

Tourism and Travel Services

*“I would like to spend my whole life travelling, if I could borrow another life to spend at home.” – William Hazlitt
(1778-1830) British essayist*

Learning Objectives

At the end of this chapter, students will be able to understand

- Meaning and concepts of tourism and travel industry
- Meaning of tourism
- Growth of tourism
- Marketing strategies of tourism product
- Demand and seasonality of tourism product
- Different types of hotels
- Hotel pricing and distribution
- Impact of aviation industry on tourism
- Understand travel agents and its functions

Tourism industry – meaning – tourist – features – classification – growth of tourism – basic components and elements of tourism – barriers to travel – promoting Indian tourism – tourism marketing mix – characteristics of tourism marketing – importance – implications of marketing concept – price elasticity of demand – seasonality – segmentation – product mix – price mix – promotion mix.

Hotel market – early history – types of hotel accommodation – supplementary accommodation – Indian hospitality industry – demand of hotel facilities – hotel product – hotel pricing and distribution.

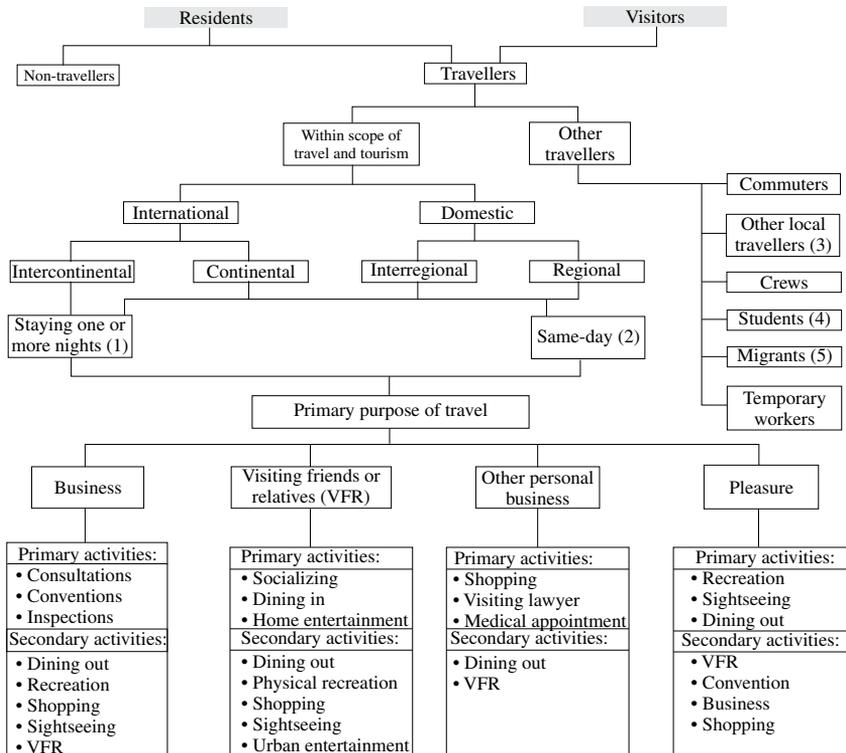
Airline connection – history – influence of aviation on tourism – low cost carrier – future of tourism and aviation – Indian aviation industry.

Travel Agency – functions – Travel Agents Association of India

DEFINITION

Since tourism has been developing very rapidly from time to time and particularly in the 21st century, it is better to search for more definitions to reflect the current situation and to understand its present characteristics. The characteristics of tourism in the 18th century are, of course, different from what it is now in the 21st century. According to World Tourism Organization (2002), ‘Tourism’ is defined as “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.” This definition identifies clearly the activities and length of stay in the destination outside the usual environment where people use to be.

To sum up, tourism has been changing progressively according to the development of technology and the development of industry sector. Thus, its definition also has been upgrading to reflect the real situation. It is not just as simple as the movement of people and their length of stay in the destination away from their environment. In developing country like Cambodia, tourism means more than travelling. Tourism is the engine of economic growth and employment creation for the people.



- (1) Business international technical definitions.
- (2) Excursionists in international technical definitions.
- (3) Travellers whose trips are shorter than those that qualify for travel and tourism: e.g., under 50 miles (80 km) from home.
- (4) Students travelling between home and school only—other travel of students is within scope of travel and tourism.
- (5) All persons moving to a new place of residence, including all one-way travellers, such as emigrants, immigrants, refugees, domestic migrants, and nomads.

Fig. 2.2 Different types of travellers.

TOURIST

World Tourism Organization has defined tourist as a temporary visitor staying for at least twenty-four hours in a country visited when the purpose of journey can be classified under one of the following headings:

- (a) **Leisure:** Recreation, holidays, health, study religion and sports; or
- (b) **Business:** Family, mission, meetings.

Travellers, straying for less than twenty-four hours according to WTO are “Excursionists”.

This definition adds an array of travellers to those travelling for fund, that is, person travelling for business family mission or meeting purposes. Today, the term tourist has several connotations – some of them not very favourable. For instance, when we say ‘tourists’ class accommodation, we mean inexpensive or cheap accommodation. In United States tourists are known as ‘guests’ in hotels and ‘patrons’ in restaurants. In most other countries, they are called ‘visitors’.

SALIENT FEATURES OF TOURISM INDUSTRY

The four main characteristics of the tourism industry are:

- (i) The tourism industry is highly inflexible.
- (ii) The service provided by the tourism industry is highly perishable.
- (iii) The destination is fixed.
- (iv) It requires large financial investment.

TOURISM – CLASSIFICATION

Tourism can be classified into six distinct categories according to the purpose of travel:

- (i) **Recreational:** Recreational or leisure tourism takes a person away from the humdrum of everyday life. In this case, people spend their leisure time at the hills, sea beaches, etc.
- (ii) **Cultural:** Cultural tourism satisfies the cultural and intellectual curiosity and involves visits to ancient monuments, places of historical or religious importance.
- (iii) **Sports/Adventure:** Trips taken by people with a view to playing golf, skiing in the mountain and hiking, fall within this category.
- (iv) **Health:** Under this category, people travel for medical treatment or visit places where there are curative possibilities, for example, hot springs, spas, yoga, etc.
- (v) **Convention Tourism:** It is becoming an increasingly important component of travel. People travel within a country or overseas to attend conventions relating to their business, profession or interest.
- (vi) **Incentive Tourism:** Holiday trips are offered as incentives by major companies to dealer and salesmen who achieve high targets in sales. Similar to it being offered by government and corporate enterprises in the form of LTC in our country.

GROWTH OF TOURISM

The phenomenal growth in tourism during the last thirty-five years has been due to several economic and technological factors:

- (i) **Increased Leisure:** Increasing intervention of ILO and other Labour organization in fixing holidays per year increased the leisure for many.
- (ii) **Industrial development and urbanization:** Large-scale industrial development coupled with pollution and overcrowding in the cities has led to the people's search for sun, sand and the pure fresh mountain air during annual holidays.
- (iii) **Revolution in transport:** The development of air transportation leading to the evolution of Jumbo jets has resulted in unbelievable low air fares. This has democratized the holiday market.
- (iv) **Rising standards of living:** The rapid economic development has raised the standard of living in developed countries with sizeable disposable income. A part of this income is now spent on travel for fun.
- (v) **Publicity and promotion – Government Interest:** Most governments are actively promoting tourism like any other product. This has resulted in the current travel boom.

