1. Introduction to Transportation --------------------------------------------------5hrs

1.1. Historical overview of transportation in tourism

1.2. Importance of transportation

1.3. Elements of Transportation

1.4. The changing role of transportation elements

1.5. National and International organizations related with Transportation

1.6. Transport a competitive analysis

1. Air Transportation ---------------------------------------------------------------9hrs

2.1. Historical development of air transportation

2.2. Types of aircrafts

2.3. Classes of services

2.4. Airline passenger services

2.5. Freedom of air

2.6. Airline geography and terms

2.7. Types of flight services

2.8. Types of air journeys

2.9. Airports and their facilities and formalities

1. Ticketing and fare calculations------------------------------------------------8hrs

3.1. Air fares and deregulation

3.2. Fare Calculation Terms

3.3. Types of fares

3.4. Fare Rules

3.5. Airline policies and passengers’ services

3.6. Cargo operation

1. Surface Transportation---------------------------------------------------------6hrs

4.1. History of surface Transportation

4.2. Types of surface Transportation

4.3. Service Characteristics

4.4. Organizational and Institutional Elements in Land Transportation

Travel terminology and ticketing

1. Water Transportation ---------------------------------------------------------6hrs

5.1. Background and History of Maritime Industry

5.2. Types of Water Carriers

5.3. Service Characteristics

5.4. Water Transportation and Tourism

5.5. Cruise ship and cruise marketing

1. Economics of passenger transportation------------------------------------3hrs
2. Issues in Transportation industry (past, present and future)----------3hrs

**Assessment Method**

Contentious assessment – 50%

Field visit report, quiz, mid exam, class participation and assignment

Final Exam - 50 %

**References:**

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**CHAPTER I**

**INTRODUCTION TO TRANSPORTATION**

**1.1. Historical overview of Transportation in Tourism**

Introduction

Tourism involves the movement of people from their place of residence to a tourist place and, in consequence, the relationship between transport and tourism development is a vital area of tourism studies. Tourism is the outcome of the travel and stay of people, and as we have seen, the development of transport, both private and public, has had a major impact on the growth and direction of tourism development. Transport is a fundamental component of the tourism industry. The provision of adequate, safe, comfortable, fast, convenient and cheap public transport is a prerequisite for mass market tourism.

For development of any destination, adequate and efficient transportation infrastructure and access to generating markets is one of the most important aspects. The destinations which can be reached by efficient transport systems are the ones which receive the maximum number of tourists. Within the country, efficient modes of transport are vital for movements of domestic tourists. So, transport is the necessary pre condition of travel: it facilitates mobility and the movement of tourists from the place of origin to their destination and back. No tourism activity can take place without tourist transport.

In the ancient times the mode of transport used by travelers’ was a horse, a horse carriage, a hand driven carriage or a boat. This was followed by ships. It was however in the 19th c that mechanized transport flourished all over the world. Developments of road transport in the post world war I period and air transport in the post world war II period were the major factors which were responsible and continue to be so for the great support in modern tourism. The war necessitated innovations in the fields of motor and air transports for the purpose of initially using them for the war itself. After the war was over, they were utilized as modes of transport for travel. Many road systems and airports which were initially built for transporting men and material for use in the war were subsequently utilized for transporting passengers for the purpose of travel and tourism.

According to *Burkart* and *Medlik,* transportation can be defined as *‘the means to reach the destination and also the means of movement at the destination.’* This broad definition allows us to distinguish between the numerous types of transportation services. It also emphasizes the functional element of transportation services: that is passenger movement from point A to point B. increasingly, as transport is viewed as a part of the leisure, the quality of the journey is at least as important as act of movement itself. For some categories of visitors, the trip is therefore seen as an attraction in itself and certainly as a part of the tourist experience. The view from the coach or the excitement of flying is both examples of utility of travel.

Transport is frequently neglected in the analysis of tourism, often being relegated( down grade) to a passive element of tourism and in some cases it can form the focus of the tourism experience. Various form s of transport have been associated with the development of tourism and technological development in transport combined with the rise in personal disposable incomes have led to the expansion of both domestic and international tourism. A tourist always thinks of safe, comfortable and convenient mode of transportation. Transportation can be divided into three types:-*Surface* (road and rail), *Air* (aero plane and helicopters) and *Water* (cruise and passenger ships).

1.2. Roles and Importance of Transportation

As tourism involves movement from one place to another so, the role of transportation becomes very important. Following are the importance of transportation in tourism.

* *Historical Significance*
* Transportation made people to search basic needs like food, water and shelter through hunting and migration.
* It played a major role in the conquest and discovery of lands and nations during the exploration period.
* Religious or evangelical expansion happened because of transportation, moving the emissaries or missionaries over distant lands by foot, animals or simple-wheeled carriage and boats.
* It played a role in the leisure, recreation and social activities of people especially the elite or belonging to the high-class.
* It played a role in the information exchange among kings and leaders, between nations.
* Barter system or trading of basic and luxury goods has not been possible without transportation during the times of early civilizations in Greece, Rome and Mesopotamia.
* It helped in the construction of big monuments and buildings of kings, pharaohs and great leaders to symbolize man’s feat in engineering and architectural designs.
* It developed towns and cities to prosperity and growth, as cultural and social interaction among various tribes and peoples took place.
* It moved people for studies in other places like in the times of the Crusades and Grand Tour, to search for more experience and knowledge in European institutions and organizations.
* Through transportation, kingdoms and states have been defended from enemies by constructing strong walls, blockades and founding of armies with the used of carriages, chariots and horses to shield the entire kingdom.
* *Economic Significance*
* It promotes trade and commerce in a place.
* Contribution to Government revenue (GDP) in the form of taxes, duties and tariffs.
* It creates employment for many people through flow of traffic and movement of carriers in every destination.
* Dispersion of development happens as better roads and infrastructure are laid out or created to towns and rural areas.
* Access to and utilization of natural resources through developed infrastructure and transportation networks, allowing a nation to accumulate wealth and power.
* Earning foreign exchange through exportation of goods. The same that the movement of people or tourism gives the desired dollar earnings for a country.
* Development of a place as a town, city or destination, which adds to the overall national growth of a country.
* *Social Significance*
* It makes the lives of people much easier and better.
* Cultural and social enrichment due to contacts, travel and migration by means of transportation;
* Marketing and promotions of a place or destination indirectly to people and other places;
* Promotes peace, understanding and friendship among nations through bilateral relationships and cooperative agreements;
* Bringing people to cities and towns, having the access to basic services and facilities like churches, schools, hospitals, business establishments and shops, etc.
* *Environmental Significance*
* Proper utilization of land resources and nation’s wealth by turning idle land into usable lands for construction of projects and infrastructure;
* Awareness of environmental destinations and sites for protection and preservation by bringing people to the actual sites;
* Creates new innovations and technologies on how to use resources in a better way and not compromising the environment like usage of better energy resource in running vehicles or transport carriers such as batteries, solar power and electric;
* Protects and saves forests and natural ecosystems from illegal loggers, poaching and pollution by having strict transportation security and laws under city or municipal planning and development;
* *Tourism Significance*
* It moves tourists to reach the destination and within the destination.
* It helps the country in earning the much needed foreign exchange.
* It creates employment.
* National air carriers help showcase country’s culture and traditions.
* It markets the places of the country locally and abroad.
* It brings tourist during the off-peak season.
* It helps in the visitor’s satisfaction and thereby enhancing better image of the country.
* It helps in an overall development of country by connecting remote areas with the city centers or tourist destinations.
* It protects, preserves and creates tourist destinations whether of natural or of man-made appeal.
* It helps in transportation of passengers, mails and cargo internationally.
* It brings tourist during the off/peak season.

Modes of Transportation

The four modes of transportation are:

* Road,
* Rail,
* Air, and
* Sea

*The characteristics of transport modes:*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Mode | Way | Carrying unit | Motive power | Advantages | Disadvantages | Significance for tourism |
| R  O  A  D | Normally a surfaced road, although ‘off road recreational vehicles’ are not restricted | -car, bus, or coach  (lower capacity for passengers) | -petrol or diesel engine  -some use of electric vehicles | -Door- to-door flexibility  -Driver in total control of vehicle  -Suited to short journeys | Way shared by other users leading to possible congestion | -Door-to-door flexibility allows tourist to plan routes and allows carriage of holiday equipments.  -Acts as a link b/n terminal and destination  -Acts as mass transport for excursions in holiday areas |
| R  A  I  L | Permanent way with rails  (railways) | -passenger carriages  -high passenger capacity | -Diesel engines(diesel/ electric/hydraulic)  -also steam or electric locomotive | -sole user of the way allows flexible use of carrying units suited to medium or long journeys, and to densely populated urban areas | High fixed costs | In mid 19th opened up areas previously in accessible fore tourism special carriages can be added for scenic viewing, etc. trans-continental routes and scenic lines carry significant volume of tourist traffic |
| A  I  R | Sky-natural | Aircraft  (high passenger capacity) | -Turbo-fan engines; turbo-prop or piston engine | -Speed and range  -Low fixed costs  -Suited to long journeys | -High fuel consumption and stringent safety regulations make air an expensive mode , High  terminal costs | -Speed and range opened up most parts of the world for tourism  -Provided impetus for growth of mass international tourism |
| S  E  A | Water-natural | -ships can have high degree of comfort  -high passenger capacity | Diesel engine or steam turbine | -low initial investment  -suited to either long distance or short sea ferry operations | -low speed  -high labor costs | -confined to cruising(where luxury and comfort can be provided) and ferry traffic |

*Factors affecting Choice of the modes of transportation*:

In general the choice of visitor for the mode of transport is affected by the following:

* Distance and time factor
* Status and Comfort
* Safety and utility
* Comparative price of services offered
* Geographical position and isolation
* Range of services offered
* Level of competition between services.

1.3. Elements of Transportation:

If interaction does take place, a transport system will be needed. Faulks(1990) has identified four basic physical elements in any transportation systems. These are the way, the terminal, the carrying unit, and the motive power. These elements vary for each transportation mode and vehicles.

* The way: The way is the medium of travel used by a transport mode. It may be purely artificial, such as roads and railways, or natural, such as air or water or it can be a combination of the two, such as inland waterways. Roads, Railways and inland waterways restrict vehicle to move to a specific pattern, national regulations delineate both sea and air corridors and routes such that standard operating procedures are applied worldwide to limit the freedom of these ways. In considering transport modes, the availability of way is very important in the case of roads, railways and inland waterways, where substantial investment would be needed to provide them. In the case of water and air, this is not an issue except for air traffic control procedures.
* The terminal: It represent the second important element of transport mode, giving access to the way for the users, or acting as an interchange between different types of way. It is the furthest point to which the transport system extends literally the end of line. Probably, the simplest terminal is parking for private cars, while the most complex one is an airport. In fact, most terminals are becoming integrated transportation points as they can act as interchanges where travelers can transfer between vehicles modes. Airports, for example, can be used as transfer points between two aircrafts, or between other modes of traveling, such as the car or train. The design of the terminal and the amenities they offer depends heavily upon the type of journey and transportation involved. Although we can observe a general tendency towards the development of integrated terminals which caters for all potential needs of the travelers, not all modes need to have sophisticated points as terminals; coaches, for example, can and do operate from road side locations.
* Carrying units: It is the actual transportation media: the vehicle, which facilitates the movement. Each way demands a distinct carrying unit: aircraft for the sky, ship for the sea, vehicles for the roads, and train for rails. The nature of carrying units has been influenced by the numerous factors, which include travel demand, and the technology employed, as well as the other elements of the mode (such as motive power). In the last few decades, developments have occurred in the carrying units, which are designed towards greater efficiency and consumer orientation. Flexibility is also important, as vehicles increasingly need to be altered easily and quickly, in order to accommodate changing tourist demand. Executive style coaches with on board services are an example of the same.
* The motive power: Motive power is perhaps the key element in transportation development. The natural power of horse – drawn carriage and sailing vessels provided the initial energy for transportation. The exploration of steam power provided the opportunity for the introduction of steam ships and railways, while the internal combustion engine stimulated the development of road and air transportation. Finally the jet propulsion enables air transportation to be competitively priced and gave aircraft both speed and range.

However, even in the 1900’s a number of activity holidays such as cycling, pony trekking and sailing involve human generated motive powers as part of the recreational activity. Motive power is closely related to a number of issues, such as the capacity and type of carrying unit, demand, and the desired speed and range of the vehicle. As costs of operation have been modified, the engine has had to become more fuel-efficient and for safety reasons more reliable.

**1.4. The Changing Role of the Transportation Element**

The easiest way in which to demonstrate the four basic elements are to consider the historical changes which have occurred over the time. Except for being quieter due to the continuous welded tracks, railways are little different from when first designed, although like airways they have become much busier and more congested. Roadways have become more continuous and now provide functional means of movement; however the view from the road is less interesting.

Terminals, especially airports, have become not only design pieces in them selves, but in some instance the center of hub and spoke traffic. In some cases they have grown to the size of small town to deal with transit traffic (as at Changi airport, Singapore). Also the shopping mall concept has been merged with the terminal as, for instance, at London Gatwick’s North Terminal. However, the concepts of complete inter – modal transfer for baggage and people is not yet a reality at all airport terminals.

The carrying unit in some instances differs little from previous decades, but in the case of coaches and trains comfort has been built into the design and operation. The last two decades have seen quiter but not necessarily faster aircraft being built; the latest Boeing 747-400 series has a longer range, but takes about as many passengers as previous models. Efficiency of motive power may have changed for all modes of transport, but speed of travel and size of fleet have stabilized in the last decades. The major changes are illustrated in the following table:

Fig. 1. The historical development of transport and tourism

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Mode**  **of Transport** | **1930’s** | 1940’s | 1960’s | 1980’s |
| AIR | * Douglas Dc-3 introduced * Travel is expensive and limited routes. | * Propeller technology * Travel still limited * Basic air port terminals * air planes travel 400-480 km/h * airship enjoys a brief period of acceptance * Civil-aviation established | 🞄Jet aircraft B-707 (180 passengers) 🞄air planes travel 600-950 km/h  🞄Cheap fuel  🞄Charter take off (rapid expansion of charter services)  🞄development of CRS and GDS | 🞄Wide bodied Jumbo jet B-747 🞄Extended range  🞄Fuel efficiency  🞄No increase in speed except for Concorde  .  🞄Air Bus- in Europe with the cooperation b/n Britain and France *Concord* introduced which is the 1st Supersonic Transport /SST/  🞄Extensive terminal services |
| SEA | 🞄Ocean liners & cruises 🞄Short sea ferry speed less than 40 km/h with very basic facilities | 🞄Little competition from air 🞄No-increase in speed for passenger liners | 🞄Air over Takes Sea on North Atlantic routes 🞄Hover craft & faster craft(hydrofoils) being developed. | 🞄Fly-cruise established 🞄Large and more comfortable ferries  🞄fuel efficient and low operating cost  🞄Fuel cost reduced due to use of diesel engine  🞄flying cruises provide dual purposes:-during winter (*point to point liners)* and during summer *(warm winter cruise ships)* |
| ROAD | 🞄Cars achieve speeds of 55 km/h 🞄Coaches developed | 🞄Cars improve in speed and performance 100km/h 🞄Roads improved | 🞄Cars increasingly used for domestic tourism 🞄Speed 115 km/h  **🞄**Roads improve and motorways introduced | 🞄Speed limit 🞄Rise in car ownership rates.  🞄Urban congestion  🞄Green fuel  🞄Improved coaches |
| RAIL | 🞄*Steam era*-the 1st world’s most successful steam power locomotive 🞄Speed exceeds cars | 🞄Railways at peak (‘golden age’ of rail) 🞄provide goods and modern services  🞄made huge profit with extended mileage owners | 🞄Electrification Cuts inRail systems. (Railway companies decline due to –- growth in car ownership, growth in airline industry, and due to financial structure | 🞄High-speed network develop in Europe. 🞄Business product offered memorabilia  **🞄**Dedicated rail tourism products developed based on nostalgia for steam |

**1.5 Role of International Organizations related with Transportation**

* **United Nations:**  An international organization to which almost all nations belong. Its primary aim is to preserve the international peace and security as the preliminary condition to the progress of humanity.
* **World Tourism Organization (WTO):** Established in 1976, its general purpose is to give tourism the importance it deserves. It is officially recognized by the United Nations for promoting tourism for economic, social and cultural advancement of all nations.
* **World Health Organization (WHO):** Among other things, prepares all the information on communicable diseases and disseminates the information worldwide.
* **International Governmental Maritime Consultative organization (IMCO):**  it’s an intergovernmental organization concerned with the cooperation in sea transport.
* **International Civil Aviation Organization (ICAO):** Concerned with the development of international civil aviation and was responsible for the development of the “Freedoms of Air.”
* **Universal Federation of Travel Agents Association (UFTAA):** This organization represents the interest of travel agents worldwide.
* **Airline Regional Associations:** There are number of regional airline association through out the world and these includes the following:
* The Association of European Airlines (AEA)
* African Airlines Association (AFFRA)
* Association of Latin American International Airlines (AITAL)
* Orient Airline Association (OAA)
* Arab Air carrier organization (AACO)
* European Regional Airline Association (ERA)

So these organizations are similar in nature and include cooperation and information sharing between the members.

# 1.6. Transport a Competitive Analysis

The consumer behavior variable for competitive analysis can be identified as follows:

* Safety from accidents other dangers like hijacking, diseases
* Price/cost economical trip
* Time/Speed i.e. less travel time with high speed
* Distance whether it is long haul or short haul
* Convenience of using transport
* Reliability in terms of reaching tom the destination on time in comfortable manner.
* Availability of different modes of transportation on a particular route.
* Frequency/Flexibility such as last moment ticket availability or cancellations. More the frequency, more the travelers would going to benefited.
* Service quality provided by the different operators
* Comfort/luxury of the carrying units.
* Incentives or advantages to select a particular mode of transport.
* Ground services such as handling of baggage, providing ticket etc.
* Terminal facilities and locations as easily accessible and comfortable locations.
* Status and prestige associated with the particular mode of transportation.
* Enjoyment of trip as an experience is itself for fun and recreation.

# Road Transport

Road transport has a number of attractions for tourists:

* The control of the route and the stops en route.
* The control of departure time.
* The ability to carry baggage and equipment easily.
* The ability to use the vehicle for accommodation.
* Privacy.
* Freedom to use the automobile once the destination is reached.
* The low perceived out-of-pocket expenses.

Some nations tend to utilize a car much more than others for recreation and tourism, depending upon the transportation facilities and climate. Trips by car account for 90 percent of the pleasure /personal and business trips taken by Canadian and US residents and for almost 83 percent of the total passenger kilometers in Europe. Fathomer, travelers in continental countries, such as Germany, Italy, Austria, Switzerland and France, tend to use the motorcar for holidaying in the southern Mediterranean and at home. The hired coach has traditionally been employed by groups for transfers from and to terminals. In addition, sightseeing trips and tours are normally conducted by coaches. This mode is particularly useful for short-and medium-distance journeys. It has traditionally attracted the elderly and inexpensive markets, and the stereotype is of the lower occupational or social groups and the over-50s market.

Public coaches operate regular scheduled services and may transfer passengers to remote areas where there is inadequate infrastructure for alternative transportation (the Mountain Goat minibus service in the English Lack District National Park is an example). Beyond a certain threshold distance, lack of comfort and the relatively slow speed compared to other modes has to be traded off against cheaper and more attractive pricing structures.

# Railway Transport

Trains are perceived to be safe and inexpensive and to offer the convenience of movement within the carrying unit. They may also travel through attractive scenery and are a relatively 'green' form of travel. The fact that railway terminals are often in the center of the destination is an asset in comparison with, say, airports, which are often located 20 or 30 kilometers away from the center.

The most important reasons for traveling by train appear to be as follows:

* Safety
* The ability to look out of the train and see en route.
* The ability to move around the coach.
* Arriving at the destination rested and relaxed.
* Personal comfort.
* Decongested route ways.

The traditional market for the train has been regarded as the independent holiday visitor, probably in the visiting friends and relatives (VFR) category; trains may also attract a significant 'fear of flying 'market. The introduction of high-speed and intercity services such as the TGV in France has improved the level of service and comfort offered. Many new trains have good sleeping facilities and they are also able to carry automobiles.

# Sea Transport

Cruising is more a leisure product than a mode of sea transportation. In this case the sea voyage' the entertainment and leisure facilities offered within the ship and the excursions at the ports are more important trip elements than the places visited. Thus, the cruise ship is the destination itself.

The decline ocean liner shipping since the 1950s signified the development of the cruise industry as most shipping lines diversified into cruising. Increasingly, with the development of themed, special interest or hobby-type cruises, the trip can be short as one-day ad long as several months.

The typical cruise passenger used to be older, wealthy and predominantly North American. However, the cruise market now caters for all types of needs, ages and purchasing abilities. Fly-cruises are increasingly offered as holiday product, combining the speed and efficiency of air transportation and the relaxing, romantic attributes of cruise ships.

