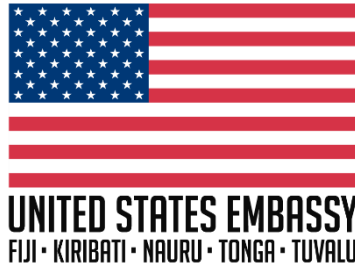




PACIFIC TOURISM
ORGANISATION



SPTO SME Recovery Toolkit

Chapter 5: Access to market and getting ready
for business

Contents

Chapter 5: Access to market and getting ready for business.....	2
Understanding your access to market	3
International tour operators.....	5
Ground Agents	6
Inbound / Domestic tour operators.....	7
Tour suppliers / Tour Leaders.....	8
Online travel agents (OTAs) and search engines	9
Direct sales	10
Pros and cons of different channels for tours and experience providers	12
Pros and cons of direct sales.....	13
Pros and cons of working with OTAs	14
Action: Getting ready for business	15
Contacting tourism businesses: for attractions and activity providers	16
Tips for boosting sales during the COVID-19 recovery period.	17
Preparing for and attending meetings	18
Prove your product through familiarisation visits	20
Chapter 5: Key Takeaways	21
Activity: Getting Ready.....	22

Tools used for this chapter:

5.0	Template: Prepare your pitch
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Chapter 5: Access to market and getting ready for business



The last chapter of the handbook gave guidance on pricing principles that are essential for ensuring that the prices you charge cover your costs, earn a profit and are competitive.



In this chapter you will receive guidance that will help you in preparing for recovery. It is a good time to re-evaluate **how your business connects to customers and the tourist market**, as tourist numbers are likely going to be lower than usual for a while. Within this chapter you will find information on **different marketing routes** for your business and guidance on how you can **reach and promote** your offers to different target audiences.

How to use this chapter of the handbook:

A recap of the different tourism businesses is provided along with information on how they work. Read through this material and then **ensure that you are familiar with the key players working in your country.**

Tips are provided on how to get ready for business and this entails how to prepare for making contact and presenting your offer.

Understanding your access to market

In chapter 1, different types of tourism businesses were illustrated and each of them provide a **route for you to access tourists** or in other words, they have the potential to bring tourists to you. This chapter provides a **brief recap** on how they work so that you can further understand how you might work with them.

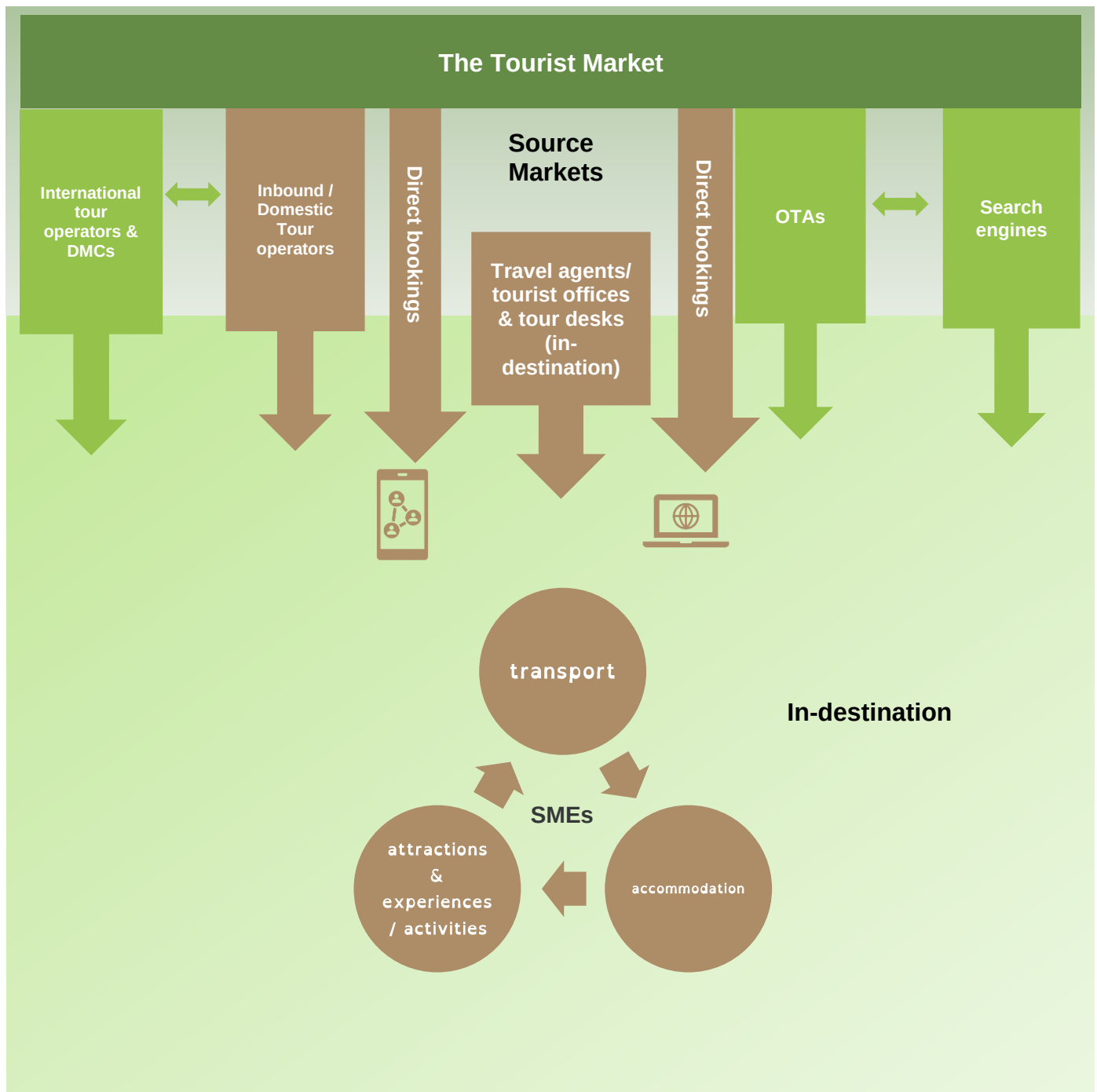
The ways in which different tourism businesses work will vary between countries and so the important action is to **understand how they all work with businesses in your country**. The National Tourism Organisation as well as other tourism contacts will be able to help you with this.

