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TRAVEL AGENCIES IN ŁÓDŹ AT THE BEGINNING OF THE 21ST CENTURY: THEIR ORIGINS, TYPES AND DISTRIBUTION

Abstract: The article presents a continuation of research on the distribution of travel agencies in Łódź, carried out in the mid-1990s, 2006 and 2010 by academics from the Institute of Urban and Tourism Geography. Observations on Łódź travel agencies over the last 25 years lead to the conclusion that it is a dynamic phenomenon. Agencies appear and disappear, change their names and locations, as well as their aims and range of activity. The paper presents a short historical outline of travel agency development in Łódź, a classification of agencies based on aims and range of activity, as well as their distribution within city space. The conclusions concern certain limitations and threats to the further development of Łódź travel agencies resulting from external (formal) and internal causes.

Keywords: Łódź, travel agency, tourism organizer, tourism intermediary, tourism agent, distribution, centroid.

1. INTRODUCTION

The article presents a continuation of research on the distribution of travel agencies in Łódź, carried out in the mid-1990s (GRZELKA 1996), 2006 (KACZMAREK, LISZEWSKI & WŁODARCZYK 2006) and 2010 (LATOSIŃSKA 2011). The observations on travel agency distribution in Łódź over the last 25 years lead to the conclusion that it is a dynamic phenomenon. Agencies appear and disappear, change their names and locations, as well as their aims and range of activity. The conditions for the development of travel agencies in Łódź can be divided into external and internal. The external include the level of national economic development, the actual demand for tourism services reflecting the purchasing power of Polish society, standard of living and lifestyle, formal and legal regulation concerning travel agencies as financial entities and freedom of travel, e.g. membership of the Schengen group, and passport and visa regulations. The internal conditions include the specific character of Łódź as a large city, its demographic and economic potential, the unemployment rate, its inhabitants' standard of living, and their need for rest and recreation which travel agencies want to satisfy.

The author's aim is to define the number of travel agencies in Łódź in 2015, present their history, diversification and distribution within city space, as well as some regularities and conditions of the functioning of Łódź travel agencies.

Travel agencies were discussed by the author in her earlier works (LATOSIŃSKA 2006, 2011). In this article, she assumes that travel agencies are '… specialized entities providing intermediating and organisational services…' (KONIECZNA-DOMAŃSKA 2008, p. 9). They play the role of intermediaries between entities offering tourism services and tourists, and the role of entities providing their own services. In the light of the Tourism Services Act of 29th August 1997, the following types of travel agencies function on the Polish tourism market: tourism organizer, tourism intermediary and tourism agent[1] (LATOSIŃSKA 2006, pp. 86-88). From the economic point of view, travel agencies are on the supply side of the tourism market; their activity was discussed in detail in the work by M. KACHNIEWSKA, E. NAWROCKA, A. NIEZGODA & A. PAWLICZ from 2012, entitled *Rynek turystyczny. Ekonomiczne zagadnienia turystyki (Tourism market: economic issues of tourism)* and the work by A. PANASIUK from 2014, entitled *Rynek turystyczny. Studium strukturalne (Tourism market: a structural study).*

2. A HISTORICAL OUTLINE OF TRAVEL AGENCIES

The beginnings of travel agencies in Łódź and in Poland in general date back to the interwar period. The first travel agency, in the present understanding of the term, was *Orbis*. It was founded in 1923, in Lvov, but soon moved its headquarters to Warsaw. The next was the Tourism and Recreation Co-operative '*Gromada*', established in 1937 in Warsaw. The agencies operating in Łódź in the interwar period (1938) included Wagon Lits/Cook, Orbis, Gromada, Argos, Frankpol and Poltur. After the Second World War, tourism enterprises changed along with the political and economic situation of the country. By 1981, the number of travel agencies in Łódź had risen to ten; they were mainly state agencies, such as the Polish Travel Agency '*Orbis*' (from 1991 – 'Orbis Travel', which announced bankruptcy in 2010), the Tourism and Recreation Co-operative '*Gromada*' (currently Polish Tourism Co-operative '*Gromada*' – the oldest travel agency in Poland), PTTK Tourism Traffic Service, Co-operative Tourism Office 'The Tourist', Youth Tourism Office '*Juventur*', Sports Tourism Office 'Sports-Tourism', and Student Tourism Office '*Almatur*'. They were divisions of state agencies based in Warsaw. Before the socio-economic transformation in 1981, the first private travel agency in post-war Poland had been founded in Łódź – Wojciech Marzyński's '*Tour-Retour*', which at first organized tourism events in Poland and later abroad, mostly pilgrimages. The company still functions as a travel agency under a slightly changed name – The '*Tour-Retour*' Tourism Centre. It was followed by other, mostly private travel agencies were founded, e.g. Intertour, Atlas, Panorama, Atlas, Grand Tour, Orbital, Tourpol, Harctur, Trade & Travel, Rainbow Tours, Logos Tour, etc.