BASIC COMPONENTS AND ELEMENTS OF TOURISM

Tourism does not exist in isolation. It consists of certain components, three of which may be considered as basic. These three basic components of tourism are:

- (i) Transport
- (ii) Location
- (iii) Accommodation

Peters has drawn up an inventory of the various attractions which are of significance in tourism. His five categories are given here:

- (i) **Cultural:** Sites and areas of archaeological interest, historical buildings and monuments, places of historical significance, museum, modern culture, political and educational institutions, and religious institutions.
- (ii) **Traditions:** National festivals, arts and handicrafts, music, folklore, native life and customs.
- (iii) **Science:** National parks, wildlife, flora and fauna, beach resorts, mountain resorts.
- (iv) **Entertainment:** Participation and viewing sports, amusement and recreation parks, zoos and oceanariums, cinemas, and theatres, night life, cuisine.
- (v) **Other attractions:** Climate, health resorts or spas, unique attractions not available elsewhere.

BARRIERS TO TRAVEL

In spite of numerous factors listed above favouring the development of tourism, there are some that act as barriers to travel. They fall into the following categories:

- (i) **Cost:** People are subject to monetary restraints and cannot afford the expense of travel.
- (ii) **Time:** This is characteristic of those who are not in a position to leave their business or profession to take time off from work.
- (iii) **Health:** Many persons, especially old people cannot travel due to poor health and physical limitations.
- (iv) **Family:** Parents having small children are not in a position to travel due to family responsibilities and convenience of travel.
- (v) Lack of ignorance and lack of information about interest of other places and people can be a major barrier to travel.

PROMOTING INDIAN TOURISM: INITIATIVE

- (i) Improvement in the immigration system at the airports to facilitate easier and less time consuming custom checks, etc. for tourists.
- (ii) Simplification of the visa system.
- (iii) More foreign currency changing facilities in both hotels and other accommodation.
- (iv) Investments in facilities existing at Airports and bring them up to excellent international standards.
- (v) Air-conditioned coaches of the most modern type for foreign tourists. Hence, there is a proposal that the department of tourism may be allowed the facility of importing such coaches to strengthen their existing fleet and coach standards.
- (vi) Introduction of the Air Taxi Service with a wide coverage. The import of Aircraft for this purpose is to be considered.
- (vii) Since the Palace on Wheels has shown considerable success, it is proposed that similar trains in the Southern, Eastern and Western Region may be introduced.
- (viii) Relaxation of visiting restrictions in Northern and Eastern region of the country, so the tourists can visit Gangtok, Meghalaya, Assam and Manipur more easily.
- (ix) Incentives for new hotels to be given to interested parties for setting up hotels in rural areas, hilly areas, place of pilgrimage and new areas identified as suitable for tourism. Emphasis is placed on opening budget hotels.
- (x) The year 1991 is Visit India Year. For this, a lot of incentives to hoteliers are proposed to be given by the government.
- (xi) Paying guest accommodation is proposed to be developed to supplement the hotel accommodation which caters to low budget economy tourists.

TOURISM MARKETING MIX

The tourism marketing mix comprises:

- (i) **Product:** Includes accommodation, restaurants, attraction, recreation, shopping, transportation.
- (ii) **Price:** Transport charges, accommodation charges, communication charges and other allied charges.
- (iii) **Place:** Includes information and communication, transportation, accommodation and food, amusement shopping, etc.
- (iv) **Promotion:** Advertising, sales promotion, word of mouth communication, personal selling.
- (v) **People:** Marketing personnel. Sales personnel, airline and transportation crew, hotel staff and the tourist guide.
- (vi) **Process:** Travel information, preparation of itineraries, liaison with providers of services, planning and costing tours, ticketing, provision of foreign currency and insurance.
- (vii) **Physical evidence:** Comfortable seats while travelling, ambience, layout, design of the resort, etc.

TOURISM MARKETING

Tourism marketing is defined in a number of ways. It could be defined as the ‘systematic and coordinated efforts exerted by the National Tourist Organizations and/or the tourist enterprises at international, national and local levels to optimize the satisfaction of tourists, groups and individuals, in view of the sustained tourism growth’.

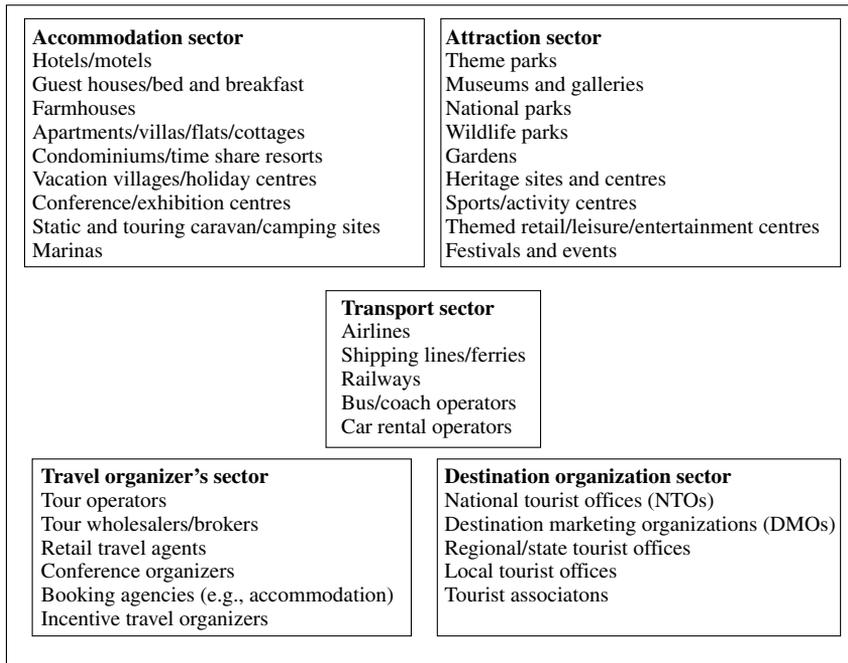


Fig. 2.3 The five main components of travel and tourism industry.

According to Krippendorf, J., Marketing in tourism means ‘systematic and coordinated execution of business policy by tourist undertaking and coordinated execution of business policy by tourist undertaking whether private or state owned at local, regional, national or international level to achieve the optimal satisfaction of the needs to identifiable consumer groups, and in doing so to achieve an appropriate return’.

Comparing marketing in travel and tourism to other forms of marketing students of travel and tourism often find it difficult to be clear about the way marketing in travel and tourism differs from other forms of consumer marketing practice. Standard texts on marketing principles are not much help. Generally speaking, however, it is common ground that the principles of the body of knowledge about marketing and its main theoretical elements hold good for all types of product. In other words, the basic or core principles of marketing are relevant to all products, whether they are based on services or manufactured goods. Marketing managers at senior levels of responsibility can, and frequently do, switch between industries with little difficulty. This is only possible because of the integrity of the body of knowledge. In travel and tourism in particular, many marketing managers have been brought in from manufacturing and other service industries to bring their expertise to bear as firms grow faster than the level of expertise available from within their own sector of business.

