

# Motor Coach Trends and Their Impact on Savannah

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## Introduction and Background

When I accepted the position of Executive Director at the Ships of the Sea Museum in March, 1983, there were four major areas of income for the museum: a giftshop, the four floors of the museum that can be used for receptions, an endowment, and admissions from walk-in traffic. Attention was focused on the admission sales because other areas of the income, giftshop sales and reception income, would increase if visitation to the museum increased.

The group tourist traffic was a neglected area of income for the museum. It can be broken down into three areas: the convention business, the travel agents, and the motor coach business. A motor coach is a bus that holds approximately 40 people. Each motor coach bus usually is on a tour to some part of the country and an escort accompanies the motor coach. The escort's job is to make sure that the passengers are happy. They are in charge of the tour itinerary planned by the motor coach company or the tour operator.

This project focuses on the motor coach business. This area is the most cost-effective use of staff time because the motor coach business brings in the greatest amount of income in the shortest period of time. As an example, the museum collects from a bus of 40 people \$60.00 (\$1.50 per person, driver and escort are complimentary) for a thirty to forty minute tour of the museum. The escorts allow the tourists from the bus time to shop in the giftshop. Therefore, in about an hour we can collect about \$80.00 to \$100.00 total, including giftshop and admission. As stated earlier, giftshop sales do increase as visitor traffic increases.

We have the capacity at the museum to schedule and properly service one motor coach per half hour. This is in addition to scheduled daily tours, walk-in traffic and groups such as the Girl Scouts. Our marketing goal is to try to average about three to four motor coach tours per week during the busy seasons (March - May and September - October) and to average about one to two motor coach tours per week during the slow seasons.

The motor coach company plans a tour for a group in two ways. The first way is that a tour planner who is either an employee of a large motor coach company or the owner of a small motor coach company decides what kind of tour and to what destinations he can sell to a group. The planner may have read an article in the paper about some city or area of the country which has something to offer. The planner may examine other operators' brochures and compare what they are selling. He will contact the various hotels, restaurants, sight-seeing companies, and attractions for cost information in order to develop and price the tour package. Another term for a sight-seeing company is a daily tour company.

Once the operator accumulates the pricing information needed from the hotels, restaurants, sight-seeing companies and attractions, he then determines the list price of the tour. Other items that are factored into the price is the cost of the bus and the escort's salary. Included in the full list price is the standard industry profit margin of 15%. As an example, if the total price to the consumer is \$1,000, a motor coach operators direct costs are \$850 and his profit is \$150 per ticket sold on the tours. Out of this 15%, the motor coach operator has to pay his office overhead and other costs associated with the development of this tour. Whatever is left is the operator's net profit. For the operator to be successful he has to book many varied tours to destinations that the group travel market will purchase.

The second way a tour planner will choose a destination or area to visit is through direct solicitation by suppliers, convention and visitors bureau or receptive operators. Savannah has an outstanding Convention and Visitors Bureau with a staff working hard to develop the motor coach traffic. Therefore, most of the motor coach operators know of Savannah and the *basics* as to what it can offer.

One problem with marketing to the motor coach business is that every operator receives an incredible amount of unsolicited, as well as requested, mail everyday from various cities, attractions, restaurants, hotels and sight-seeing companies. Therefore, it is not easy to get the attention of the tour planner in this way.

Another problem the Ships of the Sea Museum has with marketing to the motor coach business is the cost. We spend a great deal of money printing brochures and advertising. All the solicitations to the motor coach companies are through direct mail. There is very little phone solicitation or follow-up currently done. Though income is good when a motor coach group comes through the doors, it often has taken a good deal of money to produce this one group. Presently, it is believed there is a poor cost/benefit ratio with the current advertising expenses.

Besides the direct booking from the motor coach business, the Ships of the Sea Museum receives motor coach business through local daily tour companies or receptive operators. Local daily tour companies in Savannah provide tours of the Historic District for the individual traveler.

Savannah has eleven local tour companies with nine operators working tour vehicles and two offering horse and carriage tours. Some stop at the various churches in the historic district because the house museums and attractions charge the local daily tour companies an admission fee to visit. The churches have no admission fee.

The last type of tour is the two-hour tour that includes two house museums or attractions. Again, you find the local daily tour companies making one of those stops a church. Many local daily tour companies also offer other non-historic tours during the day.

A receptive operator on the other hand is an individual or company that will arrange all your needs from hotel, special events and meal functions to transportation and sight-seeing while in Savannah. Having dinner in a private, restored home in the Historic District is an example of a special event. Receptive operators do not have their own tour busses, but they will usually contract with a local daily tour company for tours of the Historic District.

