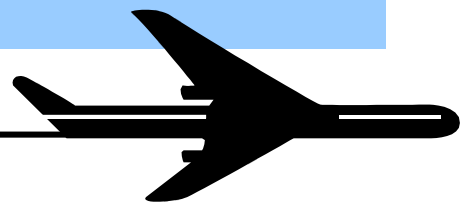


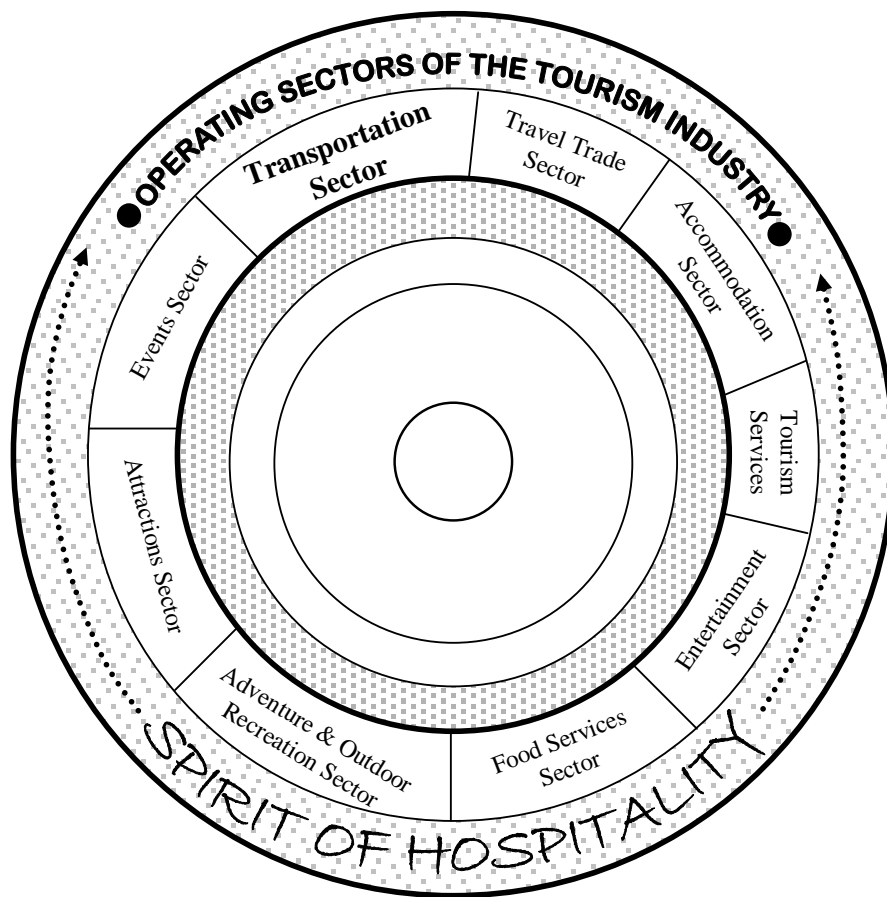
Learning Objectives

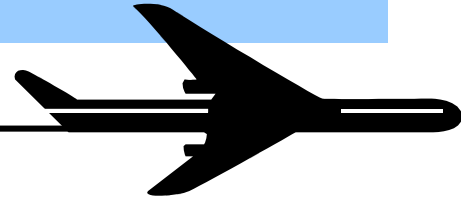
- Comprehend the importance of transportation in tourism.
- Understand the airline industry and its role in travel.
- Examine the domination of the automobile in travel.
- Learn about the role of rail and motor coach travel.
- Study the cruise industry.



