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Tour Packaging

Module/ Unit 4

Package Tour

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- Package tour is the sum total of variety of services offered to the tourists in one price, which normally less expensive than that of each individual items.
- Such tour largely includes the services of accommodation, transport, food, guide and other ground and miscellaneous services.

Package: A Tool for Tourism Product Marketing



- Packaging is a popular method used for attracting these customers, since packages make travel easier, convenient and hassle free.
- packaging is the process of combining two or more related and complementary offerings into a single-price offering.
- A package may include a wide variety of services such as lodging, meals, entrance fees to attractions, entertainment, transportation costs (air, auto, train, cab or bus), guide services, or other similar activities



The customized tours have great benefits

- Personal urge for visiting the places and enjoying the events and activities can be possible to a great extent.
- It is affordable as the selection of destinations and elements of services are suggested by the clients.
- Adequate time can be earmarked for certain places for example photography and cultural program.
- Modification of tours and services are mostly allowed.
- The services can be enlarged depending on the client's ability to pay.
- With the quality of services, clients can be used as the promoter of the tours.
- Many customized affinity group packages can be organized.

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Benefits of Packaging to Tourism Operators

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- Opens new markets and increases sales
- Provides an opportunity to develop
- Sales in slow periods
- Your product becomes more Marketable when it partners with other,
 - Compatible products
 - You share marketing costs,
 - Increasing reach beyond your own resources
 - Time savers

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- Increase the seasonality of destinations
- Less cost / price
- Earn foreign currency
- Better quality of products
- Professional services
- Wide variety of tour packages
- Provide bulk business to organizers.
- Greater convenience
- Greater economy
- Ability to budget for trips
- Implicit assurance of consistent quality
- Satisfaction of specialized interests
- Added dimensions to traveling and dining out

Advantages

- Cost saving and budgeting
- Responsibility is on the operator
- Convenience and time-saving
- Social -interaction are higher

Disadvantages

- Inflexibility/less flexible
- Control

Factors Influencing

- ➤ Seasonality
- ➤ Fluctuations in business between high and low seasons.
- ➤ Operating costs includes general overheads,
- ➤ Promotion and labour costs which can vary, depending on business peaks and troughs.
- ➤ Competition



Steps Involved

- Identify the experiences and features of target market desired by undertaking market research.
- Set clear sales and customer expectation objectives for package tour
- Evaluation of area attractions and traveler services.
- An appealing list of experiences.
- Attractions and support services to sell package necessarily.
- Developing a package concept by including setting a theme and a market position (economy, deluxe or other), and the specific products to be offered chosen on the basis of the best fit with the target market

- Selection of any special air fare or rail fare
- Selecting the hotels to be used.
- First arrival and last departure from international airport
- Inclusion of places requiring restricted area permits.
- Best time for visiting



Do's and Do Not's

Do's

- Do add all places of halt with date and time.
- Do provide a brief summary of the city(s)/country and the sights.
- Do provide name of the hotel, type of vehicle, time of arrival and departure.
- Do include meal plans.
- Do provide links for additional information about the city, country, sights, restaurants, hotels.
- Do provide as many relevant maps as possible.
- Do provide names and places written in the local language.
- Do provide unique information about the destination



Don'ts

- Don't add too many details which might cause confusion.
- Don't leave directions ambiguous. There are lots of distractions when coming into a new city, be as specific as possible.
- Don't forget about the nature of group, age group, physical disabilities, eating habits and language barriers.
- Don't go overboard on the hotel recommendations. Most hotels are pretty similar in a given price range.
- Don't include shops which are not registered, restricted areas without availing permits etc.
- Don't forget about restaurant recommendations.

