

Getting the most out of working with the Travel Trade: A handbook



Presented by



Wherever you want to be: b2me

Introduction



The Purpose of This Handbook

There are 5 key objectives that this handbook will aim to address:

- Identifying what the Travel Trade want and need.
- Managing your expectations and concerns.
- Developing your bookable/added value product into a viable option for inbound (overseas) and/or domestic (U.K.) tourists and keeping it there.
- Identifying what information is (and is not) needed.
- Developing your marketing into a valuable resource for the Travel Trade.

The reason why we want to achieve all this is simple: We want you to be strong, independent businesses that can work successfully in the tourism markets of your choice and know how to best present yourself both virtually and face to face.

Who is this handbook aimed at?

Basically, any business that is tourism related, and is looking to gain more revenue from being sold via a third party in addition to any direct sales that you do in person or through your own website. This will cover all kinds of business from attractions to experience providers, restaurants, pubs, accommodation to tour guides.

What happens if I don't fit?

These are the first steps on a journey; and not everyone is as well placed as others to embark. It's not going to be for everyone; but everyone should at least have a chance to find out. One quick way of changing your thinking about an issue is through using the word 'but' – like this:

Write down something you really like about your product or service. Then write the word 'but.' Then write down the concern that you have.

By highlighting the issue in context you can often find a solution! As an example – 'we are a great venue **but** we don't charge entrance'. The answer could be to present your business as a great added value aspect to a tour operator itinerary.

Top Tip:

If you need any support in understanding any of the terms used throughout this guide; please visit www.traveltradeready.net/cymru-jargon-buster for help. Every term and acronym is fully explained here.



The Travel Trade



What is the 'Travel Trade'?

Travel Trade: A commonly used phrase in our industry
Travel Trade

noun:

1. Travel industry buyers and suppliers working together as a conceptual unit; typically forming a contract to create new business.

Who are they and what do they want?

The Travel Trade is made up of a series of different businesses that sell everything from flights and complete tours through to individual elements ranging from attractions, experiences, accommodation, restaurants and excursions to either individuals or groups of people.

Here are the main types:

OTA (online travel agent) - (e.g. Tripadvisor or Booking.com) selling exclusively on line via their websites.

Inbound tour operator - selling to international (inbound) markets (e.g. The US) directly to consumers. Often via sales offices in those markets.

DMC (destination management company) - they sell product to tour operators and agents based in source markets that buy their services directly.

Here's some more detail:

- These companies, as well as domestic coach tour and coach operators, undertake a large amount of marketing through websites and brochures to visitors who are still at the planning stage of their holidays.
- **This marketing is not charged for!**
- They advertise globally, and most specialise in specific countries where they can grow interest in the market.

What makes a Travel Trade friendly product?

There are a few hard and fast rules to what makes a 'Travel Trade friendly' product.

- A good product needs to be sellable & tangible. Concepts don't work.
- Pricing needs to be set preferably 12-18 months in advance as that follows typical hotel contracting.
- Prices must either have a Travel Trade commission or a Net rate option with a margin. This not the same as the public price (see page 5 for details on commissions and Net rates).
- The frequency or availability of the product needs to be regular for it to be considered for programmes.
- If a product is only available on specific dates it will be more likely to be an option rather than core product.
- Cancellation policy, child policy and any other relevant details supplied with pricing.
- Final numbers are always confirmed in advance, but it is much easier to work with your product if you offer credit – meaning you will be paid after the visit etc. has taken place – usually 30 days. Credit terms are always agreed as part of your contract, and the tour operator will work with you so that it is as mutually beneficial as possible. OTAs will pay on the day.



Domestic (UK) Groups Market



What Is the domestic groups market?

Domestic group: Individuals traveling together from the U.K. and within the U.K.

Group

noun:

1. A general phrase usually meaning more than 15 people travelling together under one leader or tour.

Who are they and what do they want?

The domestic groups market can broadly be split into group travel organiser led travel and coach operator led travel.

