The revolution of a domain: Disputes in the travel industry

Zine El-Abidine El-Mortadha Marfouq

ABSTRACT

This study investigated the different dispute resolution which is a big issue in the travel sector. After a concise portrayal of each alternative to dispute resolution those alternatives dispute resolutions (ADR) can be used to resolve a dispute between two parties. These six alternatives are compared to each other regarding chosen criteria. Those fourteen criteria are weighted according to their level of importance for dispute resolution. The goal of this paper is to discover which type of alternative is the preferred one when managing a dispute.

The paper is based on a Multi-attribute decision analysis, an additive weighting calculation, a fishbone diagram and articles. These analyses show that Franchising is the preferred solution for seed saving, cost saving, and so on.

Regardless of whether Franchising has disadvantages, it is the favored arrangement. To be sure, you can't generally make certain that one alternative will be a success. In any case, Franchising is the one that will more meet every one of the objectives expecting by both gatherings in Travel.

Keywords: Contract, Signature, Countries, Laws, Project Management, Litigation

INTRODUCTION

“Do you know that some countries are mostly dependent on the travel industry? Paris, New York, Dubai…”

These destinations of dreams which amaze the travelers. In fact, some countries have their GDP increasing due to tourism spending. Tourism is one of the important industries in the world because it contributes to the national income. “During the last 15 years, between 1995 and 2010 international tourist arrivals had increased from 540.6 to 935 million, and the total tourism

---

1 Editor’s note: Student papers are authored by graduate or undergraduate students based on coursework at accredited universities or training programs. This paper was prepared for the course “International Contract Management” facilitated by Dr Paul D. Giannalvo of PT Mitratara Citragraha, Jakarta, Indonesia as an Adjunct Professor under contract to SKEMA Business School for the program Master of Science in Project and Programme Management and Business Development. http://www.skema.edu/programmes/masters-of-science. For more information on this global program (Lille and Paris in France; Belo Horizonte in Brazil), contact Dr Paul Gardiner, Global Programme Director, at paul.gardiner@skema.edu.

2 How to cite this paper: Author last name, first initial (2019). The revolution of a domain: Disputes in the travel industry, PM World Journal, Vol. VIII, Issue IV (May).

3 Countries which are most dependent on the travel industry. (2017, April 26). Retrieved from https://howmuch.net/articles/travel-tourism-economy-2017
receipts had increased from USD 410.7 billion to USD 919 billion representing an annual average growth of 5.52%.

Concerning the project which is defined as an investment which requires a set of logically linked and coordinated activities performed over a finite period in order to accomplish a unique result in support of a desired outcome. For the domain of travel, an example of a project can be a hotel, the investment requires a big commitment of financial resources, usually it’s the chain of big hotels around the world who invest in. The constraint of the hotel project is the time; a hotel take minimum 2-3 years depending on the country and the contract of permit construction who can affect the duration of a building. The desired outcome is expected to benefit the entity or entities who have invested in the project, generally investors expect their return on investment the soon as possible to get a benefit and reinvest them.

What is a program? 4 different definitions regroup the program:

- A **strategic program** which deliver assets and benefits that are directly linked to attaining the sponsoring organization’s future state, for example the developing of many agencies around the world in order to raise the clients, the reputation of the company and make more profits.

- An **operational program** which deliver assets and benefits that are critical to the sponsoring organization’s day to day operations, for example the backing up the computers each day, verify the servers if they are not full, the reserve of stock of Passports, making sure that the software is updated.

- **Multi-Project Program** that achieves synergies from projects with common traits such as shared resources, similar clients or product technology, for example a travel agency who works with a tour operator in a country can propose different travel packages for groups, in France 3 groups located in Paris, Marseille, and Lyon want the same trip in the same country, the travel agency will sell wholesale, and create different departures according to each aeropart.