# Air Transport

Traveling by air is probably the most important transportation innovation of the twentieth century. It has enabled the transportation of passengers in the shortest time and has hosted demand for long-haul trips. In fact no part of the world is now more than 24 hours flying time any other part.

Chart flights are utilized widely to facilitate the movement of holidaymakers on package tours or even on so-called seat only arrangements. Charter airlines offer ad hoc 'transportation services; they normally fly directly to the final destination and therefore passengers do not need to change aircraft at hub. This can be achieved by a number of means:

* Minimizing the flexibility in altering flights.
* Flying at inconvenient and therefore not busy hours.
* Reducing the space within the aircraft
* Offering elementary luxuries and services.

The higher load factor achieved on charter services (90 per cent or more) compared with scheduled services (which can be as low as 20 per cent) is the final factor explaining the substantial difference in the unit cost of production the price at which the product can be sold.

The bulk of air travel is oriented towards either business or leisure travelers. In the first case, people travel for their economic activities and their fares are paid by their employers. Maximum flexibility is required in order to be able to their traveling arrangements at short notice; as a result business travelers use only scheduled airlines. Services, terminals and aircraft have to be designed to facilitate the function of the busy business traveler. The fares are not an extremely important element of the product, especially in periods of economic growth. It is estimated that business travelers account for about 30 per cent of all international air traffic.

Leisure travelers' share in air transportation has increased rapidly during recent decades. Leisure travelers have much more time and they do not necessarily require very high quality services. They are free to make their holiday arrangements well in advance' and thus they do not need a lot of flexibility. However, unlike the business travelers, they do pay their own fares and therefore they are price conscious.

**Stress related to travel:**

***Mc. Intosh*** (1990) argues that the stress of travel could be attributed to:

* Preflight anxieties
* Airside problems
* Transmeridian disturbance
* Fears and phobias
* Psychological concerns

While in-flight, health problems can be added to the stress involved in modern-day long haul travel (Harding 1994).

**Preflight Anxieties-** emerge when tourists commence their journey by traveling to the place of departure, often to meet schedules imposed by airlines. McIntosh (1990a: 118) suggests that these also heighten the inexperienced traveler's sense of anxiety. Once at the departure point, the preflight check-in and the complex array of security checks associated with luggage can subject the traveler to a significant amount of stress in an unfamiliar environment. In addition to this is the apprehension... initially generated by preflight security ... searches ... [which are]... a reminder of the risk of hijack and in-flight explosion (McIntosh 1990a: 118). Overcrowding in terminal buildings associated with the throughput of passengers at peak times can overwhelm and disorientate travelers, whereas seasoned travelers (e.g. business travelers) often have access to executive lounges and a more relaxed and welcoming environment free from some of these stressors.

* **Airside problems** - including the design and layout of holding areas for passengers traveling economy class, may contribute to an impersonal and dehumanizing process prior to departure, which is exacerbated by an absence of information about the nature and duration of delays. As Ryan (1991:43) argues... Passengers delayed in air terminals might be observed as passing through a process of arousal to anxiety, to worry, to apathy, as they become initially frustrated by delays [and] eventually reach apathy because of an inability to control events.
* **Tran meridian Disturbance-** associated with time zone changes during long travel is a major problem for some travelers (Petrie and DaWson 1994). The condition is often associaten with a lack of seep on long - haul flights and a sleep -Wake cycle which can cause exhaustion, commonly referred to as jet log. Travel agents may need to be sensitive in their advice to some clients as to the effect of forget their problems may heighten their sense of depression on east-west travel across the world's main time zones.
* **Fears and phobias-** associated with the likelihood of political insurrections, how hospitable the host population will be and potential language difficulties in the destination region all contribute to the traveler's apprehension in transit. This stress can be alleviated by-flight entertainment and public relations campaigns by national tourism organizations to reduce travelers' fears. The threat of terrorism or hijack is also pattern, being heightened after an incident and then subsiding in response to the ensuing public relations exercise by airlines to reassure passengers of the increased security measures which are in place. Yet in extreme cases, terrorism may pose a major threat to travel.
* **Psychological Concerns**- such as loneliness and a sense of isolation can also contribute to the traveler's feelings of anonymity during their journey, particularly if traveling alone (McIntosh 1995). The experience is often heightened on a busy jumbo jet carrying approximately 450 passengers, where an individual feels a sense of anonymity and of being confined in a strange environment 10,000 m up in sky. Safety issues also induce sense of unease amongst travelers following an incident such as an air crash, although air crashes are rare occurrences (Steward 1986) in terms of the volume a prominent role in the psychology of tourist travel.

*Barlay* (1995) also lists a number of *measures for passengers* to consider ensuring a comfortable flight

* Air pressure - mild flu can cause extreme pressure in the areas which may be relieve by pinching the nose and swallowing, sucking a sweet or in extreme situations, some airlines carry a decongestant which may be inhaled.
* Shoes - comfortable footwear and regular exercise on the aircraft are essential to help prevent swollen ankles.
* Clothing - layers of loose, roomy clothing are ideal for flying, and can be adjusted depending on the changing cabin temperatures.
* Skin dehydration - frequent applicant of moisturizing creams is highly recommended.
* Liquids and alcohol - dehydration is a major problem on long-haul flights as eyes can become dry and sore. Consumption of alcohol exacerbates dehydration, compounded by high-altitude flight. Mixing drinks (tea, coffee, non-carbonated water and fruit juice) are recommended by the British Airlines pilots Association to keep the body topped up with fluids.
* Food- eating with moderation, especially in business class and first class, is strongly recommended to avoid indigestion and feelings of being bloated.
* Exercise - gentle body movements can assist in avoiding the effects of tiredness and aching limbs on long-haul flights, together with walking up and down the aisles. *Abeyratne* (1995) examines the scope of the issues for airlines and airports in terms of:
  + Contacts with airline reservations and ticket sales agents who can advise travelers.
  + Specific fares charges and related travel conditions, since some airlines require some elderly and disabled passengers to be escorted.
  + Accessibility of aircraft, via wheelchair or air bridges for incapacitated travelers.
  + Movement, facilities and services on aircraft to ensure that the passengers' carriage can be undertaken in a way that provides a safe and comfortable environment.

The *measures transport operators can take* to reduce the stressful experience associated with different aspects of tourist travel.

* Provision of special assistance at airports for senior travelers and disabled tourists, building in Thomas Cook's innovative Travel Services for group travel to reduce the stress for group organizers taking large parties of tourist abroad.
* Development of fear-of-traveling programme for different modes of transport, especially air travel (e.g. Thomson Holidays in the UK offers such a scheme through its own airline Britannia and British Airways also offer a one-day fear-of-flying programme.
* Planners and designers can improve the structure and appearance of terminal buildings so that they are built with the customer in mind, reducing the stress of being in an unfamiliar environment. The award-wining design of the Stansted airport terminal building (London) is one example of how to incorporate these principles into new terminal buildings.
* Provision of accurate and up-to-date information when travel delays occur
* Airlines staff should inform travelers prior to takeoff about the aircraft sounds (e.g. as wheels are retracted and the change in engine sound at the cruising altitude) to allay any fears.
* Provision of accurate in-flight advice for travelers, such as KLM Royal Dutch Airlines offering in flight brochure.
* Replacement of ‘anxiety-provoking intensive security screening' (McIntosh 1990) with low-profile security checks at ports of departure to reduce the potential for passenger stress.
* In extreme cases, general practitioners may prescribe mild medication (e.g. diazepam) to relax the traveler in flight, but this often a last resort.

**CHAPTER TWO**

**AIR TRANSPORTATION**

**2.1. Historical Development of Air Transportation**

**N**avigating the air to transport passengers and cargo has been possible, practically speaking, only in the last 60 years. But, human beings have dreamed of flying since ancient times. Subsequent experiments with hot-air balloons led to the development of the airship, a lighter- than-air craft. Early experiments with airplanes were to prove of much greater significance in the development of air transportation. The earliest planes were gliders-aircraft without engines. The first successful manned glider flights were made during the 1890s by pioneers such as Otto Lilienthal of Germany and Octave Chanute of the United States. Their achievements inspired American Orville and Wilber to turn their attention from manufacturing bicycles to building gliders. The Wright brothers developed a glider that could be controlled in flight, and then added a 12- horse power gasoline to create the first airplane (the Flyer).

The historic first flight, lasting just 12 seconds, was made on December 17, 1903, at Kitty Hawk, North Carolina. By 1905, the Wright brothers had developed a fully maneuverable biplane (a plane with two pair of wings) that could stay in flight for more than half an hour. Experiments in other countries led to the development of monoplanes (with on pair of wings).

WW-I greatly advanced the development of airplane, as warring nations manufactured fighter planes and bombers equipped with more powerful engines and are metal bodies. WW-II played a major role in promoting the growth of the commercial airline industry. As in WWI, warfare accelerated the research in to and development of more advanced airplanes that could fly faster, higher and further without refuelling. After the war, these improvements were applied to commercial planes. The war also increases public confidence in the airplane as a means of transportation.

The expansion of jet service signalled the decline of ocean-going passenger ships as a means of point-to- point international travel. Improvements in jet performance and comfort led to the development of huge, wide bodied jets in the early 1970s. These includes jumbo jet (put into service in 1970), Airbus (1974 by Europe) and Supersonic Transport (SST- Concord by Britain and France. These developments further increased the growth of air transportation. Domestic and international airline industries began to grow rapidly following WWII. The development of bigger, faster, and, more comfortable planes increased the popularity of air travel.

**2.2. Types of aircrafts:**

Passenger air craft vary greatly in terms of length, wing span, configuration of engines, velocity and range. Most aircraft use jet engine for propulsion. Jet aircraft can be divided in to two major categories.

1. Turbojets–(including the turbofans, an improved version of the turbojet)- which are operated by the major carriers
2. Turboprops( propjets)-a major category of aircraft that uses a jet engine to return the propeller and is operated by small regional airlines( that provide air services between smaller cities and connect these small communities with major airports, i.e. operate between points within a specific area of the country) or commuter airlines( are smaller versions of regional airlines and fly routes of 400 miles or less with seat less than 24 passengers)

**2.3. Classes of services**

The seating arrangement on an airplane is known as *configuration.* Themost common configuration shows a plane divided in to two or three major compartments or seat sections. Class of service can be defined as a separate compartment on an aircraft that determines the location of passenger seating, level of in-flight service, and price you pay for your ticket. The walls or partitions that separate compartments on an aircraft are called *Bulkheads*

There are three major classes of services and are: First, Business/Executive, and Coach/Economy Class. Many of the major carriers offer all three on their long distance and transcontinental routes. On shorter routes the carriers offer the two classes of services.

1. **First class**:

Is the most expensive seating accommodation on board on aircraft and located directly behind the cockpit. Compared to other compartments, first class seats are the widest and the most comfortable with heavier padding. There is also more legroom in first class because there are fewer seats. Seat pitch in first class is the widest on an airplane (40-60 inches). A pitch is the front-to- rear measurement of space between seats. Special services for first class passengers include;

* They can watch in flight entertainment (movies and video games) on longer flights
* Can get more personalised services because there are more flight attendants per passenger
* In flight meal service is more elaborate with a great variety of choices and also served free alcoholic beverages and do not pay for head sets
* Separate and speedier check-in counters
* Can use special airline lounge facilities at selected airports to wait and relax before boarding the aircraft

1. **Business or executive class:**

It is somewhere between first class and coach class in terms of comfort and level of service. It was introduced in the 1970s for passengers who wanted upgrade service and more comfort than the coach class without paying the high cost of a first class ticket. It was called as business class because aimed towards the frequent traveller/business traveller. This compartment is not available on all flights. It is available on most long distance domestic and international flights. Services offered for pax in this compartment includes:

* Alcoholic beverage free of charge
* There is a choice of meals(though not as many as in first class)
* Separate check-in counters and lounge facilities which is similar to first class

Seats are wider with a quieter atmosphere than in the coach compartment

1. **Coach/economy class**

It is the location of the greatest number of seats on an aircraft. Most passengers who are paying discounted ticket prices are sitting in this class. Seats are set closer together and are narrower (narrow pitch) than those in first and business class cabins. The average seat pitch is between 31 inch and 34 inches. Services offered include:

* Beverage and meals are served at no extra charge but liquor, beer, and wine must be purchased
* On shorter flight, passengers served a lighter snack but a full meal for first or business class passengers

Each class of service has a designated one-letter code. These classes of service codes are used in airline schedules to donate the type of seating on board a specific flight. They are used to identify the type or level of airfare on the passenger’s airline ticket. There are codes for the three primary classes of services: F ( First Class) C (Business/Executive Class,) and Y :( Coach/Economy Class)

|  |  |  |
| --- | --- | --- |
| **Booking Code** | **Class of service** | **Description** |
| F,P | First | The carriers highest level of service |
| C,J | Business /Executive Class | The carriers superior service level( lower than f or p) |
| Y,S | Standard coach class | The carriers standard level of service |
| B,Q,K,L,M,H,V | Discounted coach class | Discounted fares for the carriers standard level of service |

Table1. Booking codes used by airlines to indicate the class of service

**2.4. Air line passenger services**

* **Baggage:**
* Thenumber and size of bags that passengers can check in and carry on board the aircraft free of charge is called *baggage allowance.* There are two methods of measuring baggage allowance;

1. ***The piece method***- considers the number and the size of each pieces of luggage. Usually passenger is allowed up to 2 pieces of standard luggage and one or two small bags. Generally no piece of luggage can exceed a total dimension of 80 inches and determined by ( length+height+width).
2. ***The weight method-*** used on most international fights over the ocean. The normal free baggage allowances are 66 pounds for first class and 44 pounds for economy class.

* Airlines have the right to refuse baggage for any of the following reasons:
* Baggage is not marked with thee passenger’s name outside
* The passenger refuses to allow the airline to examine baggage
* Airline deems the baggage is unsuitable
* Baggage is to be transported on a flight other than the one on which the passenger is travelling
* If the passenger exceeds the free baggage allowance, an *excess baggage fee* is charged and the charge varies depending on the size and weight of the baggage. The average excess baggage fee is $50 per person.
* **Unaccompanied children:-**children travelling without their parents

Unaccompanied children under the age of five are not accepted under any circumstances. For children between 5 and 11 years, the following policies generally apply for all airlines:-

|  |  |
| --- | --- |
| **Age of children** | **Unaccompanied general policy** |
| Less than 5 years of age | Will not be accepted under any circumstances |
| Ages 5,6 and 7 | May be accepted on a flight that involves no change of plane |
| Ages 8-11 | May be accepted on a flight, with or without change of plane |

So, in all cases an adult must accompany the child until the child has boarded the plane. Unaccompanied children can not be booked on the last flight of the day. Children under the age of two are considered ***lap children***. On domestic flight, lap children travel for free but are not assigned a seat. On international flight, lap children require air line tickets and the cost of the ticket is 10 % of the applicable adult fare. It is important to inform the airline that an adult is travelling with an infant even though the infant does not need an airline ticket.

* **Special in flight services**

The domestic airline carriers offer special services in addition to standard in flight services (free meal, snacks, headsets for music and movies) that travel agents often have to arrange for their clients:

1. **Special meals:**

* Special meals such as those for children, diabetics, seafood, vegetarian, for religious preferences as well as diet requirements are offered on many airlines.
* Special meals must be requested at least 24 hours before flight departure. So travel agents request such services for their clients via CRS or directly over the telephone. For international flight, the following codes are used:

|  |  |
| --- | --- |
| **Booking code** | **Meal Service** |
| B | Full Breakfast |
| C | Continental Breakfast |
| L | Lunch |
| S | Light meal or Snack |
| D | Dinner |

1. **Assistance for the Disabled:**

* The 1986 *Air Carriers Access Act* requires airlines to provide assistance to all passengers with disabilities, i.e., helping passengers who need such assistance to board/ exit the aircraft. For instance airlines may offer *wheel chair assistance* and also other medical assistance such as *oxygen* for travellers when required. The travel agent should request the airline such assistance for his clients two weeks before the date of departure.

1. **Pet transport:**

* Pet transportation varies depending on the carrier and type of aircraft
* Some passengers carriers will accept small pets(dogs, cats or domesticated bird..), if they are properly crated and transported in the cargo compartment but after obtaining approval from airline
* On some carriers, a passenger who is blind may be accompanied by his/her especially trained dog.

**2.5. Freedom of Air**

**The Chicago Convention:**  The Chi cago convention on international civil aviation was concluded at an international meeting between governments in Chicago in 1944 at which 80 governments were represented in discussions designed to promote world air services and to reach agreement on standard operating procedures for air services between countries. There were two outcomes of this meeting: *the founding of ICAO*, now a specialized agency of the UNs; and the establishment of the so called *five freedoms of the air*. It governs relations between states on both technical and commercial subjects concerning international air transport, such as,

* Flying over territory of contracting states (air services, customs, rules of the air, spread of disease, charges, discrimination)
* Nationality of aircraft, facilitations (customs, accident, investigation etc.)
* Documents (recognition of certificates and licenses etc.)
* International standards and practices, including those for carriage of dangerous goods)
* Statistics, finance, technical assistance etc.

This convention in 1947 founded a permanent international authority known as The International Civil Aviation Organization (ICAO) as a part of UNO and its current membership is 187 states.

This convention does not itself grant rights to operate international air services, but makes provision for the manner in which such rights may be granted.

It draws a distinction between scheduled and non-scheduled services as:

* Scheduled international air services may be operated by agreement between two countries known as **Bilateral Agreement.**
* For non-scheduled air services, the convention states that each country may impose such regulations and conditions, as it may consider desirable.

**Bilateral Agreements:** Under these bilateral agreements each states or country designate its scheduled air carrier. It may be one or sometimes more than one.

* The agreement specifies the right (importing spare parts, supplies free of duty but under custom bond for use in maintaining and provisioning the aircraft) that such designated carrier will enjoy in the other country.
* A bilateral agreement also specifies the *CITIES* which may by served by the designated airlines as intermediate points or pickup or set down points.

Traffic rights bilaterally arranged between two countries are known as **Freedom of the Air.** A special authorization is required not only in bilateral between the country of airline or aircraft and each of the countries where the intermediate points or point beyond that is situated. If any of the agreement is missing, the carrier may not have full traffic right and may loose revenue.

All regular air carriers are filed for 6-12 months with air office of the government of the concerned country, where flight will be landing and taking off and vise versa.

## Examples of freedom of the Air:

## The examples are concerned with operations of an airline of country “A’’.

**1st Freedom:**

This is the right of an airline of a country (country A) to fly across the territory of another country (country “B”) without landing i.e. over fly.

**Over fly**

B

C

A

Example: **Flight:** LH 3512

**Airline:** Deutsche Lufthansa (from Germany)

**Origin:** Frankfurt (Germany)

**Destination:** Milan (Italy)

**Right for LH:** To over fly Switzerland

**2nd Freedom:**

The right of an airline of a country (country A) to land ins the territory of another country (country “B”) for non traffic purposes, for instance refueling.

A

C

B

**Technical stop**

Example: **Flight:** JL 068

**Airline:** Japan Airlines (from Japan)

**Origin:** Tokyo (Japan)

**Destination:** Rio de Janeiro (Brazil)

**Right for JL:** To make a non traffic stop in Los Angeles

(For refueling purpose only on its way to Rio de Janeiro)

**3rd Freedom:**

The right of an airline of a country (country A) to set down in another country (country “B”) for passenger mail and cargo coming from the home country of the airline (country A)

B

A

## Pick up Set down

Example: **Flight:** NZ 006

**Airline:** Air New Zealand (from New Zealand)

**Origin:** Auckland (New Zealand)

**Destination:** To set down pax, mails and cargo from the

home country in a foreign country. Switzerland

**4th Freedom:**

The right of an airline of a country (country A) to pick up in another country (country “B”) passengers, mails and cargo destined for the home country of the airline (country “A”).

B

A

**Set Down Pick up**

Example: **Flight:** AR 147

**Airline:** Aerolinas Argentina (from Argentina)

**Origin:** London (UK)

**Destination:** Buenos Aires (Argentina)

**Right for AR:** To pickup pax, mails, and cargo from

foreign country to the home country.

**5th Freedom:**

The right of an airline of a country (country A) to carry pax., mails, and cargo from a point of origin in a foreign country (country “B”) to a point of destination in another foreign country ( country C).

B

A

C

**Pick up Set Down**

Example: **Flight:** QF 005

**Airline:** Qantas (Australia)

**Origin:** Bangkok (Thailand)

**Destination:** Amsterdam (The Netherlands)

**Right for QF:** To carry pax. Mails, and cargo between two

` foreign countries.

**6th Freedom:**

A term applies to then type of 5th freedom in which pax, mails, and cargo are carried from point of origin in a foreign country (country “:B”) to a point of destination in another foreign country (country “C”) VIA the home country of the airline ( country “Ä”).

