

A hand is shown in the upper right corner, moving a white chess piece (a king) on a chessboard. The chessboard is dark with light squares, and several other chess pieces are visible on the board. The background is dark and slightly blurred, emphasizing the hand and the chess pieces. The text is overlaid on this background.

Revenue Management Strategies for Tours & Activities

Lessons from the hospitality industry



Host: Nicole Kow

Customer Research & Product Marketing Lead
TrekSoft

Guest Speakers



Amrita Makkar

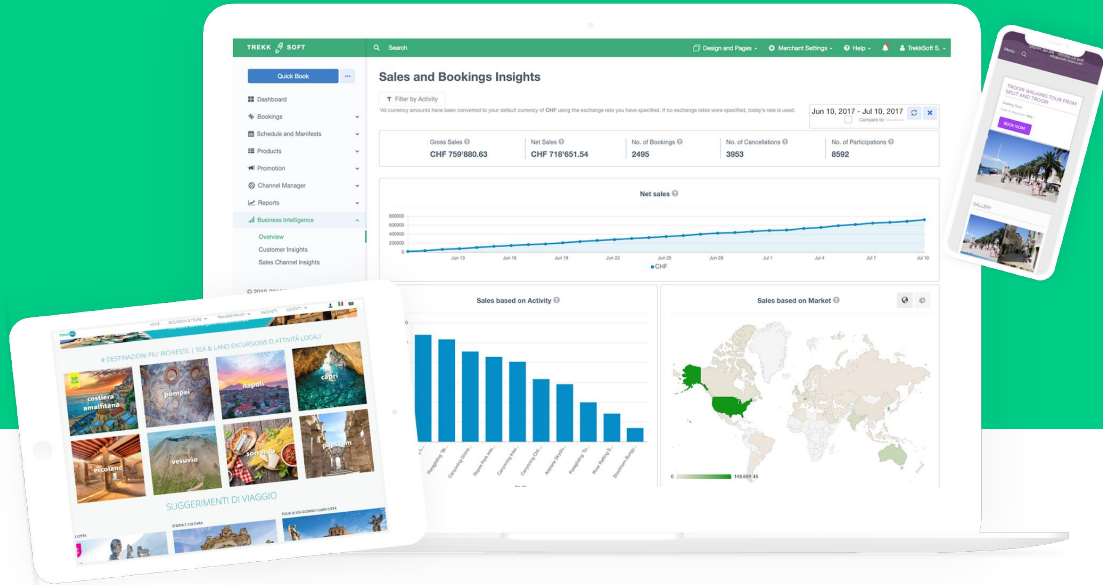
Director of Revenue
The Standard Hotels



Olan O'Sullivan

CEO
TrekSoft

TrekSoft is the #1 booking system for day tour operators



TrekSoft's booking tools can help you drive and streamline website bookings for the next season.

Guest Speaker

Amrita Makkar

Director of Revenue
The Standard Hotels



"LONDON'S
HOTTEST HOTEL
OPENINGS FOR
2019"

THE TELEGRAPH

"A PUNCHY NEW
HANGOUT
BRINGING A COOL
VIBE TO THE
EDGIER SIDE OF
KING'S CROSS"

CONDE NAST TRAVELER

"THE STANDARD'S
NEW LONDON
OUTPOST TURNS
BACK TIME"

WALLPAPER*

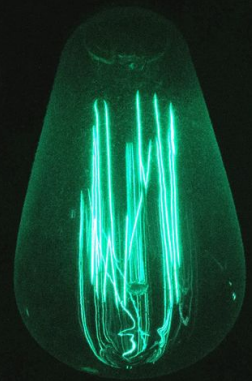


WHAT WE'LL BE DISCUSSING TODAY

- 1) What is Revenue Management?
- 2) How is RM applied in hotels?
- 3) What you can do as a T&A operator?

Any questions?

Add them in your question box. We will have breaks during the webinar.



What is Revenue Management?





It's about selling the

right product to the

right person for the

right price at the

right time through the

right channels with the best

commission efficiency.



Why can RM work for tour & activity sector?

1. Fixed capacity
2. A perishable product
3. A product that can be priced differently
4. Evolving demand
5. A product that can be sold in advance
6. Markets that can be segmented

The journey of revenue management in hotels

2012

OTAs **assist hotels** to fill bookings during off-peak season.

Commission rates:
15%-25%

OTA market: 31%

2017

Hotels now **compete** with OTAs for direct bookings.

Commission rates:
18-35%

OTA market: 66%



Sell the **right product**
to the **right person**

SEGMENT YOUR CUSTOMERS



Who are your customers?

- Where is your business coming from?
- Who is booking the tours? (FIT, Group)
- What is the lead time of each segment?
- How can you reach each segment?



Sell at the **right price**
at the **right time**

DYNAMIC PRICING

**SPECIAL
DEAL**

Limited time offer!

