
UNIT 30 TOURIST TRANSPORT MARKETING

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30.0 OBJECTIVES

After reading this Unit, you will be able to:

- understand the tourist transport product characteristics,
- segment the tourist transport market,
- understand the tourist transport product types,
- learn the issues related to product design,
- appreciate the importance of quality controls, and
- know about promotion and selling of tourist transport services along with the types of distribution channels.

30.1 INTRODUCTION

Accessibility through various modes of transport is one of the major considerations of the tourist resources of a destination, country and a region. A fast, comfortable, secure and convenient mode of transport would immensely assist in development of tourism and drawing tourists to a destination. The transport industry has to face the challenge by offering suitable means of transport as per the requirements of the tourists. Tourist transport is a part of the tourism product, although, it is a separate industry with its own market, problems and operations.

Since Airlines Marketing has been dealt in **Unit 29**, in this Unit, we shall emphasise on the road transport. After discussing the transport types, this Unit gives you an understanding of the tourist transport market, target markets and product design. It also discusses the importance of quality and operational controls in relation to product design besides discussing the linkages needed for promotion and sales.

30.2 THE TOURIST TRANSPORT MARKET)

The modes of tourist transport are airlines, railways, water transport i.e. luxury liners, steamers, etc. and road transport, which includes buses, coaches and cars, etc. As far as the railways are concerned, lately the transport product in many cases has been designed and developed keeping in view the tourists besides catering to the normal railway passengers. **Palace on Wheels** and the **Royal Orient** can be cited here as examples of the tourist trains being run jointly by the Indian Railways and tourism departments. The introduction of **Rajdhani** and **Shatabdi** trains has also facilitated fast movement of tourists and the Indian Railways also offer **Indrail Passes** to foreign

tourists. The railways also offer separate tourist car carriages for group movements and even round trip tickets to domestic tourists.

In the area of water transport, coastal shipping on routes like Mumbai-Goa, Cochin-Lakshadweep, Calcutta- Port Blair and Chinnai-Port Blair are continuing in India. However, luxury liners have not gained much importance in the case of Indian tourism transport products.

In this Section, we provide you with information related to the tourist transport market with emphasis on road transport.

30.2.1 Road Transport Types

From the point of view of tourists' market, the road transport preferred by tourists consist of :

- buses,
- air-conditioned coaches,
- deluxe coaches,
- taxies (AC and non-AC), and
- car rentals.

Buses and tourist coaches are popular modes for inter- city travel, sightseeing within the destination and in many cases for package tours. The recent addition in India has been the self-driven rent-a-car provided by auto- rental companies. This facilitates the tourists to rent a car at the airport and drive around.

There is a vast market in all these categories of road tourist transport in relation to various types of tourism. For example, many bus operators provide their services for pilgrimage tourists whereas the number of air-conditioned coaches for inter-city transport is also on the increase. The services of tourist transporters are also required by tour operators in packaging their tours for the purposes of inner city tours as well as short inter-city tours.

30.2.2 Customer Categories

The customers of tourist transport can be categorised on a variety of basis according to tourism motivations and segments. The tourists as customers can be segmented in a variety of ways and the size of the market can be determined on the basis of discretionary income, travel patterns, purpose of visit and frequency of travel (see Unit-2). There are low-budget tourists and there are up-budget tourists with different requirements in terms of comfortability of travel. A tourist transport operator has to take into account these various segments of the market for the business operations purpose and accordingly decide the target market.

30.3 TARGET MARKETS

Tourist transporter has to cater to three distinct markets i.e.:

- the domestic,
- the international, and
- the day visitor.

Each of this market has to be further analysed and segmented into meaningful target groups taking into account the socio-demographic profile, socio-economic profile, travel motivations, etc. The product range offered by a tourist transporter is diverse and would need product presentation to appeal to different segments. Each segment is capable of being measured in terms of potential investment and profitability. This also helps the tourist transporter in terms of investment or allocation of resources. At the same time a tourist transport operator has to take into account the routes on which he would like to operate and the category of tourists he would like to cater to i.e. up-budget or low-budget, etc. It must be remembered that while segmenting the tourist market and picking the target group out of it, the tourist transport operator has to deal with a variety of clients. There are tour operators who hire the tourist transport according to the wants and needs

of their own customers and the same is applicable in the case of hotels, travel agencies, convention industry, institutions, associations or other corporate clients.

A certain amount of market research is essential for selecting the target market and the transport operators while knowing the regular clientele need to judge the traffic they are turning away or are losing. This helps in filling the empty seats and increasing profitability.

