

UNIT II: TOUR OPERATOR

Tour Operator

Tour operator is an organization, firm or company who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen, is called a **Tour Operator**.

More precisely tour operators are primarily responsible for delivering and performing the services specified in a given package tour. They can provide these services themselves as some have their own cars and coaches, hotels and other travel related services or can obtain these from the other suppliers. That is why they are called **manufacturers of tourism products**.

Tour operators are sometimes called as wholesalers but this is partially true because a wholesaler buys goods and services in bulk at his own account to prepare a tour package and then retails it through the travel agencies or directly to clients. However, a tour operator who has his own one or more tourist products components, (SOTC, TCI, Thomas Cook, Kuoni) formulates a new tourist product for example '**inclusive tours**.' Tour operators generally offer a variety of package tours to cater to the needs of different kinds of travelers.

Definitions

Poyther (1993) defines, "tour operator is one who has the responsibility of putting the tour ingredients together, marketing it, making reservations and handling actual operation." Holloway (1992) stated that tour operations undertake a distinct function in the tourism industry, they purchase separate elements of tourism products/services and combine them into a package tour which they sell directly or indirectly to the tourists.

Today, tour operators have become highly competitive. They endeavor to achieve a high volume of turnover, and maximum International and domestic market share by effectively operating. Moreover, the success of many developed and developing nations as tourist destinations depend heavily on a tour operator's ability to attract tourists, development and promotion of tourism plant, diversification of tourism product and their social responsibilities to develop a remote and backward area.

Types of Tour Operators

Tour operators are basically categories into **four types**. These are categories on the basis of their nature of the business and their operations.

1. Inbound Tour Operators
2. Outbound Tour Operators
3. Domestic Tour Operators
4. Ground Operators

Inbound Tour Operators

These are also known as **incoming tour operators**. Technically, the operators who receive guests, clients/tourists and handle arrangements in the host country are **called inbound tour operators**. For example, a group of American Tourists is coming through TCI Ltd. to India and the company makes arrangements and handles the group in India then TCI is called an inbound tour operator.

Incidentally, the inbound traffic to the country for the last two decades has been decreasing. Essentially the tour operators need to adopt innovative marketing strategies and should introduce a special interest tour to cater the special needs of Japanese, Americans, French and British people.

Outbound Tour Operators

Tour operators who promote tours for foreign destinations, maybe business tour or leisure tour are called **outbound tour operators**. For example a group of American tourists going to a trip of India and Thomas Cook handle arrangement in America like as ticket reservation, hotel booking etc. then Thomas Cook is called Outbound Tour operators in the context of America.

Domestic Tour Operators

Domestic tour operators are those who assemble, combine tourist components into inclusive tours and sell it to the domestic travelers. In general, these tour operators provide travel services within the tourist's native country.

The domestic tour operators operate within the boundary of the home country and offer package tour to the travellers viz. Domestic inclusive tours or independent tours.

Ground Operators/Destination Management Companies

These are commonly known as **handling agencies** and their main function is to organize tour arrangements for incoming tourists on the behalf of overseas operators. Let us take the case of India as a destination that – has a varied culture.

When a tour operator himself promotes beach holidays, wildlife holidays, adventure tours, heritage tours at the different places, the difficulty arises. It is the ground operator then who by handling the incoming travelers in the same season but at different places ensures that the entire operation is according to the package tours or agreements.

Sometime when a handling agency is at a prominent tourist place i.e., Delhi and it has to make arrangements to Goa, then it contracts (If it has no office of its own) with a local operator (known as excursion agent) to handle the arrangement on his behalf.

Why Ground Operators? Importance of Tour Operators

Obviously, the tour operation companies do not have close contact with suppliers, governments, destinations and so on. It leaves no choice with the companies but to appoint handling agencies at the destinations. The main reasons are:

- Introduction of new products or plant to promote an exotic destination.
- Lack of Government regulations.
- Lack of personal contract.
- Language problem.
- The company cannot establish its own branch.

Recognizing the very fact that the reputation, performance, and profitability of tour company in its own market largely depends on the efficiency and effectiveness of ground operators, it has become necessary for the company to consider various factors before the selection of a handling agency, they are:

- Size of business
- Professional staff
- Length of business

- Area of operation/Product line
- Market share

Functions of Ground Tour Operators

Over the years of functions and activities of the destination, companies have changed drastically to cope with the changing environment of the tourism industry. In fact, today's destination companies have become more professional and are bound to provide personalized travel services to the tourists. The following functions are performed by ground tours operators:

1. Land arrangement
2. Contract and Negotiate with other vendors
3. Handling of Arrival and departure procedure
4. Planning and organizing local package tour
5. Escorting the tourists
6. Providing market information
7. Costing and pricing package tour

Practically, if we see the working of the travel agencies and tour operators in the industry we find that most of the organizations are performing different types of activities like the retail travel agency, wholesale travel agency, and tour operators.

The travel agency business is no longer amateurism. Over the last two decades, the pattern and structure of travel agencies have changed to meet tough challenges in the international market. Today, small-scale agencies are finding the travel industry increasingly complex.

