dream trip a reality.

5. Destinations: A travel itinerary is a schedule of events relating to planned travel, generally including destinations to be visited at specified times and means of transportation to move between those destinations.

6. Accommodation: There are different types of accommodation options that you may use when you are booking your itinerary. We use the terms 'Standard', 'Superior' and 'First Class' to describe the different levels of accommodation available to choose from, according to your budget and preferences.

7. Transportation: The relationship between tourism and transportation is a truly economic activity; one, which takes place in destinations across the world, from leading capital cities and smaller towns, and villages in rural and coastal areas, to some of the remotes, points on the planet.

8. Food: Food tourism in a itinerary is composed of activities that provide experiences of consumption and appreciation of food and beverages, presented in such a way that value the history, the culture and the environment of a particular region.

9. Duration of tour: Duration of trip refers to the time spent during a visit measured from the standpoint of the generating country or place. A trip begins when leaving home and ends when returning home. By duration trips are classified into two main categories:

- same-day visits
- overnight trips

A well-crafted travel itinerary should include the date and destination of the trip, activities planned for each day, emergency contact information and departure times from airports or train stations

Tour package

Meaning

A tour package is the pre arranged vacation that typically includes transportation, accommodation and some combination of meals, side seeing and other activities. They offer convenience and can often be more cost effective than booking each component separately.

Definition of tour package

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

COMPONENTS OF TOUR PACKAGE

Transport: Transport for tours come in many forms and may include air, water and railway transport. Virtually any type of transfer is possible, such as a bus between a railway station.

Accommodation: Virtually all pre-packaged tours that are longer than a single day in duration include some types of accommodation. Accommodations range from a simple tent to luxurious hotels and resorts, and as such can be tailored to fit almost any traveller's budget. The hotel must be able register groups efficiently, serve group meals and provide rooms that are similar in size and quality. Roughly one-third of the tour will be spent in a hotel or similar accommodation.

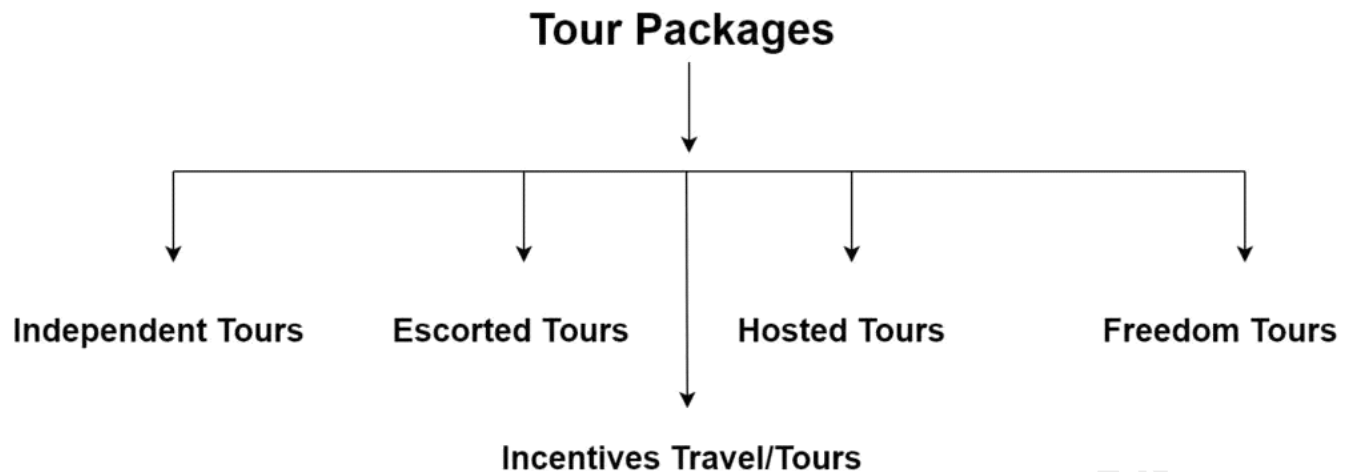
Attraction or Sightseeing: Many tours include some type of sightseeing. Some tours, particularly escorted tours, may have itineraries that are packed with sightseeing.

