

# IGCSE Cambridge **Travel & Tourism**

Unit 4: Travel & tourism products & services

Name: \_\_\_\_\_



Form: \_\_\_\_\_\_ Teacher: \_\_\_\_\_



# Unit 4: Travel and tourism products and services

# 4.1 Identify and describe tourism products

**a.** Inter-relationship between travel and transport, catering and accommodation, attractions, leisure and recreation and business facilities

- b. Components included in different tourism products (e.g. package, independent, all-inclusive holidays)
- c. Ancillary services guiding, currency, marketing services

# 4.2 Explore the roles of tour operators and travel agents in the chain of distribution

#### a. International tour operators (wholesalers):

. tour operator's product (transport plus accommodation) . types of tour operator (e.g. incoming tour operators) . nature of tour operations (how to put together a tour) . operating characteristics of tour operators (economics, scale of operations, seasonality, integration, importance of price, consumer protection)

#### b. Retail travel agents:

- . role of travel agents . different services offered
- . understanding of travel agency appointments (e.g. ticket licensing) and conditions . operating characteristics

# 4.3 Describe support facilities for travel and tourism

. **a. Concept of infrastructure** – features of the built environment (utilities, roads, telecommunications, airports, ports), details of how they are funded, link with level of economic development

. **b. Type and range of accommodation** available (serviced/self-catering, hotels, guest houses, hostels, camping, luxury, budget, etc.):

- . economies of operation and scale of investment . measures of efficient operation, e.g. occupancy rates . classification and grading . facilities provided for business/leisure tourists
- **c.** Local public transport provision and relationship with improved accessibility express links to airport (coach, rail, shuttle services), integrated rapid transit system or other forms of transportation

# 4.4 Explore the features of worldwide transport in relation to major international routes

#### a. Air Transport:

- . main intercontinental routes and airports identified
- . types of air transport operation (charter and scheduled, domestic and international)
- . operating economics of air transport, full fare versus budget ('no frills')
- . government regulation/deregulation of air transport
- . the advantages and disadvantages of regulation
- . air transport and tourism development the role of governments and international bodies (e.g. IATA)

#### b. Sea transport:

. main ports and international passenger ferry routes identified . operating economies of sea transport

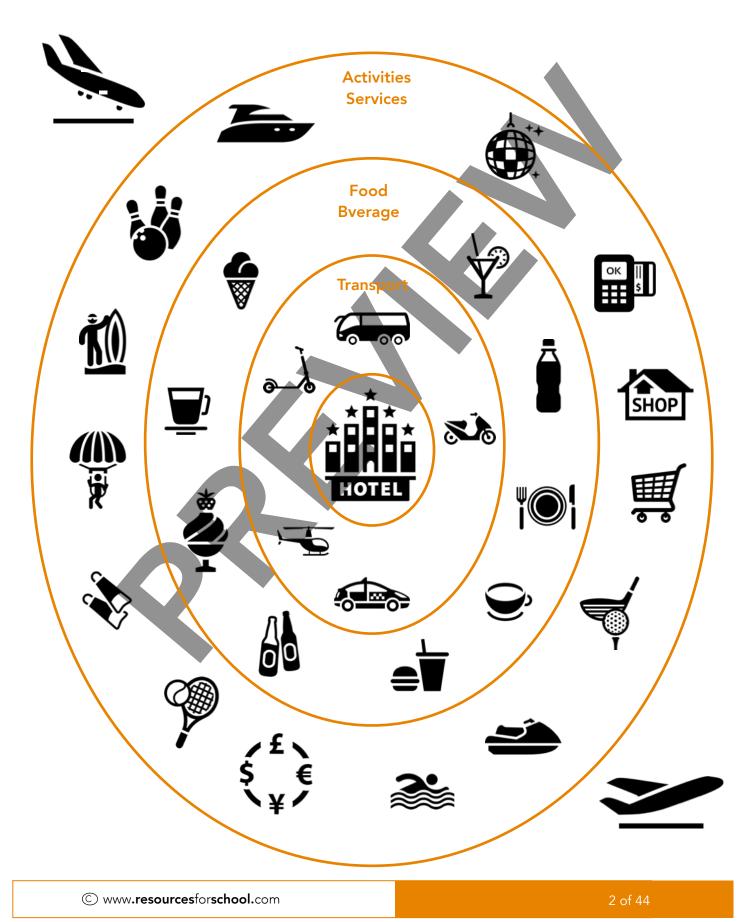
. major types of sea transport for tourism – passenger ferries (and major crossing areas), cruise ships (and major cruise circuits)

#### c. Rail and road transport:

- . major international tourist networks ... nature and operating economies of rail and road transport
- . importance of motor transport in tourism

