

Introduction to Year 12 Travel and Tourism

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Task deadline May half term

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Brief overview of the course:

You will complete 4 Units over the two years:

- 1) The World of Travel and Tourism
- 2) Global destinations
- 3) Principles of Marketing in Travel and Tourism**
- 4) Visitor Attractions

We are going to focus on completing **Unit 3** as this is a **Coursework** Unit and will be internally marked by your teacher.

Unit 3: Principles of Marketing in Travel and Tourism

Assessment criteria

Pass	Merit	Distinction
Learning aim A: Explore the role of marketing activities in influencing customer decisions and meeting customer needs in travel and tourism		
A.P1 Explain how effective marketing and customer service in travel and tourism organisations work together to influence customer decisions and meet customer needs. A.P2 Explain the potential impacts of the marketing mix on travel and tourism organisations and customers.	A.M1 Analyse the potential impacts of the marketing mix and the ways in which effective marketing and customer service work together to influence customer decisions and meet customer needs.	A.D1 Evaluate the potential impacts of the marketing mix and the ways in which effective marketing and customer service work together to influence customer decisions and meet customer needs.

P1 - Report Task

Use the following sections of the textbook and our own research to help you to complete the report template document.

You will need to read the information in the following slides and write up in your own words in the report template provided.

Once you have answered /completed each section, you can remove the red instructions (you should be left with your completed report)

Customer service in travel and tourism

All travel and tourism organisations communicate with customers in a variety of ways. All aspects of customer service must be managed and monitored to ensure that excellent customer service is provided at all times. Remember, the level of customer service an organisation provides can directly affect how commercially successful they are.

Travel and tourism organisations express their attitude and commitment to customer service through their organisational goals. These are expressed internally and publicly through vision and mission statements. Those organisations that have the customer at the heart of all their business activity will state this clearly. They may be aiming to show that they:

- ▶ value and respect all their customers
- ▶ are sensitive to customers' individual needs
- ▶ use initiative and creativity to solve problems efficiently and calmly
- ▶ offer parity of esteem; value all their customers equally.

An organisation's goals emerge from its business strategy. However, because business strategies are not often made public, it can be difficult to assess how much an individual organisation's strategy focuses on customers. Organisations usually publicise statements that embody their strategies, such as their vision and mission, which are explained in Table 3.1. Many organisations also publicise a set of values, which they use to summarise their working culture and the way in which their organisation operates. In travel and tourism these values should show a strong customer focus, reflecting the importance of the customer to the organisation.

► **Table 3.1:** Examples of organisations' public strategy statements

Key term	Definition	Example
Vision statement	A longer-term vision or picture of where the organisation wants to go or what it wants to achieve	easyJet: 'Our Purpose: Seamlessly connecting Europe with the warmest welcome in the sky'
Mission statement	A short statement of what the organisation does and why it does this	UNIGLOBE Travel: 'The mission of UNIGLOBE Travel is to be the leading and most dependable travel management company in the world that sets the standard for professionalism and reliability to its customers'
Values	Principles that guide how a company will behave in order to further its mission	IT'S Norwegian: Innovation, Teamwork, Simplicity'

In practice, it is not always clear whether a statement is a vision statement or a mission statement. Sometimes it can be difficult to work out what a set of values really means within the daily life of the organisation. The best way to find out about the strategic goals of an organisation is by looking at its annual report or by asking a contact within the company to share their business plan with you.

Here is an example of an organisational goal.

About InsureandGo UK

We think travel insurance should be available to as many people as possible, which is why we can offer you a policy whatever your age, consider any medical conditions you might have, include your kids on your annual policy for free, and cover up to 50 adventure activities.



PAUSE POINT

Define the terms: 'mission', 'vision' and 'values'.

Hint

Look back at Table 3.1 if you can't remember, then write the definitions in your own words.

Extend

Explain how an organisation's values can support good customer service.

Factors in customer decision-making

What makes a customer choose a particular product, service or supplier? Every travel and tourism organisation needs to understand how different aspects of their service can influence their customers to make a purchase. Examples of different factors that influence customers' decisions are shown in Table 3.2.