---


5 Harris, P., Kriel, J., LeServe, M., Riaz, Y., Giammalvo, D. P. D., Illingworth, S., … Weaver, P. (n.d.). 01.1.2. In Guild of project controls compendium and reference (car). Retrieved from http://www.planningplanet.com/guild/gpccar/introduction-to-managing-project-controls?fbclid=IwAR28qfz7FcD6qA60E11dZs03w9m7QRPXKd5q1b1dTVN98qRvAE-0tf0HA


7 Harris, P., Kriel, J., LeServe, M., Riaz, Y., Giammalvo, D. P. D., Illingworth, S., … Weaver, P. (n.d.). 01.1.2.1.05 In Guild of project controls compendium and reference (car). Retrieved from http://www.planningplanet.com/guild/gpccar/introduction-to-managing-project-controls?fbclid=IwAR28qfz7FcD6qA60E11dZs03w9m7QRPXKd5q1b1dTVN98qRvAE-0tf0HA
Mega-Project that deliver a specific asset to the sponsoring organization, for example a travel agency who have the possibility to obtain many visa hajj who is regulated by the Saudi government, and creating 5000 travel product that allows clients going doing their Haj.

A travel program always represents a long-term vision, for example: When a travel agency organizes for the only goal to sell grouped trip to make a benefit, considering elements assets like airlines tickets, room chambers, visa fees, guides...

About the asset which can be “a tangible or intangible resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.”

We can notice there are 5 assets classes:

13 Human assets: Human resources control this section, HR for the domain of travel manage a lot of recruitments and relations with other partners, companies around the world.
   - The key human assets for a travel agency are: Travel Agent, Personal human resource manager.
13 Intangible assets: Difference between a company’s book value and market capitalization value.
   - The key intangible assets for a travel agency are: Softwares, patents, non-concurrence clauses, R&D, clients lists.
13 Physical Assets: Functional entities such as “heavy equipment shop”.
13 Information Assets: Controlled by functional groups like IT, engineering. Dedicated to the research and innovation of new ways to sell a flight ticket, or all-inclusive travel package...
13 Financial Assets: Financial and accounting aspects which will be used to finance hotels, travel websites...

For the portfolio of projects which represents the minimize of the risk and maximize the return. Any organization, be it owner or contractor has a portfolio of assets available to dedicate to projects, with the objective is to develop the best "mix" of projects which will generate the most favorable return on those “assets”.

The project portfolio of a travel manager would be "Top Line" Project, because however the different types of travel companies, they sell a product (a travel, a room, a flight) and reinvest into marketing initiatives, after each ending of the project, a new capital investment is always

---

8 Harris, P., Kriel, J., LeServe, M., Riaz, Y., Giammalvo, D. P. D., Illingworth, S., … Weaver, P. (n.d.). 01.1.2.1 In Guild of project controls compendium and reference (car). Retrieved from http://www.planningplanet.com/guild/gpccar/introduction-to-managing-project-controls?fbclid=IwAR28qf77FcD6qA60E11dZs03w9m7QRPXKd5q1b1dTVNm98qRvAE-0tf0HA

9 Harris, P., Kriel, J., LeServe, M., Riaz, Y., Giammalvo, D. P. D., Illingworth, S., … Weaver, P. (n.d.). 01.1.2.1.07 In Guild of project controls compendium and reference (car). Retrieved from http://www.planningplanet.com/guild/gpccar/introduction-to-managing-project-controls?fbclid=IwAR28qf77FcD6qA60E11dZs03w9m7QRPXKd5q1b1dTVNm98qRvAE-0tf0HA
considered (by buying part in small travel companies, invest in hotels located in countries in way of development).

For Example, Travel agency lunch a new travel product: Ten days at Phuket in Thailand. We will consider all the costs related to the creation of the travel product (buying ticket, room, fees), that's our project capital. The risk of this portfolio of travel project is to not sell all the places, because we booked a certain place in a given place. The return can be maximized in increasing the price in order to determine a big margin.

Many business categories on travel industry are based on agreements exchange with hotels, airlines companies, guides … Each travel category represents different negotiations to make a travel product so each category must be validated and booked in order to sell the product. Most of the C.E.O and leaders of big companies and associations sign every day an international contract with hotels, suppliers… In the world. This paper can give the opportunity to study how a project manager can avoid problems during the establishment and after signing a contract, but also the mistakes to avoid.

A business travel contract is a legal agreement between a customer or a travel business company and a supplier which states the agreed stipulations. This covers the formalities of the agreement such as agreement period, go-live date and payment terms, otherwise a contract can be adaptable depends on the country which the deal will be made. We can notice that the quality of work and the seriousness of the contractor make the deal more quickly and efficiently.

