# Tourism Law and Legislation

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Lecture 7

# Package Travel and Tour Operator Liability

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# Lecture Overview

1. Definition of package travel
2. Tour operators and travel organisers
3. Types of Tour Operators
4. The Tour Packaging Process
5. Classification of Package Tours
6. Changes and cancellation of packages
7. Booking conditions and cancellation policies
8. Liability for failure to provide services

# Learning Outcomes

**By the end of this session you should be able to:**

- Define package travel and identify its main characteristics.
- Distinguish package holidays from individual travel services.
- Explain the responsibilities of tour operators and organisers.
- Identify the contractual rights of travellers.
- Explain the legal consequences of changes and cancellations.
- Understand liability and remedies for service failures.
- Analyse the challenges of online package travel.

Topic 1

# Definition of Package Travel

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# 1- Definition of Package Travel

- A combination of at least two different types of travel services.
- Services are combined for the purpose of the same trip or holiday.
- Sold under a single contract or through qualifying booking arrangements.
- Can be pre-arranged by a tour operator or customised by the traveller.
- Governed in the EU by the Package Travel Directive.



# 1- Definition of Package Travel

**A package exists when:**

**1- Single Contract Exists**

- Services are combined by one trader
- Combination occurs before the single contract is concluded

**- Maybe:**

- Pre-designed package
- Customized at tourist's request



# 1- Definition of Package Travel

**2- Separate Contracts but Still a Package**

- Even if separate contracts exist with different service providers, it is still a package if one of the following applies:

**A- Single Point of Sale**

- Services purchased from a single point of sale
- Selected before the tourist agrees to pay

**B- Inclusive or Total Price**

- Services offered or charged at a total or inclusive price



# 1- Definition of Package Travel

**C- Marketed as a Package**

- Advertised or sold under the term “package”

Or under a similar term

**D- Post-Contract Selection**

- After signing a contract, the tourist is entitled to choose from a selection of services

- “Holiday voucher” allowing choice of hotel and excursions after purchase



# 1- Definition of Package Travel

**- Main Types of Travel Services**

- The EU framework identifies four main categories:

1. Passenger transport: Flights, trains, buses and cruises.
2. Accommodation: Hotels, resorts and other tourist accommodation.
3. Rental of motor vehicles: Car and motorcycle rental.
4. Other tourist services: Guided tours, excursions, ski passes and event tickets.



# 1- Definition of Package Travel

**Why Is Package Travel Regulated?**

- Protects travellers against unfair commercial practices.
- Ensures transparency in booking information.
- Clarifies the responsibilities of organisers.
- Provides remedies when services are not delivered as agreed.
- Protects travellers against organiser insolvency.
- Builds confidence in the tourism market.



Topic 2

# Tour Operators, Organisers and Contracts

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# 2- Tour Operators, Organisers and Contracts

**Tour Operators and Travel Organisers**

Tour operators :

- Combine different tourism services into package holidays.

- Negotiate agreements with hotels, airlines and other suppliers.

- Set package prices and booking conditions.

- Market and sell organised travel products.

- Assume legal responsibilities as package organisers.



# 2- Tour Operators, Organisers and Contracts

**The Package Travel Contract**

- A package travel contract is the agreement between the traveller and the organiser concerning the provision of a package.

**Main elements:**

- Description of the travel services.
- Destination and duration.
- Departure and return dates.
- Accommodation details and category.
- Transport arrangements.
- Total price and payment conditions.
- Cancellation and amendment conditions.
- Contact details of the organiser.



# 2- Tour Operators, Organisers and Contracts

**Pre-contractual Information**

Before the traveller enters into a package contract, the organiser or retailer must provide relevant information, including:

- Destination, itinerary and duration.
- Transport arrangements and accommodation details.
- Total price, including taxes and additional charges.
- Payment arrangements.
- Minimum number of participants, where applicable.
- Passport, visa and health requirements.
- Cancellation conditions.
- Information about the organiser's responsibility and insolvency pr



