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hello  
&  
welcome  
→

# What we will do today

- 1] Why market internationally
- 2] Knowing your market
- 3] Working with the travel trade
- 4] Commercial requirements



# What is the Travel Trade?

The travel trade is a distribution network for tourism and travel intermediaries who package, market and sell travel products to consumers.

The travel trade play a significant role in the decision-making process of many visitors.

They help to open up new markets and encourage visitors to spend longer exploring Scotland.



# Routes to market





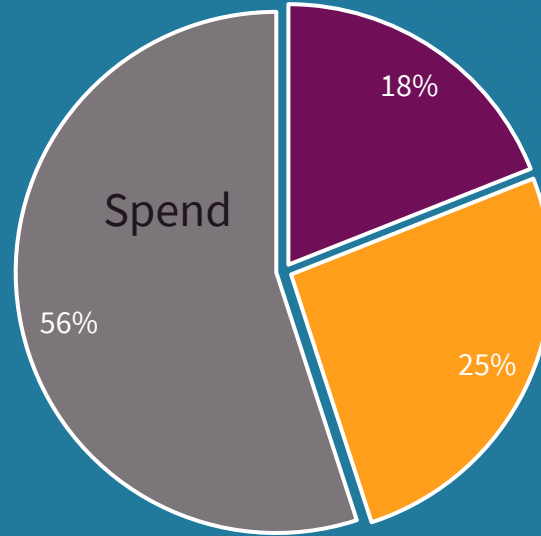
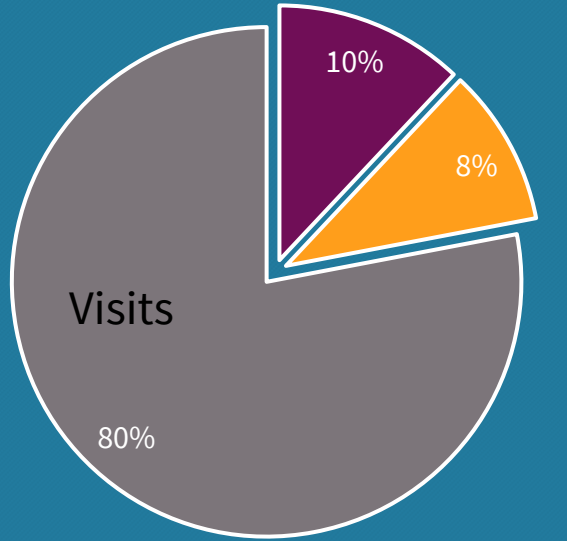
# Why market internationally?

*There are all sorts of reasons why marketing a tourism business internationally makes sense*

- Minimising fluctuating risks associated with reliance on just the domestic market
- Higher spend of international markets
- Increasing yield
- Counteracting seasonality/ booking patterns
- Reach new customers & generate repeat business



# How big is the pie?



■ Europe ■ Long Haul ■ UK

- UK visitors deliver high number of visits, high repeat visits and visit year-round, but typically spend less
- International visitors spend much more per head, but fewer visits and more likely to visit in April – September

# Top 10 Markets

(source IPS 2019)

**In 2019 Scotland  
inbound visitors  
were spending  
£2.5 billion**

Country	Visits		Spend	
	000s	%	£m	%
USA	636	18%	717	28%
Germany	322	9%	196	8%
France	222	6%	135	5%
Netherlands	182	5%	95	4%
China*	172	5%	142	6%
Australia	148	4%	146	6%
Ireland	146	4%	60	2%
Spain*	128	4%	51	2%
Canada	125	4%	92	4%
Italy*	122	4%	86	3%
Rest of World	1,257	36%	818	32%
Total	3,460	100%	2,538	100%

# How do international visitors book

## USA

- 55% use an intermediary
- High use of traditional travel agents

## Germany

- 65% use an intermediary
- Over 390 Uk tour operators in market





# Targeting the International Visitor

- There is no effective way to reach tourists **pre arrival** without working through the travel trade
- **Post arrival** visitor marketing relies on ads in local tourism publications
- Ad prices are approx. £1000 per month per ad

*Working through the trade means you only pay commission on a successful sale*



# Knowing your market

- International markets are very competitive – your product is competing against other products as well as destinations
- Sell your region before you sell the product
- Which market and market segment is right for you
- Carry out research
- Tailor the product to fit the market



# Market Comparison - UK



- Most popular time to travel July – Sept, generally good spread across the year
- 62.5% will stay 1 – 3 nights
- Short booking window
- Often centre based in self catering accommodation
- Direct marketing very effective
- Competition: Sunshine Destinations