*term and conditions apply

What is Dynamic Pricing?

- Use historical data to establish trends
 - Get granular with your analysis - not only seasons, but months/day of week/time of day
- Offer reduced pricing or add-ons to promote quieter periods
- Higher price for busy periods and key dates
- Volume strategy during low demand vs rate strategy during high demand period



Question Break



Q: In whose interest is yield management and who should it be done by?

*From Alex Bainbridge
CEO/CTO Autoura*

Any questions? Enter your questions in the chat box on the right.





Sell on the **right channels**
with the best commission efficiency

OTAs Vs DIRECT BOOKINGS

A vertical photograph of a busy city street, likely Times Square in New York City. The image shows tall buildings with numerous billboards and advertisements. A prominent billboard for Pepsi is visible on the left, along with one for 'CRISIS' featuring a group of people. Yellow taxis and pedestrians are visible on the street. The image is partially obscured by a green overlay on the right side.

OTAs: Friend or foe?

- We cannot ignore evolution in customer needs and wants online
- Customers have purchasing power and like transparency in pricing
- Understanding the cost of distribution is important
- Do you have enough volume in destination or do you need to reach potential customers overseas?



OTAs: A necessary evil

The “billboard effect”:

How can we then ensure that customers stay on our website and book there instead of on an OTA?

Your strategy:

- Have the best rate strategy direct, incentivise to book direct
- Build direct relationship once the customer has booked on OTA
- Give guest a great stay, personal touch and memorable service
- Improve loyalty and hence direct bookings
- Sell OTA guests an additional service, bring in incremental spend

Question Break



Q: How do you maximize distribution partnerships without letting them cannibalise your own business?

Q: What can tour, attractions & activity providers learn from hotels around balanced channel management strategies?

*From Paul Mockler
Head of Commercial Development Fáilte Ireland*

Turn OTA lookers to direct bookers

- **Direct bookings**
 - Low distribution cost + Enhanced customer loyalty
→ Retention
- **Beat OTAs at their own game**
 - Add a “call to action” / incentive / direct only offers
 - Show rate parity (so they won't leave your website)
 - Reward loyalty



Turn OTA lookers to direct bookers

- Have a strong brand, SEO, visibility and marketing
- Build trust
 - Have a calendar with live availability and prices
 - Make it simple to change or cancelling a booking
 - Payment security



Warner bros studio tour

EE WiFiCall 09:32 46% viator.com

Select an option for 05-Sep-2019

MOST POPULAR

1pm tour
£170.00 (£85.00 × 2 Adults)
Tour departs central London at 1pm

13:00

(£85.00 × 2 Adults)
£170.00 **Book Now**

8:45am tour
£170.00 (£85.00 × 2 Adults)
Tour departs central London at 8:45am

12:30pm tour
Tour departs central London at 12:30pm

Sorry, this tour option is unavailable for your date/number of travellers.

Reselect Date/Travellers

EE WiFiCall 00:05 63% klook.com

[Klook Original] Warner Bros. Studio Tour London: The Making of Harry Potter with Return Transportation from London

£64.00 ~~95.00~~
Klook Price Guarantee
4.4 (423 reviews) 2,703 Booked

Available Tomorrow

5 Sep 2019

Time

10:00 16:30

Person £64.00 2 - +

Infant (0-4) Free Voucher 0 - +

48 Hours Confirmation No Cancellation View More

£128.00 Credits +121

EE WiFiCall 00:01 65% wbstudiotour.co.uk

BUY TICKETS
MUST BE PURCHASED IN ADVANCE

TICKETS PLEASE!

TICKETS MUST BE PURCHASED IN ADVANCE

THE AVERAGE VISIT LASTS APPROXIMATELY 3 1/2 HOURS

UNDER 16s MUST BE ACCOMPANIED BY AN ADULT

2019 PRICES

EE WiFiCall 00:01 tickets.wbstudiotour.co.uk

SELECT A DATE

CHANGE DATE

Thursday, September 5, 2019

17:30 AVAILABLE **SELECT**

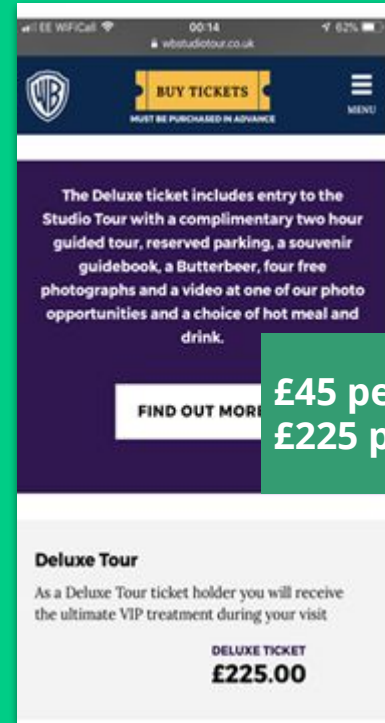
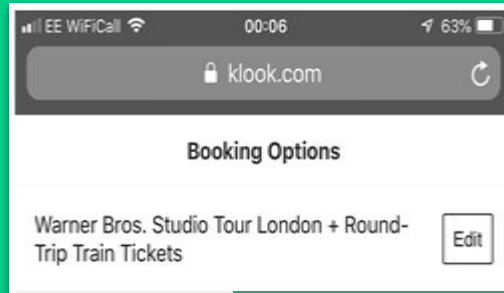
18:00 AVAILABLE **SELECT**