Against this evidence of common ground, however, experience convinces many in the industry, including the authors of this book, that there are some special characteristics of travel and tourism services that are so dominant in their implications that standard marketing principles must be considerably adapted to ensure success in an operational context.

This is clearly a very important consideration and it is based on the belief that marketing in travel and tourism reflects five aspects of demand and supply in the industry, which individually and combined give marketing practice its special approach and style.

- The characteristics of demand
- The characteristics of supply
- Products and prices, which match the supply to the demand
- Characteristics of promotion used to influence demand
- Characteristics of distribution used to facilitate purchase

Characteristics of Tourism Marketing

- (1) ***Tourism is an Intangible, Non-Material Product:*** No tangible product is bought or sold. Services, facilities, installations are given for a specified time in exchange for money. A room in a hotel, a houseboat, skiing services, sightseeing tours is carried out to customer or advice or information offered to him by the local tourist authorities.
- (2) ***Production and Consumption are Interrelated:*** Production can only take place when the customer is really present. Most services can only be personal and to no other person can it be exchanged or transferred. The tourist service can be very unreliable and risky as the customer cannot see, inspect, compare or try out tourist services before deciding to use them.
- (3) ***A Wide Range of Services Constitute the Tourism Marketing Product:*** This cannot be provided by a single enterprise. Each component of the tourist service requires a high degree of excellence, perfection and specialization and its total is a part of the final product. Naturally the need for cooperation and coordination is of paramount importance in tourism marketing.
- (4) ***Highly Unstable Nature of the Tourism Demand:*** Different factors—seasonal, economic, political, etc. influence tourist demand. Seasonally places strain on the transport system and hotel divisions. So not only is employment affected but also return from investments. In these days of escalating violence, political unrest cause fluctuation in tourism growth and even damages it for longer period.
- (5) ***Dominant role of Intermediaries:*** As in most industries where manufacturers control distribution, promotion and pricing, in tourism the manufacturers are sales intermediaries like tour operators, travel agents, airline operators, hotel brokers who play the most important role and enjoy superior marketing strength. Different pricing to suit different levels of tourists for different services, package deals pricing policies and promotion strategies to be adopted by tourist enterprises is decided primarily by travel sales intermediaries.
- (6) ***Diverse Motivation:*** Prompt people to take diverse destinations and there is simply no concrete reason for certain decisions. The subjective and objective reasons, expectations and desires influence tourist's choice for holiday destination, type of an accommodation and vacation activities which are heterogeneous.

Importance of Tourism Marketing

- (1) Marketing helps to create new customers by offering to satisfy their needs and aims primarily at customer satisfaction. His second task is to motivate potential customers to purchase their services. Their crucial role is in promoting distinct destination prints citing cultural, social scenically important, historical and entertainment-oriented places. Tourism marketing begins by a detailed assessment of the actual and potential demand and on this assessment developing facilities and services.
- (2) Customer needs in tourism are more than particular products: What the traveller needs on his travel is a hygienic and a good place to sleep, safe, clean place to eat moderately priced good food and a comfortable mode of travel be it by train, bus or plane. Such basic needs can be effectively give by a guests. Hospitality should become a way of life and personal prejudices as sexist, religious and racist should be effectively controlled.
- (3) Merchandising becomes more effective under tourism marketing management because management view their tasks as that of supplying want satisfaction rather than creating demand for its products among the customers. The physical product is only a part of the satisfaction rather than creating demand for its products among the customers. The physical product is only a part of the satisfactions sought by the buyer because he wants in addition convenience, service and certain other symbolic values.
- (4) he managements are able to create more harmony between their own interests and those of the society because the market orientation under this concept means that the management build, their future products from satisfying human needs better.

Marketing in tourism duet to the various factors mentioned above needs a somewhat different approach unlike the normal consumer product or service.

Implications of Marketing Concept in Tourism

Before we can consider how marketing policy and strategy might be incorporated in a destination's overall tourism development approach, we need to consider those basic characteristics of tourism that have implications for the marketing function.

Fragmentation of supply

The tourist product is a composite one, a combination of attractions, transport, accommodation, entertainment and other services. In most countries, there are many separate suppliers of these various components – airlines, hotel companies, tour excursion organizers, etc. It is an important feature of tourism that, though an individual supplier of tourist services may serve more than one market, rarely, if ever, does a single supplier provide the entire range of products/services required by a tourist on a visit to a destination. Whether sold as a package or assembled by the tourist himself or by a travel agent, the tourist product is in practice a composite one. It is apparent, then, that given the fragmented nature of supply on one hand, and the demand for a combined set of products on the other, a fundamental challenge for a destination is to achieve coordination and integration of all components across all sub-sectors of the tourism industry, that is, of supply.

Interdependence and complementarity of tourist services

It follows from the fact that tourism demand is for a composite product that the various tourist products and services are interdependent and complementary. The supply of one (for example, international air

transport to/from a destination) depends on the supply of another (such as hotel accommodation) and they complement each other. A destination's reputation can be set by the weakest link in the tourist product chain. This leads to the marketing policies and actions of one enterprise directly influencing other enterprises. A country with a liberal charter policy and/or an airline with an aggressive pricing policy may result in the attraction of low budget tourists, something that could damage the high quality image central to the marketing of a five-star hotel chain in the destination. There is again then the need for coordination and cooperation in order to enhance the effectiveness of individual marketing and promotional efforts of the various tourism suppliers.

Rigidity of supply

Much tourism demand cannot be easily and quickly be adjusted in the short term to variation in demand. A hotel, for example, cannot add or remove rooms in line with demand. This relative lack of flexibility has obvious operational and economic implications. When demand falls below capacity, waste of resources occurs; when it exceeds capacity, the tourism industry fails to maximize its revenue. This "short term" can extend to years if the rigidity is caused by lack of airport or hotel capacity, given the extensive lead-time to construct a new airport or hotel.

Fixed in time and space

The composite tourism product cannot be stored – it is perishable – so a hotel room on a particular night or a seat on a given flight is available only once, and if not utilized, the sales opportunity is lost. Similarly, it cannot be transported. The need is to bring the consumer to the tourist product. The importance of ensuring, through marketing, as high a level of utilisation as possible is particularly marked because of the high fixed costs of many tourist operations. A hotel has to meet its fixed costs whether it has 5 guests or 200. The non-transportability of tourism products means there is no physical distribution in the strict sense in tourism marketing. Similarly, there are limited opportunities for merchandising activities, in consequence of the fact that the tourist product, unlike consumer goods, cannot be displayed at points of sale other than via proxy representations.

Intangible – "expectation – experience – memory"

Tourist products, except items like souvenirs, are services rather than goods. As such they are intangible. The tourism product is subjectively perceived – each destination or individual tourist operation is a mental concept for each individual prospective tourist encompassing both physical characteristics and other abstract attributes. The subjective nature of perception involves an emotional and also an irrational element. In consequence, the tourist has to be offered psychological benefits. Clearly, this has important implications for advertising and promotion in tourism and generally on how a tourist product is presented to consumer groups.

In consequence of the intangibility of tourist products, when a supplier of a tourist services considers the potential market, the essential thought process should be: expectations – experiences – memories. This is the same whether the supplier is a destination promotion authority seeking to attract tourists to a specific country or location within that country, or the operator of a fixed-site facility like a hotel, restaurant or attraction, or a provider of tour excursion.

