

MONTANA OFFICE OF TOURISM

Partners in Profit (The Receptive Operator)

Gary J. Schluter Rocky Mountain Holiday Tours llc

Benefits of International Travel

- Stay Longer, Spend More
- More Paid Vacation Time
- Book Further in Advance
- Help to Diversify “Portfolio”
- Internet: Looking for Specific Products
- Book Out-of-the-Way Places
- Big Picture: Help Balance Trade Deficit
- Big Picture: World Peace Issue

ARE YOU READY!!!

- Do I have a product attractive to this market?
- How many years can I commit to this market?
- Am I willing and able to be a part of a marketing TEAM?
- Can I offer the rates required?
- How accessible is my business?
- Can I offer the services needed or required?
- What are the language and customs I must consider?

Define Your Product

- FIT / Fly Drive – Group – Both

Define FIT for Europe (drive programs) and Asia (join existing group)

- Set a Budget
- Pick a Market(s)
- Pick Your Promotional Activities – Aids
- Produce Correct Promotional Materials
- Promote “In-House”
- Pick your PARTNERS

Established Markets -

- Germany (and German speaking Europe)
- UK (re-emerging market?)
- France
- Italy/Belgium/The Netherlands/Scandinavia
- Japan
- Australia

Emerging Markets –

Taiwan, Russia, India, China, Spain

International Marketing Aids/Tools

- Trade Show Participation

| | |
|----------|---|
| US: | US Travel's Pow Wow, Go West, RMI Roundup |
| the UK: | World Travel Mart |
| Germany: | ITB |
| Japan: | JATA |

- Sales Missions

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|--------|---------------|
| Japan: | Workshops |
| Korea: | Sales Mission |

- Familiarization Tours

TRADE—Product exposure
PRESS—Editorial coverage

- Web Site

- Advertising

- Editorial Coverage

- Guide Books

- Word of Mouth

International Partners--

- CVB and other local DMO's
- State Tourism Office
 - In Market Representatives
- Regional Tourism promotion groups (RMI)
- Visit USA/US Travel Assoc. overseas offices
- Others in the same business Category
 - Industry Associations (Dude Ranchers, B&B, Historic Hotels, etc.)
- **RECEPTIVE OPERATORS**

DON'T GO IT ALONE!

RECEPTIVE OPERATORS

- Receptive Operator: A ground operator who packages and sells services such as hotels, sightseeing, attractions, transportation.
- Knows the international tour operators in the market(s) you are looking to work with
- Makes booking easy for the tour operators with on-line booking systems, payment plans, etc.
- Assist the supplier with payments, collections of funds, etc

How the System Works

US Travel Supplier



Receptive Operator



International Tour Operator



Travel Agent



CUSTOMER

HOW DO I PRICE MY PRODUCT?

- Receptive Operator—
 - Net/Net Rate equivalent to 25-30% off Rack Rate
- International Tour Operator—
 - Net Rate equivalent to 20% off Rack rate
- Travel Agent—
 - 10% commission paid off of rack rate

Top Down Pricing

- US Travel Supplier \$100
- US Receptive Operator \$ 70
- International Tour Operator \$ 80
- Travel Agent \$ 90
- Customer \$100

Bottom Up Pricing Method

- US Travel Supplier (\$55) \$ 60
 - US Receptive Operator \$ 70
 - International Tour Operator \$ 80
 - Travel Agent \$ 90
 - Customer \$XXX
- Rack rate based on booking time, etc.

When is pricing information needed

- Each market will have different timing for when rates are required....
- General Guidelines—
 - Receptive ops July or earlier (for the following year)
 - UK July (for the following year)
 - Europe September (for the following year)
 - Pacific Rim January (for current year)
- Rate periods needed—Soon will start contracting for:
 - April 1 2011 to March 31, 2012

What to learn for your market(s)

- Know the culture ahead of time
- Allow time for business relationships to grow
- Market business expectations: socializing, gift-giving, presentation of business cards
- Brochures and information factual
- Understand communication styles
- Fam/marketplace gift giving (appropriate to take home)
- Respect seniority (Especially for Asian Markets)

Your Own Personal Action Plan

- What market(s) will I try first and why?
- What marketing tools will I use?
- Who will I partner with?
- Where will I get the information about cultural issues?
- When will I have my information ready?

Montana TOURISM

GO FOR IT!!!

GO GLOBAL!!!

GOOD LUCK!!!

