

TOUR AND TRAVEL PRODUCT MANAGEMENT

Types of Travel Components and Tour Packages

The tourism industry offers a diverse range of travel products and tour packages, ensuring convenience, affordability, and enjoyable experiences for travelers. These products include transportation, accommodations, sightseeing, and various support services. On the other hand, tour packages bundle these products into pre-arranged trips to cater to different preferences (Shekhawat, 2020).

Types of Travel Components

Travel products are broadly categorized into primary and complementary services that form a travel experience:

- **Accommodation Services** – These include a range of lodging options catering to various types of travelers, from budget-conscious backpackers to luxury-seeking tourists. These services ensure travelers have a comfortable place to stay during their trip. The options include hotels, resorts, guesthouses, hostels, and vacation rentals.
- **Transportation Services** – Transportation is an essential travel product that helps travelers move between destinations. It includes air travel, railways, car rentals, buses, cruise ships, and local transport. Transportation may be part of the tour package or booked separately.
- **Sightseeing and Excursions** – These allow tourists to explore historical landmarks, natural wonders, cultural sites, and adventure activities. Services may include guided tours, adventure excursions, and wildlife safaris.
- **Events and MICE (Meetings, Incentives, Conferences, and Exhibitions) Services** – This segment of tourism focuses on organizing business meetings, trade fairs, conventions, and corporate retreats. These events require venue bookings, catering, accommodation, and logistical support.
- **Travel Insurance** – It protects travelers from unexpected events such as medical emergencies, trip cancellations, baggage loss, and flight delays. It provides financial security and peace of mind for travelers.
- **Ground Handling Services** – These ensure smooth logistics for travelers at airports, hotels, and local transport hubs. These services include airport transfers, baggage handling, and tour guide assistance.
- **Meal Plans** – These refer to the number of meals per day included in a tour package, whether served in the place of lodging or a restaurant. These are commonly classified as a full-board that offers all three main meals—breakfast, lunch, and dinner or a half-board that includes breakfast and either lunch or dinner. A bed-and-breakfast package provides a full breakfast only, while a continental breakfast consists of a lighter meal, typically coffee and pastries or bread with jam and butter. Lastly, the European plan includes no meals, giving travelers full flexibility over their dining choices.

Types of Tour Packages

A **tour package** is a comprehensive offer that combines two (2) or more travel components to create a seamless travel experience. Beyond the essential travel components such as transportation and accommodation, the inclusion of tour guides and tour escorts is crucial for enhancing the quality of the tour package. These professionals play a pivotal role in ensuring that travelers enjoy an informative, smooth, organized, and well-managed experience.

Tour guide services are typically available during sightseeing excursions, providing valuable insights and commentary that enrich the travel experience. For instance, a tour guide in Manila may share historical context and cultural anecdotes while leading a group through Rizal Park or Intramuros, adding depth to the sights.

In contrast, **tour escorts**, often referred to as tour managers or tour coordinators and accompany clients throughout their entire journey, from the point of origin to the last destination and back. They are responsible for coordinating with various suppliers and overseeing all logistical aspects of the itinerary. It includes managing hotel check-ins, facilitating transportation arrangements, and ensuring that all scheduled activities run smoothly. For example, a tour escort leading a group from Cebu to Bohol would handle ferry bookings, coordinate island tours, and ensure that all travelers are informed and comfortable throughout the trip.

Depending on the number of components, tour packages have different classifications (Claravall, 2013):

- **Ground Arrangements** – These comprise transfers and sightseeing tours only.
- **Land Arrangements** – These include transfers, sightseeing tours, and hotel accommodations with or without a meal plan.
- **Inclusive Tour Packages** – These include transfers, sightseeing tours, hotel accommodations with or without meal plans, tour guide services, and transportation by air, sea, or land from the origin to the destination/s and back.
- **Seat-in-Coach Tour** – This is a type of tour package in which travelers share transportation and escorted services with other passengers on a scheduled itinerary. Instead of private transfers or personalized services, tourists join a group and travel together on a coach or bus.

Travel products and tour packages are essential components of the tourism industry, catering to diverse traveler needs. From accommodation and transportation to sightseeing and guided tours, these services ensure a smooth and enjoyable travel experience. The wide variety of tour packages allows travelers to choose an option that best suits their budget, interests, and preferences. Each type of travel product and tour package enhances the overall experience of tourists, ensuring that travel is both accessible and enjoyable.

Tour and Travel Product Development

Tour and travel product development is the process of planning, designing, and offering travel experiences that are enjoyable, convenient, and affordable for tourists. It combines different services, such as transportation, accommodation, meals, activities, and guides, into a complete and well-planned tour package that adds value to a traveler's experience and helps sustainably and profitably promote tourism destinations. Below are the steps and considerations in designing a tour package (Fyall et al., 2018).