In 1981-91, the number of travel agencies increased six times, a result of the political and economic transformation in Poland including the change of a centrally planned economy into a market economy. In 1991, there were over 60 registered travel agencies. In 1991-94, that number increased three times and in the mid-1990s Łódź had 198 travel agencies, the majority of which were established in 1992 and 93. They were mostly small firms with 1-6 employees; many of them were short-lived and quickly replaced by new ones. Another group consisted of agencies derived from entities operating in earlier years as state institutions or co-operatives which often became private enterprises after the ownership system transformation, and involved in organizational or intermediary activity. Travel agencies were situated mainly in the city centre, and over 50% of them were based in the Śródmieście district (GRZELKA 1996). Twelve years later, in 2006, Central Register of Tourism Organizers and Intermediaries listed 157 institutions holding permits to sell tourism services, which was 41 fewer than in 1994. This may have been due to an act on tourism services in 1997, regulating the tourism services market, an act on the freedom of economic activity, establishing a Central Register of Tourism Organizers and Intermediaries, as well as a result of joining the European Union in 2004. According to available records, in 2010 there were 206 travel agencies in Łódź, while currently (2015) – there are 200. Considering the time when they were established and/or registered, 5% of the travel agencies currently operating in Łódź were founded before 1989, 19% in 1989-98, 31% in 1999-2008, and 45% in 2009-15. Most agencies have been founded recently and only a small number of the older ones have survived until the present day demonstrating the dynamism of the market in Łódź (Fig. 1).

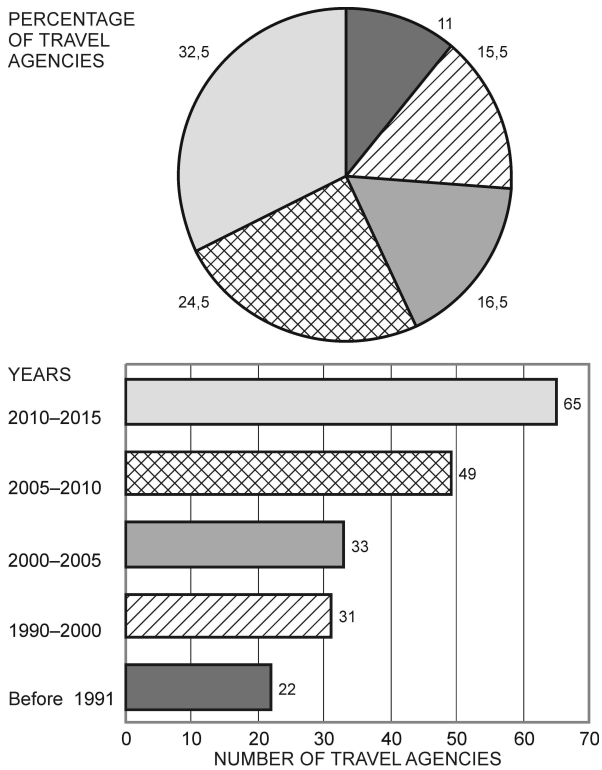

Fig. 1. (a and b) Year of foundation/registration of Łódż travel agencies operating in 2015
Source: author

For some time, the number has been relatively stable, oscillating around 200, but they are not the same agencies – apart from some well-established ones, there is a rotating group of newly created ones. In the last five years, a lot of new names have appeared, as well as tour operators' sales offices and service outlets for customers of on-line agencies.