In a competitive world, it is preferable to consider **several different routes** to market to maximise your bookings. As highlighted in the pricing chapter, it is important to remember that working with different types of tourism businesses can impact your profit margins so bear this in mind when exploring ways in which you can reach the market

Credit: David Kirkland & SPTO



The diagram below illustrates the different ways that the tourist market can organise travel to a tourist destination. It shows how different operators, suppliers and providers can work both separately and together. **Not all of these will necessarily operate to your country**, however it is useful to understand how the global industry works.



Tourists can book through any of these routes either **from their home or when they are in the destination**, even **international tour operators will keep trying to sell excursions** to their customers when they are in the destination via their online channels and representatives based in hotels and resorts.

The following pages will set out how each of the different businesses act as a route to market.

International tour operators

These are more common for European source markets.



Ground Agents



Credit: David Kirkland & SPTO



Inbound / Domestic tour operators

Note that there can be overlap between ground agents and inbound operators as some ground agents also organize tours



*Local tour operators can really benefit from **promoting each other's tours and activities** - both for perfect pairings and crazy combos. **A partner network** can open up opportunities to reach wider – yet like-minded - audiences. By operating as a team, tour companies can also benefit from **more powerful marketing efforts and a bigger budget.***

Source: Treksoft 2019: 'Increase bookings in-destination'

Tour suppliers / Tour Leaders

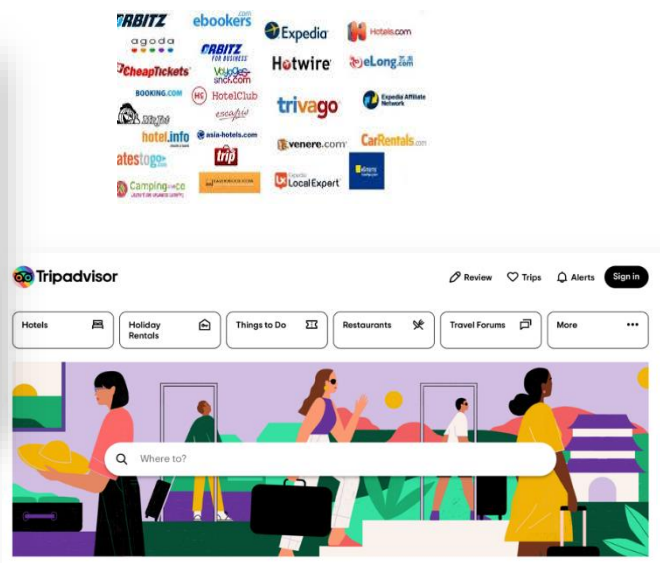
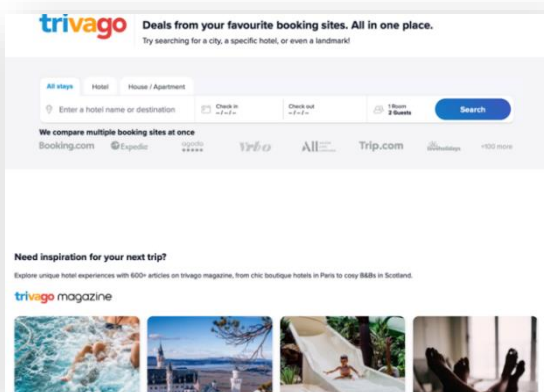