Each tourist is a set of expectations. The tourism product cannot be test driven or known about with certainty in advance of being consumed. The tourist, therefore, builds mental images of the destination and of the facilities and other components of the tourism product of that destination. He/she has a set of expectations about the place to be visited.

Experiences because the intangibility of tourism products means that the tourist engages in a series of activities – typically, for example, riding on transport, visiting attractions, staying in some form of accommodation, eating, drinking, recreating, interacting with other people – none of which produce a final physical product to take home. Each tourist trip, therefore, is a combination of various experiences.

At the end of the trip the tourist is left with nothing more than memories – the derivation of the word souvenirs and proxies of the trip – such as photos or videos.

The key for the marketer is that the expectations created achieve the fine balance between attracting the tourist while not promising more than can be delivered. The experiences are assessed by the tourist against his/her pre-trip expectations. A major determinant of success is how well the experiences match or exceed these expectations. This assessment has relative as well-absolute dimensions. A destination may have a perception in the marketplace of being expensive or offering poor service, something which will limit its drawing power. If the tourist finds it is not so costly or that service is better than expected, his/her level of satisfaction will be higher. Of course, the reverse can also be the case with more damaging consequences for the destination.

The intangibility of the tourist product and the consequent need for the marketer to address the potential market's perceptions of the tourist product has two dimensions: first, the need to offer psychological benefits to the prospective tourist; and, second, to recognize that the perception is the reality – with each tourist having sovereign power over his/her destination decision-making – and that marketing activities should be designed to alter the market's prevailing images in line with the marketer's desired position.

Price elasticity of demand

Most forms of tourism demand involve the use of what economists call personal discretionary disposable income and free time. Holidaymakers or vacation travellers need both money and time to engage in tourism. They have freedom of choice as to how to use their money and time for tourism purposes, affecting decisions such as how much to spend, how long to go for, where to go, when to go, etc. As a result, tourists are highly sensitive to price, and generally their demand for tourist services exhibits a significant degree of price elasticity.

The marketing implication of these demand characteristics is that the travelling public is susceptible to price inducements and to other marketing efforts in respect of choices relating to destination, place and type of accommodation, and timing of the trip. The price elasticity factor is growing in significance because of two interlinked factors, namely increased pressure on free time and greater ease of international travel, i.e., more frequent services to more destinations at fares rising below prevailing rates of inflation. This will increasingly lead to a pattern of shorter but more frequent holidays.

Seasonality

It is a characteristic of most tourism markets that demand fluctuates over the course of the year. The principal determinant is climatic – either in the destination or the tourist generating markets. Residents of northern parts of the European and North American continents tend mostly to take domestic or intra-regional holidays in the summer months of June–September whereas they take long haul, inter-regional holidays more in the winter when the climate at home is generally cold and wet. As a result, tourist operators have periods when demand is near capacity and others when the level of utilization can be 30 per cent or even less, with the remaining months – the shoulder season – falling in between these two extremes.

These demand variations are all the more acute because of the fact that any tourism product cannot be stored – the perishability factor – and the concern of marketers is to generate as much demand in

The role of marketing in the travel and tourism industry is to manage or manipulate sales – customer purchasing behaviour – on an orderly, continuous, regular basis, in order to utilize the maximum level of available, inseparable capacity, and to generate extra or marginal sales that contributes revenue at minimal additional cost.

While the principles of the body of knowledge about marketing, and its main theoretical elements, can be applied in all industries, the special characteristics of travel and tourism are so dominant in their implications, that standard marketing principles must be considerably adapted to be successfully utilized in travel and tourism applications.

Middleton and Clarke (2001) identify three propositions about marketing in travel and tourism that are relevant to all the forms it takes:

- In the context of opportunities and constraints arising from the business environment of a major global market, products in tourism are designed, adapted and promoted to meet the long-run needs, expectations and interests of prospective customers. This is the common ground with all forms of consumer marketing, and the cornerstone of all marketing theory;
- Service products generally have particular characteristics of inseparability and perishability, which call for a different application of the traditional marketing mix variables. This is the common ground with the developing theory of services marketing as distinct from marketing goods; and
- Marketing in travel and tourism is shaped and determined by the nature of the demand for tourism and the operating characteristics of supplying industries. The forms of promotion and distribution used for travel and tourism products have their own particular characteristics, which distinguish their use in comparison with other industries. These characteristics form the common ground on which marketing for travel and tourism is based.

Users of Tourism Services

The users of tourism services can be categorized in a number of ways. One such way of classifying the users is by dividing them into categories such as General, Sex, Region, Education, etc.

1. General: Domestic, Foreign Kids, Teens, Youths, Seniors, Students, Executives, Artists, Politicians, Movie stars
2. Sex: Men, Women
3. Region: Rural, Urban
4. Education: Literate, Illiterate
5. Status: Rich, Poor
6. Profession: Executives, Academics, Sportsmen, Artists
7. Occupation: White collar, Blue collar

Another method of classifying users of tourism services is on the basis of the frequency of usage of services.

1. Non-users: They lack the willingness, desire and ability (income and leisure time).
2. Potential Users: They have the willingness but the marketing resources have not been used optimally to influence their impulse.
3. Actual Users: They are already using the services generated by the tourist organizations.
4. Occasional Users: They have not formed the habit of travelling.
5. Habitual Travellers: They have formed a habit and avail of the services regularly.

Need for Segmentation

Consumer behaviour can be defined in psychological terms as the whole range of the generation of wants and their transformation into buying or using decisions. Users have values, perceptions, preferences and expectations which are the result of environmental influences. There are a number of factors that influence the behavioural profile of consumers.

In recent years, the users have become more discriminating in their using habits and therefore their needs for different services, products and brands change constantly. This makes it essential that the marketers analyze their behavioural profile and undertake segmentation so that they know the level of expectations.

In a nutshell, tourist organizations need to undertake segmentation in order to simplify their task of creating and stimulating demand. In this way, they can identify the potential tourists, transform them into actual tourists and further into habitual tourists.

Segmentation

Though there are a number of bases for segmentation of tourists, one of the most important is lifestyle. Travelling decisions are fantastically influenced by changing lifestyles. They are also affected by other factors such as level of income, availability of leisure time, etc.

Such segmentation is useful when deciding the offerings to target a particular segment. For example:

- The mass market consists of vacationists that travel in large groups and prefer all-inclusive tours. They are generally conservative.
- The popular market consists of smaller groups going on inclusive or semi-inclusive tours. This group includes pensioners and retired people.
- The individual market consists of chairmen, senior executives, etc.
- As the lifestyle changes, consumption of services might change. For example, a newly married couple might prefer romantic holidays, but once they have children they would prefer family vacations where there are plenty of activities to entertain kids.
- Teens and youth might prefer adventure holidays whereas senior citizens would probably prefer more relaxing vacations.

PRODUCT MIX

The tourism product is essentially an intangible thing. Also, because tourism is a multi-segment industry, the task of formulating a product mix becomes more difficult and challenging.

Selling a holiday is 'selling dreams'. The way to win the customer's heart is through the peripheral services provided along with the core product. Thus, a tourism product is quite a complex one, including the destination, airline seat, hotel room, occasional tangible products such as souvenirs, a free bag or bottle of whisky, etc.