Ground services: Ground services are also an equally important element of package tours. Tourists cannot do away with ground services when they are at a destination. For local conveyance they need coaches, cabs to know about places they may need guides and interpreters to help them convey in their own language.

Events and activities: Entertainment parks, sports and leisure clubs are used for a variety of events and activities. Events such as meetings, incentive tours, conferences, exhibitions etc are sometimes part of certain package tour.

Insurance: Loss of baggage, loss to life and sudden withdrawal of tour or complete break of tour due to natural or manmade interruptions are issues related to travel. Insurance covers this loss and tourists can ensure safe journey plus surety against loss.

Types of tour packages



1. Independent Tour: A package tour is called as independent tour when tourists want to travel independently. It is designed for such people who want the services of their interest to be included as part of the package. These tourists are very much particular about selecting mode of travel, types of attraction at destinations and accommodation as it suits their time, comfort and budget.

2. Escorted Tour: An escorted tour is conducted sending well trained, experienced and qualified, guide/escort to provide information and assistance to the individual/group at the origin and check about flight boarding, baggage handling, hotel check-in, meal arrangements. Escort is expected to have the requisite knowledge, presence of mind and crisis management skills.

3. Incentive Tour: Incentive tour is an organised package tour conducted for employees usually sponsored by the business firms or corporate houses as incentives to their employees. These tours are also all-inclusive package tours that include all essential components of a standard package tour. Sponsoring firms bear all the costs on behalf of the groups/individuals for incentive tours to further encourage their employees as rewards or incentives.

4. Hosted Tour: A hosted tour refers to a tour handled by another agency or ground operator as their representative of the tour operator. They actually play the role of a host on behalf of a tour operator away for making ground services like cab, coach, guide, confirmation of hotel rooms, toll taxes, entry tickets, etc. as per the contract. Hosting agencies take care of all the requirements of the tourists as per the contract.

5. Freedom Tour: Working classpeople these days are inclined to travel but have limited disposable income. Such tours are designed as per the choices of the tourists. Tourists, individuals or groups of common interest, select services like travel mode, hotels, destinations, meal plans and activities etc. and plan for a tour.

ADVANTAGES OF TOUR PACKAGE FOR CONSUMER

1. Cost saving and budgeting

The price of a trip when organised as a package is generally less as travel agencies bulk buy their package deals and therefore can sell the tours at a lower and more competitive rate. This is an instant cost saving benefit for the consumer, as the discount travel agencies receive is generally passed on to the consumer.

2.Responsibility Is On Operator

The lack of responsibility on the traveller is an advantage. So that tourists can enjoy the tour without any worries/tension.

3.Convenience and Time Saving

This is definitely the most convenient way to arranging a vacation or tour. The travel agency deals with all the arrangements through the tour provider. This saves the consumer the effort and the time of contacting each company/service individually.

4.Socialising

This is frequently a main reason why people may opt to travel on a package tour. The chances of social interaction are higher, allowing the fostering of short or long term friendships.

5.Quality of service

Tour operators spend a great deal of time assessing the airlines, hotels, sight-seeing operators etc, which they use to make up the tour package. By doing so they ensure a high standard of quality and the consumer satisfaction.

ADVANTAGES FOR TRAVEL AGENT**1. Agent commission**

Travel agents normally receive 10% commission on all tours they confirm. Clearly the financial incentive means travel agencies find it extremely advantageous to sell tour packages and not solely flights and/ or accommodation.

2. Savings in Time and Cost

travel agent to put together all the components of a package tour, the travel agent only needs to makes one call, send one email or use an online booking system once to confirm the tour package. Clearly this saves a great deal of time, freeing up the agent to work for other consumers, thus increasing sales and commission.

3. Wide variety of Package Tours Available

This means the travel agent can always make suggestions on tours which match the needs of the consumer. The high number of very different packages available allows people with possibly lower budgets.

4. Outstanding value in an all-inclusive trip

Outstanding value in an all-inclusive trip, priced to make your travel experience affordable and elimination of any unexpected additional trip costs and need not collect any additional amount from tourists.