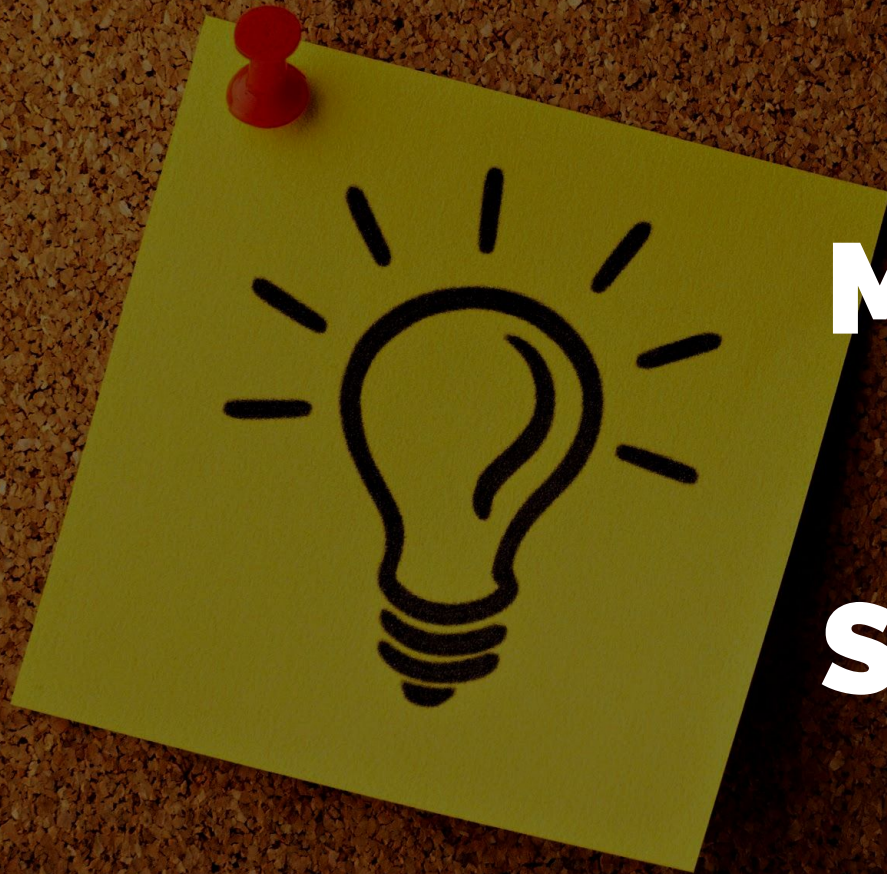
18:30 AVAILABLE **SELECT**

BASKET **UPDATE**

Item	Adult - 05/09/2019 17:30	TOTALS
Price	£45.00	Delivery: TIC
Quantity	- 2 +	Total: £90.00

Warner Bros studio tour - package inclusions





**Revenue
Management
=
Selling smart**

Key Takeaways

- Use revenue management techniques to **plan growth** for your business
- Use OTAs as an **advertisement tool** for customers you can't reach
- The “**Billboard effect**”
- Make sure your website has a “**hook**” so visitors don't leave
- **Reward loyalty** custom with direct incentives
- Start **tracking trends** - periods, times and key dates

Final Question Break



Q: How do operators retain control of the inevitable move towards revenue management?

*From Christian Watts
CEO Magpie Travel*

Q: Can RM tools improve operator profits?
What variables truly affect demand?
How would operators with the ability to try RM do so in a trial scenario?

*From Peter Syme
MD Splash White Water Rafting & Disrupt Travel*

Final Question Break



Any questions? Enter your questions in the chat box on the right.



Join the conversation

[Join Revenue Management for
Tour Operators on LinkedIn](#)

and get involved with the
discussion.



Resources

 [EXAMINE: Website Health Check Sheet](#)

 [READ: Introduction to revenue management](#)

 [READ: 3 revenue management strategies used by tour operators](#)

 [WATCH: How to keep customers coming back for more with Antony Lias from SANDEMANs NEW Europe](#)

 [JOIN THE CONVERSATION: Revenue Management for Tour Operator group on LinkedIn](#)

Thank you!



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