# Market Comparison - Germany



- 78% go on a holiday of more than 5 days every year, 73% are spent abroad
- Average 30 days annual leave per year and 9 public holidays
- Book at least 6 months in advance
- Favor round trips, average 8 days
- High number of repeat visits
- Competition: Mainland Europe, Scandi, Iceland

# Market Comparison - USA



- Average holiday entitlement of 14 days per year – 10 are used
- 44.6% are taking international holidays
- 4-5 star hotels is accommodation of choice
- 73% will travel with spouse or partner
- Majority travel during April-Sept
- High level of repeat visitors from the US
- Competition: France, Italy, Ireland, London



# What are international visitors looking for

## MOTIVATIONS TO VISIT SCOTLAND



**Scenery & landscape 78%**  
(survey average 50%)



**History & culture 53%**  
(survey average 33%)



**Always wanted to visit 48%**  
(survey average 15%)



**To visit cities 34%**  
(survey average 15%)



**To get away from it all 30%**  
(survey average 23%)

- Sight-doing rather than sightseeing
- Engage with locals
- Rural escapes
- City adventures
- Shopping and Eating Out
- Visiting castles and historic sights
- Soft Activities
- Discover their ancestry

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# INTERNATIONAL VISITORS

Image credit

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## International visitors

### Insights on a global scale

Scotland's tourism economy enjoys a healthy international market that includes a variety of well-established and emerging demographics.



# Getting to know international markets better

- [www.visitscotland.org/research-insights/about-our-visitors/international](http://www.visitscotland.org/research-insights/about-our-visitors/international)
- [www.visitscotland.org/research-insights/about-our-visitors/interests-activities](http://www.visitscotland.org/research-insights/about-our-visitors/interests-activities)
- [www.visitbritain.org/markets-segments](http://www.visitbritain.org/markets-segments)
- [www.visitbritain.org/inbound-research-insights](http://www.visitbritain.org/inbound-research-insights)



A photograph of three women leading three alpacas in a grassy field under a clear blue sky. The woman on the left is smiling and wearing a red shirt. The woman in the middle is looking down at the alpaca and wearing a black jacket. The woman on the right is smiling and wearing a dark blue jacket. The alpacas are light-colored with different colored halters (red, black, and green).

# Working with the Trade



# Working with Inbound Tour Operators

- There are over 500 companies bringing tourists to the UK. The vast majority will offer package holidays.
- These companies are doing 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 some specialise in certain countries where they can grow interest in the market.

*Travel distributors allow you to reach a customer base beyond your marketing budget.*





# Why Work with the Travel Trade

- Specific market and customer insights
- Product planning collaboration
- Extensive distribution arms
- Collaborative marketing opportunities
- In market sales support
- Translation (on various levels)



# The Discount Myth

Tour operators buy at a lower than public price to create a commission for their business. This is usually around 20%

Consumers buying through tour operators may pay more than walk up or direct website sale customers.

Sales through tour operators and other third parties are all from people that are NOT booking directly through a website or as walk ups. They are using third parties for their own convenience

# Revenues and your bottom line

- Every customer through a third party is adding around 80% more revenue to the sales figures
- Commissions are only paid for each successful **sale** so it is a no win no fee relationship

**Commission payments are a marketing spend with a 100% ROI**



# Understanding the main intermediaries

- **Wholesalers/ Large Tour Operators**

Organisations with a global reach with a varied programme from coach tours series to FIT Programmes.

- **Niche Tour Operators**

Specialists in either a destination or a theme. Can provide new product development opportunities, with geographic and regional spread.

- **Travel Agents/ Small Tour Operators**

Important in some consumer segments, small quantity but often high quality.





# Travel Styles

- **FIT**

- Couples or single travellers
- Family
- Friends

- **Group Travel**

- Private Group: Club, Association, Group of friends
- Group Tour: SIT Coach Tour, Small Group Tour
- Domestic Coach Travel
- Special Interest, Educational





# Tour Operator planning Cycle



# Quirks of the Trade

- International mind-set, understand where the customer is coming from
- Agents are time poor, make the story efficient and creative
- Deliver a complete solution – i.e. self catering with catering option
- Collaborate with suppliers in the area
- Make it nice and simple

Build a relationship, tell a story!



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# Being trade ready

- Do you have bookable product(s) for the trade?
- Is your product suitable for FIT and/ or groups?
- How do travel trade book your product(s)?
- Have you net trade rates set up?
- Have you considered trade term & conditions?
- Accessibility?
- Do you accept vouchers from booking agents?
- Do you offer credit?
- Can you open out with normal opening hours?
- What are your key target markets out with the UK?