DISADVANTAGES OF TOUR PACKAGES**1. Limited freedom:**

You may not have as much control over the itinerary as you would if you planned the trip yourself. The tour company sets schedules and activities that you need to follow, which can limit your ability to explore the destination on your terms.

2. Quality of accommodation:

Another disadvantage of package tours is the quality of accommodation. Low cost tour packages usually provide lower-quality accommodations to keep costs down. This is disappointing if you were expecting a certain level of comfort. It is based on the package you chose. Do check all the details properly before you confirm.

3. Limited flexibility:

You may not have the chance to stay longer in one place or take detours if you want to. Package tours are often inflexible. This can be frustrating if you want to explore a particular area in detail.

4. Limited options:

The provider or tour operator sometimes don't include all the elements or activities in the tour package. If tourists want to have any activities then tourists have to pay extra charges.

5. Unpredictable weather:

Your holiday may be affected by unpredictable weather. And you may not change your plans if needed.

6. Can't postpone or prepone the tour dates:

Tourists do not have any control over the tour package hence they cannot change the dates of the tour as and when required.

Pricing and distribution strategies of tour packages

The pricing and distribution strategies of tour packages are crucial elements in the travel industry. They significantly impact how tour operators attract and retain customers while ensuring profitability.

Pricing Strategies

- **Cost-Plus Pricing:** This method involves calculating the total cost of providing the tour (including accommodation, transportation, and other expenses) and adding a markup for profit. This is a straightforward approach but may not always be competitive.
- **Competitive Pricing:** Tour operators analyze competitors' prices and adjust their own accordingly. This approach ensures that their offerings are attractive relative to similar packages in the market.
- **Value-Based Pricing:** Pricing is based on the perceived value to the customer rather than just the cost of the package. This strategy is often used for luxury or unique experiences where the perceived value is high.
- **Tiered Pricing:** Offering different levels of packages (e.g., basic, standard, and premium) at varying price points. This allows customers to choose a package that fits their budget and preferences.
- **Dynamic Pricing:** Prices fluctuate based on demand, booking time, and other factors. For example, prices might be higher during peak travel seasons and lower during off-peak times.
- **Early Bird and Last-Minute Discounts:** Offering discounts for early bookings or for last-minute reservations to fill up remaining spots. Early bird discounts attract customers well in advance, while last-minute discounts can help maximize occupancy.
- **Bundling and Packaging:** Combining various services (e.g., flights, accommodation, and tours) into a single package at a discounted rate compared to purchasing each component separately.
- **Promotional Pricing:** Temporary discounts or special offers are given to tourists to attract attention and drive sales. These can include seasonal promotions, holiday special packages or limited-time offers.

- **Group Discounts:** Offering lower prices for larger groups to encourage bookings from organizations, clubs or families etc.
- **Flexible Pricing:** Adjusting prices based on customer preferences, booking channels, or specific requests. This approach can help to accommodate various customer needs and increase booking rates.

Distribution Strategies

- **Direct Sales:** Tour operators sell packages directly to customers through their websites, physical offices, or call centers. This allows a tour operator to get higher profit margins by cutting out intermediaries and helps in building direct customer relationships.
- **Online Travel Agencies (OTAs):** Partnering with OTAs like Expedia, Booking.com, or TripAdvisor to reach a broader audience. OTAs often provide extensive marketing and visibility but may charge commissions.
- **Travel Agents:** Collaborating with travel agents and agencies who can promote and sell tour packages to their clients. This method leverages the agent's customer base and expertise.
- **Tour Operators' Own Channels:** Using proprietary channels such as mobile apps or loyalty programs to promote and sell tour packages directly to loyal customers.
- **Affiliate Marketing:** Partnering with affiliates who earn commissions by promoting and selling tour packages through their websites or networks.
- **Wholesale Distribution:** Selling tour packages to other travel companies who then resell them to end customers. This can help to reach markets that might be difficult to access directly.
- **Collaborations and Partnerships:** Forming partnerships with airlines, hotels or local attractions to offer combined packages and cross-promote services. This can create added value for customers and increase sales.
- **Social Media and Digital Marketing:** Utilizing social media platforms and online advertising to target specific demographics and promote special offers. This approach helps in reaching a broad and often global audience.
- **Trade Shows and Events:** Participating in travel and tourism trade shows or events to showcase tour packages and build network with industry professionals and potential customers.
- **Local Distribution:** Establishing partnerships with local businesses to promote and distribute tour packages to the tourists who are already in the destination.

