



Travel agency business

Module/ Unit 2

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Role of Travels Agency:

- Travel's main function is to act as an agent, selling travel products and services on behalf of a supplier.
- Consequently, unlike other retail businesses, they do not keep a stock in hand, unless they have pre-booked hotel rooms and/or cabins on a cruise ship for a group travel event such as a wedding, honeymoon, or a group event

- **TRAVEL AGENCY ACT AS A LINK WITH TRAVEL SUPPLIERS**
- The travel agent maintains a close link with the travel suppliers. The travel suppliers include airlines, railways, hotels, and other related travel suppliers. Thus, the agent contacts the suppliers before selling the services to the client; they negotiate for the best price on behalf of the clients.

- **TOUR COSTING**
- After the travel plan is prepared and the negotiation with the suppliers for the price is done, the next work of travel agent is to do tour costing. However, tour costing differs from the services opted by travelers. The price of the tour is charged based on per person.

- **TICKETING**
- It is one of the most common functions of travel agents. The travel agency has two sub-department for ticketing. One for domestic ticketing and global ticketing. The staff at the ticketing department should be aware of the scheduled flights of various airlines.

- **SETTLEMENT OF ACCOUNTS**
- The settlement is made with the tourism suppliers for the services they have bought on behalf of the client. The travel agent staff working in the accounting department must be familiar with currency, exchange regulations, etc.



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- **TRAVEL AGENCY ORGANIZED BUSINESS TOUR**
- One of the major works of travel agencies which are in demand is handling business tour. Business travelers might be travel to a place for certain reasons for their work. For example, attending a business meeting, conferences, selling products. Thus, the travel agent must know the requirements of the business travelers and the reason for the travels.

- **TRAVEL AGENCY HANDLES RESERVATION**
- After getting all the travel details and confirmation from the client, the next work is to book airline seats, hotels, transport, etc. for the client. Therefore, while booking the seat the travel agent must be familiar with the codes of airlines and hotels.

Scope of the Travel Agency

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1. *As a Stake holder*
2. *As an image-Builder.*
3. *Rapid travel service Provider*
4. *Provider of an authentic and reliable travel information.*
5. *A social a continuous process.*
6. *Establishes a good relationship with clients and vendors*



Setting up a Travel Agency

01. Find Your Niche

When you pinpoint a particular segment of the market, you reduce the competition since not many operators are active in it. A niche market is the one that very few have explored thus far. There is always a good potential for growth in it.

02. Make An Effective Business Plan

It should be based on your market analysis and sales strategies. Make sure to mention your funding requirements and financial projections.



03. Do Some Branding

Branding is all about creating a perception of your company and the products or services it sells.

One of the effective ways to build a positive perception is to create high-quality visuals such as an impressive **logo design**.

04. Cover All The Legal Aspects

You should thoroughly research the laws for travel agencies in your state. An easier way to find out these laws is to contact a host agency which will let you know about the registration process and the licensing.



05. Acquire Funds

When setting up a travel agency, make sure that you have a funding strategy in place. You may be starting the agency on a small scale or from home; still, it needs a constant flow of money to meet various expenses

06. Choose Right Location

The success of your agency will depend a lot on its location. People get a good impression of a business if it is located in a nice area that has facilities

Quiz

- Branding is all about creating the image and putting up positivity among consumers?
- **True**
- **False**



07. Promote

Since not many people know your new agency very well, you need to launch an aggressive promotion campaign to target customers.

08. Build Customer Relationship

No business can thrive without paying attention without building a rapport with customers. Your travel agency must take steps to build up relationships with various individual customers who have used your agency or are likely to use in near future.



09. Get Partners

Maintain a good reputation of your agency by resolving the travel related issues of your customers. You should also think of building partnerships with agencies who offer online marketing services. You will need their services to create marketing materials regularly.

10. Set Practical Goals

First, consider your expenses, costs, expenses, and personal salary. After setting aside this amount, any money you get additionally will be your earnings from sales. So, find out your sales target.