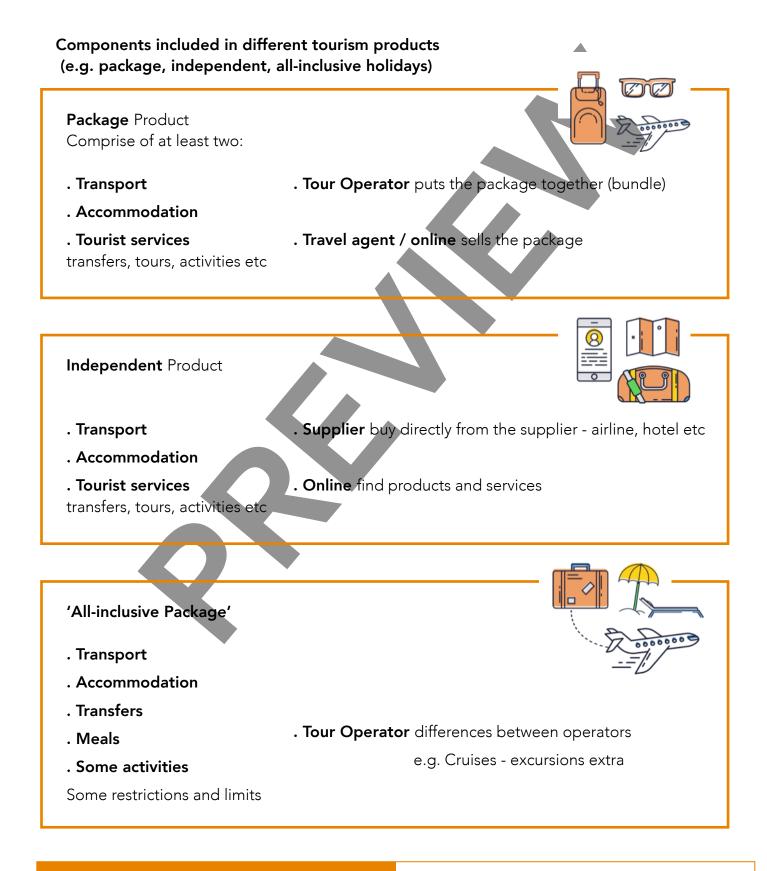


Inter-relationship between travel and transport, catering and accommodation, attractions, leisure and recreation and business facilities





Inter-relationship between travel and transport, catering and accommodation, attractions, leisure and recreation and business facilities





Inter-relationship between travel and transport, catering and accommodation, attractions, leisure and recreation and business facilities

# Example of a short package holiday





#### ITINERARY:

#### DAY 1: ARRIVAL (X/X/X)

Upon arrival in Dubai, meet and greet then transfer to the hotel for check-in. DAY 2: MORNING MIRACLE GARDEN AND ABU DHABI CITY TOUR (B/X/X) After breakfast, proceed with your tour. Go to the Miracle Garden then Abu Dhabi Grand Mosque, pass by the Emirates Palace, Abu Dhabi Corniche then drive to al Bateen District, Heritage village, photo-stop at Marina Café and Ferarri World Theme Park. Return to Dubai and transfer to Dubai Mall. Enjoy the fountain show and have a photo-stop at Burj Khalifa. (Proper dress code for the Mosque: Ladies long sleeves (non-transparent and no 3/4 sleeves), long pants (skinny and tight jeans are not allowed, a scarf for the head. Men - T-shirt and long pants) Note: Guest who failed to follow the dress code will not be allowed to enter the mosque

#### DAY 3: DUBAI HALF-DAY CITY TOUR (B/X/D)

After breakfast, start your tour. Photo-stop at Zabeel Pala, Dubai Museum, Abra Ride, pass by Dubai Creek and Bastakiva, Spice and Gold Souk, Photo-stop at Jumeriah Public Beach for a photoshoot of Burj Al Arab then Dubai Frame. Transfer back to the hotel and freshen up. Get ready for Desert Safari with BBQ dinner and belly dancers. Drive over the golden dunes to the desert camp. Experience camel ride, sand boarding and henna painting or simply enjoy the aromatic Sheesha. Enjoy buffet dinner and the performance of exotic belly dancers, Tanoura dancers under the star-lit sky. Transfer back to the hotel.

#### DAY 4: FREE DAY (B/X/X)

After breakfast, enjoy your free day on your own.

#### DAY 5: DEPARTURE (B/X/X)

After breakfast, check-out then transfer to the airport for your flight.

(+632) 224-1730

(+63) 956-660-0693

#### \*\* END OF TOUR \*\*

- INCLUSIONS:
- Roundtrip airfare and airline taxes
- Roundtrip airport transfers
- 4 nights accommodation with daily breakfast
- Half-day Dubai City Tour
- Abu Dhabi City tour with Grand Mosuge visit
- Desert Safari Tour with BBQ dinner and Belly Dance
- Miracle Garden Tour and Dubai Frame
- 1 bottled water during excursion All transfers during tours
- 1 Dubai souvenirs
- Free travel insurance (up to 60 years old)

#### EXCLUSIONS:

- Philippine Travel Tax—PHP 1620
- Check-in baggage allowance
- Dubal Visa—PHP 6,500 per person (non-refundable)
- Courier fee
- · Optional tours, tipping for guides and drivers · Exhibition and event surcharges
- Tourism Dirham Fee
- · Meals not indicated in the itinerary
- Personal and incidental expenses
- Others not mentioned

#### **BOOKING CONDITIONS:**

- A non-refundable deposit is required upon booking
- · First come First Serve. Payment is Cash Basis only
- Minimum of 2 persons to book Minimum of 15 persons to run the tour
- · Please note that no refund will be given for any unused
- services
- · Itinerary and rates are subject to change without prior notice
- The package is non-refundable, non-rebookable and non-transferable
- Passport must be at least 6 months valid beyond intended stay. Passenger must check the validity of his/her own travel documents
- Passenger shall be held responsible for any charges/ damages caused by invalid/expired travel document
- The company may cancel or postpone the tour if total number of passengers is not met or a supplement may apply
- · Our company reserved all rights for any changes without prior notice
- Other terms and conditions apply

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STELLATION



	Activity 1 Answer the following exam style questions
i.	Define the following terms: (3 x 2 marks)
а.	Package product
b.	Independent product
c.	'All-inclusive' package
ii.	List two advantages of an 'all-inclusive' package (4 marks)
iii.	List two advantages of an independent package (4 marks)



# iv. Explain the benefits of a package like the Dubai and Abu Dhabi tour (6 marks)

v. Discuss the different types of packages available for tourists (6 marks)



Ancillary services: guiding, currency, marketing services

Ancillary services - additional services offered by travel and tourism providers

Opportunity for travel and tourism companies to differentiate

## **Examples:**

- . travel insurance
- . foreign currency exchange
- . sightseeing tours
- . car hire
- . airport transfers
- . passport and visa information
- . coach and rail tickets
- . hotel bookings
- . ticketing activities and events
- . guiding services