Table 1. The positions of Łódź tourism organizers on the national ranking (based on financial results for 2009-14)

Position	Year					
	2009	2010	2011	2012	2013	2014
1	Biuro Podróży 'Itaka' sp. z.o.o.	Biuro Podróży Itaka (legal form: Nowa Itaka sp. z.o.o.	Biuro Podróży Itaka (legal form: Nowa Itaka sp. z.o.o.	Nowa Itaka sp. z.o.o.	Nowa Itaka sp. z.o.o.	Nowa Itaka sp. z.o.o.
2	Triada S.A.	Triada S.A.	TUI Poland Co. Sp. z.o.o.	TUI Poland sp. z.o.o.	TUI Poland sp. z.o.o.	**Rainbow Tours S.A.**
3	TUI Poland sp. z.o.o.	TUI Poland sp. z.o.o.	**Rainbow Tours S.A.**	**Rainbow Tours S.A.**	**Rainbow Tours S.A.**	TUI Poland
4	Neckermann Polska Biuro Podróży sp. z.o.o.	**Rainbow Tours S.A.**	Neckermann Polska Biuro Podróży sp. z.o.o.	Wezyr Holidays Service sp. z.o.o.	Neckermann Polska Biuro Podróży sp. z.o.o.	Wezyr Holidays Service sp. z.o.o.
5	'Alfa Star' Biuro Podróży Izabela Strzylak, Sylwester Strzylak general partnership	Neckermann Polska Biuro Podróży sp. z.o.o.	Alfa Star Biuro Podróży Izabela Strzylak, Sylwester Strzylak general partnership	Neckermann Polska Biuro Podróży sp. z.o.o.	Wezyr Holiday Service sp. z.o.o.	Neckermann Polska Biuro Podróży sp. z.o.o.
6	**Rainbow Tours S.A.**	Alfa Star Biuro Podróży Izabela Strzylak, Sylwester Strzylak general partnership	Wezyr Holidays Service sp. z.o.o.	Sun & Fun Holidays sp. z.o.o.	Grecos Holiday sp. z.o.o.	Grecos Holiday sp. z.o.o.
7	Exim Tours sp. z.o.o.	Exim Tours sp. z.o.o.	Sky Club sp. z.o.o.	Alfa Star Biuro Podróży Izabela Strzylak, Sylwester Strzylak, general partnership	Sun & Fun Holidays sp. z.o.o.	Sun & Fun Holidays sp. z.o.o.
8	Sun & fun Holidays sp. z.o.o.	Wezyr Holidays service sp. z.o.o.	Sun & Fun Holiday sp. z.o.o.	Exim S.A.	Exim S.A.	Exim S.A.
9	PBP Orbis sp. z.o.o.	Oasis Tours sp. z.o.o.	Ecco Holiday sp. z.o.o.	Grecos Holiday sp. z.o.o.	Alfa Star S.A.	Alfa Star S.A.
10	Ecco Holiday sp. z.o.o.	Sun&Fun Holidays sp. z.o.o.	**Konsorcjum Polskich Biur Podróży – Trade & Travel sp. z.o.o.**	Biuro Podróży i Turystyki Almatur	Biuro Podróży i Turystyki Almatur – Polska S.A.	Biuro Podróży i Turystyki Almatur – Polska S.A.

Source: author's compilation based on: Raport... 2015 (2015), Raport... 2014 (2014), Raport... 2013 (2013), Raport... 2012 (201), Raport... 2011 (2011), Raport... 2010 (2010).

The location of travel agencies in Łódź is also changing; they are more and more frequently set up at shopping centres and they are mostly offices of the leading Polish travel agencies (Table 1). The tourism organizers from Łódź that deserve particular attention include *Biuro Podróży Rainbow Tours* and *Trade & Travel Company Konsorcjum Polskich Biur Podróży*, which have been among the biggest Polish tour-operators in the last six years (Table 1).

Trade & Travel Company Konsorcjum Polskich Biur Podróży in Łódź was created in 1988 from four separate entities. Since 1993, after the transformation and consolidation of ownership, it has been operating as *Trade & Travel Company sp. z.o.o. Konsorcjum Polskich Biur Podróży*. It has been one of the major travel agencies in Poland for many years. In 2011, it was among the top ten with the largest turnover. The main travel estinations offered by Trade & Travel include the USA, Israel, South and Central America. *Rainbow Tours S.A.* is a little younger; it was founded in 1990 and for several years has been among the biggest Polish travel agencies (Table 1). In 2013, it came second in terms of profit. The main travel destinations it offers include Spain, Greece, Turkey and Croatia, with South Africa and Mauritius added to the offer in 2015. It serves over a quarter of a million tourists annually. Both agencies are based in the most representational street of Łódź – Piotrkowska and regularly introduce new ideas for successful holidays. Rainbow Tours operates through 115 retail outlets under the tour-operator's brand and 30 franchising outlets, as well as through a network of agents (Rainbow Tours – 1362; Trade & Travel Company – 69) (NOWACKA 2014).