Innovation in the tourism industry helps to raise the sensitivity in this regard. There is nothing fixed or fundamental about the tourism product. The content factor is within the jurisdiction of the government that undertakes the maintenance, development and conservation of tourist attractions such as parks, museums, beaches, historical treasures, etc. Unless these factors are developed in the right fashion, the marketing professionals would never be successful in making the marketing resources productive.

Base of segmentation	Categories
Holiday	Mass market
	Popular market
	Individual market
Demand	Primary
	Secondary
	Opportunity
Geography	International
	On the basis of regions, cities, etc.
Psychography	Lifestyle
	Personality motive
	Knowledge
Demography	Age
	Sex
	Religion
Socio-economic	Rich, poor
	Rural, Urban
	Literate, Illiterate
Purpose	Business Travel
	Cultural Tourism
	Common Interest Convention
Age	Teens
	Youth
	Seniors

Fig. 2.4 Bases for tourism market segmentation.

Thus, the direct or indirect patronage of the government is essential to get a positive response. The government and private tourist organizations work together to undertake activities such as developing infrastructural facilities such as transportation, water, banking, medicare facilities, etc., and also developing and maintain hotels, cottages, havelis, lodges, etc.

Sales promotions: Sales promotion measures are the short-term activities seeking to boost sales at peak demand periods to ensure that the firms obtain its market share and are used to help launch a new product or support an ailing or modified one. The tool of sales promotions is designed to appeal particularly to those customers who are price-sensitive. There are a number of techniques to promote sale and the tourist professional need to use them in the face of their requirements vis-à-vis the emerging trends in the business. Example in the tourism industry, a travel company offers give-aways to their clients, such as flight bags, wallets for tickets and forex and covers of passport.

The hotels offer a number of facilities like shoe shine clothes, first aid sewing kits, shower caps and shampoo. Further, the VIP clients also get fruits and flowers in their rooms.

Thomas Cook offered 3-tier sales promotion based on price and one more novel technique as detailed below:

- Cook agreed to match the price of any holiday they sold which was known as price promise.
- Money back guarantee to the clients who purchase the product or any tour operator known as trading charter.
- Matching of customers need with a particular holiday known as formal guarantee.
- A business travel challenge in which the details of expenditure on staff business travel booked through other agents over a 3 months period were submitted by companies to cook, specially to calculate expected savings, provided the bookings are made through them.

Word-of-mouth Promotion: Most communication about tourism takes place by word-of-mouth information which in a true sense is word-of-recommendation. In the tourism industry it is found that the word-of-mouth promoters play the role of a hidden sales-force, who instrumentalize the process of selling. The high magnitude of effectiveness of this tool of promotion is due to high credibility of the channel, specially in the eyes of the potential tourists. The sensitivity of this tool makes it clear that tourist organizations need to concentrate on the quality of services they promise and offer. The marketers or the tourist organizations need to keep their eyes open, identify the vocal persons or the opinion leaders and take a special care of them so that they keep on moving the process of stimulating and creating demand.

Personal Selling: Personal selling is based on the personal skill of an individual. The oral representation in conversation bears the efficacy of transforming the motivation into persuasion. The travel and hotel business depend considerably on the personal selling. The development of travel and tourism has been possible due to well-educated and trained sales personnel. The development of tourism business has been influenced by the services rendered by the travel agents and travel guides since they work as information carriers.

Personal selling is the personal presentation of a tangible product or intangible services or ideas to the personal customers. It is important to mention that in the tourism industry, the personnel who attend tourists form an essential ingredient of the product, such as sales personnel are found responsible for dealing with customers behind the counter, the resort representatives cater to the need of tourists when they reach the destination, etc. all of them play a vital role in ensuring that the tourism products satisfy the tourists. The phrase— the customer is always right applies specifically to the tourism industry. No reduction in price would compensate for impolite and indecent travel guide, a solvent waiter and a surly or a haughty coach driver. These facts are testimony to the proposition that the travel business is linked with the performance and behaviour of sales personnel or travel staff.

Telemarketing: It is a method of selling in which a professionally sound telemarketer expands the business. The quality of technology and the communicative ability of the telemarketers determine the

magnitude of success of this component. In tourism, the travel agents, offices of airways, receptionist, secretaries can't work efficiently if the telephonic services are not up to the mark. This makes a strong advocacy in favour of recruiting a person considered to be professionally sound, personally-committed sales personnel having an in-built creativity, innovation and imagination.

PLACE

Place or distribution management is concerned with two things – availability and accessibility. Researchers in tourism must determine how and where potential customers prefer to buy tourism products and services.

Most tour operators sell their services through travel agents, however, some deal directly with the consumers and eliminate middlemen. Other companies may also utilize more than one method of distribution. Airlines, for example, sell tickets through travel agents, and sell seats on flights to tour operators, and also offer travellers to book seats themselves through their own booking offices.

There exist, however, a number of intermediaries in the tourism marketing channel. It depends largely on the channel type. The intangibility feature in the service sector prevents intermediaries from taking possession or ownership of goods. Tourism, however, proves an exception where cuisine and souvenirs are goods and ownership is possible for the intermediaries.

Transport also plays a major role in the tourism industry. It makes the destinations accessible to people from around the world. Also, in the case of tangible products in tourism such as souvenirs and cuisine, transportation becomes a major logistical component.

PEOPLE

We can't deny the fact that sophisticated technologies have been successful in accelerating the pace of development. We also agree with this view that new generation of information technologies have simplified the task of decision-makers. At the same time we also have to accept the fact that the sophisticated technologies can't deliver goods to the development process if the employees operating and maintaining these technologies are not of world class. Technologies need due support of human resources who invent, innovate and develop technologies.

Like other industries, the tourism industry depends substantially on management of human resources. The tourism industry is an amalgam of the services of a lot of people and hence this industry cannot work efficiently if the travel agents, tour operators and travel guides lack world-class professional excellence. Of course the offices of travel agents depend on the new technology but after all employees and the other staff contribute significantly to the process. The travel guides need professional excellence since the projection of a positive image regarding a destination in particular requires their due cooperation, failing which even the world-class services offered by the travel agents are found meaningless. The tour operators also need to manage human resources efficiently.

In the management of people, the related organizations are required to think in favour of developing an ongoing training programme so that we find a close relation between the development of technologies and the quality of personnel who are supposed to operate and maintain the same. They need a lot of credentials to fulfil the expectations of the customers. The organization has to make the environmental conditions conducive and focus has to be laid on the incentives to the employees for energizing the process of performance orientation. Employee orientation requires due weightage to efficiency generation, value-orientation and perfection.

(ii) **Resort Hotels:** These cater to the needs of the holiday maker, the tourist and those who by reason of health desire a change of atmosphere. Resort hotels are located near the sea, mountain and other areas abounding in natural beauty. Rest, relaxation and entertainment are the key factors around which resorts are built. The primary motive of a person visiting resort hotels is rest and relaxation which he is looking far away from his routine busy work life. The type of services and amenities located in resort property include recreation facilities such as swimming pool, golf course, tennis courts, skiing, boating surf-riding and other various indoor sports. Other important amenities include coffee shops, restaurants, conference rooms, lounge, shopping arcade and entertainment.

Resorts can be of various types and can be classified on the basis of climate and also topography. Broadly they fall in the categories of (i) Summer resorts (ii) Winter resorts (ii) Hill resorts (iv) All season resorts and (v) Health resorts.

