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**هذه الوثيقة متوفرة لمساندة مقرارات الجامعة.**

**ويمنع منعاً باتاً نسخها في نسخ متعددة أو إرسالها بالبريد الإلكتروني الى قائمة تعميم بدون الحصول على إذن مسبق من صاحب الحق القانوني للملكية الفكرية لكن يمكن للمستفيد أن يطبع أو يحفظ نسخة منها لاستخدام الشخصي لأغراض التعلم والبحث العلمي فقط.**

# TOUR PACKAGES 1

## PREREQUISITES

Before beginning this Module, you should have:

- An understanding of the main business sectors of the travel and tourism industry.
- Knowledge of the business activities that generate income for the travel agency.
- An understanding of the role of the travel agent in the travel and tourism business environment.
- Knowledge of business requirements and commercial skills necessary for a travel agency to operate efficiently.
- The ability to research, assemble and quote basic air, rail, accommodation and water ferry rates.

## LEARNING OUTCOMES

By completing this Module, you will learn to:

- Identify different types of tours and describe the components and advantages of a pre-packaged tour (Unit 1).
- Explain items included in a tour brochure and quote prices from the brochure (Unit 2).
- Outline reservation procedures for booking tours and describe appropriate accounting procedures (Unit 3).
- Explain booking conditions including liability and limitations of liability (Unit 4).

## Overview

In this Module, you will learn about the variety and organization of tours. You will explore in detail custom-designed tours, independent tours, hosted tours and escorted tours and learn about key components that comprise these different tours. Next, you will evaluate the advantages of selling tours, both for your potential clients and for you, the travel professional. You will then learn about tour brochures and evaluate important strategies for reviewing the essential elements of tour brochures with clients. You will gain insight into the key information to obtain while making tour reservations and you will learn how to track and manage important administrative and accounting information. Finally, you will learn about Tour Booking Conditions and analyse relevant limitations of liability with respect to tour operations.

### Custom-Designed Tours

Travellers who desire the highest degree of control over all of the elements of a tour will often select a custom-designed tour. Travel professionals create custom-designed tours, usually by working closely with the client, to accommodate all of the individual needs and requests a client makes with respect to the tour elements. Some of these considerations include accommodations, transport, meals, entertainment and similar elements.

A custom-designed tour is commonly referred to as an **F.I.T.** (or **FIT**), which is short for "foreign independent tour". The term **FIT**, however, is used loosely to describe both domestic and foreign tours. **FIT**'s are almost always organized for leisure travel, and are not commonly organized for business travel. **FIT**'s were extremely popular prior to the 1960's, when pre-packaged tours became a more common manner to organize and operate tours. Because **FIT**'s are tailor-made for the individual, they are generally more expensive to operate than pre-packaged tours. Also volume discounts that are generally available to organizers of pre-packaged tours are not available to an organizer of **FIT**'s. As a result **FIT**'s are not as widely available as they once were, perhaps because the incentives for travel professionals to sell them has been reduced.

### Independent Tours

An **independent tour**, as the name implies, is a tour where participants travel independently without a group or guide. Participants in an independent tour can depart and return on any day and can even adjust the length of their stay to suit their individual needs and preferences. As mentioned previously, travellers on this type of tour may not even realise they are on a tour at all. It does, however, fit the definition of a tour because participants are purchasing some or most of their travel elements as a package.

Many independent tours provide only the basics such as round-trip transport to the destination, transfers from the airport or arrival point and accommodations at a single hotel. Independent tours are particularly popular with travellers who wish to go to a resort for the primary purpose of relaxation. They are also favoured by travellers to destinations that have efficient public transport systems combined with a variety of local sightseeing tours that the travellers can choose once they are at the destination.

Frequently independent tours will include a rental car as part of the tour package. Generally the car class is economy or standard, but the class may be upgraded for an additional expense. Many independent tours will also give travellers the option to select from a variety of hotels ranging in price from budget/economy to luxury. Hotel stays can be booked any time of the year, although during certain times travellers will pay a premium for

accommodations. Travellers may also elect to extend the length of their tour beyond the original tour specifications by paying a fixed rate for each additional night of their extended stay.

One popular type of independent tour is known as a **fly/drive tour**. This type of tour allows travellers to visit multiple destinations during their trip and includes air transport, a car rental and lodging, with a selection of hotels, guest-houses and even farm-houses. Fly/drive tours appeal to travellers who want to visit multiple destinations and set their own travel pace. Frequently, tour operators will make agreements with hotel chains, allowing travellers to utilise hotel properties within the chain at different destinations. Usually, the travellers are given a set of vouchers, one for each night of the tour. Then, travelling on a "go-as-you-please" basis, they give a number of vouchers to each hotel, matching the number of nights they stay there. For a few of these tours, itineraries can be planned in advance and bookings made before leaving home. However, most tours book only the first night, so the client will have somewhere to go upon arrival at the destination. Then the rest of the bookings are made by the clients telephoning ahead each day when they have decided where they want to go. These types of agreements between tour operators and suppliers such as hotels make for potentially more cost-effective touring.

As you have learned, independent tours offer tremendous flexibility and autonomy for the tour participants. Independent tours are ideal for travellers who value the opportunity to make their own choices and set their own schedules. Independent tours are not, however, for everyone. Many travellers seek more structure to their travel plans. For these travellers hosted and escorted tours may be a more appropriate option.

### Hosted Tours

**Hosted tours** offer travellers an opportunity to travel independently, but also to receive guidance and assistance from a host at each of the tour's destinations. Typically the host is a representative of a tour company or ground operator who assists participants with the planning and organization of their activities and other tour arrangements. The host serves as an information specialist, facilitating the needs and wants of the tour participants.

Participants in a hosted tour often arrive separately from other participants, although on certain hosted tours participants will arrive on a charter flight together. Once the participants have arrived, however, most of their activities are done individually, not as a group. Some hosted tours include a single destination with a single host, while others include multiple destinations with several hosts. On hosted tours with multiple destinations, participants typically receive round-trip transfers from the airport to their hotel, an orientation session that frequently includes one

sightseeing trip and the services of a host in each of the destinations.

The host's responsibilities vary from tour to tour, but generally the host will greet each of the tour participants at the hotel or airport, give them a brief orientation to the tour components and destination and then remain available to the participants over the course of the tour. Host availability is also variable, but generally the host will be available at a hospitality desk or similar area at the participant's hotel.

Hosted tours are ideal for travellers who want independence and flexibility with respect to their itineraries and destination activities, but still desire the on-site guidance of a travel professional.

### Escorted Tours

Travellers who desire an even higher level of on-site assistance and structure will appreciate the benefits of an escorted tour. On an escorted tour, participants travel together as a group and are always accompanied by a professional escort, who coordinates the group's itinerary and activities and is responsible for making sure all aspects of the tour run smoothly. The accommodations, meals, transport and sightseeing on an escorted tour are all pre-arranged and as a result the details and difficulties of these matters are taken out of the hands of the participants.

Escorted tours commonly visit many destinations and as a result the tour participants are frequently on the move. Unlike independent and hosted tours, which frequently focus on a single destination, escorted tours often stop in a different city every night. Travelling between the sightseeing stops is generally done in a motor-coach. The participants do not select the individual hotels during their stay, but rather select a level of accommodation when they purchase the tour package. For example, a participant can select from Budget/Value hotels all the way up to Premium/Deluxe accommodations and once selected, all participants on the tour will stay in the same accommodation.

Escorts commonly provide a wide variety of information throughout the tour, but at times local tour guides, who are experts on specific regions or tour features, will be utilised to provide more detailed information to the tour participants. These guides are also referred to as **step-on guides**, which as the name suggests are specialised guides who "step on" to the tour temporarily to conduct a portion of the tour. For example, step-on guides can be utilised to lead the participants on a city tour or through an art gallery or museum. Some cities even require that licensed, local, tour guides conduct all sightseeing tours. In this way some level of quality control is assured and tour participants benefit by receiving a guide with specialised training.

Generally, participants in an escorted tour travel together from the time the tour begins until the time the tour is completed. However, many tour companies now recognise the need to give participants some measure of flexibility during portions of the tour. As a result, some escorted tours now offer what are known as **modules**, which are choices of tour variations during certain segments of the tour. For example, rather than selecting a 10-day tour of Italy, participants can choose how they spend portions of their tour, such as three days in Florence, four days in Venice or two days in Rome.

For travellers seeking great independence and flexibility, escorted tours will probably not be the best choice. The group itinerary comes before individual needs. When the motor-coach is set to depart, all participants must leave. However, for travellers who want convenience and do not wish to be bothered with organizing travel details, escorted tours are a logical and popular choice. With the addition of modules, in some ways the distinction between hosted tours and escorted tours is less clear. The blending of categories also means that escorted tours will likely appeal to a wider range of travellers.

Whether custom-designed or pre-packaged, there are hundreds, if not thousands, of types of tours. The number of tours available gives travellers an excellent variety of options to meet their travel needs. Choice and flexibility are key components of most tours.

### Key Learning Point



### STUDY CHECK



- 1) True or False: On escorted tours, the tour participants typically stay at the same type or quality of accommodation.
- 2) Which of the following is not an example of a pre-packaged tour?
  - A. hosted tour
  - B. escorted tour
  - C. independent tour
  - D. custom-designed tour

## Applying Your Learning at Work

Make a list of your hobbies and interests and those of your business associates and friends. Ask yourself how each of these might translate into tours. What types of tours could be applied to each of the different interests and hobbies you found? How might you custom-design or pre-package a tour surrounding each of these hobbies or interests?

### 1.3 PRE-PACKAGED TOUR COMPONENTS

Now that you have gained an understanding of both custom-designed tours and pre-packaged tours, let us explore the components or elements that make up pre-packaged tours. There are many possible tour components and these will vary depending on the objectives of the tour and the underlying budget. Certain elements, however, are basic to most tours; these include transport, accommodation, itineraries, sightseeing and meals.

#### Transport

Virtually all tours include transport as part of the tour package. Transport for tours comes in many forms and may include air, car, motor-coach, train or ship to name the most common forms.

Frequently, modes of transport are combined or used sequentially to achieve the objectives of the tour. For example, there are fly/drive tours that use a combination of aeroplanes and rental cars. Some tours offer fly/cruise packages, wherein the travellers fly to a port of embarkation and then board a cruise ship for most of the tour.

Other commonly identified types of tours feature the name of the dominant mode of transport. For example, a **rail tour** is a tour whose primary mode of transport during the tour is by train. Perhaps the most widely recognised form of touring is the **motor-coach tour**, which as the name implies, utilises buses or motor-coaches to move participants from destination to destination and to visit sightseeing attractions along the way.

Included in transport are **transfers**, which is any mode of transport that shuttles participants from their point of arrival, frequently an airport, to their first accommodation, typically a hotel. Transfers, however, are not limited to transport between airports and hotels. Virtually any type of transfer is possible, such as a shuttle bus between a railway station and cruise ship.

#### Accommodation

Virtually all pre-packaged tours that are longer than a single day in duration include some type of accommodation. Accommodations range from a simple tent to luxurious hotels and resorts, and as such can be tailored to fit almost any traveller's budget.

Typically, participants choose accommodation from different price ranges. On escorted tours, the tour participants stay at the same accommodation, and this fact warrants special consideration. If the accommodation is a hotel, the property must be equipped to handle groups. The hotel must be able to register groups efficiently, serve group meals and provide rooms that are similar in size and quality. This last point deserves special attention, because few things are more upsetting to a tour participant than finding out that his or her neighbour has a significantly nicer room. Remember tour participants are all paying the same price, so accommodations should reflect that fact.

As a travel professional you should pay particular attention to accommodation when booking tours for your clients. Travellers often place a high value in having accommodations that suit their particular tastes and needs. Remember roughly one-third of the tour will be spent in a hotel or similar accommodation; therefore it is important that this aspect of the tour be to your client's satisfaction. Other aspects to consider include availability of transfer services, parking and access for the motor-coaches, proximity to sightseeing attractions and accessibility for physically-challenged or handicapped tour participants.