MODULE 4 : MARKETING OF TOURISM PRODUCTS

(Measuring and forecasting tourism demand; tourism products – definition. Characteristics, types of tourism products; tourism marketing mix; segmenting)

Meaning of Tourism demand

- Tourism demand refers to the desire and willingness of people to travel and engage in tourism activities within a specific destination.
- It includes various factors that influence tourists intentions and behaviors, including their needs, preferences, and purchasing power. Tourism demand can be measured and analyzed to understand patterns, predict trends and make decisions about tourism planning and development.

Definitions

According to W. F. Theobald, “The aggregate of the wants and needs of people who travel away from their usual place of residence for leisure, business or other purposes. It reflects the sum of their preferences and their willingness to pay for various tourism products and services.”

According to Mathieson and Wall, 1982, “Tourism demand is the total number of persons who travel or wish to travel to use the tourist facilities away from their places of work and residence.”

According to IGI Global Dictionary, “Tourism demand is defined as the number of people who plan to buy tourism products supported by sufficient purchasing power and spare time in order to meet tourism needs of people.”

Types of Tourism Demand

- **Derived Demand:** When the demand for tourism services is a result of the demand for other goods or services (e.g., business travel driven by corporate activities).
- **Direct Demand:** The demand for tourism services driven by the desire to travel and experience new destinations.
- **Potential Demand:** The demand that exists if conditions are favorable (e.g., lower travel costs).

Factors Influencing Tourism Demand

- **Economic Factors:** Income levels, economic stability and exchange rates that affect tourists purchasing power and willingness to travel.
- **Socio-Demographic Factors:** Age, education, and lifestyle preferences that influence travel choices and behaviors.
- **Cultural and Social Factors:** Interests, traditions and cultural attractions that draw tourists to specific destinations.
- **Marketing and Promotion:** Advertising campaigns, travel deals and destination branding that can increase interest and demand.
- **Transportation and Accessibility:** Availability and convenience of travel options including flights, trains and local transportation.
- **Political and Environmental Factors:** Stability, safety and environmental conditions that affect the attractiveness and feasibility of a destination.

Forecasting tourism demand:

It involves predicting future trends and patterns in the number of tourists and their behavior. This process is crucial for stakeholders in the tourism industry, such as destination managers, business owners, and policymakers, to make informed decisions about resource allocation, marketing strategies, and infrastructure development.

Forecasting of tourism demand can be done in two ways. They are:

- a) Quantitative methods
- b) Qualitative methods

a) Quantitative Methods:

1. **Time Series Analysis:** Analyzes historical data to identify trends, patterns and seasonal variations.
Example: Using past visitor arrival data to project future numbers by identifying trends and seasonal patterns.
2. **Regression Analysis:** Establishes relationships between tourism demand and influencing factors (e.g., economic conditions, marketing efforts).
Example: Modeling how changes in economic indicators (like GDP) affect tourist arrivals.
3. **Econometric Models:** Combines multiple variables and causal relationships to forecast demand.
Example: A model incorporating factors such as income levels, exchange rates, and advertising spending to predict tourism demand.
4. **Machine Learning and AI:**
Utilizes advanced algorithms and data analytics for more accurate predictions.
Example: Leveraging algorithms to analyze vast datasets from social media, booking platforms, and historical records to predict tourism trends.

b) Qualitative Methods

1. **Expert Judgment:**
Gather insights from industry experts and stakeholders based on their experience and knowledge regarding tourism.
2. **Market Research:**
Collect data through surveys, focus groups and interviews to understand potential tourists preferences and intentions.
Example: Conducting surveys to assess changing travel preferences or emerging destinations of interest.
3. **Scenario Planning:**
Develop different scenarios based on varying assumptions and assesses their impact on tourism demand.