## Commercial Requirements

# Product Development & the Trade

- Direct 'build your own' from suppliers

- As a package from DMCs

(Destination Management Companies)

## Operator key considerations:

- Saleability
- Availability (FIT/ Groups)
- Operational aspects
- Cost per platform (brochure/ online)



# What are travel distributors looking for in products?

- ✓ Quality products and experiences that are delivered consistently
- ✓ Reliability and efficiency (consistent operating hours and regular schedules)
- ✓ High levels of customer service and helpful reservations staff
- ✓ Clear and easy to understand collateral, both online and offline
- ✓ Understanding of the cultural needs of different markets
- ✓ Consistent commissionable pricing policies that consider all levels of distribution
- ✓ Easy communication via phone numbers and email
- ✓ Fast and efficient turnaround and response times for bookings and enquiries (within 24 hours)



# Commercial requirements

- ✓ Trade Rates
- ✓ Accurate product information
- ✓ NO Non-refundable deposits
- ✓ Value for money
- ✓ Point of contact

*'We are looking for cooperative partners who are willing to work for all our success.'*

***Everyone involved should strive for flexibility...'***



# Pricing and negotiation



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## Which price???

Every business is different!

**Gross (retail) and net rates:** List both the gross (retail) and net rates and the commission level percentage. Be clear – are your rates per person, per activity, per vehicle? And remember rate parity.

**VAT:** Clearly indicate if rates are VAT inclusive or exclusive and any further additional charges that may apply

**Rate validity dates:** Rates for the international market need to be valid

**1 April – 31 March** and need to be guaranteed and final

# Pricing for the trade



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## Discount Guidelines

Online Travel Agent (OTA) - 10% - 30%

Inbound Tour Operator – 20%

Wholesaler - 20%

Retail Travel Agent - 10% - 15%

# Top Tips working with the trade

## DMC/ Tour Operator/Wholesaler

- ✓ Research
- ✓ Set pricing and conditions to allow collaboration
- ✓ Be prepared to provide rates up to 18 months in advance
- ✓ Highlight your unique selling point (USP)
- ✓ Compile a sales kit with product fact sheets (in PDF format), brochures & images
- ✓ Suggest ideas for packaging your product together with other experiences – itineraries
- ✓ Be open to ideas from wholesalers - feedback is important to developing and improving products
- ✓ Update wholesaler on new developments or changes to your product



# Tools for the trade

## Trade Sales Kit

- Trade Fact Sheet
  - Elevator Pitch
  - Unique Selling Point (USP)
  - Technical Details (tour options & inclusions, facilities)
  - Personalisation options
  - Features
- High Resolution Images
- Rate Sheet with T&Cs





## Beirhope Alpacas

We are a family run smallholding, located in the Cheviot Hills, close to St Cuthbert's Way. We sit on the old Roman road just outside the hamlet of Hownam. We are within easy reach of Edinburgh to the north and Newcastle to the south, close to Jedburgh and Kelso in the Scottish Borders.

We are surrounded by stunning scenery inviting guests to get away from the hustle and bustle and take a walk on one of our many Alpaca trekking routes. Visits can be arranged to suit your clients needs from meeting the Alpacas to various walking options – suitable for FIT as well as groups.

Our Alpacas all love to be fussed over and routes take in rolling hills, offering spectacular views. Beirhope truly is a hidden gem and we would love to share it with your clients who are looking some something rather unusual.

**Jedburgh** 20 minutes 🚗 **Edinburgh City** 1 hour 45 minutes 🚗 **York** 3 hours 10 minutes

**Newcastle DFDS Ferry Port** 1 hour 40 mins 🚗 **Alnwick Castle** 1 hour 10 minutes

Beirhope Farm, Hownam, Kelso TD5 8AP

Tel: +44 (0) 1573 440 631 Mobile: +44 (0) 7900 681 756

Email: [beirhopealpacas@gmail.com](mailto:beirhopealpacas@gmail.com)

[www.beirhope.co.uk](http://www.beirhope.co.uk)

Travel Trade Contact: **Lynne Jones**



## Beirhope Alpaca Facts

### Alpacas

- ✓ We have 17 boys & 6 girls
- ✓ Alpacas are considered animals of the gods in Peru
- ✓ In Peru they have royal status for their luxurious fleece
- ✓ Alpaca fibre is hypoallergenic as there is no lanolin
- ✓ Alpacas 'hum' to talk to us