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Resources for Package Planning

- Destination Information Brochures
- Hotel Brochure and Tariff
- Ground Transport Brochure and Tariff
- Connectivity and Types of Transport
- Railway Timetable and Fare
- Flight Timetable and Fare
- Travel Information Manual (TIM)



- Local Festival Calendar
- Restricted Area Permits
- Weather Forecasts
- Local Culture and People
- Socio-Political Risks Factors
- Customized software resources for designing complex tour itinerary
- Technology and Internet



Distribution of package tour

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The Distribution Process:
Bringing Travelers and
Tourism Service
Providers Together

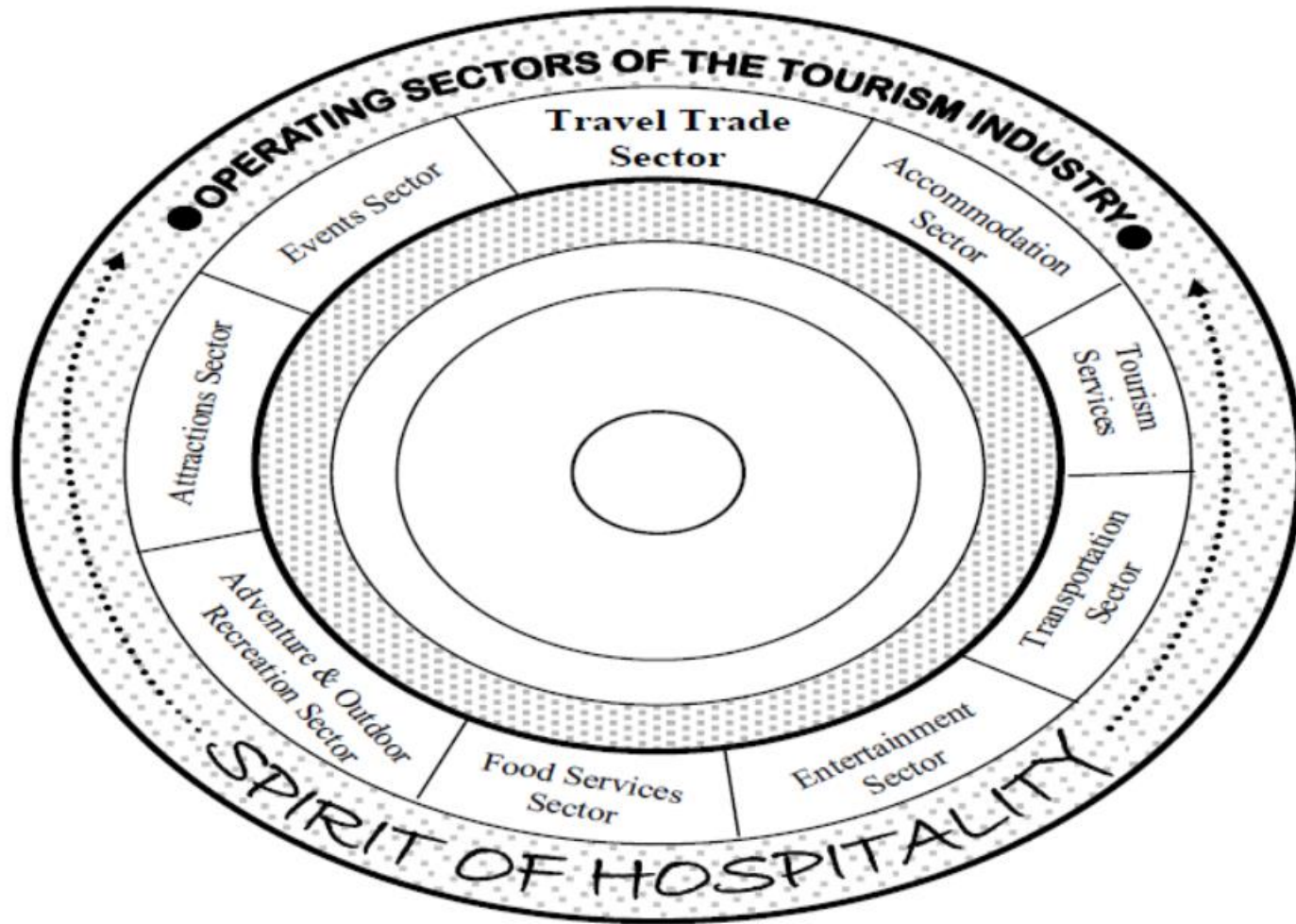
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- Travel necessitates a variety of services.

Goal of service suppliers is reaching, serving, and satisfying travelers.

Serving Traveler Needs

Operating Sectors of the Tourism Industry



Distribution Channel

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- ❖ An operating structure, system, or linkage of various combinations of organisations through which a producer of travel products describes, sells, or confirms travel arrangements to the buyer
- ❖ Products get to consumer through a distribution channel: Belikin Beer?

