

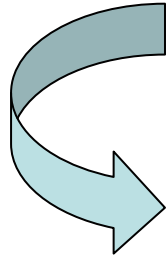
Suednord

TRAVEL AND TOURISM

Tourism in Italia

- Tour operators

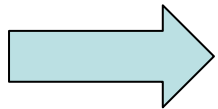
- The tour operating industry (eg. Thomas Cook) makes going on holiday affordable for everyone :
 - cheaper fares
 - standardization of holidays (fares, destinations, services)



The tour operating industry particularly contributes to spreading mass tourism.



more flexible holiday-makers.



good relationship between holiday-makers and tour operator companies.

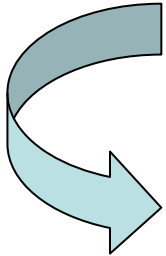
- The complexity of tourism product management is due to:
 - the satisfaction or disappointment of holiday-makers regarding the product/facilities,
 - the fact that trends and marketing create demand,
 - product market competition,
 - political contexts,
 - weather conditions

- The industrial sector (suppliers) deals with management issues such as:
 - airlines, train companies
 - catering and hotel chains
 - car hiring companies
- the commercial sector (tour operators, travel agencies, associations)

- Holiday packages include :
 - tours (of the major archeological or cultural places of interest in a country)
 - holidays in the countryside (by the sea or in the mountains)
 - fly and drive trips (flight and hire of a car)
 - all inclusive trips

- Tour operators are often specialized in one type of holiday, whether it being
 - cruises
 - holidays by the sea or in the mountains
 - heritage holidays
 - language/study trips
- or deal with one category of customers (the young or the elderly...)

- Larger scale companies are in a position to diversify their offer by :
 - extending their range of products within their structure
 - buying out companies that offer different holiday packages

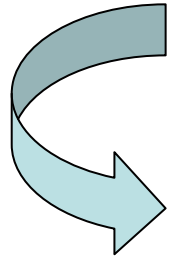


Example : Tour Operator Ventaglio

Originally specialized in all inclusive trips.

As of 1996 : buy out of Caledoiscopio, specialized in large tours, and of other tourism companies including Columbus, Utat and Best Tours.

- The activity of tour operators can be described by the word “general” :
 - selling tourism products and services all around the world.



Examples of general Tour Operators in Italy:

- Alpitour, specialized in trips to the Mediterranean area (Spain, Tunisia and Egypt), is the biggest tour operator in Italy in terms of turnover (€1,000,070,000 in 2001) and passengers carried.

- Teorema, is specialized in trips to Greece, Spain and Egypt.
- Columbus di Viaggi del Ventaglio, specialized in trips to Greece, Spain and Tunisia.
- Sprigtour Tunisia.

- Comparison between the turnover of Alpitour and that of other tour operators in Europe :

Alpitour (1st T.O. in Italy) : €1,000,070,000

Tui (1st T.O. in Germany) : €12,763,290

My Travel Group (1st T.O. in England):
€8,211,000



The tourism sector creates a large number of small and medium sized enterprises :

- There are currently 400 in Italy.

- Sector in 2004 :

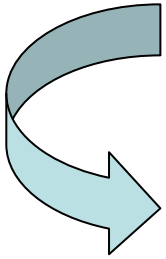
Turnover : €4,500,000,000 (+1%)

Passengers carried : over 7 million (+2%)

- turnover forecast for 2007 :

€4,850,000,000

- Although there has been a 4% increase in the number of tourists going on holiday to the sea or in the mountains
- And a 8.5% increase in the number of tourists going on a cruise,
- General Tour Operators have recorded a decrease in the sale of trips due to new travel distribution systems.



Nowadays, holiday makers are more independent.

They tend to book cheap flights (low cost companies) and other tourist products using their credit card.

For the most part they use the internet to book a holiday.