Topic 3

# Types of Tour Operators

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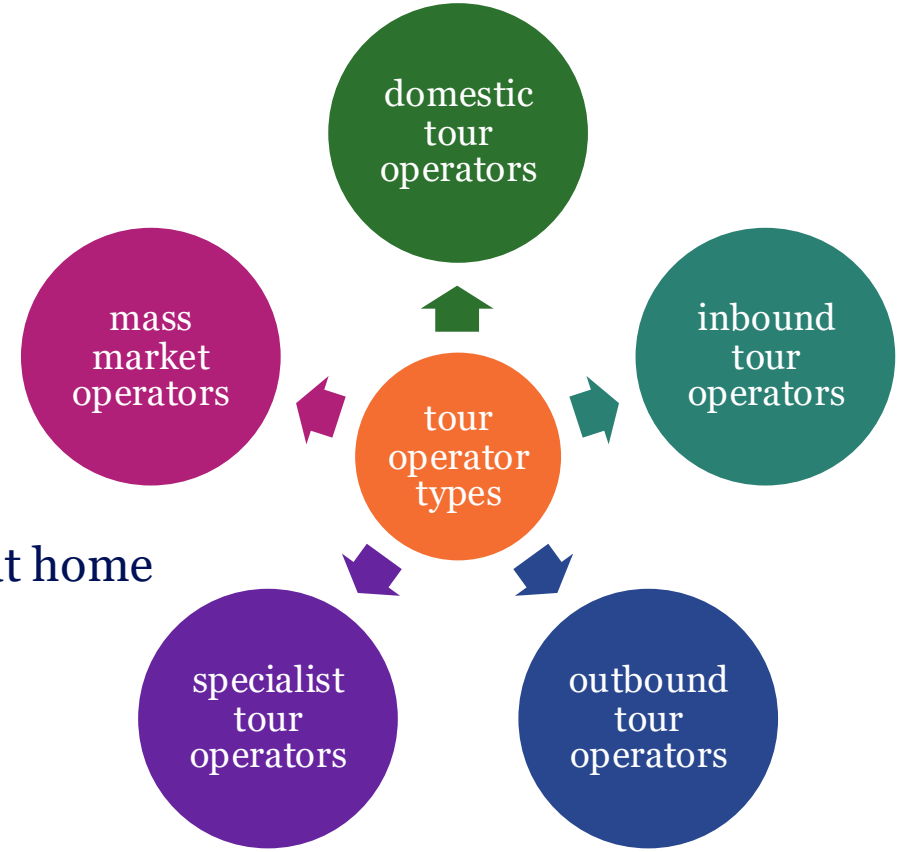
# 3- Types of Tour Operators

**A- Domestic Tour Operators**

- Organize tours and holiday packages within one country
- Focus on local destinations for residents of that country

**Key Roles:**

- Highlight lesser-known local attractions
- Support regional tourism development
- Provide convenience for those who prefer organized travel experiences at home



# 3- Types of Tour Operators

**B- Inbound Tour Operators (ITOs)**

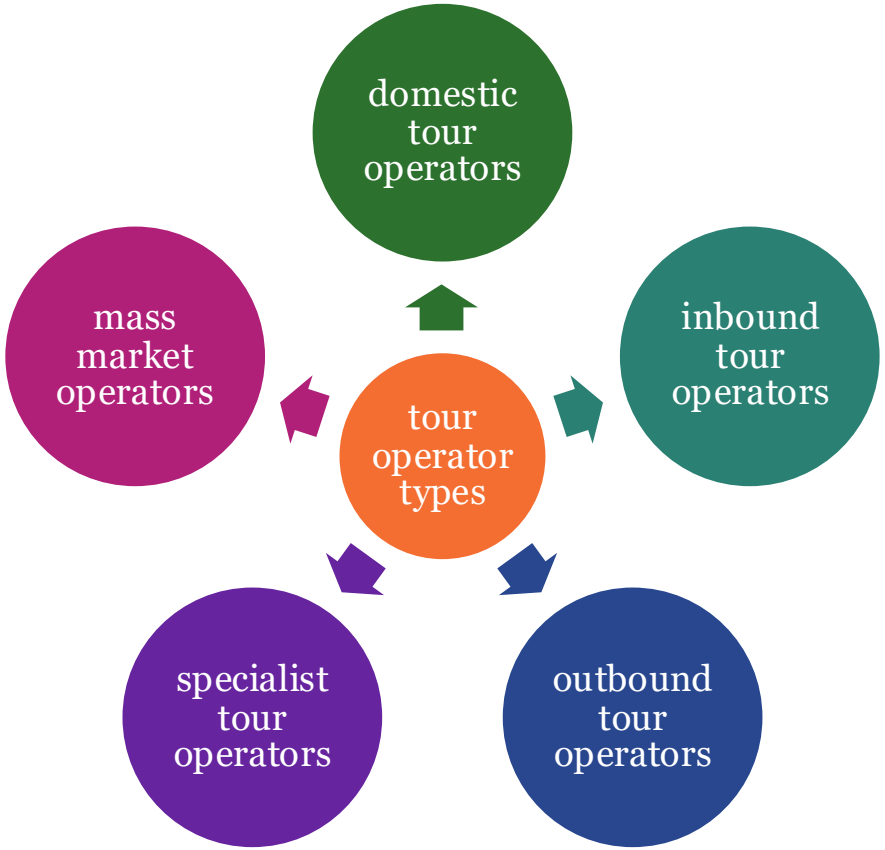
- Specializing in handling incoming foreign tourists
- Serve travelers arriving from other countries into the host country