## Objectives

The objectives in this marketing research project are to develop a marketing approach using the motor coach industry to increase revenue. At the present time the museum spends about \$9,000 a year in attracting motor coach business to the museum. Does the museum need to spend more time and/or money in marketing the museum? Specifically, is direct marketing and/or telemarketing an efficient means to reach tour operators?

This study was designed to address the following research questions:

- What promotional material/method to use to attract tour operators already coming to Savannah to the Ships of the Sea Museum?
- What promotional material/method to use to attract tour operators to Savannah and the Ships of the Sea Museum?

At the present time the Ships of the Sea Museum attracts the tour operators in three different ways. They are by direct contact with the tour operator, through leads generated by the Savannah Area Convention and Visitors Bureau's sales staff and by the local tour companies or operators. (See Appendix A for a list of programs offered the motor coach operators.) The museum charges the local daily tour operator or receptive operator the costs listed in Appendix A. The daily local tour operator or receptive operator marks this price up to the motor coach operator. Then, of course, the motor coach operator marks up the program again.

## Methodology

The instrument used in this project was a phone survey of motor coach operators throughout the United States and Canada. A sample of 100 operators was obtained through the assistance of Cynthia Alford, Director of Tourism Development for the Savannah Area and Convention Bureau. The sample was selected from the International Association of Convention and Visitors Bureau data base.

After the phone script was developed, two surveys were prepared. One dealt with those not presently coming to Savannah. The interviewer could determine from the phone script answers which survey to use.

## Results

Of the 100 companies surveyed, 47 are currently coming to Savannah or plan to within the next twelve months and 53 are not currently coming to Savannah and do not anticipate coming to Savannah within the next six months. (See Table 1.)

### **Operators currently coming to Savannah.**

Of the 100 respondents, 47 are in this category. Eighty-seven percent are very likely or somewhat likely to visit Savannah within the next 12 months. Additionally, 100% plan to stay at least one night. Of these, 32 (or 69%) use a local daily tour company for their tours. Of those who use a local daily tour company, 23 (or approximately 66%) use Grayline Tours. (See Table 2.) Ninety-seven percent of these motor coach operators ranked the local daily tour companies in Savannah average or greater when compared to other cities they visited in the Southeast. In addition, 24 of the 47 operators visited the Ships of the Sea Museum. This is just over 50% of the total operators presently coming to Savannah. In addition, the Ships of the Sea Museum was the most visited of the museums listed on the survey. (See Table 2 for list of museums/attractions.)

### **Operators not currently coming to Savannah.**

The results of the 53 tour operators that are not presently coming to Savannah showed that of these, 29 (or about 55%) were somewhat or very likely to come to Savannah within the next twelve months. In addition, 39 out of the 53 (or just over 73%) use local daily tour companies when they arrive at their destination for local touring (see Table 1). Since these operators were not using Savannah as a destination they were not asked about which museums/attractions they visited in Savannah.

**Table 1**  
**Expected Visitation to Savannah**  
**by Motor Coach Tour Operators**

	Total Resp.	Operators Coming To Savannah	Operators Not Coming To Savannah
Total Number of Respondents	100	47	53
Very Likely or Somewhat Likely to Visit Savannah within the next 12 months	70%	87%	55%
Overnight	37%	78%	N/A
Spend one night	16%	34%	N/A
Spend two or more nights	22%	47%	N/A
Use Daily Tour Company or Guide	99%	69%	73%
Some demand or strong demand to visit Savannah in the next 12 months	92%	98%	87%

Each survey (those operators presently coming, and those not presently coming to Savannah) had a section which asked, "Besides the total tour package price, please rank the following in order of importance to you when planning your tour package?" The areas they were to rank were (1) attractions/museums; (2) sight-seeing; (3) accommodations; (4) dining; and (5) special events. The operators ranked their choices on a scale of one to five, with one being the most important and five being the least important. Just over 80% of those operators presently coming to Savannah ranked attractions/museums at an importance level of three or higher. Just over 88% of the operators who are not presently coming to Savannah ranked the attraction/museums at an importance level of three or higher. In both cases, those operators presently coming to Savannah and those operators not presently coming to Savannah, the importance level ranking for attraction/museums out-ranked the other four areas of this question.

Again, both groups of surveys project demand for future tours to Savannah within the next twelve months. Those presently coming to Savannah showed that 98% of the operators see either some demand or strong demand. With those not presently coming to Savannah, 87% indicated some demand or strong demand in the future. (See Table 1.)