Thus, the small and medium scale travel agencies are disappearing or merging or falling instead of rising. On the other hand, a new concept has also emerged i.e. **tour operation business**. The tour operation business is new but a maturing business at the global level.

Functions of Tour Operator

A tour operator is an organization, firms or a person who is responsible for the actual arrangement of transport and accommodation facilities in any tour or vacations. They are also responsible for operating and providing vacation through contracting, booking and packaging together of the various components of the tour such as hotel, transportation, meals, guides, optional tours and sometimes flights.

A tour operator is like a service provider, providing the most convenient option for tourists to stay, visit, as well as leave from the city. A tour operator owns a high volume of travel services across carriers, services, and accommodation. Some most important functions of the tour operators are following as:

Planning a Tour

The most important functions of the tour operators are planning a tour. Tour operators plan a tour and make tour itinerary which contains the identification of the origin, destination and all the stopping point in a traveler's tours. A prospective tour operator also gives advice to intending tourists in various types of tour programmes, which they may choose for their leisure or commercial travel.

Making Tour Package

Tour operator buys individual travel components, separately from their suppliers and combines them into a package tour. Tour operators make tour package by assembling various travel components into a final product that is called tour package which is sold to tourist with own price tag. Making tour packages is also an important function of Tour Operator.

Arranging a Tour

Tour operators make tour package and also arrange a tour according to tourist demands. Tour operators arrange the tour package and various tourists activities to provide the best experience to tourists/traveler.

Travel Information

Whatever the size of tour operators, it has provided necessary travel information to the tourists. This task is utterly difficult and very complicated. A tour operator must give up-to-date, accurate and timely information regarding destinations, modes of travel, accommodation, sightseeing, immigration, health and security rules about various permits required to travel in a particular area etc.

Reservation

It is a very important function of all type tour operators and travel agencies. Tour operator makes all the reservation by making linkages with accommodation sector, transport sector and other entertainment organizations to reserve rooms, and seats in cultural programmes and transportation.

Travel Management

Tour operators manage tour from beginning to the end of the tour. A tour operator has the responsibility to look after the finer details of a vacation or tour such as hotel, accommodation, meals, conveyance etc. Tour operators provide travel guide, escorting services and arrange all travel related needs and wants.

Evaluate the Option Available

Tour operators evaluate all available options to provide a unique or unforgettable travel experience to tourists during their journey. Tour operators evaluate the various options available for a tour package and provide best of them to tourists.

Promotion

Tour Operators makes tour packages and promote them into various tourists markets at domestic as well international level. Tour operators promote a travel destination to attract a large group of tourists at domestic as well as international level. In the promotion of tourist destination, tour operators play a key role. Travel agencies or tour operators are called as *image builder* of a country.

Sales and Marketing

Tour operators do sales and marketing of tourist products. Tour operators buy individual travel components, separately and combine them into a tour package, which is sold with their own price tag to the public directly. Tour operators do marketing of tourist destinations and tourism product to attracts the attention of the tourists/travelers.

Taking Care of Glitch

Tours operators are also called handling agencies which handles tour package and take care of all the glitches and problems arises during a tour package. Tour operators fix the glitches and provide the best available alternative to tourists during their journey.

Importance of Tour Operators

Tours operators play a key role in the tourism sector. Tour operators create tourist product, promote them and finally sell them to tourist. Tour operators provide the best and competitive price to the tourist. Tour operators negotiate with suppliers of tourism product such as hotels, airlines and provide the best possible price to the tourist. Tour operators buy tourist product in bulk and get huge discounts from suppliers, so that they provide tourist products at cheap price.

Tour operators organized a tour in the best way. They personalize and make sure each and every component of the tour is well-taken care. Tour operators provide best travel experience during a tour. Tour operators save tourists times and money.

Tour operators provide immediate support system at host country as well as foreign land. When tourists travel to a foreign land and things get uncertain, maybe its a health or loss of documents and need to return back or change of travel plan. A qualified tour operator takes care of all these unseen events with efficiency.

Tour operator caters to the needs of tourists on the based on their taste of travel. Tour operator provides all the best available option according to tourist needs and demands

Difference between Travel Agent and Tour Operator

There is a lot of confusion about the difference between tour operators and travel agents what exactly makes them different. The main difference between a Travel agent and Tour operator are following as:

1. A travel agent is a person who has a full knowledge of tourist product – destinations, modes of travel, climate, accommodation and other areas of the service sector. He acts on the behalf of the product providers/principals and in return get a commission.
2. Tour operator is an organization, firm or company who buys individual travel components, separately from their suppliers and combines them into a package tour, which is sold with their own price tag to the public directly or through middlemen.
3. Tour operators are like wholesalers and travel agents are the retailers.
4. A tour operator makes the package holidays up and the travel agents sell them on.
5. Tour operator taking up the bulk of the responsibilities and his fee is obviously much greater than a travel agent.
6. A tour operator has the responsibilities to look after the finer details of a vacation or tour such as hotel, accommodation, meals, conveyance etc.

The wholesale travel agencies may offer or operate the package tours or may specialize in developing tours for inbound as well as outbound travelers. They are often referred to as tour operators, but there is a difference between Wholesale Travel Agencies and Tour operators.