



# UNIT-6

## Transport Management

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Discuss the role of Transport Principals in Transport Management
- ✓ Explore the issues involved in the management of transport.

## Unit 6

### Transport Management

This Unit attempts to familiarise you with the issues in tourist transport management i.e. planning, organisation and marketing of primarily road transport.

#### Changes in Transport

Transport is being continually developed to make it easier and quicker to travel from one place to another. Faster trains, larger aircraft and more comfortable coaches all make transport easier, more efficient and more convenient.

Organisations in the transport sector of the travel and tourism industry are often referred to as **principals**. These include:



Fig: 6.1

## Land Travel

Land travel includes travel by road or rail; in the case of road using private motor cars, coaches, taxis and hire cars.

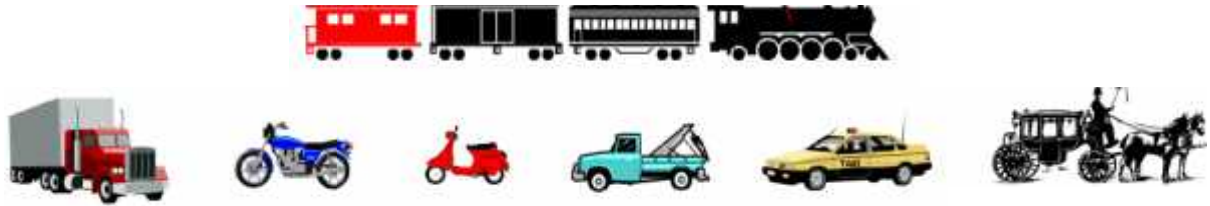


Fig: 6.2

## Private Motor Cars



Fig: 6.3

Cars offer more convenience and flexibility than any other form of transport. Everybody that owns a motor car has a great deal of choice over when they travel, and for most domestic destinations, they can travel door to door. Many journeys involving international travel may begin with a car journey to an airport or railway station. Cars are used most commonly for domestic holidays and day trips. However, many outbound UK tourists find taking a car to destinations in Europe, in particular France and northern Spain, to be convenient and affordable. Generally, taking a car provides tourists with fewer restrictions on the amount of luggage which can be carried. This may be an important consideration for families with younger children. A surprising number of tourist trips in the United Kingdom are made by cars towing **caravans**. Caravans offer convenience and flexibility, with modern caravans providing a high degree of comfort. Caravan sites are available throughout the United Kingdom and Northern Europe. **Motor caravans** are also a popular option. In addition, camping is a popular type of holiday using road transport with campers being able to carry tents and other equipment by car. Many car journeys are made by business tourists. Many people need to travel to different destinations within the United Kingdom for business purposes. When these destinations are outside of the area where the person lives and works, the journeys they make are part of the travel and tourism industry. The regular daily journey to work by car (**commuting**) is **not** seen as part of the travel and tourism industry.

## Coaches and Buses



Fig: 6.4

Coaches provide a number of choices for travellers. Firstly, coaches provide an alternative to rail transport between major cities. Companies such as **National Express** and **Megabus** offer a network of services between large towns. These **scheduled** services are often cheaper than rail travel but are very often slower and are subject to traffic congestion on motorways. Scheduled coach services also provide links to airports from some major cities and railway stations offering travellers an alternative method of travelling to the airport.

Coaches can be hired by groups of tourists who are going on a day's excursion or a touring holiday. Additionally, larger groups of tourists, such as education groups may well find it convenient to hire a coach from the starting point of their journey to the airport they are departing from. Coaches are also used for touring holidays within the United Kingdom

and Europe There are a number of large commercial companies offering 'packaged' coach touring holidays with the cost of travel, accommodation and visits to attractions included in the price. Coach holidays are favoured by older tourists and have the advantage of being relatively inexpensive as well as not requiring a member of the group to undertake the responsibilities of driving Buses are used within destinations, generally for shorter journeys, and are provided for local people as well as tourists. Specialist tourist sightseeing buses are also common in many tourist cities.

## Taxis

Taxis can be used instead of public transport in cities and towns. Some tourists may prefer the comfort and reliability of getting to a specific destination within a city by using a taxi. This is especially the case if they are not confident using buses or an underground system, or they are travelling late at night. Taxis are always more expensive than public transport and are mainly used for shorter journeys.

