# TRAVEL AND TOUR MANAGEMENT

For the Aspiring Entrepreneur in Travel and Tour Business



KHAIRUL AZWAN BIN PADZIL ROSSI GUNDIE ANAK JULIUS

# Travel and Tour Management @ Politeknik METrO Betong Sarawak, 2025

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# Preface

Welcome to the ever-evolving world of travel and tourism. For students, this e-book is more than just a textbook—it's a window into the dynamic industry you are preparing to enter. It's designed to bring academic concepts to life, connecting the theories you learn in lectures to the real-world challenges and opportunities faced by travel and tour business.

For lecturers, this guide serves as a practical companion to your curriculum. It offers current case studies, actionable insights, and a comprehensive overview of modern strategies—from sustainable tourism models to leveraging digital technology. Our goal is to provide a resource that not only educates but also inspires the next generation of industry leaders. We believe this e-book will spark engaging classroom discussions and equip your students with the tools they need to succeed in their careers.

We hope this resource will be a valuable asset in your journey, whether you're building a foundation of knowledge or guiding the future of the industry.

Sincerely, Khairul Azwan bin Padzil

# Introduction

Embark on a captivating journey into the dynamic world of Travel and Tour Management, where adventure meets enterprise. This e-book is your essential guide to understanding the intricate workings of the travel and tourism industry, offering a comprehensive look at the agencies that shape our experiences. We'll begin with a deep dive into the very purpose, role, and historical significance of travel and tour agencies. You'll uncover how these organizations have evolved from simple booking agents into complex architects of modern travel, influencing economies and cultures across the globe.

Our focus then narrows to the practical side of the business, specifically within the vibrant context of Malaysia. You will learn about the core functions of travel agencies—from itinerary planning and reservations to marketing and customer service. We will walk you through the establishment process, providing a clear roadmap for anyone aspiring to launch their own travel venture. Crucially, we'll also navigate the relevant laws and regulations specific to Malaysia, ensuring you have a solid foundation for operating a compliant and successful business. Beyond the mechanics, this e-book is designed to ignite your entrepreneurial spirit. We will explore the countless entrepreneurial opportunities waiting to be discovered, from niche tourism and eco-travel to digital platforms and specialized tour packages. You will learn to identify gaps in the market and develop innovative solutions that cater to the modern traveler.

Finally, we'll emphasize the paramount importance of embedding sound principles and practices into your business. A successful travel enterprise is built on a foundation of ethical conduct, sustainable operations, and exceptional customer service. By the end of this e-book, you will not only have a deep understanding of the industry but also the knowledge and inspiration to build a resilient, responsible, and profitable travel and tour business.

Welcome to your first step in becoming a leader in the world of travel.



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# chapter 1 INTRODU CTION TO TRAVEL BUSINESS

At the end of this chapter, students will learn about

1.1 Acquire information on travel and tour business1.1.1 Explain the concepts of travel and tour business1.1.2 Elaborate the history of travel agency

A travel business, also known as a travel agency or tour operator, is a commercial enterprise that provides travel and tourism-related services to the public on behalf of suppliers such as airlines, car rentals, cruise lines, hotels, railways, and package tour operators. It can also be defined as an organization that serves as an intermediary between a travel service provider and a traveler.



# 1.1 Acquire information on travel and tour business



# WHAT IS TRAVEL BUSINESS?

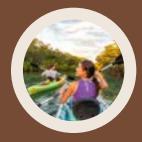
The travel and tour business revolve around providing services and experiences to individuals who want to explore new destinations, whether for leisure, business, or other purposes. It encompasses a wide range of activities and services aimed at facilitating and enhancing travel experiences.



# 1.1.1 Concepts of Travel and Tour Business



Travel Agency



Tour Operators



Travel Services



Destination Management



Technology and Online Platforms



#### TRAVEL AGENCIES

Travel agencies are businesses that help clients plan, book, and manage their trips. They offer services such as:

- Flight booking
- Accommodation
- Transportation
- Travel insurance
- Visa Assistance













#### TOUR OPERATORS

Tour operators create and package travel experiences. Their services typically include:

- Tour Packages
- Itinerary Planning
- Group Tours
- Custom Tours











#### TRAVEL SERVICES

These are additional services that enhance the travel experience:

- Local Guides
- Excursions and activities
- Dining and entertainment











#### DESTINATION MANAGEMENT





Event Planning

This involves the promotion and management of travel experiences within a particular destination. It includes:



Local Partnership

### TECHNOLOGY AND ONLINE PLATFORMS

With the rise of digital technology, many aspects of the travel and tour business have moved online.



Online Travel Agencies (OTAs)



Travel Apps



Social Media and Reviews

# 1.1.2 ELABORATE THE HISTORY OF TRAVEL AGENCY



The history of travel agencies reflects broader changes in transportation, communication, and global connectivity.





#### EARLY BEGINNINGS

Ancient and Medieval Travel:

Early forms of travel arrangements were made by traders and explorers. In ancient civilizations like Rome and China, people traveled for trade and exploration, often relying on local guides and intermediaries.

#### Middle Ages:

Pilgrims and merchants traveled across
Europe and the Middle East. Pilgrimage
routes and trade routes were well-established,
and local inns and guides facilitated travel.

#### 19th Century: The Birth of Modern Travel Agencies

Thomas Cook (1841):

Often credited with founding the first travel agency, Thomas Cook started by organizing a day trip for a temperance movement in England. His company, Thomas Cook & Son, pioneered package tours and chartered train services, making travel more accessible to the middle class. Cook's innovations included organized tours with set itineraries, fixed prices, and pre-arranged accommodations.

Growth of Railways and Steamships:

The expansion of railway networks and steamship lines in the 19th century made long-distance travel more feasible. Travel agencies began to offer services related to these new modes of transportation, including booking tickets and providing travel advice.

Early 20th Century: Expansion and Formalization

Travel Agencies in the U.S.:

By the early 1900s, travel agencies were becoming more common in the United States. Agencies like American Express began offering travel services alongside their financial products.

Air Travel Emergence:

The advent of commercial aviation in the 1920s and 1930s revolutionized travel. Travel agencies started to offer flight bookings and coordinate air travel with other services.





#### HOW TRAVEL AGENCIES EVOLVED

#### MID-20TH CENTURY: POST-WAR BOOM

#### Post-WWII Travel Boom:

After World War II, there was a significant increase in leisure travel due to economic prosperity and improved transportation. Travel agencies played a crucial role in arranging international travel and handling complex itineraries.

#### Rise of Package Tours:

The concept of package tours gained popularity. Agencies started offering comprehensive travel packages that included flights, accommodations, and excursions.

Late 20th Century: Technological Advancements

#### Computerization:

The introduction of computerized reservation systems (CRS) in the 1960s and 1970s, such as SABRE (developed by American Airlines), transformed the industry. These systems allowed travel agents to access flight and hotel availability more efficiently.

#### Global Distribution Systems (GDS):

GDS like Amadeus, Galileo, and Worldspan further streamlined the booking process, allowing agencies to book travel products from multiple suppliers.

#### 21ST CENTURY: THE DIGITAL REVOLUTION

#### Online Travel Agencies (OTAs):

The rise of the internet in the 1990s and 2000s led to the emergence of online travel agencies like Expedia, Priceline, and Orbitz. These platforms allowed consumers to book travel directly and compare options, disrupting traditional travel agency models.

#### Mobile and Social Media:

The proliferation of smartphones and social media has further transformed the industry. Travel agencies have adapted by developing mobile apps, using social media for marketing, and integrating customer reviews and ratings into their services.



#### HOW TRAVEL AGENCIES EVOLVED



#### **CURRENT TRENDS**

#### Customization and Personalization:

Modern travel agencies increasingly focus on personalized travel experiences, leveraging data and technology to offer tailored recommendations and services.

#### Sustainability:

There's a growing emphasis on sustainable and responsible travel practices. Agencies are incorporating eco-friendly options and promoting ethical tourism.

#### Hybrid Models:

Many traditional travel agencies have adopted a hybrid model, combining online booking systems with personalized customer service to provide a more comprehensive travel experience.

#### CONCLUSION

Overall, the travel agency industry has evolved from simple booking services to complex, technology-driven providers of personalized travel experiences. The industry continues to adapt to technological advancements and changing consumer preferences.



# 1.2 EXAMINE THE ROLES OF TRAVEL AGENCY AND TOUR OPERATORS





Travel agencies and tour operators are distinct but complementary components of the travel and tourism industry. Understanding their differences and relationships can provide clarity on their respective roles and how they interact.



# 1.2.1 Derive the travel agency and tour operators



Travel Agency

Travel agencies are businesses that facilitate the booking of travel services for clients. They act as intermediaries between travelers and various service providers, such as airlines, hotels, and car rental companies.



Tour Operators

Tour operators create and sell packaged travel experiences. They design and assemble travel packages that include a combination of transportation, accommodation, and activities.



# 1.2.1 Derive the travel agency and tour operators



Travel Agency

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Tour Operators

Tour operators create and sell packaged travel experiences. They design and assemble travel packages that include a combination of transportation, accommodation, and activities.







- 1. Booking Services: Travel agencies handle the booking of flights, hotels, car rentals, and other travel-related services.
- 2. Travel Consultation: They provide advice and recommendations on destinations, travel arrangements, and travel insurance.
- 3. Customer Support: They assist with issues that arise before, during, and after travel, including cancellations and changes.
- 4. Visa and Documentation Assistance: They help travelers with visa applications and other required documentation.









# Function of Tour Operators

- 1. Package Creation: Tour operators design and package travel experiences, including itineraries that may feature flights, hotels, guided tours, and excursions.
- 2. Itinerary Management: They plan detailed itineraries and manage the logistics of a travel package, including coordinating with multiple service providers.
- 3. Group Tours: They organize and manage group tours, including transportation, accommodations, and activities.
- 4. Custom Tours: They offer customized travel experiences tailored to specific needs and preferences of clients.











#### REVENUE MODEL



#### Travel Agency

Travel agencies typically earn commissions from service providers (like airlines and hotels) for each booking made. They may also charge service fees to clients for their expertise and convenience

Examples: Websites like Expedia, Booking.com, and Travelocity that allow customers to book travel directly online.



#### Tour Operators

Tour operators make a profit by marking up the cost of travel packages they assemble. They buy services in bulk or at discounted rates and sell them as a package at a higher price. Examples: Companies like TUI, Contiki, and Trafalgar that offer pre-arranged travel packages and focus on niche markets, such as adventure travel, luxury travel, or eco-tourism.

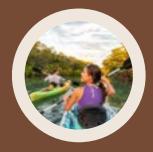


#### Relationship Between Travel Agencies and Tour Operators



Collaboration: Travel agencies often sell tour packages created by tour operators. They act as a distribution channel for the operator's products.

Consumer Choice: Travelers may use a travel agency to book individual travel components (flights, hotels) or opt for a tour operator's package for a more comprehensive travel experience.



Integration: Some companies operate as both travel agencies and tour operators, providing both customized travel arrangements and pre-packaged tours.

In summary, while travel agencies primarily focus on booking individual travel components and providing personalized advice, tour operators specialize in creating and selling comprehensive travel packages. Both play crucial roles in facilitating travel but do so in different ways, often working together to offer a full range of travel services.



# 1.2.2 EXAMINE THE TYPES OF TRAVEL AGENCY AND TOUR OPERATORS



Travel agencies come in various forms, each specializing in different aspects of travel planning and catering to diverse customer needs.



# TYPES OF TRAVEL AGENCY AND TOUR OPERATORS

Full-Service Travel Agencies



Description: These agencies offer a comprehensive range of services, including flight bookings, hotel reservations, car rentals, travel insurance, visa assistance, and personalized travel planning.

Features: They provide one-stop shopping for all travel-related needs and often have experienced agents to help with complex itineraries.

Examples: AAA Travel, Travel Leaders, and American Express Travel.

Online Travel Agencies (OTAs)



Description: OTAs operate primarily through websites and mobile apps, allowing users to search for, compare, and book travel services online.

Features: They offer a wide range of travel options and often provide user reviews, price comparisons, and promotional deals.

Examples: Expedia, Booking.com, and Kayak.



# TYPES OF TRAVEL AGENCY AND TOUR Corporate Travel Agencies OPERATORS



Description: These agencies specialize in managing travel arrangements for businesses and corporate clients. They handle business trips, meetings, and conferences.

Features: They often provide services like expense management, travel policy compliance, and dedicated account management.

Examples: BCD Travel, CWT (Carlson Wagonlit Travel), and Egencia.



Leisure Travel Agencies

Description: These agencies focus on planning and booking travel for leisure purposes, such as vacations, cruises, and family holidays.

Features: They offer tailored vacation packages, special deals, and personalized travel experiences.

Examples: Funjet Vacations, Apple Vacations, and Sandals Resorts Travel.



# TYPES OF TRAVEL AGENCY AND TOUR OPERATORS

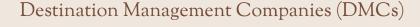


Specialty Travel Agencies

Description: Specialty agencies concentrate on specific types of travel or interests, such as adventure travel, luxury travel, or eco-tourism.

Features: They provide expert advice and customized itineraries for niche markets.

Examples: G Adventures (adventure travel), Abercrombie & Kent (luxury travel), and Intrepid Travel (sustainable travel).





Description: DMCs specialize in managing travel services and logistics for specific destinations, providing local expertise and on-the-ground support.

Features: They offer services like local tours, event planning, and group travel arrangements.

Examples: The Traveller, Mayflower and Asian Overlands Services.



### 1.3 SHOW THE CHAIN OF DISTRIBUTION IN TRAVEL AND TOUR BUSINESS





The chain distribution in the travel and tour business involves a sequence of intermediaries and processes that deliver travel services and products from suppliers to end consumers. This distribution chain ensures that travelers can access and book travel services efficiently.



# COMPONENTS CHAIN OF DISTRIBUTION IN TRAVEL AND TOUR BUSINESS



#### **SUPPLIERS**

The original providers of travel products and services.

Airlines: Provide flights and related services.

Hotels and Accommodations: Offer lodging options.

Car Rental Companies: Provide rental vehicles.

Tour Operators: Create and manage tour packages, including transportation, accommodation, and activities.

Activity Providers: Offer local tours, excursions, and experiences.



#### TOUR OPERATORS

Assemble and package travel services, combining various components into complete travel packages. They often work with suppliers to offer comprehensive travel solutions.

Package Tours: Include flights, accommodations, and activities. Customized Tours: Tailored travel experiences based on client preferences.



# COMPONENTS CHAIN OF DISTRIBUTION IN TRAVEL AND TOUR BUSINESS



#### TRAVEL AGENCIES

Travel agencies act as intermediaries between consumers and suppliers. They can be categorized into: Retail Travel Agencies: Directly serve consumers, offering bookings for flights, hotels, car rentals, and tour packages.

Online Travel Agencies (OTAs): Provide a platform for customers to book travel services online, such as Expedia, Booking.com, and Kayak.

Corporate Travel Agencies: Focus on managing travel arrangements for business clients.



#### GLOBAL DISTRIBUTION SYSTEMS (GDS)

GDS are computerized platforms that connect travel agencies with multiple suppliers. They provide real-time access to availability and pricing for flights, hotels, car rentals, and more.

Major GDS Providers: Amadeus, Sabre, and Travelport (Galileo and Worldspan).



