

FUNCTIONS OF TRAVEL AGENCY

PART 1

HELLO VIEWERS,

Welcome to the episode on functions of travel agency. A travel is a retail business dealing with customers providing with the services of reserving air tickets, train tickets, car rentals, cruise line, hotels, sight-seeing and package holidays. For better understanding, this episode is divided into five parts, namely,

- **BASICS OF FUNCTIONING OF TRAVEL AGENCIES**
- **MAJOR FUNCTIONS OF A TRAVEL AGENCY**
- **ADDITIONAL FUNCTIONS OF A TRAVEL AGENCY**
- **ECONOMIC FUNCTIONS OF TRAVEL AGENCIES**
- **DESTINATION PROMOTION DEVELOPMENT AS A FUNCTION OF TRAVEL AGENCY**

Let us know the basics of functioning of travel agencies

BASICS OF FUNCTIONING OF TRAVEL AGENCIES

As I have already mentioned, a travel agency is a retail business, that sells travel related products and services to customers, on behalf of suppliers, such as airlines, car rentals, cruise lines, hotels, railways, sightseeing tours and package holidays that combine several products. In addition to dealing with ordinary tourists, most travel agencies have a separate department devoted to making travel arrangements for business travelers and some travel agencies specialize in commercial and business travel only.

There are also travel agencies that serve as general sales agents for foreign travel companies, allowing them to have offices in countries other than where their headquarters are located. As the name implies, a travel agency's main function is to act as an agent, i.e., to sell travel products and services on behalf of a supplier. Consequently, unlike other retail businesses, they do not keep a stock in hand. A package holiday or a ticket is not purchased from a supplier unless a customer requests that purchase. The holiday or ticket is supplied to them at a discount. The profit is therefore the difference between the advertised price which the customer pays and the discounted price at which it is supplied to the agent. This is known as the commission.

A British travel agent would consider a 10-12% commission as a good agreement. In some countries, airlines have stopped giving commission to travel agencies which made the travel agencies to charge a percentage premium or a standard flat fee, per sale. However, some companies still give them a fixed percentage for selling their product. Major tour companies can afford to do this; because if they were to sell a thousand trips at a cheaper rate, they still come

out better than if they sell a hundred trips at a higher rate. This process benefits both parties. Other commercial operations are undertaken, especially by the larger chains. These can include the sale of in-house insurance, travel guide books and timetables, car rentals, and the services of an on-site Bureau de change, dealing in the most popular holiday currencies.

The majority of travel agents have felt the need to protect themselves and their clients against the possibilities of commercial failure, either of their own or a supplier's. They will advertise the fact that they are surety bonded, meaning in the case of a failure, the customer is guaranteed either an equivalent holiday to that which they have lost or if they prefer a refund. Many British and American agencies and tour operators are bonded with the International Air Transport Association (IATA), for those who issue air tickets, Air Travel Organisers' Licensing (ATOL) for those who order tickets in, the Association of British Travel Agents (ABTA) or the American Society of Travel Agents (ASTA), for those who sell package holidays on behalf of a tour company. A travel agent is supposed to offer impartial travel advice to the customer. However, this function almost disappeared with the mass-market package holiday and some agency chains seemed to develop a 'holiday supermarket' concept, in which customers choose their holiday from brochures on racks and then book it from a counter. Again, a variety of social and economic changes have now contrived to bring this aspect to the fore once more, particularly with the advent of multiple, no-frills, low-cost airlines.

PART 2

MAJOR FUNCTIONS OF A TRAVEL AGENCY

The scope and range of travel agency operations would depend on the size of an agency. If the company is large in size, the range of activities will be more comprehensive. In this case the agency will have specialised departments, each having to perform different functions. To deal with the subject of a travel agency, the best method of approach is, perhaps, to consider the functions of a travel agency. These may be broadly classified as follows:

a) Provision of Travel Information

One of the primary functions of a retail travel agent from the point of view of the tourists or the general public 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. He should be in a position to give up-to-date and accurate information regarding various services and general information about travel, etc.

b) Preparation of Itineraries

Tourists itineraries are a composition of a series of operations that are a result of the study of the market. 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. The study and the realisation of their itineraries call for a perfect organisation (technical and administrative) as also knowledge of the desires of the public for a holiday and the propensity to receive tourists by the receiving localities.

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 travel agents who handle tourists for various destinations must have complete travel information to facilitate their clients to visit a particular country. 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. This is essentially a job for a meticulously minded person and calls for considerable training and ability. Many agencies with the cooperation of airlines and other transportation companies take the opportunity of arranging educational tours for such staff to countries with which they deal.

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. Separate programmes dealing with holiday offers based on specific forms of transportation, e.g., air, rail, road or sea, may also be prepared. Programmes also have to be issued to cover different seasons of the year.

Publicity is an important part of the programme. Having spent considerable time and money on preparing all that goes into the issue of a programme, publicity must feature considerably in the activities of a travel agency and more so if the agency happens to be a large one. The majority of large travel agencies have their own publicity departments under the management of a publicity expert.

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. This calls for a thorough knowledge of schedules of various modes of transport. Air carriers, railways and steamship companies have hundreds of schedules and the person behind the counter should be conversant with all these. Ticketing is, however, 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. An up-to-date knowledge about various schedules of air companies, steamship companies and railways is very essential.

