



# *Packaging Experiential Tourism*

GETTING THE MOST FROM THE TOUR & TRAVEL SEGMENT

Packaged Group  
Travel Today

Themed  
Itinerary Ideas

Package  
Components

Packaging  
Worksheet

# The Journey Continues...

Packaging travel certainly isn't a new concept. Travel agents have been packaging since as long as I can remember. All-inclusive resorts are continuous television advertisers. On one page we'll share "Who's Packaging?" Maybe it would be easier to state, "Who's Not Packaging?"

Never before has packaged group travel been more important to both destination management organizations and their partners. With professional tour operators looking to DMOs for fresh itinerary ideas, it just makes good business sense that suppliers are ready with a price.

Trust me building itineraries and packaging can be a task. I live that challenge everyday. To get us through the challenge we're going to take a look at the tour & travel market, see who's packaging and provide the tool that takes you from an itinerary to a package.

It's my hope you'll find a few tidbits of knowledge that will aid in your journey.



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## Table of Contents

Who Are These People?.....	3
How Did They Get Here?.....	4
Why Do They Go on Tours?.....	5
What is it These People Like to Do?.....	6
What Does the Tour Market Need?.....	7
Who's Packaging?.....	8
Who's Buying?.....	9
Only the Best Components for Our Customers!.....	10
Tour Breakdown Form.....	11
Summary.....	12





# Who Are These People?

## The Traditional Tour Traveler

The tour traveler we've come to know is a well-educated empty nester that are most likely white collar retirees. They are in fairly good health, although one in six is disabled, or traveling with a disabled companion. It's important to understand that they travel on their own and on group tours.

The tours they choose are most often customized for a group they are a member. They are travelling with their spouse and friends. The oldest among them take longer trips and spend more money. They prefer exploring several destinations, rather than just one.

*There's more than one way to fill your property!*

## Boomers

For years the tour & travel industry has anticipated and been concerned with the coming of "The Boomers." Well, there here! Boomers are beginning to get into their 60s and the question we need to answer, "Are they targets for their father's tour product? Maybe the answer can be found in who are these people.

A basic demographic is they are 51-percent female and 49-percent male. We can anticipate they'll live longer and be more active than previous generations. However, one of the key demographics also gives us a hint into their psychographics.

The Older Boomers born from 1946-1954 have significantly different life experiences than the Younger Boomers born 1955-1964. The point being someone born in 1946/1947 could have a 50 year-old child in 2016. To lump boomers into a single tour product isn't going

to work, unless you're thinking multi-generational. Instead of targeting ages, let's look at other options.

## Special Interest Groups

All packaged group travel is special interest, but there are some affinity markets that need to be investigated. There are literally millions of clubs and organizations that share a specific interest. It may be as simple as a garden club, or the Saturday morning golf league. The key is developing an itinerary that taps into their special interest, while forgetting age demographics.

Clubs are fairly easy to identify by interest, but organizations are a little more challenging. The SMERFs (Social/Military/Educational/Religious/Fraternal) provide groups with plenty of members, but no specific theme outside of their mission. That doesn't mean they are not open to packaged group travel. What it does mean is you'll need to do your homework and get creative. HINT: The majority of SMERF organizations have charity as part of their mission. Checkout our "Re-discovering the SMERF Market" for helpful tips packaged travel suppliers can use going after this traditional meetings market.

## Student/Youth

This market's not for every supplier, but sure can keep an attraction, or fast food restaurant humming. Remember, lesson plans that identify pre and post visit activities for specific age groups meeting the state and national Standards of Learning (SOL) are a must for attractions. Most likely these student groups provide day trips from local and regional schools. They should not be overlooked.



For packaged group travel the performance groups offer the most opportunities. From choral and orchestra to band and dance here are dozens of music festivals and parades that are well known within the industry. There's room for the creative destination to host events that appeal to regional groups. Remember, it's all about the experience and that's multiplied when students have the opportunity to interact with professional musicians, vocalists, dancers and technicians in your community.

### Sports

The fastest growing travel segment, but is it right to include them in packaged

group travel? Absolutely! As destinations join the effort to attract tournaments, they are offering more than just hotel rooms. For maximum community benefit they are developing a list of options where team members, families and coaches can experience the destination. It's the perfect way for your restaurants, attractions and services to benefit.

It's not all about the kids. From pickle ball and tennis to golf, soccer and even rugby, adults are traveling and participating. A list of options (making sure they're age appropriate) in the welcome bag benefits the entire tourism community.