Online travel agents (OTAs) and search engines



Examples of the most commonly known OTAs are:

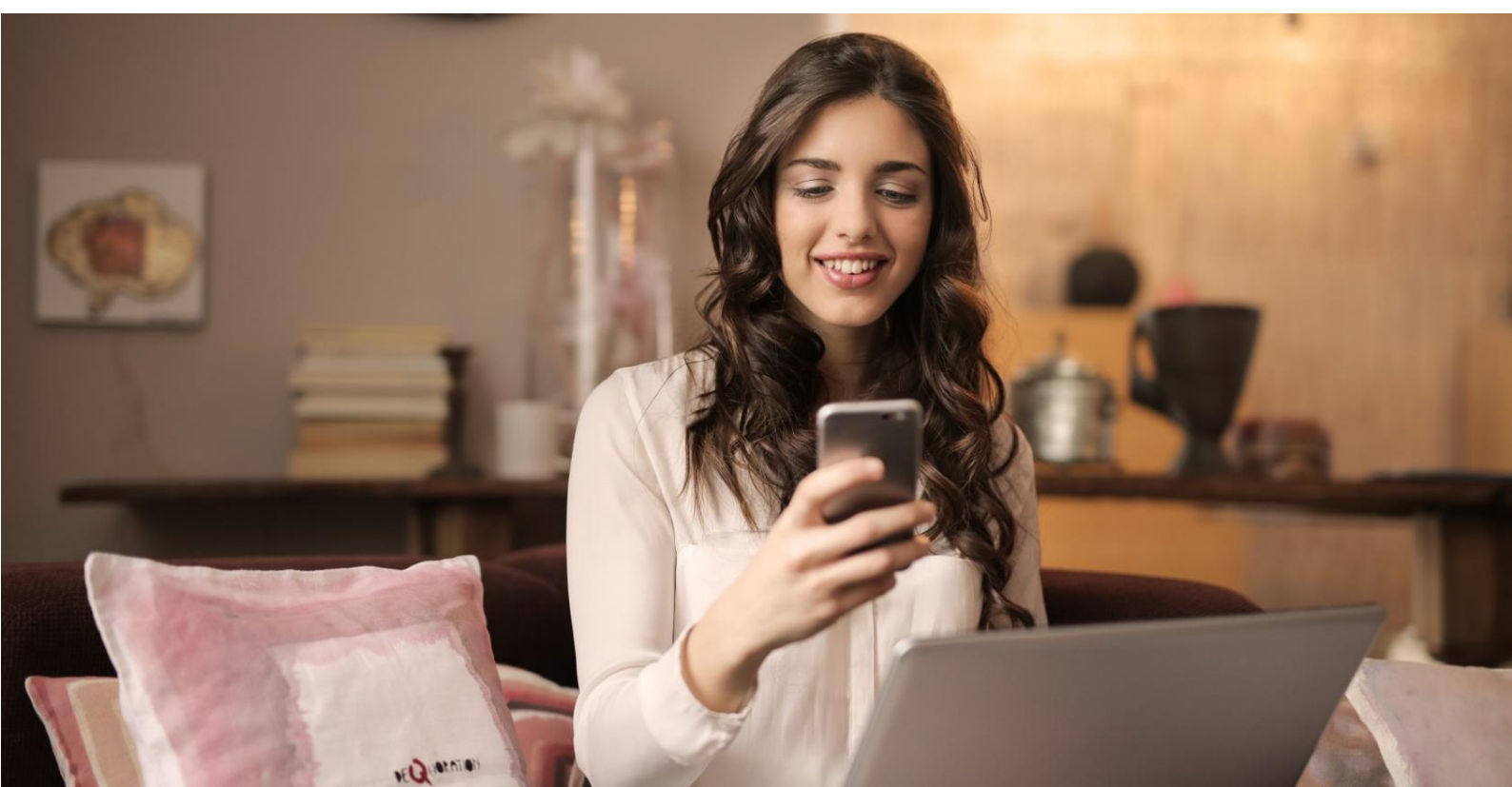
- Booking.com, expedia.com, agoda.com, KAYAK, Trivago.
- TripAdvisor Inc (tripadvisor.com) started as a review site and now offers the facility to book accommodation



