

## **SQA Advanced Unit Specification**

### **General information for centres**

**Unit title:** Tour Operations

**Unit code:** HP50 48

**Unit purpose:** This Unit is designed to enable candidates to develop an in-depth knowledge of the tour operations sector of the travel and tourism industry and to demonstrate competence in applying techniques used by tour operators launching a new tour operating programme. It is intended for candidates who are studying SQA Advanced Diploma Programmes in Travel and Tourism and it is particularly recommended that this Unit be studied in the second year of the course. It will look at tour operations in relation to both inbound and outbound sectors. It is also suitable as a stand-alone Unit for individuals who have experience of the travel and tourism industry and who wish to develop their career in tour operations.

On completion of the Unit the candidate should be able to:

1. Plan an inclusive tour programme.
2. Evaluate contracting methods used in different types of programmes.
3. Cost tour components and determine the selling price of an inclusive tour.
4. Evaluate the main marketing tools and chain of distribution used by tour operators.
5. Outline the job functions of key tour operator personnel involved in customer relations.

**Credit points and level:** 2 SQA Credits at SCQF level 8: (16 SCQF credit points at SCQF level 8\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from National 1 to Doctorates.*

**Recommended prior knowledge and skills:** Candidates should have a good knowledge of the structure of the travel and tourism industry and an understanding of the crucial role tour operators play within the industry as a whole. Candidates should have good communication and ICT skills. It is also desirable that candidates have completed the Units: International Tourist Destinations (HP57 46), Structure of the Travel and Tourism Industry (HV79 47, Applying Marketing Principles in Travel and Tourism (HP58 47).

## SQA Advanced Unit Specification

**Core Skills:** There may be opportunities to gather evidence towards Core Skills for example in numeracy, communication and problem solving in this Unit although there is no automatic certification of Core Skills or Core Skills components.

**Context for delivery:** If this Unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes.

This Unit is included in the framework of both the SQA Advanced Diploma in Travel and Tourism and the SQA Advanced Diploma in Tourism and will allow for tour operations to be studied in the context of inbound or outbound tour operations.

**Assessment:** The Unit has been designed to allow all Outcomes to be assessed through an integrated assessment resulting in a proposal for a tour, which should be built up in logical stages as candidates progress through the Unit. Evidence will be required to show that candidates can apply techniques to different types of tour programmes. Candidates should be allowed to select a tour operator profile from a range of briefs, but may, in consultation with their lecturer, devise one of their own. Candidates should then apply appropriate tour operating practices and techniques to the particular tour operating brief selected, at all stages of the operation. This approach will make the Unit more meaningful and realistic for the candidate.

**SQA Advanced Unit specification: statement of standards**

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and evidence requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

**Outcome 1**

Plan an inclusive tour programme

**Knowledge and/or skills**

- ◆ how to use reliable sources to identify trends
- ◆ identification of external factors, which could affect demand for tours to a range of destinations
- ◆ research factors, which could affect demand for tours to the selected destination
- ◆ selection of appropriate market research methods

**Evidence requirements**

The majority of evidence for this Unit should relate to the candidate's application of tour operating techniques appropriate to their choice of programme brief. Each candidate will require to produce evidence that they have a clear understanding of the principles of tour operations and how different types and sizes of programmes require careful judgement and application of appropriate techniques at each stage of the operation.

Written evidence, showing that the candidate has identified appropriate political, social, legal, environmental and technological factors, which could affect demand for their selected tour operating programme, should be provided. This evidence should also show an awareness of competitors' products and why they may or may not represent a threat to the candidate's choice of programme.

Candidates should also provide a written statement of how they would carry out market research to ascertain demand for their product. If the candidate has identified primary research methods, an example of a questionnaire should be provided as evidence. If secondary research has been selected appropriate sources should be identified and acknowledged.

**Assessment guidelines**

This Outcome should form the basis of the integrated assessment, which should be a proposal to be submitted to a potential business partner/financial backer. This should take the form of a

## **SQA Advanced Unit Specification**

research report containing sections on the factors identified above and should be no more than 1,000 words in length.

### **Outcome 2**

Evaluate contracting methods used in different types of programmes

#### **Knowledge and/or skills**

- ◆ identification of contractual components
- ◆ selecting suitable types of contracts for different categories of tour operators
- ◆ description of types of contracts for tour components
- ◆ advantages/disadvantages of different types of contracts

#### **Evidence requirements**

Evidence should demonstrate that the candidate has a clear understanding of the appropriateness of different types of contracting methods for the tour components of different types of programmes and the implications of selecting inappropriate methods. The types selected should be appropriately identified and briefly described. Candidates should also state the advantages and disadvantages and give valid reasons for their selection.

#### **Assessment guidelines**

The contracting section of the proposal should demonstrate that candidates are able to apply sound judgement in selecting appropriate contracting methods for their programme. Candidates should include an evaluation of the methods selected.

