

Tour operating as added value and risk driven industry



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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 **channel** 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)

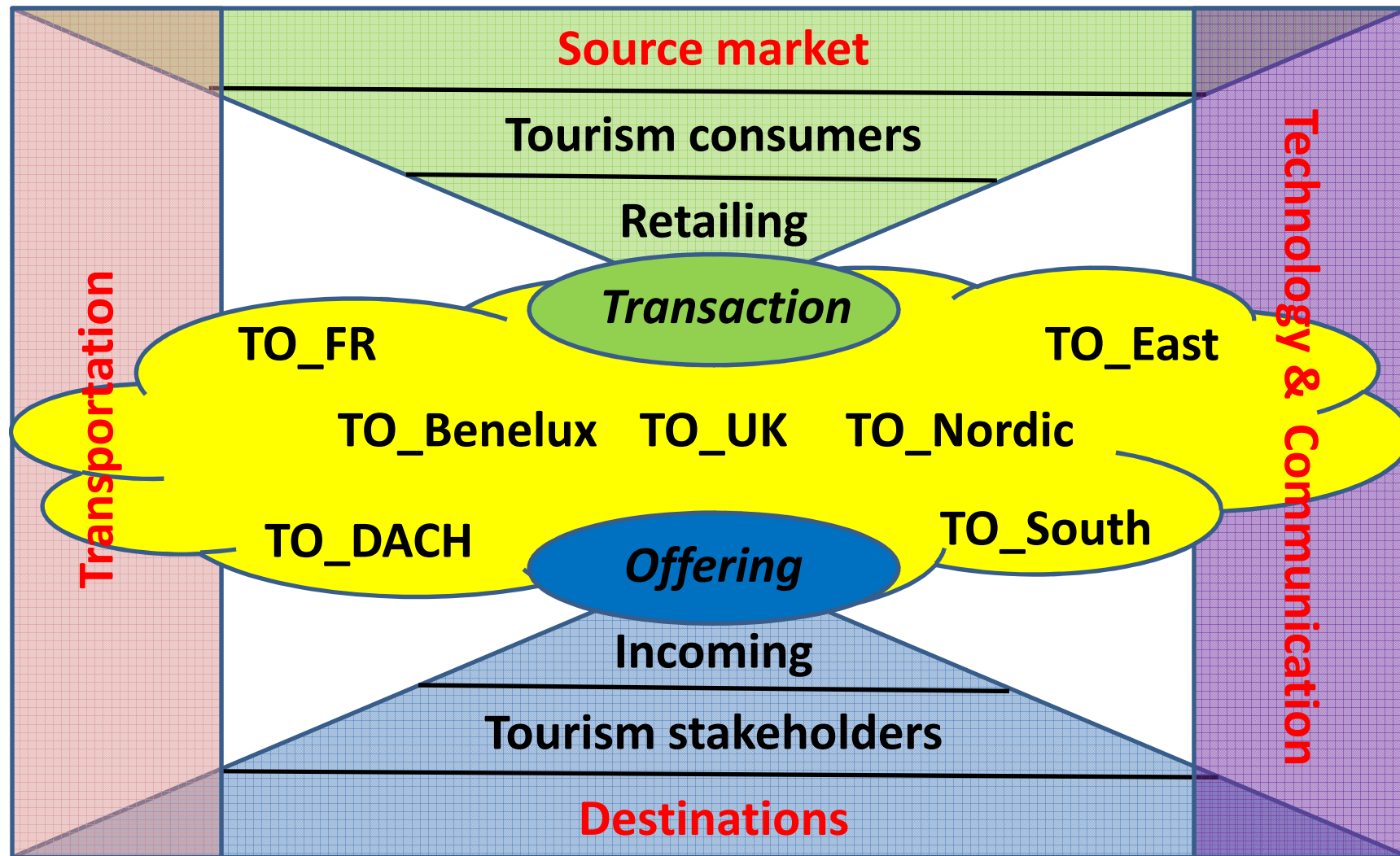
- Safety & Security
 - **Quality** Management
 - Management of the **Supply Chain**
 - **Crisis** Management for to respond to “any situation that has the potential to affect long-term confidence in an organization or a product, or which may interfere with its ability to continue operating normally “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