Setting up a Travel Agency

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- The recognition shall be granted by the Ministry of Tourism (MOT), Government of India (GOI), initially, for five years.
- It is based on the **Inspection Report / Recommendations of a Committee** comprising the concerned Regional Director (RD) and a member of Travel Agents' Association of India (TAAI).



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- Should have a minimum **Paid up Capital** (Capital employed) of **Rs. 3.00 lakh** for rest of India and Rs. 50, 000/- for North – Eastern region, remote and rural areas.
- Should be approved by **International Air Transport Association (IATA)** or should be General Sales Agent (GSA) / Passenger Sales Agent (PSA) of an IATA member Airlines



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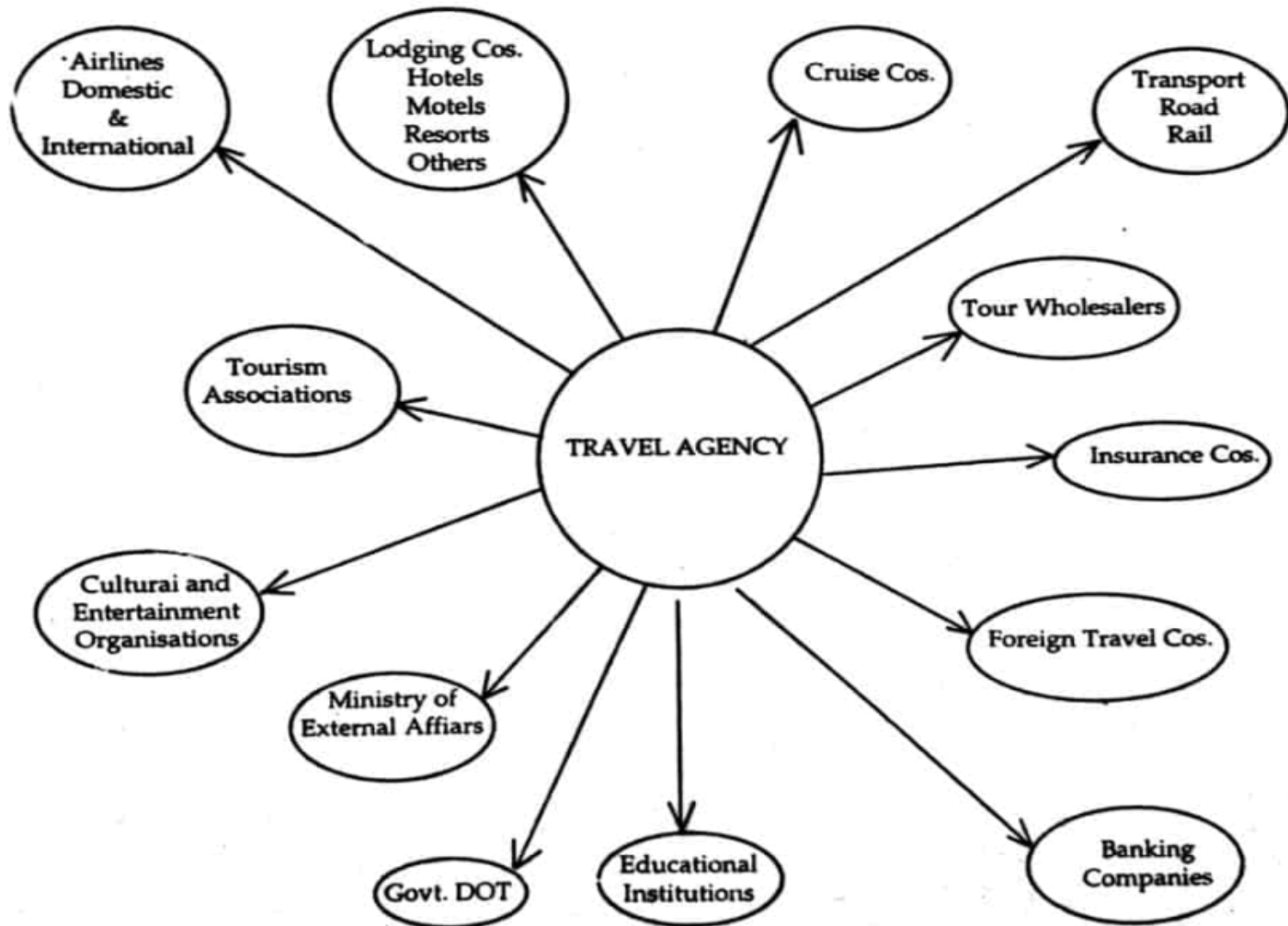
- Office space should be at least **150 sq. ft for rest of India and 100 sq. ft for hilly areas.**
- Minimum of four qualified staff out of which at least one should have Diploma / Degree in Tourism & Travel Management from a recognized University.
- Two staff members and experienced personnel in Airlines, Shipping, Transport and PR agencies, Hotel and other Corporate Bodies
- and those who have worked for three years with IATA / UFTAA (The Universal Federation of Travel Agents Association) agencies and also those who have two years experience with MOT approved Travel Agencies.