Internet :

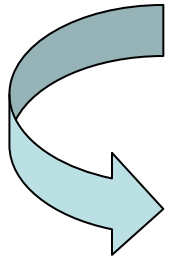
- In 2004, 49.3% of Europeans used the internet, 23% of whom used it for tourism purposes.
- With the spread of the internet at home, the sale of tourism products online increased by 894.3% between 2002 and 2005.
- Betw. 2002 and 2005, 6.8 million Italians (35% of the population) visited tourism websites, compared with 55% in France, 47% in G.B. and 40% in Germany.

- In Italy, only 25% of holiday makers buy a holiday through a travel agency, compared to 60% in Germany and Great Britain.

Tourism in Italia

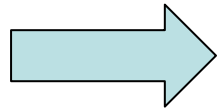
- Airline companies and distribution

- 2005 : important date for the plane industry



first test flights of the plane Airbus A380 that can carry up to 900 passengers and offers all facilities aboard (gym, shops...)

- Many major eastern plane companies are being enlarged to appeal to new markets (high profit expectation).

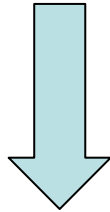


Examples :

Singapore Airlines : 1st flights en route to Singapore – London (20 Boeing 787s have already been ordered + 20 more can be ordered).

Emirates (United Arab Emirates Airline) : development of the Far East routes to carry tourists and workers (43 A380s have been ordered)

- 2005 : 75th anniversary of the air hostess profession :



1st air hostess : Ellen Church, who signed a contract with United Airlines in May 1930 to work on the Chicago – Oakland flight. (at the time, flying was reserved to an elite)

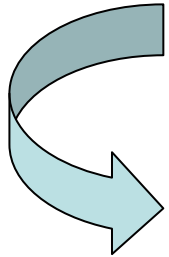
- 17 December 1913 :
1st commercial flight ever on the St Petersburg Bay (Florida).

- In the 20s – 30s,
birth of the first aircraft companies.

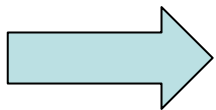
Examples of new companies:

- > Sabena in Belgium
- > Imperial Airways in England (flights to Africa)
- > die Deutsche Lufthansa (in 1926)
- > first internal flights in Russia
- > Sisa in Italy
- > American Airlines, Trans World Airlines and United Airlines in the USA (contract with the US Post Office to carry the mail).

- 1927 : Charles Lindbergh flies across the Atlantic aboard the Spirit of St Louis



many air carriers launch transatlantic flights.



major step for the civil aviation.

- World War II restricted the number of civil flights.
- But :
- Contributed greatly to the development of aircraft technology.

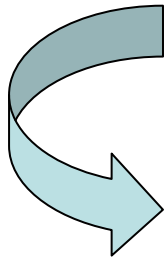
- Development of aircraft technology with:

Boeing, Mc Donnell Douglas, Lockheed (USA), Tupolev and Yliushin (Soviet Union), Airbus (European Consortium) launch national and short-range international commercial flights (about 100 seats).

- First non-stop long-range flight : the DC8
(carried over 200 passengers)

- A true revolution in the aircraft history occurred in the 70s with the B747 plane :
 - number of seats doubled : from 200 to 400.
 - launch of more non-stop long-range flights.
 - launch of flights on the Europe – Far East routes.
 - reduction in the cost of petrol.
 - Reduction in pollution.

- Development of the aircraft industry



Necessity of implementing regulations



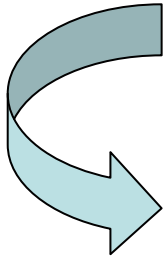
- 1938 : Civil Aeronautics Act (USA) and creation of the Civil Aeronautics Board (CAB) to prevent unfair competition.

- In the 70s :
increase in the price of fuel


 increase in fares

 competition between the companies.

 1978 : Airline Deregulation Act approved by the Senate and ratified by US President Jimmy Carter.



Abolition of the CAB

 Late 1980s : Fusion policies and joint ventures.

 oligopoly in the aircraft industry

 development of the hub and spokes system by mega carriers.

