
UNIT 23 TRAVEL AGENCIES

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23.0 OBJECTIVES

After reading this Unit you will be able to:

- a know the procedure for setting up a travel agency,
- a understand the managerial roles in a travel agency,
- a learn how the various concepts and functions of management are applied in travel agency business, and
- a know about the skills required in managing and handling travel agency operations.

23.1 INTRODUCTION

A **travel** agency is a "One stop" shop. The minute a **traveller/tourist** thinks of extensive travel, he or she thinks of a travel agency. A travel agent **has** to therefore, add value to the company and to the traveller. A Travel Manager **specialises** in "**packaging**" the required **services**. Practically all travel agencies in India are owned by private entrepreneurs and the scope for setting up an agency is great.

This Unit **familiarises** you with the **operations** of a travel agency along with the required managerial functions. It also tells you how to set up and manage your own **agency**. The Unit also mentions about the approvals like IATA, DOT, RBI as well as some of the benefits given by Government to travel industry. This Unit is **useful** for both, managers as well as employees.

23.2 TRAVEL AGENCY

A travel agency is the link between the **traveller/tourist** on the one side and the principal supplier i.e. **airline**, hotel, tourist and transport operator etc. on the other. It survives on

earning commissions for travel services rendered to public on behalf of the principal suppliers.

The World Tourism Organisation (WTO), which is an **Organisation** under the aegis of the United nations has predicted that the world-wide Travel Industry will double in **size** on Dollar terms over the next 10 years as by 2010 AD nearly a **billion** people a year will be making International trips. As standards of living rise around the world and double income families increase, there will be higher disposable incomes which means more money for pleasure travel. Some 212 **million** jobs world-wide depend indirectly or directly on tourism Industry and it will rise to 338 million in 10 years as per the WTO. It generates \$3.5 trillion or 6% of the world GDP in gross output. All this demonstrates that the potential of this **Industry** is enormous.

A travel agency on the **one** hand books air tickets, arranges for facilitation, books hotel, plans tours and itineraries and even arranges foreign exchange and insurance cover (See Unit-13 of TS-1 and Unit-28 of **TS-2**). On the other hand, it **channelises** business to the airlines, hotels, transport operators, etc. and it is for **this** service that commissions are paid (varying in percentage) on the total amount of the value of the ticket, hotel room charges, etc.

233 MANAGEMENT TASKS

Like any other organisation if you intend to set up and manage a travel agency business professionally you must apply the management concepts and functions not only in planning but also in operations. The management tasks in a travel agency are related to the nature of business operations and the services offered. The prime role of travel agency is to provide the purchase of travel to the customers at a convenient location. It is at these locations that the travel agencies act as booking agents for airlines, railways, road or water transport, hotels and/or package tours. They also provide **certain** ancillary services like travel insurance, foreign exchange, traveller cheques, procuring of visas and other travel documentation, permits, airport transfers, custom clearances etc. A travel agency also acts like a travel consultant providing consultancy on issues like:

- a When to travel and where?
- a How to travel?
- a Where to stay or do shopping, etc.?
- **Information** regarding rules, regulations, safety, etc.

However, such consultancy is **possible** only **after understanding** the customers **wants** and attitudes. This role has to be performed impartially by the travel agency in order to give the best to the customer.

Travel agencies are classified in various ways. The distinctions can be made on the basis of their memberships like that of IATA (International Air Transport Association), PATA (Pacific Area Travel Association), ASTA (American Society of Travel Agents), ABTA (Association of British Travel Agents), WATA (World Association of Travel Agents), UFTA (Universal Federation of **Travel Agents** Association) or TAAI (Travel Agents Association of India). Besides these recognitions they can also be distinguished by **the type** of business they are in or the services which they offer.

The **operations** and **managerial** tasks in a travel agency vary **according** to the nature of the **business**. However, **certain managerial** tasks and management functions **can** be common to all and they emerge out of the job description.

233.1 Acquiring Product Knowledge

Unless a manager **acquires** product knowledge, it is difficult to be **successful** in travel agency business. This is more so true because most of the travel agencies are **small family run** businesses with owners **acting** as managers and **employing** little staff. The managers themselves **should** have a sound **product** knowledge in order to guide and direct their staff. **This is applicable** for both outbound as well as domestic travel. A travel agency staff **must**

have full knowledge about:

A) Destinations:

- climatic conditions,
- political situations,
- special events and public holidays,
- customs, culture and **cuisine** of **country/destination**,
- major attractions,
- health and other hazards,
- currency exchange rates,
- travel regulations and documents, and
- accommodation facilities, etc.

B) Airlines:

- reservation system,
- route operations,
- flight schedules,
- fares,
- types of aeroplanes,
- services offered on board, and
- connecting flights, etc.

Product knowledge can be obtained from a variety of sources. It is equally useful for tour operators also.

C) Airports:

- timings,
- facilities,
- *custom and security regulations,
- **taxes, and**
- distances from city, etc.

D) Surface (Rail and Road) and Water Transport:

- **time tables,**
- connections,
- fares and car rentals,
- **facilities,**
- reservation systems and procedures.

E) Other Aspects:

- package tours,
- excursions, and
- **special interest tours, etc.**

F) Principal Suppliers:

- Image and financial standing,
- services offered,
- quality of service, and
- commissions offered, etc.

L3.3.2 Managing Information

Product knowledge is acquired through information which the travel agency collects from various sources. This information is stored by the travel agency and it needs constant updating to meet the customer needs. **While providing information to the customers you must ensure that it is current information.** The sources of information for a travel agency include:

- computer information systems produced for the trade,
- brochures and news bulletins of principal suppliers,
- news papers,
- television **programmes**,
- documentary films,
- travel trade **magazines**,
- current affairs magazines,
- familiarization trips, and
- travel advisories.

As a manager you must be well informed and there should be constant exchange of information between you and your employees. You also have to ensure proper information storing and updating mechanism in your organisation. This could be filling, storing data on computers, or both. Besides everyone in the organisation must strictly ensure that any change, addition, withdrawal, etc. has to be immediately taken note of without any time lag.

2333 Ensuring Infrastructure and Support Services

The management must ensure the availability of required infrastructure and support systems. For example:

- telephones,
- **fax**,
- electronic mail,
- photocopiers, and
- computers, etc.

These are essential communication equipments in a travel agency which are needed for:

- requesting **information**,
- receiving information,
- making reservations,
- confirmations, and
- **transmitting** information to clients.

Proper use of communication technology saves time, reduces costs and thus contributes to the profitability of the agency. Having trained staff for operating them and regular maintenance of the equipment are other managerial tasks. Not only this but the staff should be trained for **maintaining** records (Activity Report) of the messages and notes thus exchanged.

Sl.No.	Fax Activity Report	Customer File No.
1)	Date	
2)	Number to	
3)	Number form	
4)	Number of Pages	
5)	Length of sending time	
6)	Transmission states	
Remarks: _____		

Similarly, the management should provide for filing systems, stationery, office supplies, necessary counters and office space arrangements, display areas, etc. Besides, common materials in any office use like photocopy paper, toner, envelopes, files, etc. a travel agency needs certain specific material for work efficiency and a sample list is provided in **Table-1**.

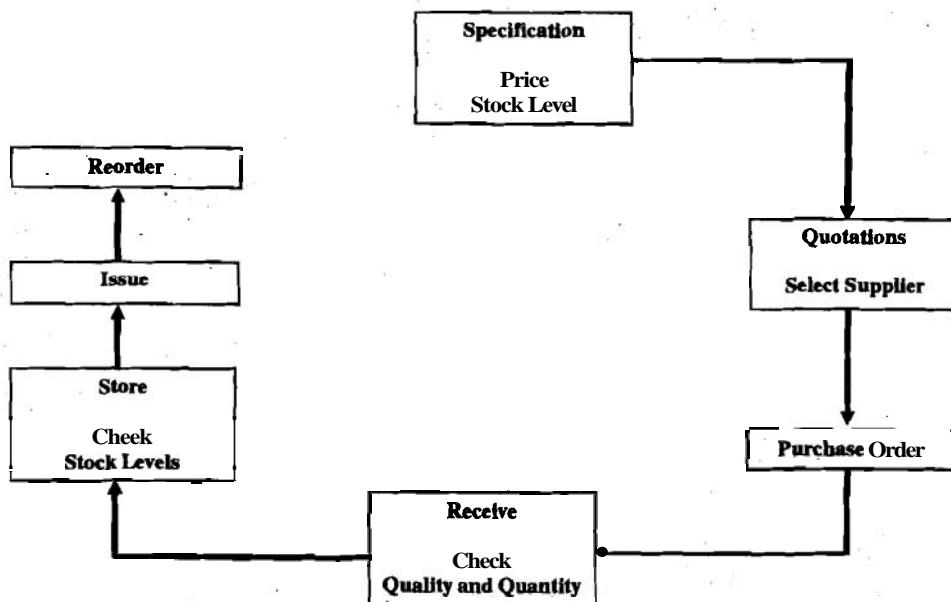
Table-1

Letterheads
Promotional materials/brochures
Client files/booking record forms
Agency stamp/validator
Business cards
Vouchers/Miscellaneous Charges Orders (MCOs)
Airline Tickets
Re-validation stickers
Credit Card Charge Forms (UCCCFs)
Credit Card Validators
Agency Invoices/Billheads
Luggage labels
Ticket Wallets
Itenary forms
Compliments slips, etc.