A

C

B

## Pick up VIA Set Down

Example: **Flight:** CO 004

**Airline:** Continental (USA)

**Origin:** Mexico City (Mexico)

**Destination:** London (UK)

**Right for CO:** To carry pax, mails, and cargo between two foreign countries, but via the home country of the airline (normally with a change of aircraft)

**7th Freedom:**

This implies Carrying passengers, mail, or freight directly between two countries on an airline with neither of the two countries.

Fore example- a British aircraft carries passengers between Vienna and Budapest on a shuttle service

British Air Craft

AUSTRIA HUNGARY

N.B. Reference is also made to the possibility of an 8th freedom

**8th Freedom:**

This implies a foreign aircraft operate on a *cabotage route* (carriage on routes within the national territory of a country).

Example: Kenyan airways is permitted to operate a shuttle service between Lalibela and Bahir Dar

Kenyan Airways

Ethiopia Ethiopia

These privileges were designed to provide the framework for bilateral agreements between countries and to ensure that carriage of passengers, mail and freight between any two countries would normally be restricted to the carriers of those countries

## Facilitation:

## It may be defined as “The act of assisting progress or helping to move forward.” These facilitations services enable tourist to enter, move around and depart from country with the maximum of ease and the minimum of obstacle and to secure maximum enjoyment of their visit.

The major facilitation areas are: Passport, visa, customs formality, health, exchange control, embarkation / disembarkation, taxes on tourist, security check, transit travel and clearances of unaccompanied baggage.

To formulate a set of recommendations in respect of facilitations, International Union of Official Travel Organization (IUOTO) convened at Rome in 1963, the UN conference on International travel and Tourism.

The effort of the IUOTO were rewarded in the year 1967 which was celebrated as International Tourism Year, when a number of countries decided to temporarily or permanently abolish the entry visas for visitors and relaxed other entry formalities such as customs, e.g. Western Europe countries had abolished system of visas between themselves.

In 1975, IUOTO got converted into World Tourism Organization (WTO) and in 1979 WTO established its “facilitation committee.” The main function of the committee is the examination on a permanent basis the program made or measures taken in the field of facilitation to simplify travel formalities. The major fields under considerations by the WTO facilitation committee are

1. Administrative formalities (passport, visa..

2. Custom formalities,

3. Currency regulations,

4. Sanitary regulations

The facilitation committee held its first meeting at Madrid Spain, in 1981 and was attended by USA, Lebanon, Belgium, Algeria, Cuba, France, Japan, Libya, Korea, Sri Lanka, Yugoslavia, Mexico, and IATA etc.

Since 1981 WTO organized several such meetings to review the state of facilitation conditions. It was recognized that certain political, social or economic circumstances come

in the way of desired relaxation of travel formalities. Then excessive controls and formalities tend to conflict with the full exercise of one of the fundamental rights of the individual viz. freedom of moment, as recognized by Article 13 of the Universal declaration of Human Rights and reiterated in Manila Declaration of WTO and in the “Tourist Bill of rights” and the “Tourist code of Conduct” by WTO.

* **The Warsaw Convention:**

It established common agreement on the extent of liability of the airlines in the event of death or injury of the passenger, or loss of passenger baggage.

* **IATA (International Air Transport Association)**

It is the global organization for virtually all international air carriers. Its principal function is to facilitate the movement of persons and goods from any point on the world air network to any other by any combination of routes. This can be accomplished by a single ticket bought at a single price in one currency and valid every where for the same amount and quality of service. The same principle applies to the movement of freight and mail.

**Functions:**

* Planning of global time table
* Giving training for travel agents and tour operators on how to make computerised reservation system
* Giving single formula for tickets and airway bills
* Examine and solve problems of tourism and flow of passenger, and goods at the airport

**IATA has:**

* **IATA’S Operational Task**:-to ensure the airlines are able to continue with maximum speed and efficiency with one universally understood regulation
* **IATA Commercial Objective**:-to ensure the safety of passenger, mail, cargo can move in the world as though they are in a single airline within a single country.
* **Financial Committee of IATA**:-handles all aspects of accounting and settlement among all airlines
* **Legal Committee of IATA**:-handles legal matters that come under IATA from different international air carriers.
* **Technical Committee of IATA**: - it has a strong relationship with ICAO i.e. it guides planes on air. Its major task is cooperation of technical and operational aspects
* **IATA Air Traffic Conference** -To make air travel easier to describe and organize, IATA has divided the global airline community in to three areas:

1. Traffic conference 1—[north and south America, Greenland, pacific islands of midway, Guam, Canton and Wake ]
2. Traffic conference 2—[Europe, USSR east of Ural mountains, Africa, middle east through Iran]
3. Traffic conference 3—[south west Asia east of Iran, Asia , Australia and all other pacific islands]

**2.6. Airline Geography and Terms**

Airline geography is concerned with the various cities, airports, and countries served by air carriers. Airline geography is based on the *standards* set by the International Air Transport Association /IATA/. The definitions, codes, and spellings used by IATA are created by the International Standards Organization /ISO/, based in Geneva, Switzerland.

**City, airport and airline codes:**

Inairline geography, each city and airport is given a three letter ISO code**.** City coderefers a three-letter designation of a city that is served by one or more airports. Airport code is a three-letter abbreviation that designates a specific airport that serves a city.

For example; SFO the city code for San Francisco

ORD the airport code for the Chicago O’Hare airport

If a city is served by multiple airports, each airport is referred to by a different code. For example: - multi-airport cities such as London, Paris and Rome

City City code airport name airport code

**LONDON** LON Heathrow LHR

Gatwick LGW

Stansted STN

Each Airline is represented by two letter code and 3 digit numeric code. The numeric codes are mainly given for the purpose of ticket accounts and air fares. Here are examples of some countries airlines with their respective code.

**Airline name** **Letter Code**

American airlines AA

Air France AF

Air Canada AC

Air India AI

Aeromexico AM

Aerolinas Argentina AR

Alaska airlines AS

British airways BA

China airlines CI

Continental airlines CO

Cuban airlines CU

Avianca (Colombia) AV

Finn air (Finland) AY

Alitalia (Italy) AZ

Cathay pacific airways (Hong Kong) CX

Aer lengus (Ireland) EI

Iberia airlines (Spain) IB

Japan airlines JL

KLM Royal Dutch airlines (Netherlands) KL

Lan Chile LA

Lufthansa German airlines LH

El Al Israel airlines LY

Air New Zealand NZ

Olympic Airways (Greek) OA

Austrian airways OS

Philippine airlines PR

Quantas airways QF

Air Afrique (Coted’vore) RK

South African airways SA

Sahsa (Honduras) SH

Air Jamaica JM

SAS Scandinavian airlines (Sweden) SK

Sabian Belgian world air SN

Swiss air (Switzerland) SR

Aeroflot (Russia) SU

Tap air (Portugal) TP

UTA French airlines UT

Nigerian airways WT

Korean air KE

Egypt air MS

Mexicana MX

Singapore airlines SQ

Aero Peru PL

Varig (Brazil) RH

Thai international (Thailand) TG

North West airlines NW

Pakistan international PK

Royal Jordanian RJ

Saudi Arabian airlines SV

United airlines UA

Us airways US

Pan American world airways PA

Bahamas air UP

Delta airlines DL

Canadian pacific air (Canada) CP

Trans world airlines AW

Viasa(Venezuela) VA

**National airport codes of Ethiopia:**

Shire SHC

Axum AXU

Lalibela LLI

Dessie DSE

Mekane Selam MKS

Gambela GMB

Jijiga JIJ

Mekelle MQX

Robe

Addis Ababa ADD

Kebridar ABK

Shilavo HIL

Gode GDE

Arbaminch MMH

Teppi TIE

Jinka (Baco) BCO

Jimma JIM

Gore GOR

Gondar GDQ

Bahir Dar BJR

Dembi dollo DEM

Assossa ASO

Mizan Teferi MTF

Dire Dawa DIR

**Phonetic Alphabets**

|  |  |  |
| --- | --- | --- |
| A – Alpha | J – Juliet | S - Sierra |
| B- Bravo | K – Kilo | T – Tango |
| C – Charlie | L – Lima | U – Unicorn |
| D – Delta | M – Mike | V - Victor |
| E – Echo | N – Nancy | W - Whisky |
| F – Foxtrot | O – Oscar | X – X-ray |
| G – Golf | P – Papa | Y - Yankee |
| H – Hotel | Q – Quebec | Z – Zebra |
| I – India | R – Romeo |  |

**Abbreviations:**

Miscellaneous abbreviations are used to express requirements of customers which include:

Acknowledge ACK

Advice ADV

Arrival ARR

Alternative ALTN

As soon as possible ASAP

Authorize/authority AUTH

Child CHD

Commercially important person CIP

Very important person VIP

Connect/connecting CONX

Clarify message not understood CFY

Depart/departing/ DEP

First available FRAV

Inadmissible passenger INAD

Name/names to be advised NTBA

No show NOSH

Origin/original ORIG

Repeat RPT

Passenger name recorder PNR

Request REQ

Stopover STVR

Ticket number TKNO

Travel agent AGT

Unaccompanied minor UM

Passenger PSGR/PAX

Do all possible DAPO

**Special service requirement codes**

These codes are used in airlines that use automated registration system.

Asian vegetarian meal AVML

Bassinet\*\* BSCT

Blind passenger BLND

Cabin baggage CBBG

Child meal CHML

Deportee (accompanied by escort) DEPA

Deportee (unaccompanied) DEPU

Diabetic meal DBML

Fragile baggage FRAG

Medical case MEDA

Meet and assist MAAS

No smoking aisle seat NSSA

No smoking window seat NSSW

Other service information OSI

Seat request RQST

Specify language spoken LANG

Stretcher passenger STCR

Transit/transfer without visa TWOV

Unaccompanied UNMR

\**Bassinet refers* to a basket used to carry small children in an airline and also called carry coat

\*\**unaccompanied minor* implies the minor needs special treatment

**Flight and routing terms /itinerary terms/**

Travel and airline agents must be familiar with various terms that describe flight itineraries in order to price air itineraries and complete airline tickets correctly. Here are those important itinerary terms.

* ***Ticketed point of travel***:-a flight itinerary term that includes all cities through which the airline passenger travels and that appear o the airline ticket. We use special terms to identify ticketed point of travel such as; origin, destination, outward destination, stopover, and connecting city. Example of a typical air itinerary:
* From Los Angeles to Dallas/fort worth
* From Dallas/Fort Worth to Baltimore
* From Baltimore to Chicago
* From Chicago to Los Angeles
* ***Origin***:-a flight itinerary term that identifies the city where travel begins.( in the above example, Los Angeles)
* ***Destination***:-a flight itinerary term that identifies the city where the itinerary ends.( in the above example, Los Angeles)
* ***Stopover city***: a city in which the passenger makes a voluntary and prolonged stop. For international trips, a standard definition for stopover is a deliberate stop for more than 24 hrs. For domestic travel in USA, a city is stop over if the passenger makes deliberate stop for more than4 hours. If a passenger makes stopover on a domestic airline ticket, a fare is charged to that city.
* ***Out bound and inbound sectors***:-
* *Outbound sector of travel*-the part of itinerary measured from the origin to and including the outward destination.( Los Angeles, Dallas, Baltimore)
* *Inbound sector of travel*- the part of itinerary measured from the outward destination to the final destination.( Baltimore, Chicago Los Angeles)
* ***Connecting city***: - a city on the routing in which the passenger makes an involuntary stop. For domestic travel, a city is connecting city if the passenger stops for less than 4 hours. If a passenger travels through the connecting city, a fare is not charged to the city.

***Examples:***

1. If our passenger arrives in to Dallas/Fort Worth on July 17 and departs Dallas to continue to Baltimore on July 19, is Dallas stopover/ connecting city? Why?

2. On the return, this same passenger arrives in to Chicago on July 20 at 1:45 pm and departs on July 20 at 3:30 pm, is Chicago stopover/connecting city? Why

**Itinerary Planning**

When designing itinerary in air, please keep the following points in mind;

1. Establish the places the passenger wishes to visit
2. Establish the order in which the passenger wishes to visit them
3. Link the cities in such a way that avoid doubling back and zigzagging unless absolutely necessary
4. Take account of the political situations, geographical limitations and the practicality of the transportation options
5. Ascertain that convenient air, sea, rail or road connections exist and choose the quickest
6. Give preferences whenever possible to the itineraries with lower tour fares. Detour often raise the tour fare
7. Plan your tour methodically
8. Be prepared for alterations by clients

**Planning Itinerary by Air**

**Pro -Forma**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ITINERARY FOR  MR/MRS/MISSS | | | | | | Prepared by:  ABC TRAVEL CO  2 PLACE VERMONT 1202 GENEVA  TEL.NO.737.13.71  WORLD WIDE  TRAVEL EXPERTS | | |
| ADDRESS  POSTAL CODE  CITY | | | | | |
| TELEPHONE HOME  BUSINESS | | | | | |
| DATE OF BOOKING | 1st CONTACT DATE | | | METHOD: PHONE, PERSONAL VISIT, LETTER, TELEX, OTHER | | | | |
| FROM  (CITY/AIRPORT)  DEP | DAY | DATE | LOCAL TIME | FLIGHT NO. | CLASS | | REMARKS /HOTELS CONTACTS, etc | |
|  |  |  |  |  | |  | |
| To ARR  DEP |  |  |  |  |  | |  | |
| To ARR  DEP |  |  |  |  |  | |  | |
| To ARR  DEP |  |  |  |  |  | |  | |
| To ARR  DEP |  |  |  |  |  | |  | |
| VALID PASSPORT | | | | | FARE | | | |
| ENTRY VISA/ RE-ENTRY PERMIT | | | | |
| TRANSIT VISA FOR | | | | |
| OTHER DOCUMENTS | | | | | TICKET/ VOUCHER NUMBERS | | | |
| REQUIRED VACCINATIONS O CHOLERA  O YELLOW FEVER | | | | | PAYMENT DETAILS | | | |
| RECOMMENDED PREVENTIVE TREATMENT NONE | | | | |
| TAX(ES) | | |  |
|  |
| PNR | | | | | AIRPORT TAX (ES) | | |  |
|  | | |  |

**Sample Pro -Forma**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ITINERARY FOR *Mr. JEAN GOLAY*  MR/MRS/MISSS | | | | | | Prepared by:  ABC TRAVEL CO  2PLACE VERMONT 1202 GENEVA  TEL.NO.737.13.71  WORLD WIDE  TRAVEL EXPERTS | |
| ADDRESS 18, avenue Neuve  *CARAGOUGE*  POSTAL CODE *1227*  CITY  *GENEVA* | | | | | |
| TELEPHONE HOME 725 25 96  BUSINESS 379 42 42 | | | | | |
| DATE OF BOOKING  *14 JUL 94* | 1st CONTACT DATE | | | METHOD: PHONE, PERSONAL VISIT, LETTER, TELEX, OTHER | | | |
| FROM (CITY/AIRPORT )  GENEVA  DEP | DAY | DATE | LOCAL TIME | FLIGHT NO. | CLASS | REMARKS /HOTELS CONTACTS, etc | |
| SAT | 14AUG | 0750 | BA 2735 | C |  | |
| *To LONDON*  *GATWICK* ARR  *GATWICK* DEP | SAT  MON | 14AUG  16AUG | 0820  1115 | CO 25 | F | *GATWICK HILTON* | |
| *To NEW YORK*  *NEWARK* ARR  *NEWARK* DEP | MON  TUE | 16AUG  17AUG | 1405  0800 | UA 97 | F | *MARRIOT NEWARK* | |
| *To LOS ANGELES*  ARR  DEP | TUE  SUN | 17AUG  29AUG | 1043  2050 | SR 97 | F | *DOWNTOWN HILTON* | |
| *To GENEVA*  ARR  DEP | MON | 30 AUG | 1655 |  |  |  | |
| VALID PASSPORT *YES, EXPIRES DEC 1997* | | | | | FARE  *GVA-LAX-GVA*  *F RT CHF 11688* | | |
| ENTRY VISA/ RE-ENTRY PERMIT *US VISA NEEDED-OK VALID* | | | | |
| TRANSIT VISA FOR *NONE* | | | | |
| OTHER DOCUMENTS  *NONE* | | | | | TICKET/ VOUCHER NUMBERS | | |
| REQUIRED VACCINATIONS O CHOLERA  O YELLOW FEVER | | | | | PAYMENT DETAILS | | |
| RECOMMENDED PREVENTIVE TREATMENT  *NONE* | | | | |
| TAX(ES) | | *USD 17.00* |
| *CHF 27.00* |
| PNR *Q5NV85* | | | | | AIRPORT TAX (ES) | | *NONE* |
|  | |  |

**2.7. Types of Flight Services**

There are three types of flight services:

**1. Direct flight service/through flight/-**

Is a flight that contains one or more intermediate stops at which the passenger does not change planes. It also means single plane service because there is no change in flight number. On the intermediate stops (Chicago and Minneapolis), the passenger stays on the plane all the way through the final destination (Dallas).

Example: the passenger is flying on American airlines flight 214 from Cleveland to Dallas AA 214

(CLE) (ORD) (MSP) (DFW)

(ORIGIN) (DESTINATION)

**2. Non stop flight service:**

Contains no intermediate stops; the passengers are carried through directly to their intended destination. It is also a single plane service because there is no change of flight number. This is the most desirable type of flight service

Example: the passenger is flying on American airlines flight 837 which is non stop flight from Cleveland to Dallas/Fort Worth.

AA 837

(CLE) (DFW)

(ORIGIN) (DESTINATION)

**3. Connecting Flight:**

Has one or more intermediate stops that require the passenger to change aircraft and flight number. There are two types of connections:

* **On-line connection:-**a connection with change of aircraft and flight number within the same airline

**Example**: the passenger is flying from Atlanta (ATL) to Denver (DEN) on united 733. He will change planes and flight number in Denver. The connecting flight is on another united flight, number 161, which will fly to Portland (PDX)

UA 733 UA 161

(ATL) (DEN) (PDX)

(ORIGIN) (CONNECTION) (DESTINATION

* **Off-line Connection/interline connection/:-**is a connection with a change of aircraft and flight number between two different airlines.

**Example**: the passenger is flying from Nashville (BNA) all the way to San Francisco (SFO). He will first fly on American airlines flight 163 to the connecting city of Memphis (MEM). He will change to North West flight 935, which will fly to SFO. This is an offline connection because two airlines are used: American and North West

AA163 NM 935

(BNA) (MEM) (SFO)

(ORIGIN) (CONNECTION) (DESTINATION

**2.8. Types of Air Journeys**

Air line passengers take four types of journeys:

1. **One way:-**

Is a trip in a continuous direction from the origin to the final destination with out a return to the origin .Example, a passenger flying from Denver to Los Angeles. On united 123. A one way trip can be made on more than one flight, as in Dallas via Salt Lake City to Los Angeles.

2. **Round Trip:-**

Is a trip from the origin to the outward destination with a return to the origin. A round trip uses the same route and airline in each direction of travel. In other words, the routing to the outward destination is exactly the same as the return routing back to the origin. Such a trip might be Boston to New York to Boston by American airlines. Buying round trip ticket is often cheaper than buying two one- way tickets.

Delta 223 Delta 422 Delta 557 Delta 601

Example: RIC ATL MEM ATL RIC

**3. Circle trip:-**

It is of a round-trip nature because the passenger returns to the origin city; however the outbound journey differs from the return journey, either in terms of routing (connecting cities /stopovers) or the class of service or airlines. A circle trip usually involves two or more stopovers.

Example: 1.Routing: From Chicago to Atlanta by delta airlines

From Atlanta to New Orleans on delta airlines

From New Orleans to Chicago on united airlines

Example: 2. Routing: Minneapolis via Chicago to St. Luis and returning from St .Luis to Minneapolis non stop. Class of service: Minneapolis to St .Luis first class, return trip economy class

**4. Open Jaws Trip:**

Is a trip of a round –trip or circle-trip nature except it is ‘interrupted’ by a surface or non air segment in the itinerary. An open jaw occurs when any of the following happens:

* The passenger’s outward destination is different from the departure city for the return trip( the trip is open-ended on the outbound portion of the trip)

Example:

United Airlines Surface Segment United Airlines

DEN LAX SFO DEN

* The passenger departs from the origin city and returns to a different city (the trip is open ended at the return portion of the trip.)
* EXAMPLE:

Us Airways Delta Airlines

NYO YTO BOS

**2.9 Airports and their facilities and formalities**

Airports: Transportation terminals for the skies

According to Doganis (1992), airports can be defined as “*a complex industrial organization which acts as a forum in which disparate elements and activities are brought together, to facilitate from both passengers and freight, interchange between air and surface transportation”.*

On the basis of physical terms, Doganis also defined airport as *“is essentially one or more runways for aircrafts together with buildings or terminals where passengers are processed”.*

The world’s major airports are international crossroads, handling thousands of passengers and hundreds of flights each day to every corner of the globe. For instance, at Chicago’s O’Hare International air port, the world’s busiest airport, a plane takes off or lands every 23 seconds.