# COMPONENTS CHAIN OF DISTRIBUTION IN TRAVEL AND TOUR BUSINESS



#### DESTINATION MANAGEMENT COMPANIES (DMCs)

DMCs offer specialized services and expertise in specific destinations. They handle local arrangements such as tours, transfers, and event planning, working with tour operators and travel agencies.

 $Local\ Expertise: Provide\ in-depth\ knowledge\ and\ services\ specific\ to\ the\ destination.$ 



#### CONSUMERS / CUSTOMERS

Consumers are the end-users of travel services. They interact with travel agencies, OTAs, or directly with suppliers to book their travel experiences. Their purchasing decisions are influenced by factors such as price, convenience, and service quality.

# DISTRIBUTION CHAIN FLOW

# SUPPLIER TO TOUR OPERATOR

Suppliers provide travel services to tour operators, often at discounted rates due to bulk purchasing.

Tour operators distribute packages or individual travel components to travel agencies.

# TOUR OPERATOR TO TRAVEL AGENCY

Tour operators distribute packages or individual travel components to travel agencies.

# TO CONSUMER

Travel agencies sell these packages or components to consumers, either directly or through online platforms.

# GDS INTEGRATION

Travel agencies and OTAs access availability and pricing through GDS, integrating data from various suppliers and operators.

# DMC INTERACTION

For specialized services, tour operators and travel agencies may collaborate with DMCs for local expertise and on-the-ground support.



# 1.3 DERIVE THE FUNCTIONS OF TRAVEL AGENCY





Travel agencies perform a range of functions to facilitate travel planning and bookings for individuals and groups.



#### 1.4.1 Outline the functions of travel agency



#### 1. Provision of Travel Information

Location based travel Information

Three different stages are identified where traveler can obtain travel information. The pre-trip stage mostly matches the phase when travelers are planning their journey and is mostly at home or at work.



Way-side travel information provision

Three travel advices, The upper advice is considered being fastest option to travel, the one beneath the second fastest and the lowest advice is the third fastest option.

#### On board Travel information

On transport mode, travelers ask themselves other questions concerning the sequel of their journey. On board display provides information concerning the current location of the mode of transport with the travel routes of that specific transport mode.



2. Preparation of Itineraries



Destination Advice: Provide information and recommendations about destinations, including best travel times, cultural highlights, and safety considerations.



Itinerary Design: Help clients design customized travel itineraries based on their preferences, interests, and budget.

Travel Trends and Updates: Keep clients informed about travel trends, seasonal promotions, and updates on destinations.



#### 1.4.1 Outline the functions of travel agency



3. Liasoning with tourism supplier/vendor



Liaising with tourism suppliers or vendors is an essential part of managing a successful tourism business or travel agency. It involves coordinating with various partners, such as hotels, tour operators, transportation companies, and attractions, to provide seamless and quality experiences for travelers.



4. Planning and costing tour



Plan the tour package

Surveying and testing, trial and error and awareness of trends and competition can all lead a tour company to design a certain tour.

To plan the tour may need some tour research. In the tour research tour planner must gather more information that will guide the itinerary –designing process.



Identify target market, costing and pricing

Before the package market to tourists, the tour planner must identify the target market to who that package were create.

Determine cost and price of tour package

The tour price quoted to passengers has to be competitive in the market, and if the cost is higher than the price of other competitors, it should be justifiable

Promoting a tour package

Promotion refers to the methods used to communicate with customers.

A promotion may be undertaken to make customers aware of the products and services, especially the new products and services in the market.



#### 1.4.1 Outline the functions of travel agency



4. Planning and costing tour

Selling a tour package

After level of promoting a tour package done. A package was getting ready to selling to the customers who want to buy that package.

Some customers' likes to buy the tour package based on their request.



Control and evaluation

The last phase of tour package planning is a control and evaluation. In this phase, travel agent must control the tour package and also must follow up that package with some evaluation.

The evaluation mostly on level of customer satisfied on that tour package that they buy.



5. Planning and costing tour



Costing Tours

A tour operator generally purchases three main element for creating an all inclusive tours:

- a) transportation
- b) Accommodations
- c) Services (such as sightseeing, meals & attraction)



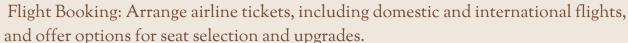
The technical terminology that related to costing and pricing of packages:

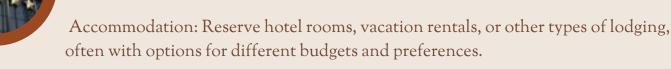
- a) Mark up: It is amount added to the cost price of goods to cover overhead and profit
- b) Buying power: used to increase the profit by reducing the price from principal suppliers on each sale of package
- c) Cash flow: the total amount of money being transferred into and out of a business
- d) Net rate: The price of the supplier meant for the retailers and on which is base you prices for your product and services
- e) Gross Rate: the rate which is a suppliers quotes to you for product/services.



#### 1.4.1 Outline the functions of travel agency









Car Rentals: Book rental cars or other ground transportation options such as taxis, shuttles, or private transfers.

Activity Reservations: Secure bookings for tours, excursions, and local activities.





#### 6. Ticketing

A ticketing travel agency specializes in providing travel-related services, particularly focusing on booking and issuing tickets for various modes of transportation. These agencies play a crucial role in helping individuals and businesses arrange their travel plans, offering expertise and convenience in navigating the complexities of the travel industry. Here's an overview of the key aspects of a ticketing travel agency:



- Airline ticket
- Train and bus ticketing
- Cruise booking
- Car Rentals



#### 1.4.1 Outline the functions of travel agency

7. Travel documents



Visa and Passport Services: Assist with visa applications, passport renewals, and other travel documentation requirements.

Travel Insurance: Offer various types of travel insurance, including coverage for trip cancellations, medical emergencies, and lost baggage.

Health and Safety Information: Provide information on required vaccinations, health advisories, and travel safety tips.



#### 8. Other services

In addition to ticketing and accommodation reservations, travel agents offer a variety of other services to enhance the travel experience for their clients. These services aim to provide a comprehensive and seamless travel experience by addressing various aspects of travel planning and execution. Here are some of the other services commonly offered by travel agents:

- 1. Travel Insurance
- 2. Customized itineraries
- 3. Group Travel Coordination
- 4. Transportation Services
- 5. Event and activity planning
- 6. Customer support
- 7. Corporate travel management



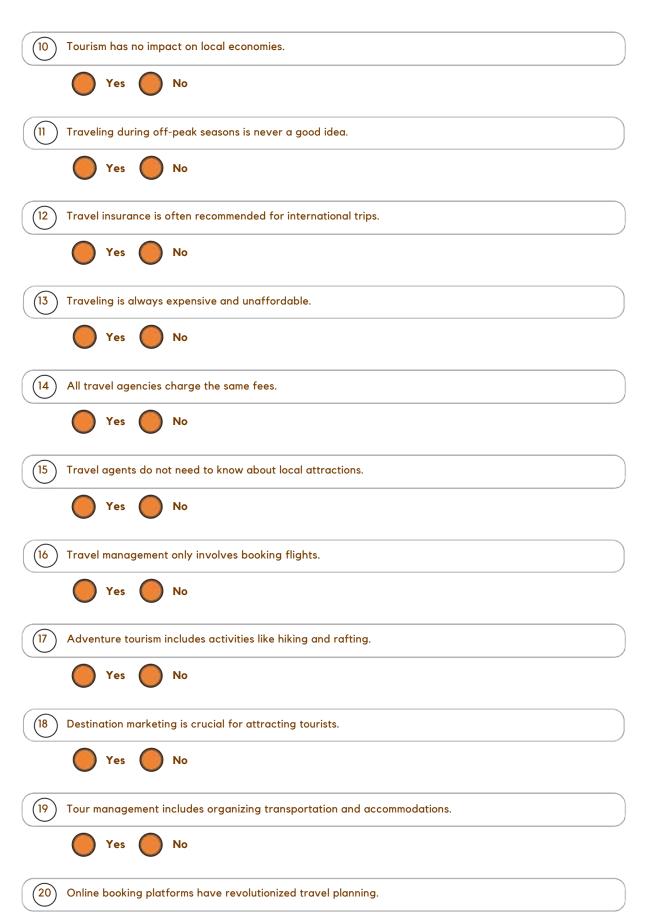


Travel and Tour Management Quiz
Testyourknowledge about travelandtour managementconcepts! Answer statements and for false ones related to the field of travel and tourism. by KHAIRUL AZWAN BIN PADZIL (PMBS)





1	A tour guide provides information and assistance to travelers.
	YES NO
2	Travel itineraries outline the schedule for a trip.
	YES NO
(3)	Travel agencies help customers plan their trips.
	YES NO
4	All tours are guided and structured.
	YES NO
5	Travel documents are not necessary for domestic trips.
	YES NO
6	Tourism is only about leisure and relaxation.
	YES NO
7	All travel experiences are the same regardless of the destination.
	YES NO
8	Cultural tours aim to educate travelers about local customs.
	YES NO
9	Sustainable tourism focuses on minimizing environmental impact.
	YES NO





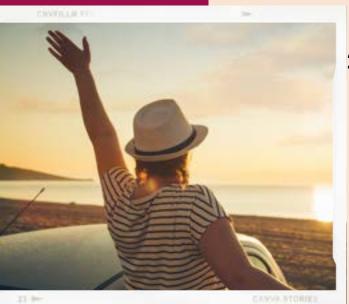


#### Topic Structure

#### 2.0 Travel and Tour Regulations

- 2.1 Acquire provisions related to establishment and operation of travel and tour business
  - 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992
- 2.2. Acquire international travel and tour regulatory bodies and agencies
  - 2.2.1 Prepare the role of international agencies
    - a. International Air Transport Association (IATA)
    - b. United Federation of Travel Agencies Association (UFTAA)

#### **Learning Outcome**



#### 2.0 Travel and Tour Regulations

- 1. Student able to interpret Tourism Industry Regulation 1992
- 2. Student able to recognize International and local association relate to travel and tour industry.

#### 2.1 Acquire provisions related to establishment and operation of travel and tour business

#### 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations

The Malaysia Tourism Industry Act 1992 contains several provisions related to the establishment and operation of travel and tour businesses in Malaysia. Here's a summary of the key provisions typically found in such legislation:

#### 1. Licensing of Travel and Tour Businesses

#### Requirement for License:

No person or entity is allowed to operate a travel or tour business in Malaysia without first obtaining a license from the Ministry of Tourism.

#### **Application for License:**

Businesses must apply to the Ministry of Tourism with the necessary documents, including details of the business, financial statements, and proof of compliance with the conditions set by the Ministry.

#### Categories of Licenses:

The Act often distinguishes between different types of licenses, such as licenses for inbound tour operators, outbound tour operators, and travel agencies.

#### License Fees:

Applicants must pay a specified fee for the issuance of the license. This fee might vary depending on the type of business and the scope of operations.

Jenis Agensi Pelancongan	Yuran Lesen	Jenis Perkhidmatan	Lokasi	Modal Minimum Berbayar
Agensi Pelancongan Dalaman	RM 450	Destinasi domesti + pemesanan tiket	Dalam kawasan bandar / luar kawasan bandar	RM 200,000 untuk bandar RM 150,000 untuk bukan bandar
Agensi Pelancongan Luar Negara	RM950	Destinasi antarabangsa + pemesanan tiket	Dalam kawasan bandar / luar kawasan bandar	RM 200,000 untuk bandar RM 150,000 untuk bukan bandar
Agensi Pelancongan Dalaman dan Luar Negara	RM950	Destinasi domestik & antarabangsa + pemesanan tiket	Dalam kawasan bandar / luar kawasan bandar	RM 200,000 untuk kedua- dua lokasi

Note: There is an additional processing fee of RM100 for each license application.



# 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992

#### 2. Conditions for Granting a License

#### **Business Premises:**

The business must have a physical office in Malaysia that meets the standards set by the Ministry.

#### **Professional Competence:**

The business must demonstrate that it has qualified personnel, including experienced tour operators or certified travel agents.

#### Financial Stability:

Applicants may be required to show proof of financial stability, such as bank guarantees or financial statements, to ensure they can meet their business obligations.

#### Insurance Coverage:

The business may need to have adequate insurance coverage to protect clients in case of accidents, cancellations, or other issues.

# 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992

You need to incorporate a company that meets the requirements of the Ministry of Tourism, Arts and Culture (MOTAC):

- Must have a company name that clearly indicates the type of business (for example, using 'travel', 'tour', , 'holiday', and 'adventure')
- Must specifically use 'To conduct business in Tourism Operations and / or Travel Agency Business' as a description of business activities in e-SSM
- Must meet minimum paid-up capital requirements
- Must be free from penalties under the Tourism Industry Act 1992
- At least one high-ranking employee must attend the Tourism and Travel Management Course and have a valid certificate
- Must register all employees of tour guides, drivers, and tour vehicles

#### Travel and Tours Management Course (TTMC) & Travel and Tours Enhancement Course (TTEC)

#### Objektif Kursus

- 1. Meningkatkan kualiti perkhidmatan yang ditawarkan bagi meningkatkan kepuasan pelancong:
- Memastikan pengusaha agensi pelancongan dan pengembaraan sentiasa dilengkapi dengan maklumat terkini dan relevan mengenai isu semasa serta halatuju Kementerian Pelancongan, Seni dan Budaya Malaysia.
- 3. Menggalakkan amalan continuous education.
- Sebagai platform kepada pengusaha industri pelancongan tempatan untuk memberi maklumbalas mengenai isu-isu semasa berkaitan industri pelancongan.

#### Ringkasan Maklumat Kursus

BIL.	PERKARA	TRAVEL AND TOURS MANAGEMENT COURSE	TRAVEL AND TOURS ENHANCEMENT COURSE	
1.	NAMA SINGKATAN	TTMC	TTEC	
2.	JENIS PERMOHONAN	PERMOHONAN LESEN BARU	PERMOHONAN PEMBAHARUAN LESEN	
3.	KATEGORI LESEN	i. INBOUND;		
		II. OUTBOUND;		
		III. TICKETING;		
		IV. ATAU MANA-MANA KOMBINASI KATEGORI PELESENAN DI ATAS.		
4.	TEMPOH KURSUS	2 HARI	1 HARI	
5.	YURAN KURSUS RM 800 / SEORANG RM 350		RM 350 / SEORANG	
6.	PESERTA KURSUS (minimum seorang wakil dari setiap syarikat)	Key personnel - CEO / COO / DIRECTOR / GM	TOR / GM Key personnel - CEO / COO / DIRECTOR / GM / MANAGERIAL LEVEL	
7.	PENGENDALI KURSUS	ASSOCIATION OF TOURISM TRAINING INSTITUTE OF MALAYSIA (ATTIM)	ILP YANG DIIKTIRAF KEMENTERIAN	

Note: Compulsory course needed to attend when opening a travel business premises

# 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992

#### 3. Obligations of Licensed Businesses

#### Compliance with Regulations:

Licensed businesses must comply with all regulations set by the Ministry of Tourism, including any guidelines on marketing, customer service, and ethical business practices.

#### **Record Keeping:**

Businesses are required to maintain detailed records of all transactions, including client information, itineraries, and financial records. These records must be available for inspection by the Ministry.

#### Renewal of License:

Licenses are typically valid for a set period, after which they must be renewed. The renewal process may require the business to submit updated financial statements and proof of continued compliance with the Act.

#### Display of License:

The license must be prominently displayed at the business premises where clients can easily see it.