## How Did They Get Here? There is a Difference.

**Preformed Group** – This is a group of travelers who have chosen to take a trip package. Either the group has requested a specific destination, or the tour company has marketed the trip to their group leaders.

**Pubic/Retail Tour** – This trip is marketed to the general public by a professional tour operator and sold “Seat by Seat.”

Knowing the difference will help you keep the client in the game. A preformed group will have a better chance of coming. You may have to be a little more flexible with a retail group.

# Why Do They Go on Tours?

## It Sure Beats Driving!

Throw out your misconceptions of packaged group travel. Forget any age prejudices you might have. Everyday there are tours departing primarily filled with people your age. Not certain you want to travel in a 50 passenger coach? Take a closer look at today's coaches and tell me they're not luxury transportation. Before listing any other personal fallacies, here's what you can expect when you travel as a group.

**Convenience.** It's a pleasure when someone else has found those things that are not available to someone walking off the street. They've not only discovered the destinations, but they're familiar with the accommodations and meals. It's nice when someone else does all the planning.

**Companionship.** Earlier it was mentioned that tours are likely customized for a group you're a member. You'll be traveling with spouses and friends. Often though folks you might not know will be traveling with you. It's always a good thing to make new friends.

**Education.** People that travel are most likely looking for a learning experience. It's such a prevalent reason for traveling there are professional tour operators that specialize in educational travel for both youth and adult groups. Learning is a good thing.

**Security.** Let's be honest. The world is not getting any safer. Yes, there's a sense of safety when traveling in a group. Security though doesn't just imply safety. The majority of professional tour operators guarantee departures at the advertised price. Itineraries are clear as to what's included and what is optional. You know exactly what you're getting.

**Value.** This is twofold. There's the expected monetary value of packaged group travel. Your cost will be less than putting the trip together yourself. You know because you're in the business. Maybe the real advantage of group travel is the experience value. More than likely your itinerary options are not available to every individual traveler.



If you haven't gone on a packaged group tour, schedule one soon. Even if it's just a day trip discover the feeling. You really need to experience group travel to sell group travel.



# What is it These People Like to Do?

Group tour travelers are just like you and me. We all have our special interests, but we have one thing in common. When we travel in a group we'd like an involvement that makes us feel special. We're looking for an experience that's not available when traveling on our own. Following are some basic tour options and how the creative packagers put together something special.

**Evening entertainment** is important to every tour. Regardless of the venue groups will appreciate an opportunity to interact with the performers. An afternoon one-on-one session, or a backstage tour of the theatre makes any performance personal.

A **farm to fork** message, or a visit by the chef just isn't enough. To make it memorable groups want to visit that farm and see how it grows. They'd have fun picking their own vegetables and having the chef sharing the recipe. Visit a market that specializes in regional foods. Stomp the grapes at the winery. Make dining personal and fun.

A **history, or heritage** tour component should be a standard option. We all want to see how people from other regions settled and lived. Have the docent do something special for every tour group. A personal tour of an attraction by a costumed interpreter is always a winner with groups.

**Art and garden** tours are not just about the objects beauty. Have groups roll up their sleeves and have some fun. Unleash their art skills to make a postcard that can be mailed to a friend. How would garden tips from the head gardener?

**Shopping** is a mainstay of almost every tour. Unfortunately, not everyone is a shopper. Get creative. Is a treasure hunt, or an option appealing to the non-shopper the answer? Be cautious about splitting the group to different options. Sometime a spouse needs to approve a purchase.

At one time we were perfectly content to sit on the beach and watch the dolphins. Now, we want to swim with them. Nowhere is this change in interest more noticeable in **adventure and wilderness** tours. Know your group's activity level. Are they only interested in a walk in the state park to use those new Nike sneakers? Or do they want to get off the path and do some serious exploring?

What do they want to do? You'll just have to ask and then get creative.



# What Does the Tour Market Need?

## Facilities that fit their needs:

Lodging should have a minimum of 25 double doubles. Baggage handling is a must, while a casual welcome reception allows for staff to get luggage to the rooms. Elevators are necessary as many traditional tours include mobility challenged travelers. In-room coffee is a must while an on-site restaurant is perfect for an inclusive breakfast. Well-lighted interior corridors and public spaces are important. Reasonable deposit/cancellation policies, inclusive pricing and the backing of management are critical to a properties success in the packaged group travel market.