It should be stressed that after the war until 1997, there had been no special formal or legal regulation concerning travel agencies, except the political system. The situation was changed with the act on tourism services of 1997 which divided travel agencies into tourism organizers, intermediaries and agents, depending on the object of activity. Tourism organizers and intermediaries became obliged to register on a central register. Łódź travel agencies belong to the 'Polish Tourism Chamber', 'Polish Association of Tourism Agents', 'Polish Association of Tourism Organizers', 'Polish Chamber of Youth Tourism' and many other tourism organizations. The owners of some Łódź travel agencies took part in establishing a code of good practice, published for the purpose of organizing school tourism (KARWAT, JURA & WILK 2014).

3. TYPES OF TRAVEL AGENCIES IN ŁÓDŹ (AIMS AND RANGE OF ACTIVITY, FINANCIAL GUARANTEES)

In Poland, there are over 6000 travel agencies, 3895 of which are registered organizers/intermediaries (as of 10th September 2015). It is not possible to give the exact number of agency offices. The Polish Association of Tourism Agents estimates that there are about 2500 offices doing only agency work, of course excepting those who do it do as organizers. At present, according to the available materials of the 'Central Register of Tourism Organizers and Intermediaries', Central Statistical Office (GUS) data, local inventories as well as internet and telephone verification, there are 200 travel agencies in Łódź. 110 (55.8%) of them are statutory tourism agents (83), company sales offices, franchise divisions (25) and service outlets for customers of internet travel agencies (2) which are not included in the GUS statistics or central register. The remaining 90 (44.2%) entities are tourism organizers, including 77 agencies which decided to register as organizers/intermediaries (having at least one financial guarantee) and only 13 which registered as organizers. Registers do not include any office that would deal exclusively with tourism agency work. It often happens that an office organizes tourism events, but at the same time acts as an intermediary for and on behalf of a client, as well as a tourism agent for and on behalf of an organizer. A detailed study of the travel agencies in Piotrkowska St, conducted in 2012, showed that out of 43 agencies, 39.5% ran only agency /intermediating activity, 14.5% – only tour-operating activity and 46% acted as both an organizer and a tour-operator (ŚWIĘCICKA 2012) which means that the majority of agencies run mixed activities. The market for travel offices in Łódź is dominated by agencies offering tourism events and often consisting of several dozen recognized tourism organizers in Poland (Table 1), or functioning under the brand name of one tour-operator, e.g. Nowa Itaka, Rainbow Tours, TUI Centrum Podróży, Neckermann, Gromada, Turysta, Sports Tourism, Harctur, PTTK and many others.

The classification of offices with regard to range of activity concerns not only organizers/intermediaries. Out of 90 travel agencies, 45% could organize tourism events in Poland and neighbouring countries, 37.8% – in Europe, 12.2% – globally, and only 4.4% in Poland alone (Fig. 2). This means that formally, all offices (100%) can organize trips in Poland, 95.5% – in Poland and neighbouring countries, 49.5% – in other European countries, and 12.2% – in non-European countries.

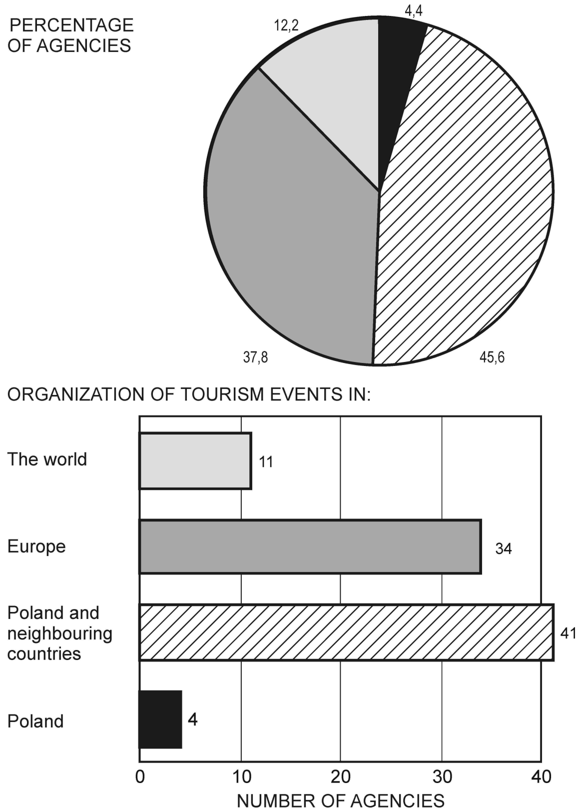

Fig. 2. The range of activity of Łódź travel offices: 2015
Source: author's compilation

The range of activity (though not exclusively) determines the financial guarantee which tourism organizers and intermediaries must have. Apart from the range of activity, important elements include the amount and date of pre-payment and type of transport. A predominant type of financial guarantee in Łódź travel offices is the insurance guarantee, owned by 93.3%, which reflects the general practice of financial security of travel agencies in Poland.