**Key Roles:**

- Act as ground-handling agents for outbound tour operators
- Range from basic hotel booking agents to full-service providers

**Services Offered:**

- Accommodation arrangements
- Sightseeing tours and local excursions
- Currency exchange support
- Transportation
- Theatre tickets and cultural experiences
- Study tours and special interest tourism



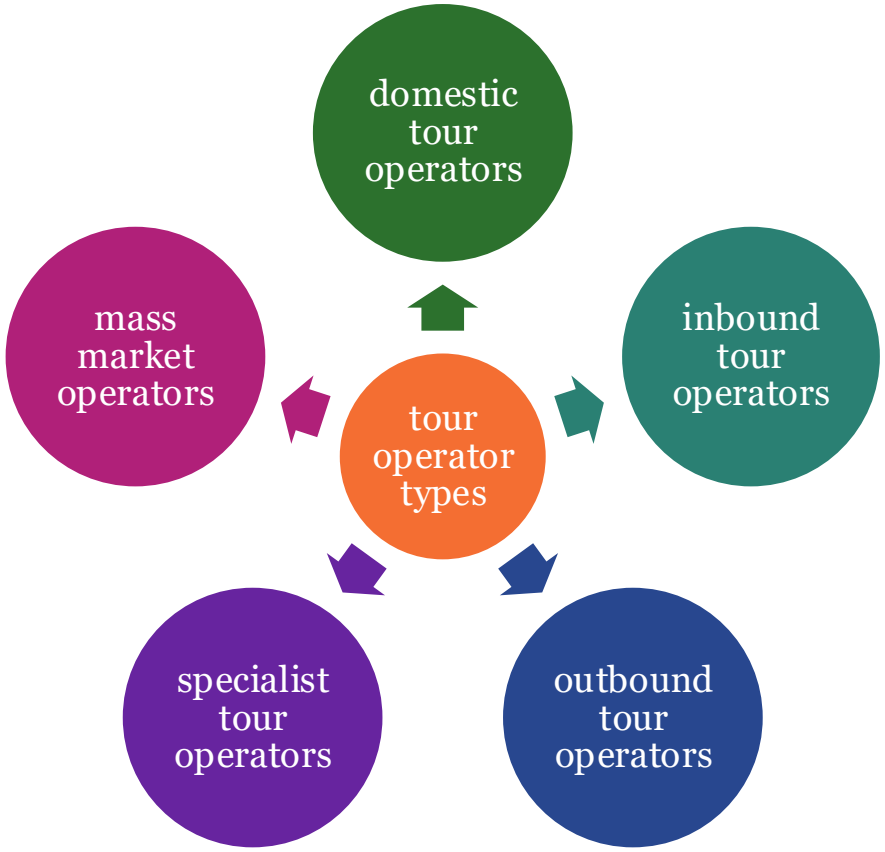
# 3- Types of Tour Operators

**C- Outbound Tour Operators (OTOs)**

- Offer holiday packages abroad to individuals or groups
- Sell tours from a traveler's home country to foreign destinations

**Key Responsibilities:**

- Arrange travel documents (visas, passports)
- Organize transportation to the tour starting point
- Coordinate with:
  - ➢ Inbound Tour Operators
  - ➢ Destination Management Companies (DMCs)