#### Itineraries

Selecting a tour with an appropriate itinerary for the individual client is another important component of a pre-packaged tour. The elements of an itinerary include the route, distances, travel times, activities and sightseeing during the tour.

Helping a client select a tour with an appropriate itinerary is an essential function for a professional travel agent and is an effective way to gain client trust. Happy clients are also more likely to use your services in the future and to refer you to their friends and business associates, thereby generating additional revenue.

When considering tour itineraries, it is helpful to understand some basic guidelines, which may be broken down into five categories: Pace, Routing, Interests, Details and Energy (P.R.I.D.E). An explanation of these categories follows:

- **Pace:** Pacing refers to how quickly or slowly an itinerary moves. Providing a comfortable pace for clients is essential to their enjoyment of the tour. A client's age and health should also be considered when determining whether a tour's pace is appropriate. Older clients often prefer to stay two or more nights at each hotel, thus reducing the need for constant packing and unpacking. Generally, younger and healthier clients can move at a faster pace, but this is not always true and each client should be considered on an individual basis.
- **Routing:** Tour routes should be both interesting and efficient. Whenever possible, tour routes should avoid back-tracking, doubling back or routing a client in circles. The hub and spoke routing has become increasingly popular for motor-coach tours. With this type of routing, travellers stay at a central destination and travel via motor-coach to surrounding destinations during the day, returning to the central destination at night.
- **Interests:** One very significant way to add value to your clients' tour is to match their interests with corresponding activities and attractions along the way. To do this effectively, you must talk to your client and listen carefully to the types of

activities and the manner in which they describe their interests. Determining and matching interests takes practice and tour-destination expertise, but the extra effort it takes to practise and learn will be rewarded in the form of client satisfaction.

- **Energy:** Finally, matching the energy level of the client with the energy level and intensity of the tour itinerary is another way to assure the overall success of the tour. When considering this aspect, it is important to take note of how much walking certain tours require, whether or not the client is travelling alone or with a family that includes small children and what type of tour experience the client is looking for. Get a sense of your clients' energy levels, listen to what they tell you they want, and then help them match the tour itinerary based on your observations and experience.

### Sightseeing

Many tours include some type of sightseeing. Some tours, particularly escorted tours, may have itineraries that are packed with sightseeing. On an independent tour or hosted tour, tour participants generally receive sightseeing vouchers and admission tickets to featured attractions in advance. On an escorted tour, the escort will generally retain the vouchers and distribute them to the tour participants at the appropriate time. This has the added advantage to the participants of eliminating the responsibility and hassle of keeping track of vouchers and tickets. At times on escorted tours, sightseeing attractions will be added along the way depending upon the interests of the tour participants.

The tour company prepays most sightseeing attractions. However, when attractions are added or in certain cases when the vouchers or admissions are not available in advance, the tour escort is responsible for obtaining the vouchers. This is usually accomplished by having the escort precede the group and pay the admission fee at the point of entry.

### Meals

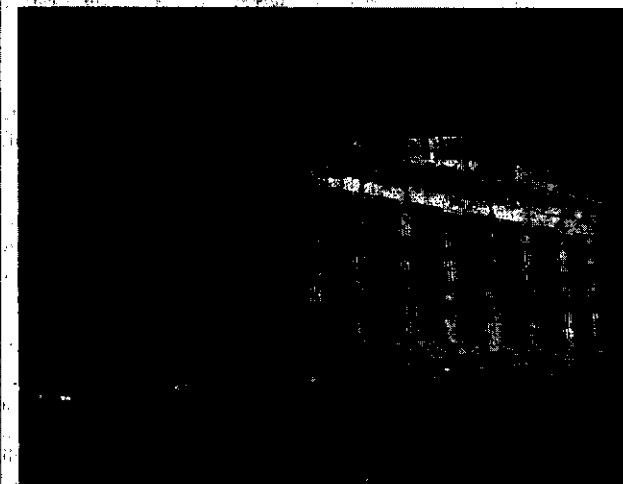
A wide range of meal plans is available on pre-packaged tours. The level and type of plan is one of the factors that significantly affect the price of a tour. The following is a breakdown of several types of plans that are commonly found as part of a tour:

- **European Plan:** This type of plan does not include any meals and presents a significant saving to the tour operator. Under this type of plan, tour participants are required to pay for all of their own meals.
- **Continental Plan:** With this type of plan, tour participants receive a daily light breakfast such as bread, jams, fruit, cereal, coffee and tea. Continental plans vary from country to country, however, and in certain countries a more extensive

menu is available and may include meats, cheeses and even boiled eggs.

- **Modified American Plan:** Tour participants, under this type of plan, receive breakfast and one other main meal, usually dinner. Dinner can be either the midday meal or the evening meal depending on the country and tour. Because of the variation surrounding the term "dinner", it is important to clarify the hour of day involved and explain it to your clients.
- **American Plan:** With this type of plan, tour participants receive all three daily meals as part of their tour package. The American Plan is common on cruise ships and tours that visit more remote or isolated areas.
- **Bermuda Plan:** Tour participants, under the Bermuda Plan, receive a full cooked breakfast, but no other meals are provided.

It is important to note that one way tour operators save money is by reducing or eliminating meals that are included as part of the tour. The type of meal is also an important consideration in tour cost. For example, a tour operator who offers five lunches and five dinners as part of the package is offering more than an operator who offers ten breakfasts. Similarly, a tour operator who allows participants unlimited menu choices at a destination is offering more than one who restricts the participants to a selection of three main dishes or a set menu. It is important to pay attention to these details when booking a tour for a client, because inclusion or exclusion of meals can be an important consideration for a client when booking a tour.



Sightseeing is a key ingredient in most tour recipes.

### Additional Tour Components

In addition to the key tour components discussed above, there are many other elements that can be included in or excluded from a pre-packaged tour. Some of these components are gratuities, baggage handling, service charges and taxes. Many of these items can be of real value to the client, primarily because including some or all of these items simplifies the tour details from the client's perspective. Other elements might include promotional gifts, complimentary drinks or a welcoming event or reception. Typically, these items are of less value overall to the client than the items mentioned previously.

### Key Learning Point



The main components of tours are transport, accommodations, itineraries, sightseeing and meals. These elements may not be included in every tour. However, they are the key ingredients for most tour recipes.

### STUDY CHECK



#### • True or False

- 1) When a tour offers the "European Plan", participants receive all three daily meals as part of their tour package.
- 2) On a "hosted tour", participants travel together as a group and are always accompanied by a professional escort, who coordinates the group's itinerary and activities and is responsible for making sure all aspects of the tour run smoothly.

## 1.4 ADVANTAGES OF SELLING TOURS

Selling tours to travel clients offers a variety of advantages to both the clients and the travel professional. Advantages to the clients include the following:

- 1) **Time Efficiency.** Because many tours are planned and operated according to a time schedule, they are very time-efficient. This means that a tour participant can see more destinations in less time.
- 2) **Increased Security.** In a world of heightened security measures, increased safety is a perceived value to travellers. Escorted tours offer travellers an extra measure of comfort and protection due to the presence of the escort. This may be particularly important to travellers who are touring a part of the world with which they are totally unfamiliar and in areas where they do not speak the language.

- 3) **Ease and Convenience.** Because on most tours the components are pre-paid and packaged together, it makes arranging and understanding details of the experience much easier for the clients than if they had to arrange the details on their own.
- 4) **Cost Savings.** Because tour operators and suppliers have access to tour components at a wholesale cost, there may be a cost savings to the tour participants.
- 5) **Less Time in Planning.** Because many elements of a tour are pre-arranged, tour participants spend less time planning their trip than other types of travellers. In a world where time is equated with money, this advantage can be significant, particularly to travellers who have limited personal time.
- 6) **Easier and Safer Niche Travel.** For clients seeking a niche travel experience such as river rafting, mountain climbing or an African safari, a tour simplifies the details and affords the tour participants much greater safety and security than doing the same itinerary on their own.
- 7) **Social.** For many travellers, tours offer a ready-made social situation with a group of people, who by virtue of the fact that they are on the same tour are likely to have similar interests. For this reason, many tours are targeted towards special interests and to certain profiles such as singles or senior citizens.

Clients aren't the only ones who benefit from the sale of tours; the travel professional who markets and sells tours benefits as well. Some of these benefits include the following:

- 1) **Profit Potential.** Because tours include a variety of travel components, each of which will include an agent commission, selling tours offers a far more attractive profit potential than just selling a piece of the travel arrangements such as air tickets or accommodations.
- 2) **Customer Relationship Development.** A travel professional who sells tours, and particularly one who accompanies the tour participants on some or all of the tour, stands to develop more meaningful customer relationships than an agent who merely sells a quick airfare.
- 3) **Repeat Business Potential.** In general, customers buy products from people they know and trust. The same is true of travel products. Because tours offer a high level of customer satisfaction, clients who book tours from you and are satisfied will be likely to request additional services from you in the future.

- 4). Provide Real Client Value. Travel clients appreciate value and choice. As a travel professional who sells tours, you can provide both value and choice to your clients with a single product. By providing this service you are more likely to gain the lasting confidence and trust of the client, which will ultimately translate into additional revenue for you as well as a feeling of professional pride.

### Key Learning Point



Tours offer wonderful advantages to both clients and the travel professional. Participants save time and money, realise a higher level of security and safety, and have the opportunity to meet new friends. Agents can make more profit, develop closer customer relationships, and provide excellent value to their clients.

### STUDY CHECK



- 1) Which of the following could be considered advantages to clients who decide to take a pre-packaged tour:
  - A. increased security
  - B. ease and convenience
  - C. less time spent planning
  - D. all of the above

### 1.5 SUMMARY

In this Unit you learned about the definition of a tour, explored a brief history of touring and identified different types of tours. You got an overview of custom-designed tours, independent tours, hosted tours and escorted tours (Section 1.2). Then you learned about pre-packaged tour components including transport, accommodations, itineraries, sightseeing and meals (Section 1.3). Finally you learned about the advantages of selling tours both for the client and the travel professional (Section 1.4).

## 2 Tour Brochures and Price Quotations

### LEARNING OUTCOMES

By completing this Unit you will be able to:

- Identify and explain key items in a tour brochure (Section 2.2).
- Learn the basics of price quotation from tour brochures (Section 2.3).

### 2.1 OVERVIEW

In this Unit you will gain an overview of how to understand and use tour brochures as part of your sales process. Key aspects to consider when discussing a brochure with your client include cost, itinerary, group size, pace, single supplements, terms and conditions and consumer protection. Then you will learn about important factors affecting the cost of a tour such as pre-tour transport, accommodations, sightseeing and attractions, occupancy rate and travel insurance.

### 2.2 KEY ASPECTS OF A TOUR BROCHURE

With literally thousands of tours to choose from, selecting the right tour for a client is no small task. Getting to know your clients and identifying their needs and wants is part of the process, but knowing about the tour product is a key ingredient as well. For the latter part of the process, the tour brochure is an essential part of your sales tool kit.

Tour brochures vary from simple one-colour leaflets with basic information to elaborate colourful booklets with detailed photographs, maps, and related materials. As a travel professional, it is important for you to become familiar with tour brochures, understand their key elements and be able to transfer that knowledge to your clients in a friendly and efficient manner. Consider the following ideas for assisting your clients with tour brochures:

- Before you present any brochures, qualify your client. Talk to them about tours and most importantly listen to them to get a thorough understanding of their needs and wants. Only then should you consider introducing a brochure.
- Offer clients one or two brochures that seem appropriate, based on your assessment of their needs and wants. It is often helpful to mark key elements of the brochure with a highlighter so that the important points will stand out as the client reviews the brochure at a later time.
- Go over the important elements of the brochure with the client and make sure you have a sense that the client understands the key points.
- Encourage your clients to read and familiarise themselves with all aspects of the brochure. Understand, however, that most clients will not read the detailed provisions of the



brochure. Therefore it is beneficial to both the client and to you to review the key provisions of the brochure with your client. Areas that are particularly important to cover are what is included in and excluded from the tour, the cancellation policy, the limitations of the operator's liability and responsibility, important rates, fares and taxes, and the deposit and payment schedule.