#### 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992

#### 4. Prohibition Against Unauthorized Operations

#### Operating Without a License:

It is illegal to operate a travel or tour business without a valid license. Businesses found operating without a license are subject to penalties, which may include fines, imprisonment, or both.

#### Misrepresentation:

The Act prohibits any misrepresentation regarding the scope of services offered by the business. This includes false advertising, misleading information about tours, or unauthorized use of logos and certifications.

# 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992

#### 5. Penalties for Non-Compliance

#### Fines and Penalties:

The Act specifies fines and penalties for businesses that fail to comply with the licensing requirements or other provisions. Penalties may escalate for repeated offenses.

#### Suspension or Revocation of License:

The Ministry of Tourism has the authority to suspend or revoke a license if the business is found to be in serious violation of the Act. This can occur after a formal investigation and hearing.

#### **Legal Action:**

The Ministry may take legal action against businesses that engage in fraudulent or unethical practices, potentially leading to further penalties or closure of the business.

# 2.1.1 Interpret Tourism Industry (Tour Operating Business and Travel Agency Business) Regulations 1992

#### 6. Regulation of Tour and Travel Business Activities

#### Quality Standards:

The Act may establish quality standards that licensed businesses must meet in their operations. This includes standards for customer service, tour safety, and the accuracy of information provided to clients.

#### **Consumer Protection:**

The Act often includes provisions designed to protect consumers, such as mandatory refunds for canceled services or requirements for clear and transparent pricing.

#### **Inspections and Audits:**

The Ministry of Tourism may conduct regular inspections or audits of licensed businesses to ensure compliance with the Act and other relevant regulations.

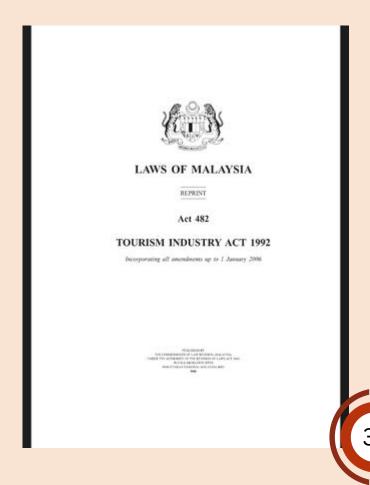
### FINE REGULATION UNDER TOURISM ACT 1992

- Section 5(2) unlicensed tour operators (3 notices with a maximum fine of RM500,000.00 or a maximum imprisonment of 10 years or both, and in the case of a continuing offence, may, in addition, be fined not more than RM5,000.00 for each the day the offense continued to be committed;
- Rule 6(1)(i)(iii) not using the services of a licensed tourist guide (10 notices with a maximum fine of RM50,000.00 or a maximum of 5 years imprisonment or both if convicted);
- Section 21/ Section 32 unlicensed tourist guide/ using the services of a tourist guide whose license has expired (4 notices with a maximum fine of RM7,000.00 RM50,000.00 or a maximum imprisonment of 2 3 years or both, and in the case of an offense which continues, may, in addition, be fined not more than RM500.00 for each day the offense continues; and
- Section 20 not using a recreational vehicle (1 notice with a maximum fine of RM20,000.00 or a maximum imprisonment of 2 years or both if convicted).

### **TOURISM INDUSTRY ACT 1992**



Scan to access a Tourism Act 1992



# 2.2. Acquire international travel and tour regulatory bodies and agencies

## INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)



The International Air Transport Association (IATA) is a trade association for the world's airlines, representing around 290 airlines or 82% of total air traffic. Founded in 1945, IATA plays a critical role in promoting safe, reliable, secure, and economical air travel globally. It sets technical standards for airlines, supports industry policy development, and provides services that help airlines operate safely and efficiently.



IATA's headquarters is in Montreal, Canada, and it has executive offices in Geneva, Switzerland. The association plays a pivotal role in the global aviation industry, helping to ensure that airlines operate safely, efficiently, and in compliance with international regulations.

### IATA's key functions include:

- 1. Standardization: IATA develops and enforces standards for airlines, covering areas such as ticketing, baggage handling, and safety protocols.
- 2. Industry Advocacy: The organization advocates on behalf of airlines to governments and regulatory bodies, influencing aviation policy and regulations.
- 3. Training and Certification: IATA offers training and certification programs for airline staff, covering various aspects of the aviation industry, from safety to customer service.
- 4. Economic Analysis: IATA provides economic analysis and forecasts for the aviation industry, helping airlines navigate financial challenges and opportunities.
- 5. Passenger Rights and Experience: The association works to improve the overall passenger experience, focusing on areas such as simplifying the travel process and enhancing customer service.

# 2.2. Acquire international travel and tour regulatory bodies and agencies

# UNITED FEDERATION OF TRAVEL AGENCIES ASSOCIATION (UFTAA)



The United Federation of Travel Agents' Associations (UFTAA) is a global umbrella organization that represents national and regional associations of travel agencies and tour operators. Founded in 1966, UFTAA serves as a collective voice for the travel agency community worldwide, advocating on behalf of travel agents and tour operators and providing a platform for addressing industry challenges.

UFTAA's headquarters is in Monaco, and the organization works closely with other international bodies, such as the International Air Transport Association (IATA), to advance the interests of the global travel and tourism industry.



#### Key aspects of UFTAA include:

- 1. Representation: UFTAA represents the interests of travel agencies and tour operators at the global level, working with international organizations, governments, and other stakeholders to shape policies that affect the travel industry.
- 2. Networking and Collaboration: UFTAA provides a platform for its member associations to network, share best practices, and collaborate on common issues. It facilitates communication and cooperation among travel agents globally.
- 3. Training and Education: UFTAA offers training programs, workshops, and seminars to help travel agents and tour operators stay updated on industry trends, regulations, and best practices.
- 4. Advocacy: The organization advocates for the rights and interests of travel agents and tour operators, addressing issues such as fair competition, industry regulations, and consumer protection.
- 5. Industry Standards: UFTAA plays a role in establishing industry standards and guidelines to ensure that travel agents and tour operators operate ethically and efficiently.

# PREPARE THE ROLE OF TRAVEL AND TOUR ASSOCIATION RECOGNIZED BY MOTAC

- a. Malaysia Association of Tour & Travel Agent (MATTA)
- b. Bumiputera Travel and Tour Agents Association of Malaysia (BUMITRA)
- c. Malaysian Chinese Tourism Association (MCTA)
- d. Malaysian Indian Tour & Travel Association (MITTA)
- e. Malaysia Inbound Tourism Association (MITA)
- f. Car Rental Association of Malaysia (CRAM)
- g. Persatuan Agensi Pelancongan Umrah dan Haji (PAPUH)



# MALAYSIA ASSOCIATION OF TOUR & TRAVEL AGENT (MATTA)

The Malaysian Association of Tour and Travel Agents (MATTA) has a rich history that mirrors the growth of Malaysia's tourism industry.

Here's a timeline of key historical milestones for MATTA:

- 1975: Foundation MATTA was established in 1975 by a small group of around 30 Malaysian travel professionals. Their shared purpose was to create a unified voice for the travel and tour industry, which was still in its early stages of development in the young nation. The founding president was Loh Yit Lock.
- 1991: The First MATTA Fair MATTA pioneered the first-ever MATTA Fair, originally known as the Malaysia International Travel Fair (MITF). The goal was to connect Malaysians with a wide range of travel agents and opportunities under a single roof. This event became immensely popular and is now a cornerstone of the Malaysian tourism calendar.
- 2001: Bi-annual Fairs The MATTA Fair transitioned from an annual event to a bi-annual one, reflecting its growing popularity and the public's demand for more frequent travel promotions.
- 2011: Headquarters MATTA opened its own headquarters in Kuala Lumpur, a significant milestone that symbolized the association's growth, permanence, and long-term commitment to the Malaysian travel industry.
- Expansion Over the years, MATTA has expanded its presence across the country, establishing state chapters nationwide to better serve its members.

Today, MATTA continues to play a leading role in shaping the Malaysian tourism landscape by advocating for its members, fostering industry partnerships, and promoting Malaysia as a top travel destination.



# MALAYSIA ASSOCIATION OF TOUR & TRAVEL AGENT (MATTA)

The Malaysian Association of Tour and Travel Agents (MATTA) is a national association and non-governmental organization that represents the interests of the travel and tourism industry in Malaysia.

Here are some key facts about MATTA:

- Role: It is the national representative body for travel and tour agencies in Malaysia, working to promote and protect the interests of its members.
- Membership: MATTA has a large membership of over 3,100 companies and organizations, including local tour and travel agencies and various overseas affiliations.
- Collaboration: It works closely with the Ministry of Tourism, Arts and Culture Malaysia (MOTAC) and Tourism Malaysia to organize events, seminars, and workshops to benefit its members and raise public awareness of the tourism industry.
- MATTA Fair: One of its most well-known activities is the organization of the MATTA Fair, a major international travel fair held twice a year that attracts hundreds of thousands of visitors and generates millions in sales.
- Objectives: MATTA's objectives include uniting and coordinating the activities of its
  members, promoting the travel and tourism trade, settling disputes between members, and
  advocating on behalf of its members to the government and other organizations.



# BUMIPUTERA TRAVEL AND TOUR AGENTS ASSOCIATION OF MALAYSIA (BUMITRA)

The Bumiputera Travel and Tour Agents Association of Malaysia (BUMITRA) was established to specifically serve the interests of Bumiputera-owned travel and tour companies in the country.

Here's a brief history of BUMITRA:

- Establishment: BUMITRA was officially founded in 1981 by a group of Bumiputera travel agents. The association was formed to create a collective voice and platform to advance the interests and economic participation of Bumiputera in Malaysia's travel and tourism industry.
- Initial Membership: When it was first established, BUMITRA's membership was small, consisting of about 40 travel companies. Since then, it has grown significantly, with a current membership of nearly 600 Bumiputera-owned companies.
- Purpose and Mission: The primary mission of BUMITRA is to unite and empower Bumiputera travel and tour agents. Its goals include:
  - Protecting the interests of its members and ensuring their continued growth in the tourism sector.
  - Fostering a sense of cooperation and professionalism among members.
  - Acting as a liaison with government bodies, such as the Ministry of Tourism, Arts and Culture (MOTAC), to advocate on behalf of its members.
  - Promoting new entrepreneurs in the tourism industry to help boost the country's economy.

BUMITRA's existence highlights the specific focus on promoting and developing the Bumiputera community's role within the Malaysian economy, in line with the national economic policies. It plays a crucial role in providing a support system and a representative body for Bumiputera-owned travel agencies.



# BUMIPUTERA TRAVEL AND TOUR AGENTS ASSOCIATION OF MALAYSIA (BUMITRA)

The Bumiputera Travel and Tour Agents Association of Malaysia (BUMITRA) is a non-governmental organization that represents the interests of Bumiputera-owned travel and tour companies in Malaysia.

Here are some key points about the association:

- Mission: The primary mission of BUMITRA is to unite and empower Bumiputera travel and tour agents, protect their interests, and promote their growth within the country's tourism sector.
- Membership: The association's membership has grown significantly from its initial 40 members to nearly 600 Bumiputera-owned companies. Membership is exclusively for companies that are 100% Bumiputera-owned.
- Role in the Industry: BUMITRA plays a crucial role in the Malaysian tourism ecosystem. It
  works closely with government bodies like the Ministry of Tourism, Arts and Culture
  (MOTAC) to advocate for its members and contribute to the development of national
  tourism policies.
- Specialization: BUMITRA members often specialize in specific market segments, such as domestic tourism and religious travel packages, particularly for Umrah and Haj pilgrimages.
- Collaboration: BUMITRA frequently collaborates with other tourism associations, government agencies, and organizations like Lembaga Tabung Haji, to organize events, carnivals, and familiarization trips that benefit its members and the wider tourism industry.



# MALAYSIAN CHINESE TOURISM ASSOCIATION (MCTA)

The Malaysian Chinese Tourism Association (MCTA) is a key non-governmental organization in Malaysia's tourism sector, dedicated to representing the interests of Malaysian Chinese-owned tourism businesses.

#### History

- Foundation: MCTA was officially registered with the Registrar of Societies (ROS) on September 14, 1992. It was founded by a group of concerned and dedicated Malaysian Chinese travel agents in Kuala Lumpur who wanted a unified voice to advance their segment of the tourism industry.
- Growth and Presence: Over the years, MCTA has grown significantly, establishing chapters in various states such as Johor, Perak, Sabah, and Penang to better serve its members nationwide. It now has over 800 members.
- Secretariat Office: A notable milestone was the purchase of its own secretariat office in Kuala Lumpur on November 23, 2001, which signifies the association's stability and long-term commitment.

#### Mission and Objectives

MCTA's core mission is to provide a platform for close collaboration among its members to enhance the professional image of Chinese companies and organizations in the tourism industry. Its key objectives include:

- Liaison: Serving as a crucial link between its members and government departments, as well as other tourism-related bodies, to advocate for their interests and contribute to policy-making.
- Professional Standards: Promoting professional and ethical business conduct within the travel agency and tourism industry.
- Event Organization: Organizing and participating in various events like travel fairs, conventions, seminars, and training programs to benefit its members and the wider industry. MCTA is well-known for its MITM Travel Fair.
- Networking: Seeking affiliations and collaborations with other organizations in the tourism and travel industry, both directly and indirectly, to foster a cooperative environment.

#### Membership

- Eligibility: Membership is open to Chinese-owned firms, tour operators, travel agents, hotels, restaurants, handicraft centers, and other tourism-related companies operating in Malaysia.
- Recognition: MCTA is officially recognized by the Ministry of Tourism, Arts and Culture (MOTAC) as a key tourism association, giving it a strong voice in industry matters.



# MALAYSIAN INDIAN TOUR & TRAVEL ASSOCIATION (MITTA)

The Malaysian Indian Tour & Travel Association (MITTA) is a non-governmental organization that represents the interests of Malaysian Indian-owned travel and tour companies.

#### History and Formation

The idea for MITTA was conceived in 1996 by a group of Indian travel agents during a familiarization tour to Trivandrum and Male organized by Air Maldives. The association was officially registered in 1997 as the Malaysian Indian Tour and Travel Association (MITTA). The association was initially known as "MITA" but later changed its abbreviation to "MITTA" to align with its full registered name.

The first president was the late Mr. S. Subramaniam, who served until his passing in 1999. He was succeeded by Mr. A. Sevaguru and later by Dato' K. Thangavelu, who served until 2023. As of 2023, the president is Dato' A. Aruldas.

#### Mission and Objectives

MITTA's primary mission is to provide a platform for cooperation and to promote the professional and ethical standards of its members. The association's objectives include:

- Advocacy: To act as a liaison between its members and government bodies, particularly the Ministry of Tourism, Arts and Culture (MOTAC), to address issues and advocate for the community's interests.
- Networking: To foster collaboration and provide opportunities for its members to network with other players in the tourism industry, both locally and internationally.
- Professional Development: To organize training programs and workshops to enhance the skills and knowledge of its members in areas such as ticketing, reservations, and new technologies.
- Market Promotion: To participate in and organize events, such as travel exhibitions and roadshows, to promote its members' services and to boost tourism, particularly from the Indian market.