## Guiding services

# **Tourist guides**

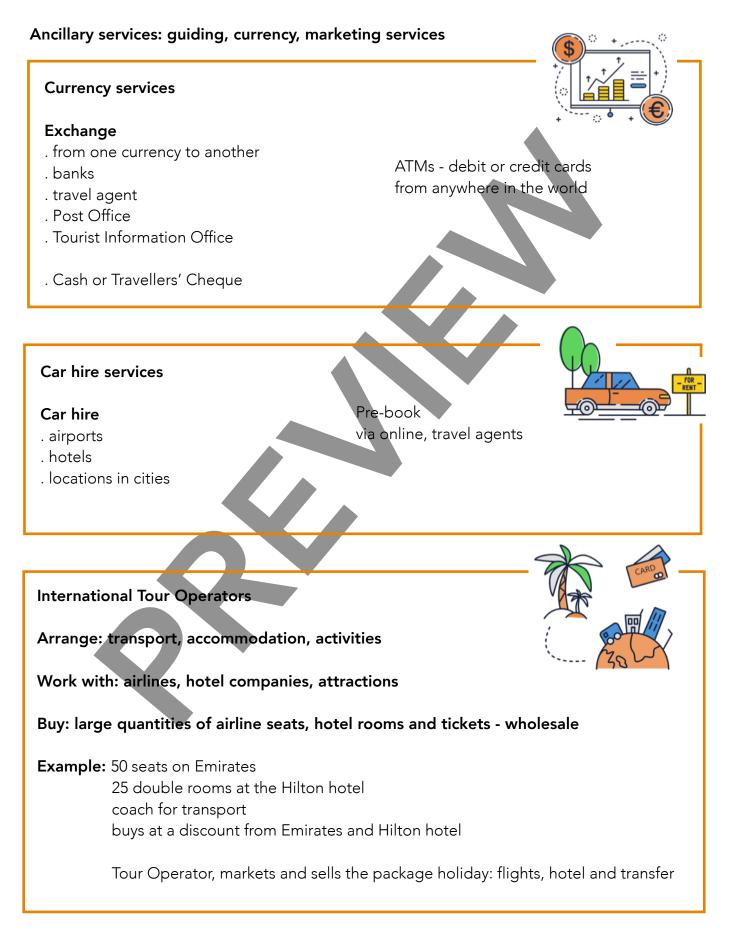
- . training
- . experience
- . local knowledge
- . expert knowledge
- . language skills