One way to make sure you cover all of the appropriate material in a tour brochure with your client is to develop a check-list of items to cover in your initial meeting and follow-up conversations. This doesn't mean that you will necessarily have the physical check-list in view of your clients while you are discussing tours with them. However, once you commit the check-list items to memory you can go back after the meeting and mark the items off the check-list. Following a procedure such as this will allow you to deliver a more consistent sales approach, which will probably increase your effectiveness as a travel-sales professional. A list of suggested points for your check-list follows. With experience, you can tailor the list to best suit your personal needs and business practices.

#### Tour Brochure Checklist

- 1) Cost. Make sure you fully explain what is included in the price of the tour and what is excluded from the tour. Clients will greatly appreciate not encountering surprises along the way. You don't want your clients to arrive at a destination expecting a complimentary breakfast only to discover that they are expected to pay. Areas to cover include airfare, meals, transfers, accommodations, sightseeing, attractions, gratuities and taxes.
- 2) Itinerary. Understand your clients' interests and desires when helping them select an itinerary. To do this effectively, you must spend time with clients and listen to what they tell you. Too often in sales, the salesperson will try to sell blindly, without listening. This can result in unhappy clients because ultimately their needs won't be met. When considering itineraries, ask clients questions about what they want to see and how they want to experience it.
- 3) Group Size. Be sure to ask your clients about the size of group with which they are most comfortable. If a client is looking for a more intimate experience, he will probably not be happy with a tour that has 16 motor-coaches. Tours come in many different sizes and it is essential that you match your client with an appropriate group size.

- 4) Pace. Just as tours come in many different sizes, tours also come in just about every pace imaginable. Determining an appropriate pace for your clients is essential to their overall enjoyment of the tour. Determining pace can be tricky and there are many factors to consider such as your client's age, health, interests and tastes. Make sure you check the tour's itinerary carefully to determine the tour's pace and whether or not it matches your client's tastes.
- 5) Terminology. Make sure your clients understand the language and terminology used in the brochure. Also make sure they realise that there are significant differences in terminology between countries. Ask them if they have any questions.
- 6) Single Supplement. If a client is travelling alone, make sure he or she understands about single supplements. You don't want inexperienced clients to take the double occupancy rate and divide by two to calculate what they think they will pay. Point out the single supplement rate in the brochure and make sure they understand how it will affect their tour price.
- 7) Consumer Protection. Check to see if the proposed tour is a member of any organization that offers a consumer protection plan. If a plan is offered, make sure you identify this point to your client and explain its significance.
- 8) Conditions. Clients generally won't read the fine print. Unfortunately, the fine print is what contains many important conditions and explanations concerning liability and responsibility. Make sure you review the applicable sections with your clients as this will detail both the client's and the tour operator's rights.
- 9) Questions. Make sure you answer all of your client's questions! Remember the sales process involves listening, and identifying and responding to client needs and wants. Make sure your clients know they can contact you with additional questions as they arise.

#### Key Learning Point



Understand that a tour brochure is a sales tool. It should not be used as an advertising tool. Too many agencies send brochures indiscriminately to clients. This results in confusion and lowers sales results. Qualify your clients, follow the check-list, and gain maximum advantage from the information that a tour brochure provides.

## STUDY CHECK



- 1) True or False: It is generally not necessary to go over key points in a tour brochure as most clients, themselves, will read the detailed provisions of the brochure.
- 2) True or False: When assisting clients in choosing an itinerary, it is important to ask the clients questions about what they want to see and how they want to experience it.
- 3) True or False: The term "single supplement" refers to a surcharge placed on single travellers by tour operators as a result of a single person's tendency to eat and drink more than a married tour participant.
- 4) Which of the following items is worth going over with a client while reviewing a tour brochure:
  - A. group size
  - B. itinerary
  - C. cost
  - D. all of the above

## 2.3 TOUR BROCHURE PRICE QUOTATION

One of the most important considerations for many clients when selecting a tour is the tour's price. There are many factors that will affect a tour's price and most are generally listed in the tour brochure and its supplements. As a travel professional who sells tours, you must be able to interpret and explain all of the relevant information concerning the price of a tour to your client. Some of the most common factors affecting tour price are as follows:

- 1) **Pre-Tour Transport.** All tour participants must arrive at the tour's departure point at the scheduled time in order to begin the tour. The manner in which a participant arrives at the departure point will affect the cost of the tour. If participants must fly from their home to get to the departure point, it will be more expensive than if they simply need to drive across town.
- 2) **Accommodation.** One of the single largest expenses in the cost of a tour is the type and quality of accommodation. If a tour participant chooses to stay in a hotel in the Budget category, then there will likely be a significant cost savings compared to staying in Deluxe or Luxury hotels.

- 3) **Sightseeing and Attractions.** Another factor that greatly influences the cost of a tour is the type and number of attractions and features included in the tour's itinerary. Clients can economise by selecting tours that offer sightseeing and attractions that match their budgets. For example, a client who is trying to economise on a tour of London might want to avoid a tour that includes evening events such as symphony orchestra performances and operas.
- 4) **Accommodation Occupancy.** Most tour prices are provided as a per person, double occupancy rate. This means that each person will pay this rate when sharing a room with another person. In other words, the cost of the room is double the per person, double occupancy rate. It is important to explain this concept to your clients so that they are not under the impression that if they travel alone they will pay this rate. Many tours offer a single occupancy rate for participants who are travelling alone. The additional price paid is called the **single supplement** and frequently represents a 50% surcharge over the per person double-occupancy rate.
- 5) **Travel Insurance.** Many tour operators offer optional travel insurance to cover a variety of circumstances. This optional insurance will affect the price of a tour but can offer peace of mind to the tour participants. Examples of travel insurance coverage include trip cancellation and interruption, travel delay, loss or damage of baggage and travel documents, emergency medical expense, medical transport expense, and accidental death and dismemberment.



*The type and number of attractions in a tour can greatly affect its cost. Make sure clients select tours that match their budgets.*

## Applying Your Learning at Work

Take a tour brochure and read its contents cover to cover. As you read the brochure, make an outline of the key components discussed in this Unit. Identify the key items and characteristics of the brochure. Study and outline the type of pricing provided by the brochure.

There are many other factors that can potentially affect the cost of a tour, and it is appropriate to review as many of these factors as possible with your client before booking the tour. Clients will appreciate your honesty, particularly when it comes to financial matters surrounding travel. Nothing is more certain to discourage repeat business from a client than a financially dishonest transaction. Remember that clients generally expect and appreciate value when it comes to travel arrangements. By providing value when booking tours for your clients, you will build a loyal customer base that ultimately encourages repeat business and referrals.

### Key Learning Point



The cost of a tour is determined by factors such as the type of transport, quality of accommodations, quantity and quality of sightseeing and attractions, type of occupancy, and travel insurance.

### STUDY CHECK



- 1) Which of the following items is probably not covered by a form of travel insurance?
  - A. trip cancellation
  - B. changes in itineraries
  - C. emergency medical expenses
  - D. trip delays

## 2.4 SUMMARY

In this Unit you learned about using tour brochures as part of the sales process. You reviewed several key aspects including cost, itinerary, group size, pace, single supplements, terms and conditions and consumer protection (Section 2.2). You then learned about important factors affecting the cost of a tour such as pre-tour transport, accommodations, sightseeing and attractions, occupancy rate and travel insurance (Section 2.3).

## 3 Reservation and Accounting Procedures

### LEARNING OUTCOMES

By completing this Unit you will be able to:

- Outline reservation procedures for booking tours (Section 3.2).
- Describe appropriate accounting procedures (Section 3.3).

### 3.1 OVERVIEW

In this Unit you will learn about details you should cover with your client and tour operators to ensure a proper reservation of a tour for your client. You will also gain an overview of tour administrative and accounting procedures including a check-list of points to aid in the development of a tracking system for administrative and accounting details.

### 3.2 TOUR RESERVATION PROCEDURES

Once a client has been qualified and informed and is ready to purchase a tour, you will need to make a reservation. Depending on your location and that of the tour operator, reservations can be made either directly with the tour operator or with a sales agent for the tour operator. In either case, the actual transaction will normally occur over the telephone or through your agency's computer reservation system. Increasingly, the Internet is providing another reservations channel. Whatever method you use, the same basic information will be exchanged with the tour operator.

Making tour reservations for a client is not extremely difficult, but as with most aspects of the travel business, developing a system and sticking to the system can greatly improve your efficiency and accuracy as a travel agent. Accuracy is important because it will help reduce errors. Errors can be embarrassing and costly, both in financial terms and in terms of your professional reputation. The following is a list of details you should cover with a tour operator and/or the tour operator's sales agent when you make a reservation for a client:

- 1) Your full name and the name of your agency or organization. Many tour operators will maintain your name and that of your agency in their computer systems, thereby facilitating this part of the process.
- 2) The name and availability of the tour that your client wants to take.
- 3) The dates of the proposed tour.
- 4) The full names, addresses and any other relevant contact information, such as phone and fax numbers, of the tour participants.
- 5) Air transfer information; this information should include the clients' gateway city, which is the city from which they will depart, and also details of the city from which they will return at the conclusion of the tour.

- 6) Any special requests or situations. Special requests and situations would include special meal preferences, medical or health conditions, allergies, physical disabilities or challenges. It could also include anniversary, birthday or matrimony plans as well as any other important positive information.

Because your time with the tour operator or tour agent will be limited, if you are using the telephone, it is important to take detailed notes about the matters discussed during your conversation. It is also very important to get the name of the representative with whom you spoke and set up the reservations. This will facilitate any changes and eliminate guesswork if any problems arise during the reservation and ticketing process.

### Key Learning Point



It is essential to develop, implement, and follow-up on a system for booking tours. This will greatly improve the efficiency and accuracy of managing the accounting and administrative process.

### STUDY CHECK



- 1) True or False: Developing and sticking to a system can greatly improve your efficiency and accuracy as a travel agent when making tour reservations for clients.
- 2) Which of the following is an example of a client's special request or condition that should be discussed with the tour operator at the time the reservation is made:
  - A. special meals
  - B. physical disabilities or challenges
  - C. allergies
  - D. all of the above

## 3.3 TOUR ACCOUNTING PROCEDURES

Keeping track of both the administrative and financial details of the tour bookings you complete is an essential function of an organized and effective travel professional. Just as you developed a system for tracking reservations, you will want to develop an appropriate system for tracking accounting and administrative procedures.

It is important to establish and formalise your relationship as an agent for the tour operator. Most established tour operators have automated systems for reservations and these systems are linked to major Global Distribution Systems. However, not all operators will have automated systems, so in certain cases in may

be necessary to perform accounting and administrative procedures manually. In either case, it is important to establish written agreements with tour operators with whom you do business.

Tour operators have different policies and procedures regarding key administrative and accounting procedures such as reservations, deposits, refunds and commissions. Familiarising yourself with the operators' key policies and developing a tracking system that takes into account these different procedures will help make your interactions with both the tour operators and clients more effective.

It will be helpful to develop a tracking system that contains the following types of information:

- 1) Number of passengers booked on the tour
- 2) Date passengers were booked on the tour
- 3) Date and amount of initial deposit
- 4) Date final payment is due
- 5) Rates for various tour participants
- 6) Document delivery dates
- 7) Your commission for tour sale
- 8) Name and contact information for tour operator's representative

Although tracking accounting and administrative procedures is not the most glamorous aspect of the travel profession, it is extremely important. Because today's business environment is fast-paced and competitive, travel professionals who spend the time initially in maintaining proper records will ultimately save time, thus allowing them to focus on the aspects of the travel profession that they find most enjoyable.

### Key Learning Point



Make a point of accomplishing the following three key tasks every time you make a tour booking:

*Get a Name.* Keeping track of clients and names of intermediaries with whom you deal during the reservation process will make your job easier.