A group organiser is responsible for arranging outings on behalf of their members. They could be in the workplace, retirees, youth groups or others and will usually charter a vehicle to take the group there. A coach operator will create and sell a tour to multiple individuals to form a group. If they cannot fill enough seats on a coach they may cancel the trip, rather than run at a loss, although this is less likely in the current climate.

Here's some more detail:

- There are thousands of social groups around the U.K. and many hundreds of group organisers. There are around 300 coach operating companies, around half of which will organise tours and trips.
- The national trade body for group organisers is the Association of Group Travel Organisers, and The Coach Tourism Association for coach operators.
- The coach industry also has the Confederation of Passenger Transport and Road Haulage Association.

What makes a group/coach friendly product?

There are a few hard and fast rules to what makes a 'group or coach friendly' product.

- Group organisers will book around 6 months in advance, coach operators up to a year in advance. Prices will need to be set with group rates accordingly.
- Group organisers will expect free entry for themselves and often for their coach driver too. As a minimum, coach drivers will expect to be given a food/beverage voucher for free service.
- Group organisers will want to know what the minimum number for a group will be at the time of enquiry and what special services they may get (a talk on arrival for example).
- Coach operators could bring business every week or even every day. Coach parking will be a requirement.
- Group travel organisers prefer to come when school groups have already left or are well on their way round. It is helpful to advise them on the best time to visit.
- Group travel organisers will often want a free visit ('fam trip') in advance of bringing their group.



Domestic & International FITs



What is an FIT?

FIT: A commonly used acronym used as a description *fully Independent traveller (FIT)*

noun:

1. Individuals traveling alone, in couples or as families and friends, booking their travel experiences through third parties. They may be local, domestic or international.

Who are they and what do they want?

Individuals, couples, families and friends will often book accommodation, attraction entrances, experiences or other types of visit through third parties. These bookings may be via websites of OTAs such as Tripadvisor Experiences, or Booking.com, but can also be via a travel agent, tour operator or destination management company (DMC)

FITs also frequently use other website based platforms to book (for example) day tours, attraction passes, open top sightseeing bus tours etc.

Here's some more detail:

- FITs will often arrive by car, on local transport, or bike.
- They may also use sightseeing buses or arrive by coach if they are on a day tour.
- They will all be travelling on an individual ticket even if they arrive on a coach.



How do I reach these different buyers?

- Inbound tour operators, OTAs and DMCs are generally based in the UK – mainly in and around London.
- The vast majority belong to the major travel industry membership organisations - UKinbound and ETOA (The European Tour Operators Association).
- The U.K. Government organisation to promote tourism overseas is called VisitBritain. You cannot join VisitBritain as it is not a membership organisation, but you can become involved in campaigns that they run or opportunities to meet buyers or international press via your destination marketing organisation (DMO) or Visit Wales.
- You can arrange to meet sales and product teams by appointment – your DMO or Visit Wales can help with introductions.

Remember:

- You must have a contract in place with the buyer of your choice in order for them to sell your product or service.



Connected Distribution

Connecting your business to multiple distributors - digitally



- Your Travel Trade journey is going digital!
- Connecting your business to third parties can be supported through a range of digital methods to provide a fast and seamless transaction.
- The simplest way is to work with an OTA (online travel agency). Companies like Tripadvisor Experiences, Tiqets etc will provide access to their portal to add availability for entrance, tours and experiences to be sold via their website to the consumer.
- Another way is to connect your own booking system via API so that third parties can see availability for time slots throughout the day.
- Another is through a digital marketplace system, like Tourism Exchange Great Britain (TXGB), which will connect you to a range of distribution (selling) partners for you to choose from.



Which route is right for me?