## Car Hire Companies

These companies have offices in all major cities and in major airports. Hire cars can be used by tourists who are confident about driving in a different country and who wish to have the independence of visiting different places in their own time rather than travelling in groups on coaches. Major car hire companies include Avis, Hertz, Budget, Europcar and Holiday Autos. Trains provide a range of travel options for tourists. Generally, trains run to clear, published schedules and are an efficient way of travelling between city centres. Very often, travel by rail is a relatively cheap option if booked in advance but rail travel can also be expensive at peak times. Generally, high-speed trains make journey times between major cities much shorter than travelling by road. An important addition to the rail network has been the introduction of the Eurostar service which runs from St Pancras Station in London to Paris and other major cities in Europe. Eurostar has reduced the journey times between central London and Paris and now provides an alternative to flying between the two cities. A high-speed track allows for the journey between London and Paris to be made in only two hours and fifteen minutes. Also, underground rail systems, such as the London Underground and Newcastle Metro provide transport options for tourists as well as residents of a city.

## Comparing Different Forms of Land Travel

Tourists may have to make decisions between different forms of land transport for their journeys and a number of factors need to be considered. These include:

- **The exact starting and finishing points of a journey.** It may well be that the first stage of a journey is made by car to a railway station or airport although most of the journey is not made by car. Journeys starting from city centres are more likely to be made by rail.
- **The composition of the group travelling.** Family groups with young children may well prefer the convenience of travelling by car.
- **The cost of travel** - Many tourists are on a budget and cannot afford taxis, hire-cars and other expensive forms of transport.
- **The time of travel** - It would not be convenient to catch a train if the journey needed to be taken early morning or late at night.
- **The length of the journey** - Longer journeys are more comfortable by some forms of transport as opposed to others.
- **The length of stay** - what transport will be required while at the destination?
- **The time of year** - and possible bad weather conditions.

## Sea Travel



Fig: 6.5

Sea travel can be divided into two categories. Firstly, ferries are used when tourists need to cross a body of water to reach their destination. Secondly, cruise ships are used by people for whom the whole holiday is about travelling by sea, enjoying the facilities on board the ship and making excursions to attractions when the ship visits a port.

### Ferries

There are a number of ferry routes operating around the coast of the British Isles. Many of these are vehicle ferries which allow passengers to take their car or other vehicle on to the ferry with them. The most important routes operate between ports on the south coast of England and France, with the Dover to Calais route being the shortest and most popular. Although the most important ferry route for United Kingdom tourists are across the English Channel to Europe, ferries also operate:

- From Liverpool and ports in Wales to the Irish Republic
- To and from the Isle of Wight and the Channel Islands
- Between the mainland and the islands of Scotland

### Cruise ships

More and more United Kingdom tourists are choosing to have a cruise holiday. While the numbers taking package holidays as a whole remain static, the proportion taking cruise holidays continues to grow. The Mediterranean area is the most popular destination with many people taking the opportunity to fly from the United Kingdom to meet their ship at a port. This is known as a fly-cruise. In recent years cruising has become fashionable, with more people being able to afford this type of holiday. The demand for cruise holidays is expected to continue to grow in the near future.

## Air Travel

Air travel is the most popular method of travel for United Kingdom tourists making visits abroad and the importance of air travel continues to grow. In order to understand air travel in the United Kingdom it is necessary to understand the relationship between airports and airlines. Both are commercial operations aiming to make a profit. Airports make a profit by charging organisations such as restaurants to use the space in departure lounges. Airlines make a profit through carrying passengers, whereas airports make a profit by charging airlines to land on the runways and make use of the airport facilities. These are known as landing charges. London Heathrow is one of the world's busiest airports and handles nearly 70 million passengers each year. At Heathrow the major airlines are the established 'full service' carriers such as British Airways, BMI and Virgin Atlantic. At other UK airports the users include the low cost airlines such as Ryanair and easyJet.

The differences between 'full service' and 'low cost' airlines are becoming less clear as the nature of the airline industry changes. Traditionally, major airlines such as British Airways and Air France were known as 'flag carriers' and may have been publicly owned. Today these airlines are owned by private sector organisations. All major airlines such as British Airways and Ryanair operate a scheduled service. This means that there is a published timetable which the airline follows for a period of time. Aircraft fly on scheduled routes no matter how many passengers are carried.

One of the most significant developments in air travel over the last twenty years is the emergence of low cost or budget airlines. Of these, the largest operators are Ryanair and easyJet. The growth of Ryanair and easyJet over the last decade has been phenomenal.