### **Outcome 3**

Cost tour components and determine the selling price of an inclusive tour

#### **Knowledge and/or skills**

- ◆ calculation of individual aircraft seat costs using charter flights
- ◆ calculation of accommodation costs per person for hotel rooms and apartments
- ◆ calculation of transfer costs per person for coach and taxi transfers
- ◆ calculation of costs for different sizes and types of programmes taking into account factors such as empty legs, load factors and free places
- ◆ calculation of cost of coach tour taking account of free places for driver/guide
- ◆ application of seasonal mark up
- ◆ calculation of agents' commission
- ◆ effect of special offers on tour pricing
- ◆ evaluation of pricing techniques currently applied by tour operators

#### **Evidence requirements**

Calculation of the selling price of an inclusive tour using two from inclusive tour by charter flights, scheduled flights or coach. Calculation should show that candidates are able to calculate the per person price of an inclusive tour from given rates. Evidence that they can

## **SQA Advanced Unit Specification**

apply a mark up and calculate the selling price taking into account agents' commission is required.

Candidates should also include a costing section in their proposal. This should include an example of how they would cost an inclusive tour for their programme. Candidates should also select a minimum of two special offers or free places appropriate to their programme and explain how the cost of these could be offset. They should also explain two types of pricing techniques, which would be appropriate to their chosen programme and evaluate the effect this would have on sales.

### **Assessment guidelines**

All candidates should be required to demonstrate their ability in calculating the per person selling price of an inclusive tour using scheduled flights, charter flights or coach tour, through two practical exercises. For the charter operation, candidates should be provided with the cost for the charter of an aircraft for the whole season and be required to calculate the individual seat cost taking into account empty legs and load factor. Accommodation rates should be provided as per room or per apartment.

For the scheduled operation, candidates should be provided with the ITX (Inclusive Tour Excursion) or SGIT (Special Group Inclusive Tour) fare, the daily hotel room rates and single journey taxi transfer cost. They should then be required to calculate the cost of the tour by applying two different seasonal mark-ups and agents' commission.

For the coach tour operation, candidates should be provided with the cost of the coach hire, accommodation rates, meals, admission prices for attractions and driver and tour guide daily rates.

## **Outcome 4**

Evaluate the main marketing tools and chain of distribution used by tour operators

### **Knowledge and/or skills**

- ◆ evaluation of the main marketing tools available to tour operators (currently brochures and websites)
- ◆ importance of market segmentation in design of main marketing tools
- ◆ analysis of special features of marketing tools and their appeal to different market segments
- ◆ cost considerations
- ◆ importance of careful timescale planning
- ◆ methods of reservations used by mass market and specialist tour operators
- ◆ special features of reservations systems

### **Evidence requirements**

Candidates should include in their proposal a 'marketing' section which evaluates and describes the features of the main marketing tool and method of reservation they have selected for their chosen programme.

## **SQA Advanced Unit Specification**

### **Assessment guidelines**

The marketing section of the proposal should evaluate the main marketing tool, which would appeal to the target market/s. This should clearly describe the type of tool selected, special design features and cost considerations. A schedule showing a realistic timescale for planning stages through to programme launch should be shown and be realistic in terms of the first departure date. The method and special features of the reservation system should be outlined.

### **Outcome 5**

Outline the job functions of key tour operator personnel involved in customer relations

#### **Knowledge and/or skills**

- ◆ identification of key roles and tasks to be performed
- ◆ important aspects of a customer relations policy
- ◆ organisational differences between mass market and specialist operators
- ◆ awareness of skills required by tour operator personnel involved in customer relations
- ◆ identification of job opportunities within the tour operations sector

#### **Evidence requirements**

To be included in the proposal: organisational chart appropriate to size of operation and brief job specifications for two key personnel involved in customer relations.

### **Assessment guidelines**

Forming the final section of the proposal, the organisational structure should show lines of responsibility and links between the key areas of the business. To support this organisational chart, the roles of four key UK and/or overseas based personnel should be outlined. The organisational chart and the job specifications should be appropriate for the selected tour programme.

#### **Integrated assessment length:**

The following is for guidelines only and lecturers should, as a priority, consider the candidate's application of sound business judgement, appropriateness of information and selection of technique in producing the proposal for a tour.

Outcome 1 – 1,000 words

Outcome 2 – 300 words

Outcome 3 – 300 words plus example

Outcome 4 – 500 words

Outcome 5 – 200 words plus chart

## SQA Advanced Unit Specification

### Administrative information

<b>Unit code:</b>	HP50 48
<b>Unit title:</b>	Tour Operations
<b>Superclass category:</b>	NK
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**FURTHER INFORMATION:** Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

**SQA Advanced Unit specification: support notes**

**Unit title:** Tour Operations

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 80 hours.

**Guidance on the content and context for this Unit**

This Unit is designed to provide the candidate with an understanding of the principles of tour operations and how it relates to other sectors of the travel and tourism industry. It will involve the candidate in analysing factors, which may affect demand for inclusive tours in general and to particular destinations as well as understanding and applying techniques used in tour operations. Domestic and overseas examples may be used.