Display Area Characteristics
● Visible
easy to get at
● neatly arranged
materials
clean and bright
● update materials,
● posters,
brochures, give
aways, price lists,
maps etc.

These are consumable items and if sufficient quantities are not there operational problems will keep emerging. It is your job not only to ensure availability of such items but also to:

- determining their usage,
- maintain stock levels, and
- reorder purchases, etc.



Sl No.	Stock Description	Opening Balance	Quantity Received	Date	Quantity Issued	Date	Balance	Stock Level to be maintained	Reorder Quantity
1)	Letterheads	1,000	2,000	15.3.96	2,500	30.5.96	500	2,000	1500
2)	Ticket Wallets	1,000	5,000	20.3.96	3,500	1.6.96	2,500	2,500	NIL
3)									
4)									
5)									

Certain other important tasks have been dealt with in different Sections of this Unit. However, it must be noted that the basic management concepts of planning, **organising**, directing and controlling are essential in travel agency business and should be suitably applied as per requirements. Whether it is the tasks of planning **itineraries**, ticketing, reservations, dealing with principal suppliers, marketing and **sales** or deciding on further expansion, the management concepts are of much use. Similarly certain issues discussed in **Unit-22** (like caring for customers, etc.) are equally useful in travel agency operations.

Check Your Progress-1

- 1) Discuss the **services** provided by a travel agency.
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- 2) Why should product knowledge be acquired?
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23.4 SETTING UP A TRAVEL AGENCY

For setting up a travel agency one has to take into account the following aspects:

- **Infrastructural** and financial requirements,
- Approvals from concerned bodies,
- a Recognitions from principal suppliers, and
- **Incentives** and benefits.

In the following Sub-sections we discuss these aspects.

23.4.1 Infrastructural and Financial Requirements

For starting a new business in this area the capital requirements are not very high. The requirements in this regard require investment for the following:

- Buying or hiring of office space,
- Office furniture and furnishings,
- Communication equipments (like fax, telephone, **xerox**, computers, etc.),
- Salaries for the staff, and
- Office materials (like files, labels, promotional brochures, letterheads, etc.)

These capital requirements are not too high and because of this we find a number of persons entering this business. (for raising funds to meet capital requirements see Units **2, 14** and 21):

While formulating the business plan or project report for starting the travel agency business an important point to be considered is the **location** of the agency. Most of the travel agents have their offices in big cities with branches in small towns. In small towns also people have been setting up their own travel agencies. Travel agents compete for business in the area where they are located. Hence, while deciding on the location of your office you should ensure that it is in the market place with close access to business or industry centres, institutions and their offices, or a neighbourhood of residents who travel a lot. Hence, some on the spot surveys are required for deciding the location.

23.4.2 Approvals by Concerned Bodies

A travel agency requires certain approvals for **carrying** the business and in this regard an approval from the **International Air Transport Association (IATA)** which is the World Organisation of Scheduled Airlines, is very useful. IATA has worked out International fares and rates and uniform transportation documents (airline tickets and airway bills) to facilitate the carriage of passengers and cargo world-wide. An IATA approved Passenger **Sales/Agent** is an Agent who is capable of receiving commissions on International Air Travel documents. This commission is paid only to approved Agents.

To apply for IATA approval, an application has to be submitted, by filling **out** the requisite forms, and sent to Secretary, Agency Investigation, Panel No. 9(AIP-9). In this regard the following aspects are checked:

- Ability to generate and procure air passenger transportation,
- Professional standing,
- Financial status,
- Business premises, and
- Staff ability and experience

A final inspection is held and the approval is given by IATA. It is worth mentioning here that all IATA Agents get 9% commission on International air tickets and 6% on domestic airline tickets. Payment has to be made fortnightly to the airlines. A good manager must ensure adequacy of capital employed. If credit is given to special **clients**, cash rotation must be managed so as not to default and invite **strictures** and eventual loss of IATA approval.

23.4.3 Recognition and Licences

A **travel agency** must seek recognition from the **Department of Tourism (DOT), Government of India** and also take licences from the principal suppliers like, the airlines and **Reserve Bank of India** along with recognition from the hotels. This is necessary for earning commissions on the business carried out.

Department of Tourism

The **Department of Tourism, Government of India** has set certain rules for giving recognition to a travel agency and it gives a one time approval. This recognition is given to those agencies only who have been in operation for at least one year. The Department's requirements in this regard are mentioned in **Appendix-1**.

Resewe Bank of India Licence

In order to receive and deposit foreign exchange earned, with a **Bank** the agency should have a **Restricted Money Changer's Licence (RLM-3)** and proper returns must be filed with the **Resewe Bank of India** every fortnight. According to **existing** regulations, Indian Airlines **has** dollar fares for foreign tourists and there are incentives given by the Government for foreign exchange earning, **so** this licence and record is very important to register your foreign exchange earnings.

Hotel Recognition

Once a travel agency is **recognised** by the **Department of Tourism**, most hotels (whether they are **5-Star, 4-Star**, 3-Star or Budget) and leading hotel chains will automatically give commission on business handled by a travel agency. The **Department** of Tourism's recognition gives creditability to the travel agency. It gives a standing in the Industry and the hotels feel reassured that their bills **will** be paid. **Depending** upon the volume of business, hotels may give 10% commission and credit and sometimes even an over-riding **commission**. At times special rates are negotiated keeping in view the volume of business. A good travel manager must know the art of negotiating special rates so as to **maximise** revenue.

A travel **agency** should also establish linkages with tour operators, tourist transport operators, tourist cargo operators, etc, along with getting recognised by the railways and state tourism development corporations.

23.4.4 Incentives and Benefits

The Government of India gives certain incentives and benefits to the tourism industry and a person intending to set up a travel agency should be aware of such benefits. For example:

- Financial benefits are available under Section **80HHD** to the travel agents. Under this 50% of earning profits in foreign exchange are free of income tax and the other 50% are also tax free if they are ploughed **back** into the development of tourism.
- The Department of Tourism gives prizes for various categories of travel agencies for foreign exchange earnings. This is an honour that acts **as** an incentive to boost foreign exchange earnings by the travel agency.
- The **Tourism Finance Corporation of India** gives loans to persons for setting up travel agencies.
- The **Department of Tourism, Government of India** provides brochures, tourism related data, etc. to travel agencies for promotional purposes.
- The **Department of Tourism, Government of India** also provides assistance to the travel agencies for participation in tourism fairs, travel marts, and in official promotional delegations. Generally such **assistance** is provided through the **Travel Agents Association of India (TAAI)** and it is advisable that travel agencies should become members of **TAAI** (see 'Unit-5 of **TS-1**').

From time to time certain other incentives are given by the Government of India as well **as** the state tourism departments and a travel agency manager should keep track of these.

23.5 LANGUAGE, TERMS AND ABBREVIATIONS

Certain terms and abbreviations are used in the travel agency business along with the phonetic alphabet. Generally it is the **staff** which uses them in day to day operations but it is **equally**

essential for a manager to be familiar with them. In the following Sub-sections we are going to deal with some of them.

23.5.1 Phonetic Alphabet

Travel agency staff spend a lot of time on the telephone. Often we are dealing with crackling lines and with people whose accent is unfamiliar. In these **unfavourable** circumstances we are often trying to dictate, or to hear reference numbers on which somebody's travel **plans** depend. In order that there should be less confusion, and more clarity, you will hear people using a phonetic alphabet. The names given to each letter have been specially chosen because they don't sound like much else and there is little scope for error. The system is known as the **Phonetic Alphabet**.

The Phonetic Alphabet is a means of giving correct information such as a client's details with a much reduced possibility of error. **By giving names to each letter of the alphabet it is possible to relay information accurately.** Practice using the Phonetic Alphabet as often as possible so that you become totally familiar with its application. The alphabet is as follows:

ALPHA	=	A	
BRAVO	=	B	Example:
CHARLIE	=	C	
DELTA	=	D	The following client's name and address needs to be transmitted accurately:
ECHO	=	E	
FOXTROT	=	F	John Brown
GOLF	=	G	Silver Drive
HOTEL	=	H	New York
INDIA	=	I	Using the phonetic alpahbet it will be given in the following way:
JULIET	=	J	
KILO	=	K	juliet, oscar, hotel, november.
LIMA	=	L	bravo, romeo, oscar, whisky, november.
MIKE	=	M	
NOVEMBER	=	N	sierra, india, lima , victor, echo, romeo.
OSCAR	=	O	delta, romeo , india , victor, echo.
PAPA	=	P	
QUEBEC	=	Q	november, echo, whisky.
ROMEO	=	R	yankee , oscar, romeo, kilo.
SIERRA	=	S	
TANGO	=	T	
UNIFORM	=	U	
VICTOR	=	V	
WHISKY	=	W	
XRAY	=	X	
YANKEE	=	Y	
ZUKU	=	Z	

23.5.2 Travel Agency Terms

Some of the important terms used in travel agency business are given in this Sub-section.

BOOKING or RESERVATION: This is a **seat/room** or other service to be provided to a traveller or hotel guest, at some **future** date or time.

When a reservation is made, it is a promise to provide the client with an agreed product or service for which the client promises **to pay**.

Reservations will contain details of the client's name, address and the type of service to be provided. This could be an airline seat, a hotel room, a meal in a restaurant, etc.