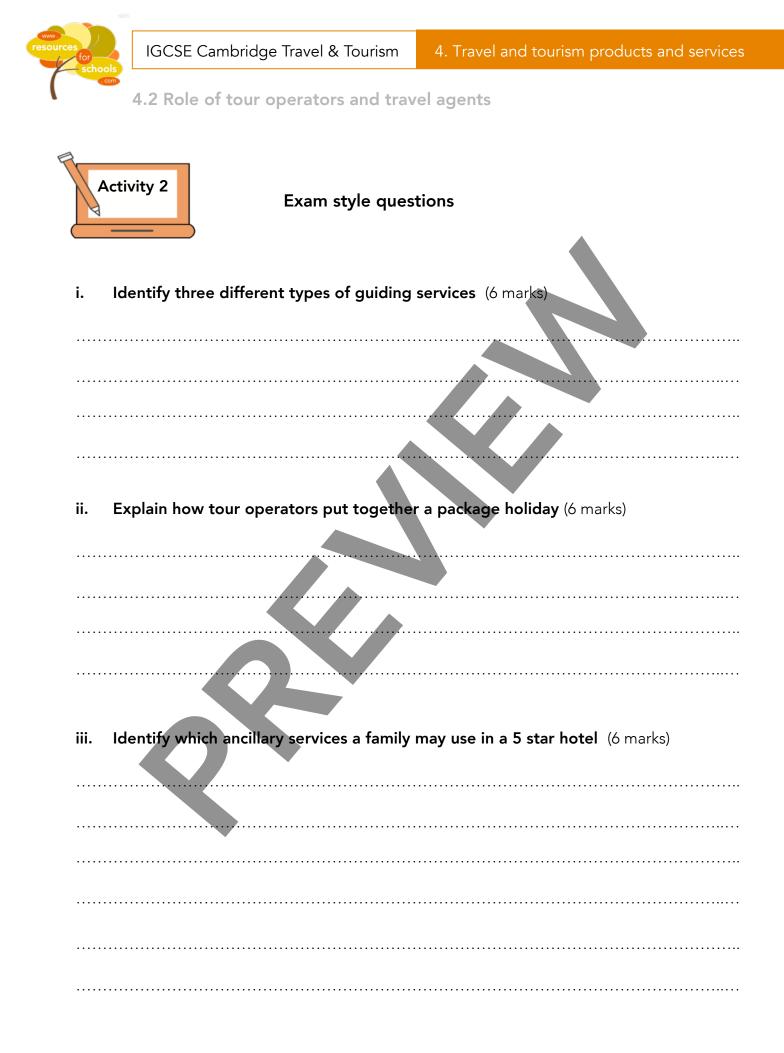
# Guides

Online, brochures/books







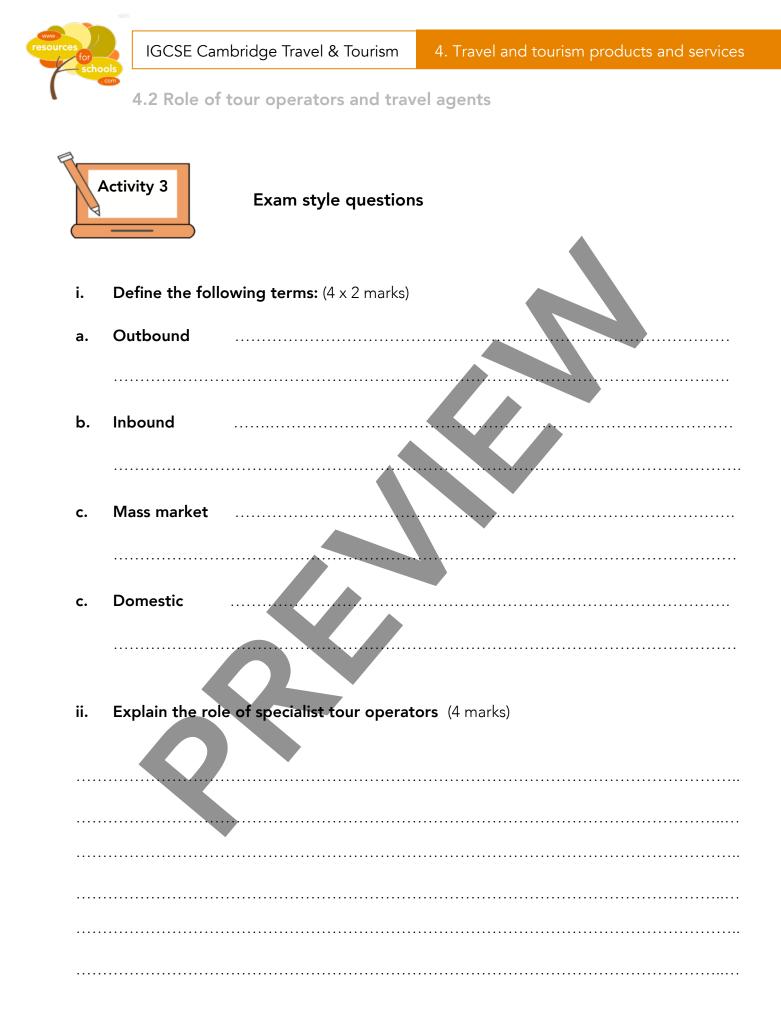








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iii. Which type of tour operator are the following: (circle the correct answers) (4 marks)





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4.2 Role of tour operators and travel agents

# Characteristics of tour operators

Large number small-scale tour operators (often specialist)

Small number of large-scale tour operators

. Economies of scale . Horizontal integration . Vertical integration .

# Horizontal integration

Companies join together at the same level = tour operator + tour operator

Advantage = removes competition

i.

# Vertical integration

Take-over businesses at different levels = tour operator + hotels or travel agents

Advantage = control at all levels (quality, availability, price etc)

# Economies of scale

Larger companies can buy in bulk and save Stronger negotiating position



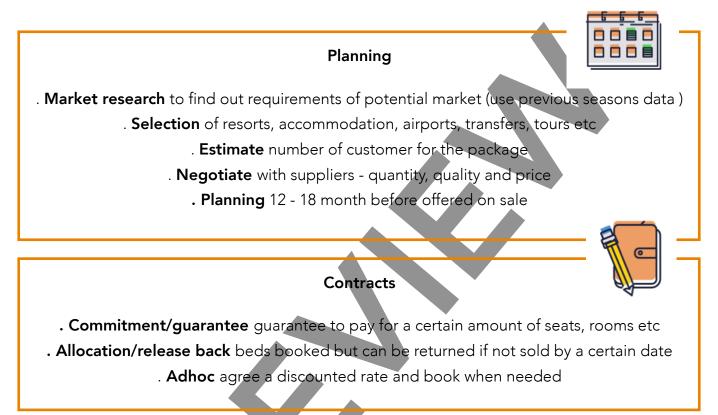
**Give two advantages of horizontal and vertical integration** (4 marks)

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# Nature of tour operators

Package & tours = planning, organising and selling



Pricing pricing strategy based on many things eg. competition / differ
Brochures produced - inc online - sometimes help from travel agents
Sales tour operators and travel agents sell packages.



# **Tour Operator Pricing**

Profits Tour Operators make on average 2-3% e.g. a holiday AED.2000 make AED.40
Pricing risks prices set 12 months before - exchange rates can change, fuel costs rise etc
Disasters natural disasters, terrorism, exchange rates etc can make a destination unpopular



## Tour operators and holiday pricing

. **Peak and Off-peak** Packages sold as summer holidays (May to October) and winter holidays (November - April)

In Europe the summer season is the busiest (best weather + school holidays)

. Pricing: higher demand = higher prices - lower demand = lower prices

Flight times more efficient if aircraft are used more frequently - day and night daytime = higher demand = higher prices (weekends more popular) nightime = lower demand = lower prices (daytime less popular)



# Accommodation supplements (extras)

Tour operators pay hotels per room - charge customers per person Most rooms double rooms - single occupancy have to pay for two people (per room)

## Tour operators and exchange rates

• Exchange rates many products and services are bought in foreign currencies inc. fuel Difference when bought and sold can see change in exchange rate - difference between profit and loss for tour operators

. **Surcharges** tour operators can charge customers extra after they have paid (UK law says first 2% of cost increase not passed to the customer)

## Tour operators and consumer protection

. Tour operators can quickly go from profitable to bankrupt and customers can lose a lot of money

. Customer protection scheme many countries have schemes to protect customers.

So if a tour operator goes bankrupt customers get compensated - their money back.

ABTA (UK) has tour operators as members - if a member goes bankrupt their customers will get compensation (their money back). If they are on holiday they will get flown home.



22nd September 2019, Thomas Cook went bankrupt after 178 years with 19 travellers a year. The company owed £1.6 billion, with 600,00 tourists on holiday when it collapsed.

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. Very competitive between agents and direct selling from operators

# **Consumer protection**

Travel agents have scheme same as tour operators to protect customers American Society Travel Agents (ASTA) professional body - reassure customers International Air Transport Association (IATA) linked with travel agents and helps them with booking, payments, etc.



a.	Market research
b.	Off-peak
<b>c.</b>	Multiples
d.	Ancillary services
<b>e.</b>	Surcharges
f.	Surcharges
g.	Consumer protection
h.	Guarantee



ii. Describe the main differences between a tour operator and a travel agent (4 marks) . . . . . . . . . . . . . . . . ..... . . . . . . . . . . . . . . Discuss how exchange rates can affect tour operators (6 marks) iii. ..... ... List two advantages of consumer protection (4 marks) iv. . . . . . . .