An escrow account as a form of financial security was declared by only 4.5% of agencies and is only possible in the case of organizing events in Poland. Third party insurance was the least popular, only 2.2% of offices (Fig. 3). Apart from these forms of security, there is also the bank guarantee which was not declared by Łódź travel agencies (Poland-wide, it is declared by under 3% of travel agencies). Both, the range of activity and the necessity to have financial security do not concern agency offices because they sell an offer prepared by the organizer and are not financially or legally responsible for its realization.

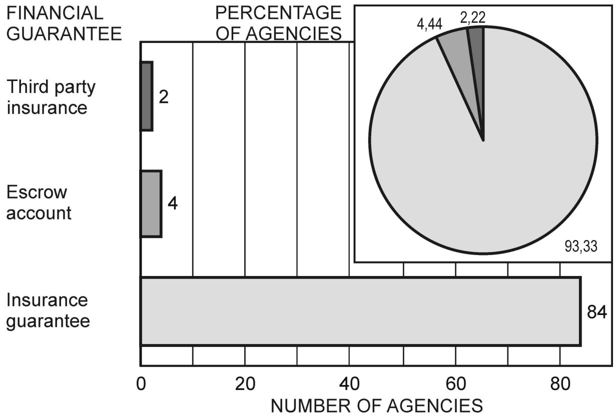

Fig. 3. Travel agencies in Łódź by type of financial guarantee: 2015
Source: author's compilation

The range of activity of Łódź travel agencies shows that the offer comprises tourism events organized all over the world. Naturally, this offer is wide-ranging and it is possible to organize a tourism event at any place on the globe. However, having looked at it closely, it can be seen that travel agencies specialize in selected directions and various forms of travel (*Polska. Touroperatorzy*…). Considering the specificity and character of the tour-operating activity, organizers can be divided into the following groups:

– those who sell typical recreational packages (mass product, mainly stationary holidays, price-sensitive client, flexible demand, low margins, the importance of marketing in the media),
– those who sell tours (they often offer exotic directions and remote countries, clients are less sensitive to price and more to the quality of the offer, higher margins possible, larger unit profit),
– those who sell recreational packages and tours (a mixed type, various target groups, difficult marketing, larger diversification of activity, lower risk than in the case of organizing stationary events),
– those who sell specialist offers (clients less sensitive to price and more to the quality of the offer including a location suitable for different forms of specialist tourism, equipment, instructors, information about necessary skills and requirements, etc.),
– those who organize incentive type trips (high margins and profits per client, activity oriented towards niche segments, a highly demanding client who expects many attractions),
– those who sell trips involving the client's own transportation (low risk, good financial results).

This short review does not cover the full range of services sold at travel agencies, but only gives an idea of how wide the variety is.

5. DISTRIBUTION OF TRAVEL AGENCIES IN ŁÓDŹ

Łódź travel agencies are distributed unevenly. Most of them are found in Śródmieście (the city centre) (46%), then in the northern district of Bałuty (17.53%), the western district of Polesie (15%), and the southern district of Łódź-Górna (13.5%). The fewest are found in the eastern district of Widzew (8%). Travel agencies in Łódź are distributed from north to south rather than east to west. In Śródmieście, Polesie and Górna, there are more agency offices than organizers/intermediaries, in Widzew – there are equal numbers, while in Bałuty – organizers/intermediaries slightly dominate (Figs 4, 5). The distribution of travel agencies in Łódź in 2015 is characterised by greater dispersion within the city than in 1994 and 2010 (GRZELKA 1996, Latosińska 2011), which is certainly due to the growing concentration of travel offices at shopping centres such as *Galeria Łódzka, Manufaktura, Pasaż Łódzki, Port Łódź, Sukcesja*, *MI* Shopping Centre and many others, like *Carrefour, Guliver, Tesco, Tulipan, Leclerc*, as well as on roads where these centres are situated (ROCHMIŃSKA 2013).