OPTION: An option, or more correctly, an **optional booking** is a reservation which is held for a fixed length of time only and at the end of that time it must be CONFIRMED and paid for, or cancelled. Always be sure to establish whether reservations are CONFIRMED or OPTIONAL.

CONFIRMATION: This is a clear statement, which ensures that the service to be provided is **held firmly** available and will be paid for.

OVERBOOKING: Overbooking occurs when a hotel sells more rooms than it has available or an airline sells more seats than those that actually exist on a **flight**.

INDUSTRY PRINCIPAL. An industry principal can be described as a primary provider of service, such as **an** airline.

DELUXE HOTEL: A hotel with the highest standards of services and facilities.

TOURIST HOTEL: A hotel which is in the lower price range.

RESORT HOTEL: A hotel which mainly caters for holiday makers, and which contains a high level of leisure facilities within its complex

DOUBLE ROOM: A room for two people with one double bed.

TWIN ROOM: A room for one person.

SINGLE ROOM: A room for one person.

HOTEL RATE: The prices charged by a hotel for the various types of rooms on offer.

RACK RATE: The hotel rate charged to someone who just enquires (no special prices).

FULL BOARD or AMERICAN PLAN: A hotel rate which **includes** accommodation and three meals.

HALF BOARD or MODIFIED AMERICAN PLAN: A hotel rate which includes accommodation, breakfast and either lunch or dinner.

CONTINENTAL PLAN or BED AND BREAKFAST: A hotel rate which **includes** accommodation and breakfast only.

EUROPEAN PLAN: A room only (no meals).

CHECK-IN: At **an** airport, a passenger 'checks-in' when he/she goes through the formalities required to board an aircraft.

A hotel guest 'checks-in' when **he/she** registers with the hotel reception. This involves completing a registration card which gives details about the guest.

CHECK-OUT: These are the formalities which a hotel guest undertakes before departure. There is usually a latest time by which check-out should be completed on departure day. After this time another night's rate becomes payable.

CANCELLATION FEE: This is the amount to be paid by a passenger or guest who cancels or fails to use a reserved flight or accommodation. Cancellation fees are usually only payable when either last minute notice or no notice is given.

COMMISSION: Amount paid to a travel agent by airlines and other suppliers of services for the sale of air transportation or other services.

DESTINATION: The place to which a person is travelling.

ORIGIN: The place from which a person is travelling.

FARE: The amount to be paid for transportation.

HIGH (PEAK)SEASON: This is the time of year when rates are the highest. It is normally the time of year when tourist numbers are high. **Low season** is, of course the opposite, and **Shoulder season** falls between these two.

INCLUSIVE TOUR: This is a complete package which includes transfers, transport, and accommodation. Other services may also be included from time to time.

ALL INCLUSIVE ARRANGEMENTS: It is important to be aware that there is a new style of holiday where the client pays a **fixed** price for the usual inclusive arrangements BUT also for such things as unlimited drinks and snacks and use of sports equipment or other services. These arrangements lead to almost cashless holidays and are only available at selected resort hotels. They must not be confused with Inclusive Tours.

23.5.3 Abbreviations

Listed below are common abbreviations used in the travel and tourism business. The list is not exhaustive and you will come across many more in your daily routine. Study and learn them until **they** become familiar to you.

ACK	ACKNOWLEDGE
ADV	ADVISE
ADVR	ADVISE RATE
AGT	TRAVEL AGENT
ALTN	ALTERNATIVE
ARR	ARRIVAL
ASAP	AS SOON AS POSSIBLE
AUTH	AUTHORISE
CHTR	CHARTER
CHD	CHILD
CFY	CLARIFY
COMM RATE	COMMISSION RATE
COND	CONDITIONAL
DAPO	DO ALL POSSIBLE
DBLB	DOUBLE ROOM WITH BATH
DBLN	DOUBLE ROOM WITHOUT BATH
DBLS	DOUBLE ROOM WITH SHOWER
DEP	DEPARTURE
ETA	ESTIMATED TIME OF ARRIVAL
ETD	ESTIMATED TIME OF DEPARTURE
FIT	FREE INDEPENDENT TRAVELLER
FLT	FLIGHT
GIT	GROUP INCLUSIVE TOUR
HTL	HOTEL ACCOMMODATION
INTL	INTERNATIONAL
KK	CONFIRMING
MAAS	MEET AND ASSIST
NBR	NUMBER
NN	NEED (REPLY REQUIRED)
NTBA	NAME TO BE ADVISED
OW	ONE WAY
PAX/PSGR	PASSENGER (HOTEL GUEST)
PNR	PASSENGER NAME RECORD
PTA	PREPAID TICKET ADVICE
REQ	REQUEST

RES	RESERVATION
RFD	REFUND
RR	RECONFIRMED
SGLB	SINGLE ROOM WITH BATH
SGLN	SINGLE ROOM WITHOUT BATH
SGLS	SINGLEROOM WITH SHOWER
SKED	SCHEDULE
SS	SOLD
TKT	TICKET
TOTL	TOTAL
VIP	VERY IMPORTANT PASSENGER
XX	CANCEL REQUEST

The above listed abbreviations are merely a sample of those that exist. A full list can be found in the published IATA - **AIRIMP PASSENGER**. You should refer to this document for further study.

Check Your Progress-2

- 1) Why should Phonetic alphabet be used?

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- 2) Why should a travel agency take IATA approval?

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23.6 OPERATIONS MANAGEMENT

A well established travel agency would have various Departments such as, Ticketing (International and Domestic), Tours (**including** outbound and Domestic), Facilitation and **Allied Services**, Conferences, etc. Each of these departments functions as a separate unit though it draws support from the others. A good manager must know how to run each of these units. It is also essential for tourism professionals to be aware of these aspects as such knowledge helps in dealing with other **organisations**. In Unit-15, while dealing with operations management, we had given the example of travel agency operations. In the following Sub-sections we will give you certain other relevant information in this **regard**.

23.6.1 Ticketing

Booking and issuing tickets is a major operation of the travel agency. It is essential for travel agency employees to have knowledge about Air travel in the international as well as domestic sectors. Besides ticketing this knowledge covers a variety of other aspects like reservation systems, fares and the class of travel, regulations related to **baggage**, forbidden items, special passengers, passports, visas and health, use of travel directories and hotel index, etc. A travel agency manager or an employee must know the various procedures related to these aspects.

- 1) You are already familiar with **IATA's** functions. IATA divides the world into 3 geographic regions referred to as **TRAFFIC CONFERENCE** (or TC) areas. The following map shows the TC areas 1, 2 and 3.



You need to know which area each **country/city** is in. For example, the following cities will come under the zones mentioned in front of them and you can do a similar exercise in relation to other cities also:

New York: TC-1

Rome: TC-2

Delhi: TC-3

Hong Kong: TC-3.

You have to know which country a city is in order to carry out this exercise. Make a habit of learning as many city locations (on a map) as you can. It will help you. Each time you hear of a new place find out where it is and in which TC areas it lies. Gradually your geography will improve. Don't worry, travel agents all over the world have to learn this. We are all terrible at Geography when we start, but must become an expert very quickly.

You can see that you need access to a **good, up to date, political atlas**, for your everyday work. (A Political atlas is one which shows cities and borders clearly.) Ensure that your office has one. Besides, every airline publishes a map of its operational routes and a good travel agent must have access to them. You should also ensure that out of date materials (Think about Rhodesia, Ceylon, East Pakistan, and cities like Leningrad, Salisbury, Peking and how their names have changed) are not used.- If you use the wrong name you will probably not be able to find an up to date fare or timetable, but it is also helpful to be aware of the old names as sometimes older clients do use them.

2) Fares, Classes and Other Services

Airline fares can be divided into **Normal** fares and **Special** fares.

Normal fares have few restrictions. They allow travel on any day of the week that there is a service and changes, **cancellations** and refunds *can* be made without penalty.

SPECIAL fares are lower than normal fares and there will be restrictions concerning **the** dates of flights, the length of stay **and**, especially, refunds, cancellations, and changes to the timings **will** be restricted or totally forbidden.

You may be aware that most airlines offer three classes of service on their international flights, and also that these are referred to by codes which are:

FIRST CLASS (CODE-F or P)

BUSINESS CLASS (CODE-C or J)

ECONOMY CLASS (CODE-Y)

Not every airline offers all classes on all flights.

As you would expect the higher the class the better the comfort, space, and **facilities** the passenger receives on board. Some airlines even provide special **luxury** lounges for departing passengers of **the** higher classes where they **can** wait in comfort. For example, British **Airways** at **London** **gives** its arriving First class **passengers** the opportunity to have a shower and breakfast while clothes are pressed before leaving the airport.

Of course none of this is free. The passengers in the higher classes have paid much higher fares so they expect much better facilities. **When you are selling a more expensive fare you will need to explain in detail to the client what extra he or she is getting for the money.** Learn about these special services as passengers are prepared to buy higher classes of travel if there is a good reason, and that means more commission for your **agency**.

Note that many airlines give their higher classes of service "Brand" names. So British **Airways** has "Club World", Cathay Pacific has "**Marco Polo**" class, Virgin Atlantic has "Upper Class" and so on.

The other major difference **between** the classes is the amount of baggage a client is allowed to **carry** with **him** or her within the fare.