This research is very important because more and more big companies are doing business in other countries so know how to manage a contract between different countries can be essential for future professional life. The problem is that companies do not study enough the way of concluding a contract between 2 companies of 2 different countries. Also, the research can give many instructions and information about the different specifications depending on the country, it's important to specify that diverse laws are affecting international contracts, and some of the countries do not agree with the free trade agreements (so it can have an impact on the contract for goods and services for example). Resolving a dispute between parties to an international contract is another important issue to be explored. It is common to include clauses that outline how parties should resolve disputes, including a specification of which country's law will apply.

---

This fishbone diagram illustrates the main root causes that happen on an international contract. The diagram represents 4 parts (4’S): Surroundings, Systems, Suppliers, and Skills. The main causes of surroundings resume the travel industry environment, in fact travel internet website must be improved in order to purchase travels, we can also notice that there is a poor security in the fact that the travel seller should respect all the engagements he notices when he commercialize a product, all the clauses have to be respected. Suppliers resume the relationship between the main actors in the industry, Hotels and airlines companies are always overbooked and these actors give no trust until we conclude and sign a contract. The travel industry systems should be reviewed: Regroup all the smalls websites in a big one, intelligent comparators of travels can merge with each other. Concerning the skills, we can notice the absence of a strong marketing campaign for travel agencies, travel websites, some international hotels and many clients complain about the shortage of information concerning flight hours, visa procedures…

The problem of the company is related by problems of dealing with an international contract, if we gather the data associated with the problem, we can see that several causes like we see on the fishbone diagram are potential causes for the problem.

The changes to make that an international contract can be safer is to create an international law to protect the contract subscriber against a non-respect of the terms and conditions, non-respect of the delays of delivery process… In the case of tourism, is more the non-respect of hotels booking rooms or flight tickets, flight places…. If we implement change, it will implicate the international jurisdiction to establish to law and to regulate it depending on the countries.

By Author

FIGURE 4’s Fishbone Diagram

11
For example: After expecting a delivery of 1000 shoes in China (We are a big company in France) and 30 days after signing the contract and pay the supplier the shoes didn’t go yet, so the responsibility is accorded to the supplier but many options can happen to get the shoes or the refund. The root causes shown us that international contract must be reviewed before signing, the law is a root cause too, because different laws can have the power in the way of establishing a contract.

So, before concluding a contract there are many topics which are important to verify: Parties, Duties, Geographic scope, language, Notices, Currency, Intellectual Property, Audit Rights, Confidentiality, Term, Termination, Remedies, Governing law, Dispute resolution and venue.

An international contract refers to a legally binding agreement between parties, based in different countries, in which they are obligated to do or not do certain things. An international contract may be written in a formal way. Most businesses create contracts in writing to make the terms of agreement clear, often seeking legal counsel when drawing important contracts.

To summarize, the purpose of this research will lead us to ask these questions:

What are the leading causes of disputes in the Travel Industry?
What are the best options to resolve these disputes?

METHODOLOGY

As described in the first part of this paper, the idea is to find to best method/s to resolve, or even avoid, conflicts between the actors of the travel industry. To do so, and upstream analysis of the prevalent causes of disputes in this field is needed, leading to a greater understanding of their consequences or how to handle them. The objective here is to consider the different feasible alternatives that could be put in place to answer the big question of the conflict resolution in the travel sectors.

Step 1 – Problem definition

The primary objective of this paper is to identify which problems can represent a threat in the industry, the paper is going to answer the following questions:

➢ The “uberisation”\(^\text{12}\) of the domain can replace the existing strategy of working?
➢ The liberalization of the visa can have an economic impact?

When websites like Airbnb, Boaterfly, Wijet records a big increase in sales, the turnover of travel agencies decrease, WHY? because travel agencies have the industrial expertise which will advise you until you buy your product safely. The problem is that the earned value of travel websites is

not counted with travel agencies because websites and agencies are 2 different clients for airlines companies and hotels…

The liberalization of visa is for one part a good economic opportunity for emergent countries but It’s also a threat for travel agencies because some countries like Saudia Arabia deliver a quota of visa which is split into different travel companies, agencies.