### Facilities

- ✓ Handwashing facilities
- ✓ Toilet
- ✓ Alpaca Shop
- ✓ Refreshments
- ✓ Coach Parking
- ✓ Children's Woodland Wander
- ✓ Covid Secure (Good to Go Certified)

### Awards

- ✦ Scottish Thistle Awards Regional Finalist 2019 – Best Outdoor and Adventure Experience
- ✦ Scottish Business Awards 2019 Winner – Consumers Award
- ✦ Memberships – British Alpaca Society, Scottish Alpaca Group

### Local attractions

- ✓ Floors Castle
- ✓ Jedburgh Abbey
- ✓ Jedburgh Castle, Jail & Museum
- ✓ Mary Queen of Scots Visitor Centre
- ✓ Walking Routes
- ✓ Borders Distillery
- ✓ Tweed, Tartan & Cashmere Producers

For more regional inspiration visit

[www.scotlandstales.com](http://www.scotlandstales.com)

### Video

Enjoy a virtual five minute visit at Beirhope Alpacas

<https://vimeo.com/461105635/3664c946c1>

### Social

[www.facebook.com/Beirhopefarm](https://www.facebook.com/Beirhopefarm)

[www.instagram.com/beirhopefarm/](https://www.instagram.com/beirhopefarm/)

[twitter.com/beirhopefarm](https://twitter.com/beirhopefarm)



## Trade Rates 2022

### Alpaca Experiences for FIT

- ✓ Alpaca Hike 3 hours, from £50
- ✓ Alpaca Trek 2 hours, from £32.50
- ✓ Alpaca Stroll 1 hour, from £22.50
- ✓ Meet-A-Paca 30 minutes, from £7.50/£2.50
- ✓ For details go to <https://www.beirhope.co.uk/book-now>
- ✓ Scheduled dates and times, with other clients
- ✓ For 1 to 32 pax
- ✓ Bookable online – payment due at time of booking
- ✓ Bookable by email – invoiced, payable prior to arrival
- ✓ Commissionable 10%

### Exclusive Alpaca Experiences for the travel trade (FIT/Groups)

#### Group Meet-A-Paca

This exclusive one hour visit is a great way to meet alpacas, get some fab photos and learn some fun alpaca facts. We will supply you with treats to feed the alpacas and try to answer all of your alpaca questions.

This group package includes a meet & greet on arrival, refreshment of soft drinks, tea, coffee and biscuits and the opportunity to shop some Alpaca wool and other high quality Alpaca products.

- ✓ Duration 1 hour
- ✓ Exclusive for your group
- ✓ Cost £25 (net price)
- ✓ Bookable by email
- ✓ Minimum 16 pax/ Maximum 48 pax

#### Group Alpaca Hike

Active groups will enjoy this three hour hike with a difference. Take in the stunning sights, rolling hills and of course the stars of the show – our trekking alpacas. Your group will head up into the hills, surrounding Beirhope taking in the views of the Cheviots Hills, the Eldons and learn all about our local history of Romans, Reivers and alpacas. We will give you a gacket full of treats for your alpaca buddy – they will soon become your best friend with wae treats along the way! We walk for approximately 2 hours to 2.5 hours depending on the pace set on the day. Complimentary refreshments included.

- ✓ Duration 3 hours
- ✓ Exclusive to your group
- ✓ Cost £500 for minimum 16 pax plus £15.00 for each additional pax (net price)
- ✓ Maximum 30 pax
- ✓ Bookable by email
- ✓ Option to combine this with a longer day hike back to Jedburgh – please ask for details

# Tools for the trade

- Sales Presentation
  - Pictures say more than 1000 words
  - Tell a story
  - Bring your fact sheet to life
  - PPT – 8 minutes
- Destination Information, Itineraries
- Get involved with fam trips
- Work with the Travel Trade
  - ✓ Understand the travel trade
  - ✓ Familiarise the trade with your product
  - ✓ Have your product fact sheet ready





# How would you get on my radar?

In the words of a tour operator...

“Don’t waste my time with things I’m not interested in”

Research the operators

Ask them questions

“Have rates set up for the next two years

By April 2022, I will finalise 2023 schedule”

“Make it easy to book and pay

Time is of the essence “



# How Best to Engage with travel trade

## ➤ Visit Scotland

- Keep your IRM up to date
- Listing on VS Travel Trade site
- Present your product to the international marketing team

## ➤ Your local DMO/ AITC

- Product Updates
- Fam Trips
- Trade engagement

❖ Increase direct sale to gain reviews



THANK YOU

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