**The Layout of an airport**

Airports vary in layout depending on their size and the time they were built. Generally airports (major ones) have the following parts (layout):

1. **The terminal building:** It is the heart of the airport complex. It is also a place where passengers purchase or present their tickets, check in or retrieve baggage, and board an airplane or deplane. The terminal building includes: ticket counters, waiting areas, a weather station, briefing room for pilots, dispatch office for communicating with ticket counters and planes and office of the airport manager. The terminal buildings at major airports also offer the services of car rental agencies, shops, restaurants, cocktail lounges and banks.
2. **The cargo terminal:** It refers to one or more separate buildings where mail or freight is processed.
3. **The control tower:** It is the nerve centre of the airport, usually adjacent to the passenger terminal. From the glass-enclosed top level, or cab, air traffic controllers use radar, radio, and signal lights to direct traffic in the air and on the ground.
4. **Hangar:** It is the place where planes are stored and repaired. The hangars must be far enough and wide enough from the runways to avoid interference.
5. **Runways: It** refers to the strips of land on which airplanes land and from which they takeoff. Runways must be long enough and wide enough to accommodate the airplanes using them. There must also be a clear zone at either end of the runway.
6. **The loading apron:** It is the parking area at the terminal gate where the airplane is refuelled, loaded and boarded.
7. **Taxiways:** It refers to lanes for the airplane to use when going from the apron to the runway or from the runway to the hangar.

**Activities at the airport**

* Baggage handling
* Passenger terminal operation
* Airport security
* Cargo operation
* Air traffic control
* Aircraft scheduling
* Airport and aircraft emergency services

**Airport facilities and procedures**

1. Turn around arrangement –

* It is the 1st facility given by airport to passenger such as training how to open, close doors and windows.
* Refers to the whole procedures of different services that happen in and around aircraft between arrival and departure at airport terminal. The standard time for turn around arrangement is 40 minutes.

1. Transit arrangement

* If the aircraft is on the way to final destination(on an intermediate stop)
* Both turn around and transit arrangement is made by a person called *RED CAP/ Ramp Coordinator*

**CHECHK IN PROCEDURE**

These are airport procedures undertaken by passengers: Here are types of check in procedures:

1. First class check in

* Also known as business class or airline club membership check in
* It is speedier and personalized check in
* Given priority while the baggage is packed

1. Express check in

* Is a type of check in if the passenger who has cabin baggage only and has just checked in off premises
* Passenger has only cabin baggage

1. Automated self check in

* Is a type of check in if the passenger has a baggage but do not carry of premises

1. Economy class check in

* Slower than other check in procedures and is time consuming

**Steps in check in procedures**

* Security check- at airport gate terminal
* X-ray baggage/scanning/
* Check in counter- airport tax will be paid
* Custom and immigration check- visa, passport, health card
* Waiting lounge
* Security gate and security check
* Boarding lounge
* Boarding –the passenger will be transferred to connecting bridge
* Boarding pass check
* Entering the aircraft

**Post landing procedures:**

* Custom and immigration check
* Baggage clam area
* Custom clearance check: red paper- for edible items and green paper- for non edible items, for example souvenirs
* Welcome desk
* SecurityExit

**Voluntary upgrading**

A passenger can be up graded voluntarily from economy class to first class on the following occasions;

* When ordering the ticket
* When making the reservation
* At any stopover- my making extra payment
* At air port check in counter – during the time of check in, the passenger can ask for upgrading
* Within the aircraft- by making an extra payment to the extra cabin
* Generally voluntary upgrading is done by making an extra payment and it should also be notified for the ticket issuing agent.

**Involuntary upgrading:**

A passenger can be upgraded involuntarily from economy class to first class on the following occasions:

* When there is last minute configuration of change of aircraft (if in case the plane which is scheduled for passengers is in problem, another plane will be ordered for them, so passenger from economy class will be transferred to first class.
* When economy class is overbooked
* Weight problem- to keep the balance of the aircraft, sometimes passengers will be upgraded from economy class to first class.
* Involuntary upgrading is done without an extra payment because it is done involuntarily

**Voluntary down grading:**

* It should not be notified for the ticket issuing agent
* The money of the passenger will not be paid back/refunded/ because it is voluntarily done

**Involuntary down grading:**

Passengers may be downgraded involuntarily for 1st class to economy class in the following occasions;

* When there is last minute configuration of change of aircraft
* When first class is overloaded
* Since it is done involuntarily, the passenger’s money will be paid back/refunded. When the passengers go to the airline to ask for the refund, they should bring the following things with them: the airline ticket, boarding pass, written proof and it should have a stamp on the ticket.

**CHAPTER- 3**

**TICKETING AND FARE CALCULATION**

**3.1. Air Fares and Deregulation**

The airline deregulation act of 1978 allows air carriers freedom to enter and leave the market place. In simple terms deregulation meant that the government has lost most of the regulatory authority over the airlines. It also means that airlines compete with each other for passengers. Passengers have benefited from deregulation because of the discounted fares available. With new entrant carriers, competition has become ever fiercer, frequently resulting in reduction of air fares and expanded routes. Most airlines are flying now than ever before However deregulation is criticised as this growth has created congested airports and airways and increased the likelihood of accidents. The old saying “you get what you pay for” certainly applies to the airline industry. What the discount fares all have in common are the number of rules and restrictions on travel that must be qualify. When you fly on discounted fares, you usually have to pay for your ticket in advance, you must stay over a specific date and there are penalties if you change and /or cancel your ticket. As the rule of tomb, when fares go down, the numbers of travel restrictions go up!

**3.2. Fare Calculation Terms:**

Domestic air fares are calculated according to established fare calculation rules or principles. The three principles to follow when calculating domestic air fares are;

1. **Point to point fare:**

It is a major principle of domestic fare calculation that requires a fare to be charged to each stopover city on the routing.

Example:

1AA -- 16OCT -- PHXDFW -- --

2AA -- 19OCT -- DFWMCI -- --

3HP -- 22OCT -- MCIPHX -- --

Each city on the routing is a stopover (more than 4 hours). Due to this, you must charge a point-to-point fare to each stopover point. This itinerary contains three segments

* Fare segment 1:Is charged on American airlines from phoenix to Dallas/fort worth
* Fare segment 2:Is charged on American airlines from Dallas/fort worth to Kansas city
* Fare segment3:Ischarged on American west airlines from Kansas city to Phoenix

1. **Through fare :**

It is a published fare between two cities over an intermediate connecting city. A fare is not charged to or from a connecting city. Through fare are always calculated for on-line connections. The passenger is travelling in this round trip itinerary:

Example:

1DL -- 13MAY -- RIC ATL -- --

2DL -- 13MAY -- ATLMEM -- --

3DL- -- 17MAY -- MEM ATL -- --

4DL -- 17MAY -- ATL RIC -- --

The flight from Richmond to Memphis is on delta airlines connection through Atlanta. Because Atlanta is only a connecting city, no fare is charged to or from the city. The through fare is charged from Richmond to Memphis. Because the return is on a Delta airlines connection via Atlanta, the fare from MEM to RIC is charged, no fare is charged to or from Atlanta.

* Fare segment 1:Is charged on delta airlines from RIC to MEM
* Fare segment 2:Ischarged on delta airlines from MEM to RIC

1. **Joint fare:**

It is an established fare between two stopover points using two different carriers through a specific connecting city. It is a fare charged when a passenger is travelling on an off-line connection (connecting between two different airlines)

Example:

1US -- 05FEB -- DSM MCI -- --

2NW -- 05FEB -- MCI MEM -- --

3NW -- 08FEB -- MEM MCI -- --

4US -- 08FEB -- MCI DSM -- --

The passenger is on an off-line connection (from us airways to northwest) from Des Moines to Memphis, connection through Kansas City. Because the passenger is on an offline connection, the joint fare is charged between us airways and northwest from Des Moines to Memphis. The return fare is the same, i.e. joint fare between northwest and us airways from Memphis to Des Moines.

**3.3. Types of Fares**

There are different types of airfares on the market. To simplify, we shall classify them in to two general categories of fares: restricted and non restricted.

**1. Unrestricted fare/normal fare/:-**

It is a fare with no restriction of travel such as advance purchase of ticket or length of stay. They also do not have any change or cancellation penalties-you can change your reservation at any time or even cancel the ticket at the last minute and receive a full refund of the ticket price; the ticket is valid for up to one year. Normal fares are booked in the three standard classes of services: **F** (first class normal fare), **C** (business class normal fare) and **Y** (coach class normal fare).

**2.** **Restricted fare/discounted fare/:-**

These fares have many travel restrictions attached on them. Some discounted fares can be sold one way while others must be sold round trip. Most discounted fares are based on travel in coach class and are sold on a controlled inventory basis. This means that the airline sets aside a certain number of sets in coach class to be sold at the discounted price.

There are three general categories of discounted fares:-

1. ***Discounted one way***: - These can be sold one way or round trip; as these fares are published one way, you simply double them for round trip. These types of restrictions vary depending on the routing and airline, but many one way fares are sold on a controlled-inventory basis, must be purchased so many days before departure, and are valid only during certain times of the year. Added to this, many airlines charge a penalty if the ticket is changed /cancelled.
2. ***Standard excursion:-***any farethat must be purchased round trip is called an excursion. Standard excursions have restrictions similar to those for discounted on ways-they are sold on a controlled inventory basis and must be purchased in advance, with a penalty charged for changes or cancellation. But they have a minimum and/ or maximum stay limitation. Round trip excursion fare is less expensive than purchasing two one way discounted fares on the same route.
3. ***Non refundable/Instant Purchase:-***is the least expensive type of discounted fare, and it is loaded with travel restrictions and penalties.There is no refund if the passenger cancels the ticket any time after purchase. Strict penalties also apply for any change made to the reservation. They are considered excursions because they are based on round trip travel. They are also called instant-purchase fares because the passenger must purchase the ticket immediately after the reservation is made, usually only one or two days after the booking.

**Other types of discounted fares:**

Four major categories of discounted fares:-

1. **Negotiated fare:**

These are special discounted prices that have been established between a company and an airline or between a travel agency and an airline. ***Company –negotiated fares*** are company specific; they apply only to travellers from the specific company often on designated routes that are used frequently by the company’s employees. ***Agency- contract fares*** are agency specific; they apply to all travellers who confirm their business trips through the travel agency.

In both types, the company/agency receives a special corporate identification number for its travellers, which must be provided to the airline when making reservations based on the discount rate.

1. **Consolidators:**

A consolidator is an outlet for airline ticket. It is a company that buys tickets from the airlines at wholesale or /net prices (without any commission built in to the price), and able to offer discount prices. A consolidator purchases airline seats in volume at a discount price and then resells those seats at a small mark up but below normal “retail” price. The consolidator signs an agreement with an airline to produce a certain number of passengers during a set period of time and for this commitment, the airline grants the consolidator a rate not offered as a regular price.

1. **Airline coupons:**

Airlines use coupons as a method of offering fare discounts to the travelling public. Airline discount coupons can be found: printed in newspapers, magazines or in general discount coupon books. They are distributed to the general public through direct mail campaigns, or through banks, supermarkets, and credit card companies.

* ***Dollar off coupons*** allows a certain amount of the published fare and the discount can be a set dollar value or percentage. It is a discount that allows you to deduct a certain amount from the regular price of an airline ticket in exchange for a “certificate” document.
* ***A set rate coupon*** allows ticket to be issued at an established discount rate. The rate is usually based on geographical zones or specific routes.

1. **Passenger type discounts:**

This is a discount for certain types of passengers who may qualify for discounted travel based on who they are. For example-senior citizens, military personnel, government officials, and children (under 12 years)

The amount discount is usually expressed as a percentage off the regular fare; the standard discount level is about 10%. Passenger type discounts can not be used with other discounts such as non refundable/ instant purchase airfares .i.e., you can’t discount an already discounted fare.

**3.4. Fare-Basis codes and Fare Rules**

**Fare basis codes:**

Every airline, city, and airport has its own identification code and also every fare is identified with a unique code. A fare basis code is a code composed of one or more characters that identifies a particular type of fare. Each fare basis code is composed of a combination of letters and numbers. Some fare basis codes are very simple, consisting of one or two characters; others are more complex, consisting of up to nine or ten characters. For example,

CN MHX21N

Y15 BW14E

C F

VH21NR YN

Generally, the more travel restrictions, the longer the fare-basis. Note that the fare-basis codes for the normal first-class, business class and coach class fares are one letter in length; F; C and Y. you can often determine the meaning of a letter by its position in the code. The following chart lists the sequence of these codes.

|  |  |  |  |
| --- | --- | --- | --- |
| **Character** | **Description** | **Character** | **Examples** |
| Booking code | This is always the first letter character in any fare-basis code; this tells you the class of service to book the fare. | Varies | BE14NR-book in B class  VPE7NR-book in V class  Y21-book in Y class |
| Off-peak/ night discounts | Some flights are designated as special  Off-peak service with discounted fares. Typically these flights depart late in the afternoon and evening hours. These can be called ‘night discounts” | N | YN-coach class, off-peak flight  CN-business class, off-peak flight  FN-first class, off peak flight |
| Season | Fares published to certain resort destinations will have two or more seasonal levels:  1. high season(the most expensive fare level)  2. low season ( the least expensive fare level)  3. shoulder ( middle or less expensive than high, more expensive than low) | H= high  O=shoulder  K=shoulder  L= low | QHE21NR  MO14N  HKE7IP  VLEXNR |
| Time of week | Many domestic excursion fares are divided into midweek and weekend levels. Usually midweek fares are priced lower than weekend fares due to the travel patterns. The days of the week and week end differs from airline to airline. The general definition is that midweek is Monday through Thursday and the weekend is Friday through Sunday. | W=weekend  H=weekend  X=midweek  L=midweek | HW7N  HHA3NR  KOX14IP  BHLEXN |
| Round-trip | Certain fare-basis codes identify whether the fare must be purchased round-trip ( i.e., excursion fares) | R= round trip purchase required  E= excursion (round trip purchased required) | KHR3AP  MXE7NR |
| Advance reservations/ ticket purchase | Reservations and ticket issued for most discounted fares must be made no later than a stated number of days before departure. The number of days is sometimes included in the fare-basis code | 7=7 days advance  14=14-day advance  3=3-day advance  1=1-day instant purchase | YNE14IP  QRA3N |
| Non refundable/ instant- purchase | Use to identify the fare type or a passenger type discount. Most discounted domestic fares are non refundable. This means that no refund is due if the passenger cancels the ticket without rebooking. | NR= non refundable  IS= non refundable  N= non refundable  IP= instant purchase | YLE7NR  QXE3N  HILE14IP |

**Fare Rules:**

Part of qualifying your clients for the lowest air fare is to make sure that they are fulfilling all the conditions of travel. Some fares have more restrictions than others. Each published fare has a fare rule. Because these fare rules are found in the airline reservation systems, we call them ***electronic fare rules***. Each fare rule is divided into informational categories. Each category describes a specific type of restriction or condition of travel. For example, this figure shows the rule for a non refundable excursion fare between Boston (BOS) and Fort Lauderdale (FLL).

|  |  |  |
| --- | --- | --- |
| **Informational Description Examples**  **category** | | |
| Booking code | This is the class of service to use when making the reservation. If the fare is based on controlled-inventory, the appropriate letter code is used to identify the fare. Examples include B,K,L,V,H,Q, and W | **BK code- B** |
| Penalty | This category details charges for changes and/or cancellations. Many discounted fares require an administrative fee (usually expressed as a dollar amount) for any changes to the reservation and cancellation prior to departure. In the case of non refundable, the cancellation fee is 100 % | **PENALTY** – tickets are non-refundable in case of cancellation/ refund. A charge of USD 60 will be assessed for an itinerary change with or without ticket reissue. |
| Reservation /Ticketing | This provide two important deadlines:   1. How soon before departure date the reservation must be booked and 2. How soon before departure the ticket must be purchased. In most cases the airlines require a 7-, 14-, 21-, or 30- day advance reservation to secure the discounted fare. The ticket also must be purchased either right after the booking date (for instant purchase) or a number of weeks prior to departure. | **RES/TKTG** -RES must be made no later than 14 days before departure from origin. TKT must be purchased no later than 14 days before DPTR from origin or 1 day after RES is made , whichever comes first |
| Minimum stay | This is the earliest possible date the passenger may commence or start the return trip home. This is applicable on most excursion fares. | **MIN STAY**- return travel is valid on the 1st SUN after 12:01am. Measured from DPTR from ORIGIN to DPTR from last stopover point |
| Maximum stay | This is the latest possible date the passenger may commence or start the return trip home. This is applicable on some domestic excursion fares. | **MAX STAY**- return travel must commence no later than 60 days. Measured from DPTR from ORIGIN to DPTR from last stopover point |
| Time of travel | There are certain times when travel is allowed or restricted. This may refer to the time of day (morning versus afternoon or evening departures); day(s) of the week (midweek versus weekend); or time of year seasonal levels | **DAY/TIME –** applies at any time |
| Blackouts | There are specific dates or range of dates when travel like not allowed at the fare level. For example, school vacations and holiday periods to resort destinations. | **Blackouts –** travel is not valid 22 DEC thru 02JAN. |
| Effective date/ expiration date | Effective date is the earliest and/or latest date when the fare can be sold. Expiration date is the first and/ or last date when travel may begin or be completed. | **EFF/EXP**-01may is the first date that travel may commence. |
| Flt application | Some type of flights may be restricted. For example, fare may be restricted to specific flight number(s), or a fare may be restricted to specific types of flight s such as connections only. | **FLT APPL**- applies only to FLTS 9425 THRU 9444. Applies only to FLTS 2300 thru 2599 |
| Stopovers | There may be additional stopovers in addition to the outward destination that are allowed either free of charge or at an additional charge. This usually applies to certain international fare types | Stopovers- no additional stopovers in addition to the outward destination allowed. |
| Surcharges | Are additional charges that may be added directly to the base fare and become part of the base fare amount on the ticket. These are applicable surcharges that apply to the city pair requested. This usually includes fuel surcharges. Any fuel surcharge amounts shown do not include applicable tax. | **SURCHGS**- fro BOS to FLL, fuel surcharge of USD 2.32 per ADT/CHD. Applies to domestic sector. ---from FLL to BOS, fuel SURCHG of USD 1.86 per ADT/CHD. Applies to domestic sector. |
| Discounts | Passenger discounts, such as infant, children or senior citizens, may apply. | **DISCOUNTS**- no fare is charged for an INF PSGR under 2 yrs not occupying a seat. INF PSGR must be accompanied on all SGMENTS by an ADT PSGR travelling in the same compartment. |
| Transfers | This indicates the number of transfers or connections permitted if applicable | **TRANSFERS**- unlimited transfers as permitted on the routing |
| Open return | This indicates whether an open flight coupon (i.e. a ticket is issued for the flight segment but no reservation made) is allowed. | **OPEN RTRN –**tickets may not be issued with open **return**. |

**An air line ticket:**

An airline ticket is a legal contract between an air carrier and a passenger, entitling the bearer, at a standard fare, to travel on one or more specified flights. An airline ticket documents all of the following items: (1) authorized passage between specified board points and off points, (2) evidence that the passenger has paid the applicable fare for passage, (3) the departure date, flight number, and class of service, (4) any necessary information for accounting purposes and (5) form number and serial number.

An airline ticket can be: A hand ticket or a machine ticket.

1. ***A hand ticket*** is a ticket which is written by hand. Writing a hand ticket is known as manual ticketing. In hand ticket, a stop over indicator must be written before each point from which another flight departs, to indicate whether stopover is allowed.

If stopover is not allowed (only connection), the no-stopover indicator ‘x’ is written before the board point.

1. ***Machine ticket***: is a ticket that is written by computer. A machine ticket can be written on either paper stock or card stock.

* *Multi part paper ticket*: - has many booklet forms containing different flight coupons and is prepared in a booklet form.
* *Printed ticket/ card ticket/* :- a ticket in the form of printed card.

**Ticket coupons**

The portion that entitles the passenger to board a flight is called ***flight coupon.*** A standard airline ticket consists of the following parts:-

* Cover- it is the outer part of a ticket that protects the bookleted coupons.
* Auditor’s coupon –is kept by the issuing agency for accounting purposes. It is vital when fare is calculated
* Agent’s coupon -is kept by the issuing agency for accounting purposes. It shows the number of tickets sold
* Flight coupon- allows the passenger to fly
* Passenger receipt- it is kept by the passenger, but it is not valid for passage. The receipt lists all the flight segments for which the flight coupons have been issued and serves as a proof that the passenger has paid the fare.