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. Mention must be made of the government run Cottage Industries Emporium, State Cottage Industries Emporium located in the metros and two-tier cities and towns.

h) Liaison 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.

PART 3

ADDITIONAL FUNCTIONS OF A TRAVEL AGENCY

The following are some of the additional functions of travel agency. They are;

(a) Facilitating inbound Tourism

Most of the travel companies are in private sectors and their main objectives is to earn profit; in spite of this they play a key role in the promotion and development of international tourism. They receive guests, foreign tourists and handle arrangements in the host country. In India about 50 percent the established travel companies handle foreign tourists and other visitors make their own independent arrangements.

(b) Facilitating outbound Tourism

These agencies promote tours to foreign destinations. Since, the deregulations of air industry the outbound tourism has been increasing rapidly. Today outbound tourist traffic is growing thing at rate of 10 percent. This indicates that India is the second largest country in outbound tourism. The major outbound destinations are Europe, UK, Southeast Asia, Greece, and East Asia, USA, Egypt and Australia.

The fun tours of TCI are the Evidence of quality inclusive outbound package that generally include deluxe class accommodation Indian meals transportation by deluxe couches Experienced tour escort sightseeing and interaction with local culture. This will create sound international relationship between the developing agencies and build better relation abroad.

(c) Facilitating Domestic Tourism

Domestic tour operators assemble and combine tourist components into inclusive tours and sell them to the domestic travelers. The Indian Travel Companion has offered and continues to formulate flexible and economical packages to popular holiday destinations like Golden Triangle, Goa, Shimala, Kulu-Manali, Derjaling, Bangalore, Hyderabad, Mysore, Ooty, J&K, Lakshadweep and many more destinations. In fact they are contributing to the causes of national instigation.

PART 4

ECONOMIC FUNCTIONS OF TRAVEL AGENCIES

Apart from the main functions and additional functions, travel agencies and tour operators also have functions such as provision of foreign currencies, earning of foreign currency, employment generation.

a. Provision of Foreign Currencies

Providing foreign currencies to intending travelers is another specialised activity of a travel agency. Some of the larger travel agencies deal exclusively in the provision of foreign currencies, traveler's cheques, etc. This is an important facility for intending travelers as it saves them a lot of time and energy in avoiding visits to regular banking channels.

b. Earning of Foreign Currency

The foreign exchange brought to India by the travel companies is a vital contribution toward the national economy. It is a major factor on India Balance of payment position. Therefore the government has taken various steps either through collaboration or through their own tourist offices abroad, to maximize the tourist receipts.

c. Employment Generation

No other sector of Indian economy has generated huge employment opportunities like the travel and tourism industry. The travel industry employs over 25000 people directly and thousands of indirectly in India. The World Travel and Tourism Council (WTTC) forecasts that during the next decade more than 10 million jobs will be created by travel and tourism industry along across the world economy.

PART 5

DESTINATION PROMOTION DEVELOPMENT AS A FUNCTION OF TRAVEL AGENCY

Today many travel companies with the collaboration of state tourism corporations and tourism departments are contributing in promoting and development new destinations even the government has also provided various financial incentives to the private sector to promote tourism in the country. The role and contribution of travel companies have been fully appreciated in advanced countries. But in countries like India the role and contribution has not been appreciated and recognized due to the unorganized sector. Still the travel companies have the greatest impact on account of balance of payment, employment, international understanding and national integration.

Travel agents help travelers sort through vast amounts of information to help them make the best possible travel arrangements. They offer advice on destinations and make arrangements for transportation, hotel accommodations, car rentals, and tours for their clients. They are also the

primary source of bookings for most of the major cruise lines. In addition, resorts and specialty travel groups use travel agents to promote travel packages to their clients.

Travel agents are also increasingly expected to know about and be able to advise travelers about their destinations, such as the weather conditions, local ordinances and customs, attractions, and exhibitions. For those traveling internationally, agents also provide information on customs regulations, required papers (passports, visas, and certificates of vaccination), travel advisories, and currency exchange rates. In the event of changes in itinerary in the middle of a trip, travel agents mediate on the traveler's behalf to make alternate booking arrangements.

Travel agents use a variety of published and computer-based sources for information on departure and arrival times, fares, quality of hotel accommodations, and group discounts. They may also visit hotels, resorts, and restaurants themselves to evaluate the comfort, cleanliness, and the quality of specific hotels and restaurants so that they can base recommendations on their own experiences or those of colleagues or clients.

Travel agents who primarily work for tour operators and other travel arrangers may help develop, arrange, and sell the company's own package tours and travel services. They may promote these services, using telemarketing, direct mail, and the Internet. They make presentations to social and special-interest groups, arrange advertising displays, and suggest company-sponsored trips to business managers.

To sum up,

The functions of travel agencies and tour operators are varied. These functions includes the primary activities such as provision of travel information, preparation of tour itineraries, facilitating travel, tour planning and costing, ticketing, accommodation arrangements, communication, liaison and providing insurance facilities.

Apart from the primary functions, a travel agency also involves in activities such as promoting inbound tourism and domestic tourism and facilitating outbound tourism. The economic functions of a travel agency include provision of foreign currencies, earning of foreign currencies and generation of employment. A travel agency also promotes destinations and contributes to the development of new destinations alongside the governments.