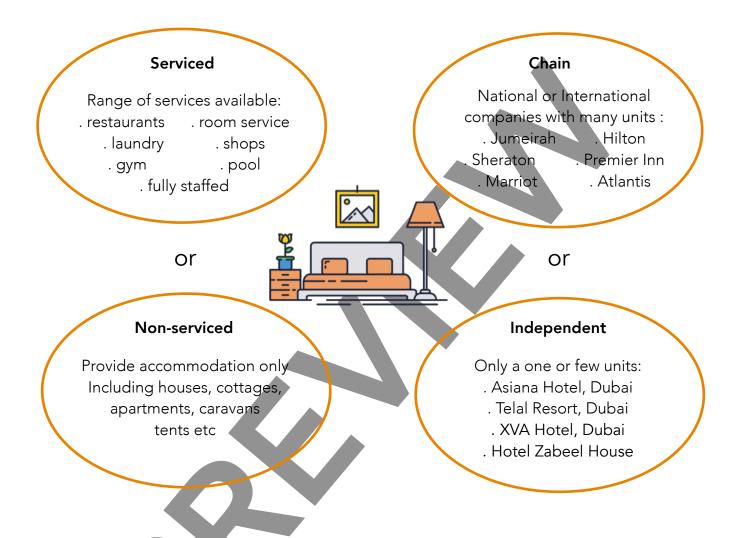








# Type and range of accommodation



Accommodation ratings - different countries use their own ratings for different types of accommodation

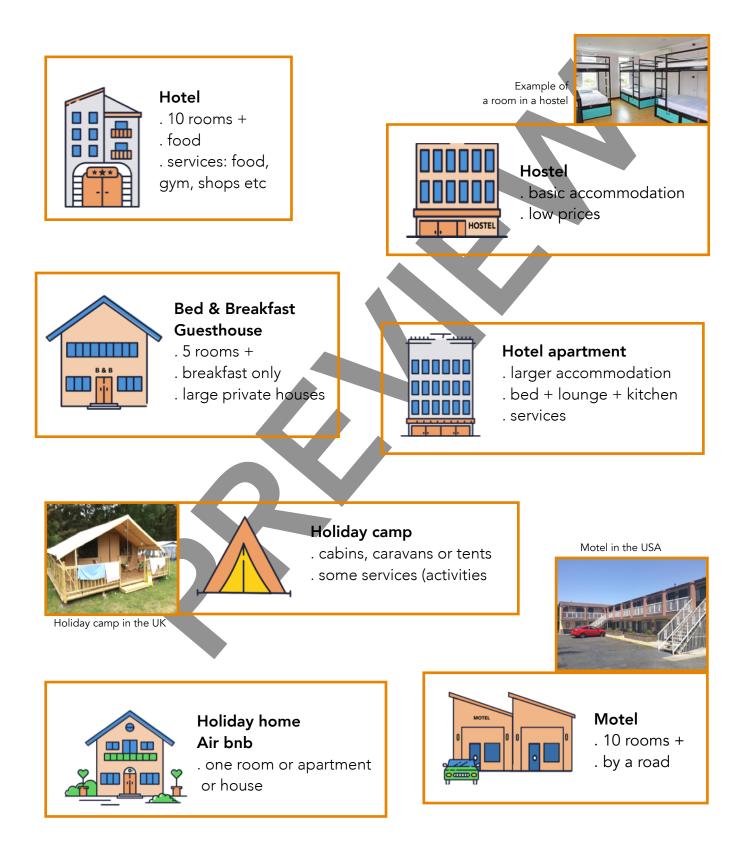
. International hotels have a star rating: 5 to 1 (7 star for the Burj, Emirates Palace)

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Other types of accommodation have a similar rating for each country, but not all countries ratings mean the same



# Types of accommodation available in most destinations



# Economies of operation and scale of investment



• Range: huge range of accommodation, many small independent hotels + large international chain hotels = multiples

. Multiples: same/similar type of accommodation, same quality standards

Multiples have purchasing power = economies of scale eg mattresses & pillows

Refurbishment of hotels = 5 - 7 years to meet customer expectations

Around the world there is different ownership models there are variations

How to measure an efficient operation

• Occupancy rate measures the number of rooms being occupied over a year. Dubai average 2017: 75%

**. Average daily (room) rate** measures the average income per room over a year. Dubai average 2019: AED.498 per night

# Classification and grading

. Classification no international standard - countries have their own - tourist boards or governments inspect and award classifications

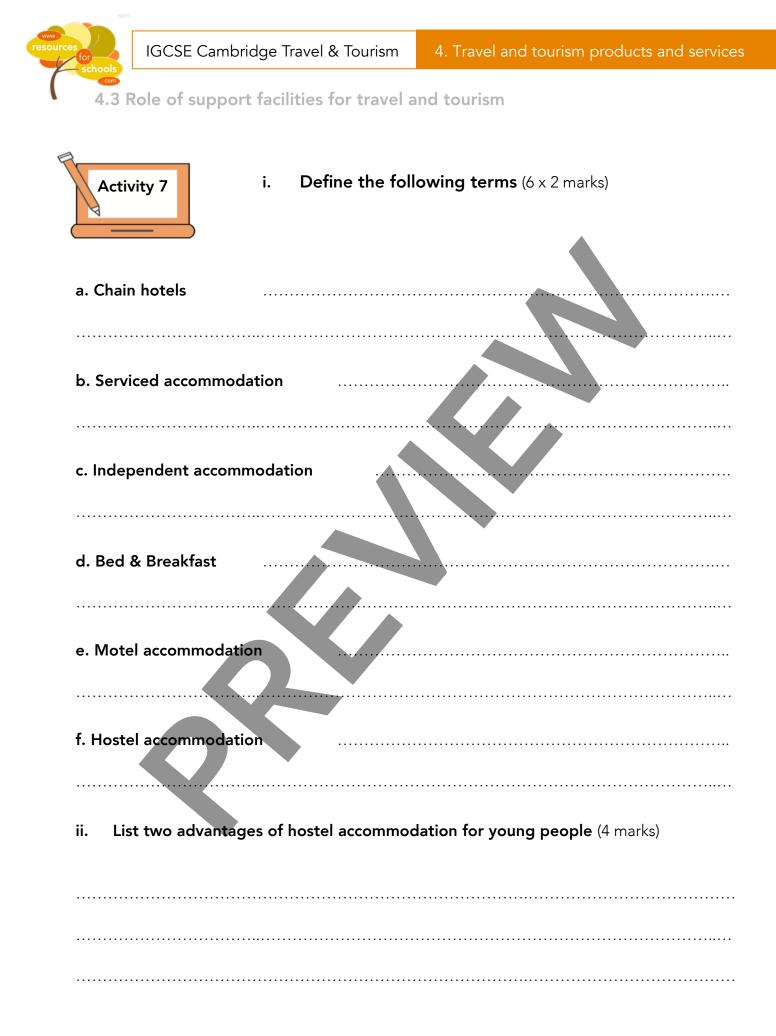
Hotel star rating similar world standards from 1 to 5 stars (and 7)