**Status codes:**

* **OK= Confirmed** (it should be a confirmed reservation). Flight should be confirmed within 24 hours for domestic flight and within 48 hours for international flight
* **RQ**= **Request** (the reservation has been requested but has not been confirmed at the time of ticketing)
* **SA=Stand-by-travel** (some carriers permit passengers to ‘stand by’ for seats without a confirmed reservation. A stand by passenger is not assured of a seat until all the passengers who confirmed reservations have checked in at the departure gate, or, in some cases, have actually boarded the flight. If all the seats are occupied, stand by passengers are denied boarding on the flight. However, if the flight is not full, stand by passengers may be accommodated.
* **NS=No Seat**

**Prepaid Ticket Advice/PTA/:-**

It authorizes a ticket to be issued at a different location than the point of purchase. For example, a passenger might purchase a ticket from travel agency by telephone and arrange to have the ticket issued at the airlines ticket counter at the airport on the date of departure. So a travel agency would send a PTA to the airline, authorizing the ticket to be issued at the airport ticket counter. A PTA is used to arrange prepaid transportation as for example, a company might prepay a ticket for an employee in a different city. But, in most cases, a PTA cannot be used to ticket a passenger in the same city where the reservation is made, unless the reservation is booked less than 24 hours before the scheduled departure.

**International Sales Indicator:**

There are four options:

1. **SITI/Sales Inside Ticketing Inside/-**

This occurs when a ticket is purchased and issued in the city where the commencement of travel takes place.

1. **SOTI/ Sales Outside Ticketing Inside/-**

This occurs when a ticket is sold outside the country of the commencement of travel and issued in the country where the travel commences.

1. **SOTO/ Sales Outside Ticketing Outside/-**

This occurs when the sales and issuance of the ticket is made outside the country of the commencement of travel.

1. **SITO/Sales Inside Ticketing Outside/-**

This occurs when the sale of a ticket is made inside the country of the commencement of travel but is issued outside the country

**TICKETING EXERCISE**

Mr. Tom Cruise will travel from Addis Ababa to Manila on February 11, 2008. The flights will have stop-over and transit points. From Addis Ababa, there will be a stop-over at London, confirmed by Lufthansa Airlines flight no. 123 in business class and the departure time is 11:15 pm; from London, there will be a transit point in Hong Kong, confirmed by Cathay Pacific Airways flight no. 717 in economy class on February 13 at 3:00 pm and from Hong Kong to Manila, flight is confirmed by Philippine Airlines flight no. 613 in economy class on February 14 at 12:30 am. Payment of the ticket has been made by his friend Ms. Beyonce Knowles in Paris, France and the ticket will be issued to Mr. Cruise on January 28, 2008 by Greenland Tours & Travel, PLC. Addis Ababa. Ticket has been paid in cash. Mr. Cruise is allowed to carry 30 kgs in business class and 20 kgs for economy class in both flights.

The ticket fare is EUR 1,355.00 and taxes are ETB 740.00, 654.00 and 554.00. Fare codes used are: for business class is JLAB and YAB1M for economy, both valid for one month. The PNR number is X7YT5J. In the event of cancellation, the ticket will be refunded only to the sponsor. Ticket is non-reroutable.

Other details:

* For the total fare, compute in the appropriate currency based on the exchange rate of ETB 13.50 = EUR 1.00.
* Ticket number is 07121017099920.
* Coupon number is 8, airline code is 091 and form and serial number is 8735280844.
* For the fare calculation box, write ADD TO LON 460.00 LH HKG 656.00 CX MNL 239.00 PR NUC 1355.00END ROE 1.00

AUTOMATED AIR TICKET FORMAT

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| ENDORSEMENT/RESTRICTIONS | | | | | DATE ISSUED | | | | ORIGIN/DESTINATION | | | |
| PASSENGER’S NAME | | | | | | | | | BOOKING REFERENCE | | | |
| ISSUED IN EXCHANGE FOR | | | |
| X/O | GOOD FOR PASSAGE | CARRIER | FLIGHT | CLASS | | | DATE | TIME | STATUS | FARE BASIS | NOT VALID BEFORE | | NOT VALID AFTER | ALLOWANCE |
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|  | TO | BAGS CHECKED PCS WTS  UNCHECKED | | | | | BAGS CHECKED PCS WTS  UNCHECKED | | | BAGS CHECKED PCS WTS  UNCHECKED | | | BAGS CHECKED PCS WTS  UNCHECKED | |
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| FORM OF PAYMENT | | | | | | | APPROVAL CODE | | | | TOUR CODE | |
| COUPON NO | | AIRLINE CODE | | | | FORM/SERIAL NO | | CK | | ORIGINAL ISSUED | | |
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**3.5. Airline policies and passengers’ services**

All passengers- and their travel agents should know their rights in case of flight delays, cancellations, and other circumstances experienced from time to time. They should also be aware of what the airlines are and are not required to do in these types of situations.

1. **Overbooking**

Overbooking is the practice of selling more tickets than there are available seats on an airplane. This is common practice among airlines. Overbooking compensates the airline for last minute cancellations and no-shows; people hold a reservation but do not take the flight. When passengers book seats and do not show up for the flight nor cancel the flight, the airline is forced to fly with empty seats; it is usually too late for the airline to resell these seats. As a result the airline loses money.

Many times, overbooking works just fine. Usually, the number of no-shows is equal to or more than the number of overbooked passengers. When this happens, there is no problem; everyone gets a seat. Unfortunately, sometimes the opposite occurs; the number of no-shows is less than the number of overbooked passengers. In this case, there are too many passengers and not enough seats, resulting in the flight being *oversold*.

* ***Voluntary bumping:*** when a flight is oversold, there passengers who are left behind or bumped as a result. The rules require airlines to compensate passengers who are bumped from a flight because of overbooking.

Airlines must ask for volunteers to give up their seats before bumping any passengers. If passengers volunteer, they are entitled to compensation. The DOT has not determined how much an airline must pay a bumped passenger, and airlines do negotiate with their passengers for mutually acceptable terms.

In return, they receive passage on the next available flight and either a free ticket in the future or a voucher for varying amount of money to be applied against the cost of a future ticket. This usually works fine.

* ***Involuntary bumping:*** some times, the offer of free or reduced air travel doesn’t produce enough volunteers to make up for the overbooking. Most airlines will choose the passengers to be bumped involuntarily on a “last–at- the- gate, first bumped basis”. Having boarding passes in advance does not guarantee that a passenger will not be bumped from the flight. If passengers are bumped involuntarily, and the airline books them on a flight that is scheduled to arrive generally within one hour of the original arrival time, the passengers receive no compensation. If the bumped passengers can not be delivered to their destination within the required time frame, they are entitled to ***denied boarding compensation.*** The amount of compensation usually depends up on the time the airline takes to transport the passenger. For example the passenger may be paid up to $400 if the airline delivers him within one or two hours of the original arrival time; the compensation doubles to $800 if the airline delivers him more than two hours after the original arrival time.

However, the airline need not pay passengers any compensation when these situations occur on flights that are not deliberately overbooked;

* Passenger is bumped due to arrival at the gate beyond airline’s check-in deadline(check in for most domestic flights is no later than 45 minutes to 1 hour before departure)
* The flight is cancelled for any reason
* The airline substitutes a smaller aircraft for operational and safety reasons
* The flight involves an aircraft within sixty or fewer seats

1. **Cancelled flights**

Airlines do not guarantee their schedules and they reserve the right to postpone or cancel any flight without notice. Contrary to what many people think, airlines are not required to compensate a person, whose flight has been cancelled for any number of reasons, including availability of flight crews or for weather-related reasons. Usually how the airline handles a cancellation depends on the reason. Passengers who are booked on a flight that is cancelled should inquire about the airline’s policy, especially if the cancellation is due to bad weather. Most airlines will book passengers on the next available flight to their destination. Again the airlines are not obliged to book the passenger on the next flight on its system, or another carrier’s flight that departs sooner. A good suggestion is to ask the airline for money or vouchers for expenses such as hotel, meals, and ground transportation.

1. **Lost tickets**

An airline ticket is like cash. If the ticket is lost the passenger is required to purchase another ticket at his or expense. To report the ticket loss, the passenger completes a lost ticket application, which is issued by the airline. There is usually an administrative handling fee charged by the airline to research and process the refund. Research time and subsequent refund may take four to six months to complete.

1. **Lost, damaged, or delayed baggage**

If the passenger’s bags are lost, damaged, or delayed on a domestic flight, the liability limit is $ 2,500 per passenger on all flights on large aircraft (more than sixty seats).This amount is the most the airline will pay to shuttle a claim for all baggage, no matter how great the loss. Airlines will pay the depreciated value only, not purchase or replacement costs. Also, airlines usually pay for less than the $2,500, and the passenger must prove the loss.

**Air traveller’s Bill of right:**

**ASTA’s Air Traveller’s Bill of Rights** asserts that travellers deserve the following:

* Truth in advertised prices, schedules, and seat availability
* Equal access to unbiased , comparative travel information and all fare and service options
* Comfortable seats, reasonable spaces for carry-on luggage, healthful meals, and clean sanitary facilities, regardless of class of service
* Timely and courteous assistance in making connections
* The right to use all, part or none of the segments on any ticket lawfully purchased
* Timely, complete, and truthful information and courteous assistance regarding delays, cancellations, and equipment changes
* Timely and courteous assistance for the disabled and unaccompanied children
* Appropriate in-flight medical emergency assistance
* Access to the courts and state consumer laws to resolve disputes with airlines

**Time calculation:**

* There are 24 time zones each of 15 degree longitude and the time difference between each zone is 1 hour
* GMT (Greenwich Mean Time) - refers to the time zone which serves as a point of reference for world time. It is also known as UTC (Universal Time Coordinator)
* Times in all zones can be expressed by referring as GMT plus (GMT+) and minus (GMT-)

EXAMPLE: GMT+5-------------------5 hours ahead of GMT

GMT-2------------------2 hours behind GMT

* Standard clock time- it refers to the local time and fixed by different countries as per their low. It is shown in hours and minutes fast (+) or slow (-) of GMT. For example Ethiopia’s standard clock time=GMT+3( i.e. 3 hours ahead of GMT)
* Day Light Saving Time (DST) - is a minor alteration in the standard local timing of a country during summer season. For example Jordan has local time=GMT+2, but during period from April 01-15September, it will be GMT+3
* International Date Line:-it is an imaginary line running north to south to Pacific Ocean. East and west of this line, the date differs.
* The 24 hour clock- it is most commonly used itinerary planning ad is expressed in four digit numbers. The 24 hour clock has 12 A.M hours (0100 to 1200), and 12 P.M hours (1300 to 2400). In 24- hour clock time from1:00A.M to 12:00P.M are similar to those on a 12-hour clock.

**Time calculation exercises**:

1. What is the local time in Addis Ababa when it is 1200 hours at GMT? (ADD=GMT+3)

2. What is the local time in Caracas (Venezuela) on 1st august when it is 1200 hours at GMT? (CCS=GMT-4)

3. What is the local time in Frankfurt (FRA), Germany, when it is 1500 hours local time in Tokyo (TYO), Japan on March 20? (FRA=GMT+1, and TYO=GMT+9)

4. What is the local time in Rome (ROM) when it is 0300 in Lapaz (LPB), Bolivia on 20th march (ROM=GMT+2 and LPB=GMT-4

5. If the local time in Tokyo (TYO) is 1830 hours on 1st march, what is the local time and date in Sydney (SYD), Australia? (TYO=GMT+9 and SYD=GMT+11)

**Ticket filling exercise**

***Fill the following information in the airlines ticket neatly and show the necessary steps in another page if any.***

Mr. Henry Jackson wants to travel from ADD-RYD-SIN-ADD on 4th January 2010. ADD-RYD sector is confirmed by Ethiopian Airlines flight no. 347 in coach economy class and the departure time is 10:30 am, but RYD-SIN is waitlisted by Cathay Pacific flight number 007 in ‘Y’ class on 7th January at 4:30 am. SIN-ADD journey date is not decided by Cathay Pacific flight number 006. The payments for the ticket has been made by his friend Ms. Naomi Campbell in Djibouti and the ticket is issued to Mr. Henry on 22nd November 2009, by Explore Travel and Tours Addis Ababa, Ethiopia, GSA Ethiopian Airlines by Prepaid Ticket Advice number GCMS2005. Mr. Henry is allowed to carry 30-kg weight. The ticket fare is ETB 8776 and taxes are ETB 5, ETB 345ow. Fare code used is YLE12M, valid for one month. The PNR number is DDXTB. In the event of cancellation the ticket should be refunded to the sponsorer.

**Other details:**

1. In the endorsement restriction write ‘refund should be made to the sponseror’
2. In date and place of issue column fill the date of issue and name of Explore Travel and Tours Addis Ababa, Ethiopia
3. In the fare calculation box write ADD TO O/RYD ET SIN CX ADD 8776 END ROE1.00
4. The ticket number is 07122118065442.
5. Coupon number is 4, airline code is 088 and form and serial number is 3736288845.
6. In control number write the ticket number
7. Leave A/L AGT INFO column vacant.

AUTOMATED AIR TICKET FORMAT

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| ENDORSEMENT/RESTRICTIONS | | | | | | DATE ISSUED | | | | | ORIGIN/DESTINATION | | | | |
| PASSENGER’S NAME | | | | | | | | | | | BOOKING REFERENCE | | | | |
| ISSUED IN EXCHANGE FOR | | | | |
| X/O | GOOD FOR PASSAGE | CARRIER | FLIGHT | CLASS | | | | DATE | TIME | | STATUS | FARE BASIS | NOT VALID BEFORE | | | NOT VALID AFTER | ALLOWANCE |
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| FORM OF PAYMENT | | | | | | | | APPROVAL CODE | | | | | TOUR CODE | | |
| COUPON NO | | | AIRLINE CODE | | | | FORM/SERIAL NO | | | CK | | ORIGINAL ISSUED | | | |
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***Hints:***

# Fill the name of the issuing airlines as Ethiopian airlines.

1. In the endorsement restriction write’ refund should be made to the sponseror’
2. In the origin/destination column on the right side of the ticket fill ADDADD and SOTI.
3. In the booking reference fill PNR number as DDXTB
4. In the issued in exchange for column fill PTA GCMS2005
5. In date and place of issue column fill the name of Tamasgan Mamo Travels Addis Ababa, Ethiopia.
6. In date of issue column fill 2nd February 2005.
7. In passenger name fill Jackson / Micelle Mr.
8. In the ticket coupon fill the following information

|  |
| --- |
| Addis Ababa ET347 Y 04 Oct OK 10.30 YLE12M 4th OCT 12 M 30  O/Riyadh CX007 Y 07 OCT OK 4.30 YLE12M 4th OCT 12 M 30  Singapore CX006 Open  Addis Ababa ----------- VOID-----------------  ------------------VOID----------------------- |

1. In the fare calculation box write vertically ADD TO O/RYD ET SIN CX ADD 8776 END ROE1.00
2. On left side fare box fill ETB 8776, Tax ETB 5, ETB 345 ow Total ETB9126
3. Form of payment PTA GCMS2005
4. In control number write the ticket number.
5. Leave A/L AGT INFO column vacant.

**Chapter –Four**

**SURFACE TRANSPORTATION**

**4.1. History of Surface Transportation**

Despite the advent of air transportation, travel by land is still the major way to get from here to there. The various sectors of the surface travel industry-railroads, motor coaches, car rentals and mass transit-all play a vital role in the modern transportation.

The history of transportation is largely one of technological innovations. Advances in technology have allowed people to travel farther, explore more territory, and expand their influence over larger and larger areas. Even in ancient times, new tools such as foot coverings, skis, and snowshoes lengthened the distances that could be traveled. As new inventions and discoveries were applied to transportation problems, travel time decreased while the ability to move more and larger loads increased. Innovation continues today, and transportation researchers are working to find new ways to reduce costs and increase transportation efficiency.

The domestication of animals was the first great leap in transportation ability. However, the use of animals to pull vehicles or to carry riders had to await several important inventions. Oxen and horses were harnessed to vehicles by neck straps, which tended to choke them when they pulled heavy loads. Horse stirrups were in use in India and Asia by around 200 BC, allowing riders to maneuver their horses more effectively. Saddles were introduced in Europe around ad 200. Around AD 500, someone devised a padded collar that rested on the animal’s shoulders. The use of such a collar increased the amount of weight that the animal could comfortably pull. Finally, horseshoes, used to protect the hooves of a horse, were in widespread used by about AD 700.

The first major innovation in wheeled transport was the spoked wheel. By using a spoked wheel instead of one made of solid wood, faster and more maneuverable vehicles could be designed. Protruding copper nails placed in the wheel to provide greater traction were introduced around 2000 BC. Iron rims fastened to the edges of wheels were introduced in 700 BC. These rims increased the strength and durability of the wheels. The harnessing of multiple animals to a single vehicle began around 100 BC. These innovations all contributed to increasing the weight that a wheeled vehicle could carry. The wheel, when applied in wagons and carts, was the first transportation innovation to create the need for roads that could survive repeated use.

* ***Road Transport***

Tracks were created as animals were domesticated. Horses, oxen and donkeys became an element in track-creation. With the growth of trade, tracks were often flattened or widened to accommodate animal traffic. Later, the ***travois,*** a frame used to drag loads, was developed. Animal-drawn wheeled vehicles probably developed in ***Sumer*** in the Ancient Middle East in the 4th or 5th millennium BC and spread to ***Europe*** and ***India*** in the 4th millennium BC and ***China*** in about 1200 BC. The ***Romans*** had a significant need for good roads to extend and maintain their empire and developed Roman roads. The early roads were built—usually by slaves—in Rome, India, Persia, and China were made of brick or stone. These ancient roads fell into disrepair during the middle Ages.

The modern history of road transport also involves the development of new vehicles such as ***new models of horse-drawn vehicles, bicycles, motor cars, motor trucks*** and ***vehicles.***

* ***Rail Transport***

The modern passenger train owes its beginnings to the work of *James watt*, a British inventor, and *William Murdock*, an engineer. Together they invented a three-wheel carriage propelled by a steam engine in early 1800s.

An English man, *George Stephenson*, is regarded as the originator of the modern railway system. Many of the early railway networks in South America, Asia, Africa, and India were built by British engineers.

Early trains were powered by steam engines however; the development of electric, diesel, and turbine engines in the 20th c brought an end to the smoke-spewing locomotive. Electric trains were quick-starting, quiet, and relatively efficient. Thomas Edison produced an electric locomotive in 1880 and by 1895; steam engines were being replaced by electric trains.

* **Pipelines**

Pipelines are a unique form of transportation used to move liquids, gases, or solid/liquid mixtures over great distances. Pipelines consist of two major components: pipes and pumping stations. A piston in a pump forces liquid out of the pump and into the pipe. A vacuum created by the departing liquid forces more liquid to enter the pump, and that liquid in turn is forced out as the liquid before it was. With pumping stations placed appropriately along a pipeline, liquid can be moved great distances.

Pipelines are commonly used to transport crude oil or petroleum. Oil pipelines have been constructed in all parts of the world, primarily in oil-producing regions such as the Middle East, the North Sea, Southern Russia, the South China Sea, Texas, Oklahoma, and Alaska. In 1999, there were approximately 248,000 km (154,000 mi) of pipelines for crude oil or petroleum products. Also in 1996, the latest year for which figures are available, there were 2,054,029 km (1,276,315 mi) of pipelines for natural gas in the United States. Pipelines are also used to transport solids suspended in liquids, such as coal slurry, which consists of powdered coal suspended in water.



**4.2. Classifications of Surface Transportation**

Land transportation is the dominant form of transportation in the world. It can be of various types of forms. The most common forms of land transportation combined the wheel with electric or fuel-powered engines to move people and freight quickly and efficiently. Listed below are the three classifications of land transportation based on the motive power:

1. ***Human-powered transportation***, such as ***walking or bicycling***, relies entirely on human muscle power for movement. Today, in many countries of the world, human-powered transportation remains the main form of transportation. In African cities, two-thirds of daily trips are made by walking. Even in automobile-dominated North American and European cities, ***walking and cycling*** are important modes of transportation. Special equipment, such as ***skis and snowshoes***, has long been used to help people move over difficult terrain, such as snow-covered ground. Other inventions, such as the ***bicycle***, make travel over flat terrain faster and more efficient. The Rover safety bicycle, one of the first practical bicycle designs, was invented around 1885 in Great Britain. Today, in Beijing, China, residents own over 8 million bicycles. In cities in Denmark, between 20 and 30 percent of daily trips are made on bicycles. In many Asian cities, bicycle-like vehicles called rickshaws carry between 10 and 20 percent of the freight moved daily. In Africa, the bicycle is the most common means of traveling intermediate distances.

 

1. ***Animal-powered*** ***transportation***- People have used domestic animals for thousands of years to help transport goods over longer distances. Pack-animal caravans using domesticated donkeys originated as early as 3500 BC. Pack animals are still used today in many parts of the world, particularly in rugged or hilly terrain where motor vehicles cannot travel. Other pack animals include llamas, camels, mules, oxen, water buffalo, dogs, goats, elephants, reindeer, and horses. The horse, with its superior speed and range, has been a favorite animal for transportation use.



