MARKETING PRACTICES OF
COACH OPERATORS IN THE CONTEXT OF TOURISM
AND THE IMPLICATIONS FOR THE FUTURE

A thesis submitted by
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SUMMARY

The aim of this thesis is to critically examine the marketing policies and practices of the operators of long distance coach services and extended coach tours.

The historical development of the industry is recounted in chapters 2 and 3, with the latter concentrating on the post 1947 years, in which there has always been some degree of public ownership in the road passenger transport industry.

Chapters 4 and 5 are concerned with reviewing the relevant transport and tourism literature respectively. Not only are works recounted, but also critically analysed, and their bearing upon the subject under study is evaluated.

Chapter 6 examines the tourism phenomenon within which the greater part of coach travel falls. The increasing number of staying tourists is shown to help counteract the declining market share of coach travel, although the numbers using the coach for holiday purposes still falls.

The type of person to travel by coach is examined in Chapter 7, and supportive, although not conclusive, evidence is offered in Appendix 5.
This data results from analysis of the British National Travel Survey, and shows that tour passengers are likely to be of socio-economic group C₂, either elderly and female, or middle aged married couples. The data also suggests that C₂ people aged 35-54, and DE, over 65 years, are the two most common types of express passenger. This supports operators' views that coach travellers tend to be elderly and from the lower income groups.

Coach operators are constrained in their operational and marketing activities by matters which are beyond their control. These limitations, which mainly affect product formulation, are examined in Chapter 8.

Chapter 9 is devoted to one of the most important influences upon the coach industry, the licensing system. The effect of the 1930 legislation upon such marketing activities as pricing and product formulation is examined. The consequences of relaxing the licensing system are also discussed.

The marketing practices of operators is the subject of chapter 10. The product formulation, pricing, promotion and distribution by tour and express operators is described. These practices, and operators' attitudes towards knowledge of marketing are critically analysed.
The final chapter is based upon these findings. Chapter 11 consists of recommendations of what can be done to improve the marketing of coach services. In this way a more efficient relationship can be created between consumer and producer in the market for coach operations.
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CHAPTER 1 : INTRODUCTION

One of the main criteria of the tourist phenomenon is that people are visiting an area in which they do not live or work. An important component of tourism, therefore, is transport, enabling people to travel from their place of residence. Transport is divided into the public sector and the private sector. The latter is predominantly synonymous with the private car, although other means such as cycling should not be ignored. In the former sector the main modes are air, sea, rail and road. The public road transport element is the major concern of this study, being the domain of the bus and coach industry. In 1974, 15% of the holiday traffic staying away for four nights or more travelled by coach (B.N.T.S., 1974). Despite this high percentage, little is known about coach operations within the context of tourism, and still less is known about the marketing of these services.

1.1. THE SCOPE OF THE STUDY

1.1.1. Objectives

The main purposes of this study are as follows:-

(a) To examine the present structure of the industry.

(b) To examine the development of the operation of the industry since 1947.
(c) To assess the effects of the licensing system (established by the 1930 Road Traffic Act) upon marketing, and in particular the pricing of coach services.

(d) To evaluate the effectiveness of the industry's present marketing policies and practices, by both publicly and privately owned companies.

(e) In the light of the present marketing activities, to formulate recommendations for the future development of the marketing of coach services.

1.1.2. The Types of Coach Services

The limits of the study are set by the coach services to be examined. There are two main types:

(a) Long distance express coach services; approximately 90% of these services are operated by the Scottish Bus Group (S.B.G.) and the National Bus Company subsidiary, National Travel. The remaining 10% are run by private operators with express route licences.

The lack of rigorous market research precludes the accurate specification of purpose of journey.
(b) Extended tours.
The majority of these are operated by firms in the private sector, although the S.B.C. and National Travel do have a significant proportion of the market. Private firms vary in size and provide products of very different quality and price. All these journeys are for holiday purposes.

Other coach services include day excursions, contract work and private hire. These will not be examined from the marketing viewpoint but are referred to briefly when coach operations are considered. There is little professional marketing of day excursions. Such activity as there is, is confined to the advertising and promotion of the services. Contract carriage is not strongly marketed because contracts tend to be of fairly long duration with Local Education Authorities or specific firms. The private hire activity is conducted in a freer and more competitive market: so long as no direct advertising is undertaken to the public and the trip or trips are not on a regular basis the constraints of the licensing laws do not apply. This activity provides a marked contrast to both express and tour work, both of which must comply with licensing regulations.
1.1.3. The Classes of Tourism

Coach firms operate in the tourism market and thus the scope of the study is also defined by the market segments to be considered. Both the holiday tourist and the common interest tourist are found on express services, while holiday tourists take coach tours. It is rare to find a business tourist travelling by coach, and thus this category is not examined in the study.

Although the study will only consider operations within Britain, it will include marketing to both British, domestic tourists, and visitors from abroad. In the latter case, marketing in the countries of origin, as well as to those visitors who have already arrived in Britain will be examined.

One division of tourism is by length of stay. Clearly those people taking an extended tour are of the staying type. Only 4% of all express journeys are thought to be day return trips, mainly because journey times do not permit a return journey within one day, and a reasonable length of time at the destination. Excursion tourism will thus be ignored, and only those people staying away from home for at least twenty-four hours will be considered.
1.2. THE DEFINITION OF TERMS

1.2.1. Coach Services

There are several types of public service vehicle operation, as defined by the Road Traffic Acts of 1930 and 1960:

(a) Express carriages. Legislation defines such activities as "motor vehicles carrying passengers for hire or reward at separate fares (none of which is less than a shilling for a single journey or such greater sum as may be prescribed) and for a journey or journeys from one or more points specified in advance, to one or more destinations so specified, and not stopping to take up or set down passengers other than those paying the appropriate fares for the journey or journeys in question." (Road Traffic Act 1930, part IV).

That is, an express service is a regular long distance service catering for traffic travelling between intermediary points as well as those journeying from one terminal to the other. Advance booking of a seat is required and the approved fare table, time table and route must be adhered to.

(b) Excursions and tours. These services are more irregular, but nevertheless must run to an approved route.
The number of departures a year are specified, and a road fare must be approved, to be costed into the total price of the journey. An excursion is of a day or half-day's duration, while a tour involves at least one overnight stop. The latter may be a progressive tour, on which a new destination is reached most evenings, or it may be centred, when the same hotel is used each night, and excursions may be made from this point. There is, however, no differentiation between these irregular services, when granting a licence.

(c) Contract carriages. These are "motor vehicles carrying passengers for hire or reward under a contract expressed or implied for the use of the vehicle as a whole at or for a fixed rate or sum". These operations mainly carry school-children to school, or workers to their factories. The contracts are thus between the Public Service Vehicle (P.S.V.) operator and the Local Education Authority, or factory owners, for the hire of the total vehicle.

(d) Private Hire. The vehicle is paid for in total by a group, or a representative of a group, who then travel in a party. This coach chartering is free of licensing constraints so long as the vehicle does not run any given route on a regular basis. Advertising of an outing by privately hired coach or bus is not permitted in any public place except on a church noticeboard.
(e) Stage carriage. This service is similar to express carriage, but is usually over a shorter distance, and for lower fares.

The two main types of service to be considered are the express carriage and the extended tour, because it is on these that tourists are mainly found.

1.2.2. The Vehicles

Although types of service can be identified, one may find a bus or a coach operating them. The definition between the two types of vehicle is thus a difficult one. In addition, dual purpose vehicles are common in Scotland. They are used for both traditional bus operations, such as stage carriage, and also coach services, such as tours, and express carriage.

The rise in popularity of dual purpose vehicles is due to the introduction of a bus grant in 1968 to aid capital expenditure on new vehicles. Vehicles receiving the grant have to meet certain design qualifications such as having front opening doors capable of operation by the driver, or being equipped for, and easily converted to, one man operation.

In general a coach is regarded as a single decker public service vehicle intended for use over longer distances, although it may not actually cover
these longer routes. It is fitted accordingly, by having a wider seat pitch, and thus lower seating capacity than a bus. Luggage space is more extensive, and usually there is forced air ventilation. Other fittings may include window blinds, carpeting, a public address system, and a toilet compartment. In addition, the number of passengers may not exceed the number of seats on licensed services, as standing is not permitted.

1.2.3. Tourism

Tourism has been defined as:

"the sum of the phenomena and relationships arising from the travel and stay of non-residents in so far as they do not lead to permanent residence and are not connected with any earning activity". (Hunziker and Krapf, 1942).

Another conceptual definition is as follows:

"Tourism is the temporary short term movement of people for destinations and stays outside the places where they live and work for other than business or vocational reasons". (Burkart and Medlik, 1974).

This more concise theoretical definition emphasises the transient nature of tourism, and the movement associated with it. More functional definitions
have been applied, particularly in order to assist survey work, which requires dimensions to be applied to the phenomenon. Although excluded from early definitions, Business is included as a purpose of journey in some surveys. Although the daily journey to work is excluded, other business activities, such as attending conferences may be regarded as part of tourism, because such businessmen behave in a similar way to other tourists while staying temporarily at their destination.

Holiday tourists are clearly those taking a holiday away from home, while common interest tourism consists of visits for health and educational reasons, as well as visiting friends and relatives. These latter two types of tourist are examined in the study, but the business tourist, who is an infrequent coach user, is not.

As previously stated, staying tourism is of prime importance. Those people taking a domestic trip, and incoming tourists will be examined, but outgoing flows are not.

1.2.4. Marketing

There are many definitions of marketing. A popular one is that of the American Marketing Association:
"The performance of business activities that direct the flow of goods and services from producer to consumer or user".

This definition, however, suffers from severe shortcomings.

(a) It fails to emphasise the integrated nature of the business activities as a total approach to business.

(b) The definition does not suggest that the business action is market, or customer orientated. That is, it does not explain that the goods and services are want-satisfying to the consumer.

(c) The definition is stated in isolation from any corporate objective. It is important that an aim is included, such as achieving the profit target, or maximising sales volume. Only in this way can the performance be monitored and evaluated.

The following definition does not contain these faults:

"Marketing is a total system of interacting business activities designed to plan, price, promote and
and distribute want-satisfying products and services to present and potential customers". (Mr. D.A. Terry, Director of Studies, Marketing, British Transport Staff College).

This managerial definition is clearly market oriented. The process is a total, integrated one, which is the result of the interaction of several activities. It is based upon the recognition of consumer wants, which are then satisfied. Long run success, such as the maximisation of profitable sales, will only be ensured in the dynamic situation if the marketing process results in consumers being satisfied, which may be demonstrated by repeat business.

The marketing concept, or philosophy, can also be represented diagrammatically.

Diagram 1.1: A Visual Representation of the Marketing Concept

Source: Lecture by Mr. S. Majaro, Marketing Consultant, to the British Transport Staff College, 27.1.1976.
This diagram elucidates the second definition. The marketing mix may be regarded as the "interacting business activities". It consists of product formulation, pricing, promotion, retailing and distribution, and has its basis in market research, or the discovery of consumer needs. In this way a product or service can be marketed, and provide customer satisfaction.
1.3. METHODOLOGY

The subject of the study has been approached in three ways:

(a) An examination of relevant literature.

(b) Deskwork research, and analysis of existing survey data.

(c) An application of semi-structured interviews to selected executives in the P.S.V. industry.

No consumer surveys have been conducted as part of the research. It was felt that only an inadequate sample of operators could have been achieved, with the resources that were available.

1.3.1. Literature Surveys

Both tourism and transport literature are examined. Works on tourism are extensive, and thus only those of direct relevance to the study will be considered. This includes information on tourism trends, and the transport component of tourism.

Transport is also a subject upon which much has been written. Literature concerned with road passenger transport rarely concentrates upon coach
operations, but usually examines the total P.S.V. industry, with greater emphasis upon bus services. It is thus also necessary to be selective in the transport literature to be examined.

The literature provides information on the development of both transport and tourism activities over time. Current attitudes towards operational and policy matters also aid the understanding of the present and future context in which this study is placed.

1.3.2. Deskwork Research

This method of research involves interpreting existing survey results, and data in a way which is relevant to the study.

There are several tourism surveys which provide information upon the level of tourism, and the use of different modes of transport. Market trends may be inferred from such data.

Government surveys of social and economic variables also provide information on trends which may affect the level or type of tourism and transport. By correlating existing data, explanations for trends, such as the decline in the use of the coach for holiday tourism, may be tentatively made.
A major problem encountered in the analysis of transport data, both from the Tourist Boards, and government statistics is that "bus" and "coach" are aggregated. It is difficult to deduce data on the market size of the coach or the level of each type of operation, because no differentiation is made between the different type of public service vehicle. Tourist Board data suffers less from this, but does involve a greater degree of ambiguity because definitions of the type of vehicle or operation are largely left to the perception of the survey respondent.

A number of coach operators have also conducted consumer surveys, which provide information on both passenger profiles, and the level of consumer satisfaction with the product.

1.3.3. Semi-Structured Interviews

The main method of this research was to interview executives in the coach industry. The questionnaire is set out in Appendix 1. The format was adhered to at interviews, but the questions provided a vehicle for discussion on any points the operator felt were important, or the interviewer wished to probe more deeply.

Initial contact was made with an executive of National Travel, who in the course of discussion provided names of other important operators of coach tours and
express services. In addition to this, an examination of the literature, and of coach journals, produced other operators who appeared to play a prominent role in the industry. Conversation both with operators visited, and also with course members of the British Transport Staff College also helped to compile a list of important coach operators. This was checked against the Directory of the Passenger Transport Industry, "The Little Red Book", to ensure that as many major operators as possible had been included. In addition, a number of smaller operators, whose names had appeared in journals or conversations were also contacted.

In total 47 operators were approached as a result of this selection. Eleven of these firms either did not respond to initial enquiries, or else expressed a desire not to co-operate with the research.

Table 1.1 shows the divisions among the 36 executives who were visited. Half were employed by publicly owned firms, and half by firms in the private sector.

<table>
<thead>
<tr>
<th>Contacted and Visited</th>
<th>Contacted</th>
<th>Visited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Private</td>
<td>Public</td>
</tr>
<tr>
<td>England</td>
<td>22</td>
<td>12</td>
</tr>
<tr>
<td>Scotland</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Wales</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>18</td>
</tr>
</tbody>
</table>
Of the executives working for publicly owned companies, twelve worked for N.B.C. and six worked for S.B.C. It was important to visit such a number of public employees in order to obtain a comprehensive view of the nationalised companies, both in terms of the type of operation, and the area in which this occurred.

The executives visited each had different priorities concerning types of operation. Some were concerned purely with express services, while others had no responsibility for such operations, and worked only with tours. A great number of executives worked for firms which ran both types of operation. In such cases, discussion usually centred upon one of the activities, although did not ignore the other facet of business.

Table 1.2 classifies private English operators visited by size, and compares them with all private English operators.
Table 1.2: A Comparison of the Structure of the Private English Industry, with the Size of Private English Operators Visited

<table>
<thead>
<tr>
<th>Number of Vehicles Owned</th>
<th>Number of Firms in the Industry</th>
<th>Number of Firms Visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>200+</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>100-199</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>50-99</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>40-49</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>30-39</td>
<td>36</td>
<td>3</td>
</tr>
<tr>
<td>20-29</td>
<td>80</td>
<td>2</td>
</tr>
<tr>
<td>10-19</td>
<td>302</td>
<td>1</td>
</tr>
<tr>
<td>5-9</td>
<td>548</td>
<td>-</td>
</tr>
<tr>
<td>1-4</td>
<td>492</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,481</strong></td>
<td><strong>13</strong></td>
</tr>
</tbody>
</table>

Source: The Little Red Book, Road Passenger Transport Directory

* Plus a firm who hires-in, rather than owns, vehicles.

The number of vehicles owned relates not only to coaches, but also includes double and single decker buses, and minibuses. A table showing the number of coaches owned would have fewer firms in the smaller fleet classifications. The number of operators includes firms
who conduct all types of operations. Many operators with less than nine vehicles are concerned with private hire and contract carriage. They thus fall outside the scope of the study, but nevertheless exaggerate the bias shown in table 1.2 of visiting larger operators.

If one could exclude all but tour and express operators, and any vehicles which were not coach, the size of operator visited would be a more truthful reflection of the structure of the industry. Unfortunately, the method of presentation of statistics prevents this exercise being conducted.

1.3.4. Summary

The threefold methodology provides both a qualitative and quantitative view of the industry. The opinions of operators are invaluable in providing an insight into the practices, and attitudes towards marketing. The context in which the industry, and such marketing activities function, is provided by an examination of selected relevant literature, and existing data from completed surveys. In this way the development and background of the coach industry is seen, and current marketing knowledge, attitudes, and practices can be examined in their correct context.

1 In 1972 this figure was increased to 1 l.p. Inflation and fares increases may shortly result in a further revision of 25p.
2.1. INTRODUCTION

The history of the coach industry has its origins in pre-Industrial Revolution days, before steam was used as a source of power. Developments since the turn of the century have, however, been more important in creating the present state of the industry.

2.1.1. Pre-Industrial Revolution Transport

The stage coach of the mid seventeenth century provided regular scheduled journeys, mainly between London and important provincial towns. An average speed of between two and three miles an hour meant that journeys were long and slow. Communications were more advanced in the south of England than the north, because of the greater commercial and administrative pressures there. By the end of the seventeenth century, London was connected to such northern towns as York, Chester, Kendal and Newcastle. A thirteen hour journey from London to Oxford was also in operation, although this feat of "express coaching" could only be achieved in the drier summer months. (Dyos & Aldcroft, 1969).

The condition of roads which were carrying more traffic than had been planned for at the time of
creation were in need of repair. Great improvements occurred in the eighteenth century. The first General Highways Act was passed in 1757. It tried to introduce some uniformity of road standards, but this was very difficult to do because of the diverse geology of Britain which produced widely differing ground conditions. Revenue to pay for road improvements and upkeep was raised at turnpikes. Tolls were levied on travellers wishing to use a section of privately owned road, at differential rates, which reflected the amount by which a traveller was likely to damage the road. Thus heavy goods wagons were charged at a higher rate than small passenger vehicles, or pedestrians.

In response to the economic growth occurring in Britain, the coaching network of the country improved. This was aided by the improved roads. Those who could afford it kept their own private horses and coach, while the stage coach came to provide the main means of travel for the mobile population.

John Palmer realised that economic growth caused a need for better communications, which the post boys could not provide. In 1784 he began a mail coach service from Bristol to London. This service soon accepted passengers, and a network of mail coaches served many parts of the country, by conveying both mail
and passengers.

2.1.2. The Industrial Revolution and After

The development of canals diverted much of the heavy goods traffic, from the roads, thus preventing the roads from deteriorating. The attraction of water transport, however, was superceded by the development of the iron permanent way. Using steam as a power source, trains soon attracted goods traffic, and also passenger traffic off the roads.

Stage coaching reached its peak in the early nineteenth century, but with rail expansion it soon declined. It was slower than rail, but did have the advantage of greater flexibility. Stage coach operators often provided feeder and distributory services over an area to the nearest railhead, from whence passengers could undertake the greater part of their journey.

As the nineteenth century progressed, an increasing number of passengers were being carried by rail. Between 1870 and 1912 the number of passengers, net receipts and line mileage all increased.
2.1.3. The Development of Motorised Road Transport

At the same time, improving technology and the development of the motor car, meant that this supremacy of rail travel was soon to be challenged. Progress occurred mainly in France and Germany, although the first mass-market car appeared in the U.S.A. No similar vehicle was produced in Britain for commercial gain until after the First World War. This period from the turn of the century until the war was one in which there were many experiments, and innovations, especially in the coaching industry.

The first fifty years or so of the motorised bus and coach industry can be divided into different phases of development. From 1896 to 1918 saw many inventions turned into economic reality by local entrepreneurs. Services were mainly confined to the towns, although they also linked outlying villages to market towns, and provided feeder services to a nearby...
railhead. Routes slowly extended into surrounding country areas, giving many operators spatially defined markets, in which they often held monopoly positions.

In 1918, after the war, the men in the armed services were de-mobilised. Many had become acquainted with the new skill of driving. Many ex-service vehicles became available, and so entrepreneurs expanded operations. The period between 1918 and 1930 is thus one of expansion and intense competitive rivalry.

This competition became so fierce that the Road Traffic Act was passed in 1930 to introduce some form of order into a fairly chaotic industry. The 1930s are thus a period in which the spirit of cooperation was allowed to grow. Competition had been taken off the roads, and into the quasi-judicial traffic courts.

The Second World War disrupted the development of the industry when all but "essential travel" was prohibited. When the war ended, and questions of fare increases had been resolved, long distance coaching was again permitted. Bomb damaged fleets meant that services were not initially as extensive as in the 1930s. In the following couple of years, however, a
degree of normality returned, and the coaching services upon which much of the modern network has been based began to re-appear.

2.2. 1896-1918, THE YEARS OF INNOVATION

Early developments in motorised road transport had an extremely important impact upon human behaviour, by creating increased personal mobility. The composition of the motorised public transport industry was very ephemeral, due to the great number of inventions and innovations, not all of which proved successful.

2.2.1. The First Motorised Bus Services

In 1896 Edinburgh had its, and the country's, first motorised bus service, on which ten-seater wagonettes were used to convey passengers (S.T.G. Staff Magazine, 1976). The service was operated by N.D. MacDonald but was stopped in 1901 because of the increasing repair costs, and MacDonald's mounting debts. This was characteristic of many operations in those early years, but in 1904 the Tilling Group began their first motorised bus service in London. The Scottish Motor Traction Company re-introduced motor buses into Edinburgh in 1906. As bus builders and operators learned from their mistakes, so improved vehicle reliability developed, and operators were able to provide more regular services.
2.2.2. Initial Expansion

The British Electric Traction Company (B.E.T.) was formed on 28th October 1896 with the intention of running electric powered tramways in urban areas. They realised, however, that greater potential lay in petrol and diesel powered machines. Thus in 1913 they bought interests in motor transport operators such as Aldershot and District, Maidstone and District, and the Trent Motor Traction Company. The Tilling Group had been running petrol powered vehicles since 1904, and they had also developed similar interests in territorial companies, who served the area round the main town in which they were based, and who had spatially defined monopolised markets.

In 1904 motorised buses were first seen in London. By 1908 there were a thousand such vehicles in the capital, and on the eve of the First World War, 3,522 vehicles were licensed by the local authority to ply for hire (Dyos and Aldcroft, 1969, p.337). This indicates the dramatic growth which occurred in the first decade of the twentieth century.

Routes were also expanding in distance, both from inland towns to the coast, and also to London. The bus and coach industry was no longer content to act as a feeder service to the railways, but instead many operators felt they could compete with the train on longer-haul routes.
In 1914, Chapmans of Eastbourne ran their first extended tour, for which an inclusive fare was charged (Taylor, 1963). This covered both the accommodation and the travelling elements of the tour. Two major constraints on the level of operations were (a) the availability of suitable accommodation, and (b) the availability of vehicles.

2.2.3. The First World War, and its Consequences

The war years affected services, because vehicles were often commandeered for use in troop movement. The army taught men to drive, so that when the war ended, there was a surplus both of potential passenger carrying vehicles and of skilled drivers. De-mobilised soldiers bought vehicles and started their own operations, or sought employment with existing operators, who were able to expand their fleets. This inevitably resulted in a large number of new services and operators, competing for an amount of traffic which had not altered as greatly as the supply of seats.

2.3. 1919-1930, EXPANSION AND COMPETITION

New operators appeared in the towns as is reflected by the number of hackney carriage licences issued in London. These doubled between 1919 and 1921, to 82,800 (Barker and Savage, 1974, p. 162).
New operators also appeared in the countryside, conveying villagers and their produce to local market towns.

Gradually services became longer, and in 1921 Royal Blue began a service from Bournemouth to London during the summer. They were one of the first provincial companies to be granted Metropolitan licence plates, which permitted operation in London. The initial service was daily, but demand was so great that this was extended to both a morning and an afternoon departure. The fare was 15 shillings single and 25 shillings return. There were no intermediary stops between Bournemouth and the London terminal in Lupus Street. (Anderson and Frankis, 1970).

2.3.1. Control of motorised passenger transport

Regulations governing public motor transport were too lax for the times. The main piece of legislation which gave any control was the Town Police (Clauses) Act of 1847. This dealt with hackney carriages, but was modified in 1889 to also include buses, which at that time were horse-drawn. Licensing was of vehicles, rather than services or routes. A vehicle which was licensed to ply for hire in an area was thus unrestricted in where it ran within the area, when it ran, or the fares charged.
The licensing authority was the local authority, but in many cases the law had fallen into abeyance. Of the 177 local authorities in South-West England, only 53 were using their powers, in varying degrees. (Anderson and Frankis, 1970). The local authority would often provide its own bus services, and thus a situation arose in which the licensing authority was also an operator. This inevitably led to bias.

Long distance operators were required to obtain licences from each area through which their service passed. The local authorities were often unable to see the service as a whole, but regarded the relevant section as detrimental competition to local operators. The long distance operator whose service ran through areas which enforced the law thus found the establishment of the service as a protracted and tiresome business.

The structure of the bus and coach industry became more stable during the 1920s. It also became more concentrated. Operators could be divided into two main groups:

a) Territorial operators, each of whom served a spatially defined market. These companies were usually linked to one of the three main holding companies, Thomas Tilling, British Electric Traction or Scottish Motor Traction. These large operators
often had fleets of over 100 vehicles. They accounted for between 50% and 60% of all road passenger journeys, and owned 40% of the vehicles in the industry. If one considered long distance services only, the figures showed an even stronger concentration because the territorial companies were the main operators of such services.

b) The independents. These each had smaller fleets, and together also owned about 40% of all vehicles. They did not belong to any holding company, and accounted for 90% of operators. They did, however, only carry 15% of all journeys taken outside London. (Dyos and Aldcroft 1969, p.339).

2.3.2. Competition in the 1920s

Rivalry between operators was mainly in terms of prices charged, routes served and times run. Competition in the long distance coaching sphere was not only between coach companies, but also against the railways. It mainly took the form of price manipulation which resulted in fares being reduced to that minimum level which barely covered costs. In order to maintain profits operators cut costs which were inessential in the short run. This usually meant maintenance costs, so that after a while, dangerous, unroadworthy vehicles were run, until the operator's only alternative to cutting costs still further was to withdraw from the route.
A large operator always had an advantage because monopoly profits from an uncontested route could be used to cross-subsidise a route under competition. In this way the fares could be held down below the cost-plus price of the competitor.

A classic case of price competition occurred on the London – Salisbury – Plymouth route. (Anderson and Frankis, 1970). This was started by Royal Blue in 1928, with fares of 20 shillings single and 35 shillings return. Shortly after this, the Royal Arsenal Co-operative Society began a competing route to Torquay, charging 12 shillings and 6 pence single, and 17 shillings and 6 pence return. Even allowing for the different destinations in Devon, the fare difference between the two services was significant. Royal Blue retaliated by reducing fares, so that they barely covered costs, and were probably cross-subsidised by other routes: 10 shillings single and 15 shillings return. Fortunately, each firm realised that this short term policy could not continue without having a detrimental effect on one or both of them. Thus they met and agreed upon the standardisation of fares, which prevented either one withdrawing from the route.
2.3.3. The First Express Coach Services

Dunlops had developed the pneumatic tyre at the beginning of the 1920s. This rapidly replaced the previous wooden wheels, and coupled with better springing and interior design, gave the passenger a more comfortable ride. This meant that longer distances could be travelled with relative ease, and so express services became longer, and the coach tour became more popular.

Although many operators had been running coaches over long distances, it was not until the 11th February, 1925, that the first long distance express service ran. It was operated from Bristol to London by Greyhound of Bristol, calling at several intermediary points. Mr. Clem Preece\(^1\) sets down the criteria of a long distance express service as one which (a) runs to a published timetable, (b) charges fares in accordance with a published fare table, and (c) has intermediate points for picking up and setting down passengers along the route.

The fares charged must also be different for each length of journey. Greyhound conformed to these criteria on their London service, and introduced greater reliability at set fares, catering for more than just terminal traffic. (Preece, 1958).
From that time onwards, express services developed at a rapid rate. Most territorial companies developed networks emanating from their base areas. These networks often overlapped, as was the case with Royal Blue from Bournemouth, Greyhound from Bristol, and Black and White from Cheltenham. A traveller theoretically could travel across the country by using overlapping networks. The competitive state of the industry, however, meant that connections were poor, and unrefined when compared with the present situation.

2.3.4. London Coastal Coaches

In April 1925, London Coastal Coaches was formed by five coaching companies. The associated concerns were:

a) the East Kent Road Car Company
b) Maidstone and District Motor Services Ltd.
c) Southdown Motor Services Ltd.
d) United Automobile Services Ltd.
e) the National Omnibus and Transport Company.

London Coastal Coaches was responsible for the south London coach terminal in Lupus Street. It also took over common coaching activities such as booking and charting which the five companies had previously done separately.
2.3.5. Railway Interests in Road Passenger Services

Under the legislation of 1921, the 121 small railway companies in the country had been grouped into four major regional companies:

(a) the Southern Railway,
(b) the London, Midland and Scottish Railway,
(c) the Great Western Railway,
(d) the London and North-Eastern Railway.

Four Railway (Road transport) Acts in 1928 permitted each of the large companies to develop road passenger transport interests, by becoming stakeholders in the bus companies. Control of the bus companies could not be achieved, however, because the combined ownership of shares bought by the railways could not exceed 49% in any one bus company.

The main rationale behind this legislation was to condone railway companies running road passenger services. The Great Western Railway had been doing so during the 1920s in parts of Cornwall and South Devon, in order to connect the more remote rural areas with their railheads. The parliamentary Select Committee investigating the situation in 1929, however, was given a pledge by the railway companies, that they would only invest up to 50%, and not seek to gain control of bus operations.
When the L.N.E.R. tried to buy United Automobile Services (a Tilling associated company) in 1929, it was eventually agreed that the railway companies, either solely or jointly, could not hold more than 49% of the equity capital of a major bus company. It was also agreed by the Select Committee that railway directors appointed to the boards of bus companies should not seek to further the commercial interests of the railways, but rather to maximise the return on their investment in the bus industry by ensuring the profitable operations of the bus companies.

In some cases, the legislation helped cooperation between the two modes of transport. For instance, it was possible in some areas to buy a return ticket at a bus station. This could be used for travel both ways by coach or, on payment of a supplement, to return by train. This practice was particularly popular on the Southern Railway, in conjunction with those companies running out of London such as Southdown, or East Kent.

The new legislation also meant that railway companies who had been running their own complementary bus services were no longer able to do so. Thus by 1939 no road services were run by a railway company. Thirty out of the thirty-eight bus companies associated with one of the major holding companies, however, had
been invested in by one or more of the railway companies.

The 1928 legislation was beneficial to the road passenger transport industry because it removed railway operators from the roads, and reduced the threat of competition. At the same time, bus company directors faced problems from often having a main rival to express operations as an important shareholder. It seems, however, that this situation created better communications between the two modes, and even led to a degree of co-operation between the two parties.

2.3.6. The General Strike of 1926

The General Strike of 1926 had a beneficial impact on the road passenger transport industry, although its effect is difficult to quantify. Railway unions were more centralised, and thus able to take disruptive action more easily. Bus and coach operatives, however, were more fragmented outside London, and thus it was more difficult to achieve any united strike action. The coach briefly became an important means to travel a distance. It induced people, who would not have otherwise done so, to use the coach. Even when matters returned to normal, a high level of passengers was retained.
2.3.7. Summary

The 1920s was a decade of expansion, both of numbers of operators and also distances travelled. These trends inevitably gave rise to rivalry as operators encroached upon each other's spatially defined monopolies. This competition mainly took the form of pricing in coach operations, although routing and timing were also used. Both driving practices and vehicles became dangerous as operators vied for passengers. By the time that the Royal Commission was appointed in 1928, to examine the "Licensing and Regulation of Public Service Vehicles", (H.M.S.O., 1929), it was apparent that a new form of control was needed to supercede the Town Police (Clauses) Act of the previous century.

2.4. COMPETITION VERSUS REGULATION

Competition among suppliers in the market place ensures that inefficient producers do not exist, and that there is not an excess of the good. Applied to the coach industry, this means that only viable services are run, by efficient operators. The supply of seats on each route is thus tailored to demand by time of day, week and year. Price is used to equilibrate the forces of supply and demand. By altering price, an operator can create a level of demand to suit his capacity, which will often be limited by vehicle availability and vehicle movement. This system
guarantees that not only is the "best" operator running each route, but that each route is served by the operator most able to do so. The industry as a whole is then in its most efficient position to compete with other modes of transport such as the railways, or the private car.

2.4.1. Competition in Practice

Imperfect market conditions meant that in practice this ideal situation did not prevail in the 1920s. Different sized operators meant that competition was not confined to two operators over their only, and common, route. Instead, larger operators, with more than one route were able to subsidise one under competition from the profits of other routes. In this way a rival could be forced out of business, and it was not necessarily the most efficient operator who provided the service.

Price warfare resulted in costs being cut. These included maintenance costs, and thus the safety standards of vehicles often fell, causing risk to passengers. Competitive timings of departures was another way of vying for traffic. Services were thus offered when the public most needed them. Rivals would often time departures a few minutes in front of each other, and thus irregular headways would develop on a service. Operators would not run a departure if
demand was insufficient, and thus a route might be served by two buses every half hour, departing within five minutes of each other in the peak, but not at all at other times of the day. A situation of surplus capacity in the peak, and excess, although low, demand at other times developed, which was not to the public's liking.

Dangerous driving practices, and resulting accidents were also a product of the competitive rivalry in the 1920s. In answer to a member's question, Mr. Bridgeman, the Home Secretary, stated to Parliament in 1923 that "I am aware of that the competition of omni-buses has led to some serious offences, and the offenders after conviction have had their licences suspended ... and in the interests of public safety, I cannot relax the present rules." (Hansard, 1923, Col. 1695).

The lack of training of drivers, due to the rapid expansion of the industry, and the dangerous practices on the roads was the subject of questions in Parliament two years later. Hansard (1925) reported that "Mr. Radford asked the Minister of Transport whether he is aware that many of the recent accidents to motor chars-a-banc and other passenger carrying vehicles, involving death and injury to passengers, could have been prevented if the drivers concerned had been more expert."
2.4.2. The Introduction of Regulation

It was clear that some form of regulation was needed in the industry, and in 1930 the Road Traffic Act was passed. The advantage of introducing legislation was that it brought order into what was fast becoming a chaotic industry. It created relative stability for both operators and passengers. The Act stated that fares must not be unreasonable. This ended the practice of forcing a rival off a route by reducing the price, and then, once in a monopoly position, of raising fares to a highly profitable level. Because an operator had to publish a fare and timetable he also had to run to it. It also ended the practice of an operator only running a service when he felt it worthwhile, or if there were no other sudden more profitable alternatives. The traffic commissioners could also attach conditions to licences which meant that socially desirable services, should also be provided.

A major advantage of the regulation imposed was that the licensing authorities covered significantly larger areas. Networks were thus seen in their entirety, and any particular service was examined in a wider context than had previously been the case.

Despite the advantage of the regulation which was introduced, there are disadvantages of both the concept, and the control in practice. Those arguments against the concept of control are basically those in
favour of competition.

2.4.3. The Disadvantages of Regulation

A problem which immediately arose was which operator should run the route over which there had been competition. It was often the operator who applied first, and not necessarily the most suited one, which obtained the licence. Compromises were sometimes reached when services were operated jointly by both former rivals.

The laws effectively denied freedom of entry into the industry. The system favoured existing operators. Although not necessarily operating the route applied for, they could usually prove to the commissioners' satisfaction that there was insufficient demand for it. This situation often reinforced the spatial monopolies of existing operators, and at the very least gave monopolistic positions over a route. The public thus had to be protected from monopolistic practices, by means of the commissioners guarding against "unreasonable" fares. Railways interests were also protected by the commissioners ensuring that fares were not unreasonably low, so that traffic was abstracted from the railways.

The regulation of 1930 had the effect of 'freezing' the fare structure, which has led to anomalies,
especially in the present day when the majority of express services are operated by two companies. Fares over a given route were based on
(a) what the traffic would bear, and thus the level of demand,
(b) what the railways were charging.

Since the time, patterns of demand over the country have altered, as has the fare structure of the railways. There are thus many anomalies in the nationwide fare structure, which are a legacy of the 1930 legislation. The regulation was introduced when bus and coach were important means of transport, and the railways were strong rivals. The rise in car ownership has meant that common carrier transport is considerably less important. The private car is the main competition to coach operations, but while British Rail are still able to object in the Traffic Courts, the PSV industry will see the train as a competitive mode, and not one with which to co-operate.

Although competition has many advantages in theory, practicalities require control over the free market. Regulation in practice is also imperfect. While removing some of the problems which bedevilled the industry in the 1920s, it also created new ones, the legacies of which are still felt today.
2.5. THE 1930 ROAD TRAFFIC ACT

This Act contained generalised sections on matters such as driving licences, insurance, and highways. Local authority operations are dealt with, but it is the section on Regulation of Public Service Vehicles which had the most profound impact upon the bus and coach industry.

2.5.1. The Traffic Commissioners

Thirteen licensing authorities, the Traffic Areas were established. These now number eleven because in 1933 the southern area was divided between the south-east and the south-west, while the two Scottish areas were amalgamated in 1940. Each area, with the exception of the Metropolitan area, has one full-time chairman, and two part-time members of the traffic commissioners, in front of whom licence applications are made. The Chairman is appointed by the Minister of Transport, one part-time commissioner is chosen from "a panel of persons nominated by the councils of the counties whose area, or any part of whose area is situated in the traffic area". The other part-time commissioner is chosen from a similar panel submitted by the "councils of the boroughs and urban districts" in the traffic area. (1930 Road Traffic Act, Part IV, 63(3)). Thus one part-time commissioner represents
rural interests, while the other is concerned with urban matters.

A licensing case must be presented before at least two commissioners. If there is disagreement between them, it must be re-heard by all three. The exception to the above is the Metropolitan area, where there is one full-time commissioner only, appointed by the Minister.

2.5.2. The Types of Licence

The Act set down a number of licences which an operator had to obtain before running a service.

(a) Operatives. Each driver and conductor had to have a licence to show their competence in driving or conducting, and that they were suited for the job. The individual applied to the commissioners of the area in which he lived.

(b) Vehicles. Public service vehicle licences for which an operator had to hold a certificate of fitness for the relevant vehicle, to ensure its safety and roadworthiness. A lapse in the latter automatically meant the suspension, withholding or withdrawal of the PSV licence.
(c) Routes. The road service licence was one of the most important changes made by the act. An operator was licensed for a specific route, which was operated at specified times, charging specified fares. Vehicles could no longer ply for hire anywhere, and competition was greatly reduced.

2.5.3. Provisions for Licences

Four guidelines were laid down to aid the commissioners in making a decision:

"(a) the suitability of the routes on which a service may be provided under the licence;

(b) the extent, if any, to which the needs of the proposed routes, or any of them, are already adequately served;

(c) the extent to which the proposed service is necessary or desirable, in the public interest;

(d) the needs of the area as a whole in relation to traffic, (including the provision of adequate, suitable and efficient services, and the provision of unremunerative services) and the co-ordination of all forms of passenger transport, including transport by rail."

(Part IV, 72(3). Also 1960 Road Traffic Act, Part III 135 (2)).

Conditions, which could also be attached to this type of licence are also set out:
"(a) the fares shall not be unreasonable;

(b) where desirable in the public interest the fares shall be so fixed as to prevent wasteful competition with alternative forms of transport, if any, along the route, or any part thereof, or in proximity thereto;

(c) copies of the time-table and fare table shall be carried and be available for inspection in vehicles used on the service;

(d) passengers shall not be taken up or shall not be set down between specified points." (Part IV, 72(4). Also 1960 Road Traffic Act, Part III, 135(4)).

Any changes in fares, timings or routing as well as new routes must all be approved by the commissioners. The case for new proposals is heard, but so too are objections, from other operators, of both road and rail passenger services. Any local authorities through whose area the service passes are also allowed to state any objections.

2.5.4. Present Applications to the Traffic Courts

The most common, and pertinent reason for operators to appear in the traffic courts nowadays concerns fare-table alterations. Inflationary forces of recent years have meant that rising costs have forced fares up. The system prevents pricing against the public interest, and large monopoly profits accruing
to the operator. It also means that the operator does not have the pricing flexibility which the railways for instance have now. Up to 1962 rail fares were approved by the Railway Rates Tribunal. During the years of the Prices and Incomes Board a check was also kept. Despite their present voluntary freeze, there is no direct control over fares charged by British Rail. This is especially true of the marketing fares, which are discounts on the standard fare. Coach operators are thus disadvantaged by not having immediate control over their marketing prices, and are thus less able to influence their patterns of demand.

2.5.5. Summary

The 1930 Road Traffic Act brought order to a chaotic industry by providing control over bus and coach operations. It has been argued that the system is now anachronistic, because it has outlived its original purpose, and the situation it was designed to combat no longer prevails. This, however, will be dealt with more fully in Chapter 4.

2.6. 1930-1939, A DECADE OF CO-OPERATION

Competition, in operational terms was greatly reduced after 1930. It did, however, continue, but in the traffic courts rather than on the roads. During the 1930s, many questions were asked in the House of Commons,
seeking clarification on the new legislation. Rulings by the traffic commissioners provided many precedents for later cases.

2.6.1. Precedent Setting Cases

In 1932, Elliot Brothers of Bournemouth, proprietors of Royal Blue, had a case dismissed by the West Midland traffic commissioners, concerning the summation of express fares.

On appeal to the minister, the decision was reversed, with the result that:

(a) the summation of fares on connecting express routes was permissible,

(b) through tickets were allowed,

(c) through vehicle operation was allowed on connecting routes.

When this decision was made, not only Royal Blue, but also other coach operators adopted these practices. They were both an aid to operators in simplifying vehicle scheduling, and a greater convenience to the public, who could now book a through journey on one ticket.

(Anderson and Erankis, 1970).

In 1931 an important case about fantail tours was heard. Parties of holidaymakers were being conveyed from Bradford to Torquay by Feather Bros. for
centred holidays. Day and half day tours were offered by the Yorkshire operator as part of the holiday package. The Yorkshire and North-West traffic commissioners were asked to decide whether the firm bringing the tourists to their resort should also operate these excursions, or whether they should contract them out to local operators.

The traffic commissioners agreed that the local operators should provide the excursions, although the principal operator should be allowed to run one fantail tour from the destination. He could operate more than one, so long as each was from a different place of stay.

This ruling meant that greater revenue accrued to the resort operator. It also meant that the principal operator was faced with a problem of spare capacity. His vehicle would be left idle during the week, and only working at weekends, when conveying passengers to and from their resort. To overcome this problem the main operator hired his vehicle and driver to the local operator. This gave him a revenue to offset against the higher cost of the excursion charged by the resort operator. The only discernible difference to pre-1931 days was thus the "on-hire" sign on the main operator's vehicle, for the duration of the excursion. The main operator also paid a sum to the
local firm for the loan of the latter's excursion licence.

2.6.2. Victoria Coach Station

Due to the rapid growth of the industry, London Coastal Coaches moved from their cramped Lupus Street coach station to the new purpose built Victoria Coach station in 1932. This building in Buckingham Palace Road was much admired, although nowadays similar problems of vehicle congestion are occurring. It was from here in the same year that the Western Scottish Motor Traction Company (then the Midland Bus Service Co.) began their London-Glasgow service via Carlisle and Scotch Corner. The 403½ mile journey took 16 hours, 23 minutes, and made an important contribution to the ever expanding nationwide network.

2.6.3. Associated Motorways

The 1930 Act not only reduced competition, but also enabled a new mood of co-operation to prevail. Only in such a climate could the coach companies of Red and White Services Ltd., Black and White, Midland Red Omnibus Company, Elliot Brothers and Greyhound of Bristol join together in creating the express coach concern of Associated Motorways.

An extensive, and co-ordinated express coach network based on Cheltenham was developed. A complex
pooling arrangement between the companies was devised, and revenue was related to the number of "in service" miles operated by each company.

It took two years of talks before the firm was formed in 1934, and competition over common routes was removed. The benefits were great: a larger number of depots were available to each company, and thus "dead" or non-service mileage fell, while the public was given a more extensive and integrated network than before. Booking became simpler for the passenger who only needed one ticket on a through journey, while the companies reduced costs by centralising their booking and charting systems at Cheltenham.

Time spent in the traffic courts fell, as operators no longer fought over licences. Bilateral arrangements between Associated Motorways as one party, and other operators such as Crosville were made. Cooperation concerning booking was also sought with Yelloways, the Yorkshire Pool, and Southdown.

2.6.4. Acceptance of the Pool

The Associated Motorways co-ordination had been viewed suspiciously by many people in the industry. In 1936 the pool was approved by the traffic commissioners when they ruled that one licence per service,
in the name of all constituent companies of Associated Motorways was all that was needed before operation took place. The moves towards co-ordination by operators were thus fully sanctioned within the new framework of the coach industry.

2.7. NEW PRODUCTS

Many new ideas were introduced towards the end of the 1930s, providing a wider range of products for the consumer. Associated Motorways began inclusive centred holidays to nine different resorts in 1938. Bookings were possible in those areas served by Ribble, Yellowways and the Yorkshire Pool as well as in the South-West of England. In the same year, Western National, who had taken over Elliot Brothers and thus Royal Blue Services in 1935, began progressive, extended tours of south-west England.

Despite strong railway opposition, Associated Motorways began night services in 1939. They were very popular with both operator and passenger. The former achieved higher vehicle utilisation, while the latter effectively gained a day on their holidays. The services ran from the Derby, Birmingham and Nottingham areas to the destinations of Bournemouth, Southsea and Torquay.
Table 2.2: The Number of Buses and Coaches in Great Britain, 1919-1938.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1919</td>
<td>44,081</td>
</tr>
<tr>
<td>1920</td>
<td>74,608</td>
</tr>
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<td>1921</td>
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<td>1922</td>
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<td>1936</td>
<td>49,116</td>
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<tr>
<td>1937</td>
<td>50,979</td>
</tr>
<tr>
<td>1938</td>
<td>53,005</td>
</tr>
</tbody>
</table>

1919-1925: Figures include taxi-cabs, since they are for "hackneys".

Other figures: Buses and coaches, including trolleybuses.


Primary Source: Basic Road Statistics
Initially this was for the August Bank Holiday period only. A service also ran to South Wales at Easter and Christmas times only.

By the end of the 1930s, there was an increasing number of products for the public to choose. These were provided in a more amicable way as operators discovered the benefits of co-operating together.

2.8. 1940-1945, YEARS OF DISRUPTION

The outbreak of war ended the period of growing co-operation. All inessential travel, including tours was prohibited in 1940, and two years later all express services officially stopped. Some did continue under the guise of inter-urban stage carriage services. A change of vehicle was sometimes necessary, and two tickets might be issued, so as to reduce the appearance of a through express service.

2.8.1. The Immediate Post-War Problem

When the war ended, coaches were due to return into London on 1st February, 1946. This was postponed to 1st April due to a dispute over fare increases. During the war years fares had not risen at all, despite a substantial rate of inflation. Bomb damage to coach fleets meant that operators were faced with high capital expenditure to repair and replace vehicles.
Meetings between operators and the traffic commissioners eventually resulted in agreement on a fares increase of 16.5%. This was the amount by which rail fares had risen in the corresponding period. The railway companies had agreed not to object to any recommendations. The fares increase was lower than the rate of inflation, thus placing coach travel in a relatively better position when competing for people's disposable income.

Some operators argued for a 40% increase, saying that this would improve the viability of the industry. An increase in demand for coach travel in the post-war years seemed likely, and they felt that the market would bear such an increase. This suggestion, however, was overruled, and in April 1946 coaches reappeared in London. The pre-war network of services was resumed, and by 1947 the skeleton of the existing network could be seen.

2.9. SUMMARY

By 1946 the modern coach industry had clearly progressed from its beginnings fifty years earlier. Up to the First World War motor coach travel had undergone many of the problems associated with introducing a new product. Initially a lack of technical knowledge in both the making and maintaining of vehicles meant that
they were unreliable. Other characteristics attributed to this new mode of transport such as dirty and noisy give an indication of the public's resistance to change which had to be overcome by operators. As time progressed, greater skill with these new machines meant that they became more reliable, and the public became more accustomed to seeing, and using the buses and coaches.

When the First World War broke out motorised transport had become acceptable. It was thus used extensively in the war to carry both troops and equipment. At the end of the war not only was there a large number of surplus vehicles, which could easily be converted into passenger carrying buses, but also a large number of men who had been trained to drive them.

This increase in supply of capital and labour to the industry gave impetus to the consolidation of bus and coach travel in the 1920s. The increase in supply of seats to the public rose, and as people accepted the idea of travel by motor coach, to places further afield from home, so too did the competition in the industry. This rivalry was some cause for concern because the safety of the public was often threatened.
In 1930, the Road Traffic Bill was passed. This ended the dangerous practices of operators, but also "froze" the industry by removing most of the competition, as well as creating an effective barrier to entry into the industry. This meant that it was not necessarily the most efficient operator who provided the service over any given route. There was also the danger associated with monopolistic operation now that the force of competition had been removed.

The legislation did enable co-ordination between operators who had previously been rivals. The traffic commissioners approved such moves, because larger and more integrated networks of long distance coaching were clearly beneficial to the public. Few people seem to have questioned whether these combined operations were not leading to mis-use of monopolistic positions, as the smaller operators were slowly relegated to fulfilling minor functions.

The Second World War brought more disruption, and by the end of it many companies had suffered severe bomb damage to their bus and coach fleets. Fares increased in 1946, to compensate for their static level in the previous six years, and services started to return to their inter-war years level. The networks re-emerged, although the austerity facing the country meant
that tours were a luxury which could not be afforded by many.

Coach travel had thus experienced an innovatory stage, followed by a period of consolidation, expansion and competition. This was stopped by government legislation, and although expansion continued, it was in a more regulated way. Co-operation between coach firms was a major characteristic of the 1930s, and continued once the country recovered from the physical, and economic damage of the second world war.

1 Mr. Clem Preece (alias "Mr. Royal Blue") was involved in the coach industry all his working life, until his retirement in 1965. He worked for Elliot Bros., until their take-over in 1935 by Western National, when he still retained responsibility for the Royal Blue Fleet, and its operations.

2 Points made in conversation with an executive of National Travel (N.B.C.) Ltd.

3 Notably Mr. E. Lainson, late of Premier Travel Services Ltd., Cambridge.
CHAPTER 3 : DEVELOPMENTS IN THE COACH INDUSTRY AFTER 1947

3.1. INTRODUCTION

Once the fares problem of 1946 had been resolved, coach services soon returned to their late 1930 patterns. The same level of service could not be provided, however, due to the rationing of petrol which was imposed in the post-war years of rehabilitation. This rationing was stopped in 1950, enabling bus and coach operation to expand back to its old levels.

3.1.1. The British Transport Commission

The Transport Act of 1947 established the British Transport Commission (B.T.C.), which was responsible for the railway companies, and thus took over the rail interests in road passenger transport. The B.T.C. bought up the remaining interests in each bus and coach company in which the railways had financial interests. Thus, after 1947 there was a degree of state intervention in the coach industry, which mainly affected the Tilling group and the Scottish Motor Traction group. The companies belonging to the holding company of British Electric Traction (B.E.T.) continued to operate independently of state control.

In order to answer questions about the working of the 1930 Act the Thesiger Committee was established in 1952. In its report of 1953 the committee reported
that the act had worked well in the past, and continued to do so. This was despite the existence of the B.T.C., which provided a possible means for P.S.V. operators, and the railways, to agree on new route proposals, rather than fighting them out in the open traffic courts.

3.1.2. General Developments

The 1950s saw a growth in bus and coach traffic, but by the end of the decade a decline began which continued through the 1960s. To combat this, new products were introduced and a wide variety of both tours and express services were offered to the public. Short tours of three days duration became feasible when the first stages of the motorway system were opened. These new roads have also improved express services, by enabling faster journey times.

The 1960s contains three pieces of legislation pertaining to the P.S.V. industry. In 1960 the Road Traffic Act amended, without substantially altering the meaning of, the 1930 Act. In 1962, the Transport Act established the Transport Holding Company (T.H.C.), which took over the bus and coach interests of the B.T.C. As the name implies, it was a holding company, on behalf of the government. It was instructed to act as a commercial concern, and thus the only difference between the Tilling company's profits and those of B.E.T. company's was that the former went to the
government, rather than to private shareholders. Operations, however, remained almost unaffected by the administrative change.

The B.E.T. companies sold out to the T.H.C. in 1967, because they foresaw the nationalisation of the following year. The 1968 Transport Act created the National Bus Company in England and Wales and the Scottish Transport Group (S.T.G.) in Scotland. It also designated Passenger Transport Authorities in the major conurbations of Britain, to be controlled by the Passenger Transport Executive. Their objective was, and still is, to provide a co-ordinated system of passenger transport within their urban areas, and as such they seek co-operation from both the bus industry and British Rail.

3.1.3. Nationalisation

The date of inception of N.B.C. and S.T.G. was the 1st January 1969, whereupon the majority of P.S.V. operations which were not municipally run became the responsibility of publicly owned companies.

Despite the nationalisation of the industry, there was little noticeable change in the operation of services, by the N.B.C. or the Scottish Bus Group (S.B.G.), the P.S.V. subsidiary of the S.T.G. In the early 1970s it was felt that a national coach company was needed, to separate coach operations from stage carriage bus
services. In 1971, the Central Activities Group of N.B.C. was formed, and in 1973 National Travel was created. This subsidiary is responsible for both long distance express carriage, and extended coach tours. It has five areas, each of which holds the relevant licences needed for operation, and which were previously held by the old bus and coach companies.

Developments in the post-war years have had as great, if not greater, impact upon the industry as those up to 1946. The 1930 legislation still regulates the industry, which has changed in structure, over the last thirty years. Market conditions have also altered, and whereas demand was rising in the inter-war years, it has fluctuated around a downward trend in the last twenty years as car ownership becomes more common.

3.2. 1947-1962, THE YEARS OF THE BRITISH TRANSPORT COMMISSION

Government control was introduced into the P.S.V. industry when the British Transport Commission was set up under the 1947 Transport Act. The B.T.C. took over control of the railway companies, and other transport concerns. It thus acquired interests in P.S.V. companies in whom the railways had been stakeholders.
3.2.1. Government Intervention in Road Passenger Transport

The road passenger transport companies in whom the railways had held interests were fully bought out by the B.T.C. in the following years, so that by 1952 it controlled 14,000 vehicles. The government controlled the sixteen companies of the Tilling group, the Red and White group of South Wales, and the Scottish Motor Traction Company. This control did not greatly effect operations. The Thesiger Committee's report in 1953 stated that "we do not consider it established that the commission's control has in practice materially affected the services provided for the public under the licensing system." (Chapter 8, Conclusion, p.59).

This statement reduced concern that B.T.C. control of companies was making it easier for them to obtain licences. It was felt that any differences of opinion, either between companies, or between a company and the railways could be settled privately, rather than being publicly debated in the traffic courts. The report said that, although B.T.C. ownership gave a near spatial monopoly to some operators, particularly in some parts of Scotland and East Anglia, the effects of this did not differ from an independent operator having a similar type of monopoly.

3.2.2. New Products

After the immediate post-war period of rehabilitation followed an increasing demand for travel, which
the coach industry met by offering many new products. Operators saw that the rising popularity of the private motor car was potentially strong competition to their services. Competition thus concentrated on design, and new products. It was not only within the coach industry, but also directed against other modes of transport.

In 1949 Ribble introduced their "Easyway" holidays. These were centred holidays at such resorts as Blackpool and Torquay, which included fantailed tours in accordance with the 1931 traffic commissioners' decision.

The following year there were two important developments:

(a) the legal maximum dimensions of coach chasses were increased to 30ft. by 8ft. Previously they had been 27.5ft. by 7.5ft. Although only an increase of six inches of both width and length, this change gave an impetus to changing coach design. The travelling public only saw the variety of interior designs, but mechanically as well there were many changes. (Bus and Coach, 1950).

(b) petrol rationing ended. This meant that coach opera-
tion was less restricted by fuel availability. At the same time this also meant that private motoring was less restricted. Increasing car ownership had been evident in the late 1930s, and once petrol was no longer rationed, it continued. This led to more cars on the roads, which
had not been built with such numbers in mind. The resulting congestion inevitably reflected on the quality of coach services, thus making coach travel less attractive. In order to combat this, and retain their passengers, coach operators entered a new phase of competition by concentrating on the product offered.

Price and journey times had been important areas of competition in the 1920s, but now operators focused upon comfort, design and reliability. New designs, aimed at hitherto unpenetrated segments of the market, were developed. Foremost in this were Sheffield United Tours and Southdown. These companies both introduced coaches into their touring fleets which were more luxurious than most. Seating capacity was lower, at 27, because an arrangement of two "armchair" seats one side of the aisle, and one of the other side was adopted. The seating was more spacious. Other features included a toilet cubicle, a small bar, and the ability to serve food while moving. These coaches were part of luxury tour programmes which proved popular among visitors from abroad, especially North America.

There was an increase in night express services in the 1950s. The timing of such services was very important. A coach could not leave an area too late in the evening without involving many passengers in a long wait. Neither could it arrive at a destination before other distributory forms of transport, such as local buses,
were operating, or before such facilities as cafeterias were open. Although non-stop services could be provided if the coach had a toilet, it was often necessary for a refreshment or comfort stop to be made in the night, which caused problems of where to stop. Associated Motorways had developed a major interchange at Cheltenham, with services timed to connect with each other. When their night services arrived at Cheltenham, they all did so within an hour of each other, and thus it was only necessary to maintain the facilities between 1.30 a.m. and 2.30 a.m. when the mass departure took place.

Night operation increases vehicle utilisation. If a vehicle is depreciated over a given mileage, one used on both day and night operations will be depreciated more quickly. Fleet turnover can thus be increased, and vehicle obsolescence reduced because the fleet is more up to date, and abreast of new ideas in design and comfort.

3.2.3. The Thesiger Committee Report, 1953

The Thesiger Committee was set up in 1952 with the following remit:

"in the light of present day conditions to enquire into the operation of the provisions of the Road Traffic Act, 1930, relating to the licensing of public road passenger services, and to make recommendations."
The committee found that "the licensing system as a whole has worked well and continues to work well". (p.2). Some points were made about the practices in the industry:

(a) once the need for a fare change became evident, the process of getting one should be carried out as quickly as possible;

(b) operators needed to improve publicity informing passengers of any change in service;

(c) the rights of objection in the traffic courts should be extended from passenger transport operators, and local authorities to include representatives of the National Parks, and Metropolitan local authorities;

(d) drivers' hours regulations should be modified;

(e) backing licences to excursion and tours licences should be more easily obtained, in the case of renewal;

(f) the existence of the B.T.C. did not affect the working of the licensing system. The committee were concerned about the welfare of the public, and also produced some recommendations to try and make the licensing system more efficient. This point is still pertinent today.

3.2.4. The Decline in Demand

At the time of the report the coach industry was experiencing a boom. Towards the end of the decade,
however, a combination of forces had led to declining passenger numbers. Petrol rationing, due to the Suez crisis of 1956, resulted in a decline in private car travel, but also severely curtailed coach operations. The following year, a strike by some operatives in England, which started on 20th July, severely disrupted holiday traffic. These two events caused a great amount of uncertainty among customers, who no longer felt that their journey or holiday was guaranteed. It was not until 1963 that Royal Blue for instance regained their pre-Suez crisis passenger levels. (Anderson and Frankis, 1970).

3.2.5. A Relaxation of Constraints

The products offered by operators were improved in 1961 due to relaxation of two regulations constraining the industry:

(a) the maximum dimensions of a coach chassis were again relaxed. They increased to 11 metres by 2.5 metres (36ft. x 8ft.2.5ins.). This allowed either more spacious seating or, more often, an increased seating capacity of vehicles.

(b) the maximum coach speed was raised from 30 m.p.h. as laid down under the 1930 Act, to 40 m.p.h. outside built-up areas. This allowed faster journey times once timetables had been adjusted and approved by the traffic commissioners. (Bus and Coach, 1961).
Despite these improvements, most operators' businesses were declining. This was mainly due to the increase in private car ownership as people were attracted to cars by their apparently low journey costs, and their flexibility. The coach provided a large degree of flexibility, but was still operated by local companies, each with their own networks and limitations.

3.3. 1962-1968, DEVELOPMENTS IN THE YEARS OF THE TRANSPORT HOLDING COMPANY

3.3.1. The Holding Company

The 1962 Transport Act divided the assets of the British Transport Commission among the Transport Holding Company, the Railways Board, the Docks Board, the British Waterways Board, and the London Transport Board. The Transport Holding Company was responsible for British Road Services Ltd., in the freight industry, and the former B.T.C. road passenger interests. The B.E.T. companies still refused to come under government control, despite the directive to the T.H.C. that it was to act as a commercial enterprise. The establishment of the T.H.C. made very little difference to the structure, nor to the operations of the P.S.V. industry.

3.3.2. Road Improvements

The first stages of the motorway network were opened in the early sixties, and have been continually added to since. The first section opened was the M1
from London to Coventry. This reduced journey times between London and Birmingham by nearly two hours. The journey on non-motorway roads, which were more crowded, had taken 5 hrs. 15 mins. (fastest time). It now took 3 hrs. 25 mins. and has been reduced since then by the completion of motorway roads into the centre of Birmingham.

Road improvement schemes have also helped reduce coach journey times. Some important new links have been built, to give easier and more direct routes. The Severn Bridge gave easier access to South Wales, and now with the near completion of the M4 London - South Wales route, and M5 West Midlands - South Devon route, the Severn Bridge has become an important focal point for express coaching.

The Forth Road Bridge was opened in 1964, and was similarly important for traffic travelling north of Edinburgh into Scotland. This is now particularly true, as Aberdeen becomes the focus of Britain's North Sea Oil operations. The Dartford Tunnel under the River Thames to the East of London has enabled services from East Anglia to the South Coast to take a route avoiding central London. This has speeded up journey times because coaches no longer have to contend with the severe congestion of the capital.
3.3.3. Gay Hostess Service

These improvements in infrastructure, meant that improved products could be offered to the public. Ribble began their "Gay Hostess" express service, which used the M6 and M1, to link North-West England to London. Double decker vehicles, fitted with toilet compartments, and a small food servery, were used. The hostesses were intended to fulfill similar roles to those on an aircraft. This more luxurious service tried to create a similar image to that of jet plane travel.

The service was not successful for a number of reasons: problems arose between the drivers and the hostesses, and the food was expensive to produce while moving. Ribble were not allowed to serve alcoholic drinks while moving, thus detracting from the sophisticated up-market image they wished to portray. The use of a double decker did not differentiate the product from other services such as down-market stage carriage operation. Ribble's failure to develop a product which reflected the image they tried to portray thus resulted in a lack of traffic. At the same time the more easily driven single deck vehicles were increasing their seating capacity, to make them a more viable proposition than the poorly loaded double deckers.

3.3.4. Short Extended Tours

The development of the motorway system widened
the scope of both day excursions and short extended tours. Grey-Green, a North London operator, had applied for some 3-day tour licences in 1960, but the Metropolitan traffic commissioner had refused the application on the grounds that the demand for such a tour was not seen to be sufficient. Objections had been made by Wallace Arnold, Southdown and Gwenton Tours, who all felt that a short tour might abstract customers from their longer length tours. All three firms, however, applied for short tours once Grey-Green's case had been dismissed. In 1962, however, Grey-Green finally obtained their licence, after fighting their original opponents again. Short tours from London made use of the motorways to get to destinations which had previously only been possible on longer length tours, thus giving a wider choice to the public.

3.3.5. Summary

The period from 1962 to 1968 was one in which changes in operations and services were more a result of motorway building and road improvement schemes, than of a change in ownership and administration of a large section of the industry.

3.4. THE 1968 TRANSPORT ACT

The 1930 and 1960 Road Traffic Acts provided the framework within which the P.S.V. industry works, but the 1968 Transport Act produced the present structure of
the industry. The Act dealt with both passenger and freight traffic, and made provision for the dissolution of the T.H.C.

3.4.1. Passenger Transport Authorities

The P.S.V. industry was affected by the establishment of Passenger Transport Authorities. There are now seven P.T.A.s as well as the London Transport Executive to serve the capital. The executives responsible for the P.T.A.s took over the control of municipal bus services operating within the area. They also have the power to request other bus operators with services in the area, as well as British Rail, to co-operate with any plans to further the integration of passenger transport services in the area. Express coach services were largely unaffected by these moves towards localised co-ordination, except in rare cases of passengers being both picked up and set down within the P.T.A.

3.4.2. The State Owned Bus Companies

The coach industry was affected more by the creation of the National Bus Company (N.B.C.) and the Scottish Transport Group. The duties of both companies are set out. The prime one is "to carry passengers", either by road in the case of N.B.C., or by road, subway, water or hovercraft in the case of the Scottish company. A subsidiary, the Scottish Bus Group (S.B.G.) undertook responsibility for the conveyance of passengers by road.
Between them, the N.B.C. and the S.B.G. took over the bus and coach interests of the Transport Holding Company. This included the Tilling companies, the Red and White group and the Scottish Motor Traction companies, which had been government controlled since the B.T.C. was formed in 1947. The B.E.T. companies who sold out to the T.H.C. in 1967, when nationalisation of the industry became imminent, also became part of the state owned companies.

3.5. 1969-1976, THE IMPACT OF NATIONALISATION

3.5.1. The Change to Public Control

It was intended that all stage carriage operators should be placed under government control. Although there are others, the two main exceptions to this were:

(a) Lancashire United Transport, who were later taken over by the Greater Manchester Passenger Transport Executive, in 1976.

(b) Barton Transport Services Ltd., of Nottingham, who still retain, and guard, their independent status.

The coach operations of the publicly owned companies also came under N.B.C. and S.B.G. control, but initially this change in ownership had little impact upon either express services or extended tours. The companies were left to function much as they had done prior to 1968.
Some changes, such as the amalgamation of two companies in adjacent areas, did take place. An example is the marriage of the Aldershot and District company to the Thames Valley company to produce the more efficient operating unit of Alder Valley. This would not have been possible earlier, because one company was associated with the Tilling group and one with B.E.T.

3.5.2. A National Coach Company

Research undertaken on behalf of N.B.C. in 1972 suggested that a national coaching company was needed, to co-ordinate the coaching activities of the subsidiary companies. It recommended that the new body should own its vehicles and function as a separate subsidiary of N.B.C. In 1973 National Travel (N.B.C.) Ltd. was formed. This company took over the express services and extended tours of the other subsidiaries, with the intention of marketing them on a nationwide scale. Private hire work, contract carriage and excursions were retained by the subsidiaries who became predominantly stage carriage operators. National Travel has its own accounts, which either contributes to, or reduces the total N.B.C. debt to the Treasury. The administrative, and policy making headquarters are at Victoria Coach Station, which the B.T.C. had purchased many years earlier. There are five area companies covering England and Wales which are responsible for the running of the coaches, and which hold the necessary road service licences.
Unlike the research recommendations of 1972, National Travel do not own all their vehicles, or employ all the operatives. The vehicles and staff of companies who only operated coach services passed to National Travel, but most operations use vehicles and drivers who are "hired-in" from the bus subsidiaries.

3.5.3. The National Livery

The coaches have been painted white to give a unity to the express network, and emphasises that one can get from "anywhere to anywhere" on the new integrated network. Although this is a good marketing ploy for express travel, it has created a loss of local identity for coach tours. The five tour brochures produced by each area no longer cater for small localised markets, but rather mix tours designed for different markets. An example is that the South-West area combine tours for elderly, retired people from the south coast with those designed for people from South Wales mining areas in one brochure. The old local company names were removed from brochures, but with such disastrous effects that they have been reintroduced. National Travel still has much to do before the company regains the same local identities which the subsidiary tour companies once enjoyed.

National Travel has developed the double 'N' logo and white livery, to promote the concept of a nationwide
company. They have, however, met a degree of antagonism from the bus operating subsidiaries who feel that they have had their prestige operations taken from them. Only time will remove their differences, and lead to full co-operation.

3.5.4. The Structure of the Industry

Nationalisation has had an impact upon the structure of the industry. National Travel, and the subsidiaries of the S.B.G. engaged in express operation carry approximately 90% of express passengers. The remaining 10% are found on the following types of operation:

(a) services run by the small independent. These operators tend to provide their local area with a summer weekend service to a convenient coastal resort. They are thus helping the publicly owned companies in dealing with the summer peaks of demand.

(b) the larger independent, who runs services comparable with National Travel, on a regular basis, from his home area to a variety of destinations. These services supplement the National Travel and S.B.G. network, and often there is co-operation between the private and public sectors. For instance, Yelloways of Rochdale exchanged licences with National Travel (N.W.) Ltd. in 1976, so that Manchester – Torbay is now operated by
Yelloways, while their Manchester-London service is now run by National Travel. The main independents of this type are Yelloways, Premier of Cambridge, Grey-Green in North London, Wallace Arnold of Leeds and Barton Transport, Nottingham. They have mostly held their express licences since 1930, when they were similar to the now nationalised companies.

(c) independent operators, mainly from areas of low or diffuse demand such as East Anglia, who are able to provide viable express services for the scattered population, either to London, or cross country to other important towns. National Travel could not provide such services without incurring high costs due to overheads being greater, and dead mileage probably more. These small operators, such as Jennings of Ashen, are thus also supplementing the nationwide express network by helping to penetrate remote rural areas.

There is thus relatively little competition between express operators, but rather co-ordination. Most competition to express services comes from other modes of transport, rather than from within the coach industry. Nationalisation, and the creation of a unified coach network has thus helped the P.S.V. industry to meet this inter-modal competition.

3.5.5. The Effect on Coach Tours

The tours section of the industry has not been
so greatly affected by nationalisation because there are more operators of a larger size to compete with those which have been nationalised. In Scotland, the subsidiary companies of S.B.G. continue to operate much the same as before 1968. The impact of the 1968 Act on both express and tours has been negligible. The only differences have been the adoption of a blue and white livery for express coaches running into England, notably to London, and the fact that overall the S.B.G. has a near monopoly on all types of licences held in Scotland.

In England and Wales, National Travel has combined the subsidiary companies' tour programmes, thus losing the local identity which each company had with its customers. The tours section of the industry has become more industrially concentrated through the creation of National Travel. The large number of large and medium sized operators, such as Wallace Arnold, Bee-Line, Glenton and Galleon, means that National Travel has not been able to develop as much monopoly power as with the express operations, and thus it has more difficulty in obtaining tours licences from the traffic commissioners than with express carriage.

3.5.6. Summary

Nationalisation of the P.S.V. industry has thus resulted in major changes, particularly with respect to express travel in England and Wales. Although not directly due to nationalisation, the creation of National
Travel by the N.B.C. has resulted in 90% of express journeys being made on one of the two state owned companies' services. There are more suppliers of coach tours, who are mainly independent operators of varying sizes. The impact of nationalisation has thus not been felt so much in this section of the industry.

3.6. OTHER DEVELOPMENTS SINCE 1969

There have been other developments since 1969 which have affected the P.S.V. industry as a whole. The 1968 Act did not affect private operators to the same extent as the publicly owned companies, although it meant that these independents now faced competition in the traffic courts, and in marketing terms, from two larger and more united companies.

3.6.1. The Bus Grant and Fuel Tax Rebate

The 1968 Act made provision for a bus grant, to aid capital expenditure in the industry, and the development of modern fleets. The grant of 25% was given on vehicles which were "primarily for stage service" and which met certain design specifications. This loose definition was altered to cover vehicles which worked at least 50% of their mileage on stage carriage operations in the first five years of their life. In 1971 the aid to capital cost was increased to 50%. 
The eligibility of vehicles was changed, and defined as those that worked 50% of their mileage on stage carriage for each of the vehicle's first five years. This prevented bus companies using their vehicles on excursions and tours, or express services for the first two years of their life, and then cascading them onto high mileage stage carriage services for the next three in order to meet the requirements of the grant.

Power was also given to local authorities to subsidise stage carriage operations via a fuel tax rebate scheme. Operators were refunded 12.5p per gallon of the 22.5p per gallon duty. It was first extensively claimed in 1971. Increasing fuel costs meant that in 1974 this rebate was raised to cover the full cost of 22.5p per gallon used on stage carriage operations.

Both these measures penalised express services and coach tours, in relative terms. There was little that the pure coach operator, who had no stage carriage operations, could do. Those companies with both types of operation soon started to use a dual-purpose vehicle. This is particularly common in Scotland, where all but the main express routes to London are operated by vehicles which qualify for the bus grant. Such vehicles are also used on extended tours, and other express services.
This, however, is poor marketing because people do not like to take a pleasure trip, such as an extended tour, in the same type of vehicle that they use daily on their journey to work.

Many N.B.C. stage carriage companies also have dual purpose vehicles in their fleets, which can be hired to National Travel for their express operations. This, however, detracts from the marketing aim of National Travel, to have all express vehicles in a uniform white livery. These two measures, while helpful to bus operators, have not aided any coach operators, and have resulted in some distorting forces between the two sections of the P.S.V. industry.

3.6.2. Government Involvement in Transport

Under the Local Government Act, 1972, six Metropolitan counties and 47 'shire' counties were established. An annual Transport Policies and Programme must be submitted by each county to the Department of the Environment before any grants will be made. Although this has little bearing upon either coach tours or express services, it indicates the greater involvement of local government in meeting the transport requirements of the counties.

This is important to remember when examining the 1976 Green Paper, Transport Policy - A Consultative Document. (H.M.S.O. 1976). The paper attempts to highlight
some of the problems facing the transport sector, and calls for comments by operators. It does not greatly affect coach tours, because it is more concerned with a co-ordinated public transport system, than with leisure travel. Although coaches are barely referred to, except in the context of safety, the future of the express coach network is now debatable.

If the counties, or groups of counties, take over the running of bus services, the future of National Travel becomes uncertain. It is possible that this nationalised firm will continue as at present, but there is a growing feeling that the duplication of coach and train services is a waste of national resources. British Rail are pressing for parallel coach services to be removed, leaving National Travel, and the S.E.C. with cross-country routes which do not conflict with rail interests, and are also serving areas of lower demand.

Coach executives reply that without inter-city routes their network would not be viable and would need a heavy subsidy to continue to provide rural areas with a means of public transport. Once again, transport has become a "political football", leading to uncertainty among operators, and the associated problems of planning and forecasting. A government White Paper on intended policy, based on the response to the Green Paper is
promised shortly. Even then, it will be some time before the coach industry knows what the future holds, and can act upon that knowledge.

3.7. SUMMARY

The period from the immediate post war years to the present day has contained much legislation relating to the coach industry, as governments have become more involved in the transport sector. Public ownership in the P.S.V. industry was first established by the British Transport Commission in 1947, and has not been relinquished since.

After the years of post-war rehabilitation, the coach industry underwent a boom of both express services and coach tours. Increasing car ownership, however, resulted in this demand declining. Increasing numbers of cars gave rise to congestion which made the coach a still less attractive means of travel. The beginning of the motorway network in the early 1960s was thus very welcome, but did not help stem the long term downward trend.

Legislation in 1960 amended the 1930 Road Traffic Act, while the 1962 Transport Act also had little impact on the industry when it transferred the British Transport Commission's road interests to the Transport Holding Company.
The 1968 Transport Act brought nationalisation to the P.S.V. industry by creating the National Bus Company and the Scottish Bus Group. Passenger Transport Authorities were also established and now number seven. State ownership did not greatly affect the touring side of the industry, but it did result in a greater concentration of more operations into fewer firms. This was especially true with express services, which have been developed into a nationwide network by National Travel and the Scottish Bus Group subsidiaries.

The licensing system continues to work, and provides a form of consumer protection against the state duopolies. The future of not only the coach industry, but also bus operations is at present unknown, because the government is currently devising a transport policy which may have far reaching implications for the transport industry as a whole.

1 Suggested in discussion with Mr. E.W.A. Butcher, one time employee of Ribble Motor Services Ltd., at the British Transport Staff College.

2 The P.T.A.s cover the areas of Greater Glasgow, Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire.

3 The White Paper was published on 27th June 1977. Appendix 6 contains some comments upon the document.
CHAPTER 4: A REVIEW OF COACH LITERATURE

4.1. INTRODUCTION

Apart from contract carriage, the coach is used predominantly for leisure purposes. Buses on the other hand play an important role in many people's daily lives. Any change in the P.S.V. industry is felt more by the bus traveller, and thus buses and stage carriage operations have come to dominate the literature, while the subject of coaches is often hardly raised. The literature can be divided into different classes according to the subject matter and method of treatment.

4.2. TRANSPORT HISTORY

This type of book relates the history of the present transport system, usually from late Tudor times, when movement became more noticeable. As such it includes, but does not concentrate solely upon, the development of motor coaching. The two most noted books are:

(a) **BRITISH TRANSPORT** by Dyos and Aldcroft, and

(b) **AN ECONOMIC HISTORY OF TRANSPORT IN BRITAIN** by Barker, which has been updated by Savage.
An early development was the growth of an elementary road system. Improved road building techniques meant that routes were passable throughout the year. To pay for these improvements tolls were levied on road users in proportion to the degree of deterioration of the road they caused. Both the above books give detailed accounts of the development of the railway. This reflects the impact which trains had upon both passenger and goods movement. Canal development had occurred prior to steam being used as a power source. Their importance for freight transport, however, is largely lost because their supremacy was relatively short-lived and rapidly superseded by the railways.

Motorised transport was the next important development towards the end of the nineteenth century, in both the public and private transport areas. Dyos and Aldcroft examine these developments in the light of their impact upon rail, while Barker and Savage concentrate more on the events themselves. They also examine the development of the P.S.V. industry in the first thirty years of the twentieth century more closely. Both books examine the 1930 Road Traffic Act, and discuss its effect upon the bus and coach industry. Post war developments of air travel, and rising car ownership take precedence over coach travel in both books.
Neither book discusses the growth of public road passenger transport by coach in detail, although Barker and Savage are less guilty of this offence. The glory of the steam age foreshadows the beginnings of the P.S.V. industry in both books, while in the post-war years more attention is paid to rising car ownership and the growth in private mobility. The impact of legislation in the inter-war years is thus the most relevant topic in these books which, while giving good general histories, tend to ignore the specific history of the P.S.V. industry.

4.3. HISTORICAL NARRATIVES

These histories recount the development of individual companies, and provide a more detailed picture of operating methods. The histories of at least four coach operating companies have been documented.

4.3.1. The Red and White Group

In THIRTY YEARS OF PROGRESS IN ROAD PASSENGER TRANSPORT, Dowdring examines the development of the Red and White Company, from the amalgamation of small operators each serving different South Wales mining valleys. Once integrated they could connect the valleys together, and develop long distance express services from that area. The company was bought out by the British Transport Commission in 1949, and the
book, concerned with the previous twenty years, is a nostalgic view of the past. It consists of a personality parade of the more outstanding or important company staff. Although the long distance services are mentioned, little is said of their development. Similarly, the 1930 Road Traffic Act, its impact upon the company and dealings in the traffic courts are omitted. The 1947 Act, which resulted in the company becoming publicly owned is only touched upon, more in a nostalgic, than analytical light.

4.3.2. Crosville Motor Services Ltd.

The Crosville Company operates in North Wales, Cheshire and South Lancashire. It is now known for its extensive bus operations, but once provided both long distance express services and coach tours. Crosland-Taylor published CROSVILLE: THE SOWING AND THE HARVEST in 1948, in which he concerns himself more with the domestic details of the people involved in the early days of the company. The following quotation applies to "the ease of setting up a bus service" but could equally be applied to a coach service. (Crosland-Taylor, 1947, p.17). It gives a valuable insight into operating conditions of the 1920s:

"The technique of starting a new route was amazingly simple. First of all, one travelled over it in a car and decided the places of the fare stages, and their mileage. Then we worked out the timetable and
fare table for one bus, say three or four trips on a week day and a late one on Saturday, allowing times for meals for the crew. Handbills were printed announcing the date of starting, and details of the service. These were distributed at every house within half a mile of the route, and at the appointed hour the service was launched, and very soon made use of."

This simplicity of starting a service meant that many people did so, resulting in competition. Crosland-Taylor relates how operators were constantly threatening one another, and occasionally how agreements between them might be made.

4.3.3. Associated Motorways

An unpublished work, THE HISTORY AND PRACTICE OF ASSOCIATED MOTORWAYS, tells the story of this pool from its inception in 1934 to 1964. It does not deal with competition, but rather the mood of co-operation. The pre-1934 talks between operators which led to the creation of Associated Motorways are recounted. Agreements not only covered a common departure time from Cheltenham, but also a common fares structure on all express services run by constituent companies. They agreed not to oppose one another in the traffic courts. The size of the network controlled by the management committee of Associated Motorways is demonstrated, through a history of each constituent company and the
development of their individual networks.

An important aspect of Associated Motorways was the development of an interchange point at Cheltenham, creating a greater permutation of journeys for the public. The 1932 traffic court case of Royal Blue had finally allowed through booking, and using the same coach throughout, which greatly helped the development of the interchange. In 1936, the traffic commissioners condoned the consortium by saying that only one licence on a given route was needed before any of the constituent companies could operate over it.

Both the expansionary developments, and financial details of the complex pooling arrangement are related. Whereas operators had developed their own spatial monopolies, and then tried to penetrate into adjacent operators' markets in many cases, Associated Motorways developed a level of co-ordination which saved much time and money on unproductive competition.

The Suez Crisis of 1957 resulted in a 60% reduction of Associated Motorways' timetable. The impact of the motorway system is discussed, although at the time only services to the North West were benefiting from the better road between London and Coventry. As a result of more sophisticated aids to charting, the advanced booking requirement was relaxed, although
legally it could not be removed. Chart rooms began to rely less on manual methods, and forecasts of demand, based on the firm's previous years' patterns, became more important. This was still very much a "rule of thumb" method, but required greater skill and experience from chart room staff if supply was to meet demand.

The work ends quite arbitrarily in 1964 when the author retired from the P.S.V. industry. Despite this, it gives a valuable insight into the development and operation of the largest pre-1968 express coach network, upon which much of the present system has its basis.

4.3.4. Royal Blue

THE HISTORY OF ROYAL BLUE EXPRESS SERVICES by Anderson and Frankis relates the story of one of the constituent companies of Associated Motorways. The company, as Elliot Brothers, originated as a Bournemouth horse coach operator which provided day excursions to local places of interest, such as the Isle of Wight, or the New Forest. They also fed the nearby railhead to the east, before the railway finally reached Bournemouth. The book describes the acquisition of motor coaches, and the competition against Hants and Dorset Motor Services, which led to an agreement under which Hants and Dorset operated local services, while Elliot Brothers, the
proprietors of Royal Blue, concentrated upon longer
distance coach activities.

Elliot Brothers expanded their long distance business, and in 1921 began a through service to London. By 1930 they were operating eleven express routes, which could subsidise one another in the event of price warfare with a competitor on any given route.

1930 brought greater stability, and the authors recount some of Royal Blue's battles in the traffic courts, where they were usually represented by their traffic manager, Mr. Clem Preece. In 1935, Elliot Brothers, who had recently become part of Associated Motorways, were bought by the Tilling company of Western National, in whom the Great Western Railway had an interest. Royal Blue express services were thus indirectly partially controlled by a major rival, the railways. As a result of this transaction all touring activities passed to Hants and Dorset, leaving Royal Blue to operate express services.

A detailed history of events in the second world war is given. The change to public control in 1947 barely effected operations. The rise and decline of passenger numbers during the 1950s and early 1960s is also told in some detail, with the aid of figures and tables.
The transfer of the company to the National Bus Company in 1969 comes at the very close of the book, and unfortunately few comments are made upon this restructuring of the industry. It would be interesting to see an appendix to the authors' narrative concerning the early 1970s when Royal Blue, as one of the N.B.C. coach operators, was transferred to the coaching subsidiary of National Travel in 1972. Royal Blue thus formed the backbone of National Travel services in the West Country, and in a similar way to the tour operators, lost its local identity within the overall National image.

4.3.5. Summary

These historical narratives provide a useful insight into the development of certain well-known companies. The development of the industry can thus be inferred from these specific cases. The books tend to be descriptive, and lack analysis of important events, such as the 1930 Road Traffic act, and its consequences. These works, which relate important points in the development of the firms, thus require interpretation and analysis of the cause and effect of historical events, in order to deduce the impact of such matters as legislation upon the development of the coach industry.
4.4. HISTORICAL ARTICLES

There has been a plethora of articles over the years, but few are concerned specifically with coach operation.

4.4.1. The First Express Service

In an Omnibus Society paper, THE HISTORY AND DEVELOPMENT OF EXPRESS COACH SERVICES, Clem Preece discusses which was the first true express service according to the following conditions:

(a) it should have intermediate points, from and to which different fares were charged than those paid by terminal traffic;

(b) fares were charged in accordance with a published fare table;

(c) the service be run to a published timetable.

This paper was published in 1958, and thus it seems that Preece with the benefit of hindsight is using the definition laid down in the 1930 Road Traffic Act.

Although Royal Blue ran a Bournemouth - London service in 1921, this had no intermediate points. Preece suggests that the Bristol - London service started on 11th February 1925 by Greyhound of Bristol was the first service to meet his conditions, although he attempts no justification of why these conditions should be used.
to define an express service.

4.4.2. Railway Interests in Road Transport

In 1937, Charles Lee spoke on ONE HUNDRED YEARS OF RAILWAY ASSOCIATED OMNIBUS SERVICES, to the Omnibus Society. He suggests that railway participation in road transport was not confined solely to the period after the four Railways (Road Transport) Acts of 1928. In the nineteenth century it was common for horse drawn coaches to provide feeder services to railway stations, in both rural and urban areas. For example, a horse drawn bus service conveyed passengers to the City of London from the Great Western Railway's terminal at Paddington, until the Metropolitan Underground line was opened. The railway company subsidised the bus operator 3d per fare in order to encourage businessmen travelling to the City to use the train.

Operators of horse drawn vehicles also helped railways whose lines were incomplete to make a full journey. For example the London and Southampton Railway experienced difficulty in cutting and tunnelling through the chalk hills between Basingstoke and Winchester. The two sections of completed track were linked by horse-drawn vehicles, and thus passengers could make the complete journey between London and Southampton.
At the time of writing the article, bus feeder services were still very common in rural areas. The 1928 legislation allowed railway companies to have financial interests in road passenger transport undertakings. This led to co-ordination of timetables and inter-availability of tickets. As Lee has shown, however, this co-ordination is not new. Even today, despite fierce objections in the traffic courts by British Rail, there is a renewed interest in co-ordinating bus services with train arrivals and departures, as an integrated public transport system becomes necessary.

4.4.3. Extended Coach Tours

In his presidential address to the Omnibus Society in 1963, Mr. E.L. Taylor talked on EXTENDED TOURS BY MOTOR COACH. An historical survey is made, from the pre-1914 period when Chapmans of Eastbourne ran a six day tour to North Wales in 1910. A few years later, northern based companies introduced tours to the south of England. There was a considerable expansion in coach touring in the inter-war years, in both the domestic, and continental spheres. Tours such as those of the First World War battlefields proved particularly popular. Domestic tours flourished, and began to resemble the present-day industry. This growth was aided by increased comfort and reliability of vehicles. Growth continued after the second world war, but Taylor
now places the emphasis upon continental touring, by such companies as East Kent. The address provides a good historical review of coach touring, but sadly is lacking in analysis of major events such as the 1930 Road Traffic Act.

4.4.4. Summary

Articles pertaining to the history of coach services are relatively scarce. They provide useful descriptive data, but are not rigorously analytical. Preece, for instance, sets out the criteria upon which he judges the first express service. He does not, however, explain why he chose such criteria, and the reader is left to assume that he is using the criteria laid down by the 1930 and 1960 Road Traffic Acts. A greater degree of analysis would render each of these articles more valuable.

4.5. TRANSPORT ECONOMICS - COSTING AND PRICING

Public transport is often regarded as a public utility, and as such the industry should follow the Hotelling-Lerner principles of marginal cost pricing. This theory states that the most efficient allocation of resources will be achieved when price is equated to the marginal cost of providing the last unit demanded. If this principle is applied throughout the economy, not only will there be efficient resource allocation within each sector, but also between each sector.
4.5.1. Avoidable Costs

Gwilliam and Mackie have shown in ECONOMICS AND TRANSPORT POLICY with respect to the railways that there is a difficulty in identifying avoidable and non-avoidable costs. In the very long run all costs are avoidable, although this implies closure of the whole system. In the short run, however, avoidable costs are minimal. The costs avoided by not running a given departure amount to the fuel saved, plus depreciation if it is mileage based. Theoretically wage costs would also be avoided, but in practice, rigidities in the supply of labour prevent this. If one is pricing in relation to marginal costs, therefore, the calculation of these costs and prices will vary with the time scale used.

An operator must also be able to allocate the more fixed costs between services. This is not too complex in the case of a sole user of a branch line, although complications arise if freight trains also use the line. In the case of a shared piece of track such as a busy main line, which carries many different services, the cost of the track, the signalling and the maintenance must be shared by each service, which may give rise to very arbitrary cost allocations. This in turn makes any statement about the viability of a service questionable, because the book-keeping costs may not reflect the true costs of operation. For example White
in PLANNING FOR PUBLIC TRANSPORT has reported that the Newcastle - Carlisle service, which uses multiple unit pay trains and only requires a platform at each terminal, was allocated £67,000 of the total £525,000 terminal costs in 1969. This is despite the fact that the total figure would have to be met regardless of whether the cross-country service was operated or not, because both termini are vital points on the inter-city network.

4.5.2. Marginal Cost Pricing

Gwilliam and Mackie discuss other problems of using marginal cost pricing in ECONOMICS AND TRANSPORT POLICY. If competition between operators is such that average revenue becomes less than average costs for a prolonged period, then loss would result. Hotelling suggested in an article in Econometrica, 1938, that taxation should subsidise such loss-making public utilities as a means of redressing any imbalance.

4.5.3. The Influence of Scale

Johnson examined the finances and operations of a major bus and coach undertaking in 1955 in his article SCALE, COSTS AND PROFITABILITY IN ROAD PASSENGER TRANSPORT. The company employed 3,500 staff and used over 1,300 vehicles. Johnson's investigations led to conclusions that:
(a) short run average costs are a decreasing function of output, over all the observed changes in output (caused by seasonal variation);

(b) although there is some indication that long run average costs decreased with output, the relationship is not strong enough to reject the hypothesis that the P.S.V. industry suffers from declining long run average costs;

(c) there is a slight indication that profits per car mile decline as size increases, but this relationship is not statistically significant.

Although conclusions (a) and (b) have serious consequences for the application of marginal cost pricing, they rely heavily upon the method of cost allocation adopted by the company. Greater vehicle utilisation during the summer months causes average unit fixed costs to fall, while profits increase. During the winter, average costs are higher, and revenue lower, possibly resulting in a loss. A change in cost allocation could alter the relative seasonal performances, and thus influence Johnson's conclusions.

Koshal's article, ECONOMIES OF SCALE. BUS TRANSPORT, confirms earlier findings of Lee and Steedman for the U.K., and those of Johnson, above, when he states that there is no conclusive evidence of economies of scale in the British bus transport industry. He uses a
linear equation model to explain 'c', total cost in dollars, by the variable 'm', total bus mileage. 'b', the coefficient of 'm', is found to be statistically insignificant. It may be that this equation is too simplistic and that other explanatory variables of cost should be included in the regression equation.

4.5.4. An Alternative to Traditional Cost Measurement

Moore questions the traditional measure of route performance: revenue, costs and profits per car mile. He suggests in an article, PENCE PER BUS MILE - AN OUTDATED COSTING UNIT?, that mileage based units of account are no longer valid because there are no fixed costs associated with mileage. Fares are becoming less mileage based, especially on stage carriage, one-man operations, where flat or zonal fares are often used. Express coach fares usually display a tapering effect, so that the further one travels, the less one pays per mile. Moore advocates the use of a time based unit, because this reflects cost and revenue more accurately, especially in urban areas where traffic congestion means that costs increase over time, rather than mileage. He dismisses an operative based measurement because this leads to problems when comparing one-man and crew operations. A time based unit, however, renders dissimilar types of service more comparable. It also takes account of standing time, when a vehicle cannot operate on a continuous even headway. Both drivers and vehicles may
be idle for a proportion of every hour; a time based unit takes account of these costs.

Moore recognises disadvantages in using this unit. Firstly, it does not dispense with the need to keep accurate records, and if anything increases it. Secondly is the disadvantage of change, which makes it difficult to compare performance over time. This is not an inherent defect of time based units, but would apply to any new measurements.

Finally Moore points out that customers buy time rather than distance travelled. A customer may purchase time without distance, for instance when his bus is in a traffic jam, but he cannot buy distance without time. Moore thus sees time as part of the product, whereas operators tend to regard time saved as the important characteristic. A traveller is often willing to pay more for a faster journey, and thus for a time saving. This is the negative of Moore's argument when he says the customer buys the time of the journey. It would seem that passengers pay for the time of the journey, but the shorter the time for a given distance, the more they are willing to pay, showing that an inverse relationship exists between these two variables.
4.5.5. Route costing

Lambden, in his BUS AND COACH OPERATION, suggested that not only is individual route costing desirable, but also that it should be done for different times of the day, week and even year, because route costs will vary over time. Moore's time units would clearly be a more satisfactory means of measurement because they would measure changes on a more comparable basis.

Little has been done to introduce this form of measurement since Moore proposed it in 1969. Common costs are averaged among types of service and route. Costs which vary between type of vehicle used, such as fuel costs, are averaged out over the operator's fleet. Other costs, relating to the type of operation are also averaged. Any measurements of the true costs of operating a given service are consequently hidden by the use of these global averages, against which both Gwilliam and Hibbs argue strongly.

Beazley and Politi have shown how costs per mile can vary between firms of a similar size, and also between routes of a given firm in A STUDY OF THE PROFITS OF BUS COMPANIES 1960-1966. These differences depend upon time scale used, and the nature of the operations. Hibbs uses this evidence to argue in favour of route costing, in several books and articles. At the same
time, however, he explains that operators have tended to adopt global costs as a measurement because to do as Hibbs advocates would involve complex, and costly, measurement. It would also require arbitrary allocation of joint costs, and overheads, which could easily distort figures of route viability.

4.5.6. Social Costs

Gwilliam and Mackie (1974) raise the important question of social costs, particularly when a modal choice is made. A car owner will only think of his private variable costs, such as petrol, when deciding to make a journey by car. Taxation, depreciation, road construction costs, ambulance and police services are not taken into account when the motorist computes the cost of his journey. There are also intangible costs associated with congestion, pollution, visual and aural intrusion. Public transport fares, however, take more of these costs into account, although they do not include them all. It is thought that a full bus on the road is more environmentally desirable than forty or more cars containing only one person, because the latter incur more private and social costs. It is thus necessary to obtain a more socially desirable modal split. One way would be to introduce a tax on road users proportional to the damage they did, in a similar way to the old toll system. This would make social costs more tangible to the motorist, who is unlikely to be persuaded
by educational means.

Although Gwilliam is dubious of such practices, because of their difficulty of implementation, he sees a value in setting out such theoretical cost and price arguments. By comparing theoretical scenarios with reality, it is possible to see what improvements can be made, and how the real world can approximate towards a theoretical optimum of a more efficient allocation of resources.

4.6. TRANSPORT ECONOMICS - DEMAND

4.6.1. The Problem of the Peak

The most important aspect of demand is the problem caused by peaks in the levels of demand. Although most authors discuss the subject this mainly derives from Ponsonby's article of 1958, entitled THE PROBLEM OF THE PEAK WITH SPECIAL REFERENCE TO ROAD PASSENGER TRANSPORT. He looks at the problem in an economic light. A P.S.V. service requires inputs of capital, labour and land (for roads). Any given level of technology will determine the capital and labour mix. If the factors of production are scarce, their price will be high, and thus so will a firm's costs rise.

This situation is aggravated by the pattern of demand. Ponsonby looks at daily variations and their
effect on stage carriage operations, but Hibbs has made the extension to seasonal variations in demand and the effect upon long distance coach services in his Hobart Paper, TRANSPORT FOR PASSENGERS. High demand requires a larger supply of vehicles. When demand is lower, however, this gives rise to excess capacity. Unit costs are thus high. They are aggravated on stage carriage, and on early and late summer express services by passenger flows being uni-directional. The vehicle only carries a full load on one half of its return journey, making unit costs still higher.

4.6.2. Pricing Policy

This pattern of demand has serious implications for pricing policy. If a cost-based pricing policy is adopted, fares should be lower in the peak, than when demand is lower. This is because the costs of operating a given departure, can be shared among more passengers when the coach is full. Outside the periods of peak demand, the same unit costs are incurred, but are borne by fewer passengers. Cost per person is higher, and if prices are based on costs, then the fare charged should also be higher in the off-peak period.

If market-based prices were charged, however, the higher price would be charged when demand is high. In the case of stage carriage services, demand would also be price-inelastic because most people are making essential
journeys to work. The higher prices could be borne by the market, and would have two effects:

(a) result in more revenue for the company, and
(b) induce those people who did not have to travel at peak times to travel during the lower priced period of lower demand.

The one caveat to this pricing policy is that if there is an alternative form of transport serving the market, fares must not rise above this competition, unless the public feel that the bus service is a superior mode of travel, for which they are willing to pay more. The amount by which fares can differ from those of the competitor will depend on such things as the quality of product. In the case of essential travel, a more important factor is whether the competitor serves the market better in terms of picking up points, and setting down points at the destination, i.e. it depends on how close a substitute the service is.

It is easily seen that cost based pricing conflicts with market based fares when operators are faced with changing demand. A compromise is usually made in practice, and a standard fare prevails throughout the day, because this is more convenient for 'on bus' collection of fares. Coach travel has been able to adopt marketing practices, because tickets are purchased
before travel. Retail outlets selling advanced bookings have more time to help, and now National Travel levy a premium on some summer Saturday express fares.

Although other authors repeat Ponsonby's arguments, additional analysis is not to be found. The original exposition of the problem of peaked demand is still most widely accepted in transport circles.

4.6.3. Other Aspects of Demand

Other work consists mostly of studies from Leeds University on passenger resistance to bus fare increases, which are reported by Gwilliam (1974). Operators face rising costs due to inflation, and try to balance their books through fares increases. A problem of declining demand in general is thus aggravated by operators attempting to price against the market trend of demand. The Leeds studies have shown that even if the quality of bus services are improved, or that no fares are charged, this would not result in higher levels of demand, because the general decline in demand for public transport is thought to be largely due to increased car ownership, and access to private transport.

4.7. TRANSPORT ECONOMICS - SUPPLY

Public transport is a very perishable product.
The product is the journey from point A to B. It can be more specifically defined as a seat for the journey from A to B, by coach, at 11.30 a.m. on Monday, 9th June, 1973, for instance. Once that departure has left A, that particular product can never be demanded again, and the number of unsold seats cannot be reduced, giving rise to excess capacity.

4.7.1. A Response to Peaked Demand

The problem of reducing excess supply to a minimum, but also meeting high levels of demand can be resolved more easily by the coaching industry than the railways, because the coach is a smaller, and more flexible unit. Hibbs (1971) shows how a coach operator alters his supply to meet the increased demand of the summer months in his NOTE ON SOME SEASONAL ASPECTS OF THE PROBLEM OF THE PEAK.

He suggests that a peaking of demand can be controlled by:

(a) discriminatory pricing, with higher fares in the peak;
(b) stopping bookings, once coaches have been filled, although this means refusing business;
(c) having a larger fleet in the summer than in the winter, either by de-licensing in the winter, or by selling old vehicles in the autumn but not replacing them until the spring;
(d) hiring-in vehicles from smaller operators in the summer for given services, where extra duplication is required.

This last alternative is traditionally the way operators equate supply with demand. Arrangements are often informal, but regular, so that a hired-in driver will often run the same route each year. This helps the larger company because the driver knows the route as well as any of his own men, and thus the quality of the service does not suffer. The smaller operator is often happy to hire his vehicles because he is assured of a revenue, the hire charge, without the worries of marketing, administration and adequate load factors. Small operators usually run school and works contract carriage, and thus express hiring in, usually on Saturdays, comes at their slackest time of the week. The small firm usually has lower operating costs, such as overheads, and a more flexible staff arrangement, so that this hiring-in activity is very beneficial to his firm, while also helping the larger express operators increase their supply to meet the increase in seasonal demand.

4.8. TRANSPORT POLICY

The government legislation which affects the transport industry is dealt with in the historical chapters. It is interesting to note that government
attitudes have changed from being anti-monopolistic, with respect to the railways in the nineteenth century, to guarding against excessive competition in the twentieth century. Since the Second World War, most major public transport modes have been nationalised, and now there is a trend towards the co-ordination of different modes, to create a nationwide integrated transport system in urban and rural areas, on both local and regional levels.

4.8.1. The Impact of the 1930 Road Traffic Act

Chester (1936) in PUBLIC CONTROL OF ROAD PASSENGER TRANSPORT looks at the changing structure of the industry, and suggests that the legislation resulted in a concentration of operations into the hands of fewer firms. This was partly due to operators merging, but also because the new law tended to give more licences to the larger operators. Like later writers upon the subject of costs, he found no evidence to suggest that economies of scale exist in the industry, and thus no benefit accrued to larger operators because of their size.

The second part of the book looks at the statutory control. Chester first describes the provisions of the Act, and then examines the principles which, although not statutory, have emerged from decisions made in the traffic courts when the law was put into practice.
The following three principles of road service licensing are now famous:

(a) priority. In the immediate post 1930 period, the more reliable applicant, with the more regular history of running the route in question was given priority over his competitors, and obtained the licence for that service. It has since developed into the principle that an existing operator has priority over an entrant to the industry.

(b) protection. There are a number of types of protection: the protection of a regular service against an irregular one, of local services against longer distance ones, and of the railways against competing express services, or tours. Protection of services was carried out through different departure times, limitations on points of picking up and setting down, and also of specifying higher fare levels for the threatening service.

(c) public need. This had to be demonstrated to the traffic commissioners before a licence could be granted, and tended to favour existing operators objecting to a new licence. It resulted in the practice, still used today, of operators producing public witnesses in the traffic courts to testify that the service is needed, and would be used. Public need also helped in the formation of networks, because commissioners could ask that unremunerative services should be provided as part of the
conditions of granting a licence for a remunerative route.

These principles are still applied today in the traffic courts. Hibbs criticises the use of such principles in his authoritative book, THE BUS AND COACH INDUSTRY. The principle of public need, and creation of networks implies that the unremunerative routes are cross-subsidised by the viable ones. Hibbs questions the definition of an unremunerative service, because the use of global averages in costing exercises means that the true viability of a service differs from the book-keeping one. Hibbs advocates that a return to the free inter-play of market forces will show whether a service is economically viable or not. If the demand is too low to provide sufficient revenue to cover costs then the service should be withdrawn, at least at those times when variable costs exceed revenue. This market based method of providing services would result in a more efficient allocation of resources, rather than the distortions which occur when public need is borne in mind.

The government accepted such arguments to some extent, when in the 1968 Transport Act, British Rail was told to make as many services as possible viable, but not to subsidise unviable routes. The deficit was met by government funds. Unfortunately, similar provisions have not been made for the P.S.V. industry.
4.8.2. Integration versus Competition

Arguments for and against competition prior to 1930 were mainly concerned with operations within the bus and coach industry. Since that time they have developed to cover the transport sector as a whole. Discussion now focuses on whether a co-ordinated transport system using all modes, should be achieved through market based competition, or through the administrative integration of services.

The 1930 Road Traffic Act reduced competition in the P.S.V. industry and helped to develop co-ordination between operators. Plant (1932) suggested that co-ordination is a means of bringing various elements into a proper relation with one another. The meaning of co-ordination thus depends on the meaning of "proper". He says that competition is the means whereby most of us secure the things we want and thus competition is one means of co-ordination. Competition is not wasteful, except in the case of necessities, where a duplication of capital is involved.

Plant questions some points in the 1930 legislation. He asks what is meant by an "adequately" served route, and suggests that it is when additional operators on a given route cannot sustain a service. If no firm can viably operate a service, then it should not be operated. Supply should relate to demand,
expressed by the public's willingness to pay for the service. Plant clearly favours the free interaction of market forces to determine whether a service is operated or not. Plant also suggests that "necessary" or "desirable" services are those which are in the public interest as measured commercially by the willingness of the public to support them.

4.8.3. Administered Integration to Achieve Co-ordination

The majority of operators, however, disagreed with Plant. Joy observes that Plant "was met with what can only be described as sneering condescension by such as Lord Ashfield and Sir Osborne Mance". (Joy, 1973, p.27).

Osborne Mance (1941) produced an article, THE ROAD AND RAIL TRANSPORT PROBLEM, relating to freight transport, which can be extended to apply to passenger transport. He proposes a combined road and rail monopoly, which would co-ordinate the two modes to the extent of having a single fare structure. Capital expenditure would not be duplicated, while unremunerative services would be provided with the aid of cross-subsidisation. Different operating costs, but the same fare structure, would result in varying financial performances. Mance thus suggests that all profits and losses be pooled, to give an overall figure of company performance. This proposition clearly advocates
cross-subsidisation, the use of global averages, and of administrative integration to achieve co-ordination of the freight transport industry.

Sir Henry Maybury told a Parliamentary Joint Select Committee in the early 1930s that complete integration was the only way of co-ordinating bus and train (tube) in London. He favoured co-ordination achieved by administrative decision-making rather than the free play of market forces. This attitude underlay the 1933 legislation establishing the London Transport Board, as well as the 1968 Transport Act which created the Passenger Transport Authorities.

4.8.4. Objections to the Anti-Competition Legislation

Chester (1936) in his appraisal of the 1930 Road Traffic Act, raises three objections to the anti-competition legislation:

(a) the decision to operate a given service considers public need, rather than the efficiency of the operation;

(b) it was introduced to secure the benefits from monopoly, which he regards as economically and distributionally wrong;

(c) it resulted in monopoly forces in the P.S.V. industry, but retained competition between the different modes of transport, resulting in complex operational and economic problems.
Chester wonders if the legislation has retained sufficient competition in the industry, and foresees a need for future anti-monopoly legislation. Although the bus and coach industry is stronger to meet competition from other modes, he doubts if the legislation will result in sufficient reduction of excess capacity, to give an efficient industry. He displays a preference for co-ordination via competition, rather than administrative integration. He favours the safety provisions of the 1930 Act but regrets the discarding of the "drive and force of competition".

4.8.5. Recent Advocates of Competition

Ponsonby (1969) favours the interaction of market forces in TRANSPORT POLICY: CO-ORDINATION THROUGH COMPETITION. He regards an unremunerative service as one where marginal costs exceed marginal revenue. While price exceeds average variable costs the service should continue, because it is making a contribution to overheads. Policies should aim at passing on all cost decreasing benefits to the public. The fare should just cover costs, and relate demand to supply in the market place. He does not, however, attempt to define costs, although he welcomes the government's moves to relieve British Rail of the principle of cross-subsidisation of services.
Ponsonby suggests that the mix of price and quality is more important than price alone. People are usually willing to pay more for a better quality service, and thus it is in the operator's interests to discover, through market research, what combination of the two variables the public desire.

Despite arguing for co-ordination through competition, Ponsonby advocates the development of inter-modal interchanges. In this way, the public's journeys, which usually involve more than one mode of transport, are made easier. With the exception of these projects, however, Ponsonby advocates competitive forces, rather than administrative ones, to achieve a co-ordinated transport system.

Hibbs advocates co-ordination via competition, both within the bus and coach industry, and also the transport sector of the economy. He feels that Britain's long distance coaching must improve, in a similar way that British Rail have raised the standard of their Inter-City services. He suggests a new type of vehicle, similar to American Greyhounds, to make the coach a competitive mode of transport, with both the train, and the private car. He sees that the development of long distance services through areas not served by rail as beneficial in producing a co-ordinated nationwide transport system.
4.8.6. Relaxation of the Licensing System

Before this can be done, Hibbs thinks that the operational constraints imposed by the 1930 and 1960 legislation must be removed. He approves of the operative and vehicle licences because they ensure a level of safety, but advocates the removal of road service licensing. This would provide an impetus to competition, and remove inefficiency. Services would be provided by the operators most able to do so, which would benefit the public.

Hibbs also regards the licensing system as a behavioural constraint on operators. There is less incentive to introduce new services if first an operator must spend much time, effort and money preparing a case for the traffic courts, which he may lose because of powerful objections from his rivals. Price must also be justified in terms of costs, which means that operators do not consider what the public are willing to pay. Hibbs feels that more freedom of action is required to prevent the industry from stagnating. Competition should be allowed to create a more efficient system than the present one.

White also regards the licensing system as an inhibitory force in PLANNING FOR PUBLIC TRANSPORT. Solutions to some of the problems of rural transport, where demand is low and dispersed, are often unconventional.
The traffic commissioners, however, will not always allow experiments to be made in this area, because of objections from more conventional, but often less efficient operators.

He also advocates a re-structuring of subsidies. Steps should be taken to increase the cost of using a car, to reflect its true cost. The costs of travelling by different modes would thus reflect more accurately the costs of resources used. White dislikes the present subsidy system because it does not help reflect costs. He is also against the pattern of distributing them. He advocates that local levies should help support the public transport of an area, thus taking control away from central government, and Whitehall.

4.8.7. Post-1968 Developments

Gwilliam and Mackie (1974) discuss the 1968 Transport Act. Gwilliam's forecast of 1964 in TRANSPORT AND PUBLIC POLICY that "the prospect for the sixties is one of co-ordination through competition" has partially been fulfilled. Cross-subsidisation has been removed from British Rail. It still remains in the bus and coach industry, although the introduction of bus grants, mainly for rural areas, has reduced the practice. Gwilliam reports that, although the competitive spirit has increased, there has not been much movement towards co-ordination.
The creation of Passenger Transport Authorities under the 1968 Act has produced co-ordination, although this is mainly due to administration and not competition. Because the P.T.A.s are separate from the Metropolitan Counties, there is a lack of co-ordinated land use and Transport Planning.

Co-ordination in this area will become more necessary in the future in all urban areas as Britain's towns experience increasing demands from many different land uses.

4.8.6. A Policy Suggestion for Co-ordination

Gwilliam recommends a policy for the railways which in different degrees can be applied to the bus and coach industry. Price should cover short run marginal costs, so that operations continue until such time as replacement is needed. Only if long run marginal costs have been covered should replacement take place. If these criteria were adopted by all transport modes, over all routes, then a fully co-ordinated transport system would develop through competition.

Three conditions must also be met if this system were to work:

(a) there are no external effects, such as the social costs of pollution caused by different modes;
(b) competing modes all relate price to cost, and thus they all charge fares which reflect the resources they
each use;

c) the provision of a given unit of capital is independent from the order in which investment is made. That is, investment projects are not inter-dependent.

These conditions emphasise that public transport is at present a long way from being fully co-ordinated. Although theoretically possible, Gwilliam shows that a co-ordinated transport system achieved by competition, as advocated by Plant, Ponsonby and Hibbs, is difficult to achieve in practice.

Although much of this policy literature rarely relates specifically to the coach, it deals with the P.S.V. industry, and the transport sector in total. Coaching, as an integral part of each, is thus important in questions of policy. As yet, it is unknown what the future of coach operations will be within the new transport policy of the present government.

4.8.9. Nationalisation

The bus and coach industry became state owned in 1968. Initially this had little impact on the industry, because stage carriage bus operations have not altered very greatly from earlier years. The major consequence was the establishment of the N.B.C.'s coaching subsidiary, National Travel. This took place in 1973, and as yet only White has mentioned the
activities of the new subsidiary. He says that it has helped the national promotion of long distance coach travel through its centralised marketing.

The Select Committee on Nationalised Industries is at present investigating the finances of the state owned bus and coach operators, N.B.C. and S.B.G. The Scottish operators have not been criticised, but National Travel is. It was revealed that National Travel was a loss-making subsidiary, which increased the size of the overall N.B.C. deficit, rather than being profitable, as many people had assumed. The accounting deficit of over four million pounds in 1975 was partly due to a poor tours season, but mainly because of the high hire rates charged by other N.B.C. subsidiaries for the use of their coaches. The express network is viable, and it is the other operations which counteracted those profits to produce a loss.

The other literature relating to nationalisation is scant. Articles appear in journals such as Bus and Coach, Motor Transport, or Commercial Motor, occasionally. Other information can be obtained from the annual reports of N.B.C. and S.T.G., but this is rarely explicitly related to coach operations. The 1968 Act is too recent, however, to be included in many books. This is particularly true when one looks at the coach industry alone, as it is only four years since its re-organisation in England and Wales.
4.9. SUMMARY

This chapter has given a brief tour of the major works concerned with coach operation. Many are descriptive but when one examines transport economics and policy, the books and articles become more analytical. They also tend to relate to transport in general, or public road passenger transport services, rather than specifically to the coach. These works are also more theoretical, rather than being concerned with day-to-day operational problems. Gwilliam has suggested, however, there is a value in theoretical argument, because it enables a theoretical optimum to be reached, which operators can approximate towards in an attempt to produce an improved transport system. It is thus important to examine these viewpoints in order to see how the transport industry may develop in the future.
CHAPTER 5: A REVIEW OF THE RELEVANT TOURISM LITERATURE

5.1. INTRODUCTION

A review of all tourism books and articles involves examining concepts beyond the scope of this study. To look at the tourism literature concerned solely with coach operation, or the P.S.V. industry, however, excludes the majority of tourism literature. The following review, therefore, is very selective, and only examines works which have had an influence upon the thesis.

5.2. GENERAL TOURISM LITERATURE

Lickonish and Kershaw (1958) produced one of the main post-war books on tourism, THE TRAVEL TRADE, although its statistical information is now out of date. The travel industry is described as "a heterogeneous group embracing a variety of trades and industries which have the supply of travellers' needs as their common function." They therefore regard transport as an important component of the tourism industry.

The book contains a large section on transport, and on coach travel in particular, which reflects the popularity of this mode of transport in the 1950s. An extract from a paper read by Mr. E.L. Taylor shows that it was estimated that in 1939, 37 million passengers
travelled on long distance express and tours by coach, paying fares which totalled £4.7 million. By 1948 these figures had risen to 59 million passengers and £11.6 million revenue. This represented a 70% increase in passengers and 150% increase in revenue. Increased load factors also improved the profitability of operators. In 1956 the retail price index was 150% of the 1938 level. Coach fares had only risen by 50%, which placed coach travel in a strong position to compete with other goods for personal disposable incomes. This is reflected by 1955 passenger figures exceeding 100 million, producing a revenue of over £18 million. This expansion occurred most markedly in the continental tours market, but was also evident in domestic travel.

Burkart and Medlik (1974) provide a history of the development of tourism in their TOURISM, PAST, PRESENT AND FUTURE, which is more detailed. It is more up to date than that of Blackomsh and Kershaw. The tourism phenomenon is examined from all angles: sections on history, statistics, accommodation, tours and agencies, and transportation are included. In examining the pattern of tourist transport, the authors concentrate on the private car and fail to acknowledge the importance of either road or rail public transport. Air and sea transport is also examined, but mainly in the international context.
Burkart and Medlik explain the decline in the use of common carrier, such as the coach, by the growth of car ownership in the post-war years. A decline in inclusive tours by coach both to the continent and domestically is thought to be due to the increased popularity of an alternate form of holiday: the air package tour to the Mediterranean, especially Spain. It is likely, however, that competition between these types of holiday is low because each caters for a different market segment.

Costing and pricing is discussed, in the context of air transport, although the authors point out that this can be extended to other modes. Differential pricing to different types of tourist is advocated. That is, market oriented, rather than cost-based pricing policies are favoured. Practical constraints, however, make the former more difficult to implement. Not only are there legal and financial constraints, but these impose upon an operator's behaviour, making it difficult for him to initiate any change. Regulation and control of transport are briefly explained. Some points are relevant to the P.S.V. industry, but as the authors point out, few of them are tourist dominated. While transport is a part of tourism, the reverse is not true. Thus non-tourism arguments may prevail very strongly in the transport sphere.
The section on tour operation relates almost exclusively to air travel, particularly out-going inclusive tours to the Mediterranean, and incoming tours to London. Although coach operation is often integral to the latter, no mention is made of it. Domestic coach tours have similar characteristics to inclusive air packages, but the discussion concentrates exclusively upon the latter type of holiday. Discussion of the two types of tour, whether they are competing against one another or whether one has abstracted traffic from the other, is unfortunately non-existent.

Similarly, in Burkart and Midlik's book of readings, THE MANAGEMENT OF TOURISM, the section related to Tour Operation is concerned only with air transport, although possible parallels can be drawn. The articles in the Passenger Transport section are more relevant.

5.2.1. Car Ownership

Abrams' paper, TRENDS IN CAR OWNERSHIP, AND LEISURE, suggests that increasing access to cars is one important explanation of declining coach carryings. Abrams looks at the different rates of growth in car ownership by social class since 1958. Car ownership is also related to income, which is partly shown by socio-economic group and life-cycle stage. Regardless of socio-economic group, the older age group of over 65 is less likely to own cars than the average. This group,
which has traditionally been regarded as coach users, has experienced a steady growth in car ownership. The very low level in 1958 has meant that, despite growth, it is still low. The increase in ownership in this age group is not so much due to people over 65 years buying cars, but is due to car owners passing their 65th birthday and joining the group.

5.2.2. The Dangers of Tourism

Young does not deal specifically with the transport component of tourism in his book TOURISM: BLESSING OR BLIGHT? He is more concerned with the overall concept of tourism. Although he feels that greater control is needed over tourist movement, he does not discuss possible ways of regulation. Young ignores the fact that the licensing of coaches is one way in which vehicles, and thus the passengers, can be diverted away from popular tourist spots which are in danger of becoming saturated with visitors. Promotion, particularly by the Tourist Boards, to both domestic, and overseas visitors, needs to be more educational. In this way, people will learn about alternative British attractions, other than Oxford, Stratford, Windsor Castle, etc. They will then feel reassured if taking a coach tour to lesser known places in Britain.
Young concludes that greater supervision by the government is needed. The Tourist Boards must be more than merely promotional bodies, and should undertake responsibilities for planning, conservation and the reconciliation of different land-use demands. Unless these steps are taken, he foresees that the benefits of tourism, which are mainly material, will be outweighed by the often intangible, social costs, associated with this phenomenon.

5.3. PRIMARY SOURCES

Data of tourism movement and characteristics relate to
(a) British tourists, of which only the domestic type are of interest in this study, and
(b) foreign tourists, of which only visitors to Britain from abroad need to be examined.

5.3.1. Longer Length British Holidays

The BRITISH NATIONAL TRAVEL SURVEY (B.N.T.S.) is now an annual survey. It was conducted from 1951 until 1969 for the British Travel Association. The British Tourist Authority became the body responsible for the survey in 1970, since when it has been carried out by National Opinion Polls. Questions are asked to a stratified sample of:
(a) Britons taking a main domestic holiday of four or more nights away from home;
(b) Britons taking similar holidays abroad;
(c) Britons not taking a holiday away from home.

The survey is conducted "at home" and uses rigorous sampling techniques. A grid sample, from the electoral register at 200 different points is applied, from which the names of individuals are obtained. Up to five recalls are made if the individual is not initially available. No substitutes are taken, and another member of the household is not asked to answer the survey. The samples are finally weighted, so that they reflect the British population.

The disadvantages of the B.T.S. fall into two categories: the practical and the conceptual problems. From a practical point of view, the survey is not easily available to non-subscribers. The subscription is costly, due to the high expense of conducting the survey. It thus deters all but large institutions from obtaining the confidential results, although some of the information is published in secondary sources.

Conceptual disadvantages centre around the fact that:
(a) it is only holiday tourism, and not common interest or business tourism which is examined;
(b) holidaymakers taking a short trip for less than three nights away from home are excluded. This is because it was initially felt that a division between holiday and non-holiday tourism could be achieved through the length of stay. With more recent trends of increasing short holidays, this is now no longer a valid differentiation of purpose of stay.

5.3.2. British Domestic Tourism

The BRITISH HOME TOURISM SURVEY (B.H.T.S.) which started in 1972, covers some of the areas neglected by the B.N.T.S. It is conducted for the four national tourist boards (English, Scottish, Wales and British) by means of a continuous omnibus survey. The survey examines holiday and business tourism, plus total tourism, so that any residual may be regarded as common interest tourism. Holidaymakers taking trips of between one and three nights away from home are examined as well as the longer length of stay.

The B.H.T.S. is based in many ways on the SHORT HOLIDAYS SURVEY of 1969/1970, which was conducted for the B.T.A. to complement the B.N.T.S. The monthly omnibus survey asked about trips made in the previous two months, which effectively doubled the sample size for each month, with the exception of February and April 1970, in which the survey was not conducted. The months were still covered by the previous questionnaire, but had samples half the usual size.
One type of accommodation for the holiday tourism was friends' and relatives' homes. Visiting friends and relatives, which is a type of common interest tourism, is thus included in the survey, as a secondary reason for making a trip.

5.3.3. Mode of Transport

The above surveys all enquire about the mode of transport used to reach one's destination. Until recently, the B.N.T.S. classified the modes as car, train and bus/coach. It now follows the example of the Short Holidays Survey and the B.H.T.S. in referring to regular bus and coach, and also to coach tours. While the latter is relatively unambiguous, the former division may mean stage carriage or express carriage. It is unlikely that the data refers to stage carriage in any great degree, because the questions ask about the main mode of transport, which is likely to be the longer distance express services. None of the surveys defines the modes of transport, nor do the interviewers provide any guidance. The modes are thus defined by the perception of the respondents. This aggregation of bus and coach is not confined solely to the tourist board surveys. The Ministry of Transport, and the Central Statistics Office publish data which amalgamates the diffuse P.S.V. operations under the one heading of bus and coach. This unfortunately means that it is difficult to deduce the size of express coach, or coach tour markets. Some data relate to types of operation, but the introduction of the bus grant, and the stage
carriage fuel tax rebate has meant that some express type operations are operated under stage carriage licence, using dual purpose vehicles, which are eligible for the bus grant. The data is thus not as well defined as it might be.

5.3.4. International Tourism

Data pertaining to international tourism has traditionally been collected at either border crossings, or at registered accommodation. Both methods have their disadvantages. Data collected from accommodation is not very accurate if either only a small proportion of hotels and camp sites have registers or if visitors are touring a country, and thus being counted at each place in which they stay. Data obtained at the frontier is generally more reliable, except when visitors cross a border several times, or as in the case of borders within the European Economic Community, customs and border control are becoming more relaxed.

The two main British counts of international tourism are conducted at points of entry and exit to and from the country. Home Office Statistics have been collected every year since the Second World War, and are published annually as STATISTICS OF FOREIGNERS ENTERING AND LEAVING THE UNITED KINGDOM. The information is obtained from landing cards completed by all foreign visitors
before arrival, and is primarily used for immigration control.

Because of this main purpose, a large percentage of arrivals are excluded from the statistics. Nationals of the Irish Republic, and of the Commonwealth, who represent at least 30% of arrivals are not required to fill in landing cards, and thus do not appear in the statistics. Similarly British people living abroad, who return home for a holiday are also excluded. All the excluded people are tourists of some type. The data suffers mainly from the classification by nationality, rather than country of residence. This distorts the magnitude of international tourist flows, which is unfortunate from the transport viewpoint. The main advantage of the data, however, is its continuity over a long period of time. The exclusion of over 30% of arrivals, however, is a major disadvantage, which has its origins in the basic immigration purposes of the data.

5.3.5. The International Passenger Survey

In 1963, the INTERNATIONAL PASSENGER SURVEY was introduced on behalf of the Board of Trade. The data is obtained from personal interviews at points of exit, applied in accordance with stratified random sampling methods. The main disadvantage of the survey is the relatively short period of time for which it has been
conducted, but this problem diminishes over time.

The advantages of the survey, however, out-
weigh this disadvantage. The survey is concerned with
both incoming and outgoing traffic. Country of resi-
dence, rather than nationality, is used to classify a
traveller's place of origin, thus giving a better indica-
tion of the passenger flows involved in international
tourism. Classification by purpose of visit does not
only refer to Business and Holiday but also to Visit
Friends and Relatives, and Miscellaneous Purposes.

Commonwealth nationals visiting the United
Kingdom are included, so that the only omissions are
those people passing from Eire to the U.K. The move-
ment of Irish people can be obtained from the Central
Statistics Office in Dublin. This means that the only
visitors to Britain who are not counted are those who
arrive in Eire, usually from North America, and then
proceed to Britain for the rest of their trip.

The International Passenger Survey thus
provides a more comprehensive survey of visits to
Britain than does the Home Office Statistics. Not all
routes into the United Kingdom are surveyed continuously.
Those with low demand are surveyed infrequently, while
some poorly used points of entry are not covered at all.
It is estimated that 70% of people entering and leaving
the country use routes surveyed for the Department of
Trade. The two main exceptions are routes to Eire, and sea routes to Scandinavia.

The results of the I.P.S. are published annually in TRADE AND INDUSTRY each autumn, plus quarterly by the Department of Trade and Industry in BUSINESS MONITOR, MISCELLANEOUS SERIES, №6 OVERSEAS TRAVEL AND TOURISM. The B.T.A. also reproduces some of the information in their secondary sources.

Questions are asked about expenditure, purpose of visit, mode of transport used to reach Britain, length of stay and other matters. Volume can also be measured. Expenditure is dis-aggregated into different components such as transport, accommodation, entertainment. Unfortunately, neither of the two surveys asks about mode of transport within Britain, or expenditure by mode. Home Office Statistics are gathered from landing cards filled in before arrival, and thus entrants to the country do not know what they will do during their stay.

The I.P.S. is conducted by personal interview at departure points. If too much detail is introduced the interview becomes long, the respondent becomes less co-operative, and his information less reliable.
The questionnaire is thus kept fairly simple, and not disaggregated into more detailed questions, for instance about expenditure on each mode of transport.

5.3.6. Surveys of Visitors from Individual Countries

An indication of the use of different modes of transport by visitors from abroad is given by the B.T.A. surveys of visitors from specific countries, which were conducted in the late sixties and early seventies. They were either conducted at the point of departure, for instance Americans at Heathrow Airport or, as with the Spanish, in an "at home" survey in the country of origin.

Only the surveys of Canadians and North Americans contained questions specifically relating to extended coach tours. 14% of Canadians and 10% of U.S.A. visitors said they had taken such a tour. Surveys of visitors from other countries did not specifically refer to types of operation, because the questions were concerned with mode and distance, from which one can infer the probable type of operation.

5.3.7. Other Surveys

There are relatively few other surveys providing information on tourism. Some resorts and tourist centres have conducted destination surveys. It is, however, more difficult to obtain an accurate sample
by such methods and "at home" surveys such as the B.N.T.S. will always prove popular from this point of view.

5.4. TOURIST BOARD LITERATURE

Apart from the previously mentioned surveys conducted for the Tourist Boards, only one piece of work is relevant to this study. This is the Coach Tour Survey conducted by the Scottish Tourist Board (1967).

With the co-operation of 17 out of the 35 operators approached, an "on coach" survey was conducted in Scotland. This produced 2,500 replies, representing the 18,215 passengers taking a coach tour of Scotland in 1966. Seven companies also completed a monthly questionnaire about mileage run, carrying capacity, etc.

Questions to passengers produced data on the profile of passengers, their reasons for taking a tour, and for coming to Scotland. Attitudinal data about likes and dislikes, of the tour, the country and the arrangements, was also recorded.

The annual reports of the Tourist Boards show how they are dealing with the trends in tourism, and give factual data on numbers of visitors etc. Unfortunately one is unable to find any data on mode of transport, other than that which is abstracted from the B.N.T.S. or B.H.T.S.
5.5. SECONDARY SOURCES

The DIGEST OF TOURIST STATISTICS published by the B.T.A. contains information from different surveys, such as the B.N.T.S., the International Passenger Survey, plus many other surveys which are not directly relevant to this study. The B.T.A. also produces pamphlets which provide a synopsis of different aspects of the B.N.T.S. These do not remove the confidentiality assured to subscribers, because they do not use data of most recent surveys.

The annual TOURISM POLICY AND INTERNATIONAL TOURISM IN O.E.C.D. MEMBER COUNTRIES provides comparative data for different developed countries. One section compares the policies of each government towards tourism, and its economic importance, while other sections consider certain aspects of tourism, such as accommodation. A large appendix provides figures of volume and expenditure for each country, which are based on the national holidays surveys of the different member countries. Guidelines have been laid down on the form that national surveys should take, but despite this, not all data is strictly comparable. The British data can be found in the B.T.A. publication, Digest of Tourist Statistics. It is useful, however, to be able to compare this data with that of other developed countries.
5.6. TRANSPORT AND TOURISM

Although transport is an integral component of tourism, little has been written about it in such a context.

5.6.1. The Proportion of Time and Money Spent on Transport

Wheatcroft's paper, TRANSPORT AND TOURISM, is generalised in nature and can be applied to many modes of transport. Wheatcroft suggests that independent travellers will spend about 40% of their total expenditure of a trip on the transport element.

Inclusive tours cannot be examined because the passenger cannot separate the transport and accommodation elements which make up the final price. This figure was derived from observations of travellers on cross-Atlantic air flights. Although applications can be made, to other modes, the percentage figure is likely to differ for internal, surface transport, especially express coaches. This is because distances travelled are greater by air, which is perceived as expensive, while the coach covers less ground and is regarded as cheap. The coach is a slower mode of transport, and thus a more valid relationship may be the amount of time, out of the total length of the trip, travellers are willing to spend on their journey. Wheatcroft regards time as a psychological overhead, which must be spread
across the holiday. The average person is unwilling to devote too great a proportion of his holiday to the travelling element, although the acceptable percentage has yet to be deduced from empirical observation.

The relationship between travel and income is examined. An income elasticity of demand of +2.0 has been suggested. It is certainly greater than +1.0, so that as income rises, demand increases at a more than proportional rate. Demand is also thought to be price elastic, but one must not forget that it is the mix of price and quality which is important in stimulating demand. Wheatcroft also devotes time to matters of costing and pricing, but these are better handled by the transport economists mentioned in the previous chapter.

5.6.2. The Private Car


5.6.3. The Role of the Coach in Tourism

The International Road Transport Union (I.R.U.) has produced but not published a paper, entitled *THE ROLE, FUNCTION AND FUTURE OF THE COACH INDUSTRY IN THE TOURISM MARKET OF GREAT BRITAIN*. It is part of a larger comparative study of European coaching. The initial
factual inaccuracies have been corrected following two working party meetings of the European Conference of British Bus and Coach Operators.

The work pays scant regard to the difficulties of published statistics being inappropriate, when an attempt is made to measure the size of the markets of different coach operations. The supply of coaches to operators is also examined: of the twenty-six operators visited, N.B.C., S.B.G. and three large independents are excluded, when the work concludes that average coach fleets consist of twenty-seven vehicles. This figure is meaningless because not only have the large companies been excluded purposefully, but the plethora of small operators have unintentionally been ignored.

The competition to the coach is examined in brief. This is concerned mainly with British Rail competing with express services, air package tours with coach tours, and the private car with both. Attitudinal data towards different modes of travel is given, but unfortunately there is no methodological description of how this information was obtained, and thus its reliability is questionable. Appendices are concerned with data collected from interview with the twenty-six operators. Although interesting, it has been suggested by a member of the correcting working party that the operators visited were not very representative of the industry, and thus the
tables tend to be relatively meaningless, in the same way as much of the document is.

5.7. CONCLUSION

The relevant tourism literature has been examined, in order to provide a context within which transport, and particularly coach operations can be studied. It is important that the attitudes towards tourism, and the trends of the industry are examined. In that transport is integral to the tourist phenomenon, any changing trends of the latter will have serious consequences on all forms of travel, including the coach tour as well as long distance express coach transport.
CHAPTER 6: THE TOURISM MARKET

6.1. THE CHANGING DEMAND FOR TOURISM

Tourism can be divided into many types, depending on the classifications used. Burkart and Medlik's criteria are concerned with the source and destination areas, the length of stay and the purpose of the trip. (Burkart and Medlik, 1974)

6.1.1. Definitions of Tourism

There have been several definitions of tourism since this phenomenon and its social and economic consequences became important.

The Committee of Statistical Experts of the League of Nations suggested the following definition of a "tourist":

"Any person visiting a country, other than that in which he usually resides, for a period of at least twenty-four hours:

(a) persons travelling for pleasure, for domestic reasons, for health, etc.;

(b) persons travelling to meetings, or in a representative capacity of any kind;"
(c) persons arriving in the course of a sea cruise, even when they stay less than twenty-four hours."

This definition has served as the basis of the compilation of international statistics of tourism, and was modified in 1963.

It was produced by a committee of the League of Nations, and thus one would expect it to be couched in international terms. For a comprehensive view of tourism, however, the internal domestic tourism of countries must also be considered.

The inclusion of type (c) tourists, who visit a country in the course of a sea cruise is questionable, because such people's behavioural patterns, expenditure, and thus impact upon the area will differ from the staying tourist. The definition thus treats tourists in terms of their journey and time away from their area of origin, rather than defining types of travellers who have similar impacts upon their destination area.

In 1963 the above definition was amended by the United Nations, and the following definition, which had been prepared by the International Union of Official Travel Organisations, was accepted. "For statistical purposes the term "visitor" describes any person visiting a country other than that in which he has his usual place
of residence, for any reason, other than following an occupation remunerated from within the country visited."

Tourists are thus "temporary visitors staying at least twenty-four hours for:
(a) leisure (recreation, holiday, health, sport, religion, study),
(b) business, family, friends, meeting, mission."

The cruise-takers are now included as excursionists. International tourist statistics are now compiled in accordance with this definition.

Both these definitions have been introduced to aid the collection of tourism statistics. It is necessary to also examine some conceptual definitions of tourism, from which technical definitions may be drawn.

Hunziker and Krapf defined tourism in 1942 in the following way:

"Tourism is the sum of the phenomena, and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity."

This definition excludes any form of business tourism, although such tourists have a similar impact upon
Burkart and Medlik (1974) have provided another definition: "Tourism is the temporary, short term movement of people for destinations and stays outside the places where they live, and work, for other than business or vocational reasons."

This more recent definition emphasises the movement of people to their destination areas, rather than the travel within the destination area. It deals with the concept of tourism as a number of activities, whereas earlier definitions were concerned with the type of person classified as a tourist. Burkart and Medlik also reflect more recent interest in the impact of visitors upon the areas in which they stay.

They have also expanded their conceptual definition into a generalised technical one:

"Tourism represents various types of short term travel and visits, and is variously defined for particular purposes, by reference to the purpose of journey, its duration and other criteria." (Burkart and Medlik, 1974).

This technical definition is very broad in nature. Burkart and Medlik develop it in more specific
terms, which are examined in sub-section 6.1.2. Tourism as defined in this way is more comprehensive than in earlier definitions. It is more generalised until specific limitations, such as length of stay or purpose of visit, are included in this technical definition.

6.1.2. The Classes of Tourism Examined

By the first classification of Burkart and Medlik, the most common division is between domestic tourism and international tourism. The latter is merely an extension of the former. Because national boundaries are crossed, the measurement of this scale of tourism is easier. One must beware, however, of double counting when measuring the volume of international tourism.

The tourism phenomenon can also be divided according to the purpose of visit. Three main categories are recognised conceptually:

(a) business tourism
(b) holiday tourism
(c) common interest tourism which includes visiting friends and relatives, studying, and visits for health reasons.

Business travel has been excluded from the study, leaving the two types of leisure tourism to be examined.
A division between staying tourists, and those making a day excursion is also conceptually possible. Excursionist tourism, which does not involve the accommodation element, is very difficult to measure. Staying visitors can be more easily quantified, and records exist for most of the post-war period. A discussion of the major published records of tourism data is found in Chapter 5. Staying tourists are divided by the surveys between those staying four or more nights away from home, and those spending one to three nights away. These two functional types, however, are conceptually the same. Originally, however, the length of stay division was also one by purpose of trip.

By using a three-way classification of tourism, the areas of study can be defined.

Table 6.1: The Type of Tourism Covered by the Study

<table>
<thead>
<tr>
<th></th>
<th>Domestic</th>
<th>Visitors from Abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business</td>
<td>Common Interest</td>
</tr>
<tr>
<td>Day excursion</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Staying 1-3 nights</td>
<td>x</td>
<td>✓</td>
</tr>
<tr>
<td>Staying 4+ nights</td>
<td>x</td>
<td>✓</td>
</tr>
</tbody>
</table>
This table indicates that all non-business staying tourism is the concern of this study. In obtaining data relating to the sub-divisions of this type, it is sometimes necessary to aggregate classes. For instance, data does not exist for holiday, and common interest tourism by visitors from abroad. They must therefore be aggregated together as leisure, or non-business visits.

6.2. DOMESTIC STAYING TOURISM

A useful guide to the changing trends in tourism can be obtained from examining the change since 1951 of staying tourism of four or more nights away from home. (B.N.T.S. Annual). Initially the length of stay of four nights or more was used, because this was predominantly holiday tourism. Trips for less than four nights stay away from home were mainly for business and common interest purposes. Nowadays, however, the growth of short holiday breaks means that the division by length of stay does not indicate the purpose of the trip.

The number of domestic holidays of four nights or more has risen by 60% from 25 million in 1951, to 40 million in 1975. The late 1950s showed a steady growth in holidaymaking, but this fluctuated in the 1960s, producing little net growth over the decade. Between 1959 and 1974, however, there was an increase of 10 million domestic holidays. This cannot be explained by a
substitution effect away from holidays abroad, because these too were increasing in this period. There has thus been an increase in the propensity of people to take holidays, either because of more people taking a holiday, the same people taking more frequent holidays or a combination of the two. It would seem that this higher propensity to take a holiday is due to changes in attitudes about holidays, and altered economic conditions. A holiday is no longer regarded as a luxury by the majority of people. Instead it is seen as a necessity, to be indulged in at fairly regular intervals.

6.2.1. Expenditure by British Domestic Holidaymakers

Expenditure by domestic tourists has risen more rapidly than the number of tourists, so that expenditure per person has more than doubled, at current prices. The retail price index has quadrupled in these years, so that real expenditure per capita has halved since 1951. The decline in personal real expenditure has been offset to some degree by an increase in volume, but this is not a desirable way to maintain total real spending.

This decline, which occurred mainly in the late fifties, at the same time as an increase in volume may be explained by examining characteristics of the holiday-makers. During the fifties, holidays were taken, not only by the better-off middle and higher income groups,
Table 6.2: The Change in the Volume and Expenditure of Holidaymakers

<table>
<thead>
<tr>
<th>Year (million)</th>
<th>No. of h/mkrs.</th>
<th>Estd. (million)</th>
<th>Estd. expenditure (£)</th>
<th>Retail Price Index</th>
<th>Real estd. expenditure (£)</th>
<th>Real estd. expenditure (s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>25.0</td>
<td>320*</td>
<td>12.80</td>
<td>52.5</td>
<td>609.09*</td>
<td>24.36*</td>
</tr>
<tr>
<td>1955</td>
<td>25.0</td>
<td>365</td>
<td>14.30</td>
<td>62.5</td>
<td>584.28</td>
<td>23.37</td>
</tr>
<tr>
<td>1950</td>
<td>31.5</td>
<td>400</td>
<td>15.70</td>
<td>94.2</td>
<td>424.58</td>
<td>13.48</td>
</tr>
<tr>
<td>1961</td>
<td>30.0</td>
<td>440</td>
<td>14.67</td>
<td>97.4</td>
<td>451.51</td>
<td>15.05</td>
</tr>
<tr>
<td>1962</td>
<td>32.0</td>
<td>450</td>
<td>14.06</td>
<td>101.6</td>
<td>442.91</td>
<td>13.84</td>
</tr>
<tr>
<td>1963</td>
<td>31.0</td>
<td>430</td>
<td>13.87</td>
<td>103.6</td>
<td>415.06</td>
<td>13.39</td>
</tr>
<tr>
<td>1964</td>
<td>31.0</td>
<td>430</td>
<td>13.87</td>
<td>107.0</td>
<td>401.87</td>
<td>12.96</td>
</tr>
<tr>
<td>1965</td>
<td>30.0</td>
<td>460</td>
<td>15.33</td>
<td>112.1</td>
<td>410.35</td>
<td>13.60</td>
</tr>
<tr>
<td>1966</td>
<td>31.0</td>
<td>550</td>
<td>17.74</td>
<td>116.5</td>
<td>472.10</td>
<td>15.23</td>
</tr>
<tr>
<td>1967</td>
<td>30.0</td>
<td>560</td>
<td>18.67</td>
<td>119.4</td>
<td>469.01</td>
<td>15.63</td>
</tr>
<tr>
<td>1968</td>
<td>30.0</td>
<td>570</td>
<td>19.00</td>
<td>125.0</td>
<td>456.00</td>
<td>15.20</td>
</tr>
<tr>
<td>1969</td>
<td>30.5</td>
<td>600</td>
<td>19.67</td>
<td>131.8</td>
<td>455.24</td>
<td>14.93</td>
</tr>
<tr>
<td>1970</td>
<td>34.5</td>
<td>790</td>
<td>22.90</td>
<td>140.2</td>
<td>563.48</td>
<td>16.33</td>
</tr>
<tr>
<td>1971</td>
<td>34.0</td>
<td>810</td>
<td>23.82</td>
<td>153.4</td>
<td>526.03</td>
<td>15.53</td>
</tr>
<tr>
<td>1972</td>
<td>37.5</td>
<td>920</td>
<td>24.53</td>
<td>164.3</td>
<td>559.95</td>
<td>14.93</td>
</tr>
<tr>
<td>1973</td>
<td>40.5</td>
<td>n.a.</td>
<td>n.a.</td>
<td>179.4</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1974</td>
<td>40.5</td>
<td>1,100</td>
<td>27.16</td>
<td>208.1</td>
<td>528.59</td>
<td>13.05</td>
</tr>
<tr>
<td>1975</td>
<td>40.0</td>
<td>1,270</td>
<td>31.75</td>
<td>258.5</td>
<td>491.30</td>
<td>12.28</td>
</tr>
</tbody>
</table>

Sources: columns 1, 2: Digest of Tourist Statistics vol. 5.
columns 3, 5, 6: calculated from columns 1, 2, 3.

3 = 2/1, 5 = 2/4, 6 = 5/1 (= 3/4)

* Includes expenditure on day trips
** Figures have been converted to a common base, 16 Jan. 1962.
n.a. Not available
but also the poorer sections of society. These people took cheaper holidays, and spent less money while away, so reducing total and average real expenditure.

Although rising prices were not very noticeable in the early 1950s, they were by the end of the decade. Economic conditions were severe, and as a result people reduced their expenditure, in current and, to a greater extent, in real terms. Prices rose in the 1960s, with the rate of inflation increasing over time so that by the end of the decade, real figures were no longer a modification, but a distortion of current levels of spending. The inflation in the seventies caused expenditure on holidays to fall. While people recognise that a 20% annual rate of inflation is affecting their weekly shopping, they do not necessarily appreciate that a holiday will increase by this amount between two years. In recent years, people have thus unconsciously down-graded the standard of their holiday because they have paid less in real terms, as a result of failing to appreciate the high rate of inflation.

6.2.2. The Yearly Distribution of Holidays

The month of departure on main holidays has altered little over the post-war period. Nearly two-thirds of holidaymakers start their holiday in July and August, while the months from October to April have consistently accounted for less than 5% of main holiday
departures. Additional holidays, which have only been recorded since 1967 tend to be shorter. They have shown an increasing tendency over time to be started outside the peak months, and may partially account for the decline in length of stay.

The most popular time for holiday taking is strongly concentrated into the school and works holidays in July and August. This creates a peak in demand which has to be met by both the providers of accommodation, and transport. This causes problems of excess capacity at other times of the year, which can be partially alleviated by encouraging people to take additional holidays during these months of low demand. Alternatively price incentives may induce people to alter the time of their main holiday. There are clearly opportunities for hoteliers and transport operators to liaise with one another, and set up joint schemes.

6.2.3. Domestic Holiday Destinations, Mobility and Accommodation

The popularity of holiday destinations, as measured by the Registrar-General's regions, has varied slightly since 1951. South-West England has become more popular as a main holiday destination area. The South, Scotland and Wales have all received an increase in the percentage of visitors staying at least one night, while South-East England has declined, in relative terms.
Other areas have remained more or less constant. The decline in the south-east, but increase in the south and south-west may be explained by people living in and around London now travelling further afield. People tend not to take holidays in places that they can reach for a day trip. Now that the South Coast resorts of Kent, Sussex and Hampshire are only a few hours travelling time away, people will travel further for their holiday, and thus into a different regional area. The influx of visitors from abroad also means that it is difficult, and often expensive, to stay in and around London. The capital has thus declined in popularity for domestic staying tourism.

People have become more mobile since 1951. Whereas the sum of the percentages of stays in a region was 102% in 1951, it had risen to 117% in 1970. The tendency to stay at least one night in more than one region has thus increased in these twenty years. This change is in accord with the patterns of accommodation. Over the years there has been a tendency away from unlicensed hotels. People now tend to stay either in licensed hotels, or alternatively in self-catering accommodation, such as rented flats, camping or caravanning. These latter types enable greater mobility.
Friends' and relatives' homes are also an important form of accommodation. Although visiting friends and relatives is regarded as a common interest type of tourism, if it is secondary to the purpose of taking a holiday, then it may be regarded as a form of holiday.

6.2.4. Holidaymaker Profiles

Holidaymaker profiles have been fairly consistent with the profile of the British population as a whole. The two exceptions are:

(a) fewer people in the over 65 age group take a holiday than would be expected from an examination of the national population;

(b) the same applies to those from the lower D/E socioeconomic group.

Conversely, younger people, and those in the Cl/C2 groups are more likely to take a domestic holiday. The A/B group taking a domestic holiday tended to agree with their national proportion. One must remember, however, that these people are also more likely to take a holiday abroad.

Many Britons now regard a holiday as a necessity and far more people take one, although the Trades Union Council and the English Tourist Board have recently examined social tourism and the need to provide holidays
for a significant proportion of the population who do not have the opportunity to take a holiday away from home. (E.T.B., 1976). The increasing percentage of people taking a holiday means that not only has average expenditure and length of stay fallen, but also the holidaymaker profile has altered. More people from lower income groups can now afford holidays, and thus the profile has become more broadly-based over the years.

6.2.5. Short Holidays

Although technically different from the above type of tourism, domestic holidays of between one and three nights away from home are conceptually similar to longer staying trips. Table 6.3 indicates the importance of short holidays in 1975.

Table 6.3 : A Comparison Between the Types of Domestic Staying Tourism, 1975.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trips (million)</td>
<td>Nights (million)</td>
<td>Expenditure (£ million)</td>
</tr>
<tr>
<td>Holidays 1-3 nights</td>
<td>27</td>
<td>85</td>
<td>225</td>
</tr>
<tr>
<td>Holidays 4+ nights</td>
<td>44</td>
<td>375</td>
<td>1,325</td>
</tr>
<tr>
<td>All holidays</td>
<td>71</td>
<td>430</td>
<td>1,550</td>
</tr>
<tr>
<td>Business</td>
<td>17</td>
<td>45</td>
<td>450</td>
</tr>
<tr>
<td>Common Interest</td>
<td>29</td>
<td>75</td>
<td>150</td>
</tr>
<tr>
<td>All Tourism</td>
<td>117</td>
<td>550</td>
<td>2,150</td>
</tr>
</tbody>
</table>

By applying this data, it is possible to deduce more average information, given in Table 6.4. By dividing the number of nights in Table 6.3 by the number of trips, one gets the average number of nights per trip. Similarly, expenditure divided by nights gives average expenditure per night, and spending divided by the number of trips provides data on the average level of expenditure per trip.

Table 6.4: A Comparison of the Average Characteristics of the Types of Domestic Staying Tourism

<table>
<thead>
<tr>
<th></th>
<th>Average nights per trip</th>
<th>Average exp. per night (£)</th>
<th>Average exp. per trip (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holidays 1-3 nights</td>
<td>2.04</td>
<td>4.09</td>
<td>8.33</td>
</tr>
<tr>
<td>Holidays 4+ nights</td>
<td>8.52</td>
<td>3.53</td>
<td>30.12</td>
</tr>
<tr>
<td>All holidays</td>
<td>6.06</td>
<td>3.64</td>
<td>21.83</td>
</tr>
<tr>
<td>Business</td>
<td>2.65</td>
<td>10.00</td>
<td>26.47</td>
</tr>
<tr>
<td>Common Interest</td>
<td>2.58</td>
<td>2.00</td>
<td>5.17</td>
</tr>
<tr>
<td>All tourism</td>
<td>4.7</td>
<td>3.91</td>
<td>18.38</td>
</tr>
</tbody>
</table>

Source: Calculated from Table 6.3.

Short holidays account for over a third of all holiday trips taken, but due to the average length of stay only being just over two nights, they only account for an eighth of nights spent away from home, and a
People taking short holidays are thus more important to
transport operators, than to providers of accommodation.

6.2.6. The Short Holidays Survey

The other major work on short holidays is the
omnibus survey conducted in 1969 and 1970 for the B.T.A.
An average of 10% of the contact sample had taken a
short trip, for primarily holiday purposes in the previous
two months, for every month the survey was applied. This
gave an estimated total trips of 47 million. Of these,
4% were abroad, so that an estimated 45 million domestic
short holidays were taken during the twelve months in
which the survey was conducted. Visiting friends and
relatives accounted for 60% of the accommodation. From
the high number of trips, compared with 27 million in the
1975 B.H.T.S., it would appear that this purpose was
included as holiday tourism, rather than as a common
interest type. 40 million short holiday trips were
made, however, in 1973. (B.H.T.S. 1973). This suggests
that, contrary to transport operators' and hoteliers'
hopes, the number of short holiday trips has declined in
the period since 1969.

Although the number of short holidays has
fallen between 1973 and 1975, expenditure per trip has
That is, by £3.33, or 66.6%, which is an increase, even in real terms, and must provide some comfort to hoteliers.

The present contraction of the short holidays market must be of concern to hoteliers, restauranteurs, and providers of transport. Despite an increase in the use of hotels as the means of accommodation, from 9% to 12%, this failed to outweigh the decline in short holidays. It would appear that the economic conditions of the seventies have not greatly affected main holidays, but have caused people to curtail plans for additional, short holiday trips.

The Short Holiday Survey showed that people in socio-economic groups ABC₁ and between 16 and 24 years old were most likely to take short trips. Of the 10% who had taken a short trip in the two months prior to the questionnaire, 70% had taken one trip on average, 15% had taken two trips, 6% three trips and 9% four or more trips. A small, but mobile proportion of the population thus accounts for many of the short holiday trips.

6.2.7. Common Interest Tourism

Tables 6.3 and 6.4 show some of the characteristics of common interest tourism. These have been calculated as the residual, after holiday and business tourism has been deducted from the total. Although not
very accurate, these figures indicate average expenditure, and length of stay. Much of this tourism is concerned with visiting friends and relatives. An accommodation element does not have to be paid, and thus expenditure, both per trip and per night, is low.

There is little other information on domestic, short staying, non-business tourism. Any other data in the B.H.T.S. is aggregated over both short and long stay holiday tourism. Unfortunately the B.H.T.S. cannot provide comparisons over a long length of time, but it does provide useful information about the current situation.

6.3. DOMESTIC EXCURSION TOURISM

An excursionist is someone who visits a place other than that in which they live and work for less than twenty-four hours. This type of tourism does not involve accommodation and thus is conceptually different from the previous type discussed.

6.3.1. Constraints on Excursions

The main constraints on excursion tourism are time and cost. Distance is important, but is a function of the other constraints. The distance an excursionist travels depends on both the time and the cost of such a journey. Wheatercroft has shown that trans-Atlantic travellers spend about 40% of their total holiday expenditure on their journey. Although the same percentage
is unlikely to hold, a similar type of relationship is probably valid for day trips. Cost is also important, and when combined with time will influence the distance travelled on a day trip.

6.3.2. The Measurement of Excursion Tourism

It is difficult to measure day trips with any accuracy, because it must rely upon counting people and not on examining such things as hotel registers. It is also more difficult to make predictions from an isolated count, because day trips are influenced by a number of unquantifiable variables. The weather is probably the most important factor which influences this more whimsical type of tourism.

The B.T.A. has collated information on excursions to major towns and areas. The surveys, however, have often not been conducted on very rigorous bases, and thus some results are open to question. Many are also several years old, and thus do not take account of more recent developments such as the oil crises of the early seventies.

When measuring day trips, it is important to define when a tripper has travelled sufficient distance so as not to be in the area in which he lives and works. That is, when does he become a tourist in spatial terms?
Unfortunately this regional geography problem of area boundaries is unresolved, and measurements are relatively unsophisticated, so that any data must be fairly arbitrary.

6.3.3. Coach Excursions

Day trips by express coach are not always feasible, due to journey schedules. Where physically possible, they are often not undertaken because the journey takes considerably more time than the stay at the destination, and as such the trip is not perceived as worthwhile. Despite promotion of express services as a means of taking a local day trip for leisure purposes, less than 4% of all express journeys on the National network are day returns.¹

Day and half-day excursions are important operations, especially for small operators. These trips can either be operated under licence, so that the operator sells individual seats to the public direct. Alternatively, he may hire the coach to a private group, for an outing arranged by the group, for members of the group only. It is very difficult to know how many day excursions are made by this form of private hire. Licensed operations often complement other activities such as contract carriage. Business may be low on Saturdays, and thus operators will either run an express service themselves to the local coastal resort, or
alternatively hire out their vehicles and drivers during the summer to National Travel, to help them meet their peaked demand.

Excursions, and the type of person undertaking such trips, are not, however, the concern of this study.

6.4. VISITORS FROM ABROAD

Both the Home Office Immigration Statistics and the International Passenger Survey are not entirely satisfactory for the purposes of this study because they examine visitors to the United Kingdom, while this study is concerned with Great Britain. The number of visitors to Northern Ireland, however, appears to be fairly small, and mainly originate from Eire. Visitors from Eire to the United Kingdom have only varied between 651,000 and 783,000 since 1965 according to the Central Statistics Office, Dublin. A number of these visits will have been to Northern Ireland, and although probably high, it is not known the proportion of such visits which fall outside the scope of the study.

6.4.1. Post-War Trends

The number of visits to the U.K. has risen dramatically since 1951. Excluding those from, and via Eire, an estimated 712,000 visits were made in 1951. In 1973, the figure was ten times greater, at 7,724,000, of which 728,000 were from Eire. This figure has
increased still further in recent years and reached over
ten million in 1976. The proportion of visits for non-
business purposes has remained approximately constant
at 80% since 1951, although in the seventies it has risen
slightly to 83%. Since Britain joined the European
Economic Community there has been no measurement or
analysis of visits by purpose. Arrivals from E.E.C.
countries account for over 50% of non-commonwealth
arrivals. Because commonwealth arrivals, which account
for 30% of the total, are excluded from the Home Office
Statistics, there is no record of the purpose of visit
for over 60% of all arrivals at present.

Table 6.5 shows how the volume of visitors,
and their expenditure, has grown in the ten years between
Table 6.5: The Change in Volume and Expenditure of Visitors from Abroad, 1964-1974.

<table>
<thead>
<tr>
<th>Area</th>
<th>U.S.A.</th>
<th>Canada</th>
<th>N. America</th>
<th>W. Europe</th>
<th>non-ster-ling areas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>1.342</td>
<td>0.413</td>
<td>1.755</td>
<td>4.090</td>
<td>0.608</td>
<td>1.50</td>
</tr>
<tr>
<td>1974™</td>
<td>+123</td>
<td>+152</td>
<td>+129</td>
<td>+205</td>
<td>+232</td>
<td>+55</td>
</tr>
<tr>
<td>% change</td>
<td>1974/64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Share</td>
<td>17</td>
<td>5</td>
<td>22</td>
<td>52</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>Expend, 1974</td>
<td>164.6</td>
<td>50.5</td>
<td>215.1</td>
<td>308.7</td>
<td>109.8</td>
<td>204.0</td>
</tr>
<tr>
<td>% change</td>
<td>1974/64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change</td>
<td>1974/69</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Share</td>
<td>20</td>
<td>6</td>
<td>26</td>
<td>37</td>
<td>13</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: Digest of Tourist Statistics 1976 B.T.A.
6.4.2. Source Areas of Visitors from Abroad

High growth has occurred in visits, and expenditure from non-sterling countries and from Western Europe. Despite the growth from Western Europe, visitors account for a significantly lower market share of expenditure, than their market share by volume warrants. All other countries and areas accounted for more expenditure than their volume market share suggests. This may be because visitors from nearby Western Europe tend to stay for shorter periods of time, and thus the expenditure per visit is lower than that of visitors from more distant countries.

Although North America has grown as a source area of visits to Britain, Britain has declined in popularity as a destination area for North Americans. Of all Americans from the U.S.A. travelling abroad, other than to Canada and Mexico, the percentage visiting Britain has declined from 28% in 1964 to 20% in 1973. Expenditure in Britain, however, as a proportion of all spending abroad by Americans has remained approximately constant. In 1964, 44% of all Canadian visits abroad other than to the U.S.A. were to Britain, but by 1973 this was only 31%. The growth in the North American market is thus not due to the increasing popularity of Britain as a destination, as promoted by the B.T.A. but rather it is due to the increasing number of North Americans travelling outside their continent.
The number of Western Europeans visiting Britain had doubled in the ten years from 1964, to give a total of over four million visits in 1974. Due to the rate of exchange of sterling being low, and the proximity of Britain, this figure has probably risen still further in recent years because Europeans find it advantageous to take shopping breaks to Britain. Expenditure by Western Europeans increased five-fold between 1964 and 1974, with the greatest rate of growth occurring since 1971, and the floating of the pound on the world's currency markets.

Of the remaining countries, there has been little growth in traffic from Eire, but a large increase from Australia, New Zealand and South Africa. There has not been an increase in the percentage of antipodeans visiting Britain, out of all visits abroad. The increased number of visitors reflects the increase in the number of New Zealanders and Australians travelling outside their countries. Overseas sterling area expenditure per head has roughly doubled between 1964 and 1974, which is in line with the British rate of inflation in that period.

Average daily expenditure in Britain by Americans, South Africans, Australians and New Zealanders has risen. The length of stay by visitors from these countries tends to be longer, in order to justify the
longer length journeys. Expenditure per trip is thus likely to be higher.

For each country of origin, the length of stay is longer when the trip is for holiday purposes rather than business ones. Length of stay is at its greatest when people are visiting friends and relatives, especially from the more distant countries. Both expenditure per day and per visit is also at its lowest, for all countries of origin. This is partly because a visitor has accommodation provided for him, and thus does not incur hotel expenses. The business tourist has the highest expenditure, but within the non-business sector, the holiday tourist provides the most potential for injecting money into the British economy.

6.5. THE CHANGING DEMAND FOR TRANSPORT

6.5.1. Changes in the Mode of Transport Used on Domestic Holidays

There have been significant changes in the mode of transport used in domestic holiday tourism. The steady growth in the use of the private car since 1951, and the decline in common carrier transport, is shown by table 6.6. The peak in car use shown in 1973 is largely due to the different source of data. This is suggested by comparing the B.H.T.S. 1975 figure of 75% with the 1975 B.N.T.S. number, 71%. It does not significantly affect the general trends.
Table 6.6: The Change in Market Shares of the Modes of Transport Used by Domestic Holidaymakers, 1951-1975

<table>
<thead>
<tr>
<th>Year</th>
<th>51</th>
<th>55</th>
<th>60</th>
<th>65</th>
<th>66</th>
<th>67</th>
<th>68</th>
<th>69</th>
<th>70</th>
<th>71</th>
<th>73</th>
<th>74</th>
<th>75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode(%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car</td>
<td>27</td>
<td>34</td>
<td>47</td>
<td>60</td>
<td>64</td>
<td>67</td>
<td>66</td>
<td>67</td>
<td>68</td>
<td>67</td>
<td>76</td>
<td>68</td>
<td>71</td>
</tr>
<tr>
<td>Bus/Coach</td>
<td>27</td>
<td>33</td>
<td>21</td>
<td>21</td>
<td>20</td>
<td>18</td>
<td>16</td>
<td>14</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Train</td>
<td>47</td>
<td>37</td>
<td>30</td>
<td>21</td>
<td>16</td>
<td>14</td>
<td>16</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>


Table 6.7: The Change in Numbers of Domestic Holidaymakers Using Each Mode of Transport, 1951-1975

<table>
<thead>
<tr>
<th>Year</th>
<th>51</th>
<th>55</th>
<th>60</th>
<th>65</th>
<th>66</th>
<th>67</th>
<th>68</th>
<th>69</th>
<th>70</th>
<th>71</th>
<th>73</th>
<th>74</th>
<th>75</th>
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<tbody>
<tr>
<td>Mode (millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car</td>
<td>6.75</td>
<td>8.5</td>
<td>14.8</td>
<td>18.0</td>
<td>19.8</td>
<td>20.1</td>
<td>19.8</td>
<td>20.4</td>
<td>23.5</td>
<td>22.6</td>
<td>30.6</td>
<td>27.5</td>
<td>31.24</td>
</tr>
<tr>
<td>Bus/Coach</td>
<td>6.75</td>
<td>8.25</td>
<td>6.61</td>
<td>6.3</td>
<td>6.2</td>
<td>5.4</td>
<td>4.8</td>
<td>4.27</td>
<td>5.18</td>
<td>5.1</td>
<td>4.05</td>
<td>6.08</td>
<td>5.72</td>
</tr>
<tr>
<td>Train</td>
<td>11.5</td>
<td>9.25</td>
<td>9.45</td>
<td>6.3</td>
<td>4.96</td>
<td>4.8</td>
<td>4.2</td>
<td>4.88</td>
<td>4.49</td>
<td>4.33</td>
<td>4.05</td>
<td>5.27</td>
<td>5.28</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>3.15</td>
<td>2.7</td>
<td>2.7</td>
<td>2.17</td>
<td>1.8</td>
<td>1.5</td>
<td>1.22</td>
<td>1.38</td>
<td>1.7</td>
<td>1.22</td>
<td>1.62</td>
</tr>
<tr>
<td>No.h/nights</td>
<td>25.0</td>
<td>25.0</td>
<td>31.5</td>
<td>30.0</td>
<td>31.0</td>
<td>30.0</td>
<td>30.0</td>
<td>30.5</td>
<td>34.5</td>
<td>34.0</td>
<td>40.5</td>
<td>40.5</td>
<td>44.0</td>
</tr>
</tbody>
</table>

Source: Calculated by applying market shares to total market figures. 1972 figures not available.
The coach has suffered a decline in market share from 27% in 1951 to 8% in 1975. (B.N.T.S. Annual). The long holiday market has expanded in these years, which means that, although the market share has fallen, the numbers of people using bus or coach as their main mode of transport on a holiday of four or more nights away from home has not declined so seriously. This is illustrated by table 6.7. This table is calculated by applying the market share percentages to the total number of domestic long stay holidaymakers.

Although the market share of express coach and coach tour has fallen nearly three fold, since 1951, the expanding holiday market has meant that passenger numbers have not declined so rapidly. The major fall in demand occurred in the late sixties, but although the market share has remained approximately constant since then, the number of holidaymakers using the coach has risen.

The train has declined steadily from its dominant position of 1951. Initially this was to the benefit of the coach, but as the car increased in popularity, so too the coach declined. The loss of market share by the train was very noticeable in the early 1960s, and may be partially due to the many branch line closures by Dr. Beeching in 1964, which destroyed much of the rail network's flexibility.
Apart from a static period in the late 1960s, the car has continuously increased its market share. Despite the oil crisis of the early 1970s, this mode has still expanded to the detriment of the coach in recent years. The declining market share of the coach now outweighs the expanding market, so that most recent total holidaymaker passenger numbers have declined slightly.

As shown earlier in this chapter, holidaymakers are becoming more mobile. Not only is this related to the type of accommodation stayed in but also to the type of transport used. As more people want greater mobility, and use caravans and camping, so the attraction of the coach or train falls. The car, however, can offer a mobility between areas, and along routes which the individual wishes to follow.

6.5.2. Trends in Car Ownership

Car ownership and usage trends are important in explaining the decline in the use of public transport. Table 6.8 shows that, while 38% of households owned, or had access to, at least one car in 1964, this figure had risen to 55% in 1974. (PASSENGER TRANSPORT IN GREAT BRITAIN, 1975).
Table 6.8: The Change in Car Ownership in Great Britain, 1964-1974.

<table>
<thead>
<tr>
<th>Year</th>
<th>64</th>
<th>65</th>
<th>66</th>
<th>67</th>
<th>68</th>
<th>69</th>
<th>70</th>
<th>71</th>
<th>72</th>
<th>73</th>
<th>74</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 car only</td>
<td>34</td>
<td>36</td>
<td>39</td>
<td>41</td>
<td>43</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>45</td>
<td>44</td>
<td>45</td>
</tr>
<tr>
<td>1+ cars</td>
<td>38</td>
<td>41</td>
<td>45</td>
<td>47</td>
<td>49</td>
<td>51</td>
<td>52</td>
<td>52</td>
<td>53</td>
<td>53</td>
<td>55</td>
</tr>
<tr>
<td>2+ cars</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

Total no. households: 16.9 17.2 17.5 17.7 17.9 18.0 18.1 18.3 18.5 18.7 18.8


Car ownership does not affect coach tours as much as express travel, because more than a journey is being bought by tour passengers. A coach tour also provides accommodation, and organisation, which may also be attractive to the car owner.

Table 6.9 shows the increase of car ownership in relation to the changing British population.
Table 6.9 : The Increase in Cars per Capita in Great Britain, 1951-1975.

<table>
<thead>
<tr>
<th>Year</th>
<th>G.B. population (million)</th>
<th>No. vehicles licence current (million)</th>
<th>No. cars per 100,000 population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>48.917</td>
<td>2.380</td>
<td>4,840.0</td>
</tr>
<tr>
<td>1955</td>
<td>49.552</td>
<td>3.526</td>
<td>7,115.4</td>
</tr>
<tr>
<td>1960</td>
<td>50.952</td>
<td>5.526</td>
<td>8,615.9</td>
</tr>
<tr>
<td>1965</td>
<td>52.750</td>
<td>8.917</td>
<td>16,900.0</td>
</tr>
<tr>
<td>1970</td>
<td>53.894</td>
<td>11.515</td>
<td>21,374.0</td>
</tr>
<tr>
<td>1975</td>
<td>54.421</td>
<td>13.639</td>
<td>25,060.0</td>
</tr>
</tbody>
</table>

Source: Annual Abstract of Statistics

Saturation point of car ownership, using the total population, is less than the 100% level, because people under the age of seventeen, and a large proportion of adults are unable to drive cars. Comparison with U.S.A. figures suggests that car ownership may increase above present levels, although the rate of increase remains to be seen. These figures measure ownership of cars; but one must not forget that access to private cars is the important variable which affects coach travel.

6.5.3. The Mode of Transport Used on Short Holiday Trips

The Short Holiday Survey (1971) provides details of modal split on trips of between one and three nights away from home, by each two months of the year.
Although 'Bus' is separated from 'Coach' there is no indication of what is meant by each term. This must lead to a degree of ambiguity, especially when referring to express coach travel because the terms are defined by the respondents' perceptions.


<table>
<thead>
<tr>
<th>Month</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969/70</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% taking short hols.</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td>12</td>
<td>13</td>
<td>13</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

Mode of transport
Base: all those taking short staying trip

<table>
<thead>
<tr>
<th>Mode of transport</th>
<th>Car</th>
<th>Train</th>
<th>Coach</th>
<th>Bus</th>
<th>Other/D.K.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64</td>
<td>15</td>
<td>5</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>68</td>
<td>13</td>
<td>3</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>59</td>
<td>12</td>
<td>9</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>14</td>
<td>4</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>70</td>
<td>12</td>
<td>7</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>12</td>
<td>8</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>68</td>
<td>20</td>
<td>5</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>58</td>
<td>12</td>
<td>5</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>71</td>
<td>18</td>
<td>2</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>71</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>10</td>
</tr>
</tbody>
</table>

If one assumes that 'Bus' as a main mode of transport tends to refer to express carriage, then combined express and tour operations account for between 20% and 11% of the short holiday travel market, depending on the time of year. There is a peaking of demand in June and July. 'Bus' rises to a high level again in December and January. The most popular mode of transport is the car, accounting for over 60% of travel in all but June, July, November and December, when public transport became slightly more important.

### 6.5.4. A Comparison Between the Mode of Transport for Different Lengths of Stay

An examination of table 6.11 shows that the coach is used more on longer length trips than on all trips. The corollary to this is that it is used less on trips of between one and three nights away from home.

**Table 6.11** : The Mode of Transport Used for Holiday Trips of Different Lengths of Stay, 1975.

<table>
<thead>
<tr>
<th>Mode of Transport</th>
<th>All Holiday Trips</th>
<th>Adult Holiday Trips, 4+ nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>75</td>
<td>71</td>
</tr>
<tr>
<td>Coach</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Train</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

The level of train use appears to be independent of the length of stay, and additional coach travel on longer holidays is made at the expense of the car.

The coach is more popular on longer holidays because this relatively slow mode of transport accounts for loss of the total holiday time. Coach tours are mainly more than four days duration, and thus this form of transport and holiday usually falls into the longer length holiday category.

Conversely, few holiday trips which are coach tours enter the shorter length category, thus lowering the percentage of total holidays by coach. In addition to this, short-stay holidaymakers wish to reach their destination as quickly as possible. The main disadvantage the coach has therefore is the time factor. Although fares are lower than the train, for instance, usually shorter distances are travelled, and thus the fare differentials are lower. One must not forget that such rail travel is also likely to be at reduced marketing fares, or part of a package such as the Stardust Miniholidays in conjunction with Grand Metropolitan Hotels, for which the rail fare is perceived as low by the short package holidaymakers.

6.5.5. Day Excursions

Information about day and half day excursions...
by people on holiday for four or more nights is contained in Table 6.12. Those holidaymakers that use a coach to reach their destination are more likely to take day trips than the train user, but less likely than those tourists who arrive by car. Coach users mainly used bus or coach for their excursions, while the number of tourists who reached their destinations by train who did likewise was also significant. This emphasises the greater flexibility that the coach has, once the railhead has been reached.

Table 6.12: The Mode of Transport Used for Excursions by Domestic Holidaymakers, 1970.

<table>
<thead>
<tr>
<th>Main mode of transport to reach destination on main G.B. holiday of 4+ nights</th>
<th>Car</th>
<th>Train</th>
<th>Bus/Coach</th>
</tr>
</thead>
<tbody>
<tr>
<td>% taking trips</td>
<td>72</td>
<td>57</td>
<td>61</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mode of transport used on excursions</th>
<th>Own car</th>
<th>Hired car</th>
<th>Train</th>
<th>Regular bus/coach</th>
<th>Organised Coach (Tour)</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own car</td>
<td>58</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hired car</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Train</td>
<td>1</td>
<td>8</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular bus/coach</td>
<td>3</td>
<td>26</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organised Coach (Tour)</td>
<td>2</td>
<td>12</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>13</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The marketing of both local stage carriage services from a resort, and local excursions is minimal. Little is done to attract tourists onto local bus services, while excursions still tend to be promoted by using blackboards outside a booking office near the point of departure. This traditionally is the method adopted by many operators. Changes are not tried out, because they feel that the old method is satisfactory. Product development is minimal, and pricing is heavily cost based. Co-ordinated marketing is not practised by these operators, mainly because they feel no need to do so. These operations, while recognised as important, are however outside the scope of the study.

6.5.6. The Mode of Transport Used by Visitors from Abroad

The demand for internal transport by visitors from abroad is not well documented, because neither the Home Office Landing cards, nor the International Passenger Survey contain questions about mode of transport within Britain. The Home Office is more concerned with matters of immigration, and thus feels no need to enquire about transport.

The I.P.S. asks questions about tourist expenditure. One of the categories is expenditure on total travel. This is not disaggregated further for two reasons:
(a) the questionnaire is conducted at points of entry and exit. This is not conducive to applying a lengthy, in-depth interview;

(b) it is thought that respondents would become agitated, unco-operative, or unreliable with their responses if asked about very detailed items of expenditure in a language which is often not their own.

The I.P.S. also enquires about the percentage of nights stayed in Britain, which are analysed by both region of stay and purpose of visit. Table 6.13 deals solely with the Holiday purpose.


<table>
<thead>
<tr>
<th>Region</th>
<th>Proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater London</td>
<td>53.3</td>
</tr>
<tr>
<td>South East England</td>
<td>10.5</td>
</tr>
<tr>
<td>West Country</td>
<td>6.7</td>
</tr>
<tr>
<td>Thames and Chilterns</td>
<td>3.3</td>
</tr>
<tr>
<td>North West</td>
<td>3.3</td>
</tr>
<tr>
<td>East Anglia</td>
<td>2.9</td>
</tr>
<tr>
<td>West Midlands</td>
<td>2.7</td>
</tr>
<tr>
<td>Yorkshire</td>
<td>2.2</td>
</tr>
<tr>
<td>East Midlands</td>
<td>1.7</td>
</tr>
<tr>
<td>Rest of England</td>
<td>2.3</td>
</tr>
<tr>
<td>Total England</td>
<td>88.9</td>
</tr>
<tr>
<td>Scotland</td>
<td>8.3</td>
</tr>
<tr>
<td>Wales</td>
<td>2.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source</th>
</tr>
</thead>
</table>
This indicates that over half the visitors did not stay away from London, while those that did tended to go to areas close to the capital. The use of transport by these tourists is thus limited, and it seems unlikely that long distance coach services are in any great demand by overseas holidaymakers.

The Plain Facts of Tourism, a pamphlet issued by the B.T.A., estimates that £135 million was spent on internal transport by 10 million visitors in 1976. This gives an average expenditure of £13.50 per person. Unfortunately, there is no indication of the modes used, but does show that expenditure on transport in Great Britain was an important proportion of total spending by visitors from abroad.
6.6. THE CHANGING DEMAND FOR COACH SERVICES

As seen in the last section, the demand for coach travel by holidaymakers has steadily declined since 1955, both in terms of market share, and to a lesser degree, the number of holidaymakers carried. Coach travel covers many types of operation, but for reasons explained in chapter 1, express services and extended coach tours are the prime areas of study. Coach tours cannot be further divided, except by destination and source areas. Areas of origin have not changed greatly over time, because there are few new operators in the industry. Similarly destination patterns have not changed with well tried favourites such as Scotland, or South-west England continually revisited by operators.

6.6.1. The Changing Demand for Express Services

Express services have many characteristics: they may be daily, year round services, or summer Saturday services to the coast. Another division is that between trunk routes, which often use motorways, and carry people between important towns on the route and cross-country services, where the terminal traffic is less important than serving the intermediary villages.

An unfortunate effect of nationalisation is that many records prior to 1968, and even prior to the creation of National Travel in 1973, have been lost or
destroyed. Private operators have been poor at keeping historical records, and thus it is difficult to show how the demand for coach travel has altered over the years.

6.6.2. One Way to Show the Change in Demand

An indication of the changing demand for coach travel can be derived from examining the level of service provided by an operator. This can also apply to coach tours, by seeing how the variety of products has altered over time.

It is impossible to examine all express routes, and thus a selective number of trunk and cross-country routes have been investigated. The results are shown in table 6.14, but several caveats must be stated:

(a) It is impossible to know whether the selected routes represent nationwide trends. They were chosen arbitrarily, but tried to cover as many areas of the country as possible.

(b) A given route may not be the only way of travelling by coach between any two points. Demand by terminal to terminal traffic will thus be distorted.

(c) By showing the frequency of service, this need not reflect demand patterns, because nothing is known about
load factors, or vehicle duplication. It is assumed that if an operator consistently runs a duplicate vehicle, it is in his interests to insert another timed departure into his service, and thus improve its frequency.

(d) Vehicle capacity has risen over the post war years, and now can be a maximum of 59 seats, which is almost double that of the early 1950s.

6.6.3. A Tentative Picture of the Change in Express Coaching

Despite these severe limitations, it is possible to obtain a very crude picture of the changing demand over time from table 6.14. Two trends can be deduced from the data:

(a) the trunk route network has been consolidated over time, and has made increasing use of the motorways. Existing routes which have services using a motor-way have started to operate on even headways, to create regular daily services. Other routes have tended to become year round services, and not merely summer only. This would suggest that demand is now more evenly spread throughout the year, due to an increase in the proportion of journeys undertaken for purposes of visiting friends and relatives, or study. This compares with the 1950s, when coach travel carried more holiday tourists, with a demand concentrated in the summer months. One must not forget that this data hides the summer peak, because it is mainly met by vehicle duplication on popular services.
Table 6.14: The Daily Summer Service Frequency of Selected Express Coach Services, 1951-1976.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROUTE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trunk Routes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>London - Birmingham</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>London - Newcastle</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>London - Glasgow</td>
<td>2</td>
<td>3*</td>
<td>3*</td>
<td>3*</td>
<td>2**</td>
</tr>
<tr>
<td>London - Bristol</td>
<td>5</td>
<td>6</td>
<td>9</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Bristol - Birmingham</td>
<td>4</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Manchester - Edinburgh</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Birmingham - Leeds</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>London - Bournemouth</td>
<td>15</td>
<td>17</td>
<td>14</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td><strong>Cross-Country Routes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastbourne - Bournemouth</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Truro - Cheltenham</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Cardiff - Chester</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Birmingham - Ipswich</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Newcastle - Carlisle</td>
<td>-</td>
<td>3B</td>
<td>3B</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Birmingham - Bournemouth</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>London - Cheltenham</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: compiled from ABC Coach Guides.

* London-Glasgow consisted of a day service, a two-day service stopping overnight at Chester, and a two-day service stopping overnight at York.

** Excludes sight-seeing trips involving an overnight stop.

*** All journeys involved changing at Exeter. In 1976, the services co-ordinated, and did not involve a long wait.

B: No coach service, but United Automobile bus services linked the two towns.

3B: Buses, and three daily coach services.
(b) The network of coach services has been developed, particularly in recent years, so as to increase the permutation of journeys from any given place. Passengers are more able to get "from anywhere to anywhere" as the accessibility offered by the network is increased. The frequency of cross-country routes has not necessarily increased, but has become more regular. An important feature of this improvement is the development of the interchange principle at such towns as Exeter or Birmingham, along similar lines to the long established one at Cheltenham. This involves co-ordinating arrivals and departures at regular times throughout the day, so that passengers can make use of the services passing through the town, without a long waiting time. The improvement of rural and cross-country services suggests that demand is sufficient to support such services, especially in areas no longer served by train.

In the light of the government's 1976 Green Paper on transport, this latter development is one to be encouraged. Although the Paper virtually ignored coaching, it did suggest that "buses" should develop the poorly loaded routes of British Rail, leaving the train as the main form of public transport on longer distance, inter-city routes. At present the coach should operate inter-city routes because it provides a slower product, at a lower cost, and thus an alternative to fast and expensive rail travel. British Rail, however, are now proving
that they can viably segment the market by price, and thus strengthen their position on inter-city routes.

6.6.4. The Cheltenham Interchange

The number of services passing through Cheltenham indicates the changing service levels and demand for express coach. The data in table 6.15, however, gives no indication of the number of vehicles or passengers, because the level of duplication and the load factors are unknown. The opening of the Severn Bridge in 1966 meant that Gloucester was no longer the river's lowest bridging point. Services to and from South Wales do not, therefore, have to pass through Cheltenham. The completion of the English section of the M4 in 1970 has emphasised this route, and led to the development of a small interchange at the Aust Service Station in the East bank of the River Severn. Similarly, the construction of the M5, which provides a route from the Midlands and North England to the West Country, has resulted in services by-passing Cheltenham. For example, the journey between Bristol and Birmingham required a change at Cheltenham until 1976. With the opening of the M5, a daily direct service now connects the two cities.

The number and frequency of routes through Cheltenham has increased steadily over the years. It is not known how many passengers and vehicles passed through
Table 6.15: The Change in the Number of Express Services Using Cheltenham Coach Station, in a Summer Week, 1951-1976.

<table>
<thead>
<tr>
<th>Time of day</th>
<th>Year</th>
<th>1951</th>
<th>1953</th>
<th>1963</th>
<th>1970</th>
<th>1976*</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.30</td>
<td></td>
<td>-</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>10.45</td>
<td></td>
<td>10</td>
<td>14</td>
<td>18</td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>11.30</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>14.00</td>
<td></td>
<td>20</td>
<td>22</td>
<td>36</td>
<td>64</td>
<td>-</td>
</tr>
<tr>
<td>14.30</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>130</td>
<td></td>
</tr>
<tr>
<td>16.30</td>
<td></td>
<td>15</td>
<td>22</td>
<td>35</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td>17.30</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>18.45</td>
<td></td>
<td>8</td>
<td>4</td>
<td>14</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>20.30</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>02.30</td>
<td></td>
<td>4</td>
<td>12</td>
<td>21</td>
<td>31</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: compiled from ABC Coach Guides

* in 1976 National Travel made the mass departures at three hourly intervals.
Cheltenham in earlier days, but it has been said that it is not unknown for over five thousand passengers to pass through St. Margaret's Coach Station between 13.30 and 14.30 on summer Saturdays. 2

Demand for express coach services is still high, with approximately thirteen million journeys taken in 1975. It is not so buoyant as in the late 1950s, when over eight million passengers a year travelled through Victoria Coach Station, London. The B.N.T.S. is concerned only with holiday journeys, which have shown a trend of declining demand, despite service improvements and co-ordination. This, however, is counteracted to some degree by the growth in common interest travel by coach.

6.6.5. The Change in Demand for a Specific Service

The following information relates to a group of services which originate in a well populated area of Britain, and operate to and from London. For reasons of confidentiality, the operator requested that the route should not be disclosed. This route has been chosen because it was thought to be fairly representative of trends in the industry, but also because it is one of the few for which records have been retained.

Table 6.16 shows how the mileage operated, the number of passengers, and the revenue from these services

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers Carried</th>
<th>Miles Operated</th>
<th>Revenue (£s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>338,143</td>
<td>2,365,364</td>
<td>233,155</td>
</tr>
<tr>
<td>1954</td>
<td>278,200</td>
<td>1,887,704</td>
<td>181,440</td>
</tr>
<tr>
<td>1955</td>
<td>361,521</td>
<td>2,509,426</td>
<td>236,582</td>
</tr>
<tr>
<td>1956</td>
<td>322,980</td>
<td>2,302,142</td>
<td>214,234</td>
</tr>
<tr>
<td>1957</td>
<td>254,154</td>
<td>1,775,715</td>
<td>172,756</td>
</tr>
<tr>
<td>1958</td>
<td>272,171</td>
<td>1,897,937</td>
<td>186,133</td>
</tr>
<tr>
<td>1959</td>
<td>291,504</td>
<td>2,013,710</td>
<td>197,730</td>
</tr>
<tr>
<td>1960</td>
<td>357,947</td>
<td>2,378,445</td>
<td>244,327</td>
</tr>
<tr>
<td>1961</td>
<td>399,953</td>
<td>2,555,974</td>
<td>302,144</td>
</tr>
<tr>
<td>1962</td>
<td>424,688</td>
<td>2,605,409</td>
<td>347,057</td>
</tr>
<tr>
<td>1963</td>
<td>445,058</td>
<td>2,654,844</td>
<td>368,699</td>
</tr>
<tr>
<td>1964</td>
<td>469,607</td>
<td>3,042,928</td>
<td>433,344</td>
</tr>
<tr>
<td>1965</td>
<td>510,191</td>
<td>3,298,971</td>
<td>479,311</td>
</tr>
<tr>
<td>1966</td>
<td>482,718</td>
<td>3,164,338</td>
<td>489,569</td>
</tr>
<tr>
<td>1967</td>
<td>450,274</td>
<td>3,071,972</td>
<td>458,899</td>
</tr>
<tr>
<td>1968</td>
<td>435,807</td>
<td>2,992,491</td>
<td>444,517</td>
</tr>
<tr>
<td>1969</td>
<td>405,796</td>
<td>2,835,711</td>
<td>442,671</td>
</tr>
<tr>
<td>1970</td>
<td>370,985</td>
<td>2,696,755</td>
<td>439,105</td>
</tr>
<tr>
<td>1971</td>
<td>383,351</td>
<td>2,607,981</td>
<td>500,256</td>
</tr>
<tr>
<td>1972</td>
<td>451,738</td>
<td>3,107,974</td>
<td>615,880</td>
</tr>
<tr>
<td>1973</td>
<td>475,706</td>
<td>3,417,709</td>
<td>660,536</td>
</tr>
<tr>
<td>1974</td>
<td>505,194</td>
<td>3,713,677</td>
<td>760,018</td>
</tr>
<tr>
<td>1975</td>
<td>527,282</td>
<td>3,676,270</td>
<td>1,135,164</td>
</tr>
</tbody>
</table>

Source: Undisclosed.
Change in passenger carryings - 1953 to 1975 for an unspecified route.
has changed. Graph 6.1 emphasises the passenger trends. Demand rose in the early 1950s, and then declined. This was followed by a boom in the 1960s, which reached a peak in 1965. This declined until 1970, when again demand rose. It is not known whether this upward trend of the early 1970s has continued or not, and one suspects that, if previous trends are followed, it will have fallen. Revenue has tended to rise over the time period, but one must not forget that this is partially explained by inflationary forces, and fares increases.

Table 6.17 shows how passenger numbers have changed since 1967. The data relates to southbound passengers on a specific group of services which link an important northern town with London.

Table 6.17: The Change in the Total Number of Passengers on Southbound Journeys only of a Service Linking a Northern City with London, 1967–1975.

<table>
<thead>
<tr>
<th>Year</th>
<th>Passenger Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967</td>
<td>113,184</td>
</tr>
<tr>
<td>1968</td>
<td>95,799</td>
</tr>
<tr>
<td>1969</td>
<td>86,490</td>
</tr>
<tr>
<td>1970</td>
<td>77,350</td>
</tr>
<tr>
<td>1971</td>
<td>84,857</td>
</tr>
<tr>
<td>1972</td>
<td>108,666</td>
</tr>
<tr>
<td>1973</td>
<td>126,902</td>
</tr>
<tr>
<td>1974</td>
<td>144,366</td>
</tr>
<tr>
<td>1975</td>
<td>165,554</td>
</tr>
</tbody>
</table>

Source: Undisclosed
The data confirm the trends shown in table 6.16 and show a doubling of passengers between 1970 and 1974. The reasons for this upward trend in numbers may be partially explained by the relative cheapness of express coach in a period of rising transport costs in the years after the oil crisis. Intensified competition from the train in the last few years, however, may have altered this position. Demand for express travel is thus fairly buoyant, with at least thirteen million journeys being made mainly by non-business tourists in 1975. Of these, approximately 3.5 million passengers were taking a holiday of four or more nights away from home (B.N.T.S., 1975). Although the number of express passengers has risen, the number of holidaymakers using coach has tended to fall. This suggests that growth has occurred in the area of visiting friends and relatives. This is confirmed by some market research, recounted in chapter seven.

6.6.6. The Change in Demand Through the Year

Express coach services suffer from strong seasonal variations in demand. Table 6.18 contains data from National Travel (S.W.) Ltd. The number of departures are for routes controlled by them only, and take no account of the departures on routes operated by other areas of National Travel, or by other operators. The figures are thus an understatement of the total activity at Cheltenham.
Table 6.18: The Seasonal and Weekly Variations in Departures from Cheltenham Coach Station, 1975/76.

<table>
<thead>
<tr>
<th>Date</th>
<th>Total number of departures</th>
<th>Total number of 14.30 departures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun. 23.11.75</td>
<td>45</td>
<td>25</td>
</tr>
<tr>
<td>Mon. 24.11.75</td>
<td>40</td>
<td>24</td>
</tr>
<tr>
<td>Tues. 25.11.75</td>
<td>34</td>
<td>21</td>
</tr>
<tr>
<td>Wed. 26.11.75</td>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td>Thu. 27.11.75</td>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td>Fri. 28.11.75</td>
<td>46</td>
<td>26</td>
</tr>
<tr>
<td>Sat. 29.11.75</td>
<td>38</td>
<td>21</td>
</tr>
<tr>
<td>Sun. 25.7.76</td>
<td>82</td>
<td>44</td>
</tr>
<tr>
<td>Mon. 26.7.76</td>
<td>92</td>
<td>57</td>
</tr>
<tr>
<td>Tues. 27.7.76</td>
<td>71</td>
<td>38</td>
</tr>
<tr>
<td>Wed. 28.7.76</td>
<td>71</td>
<td>38</td>
</tr>
<tr>
<td>Thur. 29.7.76</td>
<td>76</td>
<td>43</td>
</tr>
<tr>
<td>Fri. 30.7.76</td>
<td>108</td>
<td>63</td>
</tr>
<tr>
<td>Sat. 31.7.76</td>
<td>173</td>
<td>87</td>
</tr>
</tbody>
</table>

Source: National Travel

The weekly pattern, and the difference in seasonal levels, can be seen more clearly in graph 6.2.

The strong peak in demand on summer Saturdays is clearly evident, as is the overall higher level of coach use in the summer throughout the week. During November, departures at 14.30 account for over half of total departures. In the summer, however, they account for a smaller proportion. This suggests that, despite an overall increase in services, more depart from
Seasonal & weekly variations in departures from Cheltenham - 1975/6.

Graph 6.2

Number of departures

Sun, Mon, Tue, Wed, Thu, Fri, Sat.
Cheltenham at times other than 14.30. The major increase is thought to be in 2.30 a.m. departures when many summer only night services cater predominantly for holidaymakers. The changing seasonal demand is shown in table 6.19, in which four weekly figures of total passengers carried by National Travel in 1975, are expressed as a percentage of the total for that year. For reasons of confidentiality, the numerical figures cannot be disclosed.

Table 6.19: The Distribution of National Travel Express Passengers Throughout 1975, in Percentage Terms.

<table>
<thead>
<tr>
<th>Period</th>
<th>% Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.588</td>
</tr>
<tr>
<td>2</td>
<td>3.695</td>
</tr>
<tr>
<td>3</td>
<td>3.920</td>
</tr>
<tr>
<td>4</td>
<td>7.045</td>
</tr>
<tr>
<td>5</td>
<td>5.254</td>
</tr>
<tr>
<td>6</td>
<td>9.636</td>
</tr>
<tr>
<td>7</td>
<td>10.850</td>
</tr>
<tr>
<td>8</td>
<td>13.931</td>
</tr>
<tr>
<td>9</td>
<td>14.262</td>
</tr>
<tr>
<td>10</td>
<td>9.575</td>
</tr>
<tr>
<td>11</td>
<td>7.771</td>
</tr>
<tr>
<td>12</td>
<td>4.910</td>
</tr>
<tr>
<td>13</td>
<td>5.563</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: National Travel
The percentage of express service passengers carried by National Travel in 1975.
This pattern is shown more clearly in graph 6.3. The peak periods are 8 and 9, with 5 to 10 inclusive, accounting for near or over 10\% of total carryings each. The five months of May to September thus account for nearly 60\% of total express carryings, while July and August alone account for half of this. Express coach travel is thus still strongly peaked during the summer holiday months, with demand falling during the Winter, although both Christmas, in period 13, and Easter in period 4, show small increases in demand.

6.6.7. The Changing Demand for Coach Tours

It is also difficult to show how the demand for coach tours has altered over time. One possible way of indicating their change in popularity is to examine the changing levels of advertising by different firms, for different types of tour, in past ABC Bus and Coach Guides. It is debatable whether the level of advertising reflects a company's popularity or not, but in addition to this, some of the guides published lists of operators, and tours offered.

The 1951 ABC Guide, summer edition, only contains advertising of different tour programmes but by 1957 tours had become so popular, that a guide to tours run by each operator was included. In 1957, approximately 420 tours, mainly of one week's duration, were offered by the 60 companies included in the guide.
Royal Blue offered 22 different centred holidays, while Wallace Arnold was also running some tours of this type. The price of tours varied greatly between operators, some of whom offered two programmes of different price and quality. For example, Southdown ran their normal programme, but also offered "Beacon" tours which cost less, but were also of a lower standard of quality.

It seems that British tours expanded in the 1950s, but the peak of the middle years of the decade declined. By 1961 the number of domestic tours offered in Britain stabilised around 400. Continental operations, however, were developing rapidly, so that the 1961 guide contained separate sections for the two types of holiday. During the 1960s, tours became more diverse in length, with an increase in the popularity of the short tour, which was aided by the developing motorway network.

Tours were operated for a longer season in the 1960s. They were not merely concentrated into the peak summer months. Although the number of tour programmes offered has remained approximately constant, the number of departures has risen. The seating capacity of touring vehicles has not increased as greatly as with express. This is because operators often prefer to give the passengers more room and comfort on touring vehicles.
It is difficult to identify changes in demand for domestic coach tours by the British. It would appear that the peak of the mid- to late- fifties has been followed by a steady decline, so that the market for coach tours of four or more nights only numbered two million in 1974.

6.6.8. Visitors from Abroad

There is not sufficient data to show how demand for British tours by visitors from abroad has changed over time. The B.T.A., however, commissioned surveys in the late sixties and early seventies of visitors from different countries. There is a degree of comparability between these surveys despite different questions being asked in different years.

Surveys of Germans, Spanish and Danish visitors, conducted in country of origin in 1972 and 1973 posed questions concerning coach tours within London, which are excursions, tours outside London, which can be excursions or extended tours, and bus/coach trips outside London, which could be travel by stage carriage or express, as well as staying or excursion trips.

The Swedes and Norwegians were asked in 1970 about organised tours, and bus/coach trips of over 100kms, which could be staying or non-staying. The Dutch and Swiss, in 1969, were questioned about day
trips alone, while the French and Belgians provided information on all trips over 100kms in the same year. The Australian and South American surveys did not provide detailed transport information, and it appears that a survey of visitors from South Africa has yet to be completed.

Both the Canadian and U.S.A. surveys provided specific information on day-trips and coach tours longer than one day in 1971. The Canadian survey also divided tours into shorter duration of 2-5 days, and the longer length of 5-10 days. Data was also produced on the place of booking. Of the 1,025 million visitors from the U.S.A., 46,000 took an extended tour by coach, while 32,000 Canadians, out of the 535,000 visitors did likewise. It is not possible to identify how many tours were taken by visitors from other countries, because the questions did not apply specifically to any one type of P.S.V. operation.

The demand by visitors from abroad is sizeable, with over seventy-five thousand coach seats sold to North Americans alone. Although this has traditionally been regarded as the main market for British coach tours, other English speaking countries are also important. With the relative price attraction of Britain to nearby Continentals, due to the rate of exchange for sterling, coach operators are looking at non-
English speaking markets to provide a buoyant demand which compensates for the declining domestic demand for tours.
6.7. CONCLUSION

In the years since 1951 the number of both domestic holiday tourist and visitors from abroad has increased. Figures are not available for common interest tourism, but increased personal mobility has given rise to an increase in this type of tourism.

This has meant that, although the coach has experienced a declining share of the longer length domestic holiday market, the impact upon numbers carried has been less severe. The increasing number of visitors from abroad has also meant that coach operators have other markets in which to offer their products. Visitors to a new country will often choose to be guided round their strange environment, rather than try to make their own arrangements. As the number of visitors from abroad exceed ten million, so coach operators must provide tours which cater for both English and non-English speaking passengers. Efforts should also be made to induce these people to take an express journey with the advantage of seeing the country. In this way the declining passenger numbers from the home market facing many operators can be counter-acted, thus providing the industry with an impetus in its future development.

1 A point made in conversation with an executive of National Travel.

2 An estimate made by a National Travel executive.
CHAPTER 7: THE PASSENGER PROFILE

7.1. INTRODUCTION

A passenger profile is information on the characteristics of the people taking any given type of service. Data, which is usually obtained by questionnaire, relates to passengers' age, sex, income and socio-economic group. Other information which may aid promotion, such as newspaper readership, may also be obtained.

If an operator knows the type of person who is attracted to his tours, he can develop new products which are more likely to be acceptable to his market segment. He will also know which media channels will prove most effective for communicating with his market. If the operator discovers that his most common type of passenger is elderly and female, for instance, advertising on local radio, which attracts mainly younger listeners, will not inform his segment of his products. Passenger profiles thus help an operator form a marketing strategy as well as check on its success.

7.1.1. Passenger Selection of a Tour

Pricing is important in determining who will take a tour, through a process of self-selection. Higher income group people will tend to take a more
expensive and higher quality tour than lower income people because they have the personal disposable income to afford such products. A Welsh operator, Bebbs, offers centred holidays at certain resorts using two different hotels in each. The standards of the hotels are so different that one weekly rate is half that of the other. Different types of person are thus attracted to the two different products. A coach, common to each holiday, however, is used to convey the holidaymakers to their resort. Although the operator is segmenting his market by his different products and prices, it could well prove unfortunate to mix the two types of person on the one coach at the beginning and the end of the tour.

7.1.2. The Breakdown of Self-Selection

Market segmentation should be achieved either by the operator's product development and its promotion, or alternatively through his pricing policy which causes the public to select a tour at that price which they can afford. Self-selection of a tour is thus mainly determined by price. Inflation, however, may distort this process, because people fail to realise that an annual purchase, such as a holiday, is subject to the same rate of inflation as a more frequent purchase, such as weekly groceries.

A client will expect to pay more for a product of similar standard in a year's time, but because he is
not fully aware of the annual rate of inflation, he will not be prepared to pay the amount which the same tour costs a year later. Tour passengers thus purchase a tour of a lower standard than they intend, which leads to disappointment when expectations are not fulfilled.

If this method of self-selection breaks down, or an operator does not segment the market he will have diverse types of people on his tours. This makes it difficult for the operator to provide a product which will satisfy all his customers. More affluent passengers would be dissatisfied with the quality of such components of the product as the hotels. The less well-off passengers, however, could be intimidated by feeling that the hotels were "too grand" for them. These different attitudes lead to a discordant atmosphere on the coach, which is based upon the different socio-economic groups of the operator's clientele.

7.1.3. Market Segmentation

It is important that an operator should attempt to segment the market, and thus attract broadly similar types of people to his products. He should not promote in general terms, and accept whoever wants to book. Operators should deter those types of person who are not wanted on a tour, either by pricing, or by developing the product in such a way that activities are included which are not desired by certain segments of the market.
Despite the advantages of objectively knowing the characteristics of one's passengers, few operators undertake surveys which provide a passenger profile. Although there is a lack of information, most operators visited were willing to describe their passengers, based upon their own, subjective, observations of coach travellers.

7.1.4. Data from the British National Travel Survey

The British National Travel Survey (B.N.T.S.) commissioned by the B.T.A. provides information about the type of person who uses the coach to either take a tour, or a long distance journey, on their main domestic holiday of four or more nights away from home. Detailed categories of coach users are not given, although they can be obtained by additional analysis of the data. Cross-tabulation from the 1974 B.N.T.S. are contained in Appendix 5. It must be stressed that the B.N.T.S. is not published, but is made available to subscribers for whom the confidential data is useful in setting up marketing strategies. The survey differentiates between bus/coach users and those taking coach tours. This does not mean that each section is concerned exclusively with licensed express services or tours, because other operations such as private hire or, in some cases, stage carriage, could also be included in these categories. The data, however, does give a useful picture of the total market situation, against which the performance of individual operators can be compared. The information is
presented as supportive evidence to the following sections, rather than conclusive proof of passenger profiles.
7.2. RESEARCH BY EXPRESS OPERATORS

Although only a little work has been done by firms on their passenger profiles, it is important to examine available survey results. For reasons of confidentiality, some of the firms concerned asked not to be named.

A report in 1970, on express services gives no mention of the type of passengers for which the operations catered. Passengers were only mentioned in connection with the problems caused by seasonality of demand, and consequently, the problem of the peak. Unfortunately, this is only too common an attitude: operational and technical questions assume such importance that operators lose sight of the customers and their requirements.

Similarly, an "on coach" survey conducted for a north-east England operator provided information about quality of service, frequency of use, and passengers' attitudinal data, but nothing about the characteristics of the customers to whom the questionnaire was distributed.

7.2.1. Passenger Profile Surveys

Surveys of express passengers have been carried out for a number of years in the seventies. Different research organisations have been responsible each year. A comparison of data over time tends to be misleading because each body has applied different groupings, which are not necessarily compatible.
Table 7.1: The Sex, Socio-Economic Group, Purpose and Age of Express Coach Passengers, 1972-1974, in Percentage Terms.

<table>
<thead>
<tr>
<th>Sex</th>
<th>1972</th>
<th>1973</th>
<th>1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>42</td>
<td>47</td>
<td>41</td>
</tr>
<tr>
<td>Female</td>
<td>58</td>
<td>53</td>
<td>59</td>
</tr>
<tr>
<td>S.E.G.: AB</td>
<td>4</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>C1</td>
<td>24</td>
<td>19</td>
<td>31</td>
</tr>
<tr>
<td>C2</td>
<td>36</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>DE</td>
<td>36</td>
<td>46</td>
<td>27</td>
</tr>
<tr>
<td>Purpose:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday</td>
<td></td>
<td>33</td>
<td>21</td>
</tr>
<tr>
<td>V.F.R.</td>
<td></td>
<td>40</td>
<td>59</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>27</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>1972</th>
<th>1973</th>
<th>1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-34</td>
<td>23</td>
<td></td>
<td>42</td>
</tr>
<tr>
<td>25-44</td>
<td>12</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>35-54</td>
<td></td>
<td>24</td>
<td>13</td>
</tr>
<tr>
<td>45-64</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55+</td>
<td></td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>29</td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Undisclosed.

Table 7.2: The Cumulative Frequency of Age of Express Coach Passengers, 1972-1974, in Percentage Terms.

<table>
<thead>
<tr>
<th>Age</th>
<th>1972</th>
<th>1973</th>
<th>1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>65+</td>
<td>29</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>55+</td>
<td></td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>45+</td>
<td></td>
<td>65</td>
<td>28</td>
</tr>
<tr>
<td>35+</td>
<td></td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>25+</td>
<td></td>
<td>77</td>
<td>58</td>
</tr>
<tr>
<td>15+</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Calculated from Table 7.1.
The data in table 7.1 and table 7.2 shows that express passengers have altered. In the early seventies the division between female and male shows the former to be more numerous. The ratio does not exceed 60:40, and is fairly volatile. It would also appear that coach travel is becoming more acceptable to people of higher socio-economic groups\(^1\), while the reason for taking an express journey has become predominantly to visit friends and relatives. The importance of this purpose of travel means that demand is likely to be more even throughout the year. The data on age groups is not strictly comparable, but if a cumulative frequency is used for each year, it can be seen that there is a trend towards younger people using express services. Graph 7.1 clarifies this age data, although it is assumed that the frequency change from 1972 to 1974 is a gradual one. Although the 1973 cumulative curve can be several different shapes, the above assumption means that it does not cross the previous or following years' curves.

The 1972 figures show characteristics which are traditionally associated with coach travellers, but two years later the profile shows a percentage decline in the number of elderly, low socio-economic group females on express services. This does not necessarily imply a decline in the number of such people travelling because the total market may have expanded. Despite a decline
Express Passengers:
Cumulative frequency of age.
in the holiday purpose of travel, the B.N.T.S. suggests that holiday coach travel has risen between 1973 and 1974. The total market for express travel is thus expanding, and showing the greatest growth among people travelling to visit friends and relatives.
7.3. COMMENTS MADE BY EXPRESS OPERATORS

Information about the type of person using express services is obtained from comments made by operators. These comments are not based on rigorous surveys, but upon the operators' observations of their own coaches, and in the case of smaller operators, the intimacy they have with their markets.

More than one operator suggested that coach travellers consisted of those people who could not afford to travel by train. These include students and old age pensioners. It was thought that businessmen not travelling on expense account also used coach, but this rare view is unsupported by evidence. Most operators indicated that the older person predominates. The General Manager of National Travel (S.W.) Ltd. summed up his typical passenger by the phrase "Aunty Ethel", implying an elderly, single woman with a fixed income who is visiting friends or relatives.

7.3.1. Car Ownership

Car ownership is thought to be low among express travellers. The lack of a car may be due to either financial constraints, or to the stage in the life-cycle. Although not mentioned, the person who comes from a household owning one car, but does not have continual access to it, is also an important passenger.
For instance, a woman visiting friends whose husband uses the family car for work is forced to travel by public transport because she does not have access to the car. Financial and time constraints will determine whether she uses the coach or the train.

7.3.2. Socio-Economic Group

An executive of National Travel suggested that there is a move towards higher socio-economic groups travelling by coach, which should be encouraged by improvements in the product, such as more comfortable vehicles and faster journeys. Terminal facilities are in great need of improvement if this more up-market segment is to be retained.

Since these comments were made, political events have caused an increase of competition in the market for inter-city travel. The inter-city air shuttle service, which requires no pre-booking has attracted some of the train's business travellers. British Rail have thus started to attract more down-market passengers, thus forcing express coach travel to do likewise.
7.4. RESEARCH INTO COACH TOUR PASSENGERS

Having examined the sources of information on express services, it is necessary to now look at coach tours.

7.4.1. The Coach Tour Survey 1966

The Scottish Tourist Board conducted a survey in 1966 of coach tours to Scotland. Details of the methodology are contained in chapter 5. Table 7.3 summarises the results of the 2,500 returned questionnaires concerning the characteristics of the passengers.

Nearly 80% of passengers were over fifty years old and 40% were over sixty-two years. The manual occupation was the most common group. This is closely followed by "housewife", whose life-style is largely determined by her husband's occupation. The "retired" category numbers 562, or 17%, which does not substantiate the fact that 33% of passengers are over 62 years. It would seem that many of the housewives are either retired, or married to retired husbands.
Table 7.3: The Age and Occupations of Passengers on Coach Tours of Scotland, 1966.

<table>
<thead>
<tr>
<th>Age group</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>-16</td>
<td>10</td>
<td>1.0</td>
</tr>
<tr>
<td>16 - 25</td>
<td>77</td>
<td>5.0</td>
</tr>
<tr>
<td>26 - 37</td>
<td>119</td>
<td>7.0</td>
</tr>
<tr>
<td>38 - 49</td>
<td>310</td>
<td>13.0</td>
</tr>
<tr>
<td>50 - 61</td>
<td>997</td>
<td>39.0</td>
</tr>
<tr>
<td>62 - 75</td>
<td>909</td>
<td>30.0</td>
</tr>
<tr>
<td>75+</td>
<td>102</td>
<td>3.0</td>
</tr>
<tr>
<td>Unspecified</td>
<td>53</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof/Managerial</td>
<td>434</td>
<td>11.0</td>
</tr>
<tr>
<td>Artisan/Manual</td>
<td>781</td>
<td>45.0</td>
</tr>
<tr>
<td>Housewife</td>
<td>651</td>
<td>20.0</td>
</tr>
<tr>
<td>Retired</td>
<td>562</td>
<td>17.0</td>
</tr>
<tr>
<td>Unspecified</td>
<td>239</td>
<td>7.0</td>
</tr>
</tbody>
</table>

7.4.2. Sheffield United Tours, 1971

In 1971 the activities of Sheffield United Tours were examined by a market research firm for N.B.C. A postal survey showed that over 50% of passengers were over 55 years old, and only 4% were under 29. The survey included questions on occupation, but if a married couple were travelling together, only the man was asked his occupation. This effectively excluded housewives. Old Age Pensioners were also excluded, as these people were asked about previous occupations, because this was thought to reflect their life-style more accurately. Approximately two-thirds of male passengers were manual workers. The remainder were predominantly non-manual, although there were also a few managerial/professional people. The number of women answering this question was small, because their husbands' occupations were considered. The majority of single women were either non-manual or professional. At the time of the survey, Sheffield United Tours was reputed to be an operator providing a more up-market product than most. Despite this, nearly half the passengers were, or had been, manual workers.

7.4.3. N.B.C. Coaching Companies, 1972

A similar survey was conducted in 1972 on several tour operating companies of N.B.C. On average, 45% of passengers were older than 65 years, and over 65% were 60 years or older. Only 4%, however, were 39 years or less. This emphasises that coach tours
are predominantly taken by the older person. Differences occurred between firms: the operator whose market consisted of south coast retirement areas had a higher number of passengers over 65, accounting for 81% of his total tour passengers. Some companies in east and north England carried far fewer people over 65, which in one case only accounted for 30% of total carryings. Conversely, the percentage of younger people is higher in this case. Occupations differed between the companies, which tended to reflect the industrial structure of the area from which the firm operated. A higher proportion of manual workers were carried by those firms whose catchment areas contained heavy industry, such as in South Wales, and North East England. Companies operating in the south and west of England, however, carried a higher percentage of managerial and professional people.

Questions concerning car ownership showed that approximately one third of tour passengers were car owners. This figure was greatest in South Wales and South England, but lowest in London, and in Northern areas. There was a diversity of response between companies which cannot be explained by the areas of origin. One operator attracted a high percentage of non-car owners. His passengers were mainly elderly and retired, which suggests that the stage in the life cycle is more important in determining car ownership levels.
7.4.4. A Survey Conducted by a Major Operator, 1974

The following quotation is taken from a survey conducted in 1974, and summarises the passenger profile of the operator in question.

"The general demographic profile of the British holidaymakers on all the tours was remarkably homogeneous - the great majority being middle-aged to elderly married couples, with a minority comprising a few pairs or groups of women travelling together, occasional individuals - male or female - and occasional younger couples or individuals..... Nearly all the passengers were of $C_1/C_2$ - D social class, the latter being in the majority on the cheaper and shorter tours."

Approximately 60% of tour passengers were married couples in their fifties or sixties, plus a few in their forties. Additional to that, there were groups of women nearly all over the age of fifty, and over 50% of them widowed. 98% of passengers were over 46 years, and 43% were older than 60. The division by sex was fairly even, with 51% of passengers being female. 43% of passengers were from socio-economic group $C_1$. The lower groups $DE$ and $C_2$ accounted for 23% and 26% respectively. This operator only carried 2% of all his passengers from group AB.
35% of passengers were taking their first tour, and tended to be found on the shorter and cheaper tours, because the holiday was regarded as experimental. Another third of passengers had been travelling with the company for between two and four years, while the remainder were very faithful repeat customers, who had travelled with the company for over four years.

7.4.5. Another Major Tour Operator's Survey, 1975

A survey in the following year confirms many of the 1974 findings, although it was conducted by a different operator. Five thousand questionnaires were distributed by post with tour booking confirmations. The survey is based upon 791 responses. Although more questionnaires were returned, it was felt that these were not significantly altering the findings and thus they were discounted. This is not necessarily good methodological practice in market research.

The company has four main areas from which it operates, and in each of these, 80% of all passengers are over fifty years. This percentage is higher for women, where 90% are this age. That is, only 10% of women, and 20% of men are under fifty. This high percentage of old people is reflected by the high proportion of retired people in table 7.4.
Table 7.4: The Occupations of Tour Passengers from the Four Areas from which the Company Operates, in Percentage Terms, 1975.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Area A</th>
<th>Area B</th>
<th>Area C</th>
<th>Area D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired</td>
<td>53</td>
<td>43</td>
<td>51</td>
<td>62</td>
</tr>
<tr>
<td>Housewife</td>
<td>16</td>
<td>13</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Secretarial/Clerical</td>
<td>7</td>
<td>15</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Skilled Manual</td>
<td>8</td>
<td>13</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Shop Assistant</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Managerial/Executive</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Civil Service</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Nursing</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>8</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Undisclosed.

The number of retired people averages over 50%. A proportion of housewives will also be accompanying retired husbands. The company thus recognises that it is people of fixed incomes who provide the most custom. Although this company has a significant share of the coach tour market, and its findings are similar to those of another large company in 1974, this does not mean that the results represent the passenger profiles of all operators in the industry.
7.5. COMMENTS FROM TOUR OPERATORS

To try and discover whether profiles of other firms' passengers diverge from the above, it is necessary to consider the comments made by the operators visited. These are less reliable than surveys, but are important in establishing a picture throughout the industry.

7.5.1. The Age of Tour Passengers

The minimum age of passengers mentioned by most operators was fifty, although Galleon Tours did point out that it was becoming more difficult to deter families with children from taking a tour. A Scottish operator indicated that two years ago the majority of passengers were 50-60 years or more, but now an increasing number of couples in their forties, from both home and abroad, are taking coach tours. Operators usually carry a large number of old age pensioners, particularly on early and late summer tours, when prices are often cheaper. Several firms offer tour programmes at these times of year for the elderly: for instance, the Evergreen programme of Ewers, or the Honeycomber tours run by Bee-Line Roadways. This market segmentation usually involves separate brochures for these off-season, and thus lower priced, tours. Although not strictly confined to old age pensioners, they are designed for the elderly and thus are not necessarily so strenuous or hurried as main programme tours.
7.5.2. The Sex of Tour Passengers

Nearly all tour operators observed during their interviews that more women than men were carried, but as Bee-Line suggested, in the older age groups, this was merely a reflection of the national demographic profile. Those firms who carried a younger element of passengers tended to have a more even balance between the sexes, because the younger (forties) people tended to be married couples, and the percentage of older widowed women consequently was less.

7.5.3. The Socio-Economic Group of Passengers

Although there is a consistency between operators regarding the age and sex of their passengers, there are differences concerning the socio-economic groups. In many cases, this is not due to conscious market segmentation by firms, but rather it reflects the characteristics of the areas from which they operate. Galleon are licensed to pick up passengers in London, and the surrounding "commuter belt" area. The type of person they carry will thus differ from Smiths of Wigan, who provide a "cheap and cheerful" type of holiday for Mancunians. Similarly the people carried by National Travel (S.W.) Ltd. from South Wales differ from those people they take on their Exeter, or Bournemouth departures.
The predominant socio-economic group on tours varies from the professional/managerial class of AB found on Glentor Tours, to the lower paid and retired DEs which Premier-Albanian or Wallace Arnold carry. C₁ and C₂ types of people are also found on Wallace Arnold tours, as well as National Travel, and Barton Transport Ltd., who described them as "a better class of person".

Many operators refused to suggest what socio-economic group predominated on their tours, either because they did not know, or because they felt inhibited to talk about what they regarded as "class". Consequently phrases such as "all sorts" or "a cross-section" were used. If such descriptions are true, this indicates a lack of segmentation. Instead, the operator promotes in general terms, so that a variety of types are attracted to the product, regardless of whether they would fit in with the camaraderie among passengers, or not. The alternative approach is to develop a product, and promote it specifically at a certain type of person, thus ensuring product satisfaction among the similar types of person taking the tour.
7.6. VISITORS FROM ABROAD

The foregoing applies to domestic coach travel. Some operators, such as Frames, deal exclusively with visitors from abroad, while others, such as Glenton, cater for both types of tourist. National Travel has developed a programme, which while available to the more affluent domestic tourist, is primarily aimed at the overseas market.

Domestic tourists who travel with visitors from abroad, on tours run by Galleon, Glenton and National Travel, tend to belong to the AB socio-economic group, and have expectations of hotel standards similar to visitors from abroad. Both Glenton and Galleon use high standard hotels, which usually include private bathrooms. The tour price is thus higher, and while visitors from abroad can afford this (due to the rate of exchange for sterling at present) only the higher income groups of domestic tourists are willing to pay for the superior quality product.

7.6.1. Surveys of Visitors from Abroad

There have not been any published surveys of visitors from abroad taking coach tours. The B.T.A. surveys of visitors from the U.S.A. and Canada in 1971, however, produced some information on coach users, as table 7.5 shows.
Table 7.5: The Age of Visitors from North America Taking Extended Coach Tours in Britain, 1971.

<table>
<thead>
<tr>
<th></th>
<th>All coach tour passengers ('000s)</th>
<th>16-24</th>
<th>25-34</th>
<th>35-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A., 1+ days</td>
<td>46</td>
<td>10</td>
<td>8</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Canada, 1+ days</td>
<td>32</td>
<td>4</td>
<td>8</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Canada, 2-5 days</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Canada, 5-10 days</td>
<td>18</td>
<td></td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: B.T.A. 1971

Of the 32,000 Canadians taking an extended coach tour, 38% were over fifty-five years. The majority of these people took a longer tour. 50% of Canadians taking a longer extended tour were over fifty-five. Only 25% of Americans were in this age group, while 35% were between 35 and 54. In all cases, there were more elderly visitors from abroad than younger people taking a British extended coach tour.

7.6.2. Comments by Operators Catering for Visitors From Abroad

While there is no other documented information concerning visitors from abroad, comments from operators help to substantiate the above. Most operators believe that people from abroad taking a coach tour tend to be younger than domestic tourists. There are a large
number of couples, mainly in their forties. Glenton provided the exception to the rule by stating that many of the Australians they carried were retired people.

Operators were not willing to gauge the socio-economic groups of their clients, because as Frames said, the different social and cultural backgrounds of these people made it difficult to try and classify them by British standards. Visitors from abroad, particularly more distant countries, have both the money and leisure time for travel. It is thus likely that they are of the higher social strata in their own countries. This is particularly true for countries where the majority of the wealth is concentrated into relatively few hands, as in South America.

7.6.3. Overseas Markets

The main markets for British coach tours tend to be the English speaking countries of the U.S.A., Canada, South Africa, New Zealand and Australia, which have cultural and historic ties with Britain. The small operator who attracts visitors from abroad also aims at these markets because he is not large enough to diversify into the non-English speaking markets.

The falling value of the pound has made Britain a very attractively priced destination, not only for the longer haul traditional markets, but also for nearby
Europeans, and Scandinavians. This had induced some operators, for instance Caledonian Tours, Edinburgh, to diversify into non-English speaking tours, on which multi-lingual guides are provided. Caledonian, who operate tours of Scotland, feel that it is essential to penetrate the Western European market while they have a price advantage, and thus create a base on which to build in future years, when the advantage may disappear.

Glenton spoke of the Dutch as an increasingly important source of business, while established wholesalers in non-English speaking markets, such as Anglo-World, stated that the number of European customers was rising rapidly. Operators thus need to attract the new flow of visitors to Britain onto coach tours, and maximise the benefits which derive from a declining rate of exchange.
7.7. SUMMARY

This chapter has illustrated the types of passenger to be found on both express services and coach tours. The express passenger is typically female, and elderly, although there has been a move in recent years towards a younger age profile. Both the young, and the elderly are free of time constraints, but not financial limitations. The characteristics of express coach travel are thus attractive to them. There has also been a tendency towards people from higher socio-economic groups travelling by coach, but whether this will continue is uncertain.

The domestic tours passenger tends to be over fifty years, and is often over sixty-five. There is an increasing tendency for couples in their forties to take coach tours, but women, often widowed and elderly, are still a very important group of passengers. Clients are mainly drawn from the C1/C2 socio-economic groups, although exceptions, such as Gleneton who carry mainly AB people, cater for the more extreme segments of the market. A profile of express coach and coach tour holidaymakers is contained in Appendix 5, based on data from the 1974 B.N.T.S.

Visitors from abroad are often between forty and fifty years, although older people also take British
tours. They are more likely to be married couples than in the domestic case, because they have yet to reach the age when widowhood is more common. Operators found difficulty in judging the income groups of their foreign passengers, although these people are not poor in their own countries. The country of origin is slowly altering in percentage terms from the traditional English speaking markets, to those of Western Europe, in which Britain has a strong price advantage.

The passenger profile of all three types of customer is thus altering. It is important that operators are aware of these trends if they are to be successful in attracting custom to both express services and extended coach tours.

1 This term, socio-economic group, is explained in Appendix 7.
CHAPTER 8 : THE EFFECT OF EXTERNAL FACTORS ON COACH OPERATIONS

8.1. INTRODUCTION

When a firm develops a marketing strategy there are certain constraints upon its activities. These limitations are external to the firm, and thus it has no control over them. The four broad areas of Legislation, Environment, Institutions and Competition will be examined in turn.

8.2. LEGISLATION

The Acts of Parliament which have affected road passenger transport were examined in Chapters 3 and 4. The main constraint that legislation has placed on coach marketing and operations is the licensing system. The different aspects of this are examined in greater detail in the two following chapters. There have, however, been other government actions which have had an impact on the P.S.V. industry.

8.2.1. The Capital Expenditure Grant to Bus Operators

A bus grant was introduced in the 1968 Transport Act to help operators with their capital expenditure. It was designed to encourage the modernisation of stage carriage fleets. New vehicles have to meet certain
specifications in order to qualify for the bus grant, one of which is that they are suitable for one man operation. Not all types of vehicle met the conditions, with the result that demand for these models fell. The government has thus had an impact upon the bus construction industry, because some models are no longer produced for the home market. This has resulted in greater standardisation of fleets.

A vehicle whose purchase is aided by a grant must fulfill other conditions than design specifications. The vehicle in question must be operated for at least 50% of its mileage in each of the first five years of its life on stage carriage services. Prior to this, the condition was that 50% of its mileage in the first five years had to be stage carriage. This meant that a new vehicle could operate tours, or express services for the first couple of seasons, before being downgraded to stage carriage operation for the remaining three years in order to increase the necessary type of mileage. The subtle change in the condition means, however, that this is not now possible.

The grant has resulted in the industry altering both licences and vehicles. Limited stop services of bus companies were often operated under express licence. There is now a tendency towards converting them to stage carriage, in order to boost this type of mileage. One
company has even been approved a stage carriage licence for a long distance, express-like operation. If any dual purpose vehicles are low on their stage carriage mileage, they are transferred to this route, where it can then be built up.

8.2.2. Dual Purpose Vehicles

The Scottish Bus Group use dual purpose vehicles for stage, express and tour operation because this type of vehicle qualifies for a bus grant, while also having some of the attachments associated with a coach. Although this is good financially, it is not an advisable marketing practice. People taking a tour operated by Alexander Midland or Scottish Omnibuses do so in the same (type of) vehicle as they use for their daily journey to work, or shopping trips. A stigma is thus attached to the tour, because it fails to differentiate the product from more mundane journeys associated with daily toil. The same applies to those express services, which use dual purpose vehicles.

Dual purpose vehicles are less common in England and Wales. Most stage carriage services are run by municipal operators, or by subsidiaries of N.B.C., all of whom apply for bus grants. Independent operators, do not run many stage carriage services, and the likelihood of 50% of a vehicle's mileage being on stage carriage is remote. Most N.B.C. subsidiaries own some
dual purpose vehicles, which are used for stage carriage or private hire, but which can be hired to National Travel on days of very high demand for coach travel.

Bartons of Nottingham use coaches for their tours, express and town bus services. There is no obvious downgrading of vehicles, except that some of the new vehicles are used for tours, and thus the standard of touring coaches is always maintained, because a third of the coach fleet is renewed each year. Bartons have the same marketing problem as the S.B.G. because their touring vehicles have connotations of daily journeys to work, and are not differentiated for the holiday purpose of travel.

8.2.3. The Fuel Tax Rebate

A rebate of 12.50p per gallon, of the fuel tax of 22.50p per gallon was introduced in 1968, although it was largely ignored by the P.S.V. industry until 1970. The rebate is on the tax paid on fuel used for stage carriage operation. In 1974, the rebate was increased to the full amount of the tax, to help offset the rising price of fuel. The rebate is given by the local authorities, who receive transport grants from Whitehall. This is subject to the submission of a Transport Policy and Programme which outlines intended development within the area, and gives local authorities greater influence in developing local transport requirements.
The tax rebate is another incentive for operators to classify services as stage carriage. National Travel are at a disadvantage, as are private tour operators, because they do not operate stage carriage services. They are thus ineligible for both the bus grant and the fuel tax rebate. Inessential leisure travel is thus penalised, because, although these operators face similar costs, they do not receive financial aid in meeting them. The grants to stage carriage operators increase their revenue, and thus help meet rising costs thereby minimising losses. The S.B.G. is not penalised to the same extent as National Travel, because the former's subsidiary companies operate a mix of services. Although express and tour operations could be financially affected in relative terms, the S.B.G. appear to have found practical solutions which do not place them in a disadvantaged position similar to National Travel.
8.3. THE ENVIRONMENT

Four environmental factors affect tour operation: terminal or pick-up points, the road system, refreshment stops and accommodation. All but the last factor constrain express service operation.

8.3.1. Terminals and Pick-up Points

The point at which a passenger joins a coach tour or express service is an integral part of the product. Despite this, however, little is, and in some places can be, done by operators concerning the suitability and quality of such places. Boarding points vary greatly, but a number of broad types can be examined: roadside stops, a bus/coach station, belonging either to the operator of the service, or to another operator, to whom payment for use of facilities must be made. Additionally some operators' terminals are their depots or garages, and pick-up points are close by.

(a) Roadside stops. These are common on both express and tour operations. They provide a flexibility within the catchment area which is beneficial to those people who live near the stops. It can, however, be frustrating for terminal passengers, whose journey is prolonged by the large number of stops. For instance, one tour originating from East Anglia spent five hours travelling round the area picking up all the passengers before finally heading towards North West England. Similarly express journeys take additional time when intermediate stops are made.
Timetables are not very precise in describing pick-up points. For instance service 300, London to Reading operated by Alder Valley has a stop at "Near Albert Hall". A passenger travelling for the first time will be uncertain of being in the correct location, and if the coach is late will become agitated that he has missed it, or is in the wrong place, because the pick-up point is so poorly described. This worry is not likely to encourage repeat coach travel on any route. If it is thought to be an uncertainty as to whether one catches the coach or not, then people will not initially be induced to travel by coach. It is thus important that stops are clearly marked, and that booking clerks ensure that the passenger knows where he is boarding the vehicle. It is important that drivers should endeavour to keep to advertised timetables, particularly if they know that they are picking up from roadside stops. Tours do not suffer from these problems to such an extent because there is likely to be more than one party boarding at any one point, which is known locally, and is usually near or at the booking point.

(b) Bus/Coach Stations. These boarding points are generally well marked, and well known within a town. The passenger does not, therefore, encounter difficulties in reaching the station. Once there, the ease he has in finding the correct bay depends on whether the station is run by the operator of the service or not. An operator who also has his own coach station is able to provide
the correct number of inspectors, and receptionists to deal with the level of passengers, by reassuring them, and ensuring that they board the correct vehicle. The coach station of Scotia Tours in Glasgow caters for one departure at a time by providing a lounge for about 50 passengers, men to carry luggage, and booking clerks to act as hostesses. A luggage minding service is also provided for those people who wish to examine Glasgow. This small but adequate terminal prevents tour passengers from waiting by congested roads without protection from the elements and also provides a point at which an individual and personal introduction to the company can be given. Scotia unfortunately were the only private operator visited who consciously provided their passengers with a comfortable start to their tour.

The tours of Alexander Midland, which also originate from Glasgow, and more particularly the express services operated by Western S.M.T., were very badly served by terminals, until the recent opening of Buchanan Street Bus station. Prior to this the boarding point of express services varied annually as town, and traffic planners moved Western S.M.T. from one open space to another. Some of these vacant plots to which the terminal point was consigned were described as "mud heaps" when it rained. The terminal did not provide refreshments nor toilet facilities. There was no overhead
cover or protection from rain. Unfortunately, Western S.M.T. were powerless to improve the terminal facilities which were giving them such a poor reputation. Only now that they use the new bus station can the company build a new image based upon their terminal facilities.

National Travel uses both bus stations belonging to other N.B.C. subsidiaries, and also the coach stations which have come under their ownership when all coaching companies' assets passed to the nationwide company. National Travel have stations of their own in areas where there were coaching companies prior to 1968. Apart from running Victoria Coach Station, and Cheltenham, there are also stations in towns such as Birmingham, Leeds, and Bournemouth.

Many operators who use Victoria Coach Station regard it as dangerous. There is no segregation of passengers from their friends and relatives who come to meet them, or wave good-bye. Both are allowed to mingle among the vehicles. One operator suggested that the possibility of a passenger or friend being run over by a reversing coach was a very strong one. Directions about which bay services depart from are not clear. There is a plan of the station, but overhead signs above the bays only face in one direction. There are inspectors to ask for guidance, but passengers forget that their
prime job is not to dispense advice. There is a need for information points, so that the station inspectors can carry out their intended job of supervision without hindrance from the public.

Passenger facilities at the terminal are poor: the cafeteria food, service and atmosphere is dismal, while there is no comfortable departure lounge. A relatively pleasant lounge and bar for people meeting passengers is the only good point of the station. The toilets are well used, but the original, main facilities are underground. A steep set of stairs must be negotiated, which some less agile, elderly coach passengers have difficulty in doing. Victoria Coach Station was built in 1932, and extended in the 1950s. It is on an extremely restricted site, and any improvements must thus be at the expense of existing facilities. Despite this problem, improvements could be made in segregating passengers and friends from their vehicles until the last possible moment. More attractive decor and food is needed in the cafeteria, while an improvement in the service from behind the counter could also generate more business. More toilets on ground level are also required to help with the congestion of the peak.

St. Margaret's Coach Station, Cheltenham, does not deal with any large amount of terminal traffic, and thus the problems associated with "waver-offers" is
mainly avoided. The bulk of passengers are passing through the station, making use of the interchange between services, especially for the 14.30 departures. National Travel (S.W.) Ltd. have organised the interchange so that passengers are set down on arriving at the station. The vehicles are then cleaned, re-fueled and mechanically checked before going to their appointed bay in order to pick up new passengers for the 14.30 departure on their return journeys. The passengers are thus not on a coach for between ten and sixty minutes. The facilities at the station include a large board indicating positions for departure, and an information kiosk, from which passengers can obtain a wide variety of information about the services and the town. The self-service cafeteria is bright and cheerfully decorated, although one suspects it has difficulty meeting peak demand on Saturdays. The same may be said for the toilets, while sitting space is virtually non-existent. Because demand is concentrated into peaks, facilities are heavily utilised for a short period of time, giving a low overall utilisation. This clearly inhibits additional capital expenditure on the station. Although Cheltenham provides an excellent interchange in operational terms, more thought should be given to the needs of passengers while they are passing through the station.
(c) N.B.C. Subsidiaries' Bus Stations. National Travel also use stations run by N.B.C. subsidiaries for tour departures, and express services. Antagonism between National Travel who took over prestige operations and stage carriage operators in 1973 did not help National Travel provide helpful staff at each bus station pick-up point. This lack of co-operation has not aided National Travel's public relations. Matters have improved over time, however, and now some N.B.C. bus stations provide good facilities for coach tour and express passengers. Standards vary greatly: new bus stations such as Ribble's at Preston, or Eastern Counties' in Luton provide clearly indicated bays for National Travel. Passengers can obtain refreshments in clean, and pleasant cafeterias, while there is no shortage of toilets. Alternatively, National Travel is forced to use older stations, such as Ribble's at Lancaster. Here the cafeteria is poor, and directions to the National Travel bays are almost non-existent. Coaches may not always be able to use their designated bays due to other obstructions, while passengers do not have a pleasant indoor place to wait. National Travel cannot control the standards of facilities at N.B.C. bus stations. These stations, however, play an important part in determining the quality of National Travel's services, and are thus a strong constraint on product development.
(d) The Practices of Private Operators. Private tour operators use both types of pick-up point. Some of the smaller operators, such as Epsom Coaches, pick up from points associated with their booking points, within a very small area. Some operators, notably Bee-Line, Ewers, and Galleon, use their garages as their first point, because they also provide car parking facilities for passengers. London operators tend to use the Kings Cross Coach Station in North London as their main pick up, and then rely upon roadside stops in selected "commuter belt" areas. Glenton Tours are generally regarded as providing one of the more up-market tours. Apart from their depot in South London, they also use a pick-up point at Eckleston Bridge, which passes over the back of Victoria Railway Station. This point has no facilities, and very limited overhead cover, as well as being both noisy and dirty from the road and the trains. Glenton thus provide a start to their tours which is completely out of keeping with their otherwise luxurious product, and which must give many passengers misgivings. Despite this, Glenton prefer to use their roadside stop to Victoria Coach Station because, as they see it, the latter is crowded, ill-organised, and with poor facilities.

Anglo-World, on the other hand, sell tours wholesale to overseas agents. The hired coach meets its passengers at the large Faena Hotel in Kensington,
where the passengers have spent the previous night. The complexity of the hotel, its two entrances, and the fact that the passengers may not speak English, means that passengers are often left behind in the confusion. This is not good for the public image of the tour operator, nor for the trade image of Anglo-World. It is common, however, for operators not to realise the importance of the pick-up points in developing the image of the product. Even when operators appreciate the marketing implications of convenient, clean, and well-served departure or pick-up points, there is often little that can be done by the operators themselves to improve the facilities offered to the public.

8.3.2. The Road System

Express operators have been able to improve their products over the years, as road improvement schemes, and motorway construction have provided better roads. Not only does this make journeys more comfortable, but also timings are faster. Long distance terminal services, which can use a motorway often offer competitive timings with rail. Products are improved without the P.S.V. industry taking any action, but merely making use of public expenditure on roads. Operators pay for this through vehicle and fuel taxation, but unlike the railways, do not meet their full track costs.
Although this is an advantage, operators are also unable to improve any roads which they regard as poor. If a coach service must use such a road, then it is a constraint because the operator cannot develop his product.

Motorway development has meant that more distant destination areas can be reached by tours. The range of destinations offered on three and four day tours has increased as new motorways meant that new areas could be reached more easily. The suitability of roads to carry coaches is a constraint, on where the coach can go once the destination area is reached.

When granting road service licences the traffic commissioners pay due attention to the effect of a coach on a given route. In London, the traffic police advise which roads are most suited for additional coaches, and whether there is already congestion at certain tourist spots, such as Westminster Abbey. Similarly, at coastal resorts, licences are often only given for specified roads. In certain coastal resorts congestion is so heavy that the commissioners control not only which roads are used, but also which ones a vehicle may reverse down, and which it may not.

Alexander Midland are only allowed to use a 29-seater coach on one of their tours of Scotland,
because some sections of this route are on roads which
the traffic commissioners feel are unable to carry
vehicles of greater chassis length. Some of the minor
roads are not suited for use by any type of coach.
This is particularly true in Northern Scotland. Opera­
tors would like to use minor roads which provide
spectacular scenic views, but are unable to do so
because the traffic commissioners refuse to approve a
route using roads not suitable for the vehicle.

Map 8.1 shows the routes used by tour opera­
tors to Scotland in 1966. The main points at which the
border is crossed are:

(a) the West Coast, between Carlisle, where the M6
motorway ends, and Gretna Green. From here, tours tend
to continue north to Glasgow, from whence they go via
the west coast and Oban, or inland through Glencoe to
Fort William. Inverness is easily reached up the Great
Glen.

(b) East, either via Scotch Corner, or Berwick on Tweed,
to Edinburgh. From here there are several routes
through Central Scotland, although the most popular is
north, via Perth, either to Inverness or Aberdeen.

The routes followed by tours of the Highlands,
to the north-west of the Great Glen, are few, suggesting
that there are only a few roads through this rugged
country which are able to carry coaches.
A diagramatic representation of the major coach tour routes in Scotland 1966.
Road standards are thus a constraint in both isolated rural areas where they may not be wide enough, and also in urban areas, where only specific streets and stopping points must be used. The network limits product development, because there is little an operator can do about the standard of a road which he uses if it is detrimental to his service. On the other hand, operators have greatly benefited from road building and improvement schemes, while bearing only a small proportion of these track costs.

8.3.3. Refreshment Stops

On express services, these stops are provided to allow travellers on long journeys to have a drink, and also use the toilets. Such stops on tours are usually provided mid-morning and mid-afternoon with similar purposes in mind. In addition, however, tours have lunch stops which provide a mid-day meal, usually at a place of interest. Practices differ between operators, so that it is difficult to generalise about such stops.

Tour stops provide time to look round the stopping point, and see places of interest. Stops are rarely long enough, however, to allow any detailed examination. They provide a convenient division of the day into four periods, and enable passengers to stretch their legs, after two or three hours travelling.
Coffee, tea and lunch stops may or may not be included in the total tour price. This varies between operators. Glenton, for example, do not include any stops in the price of the tour because they feel that passengers should be free to do as they please in each stopping place. While some people may choose a three course lunch, others have a snack, and then explore the town. Glenton do not risk the day being ruined by a poor lunch stop because it is the individual's choice as to what he does, although often guided by the courier. Some National Travel tours, on the other hand, are fully inclusive of lunch at a given restaurant or hotel, which accounts for the majority of the time allocated to the stop, and gives little opportunity for exploration.

Coffee and tea stops are also organised in many cases, although they are not included in the tour price. Passengers are very organised, leaving little opportunity for them to do as they please. National Travel also accepts responsibility for standards of stops as well as hotels, which many passengers like.

A refreshment stop on an express service is made so that passengers are not in the coach for more than a couple of hours at a time. They primarily allow passengers a toilet visit, plus the opportunity for a drink. Motorway services use the motorway service stations. These are not entirely satisfactory, but do have the advantage of being directly on the route. Severe
congestion occurs at these stops sometimes because of the number of other motorway users, or because other services have also stopped with their forty or more passengers.

This problem is particularly acute in the summer, when services are often duplicated. A thirty minute stop, in accordance with the timetable barely provides time for passengers to refresh themselves. One operator running motorway services stated that his drivers ran ahead of time, and thus faster than they should, in order to reach crowded service stations in advance of their timetable. A considerably longer break than scheduled is then taken, and the time lost is again made up by fast running to the destination. The congestion at service areas is thus encouraging bad driving practices by coach operatives, which endangers the lives of both passengers, and other motorway users.

Non-motorway services used to stop at roadside cafes and public houses, but nowadays few such establishments welcome coach parties. Bus stations belonging to N.B.C. subsidiaries are picking up points, and also refreshment stops. Independent express operators do use N.B.C. bus stations, but also show a greater tendency towards private road-side stops. Non-motorway stops tend to be shorter and more infrequent because:
(a) people tend to travel for less distance on non-motorway services, and thus do not need to stop for so long;

(b) a shorter stop is one way of reducing journey times on the slower non-motorway services;

(c) some bus stations may not be able to offer all the desired facilities, although the number of these has declined significantly over time;

(d) bus stations are less crowded during the day and thus the express passenger does not encounter the same degree of congestion.

8.3.4. Hotel Accommodation

Accommodation is one of the main elements of an extended tour, and thus the standards of the hotels will strongly affect the quality of the tour. When planning a tour the operator has to find hotels in strategic points along the route. These hotels should be of the correct standard to match the quality of the overall product, and also be able to accommodate forty or more people. Hotels along popular routes are thus very important to operators: often demand for bed-space is high, and the hotelier will be in a dominant position to dictate quality and price. An operator said in interview that his tours were receiving poor service at a hotel in the Lake District, and another in northern Scotland. Because the pressure of demand on hotels in
both these areas is so great, the operator was unable to use different hotels. He thus had to accept the poor service, the lower quality of his product, and the detrimental effect this had on his reputation.

An executive from Scottish Omnibuses (Edinburgh) said that it was now impossible to get accommodation in Strathpeffer on Tuesday nights. This is because demand is very high from London operators whose tours depart on Saturdays and Sundays, and reach Scotland on Monday. On Tuesday nights these operators have a monopoly on bed-space in this settlement of just over one thousand people, which nevertheless has four 'AA' registered hotels, and lies twenty-four miles north of Inverness.

It is difficult for operators to find accommodation in some areas, let alone accommodation of a standard which is compatible with the total tour. It is as wrong to accommodate a down-market tour in an expensive and smart hotel, which the passengers may regard as "too grand", as it is to use a low grade hotel for an up-market tour. In each case the product is blurred, and the tour passengers feel out of place. Galleon suggested that it was more important to try and keep the standard of hotels consistent throughout the tour, so that comparisons between accommodation do not make a poor hotel appear worse than it actually is.
Wallace Arnold, on the other hand, try to finish their tours by staying the last night in a high quality hotel. The majority of tour passengers are socio-economic group C₁, and thus it is possible that they may be unsettled by such "smart" places. If passengers compare the different hotels, the last night accommodation will make the previous overnight stops seem very inferior, in retrospect. Wallace Arnold do, however, leave a favourable impression with their clients which hopefully replaces any complaints from previous nights and which induces clients to return to the firm for a holiday in the future.

Map 8.2 shows where overnight stops were made in Scotland in 1966. It emphasises the lack of accommodation in northern Scotland, although there is sufficient in central and southern areas. In the last ten years, the Highlands and Islands Development Board has improved conditions in Northern Scotland, by concentrating on tourism as one of the area's main industries. (H.I.D.B. 1972). Some new hotels have been built, but the seasonality of tourism means that annual returns are low, and do not warrant investment in hotel building in many places.

Most operators visited regarded the Scottish Highlands as one of the more popular destinations, both for domestic tours, and visitors from abroad. They all
Map - Shows the spatial distribution of overnight accommodation used on coach tours to Scotland 1966

Key
Δ Overnight stops
▼ 2 or more night stops
regarded it as also the area in which there was the greatest accommodation problem, and in which operations are curtailed, due to a lack of suitable hotels.

Most areas of England are well provided with hotels, which makes tour organisation easier for operators. At certain times of the year there is a lack of bed-space in London, but this does not affect extended coach tour operators. Some parts of Wales are sparsely populated. Despite this, coastal resorts, and the market towns on the English border such as Hereford or Great Malvern, have a sufficient number of hotels to provide operators with the required amount of bed-space.

Some operators have tried to overcome the two problems of lack of accommodation and lack of control over standards by buying hotels. Bee-Line own six hotels in Scotland, at strategic and popular points on their tours. Similarly, Galleon have bought a hotel in Fort William, where demand is high, and so that if the hotel is not being used by a Galleon tour, it can be used by other operators. Galleon also own a hotel in Torquay, part of which is used for a tour every night. The remaining rooms, however, are let to the public individually, because Galleon regard this as more profitable than providing other operators with bed-space.
Smiths of Wigan also own hotels, partly to overcome the problem of accommodation shortages, but mainly in order to reduce costs, by removing the hotelier's profits. They thus offer centred holidays of lower prices than some operators. Travel Trips (Glasgow) also appear to adopt a similar practice.

Some comments by operators may help to illustrate the problem of hotel availability. Glenton regarded hotel availability as a constraint upon their operations, and their product development. They provide an up-market, luxury product, and often found that the hotels they are forced to use are a compromise between what they would like to provide, and what is available. Caledonian Tours offer a choice of three grades of hotel, at different quality-price mixes, on each of their centred tours. They usually only require a maximum of between fifteen and twenty beds at any one hotel. Despite this, the impact of the oil industry in Aberdeen has meant that it is nearly impossible to get accommodation in this area. Any beds that are available are let at greatly inflated prices, and thus tend not to be suitable for centred tour holidays.

Scotia said that they were unable to operate a tour of central Scotland, because there were not the hotels at a price which people on fixed incomes and pensions could afford.
Executives from both Alexander Midland and Scottish Omnibus said that they found hotel availability a constraint in Scotland, while the latter also pointed out that the problem did not arise in England.

National Travel (S.W.) Ltd. said that they encountered problems, and in one case were unable to stop using a hotel with which they were dissatisfied because there were no alternatives in the area. A change of hotel also involves the time consuming activity of having the tour licence amended by the traffic courts, and thus any change is only contemplated in extreme circumstances.

The standard of a hotel, and the service it provides is very important in determining the quality of the product. Where the supply of beds is less than the demand, hoteliers can influence a tour while an operator can do little to ensure that standards are maintained. In some areas, a lack of accommodation prevents operators developing new tours, which could possibly reduce the pressure on existing hotels. Both a shortage of bed-space, and a total lack of it are very important in determining the development and the quality of a tour operator's products.
8.3.5. Summary

The environmental constraints of the picking-up points, the road network, refreshment stops and accommodation influence the marketing of coach products. Each factor limits the operation of either a tour or express service. They thus affect the quality of product, and also its development. These components of the product are largely outside the control of the operator, who thus can do little to determine the characteristics of his product.
8.4. INSTITUTIONAL FACTORS

This category of constraints tends to consist of the miscellaneous ones. There are several institutions associated with coach operation, but not all constrain the marketing of the coach products.

The traffic courts, and the licensing system affect the operation, and the marketing of coach services, but this will be dealt with in more detail in the following chapter. The system costs time and money to operators wishing to introduce new products. They may not always regard the effort worthwhile, and thus much of the competitive impetus to innovate is lost.

8.4.1. The Confederation of Road Passenger Transport Operators

The C.P.T. is a loosely-knit organisation of the P.S.V. industry. It provides a forum for discussion between operators of all types at its annual conference. Its greatest potential lies in providing a unified voice for the P.S.V. industry, which will be increasingly needed in the future. The C.P.T. does not constrain the marketing of coach services. It is, however, an institution which could have greater impact on the P.S.V. industry and also on behalf of coach operators, when speaking to government, and other transport concerns.
8.4.2. The Chartered Institute of Transport

The Chartered Institute of Transport is concerned with all modes of transport, both freight and passenger, surface and air. It does not constrain coach operators, but does have a potential to fulfill at present. Just as the C.P.T. could represent the P.S.V. industry in total, and provide a forum for discussion between bus and coach operators, so the C.I.T. could provide a means of communication between operators of different modes of transport. This is particularly relevant at a time when the government is trying to produce a transport policy based on co-ordination between modes.

8.4.3. The National Tourist Boards

They have an impact upon the marketing of coach services. For instance, the British Tourist Authority (B.T.A.) holds workshops, where operators can meet overseas agents. This helps to promote tours overseas because it facilitates contact between operators, and general sales agents, who take care of retailing, and promotion abroad. The B.T.A. also produces posters of Britain, which can be overprinted by the individual operators. This is of great help to smaller operators who cannot afford the costs of special promotions for the overseas markets. The B.T.A. magazine "In Britain" provides space for promotion, and thus helps British operators to advertise overseas. Similar promotional work is
done by the English, Scottish and Wales Tourist Boards, although they are concerned with domestic markets, and any workshops are for British operators, British hoteliers and British agents.

8.4.4. The Structure of the Industry

The structure of the industry is an important institutional factor. The degree to which it affects the marketing of coach services is, however, open to question. As a result of the majority of express services coming under the control of two main companies, the promotion of these services has altered. Both National Travel, and S.B.G. on their London routes have adopted distinct liveries, and logos. Promotion has concentrated upon a nationwide network, which is both flexible and accessible. National Travel promotion of tours resulted in local operators' names being removed from brochures and posters, with the result that much good-will was lost. Marketing in the private sector has not greatly altered due to the change in the industrial structure.

Institutional constraints on the marketing and operation of coach services are relatively few. The major one, which can also be regarded as a legislative constraint, is that imposed by the licensing system, and dealt with in the following chapter.
8.5. COMPETITION

There are three levels of competition which a coach operator may face.

(a) Competition within the mode of transport. That is, competition from another coach operator, for people willing to travel by coach.

(b) Competition between modes within the transport sector. That is, competition from other modes such as the private car, or train, for people who are willing to travel.

(c) Competition between different sectors of the economy. That is, transport, of which coach travel, and a given coach operator are part, competes with consumer durables, such as washing machines, and non-durables, such as soap, for households' personal disposable incomes.

Transport operators tend to regard the level of transport as given, and thus fail to recognise the last type of competition. It must not be forgotten, however, that government action, and economic circumstances will affect the level of disposable income. As this falls, so inessential purchases decline. It is important that coach travel is favourably placed on a household's list of expenditure preferences if this last type of competition is to be avoided.
Of the operators visited, only five regarded other modes of transport or products associated with these modes as forms of competition. The remainder regarded other coach operators as the main form of competition to their own operations. The licensing system, however, tends to reduce this competition: express carriage licences tend to be complementary to one another and produce an intricate network dominated by the public sector. Tour licences may permit similar products to be offered by operators, but the specification of picking up points means that operators tend to develop spatially defined markets of their own.

Although express services and tours both use coaches, they should be regarded as different products. A coach tour is a form of holiday, and thus competition comes from other types of holiday. Express services, however, do not cater only for the holidaymaker, and thus competition must be examined within the wider leisure market and the context of a derived demand for transport.

8.5.1. Express Coach Services

The degree of competition depends on how easily an alternative mode of transport can be substituted. If two products are close substitutes for one another, it is important to create an image of dissimilarity through product differentiation. If products are seen by the public as similar, the operators have little freedom in
such marketing practices as pricing. Competition is thus pursued through product development.

The major modes of long distance travel are air, private car, train and coach. Although air is an increasingly important mode of internal transport, it is mainly used by business men with expense accounts. It is not, therefore, a serious competitor to the predominantly leisure oriented express coach. Air may be used for some holiday purposes: for instance Scots taking a holiday on the south coast can travel to Exeter, Bournemouth, or Southampton, by air. In this way, a considerable time saving is achieved, although a higher price must be paid.

8.5.2. Competition from the Private Car

The car is an important competitor to express coach travel, and has the advantage of being more flexible and direct. For many travellers, their car is an extension of their home environment. As such journeys are more comforting because they contain fewer unknown factors. The car is not likely to be more reliable than the coach, but a car driver knows immediately his car does not work, while a coach passenger waiting to be picked up will worry about what has happened to the coach. The car thus gives a greater degree of familiarity and certainty.
The private car also appears to be cheaper than the coach, which is perceived as an advantage of car travel. This is because only the variable costs of a journey are considered, and not fixed ones which include the initial cost of the car, its continual depreciation and servicing, insurance and taxation costs, as well as the social costs associated with pollution and congestion. The perceived cost of a car journey is thus lower than the costs incurred. (Gwilliam and Mackie, 1974). The apparent price advantage of car travel over public transport is thus often a fallacious one.

Although the car accounted for 71% of holiday trips in 1975, many operators visited did not regard it as an important form of competition. This is because many express travellers do not have access to a car, either because they are of the age or socio-economic group that tend not to own cars, or are married women from one car households. This is particularly true of common interest tourism, where there are many people travelling alone by coach, because they do not have access to a car, although the household may own one. Because of these reasons, operators saw the train as a more important type of competition to express coach travel.
8.5.3. Competition from the Train

It is sometimes thought that British Rail's Inter-City routes, and the major express operations are a duplication of resources providing parallel services. The train and the coach, however, cater for different market segments, and thus only compete at the margins of the segments. It is possible that this area of competition is increasing as each mode encroaches on the other market segment, and moves towards its opponent's core of confirmed passengers. This is happening because in recent years, higher socio-economic groups have been induced onto coach services by their relative cheapness. At present, however, British Rail are losing passengers to the airways on long distance internal flights. To try and maintain numbers, British Rail are now looking down market for passengers. Promotional fares have been introduced, to compete with lower priced coach travel, while the train has the big advantage of faster journeys. Competition between these two modes is thus becoming stronger.

Both coach and train have a nationwide network of services. The coach serves more places, and offers a wider permutation of journeys, although the frequency of service is usually less than the train. Train journeys are often more direct, and take less time, except when a change of train is required. The coach, however, offers direct motorway services between towns,
which, while slower than the train, are nevertheless competitive timings. The coach also runs more indirect routes, which are primarily designed to serve intermediate towns and villages, as is the case with the meandering Bournemouth-Birmingham route.

Price is an important area of competition. The single coach fare between two points is generally cheaper than that of the train. Marketing fares of British Rail are then calculated as discounts on the single fare, and in some cases, these will be competitively priced with coach travel. The basic single fare of express services is used by National Travel on which to calculate premium fares, which are higher fares imposed at times of high demand. The minimum fare is approved by the traffic commissioners, and higher fares are then permitted because when the licensing system was originally established, one of its aims was to protect the railways. This meant ensuring that coach operators did not charge too low a price, which was detrimental to the level of railway traffic. Nowadays, however, this rationale is very detrimental to the pricing policy of the coach.

Relative prices on certain journeys are now extremely close. British Rail offer a weekend return ticket London-Manchester, at £13.00, because they are trying to fill spare capacity. National Travel on the other hand levies a premium in the summer periods of high
demand which means that they charge £9.90 for a journey which takes longer time. The train has thus developed a competitive situation on this route. Similarly, British Rail have introduced a London-Glasgow £15 return ticket on specified trains, which compares with £7 single by Western S.M.T. express coach. Journey times are just over five hours by train, but nine hours by coach. British Rail have thus maintained their time advantage but at very little extra cost. This pricing policy is regarded as a political move on the part of British Rail who are currently hoping that the new Transport Policy will advocate a decrease in duplication on inter-city services, so that British Rail is the main carrier over these routes.

British Rail also sell student and old age pensioner cards which allow those people with cards to purchase tickets on most, but not all, trains at a 50% reduction in price. This again puts train prices competitive with the coach, and aims the discounts at what has traditionally been regarded as the express coach market segments.

It is generally thought that the train has the advantage of journey times, and the coach the price advantage. As table 8.1 shows, this is not necessarily the case.
Table 8.1: The Relative Times and Prices of Selected Train and Coach Routes, 1977.

<table>
<thead>
<tr>
<th>Route</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<td>7.00</td>
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<td><strong>1.50</strong></td>
<td><strong>-1.28</strong></td>
<td><strong>0.57</strong></td>
<td><strong>1.50</strong></td>
<td><strong>-1.24</strong></td>
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<tr>
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<td>6.05</td>
<td>4.95</td>
<td>4.95</td>
<td>-</td>
<td>5.60**</td>
<td>1.45</td>
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<td>11.70</td>
<td>10.10</td>
<td>6.93</td>
<td>19.74</td>
<td>7.26</td>
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<td><strong>5.65</strong></td>
<td><strong>5.15</strong></td>
<td><strong>4.43</strong></td>
<td>-</td>
<td><strong>1.66</strong></td>
<td><strong>1.50</strong></td>
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<td>4.50</td>
<td>15.00</td>
<td>11.20**</td>
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<td><strong>Difference</strong></td>
<td><strong>1.60</strong></td>
<td><strong>2.10</strong></td>
<td><strong>3.10</strong></td>
<td><strong>3.70</strong></td>
<td><strong>8.53</strong></td>
<td><strong>-3.29</strong></td>
<td><strong>0.80</strong></td>
</tr>
</tbody>
</table>


Routes: 1: London - Birmingham  
2: London - Lancaster  
3: London - Manchester  
4: Durham - Morecambe  
5: Edinburgh - Paignton  
6: Birmingham - Ipswich  
7: Norwich - Kings Lynn

* That is, Weekend Return Fares on Train, and Premium Period Return on Coach. If outward travel by coach is not Friday night or Saturday, a basic period return, of which the premium is 125%, can be used.

/ Only a period return ticket for Edinburgh - Paignton - Edinburgh can be purchased. No single tickets may be issued.

** Two fares, Birmingham - Luton and Luton - Ipswich must be summed, because there is no through Birmingham - Ipswich service.
In general coach is cheaper, but the train is faster. As the above shows, however, there are exceptions to these generalisations.

In 1970, British Rail introduced the Highwayman train, which ran from North East England to London. (A.M.V. Report, 1970). It was designed to compete with, and abstract traffic from United Automobile's express services from the Tees-Tyne area. British Rail used a low speed train, which took six hours to complete the journey from Newcastle via Sunderland, Hartlepool, Stockton and Eaglescliffe to Stevenage, Potters Bar and Finsbury Park, London. The service avoided Darlington, which is an important Inter-City catchment area, and did not travel over the East Coast main line. In this way, British Rail tried not to create a product which would be identified with Inter-City, but rather with coach travel. The long haul between pick up points at either end, plus the price of 35 shillings single and 70 shillings return also helped create a coach-type image. Although the service was slow compared with main line trains, it was still two hours faster than the coach services from Newcastle, and thus preserved the journey time advantage.

It was estimated that between 14% and 18% of coach passengers were abstracted from United Automobile's motorway and non-motorway services to London. It had little impact upon night services and could not be shown
to be damaging the day services. The level of abstraction from Inter-City trains was higher than that from coach. The Highwayman was thus stopped, and the coach services were left to operate without the threat of the close substitute which the slow and cheap advance booking train had provided.

British Rail have not created other competitive products; instead they have used pricing policy as a method of competition. Such projects as Economy Fare and Supersave have provided lower priced journeys, if booked in advance. In the case of Supersave this had to be three months ahead of the date of travel. (A.M.V. Report, 1972). Awayday fares provide reduced price day return travel, but is not greatly competitive to express travel, because only an estimated 4% of express journeys are day returns. Distances are low, because of the time constraint and thus day return journeys account for an even smaller percentage of total revenue.

8.5.4. Characteristics of the Express Coach and the Train

Other factors must also be examined as competitive tools of each mode. Some people, particularly elderly or single women prefer to travel by coach because they find it more reassuring to have the driver in the vehicle with them. They can thus ask questions and check that they are on the correct coach. There is less
likelihood of vandalism and terrorisation of elderly people on a coach where the atmosphere is more friendly, and on a long journey a group spirit develops. The train has none of these advantages: it is impersonal, both on the train, and at the station, making it easy for an unsure passenger to board the wrong train. Coach travel involves fewer changes of vehicles than the train because of the greater number of express coach routes. Where a change is necessary, it is all at one level and does not involve climbing stairs. Luggage is handled for the passengers, which is of great help to elderly travellers. Changes in London all occur at Victoria, and thus do not involve journeys across London, except when changing to another operator’s service. In this case, a journey to Kings Cross is necessary. This is relatively easy by the new Victoria underground line, but does involve a walk at either end. In this case there is no advantage over the train, unless a traveller stays with the nationally run network, which also has the advantage of greater accessibility.

The train does not confine passengers to their seats while it is moving, but instead provides bar, buffet, dining car and toilet facilities. The coach tries to counter this by having regular stops, but cannot compensate for the fact that passengers can wander the train’s corridors to stretch their legs at anytime during the
journey and not only at set stops. Although regarded as an advantage, research suggests that few train travelers avail themselves of this freedom.

The different characteristics of train and coach travel means that different types of people are attracted to each mode. Apart from those people who travel by coach for reassurance and comfort, or those who use train for the on-train facilities, the coach attracts those people with financial but not time constraints, such as students, or the elderly. The train carries people with time but not financial constraints, such as businessmen. Although British Rail has attacked the coach segment of the travel market, coach operators have not done likewise to the train. The area of competition between these two public modes of travel is increasing in both area and intensity, and at present is detrimental to the coach industry.

8.5.5. **Coach Tours**

Coach tours are one form of a holiday, and thus compete with other types of holiday. Some products are closer substitutes than others, and thus provide stronger competition. The passenger profile of coach tours suggests that it is mainly the elderly, often single women, who take coach tours, plus a significant number of middle-aged to elderly couples. A winter ski holiday is
not of interest to these people, and thus need not be
treated as competition. The same may be said of
summer package tours to Mediterranean countries.

8.5.6. Tours for Visitors from Abroad

The visitor from abroad who takes a coach tour
of Britain may have considered various alternatives.
Firstly he may have considered visiting a country other
than Britain. The B.T.A. may have persuaded him other­
wise, or alternatively the coach operator may have done
so. The latter is more likely if the booking is made
in the country of origin.

Movement by visitors from abroad outside London
is fairly small. In 1975, only 50% of nights were spent
these visitors, a proportion were motorists from the con­
tinent, and thus the potential number of visitors from
abroad taking a tour by coach is low.

A product which has had a strong impact in the
last few years, especially upon the North American market,
is the Britainshrinker tours. These are mainly day
trips, but some two day tours are also included in the
programme. The tours are sold both before arrival in
London, and through hotel hall porters, railway stations
and select travel agents in London. The tours start
from a London railway terminal, and take a train to the
destination area. A hired coach takes the passengers round the area, including an overnight stop on the Edinburgh and Stratford-upon-Avon tours. At the appointed time the coach deposits its passengers and the Britainshrinker guide at the same, or another Inter-City railway station, from where the passengers return to London in their reserved first-class compartments. These tours combine the train's advantage of speed to cover the longer distance, with the coach's flexibility at the destination area, to give visitors to Britain a glimpse of parts of the country they might otherwise not see.

8.5.7. Domestic Holidays

In the domestic holiday market, the main competition to coach tours comes from independent holiday-makers, who organise their own holiday, and usually travel by car, although some use the train and the express coach. These people use a variety of accommodation, and may or may not be taking a touring holiday. In 1974, coach tours represented 5% of all holidays of four or more nights, while express coach accounted for 10%. Figures for rail and car were 13% and 68% respectively.

Holiday travel by rail is nearly as popular as by both forms of coach. The product which competes most closely with coach tours is the Golden Rail package holidays. In 1972, the second year of its operation,
Golden Rail catered for 0.1% of the total domestic holiday market, and 2% of all holidaymakers using train to reach their destination. Golden Rail thus had a small market share in 1972, only carrying 27,000 holidaymakers. In 1977, however, it is estimated that 250,000 people will take advantage of this package tour programme which provides inclusive summer holidays, and also shorter off-season breaks.

Winter weekend breaks have been marketed by British Rail since the introduction of Stardust Mini holidays in London, in conjunction with Grand Metropolitan Hotels in 1963. These, however, offer more competition to National Travel's weekend breaks using the express networks than to short tours of many different operators.

Rail therefore provides a high level of competition in the holiday market, and thus is a rival to coach tours. It must not be forgotten that both the private car, and express coach offer alternative modes of travel for independent holidaymakers, and thus are also in a competitive position to coach tours.

8.5.8. The Advantages and Disadvantages of Coach Tours

The advantage of coach tours include many of the characteristics of express coach travel. In addition, a client may be attracted towards taking a coach tour by the fact that everything is organised
for the passengers. This helps if one is travelling to an unfamiliar area, or in an international context, in an unknown country. There are no worries associated with driving, and most of the expenditure will have been paid for before the time of departure. The price of a tour is also less than if the individual organised an independent touring holiday. An advantage of the coach over the car is that a passenger is positioned higher, and thus gets better views, over the hedgerows. Lastly a coach tour will develop a strong friendly group feeling, which is particularly important for single people travelling alone.

There are certain disadvantages; a coach tour is too organised for some people, who would appreciate a greater degree of freedom. The level of organisation varies between operators. A tour may also be too rushed, with different hotels each night causing passengers to live out of their suitcases, and not have an opportunity to relax, or go shopping. Although an important attraction, the group feeling can be disrupted, making the atmosphere a disadvantage. Although the coach is accessible relative to the train, it is not in relation to the car. A long time spent picking up passengers from diverse points may ruin a tour for those passengers picked up first. Few operators do this, however, and most have adopted the practice of feeder services to a central
point if they feel that too much time is spent picking up passengers. Most operators felt that criticisms of tours were concerned with specific lunch stops or hotels, and not the above disadvantages. They were thus practical problems which could be remedied.

8.5.9. Summary

Although most operators of both tours and express services visited could identify the advantages of coach travel in general, and their own firm's product in particular, none regarded these advantages as unique selling points, which could be used to promote either coach travel, or a specific service. Each tour operator suggested his own advantages were that the firm provided comfort, and took care of all booking and organisational problems, leaving the passenger to enjoy a "carefree holiday". More should be done, however, to inform the public of these advantages of coach tours.

National Travel and S.B.G. subsidiaries also need to emphasise the advantages of express travel to a greater extent, although National Travel are now promoting in the national papers in a way which does much to rectify this fault. Competition is a constraining force upon the marketing of a coach operator, because he is unable to price, promote, or develop his product totally as he would wish. The closer the substitute for an express journey, or coach tour, the greater the competition, and
the less freedom an operator has to do as he commercially chooses. He must always take into account the ways in which a competing operator, or mode of transport is, or could potentially, affect his firm's activities, in both the operational and marketing spheres.
8.6. CONCLUSION

Of the external constraints on coach operators, examined in this chapter, the institutional ones are least important. Legislation has produced both the fuel tax rebate and the bus expenditure grant, which have resulted in a greater use of dual purpose vehicles, for express, tour and stage carriage work.

Competition to both express services and extended tours comes mainly from the alternative modes of transport of the private car, and in the public sector, the train. Other forms of holiday, such as different types of package holidays also provide a degree of competition.

Express operators regard other modes of transport as their main source of competition, while tour operators thought of it as being internal to the coach industry. Despite the recognition of competition, few operators let it influence their marketing or operational activities. At the same time they do little to counteract any competitive threats, and instead tend to accept such forces as unfortunate but inevitable.

Environmental influences are important constraints, especially with respect to product formulation. Hotel standards and availability affect the characteristics of a tour, while the road network influences its route.
Road improvements also determine the speed and comfort of express services. Other components of a tour or express journey such as pick-up points and refreshment stops are also important in determining the quality of the product, although they are not necessarily under the control of the operator.

There are thus many factors which may be beyond the control of coach firms but which have a significant impact upon their products, and on the marketing practices of both coach tour and express service operators.
CHAPTER 9: THE EFFECT OF LICENSING ON MARKETING
POLICIES AND PRACTICES

9.1. INTRODUCTION

The licensing system was established under the
Road Traffic Act of 1930, and is thus a legislative
constraint on the P.S.V. industry. The impact of the
Act is discussed in chapter 2 from a historical point
of view. It is now necessary to see how the system
affects present day activities of coach operators.

9.1.1. Types of Licence

The traffic commissioners issue three types of
licence, but only one has an impact upon the marketing
of coaches. Operatives' licences ensure their com-
petence and suitability to be a driver or conductor.
This does not affect the quality of the product because
firms usually select coach drivers very carefully from
licence holders, and sometimes give them training in such
matters as passenger relations. The second type of
licence ensures that the vehicle is safe to be driven on
the roads. As such the vehicle must also possess a
certificate of fitness. Again this does not affect the
product, while any shortfalls of vehicles is not due to
the refusal of licences, but more likely because of low
levels of production of both vehicles and spare parts.
The road service licence, however, is very important. Before an express service or a coach tour can be operated, a licence must be held for the route. The licence is thus essential for product development. This constraint also affects pricing because fares must be specified for an express service, and the road fare elements must be approved for a tour. This type of licence, however, does not affect promotion of a service, nor its retail or distribution organisation. The system thus affects the price and the product.

The road service licence specifies the route to be operated plus the times of the service and the fare to be charged in the case of a regular service. Irregular service licences for excursions and tours specify the route, the number of times a year the service is to be run, and a road fare element, which is included in the total price of the tour. The tour operator thus theoretically has greater freedom than the express operator in pricing his products.
9.2. THE EFFECT ON COSTING

The P.S.V. industry tends to regard cost as a very strong influence on price. It is thus important to see if the licensing system affects costing procedures.

9.2.1. Cross-Subsidisation of Services

In the 1930s the traffic commissioners soon adopted the practice of encouraging networks of services. Services whose marginal revenue outweighed average variable costs were contributing to overheads but not making a profit. In the long run, therefore, they had to be subsidised by profitable routes. Loss making services which nevertheless provided a good feeder service to a profitable route were also subsidised, because they induced additional traffic. This principle of cross-subsidisation was highlighted in 1936. (Chester, 1936). It is mainly concerned with stage carriage operation, although it has extensions applicable to express services.

9.2.2. Global Costs

Queries have been made about how to measure an unremunerative service, because of the ways in which costs are measured. (Hibbs, 1971). Operators use global costs. That is, they average all costs, and allocate them arbitrarily to different services. These
costs, therefore, may not reflect the true costs of operation. When revenue is compared to these costs the financial performance is thus an artificial one.

Global costing ignores the different costs of operating each service. The costs may vary between routes and by time of day, week and year. For instance, a town service will incur higher fuel costs, plus greater wear and tear to gear boxes than a rural one. Similarly congested traffic conditions in coastal areas during the summer will mean that operators will incur higher costs. Unfortunately no published research can be found as to the magnitude of these differences in cost, and it is possible that they are quite small.

Globally averaged costs, expressed as a cost per car mile are the traditional measure of costs used in the traffic courts, and thus have the advantage of being understood. They also possess the disadvantage of being readily accepted and not questioned: it is taken as axiomatic that they are a true reflection of costs.

9.2.3 Individual Route Costing

An alternative is to cost each route individually, against which revenue can be measured. If it is thought that costs vary over time periods, then a costing exercise should be carried out under different
circumstances. This would determine whether there were any changes and also give a more accurate picture of costs against which revenue can be measured, to show the viability of the service.

9.2.4. The Allocation of Costs

A major problem associated with costing is how to allocate fixed and overhead costs to each service. Smaller operators find this less of a problem because their overheads are lower. Larger operators have high overheads, due to a sizeable administrative staff, stations, garages and depots. British Rail's fixed costs are even higher, but their problems of cost allocation illustrate the problems experienced by many coach operators. A pertinent example is that related in chapter 4, of the branch line service between the two important Inter-City stations of Newcastle and Carlisle. (White, 1975). Despite the fact that even if the branch line was closed, both main line stations would still have to provide the same level of facilities for other passengers, the minor service was allocated nearly 15% of the combined terminal costs. It is not surprising that with such a burden, the service was seen as unremunerative.

Similarly, express services are allocated a proportion of the costs of bus stations that are used as picking up points, even though the stations would have to
meet the same level of costs if express coaches no longer used them. It is thus better to charge the coach company a fee for the use of the station. In this way, the costs are increased for the bus company, but the charges also raise revenue, and are a better reflection of the commercial situation.

9.2.5. Methods of Depreciation Costing

Fare increases tend to be justified by operators requiring increases in revenue to meet increased costs. It is thus in their interests to make costs appear as high as possible. This is especially true of more recent inflationary times in the 1970s. In a period of stable prices, there is little difference between the historic cost and the replacement cost of a vehicle. In inflationary periods, however, the latter will exceed the former. Accountants have thus changed from the traditional historic costing, which considers the original purchase price of the vehicle, to the replacement costs which will have to be met in the future. This helps to cover the cost of new equipment, and also to justify fares increases to the traffic commissioners. The licensing system has thus encouraged the practice of global average costing, and also the present method of depreciation costing, at replacement value.
9.3. THE EFFECT ON PRICING

Most P.S.V. operators have been amending their road service licences at least once a year during the 1970s, because they have been applying to raise fares. The traffic courts have thus been forced to concentrate upon fares applications, most of which have only been seeking to keep pace with inflationary rises in costs, increased fuel bills due to oil crises, and to combat declining total revenue, due to passenger recession.

9.3.1. Fare Increases

The large number of fares applications means that not only are other route licence cases being delayed, but also fares applications themselves are being held up. Operators must justify prices with respect to existing, and not anticipated costs. Price levels will thus lag behind costs, causing operators severe financial problems. Price increases are also discrete, rather than continuous, causing fares to increase by large amounts, at infrequent intervals. Passenger recession will depend upon the price elasticity of demand, but will probably be greater if one large fare increase is imposed, rather than several smaller ones. Administration is made easier by having one large fare increase, even though the travelling public may be averse to such practices. There are problems associated with rising fares, such as amending fare tables, and for express services, ensuring
that all booking clerks are aware of such changes. It is thus easier to do once a year, with a large increase. When fuel costs rose in 1976, National Travel imposed a 5p premium on all express fares to try and cover the increased costs. Many operators, however, did not do likewise because they felt that the cost of collection of the additional premium would, in fact, exceed the premium itself, as well as disrupt relations with the booking points.

Fares tend to be based firmly on costs, because the traffic courts require a justification of fare increases, which invariably is in terms of costs. An operator who wishes to price according to what the market will bear will still tend to justify his actions in terms of costs, by saying that they rise with the congestion of the peak.

9.3.2. Express Marketing Fares

In 1976, National Travel obtained permission to charge marketing fares. Unlike British Rail whose marketing fares are discounts on the standard fare, National Travel charges premiums on the basic fare in the peak. The commissioners approved an average increase, from which different increases were applied to different services. Premium fares are now charged for travel on certain peak summer weekends. National have tried to
introduce a consistent relationship between the different types of fare on each route. Day returns are thus 110% of the single fare, returns are double, and period returns are 180% of the standard single fare. The premium single fare is 125% of the ordinary single, while all premium fares preserve the same relationship as the ordinary fares. A premium period return is thus 225% of the ordinary single fare. These premium fares try to deter travel in the peak, and also produce additional revenue with which to cover costs. It would appear, however, that marketing based arguments are gaining greater acceptability in the traffic courts.

In taking over several diverse coach networks National Travel has had problems in attempting to introduce conformity between fares. A route on which fares are higher than average should not be altered, because the market can clearly bear this level. One that is too low, however, required a greater than average increase, which until recently was not allowed by the traffic courts. These relative fares structures were based upon:

(a) what the market would bear in 1930, and

(b) what the competitive railways were charging in 1930. Since then, railway fare structures have altered. Patterns of demand, due to changing demographic patterns, are also no longer the same, and thus it is important that
the company ignores influences that are nearly fifty years old. Whether the standardisation of fares, regardless of local market phenomena, is the solution, however, is a debatable point.

9.3.3. Previous Pricing Constraints

The licensing system has been a constraint on operators' freedom to price in the past. In 1946, express fares were only allowed to rise by 16.3%, over 1939 levels, which was the same as the railway increases. Some private operators had advocated a 40% increase, because revenue was needed to replace and repair bomb-damaged fleets. The coach market at that time was very buoyant, and they argued that it would be better to impose a large increase, when demand was high enough to withstand it, rather than be forced to do so at a later date when demand might be falling. The committee of traffic commissioners ignored this suggestion, and in the 1950s operators were forced to raise prices, against the market trend of declining demand.

9.3.4. Pricing of Extended Coach Tours

Only the road fare element of a tour has to be approved in the traffic courts. These operators thus have greater freedom in the pricing of the total product than express operators. Despite this, most operators continue to price on a strong cost basis. Any changes in
price over the season invariably reflect the changing costs facing the operator. These are mainly increased hotel tariffs in July and August, and although the operator may be unaware of it, the opportunity cost of his vehicles may rise. That is, the revenue derived from the vehicles if put to their next best use is likely to rise during the months of high demand for coach travel. Very few operators price their tours in such a way that deters business during peak months, and induces it onto the shoulder months of lower demand. Any such price patterns merely reflect hotel costs. Early and late tours designed for the elderly cost less than high season tours, but this is not due to the pricing policy of the operator. Instead operators see this as passing on the benefits of low hotel tariffs to their customers. One operator visited thought that to do otherwise would be "shark practice". It is thus clear that the licensing system affects the pricing policy adopted by operators. Even in the less constrained sphere of tour operation, licensing still imposes limitations, many of which are behavioural, rather than due to rulings by the commissioners.
9.4. THE IMPACT ON THE PRODUCT

Without a road service licence an operator is unable to run a service. This form of licensing thus constrains the availability of the product. In the early 1930s, most operators obtained licences for the routes they were running. When conflict arose, because two operators ran the same route, either a compromise was reached between the operators, or the traffic commissioners decided who would run the route, and issued a licence accordingly. The commissioners took into account each operator's past record of reliability in providing a regular service, and also the number of other routes run by each. An operator with two other routes would be affected more by the refusal of a third, than an operator whose fiftieth application was refused.

9.4.1. Product Development

Since 1930, operators have been regularly applying for licences to cover new routes, on all types of operation. Some operators feel that a point of saturation is being reached, particularly with respect to express coach services. It is difficult to develop new products which do not detract from the already extensive network. There is more scope with extended tours, because, although most destination areas are visited, not all tours originate from each localised market. Because of the spatial division into many markets, it is easier to introduce a new product in one,
which will not affect the majority of operators. There will also be fewer objections in the traffic courts. There is no sense, however, in expanding the supply of seats to such an extent that it exceeds demand. It is likely that this would happen if the licensing system was removed. Whether it would continue, or whether market forces would tend to equate supply with demand, is, however, unknown.

Express operators tend to feel that they hold most of the licences they want, although those without licences do not share similar sentiments. Existing express operators therefore are more concerned with improving the quality of their present products, rather than striving to introduce new ones. National Travel, for instance, have improved the standard of their vehicles, and the speed of their journeys. They also make use of road improvements by re-routing some services by relevant motorways. The departure times of journeys have also been amended in some cases, so that different services connect at certain interchange points. These improvements have required amendments to road service licences, but the traffic courts have not proved an obstacle in this respect.

9.4.2. A Barrier to Entry

Although the system has not been a great constraint on product development by existing operators,
it is the source of a severe barrier to entry for both firms who wish to begin operating, and also existing operators who wish to expand their business to licensed services, or increase the number of services they offer, by developing services from new areas. In the latter case, the problem may be overcome by operators buying any smaller, licence-holding firms in the desired area of operation, as was done by Wallace Arnold in Dundee when they bought Dixons in order to gain an operational base in Scotland, from which licence applications could be made.

Gastonia Coaches on the other hand are a Surrey firm who run mainly private hire and contract carriage. They have been trying to obtain two types of licence in recent years, both unsuccessfully:

(a) They still seek permission to run a daily commuter express service to London from Cranleigh and surrounding villages which are not served by a railway. Both N.B.C. and British Rail have successfully objected to such plans, and prevented Gastonia obtaining the licence.

(b) Gastonia continually apply to the South-East traffic commissioners for some extended tour licences, but opposition from N.B.C. subsidiaries, and a private operator in nearby Guildford stops the commissioners granting the licences.
As the firm were only too keen to point out, the constant battles in the traffic courts caused a high level of expense, as well as being very time and manpower consuming. The licensing system is thus a very severe barrier to entry into new fields of operation.

Caledonian Tours, of Glasgow, also have no extended tour licences. Despite this they offer a programme of centred tours, using S.B.G. vehicles, drivers and licences by hiring them from Alexander Midland Ltd. This, however, means that Caledonian have little control over the quality of the product that they offer. The S.B.G. has a near monopoly of licences in Scotland, and thus one of their vehicles can run to many places. There is also less worry about the vehicle's performance and maintenance, but Caledonian are unable to run any tours of which the S.B.G. does not approve. This leaves the independent company with little autonomy over its products or programme. Caledonian are also unable to get their own licences from the traffic courts because the dominant position of the S.B.G. gives the state company a powerful right of objection.

9.4.3. A Source of Delay

In the early 1960s Ewers applied for a short tour licence from London, making use of the newly opened M1. Rivals such as Southdown, and Glenton objected to
the application and the licence was refused. Both objectors then applied for similar licences, to which Ewers objected. Two years after the initial application, Ewers were granted a licence. The licensing system had thus caused delay, when a more relaxed situation could have allowed all three operators to introduce tours. The validity of objections, which focused upon abstraction of traffic from longer tours, could then have been tested.

The introduction of new products is delayed in the above way, and also by the length of time a case takes to reach the courts. Fare revisions are so numerous nowadays that the traffic courts are under much greater pressure than they were intended to bear. This presents problems for operators applying for fares increases, because by the time a fare revision is granted, it is often already unrealistic in times of rapidly rising costs. It also delays the introduction of products. In an extreme case, Safeguard ran an excursion without a copy of the backing licence from the Metropolitan traffic commissioner. This is despite the South East commissioners granting the primary licence three years previously.

If a new hotel is used on an extended tour, an amendment is required to the relevant licence. Because
of the time taken by a case to reach the traffic courts, operators may be deterred from changing from an unsatisfactory hotel, assuming that there is an alternative. The licensing system can thus indirectly affect the quality of a tour product.
9.5. MARKET RESEARCH

Before a road service licence is granted, the traffic commissioners must be satisfied that there is sufficient demand for the service in question. One would expect this to result in rigorous market research by many operators, but unfortunately this is not the case.

The demand for a stage carriage route is theoretically fairly easy to evaluate, because an operator need only survey the homes and work places within walking distance of the proposed route, to see how much the service would be used. It is more difficult to do the same for an express service because the catchment areas are much larger, and also more difficult to define.

9.5.1. An Examination of Previous Express Service Sales

If the proposed route connects two areas which previously could be reached with a change of services, operators can examine tickets, to see what the demand for travel by coach between these two points is. For instance, it was once only possible to travel from Bristol to Birmingham by going to Cheltenham, and changing onto another service. By analysing the tickets, the operator could see what the minimum demand for journeys between the two cities would be. This can be regarded as a minimum because improved service characteristics such as a faster motorway journey, may attract new travellers.
9.5.2. The Dominance of Existing Operators

It is generally accepted that an existing operator can demonstrate the state of demand for a new service better than a potential entrant to the industry. Even though not operating the route, the existing operator can suggest that demand is insufficient, by saying that he previously examined such a route, but decided not to apply for a licence because it did not seem to be viable. A potential entrant, however, has great difficulty in proving the reverse, because of his lack of experience, which affects the strength of his arguments.

9.5.3. Public Witnesses in the Traffic Courts

One way to demonstrate the level of demand to the traffic commissioners is for an operator to call public witnesses to testify that they, and other people belonging to the same group, would make use of the service if it were introduced. Thus Wallace Arnold produced the President of Leeds University Students' Union as a public witness before the Yorkshire traffic commissioners in 1971. The student representative said that he thought students would use a proposed student service to London at weekends, and as a result Wallace Arnold received the necessary licence.
9.5.4. Irregular Excursions and Tours

Similar problems arise in the excursion and tour area, although the commissioners are less concerned about the level of demand for these products, which are less of a necessity than express travel. Rigorous market research throughout the coach industry is minimal. Techniques are rarely concerned with questionnaires, or desk research, but rely on the subjective judgements of operators. In the case of the small operator with a local market this can be justified because staff are closer to their clientele, and are thus more aware of their demands. They also operate on too small a scale to be able to justify the expense of a market survey. Operators, who have grown too large to be in close contact with their passengers, however, should attempt some degree of enquiry which could be incorporated with questionnaires at the end of a tour designed to provide a channel of complaint, and measure consumer satisfaction with the product.

9.5.5. Test Marketing

Many operators adopt a practice of trial and error when introducing a new product. This is easier to do with tours than express services, because the traffic commissioners are less concerned about levels of demand. This practice, however, has been adopted for some express services. Although test marketing may be the best way to introduce new products, if an operator does not want the expense of market research, it suffers
from certain disadvantages:

(a) An operator will know whether the new product is demanded or not after a period of operation. He will not know why it is accepted or rejected, and thus cannot adjust the product to meet changing circumstances.

(b) A considerable effort is involved in obtaining a licence for a product whose future performance is unknown. There may be wasted time and expenditure if such a product does not sell, which could have been avoided if elementary research had been conducted before the licence application was made.

9.5.6. An Alternative Licensing System

A system of easily obtainable provisional licences would facilitate such test marketing. The provisional licence would be valid for a specific period, such as a year, at the end of which the traffic commissioners should examine the desirability and viability of such a product if it were still offered at the end of the time period. In this way, a large barrier of entry to coach operation is lowered. Despite the prolonged uncertainty for operators, the competitive advantages to be gained from such a system would be beneficial to all financially sound coach operators.
9.6. COMMENTS FROM OPERATORS

Operators were asked if they felt that the licensing system at present imposed any constraints on either their operations or their marketing activities. Replies were then used as a basis of discussion about the desirability or otherwise of such a system.

9.6.1. Operators Holding Licences

In general, those operators with licences were satisfied with the system. Any set-backs in the traffic courts over particular services were regarded as "one of those things". A predominant attitude was that one gained in some respects, and lost in other cases, but still had to abide by the rules of the licensing game. Although such operators disliked the system in certain specific instances, when a new licence application is refused, or additional petty conditions are attached, none of them advocated the removal or relaxation of the laws. This is probably because, although the laws are an infrequent source of irritation, they also protect the dominant, and often near-monopoly, positions of existing operators.

9.6.2. Operators Without Licences

Such firms as Caledonian or Gastonia who do not possess express or extended tour licences expressed considerable frustration with the present system. They
were also annoyed by the dominance of the two publicly owned monopolies, the N.B.C. and the S.B.C., which the licensing system helps to protect. Non-licence holders feel that their operations, and product development are being seriously hindered by what they see as a system which has outlived its purpose and should be abolished.

9.6.3. The General Opinions of Express and Tour Operators

Most operators wanted a modification of the system, so that the granting of licences for both new routes and new fares could be done more quickly. None wanted a complete relaxation of the laws, or changes as advocated by Hibbs (1975). It was felt that both operative, and vehicle licences must be maintained, while all but a few wanted the concept of a road service licence retained. The division in opinion was not so much by the size of the operator, but by whether he held current licences or not.

Most operators envisaged a return to pre-1930 conditions, when rivalry took physical forms, and "pirate" operators vied for competition by racing their vehicles, or joining a route just in advance of the regular operator, in order to "skim" off his traffic. One operator foresaw chaos in the struggle by extended tour operators to book accommodation for their tours.
Although this latter point is valid in the short term, it is unlikely that the other activities would materialise. This is because roads are vastly improved, while traffic police regulate the conduct upon them in a more efficient manner than in the 1920s.

Few operators realise that the emphasis of competition has moved away from between operators, and is now predominantly with alternative modes of transport, such as the private car, or the train. It is thus important that coach operators should have greater freedom, not to compete with one another, but to engage in bolder and more effective marketing activities, against competitive modes of transport.
CHAPTER 10: THE MARKETING OF COACH OPERATIONS

10.1. INTRODUCTION

Chapters 8 and 9 have examined those external factors which constrain a coach operator's activities. This chapter, however, examines those marketing activities which are internal to the firm, over which the operator has control. The way in which the products are formulated, and the criteria on which they are priced are examined. Methods of promoting the products to the public, and the way in which the means of making a sale are distributed to retailers are also considered, and criticised. Finally an appraisal is made of firms' marketing strategies, and their attitudes towards this approach to business.
10.2. PRODUCT FORMULATION

There is a wide variety of products offered to the public by the coach industry. This thesis is concerned with two types: express coach journeys and extended coach tours. Although the same vehicle may be used for each product by a firm, a seat on the vehicle taking a tour cannot be regarded as the same as the seat on the same vehicle operating an express service. This is because a tour is a form of holiday and has different characteristics and components to an express service, which may provide the transport element of a holiday, or may be used for other purposes.

10.2.1. The Express Service Product

90% of express services are operated by the nationalised bodies, the S.B.G., and National Travel. The remaining 10% are provided by private operators, which may be regarded as two types:

(a) the large private companies such as Wallace Arnold or Grey-Green, who have extensive operations forming networks;

(b) small private operators who provide services from their home area to nearby coastal resorts, mainly in the summer, and often only at weekends.
Regardless of the type of operator, there are three basic components of an express service:

(a) the vehicle
(b) the driver
(c) the pick-up points, and refreshment stops.

10.2.2. The Components

The type of vehicle used, and whether it is for express operation only or not, varies between operators. The S.B.G. coaches which operate between London and Scotland are not only used exclusively for express services, but for specific routes to London. Not only are they differentiated by their distinctive blue and white livery, but also their design and fittings are specifically for long, sometimes overnight, journeys. Seating capacity is limited to 42, and the seats are individual, semi-reclining ones. A toilet compartment is also thought necessary for these long journeys. The air suspension provides a smooth journey which is essential for overnight travellers, on these long distance routes.

In contrast to this use of specialised vehicles, other S.B.G. express routes are operated by dual purpose vehicles which are also used for stage carriage operations, and which qualify for the bus grant on capital expenditure.
This is not good marketing because it fails to differentiate the express product from more commonplace daily journeys.

Between the two extremes which occur in this one company are a range of activities. National Travel use coaches to a specific standard, for both tours and express services. Vehicles with higher seating capacities are usually used on express work. The white livery differentiates these services from others, and also from the other P.S.V. operations of N.B.C.

Most operators visited regarded the vehicle as an important part of the product. Consequently new vehicles were bought each year, and the oldest sold. The period over which vehicles are depreciated varies between each firm, and the type of vehicle. Most express vehicles are heavyweight types because these are more able to withstand the rigours of express services, and are thus depreciated over at least eight years.

Express operators also regard their drivers as important parts of the service they offer. Most firms said that their drivers should be friendly and approachable, because they dealt directly with the customer. For many customers, the driver is the only member of the firm that they meet, and thus it is important that they should have a favourable impression.
It is very rare for an express driver to receive any training. Because express driving is a prestige job among P.S.V. operatives, there is not a shortage of applicants for such posts. Such men are thus fully competent as drivers. Firms choose their express drivers for their pleasant manners and amiable personalities which enable them to "get on" with the public. In most firms seniority is also a deciding factor when appointing a driver.

Pick-up points and refreshment stops have previously been discussed in Chapter 8. The former are extremely important in providing the passenger with his first impressions of the product. It is thus important that their location is clear, whether it be a roadside halt, or a bay at a bus station. Bus and coach stations should also be clean and tidy. Standards do vary, but it is often very difficult for the express operator to control the quality of such stops, and refreshment points.

10.2.2. The Introduction of New Services

The express network of the nationalised companies, which is complemented by privately run services, is very extensive in the towns and villages which it serves. One still finds, however, that new services are introduced. It is important to find out how operators decide to apply for express carriage licences which allow new routes to be run.
If a stage carriage operator wishes to introduce a new bus service, he can gauge the demand for such a service by asking inhabitants and workers along and near the proposed route, whether they would make use of the service, or not. Bus services are fairly localised, and thus the cost of such crude research is low.

Express routes, however, serve larger, more dispersed populations. Any research of a similar nature would thus need to be more selective and sophisticated, involving more time and costs.

Some sections of National Travel have undertaken research. This, however, has not enquired into new products that are needed. Because it involved an "on coach" survey, it was more interested in whether customers were satisfied with the existing products. Questions were asked about such things as whether the departure time was convenient or not. This research was thus concerned with monitoring and improving existing products, rather than the introduction of new ones.

If an operator runs services from point A to point B and from point B to point C, he can deduce the level of demand for a service between A and C by examining ticket issues. The minimum demand for a direct service between Bristol and Birmingham can be found by
examining tickets which were issued for journeys via Cheltenham. An improved direct service, in this case using the M5 motorway, means that other traffic may be attracted onto such a service.

Traffic commissioners usually require proof of demand for a service. One accepted way of doing this is to call public witnesses who represent groups. Such a witness states that he feels that the members of his group, such as a Students' Union, or a Darby and Joan Club, will use the proposed service.

Operators tend, however, to use less rigorous methods when deciding to introduce an express route, or at least apply for a licence for such a route. When asked about how they decided to introduce a new service, nearly all express operators referred to "a chance factor", or "playing a hunch". This applied for both the large public and private companies, and the small independents.

One executive in the public sector told of how a service he introduced through "playing a hunch" had one of his company's best load factors. Another service, which he had initiated from similar feelings, some months later, had proved disastrous, and had been withdrawn after only a few months' operation.
Such test marketing, trial and error methods of introducing express services are common among express firms. It would appear that the demand for a service is only discovered by introducing the product, and then seeing what the response to it is.

10.2.3. Criticisms of Test Marketing

For many operators, particularly the smaller ones, test marketing is the only way that they can afford to find out whether a service is demanded or not. It costs less for firms to introduce a service, and withdraw it if seats do not sell, or retain it if they do, than it is for them to indulge in the expense of consumer surveys to discover what is wanted.

The disadvantage of using this method, which is so common among operators of all sizes, is that, although firms will know whether the product is demanded or not, they will not know why this is the case. If a service is not popular, the operator will not know if this is because something is intrinsically wrong with the product, such as people do not want to travel between the points served or not. Alternatively, the departure times may not be convenient, or the price may be wrong. External factors, such as economic recession, may mean that people cannot afford to travel, and thus demand for any mode of transport is low. Without research an operator cannot know why his service is unpopular, and thus he cannot
know how to rectify the situation, or when would be a more auspicious time to re-introduce the product.

This is not to say that market research is the panacea to operators' problems. It is not an "infallible basis upon which to build a marketing strategy". Questions about a hypothetical service, for instance, can only produce hypothetical responses. If asking whether a service would be used or not, an operator also needs to specify fares, and times in order to get valid responses. This ignores other dangers of such research, whereby respondents may say one thing, and do something else. There are also problems associated with obtaining a statistically unbiased sample to interview, because such nebulous questions of catchment areas need to be resolved. Although market research is the ideal basis upon which a product should be formulated, the above problems, especially that of cost, make test marketing a better practical way of introducing a product, the success and suitability of which can then be monitored by consumer surveys.

10.2.4. The Extended Coach Tour Product

A coach tour is a form of holiday, rather than a means of travel between two points. Although the three basic components of the express product - the vehicle, driver, and stopping points - also apply to a tour, there are other ingredients which make up the
holiday. Accommodation is a very important aspect of a tour, and so too is the destination area to which the coach travels.

A coach used for touring tends to be more spacious and comfortable, with lower seating capacities than an express coach with the exception of the Scotland-London services. Some operators, such as Glenton (London) provide vehicles with individual seats, and a wardrobe for coats. Often vehicles are similar to express vehicles, but less cramped.

Tour drivers are also similar to express drivers. Such jobs are the most prestigious in a firm and require men who can be pleasant to both passengers and other people with whom the firm deals, such as hoteliers. Drivers also act as couriers in the greater number of cases. They must thus be knowledgeable of the area they visit, and be able to impart this information to the passengers.

It is rare for drivers to be trained in the use of microphones, or in public speaking. They are also rarely taught how to handle awkward passengers, or hoteliers, or given any form of public relations training. Rather, they are chosen for abilities, such as "outward-going", "amiable" or "able to get on with people", which,
it is hoped, will make them the type of driver who creates a successful product.

The occasional operator provided information on historical, cultural or geographical points of interest along the tour. Others encouraged drivers to read about their areas, while the greater number relied upon the incentive of a tip at the end of the tour to motivate drivers to do their own research into their destination areas. There appears to be a need to inform drivers of points of interest along a tour, and also to exploit their good-natured characteristics by providing training in public relations, so that the drivers may be competent representatives of their companies.

Stopping points on tours bear similar characteristics to express services. It is important that the pick-up point reflects the nature of the tour, and does not dismay or elate passengers and their expectations of what is to follow.

Hotels are a major component of a tour, and while often outside the control of the operator, will determine the quality of the tour product. Such problems have been discussed in chapter 8. It is important for an operator to choose hotels which agree with his overall formulation of his product, but as has already been shown, there may be difficulty in achieving this.
10.2.5. Introducing a Coach Tour

The coach tour industry is more diversified, with many firms, of all sizes, providing tours of different quality-price mixes, to spatially separate market areas. It is thus rare that two competitors offer a tour of the same destination area, to the same group of consumers. The potential for introducing new tours, without duplicating a rival is thus great, and objections in the traffic courts tend to be concerned with the abstraction of traffic by a new product from an established one, rather than direct competition.

Coach tours are not essential to a public transport system. Except in Scotland, there is no dominance by any one company, although localised monopolies may exist. The introduction of a new tour is thus less difficult from a licensing point of view, which favours a greater use of test marketing methods than for express services. The introduction of tours is, however, more limited by external factors such as the availability of hotels. If an operator cannot book accommodation in a popular area, then he is prevented from running a tour to such a destination.

Little research is conducted to discover what consumers want, although a large number of operators provide channels for complaint, or approval, through an end of tour questionnaire into customer satisfaction.
The introduction of a new tour thus rests heavily upon test marketing of the product, although there seems to be more monitoring of consumer reactions than on express services.

10.2.6. Criticisms of Test Marketing

The criticisms which applied to express services are equally valid in the context of coach tours. In addition, this method involves uncertainty for hoteliers, who do not know how many beds will be wanted on each departure of the new tour. This may cause poor relationships between the coach operator and the hoteliers he uses. Alternatively, they may insist on part or whole payment of accommodation in advance, thus producing an additional financial risk for the tour operator. This in turn makes this method of introducing a new tour product more costly, as well as increasing the level of uncertainty associated with such trial and error test marketing practices.
10.3. PRICING

The price of a product is important in equating the demand for it, with its supply. The supply of seats for a given coach tour is less than for an express service, because duplication of vehicles is allowed by the traffic commissioners in the latter case. This is not so with tours, which are also constrained by the supply of accommodation. If supply is difficult to alter, then the price of a product should vary more to ensure that demand alters to create an equilibrium with such inelastic supply. It is important to look at the pricing of each type of product separately.

10.3.1. The Effects of Regulation on Pricing

The main regulations over pricing of coach products derive from the licensing system, and the traffic commissioners established under the 1930 Road Traffic Act. The route service licence requires that not only the route and timetable be approved, but also the faretable.

The traffic commissioners must thus approve the fares of a P.S.V. service. Four conditions to be attached to licences were specified (see 2.5.3.). Of these, two are relevant to prices:

"(a) the fares shall not be unreasonable.
(b) where desirable in the public interest,
the fares shall be so fixed as to prevent wasteful competition with alternative forms of transport, if any, along the route, or any part thereof, or in proximity thereto."

(1930 Road Traffic Act)

The price of a coach service could not be so high as to be against the public interest. In a period of falling price levels, such as the 1930s, a principle soon emerged, that coach fares, especially on express services, were not to be so low as to abstract traffic from the railways. It is the legacy of this principle that prevents operators offering discounts on their standard fares in order to try and influence the pattern of demand.

10.3.2. The Pricing of Express Services

Fare levels, or increases, are normally justified to the traffic commissioners in terms of costs, as was shown in chapter 9. It is thus to be expected that prices are calculated from a cost basis.

It has been suggested, by a publicly employed executive, that fares were originally based on what the public could afford, and what the railways were charging. Such pricing thus took account of the market and of competition. The licensing system has maintained the fares structures, despite a decline in competition with the
railways and changes in the demographic patterns, and thus levels of demand. This has led to some anomalies, particularly in the National Travel network.

The restrictions of the licensing system have meant that prices are strongly cost based, and many of the anomalies remain. In the case of National Travel, differentiated fares are permitted. Because of the original need to protect the railways, and British Rail’s right of objection in the traffic courts, a standard fare is approved for single, day return and period return tickets. A premium may then be levied upon such basic fares at times of high demand. Premium fares, which are 125% of basic fares, are thus charged when journeys are made on Friday night, or Saturday.

The aim of such practices is to encourage traffic to travel at times when demand is lower, and excess capacity may exist. In this way uneven levels of demand become smoother, and pressure is reduced at the peak periods of demand.

Fares tend to taper over distance. That is, the further one travels, the less the fare per mile. Such pricing may be because operators feel that their customers could not pay for longer distance travel unless the rate fell. The more plausible alternative is that the high costs per mile over shorter distances reflect the
high fixed costs of getting the vehicle on the road. Price rates fall over distance because variable costs, such as fuel, and wear and tear, become the more important, albeit lower, costs.

Pricing by private operators is also strongly cost oriented. This is particularly true of small operators who may run a few summer Saturday only services to the coast. These firms are able to cost each service separately. They price at a level which produces a profit, for a given load factor, which is determined through experience and past knowledge.

10.3.3. The Effect of Pricing on Demand

Because pricing policies are so rigid, patterns of demand cannot be greatly altered. Demand must be taken as given if prices are not permitted to vary at all. If prices can alter, demand can only be varied within certain limits, which will depend on the amount of price change and the responsiveness or price elasticity of demand to such variations.

In such a situation the only way for supply and demand to be equated is to increase supply until it meets all demand. This can be done for express services by firms hiring-in vehicles and drivers from other coach operators, and duplicating the services, where this is legally permitted.
This is the most common way for operators to match their demand and supply. If the cost-based price, however, is lower than the price which the market will bear, additional traffic is being induced onto express coach, which might otherwise have used another mode of transport, or not have travelled at all, and spent their money elsewhere. Cost-based pricing thus causes distortions both between modes of transport, and also between sectors of the economy.

Many express licences permit duplication of services, but rarely is this unlimited. If demand exceeds the legally permitted supply, and price cannot be altered, an excess demand for the express service will arise. In this case legislation prevents either a variation in price or supply to bring the market into equilibrium, and thus the excess demand remains in the short run. Unless price is allowed to rise, or supply is increased, by raising duplication, or licensing a second operator, the excess demand would also remain in the long run. It is thus possible to see how the licensing system can nurture such market imbalances.

10.3.4. The Pricing of Extended Tours

Although limited by the same constraints from the 1930 Road Traffic Act, coach tour operators theoretically have greater freedom in pricing a tour, than express operators. This is because the traffic
commissioners only approve the road fare element of a coach tour. This is only one part of the total tour price, and thus there is room to adopt a less cost oriented view than with express operators.

Generalisations are dangerous to make in such a diversified sector of the coach industry, but of the tour operators visited, there was still a strong tendency to calculate tour prices from costs. Higher priced tours tended to reflect higher costs incurred by more luxurious standards, particularly of accommodation. Such highly priced products are attractive to the up-market segment but operators appeared to pay little attention to their greater ability to pay, and continued to price on a cost basis.

Some operators varied the price of their tours through the season, while others did not. Each type of operator justified his actions in terms of costs. A variation in price was explained by a change in hotel tariffs, while the same price throughout the season was because hotels did not vary the price of a room, or averaged the seasonal differences to give the operator a flat rate over time.

One operator suggested that demand patterns would have to be well known, before an operator would know
which week to change the price without any adverse effects on load factors.

The general attitude of tour operators was summed up by one executive, who when asked why he did not differentiate his tour prices, in order to smooth out demand over the season, replied that he thought this was "shark practice". He saw no reason for people touring in periods of high demand subsidising off-peak holidaymakers. Such an attitude indicates that he was unwilling to induce some business onto periods of lower demand, to the benefit of both customer satisfaction, and the operator's load factors. He was unwilling to judge the profitability of a tour series in total, but wanted each departure to make a profit individually.

In many cases cost based pricing does not conflict with the market approach. This is because, as hotel tariffs rise in the season, cost oriented coach tour prices follow a similar pattern. This coincides with increasing demand for tours, some of which is deflected to periods of lower demand. It is thus fortunate for coach tour operators that the more market oriented hoteliers suffer similar patterns of demand as coach firms.

Operators catering for visitors from abroad did not vary their coach tour prices, because it was felt
that this rarely had any impact upon the levels of demand. This is because the time of year visitors choose to visit Britain is determined by festive occasions, and to a greater extent by air fare tariffs, and their seasonal variations. Any change in coach tour prices alone would not therefore induce people to travel to Britain.

10.3.5. Tour Pricing as a Means of Product Differentiation

Price can be used to attract certain types of people, to a product. Even when such pricing is not consciously done, but only reflects costs, consumers will form certain expectations about a product, based on its price.

Some operators differentiate between types of tours by promotional means, such as separate brochures. Other operators do not, and thus the basis for a customer's selection is the product's price. This method is acceptable if the price does reflect the standard of the product. During periods of high rates of inflation, as in the early and mid 1970s, people's perceptions of what a given amount of money will buy becomes distorted. This is more often true for infrequent purchases such as a holiday, than it is for regular spending, such as the weekly groceries.

If people perceive the annual rate of inflation as lower than the sum of the more familiar weekly price
increases, then tour passengers will choose a product at a lower real price than they intended. Quality will be lower, and thus expectations about the tour will not be fulfilled, because they have inadvertently purchased a lower quality tour than intended.

Price is thus not a satisfactory way of differentiating between types of product in periods of high inflation. It may be satisfactory at other times, but other, promotional means are required if customer disappointment is to be avoided.

10.3.6. Summary

Pricing of both express service and tour products is strongly constrained by the licensing system. This is less in the tour operator's case, but the behavioural influence of the Road Traffic Acts still results in strongly cost oriented pricing. Many operators would not consider using price as an instrument to control patterns of demand, because such practices as lower prices in periods of low demand are seen as unfair to tour passengers in periods of high demand. Operators seem to ignore the fact that passengers have the choice as to when they take their holiday.

Express service products are more differentially priced, despite a greater degree of control.
Not all operators can, or want to, vary express prices. Variations must be in an upwards direction, and, as with tours, basic prices are still very strongly based on the costs of the product in both sectors of the industry.
10.4. RETAILING AND DISTRIBUTION

Distribution is the process whereby retail outlets are provided with the means of making a sale. For most products, this means delivering the good to the store. In the case of express coach and coach tour products, the retailers must be provided with information, timetables, faretables, leaflets, posters, brochures and booking forms. They must also be able to contact a central chart room about bookings, and have the above aids to making a sale re-stocked.

The number and type of outlet varies between firms, depending upon their size and type of operations. The number of outlets of operators visited is recorded in table 10.1. The way in which these outlets are serviced and provided with the means of making a sale also varies between operators.

10.4.1. The Types of Retail Outlet

For many operators there are two types of agent: company offices and non-company offices. This is particularly true of National Travel, who include N.B.C. subsidiary companies' offices under the former heading. This division also applies to private operators such as Bee Line Roadways, who in 1976 had thirteen Gold Case Company offices, and sixty other agents. Smaller private operators, such as Watsons of Dundee, also
have company offices. This firm's business was divided between tour operation and a travel agency. Consequently the major source of bookings for tours is the travel agency.

Within the division of non-company offices a further division can be made between members of the Association of British Travel Agents (A.B.T.A.) and other retail outlets, which are often nick-named "sweetshop agents" because such outlets accept bookings as a subsidiary activity, and are primarily confectioners, newsagents, coal merchants, and the like.

A couple of operators visited divided their retail outlets according to the level of business they produced. Casual agents are barely serviced, the onus being with them to contact the operator for information in the event of an enquiry. The more profitable, and better serviced active agents are provided with information automatically, because it is expected that bookings will be made through such outlets.

10.4.2. Retail Outlets of Private Express Operators

Many operators are both express and tour operators, using the same outlets for each group of products. As such, when referring to express operators, it is meant those firms who are predominantly express operators. Similarly, tour operators are those firms
with this as the main business, while the public sector will be examined separately.

There are few private operators whose main concern is express services. The main firms are Yellowways, Premier Travel, Grey-Green, Barton Transport and Wallace Arnold, while many small operators provide summer services to the coast. In the latter case these are invariably secondary to tours, and rely upon some travel agents, but mainly sweetshop agents, to sell to their local markets.

The larger firms have retail systems similar to National Travel, comprising a mixture of company offices, A.B.T.A. agents and sweetshop outlets. With the exception of Yellowways and Premier, these firms are primarily tour operators. Wallace Arnold provides student services between different universities and London. Additional booking agents are thus appointed at students' unions within educational establishments such as universities and polytechnics.

Premier Travel runs some express services, and is part of a larger travel group with A.B.T.A. agents. Bookings thus come from this source, as well as more traditional "sweetshop" agents in the villages through which services pass.
Yelloways services originate in the Greater Manchester area, notably Rochdale. Although there are many shopping centres, the area's social structure means that corner shops are still very important in the communities living in the concentrated conditions of terraced housing. Yelloways thus appoint these local shops as agents, because this is the best way to contact the local market. In addition, Yelloways co-operate with National Travel, and run joint services. They thus have the benefit of the extensive National Travel retail system.

Private express operators tend to sell tickets through small outlets. They rely on the "sweetshop" outlets approaching themselves for additional booking forms or information once the intial literature has been distributed each season. The agents are thus poorly serviced, and the emphasis of contact lies with the outlets. Yelloways pays 7½% commission on all express bookings, which is probably because the sweetshop agents do not have the pressure of an organised body such as A.B.T.A. to press for higher rates.

10.4.3. Retail Outlets of Tour Operators

An examination of table 10.1 shows the range of the number of outlets appointed by tour operators. There are also variations in the type and ways in which they are serviced.
Table 10.1: Retail and Selling Characteristics of Coach Operators, 1976.

<table>
<thead>
<tr>
<th>Operator</th>
<th>Number of Tour Brochures Produced</th>
<th>Number of Passengers</th>
<th>Tour Brochure to Sales Ratio (to one)</th>
<th>Number of Retail Outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barton Transport</td>
<td>n.a.</td>
<td>10,000</td>
<td>n.a.</td>
<td>300</td>
</tr>
<tr>
<td>Bee-Line Roadways</td>
<td>95,000</td>
<td>27,000</td>
<td>3.52</td>
<td>73</td>
</tr>
<tr>
<td>Britainshrinkers</td>
<td>500,000</td>
<td>15,500</td>
<td>32.26</td>
<td>n.a.</td>
</tr>
<tr>
<td>Epsom Coaches</td>
<td>19,000*</td>
<td>2,500*</td>
<td>7.6*</td>
<td>50</td>
</tr>
<tr>
<td>Galleon Tours</td>
<td>200,000</td>
<td>3,000</td>
<td>66.67</td>
<td>n.a.</td>
</tr>
<tr>
<td>Glentor Tours</td>
<td>300,000</td>
<td>18,000</td>
<td>16.67</td>
<td>n.a.</td>
</tr>
<tr>
<td>Premier-Albanian</td>
<td>35,000*</td>
<td>12,000*</td>
<td>2.92*</td>
<td>65</td>
</tr>
<tr>
<td>Safeguard</td>
<td>12,000*</td>
<td>1,670*</td>
<td>7.19*</td>
<td>16</td>
</tr>
<tr>
<td>Salopia Saloon</td>
<td>75,000</td>
<td>17,000</td>
<td>4.41</td>
<td>108</td>
</tr>
<tr>
<td>Tricentral</td>
<td>10,000</td>
<td>n.a.</td>
<td>n.a.</td>
<td>14</td>
</tr>
<tr>
<td>Wallace Arnold</td>
<td>n.a.</td>
<td>115,000</td>
<td>n.a.</td>
<td>3,000</td>
</tr>
<tr>
<td>Caledonian Tours</td>
<td>30,000</td>
<td>3,000</td>
<td>10</td>
<td>400</td>
</tr>
<tr>
<td>Cotter Tours</td>
<td>30,000</td>
<td>4,000</td>
<td>7.5</td>
<td>n.a.</td>
</tr>
<tr>
<td>Scotia Tours</td>
<td>120,000</td>
<td>9,000</td>
<td>13.33</td>
<td>600</td>
</tr>
<tr>
<td>Alexander Midland</td>
<td>80,000</td>
<td>10,000</td>
<td>8.0</td>
<td>70**</td>
</tr>
<tr>
<td>Scottish Omnibus</td>
<td>150,000</td>
<td>15,000</td>
<td>10.0</td>
<td>70**</td>
</tr>
<tr>
<td>National Travel (Midlands)</td>
<td>275,000</td>
<td>25,000</td>
<td>11.0</td>
<td>547</td>
</tr>
<tr>
<td>National Travel (S.W.)</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>600</td>
</tr>
</tbody>
</table>

Source: Information obtained through Interview.

* These figures relate to all products, not only domestic extended tours.

** Each major company of the S.B.C. is responsible for approximately 70 agents in their operational area. All S.T.G. products are promoted to the agents.
Operators with smaller catchment areas, and less extensive tours programmes, such as Safeguard of Guildford, tend to have a small number of local retail outlets. Usually the small firm has an office in the major town, or owns or part-owns a travel agent. Such an outlet normally accounts for most of the tour bookings taken. It is relatively easy to service such an outlet, because it is part of the firm. Other outlets are thus less vital, but are nonetheless important in contacting localised and dispersed markets in nearby areas.

Servicing of such agents is less active on the part of operators, because they rely upon their local reputation, and that agents will contact them if they need more sales material.

This passive attitude towards retail outlets, and distribution to them is very common among smaller operators. Similarly it is rare to find activities such as agents' seminars, either on the products or booking procedures, or educational trips for agents. Without exception, all smaller tour operators visited paid 10% commission on all bookings.

It appears that such lack of concern by these operators for their retail outlets cannot induce a high level of business. One operator felt that he should be
more active in servicing his agents, and said that he intended to improve matters in 1977. Most small tour operators felt that their level of contact with agents was sufficient. One must remember that these firms are working in a very localised context. Not only does the public feel a local identity with the operator, but so too do the retailers. The smaller size of the company enables a more friendly and personal service to agents and public alike.

Despite these advantages of small scale operation, a higher level of servicing, even if only once a month, and a means for booking agents to meet chart-room personnel whom they talk to by phone can only be beneficial in enhancing relations between producer and seller. Whether this would give rise to more sales is a different question; because the firm must also communicate with the public. In some cases coach tour operators may not want to increase sales, because they may not have the capacity to meet a rise in demand.

Larger firms operating more extensive programmes usually have larger catchment areas. The number of retail outlets will be greater. At one extreme there is Wallace Arnold with over 3,000 outlets. Not all these agents are serviced. Instead, this represents the number of A.B.T.A. members, all of whom Wallace Arnold regard as actual or potential sales outlets.
The use of "sweetshop" agents is less common among larger operators, although Bee-Line said that they had a significant proportion. This is because the industrial villages of north-east England and Tyneside where this firm's market is found, are not large enough to support travel agents. The only type of outlet one can have therefore is through a local shop, which enables Bee-Line to reach its market.

Servicing of agents by larger firms is more active, partially to compensate for the loss of personal service which is found with smaller tour operators. There are also more resources to enable representatives of the firm to visit agents, both to distribute point of sale material, and booking forms, and also to call regularly to ensure that there are no shortages of brochures. Agents' queries are also answered, and any problems can be resolved.

Such active servicing of agents enhances relationships between producer and seller. Promotion to agents, includes seminars or educational visits which familiarise the counter clerks, who meet the customers, with the products they are selling. Barton Transport (Nottingham) seem to be the most active tour operator in this field. They hold agents conferences, and also educational trips, although the latter are mainly for booking clerks in the company's own offices.
In general, private tour operators do not attend to their agents' needs. This is particularly true for non-company offices, who need more information about the products. Small operators barely service their agents, except to deliver sales material once a year. Larger companies are more active in this respect, but often fail to use other means of promotion to their retail outlets. While distribution is conducted more satisfactorily, these firms do not recognise that other activities can encourage their retail outlets to actively sell the tour products, rather than passively provide brochures and take bookings on request.

10.4.4. Retail Outlets for the Public Sector

National Travel and the S.B.G. operate both tours and express services. They sell both types of product through the same retail outlets. As in the private sector, company offices, A.B.T.A. members and "sweetshop" agents are used.

In Scotland, the three subsidiaries who operate extended tours or express services are Eastern Scottish, otherwise known as Scottish Omnibuses Ltd., (Edinburgh), Alexander & Sons, Midland (Glasgow), and Western Scottish Motor Traction (Glasgow). Each company services approximately 70 agents who fall within their operating area. Information, brochures and booking forms for all products offered by the Scottish Transport Group are
distributed to agents. Company offices are important outlets, the most notable of which is Alexander Midland's Travel Centre in Glasgow. Distribution of faretables, booking schedules and brochures takes place once a year by all companies, after which the onus is on the agent to contact the operator should he exhaust his stocks.

None of the companies organises seminars, or provides educational trips, although each said that they attended relevant conferences organised by the Scottish Tourist Board, where they meet both hoteliers and retail agents. This non-active approach, however, is not satisfactory, and more could be done to encourage agents in selling their products.

Alexander Midlands, the tour operator, suggested that appointed agents, all of whom are A.B.T.A. members, account for 30% of bookings. The remaining 70% comes from company offices, and in particular the Travel Centre. Eastern Scottish on the other hand, stated that the proportion of bookings for tours of Scotland through agents might be as high as 60%. This, however, is explained by the high proportion of visitors from abroad taking such tours, and booking through one of the thousand agents that the company, or its General Sales Agents, has appointed overseas.
Tours of England and Wales, which are bought by Scots, show a more usual booking pattern, with 60% coming through company offices, and 40% from A.B.T.A. agents. The percentage of business through company offices for express services is still higher, at about 70%, although appointed agents sell a high proportion of seats on the Edinburgh-London service, which often provides a feeder service for Scottish Tours. Western S.M.T. is also an express operator, and suggests that 70% of bookings come through company offices.

An important retail outlet of the S.B.G. is their shop in Upper Regent Street, London. Not only does this co-ordinate all bookings made in English and Welsh retail outlets, under an agreement with National Travel, but also it provides an important point of sale to visitors from abroad staying in London, but wishing to travel north to Scotland. This office should aim to be more active in creating business, and ensuring, for instance, that the public know that express coaches to Scotland are run by S.B.G. companies, and not National Travel.

National Travel is divided into five areas, each of which is responsible for between 500 and 600 retail outlets. These are sent newsletters and are serviced by representatives, whose full-time job is to visit outlets, deliver brochures, faretables, timetables, amendments,
answer queries, and resolve any difficulties. The south-
west, for instance, has four such men, who aim to call
at agents once every three to four weeks. Such calls,
therefore, are made at the average rate of over twelve
a day. Allowing for driving time between these outlets,
the agents thus see the firms’ representatives for barely
thirty minutes on average. It is possible that longer,
but more infrequent visits might help agents to raise,
and solve, problems. Many booking clerks regard the
National Travel booking system as most complex. One
counter clerk pointed out that fare amendments, and pre-
miums made the faretable so complex that she could never
be sure that she was charging the correct fare when issu-
ing express tickets. It is thus essential that represen-
tatives service agents, and clarify any misunderstandings.

Executives in each area stated that the company
offices, usually numbering about 70, accounted for 70% of express bookings, and 60% of tour business. The
remaining 40% of tour bookings were often made through
A.B.T.A. agents, but non-company express bookings were
largely through "sweetshop" agents. This is particularly
true in villages whose only long distance transport is
an express coach service, but which is not large enough
to support a travel agent. A local village shop is thus
an extremely important way for National Travel to contact
this dispersed, but vital, market.
Tours tend to sell better through travel agents, because this is a holiday product. In addition, the higher price means that the commission is greater. The amount received is thus comparable with other forms of holiday, and agents are willing to sell the tour products. They are less enthusiastic about express services, because booking schedules are more complex. Despite the same rate of 10% commission, the lower priced product also means that the amount of commission earned is considerably lower.

National Travel is active in servicing agents. Each area also holds a series of agents' conferences at which the new tour programme is launched each year. Other products, such as new express services, are also introduced and explained to the agents. Hospitality is usually provided, and agents meet chart room staff with whom they talk by telephone.

Educational trips are also provided. A campaign to help agents understand the interchange principle included trips to Cheltenham to witness the practical meaning of what is otherwise a complex timetable.

Some seminars are held for booking clerks to clarify booking procedures, particularly for express services. These have mainly been held for company clerks, with the aim of reducing the initial antagonism
between N.B.C. company offices and the newly formed National Travel, but could be extended to all booking agents.

The public operators, particularly National Travel, are more active in encouraging their retailers to sell the products. This is emphasised by the new commission structure to apply throughout the country. A set rate of 10% is paid on all sales, but once an agent improves on his previous year's sales by a given percentage he receives a bonus payment for every booking taken.

The danger with this method is that bookings may reach a level at which National cannot cater for the demand. In addition, 1976 was a very poor year for tours business, so that agents may find that they reach the level where bonus payments apply without having to work for them.

Despite these problems, National Travel has an active attitude to their retail outlets which many other operators of all sizes, and each type of product, would do well to copy, or adapt to their individual circumstances.
10.4.5. Retailing to Visitors from Abroad

Most firms who sell their products overseas, such as Frames, Glenton or Galleon, do so through General Sales Agents. These agents are serviced by the companies, and distributed with brochures, posters and other means of making a sale. They usually receive a commission of 15% on all bookings coming through them. These agents, however, do not sell direct to the public, but appoint their own agents, who are treated similarly to retail outlets in this country. They receive 10% commission on average, and thus a British operator is paying a 5% commission to the General Sales Agent for handling his business, and representing him in his foreign market.

It is unusual, but not unheard of, for operators to deal direct with retail outlets abroad, in which case they are treated like British outlets, but are not serviced with the same regularity or personal touch.

10.4.6. Summary

The preceding sections emphasise the diversity of practice in the retailing and distribution of coach products. Table 10.1 provides brochure to sales ratios, which indicate the efficiency of the tour companies' retailing systems. Caution must be used in interpreting the figures, because some brochures include information on excursions, and express services, while the passenger
numbers include such travellers. This is particularly true of the smaller local companies such as Epsom Coaches and Premier-Albanian.

The activities of National Travel are commendable, and it is to be hoped that a simplification of fare and timetable, and booking procedures could enhance the relationship between operator and retailer. Other companies have much room for improvement in their distribution practices, although smaller firms must also take account of the localised nature of their markets. All operators should examine the location of their outlets, which are mainly due to historic accident and development, and see whether business could be improved by using outlets in better locations or not. For most operators, a re-appraisal of their attitudes towards retailing and distribution is urgently required.
10.5. PROMOTION TO THE PUBLIC

Promotion consists of a variety of activities. Advertising may be through media such as newspapers, or radio, or it may use posters. Brochures, and timetables in a book, leaflet, or pocket card form, are also part of the advertising of a tour or express service.

Public relations is a less impersonal means of promotion which involves meeting the public. Firms may have stands at such gatherings as agricultural shows. Alternatively, a coach may be used to make promotional tours through the firm's market area, in order to show people who the firm is, what it does, and when stopped, to talk to the public, and in some cases, accept bookings. Film shows were a popular method of promoting coach travel, but nowadays they are only held on request to selective audiences, such as Women’s Institutes, rather than to the general public, as was once the case. Some firms also hold reunions for passengers, such as dinner-dances.

Other forms of promotion include painting the vehicles in a distinctive livery, with which the public can identify, and giving drivers a uniform to wear. Companies also adopt logos, which are important for internal company identity, as well as producing a corporate image for other firms to see on such things as letter-headings. The public also has a symbol with which to identify a company.
10.5.1. Advertising Through the Press

This type of advertising can be on a national or local scale. Which an operator chooses depends upon his market area, as defined by his licensed pick-up points.

Most operators place advertisements in local papers, which state what tours, or occasional express services, and excursions, are offered. Details such as price, and departure points are not always included, unless a firm is trying to boost sales on a poorly loaded product. This latter practice, however, is rarely thought to be successful.

Local papers are used by local operators, who can afford such advertising rates. Firms who advertise in national papers must have the size of operation to warrant such expense. Epsom Coaches once placed small advertisements for their tours in "The Guardian", but stopped when it did not seem to affect the level of business. Not only was this an expensive form of communication, but also, it reached people who would never have bought the product because they lived outside the firm's marketing area. At the same time, such advertisements would only be seen by a very small proportion of people living in the Epsom area, due to the low circulation figures of the paper.
National Travel ran a series of white coach advertisements in early 1977 in national papers such as the Sun, or Daily Mail. The readership profile of such papers corresponds strongly with the market segment likely to travel by coach. The nationwide product also justifies the use of national papers.

Such national advertising can be emphasised on a local level. The former promotes the concept of coach travel, while the latter specifies given services, prices and timetables in order to attract local people to use express services when travelling to another area.

The strategy of National Travel's newspaper advertising is now good, although serious mistakes in the past have retarded its development. The company has attempted to identify its market segment, and developed a campaign using media most likely to be noticed by such people. It is possible, however, that the advertisements themselves could be improved. While technically correct in pointing out the unique selling points of express travel, the copy in the nationwide advertisements is clichéd, and uninspired.

10.5.2. Advertising through Radio and Television

National television is an expensive medium for coach operators, with limited advertising budgets, to use. Of all operators visited, only Galloon were
intending to use this medium. This, however, was not only to promote coach tours, but also other forms of holiday, and the company name in particular, to help with their image building campaign.

Local television is a more popular means of reaching the public. Several of the larger firms, both private and public, said that they were using, or had used, local television to promote their products. Such advertising tends to be short, and fairly crude, using such techniques as animation, in order to keep within a budget.

This medium was most popular in north-east England, where the scattered markets are covered by Trident T.V. It is most important that a firm's marketing area, and that covered by the television network, are similar. In this way the maximum number of people in the market are contacted without too many people outside the area, who are not likely to buy the product, being reached.

National's south-west division, for instance, would have liked to use local television, but no television company coincides with this area. The firm could have used one television area to have reached some of its market, or three to cover it all. The waste, through also covering other areas outside the market area would have been substantial, and did not justify the use of this medium.
Local radio stations transmit to yet smaller areas, and thus operators are more likely to be able to advertise to their market area without wastage through this medium. National Travel (North East) can cover all of its area except Humberside by using three local stations: Tees, Halam (Sheffield) and Pennine. Similarly, Bee-Line Roadways have used Tees Radio. National Travel advertised all types of National Holiday and felt that this was an excellent, and fairly cheap, way in which to inform the market of its products.

Bee-Line, however, advertised tours only, which are designed for people over fifty. They supported the views of Barton Transport who did likewise on Radio Trent, in that this was not an effective medium because the firms' market segments tended not to listen to 'pop' radio programmes aimed at younger age groups.

10.5.3. Advertising by Poster

It is not common for private operators to use posters, except as point of sale display material in retail outlets. Such posters are not found in public places.

The two public concerns, however, are more used to using posters. The S.B.C. advertise their London-Scotland services mainly on Underground hoardings, and no N.B.C. bus station is complete without posters for tours, the express network, individual express services, or the image of National Travel.
Only posters for relevant express services should be displayed at each point, although advertisements for the total network can appear anywhere. Care should also be taken when using posters on bus sides and interiors because these vehicles travel throughout an area, so that the information they display may be true for one town, but totally incorrect for the next town. Sample fares must not take the form of "London for only £3.00", for instance, but should state a starting point as in "Birmingham to London, £3.00". In this way, the slogan remains valid throughout the area in which the bus travels.

10.5.4. A Review of the Methods of Advertising

Media advertising is more common than the use of posters. This is despite the fact that posters appear in bus and coach stations, and on buses where P.S.V. users can see them. As the person seeing these posters is already using a bus, operators feel that they can be more easily converted to express services or coach tours than those people who have yet to be induced onto public road passenger transport.

Local papers provide the cheapest medium for advertising and, in many cases, provide the best results in contacting an operator’s localised market. Local radio also has considerable potential in reaching the local market, but whether the coach operator’s segment is contacted
depends largely on the listener profile of the radio station.

Once operators use national media costs rise, without necessarily more consumers being reached. While national paper advertising is a good way to promote the nationwide coach network, more localised operators should use local media.

Some operators did very little advertising as their expenditure, listed in tables 10.2 and 10.3 shows. For many operators, their promotion budgets were used entirely on advertising. In 1970, most operators spent their advertising budgets in the medium of the press. Although table 10.2 is far from complete, one suspects from operators' opinions that more is spent in non-press media, although whether this expenditure is justified or not rests with the operators.

Many of the operators visited expressed a frustration at not being able to measure the impact that advertising has upon sales, and thus not knowing its cost-effectiveness. Several firms suspected that it had little effect upon sales levels, but felt that advertising had to be done, because other firms do it. One firm was so convinced about the ineffectiveness of advertising, and the importance of word-of-mouth recommendations that it now directs its energies towards producing a high quality
Table 10.2: Promotion and Advertising Expenditure by Coach Operators Visited, 1976

<table>
<thead>
<tr>
<th>Firm</th>
<th>Promotion (£)</th>
<th>Advertising Total (£)</th>
<th>Advertising Press (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bee-Line Roadways</td>
<td></td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Britainshrinkers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epsom Coaches</td>
<td>10,000*</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Glenton Tours</td>
<td>12,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premier-Albanian</td>
<td></td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Safeguard Coaches</td>
<td>4,000**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salopia Saloon Coaches</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wallace Arnold</td>
<td>4%***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cotters Tours</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scotia Tours</td>
<td></td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Watsons Tours</td>
<td></td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>Western S.M.T.</td>
<td>30,000</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>National Travel S.E.</td>
<td>71,000</td>
<td>16,500</td>
<td></td>
</tr>
<tr>
<td>National Travel S.W.</td>
<td>90,000</td>
<td>36,500</td>
<td></td>
</tr>
<tr>
<td>National Travel N.E.</td>
<td>89,250</td>
<td>43,000</td>
<td></td>
</tr>
<tr>
<td>National Travel N.W.</td>
<td>54,000</td>
<td>21,500</td>
<td></td>
</tr>
<tr>
<td>National Travel Mids.</td>
<td>75,250</td>
<td>26,500</td>
<td></td>
</tr>
<tr>
<td>National Travel N.B.C.</td>
<td>462,500</td>
<td>260,000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Information obtained at Interviews

* Brochures include information on other activities than solely extended tours, such as excursions and express services.

** Is known to include brochure production.

*** This percentage is of total turnover.
Table 10.3: Advertising Expenditure by Coach Operators in 1970

<table>
<thead>
<tr>
<th>Operator</th>
<th>Advertising Total (£)</th>
<th>Advertising T.V. (£)</th>
<th>Advertising Press (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bee Line Tours plus Gold Case Travel (the parent company)</td>
<td>900</td>
<td>900</td>
<td>-</td>
</tr>
<tr>
<td>Cooks Coach Tours</td>
<td>5,900</td>
<td>-</td>
<td>5,900</td>
</tr>
<tr>
<td>Excelsior European Motorways</td>
<td>5,800</td>
<td>-</td>
<td>5,800</td>
</tr>
<tr>
<td>Frames Tours</td>
<td>29,800</td>
<td>-</td>
<td>29,800</td>
</tr>
<tr>
<td>Galleon Holidays</td>
<td>11,100</td>
<td>-</td>
<td>11,100</td>
</tr>
<tr>
<td>Heaps Tours</td>
<td>1,100</td>
<td>-</td>
<td>1,100</td>
</tr>
<tr>
<td>N.B.C.:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maidstone &amp; District</td>
<td>535</td>
<td>-</td>
<td>535</td>
</tr>
<tr>
<td>Midland Red</td>
<td>8,600</td>
<td>-</td>
<td>8,600</td>
</tr>
<tr>
<td>Ribble Travel</td>
<td>3,400</td>
<td>-</td>
<td>3,400</td>
</tr>
<tr>
<td>Sheffield United Tours</td>
<td>2,897</td>
<td>-</td>
<td>2,897</td>
</tr>
<tr>
<td>Southdown</td>
<td>986</td>
<td>-</td>
<td>986</td>
</tr>
<tr>
<td>United Automobile</td>
<td>1,200</td>
<td>-</td>
<td>1,200</td>
</tr>
<tr>
<td>United Northern</td>
<td>4,000</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td>Victoria Coach Station</td>
<td>8,000</td>
<td>-</td>
<td>8,000</td>
</tr>
<tr>
<td>Western Welsh</td>
<td>300</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>Yorkshire Traction</td>
<td>2,413</td>
<td>-</td>
<td>2,413</td>
</tr>
<tr>
<td>Scotia Tours</td>
<td>33,000</td>
<td>-</td>
<td>33,000</td>
</tr>
<tr>
<td>Wallace Arnold Tours</td>
<td>67,900</td>
<td>41,900</td>
<td>26,000</td>
</tr>
<tr>
<td>Yelloways Motor Services</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
</tbody>
</table>

product which customers do not find fault with or complain about, and thus recommend the company's products to friends.

It is important that such facts as dates on which tour brochures are available and from where, are advertised in order to open a firm's booking period. More should also be done by National Travel to advertise the location of their booking agents, in order to encourage business. Advertising should not be dismissed as ineffectual, but should be carefully used by operators as a means of communication with their markets. The appropriate media should be used so that the market segments will hear the operator's message.

10.5.5. Public Relations

This means of promotion to the market involves more personal communication with customers. The most common way in which firms meet the public is by having stands at important events, such as county agricultural shows. This method of "flag-flying" produces good-will, and impresses the company's name and image upon the public. In order to create business, however, the coach operator must be aware of the type of person who takes one of his tours, or express journeys. Only if such people attend the event at which the stand is present will business be generated.
Some firms use coaches to travel round their area in order to impress the firm's image upon the public whenever the promotional coach stops. Premier-Albanian (Watford) used to tour round Hertfordshire in one of their early vehicles from the 1920s. Such a vehicle inevitably attracted attention, and made an impact in the public's mind. Unfortunately, the increasing difficulty of parking in town centres forced the company to stop this promotion.

Another way in which operators communicate personally with the public is through film shows. At one time these shows were a popular attraction which produced high attendance levels. Nowadays, however, such shows are only provided on request, and are given to private groups, such as Women's Institutes, from which some bookings may be made. The films are shown by a representative of the firm who is also able to use the occasion to promote the company to the audience.

Dinner-dances are also a form of public relations, with which National Travel (North East) experimented in 1976. These occasions provided re-unions for tour passengers, and also an opportunity to book another tour, for the following year. Although bookings were low, the functions broke even and also induced a high level of goodwill towards the company.
It is important the customers can identify with the operator, and thus public relations are important in creating goodwill among the market. This is particularly true for larger operators who have lost the personal contact with their passengers. Unfortunately, such operators tend to rely upon the more impersonal methods of promotion.

10.5.6. Promotional Literature

This section refers to brochures of tour programmes, and timetables in book, leaflet or pocket-card form for express services. Both are usually obtained from retail outlets.

No critical analysis of the contents of brochures is intended. Some operators differentiate their products through the literature. Wallace Arnold, for instance, produce separate brochures not only for each area of departure, but also for the different types of tour. Consequently Continental Tours are separated from British main season tours, which are also separated from British off-peak tour programmes.

Similarly, Bee-Line Roadways produce separate brochures for their main season departures and for their cheaper, off-season tours, designed for old age pensioners. Such practices define the types of product for the consumer.
Some firms, again such as Wallace Arnold, also classify their tours into a more expensive, higher quality, product, the Highlight tours, and cheaper, lower quality, tours. This enables customers to see clearly what type of product they are buying, and is a practice to be encouraged for all operators.

Many tour operators visited said that they sent brochures to previous years' clients. Most also stated that in the past, these had been sent to travellers from up to five years ago. Rising costs now forced operators to only mail brochures to the previous season's clients. The effect of these crude mail-shots to previous passengers is not known, but it is suspected that high levels of repeat customers for different products can be accounted for by such practices.

Express timetables give valuable information to travellers. Leaflets and pocket cards are distributed freely, but timetable books must be paid for. The two former types of literature usually follow a pattern, which fits in with posters for the specific service. This is particularly true of the named services, such as the London-South Wales "Red Dragon" service. The posters, leaflets and timetables are all printed in red and white, and contain a drawing of a dragon, which is also used in the black and white local paper advertisements. This use of themes and colours is a valuable way
of achieving an integrated promotional strategy, but like the naming of services, should not be used too frequently. The impact of such promotion is derived from its scarcity of use.

10.5.7. Coach Liveries and Company Logos

Each coach operator paints his coach fleet in order to provide some uniformity, and a colour scheme which the public hopefully identify with the company. The most controversial livery in the industry is the all white one of National Travel, with its 'double N' logo, which many people mistake for, and mis-use, as an arrow.

When National Travel was formed, all N.B.C. coaches were painted white, and had National written in red and white letters along either side. The original company name was included in small print. At the same time, tour brochures began the slow change towards National Holidays, and away from the old operator's name on the brochure. It is thought that this has lost local goodwill and thus has been detrimental to business. A policy reversal now means that the original tour operators' names have re-appeared on the brochures.

The white livery and logo has given National Travel a corporate identity which has helped to promote the concept of a nationwide express network. The consensus
of opinion among operators visited, however, was that this move had been very detrimental to tour operation, because local identities and goodwill had been lost. A possible solution is to develop separate promotion for each type of operation and each area, similar to the activities of the S.B.C. in promoting their London-Scotland express services.

These services use special coaches painted in a blue and white "Scottish" livery. In order to create an impact upon the English public who may travel from London to Scotland, this "Scottish" theme is continued in posters, leaflets and composite timetables, printed in blue and white. Composite timetables show all services from London to Scotland, even though they are operated by different S.B.C. subsidiary companies.

In this way, the English are made aware of north-bound services. To use the same promotion in Scotland, however, would destroy local identities, and offend nationalist sympathies. Each company operating to London thus produces his own leaflets, posters and timetables in the colours of his company's own livery. In this way each service (Glasgow-London, Edinburgh-London etc.) is promoted in its company area, and London is regarded as just another express service destination.
The use of such promotional strategies thus preserves local goodwill in the Scottish source areas, while also making a strong impact on the English public, creating traffic from London, and preventing load factors falling for journeys in one direction.

10.5.8. Promotion to Visitors from Abroad

Promotion in overseas markets must emphasise both the attraction of Britain as a country to visit, and the advantages of buying the operator's product, once the decision to come to Britain has been made.

The first decision is mainly influenced by promotion by the British Tourist Authority. Operators tend to rely upon their General Sales Agents to influence the second decision. As such, the servicing of these agents is important, and often educational trips are offered.

Promotion to the public does not differ greatly from the domestic case. Newspaper advertising is used, in addition to which many operators place advertisements for tours in magazines such as "The Clansman" which is read by North Americans with Scottish connections. The B.T.A.'s publication, "In Britain" also provides a medium for press advertising, but in general an operator's general sales agent acts for the firm in a way similar to the firm's behaviour in Britain.
10.5.9. Conclusion

The promotion of coach tours and express services to the public is an intricate activity. The most popular medium of advertising is the local paper. Advertising is often regarded as synonymous with promotion, although most firms engage in promotional activities such as film shows, or the creation of a local identity through the coach livery.

Few firms regarded promotion as a means of informative communication, both in impersonal ways such as advertising, and through the more personal channels of public relations. As such, many operators, both large and small, need to improve the promotion, and in particular their advertising techniques, in order to communicate more effectively with their market segments.
10.6. THE MARKETING STRATEGY

For many operators, of all sizes, the term marketing is synonymous either with advertising, or brochure production. Few firms employ executives trained in the subject. Instead they mainly have histories reaching back to at least the 1920s, when the present operators' fore-parents began coach services. There is a strong resentment of change within the industry, despite the dynamic context within which it exists.

10.6.1. Attitudes to Marketing

Although marketing is a nebulous subject, few of the operators interviewed gave explanations which suggested a business philosophy based upon providing customers with what they want. Those executives who did express such phrases as "If the product is right, the people will buy it", showed an appreciation of marketing which is a personal, rather than corporate attitude.

Little research is carried out as a basis for product formulation, mainly due to the cost of conducting such enquiries. Small operators feel that they know what their markets want, but both they, and larger concerns introduce products on a test-marketing basis.

Although this is probably the best approach for cost-conscious operators, and will show whether the product
is wanted or not, it fails to show why the product is demanded or not. This is not to say that consumer surveys provide the answers to all questions. Instead, those companies whose finances permit should undertake both exploratory research, and surveys which monitor the progress of products.

The pricing of products is predominantly based on cost, due mainly to the need for operators to justify price levels to the traffic commissioners in terms of costs. Differentiated express fares are charged by levying premiums on an approved standard fare. Tour operators are less constrained by the licensing system, but still price on a cost basis, which can partially be explained by behavioural limitations which the system imposes on licensed operators.

Promotion to the public is a very diversified component of the marketing mix. Consequently operators' attitudes to promotion are varied. Advertising, especially in the press, is often the most popular, and conscious type of promotion. Such advertising is rarely more than a statement of what the firm offers, rather than a planned campaign for certain products. Some operators stress the need for public relations activities. This is particularly true among the larger operators who feel that they may have lost their personal rapport with the public.
Retailing and distribution are regarded by some operators as almost unnecessary. From the lack of activity deployed in this area one would feel that this is the case. There is an important need to service retail outlets more frequently. Distribution of information, and the material needed to make a sale should be more widespread and enthusiastic. There is an urgent need to encourage retail outlets to actively sell a firm's products which, operators must realise, cannot be achieved through commission rates alone.

Attitudes towards marketing, and its individual components show a lack of understanding. In one case, marketing was thought to be mere jargonese attempting to create an unnecessary mystique. This is emphasised by the fact that the majority of operators fail to see marketing as a co-ordinated approach to business. Instead, they identify some, or all, of the components, which are dealt with separately, and not coalesced into an efficient approach to business.

10.6.2. Training in Marketing Principles and Practices

Many current employees in the P.S.V. industry have followed in their father's footsteps. Small firms in particular have remained in the same families' hands since the current owner's grand-father, or great grand-father bought a motor char-a-banc at the beginning of this century. The next generation thus learn about their
industry, and their jobs, through the experience of working for the company.

Few private firms employ people with either marketing or management training. These people do, however, have the value of experience in the transport industry. Some firms, such as Galleon Tours, are more aware of their market place, and thus people with experience in tourism are employed.

Up to 1968, executives in the now public companies were of a similar type to private operators. This is still predominantly true, and many of National Travel's higher executives have achieved such grades through seniority, and knowledge based upon experience.

Current recruitment schemes for managers involves a long training in operational matters, and a minimum on commercial practices, with the exception of the licensing regulations. New people entering the industry are thus still trained in operational matters as a base, onto which commercial and financial learning can be grafted.

National Travel, and the S.B.G. do, however, employ people who move into the industry from other industries. Thus the officer in charge of promotion for National Travel (Midlands), for instance, has experience
in the sphere of advertising, because he previously worked for an agency. People with experience from other relevant areas are thus admitted into coach firms in fairly specialist roles. While the emphasis rests with the operations, rather than marketing, such specialists will not progress in the corporate hierarchy. The proof of a man's ability is thus still strongly in terms of experience, and as yet training in more specialist areas such as marketing is rarely given, or even acknowledged as being of value to bus and coach companies.

10.6.3. The Responsibility for Marketing

Most P.S.V. firms have similar corporate structures. There are three main departments:

(a) Operations. This side is the responsibility of the Traffic Manager (Operations) who ensures that the vehicles are running correctly. Mechanical and engineering skills are required, but the department is also responsible in many cases for driver and vehicle scheduling.

(b) Financial and Secretarial Services. This department maintains the company accounts, and usually contains the greatest number of professionally trained men.

(c) Commercial. This is the responsibility of the Traffic Manager (Commercial). Activities such as applications to the traffic commissioners, checking on the
standard of tour accommodation, advertising, and brochure production, launching of the new season's programme, charting the bookings and a host of other jobs are carried out by this department.

As such there is no one department with a marketing responsibility. An enlightened Commercial Manager may be able to organise his department along marketing lines, but this is severely limited by the fact that marketing extends across departments, and interfaces with other management activities.

Of all the firms visited, few had positions with titles such as Marketing Executive/Officer. Of those that did use such titles, most were like the job of Marketing Supervisor, National Travel (Midlands). This position carried responsibility for all publicity needed by the firm. Other forms of promotion were carried out by the commercial department, while other marketing activities were divided among sections, thus providing an unco-ordinated approach. The job in question was certainly a misnomer.

It is thus very rare to find any one executive of a coach firm who is responsible for marketing as a total, co-ordinated activity. Such disaggregation of the marketing mix, and the responsibility for each
component must inevitably result in a disjointed approach to marketing by most coach operating firms.

10.6.4. Conclusion

It is important that coach operators should see their activities in a more co-ordinated and efficient way, in order to provide products that are wanted, and avoid economic waste.

The marketing approach to business permits this. There is thus a need to train executives in the industry more extensively in the principles and practices of marketing. Education can alter operators' attitudes, so that operational questions, although basic to the provision of the product, become secondary to the overall marketing approach to business, and to the firm's activities in the market for transport. It is thus important that such changing attitudes should lead to a re-structuring of firms, and the employment of marketing executives in the development of the integrated provision of coach tours and express services.
CHAPTER 11: CONCLUSIONS AND RECOMMENDATIONS FOR THE FUTURE

11.1. INTRODUCTION

The coach industry consists of many diverse operators each offering a variety of products. This study has only examined British coach tours and express services. Despite the differences between firms, such as size, or public and private ownership, the majority of executives have a common attitude towards their businesses.

11.1.1. Operators’ Attitudes Towards Their Markets

Firms are not oriented towards the requirements of the market in which they operate. Few operators spoken to were able to indicate the characteristics of the market segment they served without using subjective opinions. Although these descriptions were often said to be based on empirical observation, this invariably meant the executive’s infrequent and biased observations rather than any formal research among passengers.

This indicates that operators have not defined their market segment clearly, and thus they have failed to attack a given section of the market, through pricing policies, product formulation or the way in which this is communicated to consumers.
11.2. THE LICENSING CONSTRAINT

Road service licensing is a major constraint on marketing practices, in particular the development and pricing of products. An operator must have the approval of the traffic commissioners of the route, stopping points, times and fares. He is thus not always able to provide his market with what it wants.

11.2.1. The Effect on Pricing

The traffic commissioners require fares to be justified in terms of costs, and thus operators adopt cost-plus pricing policies. Only the road fare element of an extended tour is approved by the commissioners, but despite this, prices are still strongly based on costs. This suggests that the licensing system influences the behaviour of operators to a greater extent than is achieved by rulings made in the traffic courts.

11.2.2. A Need for Reform

Many people advocate a reform of the licensing system. They feel that licences which ensure an operative's competence, and a vehicle's safety should be retained, but that the route service licence should be relaxed. The results of such actions cannot be known for certain. Different scenarios are painted by proponents and opposers of such measures.
11.2.3. Arguments Against Reform

Many operators who already hold licences, and thus have their position to protect envisage a return to the rivalry of the 1920s if route licensing were relaxed. The increased levels of road traffic, and more rigorous policing of roads, enforcing legislation introduced since 1930, means that the competition is unlikely to take the form of racing and other dangerous driving practices before regulation was introduced to the industry.

11.2.4. Arguments For Reform

Whereas the competition of the 1920s was predominantly between coach operators, and also railway companies, it is now between public and private transport. It is more important that coach, bus and rail passenger transport unite in the present to compete against the continually expanding threat of the private car. It is thus unlikely that express operators would compete destructively, but rather they would achieve a level of co-ordination in the public transport sphere if route service licensing were abolished.

It is also likely that coach tours would benefit from a degree of healthy competition. Package tour operators who for many years have been trying to obtain extended tour licences would be able to begin operation.
The coach industry can only benefit from the professional approach which these tour operators already apply to their Mediterranean package tours, and which they would also use in the relatively protected coach tour field.

11.2.5. A Problem of Accommodation

Relaxation of the granting of tour licences would initially at least give rise to a problem which worries such operators as Galleon Tours. Not only would there be excess capacity in the industry, but also operators would demand additional accommodation, although there is already a shortage of bed space in many areas. Hotel costs would thus rise, causing the price of a tour to increase, despite the supply of seats on tours exceeding the demand for them. As operators saw the lower level of demand they would reduce their hotel requirements, thus creating a chaotic situation in the accommodation industry. Break-even load factors would not be achieved on some tours, causing firms to rationalise their programmes, and in some cases, go out of business. This would rectify the initial problems of the industry, and produce a better equilibrium between the supply of and demand for accommodation. The operators not only are in equilibrium with hoteliers, but also, in the product market, with their customers. The means of achieving this aggregate equilibrium may, however, be disastrous for some firms who may be forced out of
business because demand for their products is insufficient to cover the costs of providing them.

11.2.6. A Possible Solution

A solution to such problems which might arise if route service licensing were abolished is to introduce a system of provisional licences. These licences could be granted in an automatic fashion, subject to the operator holding a certificate of fitness for his vehicle. Another operator already running the route in question should not preclude a second licence being granted for a provisional period. At the end of the prescribed time the traffic commissioners should examine the operation in question, and see whether the operator has a case for running the service or tour. Regardless of other operators, if the firm in question has been successful on the route, a full licence should be granted for its operation.

Such a licensing system would retain the regulatory elements of the present laws. It would also allow operators greater freedom to compete with one another in acceptable ways. Firms would be able to respond more rapidly and actively to market forces by introducing new products at prices which the consumers are willing to pay.
11.3. GOVERNMENT POLICY

Future developments in the bus and coach industry must be examined with reference to the Green Paper, Transport Policy - A Consultative Document. Although this document barely mentions the coach, it has important implications for the P.S.V. industry and express coach travel in particular.

11.3.1. Possible Future Developments

Some operators are of the opinion that stage carriage operations will be controlled by groups of county councils. They think that the express network, particularly that of National Travel, will not be affected by such changes. It is possible that this subsidiary of National Travel will operate as a viable, separate firm. Some executives, however, fear that less viable routes will be operated by smaller independent firms with lower overheads, while British Rail's competitive pricing policy on major inter-city routes will force National Travel to withdraw parallel services.

Although the train and the coach cater for different market segments, British Rail's marketing department have identified these segments, and attacked them through pricing policies and promotion better than coach operators have done. It is even possible that product formulation will be used, by the railways using
stock, and speeds, which create a journey akin to coach travel, as was the case with the Highwayman service in 1970. The future of express coach travel, and firms connected with this activity is thus a very uncertain one at present. It will remain so until the government introduces legislation, as it intends to do, within the next few years.

The express services are thus likely to be affected by the government transport policy which is published in the recent White Paper and summarised in Appendix 6. Public transport in general suffers from being used as a "political football" which is kicked back and forth between the two major political parties. Thus, although the present government may create one policy, a successive government may repeal or amend it. This inevitably gives rise to uncertainty similar to that in the 1950s when nationalisation of many industries was a contentious subject. Planning and investment for the future is thus often only tentative, and organisations are run by executives who feel no confidence that they will see the fruits of their labours.
11.4. THE FUTURE OF COACH TRAVEL

11.4.1. Uncertainty due to Government Policy

As previously mentioned in this chapter, if stage carriage activities become the responsibility of local government, express carriage will be left as a free standing activity. Combined with a possible relaxation of the licensing laws, this means that both National Travel and the Scottish Bus Group would be challenged by smaller operators who have long been frustrated by the nationalised concerns. Lower overheads, due to fewer administrative, and headquarter costs, means that these firms could undercut the fares of present services, and thus force the nationalised companies to withdraw from some routes.

11.4.2. Competition from the Train

British Rail has recently developed a pricing policy on some inter-city routes which means that fares are barely higher than the coach equivalent. Given that train services on these routes are invariably faster, this has encouraged many people to use the train, and thus reduce the excess capacity of rail. The railways have also attempted to penetrate the traditional market segments of the coach: the elderly, and the growing segment of the young. Competition is by introducing rail cards for specific groups of people such as
students and old age pensioners. While the former has been successful, the latter has done less to reduce coach travellers, because of the inherent characteristics of each mode of travel, and their attractions to different market segments.

It is thus possible that what is often regarded as a duplication of services by coach and train may be curtailed. This could be achieved by the railways pursuing such aggressive marketing policies as to force coach services to be withdrawn from operation. Alternatively legislation could be passed, which allowed British Rail to take over all or part of the nationwide express coach network.

11.4.3. A Separate Express Coach Network

The alternative development is that the nationalised coaching concerns are allowed to continue operations in the same way as at present. Agreements with local government could allow the same bus stations to be used as stopping points and depots, while vehicle hiring arrangements could also be made. It is likely however that the nationwide coach company would attempt to own all its vehicles. Although National Travel has made a loss for the last two years, the express operations have been very profitable, and thus a strong argument exists for retaining a nationalised but autonomous express coach.
operator whose operations are profitable, rather than being absorbed by a loss making rival.

11.4.4. Developments in the Coach Tour Sector

The tour sector of the P.S.V. industry is less likely to be affected by future government actions or policies, although the threatened introduction of Common Market Driver's Hours Regulations has caused some changes in tour operations and itineraries.

National Travel (North East) reached an agreement with Bee-Line Roadways in 1976 whereby the latter took over all continental tours. It is possible that other areas of National Travel will do likewise, and may even extend this to their domestic tours. While express travel is a form of public transport, subject to social needs, and able to incur subsidised losses, the extended tour side of the organisation has more commercial objectives to meet. Operators who are accustomed to assistance from government grants thus lose their competitive edge in the tours sector, where private operators depend upon profitable operation both to stay in business and retain their jobs. One wonders whether nationalised firms can operate fairly and successfully in the more competitive environment, or whether extended tours activities should not be sold to the private enterprise firms already in the market.
Private tour operators will thus not be greatly influenced by future government developments. The relaxation of licensing laws would distort the industry initially, but this should stabilise in the longer run.
11.5. SOCIAL AND ECONOMIC INFLUENCES

Tour operators, however, will be affected by several social and economic trends, which will influence all coach travel in general.

11.5.1. The Ageing Population Profile

The predominant characteristic of the coach user market segment is the age. The majority of express and tour passengers tend to be elderly. Most are over 55, while many are older than 65 years of age. Table 11.1 shows how the age structure of the population is expected to alter in the future. The base year is 1974, and the central variant projection has been taken, because the numbers of elderly people does not alter with the variant used.

Table 11.1: British Population Projections to 2011
(Thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>12,800</td>
<td>12,438</td>
<td>11,419</td>
<td>12,319</td>
<td>12,995</td>
<td>12,400</td>
</tr>
<tr>
<td>15-64/59</td>
<td>32,522</td>
<td>32,745</td>
<td>33,694</td>
<td>34,573</td>
<td>35,859</td>
<td>37,481</td>
</tr>
<tr>
<td>65/60 &amp; over</td>
<td>9,200</td>
<td>9,360</td>
<td>9,588</td>
<td>9,680</td>
<td>9,275</td>
<td>9,804</td>
</tr>
<tr>
<td>All ages</td>
<td>54,522</td>
<td>54,542</td>
<td>54,700</td>
<td>56,572</td>
<td>58,129</td>
<td>59,685</td>
</tr>
</tbody>
</table>

1 15-64 for males, 15-59 for females
2 65 and over for males, 60 and over for females

Social Trends, C.S.O., Annual.
Within this figure of elderly people women outnumber men by approximately two million for each year. These projections suggest that the number of people most likely to take a coach tour or express journey will increase slightly over time, and is unlikely to decline. Uncertainty over how the total population will change, as a result of the changing birth rate, means that one cannot be sure whether the proportion of elderly people in the population will rise or fall.

It would thus seem likely that the traditional market segment for coach travel will not diminish, and will probably increase by just over half a million.

11.5.2. Increasing Car Ownership

The trend of increasing car ownership and use-age, as shown in tables 6.8 and 6.9, however, tends to counteract the above optimistic trend for coach travel. In 1974 over half the households in Great Britain owned at least one car, whereas ten years previously, this figure was only 38%. As people, who have never known life without private motor car transport, grow older so they will continue to use cars into old age. The coach market segment will thus be eroded by a growing acceptance and use of private cars. Generations who grew up prior to the post war boom in commercially produced vehicles are slowly diminishing, and the number of people who regard a car as essential to modern living is
increasing. One can thus expect this trend to have an adverse influence upon coach travel.

11.5.3. Increasing Leisure Time

It is commonly expected that the slow but steady trend in the decline of number of hours worked will continue into the future. Table 11.2 shows how this variable has changed over time. The corollary is that there will be increased hours of leisure in the future, and many trade unionists can foresee a four day working week in the near future, as well as retirement at an earlier age. In order to fill this leisure time people will have an increased propensity to travel. More flexible working arrangements also mean that people can build up their number of hours worked so that a free day can be taken. This "flexitine" system is expected to become more common in the future. Long weekends without the need to take time off work are thus a real possibility. Short three day tours could therefore undergo a high increase in demand, while express travel would also benefit. Whether the anticipated increase in travel would use the coach as a mode of transport, or whether it would mainly make use of the private car is a debatable point, and one which is very difficult to quantify.
Table 11.2: The Change in the Average Real Weekly Earnings and Hours Worked of Male Manual Workers, aged 21 and over, in Manufacturing Industries, 1961-1975

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Price Index</th>
<th>Average Weekly Earnings (£)</th>
<th>Average Real Weekly Earnings (£)</th>
<th>Average Weekly Hours Worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>97.4</td>
<td>15.34</td>
<td>15.75</td>
<td>47.4</td>
</tr>
<tr>
<td>1962</td>
<td>101.6</td>
<td>15.74</td>
<td>15.49</td>
<td>47.0</td>
</tr>
<tr>
<td>1963</td>
<td>103.6</td>
<td>16.74</td>
<td>16.17</td>
<td>47.6</td>
</tr>
<tr>
<td>1964</td>
<td>107.0</td>
<td>18.11</td>
<td>16.93</td>
<td>47.7</td>
</tr>
<tr>
<td>1965</td>
<td>112.1</td>
<td>19.59</td>
<td>17.46</td>
<td>47.0</td>
</tr>
<tr>
<td>1966</td>
<td>116.5</td>
<td>20.30</td>
<td>17.42</td>
<td>46.0</td>
</tr>
<tr>
<td>1967</td>
<td>119.4</td>
<td>21.38</td>
<td>17.91</td>
<td>46.2</td>
</tr>
<tr>
<td>1968</td>
<td>125.0</td>
<td>23.00</td>
<td>18.40</td>
<td>46.4</td>
</tr>
<tr>
<td>1969</td>
<td>131.8</td>
<td>24.83</td>
<td>18.84</td>
<td>46.5</td>
</tr>
<tr>
<td>1970</td>
<td>140.2</td>
<td>28.05</td>
<td>20.01</td>
<td>45.7</td>
</tr>
<tr>
<td>1971</td>
<td>153.4</td>
<td>30.93</td>
<td>20.16</td>
<td>44.7</td>
</tr>
<tr>
<td>1972</td>
<td>164.3</td>
<td>35.82</td>
<td>21.80</td>
<td>45.0</td>
</tr>
<tr>
<td>1973</td>
<td>179.4</td>
<td>40.92</td>
<td>22.81</td>
<td>45.6</td>
</tr>
<tr>
<td>1974</td>
<td>208.1</td>
<td>48.63</td>
<td>23.37</td>
<td>45.1</td>
</tr>
<tr>
<td>1975</td>
<td>258.5</td>
<td>59.58</td>
<td>23.05</td>
<td>43.6</td>
</tr>
</tbody>
</table>

Source: Annual Abstract of Statistics

* As defined in the Standard Industrial Classification

** Base Date: 16.1.1962 = 100

*** Calculated by deflating Earnings at Current Prices by the Retail Price Index
11.5.4. The Changing Spending Power of Earnings

If people are to make use of any increase in their leisure time, they must have the money with which to pay for their travel. Although earnings have continuously risen since the second world war, when one takes account of the rate of inflation, the real value of average earnings has not increased by the same amount. The spending power of earnings has thus not risen as rapidly as is suggested by examining changes in earnings alone. This is shown in Table 11.2. It is thus debatable whether increased leisure will give rise to increased travel, because wage earners do not have significantly more income after paying for necessities such as food and housing, to spend on more luxurious products. It is difficult to forecast what will happen to real incomes in the long term future, although economic forecasts made by such groups as the National Institute for Economic and Social Research tend to indicate a depressed picture for the immediate future.

11.5.5. Increasing Visitors from Abroad

The declining value of the pound on foreign exchange markets in recent years has meant that Britain has become relatively inexpensive as a destination area for international tourism. The influx of visitors from overseas, attracted by the price advantage of a holiday in Britain, has had an influence on coach travel,
particularly extended tours. Operators catering specifically, although not necessarily exclusively, for visitors from abroad all reported an increase in demand for tours in recent years. The declining value of sterling is thus helping tourism, and the invisible balance of payments of Britain.

Forecasts have not been published of future trends. The growth in visitors from abroad, combined with Britons who are forced to take a domestic holiday has put great pressure on British tourist resorts. The degree to which this can continue is open to debate. Such pressure from visitors from abroad is, however, fairly ephemeral, and as yet economists tend not to make long term forecasts about rates of exchange, and thus the relative attractiveness of a country's goods. One such product is a holiday in the country, and thus the level of visitors from abroad, let alone those who are likely to take a tour, cannot be forecast with any degree of accuracy.

11.5.6. Summary

The preceding five trends all influence the level of demand for both coach tours and express services. Although the direction of the trend can often be gauged, the magnitude is a less reliable figure. The conflicting influences of the trends make it difficult to forecast
changes in demand for coach travel. Operators should, however, be aware of these influences upon the level of demand for their products, and thus should observe any changes in the trends, and the likely effects these could have on their activities.
11.6. RECOMMENDATIONS - THE CONFEDERATION OF ROAD PASSENGER TRANSPORT OPERATORS

11.6.1. Introduction

The C.P.T. is composed of all types of P.S.V. operators: municipal operators, nationalised operators of both stage and express carriage, and independent operators of both regular and irregular services. It is thus able to provide a forum for discussion between operators on matters which affect the total industry. As yet, however, the C.P.T. has not developed its voice to represent road passenger transport at an inter-modal level. The second Presidential report in September 1976 states that 60,000 P.S.V.s are owned by members of the Confederation. This organisation has great potential for representing the P.S.V. industry in a democratic way, and acting as a channel for the fragmented voices of individual operators when speaking to the Minister of Transport. It is hoped that this potential will be realised.

11.6.2. A Role of Representation

It would thus seem that a possible role for the C.P.T. is to act as a representative of a unified P.S.V. industry on transport matters. The body could provide a useful channel of communication to the government of views held by members of the industry because the
voice of the G.P.T. would be far greater than the sum of the individuals who make up the industry.

11.6.3. Market Research

There is a lack of market research undertaken by coach operators. This is mainly because the cost involved in conducting surveys is prohibitive to the smaller operator. These firms feel that they know what their market is like, and what it wants. They are making an erroneous assumption that customers who continue to buy the product are happy with it. These firms ignore the fact that the lack of an alternative product may force the consumers to remain with the firm in question. This is particularly true among coach tours, where the licensed pick-up points create small spatial monopolies for many operators.

11.6.4. Test Marketing

The greatest obstacle to research is its cost. An operator stands to lose less financially by introducing a new product on a test marketing basis. By offering it, he can judge whether the market wants it or not by the number of seats sold.

The majority of operators fail to realise that by adopting a trial and error method of test marketing when introducing new products, they do not know the reason for the popularity or failure of the product.
Thus, if a tour is not successful in being sold, operators do not know whether this is because something is inherently wrong with the product, whether the price is too high, or whether external factors such as an economic recession are to blame. They are thus unable to take remedial action, or know when it will be a success, which must make for unsound and uncertain financial performance by a firm.

Some large operators undertake some research, although it is debatable whether this aids product development, pricing policies or promotional campaigns.

11.6.5. A Possible Solution

Given that one of the major reasons for operators not undertaking research is the cost, a possible solution is for a syndicate of firms to carry out more aggregated research to discover the characteristics of coach users.

The C.P.T. is in a position to undertake research on behalf of smaller coach operators into the habits, characteristics and attitudes of their passengers. This aggregated data could be supplemented by total market information, such as market size, which at present is sadly lacking. A system similar to that used by the B.T.A., with the B.N.T.S., could be adopted whereby
such confidential information could be made available to subscribers to the survey work.

In addition, a research department of the C.P.T. could provide a service to the P.S.V. industry by collating government statistical information, economic and social forecasts relevant to coach operation. The C.P.T. could also interpret such data and its implications for the future performance of operators, thus providing the industry with a valuable research service.

11.6.6. A Relaxation of the Licensing System

If these laws were relaxed, as advocated earlier in this chapter, an immediate consequence is likely to be an increase in the number of products offered to the public. An increase in the supply of extended tours also means an increase in the demand for overnight accommodation by operators. Despite an increase in supply of tour places, demand is not likely to alter very greatly, and thus the level of accommodation initially anticipated by operators will not all be used, because of lower levels of booking per tour, and even their cancellation.

11.6.7. A Place for the C.P.T.

In order to reduce this initial chaos in the extended tour sector to a minimum, the C.P.T. could
establish a clearing house for bed-space. This would help hoteliers who otherwise risk having spare capacity, and also the operators, who might be short of accommodation. The C.P.T. could thus act as an equilibrating force between the supply and demand for bed-space and enable a relatively smooth transition towards a relaxed licensing system in the coach industry.

11.6.8. Summary

The C.P.T. has several potential roles to fulfill. It is the one body which can speak for the P.S.V. industry, particularly in the current debates on transport. Services such as market research by both field work and desk work could provide many operators with information which they find too expensive to collect individually, but which can help them in a more efficient method of coach operation.

Should the licensing system be relaxed, the C.P.T. can help in the transition by minimising the initial chaos, particularly in the extended tour sphere. The Confederation should always be alert to other ways in which it can provide more active services to the P.S.V. industry.
11.7. RECOMMENDATIONS - THE MARKETING MIX

The Marketing Mix consists of those activities internal to a firm, which are co-ordinated in order to satisfy the wants of consumers, as shown by their effective demand for a product. The activities to be examined are Pricing, Product Formulation, Promotion, Retailing and Distribution.

11.7.1. General Improvements to Products

Although coach tours, and express services are separate types of product, there are some points which are common to both. Not all suggestions apply to all operators, but some will apply to a number of those firms visited.

A coach passenger has his first impression of the product while waiting to join the vehicle; either at a bus or coach station, or a roadside pick-up point. It is important that roadside stops are clearly marked, and chosen for their prominence. They should be unambiguous, and booking clerks should check that passengers know where and when they are boarding the vehicle. Bus and coach stations are easily found by travellers, but clearer sign-posting is necessary within the stations. This is particularly true of bus stations. Facilities at such places are often poor, and many could improve their standards of cafeterias and toilets, bearing in mind that many coach passengers are elderly, and thus less able to
negotiate such obstacles as steps. It would also be desirable to introduce a means of segregating passengers and friends from vehicles until the point of embarkation. In this way, risks of injury are reduced, although in such cramped sites as Victoria Coach Station, the implementation of such desirable schemes is obviously difficult.

The product can be improved in some cases by using better quality, and newer vehicles. This problem, however, is often entwined with investment and financial practices.

The drivers are important components of the products, especially coach tours. Although these people are competent drivers, and are selected for their pleasant personalities, rarely is additional training provided, in either public relations, or in knowledge of the area to be toured. It is assumed that the driver will work hard at both activities, in order to receive personal financial reward at the end of each tour. This assumption, however, is not always a valid one, and more should be done by operators to acquaint the drivers with the geography, history and culture of the area to be toured.

Accommodation on tours is something which can always be improved, although an operator must be careful not to use better hotels, at a higher price, which his
customers are not willing to pay. In the light of constraints outlined in Chapter 8, it is not always possible to undertake such improvements.

11.7.2. Pricing Practices

Nearly all operators visited indicated that they priced their coach tours, or express service on a cost plus basis. Each tour departure, is required to break even, while express service performances are compared over four-weekly periods. Each product is thus priced in a close relation to its cost. Express service performance is measured in units per car mile, which, as was shown in Chapter 4, is not necessarily a good method of costing. Pricing may thus be equally distorted. It is important not to price an express service at a given rate per mile, even if a tapering effect is used so that the greater the distance, the less paid per mile travelled. Fares for a certain distance should not be identical regardless of the route, because market factors should be considered. If the demand for a service is high, and buoyant, a higher price can be charged than if the route serves an area of depressed demand. The existence of an alternative mode of transport, such as the train, serving the same route should also be considered when an operator is pricing his express service. Costs must not be forgotten, but other market factors must also be considered.
Tour operators expect individual departures to break even, whereas a more market oriented approach would expect the total series to have a revenue which at least covered the costs of the whole series. In this way pricing need not be cost oriented, but should allow the operator a freedom to price in response to seasonal variations in demand, subject to the total tour series revenue exceeding the aggregated costs. Market based pricing would thus help to smooth the seasonal variations in demand, as higher prices in the peak period of demand would induce some people to take the tour in the lower priced shoulder months. In this way, greater efficiency of operation is achieved, and the producer is able to satisfy more customer wants.

11.7.3. The Retailing System

This obviously varies between operators, and has usually evolved through historical events. In most cases an operator retails his products through his own company offices, and through appointed agents. The latter may be the "sweetshop" type of corner shop agent, or a travel agent. The former is ideal for reaching an operator's market in small dispersed villages, through which an express service may pass, or a tour pick up passengers. In a larger settlement, however, which can support a travel agent, this provides a better type of outlet, because people are more likely to visit a shopping centre, in which a travel agent is situated, than go to a corner shop.
It is essential that operators service their agents more actively, particularly the travel agents. This is because travel agents would often prefer to sell other goods, offering better commission levels, than the often lower priced coach tour. It is necessary for most operators to induce their retail outlets to actively sell the products, rather than passively accept bookings. Not only should incentive schemes be introduced, but also educational trips for counter clerks should be a more common practice. It is thus important that attempts should be made to increase business through non-company offices, particularly travel agents.

There is also a need for some companies, notably National Travel, to make booking procedures simpler for their agents. While N.B.C. company offices may understand procedures, other agents do not. One booking clerk said that National's fare tables were so complex that she never knew whether she had charged the correct fare for a journey or not. Another indicated that National's treatment of agents was somewhat abrupt. It is important that the company simplifies booking procedures, and improves the contact between agents and both the travelling representatives, and the area chart rooms.
11.7.4. Distribution

The means of buying the product, such as brochures, timetables, faretables and point of sale material, must be distributed to sales outlets. In some cases this servicing is thorough and regular, with firms' representatives constantly visiting retail outlets. A large number of firms, however, distribute the necessary brochures, booking forms etc., and then let retailers contact them if they exhaust their initial quota from the operator. This system relies on the retailer contacting the producer, and as such is not necessarily the best way of ensuring that all outlets have the facilities for making a sale.

11.7.5. Improvements in Promotion

Most coach operators are strongly sales oriented, and thus promotion, and advertising in particular, are very important activities. The use of media, and the production of promotional literature such as brochures and leaflets are generally satisfactory. Promotion could, however, be more aggressive in attacking specific market segments with certain products, rather than being of a general "flag-flying" nature indicating "we exist".

Although operators can identify advantages of the coach as a mode of travel, and of their firm's own advantages, they do not often use these to actively promote their products. There is greater need to inform
the public of the products which are available, and the reasons for purchasing a coach tour, or a seat on an express service.

National Travel need to emphasise the nationwide characteristic of their express network, while many tour operators should indicate what is involved in taking a tour, rather than letting passengers experiment in order to find out.

It is very important for operators to direct potential passengers to their retail outlets, so that a sale can be made. A small local operator has less need to promote the location of booking agents because he has a more intimate relationship with his market. Larger operators, with more diverse retail outlets, distribute window stickers, informing the public that the agent accepts bookings for the firm's products. National Travel have continued this into their advertising, but often they, and other firms, do not advertise the location of their booking agents sufficiently well. In National's case, bus stations are obvious points for people to go to in order to book seats on tours or express services.

In towns and villages without such facilities, however, National Travel booking points are often unknown.
It is thus necessary for this, and other firms, to advertise their retail outlets more clearly. Promotion will otherwise be wasted through the public not knowing how or where to purchase the services of which they have been informed through media advertising. Promotional activities thus need to be improved in order to co-ordinate with other aspects of the marketing mix.

11.7.6. Summary

There is extensive scope for improvements to the product, in terms of pick-up points, drivers, vehicles and accommodation. Promotion needs to be improved, and be more aggressive, as well as informative about the advantages of the products and how to purchase them. The retailing system needs to be simplified, and the distribution of point of sales material, and booking forms should be more active, with the onus changing from the retailer to the producer. Pricing needs to be less cost oriented, and take more account of market considerations, so that variations in demand are reduced, and the operator is able to provide more efficient services to his market.
11.8. RECOMMENDATIONS – THE MARKETING CONCEPT

Marketing in the coach industry tends to be synonymous with promotion. When operators were asked about the marketing activities of their firms, nearly all replied in terms of advertising or brochure production. Only a few people were aware of other activities within this sphere.

11.8.1. Market Research

This subject has already been discussed in sub-section 11.6.3. It should be emphasised that research should be carried out to discover the characteristics and habits of their passengers, their attitudes, and their satisfaction or otherwise with the product. While consumer attitudes to a product, and comments about satisfaction can help in future product formulation and pricing, characteristics and habits, such as newspaper readership, can aid the producer in deciding how to promote the product, and through which medium he should advertise the service.

Without the basis of market research, the activities of a firm become haphazard and often wasteful. Trial and error methods of test marketing are often a cheaper way to discover whether a tour or service is wanted, than to conduct a survey. This apparent advantage, however, is outweighed by the fact that,
although the operator knows whether a product is wanted or not, he does not know why, and thus cannot take future action when circumstances are more auspicious for introducing a service. Market research is thus an important basis for a firm to have, before undertaking any co-ordinated marketing activities.

11.8.2. Market Segmentation

The market segment is that homogeneous group of people catered for by any one producer. A producer's market, therefore, is merely a segment of the total market, which displays certain similar characteristics.

When asked about the people they carried, many operators defined their market in spatial terms, particularly in the case of tour operators. This suggests that the licensing of pick-up points is a strong limiting influence upon a firm's market area. It also suggests that operators think less about other characteristics of their passengers than where they live.

This spatial division is often useful in determining the media to be used for advertising. In some cases it even meant a discriminatory use of several local papers, rather than all of them, in order that the operator reached his market.
Segmentation is more often by passenger characteristics such as age, sex, socio-economic group, car-ownership, income group and marital status. Appendix 5 shows what the market segment for coach travel on holidays is in the aggregate. Deviations from this overall picture are experienced by individual operators.

Once an operator is aware of the type of person using his services, he is able to plan a marketing campaign with these people in mind. The product can be adjusted to suit the consumer better. For instance, if elderly people are found to predominate, then any unnecessary exertion can be removed from a tour, while refreshment stops can be chosen so that they involve the least walking or stair-climbing for those elderly passengers.

Pricing policies should take account of the socio-economic and income groups of passengers, so that fares are not so high that the segment cannot afford them. Promotion should be designed in such a way so as to appeal to the particular types of person, and should be conducted so that it is noticed by the segment. A low price, low quality tour should not be advertised in a "quality" newspaper such as The Times, because this paper's readers are not the type to buy the product.
Similarly, retail outlets should be situated in places most frequented by the operator's segment, so that less effort is required to buy a seat on a tour or express service.

It is very important that coach operators should be more aware of their market segment. They need to devise campaigns which are aimed specifically at the segment, and which attack it more vigorously than has been the case with operators to date.

11.8.3. The Marketing Philosophy

The marketing attitude towards business is based on the producer identifying the needs of his customers, which can then be catered for to the satisfaction of both the producer, in terms of a corporate goal, and the consumer, who has his demand met.

Research highlights the needs of the consumers. The producer can then create a product, at an acceptable price, to meet this need. It is distributed to the retail outlets, which are chosen for the proximity of their site to the market segment. The production and distribution of the wanted good is then communicated to the public through a promotional campaign, and the consumers' needs are thus satisfied, and the producers' financial targets are realised.
Few firms in the coach industry adopt such an attitude. Instead they arbitrarily develop a product, which is priced on a cost plus basis, and distributed to retail outlets which are used for historical, rather than current market reasons. The firm tries to persuade the public that they want to buy this product, but if the market is not interested, the coach product is withdrawn.

Until this prevalent sales-oriented attitude is removed from the coach industry, and operators become more aware of the marketing concept, coach tours and express services will continue to be produced, and sold in the present amateur, and inefficient manner.
11.9. SUMMARY

The examination of the marketing of long distance express coach services, and extended coach tours, shows that the practices of the industry are not the most efficient. A lack of research means that operators are unable to identify their market segment, or its wants. Consequently, they cannot introduce products which they know will satisfy these needs.

Pricing is not market oriented, but strongly cost based, while retailing and distribution are not necessarily through those channels best suited to reach the segment. Similarly promotion may not be through the correct channels or media, and thus it is not attractive to the segment, which it is attempting to inform of the product.

This lack of marketing practices means that, although an operator may be carrying out the correct procedures, he will not know whether he is doing so or not. Test marketing will show whether a product is wanted or not. If the product is unsuccessful, however, such an operator will not know whether it was because the product was incorrectly priced for the market segment, or if there was something inherently wrong with the product. Alternatively, the public may not have been well informed of the product, or the retail outlets
unwilling to encourage sales. External factors, such as economic conditions may also have been responsible.

The operator, however, will not know why the product failed without undertaking some market research. He will thus not know how to alter the product or its marketing, or when would be a more propitious time to introduce it so as to fully satisfy his customers' wants, and improve his financial performance, in a more efficient way.
APPENDICES

APPENDIX 1 : THE QUESTIONNAIRE
APPENDIX 2 : PEOPLE VISITED
APPENDIX 3 : THE STRUCTURE OF THE COACH INDUSTRY
APPENDIX 4 : A CHRONOLOGY OF HISTORICAL EVENTS
APPENDIX 5 : A PASSENGER PROFILE
APPENDIX 6 : THE 1977 WHITE PAPER ON TRANSPORT POLICY
APPENDIX 7 : SOME TECHNICAL TERMS DEFINED
APPENDIX 1: THE QUESTIONNAIRE

What marketing activities does the firm undertake?
(i.e. what is understood by the term "marketing"?)

What operations do you engage in?
How many passengers are carried on each type of product?
How much revenue does this produce?

What promotion does the firm do to the public?
Discussion of the different means of promotion, brochure production, and its ratio to sales.
What media used for advertising?
How much does the firm spend on advertising, and/or promotion?

How does the firm promote to agents?
Discussion of the methods used: seminars for booking clerks, point of sale material, rates of commission, the level of servicing by the firm.

How many retail outlets does the firm have?
What type(s) of agent are they?
How much business is generated by each type?
Upon what criteria are agents appointed?

How does the operator decide what price to charge for his product?
Does he consider the ability of his market to pay this price?
Is there any differential pricing over the year?
If yes, why is this?
If no, why is there not?

Does the licensing system inhibit the operator's pricing policy in any way, and if so, how?
Does the licensing system affect the product or the operations of the firm?
Would you like to see the licensing laws abolished or modified?
If so, in what way?

Is there any research done by the firm to assess the consumers' reactions to price changes?

Is there any research done with respect to the following:
   a) to see if a new product has a market?
   b) to see if the consumers are satisfied with the quality of the product?
   c) the type of person likely to buy the product.
   d) to produce a passenger profile.

What do you see as the components of your products?
What is the average age of vehicle used?
Over what period are they depreciated?
Is the quality of the vehicle regarded as important?
What fittings do the coaches have?
What are the seating capacities?
Do you advocate toilet compartments on your vehicles? Why?

Do you give your coach drivers any training? If so, what?
How are express/extended tour drivers chosen?
What qualities should they possess?
Do you instruct your personnel in public relations?
Do you provide tour drivers with information for them to use as a commentary?

Are termini and refreshment stops regarded as an important element of the product?
How do you ensure their attractiveness and suitability?

Tour operators only:

What standard of hotel is used?
How are they chosen?
Are there any regular checks on their standards?
Does the operator liaise with his hoteliers?
On what terms are they?
How is a complaint about accommodation handled?
What channels for complaint exist?
Is the firm constrained in its operations by lack of hotels? If so, where?

For all operators:

What competition is there to the firm's products?
Has the limitation of picking up points meant that tour operators' markets are clearly defined, and therefore without competition?

What are the advantages of:
   a) coach travel in general?
   b) the firm's own services in particular?
(i.e. what are the(unique)selling points of the firm's products?)
Are these advantages used to promote the product?
Assuming that the market can be defined, what is the firm's market share?

Are you aware of the type(s) of person using your service?
Do you promote specifically to this type of person, or do you regard it as coincidence that they are a significant proportion of your passengers?
i.e. Have you segmented the market?
   Do you promote to, and attack, specific segments?
Can you define your market geographically, and attack certain spatial segments?
What are your views of the 1968 Transport Act and the following nationalisation of the industry? Do you regard the creation of National Travel as a good or bad thing? Why? Does the firm co-operate with National Travel or not? Why? Do you object to the name of your firm being used in conjunction with what you have said during this interview?

National Travel executives only:

How much autonomy do the five regional companies have with respect to:

a) overall marketing policies?
b) promotion?
c) pricing the product?
d) the quality, and type of product?
APPENDIX 2 : PEOPLE VISITED

National Bus Company

Mr. J. Niblock  
Director, Central Activities Group,  
N.B.C. Victoria

Mr. G. Webb  
Planning Manager, National Travel  
(N.B.C.) Ltd., Victoria

Mr. H. Welch  
Manager, Overseas Division, National  
Travel (N.B.C.) Ltd., Victoria

Mr. E. Pritchard  
Advertising Manager, National Travel  
(N.B.C.) Ltd., Victoria

Mr. K. Wellman  
General Manager, National Travel (S.W.)  
Ltd., Cheltenham

Mr. R. Anderson  
Operations Manager (South), National  
Travel (S.W.) Ltd., Exeter

Mr. A. Clarke  
Manager, Shamrock and Rambler,  
National Travel (S.W.) Ltd.,  
Bournemouth

Mr. W. Adams  
Holidays Planning Manager (South),  
National Travel (S.E.) Ltd., Brighton

Mr. J. Roberts  
Marketing Manager, National Travel  
(Midlands) Ltd., Birmingham

Mr. W. Roland  
Commercial Manager, National Travel  
(N.W.) Ltd., Manchester

Mr. J. King  
Commercial Manager, National Travel  
(N.E.) Ltd., Liveredge, Yorkshire

Mr. P. Browning  
Manager, Market and Operational  
Research Department, N.B.C.,  
Peterborough.
Scottish Bus Group

Mr. Watson
Commercial Officer, S.B.G.
Headquarters, Edinburgh.

Mr. W. Maxwell
Tours Superintendent, Scottish Omnibuses Ltd., S.B.G., Edinburgh

Mr. Scofield
Manager, The Travel Centre, S.B.G., Glasgow

Mr. Dornan
Traffic Manager, Alexander & Sons, Midland, S.B.G., Falkirk

Mr. M. Stewart
Traffic Manager, Western Scottish Motor Traction Co., S.B.G., Glasgow

Mr. Buckmaster
Manager, S.B.G. retail outlet, Regent Street, London.
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<td>Mr. C.P. Richmond</td>
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<td>Mr. McLachlan</td>
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<td>Mr. J. Dawson</td>
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<td>Mr. J.M. Barr</td>
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<td>Mr. Robinson</td>
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Private Operators, Scotland.

A representative of Caledonian Tours, Glasgow
A representative of Cotter's Tours, Glasgow
Mr. R.A. Irvine Tours Manager, Scotia Transport Ltd., Glasgow
Mrs. Watson Tours Department, Watsons Tours (Dundee) Ltd., Dundee
Miscellaneous.

Mr. C.G. Oswin  Head of Marketing Operations, English Tourist Board, London
Ms. P. Mallet  Travel Marketing Officer, Scottish Tourist Board, Edinburgh
Mr. M. Withyman  Planning Manager, British Tourist Authority, London
Mr. S. Rigby  Research Dept., B.T.A., London
Mr. D. Hollings  A.M.V. Ltd., London (a Market Research firm)
Ms. A Goodenough  Britainshrinker Tours, London
Mr. A.A. Townsin  Technical Executive, Confederation of British Road Passenger Transport, London
Mr. P. White  Dept. of Transport Studies, Polytechnic of Central London
Mr. J. Hibbs  Commerce Centre, City of Birmingham Polytechnic

A representative of Gastonia Coaches, Cranleigh, Surrey.

Deskwork research was also carried out at
The City Business Library
The Library of the Chartered Institute of Transport
The Department of the Environment Library
The British Tourist Authority
Operators contacted, but not visited.

Mr. Taylor  Manager, Coach Tours, Thomas Cook Ltd., London
Mr. Eaton  S.A. Bebb Ltd., Pontypridd, S.Wales
Mr. Henson  Morris Bros. Ltd., Swansea, S.Wales
Mr. Smith  Smith's Luxury Coaches Ltd., Reading
Mr. York  Managing Director, York Bros. Ltd., Northampton
Mr. Blundell  Smith's Tours, Wigan
Mr. Maitland  Excelsior Motorways Ltd., Bournemouth
Mr. Beaumont  Managing Director, Shearing's Holidays Ltd., Manchester
Mr. Crawshaw  Evan-Evan Tours Ltd., London
Mr. Springett  Jennings Coaches, Sudbury, Suffolk

A representative of  Rennies of Dunfermline
APPENDIX 3: THE STRUCTURE OF THE COACH INDUSTRY

3.1 Public Sector

a) England and Wales.

National Bus Company

Board

N.B.C. Federation Ltd.
(the executive instrument,
including Director, Central Activities)

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<td>61 coaches</td>
<td>152 coaches</td>
<td>179 coaches</td>
</tr>
</tbody>
</table>

All regions hold licences for express work, and excursions and tours.
b) Scotland.

Scottish Transport Group

Scottish Bus Group  Caledonian Steam Packet Company  David MacBrayne Ltd.

- W. Alexander & Sons (Fife) Ltd., Kirkaldy. own 13 coaches, 265 buses
- W. Alexander & Sons (Midland) Ltd., Falkirk. own 95 coaches, 705 buses
- W. Alexander & Sons (Northern) Ltd., Aberdeen. owns 43 coaches, 602 buses
- Central S.M.T. Co.Ltd., Motherwell. own 15 coaches, 589 buses
- Western S.M.T. Co.Ltd., Kilmarnock. own 51 coaches, 968 buses
- Highland Omnibuses Ltd., Inverness. 68 coaches, 258 buses
- Scottish Omnibuses Ltd., Edinburgh. own 99 coaches, 775 buses

All subsidiary companies hold stage carriage, express carriage and excursion and tours licences.

Many vehicles operated on express services and coach tours are dual purpose vehicles which qualify for the bus grant on capital expenditure. Long distance services into England are operated by Eastern Scottish, from Edinburgh, and by Western S.M.T. Ltd. from Glasgow. Those services to London are marketed jointly in the Scottish blue and white livery.

The major tour programmes are the responsibility of Eastern Scottish, from Edinburgh, of Scotland, and of England and Wales, and W. Alexander and Sons (Midland) who depart from Glasgow.
3.2 Private Sector

Total number of private P.S.V. operators in Great Britain: 5,516

Total number of vehicles owned: 26,079

Total number of miles operated: 571.0 million

Two private P.S.V. operators have over 250 vehicles each in their fleets. On average other private operators have less than five vehicles. The majority own one or two vehicles, as there is a strong concentration of vehicle ownership.

The following figures are for both public and private operators, of all types of operation.

Total passenger journeys: 713.0 million

of which, stage carriage: 250.0 million
  express carriage: 43.0 million
  excursion and tour: 20.0 million
  contract hire: 400.0 million.

Source: Passenger Transport in Great Britain 1973. H.M.S.O.
Major private tour and express operators with thirty or over vehicles.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Location</th>
<th>No. vehicles</th>
<th>Licences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wallace Arnold Tours Ltd.</td>
<td>Leeds</td>
<td>311</td>
<td>Exp, E &amp; T</td>
</tr>
<tr>
<td>Barton Transport Ltd.</td>
<td>Nottingham</td>
<td>271</td>
<td>Exp, E &amp; T</td>
</tr>
<tr>
<td>Grey-Green Coaches Ltd.</td>
<td>N. London</td>
<td>106</td>
<td>Exp, E &amp; T</td>
</tr>
<tr>
<td>Smiths Tours (Wigan) Ltd.</td>
<td>Wigan, Lancs</td>
<td>70</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Bee-Line Roadways Ltd.</td>
<td>Middlesborough</td>
<td>56</td>
<td>Exp, E &amp; T</td>
</tr>
<tr>
<td>Yelloway Motor Services Ltd.</td>
<td>Rochdale</td>
<td>56</td>
<td>Exp</td>
</tr>
<tr>
<td>Salopia Saloon Coaches Ltd.</td>
<td>Whitchurch, Salop</td>
<td>50</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Excelsior Motorways Ltd.</td>
<td>Bournemouth</td>
<td>50</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Epsom Coaches Ltd.</td>
<td>Epsom</td>
<td>42</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Premier Travel Services Ltd.</td>
<td>Cambridge</td>
<td>40</td>
<td>Exp, E &amp; T</td>
</tr>
<tr>
<td>Glenton Tours Ltd.</td>
<td>S. London</td>
<td>34</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Frames Tours Ltd.</td>
<td>London</td>
<td>30</td>
<td>E &amp; T (some)</td>
</tr>
<tr>
<td>Tricentral Coaches Ltd.</td>
<td>Dunstable, Beds</td>
<td>30</td>
<td>Exp, E &amp; T</td>
</tr>
</tbody>
</table>

Additional private operators visited with smaller coach fleets.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Location</th>
<th>No. vehicles</th>
<th>Licences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galleon Coaches</td>
<td>London</td>
<td>25</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Premier-Albanian Coaches Ltd.</td>
<td>Watford</td>
<td>22</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Safeguard Coaches Ltd.</td>
<td>Guildford</td>
<td>17</td>
<td>E &amp; T</td>
</tr>
<tr>
<td>Watsons Tours (Dundee) Ltd.</td>
<td>Dundee</td>
<td>11</td>
<td>E &amp; T</td>
</tr>
</tbody>
</table>

Exp: express carriage licence
E & T: extended tour and/or excursion licence
The following table refers to the number of vehicles owned by operators in England only. It includes all vehicles owned, not only coaches. The inclusion of minibuses means that vehicle ownership appears less concentrated than coach ownership.

Table A3.1: Private Coach Ownership in England.

<table>
<thead>
<tr>
<th>No. vehicles</th>
<th>No. firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>200+</td>
<td>2</td>
</tr>
<tr>
<td>100 - 199</td>
<td>1</td>
</tr>
<tr>
<td>50 - 99</td>
<td>14</td>
</tr>
<tr>
<td>40 - 49</td>
<td>6</td>
</tr>
<tr>
<td>30 - 39</td>
<td>36</td>
</tr>
<tr>
<td>20 - 29</td>
<td>80</td>
</tr>
<tr>
<td>10 - 19</td>
<td>302</td>
</tr>
<tr>
<td>5 - 9</td>
<td>538</td>
</tr>
<tr>
<td>1 - 4</td>
<td>492</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,466</strong></td>
</tr>
</tbody>
</table>

Source: The Little Red Book 1976

N.B. The Little Red Book is not a comprehensive directory of private operators.
APPENDIX 4: A CHRONOLOGY OF HISTORICAL EVENTS

1669 Stage coach took only 13 hours to get from London to Oxford.

1847 Town Police Clauses Act, making provision for the licensing of Hackney Carriages.

1851 Tillings ran their first horse drawn bus.

1889 Town Police Clauses Act extended to also cover the licensing of buses (horse drawn).

1896 British Electric Traction formed.

1898-1901 N.D. Macdonald ran a motorised bus service in Edinburgh, until rising repair costs forced the service to stop.

1904 Tillings ran their first motor bus in London.

1905 The Scottish Motor Traction Co. formed.

1915 Southdown Motor Co. formed from an amalgam of small Sussex operators.

1918 1st World War ended, giving rise to many qualified drivers requiring work, and many surplus vehicles.

early 20s Pneumatic Tyre developed.

1921 Royal Blue began a summer service from Bournemouth to London, daily, thus being one of the earliest provincial companies to be granted Metropolitan Licence Plates.

1921 Railways Act grouped 121 original companies into four major regional ones.

11.2.25 What is considered to be the first express service began operation between Bristol and London.

1928 Four Railways Acts allowed the four main companies to have road passenger interests.

1930 Road Traffic Act passed, introducing a system of licensing, especially for routes, to bring some order to the industry.

1932 London Coastal Coaches moved the main London coach terminus from Lupus Street to the present larger site in Buckingham Palace Road.
1932 Midland Bus Services (later Western S.M.T.) began a London-Glasgow service, taking 16 hrs. 23 mins.

1934 Associated Motorways was formed, based upon Cheltenham, after two years of talks between the constituent companies.

1936 The Traffic Commissioners endorsed Associated Motorways as a multilateral pooling company by permitting one licence per service in the name of all the operating companies.

1938 Associated Motorways began their overnight services, on a limited scale.

1940-42 All pleasure travel ceased, due to the second world war.

1942-46 All express services officially ceased.

1946 Coaches permitted to run into London again, after an overall fares increase of 16% had been granted over 1940 fare levels.

1947 Transport Act, setting up the British Transport Commission, which took control of the railways companies, and thus the road passenger interests of the railways. This interest was increased over the next few years when S.M.T. Co. and Tillings were bought up by the Commission.

1950 Petrol rationing ended, giving greater freedom to private transport.

1950 Coach chassis dimensions allowed to increase, creating greater scope for design.

1953 Thesiger Committee Report produced, on the Licensing of Road Passenger Services. Concluded that the licensing system has, and continues to work well.

1956 As a result of increasing traffic, Victoria Coach Station expanded.

1960 Road Traffic Act, up-dating, although not changing the substance of the 1930 Act.

1962 Transport Act, creating the Transport Holding Company, responsible for bus and coach companies who continued to work on a commercial basis.
early 60s Continual road improvements, and growth of onwards the motorway network, resulting in improved services.

1968 Transport Act setting up the National Bus Company in England and Wales, and the Scottish Transport Group, and its subsidiary the Scottish Bus Group, in Scotland. The Act also made provision for Passenger Transport Areas in the main conurbations.

1971 Central Activities Group formed within N.B.C.

1972 Local Government Act, giving rise to new local authorities from 1974, with responsibilities mainly connected with stage carriage operation.

1973 National Travel formed as a subsidiary of N.B.C., with responsibilities for the express network and National Holidays.


APPENDIX 5 : A PASSENGER PROFILE

Introduction

The British National Travel Survey provides information on people using Bus/Coach, or taking a tour, as the main mode of transport on holidays of four or more nights away from home. Analysis of the responses provided a detailed passenger profile, although the statistical reliability of the findings is such that they must be regarded more as a general indication than as conclusive evidence of the type of person who travels by coach. The B.N.T.S. itself is subject to statistical error. This means that the population from which the bus and coach data is drawn and expressed in percentage terms, is not itself completely reliable. In addition to this, Chi-squared tests on the tabulations show that, for the bus/coach user in particular, the statistical levels of significance are poor.

Bus/Coach User.

The data of this profile is derived from examining certain characteristics of those people who gave bus/coach as their main mode of transport in the 1974 B.N.T.S. The total weighted sample of people taking British holidays in 1974 was 1906, of which 187, or 10.2%, said they used bus/coach. Although the classifications of modes of transport are such that this does not relate entirely to express coach travel,
these figures must be a close approximation to its share of the holiday travel market. This is because it is very unlikely that stage carriage bus would be used as the main mode of transport, while other forms of P.S.V. operation such as private hire would be classified as a coach tour.

Although statistically insignificant, the tables A5.1, A5.3 and A5.5 do provide an indication of the profile of the coach user. Men account for 37% of all passengers, the majority of whom are married and over 35. Of the minority of single men, 8%, three quarters are between 16 and 34 years old, while married men are predominantly over 34. They are mainly between 35 and 54, with the distribution falling in the older age groups. This may be a reflection of the national demographic pattern. Of the 63% of female travellers, more are married than single. The single women tend to be either 34 or less, or more likely, over 65 years. Married women tend to be between 35 and 54. The other age groups each account fairly equally for the remaining passengers. The similarity of percentages between married men and married women leads one to suspect that they are mainly travelling as married couples.

Nearly two thirds of travellers were married. In each group classified by age and marital status, women exceeded men. The one exception was the married, over 65 year olds, where there are slightly more men than
women. The difference, of 1.07% is so small, however, that it can be accounted for by sampling error.

Table A5.3 shows the passenger characteristic of age cross-tabulated with socio-economic group. A sub-division by sex would have been interesting, but would have rendered the figures very insignificant. Most passengers are of the C2 category of semi-skilled workers and their families. The lower income groups of DE represent 37% while the wide ranged category of ABC1, which includes high-level management and professional people as well as skilled workers accounts for 21% of coach travellers. It is probable that the majority are of the C1 category. It was not possible to disaggregate this broad class because it was thought that this would have made the AB category meaningless.

The two most important groups of people are the C2, 35-54, accounting for 16% of passengers, and the DE, 65+, which numbers 15%. Table A5.1 suggests that of the 28% between 35 and 54, all but 4% are married, of either sex, and thus likely to be married couples. The 65+ group is evenly divided between married and single people. The married people are of either sex, but the single people are nearly all females, and likely to be widowed. It would thus seem that coach passengers tend to be married couples between 35 and 54, in the C2 socio-economic group, or elderly people in the DE group, who are most likely widowed females.
Table A55 examines car ownership among coach travellers, and shows that 75% do not own a car. Of the 25% that do, 12% are of the higher ABC₁ group, with ownership fairly evenly divided between the sexes. Car ownership falls by socio-economic group, with only 8% of the 42% of C₂ passengers, and 5% of the 37% of DE passengers owning cars. The level of confidence of this table was low, but it tends to confirm the view that express coach travellers tend not to be car owners. They thus rely upon public transport to take them to their holiday destination.

Coach Tours.

The B.N.T.S. is concerned with holidays of four or more nights away from home. This section therefore refers to domestic extended tours, but excludes 2, 3 and 4 day short tours. Also included in this category is a very small percentage of tours undertaken by affinity groups such as the Women's Institute using a coach under a private hire arrangement. Epsom Coaches said that, although this was one way of taking a tour, it had almost died out recently, due to groups lacking in the numerical support to fill a coach. The majority of the 1,040,000 tour passengers in 1974 therefore were taking a holiday on a licensed tour. This number accounted for 5% of the total domestic holiday market, and is half the bus/coach figure. The sample size of coach tours passengers was 97, and all percentages are expressed in terms of this figure.
Although the sample from which the tabulations have been done, is smaller, chi-squared tests indicate a higher level of confidence in these results. The tables A5.2, A5.4, A5.6 are thus a more accurate representation of the characteristics of coach tour passengers.

Few tour passengers are under 34 years, whether they are married or not. Single people are not important passengers, until the over 65 age group, in which women predominate, and account for half of all single female passengers. 60% of all passengers are married, and tend to be evenly divided by sex, except in the over 65 age group, where women again predominate. Travellers tend to be older than those using express coach, with the most common age group being the over 65s.

Similarly to express passengers, people from the C_2 socio-economic group are most common, accounting for 39% of passengers, followed by the DE group numbering 34%, and the ABC_1 group with 27%. More ABC_1's take tours than use express, and this may partially be explained by the diversity of the products offered, which vary from luxurious tours using hotel rooms with private baths, to cheap and cheerful centred holidays using seaside boarding houses. Despite this greater diversity, which means that each segment of the market is catered for, the emphasis still lies with the lower socio-
economic groups, and the older person. The most common type of person taking a tour is C2, 65 plus, accounting for 18%, closely followed by DE, 65 plus, which numbers 17% of tour passengers. The ABC1, 65 plus, should not be ignored, counting as 15%, while 11% of passengers are C2, 35-54. Table A5.2 shows that passengers over the age of 65 are predominantly female, and are slightly more likely to be married than not. Passengers aged between 35 and 54 are probably married, and because the percentage for each sex is so similar, are also likely to be travelling as couples.

Car ownership among tour passengers shows a different pattern to those on regular services. Of the 27% in the ABC1 group, 8%, or about one third, owned cars. 13% out of the 39% C2s, or again one third, owned cars, but only 5%, or one seventh, of the 34% of DEs were car owners. This indicates that for the higher socio-economic groups, there are other attractions to a coach tour other than it being a holiday where a form of transport is provided. It also shows that the DE group tend to take a tour because they have no transport of their own.

The most frequently found type of person on a coach tour is over 65, probably female. The C2 semi-skilled group is most important, although when examining the over 65s, all groups are important. Women over 65 account for a third of all tours passengers and if
men over 65 are added this figure is nearly 50%. The C2 semi-skilled worker is also important, accounting for 11% of passengers, and probably married couples, because the percentages when divided by sex are very similar.

Summary.

Express coach passengers tend to be from the lower socio-economic groups, with semi-skilled workers predominating. They tend not to be car owners. The 35-54 year old age group is important, consisting mainly of married people, although they may not be travelling as couples. The 65 and over age group is very important, and is made up mainly of single women. The younger age group, 16-34, is made up of people of both sexes, who tend to be single rather than married. The married woman travelling alone is fairly common, and this tends to represent a lack of access to a car, rather than the household not owning one. The data tends to substantiate operators' opinions that, although the main type of traveller is female, and usually elderly, an increasing number of younger people are being attracted to express coach travel.

Tour passengers tend to be older, with a lower percentage of 16-34 year olds. There is a higher level of car ownership, except among members of socio-economic group DR, which consists of the older, retired person, and those with low incomes. Women tend to be more
common, particularly in the large over 65 age group. The single woman is extremely important, accounting for 27% of bookings on both tours, and on express services.

The data obtained from the B.N.T.S. is not sufficiently reliable in a statistical sense to confirm the feelings and findings of operators, or to agree with traditionally held views of the characteristics of coach passengers. The data does not contradict these ideas, nor disagree with operators' own findings. The information in this appendix should, however, be treated carefully, as an indication of passenger profiles, rather than as indisputable facts about the nature of coach travellers, and in particular express coach users. The tables are thus supportive evidence which does not detract from the opinions of the coach operators themselves about the type(s) of person they carry.
Table A5.1: The Age and Sex of Bus/Coach Users.

<table>
<thead>
<tr>
<th>Age</th>
<th>Married Male</th>
<th>Married Female</th>
<th>Married Total</th>
<th>Single/Widowed/Divorced Male</th>
<th>Single/Widowed/Divorced Female</th>
<th>Single/Widowed/Divorced Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-34</td>
<td>6</td>
<td>16</td>
<td>22</td>
<td>11</td>
<td>15</td>
<td>26</td>
</tr>
<tr>
<td>35-54</td>
<td>21</td>
<td>24</td>
<td>45</td>
<td>1</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>55-64</td>
<td>14</td>
<td>15</td>
<td>29</td>
<td>1</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>65+</td>
<td>13</td>
<td>11</td>
<td>24</td>
<td>2</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>65</td>
<td>120</td>
<td>15</td>
<td>51</td>
<td>66</td>
</tr>
</tbody>
</table>

By aggregating male and female, single statistics, the cell sizes are all greater than 5. A chi-square test for goodness of fit can be applied, giving chi square = 28.02, with 6 degrees of freedom. Comparison with the Chi square distribution shows that the probability of the calculated value exceeding the distribution value, of 18.5476 is 5%. One cannot say that the data has a goodness of fit, and thus it is not statistically significant.
The Age and Sex of Coach Tour Passengers.

<table>
<thead>
<tr>
<th>Age</th>
<th>Married Female</th>
<th>Married Total</th>
<th>Single Male</th>
<th>Single Female</th>
<th>Single Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-24</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>25-34</td>
<td>9</td>
<td>16</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>35-44</td>
<td>7</td>
<td>12</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>45-54</td>
<td>18</td>
<td>26</td>
<td>6</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>55-64</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>59</td>
<td>11</td>
<td>27</td>
<td>38</td>
</tr>
</tbody>
</table>

A test can only be applied to the aggregates of male and female, and thus it takes no account of the division by sex. This gives Chi square equal to 5.79, with 4 degrees of freedom. The probability of obtaining an aggregated distribution lies between 97.5% and 50%, but one cannot tell whether the further division by sex is statistically significant or not.
Table A5.3: Socio-economic Group and Age of Bus/Coach Users.

<table>
<thead>
<tr>
<th>Age</th>
<th>ABC1</th>
<th>C2</th>
<th>DE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-34</td>
<td>13</td>
<td>24</td>
<td>11</td>
<td>48</td>
</tr>
<tr>
<td>35-54</td>
<td>8</td>
<td>29</td>
<td>14</td>
<td>51</td>
</tr>
<tr>
<td>55-64</td>
<td>10</td>
<td>14</td>
<td>15</td>
<td>39</td>
</tr>
<tr>
<td>65+</td>
<td>8</td>
<td>12</td>
<td>28</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>79</td>
<td>68</td>
<td>186</td>
</tr>
</tbody>
</table>

The value of chi square, calculated from the above table is 19.19, with 6 degrees of freedom. The probability of chi-square having this value is less than 5% and thus the above table is statistically insignificant.
Table A5.4: Socio-economic Group and Age of Coach Tour Passengers.

<table>
<thead>
<tr>
<th>Age</th>
<th>ABC₁</th>
<th>C₂</th>
<th>DE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-34</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>35-54</td>
<td>6</td>
<td>11</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>55-64</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>65+</td>
<td>13</td>
<td>17</td>
<td>16</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>37</td>
<td>33</td>
<td>96</td>
</tr>
</tbody>
</table>

There are three cells with values of less than 5, and thus, in order to be able to apply the Chi square test, it is necessary to aggregate the two younger age groups. This gives a chi square value of 2.63, with 4 degrees of freedom. The probability of this value lies between 97.5% and 50% and thus these results are relatively valid.
Table A5.5: Car ownership among Bus/Coach Users.

<table>
<thead>
<tr>
<th></th>
<th>ABC</th>
<th>C_2</th>
<th>DE</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>Car owning</td>
<td>12</td>
<td>10</td>
<td>4</td>
<td>11</td>
<td>3</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>Non-car owning</td>
<td>4</td>
<td>13</td>
<td>32</td>
<td>32</td>
<td>14</td>
<td>46</td>
<td>141</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>23</td>
<td>36</td>
<td>43</td>
<td>17</td>
<td>51</td>
<td>186</td>
</tr>
</tbody>
</table>

There are several cell sizes which are too small. To aggregate by car ownership renders the table meaningless, and thus the sub-division of sex must be removed before the test for goodness of fit can be applied. This produces a value of chi square of 28.99, with 2 degrees of freedom. This distribution is thus not valid, possibly caused by the aggregation to achieve cell sizes of five or more.
Table A.5.6: Car Ownership among Coach Tour Passengers.

<table>
<thead>
<tr>
<th></th>
<th>ABC₁ Male</th>
<th>ABC₁ Female</th>
<th>C₂ Male</th>
<th>C₂ Female</th>
<th>DE Male</th>
<th>DE Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car owning</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Non-car owning</td>
<td>6</td>
<td>12</td>
<td>12</td>
<td>13</td>
<td>5</td>
<td>23</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>17</td>
<td>16</td>
<td>21</td>
<td>8</td>
<td>25</td>
<td>96</td>
</tr>
</tbody>
</table>

A similar practice as for table A.5.5 must be adopted. This gives a calculated value of chi square of 3.11, with 2 degrees of freedom. The probability of achieving such a distribution lies between 97.5% and 50%, and thus the data is relatively significant.

Each table, however, is not very statistically significant, which is a reflection of the statistical error of the B.N.T.S. This is ±1% on a random sample of 4,000 at the 95% confidence level, but the error increases to ±6% on a random sample of 100. The sample sizes of both types of coach user are small, and thus the statistical error large. Any data therefore must be regarded as a tentative, rather than absolute, representation of the characteristics of coach travellers.
APPENDIX 6 : THE 1977 WHITE PAPER ON TRANSPORT POLICY

In June, 1977, the Government produced its long awaited White Paper on Transport Policy (H.M.S.O., Cmdn 6836). This document was based upon the Consultation Document of April 1976, and the responses which this elicited from interested parties.

Three objectives of transport policy are stated:

(a) to contribute to economic growth and higher national prosperity;
(b) to meet social needs by securing a reasonable level of personal mobility;
(c) to minimise the harmful effects that are the result of transport use (paragraph 9).

To meet these objectives, particularly (b), a level of financial support must be given. The government does not feel, however, that this should be infinite and thus judgements must be made about the relative merits of different services, and their suitability for support.

Although little mention of the coach was made in the Green Paper, it warrants slightly more discussion in the White Paper. Discussion of public road passenger transport, however, is primarily concerned with the role of the bus in urban areas, and the role of both
the traditional bus, and more unconventional schemes in rural areas of low and dispersed demand. With these latter activities in mind, the government is making provision for the relaxation of the licensing system. This will not, however, affect coach services, which are barely mentioned within the rural context, despite the many cross-country express services, which serve rural communities.

The coach receives most comment in Chapter 6, on Inter-Urban Passenger Transport. Coach and train are seen to provide an extensive network which is complementary rather than competitive (paragraph 166). The Paper relates that it is sometimes suggested there is too much competition between modes, but does not comment upon such an opinion. Concern is expressed, however, about the effect this may have on investment, and thus capacity.

The following quotation summarises the government's attitude towards the inter-urban passenger transport network:

"Rail, coach and air should provide a complementary network. The Government sees no justification for seeking to restrict the choices open to people of their method of travel. Provided the terms of competition
are fair, if people choose to travel by coach rather than rail or air, because lower fares are more important to them than speed, they should not be prevented from doing so." (paragraph 172).

One suspects that this replies to rail pressure which in recent times has been strongly directed against inter-urban coach services, and thus infers that both National Travel, and the Scottish Bus Group should continue to operate their express routes.

This is confirmed in the section on the Scottish Transport Group, when mention is made of "the very successful Scotland-to-London services" (paragraph 233). One is left to wonder, however, what is meant by the phrase "the terms of competition are fair". Unfortunately, no elucidation appears to be forthcoming in the document.

It is proposed that support to buses should be continued into the future, while the bus grant towards paying the capital cost of a vehicle will not be stopped in 1980. (paragraphs 80, 81). Although the grant will continue, it will not remain at the level of 50%. This, however, will still cause many services to be regarded as stage carriage, and dual purpose vehicles will be used, despite being poor marketing.
There is a strong indication throughout the White Paper that decisions about transport requirements, and how best to meet them, should be on a local level. They should be planned in conjunction with local housing, education, industrial and other land-use demands. This does not advocate that local government takes over the running of services, nor that county councils should become the licensing authorities. It is suggested that the present system of traffic courts is retained, because a large number of bus and coach operations extend beyond one county. Similarly, present bus companies operate across county boundaries, and a change in responsibility for operations would be an extremely protracted and complex operation, which would not be good for morale. The two public sector bus companies, are therefore left untouched in terms of operations, and organisation.

In summary, therefore, the White Paper, and any resulting legislation, is not likely to affect the coach industry to any great degree, although bus operators may have more local obligations to meet. A proposed study of inter-urban passenger transport may affect express coach services, because it will aim to ensure that there is not a wastage or duplication of resources employed in this area of inter-modal competition.
The government feels that "competition between the modes should continue as the best means of ensuring the widest choice of service, quality and price."
(paragraph 301). From this, one can conclude that the government has no intention of co-ordinating inter-urban services in an administrative way. Because no subsidies are envisaged for inter-urban transport, it would seem that the free play of market forces should be allowed to operate in providing co-ordinated services, while preserving a wide degree of consumer choice.
APPENDIX 7: SOME TECHNICAL TERMS DEFINED

The Retail Price Index

This Index provides a measurement of changes in retail prices. The composition of the "basket" of goods whose prices are recorded, is determined by the results of household expenditure surveys. It, and the weights given to each component, is thus regularly updated to provide a "typical" selection of goods. The prices of these goods and services, such as individual items of food, or clothing, or of housing, are recorded at many different points across the country. This provides an average from which the general change in price levels is discovered. It is sometimes regarded as a cost of living index, but it is more accurately a measure of the changing value of money, and the differences in what a set amount of money will buy over time.

Socio-Economic Groups

The following division of society has been adopted not for its intrinsic merits, but because it is the most commonly used in existing surveys. This is particularly true of Tourist Board literature, notably the B.N.T.S.

The definition of these groups is that established by the Institute of Practitioners in Advertising.
The grades are associated with social status and occupation in order to indicate the type of person in each. It is more significant, from a market demand point of view, to regard the people or types of people in each group as disposing of their personal income in similar expenditure patterns.

Table A7.1: I.P.A. Definitions of Social Class.

<table>
<thead>
<tr>
<th>Social Grade</th>
<th>Social Status</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Upper middle class</td>
<td>Higher managerial, administrative or professional</td>
</tr>
<tr>
<td>B</td>
<td>Middle class</td>
<td>Intermediate managerial, administrative or professional</td>
</tr>
<tr>
<td>C₁</td>
<td>Lower middle class</td>
<td>Supervisory or clerical and junior managerial administrative or professional</td>
</tr>
<tr>
<td>C₂</td>
<td>Skilled working class</td>
<td>Skilled manual workers</td>
</tr>
<tr>
<td>D</td>
<td>Working class</td>
<td>Semi and unskilled manual workers</td>
</tr>
<tr>
<td>E</td>
<td>Those at lowest levels of subsistence</td>
<td>State pensioners, or widows (no other earners), casual or lowest grade workers</td>
</tr>
</tbody>
</table>
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