With regard to the number of agencies and individual districts, the following relationship can be observed: Śródmieście takes up only 2.4% of the area of Łódź and but has over 46% of travel agencies, therefore the density is greatest. Next largest is Widzew (31%) but has less than 8% of travel agencies, thus, the density is least. Górna and Bałuty have similar areas (24.4% and 26.6%, respectively), but Bałuty has more offices (17.5%) than Górna (13.5%). The most similar in area (15.4%) and offices (15%) is Polesie (Figs 6, 7).

As mentioned earlier, the distribution of travel agencies in Łódź is very uneven. They are situated on 108 streets, so there are 1.8 agencies per street. A great majority (48 – 23.8%) are situated in Piotrkowska St,

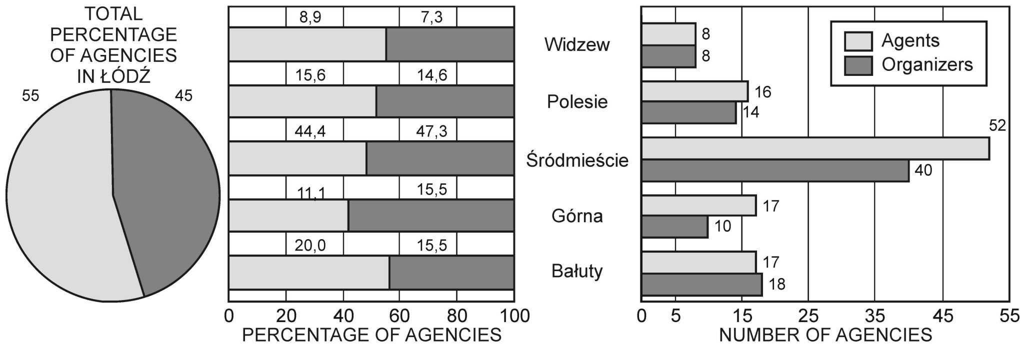

Fig. 4. Travel agencies in individual districts of Łódź: 2015
Source: author

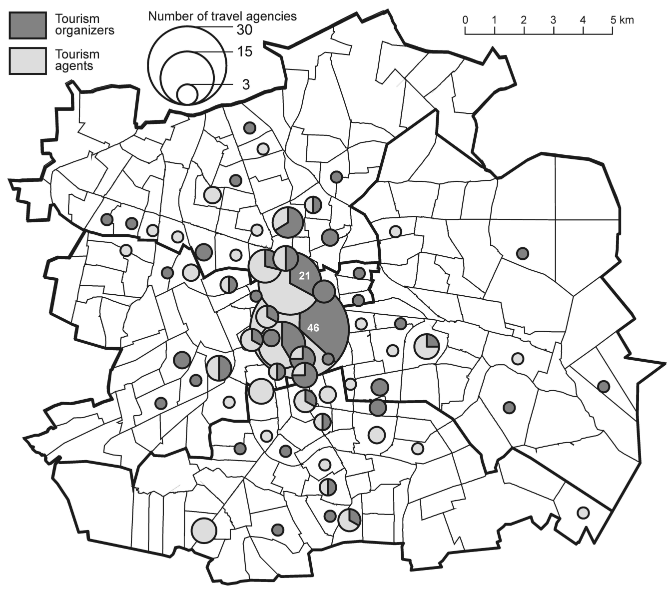

Fig. 5. Distribution of travel agencies in Łódź: 2015
Source: author

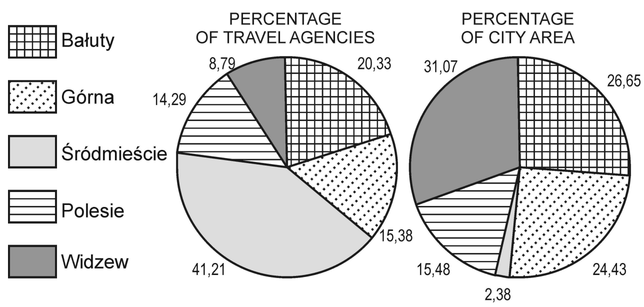

Fig. 6. Percentage of travel agencies in individual districts of Łódź: 2015
Source: author