strict criteria for each star - quality + facilities at the hotels

Bed & Breakfast accommodation also rated



leisure tourists: pools, spa, TVs, gyms etc





iii. Explain three services 5 start hotels provide for business travellers (6 marks)


iv. Explain three services hotels need to provide for families with young children (6 marks)

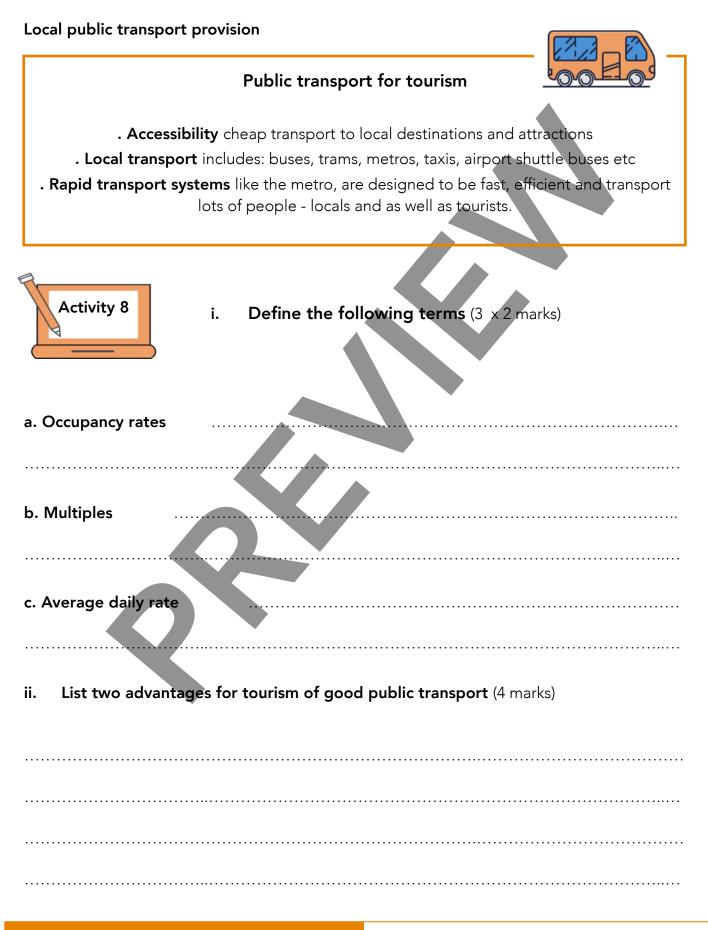
v. Explain why the hotel star rating system is useful for tourists (6 marks)



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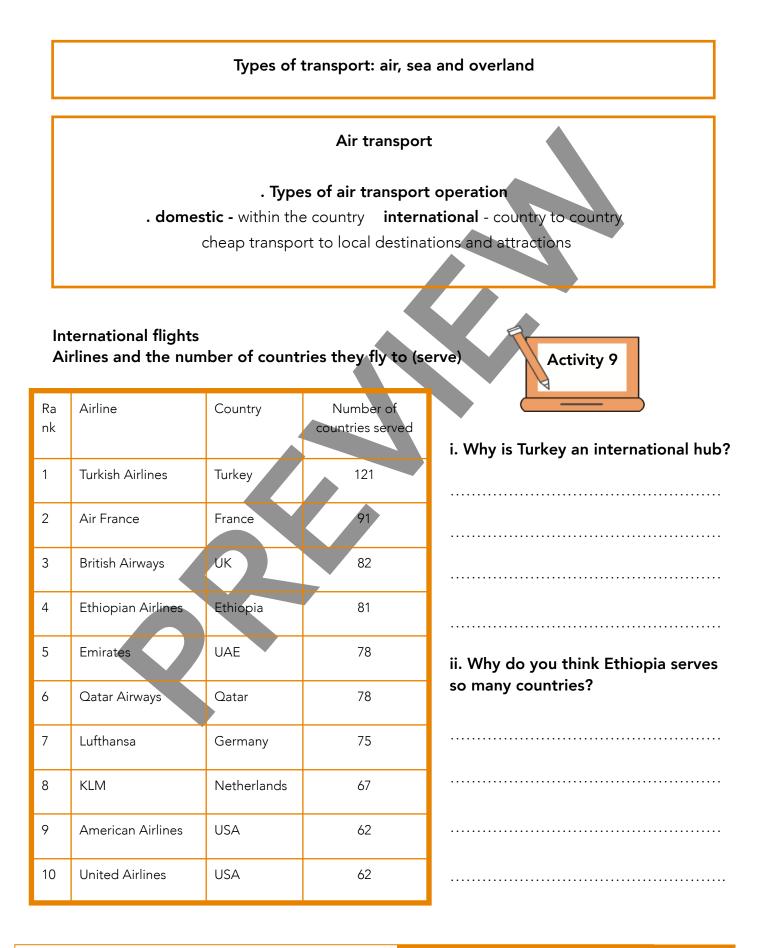
4. Travel and tourism products and services