► **Table 3.2:** Factors that influence customers' decisions

Factors	Example of poor service	Example of good service
Product knowledge	A customer is looking for an adventure holiday in Peru. The travel agent asks a few questions and then starts an internet search for possible holidays. The customer decides not to use the travel agency because they could do an online search themselves	A customer is looking for an adventure holiday in Peru. The advisor asks lots of questions, suggests suitable holidays and shows videos and photos on the internet of the suggestions. She then advises about vaccinations, visas and currency exchange
Assurance of the company's reliability and ability to meet expectations	A customer ordered theatre tickets from a travel agency, but the tickets have not been delivered. The play is in two days' time and the customer cannot get through on the phone to find out where the tickets are	The organisation's customer charter lays down the timescale in which documents should be delivered and the organisation sticks to this timescale
Empathy and listening	A customer misses their flight due to a road traffic accident, but there is no one available to advise them. Instead, they sit in the departure lounge to search the internet for another flight from a different airport that they then book and pay for, getting a taxi to their new departure airport	A customer misses their flight due to a road traffic accident. The customer service advisor at the airport desk listens sympathetically, transfers the customer to an evening flight and the customer pays the difference in price of the higher fare

Key terms

Customer charter – a written statement of the rights of the organisation's customers.

Empathy – being able to understand and share the emotions or feelings of another person.

► **Table 3.2:** *Continued...*

Effectiveness of communication	A customer is booking a holiday for a special anniversary and wants to ask the agency a question. It is difficult to find contact details, but he eventually finds an email address and emails them. In response, he receives a badly written email containing mistakes and spelling errors, and feels upset and let down	A customer has a question about booking. He looks on the website for contact details, easily finds a telephone number and speaks to a friendly and efficient advisor who answers his query immediately
Credibility of the organisation	A customer is booking a hotel in Oxford. When she checks its TripAdvisor reviews, she sees some negative reviews that have not been answered by the hotel and decides to book a different hotel	A customer is booking a hotel in Oxford. When she checks its TripAdvisor reviews, she sees mostly good reviews, though there are a couple of negative reviews. However, these have responses from the hotel which address the points raised by the reviewers in a friendly and competent way
Perception of value for money	A customer books a train journey through an agent and then discovers that they could have purchased a much cheaper ticket	A customer books a train journey through an agent who takes time to find the cheapest fare for the customer. The customer feels that they have received good service and value for money

easyJet customer charter

Read easyJet's customer charter.



► **Figure 3.1:** easyJet's customer charter

Check your knowledge

- 1 How does easyJet ensure that its customer charter is communicated to its customers?
- 2 How does easyJet make sure that its staff know about the customer charter?
- 3 Identify three ways in which easyJet can ensure that staff implement and comply with the charter.

Customer communication, expectations and satisfaction

Identifying the customer

In order to provide excellent customer service, organisations must identify their customers, recognise their differing needs and provide products and services that meet their requirements. For example, a tour operator will provide different holidays and ranges of excursions for a group of students who want to go clubbing and a middle-aged couple who want to escape the British climate in January. Similarly, on a day trip to a theme park, a young couple will have different needs from those of a family with two children. The tour operator and the theme park need to ensure that their products and services can cater for all of their customer groups.

Theory into practice

Table 3.3: Different types of customer

Type of customer	Specific need
An individual	A single room
A family group of two adults and two teenagers	
A school group	
A couple of senior citizens	
A wedding party	
An organised tour group	
A business traveller	
A group of birdwatchers	
A regular traveller	
An inexperienced traveller	
A customer who regularly visits the hotel	

Read through the different customer types in Table 3.3.

Identify one particular need that each type of customer might have when staying in a hotel.

Understanding key areas of customer expectations and satisfaction

An organisation might know who its customers are and understand the principles of clear communication, but it also needs to know what its customers expect from the organisation. You have already seen in this unit that there is a huge range of customers, all of whom have different needs and expectations.

Anticipation of good service

Customers form an idea of the service to expect from an organisation even before they use it. The organisation's image will influence whether or not customers choose to buy their products and services. Customers' impressions of an organisation may be influenced by the organisation's advertising or sales materials, and it is important that businesses can fulfil the customer expectations created by their marketing campaigns.

