

Happy trails for charters: Motor coach operators diversifying to keep businesses strong

Joan Brock, news@knoxvillebiz.com
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Peter J. Pantuso, American Bus Association president and CEO, talks about developments in the industry at this week's annual convention in Pigeon Forge. He said that operators are becoming more diversified by adding more commuter, transit and corporate work.

PIGEON FORGE - The motor coach industry continues to thrive and adapt to customer-driven changes despite uncertain economic times that are forcing consumers to watch their wallets.

That's the assessment from the Tennessee Motor Coach Association's annual convention, which was held this week in Pigeon Forge.

American Bus Association President and CEO Peter J. Pantuso said the travel industry has fared better than most industries and that 2007 was "the best year ever," providing more than 750 million passenger trips that year.

During his industry update Tuesday, Pantuso reported that operators are becoming more diversified by adding more commuter, transit and corporate work. Diversity, Pantuso said, "is going to be key moving forward. Customers want choices."

About 285 attendees from Tennessee and eight surrounding states converged at the Music Road Hotel Conference Center to hear guest speakers, to network and do business.

Tour buses mean big business for destination cities like Pigeon Forge, with more than 600 coaches descending on Pigeon Forge each year, according to the last economic impact study the city conducted through the American Bus Association in 2005.

The Tennessee Motor Coach Association is one of eight state associations the city has hosted in the last five years.

"We get to showcase our area to all these motor coach operators to let them know what we have here. Our goal is to get them to return with these buses full of people," said Joy McNealy, Pigeon Forge Department of Tourism senior sales manager.

Tennessee operators bring bus loads on day trips and two- to three-night stays, and "putting heads in beds" results in tax dollars, McNealy said. The 2008 group travel business was up for most Pigeon Forge businesses, theaters in particular, while individual sales were down slightly, according to McNealy's numbers. She expects group sales to continue to be strong throughout 2009.

About 35,000 operators are on the road averaging 250 days or more a year. "Fifty to 100 people per day times 35,000, those numbers add up pretty quickly," Pantuso said.

He hails motor coach travel as being the "safest way to travel and the greenest way to travel." New engine requirements have resulted in production of lower emission engines and most operators are using ultra-low sulfur diesel.

He added that motor coaches lead every other mode of transportation in fuel efficiency on a per-passenger basis, averaging about 206 passenger miles per gallon.

"Obviously people are recognizing the economy of scale of 50 people to ride as opposed to one or two in a car," he said.

One major growth sector for the motor coach industry in recent years has been student travel, such as travel for annual school trips to the state capitol, or collegiate sports teams traveling by motor coach rather than by air to reduce costs.

"The adult market (mostly seniors) is looking for value propositions," Pantuso added. "The affordability of group travel is appealing to the market and what really drives this market."

Another segment in which he sees growth is in the business sector.

Premier Transportation in Knoxville has added an "executive coach" to its line to attract more of the corporate market, and has found it to be attractive to other sectors as well, including wedding parties and colleges. This luxury coach seats about 27 passengers and provides amenities such as tables, leather sofas, captains chairs, a flat-panel satellite TV, and wireless Internet.

"We had one business take it to the races and use it as their corporate headquarters," said Randy Ingram, Premier Transportation manager. Ingram said his business has done well overall, adding that he, too, is doing more business with schools and that travel club business also is picking up. He said individually ticketed seats dropped off, but are starting to come back.

Touching on industry highlights, Pantuso said last year's \$4-per-gallon fuel prices created hardships on operators, but it also benefited the industry by moving more people to coach. "It has people thinking about alternatives in travel," Pantuso said.

Deborah Neese, executive director of the Tennessee Motor Coach Association, sent a profile sheet to all conference attendees that included questions about how the economy and rise in fuel prices affected their business and whether they saw a rise or decline in 2008.

"Seventy-five percent said the year had improved for 2008," said Neese. Some 85 of the convention attendees in Pigeon Forge are motor coach operators.

Danny Brantley, Tennessee Motor Coach Association president and owner of Brantley Charters in Lexington, Tenn., said operators around the state were "really hurting last year on account of the fuel costs. Now that fuel is down, I think we're all breathing better."

The average price for a new motor coach is \$485,000, according to William Gentry Jr., president of Gentry Trailways Charter and Tours in Knoxville. He said an average bus payment is about \$5,000 a month and the added costs for fuel, drivers, and additional expenditures can triple that monthly figure for each bus. "A lot of people don't realize how much it costs to operate," he said.

Gentry Trailways was among the first common carrier passenger charter companies in Knoxville to start using wireless Internet and continues to look for ways to attract new customers through amenities and convenience services.

He said operators in general "are getting a lot smarter about it." With the vast array of amenities that are commonplace on coaches today, "you can get all your work done on the way there," he said.

Industry segments represented at the convention included motor coach operators, tour planners, guest tour planners, and vendors such as hotels and motels, attractions, restaurants, destinations, parts suppliers and services, manufacturers.

Education is a big component of the motor coach association, according to Neese. The organization makes available on its Web site, www.tnmca.net, helpful information about what people should know before they charter and the steps to charter a motor coach.