Serving Traveler's Needs

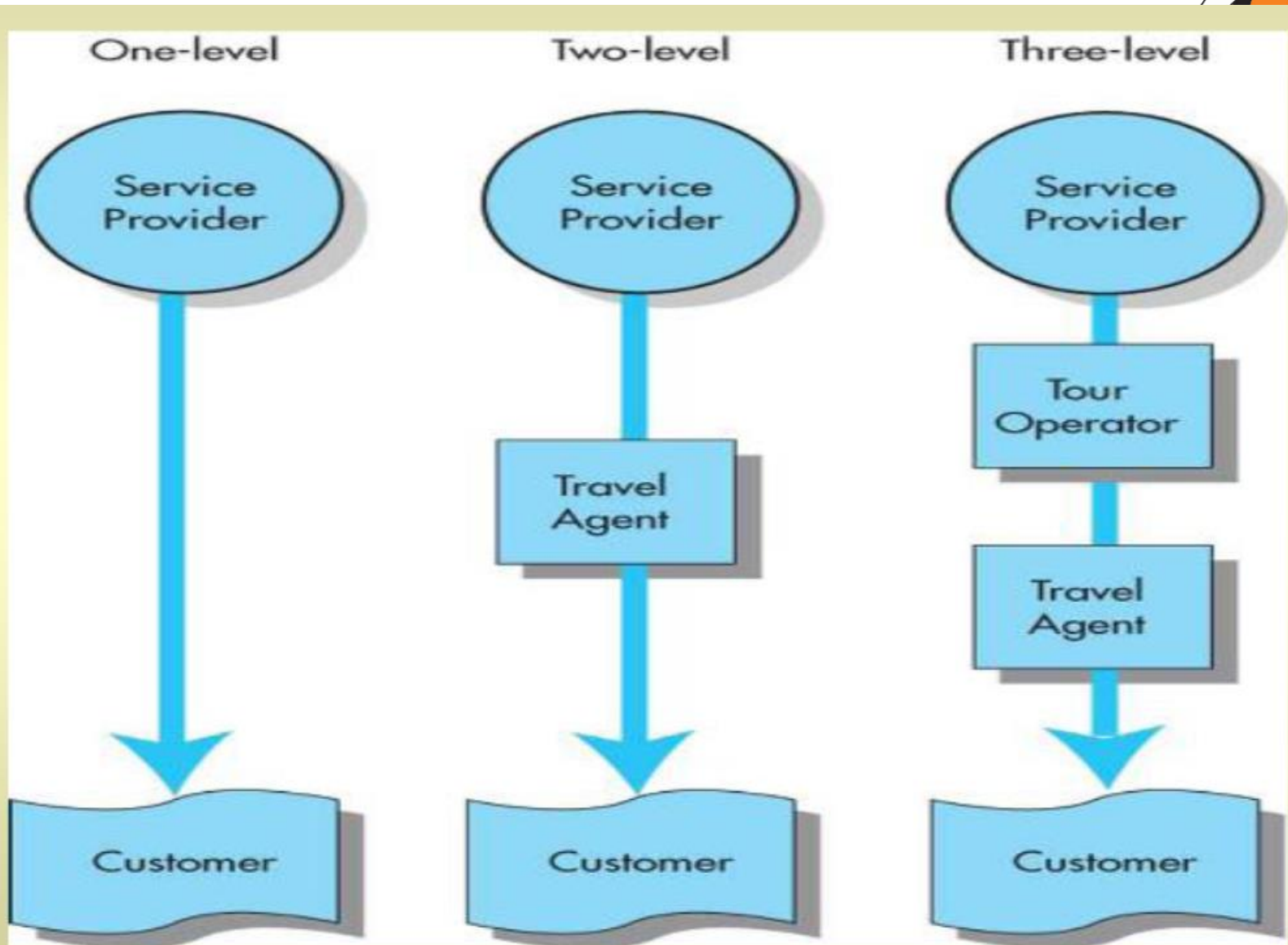


- ❖ Thomas Cook is credited with being the first tourism intermediary, packaging tourism services and then selling the packages to tourists
- ❖ To attract business, tourism suppliers must provide prospective customers with information on which they will base tourism choice decisions
- ❖ There are many alternative ways to provide information and services to prospective guests
- ❖ Three types of distribution channels can be used

Why Use Intermediaries?