Key term

Unstated needs – those which the customer does not mention outright but are implied from other things they say or do.

Customers' impressions may also be influenced by the reputation of the company, which is usually based on reviews and word-of-mouth recommendations from other people.

Responding to needs and exceeding expectations

To understand customer expectations, you will need to:

- ▶ ask questions that allow you to gather information about the stated needs of your customers
- ▶ use this information to try to identify any **unstated needs**
- ▶ find available options to meet these needs.

If the enquiry is straightforward, because the customer knows exactly what they want, this can be done quite easily. However, if the customer's needs are less clear, they will rely on your product knowledge to determine whether you can meet their needs.

Discussion

Work with a partner and discuss your impressions of the following organisations and destinations. What do you think has helped to form your impressions?

- Virgin Holidays
- Manchester United
- Ibiza
- Venice
- Ayia Napa in Cyprus
- Australia
- A local hotel
- Hilton

Once you have discussed with your partner, discuss your ideas with the whole group.

Key terms

Features – aspects of a product, such as the location of a hotel or the excursions included in a tour package.

Benefit – something positive that the customer gains from a particular feature.

When presenting customers with the available options, you must identify the three or four options that best meet the needs of the client and describe how this product or service matches these needs. For example, you might introduce the **features** of a holiday and turn them into **benefits** for the customer: 'I have just found a holiday in Tenerife that might be suitable. It is available for when you want to travel. I know that you want hot weather, and the temperatures in Tenerife will be high at that time of year. There is five-star accommodation available and it has a pool, which you particularly requested'. This description of the holiday is accurate, but it could be presented in a way that makes it even more appealing to the customer. Table 3.4 shows some more examples of ways in which features can be described as benefits.

► **Table 3.4:** Examples of benefit statements

Feature of holiday	Your benefit statement
The hotel has a large swimming pool and a children's pool	'This hotel has a really large pool. There will be plenty of room for you to swim and you won't be disturbed by children's games'
The hotel is isolated	'It is a wonderfully quiet location – no neighbouring hotels to share the beach with. You will also have great views from all rooms'
The hotel is in the middle of a town	'You will be right in the middle of things. You can stroll out each evening and really get involved in local life'
Excursions included	'You have two excursions included in the price, both of which are guided, so you will certainly learn a lot about the local area'
Representative available	'A representative will be on hand if you have any queries while you are in the resort. They will be able to advise you about where to go and they can arrange local excursions and car hire if you decide to explore while on holiday'

It is important to ensure that the information you provide is reliable and accurate. For example, if you told a customer that the weather in Saint Lucia is predictably good in September and October, you would be incorrect unless you added that there is a possibility of hurricanes during this period.

Many travel products and services like flights and holidays are booked a long time in advance. This means that customers have parted with their money but have not yet felt the benefit of their purchase. Travel and tourism organisations must keep these customers happy up to the point at which they take their flight or return from their holiday. They can do this by keeping in touch with the customer and reassuring them that everything is on track. For example, an airline might send reminder texts or emails about the flight or inform the customer of any extra services that they can purchase. Similarly, tour operators or travel agents send out information to help the customer plan their holiday. This might include destination information and advice or details of any excursions on offer.

Recognising implied or unstated needs will help you respond appropriately to a customer's needs. You should aim to exceed customers' expectations. You can do this by providing exceptional help for customers with special needs, by dealing promptly with any problems that occur and by offering additional products or services.

Excellent customer service also aims to 'delight' the customer. This might involve providing a bottle of champagne in a hotel room booked for an anniversary celebration or offering a discount on a repeat booking, but it does not have to involve money or gifts. For example, if customers return to a restaurant and are recognised and welcomed by the manager and staff, this really improves the customers' impression of the restaurant and its staff without costing the business anything.

Balancing customer satisfaction with organisational objectives

Many organisations list customer satisfaction as one of their organisational objectives, alongside more commercial objectives relating to business growth and profitability. However, there may be times when customer expectations are unrealistic, unsafe or too costly to meet. In these situations, the only solution is to explain respectfully and clearly why the customer demand cannot be satisfied.