*Get a Number.* When booking reservations, ask and make note of any confirmation numbers.

*Get it in Writing.* Whenever possible ask for and get the arrangements in writing.

## Applying Your Learning at Work

This Unit covered many of the most important aspects of reservation and accounting procedures. Apply what you have learned to your work situation. Design a tailored, written plan for the handling of reservations and accounting procedures in your agency. If you do not work for an agency yet, create a theoretical plan based on an agency that specialises in escorted motor-coach tours.

### STUDY CHECK

#### • True or False



- 1) Tour operators have identical policies and procedures regarding key administrative and accounting procedures such as reservations, deposits, refunds and commissions.

### 3.4

#### SUMMARY

In this Unit you learned about details to cover with your client and tour operators to ensure a proper reservation of a tour for your client (Section 3.2). You also gained an overview of tour administrative and accounting procedures including a check-list of points to aid in the development of a tracking system for these details (Section 3.3).

## 4 Tour Booking Conditions and Limitations of Liability

### LEARNING OUTCOMES

By completing this Unit you will be able to:

- Discuss tour booking conditions and associated liability (Section 4.2).
- Analyse limitations of liability associated with tour bookings (Section 4.3).

### 4.1 OVERVIEW

In this Unit you will learn about tour booking conditions including those features that are excluded from or included in the tour, deposits and payment schedules, cancellation and refund policies, and tour brochure fares and rates. Finally you will gain an overview of limitations of liability by analysing a tour operator's "Responsibilities" clause in a Tour Booking Conditions section of a tour brochure.

### 4.2 TOUR BOOKING CONDITIONS

When clients express interest in a tour, they are primarily interested in the features of the tour. These features include itineraries, accommodations, points of interest, attractions etc. Unfortunately, while features are certainly the most interesting aspects of the tour, they are not the only aspects that affect the client. An equally important set of circumstances is the "Tour Booking Conditions" or "Terms and Conditions" as they are sometimes called, which are generally detailed in the back of the tour brochure. The following are key points that are generally covered in the Tour Booking Conditions:

#### Included and Excluded Tour Features

The marketing portion of a tour brochure can be misleading. If clients read only the broad descriptions of the tour, they may be disappointed or surprised when the actual events of the tour unfold. For this reason, it is important to cover the features that are included in or excluded from the tour. Examples of these features include:

- The number and types of meals that are included in the tour package
- The types of sightseeing and attractions that will be visited
- The manner in which they will be visited, and gratuities and taxes

Many tours have optional or "add-on" components and if clients choose to participate in these add-ons, they will need to budget accordingly. Unless a tour brochure clearly states that a feature is included, it is safest to assume that it is not. Of course the most reliable way is to check with the tour operator or tour supplier directly to answer definitively any client questions concerning features. Examples of items that are frequently excluded

by tour operators are customs and immigration fees, airport or port charges, city taxes, laundry services, food, beverages and gratuities not specifically included in the tour's itinerary, souvenirs and other personal items and effects, medical expenses and certain types of transfers.

### Deposit and Payment Schedule

All tour operators will require a deposit and a subsequent payment, in a timely manner, of the balance of the tour costs to ensure a proper booking. Many tour companies will require the deposit within 7 to 15 days of making the initial tour reservation. The balance of the payment is generally due no later than 30 to 45 days prior to the beginning of the tour. The deposit and payment schedule vary according to each tour company's policies. Timely payment and meeting key deadlines are essential to ensure that a client's reservation remain in effect. Failure to meet key deadlines will probably result in penalties or cancellation, both of which are detrimental to you and your client. After key deadlines such as the final payment have passed, tour operators may still accept reservations from prospective tour participants, but they will generally require payment in full immediately.

### Cancellation and Refund Policy

Cancellations may be initiated by either the client or the tour operator and the policies concerning cancellations are typically outlined in detail in the Tour Booking Conditions section of the tour brochure. Typically, tour operators reserve the right to cancel a tour prior to departure. There are many reasons why an operator would cancel a tour. Some of these include severe weather conditions, political or social instability on the tour itinerary or labour stoppages and strikes. Operators of escorted tours will generally reserve the right to cancel the tour if there are not enough participants to fill a particular tour date. It should be pointed out that the costs for motor-coaches, accommodations and sightseeing on escorted tours are usually based on a minimum group size. If that group size cannot be achieved, then the tour operator cannot operate the tour profitably, and it is likely that the tour will be cancelled or postponed.

Sometimes only a portion of the tour will be cancelled. This may occur at the initiation of either the tour operator or a supplier subcontracted by the operator. In either case, tour participants generally will receive a refund for the missed portion of the tour. It is more common, however, for a tour operator to substitute an event or feature to compensate for the one that is not available. If this means moving to a lower grade of accommodation, or that other features of the tour are reduced in quality or quantity, the tour operator will generally compensate the tour participants for

the differences between grades and/or quality. For example, if tour participants have paid to stay in premium accommodations valued at \$200 USD, and they are switched to standard accommodations valued at \$125 USD, then the participants will receive a refund for the difference, in this case \$75 USD. Refunds may be issued at the time of the substitution or upon completion of the tour.

The other type of cancellation is that initiated by the client. Typically, once a tour has been confirmed, any cancellation after that date will incur a penalty. The size of the penalty depends upon how close the cancellation is to the departure date. Most Tour Booking Conditions outline a cancellation date and fee grid, showing the size of the penalty in relation to the cancellation date. In general, the further from departure date, the less costly it will be to the client to cancel the tour. Typically, beyond a certain date cancellation will result in a complete loss of the payment for the tour package. In order to avoid these penalties, many clients opt to purchase tour cancellation and postponement insurance. This optional insurance allows the client to change or cancel the trip without penalty for any reason, usually up to 24 hours prior to departure. Under many circumstances this insurance is nominal in terms of expense and is generally recommended unless clients are certain that their departure dates are firm and that no conflicting circumstances will arise.

### Status of Tour Brochure Fares and Rates

The cost of a tour may vary considerably during certain seasons and during certain peak times. Tour brochures will typically outline the differences in price due to seasonality and other factors. It is important to call your client's attention to these differences, as the price may vary significantly.

Other factors such as currency fluctuations can also affect the price of a tour and most tour operators reserve the right to raise tour rates above those published in their brochure. In general, once final payment for a tour has been received by the tour operator, the price of the tour will not change, even if the costs to the operator change after that date. To be completely certain of an individual tour operator's policy regarding rate and fee changes, read the appropriate section in the Tour Booking Section, or contact the tour operator directly.

### Key Learning Point



Covering the deposit and payment procedures and cancellation and refund policies with clients is often overlooked by travel agents. Differentiate yourself as a travel professional by reading and understanding in detail the policies for each tour operator.

## STUDY CHECK



- 1) True or False: Unless a tour brochure clearly states that a feature is included, it is safest to assume that it is not included.
- 2) Which item among the following is commonly excluded from the price of a pre-packaged tour?
  - A. accommodations
  - B. meals
  - C. sightseeing
  - D. laundry service
- 3) True or False: Typically, once a tour has been confirmed, any cancellation after that date will incur a penalty. In general, the further from departure date, the less costly it will be to the client to cancel the tour.

## 4.3 LIMITATIONS OF LIABILITY

Virtually all tour operators will provide for limitations of liability in their printed materials. Typically, these limitations of liability can be found in subsections of the Tour Booking Conditions under categories such as "Responsibilities". The following is an example of a limitation of liability disclaimer from a tour operator:

### Responsibilities

NZTP, Limited acts as an agent for services provided by operators and cannot be held liable for any alterations, acts or omissions on the part of those providing services listed in this brochure or any other services incidental thereto. Further, the responsibilities of associated air carriers are limited as specified in their tickets, conditions of carriage and tariffs. NZTP, Limited shall be under no obligation or liability to any person as a result of any inaccuracy, misdescription or changes to any tour or itinerary or for losses or additional expenses due to strike, war, quarantine or other causes. Baggage and personal effects are the passenger's own risk and it is the responsibility of the passenger to effect insurance. NZTP, Limited and the operators

involved in this program, shall be exempt from all liability in respect of any detention, delay, loss, damage, sickness or injury however and by whomsoever caused and of whatever kind occurring by any conveyance or property used or utilized by the operator. The passage contract in use by the operators concerned constitutes the sole contract between the operators and the purchasers of travel arrangements. Your travel agent will forward deposits and other payments to us on your behalf but is not our agent for the purpose of receipting money. Receipt of money by the travel agent does not constitute receipt by NZTP, Limited. There is no liability on our part in respect of any money until payments are "received" by us. "Received" means authorization from a Credit Card company or where checks are supplied, checks presented and cleared through our Trust Account by our bank. NZTP, Limited reserves the right to correct any error or omissions of information prior to final payment being received by us.

By reading the responsibilities passage above, you can see that several key areas are covered and the operators make it clear what their liabilities are in each circumstance. The following are some of the most important issues covered above:

- 1) NZTP, Limited claim no liability with respect to inaccuracies or errors made by its subcontractors.
- 2) NZTP, Limited claim that liability for air travel lies with the airlines and is described in the airline's ticket.
- 3) NZTP, Limited say that they are not responsible for inaccuracies or changes to the tours and their itineraries as a result of a variety of unforeseen circumstances.
- 4) The tour operator claims no responsibility for baggage, and tour participants are urged to obtain their own insurance for baggage protection.
- 5) The tour operator claims no responsibility for participant's health, injuries and any delays experienced on the tour.
- 6) The tour operator states that the contract in effect is the whole and only contract. This is also known in legal terms as an "integration clause".

## Applying Your Learning at Work

Take a tour brochure and read the terms and conditions, responsibilities, and limits of liability. Compare them against what is covered in this Unit. How do they differ? How are they similar? Then review the complete terms and conditions and contract of carriage that is provided by the tour company on the travel documents. Make a habit of breaking down the details into easy-to-understand terms for you and your clients.

- 7) NZTP, Limited state that providing payment to the travel agent does not guarantee a reservation on the tour. The tour operator must receive some form of payment from the travel agent for the reservation to be considered in effect.

In general, tour operators will make every attempt to reduce their responsibilities and liabilities with respect to their business operations. It should be noted, however, that merely disclaiming liability does not mean in all cases that a company is not liable. All serious questions or concerns with respect to a company's liability should be addressed to a qualified legal professional.

### Key Learning Point



Limitations of liability are normally covered in both the brochure and repeated in more detail in the travel documents. Be sure to review these details and be prepared to provide the information to your clients. Encourage them to be aware of both the location and importance of these details.

## 4.4

### SUMMARY

In this Unit you learned about tour booking conditions including those tour features that are excluded and included, deposits and payment schedules, cancellation and refund policies and tour brochure fares and rates (Section 4.2). Finally you gained an overview of limitations of liability by analysing a tour operator's "Responsibilities" clause in a Tour Booking Conditions section of a tour brochure (Section 4.3).

## SUMMARY

In this Module, you learned about the tremendous variety and structure of tours. You covered some of the tours in detail, including custom-designed tours, independent tours, hosted tours and escorted tours. With each you learned about key components that comprise these different tours (Unit 1). You also evaluated the advantages of selling tours, both for you, the travel professional, and for potential clients (Unit 1). You reviewed the important aspects of tour brochures and evaluated strategies for reviewing the essential elements of tour brochures with clients (Unit 2). You learned how to discuss important information with clients while making tour reservations and how to track and manage important administrative and accounting information (Unit 3). Finally, you learned about Tour Booking Conditions and analysed relevant limitations of liability with respect to tour operations (Unit 4).



# HOTELS

## PREREQUISITES

Before beginning this Module, you should have:

- An understanding of the role of the travel agent in the travel and tourism business environment.
- Knowledge of the business activities that generate income for travel agency.
- Knowledge of the main business sectors of the travel and tourism industry.
- An understanding of the basic "5 A's" that are essential to a successful destination (Accommodation, Accessibility, Activities, Amenities, Attractions).