Measuring Tourism Demand

1. **Data Collection:**
 - **Historical Data:** Gather past data on tourist arrivals, spending patterns etc. This can come from sources like national statistics offices, tourism boards and industry reports.
 - **Surveys and Questionnaires:** Collect primary data directly from tourists about their preferences, experiences and future travel plans.

- **Booking Data:** Analyze data from travel agencies, online booking platforms and airlines to understand booking trends and travel behavior.
- **Social Media and Online Reviews:** Use sentiment analysis and trend monitoring from social media platforms to measure tourist interest and satisfaction.

2. Indicators:

a) **Visitor Arrivals**

The number of tourists who arrive at a destination over a specific period, often reported monthly, quarterly or annually. Understanding visitor arrivals helps in assessing the current state of tourism and helps in making decisions related to marketing and so on.

b) **Occupancy Rates**

The percentage of available accommodation units that are occupied by tourists often suggest strong or weak demand and can be used to assess the need for expanding accommodation capacity. It also helps in improving marketing or promotional efforts.

c) **Length of Stay**

Longer stays can result in higher expenditure and more substantial economic benefits for a destination. This indicator helps in planning for services which can guide the development of long-term tourism packages.

d) **Expenditure**

The average amount that tourists spend per visit on various components of their trip helps in understanding the spending patterns and preferences of tourists, allowing operator to target the specified tourist, marketing and product development.

e) **Seasonality Patterns**

Understanding seasonality patterns helps in optimizing operations, managing peak periods effectively and planning promotional campaigns to smooth out demand. For example, offering discounts during off-peak times can attract more visitors and balance out seasonal fluctuations.

Tourism Products

Meaning :

Tourism products refer to the various goods, services and experiences offered to tourists to fulfill their travel needs and desires. These products include everything that a tourist consumes or engages with during their trip (physical items, activities and intangible experiences).

Definition:

As defined by UN Tourism, "A Tourism Product is a combination of tangible and intangible elements, such as natural, cultural and man-made resources, etc. which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle".

Characteristics of Tourism Products:

1. **Intangibility:** Tourism products cannot be touched or owned in the traditional sense. They are experiential and exist only when consumed.

Ex: A cultural festival cannot be physically possessed but can be experienced.

2. **Inseparability:** Production and consumption of tourism products occur simultaneously. The experience is created by the interaction between the tourist and the service provider.

3. **Perishability:** Tourism products cannot be stored or saved for later use. If not consumed at the time of availability, they are lost.

Ex: Unbooked hotel rooms or empty seats on a tour represent lost revenue that cannot be recovered.

4. **Variability:** The quality and nature of tourism products can vary depending on when and where they are experienced, as well as who provides them.

Ex: The quality of a hotel stay can vary based on the time, the specific room and the level of service received.

5. **Seasonality:** Demand for tourism products often fluctuates based on the season, holidays or special events.

Ex: Beach resorts typically experience higher demand during the summer months compared to the winter season.

Types of Tourism Products:

1. Natural Tourism Product
2. Man-Made Tourism Product
3. Symbiotic Tourism Product
4. Event Based Tourism
5. Site Based Tourism Product

1. Natural Tourism Product:

These are the products connected to the natural environment that constitutes natural resources which is related to area, climate and the landscapes. These are the most important elements in a destination's attraction.

Ex: Deserts of Thar-Rajasthan etc.

2. Man-Made Tourism Product

Something which is not naturally found in the destinations to attract the tourists. These are man-made creations. They are made for pleasure, leisure, business, enjoyment and for purpose. Man-made tourism products are sub divided into three types:

- a) **Cultural** aspects
- b) **Traditional** aspects
- c) **Entertaining** aspects

3. Symbiotic Tourism Product

These are the natural resource that has been converted into a tourism product by maintaining and managing them by human beings. **(OR)**

Man has taken initiative to preserve the natural aspects of earth and also managed in a way to provide best possible services to the tourists who come for the visit. It includes National Park or Wildlife Sanctuaries, Flower Festival, Marine Park, Aero and Water Sports, Botanical Garden etc.

Ex: National parks like Bandipur national park in Karnataka, where tigers are preserved and tourists are given facilities like a jungle safari.