- ❖ Intermediaries make information and services widely available cost-effectively
- ❖ They perform a variety of value-added functions
 - ❑ e.g, types of services, potential customers, packages
- ❖ Intermediaries are frequently paid on commission
- ❖ May also charge the customer a modest fee
- ❖ Exist where they perform a necessary role more cost-effectively than the supplier could perform the same role

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One-Level (Direct) Distribution Channels

- ✿ Simplest form of distribution, no intermediary between supplier and customer
- ✿ Most tourism suppliers utilize one-level distribution channels
- ✿ Purchase directly from the supplier
- ✿ World Wide Web is increasing the direct availability of information and purchase
- ✿ Airlines encouraging the use of the Web and ticketless travel

Advantages

- Simplicity
- Additional Sales Opportunity
- Flexibility
- Greater Profitability to Suppliers
- Personal Control over the Sale

Two-Level Distribution Channels

- ❖ Intermediary between tourism supplier and tourist
- ❖ Most common form of tourism supplier
- ❖ Travel agencies are the department stores of the travel industry
- ❖ Improving service delivery through cooperative systems
 - ❑ Global distribution system (GDS)
 - ❑ Computer reservation system (CRS)

Improving service delivery through cooperative systems

- ✦ Agencies big and small use global distribution systems (GDSs)
- ✦ Via GDSs agents have on-line information about schedules, availability, and fares, and allow booking of some reservations and printing tickets
- ✦ Two airline GDSs; Sabre and TravelPort
- ✦ These GDSs are also used as databases/reservation systems for many other tourism services such as hotels and rental cars

Two important cooperative systems for airline ticketing

- ✦ Airlines Reporting Corporation (ARC)
- ✦ International Airline Travel Agency Network (IATAN)

Advantages

- ⊕ Professional Assistance
- ⊕ Multiple Options
- ⊕ Free or Low-Cost Assistance
- ⊕ Cumulative Group Power
- ⊕ Single-Charge Billing

Three-Level Distribution Channels

- ✦ Add another level of intermediary such as tour operators to low-level channel
- ✦ Some travel agencies have entered tour packaging business
- ✦ Tours
 - A package of two or more tourism services priced together
 - Four primary forms of tours
 - Independent
 - Foreign/domestic independent
 - Hosted
 - Escorted

Three-Level Distribution Channels, continued

❖ Tour Operators

- ❑ Purchase tourism services in bulk and then mark up the price and resell in packaged form
- ❑ Plan, prepare, market and often operate vacation tours
- ❑ Also termed tour packager or tour wholesaler
- ❑ Many financial risks in the tour packaging business
- ❑ Receptive service operator is local company that handles group's needs while in its location

