



HOSPITALITY LAW

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Week 12: Legal Responsibilities in Travel and Tourism



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TRAVEL

The word “ **travel**, ”which means “ **to make a journey**, ”is an English variation of the old French word “ **travailler**, ”which meant “ **to labor long and hard in dangerous conditions.** ”

- Despite this history, the travel and tourism industry is now, according to the World Travel and Tourism Council (WTTC,2020), **the world ' s largest industry, with an estimated economic value of 3.5 trillion dollars in gross domestic product (GDP); moreover, it employs 1 out of every 12 workers worldwide.**

The Travel Industry

- In many parts of the world, the travel industry is referred to as the “ **travel and tourism** ”industry, or even simply the “ **tourism** ”industry

- The term “ travel industry ” will refer to those transportation services, **(airlines, trains, cruise ships, buses, and rental cars)**, lodging facilities **(hotels, motels, resorts, etc.)**, eating and drinking places, sightseeing venues, and amusement and **recreation activities** used by all travelers, as well as to those travel professionals who market products and services to travelers.

- The **number of laws, regulations, and standardized procedures** used in all of the individual industries that, collectively, make up the travel industry are large indeed.

Industry Components

- 1. Preplanning Services (Travel agencies, Tour operators)
- 2. Transportation
- 3. Lodging
- 4. Foodservices
- 5. Attractions and Activities

Economic Breadth and Impact

- Travel and tourism helps local economies in many ways, including:
 1. Export earnings
 2. Enhancement of rural areas

4. Employment

5. Development of infrastructure

6. Tax collections

Complexity of Legal Issues

- The travel industry is **large and complex**; thus, its legal issues are as well.
- Travel law is **unique**, in that it encompasses many **countries, industries, regulatory agencies, and even traditions.**

- Travel law is complicated for a variety of reasons, including:

- Interconnectivity**

- Jurisdiction**

- Variation in terminology and resulting expectations**
- Identity of the actual service provider**
- Uncontrollable forces**

TRAVEL AGENTS AND TOUR OPERATORS

- Not all travelers need the help of travel professionals when they decide to take a trip.
- For many, however, the knowledge and skills of such professionals are extremely **important to the success of their trip.**

- As a result, **travel agents, tour companies, and travel wholesalers** are essential components of today ' s travel industry, making it critical to understand how each operates and how travel law relates to them individually and to the hospitality industry as a whole.

Travel Agents

- They offer customers packages or services provided by tour companies, organize tailor-made travel on request, and sell services such as vacation packages, air tickets, train tickets, cruises, hotel bookings, car rentals, and other services.

How they work?

- Compensation
- Responsibilities
- Regulatory Structure

Potential Liability Issues

- 1. Failure to provide promised services.
- 2. Failure to honor agreed - upon pricing.
- 3. Misrepresentation.
- 4. Failure to discover and disclose.

Tour Operators

- Tour operator is the broad term used to identify those varied companies that purchase travel services **in large quantity and then market those same services to individual travelers.**

- In many cases, tour operators, because they purchase travel services in bulk, **are able to buy them at a significant discount, add a mark - up that represents the tour operator ' s profit margin, and still offer travelers lower prices for these travel services than the individual traveler could negotiate on his or her own.**

Potential Liability Issues

- 1. Nonpayment for prearranged services.
- 2. Nondelivery of promised services.
- 3. Adhesion contracts.
- 4. Liability for injury or accident
- 5. Misrepresentation.

ANALYZE THE SITUATION 12.1

- AS PART OF A THREE - DAY “ Mystery Tour, ” Joan Larson of Apex Travel, Inc., a Wisconsin - based tour operator, contacted the Ragin Cajun restaurant in Illinois, for the purpose of reserving 120 seats for dinner on a Friday night in September

- The tour group arrived, and one male group member, after **three drinks**, began making **rude and suggestive** comments to one of the restaurant 's female servers.

- When Steve, the restaurant manager approached Gene, the Apex tour leader, about the situation, Gene maintained the comments were probably made in harmless fun and should be overlooked by the restaurant.

- “ Besides, ” stated Gene, “ our bus is leaving to go back to our hotel in one hour and that particular tour group member lives several hundred miles away and is unlikely to ever see that server again. ” As the Ragin Cajun ’ s restaurant manager:

- 1. What are your legal responsibilities to your server?
- 2. Who is responsible for controlling this guest's behavior?

- 3. How would you respond to Gene, the tour operator?
- 4. What potential liability does Apex face in this situation?

The Transportation Industry

- The method of transportation travelers select for their trip is typically one of the most important decisions they make.

- **Speed, comfort and safety, and cost** are all factors that determine which method of transportation they will choose.



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Potential Liability Issues

- Legal Jurisdiction
- Overbooking
- Responsibility for Baggage
- Unplanned Changes in Itinerary
- Industry - specific Issues

ONLINE TRAVEL SALES



- Online travel sales are those that are completed via use **of the Internet and the World Wide Web.** They include the sale of hotel rooms, car rentals, and other transportation services such as airline tickets and cruise reservations.

Legal Issues Related to Online Travel Sales

- 1. Parties to the contract.
- 2. Data interface issues.
- 3. Data security/ownership issues.

- 4. Forum (venue) selection issues.
- 5. Lawful advertising

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Thank you!

Next lecture: Safety and Security Issues

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