In the tourist transport business, seasonality plays a vital role in deciding the target markets. In **Unit-19** of this course you were made aware of the various aspects related to seasonal marketing and practically all these aspects are relevant in tourist transport marketing. For example, in India the tourist season for international tourists ranges between September and March. Even within this there are monthly variations but generally this is the time when the tourist transport demand is on the increase. The problem faced by tourist transport operators is for the off season period in order to have optimum utilisation of their products. Hence, the market to be targeted during this period consists of domestic tourists for we know that in May and June, because of vacations in educational institutions, domestic travel goes up. Similarly, pilgrimage travel is also high during this period. Here the tourist transporters, keeping in view the product that has been designed for international travellers, have to match it with the requirements of those tourists who can afford luxurious travel. Once again a close linkage has to be established with the domestic tour operators in order to cater to this market.

In **Unit-6** the role of forecasting for tourism and its products was discussed in detail. Since tourism is essentially packaging of the services and attractions of the various players in the business a tourist transport operator has to take into account the forecasts and projections of the other partners in this business. These forecasts are not only useful for the purposes of making plans or taking decisions regarding the operational aspects but they also help in allocating the resources, product design and in decision making related to the routes to be operated.

Check Your Progress-1

1) Define the various customer categories of tourist transport.

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2) What is the significance of target markets for a tourist transport operator.

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30.4 PRODUCT DESIGN AND DEVELOPMENT

A tourist transport operator has to follow the basic principle of marketing of **providing the right product at the right price in the right place at the right time**. Hence, the product that has to be designed and developed must be market oriented. The analysis of product-market match is a continuing exercise and it must take into account the detailed study and classification of resources for all services that support them. **Victor T.C. Middletem** has mentioned that the "marketing decisions of transport operators are influenced by their response to six specific external factors, over most of which they have only very limited control." The six factors listed by him are as follows:

- 1) vehicle technology (major innovations)
- 2) information technology
- 3) regulatory environment
- 4) price of fuel
- 5) economic growth or decline (national and international economy)
- 6) exchange rate fluctuations

All these factors influence the product design and development in relation to the services offered by the tourist transport operator. For example, the capabilities of vehicles like sitting capacity, speed, size, fuel efficiency, etc. are not under the control of the tourist transport operator, but they do effect the customer choice and profitability. The tourist transport operator has to improve upon the original core product through value addition. For example, the type of tapestry or cushions to be provided on the seats of a coach, the audio system to be installed for the use by an escort or a city tour guide, etc. Similarly, the use of information technology adds to the value (example, cellular phone in a coach). Every country has its own regulatory controls for both domestic as well as international movement of vehicles. For example, in India permits have to be obtained for tourist vehicles and the rates and tariffs vary from route to route and state to state. These have a bearing on the pricing, policies and the profitability of a tourist transport company. The price of fuel is directly related to the economy of a country and is determined with the stages of economic growth or decline. This has a direct bearing on the tourist transport operator.

Various aspects related to product designing were dealt in **Unit-13** and they are relevant for designing the tourist transport products. Once a tourist transport company has done its market research and settled on the target market, the product has to be accordingly designed and created. Both tangible and intangible aspects are crucial in product design and the effort should be to increase the tangible aspects for providing better services. These may include, for example, a better get up of the coach, quality cushions and tapestry for the seats, proper lighting, etc. The intangible aspects depend on the quality of customer care shown by the service providing staff. For example, driving capabilities of the driver affect customer satisfaction to a large extent. The coach may be brand new with all the comforts but if the driver applies brakes too often or suddenly or is a rash driver the customers will feel not only uncomfortable but nervous in the hands of such a driver.

Thus the company, inspite of having invested so much for a good coach, would earn a bad image because of poor service by the driver. As mentioned in **Unit-13** of this course a tourist transport operator has to take note of all the five product levels, i.e. **core benefit, generic product, expected product, augmented product and potential product**. Basic design, presentation, quality, eco-friendliness and smooth operations are the other ingredients associated with the product.

A tourist transport operator has to adopt both market orientation as well as societal orientation while designing the products. For example, many tourists might object to or refuse to travel in a vehicle which creates air pollution. At the same time besides taking into account the customer needs (a customer for a tourist transport operator can be a tour operator, a hotel, a travel agency or directly the tourists), the transport operator has to go for competitive analysis also for designing or improving upon his own product. Take for example, the case of a tourist taxi service. A company entering this market will have to analyse:

- How many other companies are providing this service?
- What type of cars are they using?
- What is the condition of their cars?

- What kind of skills their drivers have?
- How much commissions they are offering to them through whom they deliver their product, etc.

It is on this basis that the company will offer augment or improve its own product for establishing a better image in the market. In this case both **differentiation** and **positioning** matter a lot.

Another important step towards product development is to exploit new markets and create new streams of traffic for future growth as a basic market endeavour. In addition to the existing infrastructure and services there will always be scope for new investments.

Product design and development further get linked to pricing and in the transport sector a variety of factors affect the pricing strategies for example:

- transport regulations may restrict the price levels, and
- off season or a group travel may require special discounts, etc.

30.5 QUALITY AND OPERATION CONTROLS

A reputed tourist transport company must pay a lot of attention to the quality of service which is very closely linked to operational controls.