(iii) **Commercial Hotels:** The hotels direct their appeal primarily to the individual traveller as compared to international or resort hotel where the focus is on the group travel. As these hotels cater primarily to people who are visiting a place for commerce or business, these are located in important commercial and industrial centres of large towns and cities.

(iv) **Residential Hotels:** These hotels can be described as apartment house complete with hotel service. These are often referred to as apartment hotels. The tariff of rooms in these hotels is charged on monthly, half yearly or yearly basis and is charged for either furnished or unfurnished accommodation. These hotels which are located mostly in big cities operate exclusively under the European plan where no meals are provided to the guests.

(v) **Floating Hotels:** These hotels are located on the surface of water. It may be on sea or water, river water or on a lake. All the facilities and services of a hotel are provided in these hotels. In many countries old luxury ships have been converted into floating hotels and are proving very popular among tourists. The atmosphere they provide is exclusive and exotic. In India, floating hotels in the form of houseboats are very popular with tourists in Kashmir valley.

SUPPLEMENTARY ACCOMMODATION

Supplementary accommodation consists of various types of accommodation other than the conventional hotel type. It may be described as premises which offer accommodation but not the services of a hotel. The supplementary accommodation as compared to the conventional type of accommodation is moderately priced. The following are some of the principal forms of supplementary accommodation:

(i) **Motel:** Primarily designed to serve the needs of motorists, motels almost exclusively meet the demand or transit accommodation. They serve the function of a transit hotel except that they are geared to accommodate motor travelling guests for overnight stay. The important services provided by motels include parking, garage facilities, accommodation restaurant facilities, public catering and recreational facilities.

(ii) **Youth Hostels:** Youth hostel can be defined as a building which offers clean, moderate and inexpensive shelter to young people exploring their own country or other countries and travelling independently or in groups on holiday or for educational purposes. In most of the countries, youth hostels are developed and managed by non-commercial organizations whose main aim is the development of youth tourism. The services provided include accommodation, means and also recreation.

Table 2.1 Primary and secondary level of demands

Primary level	<ul style="list-style-type: none"> (i) Basic demand which exists for hotel facilities but not being served at present. (ii) Displacement demand arising from the clientele for other hotels where the customers' needs are not fully met by the market package offered.
Secondary level	<ul style="list-style-type: none"> (i) Created demand which does not exist so far, and arising from people who do not normally use hotel facilities, or from people who do not use the hotel facilities in particular area. (ii) Futuristic demand which may occur at sometime in the future, due to certain socio-economic or socio-psychological factors or both, e.g., rise in the standard of living and per capita income ('green revolution' areas, new industrial complexes), increase in population, changing social systems and habits, etc.

A new hotel introduced in a particular segment of the hotel market may eventually be able to exploit all these levels of demand. It is essential that there should be substantial basic demand which can be tapped by a new hotel. Displacement and created levels of demand require a period of time and sustained sales effort to realize their potential, whereas, the assessment of future demand relates to the continuing long-term prosperity of the hotel. If the basic demand is absent but if the displacement, created and future levels of demand promise well for an investment appraised on '10 to 15 year basis', the decision to start a new hotel under such circumstances has perforce to be a long-gestation decision.

For accommodation, each segment of the market, together with its primary and secondary divisions, contains some or all of the potential buyers of hotel accommodation, as shown in Table 2.2, which may sometimes overlap. There may well be more types according to the geographical, economic, industrial, and social characteristics of the location of each hotel. Similarly, for food and beverages, each segment of the hotel market contains varied categories of potential buyers of catering services which may also sometimes overlap.

Table 2.2 Potential buyers for accommodation and catering services

Accommodation	<ul style="list-style-type: none"> • Transit tourists, passing through the particular location. • Terminal tourists, for whom the location represents end of a journey. • Travelling businessmen. • Visiting personnel, i.e., business or industrial employees for whom travel is an occasional part of their job. • Organized tours. • Conventions, conference, workshops, meetings, where the location is pre-fixed by the organizers. • Social visitors, i.e., guests to weddings or other social functions.
Catering	<ul style="list-style-type: none"> • Occupant customers staying in the hotel. • Transit or change customers — people other than local residents of the areas patronizing the hotel either by impulse or intentionally planned for meals, refreshments, etc. • Organization and societies consisting of members acting in unison. • Local business customers who patronize the hotel due to local industrial or commercial activity. • Meetings and conferences organized by agencies from outside areas. • People on tour who step into the hotel for meals, refreshments, etc.

HOTEL PRODUCT

The hotel product has a number of components like accommodation, food and beverage, recreation and health, shops, car rental service, apart from others. But of all these, the accommodation and food and beverage components are the primary ones. Philip Kotler has identified 5 levels of a hotel product. These levels are:

Table 2.3 Different levels of a hotel product

1. Core benefit	The fundamental benefit the customer is buying (hotel: rest/sleep)
2. Basic product	Basic, functional attributes (Room; Bed, Bath...)
3. Expected product	Set of attributes/conditions the buyer normally expects (clean room, large towel, quieter location)
4. Augmented product	That meets the customers' desires beyond expectations (prompt room service, music, check in/out, aroma)
5. Potential product	The possible evolution to distinguish the offer (all-suite hotel)

From the above table it is quite clear that at the “Core” level all hotels are alike and the differentiation starts as you start moving up. The accommodation component of the hotel product requires a clear identification of the type of clientele the hotel wishes to attract and serve. Regardless of ‘star’ categorization, as customers tend to graduate from one ‘star’ category to another, accommodation can be either of the luxury type almost regardless of the price, or the economy type providing the essentials of shelter frugally. Between these two there are a variety of accommodation facilities catering to customers whose accommodation is paid for; leisure customers who pay for their accommodation; customers who are part of groups either on business or on pleasure. However, once the hotel property has been constructed to serve identified and specific customer segments, the possibility of variation is severely restricted. Admittedly, the economy type property cannot be moved up into a luxury one without considerable expense and time although a reversal from the luxury to the economy class is more feasible and less problematic.

To tide over the above difficulties, hotel architects, the world over, are now designing properties with as much flexibility as possible to make multipurpose adjustable public rooms feasible. In the case of a hotel where such flexibility does not exist, the hotel product decision for accommodation will depend entirely on the accuracy of selling rooms to the right type of customer. On the other hand, the food and beverage component of the basic hotel product offers greater scope for flexibility. Qualitative differentials can be very wide and would range from high class a la carte high-price menu restaurants with complete table service to the medium or low-priced menu dining rooms.

Capital expenditure is relatively lower—decor, furnishings and fittings can be changed more easily to transform the image of a restaurant or dining room in either way. Availability of room service from either the hotel’s own kitchens or from outside is another area of flexibility. It is obvious, however, that resident guests in a hotel know what exactly they are buying in room occupancy and in food and beverage sales. Hence, their experience of the hotel product will condition their future relationship with the hotel and the patronage afforded.

Table 2.4 below gives the various ways in which accommodation and food service products can be augmented.