#### Role in the Industry

MITTA plays a significant role in the Malaysian tourism ecosystem, much like other ethnically-based associations such as BUMITRA and MCTA. By focusing on the unique needs and specializations of its members, MITTA helps to ensure that the Malaysian Indian community has a strong voice and a fair opportunity to thrive in the competitive tourism industry. The association's activities often include promoting specific tour packages, such as those related to religious pilgrimages and cultural heritage tours, which cater to the Indian demographic.



# MALAYSIA INBOUND TOURISM ASSOCIATION (MITA)

The Malaysia Inbound Tourism Association (MITA) is a non-governmental organization that plays a significant role in promoting and developing Malaysia's inbound and domestic tourism sectors. Unlike other associations that may focus on specific ethnic groups or outbound travel, MITA's core mission is to champion the industry for tourists coming into Malaysia.

#### History

- Establishment: MITA was founded in 2004 by a group of tourism veterans. They felt it was crucial to have an association that specifically focused on the inbound and domestic tourism sectors, giving them a priority and a strong voice with the government.
- Recognition: Over the years, MITA has worked hard to gain recognition from both the government and the private sector. In 2016, the Ministry of Tourism, Arts and Culture (MOTAC) officially recognized MITA as one of the key tourism associations that travel agents must be affiliated with to renew their MOTAC license.

#### Role and Objectives

MITA is a unique association because its membership is not limited to just travel agents. Its members also include:

- Retail shops and restaurants
- Homestay and transport operators
- Convention bureaus
- Other companies directly involved with the inbound and domestic tourism sector

This diverse membership allows MITA to address a wide range of issues and challenges facing the industry. Its key objectives include:

- Advocacy: To serve as a forum for members to discuss and address issues related to the inbound and domestic
  tourism sectors. It works closely with government bodies like MOTAC and Tourism Malaysia to advocate for its
  members' interests.
- Promotion: To promote a professional and ethical code of conduct for its members.
- Networking and Training: To build and maintain close relationships with national tourism organizations and
  relevant government bodies for the benefit of its members. It also provides training programs to enhance the
  knowledge and skills of its members.
- Event Organization: MITA is known for organizing events that boost domestic and inbound tourism, such as the MITA e-Travel Fair.



# CAR RENTAL ASSOCIATION OF MALAYSIA (CRAM)

The Car Rental Association of Malaysia (CRAM) is a non-governmental organization that represents the interests of car rental companies in Malaysia. It's a key industry body that works to advocate for its members and address issues within the sector.

#### History

businesses.

CRAM has a long history, starting as the Car Rental Association of Kuala Lumpur and Selangor in the mid-1980s. It was later renamed the Car Rental Association of Malaysia to reflect its national scope. Over the decades, CRAM has been a consistent voice for its members, particularly in its lobbying efforts with the government to streamline regulations.

A notable example of its advocacy is the long-standing issue of "Hire & Drive" permits. As far back as the 1980s, CRAM proposed that the government license car rental companies rather than requiring a separate permit for each individual vehicle. This would bring Malaysia's regulations in line with international practices and reduce a significant administrative burden on legitimate

#### Mission and Objectives

CRAM's primary mission is to protect and promote the interests of its members within Malaysia's car rental industry. Its key objectives include:



- Liaison: Serving as a crucial link between its members and government agencies, such as the Ministry of Tourism, Arts and Culture (MOTAC), to address regulatory challenges and industry-specific issues.
- Advocacy: Advocating for policies that create a more favorable and efficient business environment for car rental operators.
   This includes pushing for a single-licensing system for companies instead of individual vehicle permits.
- Professionalism: Promoting a high standard of ethics and professionalism among its members to ensure quality service and fair competition within the industry.
- Collaboration: Working with other tourism and transport associations to tackle broader issues facing the industry and contribute to the growth of Malaysia's tourism sector.

#### Membership

Membership in CRAM is open to licensed car rental companies in Malaysia. The association serves a diverse range of companies, from small, local operators to franchises of major international car rental brands like Hertz and Avis. By being a member of CRAM, a company can have its voice heard in discussions with government bodies and other stakeholders.

## PERSATUAN AGENSI PELANCONGAN UMRAH DAN HAJI (PAPUH)

The Persatuan Agensi Pelancongan Umrah dan Haji (PAPUH), which translates to the Umrah and Haji Travel Agency Association, is a key non-governmental organization in Malaysia's tourism sector. Its specific focus is on representing and serving the interests of travel agencies that specialize in Umrah and Hajj pilgrimage packages.

#### History and Role

- Foundation: PAPUH was established to provide a dedicated platform and voice for travel agencies that handle Islamic pilgrimages. This was crucial due to the unique nature of Umrah and Hajj travel, which requires specific licenses and expertise.
- Advocacy and Regulation: The association plays a vital role in working with government bodies, particularly the Ministry of Tourism, Arts and Culture (MOTAC) and Lembaga Tabung Haji, to address issues related to pilgrimage travel. This includes lobbying on behalf of its members and helping to streamline regulations.
- Tackling Scams: A significant objective of PAPUH is to combat fraudulent Umrah and Hajj package scams. The association works to raise public awareness and provides a list of its registered and licensed members to help pilgrims choose reliable and legitimate travel agencies. The introduction of portals like "e-Papuh" is an example of their efforts to ensure transparency and accountability.
- Professional Standards: PAPUH promotes a high level of professionalism and ethical conduct among its members. They often organize training, seminars, and travel fairs to help their members stay updated on industry standards and to showcase their services to the public.

#### Membership

Membership in PAPUH is open to travel agencies that are licensed by MOTAC to offer Umrah and Hajj packages. The association's membership has grown significantly over the years, reflecting its importance as a representative body for a lucrative and crucial segment of the Malaysian tourism industry.





### Tourism Industry Regulations Quiz

Test your knowledge of the 1992 Tourism Industry regulations! by KHAIRUL AZWAN BIN PADZIL (PMBS)



	What year wer	e the Tourism Industry regulations established?	
	O a	1985	
	(b)	2000	
	<b>o</b> c	1992	
(2)	Which busines	as does the 1992 regulations primarily address?	)
	(a)	Tour Operating Business	
	(b)	Hotel Management	
	(c)	Food Services	
(3)	What is a key i	requirement for travel agencies under the 1992 regulations?	
	(a)	Licensing	
	(b)	No requirements	
	<b>o</b> c	Free advertising	
4	Which of the f	following is NOT covered by the 1992 regulations?	)
	(a)	Travel Agencies	
	(b)	Airline Operations	
	(c)	Tour Operators	
5	What is the pu	rpose of the 1992 Tourism Industry regulations?	)
	(a)	Consumer protection	
	(b)	Promote foreign travel	
	<b>o</b> c	Increase taxes	

6	Who is respon	sible for enforcing the 1992 regulations?
	(a)	Tourists
	(b)	Travel agencies
	O c	Government authorities
7	What must to	our operators provide according to the 1992 regulations?
	O a	Free meals
	<b>b</b>	Clearitineraries
	<b>o</b> c	Discounted rates
8	Which aspect	t of tourism does the 1992 regulations aim to regulate?
	O a	Travel costs
	<b>b</b>	Tourist attractions
	(c)	Quality of services
9	What type of	insurance is often required by the 1992 regulations?
	(a)	Liability insurance
	<b>b</b>	Health insurance
	(c)	Home insurance
(IO)	Which of the	following is a penalty for non-compliance with the regulations?
	(a)	Fines
	(b)	Public recognition
	(c)	Erro liconece



## ESTABLISHMENT OF TRAVEL AND TOUR BUSINESS

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## **TOPIC STRUCTURE**

- 3.1 Apply establishment process of travel and tour business
- 3.2 Provide sources of travel and tour business income

## Introduction

The Ministry of Tourism, Arts, and Culture Malaysia (MOTAC) oversees the licensing of Tour Operating and Travel Agency (TOBTAB) businesses in Malaysia. The licensing process is a formal procedure that includes specific criteria and steps to be followed by interested parties.



1. Pre-requisites for Application Before applying for the license, you need to ensure the following:

Business Registration: The business must be registered with the Companies Commission of Malaysia (SSM). Paid-up Capital:

Tour Operating Business: Minimum RM 150,000. Travel Agency Business: Minimum RM 200,000.

Office Premises: The company must have a physical office equipped for operating a tour or travel agency business. The location and office must meet certain requirements set by MOTAC.

Staffing: A manager with at least three years of experience in the tourism industry is required. Additionally, the company must have other personnel who are skilled in tourism-related services.



#### 2. Required Documents

To apply for the license, the following documents must be prepared:

SSM Registration Documents: Business registration certificate and company profile.

Office Tenancy Agreement or ownership documents (if the office is owned).

Bank Statements: Proof of the paid-up capital.

Manager's Qualifications and Experience: Resume, appointment letter, and proof of experience.

Insurance Policy: The company must have a professional indemnity insurance policy.

Other Supporting Documents: May include tourism-related certifications, letters of reference, and more.



#### 3. Application Procedure

Here's how to proceed with the application:

- 1. Online Application:
  - The application must be submitted online through the MOTAC's official portal, using the Business Licensing Electronic Support System (BLESS). You can access this at BLESS Portal.
- 2. Submission of Documents:
  - Upload the required documents to the BLESS system during the online application process.
- 3. Application Fees:
  - Pay the relevant licensing fees through the BLESS portal.
- 4. Evaluation by MOTAC:
  - MOTAC will review your application and may conduct an inspection of your business premises.
- 5. Issuance of License:
  - o If the application is successful, MOTAC will issue the tour operating and travel agency business license.



#### 4. Post-Licensing Requirements

- The license must be displayed at the business premises.
- You will need to comply with MOTAC's regulations, including maintaining valid insurance and adhering to the industry standards.
- Annual renewals of the license are mandatory, along with submission of financial statements and other relevant documentation.

#### 5. Duration and Validity

The license is generally valid for one year and needs to be renewed annually.



### Requirement of attending a course

As part of the licensing process for Tour
Operating and Travel Agency Business (TOBTAB)
under the Ministry of Tourism, Arts, and Culture
Malaysia (MOTAC), applicants are required to
attend a mandatory Tourism Management
Course. This course ensures that applicants
understand the regulations and standards of
operating a travel-related business in Malaysia.

#### Travel and Tours Management Course (TTMC) & Travel and Tours Enhancement Course (TTEC)

#### Objektif Kursus

- 1. Meningkatkan kualiti pelihidmatan yang ditawarkan bagi meningkatkan kepuasan pelancong
- Memantikan pengusaha agensi pelancongan dan pengerebasan sentiasa dilengkapi dengan maklumat terkini dan relevan mengenai isu sensasa serta halataju Kementerian Pelancongan, Seni dan Budaya Malaysia.
- 3. Menggalakkan amatan continuous estication.
- Sebegai platform kepada pengusaha industri patancongan tempatan untuk memberi maklumbalas mengenal isuvisu semasa berkaitan industri pelancongan.

#### Ringkasan Makhumat Kursus

BIL	PERKARA	TRAVEL AND TOURS MANAGEMENT COURSE	TRAVEL AND TOURS ENHANCEMENT COURSE	
1.	NAMA SINGKATAN	TTMC	TTEC	
2.	JENIS PERMOHONAN	PERMOHONAN LESEN BARLI	PERMOHONAN PEMBAHARUAN LESEN	
2.	I. INBOUND;  E. OUTBOUND;  E. TICKETING;  E. ATAU MANA-MANA KOMBINASI KATEGORI PELESENAN DI ATAS.			
4.	TEMPOH KURSUS	2 HARI	1 HARE	
5	YURAN KURSUS	RM 800 / SECRANG	RM 350 / SEORANG	
6	PESERTA KURSUS (minimum seorang wakil dari setiap syarikat)	Key personnel - CEO / COO / DIRECTOR / GM	Key personnel - CEO / COO / DIRECTOR. GM / MANAGERIAL LEVEL	
7.	PENGENDALI KURSUS	ASSOCIATION OF TOURISM TRAINING INSTITUTE OF MALAKSIA (ATTIM)	ILP YANG DIKTIRAF KEMENTERIAN	



### Examine the requirement of preparing working paper

The requirement of preparing a working paper is part of the licensing process for operating a Tour Operating and Travel Agency Business (TOBTAB) under the Ministry of Tourism, Arts, and Culture Malaysia (MOTAC). A working paper is a formal document that outlines the business plan and operational structure of the tour operator or travel agency. It helps MOTAC evaluate the viability, readiness, and compliance of the business before issuing a license.

#### Purpose of the Working Paper

The working paper is a crucial part of the application, as it allows MOTAC to:

- Understand the business's vision, mission, and operational plans.
- Evaluate whether the business can provide services in line with the standards set by MOTAC.
- Ensure the company is financially and operationally prepared to manage a tourism business.
- Confirm that the business has the necessary infrastructure, resources, and staffing in place.



## A well-prepared working paper typically includes the following sections:

- 1. Company Profile
  - Business Name: Registered name of the business.
  - Business Address: Location of the company's main office, along with contact details.
  - SSM Registration Details: Company registration number, type of company (Sdn Bhd, etc.), and registration date
  - Company History: A brief history, background, or introduction to the business (if it's a new business, explain the founders' background).
- 2. Vision, Mission, and Objectives
  - Vision Statement: The long-term goals or aspirations of the business in the tourism industry.
  - Mission Statement: A clear description of what the business aims to achieve in its day-to-day operations.
  - Business Objectives: Specific, measurable goals that the business intends to reach (e.g., number of tourists to serve in a year, expansion plans).

## A well-prepared working paper typically includes the following sections:

- 3. Business Model and Services Offered
  - Types of Tours/Services: A detailed description of the type of tours or travel services you will offer, such as inbound, outbound, or domestic tours, corporate travel, leisure travel, etc.
  - Target Market: The target audience (e.g., local tourists, international tourists, corporate clients, etc.).
  - Service Packages: Description of the travel packages, itineraries, and the geographical areas you plan to serve.

#### 4. Operational Plan

- Organizational Structure: Provide a chart of the company's structure, detailing the roles and responsibilities of each department and key personnel (such as the tour manager, customer service, marketing team, etc.).
- Management Team: Qualifications and experiences of the managers or key persons involved in the business (especially the tour manager or senior staff).
- Office Setup: Description of your physical office premises, including address, layout, and compliance with MOTAC's office standards.

## A well-prepared working paper typically includes the following sections:

#### 5. Financial Plan

- Paid-Up Capital: Proof of the company's paid-up capital, which is a key requirement (RM150,000 for tour operators and RM200,000 for travel agencies).
- Financial Projections: Income forecasts, expense budgets, and cash flow statements for the first few years of operations.
- Funding Sources: If applicable, indicate how the business is being financed (loans, investor funding, personal capital, etc.).

#### 6. Marketing Plan

- Market Analysis: Analysis of the tourism market in Malaysia, including trends, customer demand, and competition.
- Promotion Strategies: The methods the company will use to attract customers (e.g., digital marketing, social media campaigns, collaborations with hotels or airlines, etc.).
- Pricing Strategy: How the business plans to price its services compared to competitors.

## A well-prepared working paper typically includes the following sections:

- 7. Risk Management Plan
  - Risk Identification: Outline potential risks (such as economic downturns, natural disasters, or pandemics) that could affect the business.
  - Mitigation Strategies: Steps the company will take to minimize or respond to these risks (e.g., insurance coverage, contingency plans, etc.).
- 8. Compliance with Laws and Regulations
  - A section confirming that the business adheres to all relevant laws, such as MOTAC regulations, employment laws, safety standards, and customer protection guidelines.
  - Insurance Coverage: Proof of professional indemnity insurance, which is required for tour operators and travel agents.



