Tour operating as added value and risk driven industry

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UNWTO
6th International Conference on Destination Management
16 April 2012 / DJERBA, TUNISIA
What are we talking about?

• Tour Operating
  – Industry
    • Global business, essentially European based
    • 500+ major companies with 50+ €bn gross bookings
    • Brand names: TUI, Thomas Cook, Kuoni, Tez Tour etc.
  – Activity
    • Synonyms: Organizer, wholesaler, producer...
    • Europe: Legal framework “Package Travel Directive 90/314”
      – pre-arranged combinations
      – At least two elements being sold or offered for sale at an inclusive price
      – Service covers a period of more than 24 hours or includes over-night accommodation
Tour-Operating & Added Value (1/2)

• Added value
  – Company
    • Value of produced goods/services -minus purchasing costs
  – Consumer
    • Perceived value -minus total cost of acquisition
      – Material: e.g. touristic offerings/services
      – Immaterial: e.g. reassurance through brands/companies
  – Stakeholder
    • Various…. but in a nutshell: « Results -minus expectations »
      – Material: e.g. community infrastructures
      – Immaterial: e.g. satisfaction with conditions of work/living
Tour-Operating & Added Value (2/2)

- Respond to the de-structuring of **products**
  - Dynamic packaging (« X-TO »)
  - Capacities & innovation & guest experience
- Accompany **chanel** shift
  - Relationship management
  - Branding
- Use new technological **platforms**
  - Integration & migration
  - Specialisation & standardization
- Manage **instability**
  - Sustainable responsible business (CSR)
  - Financial performance
Tour-Operating & Risk (1/2)

• Risk
  – Negative impacts on safety and security of visitors, host communities and tourism employees caused by
    • Human and institutional environment
    • Tourism and related sectors
    • Individual travelers
    • Physical and environmental conditions
      (UNWTO, 2003)
  – Economic dimension of
    • Uncertainty & time
    • Competition & profit
Tour-Operating & Risk (2/2)

• Safety & Security
  – **Quality** Management
  – Management of the **Supply Chain**
  – **Crisis** Management for to respond to “any situation that has the potential to affect long-term confidence in an organization or a product, or which may interfere with its ability to continue operating normally “ (UNWTO)

• Economy
  – **Purchasing**: Fuel & Foreign Exchange
  – **Yield**: Capacity & Revenue
  – **Finance**: Cash & Liquidity
Strategic approach to adapt to changes in the marketplace and the region
The way we’ve worked...
Yesterdays simplistic model
The way we are working
Looking around

• Integration
  – Operational processes of a given company becoming part of the tourism value chain

• Interdependency
  – Operational performance of a given company may cause disruption in the value chain
The way we’ll work

Looking ahead

Ecosystem

Value

Knowledge
Merci !
شُكْرًا جَزيَّلاً
Thank you!

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