Discussion

A family on holiday were waiting for a taxi to take them to catch an easyJet flight to London. Their taxi was held up by a road accident. While they were waiting in the hotel reception, they realised that other holidaymakers waiting for taxis were also hoping to catch the easyJet flight and a British Airways flight. Eventually, all of the passengers arrived at the airport and were 30 minutes late for both flights.

The British Airways and easyJet pilots had both been informed of the problem. The British Airways pilot chose to wait for the 12 passengers who were late for the BA flight, whereas the easyJet pilot chose not to wait for the 11 passengers who were late for the easyJet flight.

Which pilot was right? What were the considerations that they had to take into account? What might be the repercussions of their actions?

Stonehenge

The construction of Stonehenge took place between 1800 BC and 1500 BC and is one of the most impressive structures of its time. Each of the larger stones weighs around 25 tonnes, while the smaller stones weigh 4–5 tonnes, and the Neolithic people who built it had little technology to help them move the stones from the quarry sites many miles away. The purpose of Stonehenge remains a mystery despite extensive archaeological investigation.

Stonehenge is managed by English Heritage. Anybody wishing to access the stone circle must arrange this in advance with English Heritage, and these visits can only take place outside normal working hours. During normal operating hours, visitors must walk around the circle on a fixed path and are given free audio guides explaining different aspects of Stonehenge.

There is a visitor centre at Stonehenge, which is designed to house permanent and temporary exhibitions, and a spacious café.

Check your knowledge

- 1 What is the appeal of Stonehenge to tourists?
- 2 How does English Heritage balance access to the site for visitors with protecting the stones?
- 3 Explain whether you agree with restricting access to the stones and why.



PAUSE POINT

Give three examples of customer expectations when buying a holiday.

Hint

Think about what you would expect when deciding which tour operator or travel agent to use for your holiday

Extend

How might a tour operator aim to exceed customer expectations?

Potential impact of customer service for the organisation

Attracting new business

A lot of marketing effort goes into attracting new business, especially through advertising in order to reach customers in target groups. However, a reputation for excellent customer service, reported by word-of-mouth or through review sites online, can also be an effective way of attracting new customers.

Retaining customers

Excellent customer service is a great way to encourage repeat business, making sure customers want to come back to the company and use them again.

Partnerships

Any business seeking to partner with another organisation will seek out a partner that shares the same values and, therefore, the same attitude to customer service. If a partner does not offer the same level of customer service, then there is a risk that there may be loss

of reputation for both companies. VisitBritain, for example, has many partnerships and has to ensure that all their partners have a good reputation and embody the same values they do. VisitBritain's recent partners include British Airways, Expedia and STA Travel.

Increasing customer spend

Customers who have confidence in a company are likely to spend more. This is particularly important where the customer service includes advice and information about products and services; targeting the specific needs of that customer.

Successful targeting of spend on customer activity

Though organisations should offer excellent customer service as a standard, by offering additional customer service in select areas companies can target spend on those areas. This targeted spend can encourage customers to choose an organisation's service, or to upgrade the goods and services they are planning to purchase.

Organisations should research what the motivating factors are behind customer purchasing decisions, and then target their spending around incentives that meet these factors. For example, offering customer lounges and a higher-level service on board a flight might be an incentive to some customers to purchase higher-class fares for air travel than they may otherwise have done.

Growing new products

Understanding their customer needs and expectations, and offering products and services that meet these, will help a business be more commercially successful. This will enable them to offer new products and services that further meet their customer's primary needs. These new products and services, if correctly designed, could be expected to have a very good chance of being successful.

The more organisations understand what motivates their customers, and how their products are seen to meet customer needs, the more they can build on these factors in future product development. Through research and feedback, the organisation can provide products and services tailored to customers' needs.

Regulatory and organisational requirements

Customer service in the travel and tourism industry must comply with a range of regulatory and organisational requirements. If they do not, there are potential consequences for the organisation.