# Explain the requirement for choosing the right location

Choosing the right location for your Tour Operating and Travel Agency Business (TOBTAB) is a critical requirement in the licensing process under the Ministry of Tourism, Arts, and Culture Malaysia (MOTAC). The business premises play a significant role in demonstrating the company's legitimacy, operational readiness, and ability to provide quality services. MOTAC has specific guidelines that businesses must follow when selecting and setting up their office location.



#### Importance of the Right Location

The location of a travel agency or tour operating business is important because it:

- Reflects the credibility and professionalism of the company.
- Influences the accessibility and convenience for customers.
- Affects business operations, such as communication with clients and suppliers.
- Ensures compliance with MOTAC's regulatory requirements.

## Key Factors to Consider in Choosing the Right Location

#### 1. Business Zoning and Legal Compliance

- a. Zoning Regulations: The business premises must be located in areas that are zoned for commercial use or business activities. You cannot operate a tour operating or travel agency business in residential areas.
- b. Local Authority Approval: Ensure that the business is situated in a location approved by the local authorities (such as city councils or local governments) for tourism-related businesses.
- c. Building Use Category: The building in which the business operates must have the correct use category (i.e., commercial or office use). It should be compliant with the local building codes and safety regulations.

#### 2. Accessibility and Visibility

- a. Location Accessibility: The office should be in a location that is easily accessible by clients, either by public transport, road networks, or major highways. This helps to ensure that customers can visit your premises without inconvenience.
- b. Parking Availability: Adequate parking facilities should be available for customers visiting your office. This is particularly important in urban areas where parking can be a challenge.
- c. Visibility: The office should be located in a visible and recognizable area, such as a shopping complex, office building, or commercial district. This enhances your business's presence and helps in attracting walk-in clients.

#### 3. Office Size and Layout

- a. Minimum Space Requirement (100sq ft): MOTAC requires that the business premises be of a suitable size to accommodate the staff, equipment, and operations necessary to run a travel agency or tour operating business. This means having enough space for customer service areas, manager's office, administrative work, and possibly a meeting room for client consultations.
- b. Professional Setup: The office layout should reflect a professional working environment, with areas for staff, client interactions, and service delivery. It must look organized and professional, contributing to the business's credibility.
- c. Signage: Your business name and services should be clearly visible on your office's signage. This helps with branding and compliance with MOTAC's requirement to display the company's name prominently.

## Key Factors to Consider in Choosing the Right Location

#### 4. Security and Safety

- a. Safe Environment: The location should be in a safe area where customers and employees feel secure. Premises in areas known for crime or safety issues may not be ideal for gaining customer trust or for conducting daily business operations.
- b. Office Security: The office should have proper security measures in place, such as alarms, surveillance cameras, or security personnel, to protect both the business and its customers.

#### **5.Proximity to Tourism Services**

- a. Nearby Facilities: It is beneficial to choose a location that is close to tourism-related services such as hotels, transport hubs (bus stations, airports), or popular tourist spots. This proximity can increase client flow and foster partnerships with other tourism providers.
- b. Business Partnerships: Being located near relevant businesses, such as restaurants, event venues, or travel-related services, can create opportunities for collaboration, benefiting both the agency and its customers.

#### 6. Internet and Communication Infrastructure

- a. Internet Access: As a tour operating or travel agency, you will likely rely heavily on internet communication with clients, suppliers, and partners. Therefore, the office should be in a location with reliable high-speed internet connectivity to ensure smooth business operations.
- b. Telecommunication: Ensure that the location supports efficient telecommunication infrastructure, as customer service via phone and email is a critical component of running a successful travel business.

# MOTAC's Specific Requirements for Office Location

1. **Physical Office Presence:** A virtual office or home-based office setup is not permitted. The business must have a physical office space where customers can visit and conduct transactions in person.

#### 2. Office Inspection by MOTAC:

- a. Before issuing a license, MOTAC may inspect the office premises to ensure compliance with its standards. The inspection will focus on whether the location is appropriate for business operations and adheres to the guidelines mentioned above.
- b. During the inspection, MOTAC will check factors like office space, accessibility, signage, and overall setup to confirm that it meets professional and operational standards.

#### 3. Office Layout Requirements:

- a. The office must have a front desk or reception area to welcome clients, along with designated areas for discussions, transactions, and bookings.
- b. The workspace should be clean, organized, and capable of accommodating your team and client interactions.
- c. All necessary documentation (such as the business license) must be displayed within the office for transparency.

#### 4. Office Location Reporting:

- a. When applying for the TOBTAB license, the business owner must provide the exact address of the office location and submit supporting documents like the tenancy agreement or ownership documents for MOTAC's review.
- b. If the office location changes after the license has been issued, MOTAC must be informed immediately, and the new location must meet the same standards.

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#### 1. Company Registration Documents

- a. Form 9 (Certificate of Incorporation): This form shows that your company is legally registered with the Companies Commission of Malaysia (SSM). It provides MOTAC with proof of the company's legitimacy and compliance with local business registration laws.
- b. Form 13 (Change of Company Name): If your company has undergone a name change, this form must be submitted to reflect the updated information.
- c. Form 24 (Return of Allotment of Shares): This form outlines the company's share capital and shareholder details, showing that your company meets the minimum paid-up capital requirements set by MOTAC (RM150,000 for tour operating businesses, RM200,000 for travel agencies).
- d. Form 49 (Particulars of Directors, Managers, and Secretaries): This form provides MOTAC with a list of the company's key personnel, including directors, managers, and company secretaries.

#### 2.Application Form for Tour Operating License

- a. Application Form P.T.P 1/93: This is the primary form required to apply for a tour operating or travel agency license. The form asks for key details about the business, such as:
  - i. Company information (name, registration number, address, etc.).
  - ii. Type of services to be offered (inbound, outbound, domestic tours, etc.).
  - iii. Information about key personnel (managers and directors).
  - iv. Office details (location, size, facilities, etc.).
  - v. The form must be filled in completely, signed by the appropriate personnel, and submitted along with the required supporting documents.

#### 3. Manager's Information and Qualifications

- Form for Manager's Appointment and Qualifications: MOTAC requires that a manager with relevant qualifications and at least three years of experience in the tourism industry is appointed. This form captures the details of the manager, such as:
  - a. Name, qualifications, and experience in the tourism industry.
  - b. Appointment letter from the company confirming the manager's role.
- The manager's resume and educational certificates must also be attached to this form.

#### 4.Proof of Paid-Up Capital

- Bank Statement or Accountant's Verification: You will need to submit a bank statement showing the company's paid-up capital. The minimum paid-up capital required for a tour operating business is RM150,000, and for a travel agency business, it is RM200,000.
- Alternatively, a verification letter from a licensed accountant may be accepted, confirming that the company has the required capital.

#### **5.Office Tenancy Agreement or Ownership Documents**

- Tenancy Agreement: If the office premises are rented, a valid tenancy agreement must be submitted. The tenancy agreement should include the rental terms, the name of the landlord, and the exact location of the premises.
- Ownership Documents: If the office space is owned by the business, you need to submit property ownership documents or title deeds as proof of ownership.
- MOTAC may inspect the premises to ensure that they meet the requirements for operating a tourism business.

#### 6. Working Paper

- Working Paper (Business Plan): A detailed business plan is required to demonstrate the viability and operational readiness of the business. This should include:
  - Business objectives and mission statement.
  - o Organizational structure and staffing.
  - Financial projections and funding sources.
  - Marketing strategies and target market analysis.
  - Risk management plans.
- The working paper is critical for MOTAC to assess the company's readiness to operate.

#### 7. Course Attendance Certificate

 Tourism Management Course Certificate: As part of the licensing requirements, the business owner or manager must attend a mandatory Tourism Management Course organized by MOTAC-approved institutions. Upon completion of the course, a certificate of attendance will be issued. This certificate must be submitted along with the application to prove that the necessary training has been completed.

#### 8. Insurance Policy

- Professional Indemnity Insurance: All tour operating and travel agency businesses must have professional indemnity insurance. This insurance protects the company from potential claims by customers related to errors, omissions, or negligence in providing travel services.
- A copy of the insurance policy document must be submitted as proof that the company has adequate coverage.

# Review the related forms to submit for application

#### 9. Company Financial Statements

- Latest Audited Financial Statements: If the company has been in operation for some time, it may be required to submit its latest audited financial statements to demonstrate financial stability.
- For new companies, this requirement might not apply, but other forms of financial documentation may be requested (such as the bank statement mentioned above).

#### 10. Statutory Declaration Form

• Statutory Declaration (Surat Akuan Berkanun): This is a sworn statement by the business owner or a director, declaring that the information provided in the application is accurate and that the company will comply with all relevant laws and regulations. It is a legally binding document and must be signed in the presence of a commissioner for oaths.

#### 11. Consent for Business Premises

• Consent Letter from Local Authority: Some local authorities may require the business to obtain permission to operate a travel agency or tour operating business within their jurisdiction. If this is the case, a consent letter from the local authority must be obtained and submitted to MOTAC.

#### 12. Floor Plan and Office Layout

• Office Layout Plan: A floor plan or layout of the office space may be requested by MOTAC to verify that the office setup is professional and suitable for running a tour operating or travel agency business. This plan should detail the different sections of the office (e.g., reception area, meeting rooms, manager's office, etc.).

# Review the related forms to submit for application

Submission of Forms via BLESS

All the forms and documents must be submitted online through the **Business Licensing Electronic Support System (BLESS)**. The **BLESS** portal is the platform that MOTAC uses to process licensing applications for tourism-related businesses. Applicants need to create an account on BLESS, fill out the necessary forms, upload supporting documents, and pay the required fees through the system.

Submitting the correct forms and documents is essential for obtaining a TOBTAB license from MOTAC. Each form serves a specific purpose, from verifying the company's legal standing to confirming its operational readiness. Ensuring that all forms are filled out accurately and submitted on time will help streamline the application process and improve the likelihood of a successful license approval.

#### Reasons for Rejection of Application

#### There are several reasons why a TOBTAB license application may be rejected, including:

- Incomplete Documentation: Missing or incorrectly filled-out forms, insufficient supporting documents, or errors in the submitted paperwork.
- Failure to Meet Financial Requirements: Not meeting the minimum paid-up capital (RM150,000 for tour operators or RM200,000 for travel agencies).
- Non-Compliance with Office Premises Requirements: The office location does not meet MOTAC's standards for accessibility, size, or professional setup.
- Insufficient Managerial Qualifications: The appointed manager may not have the required tourism experience or qualifications.
- Failure to Attend Required Courses: Non-compliance with mandatory training courses required by MOTAC.
- Issues with Business Viability: MOTAC may assess that the business plan or working paper does not demonstrate sufficient operational or financial viability.

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#### 1. Business Concept and Vision

a. Business Concept

The core concept behind a travel and tour business is to provide tailored travel services that cater to specific tourist needs. The business will organize, plan, and manage tours and travel-related activities such as:

- Tour Packages: Both inbound (within the country) and outbound (international) tours.
- Transport and Accommodation Booking: Offering hassle-free booking for flights, hotels, and transport services.
- Customized Travel Itineraries: Personalizing travel plans according to clients' preferences, such as adventure, luxury, cultural, or eco-tourism.
- Specialized Travel Services: Catering to niche markets, such as honeymooners, adventure seekers, corporate travelers, and family vacations.
- Visa and Travel Documentation Assistance: Helping customers with visa applications, travel insurance, and related paperwork.
- b. Vision and Mission
  - Vision: To be a leading travel and tour company that offers memorable, hassle-free travel experiences, contributing to the growth of the tourism industry locally and internationally.
  - Mission: To provide clients with exceptional travel services by offering personalized, reliable, and affordable travel solutions that meet and exceed customer expectations.

#### 2. Market Research and Target Audience

#### a. Industry Overview

The travel industry is one of the largest and most dynamic sectors globally. It includes:

- Tourism Trends: Increasing demand for experiential travel, sustainable tourism, and technology-integrated services (e.g., online bookings, virtual tours).
- Economic Impact: Tourism contributes significantly to the economies of many countries, providing an opportunity for businesses to tap into this expanding market.

#### b. Target Audience

The business will focus on several customer segments:

- Leisure Travelers: People traveling for holidays, adventure, or relaxation.
- Corporate Clients: Businesses seeking organized travel for employees, conferences, or corporate retreats.
- Group Tours: School trips, senior citizen groups, and religious pilgrimages.
- Niche Markets: Eco-tourists, adventure travelers, and cultural explorers.

#### 3. Types of Services Offered

- a. Tour Packages
  - Domestic and Inbound Tours: Offering trips to popular destinations within the country, focusing on cultural experiences, heritage sites, nature tours, and city excursions.
  - Outbound Tours: Organizing international travel packages to well-known global destinations such as Europe, Southeast Asia, or Africa.
- b. Custom Travel Planning
  - Tailoring travel plans to fit customer preferences, including transportation, lodging, meals, sightseeing, and entertainment options.
- c. Travel Booking Services
  - Booking flights, trains, buses, and rental cars for clients.
  - Partnering with hotels, resorts, and local vendors to offer accommodation options at discounted rates.
- d. Adventure and Special Interest Tours
  - Organizing themed tours such as eco-tours, safaris, mountain climbing expeditions, historical and heritage site tours, culinary tours, and wellness retreats.
- e. Corporate and Event Travel
  - Providing services for business travel arrangements, including conferences, team-building events, and international business meetings.

#### 4. Legal and Licensing Requirements

- a. Business Registration
  - The company must be registered with the Companies Commission of Malaysia (SSM) (or respective local authorities in other countries), ensuring legal operation and recognition as a formal business entity.
- b. Licensing with MOTAC (for Malaysian Businesses)
  - A Tour Operating and Travel Agency Business (TOBTAB) license must be obtained from the Ministry of Tourism, Arts, and Culture (MOTAC).
  - Paid-up Capital Requirements: Meeting the financial requirements set by MOTAC (e.g., RM150,000 for tour operators and RM200,000 for travel agencies).
- c. Insurance
  - Acquiring professional indemnity insurance to protect the business against potential claims and legal liabilities arising from customer disputes or accidents during travel.

#### 5. Office Setup and Location

- a. Office Location
  - Choose a strategic location for your office, preferably in a commercial area accessible to customers.
  - The office should have a professional setup, with areas for customer service, consultation, and back-office operations.
- b. Online Presence
  - Establishing an interactive and user-friendly website with online booking capabilities is crucial to attract tech-savvy travelers.
  - Develop a strong social media presence on platforms like Instagram, Facebook, and YouTube to market the business, post travel-related content, and engage with potential customers.

#### 6. Staffing and Management

- a. Key Staff Roles
  - Tour Manager/Director: Overseeing the day-to-day operations and ensuring smooth business processes.
  - Tour Guides: Qualified guides to lead tours and offer insights into destinations.
  - Travel Agents/Consultants: Handling customer inquiries, bookings, and personalized travel itineraries.
  - Marketing and Sales Team: Promoting the business through digital marketing, partnerships, and travel exhibitions.
- b. Training and Development
  - Ensure that staff are trained in customer service, tourism management, and have good knowledge of travel regulations, destinations, and safety procedures.
  - Tour guides should be licensed and knowledgeable about local and international tourist attractions.