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- TA should be an income-tax assessee and should have filed Income Tax Return for the current assessment year
- Has been approved by RBI to book foreign tourists.
- Registered under local shops and establishments act

Travel Agency Linkages and Integration



Travel Documentation

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- A travel document refers to an identification document issued by a government or an organization to facilitate the movement of individuals across country borders.
- It is your responsibility as a traveler to check with your destination's officials and official tourism guides to make sure that you meet their requirements.

Types

1. Passport

- Often comes in the form of a booklet that serves as proof of nationality for the bearer.
- The passport is also the travel document that grants visa-free access to certain countries.

2. Laissez-passers

- Are special travel documents issued by governments and certain international organizations. These are issued often in special circumstances, such as for a stateless person, as emergency passport, or to grant access for humanitarian reasons.



3. Conventional or Refugee Travel Documents

- Are issued in accordance with the UN Convention related to the Status of the Refugees of 1951.
- As so, only refugees and stateless people can typically receive this passport-like document.

4. Visa

- A visa is often a document, a seal, or a stamp on a passport that grants the holder of that passport, entry, exit and stay in a foreign country for a specific period of time.

(Types: Tourist Visa, Immigrant Visa ,Student Visa Employment Visa, Medical Visa, Business Visa, Private visa, Transit Visa)

5. Vaccination/ Health Documents

- Some countries require visitors to take some precautionary vaccinations prior to a visit.
- These are normally for Yellow Fever & Cholera infected zones.
- Pax must have these vaccinations endorsed in a booklet, format for which is prescribed by the WHO

6. Currency Regulations

- Currency Regulations Contained in the TIM are currency regulations for each country. This includes details of Currency Import & Export.
- Import – How much of currency can a passenger bring into the country.
- Export – How much Foreign Exchange can a passenger carry out of the country.

6. Travel Insurance

- Always advisable to carry Insurance while travelling abroad. Also mandatory for many countries. Covers several risks associated with travel.
 - Should be pre-purchased and must remain valid for the duration of trip.
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Sources of income in travel Agency

- **Hotels**

In the case of hotel chains, the rate of commission is typically established for all agencies and travel companies who can then choose to sign on or not if the deal is sufficiently profitable for them.

This amount is deducted from the supplier's bottom line after payment is received



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- **Tours & Extras**

Rental-car companies, on the other hand, can be major players who set the commission rate for all agencies across the board.

- **Flights**

Agents are given a set rate of commission by the airline at the start of each year.

- **Insurance**

Agencies typically reward agents for selling clients up to insurance coverage, and the commission paid is higher than that for hotels or other travel necessities.

• Partnership Marketing

The agency or chain may receive a one-time payment as the result of a marketing plan. While these funds are meant to cover the expense of the ads and peripherals, they also amount to a profit for the agency.



Analyzing Consumer

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- Analyze Customer frame of mind
- Realizing the Consumers' requirements
- Improving Consumer Loyalty
- Feedback

SERVICE
QUALITY
SATISFACTION
LOYALTY
SUPPORT
COMMUNICATION
FEEDBACK
TRUST