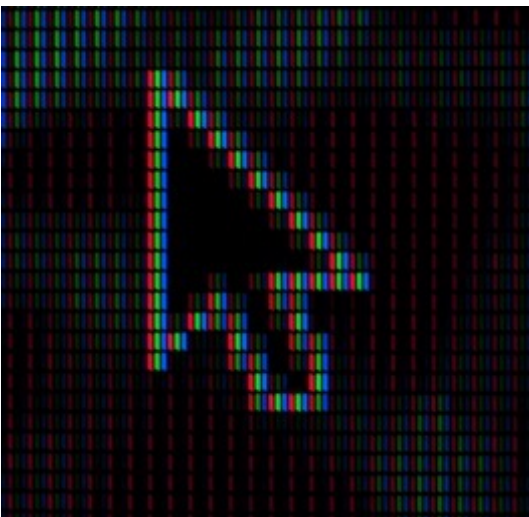
- Each digital route will give you access to new audiences and new markets, but all require some staff/time commitment and potentially budget availability.
- You will have to manually log in to an OTA portal to update availability for each day.
- You will need a booking platform that is compatible with API provided by a 'middleware' company. Middleware companies will charge a few pence per transaction but generally that is the only cost to you.
- A digital marketplace platform will enable you to provide content, availability and pricing with a diverse range of distributors in one go and manage this in one place. You'll likely need to cover a booking fee (approx. 2.5% plus VAT) plus any destination marketing organisation, tour operator or OTA commissions.

Benefits

- Digital bookings create less paperwork, faster reconciliation and advance/on the day payments.
- A digital marketplace platform will provide you with a wide range of buyers all with profiles all in one place – great news if you are unsure who to approach as a potential distribution partner!
- Many OTAs will provide you with ticket scanners that will reconcile the ticket and payment instantly. Please note that you may still have to reconcile this manually if you do not have a suitable back office booking system.
- If you choose an API route, it will read your live availability automatically for any connected distributor so you will not need to make manual changes for each third party you work with.

Remember

- Your website is still the most important part of your digital journey!



Working Together



Additional considerations for the current market conditions:

- Make sure you tell your trade contacts that you are open and available to take bookings.
- If possible confirm your pricing for the next 2 years ASAP – bookings are coming!
- Do not undercut trade/group pricing with tactical discounts to consumers.
- Advise on the best time to visit to avoid crowds where possible to improve spread of visits.
- Increase collaboration with other venues – joint ticket – joint adventure.
- Share your stories from within your organisation via social media channels and Travel Trade media.
- Remember that visitors are returning to have fun! Try to make any enhanced policies as 'light touch' as possible.
- Learn from each other – collaborate, collaborate, collaborate!
- Share your specific COVID policies with the Travel Trade – they will need to know what YOU are doing.
- Please be as flexible with your cancellation and amendment policies as possible. Remember; you are working in partnership!

Practice makes perfect

Whether you are presenting on line or face to face – first impressions really matter. You may know your product inside out, but how you present it to the buyer can make a massive amount of difference.

It is essential that you can describe your product verbally quickly and easily – but without resorting to hyperbole; remember that buyers will be hearing from dozens of suppliers so you need to stand out – for all the right reasons.

The best way to do this is to practice your 'elevator pitch':

On a sheet of paper (or on screen) – describe your product in 50 words.

Below your 50 word description - describe your product in 10 words.

Below your 10 word description – describe your product in 3 words.

Remember the way you view your product may not be the same way it is viewed externally. Think like a buyer not like a seller!

By the time you have completed your task you will have a laser focused description with which to impress any potential buyer!



Commissions and Net Rates



What are they and why do I have to pay them?

The Travel Trade will buy your services at a lower than public price to create a commission for their business. This is usually around 20% - roughly equivalent to the group rate you may already have available.

However remember that:

- Consumers buying through international tour operators will pay your full rate (they don't get access to any deals you may be running).
- The Travel Trade can sustain your business through sales in your low season.

Travel Trade business will not cannibalise your direct marketing because:

- These visitors are using the Travel Trade for their own convenience. They may not have heard about you before being recommended by a travel agent or operator.

In summary:

Every customer through a tour operator is adding around 80% more revenue to your sales figures.