- Passengers were offered more frequent and cheaper flights.
- One disadvantage : flights last longer.

- To get round the competition, low cost carriers (eg. Southwest) implement frequent connections and avoid the “hub” areas.

- 1971 : Southwest starts flying to Dallas, Houston and San Antonio.

Their philosophy :

carry passengers to their destination on time at the lowest possible price to build customer loyalty.

- 1979 : Great innovation :

Southwest invents self-ticketing in 10 cities
: a system that is more convenient for
passengers.



Reduction of costs



Cheaper fares.



By 1990 : \$1 Billion profit

- Today, Southwest is the 3rd biggest company in the USA, behind Delta Airlines and American Airlines.
- It's the biggest company for domestic flights.
- 2005 : 88.4 million passengers carried, 61 airports served in 31 states, 2800 flights daily.

- Another revolution in the aircraft industry :

Creation of the CRS (Computer Reservation Systems), to implement real time bookings.

Eg : SABRE (American Airlines), PARS (TWA), Apollo (United Airlines).

In EUROPE :


- Evolution similar to that of the American market, but much slower :

- European countries were following the Convention of Chicago (1944) that provided for bilateral agreements regarding air regulations between the countries.

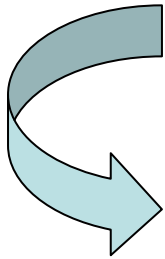
- 1957 : Treaty of Rome

The EEC wants to promote a free-market policy.

- In the 70s, the sector goes through a crisis due to an increase in the price of petrol

 Intervention of the states, breach of the free-market policy.

- 1986 : Unique European Act (signed in Paris)



liberalization of the aircraft industry
: more flexible fares and routes.

- 1985 : Creation of the Irish company Ryanair.
 - > Originally, operative on the route Dublin-London and offers very competitive fares.
 - > After 1991, follows in the footsteps of the US Southwest and becomes a low cost company.

- Low cost companies are to be opposed to the main 3 alliances :
 - > Oneworld (1974 aircrafts and 563 destinations)
 - > Star Alliance (2123 aircrafts and 700 destinations)
 - > Sky Team (2123 aircrafts and 512 destinations)

- Characteristics of low cost companies :
- Optimization of the staff (multitasking)
- Use of call centres
- Serve secondary airports
- No ticketing
- Free seating
- No-frills service aboard

- Biggest airport in terms of passengers :
Atlanta (83 million in 2004)
- ⇒ in Europe : London Heathrow (63.3 million in 2004)

Airports in Rome

- “Aeroporti di Roma - ADR S.p.A.” was created in 1974 to manage and develop the 2 Rome airports :

⇒ The Leonardo da Vinci airport at Fiumicino

⇒ The Giovan Battista Pastine at Ciampino

- In 2005, over 32 million passengers travelled via the 2 Rome airports to one of the 150 destinations offered by 140 airline companies.

- The Fiumicino airport hosts airline and charter companies that operate domestic, international and intercontinental flights.
- The Ciampino airport hosts low cost companies.

- “Aeroporti di Roma - ADR S.p.A.” plays an important part in the development of the local and national economies.

10% of the production and over 11% of the employment in Lazio are to be attributed to ADR.

- **Fiumicino**

via dell'Aeroporto di Fiumicino, 00050 Fiumicino (RM)

The airport is 32 km away from the centre of Rome.



- **Roma Ciampino**

via Appia Nuova 1651, 00040 Roma Ciampino



Tourism in Italia

- The case Alitalia



About the company

- **Alitalia - Linee Aeree Italiane S.p.A.** has been flying passengers and cargo all over the world since 1947. Apart from airline flight and ground operations, the Company also deals with closely related activities such as marketing, business strategies and sales.

- **Alitalia Servizi** is a separate company set up in May 2005 with Fintecna as a shareholder. It operates in the fields of aircraft maintenance, airport services, IT services and telecommunications. The activities provided by Alitalia Servizi for Alitalia are governed by specific contracts which guarantee the quality of services for customers.