- A. **Understanding the Target Market** – This allows the customization of tour components to match specific tourist segments' needs, preferences, and expectations. The following pieces of information are necessary to tailor experiences to guest needs:
 - *Demographics*: These refer to the specific characteristics of the target travelers, such as their age group, gender, and nationality. Examples are Filipino families, parents aged 30–50, traveling with a group of children, and senior citizens.
 - *Group Size*: It is the number of people traveling together. They can be a solo, a couple, a family, a group, or a corporate team.
 - *Purpose of Travel*: This refers to what the tour is intended for. It helps define the tone and activities of the tour. Travelers may be seeking leisure, on a religious pilgrimage, on an educational trip, looking for adventure, or cultural immersion.
 - *Travel Budget*: This refers to how much the travelers are willing or able to spend. It influences the selection of accommodations, meals, transportation, and even destinations. Packages can be created to suit budget-conscious, mid-range, or luxury travelers.
 - *Preferences*: These refer to what the travelers personally like or enjoy during a trip. This includes the types of places they want to visit, such as beaches, mountains, or historical sites, and the activities they want to do, such as food tours, scuba diving, and trekking.

B. Conduct Destination Research – This involves choosing a suitable destination to create attractive and profitable travel experiences.

- *Attractions and Activities:* These refer to the main experiences that a destination offers to tourists, which make a place interesting and enjoyable to visit. Examples are island hopping in El Nido, historical tours in Vigan, and surfing in Siargao.
- *Accessibility:* It describes how easy it is to reach and travel around a destination. This includes the availability of transportation, such as direct flights, boat trips, or road quality.
- *Weather and Seasonality:* It refers to understanding the climate patterns and tourist seasons of a destination to determine the most suitable time for travel. It is essential to consider the weather conditions, such as temperature, rainfall, and the likelihood of storms, as these directly affect travel safety, comfort, and the availability of certain activities. For instance, during the dry season from December to May, when the sea is calm and the skies are clear, island hopping is a perfect activity. In contrast, July to September, which falls under the monsoon season, should be avoided as heavy rains and rough seas can lead to canceled tours and unsafe conditions for travelers.
- *Local Support and Regulations:* These mean the rules and support provided by the Local Government Units (LGUs) and tourism offices, such as safety guidelines, permits, and available assistance at the destination.
- *Accommodation Standards:* These refer to the quality, type, and location of lodging options available at a travel destination. For example, a luxury traveler might prefer staying at a Smart Hotel and Resorts, which offers high-end amenities and beachfront locations. In contrast, budget travelers may choose a guesthouse or hostel in a town, which provides basic comfort and easy access to island tours. This allows travel agencies to match accommodation to the needs and budgets of different tourist groups.

C. Evaluate Service Suppliers – Service suppliers are the operational backbone of a tour. This is where the basic travel components are scrutinized to ensure that the target market will be matched with the service suppliers or business partners who can provide most of their travel needs. Some of the common considerations in selecting the suppliers are:

- *Legitimacy and Accreditation:* It refers to choosing service suppliers that are officially registered and accredited by the Department of Tourism (DOT) to ensure they follow safety and quality standards like a DOT-accredited van rental company and accommodation.
- *Reputation and Service Quality:* This involves checking if the supplier has a good name and provides excellent service based on customer reviews and partner testimonials. These can be checked through different platforms, such as Facebook pages, website reviews, or Google ratings.
- *Pricing:* It refers to selecting suppliers who offer fair or discounted prices to travel agencies, allowing for affordable packages. An example is a tour package at a wholesale rate so that the travel agency may add a small markup for a profit.
- *Flexibility:* This involves working with suppliers who can adjust services or offer discounts for groups or special requests. For instance, the supplier may change the tour schedule and offer discounts for 10 or more guests based on the tourists' request.
- *Availability:* It refers to choosing suppliers who can provide services even during busy or peak travel seasons. For example, a reliable supplier who can guarantee services, such as transportation, tours, or accommodation, even during peak travel seasons like summer or holidays, helps the travel agency avoid last-minute cancellations, overbookings, or client complaints. It allows the agency to promote and sell tour packages confidently, knowing that their partner can handle the demand and ensure smooth travel arrangements for their clients.