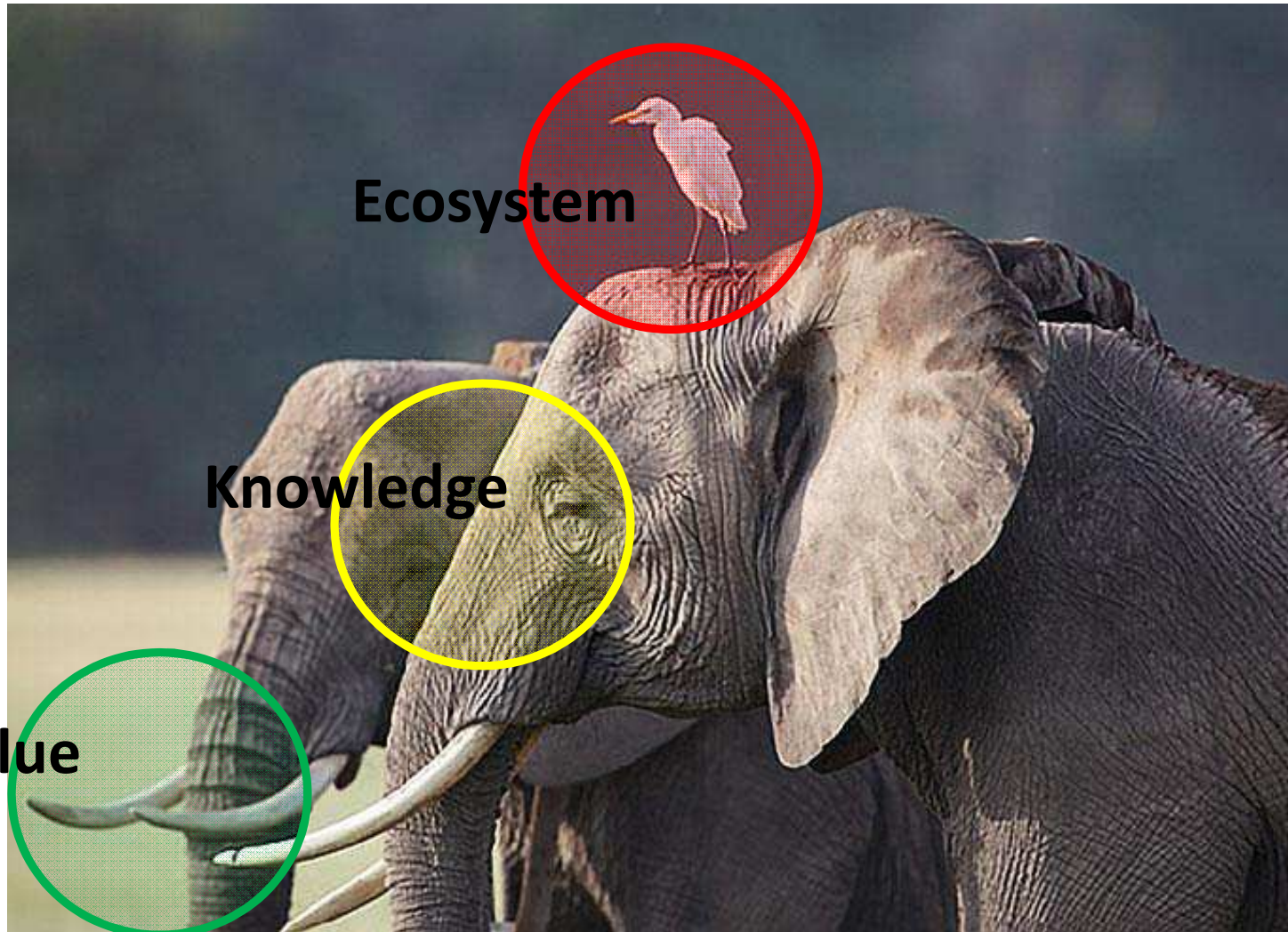
- Interdependency

- Operational performance of a given company may cause disruption in the value chain



The way we'll work

Looking ahead



Merci !
شُكْرًا جَزِيْلًا
Thank you !

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