Commissions are only paid to the Travel Trade for a successful sale; so it is a no win no fee relationship

A visitor that buys your service through a tour operator is more likely to increase their secondary spend in gift shops and cafes.

An alternative to commission is a Net Rate. This rate is usually around 10% below your standard public rate and provides an opportunity for the tour operator to put your product into a mix with a set of other products that they will sell to the consumer – known as a 'package'.

In this instance the individual sale price of your product if it were 'unpicked' from the package may be higher than your public rate.

Individual (FIT) rates are perfect for when operators are bringing a few people at a time. Remember that as your product reputation grows they will bring you more!

Remember!

Don't offer tactical discounts to the general public (for example via your website) that is below the rates you have agreed in your Travel Trade contracts. There is no surer way to upset your new Travel Trade friends than for them to get an irate customer complaining that they have found a cheaper deal than the one they were offered.



What Do The Travel Trade Need From Me?



Presenting your product

You are only as good as your product delivery. You cannot be all things to all people so make sure that you do not over promise and try to deliver something that will not showcase your business in the best possible light – usually in around 8-10 minutes.

Consider these questions in terms of the type of Travel Trade business you would ideally like to generate; given that different operators serve different audiences:

- How expensive is my product/service?
- How many people can I cope with in a group or in my venue (especially if you still have restrictions on visitor numbers)?
- How long do people need to be on site to get the most of their experience (if you are an attraction or experience business) or how many nights do I need as a minimum stay (if you are an accommodation provider)?



The most exciting products for the Travel Trade are:

- Unusual.
- Memorable.
- Immersive.
- Authentic.

Also, remember the '3 Rs' that your service provision must be:

- Reliable (if you say you can do it – you need to be able to do it!).
- Replicable (tour operators will want to know that if you provide a great experience you can be consistent and repeat it for future bookings).
- Robust (things can and do go awry. How you cope with these challenges is an essential part of your service provision).

If you can deliver all these facets – you are well on your way!

Other things to consider about your business:

Audiences are eager to explore and learn – but on their terms.

Consider how you can include the following:

- Sight doing – not sightseeing.
- Unique and subjective experiences aimed at the individual (even when they are a group).
- Insightful, thoughtful, local travel recommendations.



Communicating With The Travel Trade



Do's and don'ts

Before you make contact by email, phone, at a virtual workshop or in person – do your research. Don't drive yourself crazy or over complicate it; but do make sure you know what the buyer does, what kind of business they provide – high end, family, older visitors etc. which markets they serve (you will need to have information translated for respective international markets) and that overall your product fits their needs.

- Don't guess or hope – and don't apply the false logic of emailing enough people will result in business. It wastes your time and theirs.
- Commit to your strategy and go to market well prepared. Being prepared means you are aware of what the Travel Trade buyer is likely to want to know from you.
- There is no 'silver bullet' when it comes to working with the Travel Trade, but you can certainly prepare to wow them!
- Think: Every time you communicate to the Travel Trade, lots of other suppliers in your sector will do so as well. Operators will want to give their clients as much choice as possible but not overwhelm them, so will choose the best opportunities for each set of clients according to their needs. This means that you may need to stand out a little from the crowd to be remembered.
- Be a little different (but not too niche or you will become less attractive to mainstream clients). Think about upsells, unique opportunities and experiences that you can share with them.

Insight: There are three little but important words that can help differentiate you from your competitors in the minds of a buyer:

Which - Means - That

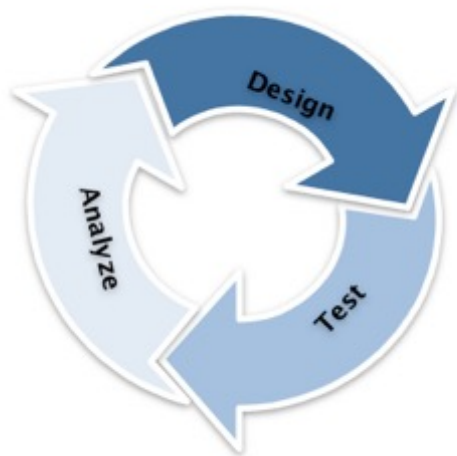
These are the three words that should always link your product feature to a specific benefit that the buyer is looking for. You will only be able to do this well if you have done your research into that!