The low cost airlines have been so successful that they have forced the established full service airlines to change their operational practices in order to compete. On popular short haul routes to destinations such as Paris and Barcelona, the prices charged by traditional airlines may be similar to those of the low cost carriers. Low cost airlines do not fly on long haul flights to the USA and other destinations outside of Europe. Low cost carriers have also had an impact on the operations of other travel and tourism organisations. More travellers are now able and prepared to book their flight directly with the carrier rather than using travel agents. Furthermore, airlines have been responsible for self packaging which is where the traveller books their own flights, accommodation and other transport, rather than buying a traditional package holiday. In addition, the number of passengers carried by cross-channel ferries has declined as more flights are available to destinations in Europe.

## Advantages and Disadvantages of Different Types of Transport

Nearly all travellers have a choice of the form of transport they use to get from their home to their destination. As previously mentioned, many will have to use more than one form of transport on their journey. All forms of transport have advantages and disadvantages in terms of a number of factors including:

- Cost
- Convenience
- Comfort
- Availability
- Frequency
- Accessibility
- Suitable routes

People organising travel for themselves, their families or for groups of people have to make decisions based on the list of factors above.

### **Cost**

For many people the cost of transport is an important factor. Not many people can afford to travel first class on planes or trains and have to travel economy class. Often trains running at peak times are much more expensive than those running at less popular times such as weekends. Very often, travel booked at short notice is much more expensive than that booked a long way in advance. Some coaches can offer travel for as little as £1 if the journey booked a long way in advance.

Taxis are very convenient and provide direct travel, but are much more expensive than public transport.

### **Convenience**

One of the most convenient forms of transport is the private motor car, because the driver can choose exactly when to start a journey and what route to take. Many forms of transport run to a timetable with a scheduled starting time and to a set route. These routes are not as convenient for the traveller as journeys starting from their own home. Some flights are less convenient than others because they either leave from the UK or arrive at the destination airport at inconvenient times. Arriving at a large city late at night is not as convenient as arriving earlier in the day.

### **Comfort**

Some forms of transport are less comfortable than others. An ordinary bus would be less comfortable than an air-conditioned coach on a long journey. Economy class on an aircraft is less comfortable than business or first class. Air travellers expect to pay more for increased comfort. Rail travel can be uncomfortable at peak periods. Even though this is when the fares are more expensive. Because so many people want to travel at the same time some passengers are standing in carriages and are less comfortable. Many forms of transport are not entirely reliable and passengers can become uncomfortable if they have to wait in airport departure lounges or are caught in traffic jams.

### **Availability**

Scheduled services such as flights and trains do not go to every destination every day. Some destinations may be served by flights only on certain days of the week and there may well be less trains to a certain town at weekends. This refers to the availability of the transport. Many airlines do not fly to every destination throughout the year. Flights to some destinations are only available in the more popular months.

### **Frequency**

As with availability, flights and trains to certain major destinations are more frequent than they are to less popular destinations. For example, British Airways will have 12 or more flights to New York each day but less to other cities in the USA.

There will be more trains from London to major cities such as Birmingham, Manchester and Cardiff than to smaller cities and towns. Many ferry routes also operate on a seasonal basis and may not run as often at less popular times. 'Fast Cat' ferries run frequently for Portsmouth to the Isle of Wight.

### **Accessibility**

Travellers with special needs and disabilities find some forms of transport easier to use than others. Although special help can be provided in most cases, the accessibility of the transport may still be a factor in deciding how to travel to a destination.

### **Suitable routes**

Not all air or rail travel is direct. Very often travellers have to change trains or catch a connecting flight. This makes travelling more difficult if there are delays. Although most leisure travellers use direct flights, business travellers may well have to travel indirectly to less popular destinations.

### **Introduction**

Air transportation is an essential ingredient of tourism development, especially at an international scale where destination choice may be more constrained by time, cost and accessibility factors. In many cases, air transportation becomes the only reasonable transportation alternative. For example, many significant international tourism destinations in the relatively isolated 'pleasure peripheries' of the Caribbean and the South Pacific are highly dependent on international tourist arrivals by air. The competitive management strategies of the air transportation industry can have profound implications on the indigenous travel industries of these sorts of island destination. Even major tourism destinations in Northwest Europe and North America have depended to some extent on the development of the jet engine and wide-bodied aircraft because transportation innovations like these essentially ushered in the era of mass tourism in places like Florida, Greece, Hawaii and Spain. In the past few decades, the contemporary air transportation industry has experienced radical shifts in the regulatory regime that

once set airfares and authorised air routes, and these changes have implicitly shaped the flow of tourists from origin to destination markets. The deregulation of airline markets in the USA and the European Union (EU), the development of international 'open-skies' agreements between countries like the USA and The Netherlands, and the emergence of powerful strategic alliance networks between carriers have all increased airline management's freedom to restructure route networks, as well as increasing the overall level of competitive volatility in the air transport industry. In contrast, the acute capacity constraints that exist at nearly all major European and American airports – due to a lack of runway space and terminal congestion – have substantially curtailed tourist flows in certain contexts. It is in this way that the success and failure of resort destinations can be partially explained by the management decisions made by airline executives and airport authority directors with regard to such matters as route networks and runway/terminal expansion schemes.