in the city centre. Over 50% (28) of them are agency offices, including representative offices of the four big Polish tour-operators such as *Biuro Podróży Itaka*. The remaining twenty are organizers/intermediaries capable of organizing tourism events in European countries (12), all over the world (5) and in Poland and neighbouring countries (3). All organizers/intermediaries in Piotrkowska St have financial security in the form of an insurance guarantee. Piotrkowska St is the location of the oldest agencies: Almatur, Turysta, Harctur, Logos Tour, Trade & Travel, Grand Tour, Orbital, Wilejka, and the largest Łódź touroperators – Rainbow Tours and Trade & Travel Company Konsorcjum Polskich Biur Podróży as well as the oldest in Poland – Gromada. Recently, Piotrkowska St has been renovated, which has undoubtedly made it more beautiful, but also increased rents and the roadworks made it difficult to get to the offices while they lasted. If we consider the distribution of offices, there is a clear domination in the representational part of Piotrkowska St between plac Wolności and Piłsudskiego Av, where travel agencies are often located in courtyards, and only 15 are entered from the street. The offices beyond the representational part are accessed from the front (ŚWIĘCICKA 2012). At some addresses there are two or even three offices.

Fig. 7. Density of travel agencies in Łódź by local area and district: 2015
Source: author

Fig. 8. Distribution of tourism offices in Łódź by streets: 2015
Source: author

In Piłsudskiego Av, there are seven offices. It is the main artery of the city from west to east where *Galeria Łódzka* is situated. In Kościuszko Av, parallel to Piotrkowska St, there are six offices; four are located in Karskiego (at *Manufaktura*), Narutowicza, Pabianicka (at *Port Łódź*) and Sienkiewicza Sts each. These streets are in the city centre, parallel or perpendicular to Piotrkowska St, or where shopping centres are located. Three offices are situated on Zgierska and Kolumny Sts, two on Babickiego, Brzezińska (at the M1 Shopping Centre), Grota Roweckiego, Jaracza, Julianowska, Karolewska, Kilińskiego, Milionowa, Pojezierska, Senatorska, Stefana, Tuwima, Żeromskiego, and Żubardzka Sts (Fig. 8). There are 117 travel agencies in these 25 streets, which means 4.5 agencies per street, on average. The remaining 83 are situated, one on each, of the remaining 83 streets.

Based on the distribution of tourism offices in Łódź, it can be said that the city centre continues to be the most popular area, and the most desirable location is Piotrkowska St (with an entrance from the street) but the attraction of this location is decreasing due to the fact that nowadays the biggest tour-operators tend to locate their offices at the more peripheral shopping centres. Moreover, al. Piłsudskiego is becoming an increasingly attractive location for travel agencies, not only because *Galeria Łódzka* is situated there, but also due to the convenience of parking facilities. Travel agencies follow the daily flow of clients by changing location or opening new outlets.

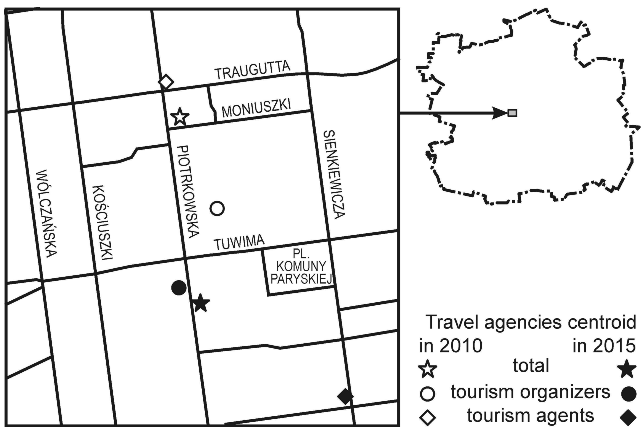

Fig. 9. Travel agencies centroid in Łódź: 2010 and 2015
Source: author

These observations are confirmed by the migrating centroid (Fig. 9), which has moved in the last five years. In 2010, it was found generally at the meeting point of Piotrkowska and Moniuszki Sts, and currently it has moved to the corner of Sienkiewicza St and al. Piłsudskiego, i.e. to the south-east. At present, the tourism organizers centroid has a similar location, while five years ago, it was situated around the corner of Piotrkowska and Tuwima Sts. As regards tourism agents, it moved to the south, from the meeting point of Piotrkowska and Traugutta Sts to Piotrkowska St, slightly to the south of Tuwima St.