4.3 Role of support facilities for travel and tourism

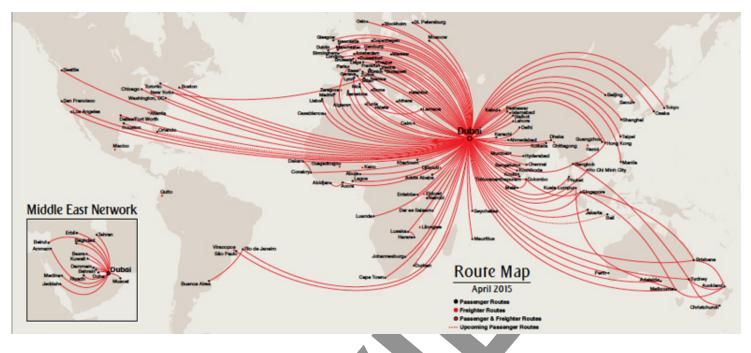


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# **Route map for Emirates Airlines**

#### **Scheduled flights**

(a regular timetabled service) **Full service** = include entertainment, refreshments, check-in baggage etc (Emirates, British Airways) **Low cost service** = limited or no entertainment, charge for baggage, refreshments etc. (Air Arabia, FlyDubai, Ryanair)

# International and domestic flights

Airlines in most countries fly domestic routes and international routes e.g. United Arlines, American Airlines, Lufthansa, British Airways, China Southern Airlines

Many of these airlines have more than one base eg British Airways = Heathrow and Gatwick

# **Chartered flights**

For package tour holidaymakers to holiday destinations. Tour operators pre-book seats on the flights.

Private hire - individuals or businesses 'charter' a flight for a specific destinations



		0000000
Passeng transfer to	Hub Airports act as a hub. gers fly into an airport, and o another flight - usually with the same airline. siest airports (by number of pas	Gateway Name given to a main destination in a country
Rank	Airport (hub)	Total passengers (2019)
1	Atlanta USA	110,531,300
2	Beijing, China	100,011,000
3	Los Angeles, USA	88,068,013
4	Tokyo, Japan	87,131,687
5	Dubai, UAE	86,396,757
6	Chicago, USA	84,397,776
7	London, Heathrow, UK	80,844,310
8	Shanghai, China	76,153,500
9	Paris, France	76,150,007
10	Dallas, USA	75,066,956



# Operating economies of air transport

## **Airline passengers**

. transports over 2 billion passengers a year . employs 29 million people . 40% of travellers fly

Air Transport Action Group (ATGA) . estimates \$3,000 billion (8% of world GDP)

# Airline industry

. 900 airlines

. 22,000 aircraft . 1670 airports

# Airline costs

2008 costs: workers (labour) 25%, fuel 25% US\$1 rise in fuel = US\$1.6 billion for the airline industry Other costs:

. aircraft . aircraft insurance . maintenance . landing fees . advertising and promotion .

. air navigation service charges . food and beverage supplier costs .

travel agency commissions and ticketing costs .

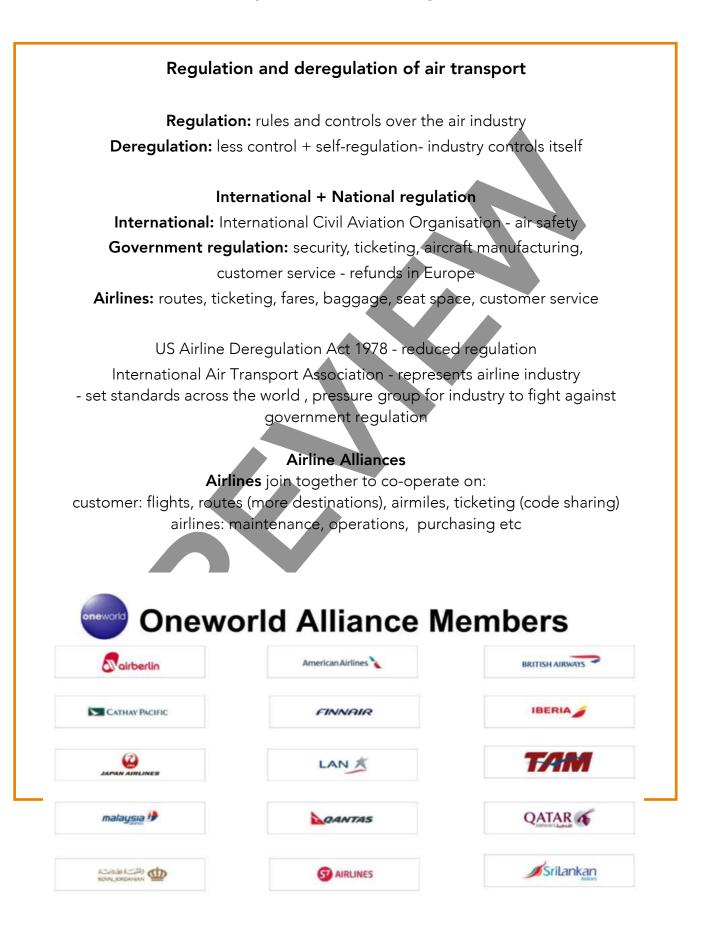
Example: Boeing 737 = \$50 million

Reducing costs:

. low cost airlines do not use travel agents (save on commission)









# Air transport and tourism development

## Future spending

Most airlines and countries looking to increase spending over the next decade (though COVID 19 may slow this spending)

# Airports

Investment: UAE invested AED.1 trillion in airport infrastructure Airport passengers rising 4% Governments and private companies own and operate airports