D. Negotiate Contracts with the Suppliers – After identifying suppliers, formal negotiations are crucial to finalize the business agreement. This includes discussing rates, service inclusions, policies, and responsibilities to avoid future misunderstandings. A clear, written contract helps ensure that both the travel agency and the supplier agree on the terms of service and are prepared for any possible changes or challenges, such as the exact services included, the agreed rates, payment terms, and any available discounts. The contract should also clearly state the cancellation and refund policies, responsibilities in case of accidents or delays, insurance coverage, and procedures for booking and availability, especially during peak seasons. It must include rules for changes or special requests, the contract duration, termination terms, and how disputes will be resolved. Ensuring all these items are clearly written protects both the travel agency and the supplier from misunderstandings. Below are some of the items to negotiate:

- *Rates*: This refers to the agreed pricing between the travel agency and the supplier, which may include preferential or wholesale rates that may vary during off-peak and peak seasons.
- *Inclusions*: This involves the additional services or amenities that are included in the agreed rate, such as meals, welcome drinks, free upgrades, and guided tours.
- *Policies*: This refers to the terms regarding payments, cancellations, rebooking, and other operational rules, such as insurance coverage, medical assistance, emergency contacts, tour guide arrangements, etc., that guide how the booking will be managed.
- *Freebies or Concessions*: These are the added benefits or discounts offered to the agency, such as free rooms for tour leaders, complimentary meals, or special rates for large groups.

E. Develop the Tour Itinerary – Now that suppliers are secured, the next step is to design the tour itinerary. An *itinerary* is a planned route or journey that matches the client's profile during tour planning and the identification and selection of the various suppliers of services. There are three (3) main types of itineraries used in the tourism industry: skeletal, descriptive, and technical, each serving a distinct purpose. A **skeletal itinerary** is a high-level, day-by-day outline that briefly lists major activities or destinations without detailed timing or logistics. It is commonly used during the initial planning or proposal phase to present a basic structure of the tour. A **descriptive itinerary** is written in paragraph form and provides a narrative experience of the trip, using vivid, engaging language to highlight what the traveler will see, feel, and do. This type is mainly used for marketing materials, brochures, or client presentations. Lastly, the **technical itinerary** is the most detailed and is the one most frequently used by tour operators. It includes exact timings, supplier contacts, transport arrangements, meal plans, and contingency instructions. It is intended for internal use by the operations team to ensure the seamless and professional delivery of the tour.

Planning an itinerary is a complex procedure and critical to a tour operator's success because they need to provide maximum satisfaction for clients or consumers at a reasonable price. When planning an itinerary, it is useful to consider the following to match the market's expectations and maximize the experience.

- *Title or name of the tour package*: The name of the tour package should highlight the destination where the tour will take place. An example is the *Davao Family Escapade*.
- *Duration of the tour*: This is where the number of days and nights the tour will take is identified. For example, it could be three (4) days and two (3) nights.
- *Travel dates*: These refer to the specific calendar days when travel-related activities occur (e.g., January 21-23, 20xx). An important thing to check is if the tour package has blackout dates. Blackout dates are when travel rewards and other special discounts or promotions are not available. They are usually applicable on major holidays or peak travel seasons like Christmas.

- *Tour package inclusions:* This is where the travel needs of the target guests are matched with the arranged services with suppliers or business partners. A **pax account** means that the service is to be paid by the customer/client separately.
- *Tour package costing:* This is where the overall cost of the services arranged for the tour package and the maximum number of customers that the tour package can accommodate are checked and finalized.
- *Competitive pricing:* This is where the competitor's tour package pricing is checked. The tour package should stay competitive to stay on course. All elements, such as the total revenue or commission, entrance fees, government taxes, guide fees, meals, and accommodation, are considered. (**Note:** *Costing and pricing of tour and travel products will be discussed in the succeeding module.*)

A well-served traveler is more likely to return and recommend an agency to others, driving business growth and a strong reputation. Prioritizing customer experience not only enhances service quality but also fosters long-term relationships, ensuring sustainable success in the competitive travel industry. A sample tour package with an itinerary is available on **Page 7**.

Below is an example of how a tour package is created following the steps enumerated above:

Example:

Target Market	Eco-conscious travelers and families (ages 25–45) from Luzon and Metro Manila are looking for domestic travel experiences combining nature, culture, and sustainable tourism.	
ACTIONS PERFORMED BY THE TOUR OPERATOR OR TRAVEL AGENCY		OUTCOME
A. Understanding the Target Market		
- Analyzed local travel trends and Department of Tourism (DOT) tourist data. - Noted preference for eco-tourism, farm visits, and short 3–5-day trips from Metro Manila and nearby provinces. - Travelers prioritize environmental sustainability, heritage experiences, and family-friendly activities.		Bohol is identified as an ideal destination for eco-cultural travel. It is accessible via Tagbilaran or Panglao Airport, is family-safe, and is rich in biodiversity and history.
B. Conduct Destination Research		
- Studied top attractions: Chocolate Hills, Loboc River Cruise, Tarsier Sanctuary, Panglao beaches, and heritage churches. Researched the best travel season (January–May: dry, calm weather). - Assessed eco-tourism sites like Abatan River and Bohol Bee Farm. - Checked travel advisories, safety protocols, and infrastructure.		Bohol offers an ideal blend of natural wonders, local culture, and eco-friendly operations.
C. Evaluate the Suppliers		
- Reviewed Bohol-based suppliers via DOT listings and online ratings. - Identified reliable partners: Rajah Travel Corporation (transport), Amarella Resort (eco-boutique hotel), and Bohol Bee Farm (organic meals and tours). - Assessed tour guide certifications, transport fleet quality, and community engagement practices.		Shortlisted suppliers that emphasize local employment, sustainability, and high-quality service.

D. Negotiate Contracts with the Suppliers

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| <ul style="list-style-type: none"> Negotiated discounted group rates and guaranteed booking slots during peak season. Secured inclusive packages (meals + activities) at partner eco-resorts. Finalized terms with local boat operators, guides, and farm tour partners. Ensured suppliers follow DOT-accredited safety protocols and have liability insurance. | A Memorandum of Understanding (MOU) signed, value-added services included (e.g., free drinks, welcome kits), and cancelation terms clarified. |
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E. Develop the Tour Itinerary

Name of the Tour Package: Eco-Cultural Discovery in Bohol

Duration: 4 Days / 3 Nights Package

Destination: Bohol, Philippines

Rate: PHP 18,000 per person (min. of eight (8) pax)

Accommodation: Amarela Resort or similar

Travel Period: January to May (dry season)

Tour Itinerary:

Day 1: Arrival in Panglao – Cultural Welcome	
TIME	ACTIVITY
10:00 AM	Arrival at Panglao International Airport
10:30 AM	Meet and greet, private van transfer to the resort
11:30 AM	Welcome lunch at Amarela Resort
1:00 PM	Check in and freshen up.
2:00–5:00 PM	Free time: resort activities (snorkeling, kayaking)
6:00 PM	Cultural show and buffet dinner
7:30 PM	Tour briefing and orientation
9:00 PM	Overnight at the resort
Meals: Lunch, Dinner	
Day 2: Nature Wonders and River Cruise	
6:30 AM	Breakfast at the resort
7:30 AM	Depart for Carmen – Chocolate Hills
9:00 AM	Chocolate Hills viewpoint and photo session
9:30 AM	Optional ATV ride or zipline adventure
10:30 AM	Visit the Philippine Tarsier Sanctuary
12:00 PM	Buffet lunch on the Loboc River Cruise
1:30 PM	Baclayon Church and Bohol Museum tour
3:30 PM	Return trip to Panglao
5:00 PM	Leisure time at the resort
7:00 PM	Dinner (on pax account, not included in the package)
9:00 PM	Overnight at the resort
Meals: Breakfast, Lunch	
Day 3: Farm and Community Immersion	
7:00 AM	Breakfast at the resort
8:00 AM	Depart for Bohol Bee Farm
9:00 AM	Farm tour: organic gardens, honey production
10:30 AM	Tasting session: honey, spreads, ice cream
11:00 AM	Handicraft and weaving workshop
12:00 PM	Lunch at Bee Farm's ocean-view restaurant
1:30 PM	Depart for the Abatan River
2:00 PM	Guided paddleboat mangrove and firefly tour

4:00 PM	Return to the resort.
5:30 PM	An optional massage or sunset by the beach
7:00 PM	Dinner (on pax account)
9:00 PM	Overnight at the resort

Meals: Breakfast, Lunch

Day 4: Departure

7:00 AM	Breakfast and check-out
8:00 AM	Souvenir shopping at Island City Mall
10:00 AM	Transfer to Panglao International Airport
11:30 AM	Departure for Manila or onward destination

Meals: Breakfast

Inclusions

- 3 nights 4-star eco-resort accommodation
- Round-trip airport and land transfers (private van)
- Daily breakfast, 3 lunches, 1 cultural dinner
- All entrance, guide, and environmental fees
- Loboc River Cruise buffet
- Handicraft and cultural workshop
- Farm tour and product tasting
- DOT-accredited tour guide
- Travel Insurance

Exclusions

- Domestic airfare
- Optional activities (ATV, spa, etc.)
- Personal expenses and tips

Booking Conditions

- 50% down payment upon confirmation
- Full payment 14 days prior to travel
- Free rebooking up to 10 days before travel
- No refund for cancellations made within 72 hours before the tour

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