1. ***Engine-powered transportation*** – these are machines or transport vehicles where engines rely to fuel, electric or any other energy sources like solar or batteries. This transport mode can be of various types which include:
   1. **Motorcycles and Tricycles** – are some of the fastest mode of transportation today. These vehicles are economical in the sense that it can go beyond the limit of major roads or thoroughfares especially during heavy traffic congestion by taking alternative routes or smaller street roads to go to their destination.

 

* 1. **Buses** - Bus service operates diesel or electric buses along defined routes and according to published schedules. Buses vary in size from minibuses, which can carry up to 20 passengers, up to multisection articulated buses, which have an extra passenger unit attached by means of a flexible joint. Articulated buses can carry as many as 130 passengers. Buses operate on both city streets and highways. Some streets and highways have special lanes reserved only for bus transit, thus increasing the speed and efficiency of bus travel. Trolley buses are electrically powered buses that use electricity from overhead wires mounted along city streets. The use of electric power reduces pollution, noise, and the need for refueling but also limits the routes a trolley bus can take.

 

* 1. **Para transit or other four-wheeled vehicles**- Para transit includes taxicabs, jitneys, and dial-a-ride services. It provides short-distance transportation for small groups of passengers. A **taxicab** is an automobile operated by a driver and hired by users for an individual trip. Taxicabs have the highest out-of-pocket cost of all types of public transportation, but taxicab service is closest in convenience to the private automobile. **Jitneys** are privately owned large cars or vans that usually operate on fixed routes but without fixed schedules. Jitneys are a flexible means of public transportation, although they also tend to add to traffic congestion. **Dial-a-ride services** consist of minibuses or vans that are directed from a central dispatching office as the service is requested. The dispatcher plans the routes so that as many passengers as possible are served on a single trip. Dial-a-ride services are slower and less direct than taxicabs but generally are cheaper as well. **Car rentals**, on the other hand is a system where cars are rented by persons for a specified time under agreement. Big car rental companies of today include Avis, Dollar and Nissan.

 

* 1. **Trucks and vans –** are mostly for freight service and carry it from short to far distances.



* 1. **Trains** – trains can be in the form of light-rail, heavy rail or automated rail systems for passengers and there are trains to carry only goods or cargoes.
     1. ***Light-rail transit*** ***(can also be considered as streetcars***) is an electric railway system that evolved from streetcar systems. Like streetcars, light-rail cars operate as single units or as short trains of two or three cars. Light rail is designed to use a variety of rights-of-way, providing more flexibility than the streetcar. In some cities, light-rail systems operate like streetcars in downtown areas but then move to reserved lanes of traffic to service outer neighborhoods. Light-rail systems may also operate in tunnels under congested areas or on elevated tracks mounted over city streets. Light rail is popular in Europe and is in use in several U.S. cities, including Portland, Oregon; San Diego, California; and Baltimore, Maryland. Light rail is a cheaper and more versatile alternative to older rail systems.

  

* + 1. ***HEAVY-rail transit -*** Heavy-rail systems are also commonly referred to as rail rapid transit. Subways (often called metros outside of the United States) are common examples, although rail rapid-transit systems may also operate above ground, as parts of the New York City and Chicago, Illinois, subway systems do. Heavy-rail systems typically consist of large four-axle rail vehicles operating in trains of two to ten cars. Rail rapid-transit systems operate on tracks reserved solely for the rail cars, and so the trains are able to travel at high speeds. Some rail rapid-transit systems, such as BART (Bay Area Rapid Transit) in the San Francisco Bay area, are highly automated. Power for rail rapid-transit vehicles is usually supplied by an electrified third rail mounted alongside the train tracks. Some heavy-rail systems use rubber tires rather than steel wheels. These tires produce a quieter ride but create more friction, which reduces efficiency. A monorail is a special type of heavy-rail system that uses a single rail to support and guide the vehicles. A monorail that was built for the 1962 World’s Fair in Seattle, Washington, connects the downtown to the nearby fairgrounds and is still in use. Monorails have also been built for circular routes around airports or at amusement parks, such as Walt Disney World, but they have not been widely used for urban transportation.

 

 

* + 1. ***Automated Guided Transit*** - Automated guided transit systems, also known as people movers, are fully automated transit systems, which operate with no crew. These systems vary widely in design and are less common than bus and rail systems. Automated guided transit is a popular method at large airports for transporting passengers short distances between terminals. Some designs are essentially automated buses running on guided routes, while other systems run on rails. The vehicles may be operated individually or in small trains.

 

* + 1. ***High-speed trains –*** like Maglev, short term for *Magnetic Levitation Train*, also maglev train, a high-speed ground transportation vehicle levitated above a track called a *guideway* and propelled by magnetic fields, in England, Germany, Japan and now in China. Magnetic levitation train technology can be used for urban travel at relatively low speeds (less than 100 km/h, or less than 62 mph). For example, a short-distance maglev shuttle operated for 11 years from 1984 to 1995 between the Birmingham, England, airport and the city train station. However, the greatest worldwide interest is in high-speed maglev systems. Train speeds of 552 km/h (343 mph) have been demonstrated by a full-size maglev vehicle in Japan, while in Germany a maglev train has run at 450 km/h (280 mph) and in China a maglev train has reached a peak speed of 432 km/h (268 mph).



* + 1. ***Luxury trains –*** are mostly used to cater tourists and provide some amenities and services typically not found in regular trains. Like restaurants, bar, lounge, rooms, casino and other recreation to give the tourist the luxuries and enjoyment of a travel from origin to the final destination.

 

***f. Freighter trains*** – are used to carry cargoes or goods mostly for far distances.

 

**The famous railway transportations of the world:**

The great trains of the world include:

1. **Orient Express**-London to Paris crosses the Swiss and Austrian Alps and concludes at Venice (Italy).It is often considered as “*The Train of Kings, the king of Trains*” is the most famous train in the world.

2. **Trans-Siberian special-**a leisurely 19 day voyage from Moscow to Mongolia

3. **The Blue Train**- provides a 24 hour luxurious trip from Cape Town to Pretoria, South Africa.

4. **The palace of Wheels**-India

5. **The Royal Scotsman**-/Scotland/, which menders through the Scottish highlands

6. **The Bullet Train /Japan’s shinkansen**/-Japan

7**.** **France’s Train a’ Grande Vitesse /TGV**/- France

8. **Amtrak /American track/-** one of the world’s modern train systems, America

**Amtrak Accommodation**

Accommodations on Amtrak trains vary considerably. In general, two types of accomodatios are available:

**1. Coach accommodation**-

It provides seating chair facilities. Seating in coach section is similar to that on an airplane or bus. Some trains have special coach sleeping accommodations called slumber coaches. These rooms provide a retractable bed and toilet facilities.

**2. Private compartments-**

It provides a sleeping facility in a coach. Private compartments on some trains are available in two configurations.

**Roomette**- is a single room for one traveler, with a retractable bed and toilet facilities. It is larger than slumber coach, which requires only a coach ticket.

**Bedroom-** bed room accommodations are available in six configuration, depending on the train:-

* **Economy bed room-** accommodates two adults, without private bathroom
* **Standard Bed room**- has two berths/ sleeping seat in a train/, a toilet and a washbasin(hand basin)
* **Family Bed room**- has three berths and seating for five with the beds retracted
* **Deluxe Bed room**-located on the upper level, with bathroom facilities
* **Handicapped Bed room**- rooms for disabled travellers have special facilities for wheel chair users
* **Suite Bed room**- consists of two adjoining rooms with flour beds

**RAIL WAY PASS**

It is like a ticket that entitles the holder for unlimited rail travel within a specified time period and is issued by a Country’s Railway Authority. It is usually issued for 14/21/30/60 days. A valid passport is required to purchase the pass. But, a rail pass does not guarantee the passenger a seat on a train, ship or ferry. However, seats may be reserved on specific trains for an additional fee. Advance reservations are recommended for long-distance trains, particularly during holidays and summer months.

Examples of rail way pass for different countries:

* **USA Railway Pass**- for USA
* **Eurail pass**/ European pass/- for European countries
* **Benelux tour train**- for Scandinavian countries (Norway, Sweden, Denmark)
* **Finn rail pass**- for Finland
* **Rover ticket**- for Poland
* **Swiss holiday card**-for Switzerland
* **Britrail pass**- for Britain (England, Scotland, and Wales)
* **Ind rail pass**- for India

**4.3. Service Characteristics of Surface Transportation**

1. ***Accessibility*** – any person can have the access of this mode at a place anytime they want to go to their destinations.
2. ***Flexibility*** - Land vehicles can go to any place they want where other modes cannot penetrate compared with airplanes, trains and ships.
3. ***Distribution networks*** – wide distribution or supply of goods and services from the provider to the final consumers.
4. ***Speed*** – the speed of land transportation is slow to some extent compared with other modes in bringing people and goods to the destinations.
5. ***Load and range of services offered*** – it can carry minimal volume of cargoes or load at a time; and services provided by the land transportation vehicles are usually basic and limited to some extent. Only few providers offer additional service to the public or tourists.
6. ***Level of competition*** – high degree of competition among land transportation operators and providers.
7. ***Cost***– considered cheaper in overall cost compared to other modes.

**4.4. Institutional Organizations Related to Surface Transportation**

* ***Ethiopian Investment Agency (EIA)*** – the one in-charge for various activities and projects like in tourism and transportation. Investors need to comply with the existing policies promulgated for investment purpose.
* ***Ministry of Works and Urban Development through Ethiopian Roads Transport Authority (ERA)*** – for road projects and infrastructural development.
* ***Ministry of Transport and Communications*** – the body in-charge of the overall supervision and activities in the transportation and communication sectors. A special body under this is also in-charge for regulatory and franchising of transport units or for operations. ***Transportation Bureau Regional/Zonal Offices*** for the issuance of driver’s license and permits in every region.
* ***Ministry of Economic Development and Cooperation*** – for the local and national programs and activities, projects for economic development or based in the Millennium development goals.
* ***Ministry of Finance*** – the one-in-charge of providing the needed budget for any government projects, activities or infrastructural reforms like road construction, airports, terminals and other basic services either through the national budget or loan from other financial institutions.
* ***Ethiopian Customs Authority*** – the overall body in-charge in administering and enforcing tariffs and other related laws and to provide revenue for the country. The authority assesses and collects import duties and taxes, regulates carriers and merchandise entering or departing form Addis Ababa, detects and prevents smuggling and frauds and related issues.
* ***Ethio-Djibouti Railway Office*** – one of the premier modes of transportation in Ethiopia in transporting goods and people from Addis Ababa to Dire Dawa and then to the port of Djibouti. The Office is the controlling body for overall operations of the railway system.

**CHAPTER 5**

**WATER TRANSPORTATION**

**5.1. History of Water Transportation**

In the **Stone Age**, primitive boats developed to permit navigation of rivers and for fishing in rivers and off the coast. It has been argued that boats suitable for a significant sea crossing were necessary for people to reach Australia an estimated 40,000-45,000 years ago. With the development of civilization, bigger vessels were developed both for trade and war. In the **Mediterranean**, galleys were developed about 3,000 BC. Galleys were eventually rendered obsolete by ocean-going sailing ships, such as the man-of-war, in the late 15th century. In the **industrial revolution**, first steam ships and later diesel-powered ships were developed. Eventually submarines were developed mainly for military purposes.

The **earliest ships** believed by the historians to appear around 16,000 BC in Europe, and perhaps earlier in Asia and Africa. Little archaeological evidence for these prehistoric vessels survives because they were made from perishable materials. Prehistoric drawings illustrate that reindeer hunters of central and Western Europe made hulls of animal skins sewn together around a birch wood frame, and archaeologists have discovered vessels made from skin and reindeer antlers dating from 9000 BC. Seal hunters plied the frigid waters of the northern Atlantic in boats constructed from sealskin stretched over frames of wood or whalebone. Ancient peoples used *coracles*, round, skin-covered vessels with wicker frames, to fish the lakes and rivers of what are now Ireland and Wales. Larger but similarly constructed ***currachs*** could sail the open waters of northern Europe. Hunters and fishers all over the world constructed similar hulls from birch bark, balsa wood, papyrus, ox hide, and other local materials.

Meanwhile specialized craft were developed for river and canal transport. Canals were developed in **Mesopotamia** circa **4000 BC**. The **Indus Valley Civilization in Pakistan and North India (from circa 2600 BC)** had the first canal irrigation system in the world.

As sailing ships became larger and more durable, longer trips of discovery were made. Ancient trade expeditions from the Arabian Peninsula to India left in the spring to catch easterly seasonal winds and returned in the fall with westerly winds. These westerly winds also allowed *Chinese explorers to travel to India and Africa*. In the late 1400s and early 1500s, European explorers discovered westerly winds that allowed travel to the newly discovered territory in the Western Hemisphere and easterly winds that allowed the return voyage to Europe. **Christopher Columbus** reached the New World in 1492. In 1521, **Ferdinand Magellan** became the first to circumnavigate the world in a sailing ship.

Sailing ships and sailboats use the power of the wind pushing against large sails for propulsion. By harnessing the power of the wind, early ***oceangoers*** were able to travel greater distances than they could have by sheer muscle power alone. Sailing ships were popular for transporting people, cargo, and soldiers until the introduction of steam-powered vessels in the 1800s. Today small sailboats and yachts are used primarily for recreation and sport.

The earliest known reference to an organization devoted to ships in [ancient India](http://en.wikipedia.org/wiki/Ancient_India) is to the [***Mauryan Empire***](http://en.wikipedia.org/wiki/Mauryan_Empire) from the 4th century BC. The word [**navigation**](http://en.wikipedia.org/wiki/Navigation)is derived from the [Sanskrit](http://en.wikipedia.org/wiki/Sanskrit) word "**Navgath"**. It is believed that the navigation as a science originated on the river [Indus](http://en.wikipedia.org/wiki/Indus) some 5000 years ago. [**Pre-Columbian trans-oceanic contact**](http://en.wikipedia.org/wiki/Pre-Columbian_trans-oceanic_contact) refers to interactions between the Americans and peoples of other continents – [Europe](http://en.wikipedia.org/wiki/Europe), [Africa](http://en.wikipedia.org/wiki/Africa), [Asia](http://en.wikipedia.org/wiki/Asia), or [Oceania](http://en.wikipedia.org/wiki/Oceania) – [before](http://en.wikipedia.org/wiki/Pre-Columbian) the arrival of [Christopher Columbus](http://en.wikipedia.org/wiki/Christopher_Columbus) in [1492](http://en.wikipedia.org/wiki/1492).

The [Ancient Egyptians](http://en.wikipedia.org/wiki/Ancient_Egypt) had knowledge to some extent of [sail](http://en.wikipedia.org/wiki/Sail) construction. This is governed by the [science](http://en.wikipedia.org/wiki/Science) of [aerodynamics](http://en.wikipedia.org/wiki/Aerodynamics). A primary feature of a properly designed sail is an amount of "[draft](http://en.wikipedia.org/wiki/Draft_%28sailing%29)", caused by curvature of the surface of the sail. According to the [Greek](http://en.wikipedia.org/wiki/Greece) historian [Herodotus](http://en.wikipedia.org/wiki/Herodotus), [**Necho II**](http://en.wikipedia.org/wiki/Necho_II)sent out an expedition of Phoenicians, which in three years sailed from the [Red Sea](http://en.wikipedia.org/wiki/Red_Sea) around [Africa](http://en.wikipedia.org/wiki/Africa) to the mouth of the [Nile](http://en.wikipedia.org/wiki/Nile).

[**Hannu**](http://en.wikipedia.org/wiki/Hannu)was an [ancient Egyptian](http://en.wikipedia.org/wiki/Ancient_Egypt) [explorer](http://en.wikipedia.org/wiki/Exploration) (around 2750 BC) and the first explorer of whom there is any knowledge. Hannu made the first recorded exploring expedition. He wrote his account of his exploration in stone. Hannu travelled along the [Red Sea](http://en.wikipedia.org/wiki/Red_Sea) to [Punt](http://en.wikipedia.org/wiki/Punt_%28region%29). He sailed to what is now part of eastern [***Ethiopia***](http://en.wikipedia.org/wiki/Ethiopia) ***and*** [***Somalia***](http://en.wikipedia.org/wiki/Somalia). He returned to Egypt with great treasures, including precious [myrrh](http://en.wikipedia.org/wiki/Myrrh), [metal](http://en.wikipedia.org/wiki/Metals) and [wood](http://en.wikipedia.org/wiki/Wood). The earliest representation of a ship under sail appears on an Egyptian vase from about 3500 BC. Early Egyptian sailing vessels consisted of a wooden framework covered with papyrus reeds or wood lashed together with rope. Large trees did not grow in the region, so Egyptians imported timbers from nearby Lebanon or lashed small wood blocks together and secured them with pegs. The wood swelled when submerged, forming a nearly watertight seal. Smaller sailing vessels harnessed the wind with two sails. Larger Egyptian sailboats captured the wind with a single square sail and were steered with two steering oars mounted on the stern.

The most able shipbuilders of ancient times were the **Phoenicians**. They constructed merchant vessels capable of carrying large cargoes between the colonies that rimmed the Mediterranean Sea, such as *Carthage in North Africa* and *Cádiz in Spain*.

In China and other areas of Asia, shipbuilders had developed an entirely different, and many argue superior, sailing ship. The *junk* was a wooden, ocean-going vessel recognized for the ingenuity with which it was developed and its remarkable seaworthiness.

Fishing vessels called caravels first appeared in **Spain** and **Portugal** in the 13th century. These small, seaworthy sailing ships proved so agile and reliable that almost every European seafaring nation had adopted them by the end of the 15th century. Caravels carried cargo of all kinds throughout the Mediterranean, Atlantic, and Indian oceans and became a favourite of Portuguese and Spanish explorers.

During the 15th and 16th centuries, hundreds of caravels sailed along the west coast of Africa and to the Americas. In the early to mid-15th century, **Prince Henry the Navigator of Portugal** sponsored voyages along the African coast that relied upon caravels. Famous explorer **Christopher Columbus** sailed caravels on his voyages of exploration under the flag of Spain in 1492. He rerigged the *Niña*, his favorite, with square sails on his voyage west to better use the following winds. Portuguese explorer **Bartolomeu Dias** sailed caravels on his voyage around the Cape of Good Hope at the southern tip of Africa in 1488. **Vasco da Gama** also used them to sail across the Indian Ocean to establish Portuguese colonies in Asia in 1498.

**5.2. Categories of water-borne transportation**

We can divide water- borne forms of transportation in to 5 distinct categories:

1. **‘Line Voyage’ Liners/Ocean Liners/-** is an ocean going passenger vessel that runs over a fixed route on a fixed schedule. The term is generally applied to those large luxury ships that come in to transatlantic service about 1885. Line voyage services are those offering passenger transports on a port-to-port basis. This form of transport has declined due to many factors:-

* From 1950, onward, advances in air transport enabled fares to be reduced especially on popular routes across the Atlantic, to a point where it becomes cheaper to travel by air than by ship. Passengers switched to airlines, led to losses in revenue for the shipping companies. A small but loyal demand for sea transport remained among those, usually older, passengers who suffered fear of flying or who enjoyed sea voyages and had time to spend to reach their destination.
* The shipping lines faced rapidly rising costs for fuel and labor in a labor-intensive industry

1. **Cruise liners:** are passenger vesselsused for transporting passengers for an organized holiday and luxury service is provided for passengers. Cruises are also called ‘floating hotels’. The whole concept of cruise holiday has changed from its traditional image; cruise ships are coming to be seen as a floating holiday resorts which conveniently move from one destination to another, offering new scenery every day and non- stop entertainment on board. Shipping companies continued to build super liners to serve *dual purpose*. During the *summer*, they served as point-to-point liners; that is they took passengers from one destination to another. During the *winter*, they served as warm-water cruise ships. There is an important issue relating to the size of cruise vessels, and it is a question of sustainability. It is debatable whether building ever larger cruise ships is an appropriate strategy for the tourism business, whether or not these could be profitable.
2. **Short -Sea /Ferry Vessels/-** the term ‘ferry’ is one which embraces a variety of forms of short- distance water-borne transport. There are many places in the world where transport is dependent up on good national ferry services, due either to the number of islands belonging to the territory or the difficulty of reaching coastal destinations by air. Ferry boat service is on form of point-t-point water transportation that has been largely unaffected by the increase in air traffic. One reason is that ferry routes tend to be short and comparatively inexpensive. Another reason is that ferries often operate on routes that are poorly served by air. Not all ferry routes are short, however. Some ferries steam for several hours and offer cabins, restaurants, and recreation rooms. In spite of these creature comforts, ferry companies do not pretend to be in the cruise business; their priority is transportation from point A to point B. some ferries are intermodal. In addition to passenger, they carry cars, trucks, and even railroad cars. Intermodal ferries can be as large as cruise ships.
3. **Inland water ways-** inland water ways refers to one form of water-borne transportation in lakes, rivers and canals and the like. These transportations provide exceptional opportunities for recreation and tourism. The most popular rivers for cruising includes:

* **Nile river-**in Egypt
* **Rhine river-**between Holland and Germany
* **Danube river-**between Germany and in Rumania
* **Rhone and seine rivers-** inFrench
* **Other rivers including Po(Italy), Elbe**(German), **Yangtze** and **Li rivers**(china), **Mississippi**(USA), **Douro**(Portugal), **Amazon(South America)**

Sustainability is an important factor in inland waterways. Apart from the dangers of pollution from fuel and oil leaks in sensitive freshwater areas, the erosion of river banks and sheer congestion on popular stretches of waterway create further problems.