Restaurants first and foremost must have the ability to handle groups. A reliable reservations system is a must. A group menu with multiple choices, including healthy choices and portion controls are important. Groups will seldom order in advance. It creates chaos. Dessert specials are nice. Adequate restrooms are necessary and a nice welcome to the group on a chalkboard will be talked about. Inclusive pricing is an absolute.

For attractions and in fact all suppliers a clear policy for groups is critical to success. A fair pricing policy and a written confirmation system is critical.

## Informed and Reliable Personnel in Sales & Service

Tour planners like to work with people they know. After all they are trusting 25+ of their customers to you. Of course there's nothing that can be done about turnover. However both new people and veterans in sales and front desk personnel need to know the basics.

Know the attractions' schedules and traveling time to each from your property. GPS is great while in the destination, but time consuming when a planner is trying to finalize an itinerary. Visit the attractions, restaurants and hotels in your area. Be able to answer a planner's questions. You will be asked. Remember you are selling the destination first.



### Flexibility

Earlier we stated that all suppliers need a clear group policy. How many comprise a group? What are the deposit and payment arrangements? What are the confirmation and cancellation procedures? How about COMPS? Pretty easy, right? If you're going to be a supplier in the packaged group travel market clear policies are necessary. Be prepared to be flexible. Not everything goes as planned. A cancellation by a traveler may cause the number to drop below your standard requirement. What are you going to do? An extra restaurant COMP is needed for a local step-on guide? Will you accommodate?

### Price

There are two things to remember about pricing your product.

First, it's essential to your future and the health of your business to make a

profit. That's a simple statement that nobody will debate. The question that follows might be, "A what point is it best to have twenty empty seats, or a dozen vacant hotel rooms?" How you price your product will go along way to determining your success in the tour market. Remember, it's not necessary to be the cheapest. Prices based on the real and perceived value of your business are saleable.

Second, consider Tiered Pricing. Professional tour operators are in business to make a profit. Give them the opportunity to do so. They're doing much of the hard work marketing for you. Just above the Professional Tour Operator Rate be prepared with a Group Rate. In addition to allowing the professional operator make money, you don't want leave money on the table. Why would you give the same rate to a professional operator and a group leader that may come once every five years?

## Who's Packaging? Everybody's Doin' It!

Packaging certainly isn't a new concept. Inclusive resorts, Amtrak, airlines and travel agents have been packaging FITs for decades. Right along with the FIT market, travel agents, receptive operators, professional tour operators and group leaders were offering packaged group travel. Even motorcoach companies were offering limited day trip packages to supplement to keep their coaches on the road. Today, even accommodations and attractions are offering packages. That pretty much covers the spectrum of travel, right? Not quite.

Missing from the list are Destination Marketing Companies. These membership organizations are certainly marketing the destination. The forward thinking DMOs have prepared itineraries that just cry to be packaged. Rightfully so, they are unable to package and sell any given itineraries. They are not in that business and will face both tax challenges from the government and political challenges from their non-group friendly members. It's only a small problem. There are plenty of packagers to take that itinerary and run.



# Who's Buying?

## Good News & Bad News

### Receptive Operators

There's Good News about Receptive Operators if you're fortunate to have them in your destination. Their distribution tends to being the widest as they represent multiple operators and are certainly aware of others. This leads to repeat business! Being local they are reasonably accessible and are certainly area experts. There's little care and feeding necessary and they need little marketing.

Like all good things, there's some Bad News, too. Unlike every other tier of the industry, Receptive Operators have no consumer access. They rely totally of others' selling skills. Most importantly to suppliers, Receptive Operators are very price sensitive. They require a price below your professional tour operator rate.

**NOTE:** *Wholesalers are often placed in the Receptive Operator classification due to their similarities with the exception of the local knowledge.*

### Professional Tour Operators

Professional Tour Operators share much of the Receptive Operators Good News. They have wide distribution, which often leads to repeat business. They have multiple marketing challenges due to awareness of their competitors, travel agents and group leaders. They are easily accessible and attend some form of marketplace. Professional Tour Operators require very little care and feeding.

There is some Bad News when working with Professional Tour Operators. Having vetted and worked

with their suppliers, operators tend to trust them. They are creatures of habit and do not like to be sold. They're price sensitive and with the advent of smaller affinity groups are becoming more difficult to qualify.

### Group Leaders

Whether a Group Leader is affiliated with a traditional senior tour, or a smaller special interest, or affinity group there's definitely some Good News. They have direct access and control the passengers. You are dealing with the decision maker. Most likely a key member of the group, they have a very good feel for the end user. They offer the quickest turn around from inquiry to arrival and they prefer packages. Group Leaders are a growing market.