You need to learn these allowances and be sure to advise passengers accordingly:

FIRST CLASS passengers are allowed 40 kg. of checked baggage.

BUSINESS CLASS passengers are allowed 30 kg. of checked baggage.

ECONOMY CLASS passengers are allowed 20 kg. of checked baggage,

You should note that a **baggage allowance belongs to a seat**. This means that a child, **paying** a 50% fare, for his own seat, gets a full baggage allowance for the class in which he is travelling, and not a half allowance. Equally, an infant, **paying** 10% but not receiving his own seat, therefore does not get a baggage allowance.

On certain routes the baggage allowance is more generous, and is on a piece (PC) basis. The allowances are then 1PC for Y class, 2PC for J class and 3PC for F class. There are maximum sizes for each bag which are the sum of the height, plus the length, plus the width of the bag, expressed in **cms**. As these measurements are quite generous they are usually of little concern to travellers. (The airlines **can** advise if you need precise help.) The piece system operates on most routes between **TC-1** and **TC-2**.

There are some exceptions to the above allowances. Short journeys between islands **using** seaplanes or light aircraft, or, for example, the helicopter **services** between **JFK** (John **Kennedy**) airport at NYC (New York) and the city centre heliport (on top of a skyscraper!) may have smaller allowances for technical reasons. However where a passenger has a connection to an international flight the airline **will** agree to carry the weight allowance of the international sector.

In addition to checked baggage a passenger is allowed to **carry** hand luggage. This should be one bag, **weighing** not more than 5 kg. in all **classes**. Many passengers try to take far too much hand luggage. As a **responsible agent you should discourage this as it is unsafe**. In the event of an accident passengers could not escape due to all the baggage.

Example 30 kg. J class
SYD-NAD (Sydney, Australia to Nadi, Fiji)
connecting to 15kg.
NAD-SUV (Nadi-Suva Fijian domestic service)
the passenger would be allowed to carry his 30 kg. throughout. He is not expected to unload 25 kg. at Nadi airport.

Thankfully many airlines have very **firm** policies in this regard. Some extra things are allowed however, these include:

WHEELCHAIR OR BABY BUGGY for **passenger/baby** provided these are fully collapsible.

WALKING STICK or UMBRELLA.

BOOKS sufficient for the journey.

CAMERA and reasonable quantity of film.

BABY FOOD and **NAPPIES** (diapers) for baby passenger.

OVERCOAT or BLANKET.

Laptop computers are not specifically mentioned but are increasingly permitted in the cabin in addition to hand luggage.

Some people will wish to travel with more luggage than is permitted under their free allowances listed above. Airlines are not obliged to carry this excess baggage, however they will often do so at a price. The baggage is weighed, the free allowance deducted, and the client must then pay the EXCESS BAGGAGE CHARGES which are calculated to a formula. You need to learn this formula.

Excess baggage pays one per cent (1%) of the First class one way fare per excess kilo or part kilo.

Note that this applies whichever class the passenger is travelling in **himself** and it can be more expensive to pay for a few extra kilos than for the whole of an economy air ticket on some routes. Lets work out the excess baggage charges payable by such client:

Y discount fare paid by client	USD 600
Full C fare on route	USD 1500
F Full F fare on route	USD 2000

Checked Baggage weighs 26.4 kg.

The **Y class** allowance is **20 kg.**, therefore if the excess baggage weight is **6.4 kg.** the calculation looks like this: $2000 \text{ divided by } 100 = 20 \text{ USD per kg. excess} \times 7 = 140 \text{ USD}$ to pay. Hence, always mention this to your clients

You are also supposed to inform your client about the forbidden items like weapons and ammunition, explosives, gas containers, offensive material, live creatures, radioactive materials and laboratory specimens such as wet acid batteries and corrosive materials.

Many airlines are able to offer help to passengers who specially need it. Some of **your** clients may be in these categories:

- small babies and young children with parents,
- unaccompanied young children,
- physically challenged (disabled) people,
- sick people,
- very important People or commercially important people,
- pregnant women,
- first time travellers with no **foreign** language skills.

You must inform your clients about these. Let us look at these groups one by one.

Babies and Young Children: Babies (Infants under 2 years code INF, or now IN) travel at 10% fares and do not receive a seat or a baggage allowance of their own. They must normally travel in the parents' arms. However some flights have **skycots** which can be pre-booked and which allow the child to be put down. Most airlines will have a supply of powdered milk and disposable **nappies** on board. There is rarely any privacy for

breast feeding of babies. Children (**under 12 code CHD or now, CH**) have a seat of their own and pay 50% fare. Many airlines offer children's meals, and have simple toys such as crayons and paper to keep the children amused. Some even have children's clubs for those who travel often enough.

Unaccompanied Minors (Code UM) is the name given to youngsters travelling without an adult. The airlines treat them like a rather valuable parcel and require them to be signed for all along the route. Such children are often very sophisticated travellers who commute around the world to school or to join travelling expatriate parents. Sometimes they are going to stay with relatives abroad and are less experienced. Airlines are very good at handling them and parents despatching a young person to far flung corners of the world find the experience much more worrying than the child himself does.

Physically Challenged (Disabled) People are not a problem provided that the airlines are **advised in advance of the nature of the disability**. For example is a wheelchair needed? and can the person walk at all? or do they need to be carried to their seat? The airline's main consideration will be how to evacuate the passenger in case of an emergency.

Sick People are more **difficult** for airlines who do not wish to **carry** anyone who may become more ill as a result of the journey or who may infect other passengers. **If a passenger is ill a doctor's certificate will be required by the airline and the airline may also insist that a doctor or nurse accompanies the passenger on the journey at the passenger's expense.**

Very Important and Commercially Important People (VIP and CIP) are those people who need special handling because they have some sensitive situation **around** them. Usually there is a security implication for the airlines who must always be concerned about safety.

A VIP is likely to be a minister, a president, a revolutionary, a religious leader, or even a pop star who may be mobbed at the airport. **The airline needs to know from the agent who the person is and why they are important in order to arrange special security.**

CIPs are people who are capable of bringing much business to a country or to a carrier, because they are very frequent fliers themselves or are in a position to buy a lot of seats for others (For example, the British tour operator Thomson Holidays alone carries more than 1 million Britons abroad by air per year. Their Chairman is certainly a **CIP**). If you are booking a CIP tell the airline, they **will** arrange special hospitality when they think it is appropriate.

Pregnant Women: It is generally regarded as inadvisable to travel within the first three months of pregnancy, although many women do so. From the third to the seventh **month** there is no problem, but airlines do not wish to carry women after the 28th week of pregnancy, in case there is a problem, or the stress of **flying** causes **birth** on the **flight**.

A doctor's certificate of the expected date of confinement will be required by all pregnant women making reservations.

Very Inexperienced Travellers: Some enlightened airlines do **recognise** that elderly, **first** time travellers, and those with language and literacy problems can find travel terrifying. It is worth getting to know which airlines offer special services and **advising** your-clients to use them. For example, British Airways at **Heathrow** will provide **language assistance** and a meet and greet service for passengers with these problems arriving from **BA services** from the Indian sub-continent. Keep your ears open for other examples of excellent practice and use your knowledge to help your clients.

Special Meals: Meals on aircraft are provided within the fare. The higher the class of travel the more luxurious the menu and the greater the choice. However, some people have dietary requirements which need attention. **A good travel agent will always ask clients if they have any special requests and relay these to the airline at the time of booking.** Available special requests fall into two categories:

- i) **Religious Diets:** The world has many religions and no airline **can** possibly cater exactly for **all** of them. However, they **can** be broadly grouped so that people are

not offended by what is served. You should be aware of the major provisions of as many religious diets as possible.

Almost nobody is offended by a vegetarian menu so it is good standby for those with very complex religious requirements. Furthermore, vegetables seem to stand up to the airline cooking methods very well so the meals can be more palatable than meat which may have become dry or rubbery, and many meat eaters have learned to request vegetarian food when flying. **On** shorter routes choice may be restricted.

- ii) Health Menus:** These are diets which are prepared without certain ingredients which would be dangerous to the passenger. Personal dislikes are not the reason for requesting these. **As** mentioned earlier children's menus can also be provided. **All** these menus must be requested at the time of booking. Not all airlines can provide **all** the variations but many **can** if you ask.

You should note that whilst it may be unusual to take your own food on a plane it is not forbidden (provided the food does not offend others by its smell). So if you have a passenger with a problem diet, suggest this.

- 3) Travel Documentation:** A vital part of passenger briefing is advising passengers on international journeys about the documentation they require. It is the passenger's responsibility to obtain the correct documents, but it is the travel agent's job to give all necessary advice (and to be able to prove that the right advice was given). Some travel agencies offer documentation services also.

A good source of reference for this is the **ABC Guide to International Travel**. Amongst other useful information, in this guide there is invaluable help on passports, visas and health.

a) Passports: Please check

- a that your passenger has a passport, and of which nationality,
- a that it is not out of date,
- a then check if it is valid for **all** the countries he or she wishes to go to.

b) Visas: Even if you have a full passport you do not necessarily have permission to enter another country. Many nations impose the need to apply for a visa as well. In some cases the visas are very slow or difficult to get, and some countries **will** refuse with no apparent reason. For these reasons **clients should be advised not to make any bookings which cannot be changed until they have a visa for each place to be visited.**

c) Health Precautions: All countries offer some forms of health hazards to travellers and a good travel agent will advise on the correct precautions. Detailed advice can be found in **the same ABC Guide to International Travel**.