**Step 2 – Feasible alternatives**

To answer the questions above, a comparison of project management using travel contracts need to be conducted. We need to remember that few Alternative Dispute Resolutions (ADR) exist and are utilized regularly when managing a debate between two gatherings. Henceforth, these options are Prevention, Negotiation, Mediation, restricting Arbitration and non-restricting Arbitration. Litigation is another arrangement yet with this one you will court. These choices are utilized relying upon the circumstance you are in and the outcomes you are anticipating.

![ADR Process Diagram]

*Figure 2: Outlining the escalations steps in the ADR process*

Presently, that the options are chosen, we will build up a Multi-Attribute decision analysis to demonstrate which one is more proficient.

The main essential thing is to have a reasonable meaning for every option. It is necessary before beginning the Multi-Attribute Decision Analysis. This examination will measure each objective and goals for the choices.
Now that we have been through the identified feasible alternatives solutions to answer our problem, let’s focus on the attributes\(^\text{14}\) that we are going to use to measure, access and evaluate each one of them.

- **Prevention**: “prevention is the best form of conflict resolution and supports several ‘best practices’ that help reduce problems in projects.”\(^\text{15}\) The undeniable first option to manage conflict resolution is certainly to prevent this type of situation from happening. In handling properly the key elements to a favorable work atmosphere, disputes are less likely to arise.

- **Negotiation**: in other words, “discussing problems and resolving them consensually by focusing on the legitimate interests of both parties”\(^\text{16}\). A negotiation is an important approach of conflicts resolution, it helps to understand the other and arriving in a win-win situation in the best case, when people adopt cooperative behaviors.

- **Standing Neutral**: “is a trusted, independent expert advisor (or a panel of three advisors) chosen by contracting parties to help resolve any disputes that arise between them during the contractual relationship”\(^\text{17}\). This method is favored for a peaceful conflict resolution where it is important not to hurt the existing relationship between the parties. It can help to avoid the escalation of the conflict and prevent negative outcomes.

- **Non-Binding Resolution**: when the conflict is, for some reason, impossible to be dealt with internally or when, as the person in charge – project manager for example, you do not want to take sides with one of your employees, then the intervention of a third party can be appropriate to find the right solution. These kinds of procedures aims at helping and assisting the parties involved to reach an agreement.\(^\text{18}\) The non-binding resolution allows the parties involved to get advice on the dispute and also regarding the law; but this action has no legal power and the parties are not forced to adopt the suggested solution.\(^\text{19}\)

---


• **Private Binding Resolution:** “Binding arbitration means that the parties waive their right to a trial and agree to accept the arbitrator's decision as final”\(^{20}\). This method is processed the same way that the Non-Binding Resolution, except that as its name indicates, the final decision taken by the arbitrator has to be accepted by the parties involved.

• **Litigation**\(^{21}\): this alternative solution is the escalation of the previous ones. For problems too important to be solved easily and internally, then you can go to court to find an end solution to the dispute. This method is a bit aggressive and would of course be avoided as much as possible; even if sometimes, there is no other choice.

We identify the main criteria to discern which criteria affect the choice of the alternative:

• **Freedom to Choose a Neutral and Competent Decisionmaker:** the freedom to choose can be decisive in the outcome of the dispute.

• **Cost:** as one of the principal resources of all projects, the budget is something to consider in every taken decision. Going through conflict resolution can be money consuming.\(^{22}\) The cost of the chosen solution to resolve a dispute is something to take into consideration and that matters for the persons involved.

• **Speed:** conflicts and in particular their resolution can be time-consuming. As time is another precious resource, this attribute has to be considered regarding the fact that the less long a conflict is lasting, the better. On top of that, when a conflict is happening, people tend to be more focused on what is going on than on their job, this inevitably affects their productivity.\(^{21}\)

• **Confidentiality:** confidentiality can weight in the choice of the method to resolve a conflict. Some conflicts can have negative consequences and are better-kept secret between the persons involved.

• **The flexibility of process:** the way to resolve a dispute can range from very informal to very formal. It depends on the context and the persons involved. Sometimes, dealing with a conflict informally can lead to a quicker resolution and can help handle the situation if

---


the involved parties show good faith. On other occasions, resolving a dispute based on rules and regulation can lead to better outcomes. This attribute is important because there is not just one universal method to resolve a conflict so the flexibility of the chosen process matters.