Direct sales



Note **chapter 7** covers online and digital marketing



Pros and cons of different channels for tours and experience providers

Traditional, offline selling direct to customers: e.g. through tour desks, desks in hotel lobbies / and other locations.

Pros	Cons
✓ A good option if you know how and when to reach tourists , competition is not high.	- Can be very time consuming / you may have to pay sales reps

Traditional, trade-to-trade / resellers / partners: this could be other operators in the region, hotel concierges, DMOs, tourist offices, restaurants, anyone who is willing to sell your tour to their customers:

Pros	Cons
✓ Personal recommendations of your tours are priceless and therefore trusted by customers	- Building relationships takes time and will require updates
✓ They will take care of the selling process	- Too much reliance on partners and resellers makes you vulnerable to disruptions in their services
	- Usually means offering free experiences to potential partners



Pros and cons of direct sales

Selling accommodation, attractions and experiences direct to customers through your own website or social media channels:

Pros	Cons
✓ More and more customers are booking holiday experiences directly online (and have become more accustomed to this during the pandemic) so you will miss out on a large segment of potential customers if you do not have your own online direct booking mechanism. ✓ Higher value sales as it allows you to cut out any middle agents who will always take a commission. ✓ Enables you to have a direct connection to your customers which can be useful for pre- and post-arrival communications. ✓ Basic social Media accounts are free of charge to set up.	- You will need to invest time and money in setting up an online booking/reservation system on your website. - It may take some time to build up an online following on social media and promote your offering successfully to a wide enough market. - More time may be required for booking administration e.g. back and forth communications with guests etc.



"Operators say they want more direct bookings and to reduce the influence of OTAs.

*But if they really want more direct sales, they have to act like it. That means getting **their digital** marketing house in order.*

Only when operators take control of their digital presence will they begin to control their sales and marketing destiny."

Source: TrekSoft 'How to work with Online Travel Agents. A guide for tour and activity companies' **TrekSoft, 2019**

Pros and cons of working with OTAs

While you will be able to **instantly sell to global audiences**, it will come at a price. Never let your business become reliant on one OTA or distribution channel, if they change rates or policies what would it mean to your business?

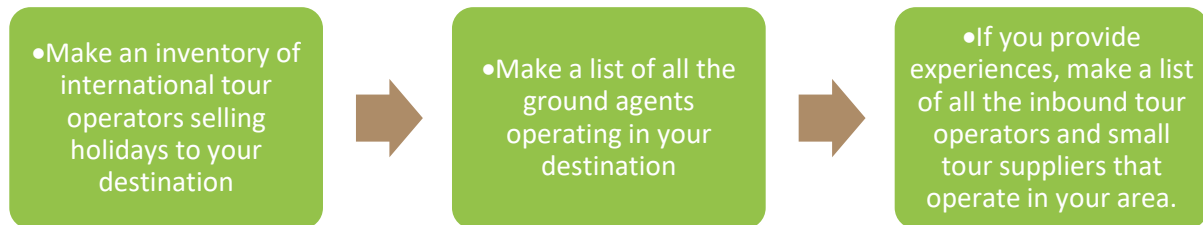
Pros	Cons
✓ Expands your audience and you will be seen as a professional operator in your area ✓ Sell to new, global markets without having to invest time and money yourself. ✓ Get support to make listings stand out and be translated into other languages so it is more accessible for customers globally. ✓ Lucrative source of bookings and income as part of a balanced distribution strategy	- High commission rates 20%+ which will continue to increase. - Limited information and connection with your customers from each OTA. - Reliance on OTAs can become a problem if they change rates or terms.