## LEARNING OUTCOMES

By completing this Module, you will learn to:

- List several types of hotel products and be able to describe each. (Unit 1).
- Evaluate each product's features and then select and recommend the best choice for your client (Unit 1).
- Include common travel industry terms in hotel-related conversations and use them appropriately (Unit 2).
- Access and interpret information from both printed and electronic resources (Unit 3).
- Identify rate structures and quote rates from publications (Unit 4).
- Book hotel rooms and describe three kinds of vouchers (Unit 5).
- Describe some common terms and conditions used in the accommodation industry (Unit 6).

## Overview

Welcome to the wide, wide world of hospitality! Your goal as a professional travel consultant is to satisfy your clients and create repeat business for your agency. One of the best ways to do that is by researching the accommodation options open to you, recommending the perfect accommodation to match each traveller's preferences and then completing a booking.

In Unit 1 you will learn that there are many types of accommodations available. We will concentrate on hotels in this Module, leaving the other options for study in the next accommodation Module.

In Unit 2, we will introduce you to the specific language used frequently by travel agents when reserving accommodations.

In Unit 3 you will see an outline of various travel trade publications and other resources for gathering information and making bookings.

In Unit 4 we will discuss hotel rates and the factors affecting price.

## Overview continued—

In Unit 5, you will learn the important steps you must follow in order to successfully complete a hotel reservation.

Finally, in Unit 6 you will review some common terms and conditions that hotels impose on bookings. This will help you advise your client so that he can avoid unexpected problems when travelling.

# 1 Accommodation Products

## LEARNING OUTCOMES

By completing this Unit you will be able to:

- Describe the main types of hotel accommodation (Sections 1.2 and 1.3).
- Use popular rating resources to establish the rating of hotels (Sections 1.4 and 1.5).

## 1.1 OVERVIEW

This Unit deals with the most easily accessible and commonly used type of accommodation: hotels. Within this category, there are many different types of hotel properties, from small, family-run places to major international chains. They cover the whole spectrum of services and offer a wide range of prices. Since the accommodation you have booked for your clients will be their "home-away-from-home", it is critically important to find the right place to recommend.

## 1.2 HOTEL LISTINGS

A hotel's primary mission is to offer a comfortable room to sleep and usually to offer other services such as meals or recreation. Some establishments may indeed have sleeping rooms but their primary product is something else (e.g., casinos for gambling, spas for health and rejuvenation, etc.). In the following list you will see a number of hotel accommodation products available to your clients:

- Airport
- All-suites
- Boutique Hotels
- Conference centres
- Convention centres
- Extended-stay
- Limited service
- Motels
- Resorts
- Spas

## 1.3 HOTEL PRODUCTS

Most hotels offer private sleeping rooms with bathrooms, front desk services, luggage services, food and beverage (F&B) and guest services. They may also offer commercial services to business travellers, including a business centre, electronic devices and multi-line phones. Depending on the class of hotel, they may have one to five, or more, F&B outlets.

The following hotel descriptions will give you an idea of some of their features and benefits.

### Airport Properties

Situated close to airports, these hotels cater to the business traveller or leisure travellers with a long "lay-over" in an airport en route to another destination. Recently many companies have

begun using airport hotels to hold meetings, seminars and conferences especially when participants are flying in from different locations.

### All-Suites Hotels

Like small apartments, All-Suites include a bedroom and living room with limited kitchen facilities. Some All-Suite hotels may include microwaves, coffee makers and a small refrigerator and bar. The living rooms will include a pull-out sofa and desk. This type of hotel tends to fall into the luxury and mid-range market and is usually full-service. They cater to the corporate traveller whose stay is a week or more.

### Boutique Hotels

Smaller hotels that offer unique personalised luxury services.

### Conference Centres

Generally conference centres are upscale (first-class) properties catering to corporate clients' meetings. Usually, pricing is inclusive of food, beverage and conference services. The meeting rooms have been designed to accommodate the special needs of 10-50 attendees. Until recently, most conference centres were located in suburban areas near corporate complexes. They are now operating in major cities as well.

### Convention Centres

Part of, or adjacent to, large hotels, these centres have extensive meeting facilities and large exhibition halls. They cater to large meetings and trade shows and generally are mid-range to upper-range.

**Note:** Both Conference and Convention hotels may cater to the corporate and association meeting market and can also be luxury, five-star properties.

### Extended Stays

This type of hotel is quickly becoming popular on the market. They are designed for corporate travellers who are on a long-term assignment and desire more home-like accommodations. In some situations travellers' families will also be staying with them. These facilities may also be located in resort areas and cater to senior travellers who require more than a standard hotel room for a month or more. This type of traveller may need full service but is unwilling to pay the All-Suite costs.

### Limited Service

Some hotels provide only basic sleeping rooms and minimal food-service outlets such as a breakfast buffet and coffee and non-alcoholic drink vending machines. Services such as laundry, business centres, exercise facilities, etc. are not provided.

### Motels

These properties are generally smaller and cater to people travelling by car (Motor Hotel = Motel). They may or may not have a food and beverage outlet but often will have a cafe that accommodates breakfast, lunch and dinner. The Front Desk covers check in, check out, guest services and luggage assistance. Motels are generally located outside of urban centres in suburban or rural areas and are usually lower in price than a hotel.

### Resorts

These are hotels that cater to vacation travellers, as well as to businesses holding conferences and meetings. Services are all-inclusive so that the guest does not have to leave the premises for any need. They will have food and beverage outlets, sports facilities, health club, entertainment, baby-sitting and parking.

While some resorts are simple, most are luxurious to lavish. Their specialities may include seasonal recreation such as skiing and golfing or catering to couples, honeymooners, singles or families.

### Spas

These are resorts offering health, physical fitness, nutritional advice or just plain pampering. There are tennis courts, swimming pools, hiking trails, beauty salons and specially prepared meals.

### Key Learning Point

There are particular features in different hotel products to appeal to almost everyone. Each is distinctive and offers various services.

### STUDY CHECK

- 1) True or False: All-Suite properties are small, upscale (first-class) apartments catering to student travellers.
- 2) Hotels that offer nutritional advice, physical fitness and health facilities are called:
  - A. Spas
  - B. Airport Properties
  - C. Resorts
  - D. Boutique Hotels

### 1.4

### RATING SYSTEMS

Rating systems are the various grading systems used throughout the world to assess hotels. Examples include Michelin Guide, Mobil Guide, Preferred Hotels, World Trade Organization.

The level and number of facilities, amenities, service provided and dependability of basic utilities such as telephone, water, elec-

## Key Learning Point



## 1.5 CLASSIFICATIONS

TABLE 1.1

tricity, etc usually determine ratings. Standards, however, may differ from system to system. This can make comparisons rather difficult. Individual countries may also have their own government rating systems, but keep in mind that Malaysia's tourism rating system may differ from Belgium's. If you wish to contrast properties or chains, it is best to stay within one system.

A commonly used system rates hotels from one to five stars. A one-star rating would indicate a modest hotel with very basic facilities. A five-star rating would indicate a luxurious, full-service hotel with excellent service and facilities. These ratings are quite subjective and should be used as a comparative guideline only, not as a guarantee of any specific facilities or services.

Rating systems usually are not global. While some of them attempt to apply the same standard of judgement to all hotels regardless of location, many offer comparisons based on local conditions. Use a rating system to compare hotels within a country or region only.

The successful agent must be able to book the appropriate hotel accommodation for the client.

Many types of products have come into the market place in recent years. Several hotel companies have developed various brands under their respective umbrellas. These hotel companies may include luxury, upscale, mid-range, limited service and extended stay facilities. Some good examples of these companies are Marriott®, Starwood Hotels & Resorts Worldwide® and Bass Hotels & Resorts®—see chart below for associated brands.

Hotel Companies and Their Brands

COMPANY	BRAND
Marriott®	Marriott Hotels, Resorts & Suites Renaissance Hotels & Resorts Courtyard by Marriott Residence Inn by Marriott Fairfield Inn by Marriott Marriott Conference Centres Marriott Executive Apartments ExecoStay by Marriott TownePlace Suites by Marriott SpringHill Suites Marriott Vacation Club International (villa rentals)
Starwood Hotels & Resorts Worldwide, Inc.	The Luxury Collection Sheraton Westin St. Regis Ciga Four Points Caesars
Bass Hotels & Resorts®	Holiday Inn Crowne Plaza Holiday Inn Hotels & Resorts Holiday Inn Express Staybridge Suites Inter-Continental Hotels & resorts

## Luxury Products

Five-star hotels generally are located in urban centres and resorts. They offer full service to include: a concierge, 24-hour room service, one or more restaurants, a health club, lounge/bar, full business services such as multiple phone lines and data ports, a business centre with administrative support. The staff have been oriented toward complete customer service and can be relied upon to take care of the smallest details for a guest. Other basics in this segment are nightly turndown service, in-room amenities, "mini bar", dressing gown and luxury furnishings. Bedding includes triple sheeting of high quality linens, down pillows and duvet covers. As more luxury hotels have been built to cater to a more affluent and demanding traveller, the services and amenities have increased.

Staffs in luxury hotels often are multi-lingual and well educated. Examples of this category are The Luxury Collection, Preferred Hotels, Leading Hotels of the World, Four Seasons/Regent Hotels, Fairmont Hotels, Ritz Carlton and Mandarin Oriental.

## Upscale Hotels

This segment consists of four and five star hotels and, in corporate markets, generally caters to the business traveller. They are sometimes called Superior or First Class. Many of the same services found in the luxury market have become common to this segment as well, depending on the hotel's location. Local competition will impact on the type of product this segment delivers. Business amenities are standard in the upscale market, with many hotels offering full business services in guestrooms. Services include 24-hour room service, concierge, full-service business centre, multiple restaurants and health club. These services may differ depending on hotel size, location, and urban/suburban or airport location. Luxury bedding has become available as upscale hotels become more competitive with luxury hotels. Staff are usually highly trained and competent. Examples are: Holiday Inn Crowne Plaza, Marriott Hotels, Resorts and Suites, Renaissance Hotels & Resorts, Inter-Continental Hotels & Resorts, Hyatt Regency and Grand Hotels, Westin, Sofitel, Dusit Thani, New Otani, Shangri-La and Hilton Hotels.

## Mid-Range Hotel

Typically consisting of two and three star hotels, this product can be found in any geographic area, although there may be more services in major urban centres than suburban. They are sometimes referred to as Tourist hotels. In some large cities, mid-range hotels may have a concierge or tour desk available to serve guest needs for dining, theatre, car rental, etc. In suburban locations the

Front desk will generally handle these services. Business services may be available; however, they are more of the do-it-yourself kind of facilities. Examples are Holiday Inn Hotel & Resorts, Four Points, Courtyard by Marriott, Sheraton, Novotel and Ramada International.

### Budget/Economy Hotels

This product consists of one and two star hotels and has been a fast growing segment in hotel development in the past few years. The goal of these hotels is to offer a clean comfortable place to sleep with limited service. There are usually no hotel-managed restaurants although there may be a chain restaurant next door. Examples in the two-star range are Fairfield Inn by Marriott, Holiday Inn Express, Best Western Hotels, Microtel and Travel Lodge Hotels.

### STUDY CHECK



#### • True or False

- 1) Budget Hotels are increasing in popularity and represent a growing segment of the hotel industry.
- 2) Luxury Hotels include chains such as Mandarin Oriental, Holiday Inn and Ritz Carlton.

## Applying Your Learning at Work

Consider not only your client's stated preferences but also those that you think might be unstated. For instance, a customer may not be aware of all that a spa has to offer or may consider it too expensive. With a little research you might find one that fits all the amenities that she has requested and is within her budget.

Call some different accommodation types such as a spa, an extended stay hotel and a motel. Ask the sales staff how you could best sell their property. They may give you some very valuable sales tools.

You might also discover that a lower priced motel is good value for the money without sacrificing quality. What a nice surprise for your client to save some cash and use it toward a really terrific restaurant that you recommend or to buy a souvenir.

