Chapter 5: Access to market and getting ready for business
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Tools used for this chapter:

| 5.0 | Template: Prepare your pitch |
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.
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.

• These companies offer package holidays which can be all inclusive or half-board, they usually include a combination of accommodation and travel, and/or food, and/or excursions. Package holidays must include two or more tourism services.

• Large, mainstream tour operators contract hotellers well in advance and will feature the accommodation online and in their brochures.

• Tour operators have the capacity to bring large groups of tourists as they have the infrastructure and suppliers in place on the ground.

• Smaller, independent tour operators will usually work through a local ground agent or destination management company (DMC) to select accommodation and experiences on their behalf.
Ground Agents

Ground agents can also be known as ground handlers, destination management companies, domestic tour companies. They organise all types of arrangements on the ground from transport to tours.

Ground agents act as the local agent for international tour operators.

They deal with all administrative work and problems and are responsible for maintaining customer satisfaction.

They can provide all or some of the elements that make up a vacation including hotels and excursions to tourists when they arrive for their holiday.
Inbound / Domestic tour operators

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

These businesses are usually well-established operators in a destination that have strong connections across the different parts of the tourism industry and build effective working relationships with communities, accommodation and activity providers. One example is Tafea Treks who lead tours in Fiji.

They usually bring small groups of tourists, offering them a more personal feeling tour.

They can receive bookings from a variety of ways including online direct bookings, ground agents, international tour operators and hotel tour desks.

Inbound and domestic operators are useful and important contacts for those offering activities and accommodation. Familiarise with these operators for your destination and make contact with them when you have developed your product offer.

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

These tend to be small entities or a single individual that supply tours and experiences, for example a boat owner offering snorkelling tours. They are useful contacts for SMEs and potential partners for packaging activities.

They will either be selling tours that they have designed themselves, including local attractions led by a local guide or tours sold by tour operators.

They may receive bookings from travel agents or ground agents, but they may also work with accommodation providers who promote them to their guests.

Attractions and activity providers should familiarize themselves with excursion suppliers and make contact when ready to sell.

Credit: David Kirkland & SPTO
Online travel agents (OTAs) and search engines

OTAs are online companies whose websites allow consumers to book various travel-related services directly via the internet. Usually they are presented as search engine results e.g. from a google search. They are 3rd party agents reselling trips, hotels, cars, flights and packages organised by others and therefore take a commission and can charge fees.

Travel shopping via online agencies has become very popular nowadays especially in the ‘last-minute segment’ and also due to the rise in use of smartphones for bookings.

Today consumers are on-the-go and the advantage of a booking engine and the reservation solutions provided by the OTAs is that it offers instant payment and booking confirmation.

Listing your business on third-party web platforms is a very effective way of getting instant access to a huge customer base who can make a reservation in a few clicks.

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

You can make sales directly yourself by phone, email or through your website and social media channels.

Ensuring you have the capacity for tourists to make direct bookings on your website is a useful way of boosting sales without losing any money in fees or commission to third party agents.

Direct online sales have been increasing during the COVID pandemic as people are spending more time online and discovering holiday options first-hand.

Increasingly, tourism businesses are using platforms like Instagram to generate interest and connect directly to potential customers, often resulting in direct bookings. (See module 4 for more information on elevating your online presence and digital marketing).
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.

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ A good option if you know how and when to <strong>reach tourists</strong>, competition is not high.</td>
<td>- Can be very time consuming / you may have to pay sales reps</td>
</tr>
</tbody>
</table>

**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:

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

Credit: David Kirkland SPTO
Pros and cons of direct sales

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

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

“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’ *TrekkSoft, 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?

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

Credit: David Kirkland & SPTO
Action: Getting ready for business

Step 1: understanding the routes to market

- Make an inventory of international tour operators selling holidays to your destination
- Make a list of all the ground agents operating in your destination
- If you provide experiences, make a list of all the inbound tour operators and small tour suppliers that operate in your area.

How to do this: Research, Research, Research!

- Tourist Board / local tourist offices
- Visit the website of your National Tourist Organisation
- Internet searches
- Research review websites e.g. Trip Advisor.
- Through informal networks e.g. local guides / operators

Create a database of contacts

- Save the information in an Excel spreadsheet or table.
- Find the right person to speak to. Call and ask – what’s the worst that could happen? In the professional world – try Linkedin

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

- Once you have your list, make the initial contact with whoever you are able. This can be through email, over the phone, or in person.
- Once you’ve found the right person, DON’T send a generic copy and paste approach. Show you’ve done your research and explain why you think it would be worth a conversation about working together.
- Follow-up if you don’t get a response after a few weeks.
- Longer-term, build a network within the industry. Referrals are valuable – much better than a cold approach. Tell people you’re looking for new partners and ask if they can recommend anybody.

- Set a meeting.
### Contacting tourism businesses: for attractions and activity providers

<table>
<thead>
<tr>
<th>International Tour Operators</th>
<th>Ground Agents, inbound and local operators</th>
<th>Hotels</th>
<th>Tour suppliers, leaders and guides, transport drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ They are very busy people and will have little time to help.</td>
<td>+ Most of the time, a ground agent or local operator will get in contact for two reasons: -they have been asked by an international tour operator to find a specific activity or -they are looking for something new that will make their company more competitive.</td>
<td>+ Most hotels have tour desks or work with local tour suppliers</td>
<td>+ You should make contact with these businesses in exactly the same way as with ground agents.</td>
</tr>
<tr>
<td>+ International tour operators will contact small businesses, they will ask their ground handler/agent to deal with all the operational details.</td>
<td>+ They are much more likely to contact you if your product offers something new and different.</td>
<td>+ Hotel managers want their guests to have a great time because they will want them to come back and stay again and having great local experiences will enhance their visit.</td>
<td>+ Some of them may already be known to you, in which case a more informal approach can be taken.</td>
</tr>
<tr>
<td>+ 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.</td>
<td>+ They will ask questions about the product and may ask for several changes to meet the needs of their international clients.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ To contact a tour operator, visit their website chapter “about us”.</td>
<td>+ In the first instance the ground agent should be contacted by email and then followed up with a telephone call.</td>
<td>+ 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.</td>
<td></td>
</tr>
<tr>
<td>+ Look for the following job titles: “Country Specialist”, “Product Manager” or “Product Director”.</td>
<td>+ Businesses should invite ground agents along to experience the product first-hand.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Send them an email to find out who it is best to talk to.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
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.

“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.
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.

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