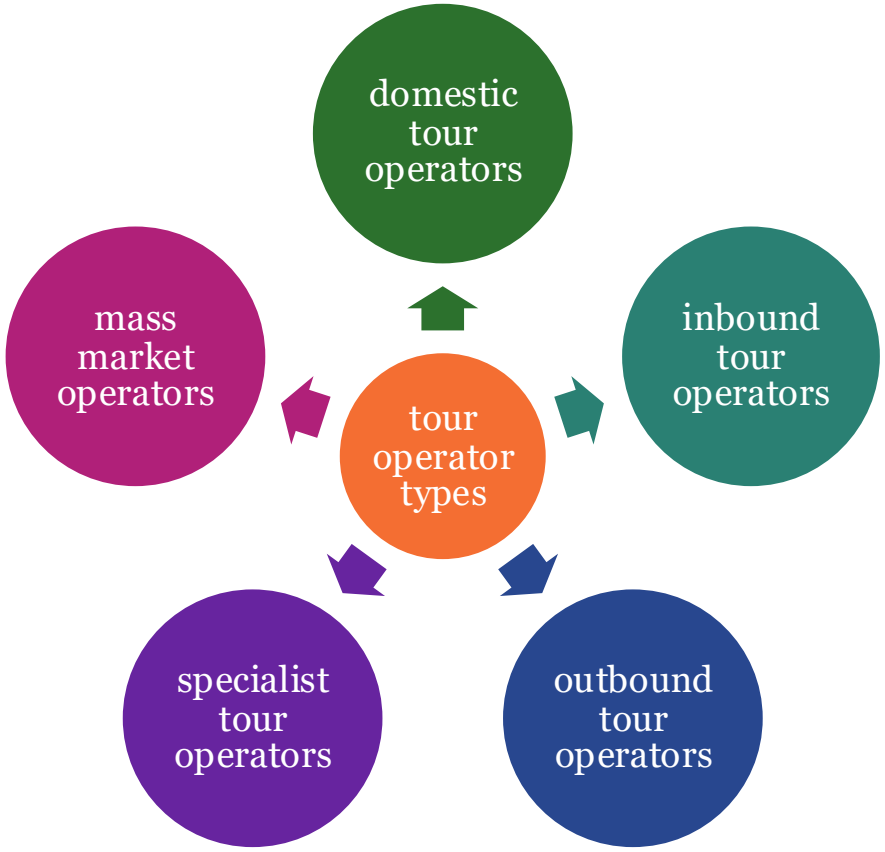
# 3- Types of Tour Operators

**D- Specialist Tour Operators**

- Also known as independent or niche operators
- Can operate in domestic, inbound, or outbound markets

**They Specialize in:**

- Activities offered (adventure, culinary, wellness)
- Specific destinations
- Target markets
- Modes of transport



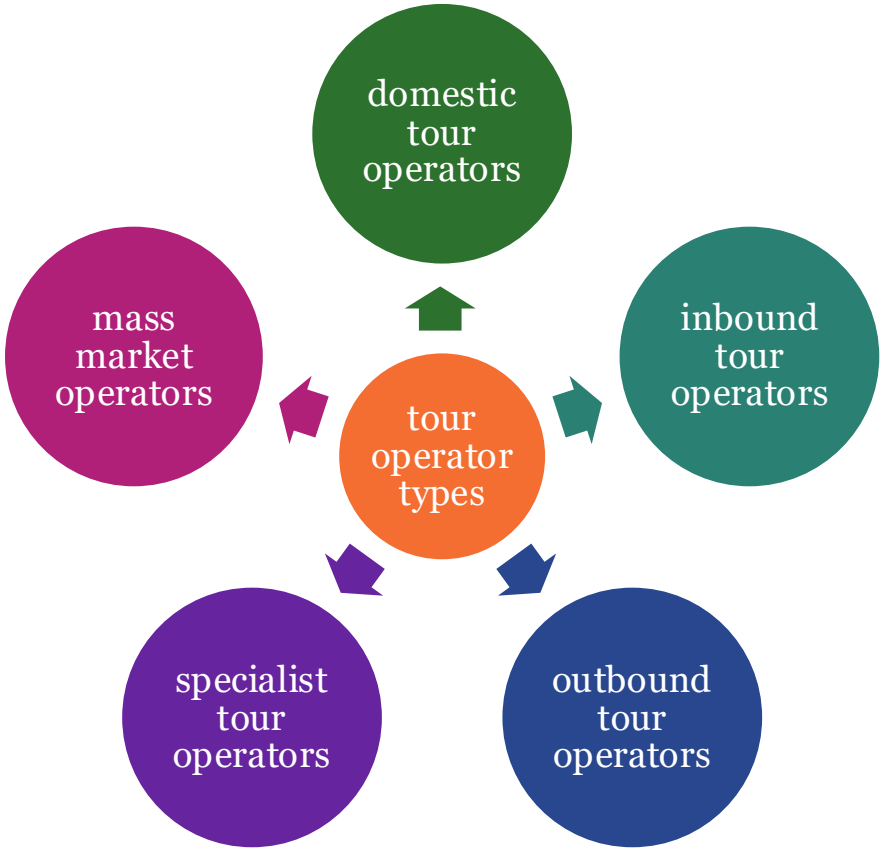
# 3- Types of Tour Operators

**E- Mass Market Tour Operators**

- Large tour operators offering a wide variety of holiday packages
- Examples: Thomas Cook, TUI (formerly Thomson)

**Key Characteristics:**

- Cater to the general public
- Offer standardized packages to popular destinations
- Aim to meet the needs of a wide customer base




**What They Provide:**

- ➢ Accommodation
- ➢ Airport transfers
- ➢ Transport (flights, coaches)
- ➢ Extras like excursions, travel insurance, and meal plans

Topic 4

# The Tour Packaging Process

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# 4- The Tour Packaging Process