## 1.6

## SUMMARY

There are many types of accommodation available. Hotels represent only one of many options (Section 1.2). Within the hotel category there are many different types of properties that can be defined by location, facilities, market-focus and price range or by other criteria (Sections 1.3 and 1.4).

## 2 The Language of Accommodation

### LEARNING OUTCOMES

By completing this Unit you will be able to:

- Use common hotel terms and define their meaning (Facilities & Services, Section 2.2; Room types, Section 2.3; Bedding types, Section 2.4; Meal plans, Section 2.5).

### 2.1 OVERVIEW

Every industry has its own manner of speaking. The people who work within those industries should know the terms and words that are important for transacting business. You will find that you use hotel-related vocabulary frequently, in both written and spoken communications. In addition, by understanding these terms, you will be able to access information much more quickly and accurately. In this Unit, you will learn the terms used for classifications, facilities, rating systems and payment information.

### 2.2 HOTEL FACILITIES & SERVICES

These are the hotel's physical features and services offered to guests. For example:

- **Amenities:** small complimentary items given to guests in the room. These can include everything from toiletries such as soap and shaving items to the temporary use of dressing gowns ("bathrobes"—USA) or scales and sweets on the night table at turndown.
- **Back of the house:** the area of the hotel not accessible to the public. This includes Accounting, Kitchens, Personnel, Housekeeping and Engineering.
- **Hall porter's desk or bell stand (USA):** a portion of the lobby set aside for receiving luggage and distributing it to the rooms. Typically, porters or bell staff (USA) will congregate at this area.
- **Check-in:** system of registration upon arrival at a hotel. Also, "check-in time": the designated hour in which hotels receive guests into a room.
- **Check-out:** system of payment upon departure from the hotel. Also, "check-out time": the designated hour at which hotels expect guests to vacate their rooms.
- **Concierge (USA):** a staff member who provides assistance for guests such as help in obtaining theatre tickets, renting a car, arranging sightseeing, sending flowers, etc. In some countries, the Hall Porter performs this role.
- **F&B outlets:** another word for eating and drinking establishments. They can include fine dining as well as a small cafe.
- **Front desk:** reception area where guests check in and out.
- **Front of the house:** the area of the hotel accessible to the public. This includes the Front Desk, F&B Outlets, sleeping rooms.

- **Front office:** the part of the hotel that includes the Reception Desk, Concierge or Hall Porter or Guest services Desk, Property Reservations and Porter (Bell) services.
- **Hall porter:** a staff member who usually supervises luggage handling but may also perform the services of a Concierge (see above).
- **Handicapped facilities:** special equipment or room configurations that can accommodate wheelchair-bound or other disabled guests. There may be signs in Braille for the visually impaired, ramps instead of stairs, extra large doorways into bathrooms. May also be called special-needs accommodation. In some countries, but not all, the law requires hotels and other public buildings to make all areas accessible to disabled people.
- **Health club:** this may include fitness rooms, swimming pool, sauna, jacuzzi.
- **Housekeeping:** the department that cleans, tidies and maintains the sleeping rooms in the hotel.
- **Mini bar:** small refrigerator containing sweets, savouries and beverages. They are priced per item and tallied daily by the staff.
- **Property:** another word for hotel or accommodation facility.
- **Room service:** food and beverage served in the sleeping rooms—also known as In-Room Dining.
- **Shuttle service:** transport provided free of charge—often to the airport.
- **Turndown:** provided free of charge at some hotels, this service includes removing the bedspread, turning down the bed linens, fluffing the pillows, drawing the curtains and often supplying a chocolate or other sweet dessert item.

## 2.3 ROOM TYPES

There are a variety of different types of sleeping rooms—you will need to identify which of the following would best suit your client's needs:

- **Standard:** regular size sleeping rooms. The bedding might consist of one or two double beds. Don't count on a view. This room may be next to the elevator and/or the ice machine.
- **Superior:** room may be located on lower floors, may have a view, may include double, queen-size or king-size bed.
- **De luxe:** a regular-size sleeping room. This type of room would offer the best location, the best view, and the highest level of comfort, furnishings, amenities and decor. Bedding usually includes a queen-size or king-size bed.
- **Suite:** consist of two or more rooms, typically a living and sleeping room. A suite may have more than one bedroom or extra rooms such as kitchenette or conference room.

- **Minimum:** room usually reserved for overflow or emergency situation and often has distinct drawbacks. It may have under-size or twin bedding, be exceptionally small or be in an undesirable location.

Other useful vocabulary used in defining rooms includes:

- **Adjoining:** two or more bedrooms next to one another but not connected by a common door.
- **Apartments:** separate living area and kitchen facilities.
- **Connecting:** two or more sleeping rooms with a common door between them.
- **Double:** room with a double bed that can be used for either one or two people.
- **Double/double:** a room with two double beds. Also an excellent choice for two friends or colleagues sharing a room.
- **Enviro-friendly:** some hotels have designated certain rooms or floors to be environmentally conscious. Sheets and towels may be folded and arranged but are not changed unless requested. Electricity may often automatically shut off when the room is vacant.
- **Hospitality suite:** a sitting room used to entertain clients or guests. Usually has a sleeping room connected by a common door and includes bathroom facilities in both rooms. Typically includes a wet bar (a counter with a sink for rinsing glasses, some shelves or a cabinet to hold glasses, bottles and other equipment), refrigerator and couches.
- **Junior suite:** a large room with two sections for sleeping and sitting. It usually includes a couch, coffee table and side chairs.
- **Penthouse suite:** located on the top floor of the hotel.
- **Sample:** room used by the hotel sales staff to display to agents.
- **Single:** a room designed for one person. Some rooms will have only one single bed while most will have two.
- **Smoking:** rooms where tobacco can be smoked. Non-smoking rooms prohibit tobacco use.
- **Twin room:** a room designed for two people with two single or 'twin' beds. This is an excellent choice when two people want to share a room but not a bed.

## 2.4 BEDDING TYPES

There are also varying types of bed to be chosen amongst the following:

- **Single:** a bed designed for one person (also called a Twin bed)
- **Double:** a bed designed for two people.
- **Queen:** an extra large double bed (smaller than the King).

## 2.5 MEAL PLANS

- **King:** largest size double bed (larger than the Queen).
- **Murphy:** a bed that folds into the wall when not in use. These are especially good when using the room to entertain or conducting business.
- **Japanese style:** bedding is stored out of sight during daytime and rolled out on the floor for sleeping.
- **Western style:** beds are off the floor and visible all the time.

Most business hotels do not include meal plans but it is common for leisure hotels and wholesale packages to offer them. Here are some options:

- **European plan (EP):** no meals included.
- **American plan (AP):** includes three meals a day. American plans are rarely used anymore but may be offered in certain resorts or packages. Also referred to as 'Full-Board'.
- **Modified American plan (MAP):** includes two full meals per day. Also referred to as 'Half Board'.
- **Bed and breakfast (B&B):** breakfast only included.
- **Continental breakfast (CB):** includes coffee, tea and juices, toast, rolls and pastry, and perhaps fruit.
- **English breakfast:** full breakfast of cereal, bacon, sausages, eggs, toast, juice, tea and coffee.
- **A la carte:** a menu in which each item is priced and charged separately.
- **Table d'hôte:** a fixed price meal offered daily.

### STUDY CHECK



- 1) Are facilities for handicapped people required by law in all hotels?  
A. Yes  
B. No
- 2) True or False: A penthouse suite is usually located near the hotel garden.
- 3) True or False: An "A la Carte" menu offers a single price for a three-course meal.

## Applying Your Learning at Work

When discussing hotel needs with a client, take the time to explain terms that will matter to them. Suppose you have clients who are planning for a vacation and are not experienced travellers. They may not know about "mini bars" or that taking hotel-supplied dressing gowns (bathrobes) or hairdryers can really add to a hotel bill. Make it your business to look through the listing above so you can share your knowledge with your customer. They will be grateful for your foresight.

Volunteer to do a site inspection of a hotel for your agency. Ask questions and note if the hotel representative uses the terms you have learned.

## 2.6

### SUMMARY

There is a variety of terms in frequent use in the accommodation sector. The terms are seen in both printed and electronic data as well as heard in conversations between vendors, suppliers and agents. Your using them appropriately (in discussion with hotel representatives or fellow staff members) will help you to communicate more quickly and efficiently. They may be used to describe service, amenities (Section 2.2), or other components of the hospitality industry (Sections 2.3 through 2.5). Do not use this industry jargon when talking to clients.



### 3 Resources

#### LEARNING OUTCOMES

By completing this Unit you will be able to:

- Find detailed hotel information from printed (Section 3.2) and electronic (Section 3.3) sources.
- Use at least three resources for hotel information.

#### 3.1 OVERVIEW

You will often refer to printed references and electronic media for hotel information. You have many different resource and reference materials to choose from. Your computer reservation system (CRS) probably will be the most often-used resource. Whichever system you use, you can get detailed information listing the hotel, its location, class, availability, rate, credit cards honoured and commission rates.

#### 3.2 PRINTED RESOURCES

Printed reference materials include:

- The OAG Travel Guide
- Hotel and Travel Index (HTI)
- World Travel Guide
- Sloane Travel Agency Reports (STAR)
- Individual hotel or hotel chain brochures and catalogues
- National Tourist Office publications

##### The OAG Travel Guide

The OAG Travel Guide (sister publication to the OAG, Official Airline Guide) features destinations throughout the world. There are also OAG editions specifying destinations or segments such as the North American Edition, Pacific Asia Edition and The European Edition. The Travel Business Planner, North American Edition, is the official accommodation directory of the American Hotel and Motel Association.

**TABLE 3.1** Information in the OAG Travel Guide

Destination Facts	City basics Telephone area codes Airports and distance/direction from airport Weather and travel facts (major cities) Climate charts Convention and exhibition facilities Air and Ground Transport Airlines serving the city, with reservation phone numbers Car rentals Airport transport fares and travel time Local Maps and Airport Diagrams
Hotel Listings	Classifications (indicated by crowns) Hotel Listing Abbreviations and Symbols (indicated by codes)
Additional Features	Hotel Programs at a Glance Frequent Traveller Programs City Finder Directories Airline Frequent Flyer and Frequent Guest Programs Military Installations/Colleges and Universities Country Basics General Travel Information Document requirements Customs Medical assistance (worldwide with an emphasis on English-speaking travellers) Clothing conversion charts International airport and road signage

### Hotel and Travel Index (HTI)

For over sixty years this large, heavy directory lists hotels worldwide. The pages are full of advertisements from independent and chain hotels.

**TABLE 3.2** Information in the HTI

Maps	Regional Area Destination
Country and City headings	Locations Currency exchange rates Local time Electric current Languages spoken
World Time Zone Map	
Currencies and Exchange Rates	
Point-to-Point Air Travel Times	
Geographical Index	
At a glance Hotel Programs and Policies	

It will also show you:

- Commission codes
- Number of rooms
- Meal plans
- Accommodations and rates
- Credit cards accepted
- Representative and reservation services
- Meeting section advertisements
- CRS systems
- Commission and Commission Guarantee Policies
- Automated commission payment service policies
- Travel glossary

### World Travel Guide

This publication is compiled from embassies, high commissions, tour operators, national tourist offices, health organizations and government bodies.

**TABLE 3.3** Information in the World Travel Guide

Map index	
Calendar of Events -by month	
International Organizations concerned with world trade	
Country by Country Guide	Descriptions Maps Time zones Contact addresses for tourist boards, embassies, consulates and High Commissions.
General Details	Population Geography Language Religion Time Electricity Communications Press International radio services Timatic (Health and VISA) regulations
Money	
Duty Free	
Public Holidays	
Public Holidays	
Travel-international and internal	
Accommodations	
Social Customs	
Business Profiles	
Climate	

### Sloane Travel Agency Reports (STAR)

The STAR Service collects, prepares and publishes information on hotels, cruise ships and other facilities. It accepts no advertising and is not sponsored by any commercial interests. These reports are sent in sections, to be filed in a binder. Correspondents base them on personal inspections.