Credit: David Kirkland & SPTO



Action: Getting ready for business

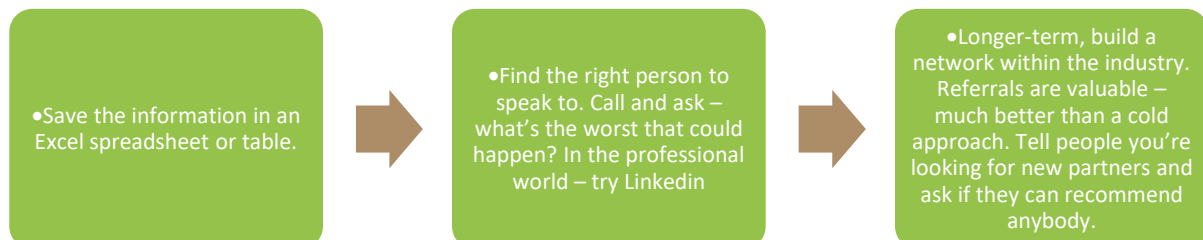
Step 1: understanding the routes to market



How to do this: Research, Research, Research!



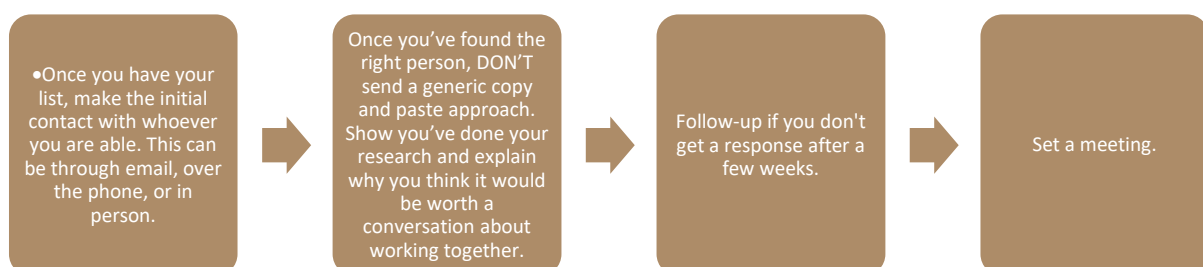
Create a database of contacts



Focus your efforts

Selling is a time consuming process and so initially focus your efforts on businesses that are serving your target / ideal customer market.

Step 2: Making Contact



Contacting tourism businesses: for attractions and activity providers

International Tour Operators	Ground Agents, inbound and local operators	Hotels	Tour suppliers, leaders and guides, transport drivers
+ They are very busy people and will have little time to help. + International tour operators will contact small businesses, they will ask their ground handler/agent to deal with all the operational details. + International operators put a lot of trust in their ground agents because they act as a guardian of a tour operator's excellent reputation with tourists. Consequently, ground agents need to be able to trust you too.	+ Most of the time, a ground agent or local operator will get in contact for two reasons: -<u>they have been asked by an international tour operator to find a specific activity</u> OR -<u>they are looking for something new</u> that will make their company more competitive. + They are much more likely to contact you if your product offers something new and different. + They will ask questions about the product and may ask for several changes to meet the needs of their international clients.	+ Most hotels have tour desks or work with local tour suppliers + Hotel managers want their guests to have a great time as they will want them to come back and stay again and having great local experiences will enhance their visit.	+ You should make contact with these businesses in exactly the same way as with ground agents. + Some of them may already be known to you, in which case a more informal approach can be taken.
+ To contact a tour operator, visit their website chapter "about us". + Look for the following job titles: "Country Specialist", "Product Manager" or "Product Director". + Send them an email to find out who it is best to talk to.	+ In the first instance the ground agent should be contacted by email and then followed up with a telephone call. + Businesses should invite ground agents along to experience the product first-hand.	+ Contact hotel managers to see if they will allow a business to promote its products either by displaying promotional materials or through opportunities to give a short presentation or mingle with guests at social or promotional events.	

Tips for boosting sales during the COVID-19 recovery period.

Flexibility: Everyone wants flexibility

- Given the ongoing uncertainty and the ever-changing parameters and protocols, everyone, from customers to tour operators to third-party booking platforms, is looking for **flexibility**.
- It is vital to embed flexibility throughout your operations in the short to medium term.
- **This means offering fully flexible and fully refundable booking options to ensure that you attract customers and third-party agents as the sector begins to rebuild.**

Health & safety: Show how you are taking precautions

- Make sure this is **prominent on your website** so that customers can see that you are taking these extra health and safety precautions seriously and feel reassured that your business is a **COVID-secure environment**.
- **Clearly communicate to third-party agents and other tour operators** the extra measures that you have put in place to ensure that your business is following COVID-19 protocols.
- Be ready to **share copies of COVID-specific policies and risk assessments to third-party entities** that sell your business.