- To create pre-arranged, all-inclusive travel packages

- Packages should be:

- Appealing to customers
- Convenient and well-organized
- Profitable for the tour operator

# 4- The Tour Packaging Process

## 4-1- Market Research and Destination Selection

- Identify target market segments (adventure, seniors, families)
- Analyze demand trends and preferences
- Evaluate potential destinations (safety, appeal, infrastructure)
- Select destinations aligned with target market and brand



# 4- The Tour Packaging Process

## 4-2- Supplier Contracting

- Partner with:
  - Accommodation providers
  - Transport services (airlines, buses, transfers)
  - Local guides and activity providers
- Negotiate rates, availability, and service standards
- Build reliable relationships



# 4- The Tour Packaging Process

## 4-3- Itinerary Planning

- Design engaging, realistic daily schedules
- Balance sightseeing, travel time, meals, and rest
- Consider flow, logistics, and timing
- Adapt for special interests (culture, nature, adventure)



# 4- The Tour Packaging Process

## 4-4- Costing and Pricing

- Calculate total cost: transport, lodging, entrance fees, meals, staffing
- Add markup/profit margin
- Offer competitive pricing
- Ensure value for money



# 4- The Tour Packaging Process

## 4-5- Marketing and Sales

- Promote through websites, travel agents, social media
- Highlight unique selling points (USP)
- Offer early bird discounts or group deals
- Use distribution channels (OTAs, DMCs, direct bookings)



Topic 5

# Classification of Package Tours

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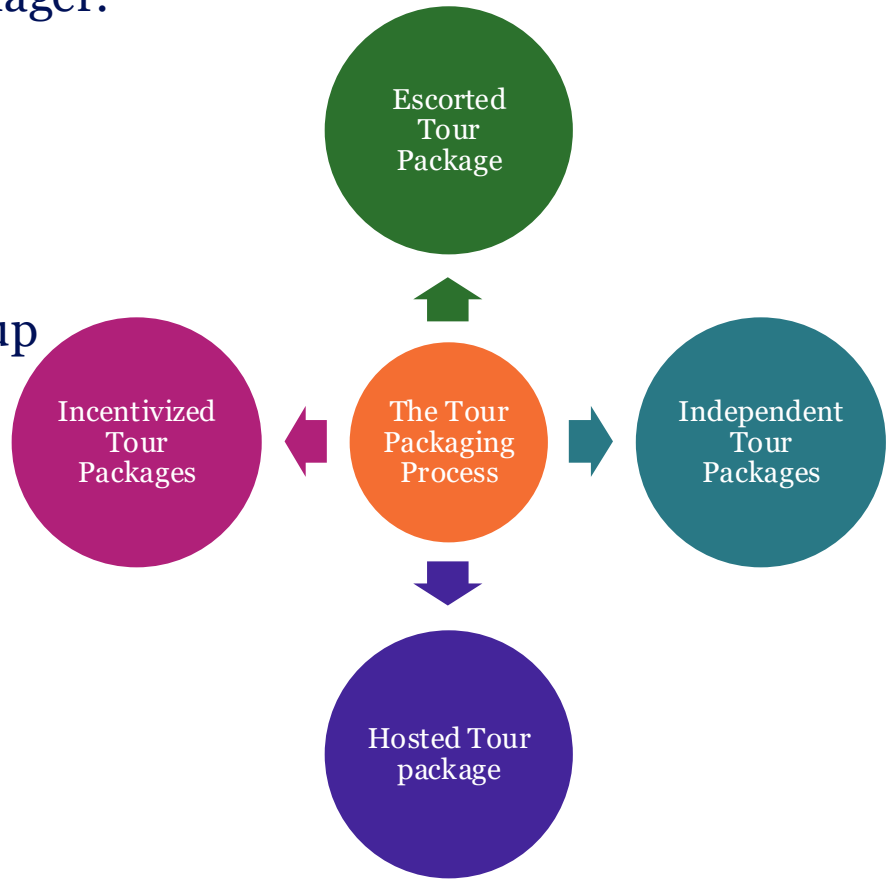
# 5- Classification of Package Tours

### 5.1- Escorted Tour Packages

- It is a fully guided travel experience led by a trained tour escort or manager.
- He accompanies the group throughout the journey.

