

HISTORY AND EVOLUTION OF TRAVEL AGENCY

PART 1

HELLO VIEWERS,

I welcome you to the episode on history and evolution of travel agency. The passion for travel has given rise to the birth of many travel agencies across the world. Today, travel agencies are playing a vital role not only in selling holiday packages but also in assisting the individuals in completing formalities with respect to getting of Passport and other travel documents. For better understanding, this episode is divided into five parts, namely,

- **OVERVIEW OF TRAVEL AGENCY**
- **HISTORY AND EVOLUTION OF TRAVEL AGENCY**
- **CONTRIBUTION OF THOMAS COOK AND AMERICAN EXPRESS COMPANY**
- **BIRTH OF COX AND KINGS**
- **TRAVEL AGENCY IN 21ST CENTURY**

Let us now discuss about the overview of a travel agency

OVERVIEW OF TRAVEL AGENCY

A travel agency is an organization which sells tour packages, arranges for transportation, accommodation, sightseeing and short trips for travelers on behalf of tourism suppliers such as airlines, car rental companies, hotels, railways and cruise ships.

Travel agencies have become most sophisticated to cater to the needs of the consumers. The business of travel agency can be traced back to the beginning of 19th century in which the role of a travel agent was very much limited to serving the rich and wealthy people. The first ever tour operator was the Thomas Cook who organized a circular tour on a chartered train with 570 passengers and reasonable amenities at cheaper fares making it the first packaged tour. The travel agency has significantly evolved through 20th century and much technological advancement has led to even more raised quality of services by the travel agencies and tour operators.

The business of travel agency has been quite a varied and has considerably changed over the years. Since, the very first modern travel agency appearing in the 19th century. Most people forget that the travel agent industry is still relatively new and modern, despite starting back in the 1900's. It was more so during the 1920's when the travel agent industry become vastly popular. The reason was because of the evolution of aviation industry and its availability to the public and that really helped the evolution of travelling. Of course, for the most part in the beginning, the services of travel agents were largely used by middle and upper class consumers wanted spend money on vacations. Most of the lower class families couldn't afford to the services of travel agents.

PART 2

HISTORY AND EVOLUTION OF TRAVEL AGENCY

Though, traveling is not a new phenomenon for the people, but, traveling with ease and protection has given a different description to travel. Unlike, the early travelers, modern day travelers desire luxury, safety, and good experiences within a reasonable price tag. Let us know about the history and evolution of travel agency and the major contributors to the business of travel agency.

The use of travel middlemen, which are now known as Travel agents, can be traced back to 1670's which was the age of grand tours especially for educational purposes. The invention of steam boat services in 1815 also added to the concept of modern day travel.

Travel during the early days of 19th century was a simple affair and did not require any major formalities to be completed before undertaking a trip. The rapid transport systems had not evolved resulting in travel only within the neighboring 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. The other major contributors were the American Express who introduced the credit card system throughout the world and the Cox and Kings who has popularized the international travel to a greater extent.

During World War II, the agency was adversely affected since, during these times, most people weren't thinking about taking a holiday. However, after the World War, 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, especially after the great depression and the type of consumers have included working class families apart from rich and wealthy, who were also looking for good quality holidays at lesser prices.

Most of the consumers from western countries especially the British were searching for sunny beaches and hot destinations and this become a popular and profitable industry in the UK and has become an important industry with respect to travel and tourism.

PART 3

CONTRIBUTION OF THOMAS COOK AND AMERICAN EXPRESS

In 1841, Thomas Cook, a British carpenter and Baptist missionary, arranged transportation for 570 rail passengers travelling to a temperance convention. Thomas Cook chartered a train from Leicester to Loughborough in England, where the Temperance Society was to meet. He printed brochures advertising "tea and buns" and brass band music on the 10-mile journey. The cost was pretty cheaper. On July 5, the charter train steamed out to Loughborough on schedule, the first of many organized tours for which Cook later become famous. Cook's organized many such trips and tours which became very popular and also earned him much fame.