You should be aware that **all** health matters for travellers fall into two sections:

- i) **Compulsory Vaccinations** (without a certificate the traveller may not enter the country concerned) and
- ii) **Advisable precautions** which are not enforced but which are for the travellers own good.

Compulsory precautions are usually well documented but a good travel agent **will** seek out the others and advise the client. Although no one likes injections the diseases are worse. You should **find** out where travellers can go area to have travel **vaccinations** done cleanly and at what **cost**.

Necessary vaccinations **commonly** include:

- Polio
- Typhoid
- ~~Yellow~~ fever
- Cholera
- Hepatitis A and B
- Meningitis
- Plague
- Diphtheria

Roman Catholic- No meat on Fridays
Muslim (Halal)- No pork
Seventh Day Adventist - No pork

Jewish (Kosher)- No pork
Hindu- No beef
Buddhist -No meat
Lacto Vegetarian - No meat on **ethnic grounds** but will use **dairy products**
Vegan - No animal products of any sort.

Note: You should collect as many other **examples** as you can.

Salt free	- (kidney or heart trouble)
Fat low/free-	(liver or heart) low/free
Cholesterol-	(diabetic)
Sugar free -	(coeliac disease)
Gluten free-	(allergic reaction)
Nut free	

(Small pox is theoretically eradicated but some countries imply that they need vaccination against it. Check with Embassies).

Tablets are needed against malaria of several different types.

- iii) **Other Health Considerations:** Travel agents should give comprehensive health advice to passengers. This may include such things as avoiding too much sun, not drinking the local water in some places, or of likely hazards which could range from dealing with blisters and altitude sickness (trekkers) to stinging coral, or coral cuts (beach holidays in the Indian Ocean).

It may be good to advise clients to carry a personal medical kit of preferred products for minor ailments, sterilising tablets for suspect drinking water, and a kit containing sterile dressings, surgical sutures and needles for use in emergency. No traveller can take the risk of AIDS from dirty medical equipment. (Needles must travel in checked baggage or customs will think they have caught a drug user.) You should also find out where these kits can be obtained locally. Some airlines and travel agencies actually sell sealed and prepacked kits in certain countries.

Public Holidays: Your job is to ensure that all your clients are well briefed, and it is wise to help them to avoid holiday, or at least to make a conscious decision about them.

The ABC Guide to International travel can help again.

4) Using the ABC and Other Travel Directories

For you to function efficiently in the travel business you need to be able to give customers information. The information on airline schedules is of particular importance. All airlines publish their own schedules of flights. However, to avoid having to keep schedules for each and every airline, travel agents also use one of the two comprehensive guides which has information on all airlines timetables. There are two such large publications:

- a) **ABC World Airways Guide**, and
- a) **Official Airlines Guide(OAG)**

These guides are available worldwide and are updated on a monthly basis. You must always ensure that you are using the current edition and you must be familiar with their layout and how to use them efficiently. The **Official Airline Guide** is normally used in North, Central and South America. However, the **ABC World Airways Guide** is the one which is most commonly used in Asia, Europe and Africa. We will deal with it in detail.

a) IATA Codes

The **International Air Transport Association (IATA)** has developed a three letter coding system for major cities and airports of the world. There are number of reasons for this, the most important being that there are many places with the same or similar names and errors could occur. However, each place has its own different 3 letter code.

It is not necessary to learn these codes by heart at once as you can always refer to them in either the ABC World Airways Guide or the Air Passenger Tariff. However, listed below are the three letter codes for some airports of the South Asia region. With regular use of such codes, you will become more familiar and will recognise the ones most commonly used instantly. You should try to learn as many as you can by remembering each new one as you come across it.

COUNTRY	AIRPORT	IATA CODE
BANGLADESH	DHAKA	DAC
BHUTAN	PARO	PBH
INDIA	DELHI	DEL
MALDIVES	MALE	MLE
NEPAL	KATHMANDU	KTM
SRI LANKA	COLOMBO	CMB

b) Using the ARC

The **ABC World Airways Guide** comes in two volumes. The first volume has some general information and schedules from cities belonging with A to M. The second volume gives schedules from cities N to Z. It also has other information such as car hire directory and rates and an airline feature section. It also has each **airport/city** having a 3 letter code and each airline a 2 letter code, called a designator. The ABC will give airline designator codes and airport codes in alphabetical order. The ABC also contains an instruction section on how to read the ABC. You should refer to this section if you are in doubt.

When you need to use the ABC, it is important to know the layout of the information contained in it. It is presented in logical format and always follows that format. Here is an example of how the ABC is laid out.

Validity	Days of service	Flight	Stops
From	To	Dep. Arr.	No. Acft. Class
From NAME OF CITY OF ORIGIN NAME OF COUNTRY (IATA CODE)			
Apt. (This section gives details of the airport or airports of the city of origin.)			
Str. (This section gives details of ground transportation available to and from the airport. It also details check-in-times.)			
Destination city	Local time of departure	Local time of arrival	Flight number Aircraft Class of service Stops if any
Details limitations on schedule.			

The schedule are laid out in alphabetical order starting with the city of departure. This city will appear in bold typeface. The word 'From' is placed before the city. The country name and the IATA three letter code will follow the departure city's name. Thus if you are looking up flights leaving Male in the ABC, the **information** will appear as follows:

From MALE Republic of Maldives (MLE)

The next **heading** is APT which stands for airport. This section gives information on the airport name or names (for cities which are served by more than one airport), the distance from the city centre, the check-in times by which passengers using the airport must present themselves, and details of transportation available from the airport to the city.

Once you have found the airport from which a client wishes to travel, the next thing to do is to find the city to which he/she wishes to travel. These are called **arrival cities** and are listed in alphabetical order below the city of departure. They are written in medium typeface and are followed by the three letter city code.

After finding the departure and arrival cities, all you have to do is look for the **flight** schedules linking one to the other. The ABC lists all scheduled direct flights plus a number of transfer connections (which would mean a flight change) between the city of departure and the destination. The flights connecting the two locations are listed in time order using the 24 hour clock system. The **flights** are shown on one line and give the departure and arrival times for the flight.

Once you have found the flight schedules for the selected routing **you need to check that the flight is operating on the date the passenger wants to take the flight**. This information will appear in a column before the flight time. It is written in date format and shows the dates the flight operates. If no date appears it means the flight operates for the duration of the published guide. The ABC also indicates the days of the week flights operate. This information is given by numbering the days of the week. For example, 1 = Monday, 2 = Tuesday, and so on.

Under the columns **Dept.** and **Arr.** the times given are the local times of departure and the local time of arrival at the city of destination. A three letter airport code may also appear if the destination city has more than one airport.

The next column to be referred to is the **Flight No.** column. This column gives the airline code followed by the flight number. Airline codes are two letter codes for the airline flying the particular route. You do not have to **memorise** these codes as they are given

in the **ABC World Airways Guides**. Information is also given on the type of aircraft that **will** fly the route, the class of **service** available on board and the number of intermediate stops made en route from one **city** to another. Here is an example of **how** the **information** is given:

Validity	Days of	Flight		Arr.	No.	Acft.	Class	Stops
From	To	Service	Dep					
MALE	COLOMBO Sri Lanka (CMB)							
Dec. 1	Jan. 31	1357	0800	0830	UL 101	310	Y	0
		12345	0930	1000	UL 103	737	Y	0

Minimum Connecting Times

The **ABC World Airways Guide** also details on **Minimum Connecting Times (MCT)**. A **minimum connecting time** is the **time needed by a passenger to make a transfer from one flight to another to complete his/her itinerary**. It is important that you give customers this information so that they can meet **connecting flights** when necessary.

The time needed to get from one aircraft on its arrival to the next is expressed as a **minimum amount of time**. Of course if you have slow or elderly passengers you should allow more time by **booking** a later onward flight.

When you book connecting flights and allow the minimum **connecting time**, or longer, and the passenger misses the second **flight**, the airline which brought him to the connecting point **will** accept the blame and arrange onward travel, or pay for a hotel **overnight** for the passenger affected. However, if you, the agent, undercut the connecting time, and the passenger **misses** the flight, then the extra expenses **will** be your company's responsibility! Don't do it! (If you book through one of the CRS-computer reservations system then the **MCTs** are built in for you).

You are aware that the timings differ as per the world time zones. Time calculations world over are based on **Greenwich Mean Time** and the international date opposite it.

6) Arranging and Checking Airline Tickets

Airline tickets issued for **travel** are very important documents. They are evidence of contracts made between passengers and carriers (note, not between agent and passengers). The passenger is given the ticket upon payment of money. This ticket **will specify** all the necessary details of the passenger, the itinerary, the dates of travel, the class of travel and the fare which has been paid.

All tickets must be completed accurately and with great care. If passenger tickets are incorrectly completed it can cause problems for the passenger and may result in a loss to the travel agent. The International Air Transport Association (IATA) publishes a **Ticketing Handbook** which should be consulted if you are in doubt.

Fully licensed IATA travel agents hold stocks of blank tickets for the various airlines. Those which use **CRS (Computer Reservation System)**, hold stocks of universal tickets which **can** be used for any IATA airline. When a ticket is sold by a full IATA agency the airline will pay the full commission rate. This **can** vary but is usually 9% of the fare.