4. Event Based Tourism:

Tourist comes to see or participate in the events. Events are temporary in nature and are often conducted in order to increase the number of tourists to a particular destination. Some events are for a short time scale while other last for longer days.

Ex: Kite flying in Ahmedabad-Gujarat.

5. Site Based Tourism Product

It is a particular place, which is permanent in nature and also the main source of attraction for the tourists. Examples are like Taj Mahal, Beaches of Goa etc.

Marketing mix

The marketing mix is a strategic framework encompassing the key elements of a marketing plan, often referred to as the "4 Ps" (product, price, place and promotion). It's a systematic approach to understand and influence consumer behavior, aiming to drive sales and foster long-term customer loyalty.

Tourism Marketing Mix

The tourism marketing mix often referred to as the 7Ps, includes the following elements:

1. Product
2. Price
3. Place
4. Promotion
5. People
6. Process
7. Physical evidence

1. Product:

- The product in tourism refers to the combination of goods, services and experiences offered to tourists. It includes everything that a tourist will consume or engage with during their trip (including attractions, accommodations, and activities).
- **Focus:** Quality, variety and uniqueness of the tourism product.

2. Price:

- The amount of money that tourists pay for the tourism products and services. It reflects the perceived value and can influence tourists purchasing decisions.
- **Focus:** Pricing strategies, discounts and perceived value.

3. Place:

- The locations and distribution channels through which tourism products and services are made available to tourists.
- **Focus:** Accessibility, location of attractions and distribution networks.

4. Promotion

- Promotion includes all activities and communications used to inform and remind potential tourists about the tourism products and services.
- **Focus:** Advertising, public relations, social media and sales promotions.

5. People

- People refers to the staff and individuals involved in delivering tourism products and services, including direct interactions with tourists.
- **Focus:** Training to the staff, customer service and the overall experience provided by staff.

6. Process

- Process involves the procedures, mechanisms and flow of activities involved in delivering the tourism product or service to the customer.
- **Focus:** Booking processes, service delivery and operational efficiency.

7. Physical Evidence

- Physical evidence refers to the tangible aspects that support and enhance the delivery of tourism products and services, helping tourists to evaluate and experience the products.
- **Focus:** Facilities, brochures, websites and any physical indicators of quality.
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Segmenting in Tourism Marketing

Segmentation is the process of dividing the broad market into smaller and more manageable segments based on various criteria. This allows tourism marketers to plan their strategies to meet the specific needs and preferences of different groups. Key segmentation criteria in tourism include:

1. Geographic Segmentation:

- **Location:** Segmenting based on the geographical location, such as domestic vs. international tourists, or specific regions within a country.
- **Climate Preferences:** Targeting travelers based on their preference for different climates, such as beachlovers vs. winter spots enthusiasts.

2. Demographic Segmentation:

- **Age:** Plan marketing efforts to different age groups, such as children, teenagers, adults old age or retirees.
- **Income:** Segmenting based on income levels like rich vs. poor, lower class, middle class and top class.
- **Occupation:** Targeting specific professional groups, such as business travelers, employees.

3. Psychographic Segmentation:

- **Lifestyle:** Understanding travelers' lifestyles, such as adventure seekers, cultural enthusiasts or wellness tourists.
- **Personality:** Catering to personality types, such as thrill-seekers, relaxation-focused individuals or those seeking educational experiences.

4. Behavioral Segmentation:

- **Travel Purpose:** Segmenting based on the purpose of travel, such as leisure, business or medical tourism.
- **Travel Frequency:** Targeting frequent travelers vs. occasional travelers, or first-time visitors.
- **Spending Behavior:** Analyzing spending patterns, such as budget-conscious vs. high-spending travelers.

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5. Benefit Segmentation:

- **Desired Benefits:** Identifying the benefits that different segments seek, such as relaxation, adventure, cultural immersion, or luxury experiences.
- **Problem-Solving:** Understanding the problems or challenges that travelers want to solve, such as stress relief, family bonding, or discovering new cultures.