Table 2.4 Hospitality product augmentation

<i>Accommodation</i>	<i>Food and Beverage</i>
Reservation system convenience	Speed of food service
Reservation system simplicity	Ordering convenience
Acknowledgement of reservations	Telephone
Lift attendants	Advance orders
Room service	Order-taking table staff
Standard of housekeeping	Complaints procedures
Courtesy	Advance reservations
Procedures for handling overbooking	Reliability of food/beverages quality
Information service	Customer advice on wines
Customer recognition	Provision of special foods
Credit provision	Cooking to order
Baggage handling	Acceptance of credit cards
Pet/child care	Variations in portions
Provision for disabled	Home deliveries
Group accommodation	Extent of non-available menu items
Discounts on club referrals, etc.	Fibre/calorie information
Cleaning/laundry	Provision of doggy-bags
Courtesy care	Function-catering facilities
Willingness to bill later	Quality of table appointments
	Entertainment
	Privacy/discretions

Source: Francis and Buttle, Hotel and Food Service Marketing

HOTEL PRICING AND DISTRIBUTION

Pricing

It is difficult for a hotel to exercise differential pricing except for certain specific purpose. These may typically be differentials in tariffs and prices during the peak and lean seasons; group rates; contract rates for airline crew; special conference rates or special concessions to attract customers, etc. However, by and large, hotel pricing tends to follow or conform to pricing standards applicable to the particular city area or resort, to competitive hotels, to the amount of traffic being generated in the hotel location, tourist location, international or national conference venue, and so on. Nevertheless, hotel pricing also suffers from a degree of lack of flexibility, although to a lesser extent than that of the hotel product. The depreciated valuation of the hotel property, its financial management efficiencies, credit policies and other factors, specially cost of empty room-nights, fixed overheads, also have a bearing on tariffs and menu prices.

Distribution

Hotel distribution relies on interdependence with other industries serving travellers and tourists such as the transportation industry (airlines, railways, roadways, shipping lines), travel agents and tour operators, national and state tourism organizations, shopping and entertainment providers. In sum, those

Table 2.5 Contd..

To create awareness or interest in 'Resources behind the hotel'.

- Stand-by generator for uninterrupted power supply
- Water purification system: "Drink from bathroom tap"
- "Take a tour of our kitchen": latest equipment
- "Meet our managers": quality of service-oriented staff

Table 2.6 Promotional tools used by hotel industry

<i>Type of Promotions</i>	<i>Example</i>
1. Price-off Promotions	Special terms for specific clients at specific time; e.g., off-peak discounts: discounts for specific departure/hotel stay dates or times, etc.
2. Premium Offers	Special package deals, e.g., three weeks stay for the price of two; family plans; children free if accompanied by parents; special introductory prices, etc.
3. Couponing	Coupons entitling the holder to special terms, e.g., discounts at shopping centres, discounts for petrol, free excursions and sightseeing tours, free use of hotel recreation facilities, etc.
4. Contests (consumer)	Prizes awarded to consumers winning special contests, e.g., free holidays/stays.
5. Contests (trade)	Prizes awarded to travel trade winning special contests, e.g., free holidays/stays, or other articles, usually products of the destination country concerned.
6. Loyalty Schemes	"X" sum of money off next booking if done within a certain period of time; "Give away" to loyal customers.
7. Trade Incentives/Discounts	Offered to retailers/wholesalers for achieving specified sales volumes, e.g., bonuses, override commissions, quantity or volume discounts, etc.
8. Guarantees	Money-back guarantees in case of cancellation of flights; tours failures, bad weather, etc.
9. Credit Schemes	Purchase of tours on instalment payment basis, normally extended by travel trade organizations with bank affiliations—"Travel now, Pay later schemes", etc. Acceptance of payment by credit card.
10. Cooperative Advertising	Allowance or financial assistance given to a tour operator or travel retailer advertising specified hotel/product.
11. Training Schemes	Free familiarization tours for travel agents/tour operators; training seminars and briefings for sales personnel, etc.
12. Merchandising Support	Free display material and other selling aids offered to retailer/wholesaler as a part of the special campaign.
13. Quiet Weekend	There is a particular pattern in all the commercial hotels around the world, namely, a quiet weekend, because business people go home. How a hotel should go about for generating additional business, because anything extra that one gets is really worthwhile. The hotel or hotel organization can contact the people to organize fairs, exhibitions, fashion shows, cultural sessions, etc., during these days. And one can contact them either personally or through direct mailing.
14. Welcome-cocktail	To generate more demand for "Food and Beverage", hotels offer the first drink free as part of sales promotional efforts because after one drink the guest may well ask for more and thus give additional business to the hotel.

Table 2.6 Contd..

Table 2.6 Contd..

15. Honeymooners Return Trip	Some hotels give special coupons to honeymooners to come and celebrate their first or subsequent wedding anniversary. This gives an aura and finesse to the hotel. It also ensures permanent customer and future business.
16. Discount for Agents and Airlines' crew	Travel sales promotional efforts help in developing good relations with the travel trade and may help in getting favourable publicity.
17. Free Ticket for Sound-n-Light Show	Some of the hotels give free tickets to their guest for sound and light shows conducted in their hotels. This promotional effort helps in developing and cementing good guest relations.
18. Sun-n-shine Guarantees	Some of the beach resort hotels whose business depends on sunshine can give such type of guarantees to their guests during the off-season. If there is no sunshine the money paid is returned to the guest. If the hotel has some credible system of good weather forecast, one can get good business.
19. Consumer Contests	Some hotels in collaboration with consumer goods organisations, organize contests for joint promotion.

AIRLINE CONNECTION

History

An airline provides air transport services for passengers or freight, generally with a recognized operating certificate or licence. Airlines lease or own their aircraft with which to supply these services and may form partnerships or alliances with other airlines for mutual benefit.

Airlines vary from those with a single airplane carrying mail or cargo, through full-service international airlines operating many hundreds of airplanes. Airline services can be categorized as being intercontinental, or domestic and may be operated as scheduled services or charters.



Flight museums such as the Virginia Aviation Museum remind us what a short history the airplane has, photo by Cyane Lowdon, Courtesy of the Science Museum of Virginia.

are complex, but the system works well. For example, United Airlines (including United Express and Ted) offers over 3600 flights a day to 210 domestic and international destinations. Other airlines have similar structures and combine to make a total system that blankets the world.

Although the major advantage of air travel is speed, which results in more time for other activities, there are negative aspects for those who wish to travel by air. These include some people's fear of flying and a lack of geographic accessibility, since many communities in the country are not served by air transportation. An additional not getting to and from the airport. Frequently, this time exceeds that spent en route.

In the United States, air carriers are classified as major if they record over \$1 billion in revenue annually. There are twenty: ABX, AirTran Airways, Alaska Airlines, American Airlines, American Eagle, ATA, Atlas/Polar, Comair, Continental Airlines, Delta Air Lines, ExpressJet, FedEx, JetBlue, Mesa, Northwest Airlines, SkyWest, Southwest Airlines, United Airlines, UPS Airlines, and US Airways. National carriers are those recording annual revenues of \$100 million to \$1 billion and include Air Transport International, Air Wisconsin Airlines, Allegiant, Aloha Airlines, Amerijet International, ASTAR Air Cargo, Atlantic Southeast, Champion Air, Continental Micronesia, Evergreen International Airlines, Executive Airlines, Florida West, Frontier Airlines, Gemini Air Cargo, Hawaiian Airlines, Horizon Air, Independence Air, Kalitta Air, Mesaba Airlines, Miami Air International, Midwest Airlines, North American Airlines, Omni Air International, Pinnacle Airlines dba Northwest AirlinK, PSA Airlines, Ryan International Airlines, Spirit Airlines, Sun Country Airlines, Trans States Airlines, Transmeridian, USA 3000 Airlines, USA Jet, and World Airways. There are about thirty-one regional airlines with annual revenues under \$100 million. In addition, there are fifty-five small certified commuter airlines.