Two aspects need constant attention in this regard:

- 1) Firstly, the service rendered by the driver which depends on the driver's individual skills of driving, route knowledge, mannerism, alertness to manage emergencies, communication skills, presentation and personality. This requires constant training and upgradation.
- 2) Secondly, the briefings and directions, etc. given to the drivers by the supervisory staff of the company besides providing necessary documentations, etc. for operating on the various routes.

How the drivers handle the vehicles, vehicle maintenance and fitness are some other aspects for which operational controls are necessary. A highly professional approach is required in this regard and even the most leading companies feel handicapped in applying these operational controls.

30.6 LINKAGES, PROMOTION AND SALES

Tourist transport being a major component of tourism industry, has to depend on the other components like tour operators, travel agents and hotels, etc. for effective coverage of the markets and distribution of products and services. This calls for establishing close links among the various constituents of the tourism industry themselves in order to promote their business. Thus, promotion and sales are dependent on individual contacts and business relationships with the major clients. You are aware that the tour operators draw upon the products and services of tourist transport operators for packaging their own products and so do the travel agencies. Hence, the promotional efforts of the tourist transporters are geared more towards them rather than promoting their products directly to the tourists. Direct promotion to the tourists is done in the case of individuals or smaller group requirements like the car rentals or tourist taxi services. For this the tools adopted include putting up of hoardings at the entry points like airports, railway stations, bus terminals or outside hotels. Advertising in travel magazines, yellow pages, tourist guide books and tourist directories is another tool used in this regard.

Tourist transport operators have their own associations for safeguarding or promoting their interests. At the same time they also seek memberships of other bodies like the travel agents' associations and tour operators' associations to increase their business relationships. In order to promote their products and services they also participate in travel fairs as they provide an opportunity for establishing business relations.

Check Your Progress-2

- 1) What aspects would you consider while developing a tourist transport product.

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- 2) What type of linkages are required for the promotion of tourist transport business.

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30.7 LET US SUM UP

Tourist transport business, though an independent activity on its own, has to be seen in the over all context of the tourism product. A sound knowledge of the marketing concepts and practices is essential for successfully running this business. The job is not just to provide transportation facilities but also to ensure quality of the service. Understanding the market, selecting target markets, establishing linkages with the procurers of tourist transport (like tour operators, travel agencies, etc.) and understanding their requirements for designing appropriate products and services are vital for building your own companies image and securing more business. Constant upgradation of services with the aim of remaining ahead of your competitors should be the motto in this trade. You must remember that the large chunk of tourist budget is spent on travel and the image of the destination, tour operator, travel agency, etc. is very closely linked with the type of services provided by the tourist transport operator.

30.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress-1

- 1) Read Sub-sec. 30.2.2 for your answer.
- 2) Base your answer on Sec. 30.3 and also read Unit-2 of this course to once again understand market segmentation.

Check Your Progress-2

- 1) Base your answer on Sec. 30.4
- 2) Read Sec. 30.6 for your answer.

In working out how many copies you need you should bear this economy of scale in mind, but do not be persuaded to print far more than you will ever need just to reduce the unit cost !

The part of a brochure which commonly goes out of date, and thus causes the whole brochure to expire, is the price chart. Where budget is a concern, and to save reprinting on a seasonal or annual basis, it may be advisable to print a long print run (large number of copies) of the full colour process slip which can be cheaply updated as necessary. In this case the glossy brochures must be stored carefully so that they do not deteriorate.

Getting quotations

When you are ready with the mock up and design of your brochures you can ask printers to provide quotations. They should not charge for this and you should approach three or more printers.

You will specify the design, layout, paper quality, and print run and of course the printer will want to know whether he is to supply separations or whether these are to be supplied by you. The delivery address will also be a consideration.

Do remember that printers have busy and less busy seasons and if you can use the latter you should be able to negotiate a better rate. Do not be afraid to use overseas based printers. There are many around the world who specialise in travel trade work and who can even be less expensive than your local man (look for them at trade fairs). Indeed, if the brochure is being printed specially for a foreign trade fair (i.e. World Travel Market, London, or ITB Berlin, it could save you a lot of time, trouble, and money to have the materials printed in the country concerned and delivered locally to the fair).

Check Your Progress-3

- 1) What is the significance of Brochures in Tour Operations and Tour Operators' Marketing?

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- 2) How do you select Photos for Brochures?

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32.8 LET US SUM UP

In this Unit you were familiarised with certain issues related with tour operator's marketing. Tour operations is a challenging business with ample scope for innovation and creativity. Selling dreams, attempting to convert these dreams into reality and sending back satisfied tourists is what a tour operator has to work for. Selecting your target groups, packaging the right kind of services and products, having the right distribution channels, competitive prices, target oriented promotion mix and finally adequate customer care and smooth operation of the tour are the essential