### Key Features:

- A qualified and experienced tour manager/guide accompanies the group
- Assists at departure, en route, and destinations

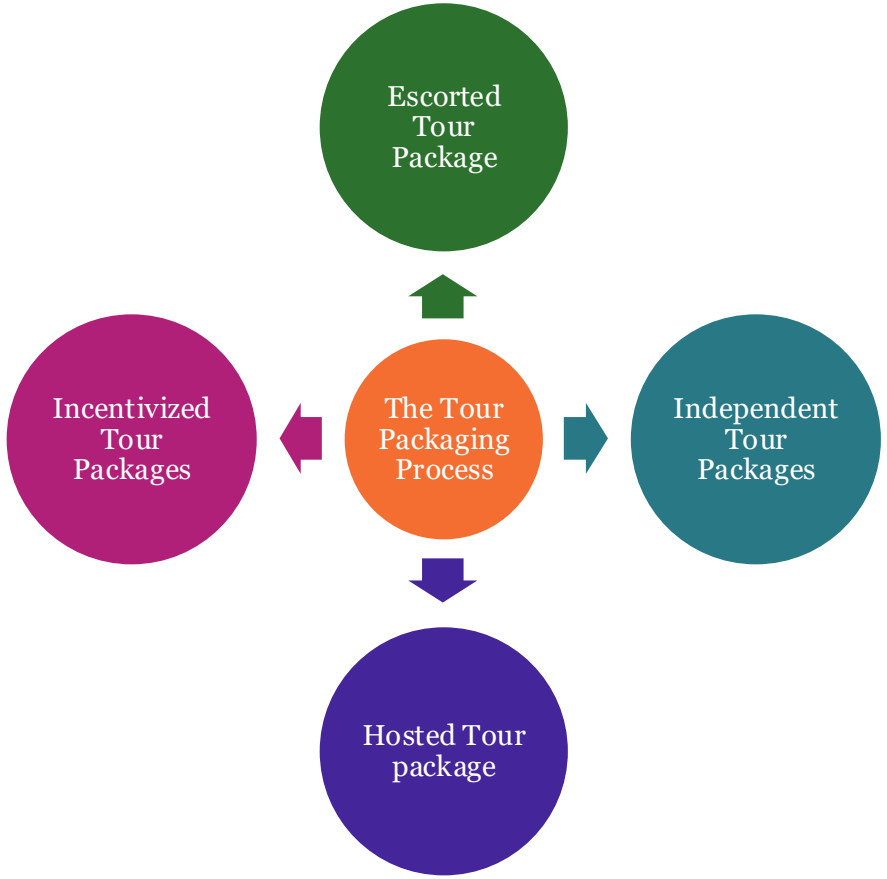


# 5- Classification of Package Tours

### 5.1- Escorted Tour Packages

- Helps with:

- Flight boarding and baggage handling
- Hotel check-in and meal arrangements
- Sightseeing interpretation
- Local tips and logistical support
- Offers advice on seating, schedules, and cultural etiquette



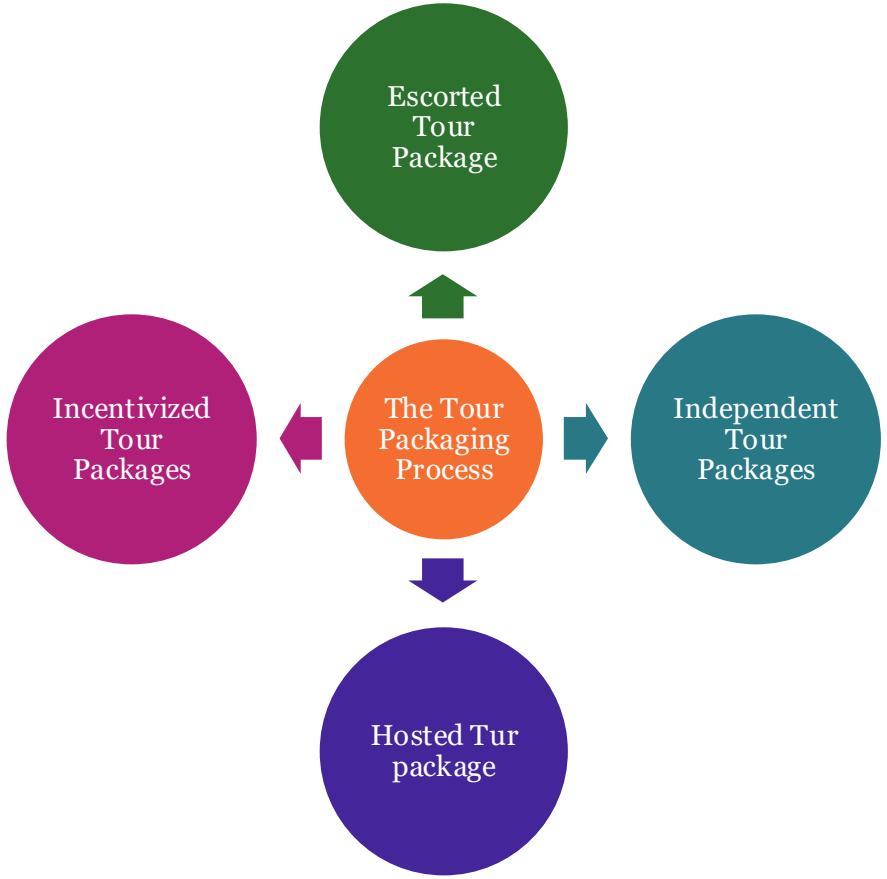
# 5- Classification of Package Tours

### 5.2- Independent Tour Packages

- It is designed for Free Independent Travelers (FITs)
- They prefer to customize their trip based on personal preferences for budget, comfort, and schedule.