Some travel agencies do not have an IATA licence but **can** still sell tickets. They have to obtain tickets from an airline or from a full IATA Agency. Because they have not held the ticket stock the staff **have** not calculated the fare or written on the blank ticket. This work has been done elsewhere. However, if you work in a **non** IATA office you must still be able to check that what your partner company has done is correct as it is your client, and not theirs and it is your responsibility to care about for customers. Where ticket issue is done **by** another organisation you **will** split commission and may earn around 4 or 5% of the fare.

Airline Ticket Format

When a ticket comes out of the safe it looks like a book of coupons. Each **coupon** has a function. Every airline ticket **will** have the following:

Tickets are accountable documents and they must be stored securely. Travel agents are responsible for the cost of any transportation undertaken with such tickets. If these tickets fall into the wrong hands, travel can be taken by an unauthorised person and the agency will be liable for that travel. Tickets and validators must be locked away and should only be issued by those staff authorised to do so.

Audit coupon – This is for the accounts department of the particular airline. It is taken out when the ticket is issued and attached to a sales report.

F l i t coupons – These are also for the airline. There is one for each sector that the passenger will fly. The correct coupon is extracted from the ticket when the passenger checks in at the airport and is exchanged for a boarding card/pass. Tickets come as TWO or FOUR coupon "booklets" and where a passenger needs to use more than one "booklet" then tickets containing the same number of coupons are used. For example, if a passenger made reservations for a 6 sector journey then two four coupon tickets would be issued and not one four coupon and one two coupon. The two remaining coupons would be voided to prevent their use.

Agent coupon – This is for the agent's records. It is removed when the ticket is issued to the passenger (or to you by the issuing office).

Passenger coupon – This is for the passenger. It details the itinerary, the dates and times of travel and the amount of money paid for the ticket and is all that is left of the ticket when the journey is complete. Business travellers often require these for their expense claims.

Airline tickets contain such pre-printed information as:

- conditions for the contract,
- details of the limits of the airline's liability,
- reconfirmation requirements and items which may not be carried on board an aircraft.

When issuing tickets which are completed manually (i.e. tickets not automatically printed from a Computer Reservations System) EVERYONE SHOULD:

- use only BLOCK CAPITAL LETTERS,
- make sure that the handwriting is clear and readable,
- make sure that the information is clear on all coupons,
- use a blue or black ball-point pen with a fine nib,
- write the ticket in English,
- never cross out anything on a ticket (if a mistake is made in filling out a ticket cancel it by writing VOID across the whole ticket and send it back to the airline), and
- never destroy an airline ticket even if mistakes are made during completion.

Manual Completion and Checking of Airline Tickets

Airline tickets are best thought of as forms. Each box on the form (ticket) has strict rules about what should be written in it and how it should be written. Full details of each box are also given in the IATA Ticketing handbook. Any variation makes the tickets useless and you will have a very unhappy customer.

You need to learn exactly what must appear in every box. Many agencies like their less experienced travel agency staff to write a ticket on a photocopy sheet first. Then this work is checked and corrected. Then it is copied carefully onto a real ticket for issue. This is a good way of learning as there is no risk and you can make as many corrections as you need to.

- 1) **Name of Passenger** – The surname is written first followed by a '/' and the first name or initial of the passenger and then Mr., Mrs., Ms. or Miss as appropriate. If the passenger is travelling to a place where someone will not know how to address him or her then it would be helpful to underline the name by which he or she should be addressed, which is usually the family name.

Example:

Name of Passenger
TAN BEN SAN MR.

If we speak English we know that this passenger has a family name of Ahmed and that he is a man, due to the title 'Mr.' However what about a Chinese called Tan Ben San. Would we call him Mr. Tan?, Mr. Ben? or Mr. San? If we have underlined Tan we know that he should be addressed as Mr. Tan. Remember that air travel takes people to places where things are different. When you book

the ticket ask that the family name be underlined. Make it easy for others to be as courteous to **your** client as you would be yourself.

Have a look at this ticket.

FROM/TO	PASSENGER TICKET AND BAGGAGE CHECK ISSUED BY						ORIGIN/ DESTINATION	BOOKING REFERENCE					
CARR	FARE CALC	AIR-INDIA SUBJECT TO CONDITIONS OF CONTRACT IN THIS TICKET						PASSENGER COUPON					
ENDORSEMENTS/RESTRICTIONS													
		NAME OF PASSENGER		NOT TRANSFERABLE		ISSUED IN EXCHANGE FOR							
		X/O	NOT GOOD FOR PASAGE	CARRIER	FLIGHT/CLASS	DATE	TIME	STATUS	FARE BASIS	NOT VALID BEFORE	NOT VALID AFTER	ALLOW	BAGGAGE CX UNCK
		FROM										KG	PCS WT
		TO										KG	PCS WT
		TO										KG	PCS WT
		TO			TOUR CODE					ADDITIONAL ENDORSEMENT/RESTRICTIONS (CARBON)			
TOTAL FARE CAW		EQUIV FARE PD		TAX	TAX	TAX	FORM OF PAYMENT						
FARE		CPN	AIRLINE CODE	FORM	SERIAL NUMBER	CK							
TOTAL		<input type="radio"/> 098		4416210319	3	<input type="radio"/>							
DO NOT MARK OR WRITE IN THE WHITE AREA ABOVE													

- 2) Check the cities from which the passenger will fly (**point of origin**) any places where he must change planes (**intermediate points**) and the **final destination** in the column marked 'From'.

Example:

X/O	NOT GOOD FOR PASSAGE
	FROM LONDON Heathrow
	TO PARIS Charles de Gaulle
	TO GENEVA
	TO VOID

Ensure that 'VOID' is written in any box not completed.

Note that many cities have more than one airport. In this case the name of the airport to which the passenger will travel as well as the city name must have been written. If this has not been done then you must ensure that the itinerary you give to your client is very clear on this matter. At big cities there **could** be three or more hours by road between airports.

- 3) Check the maximum **baggage allowance** which can be carried free of charge in the column marked 'Allow'.

Example:

Allow
KG 40
KG 20
KG 30

Or, if working on a piece system, 1PC, 2PC or 3PC

Ensure that the correct allowance has been given for your client and ensure that you client understands what is meant when you brief him. **Inexperienced passengers are often shocked by the cost of carrying excess baggage.**

- 4) The airline's name or two letter IATA code should be inserted in the column marked 'Carrier'.

Example UL (Air Lanka), TG (Thai Airways), QF (Qantas) and it will be followed by the flight number and class of service to be provided in the column marked 'Flight/Class'.

Example:

Flight Class	
101	Y

Many clients have airlines they particularly like, or dislike. Ensure that they have got reservations with the right one.

Check that these are the flights which you requested for your clients.

Some agents get incentives from airlines to sell their services or to fill seats at an anti social time of day. It will do your reputation no good to send you client off in the middle of the night just because you can make more money from it.

- 5) Check the **dates of the flights** which are written using the following format:

Note that there are always 02 digits in a date, and three letters in the month abbreviation.

- 6) Check the **time of departure/departures of flights** which are written using the 24-hour system of expressing time. Be very careful where flights depart in the night. If a flight leaves at 1155 on 27 March, it is at lunch time. 2355 on 27 March is late at night. 0055 on 27 March is only an hour later so transfer and check-in procedures will be on 27 March.

Date
29 AUG.
05 OCT.

Note that times are always shown as local times and arrival times do not appear on the ticket so you must also supply them to the client on an itinerary. Air tickets show clients where they must change planes but they do not show if a plane stops for refueling or to pick up other passengers. Such short stops are a bonus on daytime flights as passengers can disembark and enjoy duty free shopping or just a stretch of their legs. However on night flights such stops are a nuisance as the sleeping passengers must be awoken and of course they add to the journey time. Information like this should be on your itinerary planner.

- 7) Check the '**Status**' column giving details of the reservation. This will have been written using the following codes:

Example:

Time
0730
1245
2315
VOID

- | | | |
|-----------|---|---|
| OK | - | The seat reservation has been confirmed by the airline. |
| RQ | - | The seat reservation has been requested by has not been confirmed by the airline. |
| NS | . | This code is used to indicate that the passenger (normally an infant) is not entitled to a seat on board the aircraft. |
| SA | - | This code is used to indicate that a certain rule which applied to a particular fare does not allow the seat to be reserved in advance. |

If the passenger has RQ or SA on the ticket there is no guarantee that he or she is going to be able to fly on that flight. You must ensure that the passenger understands this.

- 8) In the column titled '**Additional endorsements and restrictions**' details of any restrictions, endorsements, or reimbursements are written fully. Certain cheaper fares will have rules which prevent the traveller from changing the reservations or having a refund if he or she cancels. You must ensure that they understand these restrictions fully. Some passengers prefer to pay more for a fully flexible fare (can be changed) when they understand this.

- 9) Certain Fares Rules may indicate restrictions on the date of flights to be taken by travellers. The column 'Not Valid Before' should be completed to indicate such dates.

Example:

		Coupons not valid before		
1	2	14 MAY	3	4
		Coupons not valid after		
1	2		3	4 24 JUNE

The above example indicates that the flight indicated in flight coupon 2 may not be taken before May 14 and that the flight indicated in flight coupon 4 may not be taken after June 24. In other words, the passenger can make some alterations to his reservations but he must stay within these parameters.