Three-Level Distribution Channels, continued

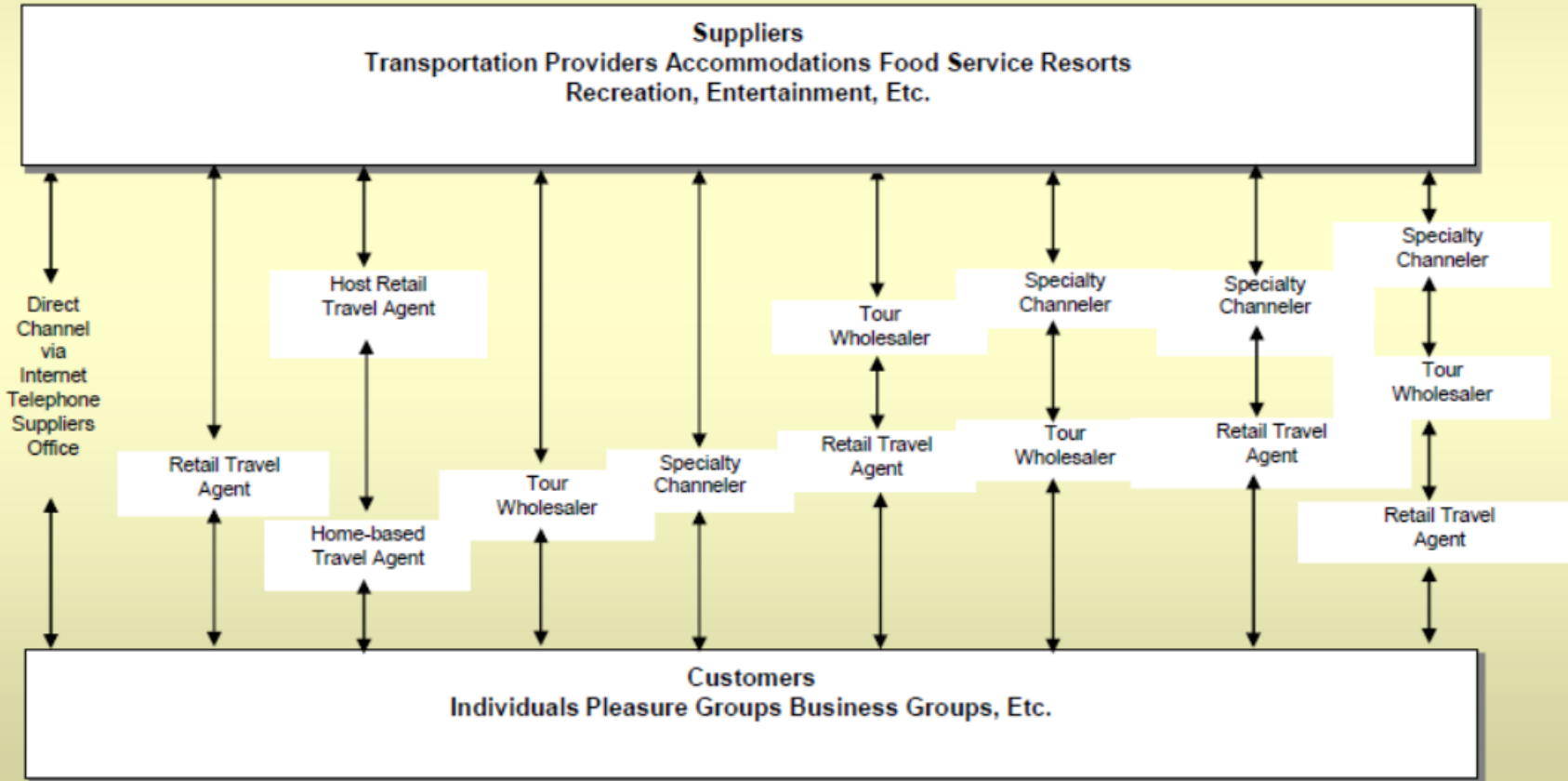
✦ Consolidators and Travel Clubs

- ✦ Consolidators buy excess airline capacity and resell at discounted prices
- ✦ Travel clubs perform similar function for their members plus offer discounts on other tourism services

✦ Meeting Planners

- ✦ Professionals employed by corporations, associations, etc. to organize all the details entailed in meetings
- ✦ Meeting planner must balance meeting costs with meeting attendee desires

Tourism Distribution Channels



Designing a Tour Package

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- You'll need to consider such things as;
- What is it called?
- What are the inclusions?
- Why is it of value and more appealing for your customers?
- What does each component cost so you can accurately price it?
- Price it clearly, making sure all elements including possible commissions are included in the overall costing. (Do not discount to a point where you reduce profits and/or quality.)

Defining the operational process

- Who takes the bookings?
- How will you manage the inventory?
- Who takes the payment; and what are the agreed terms of funds transfer?
- Who handles any complaints; and what is the process?
- Are there any “block out periods”?
- Ensure ALL staff are well trained, aware and well informed about the package

Package promotion

- Carefully consider the timing of the release of the package and you'll need to plan well in advance, allowing adequate time for promotion and booking. This may include;
- An itinerary, make sure it's available on all partners' websites and downloadable as a PDF
- Mutual online listings, including content and imagery eg photos and videos that specifically match the experiences
- Combined displays in region and at the visitor information centre
- Joint logos or branding could enhance the promotion and demonstrate the professionalism behind the package

Review and refine

- This last step is often forgotten and is vitally important. Listen to your customers and watch your online reviews to gather feedback. It is important that you deliver on your promise. Be flexible enough to adjust your package to meet consumer needs, you may even consider adding new product to your package to capture new enthusiasm.