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Implementing Segmentation in Tourism Marketing

- **Market Research:** Conduct thorough research to understand the characteristics, needs and preferences of different segments. This can include surveys, focus groups and analysis of market trends.
- **Targeting:** Select the most promising segments based on factors like size, growth potential and alignment with the destination's offerings.
- **Positioning:** Develop tailored marketing messages and strategies that resonate with each segment's specific needs and desires. Position the destination or service in such a way that highlights its unique value for each target segment.
- **Personalized Offers:** Create customized packages, promotions, and experiences that cater to the preferences of each segment.
- **Monitoring and Evaluation:** Continuously monitor the effectiveness of segmentation strategies and adjust them based on feedback and performance data.

Module 5: Marketing of Tourism Services

(Targeting and positioning of tourism services; promotion of tourism products and services)

DEFINING TARGET MARKET IN TOURISM:

According to Kotler, 2012, "A tourism target market is also defined as a set of buyers sharing common needs/characteristics that the company decides to serve"

Meaning:

Target marketing focuses on reaching a specific group of consumers with tailored messaging and offerings, rather than a broad audience.

Importance of target marketing in tourism:

- **Effective Resource Allocation:** By identifying and targeting specific market segments, tourism businesses can allocate their marketing resources more efficiently, ensuring that efforts are concentrated on the most promising segments.
- **Enhanced Customer Engagement:** Target marketing allows for the creation of personalized marketing messages and offers that resonate with specific audience segments. This increases the likelihood of engaging potential customers and converting them into bookings.
- **Improved Customer Satisfaction:** Understanding the specific needs and desires of different market segments enables tourism businesses to design and offer services that meet those needs, leading to higher customer satisfaction.
- **Increased Competitive Advantage:** Effective target marketing helps a tourism business differentiate itself from competitors by focusing on specific markets or unique segments that may be underserved.
- **Higher Conversion Rates:** Targeted marketing campaigns and promotions are more likely to resonate with the intended audience, leading to higher conversion rates and better ROI on marketing investments.
- **Better Market Insights:** Target marketing involves analyzing customer data to understand preferences, behaviors, and trends. This insight helps in refining marketing strategies and product offerings.
- **Effective Product Development:** Understanding the needs of different market segments allows tourism businesses to develop and customize products and services that cater specifically to those segments.
- **Stronger Brand Loyalty and Building Relationships:** By addressing the unique needs and preferences of specific target segments, businesses can build stronger relationships with their customers, fostering loyalty and repeat business.

Positioning of tourism services

Meaning:

Positioning is to create a distinctive place in the minds of potential customers. A position that evokes images of a destination in the customers' mind; images that differentiate the destination from the competition and also as a place that can satisfy their needs and wants.

Definition

According to Jack Trout (1969) "Positioning is not what you do to the product: it's what you do to the mind of the prospect. It's how you differentiate your brand in the mind. Positioning compensates for our overcommunicated society by using an oversimplified message to cut through the clutter and get into the mind. Positioning focuses on the perceptions of the prospect not on the reality of the brand."

According to Gartner (1989) "The positioning of destination is the process of establishing a distinctive place of that destination in the minds of potential visitors."

The positioning process consists of three steps:

- Identify the set of possible competitive advantages upon which to build a position.
- Select the right competitive advantages.
- Communicate effectively the chosen position and deliver to target market.

Effective positioning:

- Effective positioning is based on the marketing principles that products and services exist to solve customers' problems, i.e. to satisfy their needs and deliver the promised benefits.
- The effective positioning should promise the benefit and create the expectation that it solve to customer's problem. Under the best circumstance the solution should be different from and better than the one offered by the competitor.

Types of positioning strategy:

1. Marketing positioning:

Marketing is the first step and is defined as the process of identifying and selecting markets or segments that represents business potential, to determine the criteria for competitive success. This must be based on a thorough knowledge of the needs, wants, and perceptions of the target market, along with the benefits offered by the destination.

2. Psychological positioning:

Psychological positioning is a strategy employed to create a unique product image in the minds of the visitors with the objective of creating interest and attracting visitors. There are two kinds of psychological positioning in marketing: **objective positioning and subjective positioning:**

a) Objective positioning:

Objective positioning aims to create an image about the destination that reflects its physical characteristics; what actually the destination is and what exists there.

b) Subjective positioning:

Subjective positioning reflects the image not of the physical aspects of the destination, but what is perceived by the tourists, their mental perceptions. These perceptions may not necessarily reflect the

true destination's physical characteristics and could differ, e.g. visitors could perceive the destination in different ways, depending on their experiences.