- **Absence of appeal:** when one – or both of the parties are not happy with the final solution of the conflict resolution process adopted, it is sometimes possible to appeal this decision, and sometimes not. Both have pros and cons.

- **Enforceability:** this attribute will help us evaluate the enforceability of the chosen method as is it crucial in conflict resolution that the final solution is actually applied/adopted.

- **Potential need for Court Intervention**

- **Programming:** the implementation of logic to facilitate specified computing operations and functionality. It occurs in one or more languages, which differ by application, domain and programming model.\(^{24}\)

- **Design:** Design management encompasses the ongoing processes, business decisions, and strategies that enable innovation and create effectively-designed products, services, communications, environments, and brands that enhance our quality of life and provide organizational success.\(^{25}\)

- **Work execution:** An information system that connects, monitors and controls complex manufacturing systems and data flows on the factory floor. The main goal of an MES is to ensure effective execution of the manufacturing operations and improve production output.\(^{26}\)

- **Change management:** a systematic approach to dealing with the transition or transformation of an organization's goals, processes or technologies. The purpose of change management is to implement strategies for effecting change, controlling change and helping people to adapt to change.\(^{27}\)

- **Franchising:** Arrangement where one party (the franchiser) grants another party (the franchisee) the right to use its trademark or trade-name as well as certain business systems

---

\(^{24}\) Definition of programming. Retrieved from [https://www.techopedia.com/definition/13128/programming](https://www.techopedia.com/definition/13128/programming)

\(^{25}\) Definition of design management. Retrieved from [https://www.dmi.org/page/what_is_design_management](https://www.dmi.org/page/what_is_design_management)

\(^{26}\) What is the execution system? Retrieved from [https://searcherp.techtarget.com/definition/manufacturing-execution-system-MES](https://searcherp.techtarget.com/definition/manufacturing-execution-system-MES)

\(^{27}\) What is change management? Retrieved from [https://searchcio.techtarget.com/definition/change-management](https://searchcio.techtarget.com/definition/change-management)
and processes, to produce and market a good or service according to certain specifications.\textsuperscript{28}

- **Controlling:** Controlling consists of verifying whether everything occurs in conformity with the plans adopted, instructions issued and principles established. Controlling ensures that there is effective and efficient utilization of organizational resources so as to achieve the planned goals.\textsuperscript{29}

**Step 3 – Development of the outcomes**

Among the different existing devices and method permitting to rank the conceivable arrangements we created above, we will center here around a non-compensatory demonstrate utilizing disjunctive thinking.

Through this approach, we “take a look at all the attributes and conduct a Pair-Wise comparison to determine which attributes are the most important.

the most essential quality, or the "best" one is the freedom to choose, trailed by the enforceability of the picked option. The "worst" attributes are separately the confidentiality and the absence of appeal.

As said in the character description, freedom to choose and flexibility are important because all contentions are different, therefore, they should be managed in an unexpected way. The time and money spent on conflict resolution are everybody's issue, it is constantly attractive for all gatherings included that the debate is explained the quickest conceivable and at the most reduced cost. Regarding confidentiality, it is also an important point, but not for all conflicts. It can be crucial that the conflict stay private, but this is not always the case, as well as the concern of "absence of appeal" that doesn't apply for all conflicts as an appeal is not always wanted/needed.

This approach is based on subjective criteria as the attributes are ranked from the best one to the worst one but we cannot compare them relative to one another in terms of score. We defined that flexibility is more important to consider but we cannot estimate how much better it is to consider an alternative based on its flexibility than based on its cost for example.