**5. Sea going pleasure craft:**

Small private companies are increasingly offering package holidays aboard *small sailing ships or steam boats*, with facilities ranging from the luxurious, where passengers, are guests, to the more basic, where passengers play an active part in crewing the boat. On the other hand, tour operating companies are catering to the mass demand for boating holidays by offering flotilla cruising holidays especially in areas where there are many small islands which provide a sheltered anchorage and good weather conditions.

**5.3 Features and Advantages of Water-Borne Transportation**

Technological advances are beginning to overcome some of the natural advantages of sea transport. For example, a conventional vessel has to be displaced or a volume of water equivalent to its own weight.

Water-born transport is slow compared to air travel-an aircraft can make 20 crossings of the Atlantic in the time a ship makes one return journey. By the late 1960s, most of the long-haul market on the north Atlantic route had been lost the airlines. However, the advantages of this mode are that:

* Ships extend relatively little power
* Ships can be built to match larger specifications than any vehicle or aircraft, to carry several thousand passengers at a time over long distances. Increasing size does bring safety and pollution problems.
* Ships can also provide high degree of comfort. This has lead to the development of the cruise market, which is travel for travel’s sake in ‘floating resorts’.
* Ships can be designed as roll-on roll-off ferries accommodating large number of motor vehicles-in effect ‘floating bridges’. This has lead to marketing directed at motorists using the short sea routes.

**5.4. Water Transportation and Tourism**

Although air services today play the leading role in providing transport for tourism, transport by water borne vessels of all kinds continues to play an important role in the industry. While air transport offer advantage of speed, which is often critical factor in the choice of long- haul travel, travel by water still offers many unique advantages. Cruising in particular is enjoying a popularity boom that has not been seen since the heyday of the inter-war-period; it offers the advantage of total relaxation and an all inclusive price which allows the passenger to be carried from on destination to another in comfort and safety without the need constantly to pack and unpack. Short-sea (ferry) vessels have achieved new level of comfort and speed on many routes, to a point where they will now attract tourists not just in order to travel from one point to another, but to enjoy a ‘mini cruise’ which provides food and entertainment that a few years ago could only be found on a luxury cruise liner. Technological developments have helped to reduce high operating costs, while new forms of water-borne transport have been developed, such as the hover craft, jet foil and the twin hulled catamaran ferry. These have provided rapid communication over short sea routes and sometimes, as in the case of hovercraft, across difficult terrain.

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**5.5. Cruise Ship and Cruise Marketing**

**5.5.1. Cruises** **

Cruises are organized holiday journey aboard on a pleasure ship, luxury service is provided for passengers. Cruises are also called ‘floating hotels’. To many people cruise ship is more than just a vacation at sea. To some passengers, a cruise is a honeymoon, a weeding anniversary, or a romantic interlude. To other people, cruising calls to mind dazzling night life, ball room dancing, or the pleasure of meeting new people.

**Parts of cruise ship**

* **Aft/stern/-**it is the back part of a ship, i.e. parking area of a ship
* **Berth/bunk/**- bed in a cabin or place for a ship in a port
* **Bow**- the front part of a ship
* **Bridge**-commanding post of a ship/the part of a ship from which it is controlled/
* **Cabin/state room/**- bed room or sleeping room in a ship
* **Cabin**- bedroom shared by two or more passengers. There are two types of cabin in a ship: ***Inside Cabin-*** *cabin located in the interior part of a ship and it has no access to the natural light.* ***Outside cabin-*** *a cabin with a port of hole and situated at the side of a ship. It has a view of the external environment( ocean)*
* **State room**- a bed room in a ship used privately
* **Deck**- the various levels/stories/ of a ship
* **Disembark**- to go from a ship to a shore (getting out)
* **Embark**- to go from a shore to a ship(get into)
* **Hatch**- an opening on the deck to allow cargo to pass to the hold
* **Hold**- cargo store room
* **Knot**- unit of speed in which the ship travels

**1 knot =1 Nautical mile/hr =6080 feet =1852m**

* **Mid ship**- centre of a ship
* **Port hole**-a round cabin window( window on a ship)
* **Purser** - a ship’s officer who deals with engines on a ship

- A commander who deals with and controls customers

- Deals with all inquiries in a ship

* **Port of call**- the destination at which the ship docks/stops. It is a stopover point-last destination

**Categories/ Types of Cruises:**

Cruises are classified under the following categories:

1. **Traditional Cruises**: -It includes holidays and the journey takes from 15 to 21 days and there will be a minimum of 5 ports of call.

**2. Fly cruises:-**The passenger selects and fly to the cruise port by plane, i.e., the passenger uses cruise and plane. If the passenger has visited the place before, he will pass it by pane.

**3. Cruise and Stay:-**This is a combination of fly cruise and ground arrangement.

**4. Educational Cruise:-**It is prepared for passengers who have special interest. Such types of cruise provide special type of activities on the board. Example- stamp collection, hobby cruise, etc.

**5. Volume Cruise:-**

Are also called mass market cruises, account for approximately 60% of all cruise revenues. Cruise liners in this category offer three types of cruises:-

* ***Short cruises***- which stays from 2 to 5 days
* ***Standard length cruises***- which stays for 7 days
* ***Longer cruises***- which stays from 9 to 14 days

The volume category includes both *budget* and *standard cruises.* Accommodations and services are comparable to most standard hotels. It emphasizes short itineraries and quick turnover. Turnover refers to the number of times that new passengers are brought on board. Thus, fast or quick turnover generates more revenues by running to short distances. Examples of volume cruises- carnival cruise lines, Cunard cruise lines, etc

**6.** **Premium cruises:**

Are also known as upscale cruises, represent the second largest segment of the cruise industry. Cruises in this category account for 30 % of all cruise revenues. Premium cruises range from one week to 2 to 3 months. Premium cruise offers accommodations, facilities, meal service, and entertainment equivalent to the facilities of a first class resort hotel. Example of premium cruises- royal Viking cruises, Cunard cruise lines, etc

**7. Luxury Cruises:**

Account for 6% of cruise market. They offer a high level of elegance and comfort, but are also the most expensive type of cruise. The ships that conduct luxury cruises are called *luxury liners.* They have long itineraries and exotic destinations unlike to mass market cruise ship which focuses on quick turnover. Luxury cruise liners takes from 6 to 12 months to complete its journey.

**8. Specialty Cruises:**

Account for 4% of cruise revenues. Specialty cruises include whale watching, scuba diving, archeology, and biology cruises. The ships are specially equipped passenger vessels with only basic food and beverage services. It is popular among well- educated single travelers and couples without children. Example- cruise to Antarctica, the Amazon River, etc

**Cruise Accommodations**

Sleeping rooms on a cruise ship are called ***cabins*** or ***state rooms***. State room is a private room in a cruise. Cabin refers to room that is shared with other passengers.

Most sailing ships had only one state room *(*reserved for officers or vital passengers-dignitaries and aristocrats). Cabin space varies with –the size of the ship, the number of beds in the cabin, the amount of seating space and whether a bath or shower is provided. Most ships offer several categories of moderately priced cabins, in addition to more expensive deluxe cabins and suites. The up- and- down movement of a ship is known as ***Pitching***. Side ways movement of a ship is known as ***Rolling***. At front and backside, pitching and rolling is high, so middle seat is much expensive than front and backside seat.

**Deck Plan:**

Cruise ships vary in size from single- deck sailing vessels to huge luxury liners reaching as high as 12 stories.

**Deck plan:** refers to a layout of a cruise ship which shows the location of staterooms and public rooms (cabin) on each deck.

On a multi level ship, deck location may be an important factor to a passenger selecting a cabin.

* ***Lower decks***- pitching and rolling (rocking motion) is less.
* ***Upper decks and middle decks (mid ship)*** - are usually more accessible to dinning and entertainment facilities. Cabins on upper decks also have better views, so they are expensive

A typical cruise liner has both inside and outside cabin locations. Most deluxe cabins have exterior views. Inside cabins do not have a view and are least expensive. An extra charge is usually applied for outside cabins with a porthole or window.

**Cruise Facilities:**

Facilities on board cruise ships vary significantly, depending on the type of cruise, the price level and the length of the itinerary. The most basic facilities provide include:

* Meal service- food and beverage services
* Recreational activities- exercise classes such as golf class, tennis class, guest lecture, photography, paintings,
* Entertainment- casinos, video arcade rooms, movie theatres, entertainment lounges and shops, ball room (a room where male and female dance together), passenger talent shows, etc...

**Cabin Selection**:

Cabin selection depends on: the client’s budget, cabin size, and cabin location:

* ***Client’s budget***- the least expensive cabins often have bunk beds and are suitable for cost-conscious travelers, single travellers, and children. Moderately priced cabins with twin beds are generally preferred. The most desirable and expensive cabins are deluxe outside cabins with king-size beds.
* ***Cabin size***- cabin sizes varies with each ship, but larger cabins are available at higher rates. Families with children often prefer connecting cabins for additional space and privacy
* ***Cabin location***- outside cabins with views is usually more expensive than inside cabins. Cabins on the higher decks in close proximity to the dinning room, lounge, shops and recreational facilities are usually the most expensive. These locations often contain suites and deluxe outside cabins with larger windows.

**Factors affecting cruise costs**

The factors that influence the fare include:

* The quality of the furnishings
* The size and variety of facilities
* The cabin size
* The number of passengers
* The length of the cruise( duration of the cruise)
* The season of travel-summer/winter
* The destinations
* The ration of crew members to passengers( passenger to steward ratio)

Normally the passenger travelling alone must pay a surcharge, called a *single-supplement.*

**Costs included in cruise price:**

* Ocean transportation
* Ship board accommodation
* All meals- on most cruises, 3 or 4 daily meals are included in the fare.
* On board entertainment and recreation activities
* Transfer from ship to shore
* Depending on the ship, activities for children and teenagers
* Air fare and transportation to the port of embarkation may also be included
* Most services

N.B. An embarkation point is the city from which a cruise ship departs

**Costs not included in cruise price:-**

These are those that reflect personal choices

* Port taxes
* Liquor (beer, wine...)
* Shore excursions
* Medical expenses
* Tipping
* Laundry, valet, sauna services
* Expenditure in shops on board
* Gambling chips in the casinos

If the port is small to support cruises, tenders/ lighters are used to transfer passenger from shore to cruise and vice versa.

**Factors affecting the price of a cruise:**

There are 4 major factors that determine the cruise price:

1. ***Duration of cruise***- duration as a factor should be fairly obvious: a two week cruise is likely to cost more than a seven day cruise
2. ***Season-*** prices are highest during the peak or high season and lowest during the off/low season,
3. ***Cabin location and size-***

* *The location of the cabin* is the major factor influencing the cruise price. As a general rule, the higher above water, the more expensive a cabin will be, because higher cabins afford passengers a better view and are usually closer to public areas. Cabins located amidships, are more expensive than cabins either forward or aft because roll and pitch is less pronounced amidships. Outside cabins are expensive than inside cabins (outside cabin in the lower deck is more expensive than inside cabin on the highest deck.
* *Cabin size-* the number of passengers in a cabin is a cost determinant. In shared cabins, the third and fourth occupants usually at a reduced rate. Single occupants have to pay a single supplement.

**N.B**. -Even though there are many different cabin price categories, all passengers are entitled to the same high level of service. A passenger travelling in the least expensive inside cabin enjoys the same menu, the same entertainment, the same activities and the same choice of shore excursions as does a passenger in a deluxe suite.

1. ***The ship profile/type of ship/-*** some older vessels that have been converted from point-to-point services tend to command higher prices than do the newer cruise ships. This is due to the older ships are more spacious, with lower passenger densities.

**Cruise Discounts**

At various times, discounts are available for cruise passage, depending on the season, the number of passengers booked, and other factors. The following types of discounts are available:-

1. **Seasonal discounts:**

These are discounts for travelling during late summer and autumn (which is low season) because of warm weather and the possibility of storms. This type of discount is made to attract passengers during low season.

1. **Air travel discounts:**

These are discounts for passengers who buy their own air ticket for themselves. Some cruise lines that include air fare in the base fare will reduce the cruise price if air travel is arranged separately. However on some cruises, the price is the same whether or not air travel is included.

1. **Advance purchase discount:**

Cruise lines offer substantial discount if a reservation is made and paid for three or more months before the date of sailing.

1. **Unsold space discount:**

If a ship has available unsold space close to the sailing date, unsold cabins may be offered at discounts of up to 60%.

1. **Third or fourth passenger in cabin:**

Normally a cabin can support two passengers, but if more than two passengers stay (share) in the same cabin, the third or fourth passenger receives a sharply reduced fare. On other ships, such passengers are entitled to travel free

1. **Stand-by travel discounts:**

Occasionally, passengers can purchase cruise passage at a discount if they are willing to travel on a *stand-by-travel basis.* Such passengers are not guaranteed a cabin until the date of sailing. If the ship is full, the passengers must wait until the next departure of a ship with available cabin space. This discount is given for passengers who missed the first cruise and join the second cruise.

**Cruise Bookings/ Reservation/**

The following information is required to book a cruise:

* Passenger name(s)
* Itinerary
* Length of time table
* Total budget
* Level of luxury desired
* Activities desired
* Preferred sailing date
* Meal seating options(early or late seating
* Shore excursions

After selecting a ship, and sailing date, the passenger must select a rate category. In general, cruises should be booked as early as possible. After a cruise is booked, *a verbal confirmation* is provided by the cruise line. In most cases, the passenger must then *pay a* ***DEPOSIT*** *to the cruise line within 7 days.* The deadline for receiving the deposit is referred to as the ***OPTION DATE.*** If the cruise line does not receive the deposit by the option date, the reservation is cancelled automatically. Final payment is usually required within 45 to 60 days before the ship’s departure.

Some ships do not assign cabins until just prior to sailing. In this case the cruise line may offer a ***rate guarantee***. This type of agreement/arrangement is a promise that the passenger will receive a cabin in the desired rate range, however, the specific cabin is not guaranteed. If a rate guarantee is not available, the cruise line may ***waitlist*** the passenger, by placing the reservation on a waiting list for the desired cabin type. Passengers who have paid the cruise fare in full receive a high priority on the waitlist than passengers who have only made deposits.

Some cruise lines offer an option called a share basis. This is an arrangement by which a passenger travelling alone shares cabin with another single passenger. Under this arrangement, a single passenger who is willing to share a cabin with another passenger is charged ***one half*** rate for a double cabin, rather than the more expensive single rate. The passenger is guaranteed that he/ she will share a cabin with a person of the same sex.

When the payment in full has been rendered, the cruise line will issue the cruise documents. The cruise ticket is issued 1 month before date of sailing.

**Selection of Cruise/OIG/-Official Information Guide**

The main tools for researching cruises and other passenger vessels are:

* **Official Steamship Guide International**- it is published monthly and up-to-date listing of cruise schedules through out the world, information on cruise lines and feature ports of call
* **OAG Worldwide Cruise and Ship Line Guide**-.It is published bimonthly and much the same material as in OSGI, plus information regarding port tax, staff/passenger ratios, and map
* **OHG Cruise Directory**-contains similar information as in OSGI, plus deck plans and ship profiles
* **Ford’s International Cruise Guide-** extensive coverage of individual cruise ships
* **Ford’s Freighter Travel Guide-** listing of freighter cruises, river cruises, and yacht charters
* **Ford’s Deck Plan Guide-**contains plan of over 130 ships

**5.5.2. Cruise Marketing**

There are two main reasons why the cruise industry has not been able to capture a large share of the travel market: *lack of public awareness about the range of cruise products available* and *misconceptions about cruising.*

Cruise companies have addressed the first problem by targeting major advertising campaigns and other promotional efforts at potential cruisers. But to look at the misconceptions that exist about cruising, we must differentiate between traditional and contemporary cruises. Too many people think of cruises in terms traditional cruises- only for the rich and the elderly, that they last for several weeks, and that they are expensive, upscale, and formal. But modern cruises are of shorter duration, have lower costs and are organized to appeal to a much wider market.

A key marketing tool used by contemporary cruise companies is- the three-and four day cruise. By introducing the shorter vacation, cruise lines have been able to attract many first-time passengers who otherwise might not have thought of taking a cruise. USA, for example, about 90% of all passengers on three- and four-day cruises are first timers. Once passengers have experienced and enjoyed the shorter cruise, they are more likely to take longer cruises with the company in future years. Some cruise lines even promote one day cruises to nowhere to get people in to the swing of cruising.

The three and four day cruises have proved particularly with the under-40 age group. Carnival cruise lines cater heavily on the younger market with activities such as singles’ parties. Other lines attract young married couples with honeymoon cruises. Families with young children can take advantage of babysitting services, and many lines now offer programs for young children and teenagers. Substantially reduced rates for children sharing their parents’ accommodations are also an incentive. All these measures have served to reduce the average age of the cruise passenger. Today there are almost as many passengers in the 25-40 age groups as in the 60-and-older category. More than 40% of all first-time passengers are under 40.

Cruise companies have began to appeal to more specialized markets by developing theme and special interest cruises. The theory is that people are more likely to take a cruise if it is focused on something that strongly interests them. Classical cruise liners, for example might be more inclined to take cruises if there is a program of on-board concerts.

Many cruise companies are also pursuing commercial business. Several ships are now equipped with facilities to handle meetings and conventions, and cruises are being used increasingly for incentives. Many cruise lines have developed cruise packages as a vital marketing tool.

* **Fly/Cruise Packages**:-cruise lines researching a larger market by marketing cruises over a wide geographical area. In fly cruise packages or (air/sea packages), the airfare is often included in the package price and can be greatly reduced. They (cruise liners) arrange air transportation on scheduled/ chartered airlines. They are also issue passengers an air travel credit; passengers then make their own travel arrangements. The credit is deducted from the cruise fare. Fly/ cruise options have proved very successful in attracting first-time passengers, especially those who live far from the major cruising ports. The fly/ cruise concept has another application. This is the “fly one way, cruise the other” package. The chief advantage of this type of package is that it reduces point- to- point travel time, allowing passengers to custom-tailor their vacation. For example, a passenger may wish to cruise from Los Angeles to Acapulco. The complete- round trip cruise, including shore excursions, will take about two weeks. If the passenger has only one week to spend, he/ s he can cruise to Acapulco, then fly back to Los Angeles.
* **Land/Cruise Packages**- this is the other marketing tool that has been developed by many contemporary cruise liners. The land section of the package typically involves a sort stay in a hotel at or near the port of embarkation. It can be taken either immediately before the cruise begins, or after it is over. For example, the package of four- night Bahamas cruise with a- three day Disney world vacation is a popular land/ cruise option pioneered by premier cruise lines-‘The Official Cruise Lines of Walt Disney World”.

**Cruise Pricing**

Cruise ships have the highest overheads in the travel industry. To cover operating costs, cruise lines must achieve 80 to 90% occupancy rates. (By contrast, airlines can break even at 60 to 65%).

Pricing is the key to making sure that a ship leaves port as full as possible. All cruise lines offer tired pricing to attract passengers across a wide range of income levels. These can be more than a dozen price categories on a single cruise. The most expensive category (deluxe) can be twice as high as the least expensive (economy). For the extra money, the cruise passenger gets a better cabin. Cruise lines also offer discount fares as passenger incentives. The pricing techniques often include: off season rates and reduced rates for clients who book well in advance; discounts for repeat cruisers; accommodating the third or fourth person in a cabin at reduced rates, etc.

**Key words:**

* Ball room dancing =a type of dancing by a man and women together, using a fixed series of steps and movements
* Bunk bed = two small beds that are joined together with one above the other
* Canal = artificial or manmade river
* Chips = a small piece of plastic used instead of money when gambling
* Circumnavigate= go around
* Cruise= a journey on a ship for pleasure, especially one that involves visiting a series of places.
* Flotilla =group of small ships/boats
* Galley= a long ancient Greek or Roman ship that used sails and slaves with oars to move it
* Hovercraft= a vehicle that can move over both land and water, raising itself above the surface by blowing air downwards.
* Hull= the part of a ship/boat that floats on the water.
* Jetfoil(hydrofoil)= a type of boat that has a jet engine, i.e. It is a boat with wing-shaped pieces fixed to the bottom that lifts the boat on to the surface of the water as it starts to travel quickly.
* Port taxes = taxes that every passenger has to pay on embarkation at any port during the cruise
* Roll-on roll-off (Ro-Ro) = a roll-on roll-off ship is one where vehicles drive on at one end off at the other.