#### 7. Marketing and Promotion

- a. Traditional Marketing
  - Distribute brochures, flyers, and catalogs that highlight available travel packages and services.
  - Establish partnerships with hotels, restaurants, and local vendors to offer discounts or combo packages.
- b. Digital Marketing
  - Use SEO (Search Engine Optimization) to drive traffic to your website.
  - Run targeted Google Ads and social media campaigns to attract potential customers based on travel preferences and demographics.
  - Create compelling travel blogs and vlogs, showcasing popular travel destinations and customer testimonials.
- c. Collaboration and Networking
  - Collaborate with other travel service providers, tourism boards, and embassies to gain more visibility.
  - Participate in travel expos and tourism events to network and attract customers.

#### 8. Financial Planning and Funding

- a. Initial Capital Investment
  - Allocate sufficient capital to cover initial costs such as office setup, licensing, marketing, insurance, and staff salaries.
- b. Revenue Streams
  - Revenue will come from service fees, commissions on bookings (flights, hotels), and profits from tour packages.
- c. Financial Projections
  - Prepare financial forecasts for the first three to five years of operation, considering factors such as expected sales, expenses, and profit margins.
- d. Funding Sources
  - Personal savings, loans, or attracting investors may be necessary to fund the startup phase.
  - Consider government grants or tourism industry funding programs to support business development.

#### 9. Risk Management and Contingencies

- a. Risk Identification
  - Possible risks include fluctuations in tourism demand, economic downturns, political instability, and natural disasters affecting travel plans.
- b. Contingency Plans
  - Develop contingency plans for crises such as the cancellation of flights, health pandemics, or unfavorable weather conditions.
  - Have refund policies and travel insurance options in place for clients.

#### 10. Customer Service and After-Sales Support

- Offering exceptional customer service is crucial to building long-term relationships with clients.
- Provide 24/7 customer support for travel inquiries, emergency assistance, and booking changes.
- Use feedback and reviews to improve services and ensure customer satisfaction.

A travel and tour business can generate income from a variety of sources, depending on the services offered and the business model. Below are some key sources of income for a travel and tour business:

#### 1. Service Fees

- Booking Fees: Charge customers a fee for booking services such as flights, hotels, car rentals, or vacation packages. These fees are typically added on top of the base cost of the service.
- Consultation Fees: Some agencies charge clients for creating personalized travel itineraries, especially if the client requires a customized experience.
- Tour Planning Fees: Offering professional expertise to plan and organize multi-day tours or complex travel arrangements can justify a planning fee.

#### 2. Commission from Vendors

- Hotels and Accommodation Providers: Tour agencies receive a commission from hotels, resorts, or other
  accommodation providers for each booking made through their agency. This is often a percentage of the
  booking value.
- Airlines and Transportation Services: Many airlines and transport companies pay travel agents a commission for booking tickets on their behalf.
- Tourist Attractions and Activity Providers: Agencies that book tours, activities, and entrance tickets to tourist attractions (such as theme parks, museums, or guided tours) earn commissions from the service providers.
- Travel Insurance: Selling travel insurance as part of a travel package can provide commissions from the insurance provider.

#### 3. Profit Margin on Tour Packages

- Marking Up Tour Packages: Travel agencies often create their own package tours by bundling accommodation, transport, and activities. They can mark up the total cost to include their profit margin while still offering the client a competitive price.
- Exclusive or Customized Tours: Specialized tours, such as luxury or adventure tours, often allow for higher profit margins due to the added value provided through exclusivity or unique experiences.

#### 4. Affiliate Marketing and Partnerships

- Affiliate Commissions: By partnering with online travel agencies (OTAs), airlines, or hotel booking platforms, travel businesses can earn commissions when they refer clients who make bookings through affiliate links on the company's website.
- Strategic Partnerships: Collaborating with other travel-related businesses, such as restaurants, local transport companies, or souvenir shops, can generate referral income, discounts, or profit-sharing opportunities.

#### 5. Group Travel and Corporate Services

- Group Tours: Offering group travel packages for schools, corporate retreats, religious pilgrimages, or special interest groups can generate significant revenue due to the volume of travelers involved. Agencies may negotiate discounts with service providers and pass part of the savings to clients while keeping a portion as profit.
- Corporate Travel Management: Providing travel management services to businesses, including booking flights, accommodation, and transportation for employees attending conferences, meetings, or corporate events, can be a steady source of income. Businesses may also charge a management fee for handling the logistics of corporate travel.

#### 6. Special Interest and Niche Tours

- Adventure and Eco-Tourism: Specialized tours like adventure trips, wildlife safaris, eco-tours, or cultural heritage tours often command premium pricing due to their unique nature, allowing for higher profit margins.
- Luxury Tours: Offering high-end, luxury tours with exclusive experiences, five-star accommodations, and private guides can yield significant profits since clients are willing to pay more for these experiences.
- Destination Weddings and Honeymoons: Organizing destination weddings or honeymoon packages can bring in substantial income from the event planning and coordination fees, as well as from commissions earned from vendors involved in the events.

#### 7. Online Booking Platforms and Travel Portals

- E-commerce for Travel: Many travel agencies operate online booking platforms where clients can directly book flights, hotels, and tours. Agencies earn income from service fees or commissions on each booking.
- Subscription Models: Some online travel services offer membership or subscription-based models that provide users access to special discounts, premium services, or curated travel content in exchange for a recurring fee.

#### 8. Visa Processing and Document Assistance

- Visa Application Fees: Travel agencies often charge a service fee to assist clients with visa applications, ensuring that all necessary documents are prepared and submitted correctly.
- Document Authentication and Travel Documentation: Income can also be generated by offering services related to processing travel documents, insurance, and handling travel permits, especially for international travel.

#### 9. Selling Travel Insurance

• Travel Insurance Commissions: Many travel agencies offer travel insurance as part of their packages or as an add-on. For every insurance policy sold, the agency earns a commission from the insurance provider.

#### 10. Incentive Travel

• Incentive Programs for Businesses: Many businesses offer travel incentives for their top-performing employees or sales teams. Organizing these incentive trips (which can include accommodation, transportation, and activities) provides a substantial revenue stream, especially when dealing with large corporations.

#### 11. Event Travel and MICE (Meetings, Incentives, Conferences, and Exhibitions)

- Conference and Event Travel Packages: Many businesses and organizations require agencies to plan travel for large events, conferences, or exhibitions. Travel agencies earn income by providing group packages, transportation, accommodation, and venue bookings.
- Incentive Travel Programs: Travel agencies that offer incentive trips as rewards for employees or sales teams can secure lucrative contracts from businesses.

#### 12. Seasonal and Themed Packages

- Holiday and Festival Packages: Specially designed packages for major holidays like Christmas, New Year's, and local festivals often attract many travelers. Travel agencies earn income by bundling services (e.g., flights, hotel stays, and events) and charging a premium for the convenience of a pre-organized trip.
- Cruises and Luxury Train Journeys: Booking or organizing luxury cruises or exclusive train journeys for clients can be a profitable niche, especially since such packages are generally high-value.

#### 13. Educational and Cultural Exchange Programs

• Study Tours and Educational Trips: Organizing study tours or educational travel experiences, such as school trips, cultural exchange programs, or language immersion trips, can be a source of income, especially when dealing with schools or educational institutions.

#### 14. Ancillary Services

- Foreign Exchange Services: Some travel agencies offer foreign currency exchange services, earning income from the difference in exchange rates.
- Travel Accessories: Selling travel-related products, such as luggage, travel insurance, SIM cards, or prepaid travel cards, provides additional income streams.

#### Conclusion

The income of a travel and tour business comes from diverse sources, including service fees, commissions from vendors, profit margins on packages, and affiliate partnerships. By leveraging a combination of these income streams, a travel and tour company can create a sustainable and profitable business model, especially if it focuses on providing value-added services, specialized tours, and exceptional customer experiences.

# Time for Quiz!

# Establishment of Travel and Tour Business in Malaysia

### 1. Which government agency is primarily responsible for licensing travel and tour businesses in Malaysia?

- A) Ministry of Finance
- B) Ministry of Tourism, Arts and Culture (MOTAC)
- C) Ministry of Home Affairs
- D) Ministry of Trade and Industry

#### 2. What is the first step in registering a travel and tour business in Malaysia?

- A) Hiring staff
- B) Registering the company with the Companies Commission of Malaysia (SSM)
- C) Renting an office
- D) Launching a website

### 3. Which of the following licenses is mandatory for operating a travel agency in Malaysia?

- A) Import License
- B) Tour Operating Business and Travel Agency (TOBTAB) License
- C) Food Handling License
- D) Broadcasting License

### 4. What is the minimum paid-up capital required for a travel agency license in Malaysia (as of current regulations)?

- A) RM 10,000
- B) RM 50,000
- C) RM 100,000

### 5. Which document is NOT required when applying for a travel agency license in Malaysia?

- A) Business registration certificate
- B) Proof of office premises
- C) Employee medical records
- D) Company profile

### 6. What is one of the main regulations travel and tour businesses must comply with in Malaysia?

- A) Environmental Protection Act
- B) Tourism Industry Act 1992
- C) Road Transport Act
- D) Education Act

### 7. Which of the following is a common challenge faced by new travel and tour businesses in Malaysia?

- A) High import taxes
- B) Difficulty in obtaining licenses
- C) Lack of internet access
- D) Scarcity of office space

### 8. What kind of support does the Malaysian government offer to new travel and tour businesses?

- A) Free airline tickets
- B) Grants and incentives
- C) Free office space
- D) Tax exemption for all businesses

#### 9. How can a travel and tour business ensure compliance with consumer protection laws in Malaysia?

- A) Ignoring customer complaints
- B) Providing clear terms and conditions
- C) Offering only cash payments
- D) Avoiding written contracts

## 10. Which of the following is a key benefit of obtaining the proper licenses for a travel and tour business in Malaysia?

- A) Ability to operate internationally without restrictions
- B) Legal protection and credibility
- C) Exemption from all taxes
- D) Unlimited government funding



### CHAPTER 4

DTM 20343

TOURISM PRODUCTS

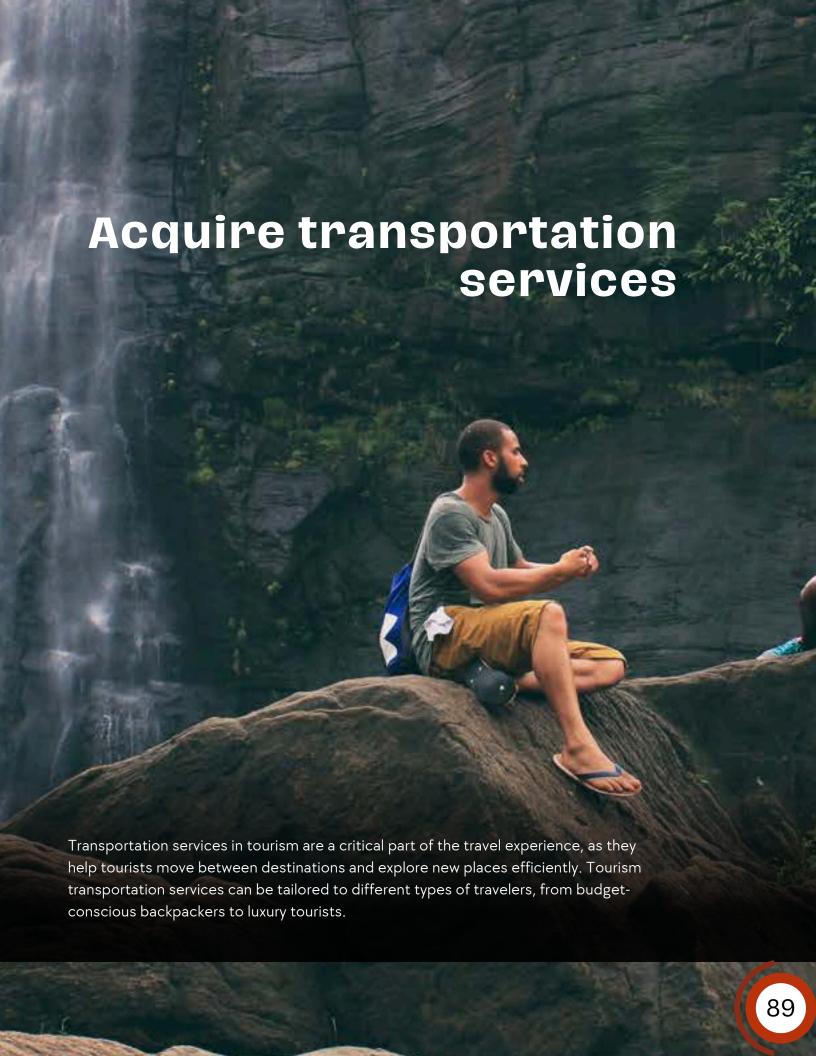
SERVICES



### **TOPIC STRUCTURE**

- 4.1 Acquire transportation services
  - 4.1.1 Exemplify types of transportation according to client's needs
- 4.2 Acquire accommodation services
  - 4.2.1 Categorize types of accommodations according to client's needs
- 4.3 Acquire food and beverage services
  - 4.3.1 Match suitable food and beverage according to client's needs
- 4.4 Acquire various tourist attractions
  - 4.4.1 Categorize types of tourist's attraction according to client's needs





# Exemplify types of transportation according

#### 1. Air Transport

- Airlines: International and domestic flights are often the first step for tourists to reach their destinations. Major and budget airlines offer services to connect travelers to different parts of the world.
- Chartered Flights: Often used for luxury tourism or remote destinations not covered by commercial airlines.

#### 2. Ground Transportation

- Car Rentals: Tourists may choose to rent cars for flexibility in exploring a destination. Companies like Hertz, Avis, and local providers offer rental services.
- Taxis and Ride-Hailing Services: Traditional taxis and modern ride-hailing apps like Uber and Lyft are convenient for short-distance travel.
- Shuttle Services: Hotels and airports often provide shuttle services to key areas of interest, such as city centers, hotels, or tourist attractions.
- Private Drivers/Chauffeurs: High-end tourists or those on special tours may prefer hiring private drivers for added comfort and personal service.

#### 3. Bus Services

- Public Bus Systems: In many countries, public buses provide a cost-effective way for tourists to get around, especially in cities or regions with well-developed infrastructure.
- Tourist Buses: Some companies offer guided tours via bus, such as hop-on, hop-off services that allow tourists to explore cities or regions at their own pace.
- Private Coach Services: Used by tour groups, school trips, or corporate travelers for longer distances.

#### 4. Rail Transport

- Trains: In regions like Europe and Asia, high-speed rail networks (e.g., Eurostar, Japan's Shinkansen) provide efficient, comfortable travel between cities.
- Luxury Trains: Some travelers opt for more scenic and luxurious train journeys, such as the Orient Express or the Rocky Mountaineer.

#### 5. Water Transport

- Ferries: Common in areas with islands or coastal regions, such as Greece, Scandinavia, and Southeast Asia, ferry services help tourists travel short distances over water.
- Cruise Ships: Large cruise liners, such as those from Royal Caribbean or Carnival, combine transportation with a leisure experience, making stops at key tourist destinations.
- Boat Tours: Many destinations offer boat tours for sightseeing, whether on rivers, lakes, or coastal regions.

#### 6. Bicycle and Scooter Rentals

- Bike Rentals: In many cities, especially in Europe, tourists can rent bicycles for local exploration.
- Scooter Rentals: Both motorized and electric scooters (like Bird or Lime) are becoming more popular for tourists to cover short distances in urban areas.