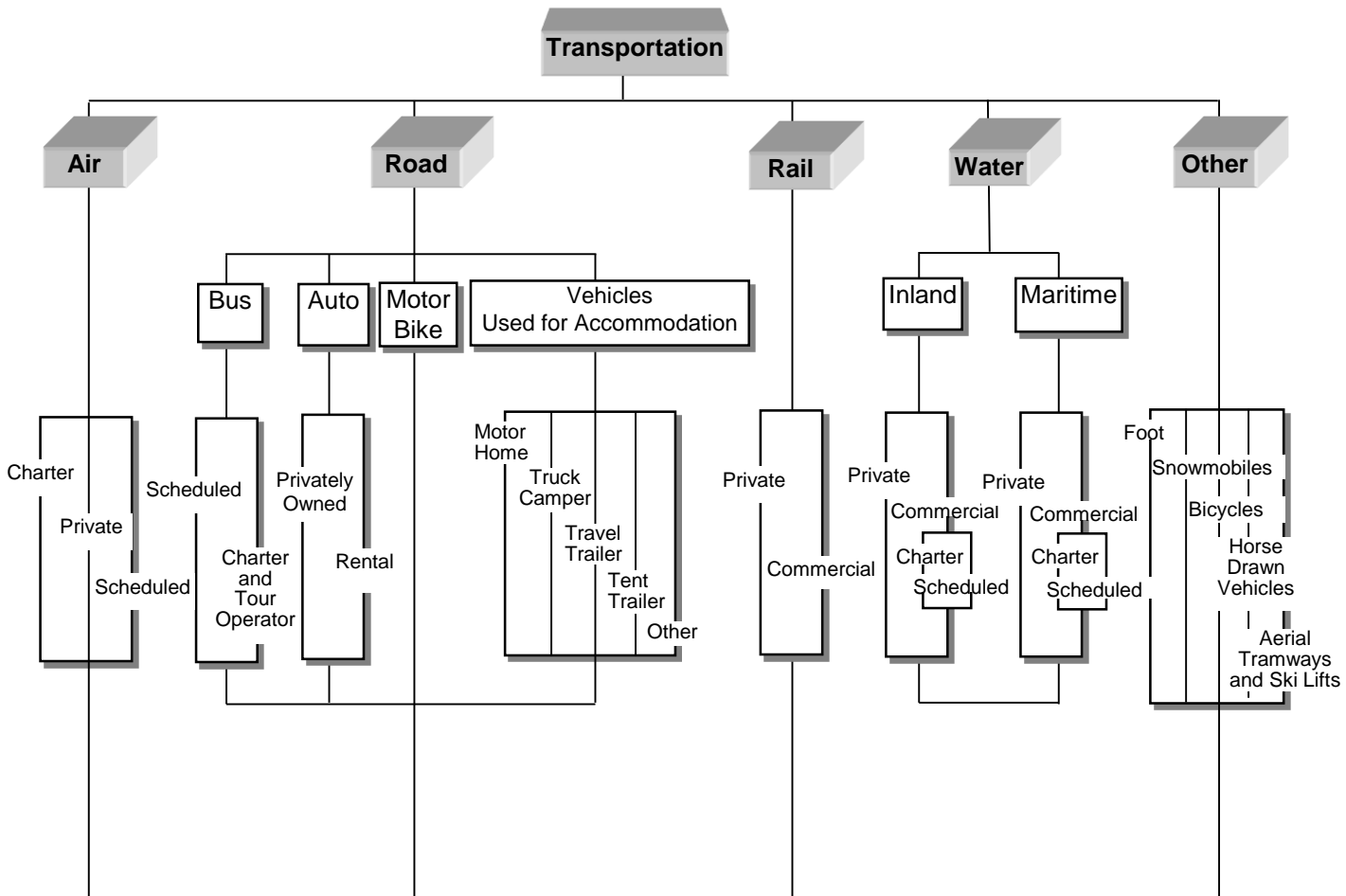


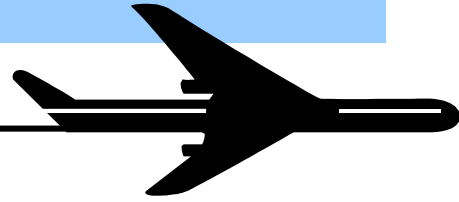
Operating Sectors of the Tourism Industry