**Key Features:**

- Ideal for solo travelers, couples, or small groups
- Travelers choose:
  - Destination
  - Accommodation type
  - Transport mode



# 5- Classification of Package Tours

### 5.3- Hosted Tour Packages

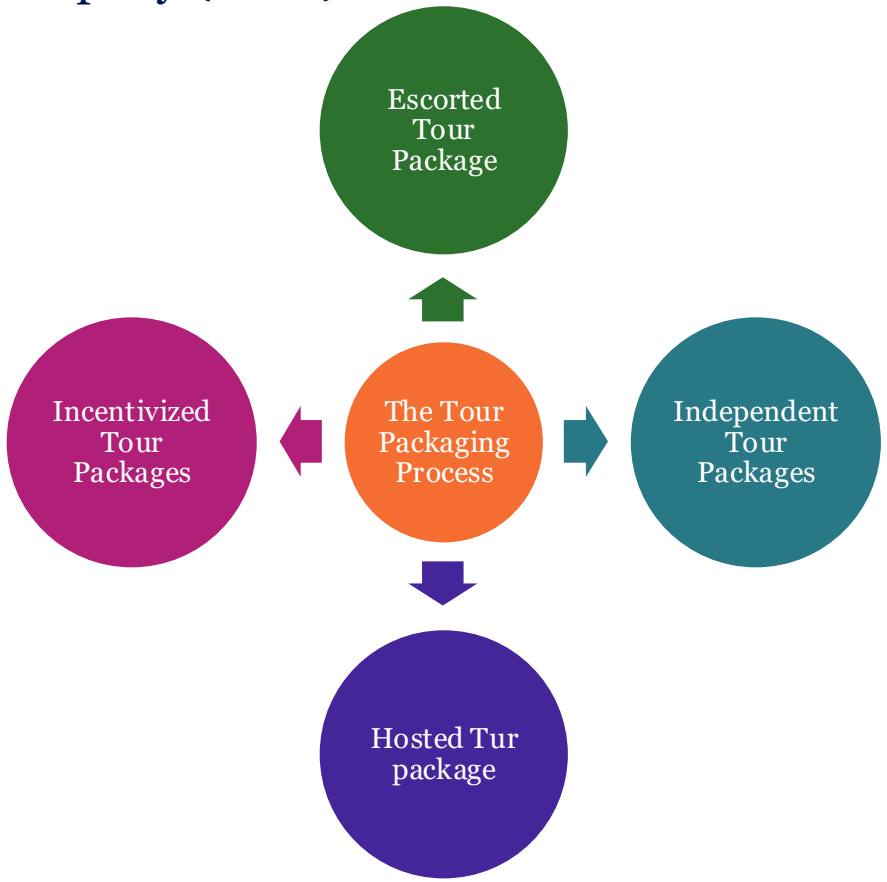
- It is managed by a local ground operator or Destination Management Company (DMC)
- He acts as the host on behalf of the wholesale tour operator

to deliver ground services at the destination.

**- Key Features:**

- Local host receives and assists guests at arrival points
- Services provided include:

- Cab or coach arrangements
- Hotel room confirmations
- Entry tickets & toll taxes
- Local guide services