# Development

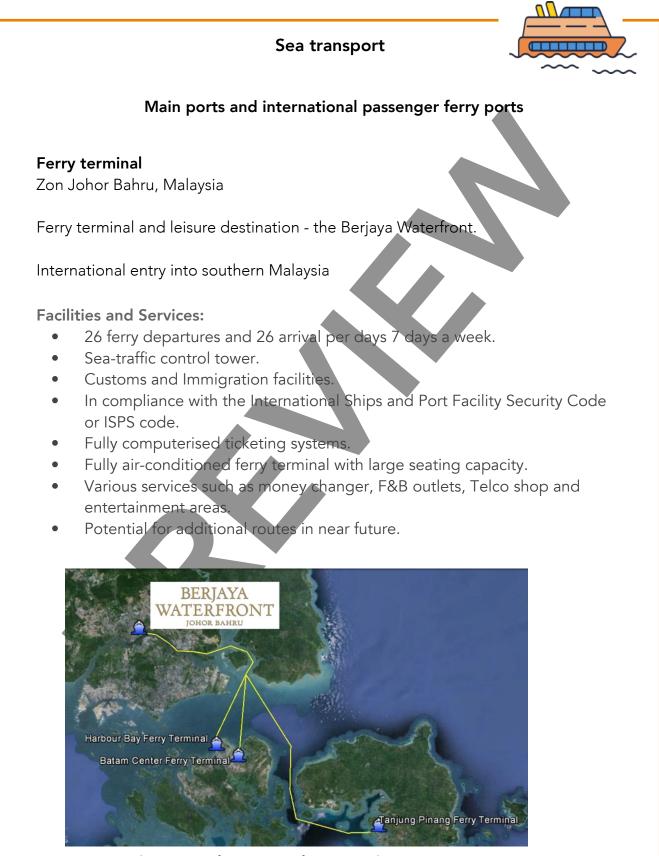
IATA represents 230 airlines from 118 countries

Raise standards in the airline industry - safety and security, training, environmental

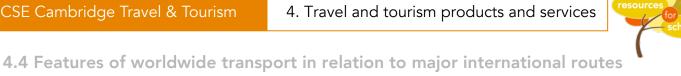
Activity 10	i. Define the following terms (5 x 2 marks)
a. Domestic travel	
b. Scheduled flights	
c. Chartered flights	

d. Regulation			
e. Multiples			
f. Airline alliances			
ii. Explain why is D	ubai airport an internation	<b>al hub</b> (3 marks)	
iii. Give two advant	tages of Airline Alliances fo	or the traveller (4 marks)	
iv. Give two reason	s why governments invest	in airport infrastructure	(4 marks)
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From: ttps://berjayawaterfront.com.my/ferry-terminal/



















Activity 11	Exam style questions
	i. Define the following terms (3 x 2 marks)
a. Ferry	
b. Ferry terminal	
c. Port terminal	
ii. List two reasons w tourist attraction (4	hy the Star Ferries in Hong Kong have become a
iii. Explain why the cru	uise industry is an important part of the tourist industry (6)



# Rail and road transport

# Major international tourist networks

. rail and road networks link airports, sea ports etc with tourist destinations . these routes are very important

# Car travel

. car travel is the main transport method for domestic tourism . cars are used for day trips, weekends and longer days

# Fly-drive packages

Flights and car hire is a popular package for holidaymakers Fly in, collect at the airport - go to destination, drive around - return to airport, fly off Also known as: self drive holidays, road trip holidays or multi-centre holidays



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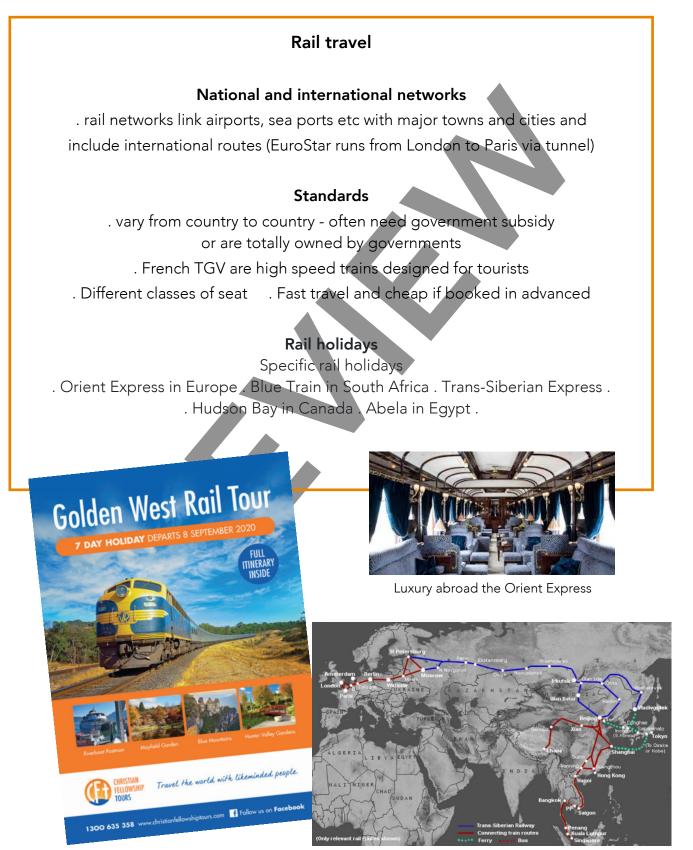
# Coach travel

Coach travel can be part of a package or as separate holiday Coach travel is often a multi-centre holiday, where people visit a number of places Coach day trips are popular to attractions and events Coach trips can cheap travel option (or for those who do not like to fly) and are popular grey market









Trans Siberian Express (blue route)







Activity 12	<ul><li>Exam style questions</li><li>i. Define the following terms (3 x 2 marks)</li></ul>
	works
c. Day trip	
ii. Give two reasons v	why people may choose multi-centre holidays (4)
iii. Explain why coach	travel is a popular especially amongst the 'grey market' (6)



iv.	Give two reasons why families may choose a fly-drive package holiday (4)
v.	What type of tour operator would offer a rail holiday?" (2)
vi.	Explain three services provided by rail holidays like the Blue Train (6)

