
UNIT 27 TOURIST TRANSPORT

Structure

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27.0 OBJECTIVES

After studying this Unit, you should be able to:

- appreciate the importance of management in tourist transport,
- plan and organise the activities of your company,
- decide the strategy of marketing, and
- understand the various issues related to transport management.

27.1 INTRODUCTION

According to a recent study done by the **Federation of Indian Chambers of Commerce** one of the main considerations of a tourist before he or she visits a tourism destination is the local transport facilities. Transport is one of the major components in tourism industry and today we have tourist transport operators providing necessary transport facilities. As per the Department of Tourism, Government of India's definition a "Tourist transport Operation **Organisation is one which provides tourist transport like cars, coaches, boats etc. to tourists for transfers, sightseeings and journeys to tourist places, etc.**". Like any other business, in tourist transport business also, for earning profits through quality service one must have a basic understanding about management of tourist transport. This Unit attempts to familiarise you with the issues in tourist transport management **i.e.** planning, organisation and marketing of primarily road transport.

27.2 PLANNING

For an average overseas visitor to this country the transport system be it road, rail or air is a weak chain in the total package. Railways are usually poor in quality and overcrowded, the airlines are erratic, bad roads and inferior transport vehicles create a negative image of the transport system. Be it a foreign tourist or domestic tourist the common concern is for getting dependable and comfortable transport service. As a transport manager or owner of a transport company you may not be in position to do much about the condition of roads but you can assure your clients better transport facilities. In order to provide satisfactory services it is essential to learn how to manage your business efficiently and effectively.

Planning is the first step **in** managing whatever business you do. You have already read about the meaning, objectives and importance of planning in this course (Unit 6). Here we will discuss planning in the context of tourist transport. **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

starts with an **analysis** of external environment **i.e.** market and demand and internal resources **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.
- A 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.

273 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. Say for example, you run a small tourist **transport** company. Your company operates **taxi, mini** buses **and** buses for tourists. Total annual turn over of your company is **not** more than one crore. Let us now think what structure you need to run your business profitably. A small office managed by three to four supervisory staff, to manage the fleet, to market your services and to **liason** with customers and other **organisations**. Then comes the **role** of **drivers, helpers** and attendants which has to be proportionate to your **requirement**.

Profit being one of **the** major considerations of your company one has to be very careful about the **running** cost. 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.

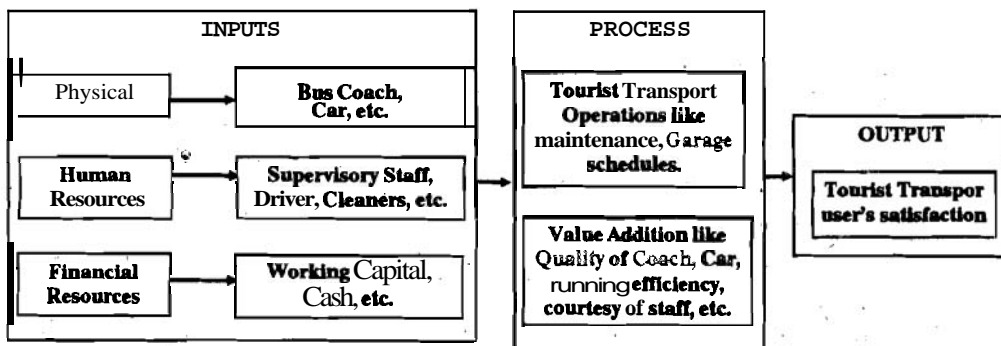
Another important aspect in organisation is **defining** and delegating responsibility and authority. In case of tourist transport management this would include:

- 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.



Check Your Progress-1

1) What is the necessity of planning in transport management?

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2) Identify some important issues which are crucial for deciding organisation structure.

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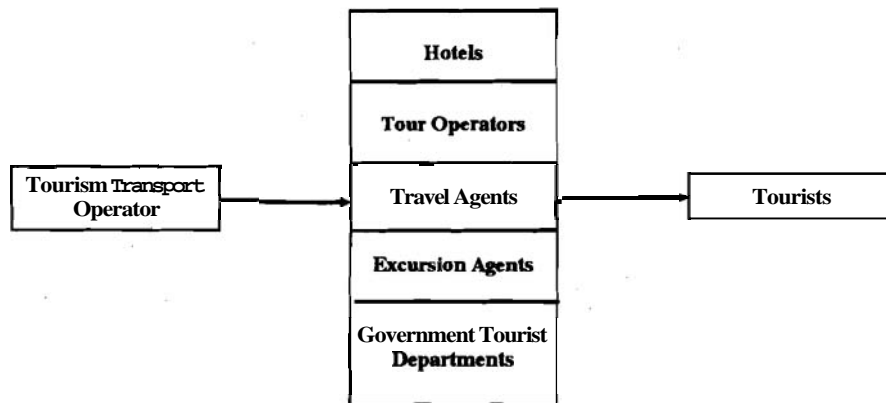
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27.4 MARKETING

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 break even point (see **Unit 20**). 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**. All 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.**



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 fulfill. 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."