- 10) The 'Fare' column shows the amount paid for the ticket in the currency of the country in which the travel starts.

Example:

Fare
Rs. 8,000/-

The above example indicates that the fare is Rs. 8,000/-.

If your company is dealing in discounted fares you may **find** that the fare shown is **MORE** than the customer has paid. This is common but technically wrong. However, you should never accept a ticket which has a face value of **LESS** than the customer has paid. The passenger will soon have a complaint.

- 11) If taxes have been collected at the time of payment for the ticket, the 'Tax' column should have been completed indicating the currency and the amount collected.

There are several different sorts of tax including departure tax, security tax, agriculture department tax and others. Each has a code. A complicated route could involve several different taxes appearing on one ticket and the client will question these.

Some countries collect departure tax with ticket payment. This saves the clients having to queue at airports and fiddle with local currency on departure. However, not **all** do so. So a client travelling LON (London, UK) to LAX (Los Angeles, USA) to NAD (Nadi, Fiji) To AKL (Auckland, New Zealand) to SYD (Sydney, Australia) could have his UK, USA and Australian taxes included in his ticket, but would have to pay Fijian and New Zealand taxes in local currency at the respective departure airports. It is your job to advise your client about this clearly on the itinerary.

- 12) If **discounts** apply to a ticket the 'Ticket **Designator**' column should be completed.
- This will indicate the reason for the discount.

Example:

IN	-	an infant paying only a percentage of the adult fare
CH	-	a child paying only 50% of the adult fare, etc.

Check that these are correct for your passengers.

- 13) In the 'Tour Code' column information detailing the code of any inclusive tour should be indicated. If this column has been completed there should NOT be any price shown in the fares section.
- 14) In the box, 'Date and **Place** of Issue', the official validator of the company issuing the ticket should have been used.

Once all the boxes that are applicable to the journey have been checked against the **file** requesting the reservation your final task is to ensure that **all** the relevant information has been clearly and accurately reflected in the itinerary. You must also ensure that **all** coupons are clearly legible and **contain all** the necessary **information** for the ticket to be accepted by the airlines.

23.6.2 Travel Vouchers

In **all** travel agencies, services are ordered **from** suppliers. These services will be sold on to the travel agent's customers. If each transaction that takes place between **an** agency and a supplier were to be paid for separately, for each and every service **provided**, for each and every customer, the amount of paperwork and the amount of cash moving **around**, would be enormous. To cut down on the amount of paperwork and money transactions between the supplier and the agency, a system has been devised whereby these transactions are reduced.

This system involves the preparation of vouchers which are, in effect, **promises to pay for the services which the supplier of such services promises to provide**. Vouchers are only accepted by a supplier if prior arrangements have been made. By using a voucher system the risks to staff in handling cash transactions are removed and the number of individual transactions between the various suppliers of service is reduced.

The Voucher system is
there, for tour operators,
hotels, etc.

A) Vouchers and Their Use

Travel agents **can** use vouchers for any number of different services, commonly these **will** include:

- a hotel accommodation and other hotel services,
- a excursions and tours,
- a transfers,
- a tour guide services,
- a restaurant services,
- a entrance fees to sites of interest,
- a theatre tickets,
- a sports events tickets.

By making use of vouchers, transactions are **simplified** for **all** concerned. The customers will pay the agent for **all** services - for example, air transport, rent-a-car and hotel in one transaction. The agent will ticket the flight and issue vouchers for the rent-a-car and hotel. The hotel and rent-a-car agency, once they have served the customer, will send the invoice for the **services** provided to the agency together with the voucher, for payment.

B) Controlling Vouchers

By issuing a voucher, the agent authorises the **service** supplier to provide the services specified on the voucher and gives a commitment to pay for those services at a later date.

By **accepting** the voucher, the supplier commits to provide the services specified to the person named on the voucher provided that the voucher has been validated by the agent in the proper way. **You must take great care of all vouchers and control their use as failure to do so can result in fraud and financial loss for your company.**

Vouchers will normally have a number of copies. These will include:

- supplier's copy
- customer copy
- a **client's** file copy
- accounts copy

The supplier's copy is issued to the supplier in advance and specifies:

- the name of the supplier,
- a the name of the company issuing the voucher,
- the name of the **person/s** for whom services are requested,
- the **type/s** of service to be provided,
- the date the voucher was issued,

- the date the services are to be provided,
- the correct authorisation or validation for the voucher,
- all restrictions that may apply to the particular voucher.

Below is a sample of a completed voucher. In the example chosen, the voucher covers the provision of hotel services. You should remember that vouchers can be issued to the suppliers of other services and not just those provided by hotels.

SAMPLE VOUCHER	
ABC WORLD TRAVEL	
Tel: ISSUED TO: Princess Hotel 234, Low Street Dakha	Voucher: ISSUED BY: Abishek Sales Assistant ABC World Travel.
Services to be provided	
Passenger/client name: Mr. Abinav	
Number of Pax: 4	
Service requested:	Two double rooms with bath
Room rate: DBLD US\$ 120.00 Tax/service @ 20% US\$ 24.00	
Basis: Full board	
Number of nights: Three	
From: 24/08/95 To: 26/08/95	
Total Voucher Value: US\$ 864.00 incl.	
Validation: Company Validation Stamp Please provide bearer with services detailed.	Signed:

Any additional charges are to be billed direct to the client and collection of such charges is the sole responsibility of your company.

The travel agency cannot accept liability for charges for services not included on this voucher.

Because vouchers are security documents, it is very important that you take great care in completing and issuing them. By issuing a voucher you are committing your company to pay for the various services detailed in the voucher. Mistakes in filling vouchers can cost your company money. Vouchers should therefore be accurate and contain all the information necessary. You must always remember to validate all vouchers and have the signature of the person authorised to sign such vouchers on behalf of your company.

When the supplier sends his copy of the voucher to your company he will expect to be paid. He should understand that he will only be paid for what you have agreed he supplies. Therefore, if a voucher has been amended by the supplier it should become invalid. Rigorous enforcement of this could lead to problems for clients, so only vouchers which have been hand amended (or not amended!) WITH A REFERENCE ON THE CLIENT FILE should be accepted for payment.

C) Airline Vouchers

Special types of vouchers are issued for the provision of services offered by airlines (other than airline seats). These are called '**Miscellaneous Charges Orders' (MCOs)**'. These special vouchers, which resemble airline tickets in their format, can be issued for any of the following:

- excess baggage charges,
- upgrading to a higher class,
- car rental,

- surface accommodation,
- taxes,
- arrangements for inclusive tours,
- deposits,
- refunds,
- hotel accommodation,
- special charges for incapacitated passengers (ambulances, oxygen, special equipment, etc.)
- charges for reservation changes,
- charges for routing changes.

Just like an airline ticket, **MCOs** will have an **audit coupon** (for the airline accounts department), an **agent coupon** (for the travel agent's records) and a **passenger coupon** (for the passenger). **Miscellaneous Charges Orders** are not transferable and are valid for one year from date of issue. The acceptance of MCOs is a **skilled** task and you need to have been fully trained in IATA procedures before you attempt it. If you haven't had this training then call a colleague who has been trained to help you.

Check Your Progress-3

1) What is the importance of **ABC** Directory in travel agency business ?

.....

2) Why an overall knowledge about ticketing aspects is required?

.....

3) Why are vouchers made?

.....

23.7 FINANCES

More and more travel agencies are adopting Financial Management in their operations. It is essential for travel agency managers to understand the processes, procedures and programmes of **financial** management. We have discussed them at great length in **Unit-15** of this course. It should be remembered that Financial management can succeed only if the accounting practices and procedures are sound. In a travel agency these practices include:

- **Invoice/Receipt,**
- Voucher Checks,

- Balance Sheet,
- Income Statement,
- Proper Pricing,
- Cost comparisons,
- Profit and Loss Statements,
- Profitability Analysis,
- Budgeting,
- Cost Controls, etc.

Besides these **sales reports** (daily, weekly, monthly and annual), **sales projections, working out commissions and service charges** from customers are also to be determined. The company also has to set its financial goals which might include increase in profits (in certain percentage) or reducing expenditure. At the same time these financial goals have to be determined keeping in view their impact on other organisational activities like marketing and sales. Managing finances is not an easy task and that is why every organisation recruits people with accounts and financial background for carrying out these jobs. At the same time certain elementary requirements like the invoice receipt form, the voucher check or a daily sales report, etc. should be known by the employees as they form a part of their day to day duties. For example, the invoice is only a receipt form which provides basic data needed to prepare accounting and **financial reports**. This form is completed whenever there is a financial transaction, specially in relation to a client.