The STAR report is probably the most unbiased reference guide in selecting hotels and gives opinions and evaluations of properties and service. The reviews can be quite candid and subjective but are interesting and easy to read. Factual information is included within reviews. This is a U.S.-based publication, written in American English with a lot of slang and U.S. idioms. However, many travel agents highly recommend it for its honesty.

### Individual Hotel or Hotel Chain Brochures and Catalogues

Hotels produce brochures selling their properties with descriptions of their facilities and services, photos and information on location. In addition, chains produce catalogues detailing their properties.

### National Tourist Offices Publications

These government-run offices are a wealth of information about their regions and countries. They offer books, pamphlets and videos all designed to sell their destination. Make it your business to consult them either personally or through their Web sites. Tourist Board staff are eager to help you and they are often happy to come to your agency and make a presentation.

There are many printed resource guides to provide you with information on hotels throughout the world. Each has its own way of presenting the information so some may be more helpful to you than others.

#### Key Learning Point



## Applying Your Learning at Work

Have a discussion with other agents and ask, "If you had to choose only one publication to use, which would you choose? Why?"

### 3.3

#### ELECTRONIC RESOURCES

#### The Internet

A tremendous amount of information is available for you to explore. The advantages of searching on the Web are many. It is fun, exciting and utterly addictive. That is also the disadvantage. It requires a lot of time to navigate the Internet and may take you away from the task at hand, which is to find the right accommodations quickly and efficiently.

Before you start searching in this way, you should have a specific idea of what you are looking for. Consider the destination, class of hotel, price level, whether the property belongs to a chain or is independent, as well as your client's specific preferences. You can use one search engine or several.

#### Key Learning Point



The Internet has a tremendous amount of information and it is fun to use. Be aware however that it is time consuming. It may have very good information but it is also not a good use of your time unless you have a fast, inexpensive connection and are proficient with it.

### Computer Reservation Systems (CRS)

There is a great deal of information on hotels in the major CRS systems. Checking availability and making reservations are standard parts of the itinerary-building process and can be done by using the CRS. It is also possible to communicate with the hotel reservation office through the CRS.

While the process is similar across all systems, each has its own specific inputs and technical requirements. See the Automation/Information Technology Modules elsewhere in this course for more details. Better yet, ask an experienced travel agent to give you a "hands-on" demonstration.

#### STUDY CHECK



- 1) Which resource will give you information about social customs, language and population?
  - A. Hotel and Travel Index
  - B. OAG Travel Guide
  - C. STAR Report
  - D. World Travel Guide
- 2) Which publication does not accept advertisements?
  - A. Hotel and Travel Index
  - B. OAG Travel Guide
  - C. STAR Report
  - D. World Travel Guide
- 3) Which publication is a large directory?
  - A. Hotel and Travel Index
  - B. OAG Travel Guide
  - C. STAR Report
  - D. World Travel Guide

## Applying Your Learning at Work

You might find yourself particularly interested in one country or region. In that case, gather as much information as you can and become the agency expert. Investigate all the hotels for not only the basics but also any interesting tidbit of information you can. Perhaps a famous king or queen stayed there or a film was "shot" there. Perhaps it is renowned for its duck à l'orange or interesting architecture. You can become a resource in your own right!

### 3.4 SUMMARY

Just as there are many types of products, there are many resources for information gathering. Some are simple to use. Others may require more time and skill. Hotel reference guides can give you up-to-date, detailed information but some may simply be a compilation of advertisements (Section 3.2). Some resources (i.e. STAR Report) are unbiased while others (Hotel & Travel Index) reflect the suppliers' viewpoint. These references are often coded so it is a good idea to review the explanations of the codes in each publication. Electronic resources give both information and availability and allow bookings to be made. They also provide a communications channel with hotels (Section 3.3). When you are able to identify these resources and determine which gives the most useful information, you can more easily book client reservations.

## 4 Rates

### LEARNING OUTCOMES

By completing this Unit you will be able to:

- List at least five types of hotel room rates (Section 4.2).
- Explain the reasons why hotels rooms have different prices (Section 4.3).

### 4.1 OVERVIEW

There are many factors at work in determining how a room is priced. They include the type of room, location in the hotel (ocean view, or back room), season (high or low), etc. Rates are based on the so-called "Rack Rate", which is a full, standard, non-discounted rate. All other rates are based on different levels of discounts from the rack rate. When a guest requests rate information without mentioning any special affiliation or other qualifying information, the rack rate is usually the price quoted. Unless travellers aware of other rates, they most likely will pay this amount throughout their stay. By understanding rate structures, you can help to save money for your clients.

### 4.2 RATE CLASSIFICATIONS

Here are some of the most common rates you will be using with clients.

- **Corporate rate:** rates typically offered to the business traveller ranging from 20-30% off rack rate. Some hotels will offer the corporate rate to any business traveller while others negotiate with companies for their own unique rate. Company-based volume rates are based on high volume with a guaranteed minimum number of room-nights per year. These rates are then reduced from the general corporate rate. Find out if your client qualifies.
- **Consortium rate:** negotiated rate based on volume. Both individual properties and corporate offices of hotel chains offer the special rate to small agencies that band together in a consortium for buying power. Even if your clients are willing to spend more on an exclusive resort, suggest that they wait while you study options. Your clients will be impressed that you are able to save them money because of your influential connections.
- **Government rate:** a specially negotiated rate between a specific government agency and the hotel that may be offered to qualified government employees. Some hotels will offer this price to any government employee with proper identification.
- **Industry rates:** for employees within the travel industry, including those of airlines, hotels, travel agencies, tour operators, wholesale packagers.
- **Resort rates:** These rates can fluctuate based on advance payment, deposits, season or individual property agreements.

They can be significantly higher or lower than city properties based on these criteria. There are usually greater restrictions on cancellation or early check-out. Let your clients know the advantages of travelling off-season—smaller crowds, more personal attention and greater access to attractions. Even the weather may not be much different. In the Caribbean for example, July is not much hotter than February.

- **Military rates:** rates offered to military personnel and that may be either negotiated or offered to promote business in areas close to military bases.
- **Package rates:** rates negotiated with wholesalers who book large-volume business. They include air/hotel, cruise/hotel, holiday packages. Think of ways of cleverly advertising these rates in your local newspaper.
- **Promotional rate:** generally offered when the hotel is not full, to generate extra revenue. Business properties may experience low occupancy during weekends and the reverse may be true for resorts or leisure hotels. These rates may include food and beverage and be valid only during specific seasons, holidays or dates.

Here are examples of how these rate classifications may be presented in your CRS:

- COR: Corporate
- RAC: Rack
- GRP: Group
- MIL: Military
- PRO: Promotional

### Key Learning Point



Most hotels have a range of rates in addition to the "rack rate." You can save money for your clients by checking carefully to see if they qualify for one of the lower, special rate categories.

### STUDY CHECK



#### • True or False

- 1) Sometimes hotels offer special rates to government employees.
- 2) Resort rates are usually fairly stable and do not vary much.

## 4.3

### FACTORS AFFECTING PRICE

These have to do with where the hotel is, where the room is, what your client prefers as well as those additional products and services that are so difficult to resist.

#### Location

A hotel's location can affect the price dramatically. A beach property right on the beach is going to cost more than a beach property at three hundred metres walking distance. A centrally located business property is going to be more expensive than one on the outskirts of town.

The location of the room matters as well. Hotels will charge according to how high a floor is. In New York City, the higher you are, the further away you are from the traffic and street noise. Corner rooms are more desirable than mid-floor. When a guest requests a view of a mountain, a park or a landmark, there is usually a price attached.

#### Room and Bedding Type

As explained in Section 2.2 and 2.3, there are different types of rooms with different types of bedding. Here is an example you might see in your CRS:

TABLE 4.1 Rooms and Bedding Types

CLASS	NO. OF BEDS	TYPE OF BED
A-De luxe	1-1 bed	T-Twin
B-Superior	2-2 beds	D-Double
C-Standard		Q-Queen
D-Minimum		K-King
S-Suite		
N-Non-Smoking		

- The rates for the rooms are qualified by both their type and bedding—in general. The Standard rate is the hotel's minimum rate for regular size sleeping rooms.
- The Superior rate is for the moderate or medium rate charged.
- The De luxe rate is the maximum rate charged for a regular-size sleeping room.
- Suites will be priced as a function of their size and number of rooms.
- The Minimum rate will be a reduced rate due to the drawbacks of the room.

#### Seasons

When a traveller stays at a hotel can affect the price as much as where. For resorts, the season can be winter for skiing or summer for seaside. Each will drop their rates when the weather changes. For convention properties, rates may be higher during specific months.

### Occupancy

Single occupancy (one person in the room) often carries a higher, per-person rate than double. However, this rate-structure is changing in many places.

### Extra Costs

- **Early departures:** many hotels are beginning to charge for early departures (checking out before the departure date originally booked). Be sure to advise your clients if this is the case with their hotel.
- **Late check-outs:** late meetings and late flights may require a later departure. Most hotels will arrange a late checkout (till about 13:00-14:00) upon request. If not requested in advance, guests may have to pay another night's stay. It won't make them happy, so warn them to ask in advance.
- **Mini bars:** Many travellers check into their hotel rooms, tired and hungry. They see the mini bar stocked with enticing sweets and beverages and without realising it consume a very expensive snack. These attractive items are priced sometimes at double or triple what they would cost downstairs in the gift shop or in the neighbourhood grocery store.
- **Films:** Parents who are not careful about children using the TV remote control may suddenly find themselves paying for excessive movie charges upon check-out.
- **Telephones:** Your clients may not know that hotels charge very high rates for local or trunk (long-distance) telephone calls from the room. Encourage them to use credit cards, pre-paid telephone cards or carry change for public phones.
- **Room service:** In-room dining almost always has a percentage added on to the bill for the service. While it is certainly more convenient, it can increase your client's hotel bill.
- **Taxes:** Many cities, regions and countries add on sales or occupancy taxes to the bill.

### Key Learning Point



Even though you know the many rate categories offered by a hotel, there are additional factors that vary the rates within each category. Always double-check rate quotations. Even the hotel staff can be confused by this complexity.

### STUDY CHECK



#### • True or False

- 1) Room Service is charged at the same price as in the restaurant.
- 2) A hotel will not charge any more for a room with a view than for a back-facing room. It is on a first-come, first-served basis.

## Applying Your Learning at Work

Pay close attention to clients' requests for rates. If you do not have a prior profile of the traveller, begin making one according to your own agency's format. When you hear of hotels that offer similar rates and are of a better standard, make a note in the record so you can inform the clients the next time you speak to them. As you begin to track your clients' travel patterns you can make similar suggestions in various places, thus assuring them that you are thinking of them.

## 4.4

### SUMMARY

The hotel industry has various rate structures (Section 4.2) based on local market, season, location, events and traveller preferences (Section 4.3). Some of these rates are published while others are not. These unpublished rates are negotiated within companies, industries or groups. With persistence, you can almost always find a way to get your client one of the discounted rates. When you have the information you need, you can quote prices with authority.

## 5 Reservations and Administration

### LEARNING OUTCOMES

By completing this Unit you will be able to:

- Follow seven steps to completing a hotel reservation (Section 5.2).
- Describe three different types of travel vouchers that are accepted by hotels (Section 5.3).