#### 7. Specialized Tourist Transportation

- Cable Cars and Funiculars: In mountainous regions or urban areas with steep inclines, cable
  cars and funiculars are attractions in themselves while offering easy access to hard-to-reach
  places.
- Tuk-Tuks and Rickshaws: Common in countries like India, Thailand, and parts of Africa, these
  three-wheeled vehicles are a fun, low-cost way to explore urban areas.
- Horse Carriages: Available in select historical or rural areas for a unique travel experience.

#### 8. Tour Operators with Transportation

 Many tour operators provide transportation as part of their travel packages, offering travelers a seamless experience with guided tours, pre-arranged transfers, and more.

#### 9. Shared Economy Services

- Car Sharing: Companies like Zipcar or BlaBlaCar allow tourists to share rides or temporarily rent cars from locals, offering an alternative to traditional car rentals.
- Bike/Car Sharing Platforms: Platforms like Lime (for bikes) and Getaround (for cars) provide sharing services for tourists who prefer short-term transportation.

# Categorize types of accommodations



#### Hotels

- Luxury Hotels: High-end hotels like the Ritz-Carlton, Four Seasons, and Mandarin Oriental offer world-class services, including fine dining, spa treatments, concierge services, and more.
- Boutique Hotels: Smaller, more personalized hotels that focus on unique design and exceptional service. These hotels often reflect the local culture or history of a destination.
- Budget Hotels: Affordable, no-frills accommodations that provide basic services like clean rooms, Wi-Fi, and breakfast. Examples include chains like Ibis, Premier Inn, and Motel 6.
- Airport Hotels: Located near airports, these hotels cater to travelers in transit or those with early or late flights, offering convenience and quick access to terminals.

#### Resorts

- Beach Resorts: Located near coastlines, these resorts often offer all-inclusive packages, including meals, activities, and beach access. Popular destinations include the Caribbean, the Maldives, and Bali.
- Ski Resorts: Found in mountainous regions, ski resorts provide accommodations along with access to ski slopes, equipment rentals, and lessons. Examples include resorts in the Alps, Aspen, and Whistler.
- Wellness Resorts: Focused on health and relaxation, these resorts offer spa treatments, yoga, meditation, and fitness programs. Examples include destinations like Sedona or Costa Rica.
- Golf Resorts: Catering to golf enthusiasts, these resorts feature golf courses along with luxury amenities such as fine dining and spa services.



#### **Boutique and Themed Accommodations**

- **Boutique Hotels:** These unique, often smaller hotels are designed with a particular theme or focus, offering an intimate and personalized experience. They are found in cities, small towns, and rural areas.
- **Themed Hotels:** These accommodations offer experiences centered around a specific theme or concept, such as fantasy hotels (castles, space themes) or eco-lodges focused on sustainability.



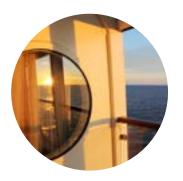
#### **Camping and Glamping**

- **Campsites:** Ideal for nature enthusiasts, campsites offer basic facilities where travelers can set up tents, RVs, or trailers. They are common near national parks, beaches, and wilderness areas.
- Glamping (Glamorous Camping): This combines the outdoor experience of camping with luxury amenities. Glamping sites may include yurts, safari tents, or treehouses with high-end furnishings, private bathrooms, and even spa services.



#### **Eco-Friendly and Sustainable Accommodations**

- **Eco-Lodges:** Environmentally-conscious accommodations that focus on sustainability. These lodges use renewable energy, conserve water, and minimize their impact on the environment. They are often located in natural settings like rainforests, deserts, or wildlife reserves.
- **Green Hotels:** These hotels implement sustainable practices, such as energy-efficient systems, recycling programs, and locally sourced food.



#### **Cruise Ship Cabins**

• On a cruise, tourists stay in cabins or suites onboard the ship while visiting multiple destinations. Cruise ship accommodations vary from budget interior cabins to luxurious suites with private balconies.

### Acquire food and beverage services







#### Restaurants

- **Fine Dining:** High-end restaurants that provide an elegant dining experience with gourmet dishes, expert chefs, and a high level of service. These restaurants often offer multi-course meals and are located in premium destinations or luxury hotels.
- Casual Dining: A more relaxed dining atmosphere, offering a variety of dishes at moderate prices. These restaurants are ideal for tourists looking for a comfortable dining experience without formality.
- Family Restaurants: Cater to families with children, offering child-friendly menus and a welcoming atmosphere. Many tourist destinations have family-oriented eateries with diverse menu options.
- Ethnic Restaurants: Specialized in serving the traditional food of a particular culture or country, ethnic restaurants allow tourists to experience global cuisines such as Chinese, Italian, Indian, or Mexican food.
- Theme Restaurants: These offer a unique atmosphere based on a specific theme (e.g., medieval times, space, or jungle themes), combining food with entertainment, making them popular among tourists looking for a memorable dining experience.

#### Cafés and Coffee Shops

- Cafés: Known for their laid-back ambiance, cafés serve light meals, snacks, and beverages such as coffee, tea, and pastries. They are perfect for tourists looking to relax, enjoy a quick bite, or take a break during sightseeing.
- Coffee Chains: Popular international chains like Starbucks, Costa Coffee, or local coffee shops often serve as reliable spots for travelers to grab a coffee, tea, or light snack on the go.









#### **Fast Food Restaurants**

- Global Chains: Brands like McDonald's, KFC, and Burger King are familiar to tourists and offer quick, standardized meals at affordable prices. Fast food chains are common in cities and travel hubs such as airports and train stations.
- Local Fast Food: In many regions, local fast-food options offer tourists a chance to experience quick meals rooted in the area's culinary traditions. Examples include street tacos in Mexico, fish and chips in the UK, or doner kebabs in Turkey.

#### **Street Food and Food Trucks**

- Street Vendors: Offering a quick and affordable way to experience authentic local cuisine, street food vendors are common in markets, city squares, and tourist hotspots. Travelers can enjoy dishes like pad thai in Thailand, falafel in the Middle East, or churros in Spain.
- Food Trucks: Food trucks offer a mobile version of street food, often featuring gourmet or niche cuisine. These are popular in urban areas and at festivals, providing tourists with diverse and creative dining options.







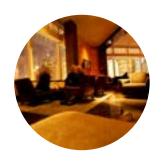


#### **Buffet Services**

- Hotel Buffets: Many hotels, especially in all-inclusive resorts, offer buffet-style dining where guests can choose from a wide selection of dishes. This allows tourists to try different foods and accommodate various dietary needs.
- Restaurant Buffets: Some restaurants provide buffet services where tourists can enjoy a variety of dishes for a fixed price. These are common in resorts, cruise ships, and theme parks.

#### **Bars and Pubs**

- Cocktail Bars: Offering a wide range of alcoholic beverages, from classic cocktails to craft cocktails, these bars often appeal to tourists looking for an upscale night out. Many tourist destinations have trendy cocktail bars with local and international drinks.
- **Sports Bars:** Often found in urban and tourist areas, sports bars serve food and drinks while showing live sporting events. These are popular with tourists who want to relax and enjoy a game while traveling.
- Pubs: Particularly in the UK, Ireland, and some Commonwealth countries, pubs are an essential part of the local culture. Tourists can enjoy a relaxed atmosphere, local beers, and traditional food like pies, fish and chips, or stews.
- Beach Bars: Located along coastlines and resort areas, beach bars offer a laid-back vibe where tourists can enjoy drinks, light snacks, and beautiful ocean views.









#### Nightclubs and Lounges

- Nightclubs: Popular in tourist cities and resort destinations, nightclubs offer entertainment, drinks, and dancing. These venues cater to tourists looking for nightlife and social experiences.
- Lounge Bars: More relaxed than nightclubs, lounges offer comfortable seating and a quieter atmosphere for enjoying drinks, often accompanied by soft music. Lounges in hotels or resorts can provide a sophisticated setting for tourists to unwind.

#### **Cultural and Culinary Tours**

- Food Tours: Many destinations offer culinary tours where tourists can experience local food and beverages. These tours may include visits to markets, wineries, breweries, or street food hubs, allowing travelers to sample regional dishes and learn about local food traditions.
- Cooking Classes: A handson experience where tourists can learn how to prepare traditional dishes of the destination they're visiting. This is popular in regions like Italy, Thailand, and Mexico.

### Acquire food and beverage services











#### **Catering Services**

- Hotel and Resort Catering: Many hotels and resorts offer catering for special events such as weddings, conferences, and group tours. They provide a range of food options, from buffets to plated meals.
- Event Catering: Tour operators or event planners may hire catering companies to provide food and beverage services for large gatherings, such as parties, corporate events, or cultural festivals.

#### **Room Service**

 Offered by hotels and resorts, room service allows guests to order food and beverages directly to their rooms. This is a convenient option for travelers who want to dine in the comfort of their hotel rooms.

#### **Dietary-Specific Services**

- **Vegetarian/Vegan Restaurants:** With the growing demand for plant-based diets, many restaurants cater specifically to vegetarians and vegans, offering creative and healthy dining options.
- Halal/Kosher Restaurants: For religious travelers, halal (Islamic dietary laws) or kosher (Jewish dietary laws) restaurants provide food prepared according to religious standards. These establishments are commonly found in regions with significant Muslim or Jewish populations.













#### 1. Natural Attractions

Natural attractions draw visitors due to their inherent beauty, environmental significance, or unique ecosystems. These can range from landscapes to wildlife experiences and are popular with eco-tourists and nature lovers.

- **Mountains:** Famous for hiking, skiing, and scenic views (e.g., the Alps in Europe, Mount Kilimanjaro in Africa, the Rockies in North America).
- **Beaches:** Popular for relaxation, sunbathing, and water sports (e.g., the Maldives, Bondi Beach in Australia, Copacabana in Brazil).
- Forests: Ideal for hiking, wildlife observation, and eco-tourism (e.g., the Amazon Rainforest, Black Forest in Germany, Daintree Rainforest in Australia).

- Deserts: Known for their unique landscapes and adventure activities like sandboarding and camel riding (e.g., the Sahara Desert in Africa, Arabian Desert, Atacama Desert in Chile).
- Waterfalls: Attract tourists for their majestic beauty (e.g., Niagara Falls in North America, Victoria Falls in Africa, Iguazu Falls in South America).
- National Parks: Preserved areas that highlight natural beauty and wildlife (e.g., Yellowstone National Park, Serengeti National Park, Great Barrier Reef Marine Park).
- Volcanoes: Often active or dormant, they offer hiking opportunities and dramatic views (e.g., Mount Vesuvius in Italy, Mount Fuji in Japan, Mauna Loa in Hawaii).











#### 2. Cultural and Historical Attractions

Cultural and historical sites highlight the heritage, traditions, and architecture of a particular region. These attractions are popular among tourists interested in history, archaeology, and cultural experiences.

- Monuments and Memorials: Iconic landmarks dedicated to historical events or figures (e.g., the Statue of Liberty, Lincoln Memorial, Christ the Redeemer).
- World Heritage Sites: Recognized by UNESCO for their cultural, historical, or natural significance (e.g., the Great Wall of China, Machu Picchu, the Pyramids of Giza).

- Museums: Institutions that preserve and exhibit art, artifacts, and history (e.g., the Louvre in Paris, the British Museum in London, the Smithsonian in Washington, D.C.).
- **Historical Buildings and Castles:** Architectural marvels that reflect the history of a region (e.g., the Colosseum in Rome, Neuschwanstein Castle in Germany, the Forbidden City in Beijing).
- Archaeological Sites: Locations of ancient civilizations or historical significance (e.g., Pompeii, the Acropolis in Greece, Angkor Wat in Cambodia).
- Temples and Religious Sites: Important places of worship and pilgrimage (e.g., the Vatican in Rome, the Golden Temple in India, Mecca in Saudi Arabia).













#### 3. Entertainment and Leisure Attractions

These attractions are designed for fun, relaxation, and recreation, catering to families, couples, and groups looking for amusement and leisurely activities.

- Amusement Parks: Parks with rides, games, and shows (e.g., Disneyland, Universal Studios, Six Flags).
- Casinos and Entertainment Resorts: Offer gaming, live shows, and luxury accommodations (e.g., Las Vegas, Macau, Monte Carlo).
- **Cruise Ships:** Floating resorts that offer entertainment, dining, and activities while visiting various destinations (e.g., Caribbean cruises, Mediterranean cruises, Alaskan cruises).
- Themed Hotels and Resorts: Accommodations with specific themes, often connected to amusement parks or luxury experiences (e.g., Atlantis Resort, Disney Resorts).
- Cinemas and Theaters: Locations for movies, plays, and live performances (e.g., West End in London, Broadway in New York).











#### 4. Wildlife and Eco-Tourism Attractions

Wildlife and eco-tourism attractions focus on conserving nature and offering visitors a chance to observe animals in their natural habitat, emphasizing sustainable tourism practices.

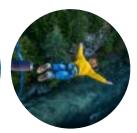
- **Safari Parks:** Allow tourists to view wild animals in natural habitats, especially in Africa (e.g., Serengeti in Tanzania, Masai Mara in Kenya, Kruger National Park in South Africa).
- **Zoos and Aquariums:** Offer close-up encounters with animals from around the world (e.g., San Diego Zoo, SeaWorld, Singapore Zoo).

**Conservation Areas and Sanctuaries:** Dedicated to preserving endangered species or ecosystems (e.g., Galápagos Islands, Costa Rica's Cloud Forests, Borneo's Orangutan Sanctuaries).











### 5. Adventure and Sports Attractions

Adventure tourism attracts thrill-seekers and sports enthusiasts looking for physical challenges or unique, high-energy experiences.

- **Ski Resorts:** Offer snow sports like skiing, snowboarding, and sledding (e.g., Aspen in the USA, Chamonix in France, Zermatt in Switzerland).
- Hiking and Trekking Trails: Include world-renowned long-distance and short hiking trails (e.g., the Inca Trail to Machu Picchu, the Appalachian Trail in the USA, Everest Base Camp trek in Nepal).
- Water Sports: Locations that provide opportunities for surfing, diving, snorkeling, and sailing (e.g., Hawaii, the Great Barrier Reef, Fiji).
- Extreme Sports: Destinations for bungee jumping, skydiving, and zip-lining (e.g., Queenstown in New Zealand, Interlaken in Switzerland, Victoria Falls for bungee jumping).
- **Rock Climbing:** Famous rock formations and cliffs that attract climbers (e.g., El Capitan in Yosemite, Mount Everest, Kilimanjaro).











#### 6. Urban and Architectural Attractions

Cities themselves can be tourist attractions, particularly those with unique architecture, historic landmarks, and cultural districts.

- **Skylines and Modern Architecture:** Iconic cityscapes with famous buildings (e.g., New York's skyline, Burj Khalifa in Dubai, Tokyo Tower).
- Historic Cities: Cities with preserved old towns or significant historical landmarks (e.g., Prague, Rome, Kyoto).

**Cultural Districts:** Areas known for their cultural vibrancy, including art galleries, theaters, and street performances (e.g., Montmartre in Paris, Soho in London, the Art District in Miami).