Sample

INVOICE/RECEIPT FORM

Client Pragati Xerox Centre Client No. F 01
 Client Phone 7051250
 Client Address 123, State Street, Denver, CO 33333
 Passenger Name Parket, Mr. & Mrs. Prasad Phone 7051250

Transac-tion No.	Product or Service	Ticket/ Doc. No.	Date of Trip	City Pair	Cost	Total Cost
596	Air Tkt. Prasad	RT 0078402970274	12 Jan	Del Cal	Rs. 4,000	
597	Air Tkt. Mrs. Prasad	RT 0078402970275	12 Jan	Del Cal	Rs. 4,000	Rs. 8,000
TOTAL INVOICE _____ Rs. <u>8,000</u>						
PREVIOUS PAYMENT _____ Rs. <u>- do -</u>						
BALANCE _____ Rs. <u>8,000</u>						
AMOUNT RECEIVED <u>CASH</u> <u>CHECK</u> No. 257 <u>Rs. 7,500</u> REMARKS						
CREDIT CARD (NAME, NO. & EXP. DATE)						
_____ Rs. _____						

REFUND	Rs. ()
I/R REFERENCE NUMBER	TOTAL CREDITS
BALANCE DUE	Rs. <u>500</u>
INSIDE SALESPERSON	GP
OUTSIDE SALESPERSON	
RECEIVED BY	

Once again we emphasise that the students should read **Unit-14** again for financial management and at the same time acquaint themselves with the details of financial operations mentioned in **Units 18, 19, 20** and **21** of **Block 5** of this course.

23.8 MARKETING

You are already aware that Marketing is related to meeting the consumer needs and wants and a travel agency has to pay greater attention on these aspects. In travel agency business you come across different type of clients who have different demands. These **can** be met only if the employees have a sound knowledge of the products they are **dealing** with.

Promotion and advertising are vital for selling in travel agency **business**. For this travel agencies prepare brochures and at times these are supplied to them by the principle suppliers also. But it must be remembered that promotional materials on their own will rarely sell a product. **Infact** these are good aids in **selling**, particularly where there are good photographs and illustrations. Even where the customer has read all the text in the brochure he or she still likes to have the opinion of a local, trusted and trained professional, a job which you have to perform. While making a sale you should actively involve the customer in making a decision by pointing out the interesting aspects of the products and matching them with the needs of the customer. You should also have an alternative suggestion ready should your customer reject your initial offer. Your effort should be to get your customer's commitment to buy and this is generally known as **Closing** the Sale. Better communication skills and positive statements help you in getting a commitment but you must follow the golden rule **i.e.** to lead and guide but never to force a customer.

Leading travel agencies are **making** use of media in a big way for promotion and advertising purposes. You come across newspaper advertisements as well as, T.V. advertisements in this regard. However, not every company **can** afford this.

A close interaction with the Department of Tourism, **Government** of India is useful for marketing activities because **the** department provides assistance to help travel agencies in generating business from overseas markets. Similarly, membership of associations like TAAI and IATO, etc. is also useful in this regard. The travel agents also participate in different tourism fares and tourism marts like ITB, Berlin, WTM, London, etc. Recently, tourism marts have started in the domestic sector also.

Certain information regarding marketing has already been provided to you in **Block-6** of **TS-1** and in **Unit-16** of this course. In **dealing** with travel agency business you should take note of the issues mentioned in these units.

Check Your Progress-4

- 1) Mention the important accounting practices in a travel agency.
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.....
.....
.....
.....

- 2) What is an invoice **form**?
-
.....
.....
.....
.....

- 3) What do you understand by travel agency marketing?

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.....
.....

23.9 LET US SUM UP

Various aspects related to travel agency management operations and functions were dealt with in this Unit. Each of the areas dealt with is a **specialisation** in itself. However, the essential requirements in these **areas** have been provided to you. You must remember that in travel agency business attaining product knowledge is essential. Sound knowledge of geography, ticketing and the various aspects related to that, office procedures, etc. are also vital components. Many a times people set up travel agencies, but fail to satisfy the customer needs. Certain travel agencies like SITA and TCI, etc. even offer services like cargo handling and clearing. This Unit has **familiarised** you with managerial tasks as well as the skills needed by employees to handle the day to day operations in a travel agency.

23.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress-1

- 1) These include air bookings, ground transport **bookings**, cargo handling, airport **transfers**, travel **consultancy**, etc.
- 2) This **is** necessary to carry out your business. You can not sell unless you know that you **are** selling. See Sub-sec. 23.3.1.

Check Your Progress-2

- 1) See Sub-sec. 23.5.1.
- 2) See Sub-sec. 23.4.3.

Check Your Progress-3

- 1) Read point 4 of Sub-sec. 23.6.1 on page **48**.
- 2) You **can** not handle ticketing operations nor you can supervise them unless you have this knowledge.
- 3) See **Sub-sec. 26.3.2**.

Check Your Progress-4

- 1) See **Sec. 23.7**.
- 2) See page **58** of **Sec. 23.7**.
- 3) Read **Sec. 23.8**.

APPENDIX-1

Department of Tourism, Government of India

Rules for Recognition as approved Travel Agency with **Effective** from 6.4.1992

- 1) The aims and objectives of the scheme for recognition shall be to **promote** tourism in India. This is a **voluntary scheme** open to all **bonafide** travel agencies.
- 2) **Definition:** A Travel Agency is one which makes arrangements of tickets for travel by air, rail, ship, passport, visa, etc. It may also arrange accommodation, tours, entertainment and other tourism related services.
- 3) All applications for recognition shall be addressed to the Director General of Tourism, Transport Bhawan, No. 1, Parliament Street, New **Delhi** - 110 001.
- 4) The following conditions must be fulfilled by the Travel Agency for grant of recognition by Department of **Tourism**:
 - i) The application for grant of recognition **shall** be in the prescribed form.
 - ii) The Travel Agency has a **minimum paidup** capital of Rs. 2.00 **lakh** duly supported by the latest audited balance sheet/**Chartered** Accountant's certificate.
 - iii) The Travel Agency should be approved by International Air Transport Association (IATA) or General Sales Agent (GSA) of an IATA member Airlines.
 - iv) The Travel Agency has an office under staff, who is adequately **trained/experienced** in matters regarding transport, accommodation, currency, customs, regulations and general information about travel and tourism related services.
 - v) The Travel Agency has been in operation for a **minimum** period of one year before the date of application.
 - vi) The Travel Agency is an outcome tax **assessee** and has **filed** Income Tax return for the current assessment year.
- 5) The recognition as **Travel** Agency once granted shall continue unless withdrawn subject to their **continuance** in this business and their submitting the requisite annual return of Income Tax and other particulars.
- 6) The Travel Agency will be required to pay a non-refundable one time fee of Rs. **1,000/-** while applying for the recognition. The fee will be made payable to the Pay and Accounts Officer, Department of Tourism in the form of a Bank Draft. The fee for recognition of each Branch Office will be Rs. **500/-**.
- 7) **Recognition** will be granted to the Headquarters Office of Tour Operators, Branch Offices will be approved alongwith the Headquarters Office or subsequently, provided the particulars of the Branch Offices are submitted to Department of Tourism and accepted by it.
- 8) The decision of the Department of Tourism, Government of India, in the matter of recognition shall be final. The Government of India may, in their discretion, refuse to **recognise** any firm or **withdraw/withhold** at any time recognition already granted without assigning any reason.
- 9) Travel Agency granted recognition shall be entitled to such incentives and concessions as may be granted by Government from time to time and shall abide by the terms and conditions of recognition as prescribed from time to time by the Department of Tourism, Government of India.

APPLICATION FORM FOR RECOGNITION AS APPROVED TRAVEL AGENCY

- 1) Name and address of Head Office and Branch Offices.
- 2) Nature of the firm and the year when the firm was registered or commenced business, with documentary proof.
- 3) Name of **Directors/Partners**, etc. The details of their interests, if any, in other business may also be indicated.
- 4) Give particulars of staff employed, their qualifications, experience, salary **and** length of service with the firm.
- 5) Name of Bankers (Please attach a **reference** from your bankers).
- 6) Name of Auditors. A balance-sheet and Profit and Loss statement pertaining to tour operation business, as **prescribed** under Company Law, must be submitted by each applicant. These audited statements should be in respect of your establishment for the last completed **financial** year or for the calendar year immediately preceding the date of submission of your application. Also furnish details of your turnover in the **following** statement:

Name and particulars of the Travel Agency concerned

- | | |
|--------------------------------------|---|
| a) Paid up capital | f) Fixed assets (excluding intangible assets) |
| b) Loans | g) Investment |
| i) Secured | h) Current Assets |
| ii) Unsecured | |
| c) Reserves | i) Intangible assets |
| d) Current Liabilities and provision | |
| e) Total _____ | j) Total _____ |
-

NOTES:

- i) Reserves would include balance of Profit and Loss Account and would exclude taxation reserve.
- ii) Current liabilities and provisions would include taxation reserve.
- iii) Current assets would include sundry debts, loans and advances, cash and bank balance.
- iv) Intangible assets would include goodwill, preliminary expenses, tenancy and business rights, deferred, revenue expenditure, accumulated loss, etc.
- 7) Copy of acknowledgement certificate in respect of Income Tax return for the current assessment year should be enclosed.
- 8) Whether any other activities are undertaken by the firm besides travel related activities.
- 9) Please indicate the **air/shipping/railway** ticketing agencies held by the firm.
- 10) Please indicate membership of International Travel **Organisations**, if any.
- 11) Letter of approval of IATA and certificate of endorsement for current year should be enclosed. **GSA**s of IATA Airlines should enclose documentary proof in this regard.
- 12) Please enclose a Demand Draft of Rs. **1,000/-** for Head Office and Rs. **500/-** for each Branch Office as fee for recognition and mention the Demand Draft number, date and amount in this **column**.

Signature of **Prop./Partner/Managing** Director.

Rubber Stamp of the firm.