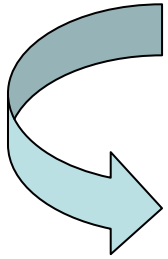
- In Italy, Alitalia serves 28 airports with 1,414 flights a week.
- Throughout Europe, 56 airports with 1,407 flights a week.
- And in the rest of the world, Alitalia flies to 18 airports with 139 flights a week.

- In 2001, Alitalia joined the [SkyTeam](#) international alliance which includes several leading airlines in Europe and worldwide – Northwest, KLM, Air France, AeroMexico, CSA Czech Airlines, Continental, Delta, Korean Air – with a network serving 684 destinations in more than 130 countries.

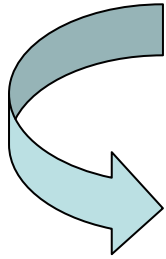
- During 2005, about 24 million passengers flew with Alitalia, showing an increase of 7.8% compared to 2004. There are now many more flights to areas such as Eastern Europe, India and China where the demand for air transport is rising rapidly.

- To carry out these activities, the Company uses two hub airports, Rome Fiumicino and Milan Malpensa, and has a fleet of 177 aircraft.

- In 2005, Alitalia's sense of social responsibility was clearly stated in a Code of Integrity and a Charter of Values, representing the cornerstones of its corporate culture.



Commitment of the people who
work in Alitalia.



The Code guide their conduct in all activities ranging from organizing business strategies and their daily working lives, to dealing with internal and external interlocutors, as well as respecting the environment and social questions.



The history

ALITALIA'S HISTORY

“THE PAST IS THE MEASURE FOR OUR FUTURE”

1947-1948

From birth to the first intercontinental flight.

On May 5, 1947, the G-12 named "Alcione", commanded by Virginio Reinero, takes-off from Turin, stops in Rome and arrives at its destination, Catania.

Two months later, on July 6, the first international link takes place with a flight from Rome to Oslo.

In March of the following year a "Lancastrian" inaugurates the first intercontinental flight, from Milan to Rome-Dakar-Natal-Rio de Janeiro-São Paulo and Buenos Aires.

- First flight announce :

“ALITALIA”
AEROLINEE ITALIANE INTERNAZIONALI

“LA FRECCIA ALATA..”



dal 5 maggio
Servizi Aerei
PASSEGGERI
MERCI
POSTA
con trimotori
FIAT G. 12

ROMA - TORINO

ROMA - CATANIA

•

Per informazioni rivolgersi all'ALITALIA
AGENZIA PRINCIPALE DI ROMA
Via Leonida Bissolati, 35 - 37 - 39
Telefoni: 470.500 - 470.600
e presso tutte le principali AGENZIE di VIAGGI

- First intercontinental flight announce :

da **LUNEDÌ**
23
MAGGIO

dalla Val Padana
alla Pampa con
Le "FRECCHE ALATE"

sulla linea: **ALITALIA**
MILANO-ROMA-DAKAR-
NATAL - RIO de JANEIRO-
SAN PAOLO-BAIRES-

in 35 ore di volo

CONFORT
VELOCITA'
SICUREZZA

CON

ALITALIA



1950-1951



Welcome, style and comfort.

In 1950 the first flight attendants board a plane wearing uniforms created by the Fontana Sisters, a well-known fashion house at the time. In 1951 the first hot meal is served to DC-4 passengers while they're flying high above the clouds.

The Company scales the international air traffic ratings, from twentieth to twelfth place, in 1957.



Douglas DC-4.

- Sorelle Fontana's uniform :



Check-in at Ciampino airport in the early 50s.



1960-1961

**Olympic Games,
and a base at Fiumicino.**

The first jets join the fleet (DC-8s and Caravelles).

Alitalia is appointed the official carrier for the Rome Olympic Games in 1960, reaching yet another milestone – one million passengers carried in a year.