Service standards

These are measures of quality that organisations decide to work towards in order to demonstrate their commitment to quality. In travel and tourism, the best known is the ABTA Code of Conduct published by the Association of British Travel Agents.

The primary aims of this code of conduct are:

- ▶ to ensure that the public receives the best possible service from members
- ▶ to maintain and enhance the reputation, standing and good name of ABTA and its members.

The detailed code of conduct can be found on the ABTA website.

Statutes and regulations

A statute is a written law passed by Parliament. Parliament also passes regulations, such as building regulations. Compliance with statutes and regulations is a legal requirement, and

Link

You can learn about the Data Protection Act 2018 in Unit 5: Travel and Tourism Enterprises, Section B.

Key term

Reasonable skill and care – the level of expertise and care that you would expect from a professional or a business.

customers could sue if an organisation failed to comply with them. For example, the Data Protection Act 2018 sets out the rights of people whose personal data is held by businesses in their filing systems, and a customer would have the right to complain if a business released their personal data to a third party without the person's permission.

Another legislation that organisations must comply with is the Consumer Rights Act 2015. This Act replaced various pieces of existing consumer legislation and brought them all together into one Act. It applies to products and services, including digital content. The Act states that services must be carried out with **reasonable skill and care**, and it applies to information given verbally or in writing to the consumer, which is legally binding where the consumer relies on it in order to make decisions. From October 2016, air, sea and other travel organisations had to begin complying with the Act, and passengers whose travel service was delivered without reasonable skill and care can apply for compensation.

The Act also sets out what should happen in other circumstances, including:

- ▶ when a product (including digital content) is faulty
- ▶ when services do not match up to what was sold or agreed by the business
- ▶ when a contract contains unfair terms.

Package holidays are protected by the Package Travel, Package Holidays and Package Tours Regulations 1992 and the Civil Aviation (Air Travel Organisers' Licensing) (Amendment) Regulations 2012. If you booked accommodation that was not part of a package, you would be protected under the Consumer Rights Act, and the owner would be required to provide the accommodation with reasonable care and skill and ensure that it was as promised and described to you when you booked it.

Obtaining and interpreting feedback and identifying improvements

The collection of feedback from customers and employees leads to improvements in customer service as long as the feedback is acted upon. For example, customers will discuss their experiences of good and bad service on social media sites and review sites, and businesses should be monitoring such feedback and analysing any trends that might lead to improvements in their service.

- ▶ **Review sites** - sites like TripAdvisor are very popular as they allow people to read and post reviews about a number of travel and tourism businesses. One downside is that these reviews may not be completely reliable as people's opinions are **subjective**. Sometimes, customers give very poor ratings even if only one small thing went wrong, which can seriously impact a business, as even one bad review can affect customer choice. However, if a customer finds that there are numerous reviews all saying similar things, they are more likely to trust these reviewers' judgements.
- ▶ **Community forums** - these provide a business with a way of inviting customers to share their experience with the business. This makes customers feel privileged and enables them to give feedback. For example, Hilton used a forum to gather customer feedback on their new room selection feature. This feedback suggested that customers also wanted information about the locations of facilities outside the hotel, such as attractions and restaurants, as well as facilities provided in the hotel. This led Hilton to change the feature to include the information that customers wanted.
- ▶ **Instant feedback** - some organisations give customers instant incentives in order to collect feedback from them while they are still interacting with the organisation. For example, a restaurant could give customers a free cocktail or dessert in exchange for answering some on-the-spot questions.

Key term

Subjective - based only on someone's personal judgement or taste.

Link

You can learn more about mystery shoppers in Unit 5: Travel and Tourism Enterprises, Section A.

Feedback can also be collected in a planned, structured way; for example, through questionnaires and surveys of customers, trade reviews and mystery shoppers. Trade articles, such as those from *Travel Weekly*, can also be a good source of feedback for organisations.



PAUSE POINT

How does great customer service help a travel and tourism organisation find good partners to work with?

Hint

Think about what potential business partners are looking for in a partner organisation.

Extend

What kind of hotel partner would an organisation like Eurostar look for when wanting to match their own standards of customer service?