**Table 2**

**Use of Local Daily Tours and Visitation to Savannah Museums/Attractions by Motor Coach Operators**

Motor Coach Operators presently coming to Savannah and using one of the Daily Tour Operators.	Percent (actual number) Saying "Yes"	
a. Grayline	49%	(23)
b. All Others	12%	(6)
c. Use No Daily Tour operator	39%	(18)

Motor Coach Operators currently coming to Savannah and using one of the Daily Tour Operators and Visited a Museum/Attraction	Percent (actual number) Saying "Yes"	
a. Ships of the Sea Museum	51%	(24)
b. Davenport House	17%	(8)
c. Juliette Gordon Low House	17%	(8)
d. Owens Thomas House	17%	(8)
e. Andrew Low House	11%	(5)
f. Green Meldrim House	9%	(4)
g. Savannah History Museum	9%	(4)
h. Scarborough House	9%	(4)
i. Old Fort Jackson	6%	(3)
j. Fort Pulaski	2%	(1)
k. Telfair Academy	2%	(1)
l. Others	66%	(31)

NOTE: Percentages in the area of museum/attraction on Table 2 do not add up to 100 because most of the tours of the Historic Savannah includes more than one museum per tour. In addition, *Other* in the same category on Table 2 includes private homes and Federal and State sites.

## Conclusions

First, it is obvious from the results of these surveys that the Ships of the Sea Museum enjoys a good market share of the present business coming to Savannah. (See Table 2.) The museum either attracts the business directly with the motor coach operator or it is brought to the museum by a daily tour operator and/or by Grayline Tours. The results also show that the Ships of the Sea Museum is visited many more times by tours than the other museums in Savannah.

Secondly, based on these results, it is obvious that tour operators, whether they are presently coming to Savannah or not, believe that museums/attractions are an important part of the total tour package they try to sell. This conclusion also shows up when the results were divided up by region (Table 3).

Thirdly, the relationship built between Grayline Tours and the Ships of the Sea Museum seems to be a strong one. The survey shows that some of the motor coach operators who visited the museum came through Grayline Tours. Though other daily tour operators and museums/attractions were mentioned, none seemed to do the business that Grayline attracts.

Fourth, the results from the Far West regional division cannot be used due to the very small sample size (Table 3); however, taking the other three regions, the Ships of the Sea Museum attracted the most operators from the Midwest (33%), then the South (28%) and lastly the North (18%). This shows that the museum is attracting motor coach operators fairly evenly from all three regions of the country.

Table 3

### Regional Origin of Motor Coach Operators Who Use Local Daily Tour Operators and Visit Ships of the Sea Museum

Category	Southern	Northern	Midwest
Actual Number	25	44	27
	Percent (actual number)		
1. Use daily tour operators	76% (19)	83% (28)	77% (21)
2. Visited the Ships of the Sea Museum	28% (7)	18% (8)	33% (9)

NOTE: The Western region had only four operators. Therefore, this area was eliminated due to the extremely small sample size.

Lastly, the survey is not definitive in determining the amount of business that comes to Ships of the Sea Museum from the local daily tour company and the business that comes directly to the museum from the motor coach operator. It is obvious that a good amount of business from the motor coach operator does come from the daily tour operator (Table 3).

Therefore, what promotional material/method can be used to attract motor coach tour operators already coming to Savannah and the Ships of the Sea Museum? They are:

1. More time spent working on developing a relationship with the daily tour companies who conduct tours in the city.
2. Museum should do exit interviews with the motor coach operators that book directly with the museum to see what programs and events they enjoyed.

Armed with the above information, the museum needs to develop a brochure targeted at both the motor coach and daily tour operators, focusing on those programs that are popular.



## Appendix A

### FUNCTIONS AT THE SHIPS OF THE SEA MUSEUM FOR MOTOR COACH OPERATORS

Tour 20 minutes to 1 hour	\$1.50 per person
School groups – grades K-8	\$1.00 per person
School groups – grades 9 & up	\$1.50 per person
Girl Scouts	\$1.50 per scout
Accompanying Adults	\$2.00 per person
Tour with wine and cheese	\$4.00 per person
Tour with tea and cookies	\$3.00 per person
Tour with Mint Julep or Mimosa	\$5.00 per person
Combination tour of the Georgia Ports Authority and the Ships of the Sea Museum	\$4.50 per person
Continental Breakfast	\$4.50 per person
Extended Continental Breakfast	\$6.50 per person
Full Breakfast	\$8.50 per person
Receptions – includes the use of all four floors of the museum for 2 to 2 1/2 hours:	
Open bar with light hors d'oeuvres	\$8.00 – \$10.00 per person
Open bar with heavy hors d'oeuvres	\$12.00 – \$19.00 per person
Wine and Cheese	\$8.50 per person
Seated Dinner – Maximum 90 people	\$25.00 to \$45.00 per person depending on menu/beverage
Educational and spouse programs for scouts and children:	
Tug boat building and tour	\$9.50 per person
Knot Tying and tour	\$6.50 per person
Sea Chest building and tour	\$9.50 per person
Pizza and tour – includes drink and dessert	\$5.50 per person (26 or more) (25 or less)

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YEARS DAY ON A PRE-ARRANGED BASIS.