## Planning

Planning is choosing a course of action' and deciding in advance what is to be done, in what sequence, when and how. In more formal, terms planning involves, setting the organisations goals and developing appropriate policies and strategies to achieve the stated goals. In the case of tourist transport planning process start with an analysis of the external environment i.e. market and demand and internal resources In Tourism i.e. financial, manpower, infrastructure etc. of your company. In small firms, the planning is often done by an individual - perhaps, the owner. In the case of companies a separate department is engaged in developing effective plans. Let us put in a capsular form some important points which may help in preparing the plan blue print for your organisation. These are as follows:

- Determining the target of the company i.e. the level of operations, how many vehicles to have or which market to cater to, etc.
- An analysis of company's principal resources like financial, physical, human, e.g. how many drivers, with what skills, how much salaries to be given etc.
- Determining key success requirement of market, i.e. assuring quality of transport services.
- Comparison of strengths and weaknesses of your company with those of competitors.
- Human resource planning with emphasis on induction training and constant upgradation of knowledge and information.
- list of those factors which may influence your company's activities like linkages and business relationships with tour operators, hotels, travel agencies, etc.

In the case of tourist transport management you have to first collect information about the market demand and the services offered by other tourist transport companies. An analysis of the collected data may provide you the necessary feedback for setting the target of your company. In setting the company's goal you have to also consider the resources at your disposal. Man power planning forms an integral part of planning. Depending upon your volume of business and the target of your company you

have to decide about desired manpower position. Through manpower planning management strives to have the right number of and the right kinds of people at right places, at the right time to do things which result in both the organisation and the individual receiving the maximum of long range benefits.

## Organisation

Viewed broadly, organising includes the provision of physical facilities, capital and personnel.

Organisation can be defined as two or more people working together in coordinated manner to achieve group results. It is the objective of your company and its resources which ideally determine the nature and structure of your organisation. Organisation is primarily responsible for the execution of the plan proposals and to achieve the stated objective of the company.

Some of the major costs in transport service are:

- Fuel,
- Repairs and maintenance,
- Depreciation and Interest,
- Insurance and Taxes,
- Wages and salaries, and
- Miscellaneous expenses.

Proper budgeting, control on expenditure and all possible efforts to generate income are essential prerequisites of efficient management. Another important aspect in organisation is (defining and delegating responsibility and authority. In case of tourist transport management this would include:

- identification of the mode of transport,
- allocation of duty to driver, cleaner and other supervisory staff defining their duties and / responsibilities,
- liaison with various agencies,
- maintenance of vehicles, etc.

Organisation basically helps in achieving the desired goal through well coordinated efforts of various individuals or groups. In order to get the desired result the following should be kept in mind:

- What tasks are to be done?
- Who is to do what, when and for how long?
- How the tasks are to be grouped?
- Who is to report to whom and where?

In fact all operations of tourist transport have to be constantly monitored. It must be remembered that in transport operations the service is being simultaneously produced and consumed. Hence, in case of

any breakdown or failure if instant remedial action is not taken the image and goodwill of your company goes down.