# The Stunning Destinations









# Let's get started

# **Multiple Choice Questions: Tourism Products and Services**

### 1. Which of the following best describes a tourism product?

- A) A physical souvenir
- B) The complete experience a tourist enjoys at a destination
- C) Only hotel accommodation
- D) Only transportation services

## 2. Which is an example of a natural tourism product?

- A) Theme park
- B) National park
- C) Shopping mall
- D) Museum

## 3. What type of service is provided by a tour guide?

- A) Financial advice
- B) Interpretation and information about attractions
- C) Medical treatment
- D) Legal consultation

## 4. Which of the following is a cultural tourism product?

- A) Mountain climbing
- B) Traditional dance performance
- C) Scuba diving
- D) Wildlife safari

# 5. What is a key characteristic of an intangible tourism service?

- A) It can be stored for later use
- B) It is experienced and consumed at the same time
- C) It is a physical good
- D) It can be returned after use

## 6. Which of the following is considered a supporting service in tourism?

- A) Local transportation
- B) Souvenir production
- C) Natural scenery
- D) Historical sites

## 7. What is the main purpose of packaging tourism products and services?

- A) To increase the price
- B) To offer convenience and value to tourists
- C) To limit tourist choices
- D) To reduce competition

### 8. Which of the following is an example of an adventure tourism product?

- A) City sightseeing tour
- B) White-water rafting
- · C) Museum visit
- D) Shopping tour

## 9. What role do travel agencies play in tourism services?

- A) Manufacturing travel equipment
- B) Arranging and selling travel products and services
- C) Building hotels
- D) Providing medical care

### 10. Which of the following is a core tourism service?

- A) Laundry service
- B) Accommodation
- C) Banking
- D) Insurance



# **CHAPTER 5 - DTM203434**

# ENTREPENEURSHIP IN TOURISM INDUSTRY



May your passion and hard work continue to build empires.

# 5.0 ENTREPRENEURSHIP IN TOURISM INDUSTRY

Entrepreneurship in the travel and tour business is a dynamic and exciting field, particularly in a diverse and appealing destination like Malaysia. It involves identifying opportunities, creating innovative experiences, and managing ventures that cater to the evolving needs of travelers. Tourism entrepreneurship is about creating and managing businesses within the travel and tourism industry that offer unique products and services to enhance traveler experiences. This can range from traditional tour operating agencies to niche eco-tourism ventures, technology-driven travel platforms, or even specialized hospitality services.

Key characteristics of a successful travel and tourism enterprise include a strong emphasis on innovation, where businesses continually develop new tours, unique accommodation concepts, and cutting-edge travel technologies to stand out in a competitive market. Market analysis plays a crucial role by enabling a deep understanding of target audiences, their evolving preferences, and emerging industry trends. Equally important is a commitment to customer satisfaction, ensuring that every traveler enjoys a high-quality, memorable experience. Embracing sustainability is another defining trait, with a focus on eco-friendly practices and meaningful support for local communities. Finally, effective businesses demonstrate risk-taking and resilience, confidently navigating industry challenges and adapting swiftly to market shifts.

# 5.1 Key Opportunities for Tourism Entrepreneurs in Malaysia

Malaysia presents a wide array of opportunities for tourism entrepreneurs, with its diverse attractions being one of the most compelling draws. The country is home to natural wonders such as lush rainforests (e.g., Taman Negara), idyllic islands like Langkawi and Perhentian, majestic mountains such as Mount Kinabalu, and various national parks. Its rich cultural heritage—rooted in the traditions of Malay, Chinese, Indian, and Indigenous communities—offers unique experiences through architecture, festivals, cuisine, and customs.

Historical sites, including UNESCO World Heritage Sites like George Town in Penang and the city of Melaka, provide deep insights into Malaysia's colonial past. At the same time, modern urban hubs such as Kuala Lumpur deliver cosmopolitan experiences with luxury shopping, contemporary dining, and vibrant nightlife.

Eco and adventure tourism is another growing sector, fueled by the global demand for sustainable travel. Entrepreneurs have the opportunity to develop jungle trekking, caving, and wildlife tours, as well as community-based ecolodges and marine conservation tourism, including coral reef protection and diving/snorkeling packages.

Culinary tourism also holds immense potential due to Malaysia's diverse food culture. This includes food tours, cooking classes, farm-to-table rural experiences, and vibrant night market (pasar malam) tours that showcase authentic street food.

# Key Opportunities for Tourism Entrepreneurs in Malaysia

Malaysia is also emerging as a leading destination for medical and wellness tourism. The availability of high-quality, affordable healthcare allows for the creation of packages that combine medical check-ups with leisure itineraries. Spa resorts, wellness retreats, and traditional herbal therapy sessions further add to the appeal. Additionally, the rise in remote work trends globally opens up new possibilities for digital nomad tourism. Opportunities include establishing co-living and co-working spaces in scenic or cultural locations, offering long-stay packages with cultural immersion, and organizing workshops and networking events for traveling professionals.

Event and festival tourism is thriving, with Malaysia hosting a wide range of religious, cultural, and music festivals throughout the year. Tourism businesses can curate packages around major events such as Thaipusam, Chinese New Year, Gawai, and the Rainforest World Music Festival. These offerings can be enhanced by targeting niche markets like photography or cultural enthusiasts and working with local communities to provide authentic, immersive experiences. Lastly, agro and rural tourism provides a chance to connect visitors with traditional Malaysian life. This can include homestays in kampungs (villages), visits to tea plantations and fruit farms such as those in the Cameron Highlands, and educational tours aimed at students or environmentally conscious travelers.

# Challenges Faced by Entrepreneurs in Malaysia's Tourism Industry

Regulatory
Compliance and
Licensing

The process of obtaining a license from the Ministry of Tourism, Arts and Culture (MOTAC) can be complex, requiring specific paid-up capital, experienced personnel, and adherence to various acts and regulations

**Talent Acquisition** 

Finding and retaining skilled staff who can deliver excellent customer service and meet industry standards can be challenging.

High Competition and Market
Saturation

The market is competitive with many established players, both local and global. Standing out requires unique value propositions and effective marketing.

# Challenges Faced by Entrepreneurs in Malaysia's Tourism Industry

Managing Risk and Uncertainty The industry is vulnerable to external factors like economic downturns, health crises (e.g., pandemics), and natural disasters, which can severely impact tourist arrivals and revenue.

**Customer Retention** 

Attracting new customers is difficult, but retaining them requires consistent high-quality service and unique experiences.

# Challenges Faced by Entrepreneurs in Malaysia's Tourism Industry

**Infrastructure Gaps** 

Although major tourist hubs benefit from strong infrastructure, rural and smaller destinations often struggle with limited connectivity, insufficient accommodation, and a lack of promotional efforts, which hinders their development and growth.

Adapting to Technological Changes

The rapid pace of digital transformation requires entrepreneurs to be tech-savvy and continuously adopt new tools for marketing, operations, and customer experience.

# The Concepts of Entrepreneur in Travel and Tour business

In the travel and tour business, an entrepreneur is someone who creates and manages tourism-related ventures with the goal of offering valuable travel experiences to customers. This involves identifying market opportunities, developing innovative travel services or packages, and organizing tours that cater to the needs and preferences of various travelers. Entrepreneurs in this field take risks to establish and grow their businesses, often by leveraging local attractions, cultural heritage, natural landscapes, or unique travel themes.

They play a key role in promoting destinations, enhancing tourist satisfaction, and contributing to the local economy. Successful travel and tour entrepreneurs combine business skills with industry knowledge, creativity, customer service, and digital tools to stay competitive in a rapidly changing tourism environment. They also focus on sustainable practices to ensure long-term benefits for both travelers and the communities they serve.

# Key Concepts of Entrepreneur in The Travel and Tour Business

**Opportunity** 2. Innovation 3. Risk-Taking Recognition Entrepreneurs in Innovation is the travel and tour central to industry are skilled Entrepreneurs take entrepreneurship. at identifying gaps Travel financial, in the market or operational, and entrepreneurs unmet tourist often introduce market risks to launch and grow needs. They new types of tours, themed their business. In recognize trends, tourism, risks can such as interest in experiences (e.g., come from eco-tourism, food, adventure, wellness), or use cultural seasonality, technology (like political instability, experiences, or digital booking mobile apps and health crises, or solutions, and virtual tours) to changing tourist create products or enhance customer preferences. services to meet engagement and those demands. service delivery.

# Key Concepts of Entrepreneur in The Travel and Tour Business

4. Business	5. Customer	6. Resource
Planning	Focus	Management
Developing a solid business plan is essential. This includes defining the business model, target market, pricing strategies, partnerships, and marketing approaches to ensure the travel venture is viable and sustainable.	Tourism entrepreneurs prioritize customer satisfaction by offering personalized services, attentive customer care, and memorable experiences that meet or exceed expectations.	Managing financial, human, and physical resources efficiently is key. Entrepreneurs coordinate with tour guides, transport providers, hotels, and local communities to deliver seamless travel services.

# Key Concepts of Entrepreneur in The Travel and Tour Business

8. 7. Marketing and **Sustainability** 9. Networking and **Promotion** and **Partnerships** Responsibility Modern travel Entrepreneurs use entrepreneurs Strong relationships various marketing often focus on sustainable with stakeholders like strategies to promote their tourism by hotels, airlines, local travel services. supporting businesses, and including social tourism boards help local media, travel communities, entrepreneurs create blogs, influencer comprehensive travel minimizing partnerships, and environmental packages and participation in impact, and enhance service tourism fairs and promoting quality. platforms. responsible travel practices.

# CHARACTERISTICS OF ENTREPRENEURS IN THE TRAVEL AND TOUR BUSINESS

1. PASSION & VISION

They have a clear vision for their business that's bigger than just earning money. It often focuses on offering unique experiences, highlighting a destination, or filling a need in the market.

2. ADAPTABILITY & RESILIENCE

The travel and tourism industry is easily affected by things like economic changes, political issues, or global events (like a pandemic). Successful entrepreneurs stay flexible and quickly adjust their business when unexpected challenges happen.

# CHARACTERISTICS OF ENTREPRENEURS IN THE TRAVEL AND TOUR BUSINESS

3. CREATIVE & INNOVATIVE The travel industry is very competitive.

Successful entrepreneurs use creativity to design new tour packages, offer unique services, or market their business in fresh ways. They spot gaps in the market, follow new trends, and provide solutions match travelers' changing that needs.

4. INTERPERSONAL & SOCIAL SKILLS

They understand the importance of building and maintaining strong social and professional networks. Relationships with local guides, accommodation providers, and other businesses are crucial for success.

# CHARACTERISTICS OF ENTREPRENEURS IN THE TRAVEL AND TOUR BUSINESS



Successful entrepreneurs in this field understand the basics of business, like managing money and resources. They are good leaders who can guide and motivate their team to work together toward giving great service.

# **ACTIVITY 1**

# **Questionnaire: Characteristics of Entrepreneurs**

- 1. Which of the following best describes a successful entrepreneur?
- a) Someone who avoids risks at all costs
- b) Someone who is creative and can spot new opportunities
- c) Someone who always follows traditional methods
- d) Someone who depends fully on others for decisions
- 2. Why is adaptability an important trait for entrepreneurs?
- a) It allows them to ignore market changes
- b) It helps them adjust their strategies when facing unexpected challenges
- c) It ensures they never need to learn new skills
- d) It guarantees instant success in business
- 3. Which quality helps entrepreneurs lead their teams effectively?
- a) Strong leadership and motivational skills
- b) A preference to work alone without input from others
- c) Avoiding responsibility and delegation
- d) Relying only on technology instead of people
- 4. Apart from creativity, what other key skill is important for entrepreneurs?
- a) Financial planning and resource management
- b) Ignoring customer needs
- c) Avoiding competition
- d) Copying existing business models without change

# FUTURE TRENDS OF TRAVEL AND TOUR INDUSTRY IN BUSINESS DIGITALIZATION

Digital technology has changed the travel and tour industry in many ways, from how people find and book trips to how businesses run and manage their services. It creates big opportunities but also brings new challenges.

Artificial Intelligence

Immersive and Experiential Technologies

Contactless Travel

Rise of Sustainable and Accessible Tourism

# FUTURE TRENDS OF TRAVEL AND TOUR INDUSTRY IN BUSINESS DIGITALIZATION

# **Challenges and Considerations**

Digitalization brings many benefits but also some challenges. Relying more on technology creates concerns about data privacy and the risk of a "digital divide," where smaller businesses, especially in developing areas, may struggle to compete with bigger companies. It also shows the importance of keeping a balance between using technology for efficiency and preserving the genuine human connections that make travel meaningful. The future of travel will depend on how well the industry uses technology to improve experiences without replacing the human touch.

# **ACTIVITY 2**

# Questionnaire: Challenges of Digitalization in the Travel & Tour Industry

- 1. Which of the following is a major concern caused by digitalization in the travel industry?
- a) Data privacy and security risks
- b) Increase in transportation options
- c) Reduced need for customer service
- d) Decrease in global tourism demand
- 2. What challenge do smaller travel operators in developing regions often face with digitalization?
- a) Having too many skilled workers
- b) Difficulty competing with large digital platforms
- c) Too much access to online booking tools
- d) Limited customer interest in digital services
- 3. How can digitalization create a "digital divide" in the travel industry?
- a) By making travel more affordable for everyone
- b) By favoring large businesses that can afford advanced technology
- c) By reducing competition between travel companies
- d) By eliminating the need for online marketing
- 4. What balance must the travel industry maintain while adopting digital technology?
- a) Low costs and higher prices
- b) Efficiency through technology and authentic human connections
- c) Increased bookings and fewer services
- d) Automation and elimination of staff

# Test your Knowledge!

# Multiple Choice Questions: Entrepreneurship in the Tourism Industry

## 1. What is entrepreneurship in the tourism industry primarily about?

- A) Managing government regulations
- B) Creating and developing new tourism products or services
- C) Only investing in hotels
- D) Working as a tour guide

## 2. Which of the following is a key quality of a successful tourism entrepreneur?

- A) Resistance to change
- B) Creativity and innovation
- C) Avoiding risks
- D) Preferring routine tasks

## 3. What is a common challenge faced by tourism entrepreneurs?

- A) Abundant government funding
- B) Seasonal demand fluctuations
- C) Lack of competition
- D) Unlimited resources

### 4. Which of the following is an example of a tourism business opportunity?

- A) Opening a new bank branch
- B) Launching a guided eco-tour in a national park
- C) Selling construction materials
- D) Manufacturing electronics

## 5. Why is market research important for tourism entrepreneurs?

- A) To copy competitors
- B) To understand customer needs and preferences
- C) To avoid marketing
- D) To reduce product quality

## 6. What is a major benefit of entrepreneurship in the tourism industry?

- A) Decreased employment
- B) Economic growth and job creation
- C) Reduced tourist arrivals
- D) Increased pollution

## 7. Which of the following is a risk for tourism entrepreneurs?

- A) Stable political environment
- B) Natural disasters affecting tourist destinations
- C) Consistent customer demand
- D) Guaranteed profits

## 8. What role does technology play in tourism entrepreneurship?

- A) It is not relevant
- B) It helps improve marketing, booking, and customer service
- C) It only increases costs
- D) It replaces all human workers

## 9. Which of the following is an example of social entrepreneurship in tourism?

- A) Building a luxury resort
- B) Creating community-based tourism projects that benefit locals
- C) Opening a fast-food chain
- D) Importing foreign souvenirs

## 10. What is an important step when starting a tourism business?

- A) Ignoring legal requirements
- B) Developing a clear business plan
- C) Avoiding partnerships
- D) Skipping financial planning





# **THANK YOU!**



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