Passenger Transportation Structure

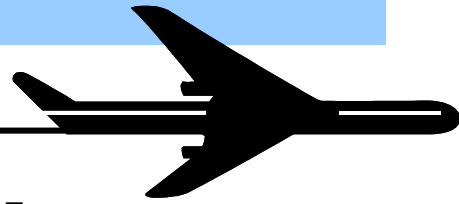




Urgent Transportation Problems

1. Congestion
2. Safety and security
3. Environmental damage
4. Seasonality





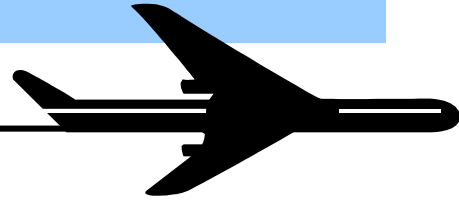
Airline Industry

- **World airline industry carries over 1 billion passengers per year.**
- **The U.S. airline industry in 2005**
 - * Employs 600,000 people
 - * Records revenues of over \$100 billion

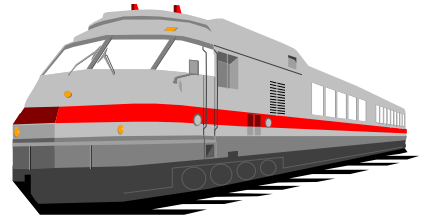
However, since 2001, U.S. carriers have suffered large losses. A weak air transportation system affects the rental car business, hotels, and attractions.

Low-cost carriers are growing.



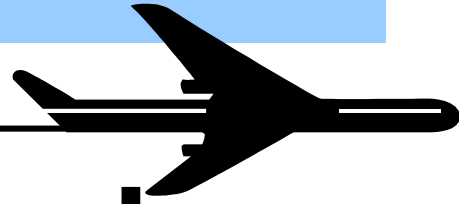


Rail Industry



- Reached its peak volume in the U.S. in 1920.
- Major railroads want out of the passenger service business (except commuter service). Passenger service depends on Amtrak. The situation is similar in Canada with passenger service dependent on VIA Rail.
- Passenger rail service is much more important outside of North America. Efficient, economical, high speed trains provide an alternative to air travel.

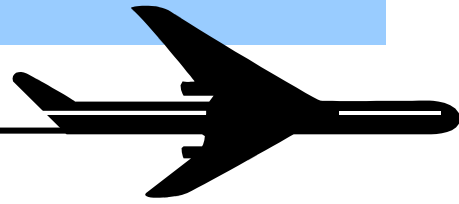




Motor coach Industry

- Intercity bus passengers tend to be lower income non-business travelers who are very price sensitive.
- Intercity bus service is becoming less important due to increased auto ownership and aggressive airline pricing.
- Bus travel is characterized by:
 - *More travel to and from rural areas and small towns than other modes of transportation.*
 - *Lower average ticket revenues than other modes.*
- Intercity bus industry is a small-business industry with a great deal of flexibility.
 - *Many bus companies focus primarily or exclusively on charter, tour or commuter operations.*

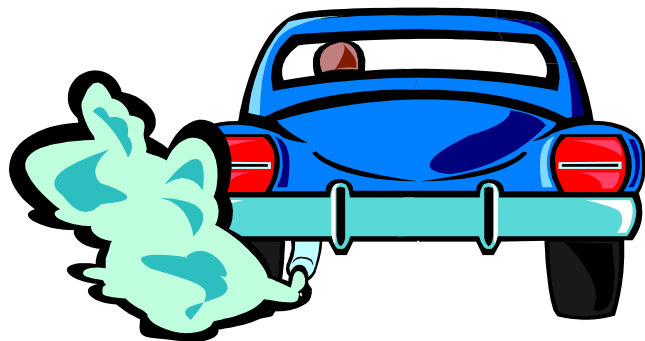


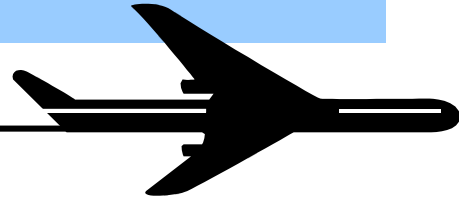


Automobile

- Most popular mode of travel in the world because of affordability, flexibility, and convenience.
- In the U.S., the Travel Industry Association of America reports that 80% of person-trips are made by auto.
- Rental car industry growing in importance.

** Grosses approximately \$20 billion per year.*





Cruise Industry

- Fastest growing segment of the travel industry.
- Since 1980 had average annual growth rate of 8.1%.
- Expanding fleets.
- Adding new ports of call.
- Seeing consolidation.
- Served by the Cruise Lines International Association.