**Step 4 – Selection of criteria**

Now, that the alternatives are selected, the point is to identify the goals and objectives to have a beginning of clarification about these five dispute resolution solutions. With the end goal to assign those options, we will now consider a compensatory demonstrate, utilizing a non-dimensional

\textsuperscript{28} Definition of franchising. Retrieved from http://www.businessdictionary.com/definition/franchising.html

scaling procedure. Every elective arrangement will be assessed from "excellent" to "poor" – considering "good" and "fair" – as respect to the past picked qualities:

Table 1: Analyze of the alternatives solutions

<table>
<thead>
<tr>
<th></th>
<th>Prevention</th>
<th>Negotiation</th>
<th>Standing Neutral</th>
<th>Non-Binding Resolution</th>
<th>Private Binding Resolution</th>
<th>Litigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom to choose</td>
<td>Poor</td>
<td>Excellent</td>
<td>Good</td>
<td>Fair</td>
<td>Excellent</td>
<td>Poor</td>
</tr>
<tr>
<td>Cost</td>
<td>Excellent</td>
<td>Fair</td>
<td>Good</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Poor</td>
</tr>
<tr>
<td>Speed</td>
<td>Excellent</td>
<td>Good</td>
<td>Excellent</td>
<td>Good</td>
<td>Excellent</td>
<td>Poor</td>
</tr>
<tr>
<td>Confidentiality</td>
<td>Good</td>
<td>Excellent</td>
<td>Poor</td>
<td>Poor</td>
<td>Poor</td>
<td>Excellent</td>
</tr>
<tr>
<td>Flexibility of process</td>
<td>Good</td>
<td>Good</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Poor</td>
<td>Excellent</td>
</tr>
<tr>
<td>Absence of appeal</td>
<td>Excellent</td>
<td>Poor</td>
<td>Poor</td>
<td>Good</td>
<td>Fair</td>
<td>Fair</td>
</tr>
<tr>
<td>Enforceability</td>
<td>Fair</td>
<td>Excellent</td>
<td>Good</td>
<td>Fair</td>
<td>Fair</td>
<td>Poor</td>
</tr>
<tr>
<td>Potential need for court intervention</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Good</td>
<td>Fair</td>
<td>Excellent</td>
<td>Fair</td>
</tr>
<tr>
<td>Programming</td>
<td>Good</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Fair</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Design</td>
<td>Excellent</td>
<td>Poor</td>
<td>Poor</td>
<td>Poor</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Work execution</td>
<td>Excellent</td>
<td>Poor</td>
<td>Poor</td>
<td>Poor</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Management during exercise</td>
<td>Poor</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Fair</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Franchising</td>
<td>Poor</td>
<td>Excellent</td>
<td>Good</td>
<td>Excellent</td>
<td>Fair</td>
<td>Poor</td>
</tr>
<tr>
<td>Controlling</td>
<td>Poor</td>
<td>Excellent</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
</tbody>
</table>

The ultimate step is to calculate the relative weight of each attribute: “Excellent” worth 3, “Good” worth 2, “Fair” worth 1 and “Poor” worth 0

---

30 By Author
Table 2: Analysis of the alternative solutions

<table>
<thead>
<tr>
<th></th>
<th>Freedom to choose neutral/Decision making</th>
<th>Cost</th>
<th>Speed</th>
<th>Confidentiality</th>
<th>Flexibility of process</th>
<th>Absence of appeal</th>
<th>Enforcement</th>
<th>Potential need for court intervention</th>
<th>Programming</th>
<th>Design</th>
<th>Work execution</th>
<th>Management during exercise</th>
<th>Franchising</th>
<th>Controlling</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Negotiation</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standing Neutral</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Non-Binding</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>31</td>
</tr>
<tr>
<td>Private Binding Resolution</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>Litigation</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

**FINDINGS**

**Step 5 – Analysis and comparison of the alternatives**

<table>
<thead>
<tr>
<th></th>
<th>Prevention</th>
<th>Non-binding resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>Medium</td>
<td>1</td>
<td>Medium</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>Low</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Negotiation</th>
<th>Standing Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>2</td>
<td>High</td>
</tr>
<tr>
<td>Medium</td>
<td>1</td>
<td>Medium</td>
</tr>
<tr>
<td>Low</td>
<td>0</td>
<td>Low</td>
</tr>
</tbody>
</table>

*Figure 3: Compensatory model – Relative weighting*

---

31 By Author
32 By Author
Step 6 – Selection of the preferred alternative

After using the compensatory model approach of the Multi-Attribute Decision Making (MADM) method, the preferred alternative seems to be ‘Franchising’ since it has the highest score: 1.6.