**Chapter six**

**The Economics of Passenger Transportation**

**Transportation economics**: the study of the allocation of transportation resources in order to meet the needs of a society.

In a macroeconomic sense, transportation activities form a portion of a nation’s total economic product and play a role in building or strengthening a national or regional economy and as an influence in the development of land and other resources. In a microeconomic sense, transportation involves relations between firms and individual consumers. The demand for and supply of transportation for both passengers and freight, transportation pricing, and the reasons why the transportation system is both regulated and deregulated are among its concerns. Finally, the [government’s](http://www.britannica.com/EBchecked/topic/240105/government) involvement in each mode of transportation differs. In some instances, private enterprise is used; in others, government provides the facilities and equipment, especially if the rationale for government involvement is that a strong transportation system is necessary for developing the nation’s economy or for its defense. Government’s involvement in transportation has both a macro- and a microeconomic significance.

**Supply of transportation**

Transportation is supplied by individual firms of all sizes and by government agencies. The range of government involvement differs by type, or mode, of transportation and the geographic or political areas of jurisdiction. Governments are involved in providing transportation because it is necessary for economic development, for carrying out certain other functions of government (such as public safety or making it easier for individuals to reach schools or hospitals), and for national defense.

In the [United States](http://www.britannica.com/EBchecked/topic/616563/United-States), airlines are run as private firms, while airports and the air traffic control network are supplied by government. Motorists and trucks operate in the private sector and travel on highways provided by the public, largely through taxes collected on motor fuels. Barges and Great Lakes carriers and oceangoing ships are private-enterprise operations, paying low levels of user fees. They travel on waterways improved and maintained by governments. Railroads are private-enterprise ventures operating on their own roadbed and track. An exception is intercity rail passenger service, which is provided by a government agency. Oil and gas pipelines are operated by private enterprise. Mass transit operations carrying large numbers of passengers in urban areas on buses, light rail vehicles, and ferries are usually operated in the public sector. At one time mass transit was provided by the private sector, but private firms could not survive much beyond World War II, when automobiles became popular. Communities, later aided by the federal government, bought out the declining private transit operators and replaced them with public-enterprise operations. Vehicles, aircraft, and ships are usually built by firms in the private sector.

Outside the United States, public ownership and operation of transportation is quite common. Most nations own and operate their railroads and airlines. Automobiles and trucks are built in the private sector, but roads are provided by the public. Ships may be either publicly or privately owned, although virtually all nations subsidize their merchant marine.

So, in the supply of transportation services, a mix of public and private entities is usual. Private firms are responsive in situations where there is a profit to be made. If the market will not support profitable operators, a variety of government [subsidization](http://www.britannica.com/EBchecked/topic/570986/subsidy) schemes are used. Ideal schemes allow the subsidized operator to develop business to a point at which the subsidies are no longer needed. Frequently this does not happen; the users—or the employees—of the carrier enjoy the subsidies and assert political pressure on governments to maintain them. Governments are confronted by groups who demand certain levels of transportation service but are unable, or unwilling, to pay for them. Subsidized carriers then pursue objectives that may differ from the aims of economic efficiency. This leads to a redistribution of income from the general taxpayer to the user of the subsidized transportation operation. Subsidized transportation also affects decisions made by firms determining where to locate plants or by individuals determining where to locate homes. Both groups in making these decisions attempt to minimize transportation costs that they must pay. If the costs these groups must pay are not the same as the true and total costs to society, the low-transportation-cost site in their eyes is perhaps not the same as might be chosen by one knowing—or having to pay—all transportation costs.

**Demand for** [**passenger transportation**](http://www.britannica.com/EBchecked/topic/445705/passenger-transportation)

In the United States, so much transportation is conducted with private automobiles that passenger transport could almost be equated with automobile transport. The most common trip is the journey to work, a to-and-fro movement 5 days each week, 50 weeks per year. The individual concerned may have chosen both a job and a home while thinking of the daily journey that would have to be conducted between the two. In the United States, the vast majority of journeys to and from work take place in private automobiles, often with the driver alone, [carrying no](http://www.britannica.com/EBchecked/topic/94423/carpooling) passengers. Car pools are encouraged in most large urban areas by setting aside certain lanes on freeways in and out of the city for use by vehicles carrying multiple passengers. On toll roads and bridges, and at freeway entrance points, they may also receive preference.

There is also work-related travel, which may be conducted in any sort of vehicle. The demand for such a trip must outweigh both the transportation costs and value of the individual’s time spent while traveling. Some individuals travel in search of work. There also are migrations of people from one part of the country to another, seeking a job and a better life. There have been, and will continue to be, large migrations throughout the world.

Travel to and from school is a regular movement for many people. Buses may be provided by the school district, or public transportation may be used. Individuals also need transportation for shopping, visits to doctors, visits to friends, and other personal reasons. Some persons travel for religious purposes on pilgrimages to sites of special significance. Vacation and pleasure travel form another demand for transportation services.

Individual demands for transportation can be aggregated into demands for larger vehicles. Examples are commuter trains that operate near large cities or aircraft that fly coast-to-coast or across the ocean. Most passengers have several alternative modes of transportation or carriers from which to choose. A commuter may drive alone, be part of a car pool or a vanpool, or ride on a bus, ferry, or train. Part of the person’s decision as to type and size of vehicle is based on the value of his or her time and the relative comfort and convenience associated with travel in each vehicle type.

**Cruises**

In the last two decades, the cruise line industry has significantly increased its market share in the travel industry; starting from the 1990s it has become the fastest growing segment of the tourism industry (Hobson, 1993; Cartwright and Baird, 1999). The demand for cruising worldwide has increased exponentially; between 1995 and 2005 growth passed the 10 million passenger mark, and by 2005 had exceeded 14 million. According to estimates, international demand will increase from nearly 19 million passengers in 2010 to about 25 million in 2015.

**Air travel demand**

The impact on demand of every air transport policy decision is an essential consideration. Without it, uncertainty over demand leads to ineffective or counter-productive decisions.

At the present time, the airline industry faces many cost pressures. The industry has made remarkable achievements in improving its efficiency. But cost pressures continue, from record high fuel prices to unjustified increases in charges from monopolistic airports, to further taxes imposed by governments. Higher costs inevitably lead to higher prices for airline passengers.

Therefore, it is crucial that reliable and appropriate estimates are available to assess how higher prices impact on the level of demand for air travel. This impact will, of course, differ according to the level and location at which prices are changed.

Air transport provides economic benefits not just for its passengers and cargo shippers, but also for the wider economy by connecting businesses and individuals to global markets. Modern, just-in-time, global supply chains and multinational businesses are made possible by global airline networks. Yet governments often fail to recognize this and continue to implement air transport policies that are not in the best interests of the aviation industry and the wider economy. Monopolistic airports that raise charges but do not improve the services they offer will see passengers quickly shift elsewhere. Governments that impose new taxes on the industry are taking advantage of less sensitive movements in demand at the national level to raise revenues at the industry’s expense.

Rudimentary demand-side policies, such as “green taxes”, that try to reduce emissions by raising the price of travel for passengers are likely to fail. With passengers having far fewer possibilities to be able to reduce their travel on routes subject to such a tax at a national or supra-national level, such measures will provide easy revenues for governments, but will be ineffective in terms of their main objective.

Understanding the impact on demand is the key to effective policy decisions concerning aviation – for the benefit of the industry, its users, the environment and the wider economy.

The demand for air travel is sensitive to changes in air travel prices and incomes. However, the degree of sensitivity (i.e. its demand elasticity) will vary according to different situations. To ensure that air transport policies are effective, reliable estimates for demand elasticities are essential.

**Definition of Demand Elasticities**

Demand elasticities measure the change in the quantity demanded of a particular good or service as a result of changes to other economic variables, such as its own price, the price of competing or complementary goods and services, income levels and taxes. They provide a key insight into the proportional impact of different economic actions and policy decisions.

This report estimates the demand elasticity of air travel under various scenarios and locations. It focuses on three main types of demand elasticity:

* Own price elasticity is a measure used to capture the sensitivity of consumers demand for a good or service in response to changes in the price of that particular good or service. Goods with elasticities less than one in absolute value are inelastic or price insensitive. Goods with elasticities greater than one in absolute value are elastic or price sensitive.
* Cross price elasticity measures the interaction or the sensitivity of demand for a particular good to changes in the price of another good. When the cross price elasticity is positive, the two goods are substitutes, when it is negative the goods are complementary.
* Income elasticity measures the sensitivity of demand for a good to changes in individual or aggregate income levels.

Goods with elasticities less than one in absolute value are commonly referred to as having inelastic or price insensitive demand. In other words, the proportional change in quantity demanded will be less than the proportional change in price. In this situation, increasing the price will increase the revenue received by the producer of the good, since the revenue lost by the decrease in quantity is less than the revenue gained from the higher price.

Goods with elasticities greater than one in absolute value are referred to as having elastic or price sensitive demand. In other words, the proportional change in quantity demanded will be greater than the proportional change in price. A price increase will result in a revenue decrease to the producer since the revenue lost from the resulting decrease in quantity sold is more than the revenue gained from the price increase.

When the cross price elasticity is positive, the two goods are substitutes (e.g. Coca-Cola and Pepsi). In other words, an increase in the price of one good will lead consumers to shift demand towards the relatively cheaper substitute good. When the cross price elasticity is negative the goods are complementary goods (e.g. coffee and milk). In other words, an increase in the price of one good will negatively affect both its own demand and the demand of goods that are usually bought to accompany it.

An income elasticity between 0 and +1 indicates a normal good, where the quantity demanded increases at the same or a lesser rate than the increase in income. For example, a good where a 10% increase in income results in a 0-10% increase in consumption would be considered a “normal” good.

An income elasticity greater than +1 indicates what economists call a luxury good, where consumption increases by a greater proportion than income. For example, as discretionary incomes rise consumers can afford to buy higher quality and/or leisure related goods that were previously beyond their reach. This does not mean these goods are the exclusive preserve of the rich, but that as living standards rise consumers value buying these goods the most. It is a measure of a highly valued good in consumer welfare terms.

A negative income elasticity indicates an inferior good, where the quantity demanded decreases as aggregate incomes increase. In other words, with higher incomes, consumers buy less of an inferior good and substitute it with better quality goods (e.g. buying branded goods rather than supermarket own-brands).

**Air Travel Demand Elasticities**

The elasticity of air travel demand varies according to the coverage and location of the market in which prices are changed and the importance of the air travel price within the overall cost of travel. The appropriate elasticity to use will depend on the type of question being asked. What is the price that is being changed (e.g. an individual airline ticket price or prices within the market as a whole)? What is the unit of demand that is being assessed (e.g. demand for an individual airline or demand for total air travel)? Examining the traffic impact of a price increase on a given route requires a different elasticity than when examining the impact of an across-the-board price increase on all routes in a country or region.

There often appears to be some confusion in policy discussions about the sensitivity of airline passengers to the price of travel. This has increased as the industry has changed, with the Internet increasing price transparency, deregulated markets and no frill carriers increasing competition and corporate travel buyers becoming more price sensitive. In particular, there is an apparent paradox whereby:

Passengers are becoming increasingly sensitive • to price, led by the boom in low cost travel, the transparency brought by the Internet and the intense competition on deregulated markets.

But, passengers are also becoming less sensitive to • price, as increasingly lower air travel prices, in real terms mean that the air travel price itself becomes a smaller and less important part of the total cost of a typical journey.

The appropriate value of demand elasticity will vary in accordance to the context in which they are considered. For air transport there are five main levels (for the scope of the market) for which demand elasticities can be estimated:

* Price Class Level. This the most disaggregate level, • where passengers make a choice between different price classes (e.g. first class, business class, economy class) on individual airlines.
* Airline / Air Carrier Level. This reflects the overall • demand curve facing each airline on a particular route.
* Route / Market Level. At the route or market level • (e.g. London Heathrow–Paris CDG or London–Paris), travelers faced with a price increase on all carriers serving a route (e.g. due to an increase in airport fees and charges), and have fewer options for substitution.
* National Level. At the national level, travel prices are • increased on all routes to and from a particular country (e.g. due to a higher national departure tax), giving travelers fewer options for avoiding the price increase.
* Supra-National Level. This represents a change in • travel prices that occurs at a regional level across several countries (e.g. an aviation tax imposed on all member states of the European Union). In this case, the options for avoiding the price increase are even further reduced.

The review of previous studies helps to provide a greater understanding of air travel price elasticities and provides important insights for the new econometric analysis. The different studies produced a wide range of air travel price elasticity estimates, varying in accordance with the markets analyzed, the time period assessed, the methodology used and the available data. Even within some particular studies, a range of elasticities are estimated for different markets.

Nevertheless, the previous studies do show a number of consistent themes. All of the studies reviewed found that there was a significant demand response to changes in air travel prices. This indicates that any policy action that results in higher air travel prices (e.g. passenger taxes, increased landing fees) will result in a decline in demand. Critically, however, the extent of that decline will depend on a number of factors:

* Business vs. Leisure Passengers. In general, all else • being equal, business travelers are less sensitive to price changes (less elastic) than leisure travelers. Business travelers generally have less flexibility to postpone or cancel their travel than leisure travelers.
* Short-Haul vs. Long-Haul Travel. Price elasticities on • short-haul routes were generally higher than on long-haul routes. In part, this reflects the opportunity for inter-modal substitution on short-haul routes.
* Airline vs. Market vs. National Elasticities. Some of • the studies supported the concept that the demand elasticity faced by an individual airline is higher than that faced by the whole market.

**Chapter seven**

**Future Issues in Transportation Industry**

The transportation sector of the tourism industry covers a wide variety of water, air, and land based services, including travel by coach, train, private car, taxi, hired car, bicycle, aircraft, cruise ship, ferry and canal craft. Through out history, the growth of tourism has been synonymous with development in transportation. This still applies today, with advances in aircraft technology, passenger shipping, road improvements and high-speed rail travel offering faster, more comfortable and more convenient travel. Travel by air dominates the international tourism scene whereas travel by private car is the most popular form of transportation for domestic tourism, offering flexibility, freedom and good value for money. As domestic and international tourists become more experienced and sophisticated in their travel habits, the transport sector is having to respond by offering a wide variety of travel options, using the latest passenger-carrying vehicles and providing the highest standards of customer care.

It is important to remember that transportation is often an integral and pleasurable part of a total travel value experience and not a merely a means of getting from home to a holiday destination.

The future of passenger transportation industry vested on different factors that will affect it either positively or negatively. Here are some of the factors that will determine the future sustainable operation of transportation industry:

1. **Growth of travel and tourism:**

As you know, the travel and tourism industry has grown tremendously in the last few years. The conditions that gave momentum to the growth of vacation and leisure travel are expected to continue due to many factors: ***increased discretionary income***, ***availability of more leisure time*** and ***higher educational levels*** ***and the desire for non-material experiences*** (with more education, people are more aware of and interested in all the things there are to do and see in the world). In addition, ***more travel promotion and creation of new travel products*** will stimulate interest in travel. Some analysts predict that the *demand for charter flights will be 50 % higher than that for scheduled flights.*

In 2007, just over *half of all international tourist arrivals* were motivated by *leisure, recreation and holidays* (51%) - a total of 458 million. *Business travel* accounted for some 15%, and 27% represented *travel for other purposes*, such as *visiting friends and relatives (VFR), religious reasons /pilgrimages, health treatment*, etc. and the purpose of visit for *the remaining 7% arrivals was not specified*.

Slightly *less than half of arrivals* travelled by *air transport* (47%) in 2007, while the remainder arrived in their destinations by *surface transport* (46%)-whether by road (42%) or rail (4%)and the remaining over water (7%). Over time the trend has been for air transport to grow at a faster pace than surface transport, so the share of air transport is gradually increasing.

UNWTO forecasts that international arrivals are expected to reach nearly 1.6billion by the year 2020.

1. **Changing demographics:**

Demographics is statistical information that describes a group of people: how many are male and how many are female, what their ages are, what their occupations are, where they live, etc. The size of world population is increasing and is expected to increase at a higher rate in the coming years. With the rise in population size, demand for every facility and service including transportation boosts up. This in turn will necessitate the global society to develop transportation carrying units with different size so as to move both people and cargo from one place to the other. Demographic information suggests trends that will be important for the travel and tourism industry to follow: for example, the proportion of adults completing additional years of school is increasing. Education not only stimulate people to travel but also makes them more sophisticated and demanding consumers of travel products

1. **Technological advancement:**

Advancements in technology have brought up lots of changes in transportation sector, especially in the motive power. As compared to previous periods, different transportation units with more power and capacity have been developed to cater to the needs of passengers. For example, now a day’s ships that use a battery as a source of energy are introduced and this is a great achievement especially to the environment as it will have a little impact compared to fuel powered ships that leak oil in to fresh water. In addition to this, the average speed of a carrying unit is increasing from time to time and this enable fast communication.

Present day jets, which are voracious consumers of fuel, will gradually be taken out of service. The latest models of boeing 747 (the 747-400) and Mc Donnell Douglas DC-10 (the MD-11) are far more fuel efficient than the earlier models. Innovations can also be expected in passenger areas. The interior of passenger cabin will be designed so that seating configuration can be quickly changed- for example from economy to first class sleeperettes. Rather than craning their necks to see a movie screen at the front of the cabin, passengers are already able to view movies on individual seatback video screens on some planes. Another expected development is the supersonic transport (HTS). Possibly fueled by hydrogen, the HST will cruise at a speed of 4,000 miles per hour-six times the speed of sound.

Trains also become faster and more fuel-efficient-which should encourage more people to return to rail transportation. Scientists are working to develop magnetically levitated trains-trains that don’t touch the track but are propelled along a cushion of air.

Technological advancement also makes passenger transportation more comfortable and offers pleasant satisfaction.

1. **World problems:**

Although the future of the travel industry appears bright certain conditions and events may occur that would discourage or curtail travel and tourism. In fact a few pessimistic observers believe that congested and unsafe airways, labor strikes, terrorist hijackings and bombings and polluted destinations may return travel to its original meaning of travail—that is dangerous and hard work.

1. **Overcrowding and pollution**

Congestion and overcrowding of places by tourists makes freedom of movement difficult or impossible and which may affect the environment negatively. This problem happens at areas like market, highway or traffic area, handicraft or souvenir shops and other facilities. Air pollution created by tourists’ vehicle in protected areas like national parks brings a negative impact on the environment and puts the future of passenger transportation under question mark. In this regard, a rise in car ownership rate has a more pronounced effect on the environment. An important task for the tourism industry in the years ahead will be the careful management of attractions. Requiring reservations, limiting the number of visitors, or charging user fees (for example charging tourists higher taxes for using private cars in protected areas) will be some of the managing techniques employed.

1. **Availability of oil:**

A given carrying unit have source of energy so as to move forward. Oil is the life blood of travel and tourism industry. With out it, there would be no travel. An increase in oil prices means an increase in the cost of travel. Consequently, the availability and price of petroleum are ever present concerns to the travel industry.

When Syrianand Egyptian forces invaded Israel in 1973, disrupting oil shipments in the Persian Gulf, a world wide energy crisis was set off. This seriously curtailed airline and automobile industry. Oil prices dropped sharply in the early 1980s and then remained stable for several years. But as tensions in the Middle East increased, uncertainty returned and oil prices began to edge up again.

When an energy crisis occurs, the travel and tourism industry can expect the following developments:

* An in increase in the cost of transportation and other travel products. This again results in an increase in package tours and organized tour group (as opposed to individual travel)
* An increase in travel closer to home
* A decrease in the number of trips as a result of rise in the cost of transportation

1. **Political instability:**

The year 1985 was to have the beginning of the season for global tourism. Instead it becomes the beginning of the season for global terrorism. For example at Athens airport, terrorists hijacked a TWA aircraft carrying 145 passengers. Terrorists also hijacked the Italian cruise ship and gunned down travellers at Vienna and Rome airports.

Terrorism as well as open warfare in many countries, has become a major deterrent to travel and tourism. The act of terrorism has affected the transportation industry adversely especially air transportation. To deal with the threat, international airports are taking measures to improve the security. Books such as *Everything You Need to Know Before You’re Hijacked* advise travellers on how to minimize the risk of being victimized by terrorists. Even so, terrorism remains an insidious problem that is extremely difficult to control.

1. **Fluctuating currency rates**

Fluctuation of currency rates is also another vital factor in travel and tourism industry. The value of currency has the power to shift travel patterns. When the exchange rate is favorable at a destination, travellers will go there. But, when their money buys less at a destination, travellers tend to stay away. In recent years dollar remains weak against many foreign countries. This effect for instance forced Americans to cut the length of their trips, settling for lower-cost accommodations, taking package tours with guaranteed prices, and seeking the lowest possible airfares.