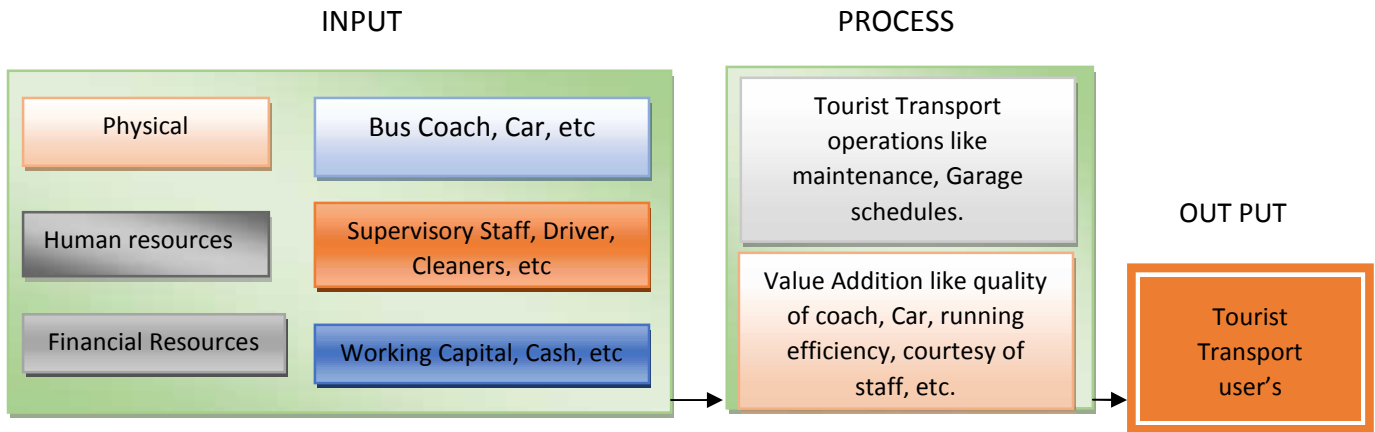


Fig: 6.6

## Marketing

In your business of tourist transport operations non utilisation of the bus/coach/car is a loss. You will earn profit only after your sales cross the breakeven point .Hence the success of your company depends a lot on how well you can market your product and services. Competition in the market is always there. But still some companies have better share of the market than others. Your target naturally should be, how you can have a better share of the available market. You have read about the 4Ps in marketing i.e. Product, Price, Promotion and Place or distribution. It is the calculative mixing of 4Ps which helps a company in occupying a dominant position in the market.

Marketing in transport services needs special focus on quality, punctuality, comfort and reasonable pricing. As these four aspects play a crucial role in the selection of a transport service by tourists. In marketing of your company you stress on these aspects which make your company different from others. Networking with hotels, government tourist departments and tourist generating agencies is very essential in marketing of tourist transport services.

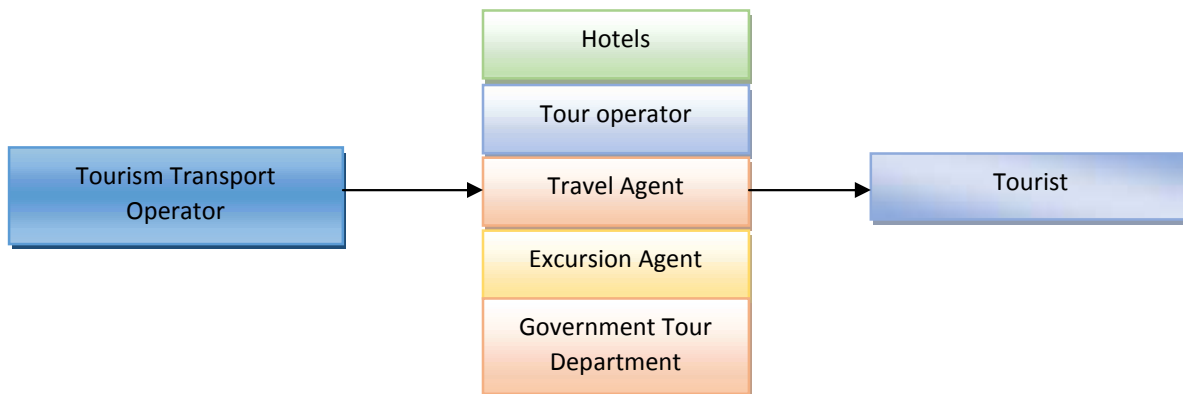


Fig: 6.7

In tourist transport marketing special consideration should be given to innovative packaging. Particularly in modern marketing success of your services/product depends much on proper packaging. You have to be absolutely clear about the market segment whose requirements you tend to fulfil. For example, most of the transport operators deal only with the intermediaries and do not sell directly to the tourists. At the same time they are aware about the requirements of the intermediary company and the profile of its clients. Improving the product and to an extent even maintaining the quality of the product/service initially offered helps you significantly in promoting or selling your product. You must have heard or commented yourself "Oh they are maintaining the quality of service" or "they are no more like the way they started."