Credit: David Kirkland & SPTO



“We’re far more flexible since the pandemic, especially when it comes to groups”

Source: Richard Bourke, Managing Director at AMSTAR, DMC operating across USA, Caribbean, Mexico

Preparing for and attending meetings

Suppliers are generally expected to visit the ground agent's office or attend a virtual meeting. Someone from the tour operator's head office might visit the location but only when all the details are arranged, and the ground handler is happy to recommend the business. During the COVID-19 pandemic, these meetings will likely take place online.

Meeting objectives

- To get to **know the supplier as a person**. A lot of business in the tourism industry relies on people, character and attitude.

- To agree on some **practical details**, including the days you are open for business, when it will be included in tour operators' brochures, or how the business could be promoted (e.g. at the World Travel Market (WTM) or other trade fairs).

- To assess if the supplier is **ready to do business** with a tour operator. This will be achieved by organising a **test run** of the product to check on health and safety, the quality of service and of the whole **experience**.

- To set minimum **communication standards**.

- To agree **financial terms: payment conditions, pricing and commission levels**

What to prepare? This should be confirmed before the meeting to ensure that expectations are correct

Printed copies all neatly arranged in a **folder**:

- ✓ Pricing.
- ✓ Licensing.
- ✓ Health and safety (including details of how you are adhering to COVID-specific policies and protocols).
- ✓ All official documents about your bank account, insurance, business registration, licences.
- ✓ Pen and a notebook to **take notes** during the meeting.

You will make an excellent impression if you have the following ready to share:

- A completed risk assessment form.
- Photographs of the products and customers experiencing it
- Testimonials from customers
- Any PR or marketing materials

Prepare your pitch!



It is important to plan and practice what you will say. You need to demonstrate that you have done your homework and have a product that will suit their business and add value. Use [Tool 5.0](#) to help you.

Organise yourself!

Plan what you will wear and your journey there if travelling in person to make sure you are on time.

Credit: David Kirkland & SPTO



Prove your product through familiarisation visits

A great way to promote a product to agents and operators is to organise a 'familiarisation trip'. This is where the attraction or accommodation owner invites agents, operators and excursion suppliers to come and experience the product first-hand. You must make sure you are ready to do this, and that everything is in order. Consider offering a free tour to local contacts as an opportunity to practice delivery if this is a brand new or adapted product. You will only have **one chance to create a good first impression**.

Following up

1. Follow-up your meeting / visit with a personalized email.
2. Follow-up again if you do not hear anything. This is a balancing act, as you don't want to overwhelm them. A safe bet for email/phone is every 90 days. If you're working with a hotel drop by in person once in a while to chat with the front desk staff or concierge.



Chapter 5: Key Takeaways

Know all the routes to market and select the right mixture for your business.

There are several routes to market for your business and most are either through direct sales such as your website, social media channels or sales reps, or through indirect sales with third party operators such as online travel agents, ground agents and tour suppliers.

You need to decide which avenues are most appropriate for your business and follow the advice given in this chapter for how best to sell your product through each channel. It is a good idea to have a mixture of direct and indirect sales routes so that you can maximize the reach of your product to as many potential customers as possible.

Enable your customers to book online.

It is highly recommended that you have an online presence and mechanism for booking your product, either through an online travel agent, your own website/social media (if you already have a strong online following), or both as the market share for online bookings continues to increase, especially in the wake of the COVID-19 pandemic.

Flexibility is key

While the travel sector recovers from the fallout of COVID-19, it is especially important to have flexible booking and cancellation policies in place and that you highlight the enhanced procedures you have in place to comply with health and safety protocols.



Activity: Getting Ready

Work through each stage of getting ready for business. Use this checklist to track your progress

Getting Ready for business	✓
I have researched the ways I can access the market	
I have identified the key businesses to contact	
I have a list of contacts (contact names and details)	
I have made contact with businesses to request meetings	
I have prepared the documentation to present at meetings	
I have prepared the pitch and tailored it to different businesses	
I have made it extremely clear how I can offer flexibility and deliver a high standard of health and safety	
I have prepared and practiced ahead of inviting agents and operators / delivering a familiarisation visit.	