This Unit is particularly suitable for candidates in the second year of their SQA Advanced Diploma course or as a 'stand-alone' Unit for candidates who have prior travel and tourism industry experience.

The integrated approach to assessment will allow candidates to combine both prior and new knowledge and skills thus making more meaningful learning.

**Outcome 1:** Candidates should be encouraged to actively develop an awareness of domestic and world affairs through media such as TV, press and the internet and be alert to events or factors, which may impact on demand for inbound and outbound tours. Development of research techniques should be encouraged and candidates should use trade publications for up to date information on competitors' products.

**Outcome 2:** Following tutor input on the different contracting methods used by tour operators for tour components, case studies on different types and sizes of tour operators should form the basis of group discussions. Candidates should select the most appropriate type of contract for each and analyse the advantages and disadvantages.

**Outcome 3:** Tutor input on tour costing should be followed by costing exercises for outbound mass market and outbound **or** inbound specialist tours. Following the calculation of the transport and accommodation components, mark up and agents' commission should be gradually introduced until candidates are able to cost inclusive tours for different sizes and types of programmes. Common pricing techniques, including special offers and current practices, eg excluding in-flight meals or transfers, should be discussed and applied as appropriate.

**Outcome 4:** A visit to a tour operator would be beneficial at this stage. Candidates should first be briefed on reservations systems and be familiar with different types of marketing tools (currently brochures and websites) used by tour operators. Equipped with this prior knowledge, candidates would be better able to understand the use of the different features of



## SQA Advanced Unit Specification

the tour operator's reservation system and the roles played by both the system and the marketing tools employed. Websites which may be of assistance are: [www.anitetravel.com](http://www.anitetravel.com) or [www.genesys.net](http://www.genesys.net)

**Outcome 5:** Use of videos, case studies and, if possible, a guest speaker having recently worked or currently working in a customer relations role in tour operations would enhance the candidate experience. Candidates should be encouraged to study the requirements and roles of tour operator staff vacancies advertised in the national and trade press and on tour operators' web sites.

### Guidance on the delivery and assessment of this Unit

This Unit has been designed to allow delivery in the context of either outbound or inbound tour operations. It is recommended that delivery of the Unit to candidates studying the SQA Advanced Diploma in Travel and Tourism be predominately in the context of outbound tours, while delivery in the context of inbound tours would be more appropriate for candidates studying the SQA Advanced Diploma in Tourism.

Throughout the Unit, candidates should be encouraged to build up their knowledge and keep up to date with current practices in tour operations through researching industry publications and websites. This will enable candidates to develop a deeper understanding of the sector and how it reacts to changes in the tourism industry as a whole as well as the external environment, which are likely to impact on its operation. The integrated approach to assessment also encourages candidates to adopt 'ownership' of their chosen brief and encourages them to apply appropriate techniques and make sound business decisions based on this understanding.

### Open learning

This Unit may lend itself to open learning providing the material is current and up to date. However, substantial tutor support would still be required throughout the Unit due to the dynamic nature of this sector of the travel and tourism industry and its need to respond quickly to internal and external factors.

### Equality and inclusion

This Unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).

## **General information for candidates**

### **Unit title:** Tour Operations

This Unit is designed to enable you to develop an understanding of the practices and techniques used in tour operations and how this sector relates to other sectors of the travel and tourism industry. It will encourage you to develop knowledge and skills, which will enable you to apply these techniques appropriately and make sound business decisions based on knowledge acquired during the course of this Unit.

Tour Operations may be studied in the context of either inbound or outbound tours. Your lecturer will decide which is the most appropriate for the course you are undertaking.

Assessment of all Outcomes will be through an integrated assessment to produce a proposal for a tour, which will be built up in logical stages as you progress through the Unit. Outcome 3 will also be assessed through completion of two practical costing exercises under test conditions.

For the integrated assessment you will select a tour operator profile for which you will write a proposal aimed at a potential business backer. This proposal, which will contain sections on the various stages of developing a tour operations programme, will allow you to demonstrate your knowledge and understanding of factors likely to affect demand for types of tours and/or tours to certain destinations. It will also allow you to apply appropriate types of techniques used in tour operations. You will complete each section following tutor input on each topic.

Your proposal will contain the following sections:

- Outcome 1** Research report – 1,000 words (including market research information)  
Research factors which may affect demand for tours to your selected destination.
- Outcome 2** Contracting – 300 words  
Selection and evaluation of appropriate contracting methods for the tour components.
- Outcome 3** Costing – 300 words plus costing example  
Information on how the tours have been costed, special offers and the pricing methods adopted. This Outcome is also assessed through two practical exercises.
- Outcome 4** Marketing – 500 words  
Evaluation and information on the main marketing tool, eg brochure, website.  
Planning schedule for tour programme. Outline the functions and features of the reservation system.
- Outcome 5** Organisational structure — 200 words plus organisational chart  
Description of key business areas and staff job specifications. Importance of role played by staff involved in customer relations.

The above word count is only a guideline. More important is the relevance of the information to the selected tour programme.