

BERMUDA

TOURISM AUTHORITY

PRESENTS:

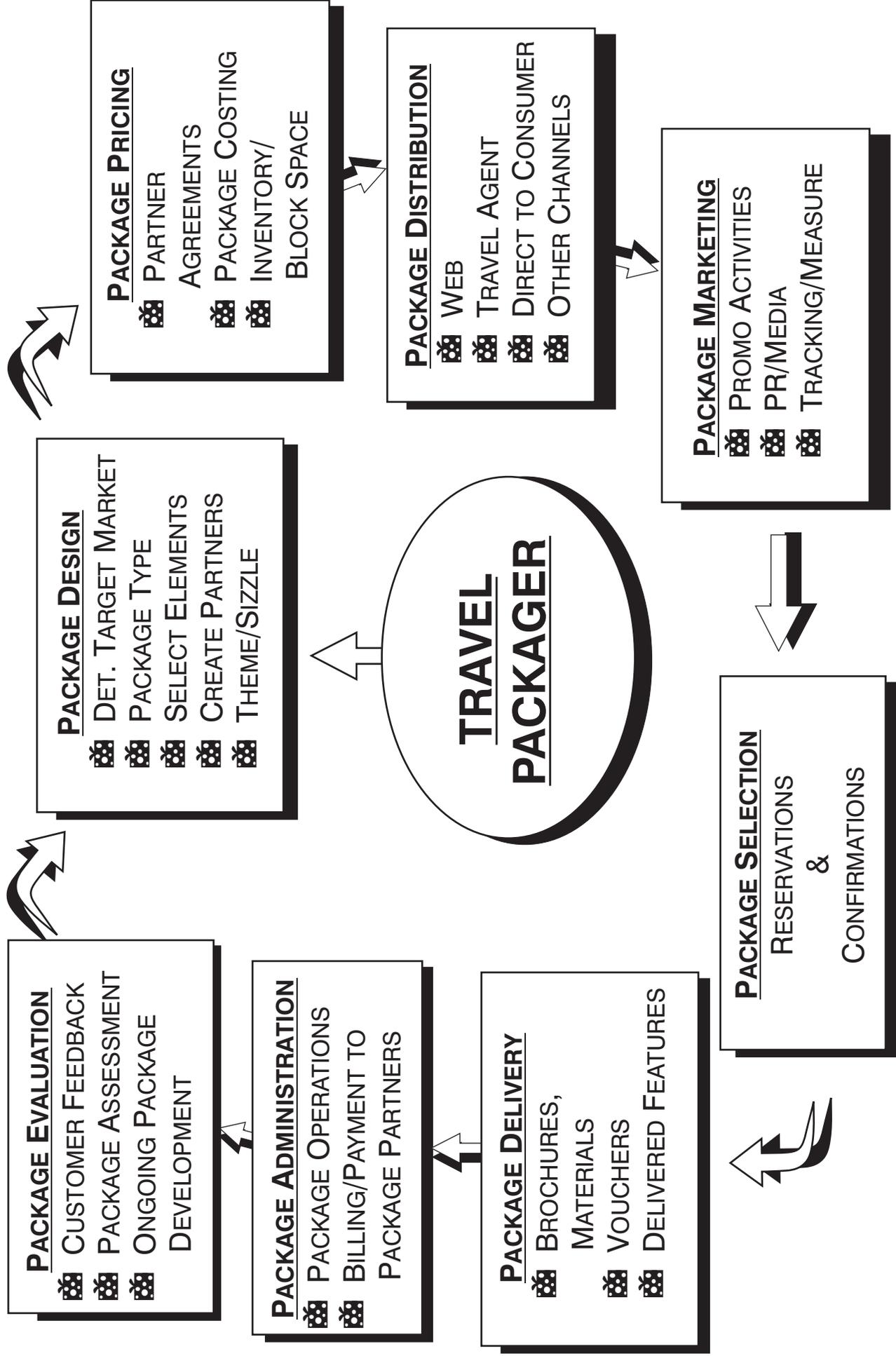
THE BUSINESS DYNAMICS OF PACKAGE PRICING AND DISTRIBUTION

BY:



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I. THE PROCESS OF TRAVEL PACKAGING



II. DISTRIBUTION CHANNELS:

A.) PACKAGES:

- ◆ CONSUMERS - ONLINE

- ◆ TRAVEL AGENTS

- ◆ TOUR OPERATORS

- ◆ WHOLESALERS
 - LARGE OPERATORS

- OTAs

- RECEPTIVES

B.) ATTRACTIONS:

- CONSUMERS IN DESTINATION

- CONSUMERS ON-LINE

- HOTEL CONCIERGES

- TRAVEL AGENTS

- PACKAGERS
 - HOTELS

- TOUR OPERATORS

- CRUISE LINES

- WHOLESALERS
 - LARGE OPERATORS

- OTAs

- RECEPTIVES

III. “BUSINESS-READY” DYNAMICS FOR PACKAGING & PARTNERSHIP:



1.) LEVERAGING YOUR BUSINESS:

◆ “B TO C”



◆ “B TO B TO C”

2.) “BUSINESS READY” PARTNERS:

3.) “BUSINESS READY” DYNAMICS:

➤ SELL

➤ RESERVE

➤ CONFIRM

➤ DELIVER

4.) FLOW:

 INFORMATION

 DOCUMENTS

 MONEY

5.) “BUSINESS READY” SYSTEMS:

 EASE OF PARTNERING

 A PRICING STRATEGY - TIERS

 TRACKING & REPORTING

 DELIVERY SYSTEMS

 PAYMENT SYSTEMS

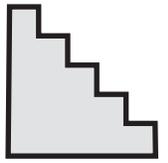
6.) TECHNOLOGY SOLUTIONS

III. “BUSINESS-READY” DYNAMICS FOR PACKAGING & PARTNERSHIP (CONTINUED):

7.) “BUSINESS-READY” CHECKLIST QUESTIONS:

- ✓ Could you activate three new packaging partnerships in less than a week?
- ✓ What would you need to implement them?
- ✓ What other internal departments in your organization would be part of the process?
- ✓ Do you have a tiered pricing strategy in place?
- ✓ How many distribution channels does your pricing strategy activate?
- ✓ What is your process for capturing reservations information from partners?
- ✓ Can you access past and future reservation information?
- ✓ What is your reservation confirmation process?
- ✓ Are there any pre-trip details or information that relate to your product or service?
- ✓ What do clients need for proof of purchase to obtain seamless delivery of your product? (Tickets, Vouchers, Confirmation?)
- ✓ How do you handle inventory management, increases, decreases, releases?
- ✓ What is your payment process with partners?
- ✓ Based on the above questions, what “business-ready” systems do you need to put in place?

IV. PACKAGE PRICING



A.) PRICING ESSENTIALS

\$\$ LAND ONLY VS. INCLUSIVE

\$\$ PRICING CATEGORIES
(PER PERSON)

- ✓ TWIN/DOUBLE
- ✓ SINGLE
- ✓ TRIPLE
- ✓ QUAD
- ✓ CHILD (4-12)
- ✓ PER COUPLE
- ✓ PER PERSON/PER NIGHT
- ✓ PER GROUP

\$\$ FIXED VS. VARIABLE COSTS

\$\$ INCLUSIVE RATES

\$\$ PACKAGE PARTNER AGREEMENTS

B.) TIERED PRICING - LODGING

\$\$ RACK RATES

\$\$ COMMISSIONABLE RATES

\$\$ ON-LINE CONSUMER RATES

\$\$ NET RATES

\$\$ NET/NET - WHOLESALE

C.) TIERED PRICING - ATTRACTIONS



V. PACKAGE COSTING ELEMENTS

A.) CALCULATING PACKAGE ELEMENTS

- 🎁 NET RATES
- 🎁 LODGING
- 🎁 MEALS
- 🎁 ATTRACTIONS & ENTERTAINMENT
- 🎁 LAGNIAPPE GIFTS
- 🎁 PRICING FORMULAS
 - ✓ PACKAGE MARK-UP (PROFIT)
 - ✓ PACKAGE COMMISSION (BUILD-IN)
- OVER-RIDES
 - ✓ CREDIT CARD CHARGES (BUILD-IN)
- 🎁 BREAKAGE
- 🎁 SELL AT PRICING
- 🎁 COMPETITIVE ANALYSIS



VI. PACKAGE COSTING WORKSHEET

Package Name: _____

Days/Nights _____

Date Range: _____

Traveler Segment _____

Per Person Rates	Twin	Triple	Single	Child
Lodging Property				
Room				
Room Tax				
Occupancy Tax				
Baggage				
Gratuity				
Other				
Lodging Property				
Room				
Room Tax				
Occupancy Tax				
Baggage				
Gratuity				
Other				
Meals:				
Breakfast				
Lunch				
Dinner				
Transportation				
Sightseeing/Attractions				
Evening Events				
Other Costs/Lagniappe/Gifts				
Mailing Costs				
Costing Sub-Total				
Mark Up (_____ %)				
Commission (_____ %)				
Credit Card Charges (_____ %)				
Costing Sub-Total				
(Breakage)				
Sell At Price per Person				

VII. PACKAGING PLAN & NEXT STEPS ...

PACKAGING ACTIONS:

TO BE COMPLETED BY:

