

## **The Textbook of Travel**

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## *Travelers*

They are the sightseers and tourists with indefatigable energy. They are climbers of towers and explorers of tombs critics of government buildings, churches, castles, and bazaars; awash with questions and enthusiasm. Among the travelers, there are history buffs, believers in the occult, sports fans, admirers of architecture and restaurants, and champions of local traditions. The readers of markers, plaques, and tombstones. The purchasers of local specialties and bargains. Pilots of the swift flight from museum to museum.

Serious travelers cultivate a sense of place: they stand still, and rather than ask questions, they wait for a place to speak, to communicate its sense of peace or history, gloom or unrest. The traveler is unruffled by delays and unhappy with scheduled events. The seeker of the unknown local museum and the restaurant never visited by tourists.

Some travel to get back in touch with themselves. They seek out places where natural beauty, solitude, and a lack of bustle fill the space.

The places, the temporary stops for every traveler, color the traveler's journey and always, just a little, change the traveler.



# *Introduction*

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*Travel is not a luxury; rather it is a necessity for business and a basic right for all people...*

World Travel and Tourism Council

Worldwide, the travel industry is the largest individual industry and the largest export trade, with annual revenues of \$575 billion. Tourism provides jobs for more than 195 million people, or one of every 15 of the world's employees. Companies in the travel industry invest more than \$350 billion per year in new facilities and equipment, representing 7.3 percent of all investment worldwide. Moreover, tourism contributes more than \$300 billion in direct, indirect, and personal taxes each year, approximately 6 percent of total world tax payments. In terms of total revenues, investment, and employment, the travel industry is one of the most important economic influences in the world. For every dollar spent by a traveler, about half goes toward the purchase of goods and services from other industries, such as food, fuel, or personal services.

Few career categories offer more potential for diversity, excitement, and personal enrichment than travel and tourism. The complexities of the industry and the widespread adoption of com-

puter technology create continual demand for people with specialized education, training, and skills.

**Transportation** is the science of moving things from one place to another. Ships, railroads, and trucks are the major means of transportation in most industrialized nations. Travel is the science of moving people from one place to another. Travel professionals are concerned not only with moving people from one place to another, but also with transporting them safely, comfortably, and efficiently.

Travel planning is an art as well as a science, requiring a great deal of creativity, knowledge, and skill. A travel professional must have the ability to communicate with, influence, and respond to clients, both as individuals and in groups. Sometimes, the circumstances are stressful.

The ideal candidate for a travel career is a person who has good verbal communication skills, arithmetic ability, and common sense. Above all, the travel field requires extensive interpersonal skills.

Travel consultants, reservationists, and ticket agents must have strong communication skills. A communications breakdown can cause a wide variety of crises, from customers being undercharged or overcharged to reservations being misplaced. What might seem like a simple mistake or omission from a travel agent's point of view is almost never a minor problem from the traveler's perspective.

Presence of mind and the ability to cope with stress are essential in a travel-related occupation. By its very nature, traveling is stressful. The word travel is derived from the French *travail*, which means hardship or grief. In previous centuries, transportation was far more primitive than today, and, for the most part, traveling was difficult. Far from being considered a pleasure or privilege, travel required great perseverance and often involved hardship and risk. Although the development of modern transportation methods has made traveling safer, easier and more comfortable, the element of stress has not been entirely eliminated. A typical traveler is faced with a constant barrage of time constraints, social pressures, and exposure to unfamiliar surroundings. The stress that travelers experience carries over to the workplaces of people employed in travel-related occupations.

In addition to interpersonal skills and the ability to cope with stress, many positions also require above-average arithmetic skills.

Travel consultants must be knowledgeable in destinations geography, transportation, accommodations, and reservation procedures. Agency managers must also be knowledgeable in travel agency operations, accounting, personnel relations, and financial management.

Of all the various traits that characterize an effective travel professional, perhaps none is more important than the dedication to provide a high-quality experience for every traveler. Travel is a service business—one in which the primary emphasis is on people rather than machines. No amount of technical knowledge or skill can adequately substitute for a genuine devotion to service and a high standard of ethics.



## CHAPTER 1

# *The Travel Industry Past*

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### *Chapter Objectives*

After completing this chapter, you should be able to perform the following tasks:

1. Discuss the major historical influences that affected the development of the worldwide travel and tourism industry.
2. Name the individual who popularized tourism in Europe.
3. Name the greatest European explorer.
4. Identify the first travel agent.
5. List the grand lodging establishments of the Golden Age of Hotels.
6. List early predecessors of the modern airlines.
7. Identify important passenger aircraft that revolutionized long-distance flight and made tourism a worldwide industry.

## *The Origins of Travel*

From the invention of the wheel to the flights of the space shuttle, the allure—and, inevitably, the necessity—of travel have inspired never-ending innovation in commerce, technology, and education. Whether for trade, exploration, conquest, or leisure, no experience has ever rivaled in impact the bold adventure of travel.

Travel developed from three basic factors: the need to survive, the desire to expand trade, and the quest to conquer. The driving forces behind the development of tourism were curiosity about the world and a desire to escape the stresses of urban life.

Long before humans could travel over roads, sail in ships, or soar in planes, their only practical method of transportation was their own legs. The first humans on earth were hunters, driven to travel by the need to prey on deer, bison, birds, and other game. Shortly after the last Ice Age drew to a close around 8000 B.C., traders appeared, using seashells as money. People who lived inland, far away from the coast, valued the shells as jewelry, inspiring what was surely the world's first fashion trend.

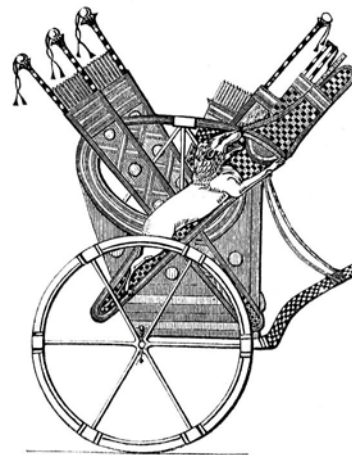
### *Travel by Land*

The first vehicle, the sledge, originated in the icy tundra of northern Europe around 7000

B.C. On land, drivers poured butterfat in front of the runners, while women hauled the sledge by leather thongs. Animals were first used for transportation around 3500 B.C. A 5,000-year-old inscription drawing on an Egyptian tomb depicts three exhausted laborers struggling to move an obstinate donkey. Using beasts as transportation was clearly an advancement, but the invention of the wheel was by far the most important event in the development of land travel.

A stone carving unearthed in what is now Iraq and dated at 3000 B.C. depicts several sledges with cylindrical wheels. The tomb of King Abargi of Sumeria, erected around 2800 B.C., contained two four-wheel wagons, with the remains of six oxen.

The Sumerians developed a two-wheeled variation of the wagon, the chariot, which made them the most feared warriors of their time. The Greeks first used horses to pull chariots around 1700 B.C.



Around 1000 B.C., under the Chou Dynasty, the Chinese created the world's first highway system, complete with traveler's inns and roadside rest areas sheltered by shade trees.

### *Travel by Sea*

Boats first came into use in about 6000 B.C. In ancient Egypt, a wide variety of hand-paddled barges and boats, many of them decorated with inscriptions, navigated along the Nile. Tree branches were used as sails until around 3000 B.C., when linen sails were introduced. The Phoenicians were the first merchant sailors, building a large fleet of ships to carry their traders across the Mediterranean Sea. The Vikings, Celts, Greeks, and Romans concentrated on building warships.

Around 2000 B.C., Polynesians from Samoa sailed in outrigger canoes to the Marquesas Islands, using the sun, stars, currents, and flight patterns of birds to navigate the Pacific Ocean. They settled temporarily in the Tahitian islands, but eventually, wars drove them out to sea again. Heading due north, they journeyed 2,000 miles by canoe to the Hawaiian Islands.

### *The Birth of Tourism*

Early tourism was a privilege enjoyed exclusively by the wealthy. In ancient Greece, leisure resorts were constructed on the outskirts of the crowded cities or along the

seashore, to enable the upper class to escape from the pressures of urban life. The town of Daphne, located near Antioch, was famous for its hot springs, and Baiae, on the north shore of the Bay of Naples, was known for its excessive luxury.

Roman engineers constructed a vast road system to facilitate trade and enable the Imperial cavalry to travel more easily. For a fee, wealthy citizens could travel over the cobblestone roads by chariot. Travelers were accompanied by a tour guide, called a *vetturino*, who organized transportation, arranged for wayside lodging and meals, and protected his clients from bandits.

Roman tourists often posed for artists in front of a distinctive sightseeing attraction such as the Colosseum or the Forum. In 146 B.C., the historian Philon described seven wonders of the world, including the pyramids, the Pharos of Alexandria, the Hanging Gardens of Babylon, the Colossus of Rhodes, the Statue of Zeus, the Temple of Artemis, and the Tomb of Mausolus at Halicarnassus. Of these popular Roman tourist attractions, only the pyramids still remain today.

Scientists believe that the first inhabitants of North America crossed over the Bering Strait from Asia 40,000 years ago, via a land bridge that no longer exists. The first Europeans to visit the North American continent were originally from Norway. In the

year 982 A.D., a Viking warrior, Eric the Red, who had been banished from Norway for killing a man, settled in Greenland with a group of 400 colonists. In 1001 A.D., Eric's son, Lief, traveled by boat with a crew of 35 men to the northwest shores of Newfoundland. Finding wild grapes growing on vines, the explorer named the land Vinland.

In 1275, Marco Polo traveled with his father and uncle to Baghdad, then across the Gobi Desert to the Forbidden City of Peiping. There, he encountered the most powerful ruler of the time, Kublai Khan. Returning to Venice 17 years later, Polo authored a book which made travel and exploration the most discussed topic throughout Europe.

### *The Age of European Discovery*

In Europe during the Middle Ages, violence, disease, and famine were widespread in Europe. Thievery, kidnapping, torture, and murder were commonplace on virtually every level of society. The crowded condition and poor sanitation of the walled medieval towns gave rise to unchecked epidemics of bubonic plague, leprosy, smallpox, tuberculosis, and other fatal diseases. By the late fifteenth century, the once-fertile land had been depleted by farming, and sufficient food supplies could no longer be produced to support the

inhabitants. Potatoes and corn, which would later save millions of lives during famines, had not yet been discovered in the New World.

In a desperate effort to survive, European rulers turned their attention across the seas. Stirred by the accounts of Marco Polo, an adventuresome Italian, Cristobal Colon, convinced the Spanish court to finance a voyage across the Atlantic Ocean. Colon, who after his death became known as Christopher Columbus, intended to sail to the kingdom of Kublai Khan, where Marco Polo had observed great wealth and an abundance of natural resources.



In 1492, hoping to become rich, Columbus embarked with a small fleet of three ships for the Orient. After 70 days at sea, despite fair weather and easy sailing, the worried crew threatened to

mutiny. At 2 A.M. on October 12, a Spanish sailor, Rodrigo de Triana, caught a glimpse of a white cliff illuminated by the sullen moon. At dawn, Columbus and his landing party set foot on San Salvador Island in the Bahamas, believing he had reached India. Columbus later made two more expeditions to the New World, but to his dying day, he never suspected that he had arrived in a continent that was then previously unknown to Europeans.

Columbus' expeditions inspired other European navigators to explore the world's oceans. Two British explorers, John Cabot and Sir Francis Drake, sailed beyond the New World. The American continent was named after an Italian explorer, Amerigo Vespucci, who claimed to have charted the east coast of South America in 1497. His claims were eventually proved to be false, but, by then, the name America had already been used on hundreds of maps of the New World.

Captain James Cook charted the Pacific Ocean from the North Pole to the South Pole, claiming New Zealand and Australia for the British Empire and visiting the island groups of Polynesia and Melanesia. In the North Pacific, he explored the coast of Alaska, braving bitter storms and hazardous straits strewn with icebergs. Today, numerous islands, peninsulas, towns, hotels, and taverns bear his name from An-

chorage, Alaska to Sydney, Australia. In Hawaii, Captain Cook was killed by natives in a minor dispute over a stolen cutter.

The age of exploration was a period of *European expansionism* — the settlement of new lands to expand the territories of European rulers. Colonies were established by the Dutch, British, Spanish, and French in Africa, North and South America, Asia, and the Pacific region. The European colonists set out to convert the inhabitants to Christianity, or to enslave them to work in gold mines or on plantations. People who resisted were often tortured or killed, and others succumbed to diseases that had been introduced by the colonists.

The island of Hispaniola, which Columbus discovered on his first expedition, was a typical example of the dark side of European expansionism. Columbus lived on Hispaniola, ruling as its governor from 1495 until 1500. A ruthless authoritarian, Columbus ordered the killing of thousands of natives, as well as the execution of hundreds of Spaniards who disagreed with his actions. The inhabitants, a native people called the Tainos, had no natural defense against contagious diseases introduced by the Europeans. In 1496, a census taken by Bartholomew Colon, the governor's brother, estimated the native population at 1.1 million. By 1508, the population had dwindled to

27,800, and, by 1542, only 200 Tainos remained.

A similar crisis occurred on the south Pacific island of Tahiti, which was first visited by the British exploration vessel, HMS Dolphin in 1767. Since its first contact with Europeans, the Tahitian population declined from 300,000 to 120,000.

However, despite misfortunes such as these, the age of European discovery bequeathed a profound legacy to future generations and permanently altered the languages, cultures, ideas, and economic stability of the world. By expanding across the oceans, European rulers accumulated great wealth and power, restoring strength to their economic systems and reversing the negative social and cultural trends of the Middle Ages. In North America, new types of plants were discovered that could be cultivated rapidly to replenish the food supplies of Europe. Western institutions and ideas spread across the globe, inspiring the development of modern technologies, political ideals, and economic systems.

### *The Rail Age*

The development of the stage coach greatly spurred the advancement of land travel. Horse-driven coaches first became popular in Hungary in the 1600s. By 1668, the coach had become an indispensable mode of transportation in England. However, be-

cause of poorly maintained roads, land travel was difficult. In the 1790s, improved highways were developed in Scotland and, later, on the European mainland.

The invention of the railroad in Germany in the seventeenth century revolutionized transportation. The first railroads used wooden tracks, and it was not until the early 1800s that the first steel rails appeared in the United States.

By the end of the nineteenth century, the train had become a popular cross-country transportation method and a driving force for the development of tourism. By 1904, four routes were already in operation across the United States, and another railroad had been developed across Canada. Large hotels were constructed at main railway destinations, often adjoining the train station. Many such hotels were owned by the railroad companies. In Europe, railways were constructed to the French Riviera and other popular vacation spots from Berlin, Amsterdam, Brussels, Vienna, and Rome.

### *The Steamship Age*

The James Monroe, the first sailing vessel designed for regular transatlantic sailing, departed from New York on January 5, 1818, bound for Liverpool, England. In 1819, a steam-powered vessel, the Savannah, crossed the Atlantic Ocean under the command of Captain Moses Rogers. When the

ship chugged into Irish waters on June 17 with its smokestack spewing steam, panic-struck observers mistakenly thought the vessel was on fire. Within ten years, passenger ships routinely made the transatlantic crossing between Europe and the New World.

By the mid nineteenth century, the oceans were dominated by clipper ships—sleek, fast sailing vessels with several masts, a sharp bow, and square sails. During the California Gold Rush of 1848, clipper ships transported fortune seekers from the east coast. Twenty years later, tea and wool was transported to America from China and Australia by clipper ships. By the end of the century, passenger transport between Europe and North America was dominated by fast, 20,000-ton steamships, many carrying immigrants to the New World.

### *The Golden Age of Hotels*

Prior to the nineteenth century, lodging was limited to primitive roadside inns, with few facilities for sanitation or privacy. The spread of land travel created a demand for clean, comfortable lodging. The ancient Romans, who were skilled road builders, constructed establishments called *hospitea* along their paved thoroughfares. Travelers could purchase bread and wine for a penny, and a bundle of hay for their mules for two cents. The cost was reasonable enough, but guests and

horses shared the same sleeping quarters.

For more affluent travelers, the Romans constructed sleeping inns called *caupona*, which provided greater protection against bandits. The Romans also built establishments called *taberna*, where citizens could gather to drink wine and socialize.

In medieval Europe, taverns combined food and beverage service with lodging. Rooms and, often, beds had to be shared with other travelers. Because the accommodations were unsuitable for aristocrats, luxurious, palace-like establishments were built for the exclusive use of the wealthy. These establishments were called hotels, which, in French, means mansions.

The first American hotel, Tremont House, opened in New York in 1919. Unlike the European inns, Tremont House was devoted exclusively to temporary lodging. The period that followed was known as the Golden Age of hotels. During this period, several grand hotels were built, included the Waldorf-Astoria in New York, the Palmer House in Chicago, and the Palace Hotel in San Francisco.

The hotel industry declined during the Great Depression, but a Texas oilman, Conrad Hilton, was not discouraged from setting out to build a lodging empire. Hilton was born in frontier New Mexico in 1887. In 1919, he traveled to Cisco, Texas intending to buy a bank. Instead, he purchased

a small hotel, the Mobley. Over the next 20 years, Hilton both built and purchased hotels, acquiring such famous establishments that as Town House in Los Angeles and the Roosevelt, Plaza, and Waldorf-Astoria in New York.

By the 1950s, the three largest hotel chains, Hilton, Sheraton, and Statler, were engaged in fierce competition. The Sheraton and Statler organizations eventually merged, forming what was then the largest lodging organization in the world.

### *The Rise of the Automobile*

The first gasoline-powered automobile was developed in Germany, but traveling by car did not become popular until Henry Ford developed mass-production methods and introduced the Model T passenger car. Ford was intrigued with the early German motorcars, known as "horseless carriages" in the 1880s. He built his own gasoline-powered buggy in 1892, and assembled a more elaborate vehicle, which he called the quadricycle, four years later, in a shed in the back of his farmhouse. When it was finished, the motorcar was too big to fit through the shed door. The building had to be taken apart before the vehicle could be driven.

In 1903, Ford borrowed \$100,000 from investors and founded the Ford Motor Company. In 1907, Ford introduced the Model T, the first truly popular motorcar.

One of the most important features of the Model T was the electric starter, developed by Henry C. Leland. Before the electric starter was invented, automobiles had to be started with hand cranks. By 1927, Ford had sold more than 15 million "Tin Lizzies," as the car was known to customers.

### *The Motel Age*

In 1951, a construction contractor named Kemmons Wilson opened a small roadside lodge for motorists, just outside Memphis, Tennessee. Wilson hoped to attract families vacationing in their cars and called his new hotel the Holiday Inn, in honor of a 1942 motion picture. The Holiday Inn organization eventually grew to become the largest lodging chain in the world.

### *The Rise of Air Transportation*

In 1908, five years after the first successful airplane flight, a French daredevil named Louis Bleriot flew a single-engine airplane across the English channel.

Before World War I, most people considered the airplane to be little more than a curiosity. However, during the war, the heroism of aviators captured the public imagination, and people became interested in air travel. In 1919, regularly scheduled flights began between London and Paris,

departing daily from Hounslow airport in London for the three-hour flight to Le Bourget airport in Paris. By 1922, over 10,000 passengers were traveling the London-Paris air route.

The first British airline, Imperial Airways, began operating in 1924, transporting 1,700 passenger per week. The airline mainly competed with lighter-than-air dirigibles called airships, which featured spacious passenger accommodations and amenities similar to those of a luxury cruise liner. The German airship Hindenburg had a library, naturally lighted walkways, a dining room with seating for 34 passengers, upholstered chairs, and paintings on the walls. Unfortunately, the dirigibles were both unreliable and unsafe. In the 1930s, hundreds of people died in airship crashes before the flights were permanently discontinued.

With the demise of the airship fleet, flying boats became the most popular means of long-distance travel. Part ship and part plane, a flying boat was designed to fly until it ran out of fuel and then complete its journey by sea. Flying boats remained popular until the development of jet airplanes.

In 1917, the U.S. Congress appropriated funds to launch airmail service between New York and Washington, D.C. The first airmail flights were made by Army planes, but in August, 1918, the Post Office began operating its own fleet. By 1925, airmail service

was expanded across the country, with overnight service from New York to Chicago. As airmail service grew in popularity, the government began paying contractors to carry the mail. One of the first airmail contractors was Ford Air Transport, owned by Henry Ford.

In 1926, Western Air Express began carrying both passengers and mail between Los Angeles and Salt Lake City. By modern standards, the accommodations were primitive. Outfitted in helmets, goggles, coveralls, and parachutes, passengers rode on folding chairs atop stacks of mail.

Western Air Express faced competition from Varney Airlines, which was founded by an ex-World War I aviator, Walter T. Varney. Varney Airlines began as a converted flight school run by a flight instructor, three student pilots, and four mechanics.

Delta Airlines, which began operating in 1925 with a small fleet of crop dusters, began flying mail from Ft. Worth to Atlanta in 1934. Delta did not begin coast-to-coast passenger service until the 1960s.

Pan American Airways, the first international airline based in the United States, began operating flights between Florida and Cuba in 1927. In 1929, Transcontinental Air Transport began offering coast-to-coast service across the United States. The journey from New York to Los Angeles took 48

hours and included two overnight train rides and two daytime flights.

In 1935, Pan Am launched the China Clipper, a luxurious, four-engine flying boat, which flew 18 passengers from San Francisco to the Philippines in 60 hours.

In 1930, Varney Airlines was acquired by United Aircraft, forming the first coast-to-coast airline network. The following year, the carrier changed its name to United Airlines.

### *The Jet Age*

Transoceanic flight literally changed the shape of air transportation. Only large aircraft with three or more engines could fly over the ocean. The first was a German-made Focke-Wulf Condor, which carried passengers and four crew members from Berlin to New York in 24 hours.

The first modern transport plane, the Boeing 247, was placed in service in 1933. The twin-engine aircraft could transport ten passengers and cruise at 155 MPH at an altitude of 18,000 feet.

In 1934, the Douglas company in Santa Monica, California began manufacturing the DC-2 twin-engine plane, which had a capacity of 14 passengers. Three years later, the DC-3 was introduced, with a lightweight fuselage made of an aluminum alloy called *duralumin*. The DC-3 was the first passenger aircraft designed specifically to navigate at night. Its hydraulic controls and stability in flight

revolutionized air travel. In 1938, Douglas began producing a four-engine plane, the DC-4, designed to fly longer distances.

With the development of the turbojet in 1941, planes began flying at higher speeds and over greater distance. In 1942, Lockheed introduced the first jetliner, called the Shooting Star, which achieved speeds of up to 600 mph. Turboprops, which used jet engines as well as propellers, came into use in the early 1950s. The first turboprop, the Vickers Viscount, was powered by four Rolls-Royce engines. The Viscount and its contemporaries, the Lockheed Electra and Russian-made Illyushin, are still used by some small carriers.

The high speeds made possible by jet engines required passenger aircraft to be redesigned. Among other things, planes became sleeker, and their fuselages, smoother. The first jet passenger service was inaugurated in 1952, using a British-made De Havilland Comet. The first American jetliner was the Douglas DC-8, which accommodated 130 passengers and had a flight range of 4,000 miles. The Boeing 707 was introduced in the same year, and rapidly became the most popular passenger aircraft in the world.

The twin-engine Douglas DC-9 was developed for short distances, with a capacity of 70 to 90 passengers. Its counterpart, the Boeing 727, was designed with three engines and a door under

the tail for passenger boarding. Redesigned versions of these aircraft are used throughout the world.

A new generation of jetliners was born on March 15, 1970, when the Boeing 747, the so-called jumbo jet, was placed in service. As tall as a five-story building, the first 747 had a flight range of 5,800 miles and a capacity for 470 passengers. McDonnell-Douglas invested \$1.2 million to develop a slightly smaller aircraft, the DC-10, with a range of 4,400 miles and a capacity for 345 passengers. A similar design was used for the Lockheed L-1011 TriStar.

To compete with Boeing and Douglas, several European countries founded a cooperative venture, *Airbus Industrie*, to manufacture commercial jetliners. The European-made airbus eventually became the second most widely used passenger aircraft in the world.

As jet travel became widespread, airports were forced to build new runways and add terminals to accommodate the new, larger aircraft. Public safety and protection also became major concerns, prompting widespread regulation of the airlines by the federal government.

The travel and tourism industry is the largest single industry and the leading export product in the world. From airlines to airports, from ships to trains, from catering companies to fuel suppliers, the

modern travel industry serves a vital role in the world economy. This complex industry generates \$575 billion in global economic activity, produces 6 percent of all tax payments, and provides 195 million jobs worldwide, representing 7.6 percent of all workers.

## *Summary*

Travel was originally inspired by the need to survive, the desire to expand trade, and the quest to conquer. However, as transportation methods improved, curiosity about the world created a new industry based on tourism. The development of steamships, railroads, automobiles, and airplanes helped to spread European ideals and technology across the globe. Travel was once was a privilege of the wealthy, but with the Industrial Revolution, transportation as well as accommodations became affordable to working-class citizens. With the development of jet travel, tourism became the world's largest industry.

## *Key Concepts*

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Identify the person, word, or phrase for each of the following concepts:

1. A historian who identified seven wonders of the ancient world.
2. A cooperative aircraft company founded by several European nations.
3. The most important invention in the development of early land travel.
4. The Latin word for a tour guide who accompanied Roman travelers and arranged their food and lodging.
5. The country where the railroad was invented.
6. Fast, sleek sailing vessels that dominated the seas in the mid nineteenth century.
7. The inventor of the electric starter used in automobiles.
8. Aircraft that used jet engines as well as propellers.

## *Review Questions*

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1. Of the seven wonders of the ancient world, only one has managed to survive to this day. Which one?
2. Who traveled across Europe to mainland China and later wrote the first European best-selling book about tourism?
3. Which explorer successfully navigated from Australia to the Arctic Circle?
4. Which development spurred the advancement of land travel in Hungary in the 1600s?
5. Which important invention of the Seventeenth Century revolutionized transportation and travel?

6. The James Monroe departed from New York in 1818. What type of vessel was it?
7. What began in Germany in 1919, between Berlin and Weimar?
8. Which aircraft manufacturing company introduced the first jetliner?

## *Projects*

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1. Discuss the effects of European expansionism on the following:

European attitudes and social trends  
Peoples and cultures of lands colonized by European nations

2. Discuss the history of the commercial aviation industry in relation to modern air travel. In your discussion, answer the following questions:

What role did the development of new technologies play in the development of the travel industry?

Which technologies were the most influential?

Which individuals were instrumental in the development of the aviation industry? What were their contributions?

3. Create a chart tracing the roots of modern airlines.

4. Discuss the history of the hotel industry in relation to the needs of modern business and leisure travelers. In your discussion, answer the following questions:

What social, economic, and industrial factors influenced the development of the modern hotel industry?

Which individuals were the most influential in shaping the modern hotel industry? What were their important contributions?



# *The Impact of Tourism*

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## **Chapter Objectives**

After completing this chapter, you should be able to perform the following tasks:

1. Discuss the economic, social, cultural, and environmental impact of tourism.
2. List the elements that are required to develop a tourism infrastructure.
3. Identify positive and negative effects of tourism development.
4. Discuss how tourism affects people's attitudes toward different societies, cultures, and the environment.
5. Discuss ways that people in the tourism industry can work toward solving social and economic problems.

## *The Economic Impact of Tourism*

Tourism is firmly established almost everywhere in the world, from the high mountains of Tibet to the Amazon jungles of Brazil. Whether the sites are ancient ruins, mountains, forests, or beaches, tourism development has inevitably followed discovery.

In a broad sense, tourism is the business of providing information, transportation, accommodations, and other services to travelers. The travel and tourism industry is made up of companies that provide services to all types of travelers, whether traveling for business or pleasure.

The economic benefits of tourism are important. According to the United Nations, international tourism accounts for 15 percent of all global economic activity trade. Approximately 15 percent of these revenues are spent in lesser developed countries.

The most visible economic benefit of tourism is employment. Tourism provides jobs for such workers as hotel employees, taxi drivers, tour guides, construction workers, entertainers, restaurant employees, and transportation workers. Many such jobs would not exist if not for tourism. For example, if taxi drivers in Fiji could not transport visitors to hotels, they might not have a livelihood as taxi drivers at all.

Besides employment, tourism also generates revenues that benefit the local population in the form of increased economic activity. Taxes paid by tourists help local governments fund education, health care, and other services.

Money spent by a traveler at a hotel or restaurant helps to pay employee wages and support other businesses. Eventually, the same money is used to buy food, clothing, and other products, further benefiting the economy.

## *The Cultural Impact of Tourism*

One of the most positive effects of tourism is cross-cultural awareness—the fostering of understanding between peoples of differing nations and cultures. The opportunity to exchange knowledge, ideals, and traditions is more available today than at any previous time in history. Aside from merely satisfying curiosity, tourism promotes international goodwill and the exchange of cultural values.

For statistical purposes, the United Nations divides countries into two broad categories: developed countries and developing countries. The developed countries include all of North America and Europe, as well as Japan, Australia, New Zealand, and the former Soviet Union. Developing countries are nations that have relatively poor economies and lack

advanced technologies. The developing countries include all the areas of Africa, the Middle East, the Caribbean, the Asian mainland, and the Pacific region except Australia and New Zealand.

Tourism is a major economic factor in most developed countries. According to the World Tourism Organization (WTO), 90 percent of all tourism revenues is concentrated in 15 countries in North America and Europe.

To support a thriving tourism industry, airports must be built or expanded to accommodate jet aircraft, and tourism facilities such as hotels, restaurants, and recreational sites must be constructed to accommodate visitors. The underlying framework of facilities and systems that are required to support a tourism industry is called a tourism infrastructure. Particularly in developing countries, the creation of a tourism infrastructure can have a profound social, cultural, and environmental impact.

### *The Impact of Tourism Development*

Tourism development has had a dual impact on many developing countries. An example of this impact can be found in French Polynesia, a small South Pacific country made up of the Tahitian islands, the Marquesas Islands, and the Tuamotu archipelago. French Polynesia is a self-ruling

territory of France. Coconut plantations once provided the country with a profitable trade, but the demand for coconut by-products declined substantially in the 1960s. The French government provided money to stabilize the economy, but the Tahitian people were eager to improve their living conditions.

In an effort to bolster the economy, French Polynesian leaders established an official agency to promote hotel development and provide financial incentives to tourism-related businesses. By agreeing to employ at least five local citizens, a hotel could operate tax-free for two years. Thereafter, the hotel would pay a lower tax rate than other businesses. The government also offered loans at low interest rates for the construction of new hotels.

These incentives attracted numerous investors from Europe, America, and Japan, and the islands were soon bustling with new resort hotels and condominium projects. These accommodations made it possible for Tahiti and the neighboring islands of Moorea, Bora Bora, and Raiatea to host over 3 million visitors per year. The money spent by these tourists resulted in a sharp increase in the standard of living, enabling the native Polynesians to purchase Western goods such as refrigerators, televisions, and automobiles. The taxes paid by hotel guests provided money to build schools, clinics, and electrical plants.

As modernization spread through the islands, the Polynesians experienced many drastic changes. Even in remote areas, every village now has at least one videotape recorder and a television. A unique combination of Western attire and traditional native clothing can be seen throughout the country. On the outer islands, natives often wear plastic shopping bags as skirts or hats. In the seaport of Papeete, Tahitian women can be seen wearing traditional *pareos* (wrap-around skirts) and European-style brasiers.

Driving a motorcycle or four-wheel-drive truck motor vehicle at high speeds has become a popular pastime. French Polynesia now has the world's highest fatality rate from highway accidents.

As this example illustrates, tourism affects not only the way people live and work, but also how they think, dress, and act. The effects of tourism development are certainly not always positive. In French Polynesia, many construction projects were undertaken only as an excuse to obtain money from the government. Some projects were never completed, and large sums were stolen by unscrupulous contractors. The most dramatic legacy of these dishonest acts is found on Bora Bora, where the island's dramatic slopes, which captured the imagination of innumerable explorers, had become marred by the sprawl-

ing ruins of an abandoned hotel that was never finished.

### *The Social Impact of Tourism*

In some developing nations, premature exposure to Western ideas and technologies has created a variety of social problems. The introduction of tourism to a new region inevitably alters the daily lives of the people. In some cases, too-rapid tourism development contributes to high crime rates and introduces vices such as gambling, materialism, and greed. Unpleasant experiences with rude or unscrupulous travelers can create open resentment toward tourists.

Governments of developing countries are often wary of how tourism affects the character of the people. By conspicuously placing affluent travelers amid impoverished local inhabitants, tourism sometimes contributes to social unrest.

Of equal importance, tourism can spoil or mar the attractive natural environment that made tourism feasible in the first place. Acapulco, Mexico is an example of the unwanted effects of overdevelopment. Once a quiet fishing village, Acapulco began to attract winter visitors from the United States in the 1920s. By 1940, the price of land had risen from three cents to over 30 dollars per acre. By the 1950s, Acapulco and the

surrounding area were completely covered with hotels of all sizes and designs.

This period of intensive hotel development was followed by massive migrations of people looking to find employment in the burgeoning resort area. The population grew more rapidly than the number of visitors, and the once-peaceful village became a bustling metropolis of over 350,000 residents. Because there were not enough jobs to support all these people, unemployment was high and poverty became widespread. The luxury hotels became surrounded by a squalid city of shacks with no sewage facilities, drinking water, electricity, or schools. The scenic beaches that had attracted visitors in the 1920s were almost completely obscured by buildings.

In the mid 1970s, the Mexican government launched a coordinated effort to improve living conditions in the city. Among other measures, the Acapulco Plan called for construction of a sewage treatment plant, low-income housing, a hotel training institute, and a public transportation system.

### *The Environmental Impact of Tourism*

The relationship between tourism and the environment is closely interlinked. Air and water pollution are serious environmental problems in many developed areas.

Most air pollution is caused by the burning of fossil fuels, but burning of garbage and trash also pose potential health hazards. Hotels use large amounts of electricity, most of which is produced by power plants that burn coal or other fossil fuels. Oil tankers and offshore drilling accidents cause oil spills that pollute the water.

Hotels and other businesses sometimes dump large amounts of waste products into oceans, lakes, and rivers. In developing countries, untreated sewage is the most common source of water pollution. Solid wastes are also a by-product of tourism, generating millions of tons of junked tires, cans, and scrap metal.

Subtropical areas attract millions of tourists from all over the world, not only because of the mild weather but also because coral reefs are found in such areas. Swimmers, sport divers, and nature enthusiasts are drawn by the color and shape of the coral and the marine animals that thrive near the reefs.

Coral reefs are complex communities of living creatures, part plant and part animal, that survive by absorbing nutrients from the water. The coral organisms are extremely vulnerable to water contamination. Poisonous substances dumped in the ocean by factories and silt caused by shoreline developments destroy entire reef structures that took many thousands of years to grow. Reefs

are also damaged by scuba divers. According to the Professional Association of Dive Instructors (PADI), over one million divers visit the world's coral reefs each year. The Cousteau Society, an oceanographic research organization, estimates that sport divers are responsible annually for 2 million to 4 million incidents involving damage to reefs.

But the oceans, as well as the reefs, face far greater hazards from toxic wastes, plastics, ocean dumping, raw sewage, overfishing, and atmospheric pollution. High bacteria levels from human and animal wastes often cause thousands of beach closings each year, resulting from sewer overflows, inadequate or outdated sewage treatment systems, or poisonous runoffs from industrial sites, streets, and farms.

Fortunately, people in the travel industry, as in other industries, are becoming more aware of the social and environmental impacts of tourism, and are working to minimize pollution, control development, and reverse the destruction of the natural environment. Tourism also helps to increase public appreciation of the environment and spread awareness of environmental problems.

### ***Solving the Problems of Tourism Development***

Nowhere are the social, geographic, and ecological effects of

tourism more prominent than in as Hawaii, Greece, and Africa. In Hawaii, the tourism trade began at Waikiki beach after the end of World War II and grew at an astonishing pace. In 1955, 110,000 travelers visited the islands; by 1975, the number of tourists reached 3 million. Today, more than 6 million visitors arrive at Honolulu airport annually and spend over \$7 billion at hotels, restaurants, and other tourism facilities.

Hawaii has paid a high price for its tourism industry, in the form of congestion, pollution, and a high cost of living. As the tourism infrastructure expanded, land became more and more scarce, causing real estate prices to soar. The average cost of housing in Hawaii is more than twice that on the east coast of the continental United States.

Extensive hotel construction has had a devastating effect on the underwater coral formations that once surrounded the islands. As the ground cover was removed for development, dirt and sand eroded into the ocean, suffocating the reefs and dooming the aquatic life that relies on the reefs for survival.

Because of these problems, the residents of Hawaii have taken a firm stance to correct existing environmental problems and prevent other disasters from occurring. New laws and regulations have been enacted to preserve the Hawaiian rainforest and to protect native species, many of which

exist only in Hawaii. The coral reefs around the islands and the marine life that depend on them for survival are also protected. Hawaii has become an international center for research on ecological systems. Most, if not all, of these measures, were prompted by increased public appreciation of the nature and ecology of Hawaii and the recognition that, if the Hawaii were to lose its natural beauty and resources, it would also lose its tourism industry.

In east Africa, the primary tourist attractions are wildlife, beach resorts, and native crafts. Most visitors to the area are interested in viewing the diverse animal population of mammals, reptiles, birds, and amphibians. However, very few of these tourists ever become aware of the effects of the tourism trade on the land, animals, and people of East Africa.

National parks in Kenya, Zambia, Uganda, and Tanzania total approximately 38,000 square miles (98,420 square kilometers). Outside the boundaries of the parks, the people live a primarily agricultural lifestyle. Much of the land is unsuitable for farming, but the natives are prohibited from hunting game inside the parks. As a result, the people have become resentful of the wildlife parks and suspicious of tourism. Yet, if not for the wildlife parks, many African animal species would soon become extinct.

To help counter this situation, the governments of some African countries implemented programs to allow the natives to share in the benefits of tourism. For example, in Kenya, one half of the revenues received from tourism by the national parks is given to the farmers. This policy encourages the natives to adopt a favorable view toward both tourism and wildlife preservation.

Tourism has had a positive effect on wildlife preservation efforts, not only in Africa but also in South America, Asia, Australia, and the South Pacific, where many animal and plant species have already become extinct and others are presently in danger of extinction. Recognizing the economic importance of tourism, many countries have established wildlife reserves and adopted strict laws protecting animals from game hunting. As a result of these measures, several endangered species have begun to thrive once again.

## *Summary*

Tourism development has had both positive and negative effects on the peoples, cultures, and lifestyles of the world. However, despite various problems associated with tourism development in the past, the important economic, educational, and cultural benefits are too important to ignore. The World Travel and Tourism Council believes that tourism will play a

crucial role in the solution of many of the socio-economic challenges facing society in the coming years. Among other things, tourism will create new jobs, provide for foreign exchange, help emerging nations to develop their economies, and foster the development of technology, training, and cross-cultural understanding.



## *Key Concepts*

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Identify the word, phrase, or name for each of the following:

1. The most visible economic benefit of tourism.
2. The leading for-pay tourist attractions in the United States.
3. The fostering of understanding between differing peoples and cultures.
4. Nations that have relatively poor economies and lack advanced technology.
5. The underlying framework of facilities and systems that are required to support a tourism industry.
6. The cause of most air pollution.
7. The most common cause of water pollution.
8. Complex communities of living creatures, part plant and part animal, that survive by absorbing nutrients from the water.
9. An African country that decided to donate one half of the revenues received from tourism by its national parks to farmers.
10. A plan adopted by the Mexican government calling for the construction of a sewage treatment plant, low-income housing, and a hotel training institute in a city where tourism development caused severe social problems.

## *Review Questions*

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1. What percentage of foreign trade is represented by tourism worldwide?
2. Besides satisfying curiosity, what two important processes does tourism promote?
3. Where is 90 percent of the world's tourism revenues concentrated?

4. What types of fuels are burned to produce most of the world's electricity?
5. What is a leading cause of damage to coral reefs?
6. What have the residents of Hawaii done to counter problems created by tourism development?
7. Why were farmers in east Africa resentful of wildlife parks?
8. According to economists, how many times does each dollar spent on tourism change hands each year?

## *Projects*

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1. Explain what is required to create a tourism infrastructure. If you were responsible for creating such an infrastructure, what elements would you develop? How would you minimize the negative effects of these elements on the people, culture, and environment?
2. Discuss the positive and negative effects of tourism development. List various steps that can be taken by a people or government to solve problems caused by negative effects.
3. Discuss various ways in which socioeconomic and environmental problems affect the tourism industry.
4. Discuss the ways in which tourism affects people's attitudes toward social and economic problems, and toward the environment.
5. Prepare a research report on the area where you live. Describe the impact of travel and tourism on the area, and list steps that you would recommend to solve social, economic, or environmental problems related to tourism.

# *The Travel Industry Present*

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## *Chapter Objectives*

After completing this chapter, you should be able to perform the following tasks:

1. List major travel products, vendors, and end-users.
2. Identify the major categories of travel.
3. Discuss the needs of corporate, commercial, and institutional travelers.
4. Discuss the differences in the needs of families, unmarried travelers, and travelers with special interests.
5. List examples of major travel industry vendors.
6. List and discuss major segments of the travel industry.
7. Name common job positions in each major segment.
8. Discuss ways that computer automation has influenced various industry segments.

## *Travel Products*

The terms travel industry, tourism industry, and travel and tourism industry are used interchangeably to refer to the industry made up of businesses that provide travel-related services. These businesses are referred to as travel vendors, and their services are called travel products. End-users are the people who purchase and use travel products. In the travel field, end-users may be referred to as passengers, guests, or clients, depending on the product. As an example, an airline sells tickets for air transportation. The ticket entitles a passenger to occupy a seat on the aircraft while it travels between two specified points. Similarly, a hotel sells the right to occupy a room for an agreed-upon period, called a stay.

Numerous other travel products also exist, ranging from yacht charters to ski equipment rentals. The most prominent feature of all these products is their temporary nature. The possession of each product, whether it is an airline seat, a hotel room, a rental car, or accommodations on a cruise ship, has both a starting point and an ending point.

All the end-users who, at some time or another, purchase a travel product make up the travel and tourism market. This enormous group includes traveling sales representatives calling on clients, ex-

ecutives traveling to meetings, people visiting relatives, scientists attending conferences, families traveling on vacation, and an almost endless list of other travelers.

## *The Travel Market*

In a technical sense, the word *travel* refers to any movement of one or more people from one point to another. However, most people would not consider driving to a grocery store or riding a bus to work to constitute travel, even though these activities involve the movement of people. The travel market consists primarily of people who spend at least one night away or travel a long distance from their places of residence. The United States Transportation and Tourism Administration (USTTA) defines travel as any trip of one hundred miles or more.

The travel market may be divided into two broad categories: business travel and leisure travel. Business travel, also called commercial travel, refers to any travel conducted for a monetary benefit. Sales representatives, executives, and convention goers are examples of business travelers.

Leisure travel refers to travel conducted primarily for recreation, entertainment, or sport. Vacationers, resort guests, sightseers, and adventure hobbyists are examples of travelers in this category.

## *Business Travel*

One way to view the travel market is to consider the motives of people who travel. Viewed from this perspective, the market for business travel consists of the following segments:

1. Corporate travel
2. Commercial group travel
3. Institutional travel

End-users in each segment have slightly different travel needs.

## *Corporate Travel*

Corporate travelers include people attending business meetings, sales representatives calling on clients, engineers transporting blueprints, managers making site inspections, and others.

When people travel for business reasons, they often have little advance notice to make their arrangements. Thus, although most corporate travelers are concerned about saving money for their companies, they are often forced to pay higher fares for air travel because the lowest discount airfares require tickets to be purchased three weeks or more before the de-parture date.

When travel costs are high, large corporations often restrict employee travel or insist on a reduced class of service and accommodation.

## *Commercial Group Travel*

The market for commercial group travel consists of attendees of conventions, meetings, and conferences. A convention is a gathering of people with a common interest or purpose. Conventions are commonly held for scientific, educational, or social purposes, by professional and trade associations, corporations, fraternal organizations, and special interest groups. The average length of a convention is four days, during which meetings are held, speeches are delivered, and honors are bestowed on various members of the group.

Because of their large numbers, convention travelers usually qualify for reduced rates on air travel and lodging. To accommodate such groups, suitable facilities, such as meeting and banquet rooms, audiovisual equipment, and access to recreational facilities are required.

## *Institutional Travel*

The market for institutional travel includes employees of governments, schools, hospitals, and other similar institutions. This category includes such travelers as scientists pursuing research, teachers attending conferences, diplomats traveling to meetings, and military personnel on leave.

Institutional travelers have many of the same needs as corporate travelers, but, like commercial group travelers, they often qualify for discounts from airlines, hotels, and other vendors that seek to benefit from a high rate of patronage by customers with similar characteristics.

### *Leisure Travel*

Viewed in relationship to the motives, traits, and needs of travelers, the leisure market consists of the following segments:

1. Family travel
2. Unmarried resort travel
3. Special interest travel

### *Family Travel*

According to the American Automobile Association, 92 percent of American families have traveled on vacation by automobile at least once. Forty-five percent have traveled by air. Families that travel together may have special needs. Among other things, they may require facilities that have recreational facilities for children or that allow pets. Many hotels offer family plans under which children of a specified age may stay at no additional charge in the same room as their parents.

Vacationing couples are a subset of this category. Many such travelers prefer to stay at resorts that cater to couples. At most

hotels, the rate for two adults staying in the same room is lower than the rate for two separate rooms.

Children may qualify for discount fares on some airlines, and families may often take advantage of special tour rates.

### *Single Resort Travel*

The needs of unmarried resort travelers often differ from those of couples or families. Some unmarried travelers seek accommodations that are specifically oriented to adults, or desire the opportunity to meet people of the opposite sex. Cost savings may or may not be a priority to this type of leisure traveler. Some resorts and many limited-service lodging chains target their advertising to attract unmarried travelers.

### *Special-Interest Travel*

Special-interest travel is the fastest growing segment of the leisure market. The main trait of special-interest travelers is a focus on a specific theme, activity, or event. Adventure travelers such as mountain climbers, scuba divers, and trail hikers are examples of this increasingly important customer group. Sports enthusiasts such as golfers, tennis players, ski enthusiasts, and sport fishermen are also part of this category. Other examples include nature enthusiasts such as whale watchers, bird watchers, and butterfly collectors; and health, fitness, and

beauty enthusiasts. Growing public awareness of environmental problems created a new market for ecology-oriented travel, or ecotourism, emphasizing the preservation of natural resources and the protection of wildlife.

The needs of these special-interest travelers vary significantly. For example, a typical golf enthusiast requires well developed tourist facilities with access to a golf course, whereas a typical ecotraveler prefers a rugged destination where minimal tourism development exists.

### *Segments of the Travel Industry*

Just as a market segment is made up of end-users with similar traits, an industry segment is made up of vendors that offer the same types of products. For example, airlines constitute one industry segment, and lodging establishments, such as hotels, motels, and resorts constitute another.

Various other types of businesses, such as insurance companies, food service operations, retail shops, and various types of service businesses, though not segments of the travel industry, have close ties to the industry. For example, many airports and hotels have restaurants, gift shops, and barber shops, and major airlines use the services of industrial catering firms to prepare in-flight meals. Other closely re-

lated products include travel insurance, traveler's checks, and recreational services such as golf courses, tennis shops, and charter boat operations.

### *Travel Agencies*

A retail travel agency sells travel arrangements directly to the public. The main products of a travel agency are transportation, accommodations, and packaged vacations (tours).

Technically, a travel agent is the owner or manager of an agency, but other employees responsible for advising clients and selling tickets are also commonly referred to as travel agents. A travel agent's job involves not only making sales but also gathering information, researching travel products, analyzing options, and making recommendations. For this reason, travel agents are often referred to as travel consultants or travel counselors.

Travel agencies earn money by selling airline tickets, hotel reservations, cruise trips, and other travel products. Commissions are paid for each product that is sold. For example, when an agency sells a cruise booking, a commission is paid by the cruise line, and when an agency books hotel accommodations, a commission is paid by the hotel.

Typically, commissions are based on a set percentage of the purchase price paid by the client. For example, the typical commis-

sion for booking a hotel reservation is five to fifteen percent of the total room rate. For booking airline reservations and issuing tickets, agencies typically charge a service fee to the buyer, or, in the case of a charter flight, may receive a commission from the airline.

Travel agencies once relied mainly on airline commissions as their primary source of revenues. The eventual elimination of most airline commissions resulted in a shift in emphasis from airline ticketing to cruise and tour sales. Approximately 88 percent of agencies now charge service fees. Of those agencies that charge fees, 94 percent charge for airline tickets, 94 percent for rail tickets, and 87 percent for visa and passport services. Fees for issuing airline tickets range from \$5 to \$30, with an average of \$13 per ticket.

Approximately 50 to 60 percent of total agency sales are derived from cruises and tour packages, 20 to 25 percent from rental car and hotel bookings, and 20 to 25 percent from airline reservations. In addition, agencies may also derive income from travel insurance and other travel-related products.

Travel agents must be thoroughly knowledgeable about the various travel products available to the agency, and must have the ability to gather and analyze information efficiently. Most of an agent's contact with a client is by

telephone. Almost all airline reservations are booked by computer. Therefore, agents must have strong verbal communication skills and be able to use a global distribution system.

Nearly 80 percent of travel agents are paid a salary with no commissions, whereas about five percent are paid only commissions without salary. The remaining fifteen percent receive both salary and commissions.

## *Airlines*

Americans are the most mobile population in the world. It is therefore not surprising that the United States has the largest air transportation industry in the world. Every year, 622 million Americans travel by air either within North America or abroad. Forty percent of the world's airline passengers travel on U.S. carriers. Thirty of the 50 busiest airports in the world are located in the United States.

The number of passengers carried by an airline, ship line, railway, or bus line is referred to as traffic. A common method of measuring traffic is in passenger-miles. When one passenger travels one mile, one passenger-mile is said to be completed. Passenger-miles are calculated by multiplying total passengers by total miles. For example, if 150 passengers board an airplane and travel 300 miles, a total of 45,000 passenger miles is recorded for that flight.

Most airlines transport freight in addition to passengers and luggage. In fact, some air transportation firms carry only freight. An airline that transports passengers is referred to as a passenger carrier, whereas an airline that transports only freight is referred to as a cargo carrier. The airline industry offers a wide variety of job positions, ranging from reservation agents to flight engineers. Airline employees are generally well paid, and the working conditions are good.

Reservation agents work in central offices making flight arrangements for passengers by telephone. Reservations are received from the public, from travel agents, and from airport ticket agents. The duties of a typical reservation agent include quoting airfares, determining flight schedules and availability, and booking reservations. Telephone communication skills and a knowledge of computer reservations procedures are essential qualifications for reservation agents.

Most airlines also employ external sales representatives, called traffic representatives, to solicit ongoing sales from large corporations and government agencies. Much of the freight carried by the airlines comes from shipping companies and manufacturing firms. Traffic representatives are responsible for quoting shipping rates and setting up air cargo contracts with these companies. In addition, traffic representatives may nego-

tiate special discounts for employees of large corporations, members of trade associations, and other special customer groups.

Airport ticket counters are staffed by ticket agents who are responsible for booking reservations, weighing and checking luggage, and issuing tickets. If the passenger's luggage exceeds the airline's limits on quantity or weight, the agent is responsible for determining the excess baggage charge.

Like reservation agents, ticketing agents use global distribution systems to determine fares and flight availability. Although most airline tickets are issued by computer, ticket agents must also know how to write tickets by hand, in the event of a computer problem or power failure. Because ticket agents have direct face-to-face contact with the public, they must have strong interpersonal skills.

Customer service agents also work at airports, assisting ticket agents and ensuring the orderly boarding of passengers. The duties of a customer service agent include collecting tickets, assigning seats, and helping passengers who require special assistance, such as unaccompanied minors, elderly passengers, or handicapped travelers. Customer service agents are also called passenger agents.

Operations agents, also called ramp agents or station agents, are responsible for sorting passenger

luggage and delivering it to the proper aircraft for loading.

In each major metropolitan area, airline sales activities are overseen by a city sales manager. Each region of the country is under the management of a district sales manager. Many of the people who fill these executive positions began their careers as reservation agents, ticket agents, or traffic representatives.

### *Lodging Establishments*

In the broadest sense, a hotel is any establishment devoted to providing overnight accommodations for a fee. A traditional full-service hotel has not only guest rooms, but also food and beverage service on the same premises and, usually, a uniformed bell staff. Limited-service hotels, which do not offer full food and beverage service, first became popular in the early 1960s.

The term motel developed in the 1920s, with the widespread popularity of automobiles. Hotels that were specially built for motorists and offered free parking to guests became known as motor inns or motor hotels. Eventually, the term was shortened to motel.

Over the years, the distinction between hotels and motels has become less pronounced. Many modern full-service hotels have parking garages, and food and beverage service are found on the premises on many motels. The Canadian government defines a

hotel as a lodging establishment that has rooms that are accessible from the interior, and a motel as one that has rooms that are accessible from the exterior. A property that has rooms that are accessible from both the interior and exterior is defined as a motor hotel or motel.

Over the last century, hotels have adopted a variety of amenities, such as swimming pools, tennis courts, golf courses, exercise facilities, and health clubs, to meet the needs of leisure travelers. As a result of these refinements, a new type of lodging establishment emerged — the resort.

With the development of the railroad, the southern coast of France became a popular winter resort area in the second half of the nineteenth century. Known today as the French Riviera, the area attracted aristocrats and royalty from throughout Europe. The most famous resident of the Riviera was a Russian prince named Tcherkovsky, who maintained a villa with a staff of eighty-seven servants. Forty-eight of them were gardeners whose duty was to change every flower in the garden every night, so that the prince could view a different arrangement each morning.

Jet travel gave rise to thriving resort industries in the Caribbean and Pacific regions. The health consciousness trend that began in the 1970s spurred the development of fitness-oriented resorts with diet-control programs, exer-

cise facilities, and cosmetic treatment services.

Most hotel reservations today are sold directly to clients, either by the hotel's own reservation staff or by a central office. Fifteen percent of all lodging reservationists are booked through travel agencies.

Commercial travelers are the mainstay of the lodging industry, accounting for 50 to 90 percent of a typical hotel's revenues. The larger hotel chains are represented in global distribution systems, enabling travel agents to book accommodations as well as airline reservations. Some chains offer cash bonuses, called rebates, to travel agents who book reservations by computer.

Lodging establishments offer a wide variety of employment opportunities, ranging from front desk representatives to restaurant managers. Besides guest rooms, a large hotel may also have a cocktail lounge, meeting and banquet rooms, a swimming pool, a gift shop, and a concierge who coordinates guest services. The people who work in these various departments require specialized training. However, management positions are often filled by people who began their careers in the front office.

The front office staff works at the front desk and is responsible for taking reservations, checking clients in and out of the hotel, answering telephone inquiries, and providing information to guests.

In a large hotel, the staff may consist of front desk representatives, a cashier, an assistant manager, and a front office manager. The cashier is responsible for presenting the bill for each guest and handling payment at check-out time. The assistant manager and front office manager supervise the staff, prepare reports, and assist with front desk duties during periods of peak activity.

A general manager or executive director oversees all operations of the hotel and supervises the various department heads. In a large hotel, the general manager may be assisted by an assistant manager and an auditor. The assistant manager must be able to handle the duties of the general manager when the general manager is absent. The auditor is responsible for bookkeeping, billing, and financial record keeping.



## *Tour Wholesalers*

Whereas travel agencies provide a retail service, most tour operators are wholesale businesses. A wholesale business buys products from a vendor and then resells them to another business. Unlike a retail business, a wholesaler normally does not sell products to the general public. Tour wholesalers assemble package vacations to be sold to the public by retail travel agencies. A typical package vacation includes airfare as well as accommodations. Other services may also be included, such as airport transportation, sightseeing expeditions, entertainment programs, or sports activities. Such packages are referred to as tour packages or simply tours. Fifty percent of these tour packages include the services of a guide or an escort, but the rest is sold to people who wish to travel independently.

To package a tour, a wholesaler obtains volume discounts from airlines, hotels, and car rental firms. A volume discount is a price reduction for the sale of a large number of units. For example, a wholesaler might agree to purchase a large number of seats from a particular airline, or to book a large number of reservations at a particular resort.

To understand how a wholesaler makes money, let us assume a wholesaler offers a tour package including round-trip airfare and accommodations for five nights.

Let us say the wholesaler receives a 30-percent discount on airfares offered by a major airline and a 50-percent discount on normal room rates at a resort. Let us say the normal round-trip airfare is \$920, and the normal room rate for three nights is \$750. Based on the volume discounts, the wholesaler would pay the airline \$644 for the passenger ticket and \$375 for the accommodations. The wholesaler's total cost for this package is therefore \$1,019. Assume the tour package is offered to the public at a retail price of \$1,600. If the wholesaler pays the travel agency a commission of 15 percent, the wholesaler will earn a profit of \$350, and the travel agent will earn \$240.

Legally, a travel agency is free to set its own retail prices, and, thus, in many cases, agencies have control over how much profit they earn from tour sales.

A tour wholesaler that sells package vacations is called a tour operator. A wholesaler that sells travel products individually, without assembling them into package tours, is called a consolidator. Most consolidators specialize in airline tickets. To obtain a discount from the airline, a consolidator may charter an entire airplane or block seats on a regularly scheduled flight. Blocked seats are seats that are reserved by an airline for sale by wholesalers. The airline sets a cutoff date for the sale of blocked seats on each flight. When the cutoff date is

reached, the airline removes any unsold seats from the block and offers them to the general public at the normal fare.

To sell its entire block of seats on each flight, a wholesaler may sell tickets directly to the public as well as through travel agencies.

Employees of tour wholesale operations must have the same level of knowledge and skills as travel agents. The range of wages and salaries is similar for both occupational categories.

### *Cruise Lines*

The number of cruise passengers has nearly doubled since 1990, representing the highest growth rate of any segment of the travel industry during that period. The popularity of cruise travel is attributed to the large portion of the population that is between 45 and 60 years of age.

Cruise ships travel along preset routes, or itineraries, and offer accommodations and amenities similar to those of a first class hotel. Passengers travel in private accommodations or share accommodations with another traveler. A typical cruise ship has a dining room and recreational facilities, such as a game room, swimming pool, and shuffleboard court. Many deluxe ships, called upscale cruises, have self-contained shopping malls, complete with movie theaters.

Accommodations, meals, non-alcoholic beverages, and enter-

tainment are included in one price. Because their facilities are similar to a land-based resort, cruise ships are often called "floating hotels." A company that operates a cruise ship is called a cruise line. Besides transportation, cruise lines also handle bookings for sightseeing and shopping expeditions at various points along the ship's itinerary. Round-trip airfare for travel to and from the cruise port is often included in the price. The total cost of a cruise usually compares favorably with that of a land-based vacation.

However, resort-style amenities and competitive pricing are not the only factors that attract leisure travelers to cruising. Cruises offer passengers the opportunity to visit several *ports of call* — destinations where the ship docks to allow passengers to go ashore. Among these ports of call are some of the most exotic destinations in the world.

A reservation to travel on a ship is referred to as passage. Although it is possible for passengers to book passage directly with some cruise lines, most bookings are made through travel agencies. Specialty cruises and some independent cruise ships sell passage both to the public and through travel agencies and tour wholesalers.

A small percentage of agencies specializes in cruises and sells airline tickets only to cruise passengers. Travel agencies are paid

commissions by the cruise lines for booking passage.

At the offices of a cruise line, sales are handled by booking agents who have reservation skills and a sound knowledge of the travel industry. Booking agents work closely with travel agents and tour wholesalers to promote sales. Cruise directors are responsible for coordinating shipboard activities (events that take place on board the ship), such as cabin assignments, meal schedules, entertainment, staff meetings, and security. (The accommodations on a cruise ship are referred to as cabins or staterooms.)

### ***Car Rentals***

The automobile is by far the most popular means of transportation, and short-term car rentals generate approximately \$18 billion in annual revenues. Car rental firms rent automobiles and, in some cases, trucks at hourly, daily, weekly, or monthly rates. Many air travelers prefer to rent automobiles at their destinations, rather than to use public transportation. The large chains maintain rental counters at airports to accommodate arriving passengers. The space for these counters is usually leased to the rental firms by the airport. The leasing costs are usually quite high. Comparable space can usually be leased at a much lower cost outside the airport. Lease costs are passed along to rental customers in the

form of higher rates. Thus, rental car rates are sometimes lower at *off-premises locations* — rental offices located near the airport, but not on the premises. Other car rental outlets are located in the central city and suburban areas. In addition, many full-service hotels have car rental counters in the lobby.

The major car rental chains pay commissions to travel agencies for booking reservations. Most such chains are represented in global distribution systems, providing agents with access to rental rates, vehicle availability, and rental information. Some chains also offer rebates for booking car rentals by computer.

Reservation agents work in the central offices of car rental firms, making reservations for clients by telephone. The reservations are received from the public, from travel agents, and from tour wholesalers. A reservation agent's duties include quoting rates, determining availability based on client preferences, and booking reservations.

Customer service counters at airports and rental offices are staffed by rental agents who are responsible for qualifying clients, selling insurance, issuing contracts, dispensing vehicles, and handling payments from clients. To qualify a client, the agent confirms verifies the customer's credit and, as security, makes an imprint of the client's credit card. Both reservation agents and rental agents use computer systems to determine

vehicle rates and availability. Good public contract and communication skills are important qualifications for these positions.

### *Travel Insurance*

Travel insurance protects travelers against monetary losses from a wide range of potential travel-related problems. Most travel insurance is sold through retail travel agencies. A client who purchases travel insurance receives a contract, called a policy, issued by the insurance company. Various types of policies are available, depending on the client's needs, the type of trip, and the price, or premium.

The following are the most common types of travel insurance: A **trip cancellation** policy insures a traveler for nonrefundable trip costs, in the event that a trip is cancelled for reasons that are beyond the traveler's control. A **trip interruption** policy insures a traveler for unexpected travel costs, in the event that a trip is interrupted and the client becomes stranded. Insurance for trip cancellation and interruption are often combined in one policy. **Personal liability** insurance insures travelers for costs of accidental injury or property damage to a third party. **Comprehensive** insurance insures travelers for medical costs caused by accidents or illness during a trip, reimbursement for added expenses if a trip is canceled or interrupted, and compensation for

damage, loss, or theft of personal property.

Travel insurance rates vary from one insurance company to another and, in many cases, are regulated by state laws. Premiums for trip protection are usually based on a set percentage of the total trip cost. Such policies are commonly sold with package tours. Besides travel insurance, personal accident policies are also available for special categories of travelers, such as skiers and scuba divers.

### *The Impact of Automation*

Virtually every industry in the world has been affected to some degree by the widespread adoption of computer technology. A global distribution system (GDS), is based on a large central computer, or *mainframe*, providing service to many sites, such as travel agencies and airport offices. A small travel office may have as few as two terminals, whereas a busy airline reservation center may have more than 100 terminals.

Sabre, the largest GDS, was developed by the parent company of American Airlines, and presently is used by about 35 percent of U.S. travel agencies. In 1990, a partnership of international airlines, including British Airways, Swissair (which has since been reorganized as Swiss International Airlines), KLM Royal Dutch Airlines (which is currently owned and operated by Air France), Scan-

dinavian Airlines, United Airlines, and several other carriers, developed Galileo, the first global reservation system. This system provides travel agents with unbiased displays and direct computer access to over 200 international airlines. The Apollo system, which was developed by United Airlines, is now a part of Galileo. Apollo is used by about 25 percent of U.S. travel agencies. Other reservation systems include Amadeus, and World Span, which was formed by a merger of two reservation systems that were developed independently by Trans World Airlines and Delta Airlines. System One, developed by Continental Airlines, merged with Amadeus, which was formed by a consortium of European airlines headed by Air France, Lufthansa German Airlines, and Iberia Airlines of Spain. In 2006, the Galileo and Worldspan systems merged.

Besides airlines, other segments of the travel industry also make extensive use of computer technology. From car rental chains to cruise lines, from hotels to railways, sophisticated computer systems are used to handle reservations, analyze information, and manage finances. In the lodging industry, computers are used in virtually every aspect of hotel operations, from the maintenance of

exterior grounds to the analysis of food and beverage costs. Reservation systems provide instant access to room availability and rates, while point of sale systems maintain and analyze sales at the front desk, dining room, and cocktail lounge. Computers are also used by hotels to operate telephone systems and regulate heating and air conditioning systems.

## *Summary*

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The travel market may be divided into two broad categories: business travel and leisure travel. The market for business travel consists of corporate travelers, commercial groups, and institutional travelers, whereas the leisure market consists of families, single resort travelers, and travelers with special interests. A retail travel agency sells travel arrangements directly to the public. The main products of a travel agency are air, land, and sea transportation; lodging accommodations; and packaged holidays, or tours. A wide variety of employment opportunities exist with travel agencies, airlines, lodging establishments, car rentals firms, tour wholesalers, cruise lines, bus lines, and railway lines.

## *Key Concepts*

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Give the word, phrase, or name for each of the following:

1. Any business sells that a travel-related service.
2. All the end-users who, at one time or another, purchase a travel product.
3. A government agency that defines travel as any trip of one hundred miles or more.
4. Travel conducted primarily for recreation, entertainment, or sport.
5. The segment of the business travel market that consists of attendees of meetings and conferences.
6. A gathering of people with a common interest or purpose.
7. The segment of the business market that includes employees of governments, schools, and hospitals.
8. The fastest growing segment of the leisure market.
9. A type of business that sells airline tickets, cruises, accommodations, and other travel arrangements directly to the public.
10. The number of passengers carried by an airline, ship line, railway, or bus line.
11. A unit of measurement determined when one passenger travels one mile on a transportation carrier.
12. An airline that transports passengers.
13. Airline employees who work in central offices making flight arrangements for passengers by telephone.
14. Airport employees who work at ticket counters, booking reservations, weighing and checking luggage, and issuing tickets.
15. A type of hotel that has food and beverage service and a bell staff in

addition to guest rooms.

16. A type of hotel that does not offer full food and beverage service.
17. A hotel employee responsible for bookkeeping, billing, and financial record keeping.
18. A business that assembles package vacations to be sold to the public by retail travel agencies.
19. A wholesaler that sells travel products such as airline space, without assembling them in packaged tours.
20. A set number of airline seats that can be sold by wholesalers.
21. The segment of the travel industry that has the highest growth rate.
22. A reservation to travel on a cruise ship.
23. A destinations where a cruise ship docks to allow passengers to go ashore.
24. The global distribution system that was created by a partnership of international airlines.

## *Review Questions*

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1. What term refers to the people who purchase and use a product?
2. What is the most prominent feature of every travel product?
3. Which major segment of the travel market is made up of sales representatives, executives, and convention participants?
4. What do institutional travelers, such as government employees have in common with corporate group travelers?
5. What percent of American families have traveled on an airline flight?
6. What are the main products of a travel agency?

7. What percent of airline tickets are sold by travel agencies?
9. What tool is used by reservation agents and ticketing agents to determine fares and flight availability?
10. What development prompted the Riviera area on the southern coast of France to become a popular resort region?
11. What type of travel product includes airfare as well as hotel accommodations and airport transportation?
12. What is the main difference between a tour operator and a consolidator?
13. When the cutoff date is reached, what happens to airline seats that have not been sold in a seat block?
14. Why are the rates at off-premises car rental locations sometimes lower than at airport locations?
15. What steps are taken by a car rental agent to qualify a client?
16. Name the major global distribution systems.

## *Projects*

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1. Prepare a report on the various travel products that are available in the your area. List the vendors in each category — airline, travel agency, car rental firm, and so forth.
2. Using the classified section of the daily newspaper, prepare a report on various job positions that are available in the area where you live. List the jobs by industry segment.
3. Discuss the influence of businesses, institutions, and families on the travel industry.