When you contact any trade buyer; what they really want to do is balance your product offer against the answers to the following questions:

- How much? (will it cost).
- How long? (time on site/minimum bed nights etc.).
- How many? (people can visit at once).

Fundamentally – the buyer really wants to know one thing: 'what's in it for me'? The more insight you can provide – the better!

More Insights and Next Steps



More insights

This handbook has been based on dozens of workshops carried out in person, and virtually, with businesses just like yours. You can create trade friendly marketing materials really simply by using this approach: Write down 3 column headers: Need To Know, Good to Know and Did You Know? Start off with the essential information you need the buyer to know (your address, your policies your opening times etc.). Under Good To Know, include information like the best time to visit (to avoid crowds), minimum and maximum group sizes, location of cafes and toilets, and optional upsells (private tours, special opportunities etc.). Finally under Did you Know? write 3 things that you really love about your product that will appeal to the audience you are trying to attract. If you want an objective view over what you have written – email it to me; my details are on the last page.

Working with the Travel Trade is a process, and you will get a huge amount of opportunity to grow your business by following the steps and insights that have been outlined here; but you may need to consider refining some aspects of your business approach to work with the Travel Trade successfully.

Remember:

A contract is just the start of your journey with the Travel Trade...

You will need to work in partnership with the Travel Trade and will need to keep being proactive!

The Travel Trade will always need:

- Fam trips.
- Product updates.
- Sales team training.

All of these can be run virtually as well as face to face; and operators are keen to keep engaging with suppliers as much as possible.

You will also need to:

- Network (in person when possible, and on LinkedIn etc.).
- Provide trade friendly press and PR:

Insight: Sending press releases doesn't by any means guarantee that they will even be read, let alone published. Frequently, they are too long or too woolly; and editors just don't have time to re-write them for clarity.

To increase your chances of getting published, your release should ideally be around 150-200 words of product news focused on your 'which means that' structure. You will also need a clear call to action, i.e. how to book, who to contact, a website reference, etc. You will also need to send 2 images – one portrait and one landscape. It is also worth providing editor notes on your COVID policies.



Final Thoughts

You have two ears and one mouth

Use them in that proportion



The 50/50 rule

It is really tempting to fill all the time available with a full presentation; but remember that it needs to be a two way conversation.

The buyer will be focusing on what you are saying in the context of what they are looking for. If you are presenting something new, give them the time and chance to consider the opportunity.

You should not be presenting for more than 50% of the allotted time. Make sure you give plenty of opportunity for the buyer to ask you questions.

Remember your plan and stick to it:

Maintain your focus and present your product according to what the buyer is looking for. This may well be different to what you expect so make sure you ask!

Insight: In the short to medium term, international and domestic tour groups are likely to be:

- Small numbers - possibly as low as 8-12 pax.
- Willing to spend more in order to be away from crowds.
- Looking for meaningful first person experiences.

You will need to consider:

- How you can be flexible as things change.
- How to ensure your latest COVID policies and any important changes to the way that your business is operating are communicated to the trade. This is incredibly important as operators need to reassure their clients and provide up to date information specifically for the products that they are selling.

Insight: Make sure you let all the buyers you meet know who all their contacts are going to be – especially if there have been staff changes.

Finally:

Especially when you are using third party conferencing facilities, there may well be no virtual backgrounds available for you to use. Check behind you to know what the buyer can see!!

Remember:

There is always help and support available to assist with any questions that you may have, contact details are on the next page.

GET IN TOUCH

b2me Tourism Marketing

Mike Newman



01438 871 658 /07889 657815



mikenewman@b2me.net



www.b2me.net



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