Future of Tourism and Aviation

The travel and tourism industry employs 72 million people worldwide. Global tourism expenditure is estimated to be nearly US\$ 3 trillion. Tourism accounts directly for 3.8% of world's GDP. Tourism is expected to maintain its growth by 2014, the World Travel and Tourism Council expects the tourism industry to employ more than 84 million people globally.

Tourism as an upcoming industry. The World Tourism Organization (UNWTO) forecasts that international tourism will continue growing at the average annual rate of 4%. By 2020 Europe will remain the most popular destination, but its share will drop from 60% in 1995 to 46%. Long haul will grow slightly faster than intraregional travel and by 2020 its share will increase from 18% in 1995 to 24%.

With the advent of e-commerce, tourism products have become one of the most traded items on the Internet. Tourism products and services have been made available through intermediaries, although tourism providers (hotels, airlines, etc.) can sell their services directly. This has put pressure on intermediaries from both on-line and traditional shops. It has been suggested there is a strong correlation between tourism expenditure per capita and the degree to which countries play in the global context. Not only as a result of the important economic contribution of the tourism industry, but also as an indicator of the degree of confidence with which global citizens leverage the resources of the globe for the benefit of their local economies.

Space tourism is expected to "take off" in the first quarter of the 21st century, although compared with traditional destinations the number of tourists in orbit will remain low until technologies such as a space elevator make space travel cheap.

Technological improvement is likely to make possible air-ship hotels, based either on solar-powered airplanes or large dirigibles. Underwater hotels, such as Hydropolis, expected to open in Dubai in 2009. On the ocean tourists will be welcomed by ever larger cruise ships and perhaps floating cities.

Some futurists expect that movable hotel 'pods' will be created that could be temporarily erected anywhere on the planet, where building a permanent resort would be unacceptable politically, economically or environmentally.

INDIAN AVIATION INDUSTRY

The aviation industry in India began with the birth of Tata Airlines, through the business relationship between Mr. Nevill Vintcent, a Royal Air Force pilot and Mr. JRD Tata, the first Indian to get an A-licence. Tata Airlines became Air India in August 1946. In 1953, the Air Corporation Act nationalized all existing airline assets and established the Indian Airline Corporation and Air India International for domestic and international air services respectively.

These two companies enjoyed monopoly power in the industry until 1991, when private airlines were given permission to operate charter and non-scheduled services under the 'Air Taxi' scheme to boost tourism. These carriers were not allowed at the time, to fly scheduled flights or issue air tickets to passengers. As a result, a number of private players including Jet Airways, Air Sahara, Modiluft, Damania Airways, NEPC airlines and East West Airlines commenced domestic operations. In 1994, following the repeal of the Air Corporation Act, private players were permitted to operate scheduled services. Ultimately the carriers with more efficient operations and strategies survived and by 1997, only Jet Airways and Air Sahara made the cut from the original group.

The next big change in the industry came in late 2003 with the emergence of India's first no-frill airlines, Air Deccan. It revolutionized the industry, offering fares as low as INR 500 (USD 10 roughly), compared with Full Service fares offered by the incumbents, averaging about INR 3000 or more. Since then, Spice Jet (restructured Royal Airways and Modiluft), Go Airways and Kingfisher Air have also entered the industry. Paramount Airways is another player, though it is positioned on the other end of the spectrum, as an 'all business class' airline. With the further advent of online ticket sales through companies such as makemytrip.com, prices have crashed and tickets are available for as little as INR 0.99. In fact, now many airline tickets can be bought for a price comparable to an upper class railway ticket for the same route.

In December 2004, Indian scheduled carriers with a minimum of 5 years of continuous operations and a minimum fleet size of 20 aircraft, were permitted to operate scheduled services to international destinations. On January 11, 2005 the government designated four scheduled Indian carriers (Air India, Indian Airlines, Jet Airways and Air Sahara) to operate international services to and from Singapore, Malaysia, Thailand, Hong Kong, the UK and the USA.

TRAVEL AGENCY

Travel agency is the species of the genus tourism management. In the organization of tourism, the role of private sector is conspicuously crucial. In most countries which are in any many manners concerned with the tourist industry, the private sector plays a very important role. The private sector's role is not linked merely in selling the tourism product but often also in producing it as many individuals, companies and corporations are involved in promoting, developing and financing tourism. Travel agency is one such organization in the private sector which plays a key and crucial role in the entire process of developing and promoting tourism. It is the travel agent's job which packages and processes all the various attractions of the country and presents them to the tourists.

The tourism product is essentially an intangible thing. Also, because tourism is a multi-segment industry, the task of formulating a product mix becomes more difficult and challenging.

Selling a holiday is 'selling dreams'. The way to win the customer's heart is through the peripheral services provided along with the core product. Thus, a tourism product is quite a complex one, including the destination, airline seat, hotel room, occasional tangible products such as souvenirs, a free bag or bottle of whisky, etc.

Creation of awareness has a far-reaching impact. The tourist organizations bear the responsibility of informing, persuading and sensing the potential tourists in a right fashion. The marketers need to use the various components of promotion optimally so that they succeed in increasing the number of habitual users. Promotion helps in maximizing the duration of stay, frequency of visit by offering new tourist products in the same country to areas which hitherto have remained untapped or partially tapped.

Accommodation constitutes a vital and fundamental part of tourism. An adequate supply of accommodation suitably tailored to the requirements of the tourist market is one of the basic conditions of tourism development. The provision of accommodation facilities and their growth is regarded in a broader context as it contributes to the economy as a whole. In the promotion of tourism, of all the constituents of the tourist industry, accommodation sector constitute the most important segment and it has to play a distinctive role in the development of this expanding industry. This lesson will help you to understand the emergence and development of hotel and aviation industry and its impact on tourism industry.

Tourism and Air Transport industry are complement to each other. Tourism depends on transportation to bring visitors, while the transportation industry depends on tourism to generate demand for its services. The growth in tourism industry directly reflects onto the air transportation. Over the last 25 years, the number of international tourists has more than doubled. The expansion of international tourism has a large impact on the discipline of transport geography.

Transport is the cause and the effect of the growth of tourism. To start with, the improved facilities have stimulated tourism, and the expansion of tourism has stimulated transport. Accessibility is the main function behind the basics of tourism transport. In order to access the areas that are mainly aimed, tourists will use any transportation mode. However, air transport is the main mode for international tourism. Air transport plays a dominant role in inter-regional movements of tourists, which normally entails travel over long-distance. Growth rates of international air traffic are pegged with growth rates of international tourism. Attractive package tours, competitive airfare attract more and more tourists day by days, therefore, both the industries are expanding rapidly.

The travel agents decided to form an Association on All India basis as early as in the year 1952 when an All India Travel Agents Association was established. The main objective of the Association is to safeguard and protect the interests of its members by way to having a constant dialogue with the concerned government agencies.