# 5- Classification of Package Tours

### 5.4- Incentivized Tour Packages

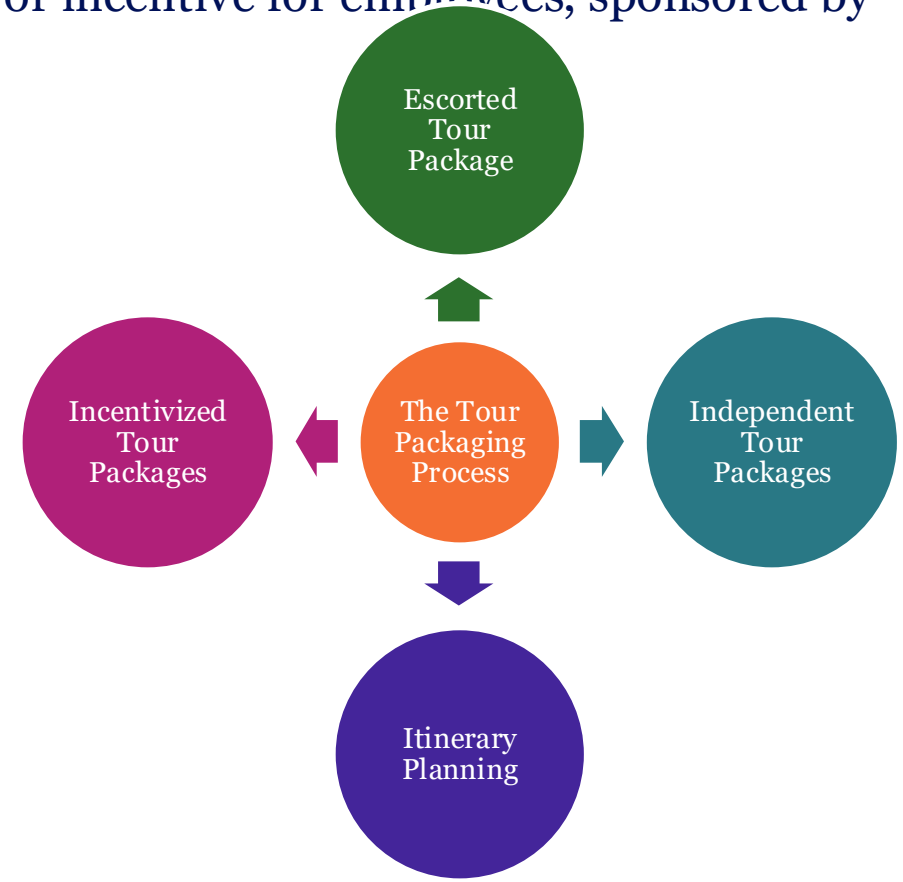
- It is an all-inclusive package tour organized by companies as a reward or incentive for employees, sponsored by the business or corporate houses.

**Key Features:**

- Fully arranged, often luxury or premium

- Includes standard package components:

- Transport
- Accommodation
- Meals
- Sightseeing and activities



Topic 6

# Changes and cancellation of packages

***How a hotel room or a seat reaches the traveller.***

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# 6- Changes and cancellation of packages

**- Changes to Package Travel Before Departure:**

- Sometimes organisers need to change elements of a package.

**- Examples:**

- Changing the departure time.
- Replacing the hotel.
- Changing the flight route.
- Modifying an excursion.
- Increasing the package price under permitted conditions.

# 6- Changes and cancellation of packages

**- Legal considerations:**

- Minor changes may be permitted under the contract and applicable law.

- Significant changes to essential characteristics require specific legal procedures.

- Travellers must be informed clearly and promptly.

- Travellers may have the right to accept the change or terminate the contract without a termination fee.

# 6- Changes and cancellation of packages

**- Price Increases and Price Reductions**

- Under the original Directive (EU) 2015/2302:

**- Price increases:**

- Permitted only in specified circumstances.

- Must be provided for in the contract.

- Must be justified by changes in fuel or energy costs, taxes or fees, or relevant exchange rates.

- The organiser must notify the traveller with an explanation and calculation.

- If the increase exceeds 8% of the total package price, the traveller may terminate without a termination fee.

Topic 7

# Liability, Compensation and Remedies

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# 7- Liability, Compensation and Remedies

**- Liability for Failure to Provide Services**

- The organiser is responsible for the performance of the travel services included in the package.

- Responsibility applies even when individual services are delivered by third-party suppliers.

- The organiser must address problems and provide appropriate remedies.

- The traveller should report the lack of conformity without undue delay.

# 7- Liability, Compensation and Remedies

**- Remedies for Non-conformity**

- When a service does not meet the package contract, travellers may have rights to:

- Request correction of the problem.

- Receive an appropriate alternative service.

- Obtain a price reduction for the affected period.

- Claim compensation for damage where the legal conditions are met.

- Terminate the contract in serious circumstances.

# 7- Liability, Compensation and Remedies

**- Compensation and Financial Remedies**

Travellers may be entitled to:

**1. Price reduction**

- Compensation reflecting the reduced value of the services provided.

**2. Damages**

- Compensation for losses caused by non-performance or improper performance, where the legal conditions are fulfilled.

# 7- Liability, Compensation and Remedies

**- Compensation and Financial Remedies**

**3. Refund**

- Repayment where the contract is terminated or cancelled in circumstances that create a refund entitlement.

**4. Reimbursement of necessary expenses**

- Certain additional costs may be recoverable, depending on the circumstances and applicable law.

# Thank you

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