With the development of different modes of transport, travel became more complicated and so did the functions of the travel agents. They were not only looking for the reservation of seats but were also negotiating with hotel companies for the booking of accommodation for their

clients. In addition, the surface transport operators also became part of the wider travel business as they were required to transport passengers from place to place for sightseeing, in and around different tourist destinations.

Thomas Cook's connection to Europe began in 1862 when he made arrangements with Brighton and South Coast Railway for passenger traffic to the continent. His Paris excursions were the first true „package tours“ 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. Cook first made a personal survey of Turin, Milan, Florence and Genoa, to familiarize himself with their tourist attractions and facilities. In 1864 the first guided tour of Italy left England with applications far in excess of the available tickets.

In 1865, Thomas Cook along with his son visited the American cities such as, New York, Washington, Niagara, Chicago, the Mammoth Caves of Kentucky and Virginia. The party travelled 10,500 miles in nine weeks.

During the famous Nile Tours, there were no hotels available. So in 1868 they travelled as a vast caravan, accompanied by 65 horses, 87 pack mules, tents, beds and kitchens to prepare Victorian breakfasts of boiled eggs, followed by chicken and cutlets and seven- course dinners including wild boar and mutton. 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.

Although Thomas Cook is believed to have been the first full-time travel agent, he was best known for organizing deluxe tours for the world's wealthiest citizens. In 1895, Thomas Cook escorted a group of industrialists from England and America to the Paris Exhibition.

The 1860s also saw the introduction of Cook's railway and hotel coupons. By the 1890s, 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) and formed the Eastern Princes Department. In 1887 this department arranged the visits of Indian princes to Queen Victoria's jubilee celebrations. By the end of the century, taking advantage of nineteenth-century advances in transport technology, Thomas Cook and Son had made a revolution in tourism. With the Cook's hotel and rail coupons, the tourist could demand uniform prices, standards of service and accommodation. This new standardization had distinct advantages.

THE BEGINNING OF AMERICAN EXPRESS COMPANY

The American Express Company was established by Henry Wells also had its beginning in the year 1841. It is an interesting coincidence, that two of the world's largest travel companies are said to have their origins in the same year. While Thomas Cook persuaded a railway company to carry a trainload of passengers at very cheap fares, Henry Wells commenced his business in the USA at the same time. Henry Wells commenced his business initially as a shopper who later formed the well known American company called as Well Fargo. The American Express Company, popularly known today as AMEX, is the world's second largest

travel agency after Thomas Cook. Besides selling package tours, the company deals in traveler's cheques. The American Express Company is a major participant in international transactions, buying and selling huge amounts of foreign currency on each working day during the week.

The company has also introduced American Express credit cards. These credit cards are very popular internationally. The varied services provided by these cards are the purchase of international air tickets, payment of hotel bills, etc. The cards have wide acceptance throughout the world. The company also handles services for various types of insurance, including travel insurance.

PART 4

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, earlier than Thomas Cook, the company's initial activities were associated with the handling of the affairs of British officers stationed overseas. Cox and Kings' handling of the affairs of the officers stationed overseas was appreciated and by 1878 their appointment as agents and bankers had been extended to the Household Brigade, many of the Infantry regiments, the Royal Wagon Train and the company's responsibilities increased steadily, including serving prestigious ships of the Royal Navy, the Royal Flying Corps and by the year 1918, the newly formed Royal Air Force.

With the rapid expansion of the British Empire, Cox company expanded from its base in London, to establish overseas offices. By the year 1918, the Cox Company had become an international corporation employing more than 4,500 people and had established offices in India. In the year 1922 the company merged with Henry S. King, a banking concern. In 1923 it was renamed as Cox and Kings. Today, Cox and Kings company has a widespread network of local agents offering a wide range of travel related services to their clients.