With the Good News comes the Bad News. They are questionable repeaters, although there are certainly exceptions to the rule. Access is an issue in it's both limited and expensive. In some special interest groups there is consistent turnover, which naturally leads to the need for considerable care and feeding. Since Group Leaders are often working within the confines of their group's membership, they are least likely to produce.

# Only the Best Components for Our Customers!

We're going to take a look at the headlines for producing a solid itinerary before we get into a worksheet that will aid in developing a great package. To learn more about creating a great itinerary, it's suggested to visit the Premier Travel Media website and download the White Paper Cooking Up Irresistible Itineraries. It's a great support piece for aiding in developing themed itineraries and getting your creative juices flowing.

Now, back to looking at the basic components of our package. And this is the perfect time to share that all prices need to be inclusive of taxes, gratuities, etc. Remember this is a Packaged Price.

Let's begin with the accommodations. You'll want to include the room rate (double occupancy) and taxes. Be ready with the rate for single and quad occupancy. The latter will be necessary if you're packaging for a student/youth

group. If you plan to provide a room gift (and we strongly recommend you do something along the tour theme) make certain to add the cost into your room rate(s).

Next you'll need to add the individual costs for attractions, sightseeing tours and entertainment. Meals also need to be included. Make certain that these rates are inclusive.

Add the costs for your local tour guide, if needed. If your client needs the itinerary options complimentary (COMP) for their escort/driver, you'll need to add this cost into the individual package cost. Your local guide will not need accommodations, but will be with the group for all other activities. Finally, if needed add a fee for planning time and marketing.

Make use of the worksheet that follows. It has served me well over the years.





# Tour Breakdown Form

Date: \_\_\_\_\_ Tour Co: \_\_\_\_\_ # of Nights: \_\_\_\_\_

Arrival Date: \_\_\_\_\_ Depart Date: \_\_\_\_\_

Property: \_\_\_\_\_ Room Type: \_\_\_\_\_

## Room Cost

Single: \_\_\_\_\_ + \_\_\_\_\_ %Tax = \$ \_\_\_\_\_ Single Rate = \$ \_\_\_\_\_

Double: \_\_\_\_\_ + \_\_\_\_\_ %Tax = \$ \_\_\_\_\_ Divided by 2 = \$ \_\_\_\_\_

Triple: \_\_\_\_\_ + \_\_\_\_\_ %Tax = \$ \_\_\_\_\_ Divided by 3 = \$ \_\_\_\_\_

Quad: \_\_\_\_\_ + \_\_\_\_\_ %Tax = \$ \_\_\_\_\_ Divided by 4 = \$ \_\_\_\_\_

Single: \_\_\_\_\_ X \_\_\_\_\_ nights = \$ \_\_\_\_\_

Double: \_\_\_\_\_ X \_\_\_\_\_ nights = \$ \_\_\_\_\_

Triple: \_\_\_\_\_ X \_\_\_\_\_ nights = \$ \_\_\_\_\_

Quad: \_\_\_\_\_ X \_\_\_\_\_ nights = \$ \_\_\_\_\_

## Itinerary Cost:

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Cost: \$ \_\_\_\_\_ Child: \$ \_\_\_\_\_

**Package Total:** \$ \_\_\_\_\_

	Single	Double	Triple	Quad
Room Cost:	_____	_____	_____	_____
Luggage:	_____	_____	_____	_____
Itinerary:	_____	_____	_____	_____
Commission:	_____	_____	_____	_____
Guide \$3/day:	_____	_____	_____	_____
Guide Itinerary:	_____	_____	_____	_____
<b>Complete Package:</b>	_____	_____	_____	_____

# Summary

We certainly hope that this White Paper has given you some help and direction to packaging your themed itineraries. Before putting pencil to paper with the worksheet, it's important to know what makes this industry tick.

With that in mind we shared a few thoughts on who's actually traveling with the group. We talked about the traditional senior travel and explored some of the special interest groups and why they travel. Of course it was important to talk a little about what

these people like to do and knowing the difference between a preformed and retail group.

Next we took a close look at who's buying packaged group travel, the Good News and Bad News for each tier. What the packaged travel industry needs from their suppliers finished our look at the industry.

It was on to the components of a good itinerary and a package worksheet that ties it all together. It's our hope that this is helpful in your journey.



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