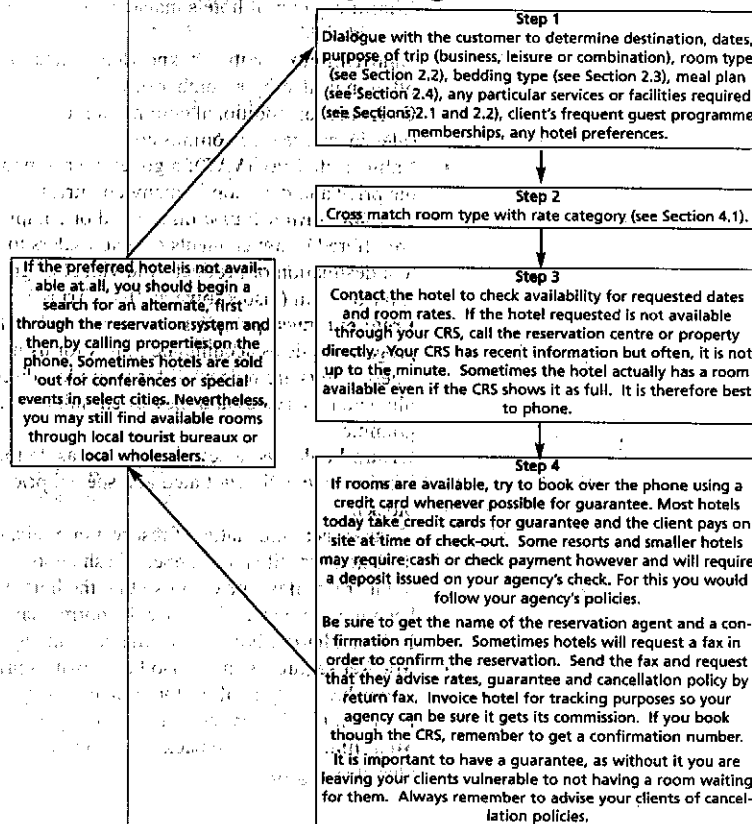
### 5.1 OVERVIEW

Ultimately, your task is to complete the process and make sure guests are securely reserved at the hotel and there are rooms available when they arrive. Reserving hotel rooms requires asking the right questions, entering the correct information and verifying for accuracy.

### 5.2 RESERVATIONS

The seven steps below will help to guide you in a complete reservation:

#### Steps for Completing a Reservation



## Key Learning Point



Hotels have many different rates in addition to the highest published rate (Rack Rate). They may be negotiated by industry or group affiliations or they may be offered because of room type or location. Almost always, you can bargain with a property for one of these rates.

### 5.3 SALES AND PAYMENT TERMS

During the process of making a reservation in a hotel, these terms might be used:

- **Commission:** a percentage of the accommodation price that is paid to a travel agent for selling the accommodation. For example, some hotels offer the agency 10% of the room rate.
- **Deposit:** money sent to hold the reservation for a specific amount of time.
- **Central reservations office (CRO):** call centre for hotel companies.
- **Chain:** a group of hotels managed and/or owned by one organization.
- **Confirmation:** written acknowledgement of a reservation often indicated by a number or code.
- **Override:** an additional commission paid by the supplier as a sales incentive (see commission).
- **Value added tax (VAT):** a government-imposed tax added to the price and common in many countries.
- **Familiarisation tours:** discounted or complimentary tours are offered to travel agents or wholesalers to introduce them to a destination or product. Individual or groups of suppliers sponsor them (also known as 'Fam Trips').
- **Frequent guest program:** similar to airline frequent flyer programs; guests accumulate points for using hotel services. These points are redeemed for upgrades, discounts and complimentary services and they often link to specific airline programmes.
- **Group bookings:** a set of rooms set aside for groups of ten or more people and negotiated at a special price (see also room block).
- **Guarantee:** hold status of reservation prepaid either by a cash deposit or credit card number. Cash deposit or credit card number given by the client so that the hotel will guarantee to keep the room available after the normal check-in deadline.
- **Independent:** a hotel not affiliated with any chain or group.
- **Market segments:** may also be known as price tiers. This distinguishes the type of customer market targeted by the hotel. For example: luxury, corporate or budget.
- **Meal plans:** inclusive packages offered by hotels for meals plus sleeping room.

- **No-show:** the status of a reservation when the guest does not arrive by the check-in deadline. Many hotels will charge the price of at least one night's stay as a no-show charge on the person's credit card.
- **Occupancy:** from the agent's perspective, the rate charged per person. May be charged as a single or double (e.g. single occupancy, double occupancy, etc.) From the hotel's perspective, occupancy means the number of guests the hotel is accommodating on any given night (e.g. 80% occupancy of a 400-room hotel would be 320 rooms sold).
- **Overbooking:** the practice of booking more than the hotel's capacity of rooms by a hotel in anticipation of cancellations or no-shows.
- **Package:** an inclusive set of products or services designed to attract the leisure traveller. Packages are customarily priced lower than when commodities are sold individually (see also wholesaler).
- **Rate categories:** rate categories indicate the amounts of money hotels charge for a room and the various discounts available within the initially quoted price.
- **Room block:** a group of rooms or meeting space usually reserved through travel agents or wholesalers. These are held with a deposit.
- **Room night:** one overnight stay per person per room, i.e. two persons in one room for one night = two room nights.
- **Upgrade:** to move up to a higher standard of accommodation at little or no cost.
- **Walking:** sending the guest to another property when the hotel is fully occupied.
- **Wholesaler:** a supplier who sells packages through travel agents.

## Key Learning Point



You may hear words used to describe hotel processes. Some of them are terms used in ordinary speech, (i.e. a "no-show" means the same for both airlines and hotels) others are specific to the hotel industry (occupancy can mean one thing to hotel staff and another to you the travel agent).



## STUDY CHECK



- 1) True or False: You don't have to guarantee a hotel room reservation.
- 2) True or False: If the hotel is not available in your CRS, don't bother calling the hotel. The CRS has the most up-to-date information.
- 3) A commission is paid to the agent by:
  - A. The hotel
  - B. The traveller
  - C. The travel agents' association
  - D. The wholesaler

## 5.4 ADMINISTRATION: TOUR ORDERS AND VOUCHERS

Sometimes tour packagers or hotels will accept a tour order or voucher from you. This allows you to sell the hotel or tour in advance and collect the money directly from the client. Usually the hotel will be able to tell you how they wish the voucher to be completed.

The voucher will also indicate method of payment. These forms of payment may include:

- Guest pays at hotel
- Guest pays tax and incidentals only
- All charges paid for by the wholesaler
- Guest pays incidentals
- Guest to leave credit card for incidental charges only

If a voucher is not completed accurately, problems can occur. Without the actual voucher, the guest may be asked to pay for all charges. If there is incomplete information, the guest may not get meals or bed types previously requested. You can help by carefully explaining to clients how the package works and reviewing the vouchers with them.

There are actually several types of voucher:

One is the *Tour Order*. Issued by a wholesaler, it is carried by the customer. One copy goes to the internal auditors, one goes to the agent, one is for services such as airport transport, an accommodation/hotel copy, a service coupon (i.e. for a city tour or golf green fees), and an airline passenger copy.

Another is the *Miscellaneous Charges Order* (also known as an M.C.O.) These forms are validated by the agency on specific airline carriers. Your agency will hold plates for each qualified airline. They are processed through the Airline Reporting Corporation (ARC) or IATAN IATA Bank Settlement Plan.

A third voucher is that used for disrupted flights. They are issued by an airline when there is an overbooking, delay or can-

cellation of a flight. Although you will not issue these vouchers, you should be able to discuss them with clients.

The voucher may have several copies or coupons, like an airline ticket.

Copies include:

- An internal office copy
- An airport copy
- A copy for transport to the hotel
- A hotel copy, covering room and meal charges
- A copy for transport back to the airport
- An airline passenger copy

Upon check-in at the hotel, the guest should give the hotel copy to the receptionist and meals should be signed to the room.

## Key Learning Point



There are various types of voucher accepted by hotels. They must be carefully filled out and the client must be informed of what is written on them before departure.

## STUDY CHECK



- 1) Vouchers are usually issued by:
  - A. The hotel
  - B. The wholesaler
  - C. The travel agent
  - D. The Concierge

## Applying Your Learning at Work

Be sure to ask the right questions. Build a relationship with your clients and learn their preferences, travel patterns, industry or family information. Remember to read back the information to the client to ensure accuracy.

Browse through your CRS and learn how it displays hotel information. Determine the advantages and disadvantages of using the CRS

Make recommendations that will enable clients to feel they have choices. Give some options in rate, location and brand.

## 6.4 COMMISSION POLICIES

### Key Learning Point



client that the exchange rate may be subject to fluctuation and therefore, the rate in your home currency may vary. (Countries in the European Monetary union have frozen their exchange rates until the euro is in full circulation).

Commission structures vary widely through chains and independents. Your reference materials usually have a symbol indicated the percentage of commission but if you are unsure, contact the hotel directly. They may pay commissions monthly or within days.

Wholesalers may have a completely different commission structure. Read their terms thoroughly or ask when you make the booking.

Always explain the applicable terms and conditions of hotel bookings to your clients before departure. If there are significant financial penalties involved, you may wish to type the terms and conditions on a copy of the clients' itinerary and have them sign it to indicate they understand what you have explained to them.

### STUDY CHECK



- 1) True or False: Buying cancellation insurance is always a waste of money.
- 2) True or False: When you quote a rate, be sure to quote your own currency rather than the local one.
- 3) Commission policies are usually based on:
  - A. Government regulation.
  - B. Your relationship with the hotel
  - C. Individual hotel or chain decisions
  - D. Your travel agency's policy

## Applying Your Learning at Work

Contact a hotel from each major category and ask about their terms and conditions covering deposits, guarantees, check-in/check-out deadlines, cancellations and no-shows. Compare the answers and note any differences between business and leisure hotels.

## 6.5 SUMMARY

What you don't know can hurt you and your client. Hotel management protects itself by imposing certain terms and conditions on reservations (sections 6.2 through 6.4). You can save your client and yourself time, frustration and money by reading terms and conditions carefully and advising your client before his or her departure.

## SUMMARY

As you become more knowledgeable about this exciting industry, you will be able to describe the various products on the market and accurately explain their special features. In this Module, you saw a partial list of types of accommodation, looked at various hotel classifications, rating systems hotel room, bedding types and meal plans (Unit 1).

So too, as you grow in your career as a professional travel agent, you will become more and more familiar with the language of the hospitality and accommodation industries. You will hear many words and read many acronyms that will become a familiar part of your vocabulary (Unit 2).

There are so many options available to your client that it may be a daunting task to actually find them. There are several excellent travel trade resources to help you find accommodations, both printed and electronic (Unit 3).

All these accommodations of course, come with a price and you can quote rates that go with them and justify the reasons for each (Unit 4). Once your information is gathered you can then use your skills to make reservations (Unit 5). Finally, you can save expense and frustration for your client and yourself by carefully determining the terms and conditions that apply to each booking (Unit 6).

A hotel experience can make a trip a lasting pleasurable memory or a nightmare. Taking care of the basics at this stage in your career as a travel counsellor will establish your reputation as a valued advisor who builds lasting relationships with clients.

## ACTIVITIES AND DISCUSSION

- 1) Visit some hotels in your local area. Pick three different types, i.e. business, vacation, and inn. Ask to see the rooms and note amenities, facilities, and bedding types available.
- 2) Go on to the Internet and conduct a search for hotels in your city. See what comes up. Conduct another search for hotels and frequent guest programs or hotels and a specific recreational activity such as sailing or golf.
- 3) Look on the Internet for a virtual tour of a hotel.
- 4) Call a hotel and ask them to quote you rates. Write down which rates are offered first and which services are offered. Call that same hotel at another time and ask about rates during off-season or low occupancy dates (i.e. weekends for business hotels or summer for ski resorts). Record the different rates offered.
- 5) Call a hotel when you know there is a special event such as a conference in town. Note the rates quoted for a period of high occupancy as opposed to a time of low occupancy.
- 6) Have a discussion with your friends or colleagues. Ask them if they think that hotel rates are priced fairly. Take the opposite view of theirs and debate. Even if you believe they are correct, you may get some new insight. If you believe they are wrong, they may provide some convincing evidence to the contrary. In either case, you learn more about the client as well as the vendor's perspective.
- 7) Call or visit travel agencies. Tell them you are training to become a travel agent and want to know how to book a hotel.
- 8) Call a hotel reservation's department and book a room. Ask them what additional terms and conditions the hotel has and note how they respond. Ask them if there are early departure or late check-out fees. How do they treat no-shows? Who is responsible for paying the bill in another hotel if the guest is "walked" due to overbooking?