Five tourism Positioning approaches:

1. **Positioning by price value:** international destinations are not usually positioned on the basis of price because lower price may be perceived as connotation for lower quality. However offering great value for the money strategy can be effectively utilized.
2. **Positioning with respect to use or application:** here a destination is positioned based on the reason for visiting it. E.g. beach or sky holiday, sports, etc.
3. **Positioning according to the users or class of users:** in this case, positioning features the people who should visit the destination- seniors, young couples, business travelers, etc.
4. **Positioning with respect to a product class:** this technique is often used to associate a destination with experiences that are extraordinary and /or unique.
5. **Positioning vis-à-vis the competition:** this approach is used when it is necessary to meet the competition head-on; to bring out difference between destination. This approach is not used frequently in international tourism destination marketing since it may involve negative statements about another country or region.

How to positioning a destination:

1. Know your target audience well
2. Identify the product features
3. Unique selling propositions
4. Know your competitors
5. Ways to promote brands
6. Maintain the position of the brand

Promotion of tourism products and services

Tourism promotion means stimulating sales through the dissemination of information. It means trying to encourage actual and potential customers to travel.

The objectives of promotion are

- To make the tourist product widely know.
- To make it very attractive in order to encourage many people to try it.
- To make the message attractive without being dishonest.

Three types of promotion

- **Informative promotion:** is more important during the early stages of the product life cycle when owners of new resorts and other attractions will seek promotional outlets to inform the public of the facilities and amenities that would make their vacation experience worthwhile.

- **Persuasive promotion:** is used when an attraction is in its early stages of growth, so its owners put very much promotional effort in devising persuasive messages and sending them through several channels.
- **Reminder:** is important upon reaching a mature stage. Owners will then remind people of their positive experiences. These reminder messages serve to jog the memory and keep the product in the public

Promotional mix

The promotional mix refers to the combination of various marketing strategies and tactics used by a company to promote its products or services and reach its target audience. It typically includes the following elements:

1. **Advertising:** Paid, non-personal communication through various media (TV, radio, print, online) to inform or persuade consumers about a product or service.
2. **Sales Promotion:** Short-term incentives or offers, such as discounts, coupons, or contests, designed to encourage immediate purchase or engagement.
3. **Public Relations (PR):** Efforts to build a positive image and manage the company's reputation through media coverage, press releases, events, and community involvement.
4. **Personal Selling:** Direct, face-to-face interaction between a sales representative and a potential customer, aimed at persuading the customer to make a purchase.
5. **Direct Marketing:** Targeted communication with individual consumers through channels like email, direct mail, or telemarketing, often with a focus on generating a response or sale.
6. **Digital Marketing:** Utilizing online platforms such as social media, search engines, content marketing, and influencer partnerships to engage and attract customers.

Promotion activities in tourism offer several key benefits:

- **Increased Tourist Arrivals:** Effective promotional campaigns can attract more visitors to a destination, boosting tourism numbers and generating additional revenue for local businesses and the economy.
- **Enhanced Destination Visibility:** Promotion activities raise awareness of a destination, making it more visible to potential travelers who might not have considered it otherwise.
- **Extended Tourist Seasons:** Promotions can help to extend peak tourist seasons by attracting visitors during off-peak times through special offers or events.
- **Economic Growth:** By increasing visitor numbers, promotional activities contribute to economic growth through spending on accommodation, dining, attractions, and other tourism-related services.

- **Improved Brand Image:** Well-targeted promotions can enhance the destination's image and reputation, positioning it as an attractive and desirable place to visit.
- **Cultural Exchange and Preservation:** Promoting tourism can encourage cultural exchange and increase interest in preserving local heritage and traditions.
- **Job Creation:** Increased tourism resulting from successful promotions can lead to job creation in various sectors, including hospitality, transportation, and retail.
- **Local Business Support:** By drawing more visitors, promotions support local businesses and entrepreneurs, fostering a thriving tourism ecosystem.