27.5 FORECASTING

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.**

27.6 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 octroi 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.

Drivers hours of work should be restricted to 5 hours of continuous driving with 1/2 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.

CASE STUDY

The tourist group was told to be ready by 6 **am** as the coach would be there by 6.10 am. The group was ready and waiting in the hotel lobby at 5.55 am. The coach arrived at 7 **am** and the journey started at 7.15 am. Tourists got a **sigh** of relief. Suddenly they found the coach at a petrol pump. It took another 20 minutes to get diesel. One hour delay upset the whole day schedule and the customer curses the staff and the company. Though such a delay might have happened for the first time in your company's history but the tourist is not concerned with that. Bad communication in such situations leads to customer irritation and further dissatisfaction. Hence, train your staff to tactfully handle such situations.

27.7 TRANSPORT AND ENVIRONMENT

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 **on** 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 now a days is getting blurred between the two. In India also environmental concerns are becoming dominant. The day is not far when your customers **will** insist that the vehicles they are having must have all **anti-** pollution devices and they must be functional. **All** your vehicles must be checked **periodically** in relation to pollution. Besides your staff **can** play a major role in environmental protection by **sensitising** the tourists regarding **do's** and don'ts (e.g. not to throw **polythene** bags outside). But for this you **will** have to first educate them on environmental issues as most drivers have a **very** casual approach on this vital issue.

27.8 CONSUMER PROTECTION

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. When the overseas tour operator **finds** that he is not able to get the level of service from an Indian counter part he switches to another transporter after recovery damages if any.

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** advise of a legal consultant in **drafting** the contract.

Check Your Progress-2

- 1) Suggest some ways of marketing in transport services.

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2) How one can do forecasting in transport services?

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3) Discuss the relationship between environment and transport operation.

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27.9 LET US SUM UP

Each **task** has a **specific** requirement. Understanding the nature of task assigned to you and its requirement should be the immediate concern of a manager. So for a person managing the tourist transport operations, the immediate concern should be to identify the various requirements of the markets, major bottlenecks in the operation of transport and how to offer better services. Keeping this in view an attempt **has** been made in **this** Unit to explain the various steps needed to achieve the set **goals** of your company and to provide satisfactory services to the customers. In the Appendix-1 we are providing you with the rules for recognition as a tourist transport operator set by the **Department of Tourism, Government of India**.

27.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress-1

- 1) Read Section **27.2** **carefully** and give your own argument.
- 2) Resources of your company, target **of** your company, weaknesses of your **company**, etc. See Section 27.3.

Check Your Progress-2

- 1) Identification of market demand, segmentation of market, packaging of services as per **tourists requirement**, etc.. See Section **27.4**.
- 2) See Section **27.5**.
- 3) See Section **27.7**.

ANNEXURE-I

RULES FOR RECOGNITION AS APPROVED TOURIST . TRANSPORT OPERATOR WITH EFFECT FROM 6.4.92.