Franchising is a better choice of 135% than Programming.

The ranking from the best to the worst alternative is the following:

Franchising > Cost > Potential > Flexibility > Management during exercise/Work execution/Controlling > Enforceability > Speed > Programming.

---

Figure 4: Compensatory model – Relative weighting

Figure 5: Compensatory model – Additive Weighting Technique

---

33 By Author
34 By Author
Step 7 – Performance monitoring and post-evaluation of results

The author's advice is to firstly use Franchising as an alternative to resolve the dispute in the Travel industry. Indeed, this alternative does not involve too much time and cost and it enables the disputants to keep private about their contention. Moreover, it has fewer chances to impact the good relationship between them. If Franchising does not enable to achieve the desired goal, then the author suggests using Cost which is a better choice and which would have a better chance of resolving the dispute. The author recommends that these dispute transformation options are written in the underlying contract by a shared understanding with the end goal to encourage forms.

In order to monitor that this recommendation is a good one, we can firstly investigate if projects which use Franchising, have great success in resolving disputes compared to other alternatives proposed.

Moreover, it would be interesting to measure if the use of Franchising in the Travel industry has increased after this recommendation was made, compared to other dispute resolution alternatives.

CONCLUSIONS

It is now important to answer the different questions this paper asked:

- **What are the leading causes of disputes in the Travel Industry?**

  The Travel industry is a sector where things need to go fast and where a good reputation is important because of the high level of competition. When websites like Airbnb, Boaterfly, Wijet records a big increase in sales, the turnover of travel agencies decrease, WHY? because travel agencies have the industrial expertise which will advise you until you buy your product safely. The problem is that the earned value of travel websites are not counted with travel agencies because websites and agencies are 2 different clients for airlines companies and hotels… The liberalization of visa is for one part a good economic opportunity for emergent countries but It's also a threat for travel agencies because some countries like Saudia Arabia deliver a quota of visa which is split into different travel companies, agencies.

- **What are the best options to resolve these disputes?**

  According to the author analysis of the different alternatives using the MADM model and taking into account that all criteria do not have the same weight, the recommendation is that Franchising is the best effective dispute resolution method in the Travel Industry. Franchising by expecting a consequent development in the industry involves big projects. Today, the travel agencies are too many, the competition is growing strongly in the market. The logistic of work is not generalized so the sector increase slowly. Franchising will permit a centralization of a way of working, a consequent increase on agency market shares.
Follow on research

More research on that questions could be very interesting for the travel industry. For instance, a more top to bottom examination could be driven by breaking down at a more exact dimension the best options for settling the question. What the creator implies by "exact dimension" is to direct the examination as indicated by the partners associated with the question. For instance, franchising could be the best effective method for a dispute between a travel agency and a travel website but not for a dispute between a hotel and a travel agency. Thus, a deeper analysis of how to resolve the dispute could be conducted depending on the stakeholders involved.

BIBLIOGRAPHY


https://www.techopedia.com/definition/13128/programming

https://www.dmi.org/page/what_is_design_management

https://searcherp.techtarget.com/definition/manufacturing-execution-system-MES

https://searchcio.techtarget.com/definition/change-management

http://www.businessdictionary.com/definition/franchising.html

https://www.managementstudyguide.com/controlling_function.htm
About the Author

Zine El-Abidine Marfouq

Paris, France

Zine El-Abidine El-Mortadha MARFOUQ is a French student at SKEMA Business School (Paris), specialized in Project and Program Management and Business Development. He was graduated with a Bachelor’s Degree from ESG Business school and obtained a double diploma International Business Administration in Manhattan Institute of Management in New York. He joined SKEMA in 2017 and improved his knowledge in Finance and Management during classes and internships. This student paper has produced with the reason of getting it published with the PM World Journal, and this paper is based on researches, interviews, and personal feedbacks. His last internship in Finance and business development in Bo Concept (New York) showed an ambiguous desire to learn the project management. He also works alternately in a travel agency in the administrative and financial direction. His experience in tourism involved him in big projects managements like organizing grouped trips, developing marketing campaigns for different travel agencies. He speaks fluent French, English, moderate Arabic.

He lives in Paris, France and can be contacted at zine.marfouq@skema.edu