The Company moves to the Leonardo da Vinci intercontinental airport in Fiumicino, where the Flight Training Centre is inaugurated, with flight simulators for DC-8, Viscount and Caravelle aircraft.

Number of passengers carried in 1966 :

→BEA	7,127,670
→Airfrance	4,389,964
→Lufthansa	3,391,754
→SAS	3,276,792
→Alitalia	3,240,341
→Iberia	2,255,171
→SwissAir	2,069,012
→KLM	1,445,832

1969-1970

The Alitalia logo features the word "Alitalia" in a bold, green, sans-serif font. The letter "A" is stylized with a red triangle on its left side. The logo is set against a light green rectangular background.

1969 : Alitalia's new logo

The new Jumbo's impressive look.

Alitalia, seventh on the international traffic ratings, is the first airline company to fly an all-jet fleet.

The stylish new look - an A on the tailfin and an elegant green stripe along the fuselage - gains worldwide recognition as a symbol of quality and safety.

In the early 1970s, the first B747 flies to North America. Three years later, even the Far East is conquered thanks to the trans-Siberian route.

- The B747



- Between 1972 and 1988, the President of Alitalia was Umberto Nordio :

“This year’s winner is Alitalia’s president, Umberto Nordio for his efforts in presenting opposing views in the deregulation/open skies confrontation with U.S. airline regulatory policy makers. His arguments were well prepared and well presented and regardless of your position on the issues, you had to agree that you were better informed after hearing a Nordio presentation.”

(Air Transport World, January 1983, commenting Nordio’s speech on deregulation.)

- Between 1972 and 1988, Alitalia was being enlarged.
- At the same time, 2 new companies emerged : Itavia and Alisarda.

The Ciampino and Fiumicino airports undergo new management (Aeroporti di Roma)

1981 : A Transport Plan was implemented (although the project was initiated much earlier in the 70s).

As part of this Plan, a new airport is created in Milan, the Malpensa airport, that becomes the new Italian hub.

- The Transport Plan also scheduled the creation of a fast train service (AZ) in the North of Italy.
- Why up North?
→because the North was a market source.
The AZ train service serves the biggest airports in the world.

Number of passengers carried in 1989 (in millions) :

BA	23,182
LH	18,759
AZ	16,204
AF	16,071
IB	15,503
KL	6,504

- Also in 1989, Alitalia progressively changed its routes to operate more short-haul routes.

- 1991 : Airline companies are free to set up their own prices.

The Government approves the deregulation of the sector.

The float gets bigger. The first one of the aircrafts that have been ordered is delivered this very year under the Bisignani management (1989-1994).

- In 1991, the AZ is still controlled by the Government, whereas KLM and BA get denationalized.

2001 ...

A great alliance and advanced aircraft technology.

Alitalia officially joins SkyTeam – one of the three global alliances – along with Air France, Delta Air Lines, Korean Air, AeroMexico and Czech Airlines (CSA).

In 2002, during a difficult global scenario, Alitalia launches a decisive signal by presenting the newest aircraft to join its fleet – the B777, the largest twin-jet in the world, and a symbol of high technology, safety and comfort, operating on long-haul routes.

B777, the largest twin-jet in the world.

- B777, the largest twin-jet in the world



- For more than 50 years, Alitalia has been an important point of reference in the history of the development of Italy and Europe, not only because it has enabled millions of people to fly ever greater distances but also because it has played a major role in the growth of the social and economic fabric of this great community.

- The principal aspects of this progress, which represents the meeting and integration of different peoples and cultures, are artistic endeavour, respect for the environment, and solidarity towards those who need support.

- The values which through the years have been expressed through Company initiatives have reinforced the image of Alitalia as an ambassador for “Made in Italy” products and Italian culture.

- Lease back :

KLM : 84%

SAS : 39%

AR : 32%

SW : 27%

AZ : 24%

- Sources :

<http://corporate.alitalia.com/en/>

Bordoni A., 2006, Alitalia, Gli anni dell'oblio, masterviaggi.