We can say that there are basically three methods of forecasting what the future demand for coaches or other forms of transport will be. Firstly, we can go back to what had been the past record and predict what the future will hold e.g. the demand for transport has been increasing at 5% per annum. The second method is using statistical methods to gaze into the future and the third method is to take spectrum of views from people already in the trade. In this module there is insufficient space to cover the detailed technical aspects of forecasting, as we will look into some of the main factors that correlate to tourism transport. The major factors that affect the future of tourism transport are:

- Tourism's share in the gross national product (GNP),
- Transport's share in the total tourism market,
- Total tourist expenditure and expenditure per capita, and
- Total number of tourist trips.

Seeing the tourism's share in the contribution to the GNP we get the macro view of its involvement, and within the revenue contribution of tourism transport has a major share. In a country of large distances like India, transport plays a major role. The total tourist expenditure on transport can be broken down to contribution by per person. This will give us an idea about the rupee contributions per tourist. You should also remember that bookings are done much in advance. The buyers of your product and services i.e. tour operators, excursion agents etc. have their own forecasting for their volume of businesses which in turn is related to the demand of your product and service.

## Issues In Transport Management

You should consider the following points when you are in tourist transport business:

Vehicle Regulations: Tourist coaches are granted permission to ply provided they follow the following terms and conditions:

- the vehicle should be used for specific routes or areas,
- unless modified or extended the vehicle is strictly prohibited to be used outside the specified area,

- carriage of passengers can be on specified occasions or for a period or specified time and seasons,
- fitness certificate is to be secured each year,
- knowledge about motor or vehicle entry tax and permits, and
- knowledge of Motor Vehicle Act and Traffic rules.

### Other Aspects:

You can make or break a transport operation by securing lucrative routes. Routes are preferred depending on the volume of traffic being generated between two points i.e. the starting and the terminal. Type of vehicle will depend on the demand and its suitability for use. A demand may exist for sophisticated modern vehicles but if the roads on the route are bad the vehicle owner will find it a losing proposition to run the vehicle because of high maintenance and workshop costs. Driver's hours of work should be restricted to 5 hours of continuous driving with V2 an hour rest. Total numbers of driving hours should not exceed 8 hours in a day or 48 hours in a week. The driver should be familiar with the route and addresses. At the same time he should be good in communication skills. Knowledge about the culture, history, customs and arts etc. adds value to the quality of service by the drivers and you must pay attention in providing them such knowledge. They should also know the procedures and regulations at airports or railway stations etc. There is a general complaint from tourists that transporters fail to provide services as per commitment, may in terms of quality of services or schedules. Here one should be clear that creating credibility in the market is an asset for a company. If you provide satisfactory service to your customers then when they go back they share their experiences among many others: This acts as a promotion of your company to future tourists.

## Transport and Environment



Fig: 6.8

The Green Movement has made an impact in the West especially in countries like Germany where the tourist before going on a holiday may like to:

- a. Choose the travel operator after asking environmentally related questions OLI what the company is doing to reduce environmental impact,
- Choose the right travel methods like public transport, cycling, trekking instead of hiring a car, or
  - Travel to well known destinations out of season.

A successful transporter has to be careful in fulfilling the standards set by the environmental activists and tourists; the difference nowadays is getting blurred between the two.

## Consumer Protection



Fig: 6.9

Holiday companies have traditionally sold dreams but can only deliver reality. In legal terms the gap between dreams and reality is rapidly closing with claims on disappointment. The number of legal cases is going up also in value. Where the tour operator is held liable he is likely to hold the transporter responsible for any default.

In UK after the introduction of the Package Travel Regulation 1992 the tendency has been to follow the America concept that if anything negative happens to me, it is somebody else's fault, in which case it could be anybody including the transporter.

UK's Package Regulation No.15 holds the tour operator responsible for any acts of omission or commission. A similar system has come into operation in Japan. Japanese travellers will be compensated within a month for seven different categories of complaints. Of relevance to the tour operator involved in surface transportation is where 5% damages (on the total tour cost) are awarded when the entire itinerary changes, 3% when departure and arrival dates change and 2% when destinations change. Same thing can happen here. Tourists may

go to consumer court or press if there is breach of commitment. As tourist transport operators you must remember that a tourist is travelling for leisure and intends to earn every penny spent in terms of comforts. At the same time you must enter into written contracts with your clients. In these contracts you can clearly mention the things for which you can be held responsible and also those for which not. You should take the advice of a legal consultant in drafting the contract.

### Further Reading:

- ✓ *David Timothy Duval, (2007), Tourism and Transport: Modes, Networks and Flows*
- ✓ *Ratandeep Singh, (2008), Tourism and Transport Management: Practice and Procedures*
- ✓ *Les M. Lumsdon, Stephen J. Page, (2004), Tourism and Transport*