The development of the transport system, especially the evolution in air travel, improved living standards, combined with reduction in working hours, are the major contributors of today's increased desire for travel. Side by side, with the rapid improvements in industry and technology, practically all aspects of life have become more complex, particularly during the past half century. This is certainly the case in the travel industry in which, only a century ago, the job consisted almost entirely of arranging simple reservation for the travelers in some means of transport. Today, the functions and duties of a travel agent are very much different and more interesting. A travel agent is now required to perform a variety of duties rather than just issue tickets and make reservations in trains, and airplanes or book hotel accommodation. The travel agencies today exist not only for the sole purpose of selling tickets from one point to another but also to perform several tasks as needed by their customers relating travel. The scope of their functions has expanded greatly.

PART 5

TRAVEL AGENCY IN 21ST CENTURY

Travel agency of 21st century has even greater tasks to perform. With general public access to the Internet, many airlines and other travel companies began to sell their products directly to passengers. As a consequence, airlines no longer needed to pay the commissions to travel agents for the tickets sold. Since 1997, travel agencies have gradually been disintermediated, by the reduction in costs caused by removing layers from the package holiday distribution network. However, travel agents remain dominant in some areas such as cruise vacations where they represent 77% of bookings and 73% in packaged travel.

In response, travel agencies publicized their presence through internet by creating their own travel websites, with detailed information and online booking capabilities. Travel agencies also use the services of the major computer reservations systems companies, also known as Global Distribution Systems (GDS), including: Amadeus CRS, Galileo CRS, SABRE, and Worldspan, which is a subsidiary of Travelport, allowing them to book and sell airline tickets, car rentals, hotels, and other travel related services. Some online travel websites allow visitors to compare hotel and flight rates with multiple companies for free; they often allow visitors to sort the travel packages by amenities, price, and proximity to a city or landmark.

Travel agents have applied dynamic packaging tools to provide fully bonded (full financial protection) travel at prices equal to or lower than a member of the public can book online. As such, the agencies' financial assets are protected in addition to professional travel agency advice.

All travel sites that sell hotels online work together with GDS, suppliers, and hotels directly to search for room inventory. Once the travel site sells a hotel, the site will try to get a confirmation for this hotel. Once confirmed or not, the customer is contacted with the result. This means that booking a hotel on a travel website will not necessarily result in an instant confirmation. Only some hotels on a travel website can be confirmed instantly (which is normally marked as such on each site).

TRAVEL AGENCIES AND INTERNET:

As different travel websites work with different suppliers, each website has different hotels that it can confirm instantly. Some examples of such online travel websites that sell hotel rooms are Expedia, Orbitz, and Priceline. The comparison sites, such as Kayak.com and TripAdvisor, search the reseller's sites all at once to save time searching. But, none of these websites actually sells hotel rooms.

Often tour operators have hotel contracts, allotments, and free sell agreements which allow for the immediate confirmation of hotel rooms for vacation bookings. Mainline service providers are those that actually produce the direct service, like various hotels chains or airlines that have a website for online bookings.

Portals serve as a consolidator of various airlines and hotels on the internet. They work on a commission from these hotels and airlines. Often, they provide cheaper rates than the mainline service providers, as these sites get bulk deals from the service providers.

A meta search engine, on the other hand, simply scrapes data from the internet on real time rates for various search queries and diverts traffic to the mainline service providers for an online booking. These websites usually do not have their own booking engine.

To sum up,

The concept of travel agency can be traced back to 19th century. Thomas Cook has been credited as the first travel agent of the modern tour era. Thomas cook organized the first tour in 1841 carrying 570 persons on board of a chartered train with a few services at cheaper fares. The development of different mode of transport also added to the expansion of services of travel agencies which extended worldwide. Thomas cook and his son John Mason Cook have established their offices in India during 1880s. Thomas cook is also popularized the railway and hotel coupons all over the world.

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

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.

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.