- 1) The aims and objectives of the scheme for recognition shall be to make available tourist **transport** to certain acceptable standard at tourist places. This is a voluntary scheme open to all **bonafide** tourist transport operators.
- 2) Definition: A Tourist Transport Operation **Organisation** is one which provides tourist transport like cars, coaches, boats, etc. to tourists for transfers, sight seeing and **journeys** to tourist places, etc.
- 3) All applications for **recognition** shall be addressed to the Director General of Tourism, Transport **Bhavan**, No. 1, Parliament Street, New Delhi - 110 001.
- 4) The following conditions must be **fulfilled** by the tourist Transport Operator for grant of recognition of Dept. of Tourism.
 - i) The application for grant of **recognition** shall be in the **prescribed** form.
 - ii) The applicant has been in the tourist transport hire business for a minimum period of 2 years at the time of application.
 - iii) The tourist Transport Operators has operated in the above 2 years period a **minimum number** of **3** tourist vehicles with proper tourist permits issued by the concerned **STA/RTA** for tourist vehicles. Out of these three tourist vehicles at least one must be a car.
 - iv) The applicant has adequate knowledge of handling the tourist transport vehicles for transferring tourists from the Airport, Railway Stations, etc. and for **sight-seeing** of tourists both foreign and domestic.
 - v) The drivers of the tourist vehicles have proper uniform and adequate knowledge of taking the tourist for sight-seeing.
 - vi) The applicant has **proper** parking space for the vehicles.
 - vii) The Tourist Transport Operator is registered with the appropriate authority for carrying on the business of operating tourist transport vehicles.
- 5)
 - a) The 2 years period of operating the tourist transport business may be relaxable to 1 year in the **case** of those applicants who have operated 5 tourist vehicles with the proper **STA/RTA** permits for **1** year. These 5 tourist vehicles **could** be in any combination of **cars/AC Coaches/Mini Coaches/Roats** provided there are minimum or at least 2 cars in the fleet of 5 tourist vehicles.
 - b) For Ex-Defence personnel, the condition of being in the business of tourist transport vehicles for 2 years are having 3 vehicles is relaxable provided the candidate **is sponsored** by the Director General of Resettlement, Ministry of Defence, New Delhi. In the case of such personnel they **can** operate the tourist transport business with 1 tourist vehicle only. However, the ex-Defence **personnel** who apply under this scheme must themselves operate the tourist transport business and should not be **hireman** of other **financiers**.
 - c) The condition of being in operation for 2 years period for tourist transport operators approval may also be relaxable in the case of those applicants who have located their business at the centres mentioned below:
 - i) Amritsar (**Punjab**)
 - ii) Bodhgaya (Bihar)
 - iii) Bhopal (M.P.)
 - iv) Bhubaneswar (**Orissa**)
 - v) Chandigarh
 - vi) Hyderabad (A.P.)
 - vii) Hardwar (U.P.)
 - ix) Khajuraho (M.P.)
 - x) Port Blair (**A&N**)
 - xi) Pathankot (**Punjab**)
 - xii) Srinagar (J&K)
 - xiii) Tiruchirapalli (T.N.)
 - xiv) Udaipur (**Rajasthan**)
 - xv) Visakhapatnam (A.P.)

- 6) The Tourist Transport Operator will be required to pay a non- refundable one time fee of Rs. 500/- while applying for the recognition. The fee will be made payable to the Pay and Accounts Officer, Department of Tourism in the form of a Bank Draft.
- 7) The applicant should be income tax **assessee** and should submit copy of acknowledgement certificate as proof of having file income tax return for current assessment year.
- 8) The decision of the Government of India in the matter of recognition shall be **final**. The Government of India may in their discretion refuse to recognise any firm or **withdraw/withhold** at any time recognition already granted without assigning any reason.
- 9) Recognition once granted **shall** continue **unless** revoked and subject to their continuance in this business and their submitting the requisite return of income tax and other particulars.
- 10) Tourism Transport Operator granted recognition shall be entitled to such incentives and concessions as may be granted by Government from time to time and shall abide by the terms and conditions of recognition as prescribed from time to time.

APPLICATION FORM FOR RECOGNITION AS APPROVED TOURIST TRANSPORT OPERATOR

- 1) Name of the **firm** with address, telephone, telex and fax number.
- 2) Nature of the **firm** and date of registration/commencement of business with **documentary** proof.
- 3) Whether the office is located in residential/commercial/industrial area.
- 4) Name, experience qualifications of the **proprietor/Managing** Director.
- 5) Total number of staff including Drivers.
- 6) Name of the Travel **Agents/Tour** Operators/Hostels/Airlines with whom most business is transacted.
- 7) Please attach a copy of the audited balance sheet and profit and loss statement duly certified by the Chartered Account for the year preceding the date of application **alongwith** copy of acknowledgement certificate in respect of Income Tax Return for current assessment year.
- 8) Please indicate the loans and mortgages as on the date of application.
- 9) Number of Vehicles viz, AC Coaches, non AC Coaches, Mini Coaches, Cars and Boats operated as tourist vehicles with their make, model and registration.
- 10) Attested copies of valid permits issued by **RTA/STA** for tourist vehicles and R.O. Books of Tourist vehicles should be **furnished**.
- 11) No. **and** date of Bank Demand Draft for Rs. 500/- in favour of Pay and Accounts Officer, Dept. of Tourism, New **Delhi**.

Signature _____

Designation _____