6. CONCLUSIONS

With regard to external and internal conditions of travel agency development in Łódź, we should stress that from the statistical point of view, the number of tourism offices has remained stable in recent years, at about 200 entities. While the number of tourism organizers and tourism intermediaries is largely accurate, the number of agents is not quite so precise. Establishing the distribution of tourism offices requires making a field inventory and monitoring, because in recent years ownership has been rapidly changing within city space. Generally, the changes observed in travel agencies in Łódź can be divided into functional, organizational and location-related.

The analysis shows that there are travel agencies in Łódź which are involved in the organization of tourism events and intermediary activity for a client and a tourism organizer, in accordance with the Tourism Services Act. As regards the range of activity, formally, the majority of agencies are capable of organizing events in Poland, but in fact their offer more often concerns foreign than domestic tourism. According to research carried out by the Tourism Institute in 2004-14, travel agencies are involved least in organizing short trips in Poland, more in the organization of longer trips, and most in arranging trips for schools, enterprises and associations. According to the Tourism Institute in Warsaw, 'in 2014, 91.6% of trips in Poland were organized individually, 7.1% wholly or partly by the employing or other institutions, and only 1.4% by a travel agency' (p. 14). As for the organization of foreign tourism, the participation of travel agencies has been growing since 2011, reaching 23.2% in 2014 (Polska. Wybrane wskaźniki…). It should be assumed that Łódź travel agencies represent general trends observed in Poland. A positive trend is the steady increase in the number of foreign trips made by Poles, which comes to 50 million border crossings annually.

As regards the distribution of travel agencies within city space, the majority of them are situated in the city centre, although in recent years they have started to appear at shopping centres such as *Galeria Łódzka* (opened in 2002), *Manufaktura* (2006), *Port Łódź* (2010 (ROCHMIŃSKA 2013) and *Sukcesja* (2015). Shopping centres are places which generate a considerable flow of daily customers, so in response to this, travel agencies are locating their offices there, making it convenient for the customers to purchase tourism services (in Łódź, 10% of travel agencies are located at such places; they usually represent the biggest tour-operators functioning in Poland).

Considering the general economic condition of Poland and its continuous development, the travel agency market in Łódź can be considered safe. As in the whole country, new investments in Łódź create new opportunities for employment and profit. It is optimistic that the unemployment rate in Poland is below 10% and the GNP is growing, directly reflected in tourism activity and the demand for tourism services. A certain predicament for the tourism offices in Łódź - the third most populated city in Poland – is the constantly decreasing demographic potential, as well as the growing tendency among the younger generation to organize trips by themselves through the omnipresent internet. As mentioned above, the number of tourism offices remains stable, but it can be assumed that this is at the expense of profits which are shrinking. The question concerns the profitability line below which the economic activity of a travel agency becomes unprofitable. The inhabitants of Łódź show great interest in first and last minute offers, i.e. trips sold at a lower price which generate lower profit for the agencies.

However, the existence of the travel agency market is most threatened by the transformation in the tourism industry. Discussion between the representatives of tour-operators and tourism agents at the Polish Forum of Travel Agents, taking place in Warsaw for the last four years, has shown that the terms of cooperation among travel agencies, particularly between organizers and agents are changing. For several years, some organizers have been introducing sales standards which determine the terms of a contract and prevent the agency from selling other organizers' offers. Tour-operators are increasingly opening own-brand tourism offices in large cities at good locations, which may eliminate tourism agents from the market. The direct sale by tour-operators is increasing as they use new techniques like e-mailing or a call centre system, offering reductions, discounts, and promotional prices if the customer buys directly from the organizer. On the other hand, tour-operators' activity is threatened by the direct sale of holidays by service providers, i.e. accommodation owners or transport enterprises, especially airlines offering cheap flights to the most popular destinations in Europe. These are only some of the activities observed on the tourism services market in Poland which may soon test the existence of travel agencies. Similar to other European countries, agencies in Poland can expect consolidation, substantial specialization, changes in distribution and presentation to customers, and a continuous search for niche segments. The new Tourism Services Act may bring stabilization to the tourism market while at the same time stimulating its activity. The act will take current processes on the tourism services market into account, including the functioning of travel agencies.

FOOTNOTE

[1] A tourism organizer is an entrepreneur organizing a tourism event. A tourism intermediary is an entrepreneur whose activity involves performing actual and legal activities commissioned by the client connected with signing tourism services agreements. A tourism agent is an entrepreneur whose activity involves continuous intermediating in signing agreements concerning tourism services for the benefit of tourism organizers who hold permits for activity in the country or for the benefit of other service providers (Tourism Services Act of 29th August 1997).

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