

## **Quadrant II – Transcript and Related Materials**

**Programme: Bachelor of Arts and Science**

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**Paper Title: Applied/Application of Tourism Geography**

**Title of the Unit: Unit I- Introduction to Applied Tourism geography**

**Module Name: Support System: Travel Agencies**

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### **Glossary of terms/words:**

- **Travel Agencies:** An agency engaged in selling and arranging transportation, accommodations, tours, and trips for travellers.

### **Transcript**

#### **Support System: Travel Agencies**

**A travel agent** is a person who has full knowledge of tourist product – destinations, modes of travel, climate, accommodation, and other areas of the service sector. He acts on the behalf of product providers/principles and in return gets a commission.

A travel agent may be an individual /firm or corporation which is commonly known as a travel agency. An agency means the office of travel agent or organization where all travel goods and services are assembled and coordinated for the smooth conduct of travel agency business.

It is a travel agency which packages and processes all the attractions, accesses, amenities and ancillary services of a country and presents them to tourists. That's why travel agency is known as 'image builder' of a country

A prospective travel agency is one which makes arrangements of travel tickets (air, rail, road, and sea); travel documents (passports, visa and other documents required to travel); accommodation, entertainment, and other travel-related services from principle suppliers.

#### **❖ History of Travel Agency**

The first Travel Agency of the world was established by Thomas Cook in 1845 in England. The use of the term travel trade dates back from the early years of the 19th century.

Throughout history, there was travel middleman who helped the merchants travelling for trade and others who travelled for religious purposes.

In 1841 a fortunate day comes in the history of travel trade when Thomas Cook, as secretary of South Midland Temperance Association, organized a trip by a train for 570 members for his association to the distance of 22 miles. He bought railway tickets in bulk to sell them to people.

The experiment was successful and everybody was exultant. Mr. Cook had done his job on a no-profit basis. But, incidentally, It gave him a new idea and turned it into a tour business.

Four years later in 1845, he set up a 'World's First Travel Agency 'to organize excursions. Due to this innovative approach, Mr. Thomas Cook is known as the Father of Travel Agency Business. He co-ordinated railway and steamship excursions throughout England, Scotland and Europe.

However, the railways only gave him a 5% commission which was not enough to meet his overheads, so he decided to diversify this business into tour operation.

In 1855 Mr. Cook started operating package tours. He conducted the world's first international tour from England to Paris.

## ❖ **Types of Travel Agency**

Travel agencies are basically categorized into two types:-

1. Retail Travel Agency
2. Travel Agency

### **1. Retail Travel Agency**

A retail travel agency sells tourist's products directly to the public on the behalf of the products suppliers and in return get commissions. Some package tour is sold in two ways i.e., on a commission basis and mark up the price.

When a travel agency sells a tour on the marked-up price it means that first, it mark-up the cost of the tour and then sell it at a higher rate. The mark-up price is the difference between retail price and wholesale cost.

**According to Airlines Reporting Corporation (ARC)** a retail travel agency is defined as " a business that performs the following functions: quotes fares, rates, make reservations, arrange travel tickets and accommodation, arrange travel insurance, foreign currency, documents and accepts payments."

## **2. Wholesale Travel Agency**

These agencies are specialized in organizing package tours, which are marketed to the customers/tourists through the network of a retail travel agency or directly to the prospective clients (if wholesale travel agency has a retail division). A wholesale travel agency purchases tourists' product components in the bulk and designs tour packages.

Sometimes, a wholesale travel agency buys travel components from the vendor in bulk and resell them to other travel business originations.

Wholesale travel agencies assemble package holidays and sell them to clients through retail travel agencies. A typical package tour includes – air tickets, accommodation, and something other services may also be included in it such as entertainment, sightseeing, and sports activities, etc.

These packages are referred to as 'package tours' most of these tours include the services of escorts but a few are sold to people who wish to travel independently.

## **❖ Features and Importance of the Travel Agency**

Travel agency plays an important role in the travel sector business. Some most important features and importance of the travel agency business are following as:-

1. An important link between the clients and principal suppliers.
2. Image-Builder.
3. Ensures rapid travel services.
4. Provider of authentic and reliable travel information.
5. A social a continuous process.
6. Establishes a good relationship with clients and vendors.

These are the most important features of the Travel Agency Business.

## ❖ **Functions and Services of Travel Agency**

Today, Travel Agencies have been recognized as a vital component of travel and tourism and have become an integral part of the travel and tourism industry at globally. They account for more than 90% of international and 70% of domestic tourist traffic

Further, more than 60% of all travel agency revenues are derived from business travel. Most travel agencies sell both commercial and leisure travels but there are many travel agencies that only specialized in one sector or the other.

The operation of each travel agency is based on the scope of its activities and organizational size. Here we discuss the functions of a large scale travel agency that performs all types of activities such as Retail travel agency, wholesaling and tour operations, etc. The main functions of a large-scale travel agency are:

### **Travel Information**

Whatever the size of a travel agency, it has to provide necessary travel information to tourists. A travel agency must give up-to-date, accurate, and timely information regarding destinations mode of travel, accommodation, sight-seeing, shopping, immigration, passport, visa, customs clearance and procedure, health and security rules, and various permits required to travel in particular areas, etc.

### **Itinerary Preparation**

The term tourist's itinerary is used to identify the origin, destination and all the stopping points in a traveller's tours. It is a composition of various elements and designed after a detailed study of the market. Travel agencies prepare an itinerary for tour packages.

### **Airline Ticketing and Reservation**

A travel agency sells a variety of tourism products. Airline ticketing and reservation is still a major source of revenue. Travel agencies perform a function of airline ticketing and reservation on behalf of various airlines.

### **Tour Packaging and Costing**

Travel agencies prepare a tour package and sell them to tourists. The costing and pricing of tour packages depend to a large extent on the ability of travel agents as to how effectively he is able to negotiate with the principal suppliers.

**Reservation**

It is a very important function of all types of travel agencies. A travel agency consistently makes linkage with the accommodation sector, transport sector and other entertainment organizations to reserve rooms, and seats in the cultural programs and transportation.

**Travel Insurance**

Some large-scale travel agencies perform additional functions to serve their clients. Travel insurance protects travellers against the person as well as baggage losses resulting from a wide range of travel-related happenings and problems.

**Currency Services**

Approved travel agency authorized by Govt. body provides currency exchange services to tourists.

**Organization of Conference/Conventions**

Large-scale travel agencies offer a complete convention/conference package which includes registration of the participants at the venue to be picked up for dropped to the airport/hotel, overhead projectors, slide projectors, TV, VCR, information counter, sightseeing, etc.