



**SOUTH OF  
SCOTLAND**  
**DESTINATION  
ALLIANCE**

# **SCOTLAND STARTS HERE** **TRAVEL TRADE TOOLKIT**

**PLANNING FOR INBOUND SUCCESS**



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→ LEADERFOOT VIADUCT, NEAR MELROSE  
→ FRONT COVER: EILDON HILLS



# INTRODUCTION TO INBOUND TOURISM

**The Travel Trade – intermediaries such as tour operators, wholesalers, travel agents and online travel agents - play a significant role in attracting visitors to the South of Scotland.**

While domestic visitors are always going to be important to you, getting more visitors from overseas will give you the chance to raise your game even more, because they generally stay longer and spend more.

Generating more, and longer staying, higher spending visitors should be an aim of your business. South of Scotland Destination Alliance focusses on attracting overseas consumers, especially from target markets of North America – USA and Canada – and Germany.

Attracting visitors from these markets through direct sales (e.g. your website) is usually very costly and not enough to get meaningful results for many businesses - a combination of selling directly to the visitor and working with the Travel Trade usually works best. This means you must have some specialist industry knowledge and information to develop profitable business from these markets- understanding travel distribution systems, recommended rates (gross or net), commissions, and the various roles of the Travel Trade who can help you access these and your own target markets.

Developing your tourism product or services to an international standard for overseas visitors requires an understanding of international consumer needs, motivations and different travel styles, as well as language, cultural and culinary requirements. Understanding these will enable you to see where your product fits internationally and select the right markets for your product.

This guide is designed to give you an easy reference manual of what actions need to be taken by you to increase sales and revenue, particularly by working with the Travel Trade to access international visitors through them.

## Key Takeaways

The Travel Trade is a complex market made up of many players, but essential for accessing overseas (and specialist) markets. The Travel Trade is often thought of as targeting the group market, but in fact it is also used extensively for small group and individual travel.



Research by VisitBritain identified that the Travel Trade is looking for new, bookable, commissionable Travel Trade products and experiences across the country. This guide will help you assemble your products and services to meet these criteria.



# ATTRACTING INTERNATIONAL ATTENTION



**International tourists stay for longer periods and spend more money than domestic travellers. However, the South of Scotland might only be part of an itinerary where the traveller visits more than one destination when in Scotland.**

To attract international visitors, direct sales alone are usually not enough for many suppliers: a combination of selling directly to the visitor and working with the Travel Trade usually works best.

**Did you know that over half of visitors from our key markets will only ever book through the Travel Trade?**

Attracting international visitors or customers has many benefits but remember the following points when working in international markets:

- The cost for marketing overseas directly can be high.
- Selling your product through international Travel Trade requires a commitment to working with their pricing and booking structures.
- International markets vary considerably between each country and take research and planning before entering a market.
- Language and cultural differences create additional challenges when marketing your product overseas.
- Entering and establishing your product in the international market is a long-term investment and may take some time before returns can be seen. Being successful in the international market requires a larger investment of both time and money and is based on establishing and maintaining good business relationships with Travel Trade intermediaries over an extended period of time.
- Working with the Travel Trade helps manage the risk of entering international markets and targeting international visitors. It is the most cost-effective way for a business to a marketing channel that is only being charged for (via the commission) once a booking has been made.




→ **TEMPLE OF THE MUSES, DRYBURGH ABBEY BRIDGE**



# ATTRACTING INTERNATIONAL VISITORS

**Reach:** Opportunities to reach new markets and customers more easily (operators and agents have influence when the consumers are at the booking stage – via their brochures and websites)



 **Seasonality:** International travel patterns are not focused around weekends or school holidays and may assist to level out seasonality problems

**Lead Times:** Booking lead times are usually longer, especially from long-haul markets like Australia and the USA. This allows for better business planning



 **Higher Yield and Spend:** International visitors have a higher spend per person because of their longer length of stay. The average international visitor to Scotland will spend almost four times more than the average domestic overnight visitor

**Spreading Risk:** Focusing on a range of international markets can reduce risk and minimise the impact of any changes in the domestic or a single international market



 **New Distribution Channels:** Tapping into inbound tourism networks opens up new forms of distribution and gives millions of potential visitors around the world easier access to your products, services and business

**Innovative:** Expose your company to new people, new ideas, different management practices and systems and marketing and sales approaches



## TOP TIPS

### ADVANTAGES OF WORKING WITH THE TRAVEL TRADE

They partner with you to market and sell your product.

They have well-established and wide-reaching distribution channels and an established customer base.

They have market knowledge and are experts in their field.

# UNDERSTANDING YOUR TARGET MARKETS



## Understanding your international target markets is a vital element of your inbound strategy.

Visitors from different countries have different needs and travel in different ways to domestic visitors. Not all products and experiences will be suitable for all international visitors.

VisitBritain and VisitScotland have extensive research available on international visitors, their travel styles and the experiences they are looking for on a UK holiday.

Looking at the research can help you build a profile of inbound visitors that may be interested in your product or experience. Use it to help you identify which are the key markets to target for your business.

Visitors choose different styles of travel based on whether their trip is for leisure, business, special interest or family reasons. The demographics, styles of travel, choices and likes/dislikes vary amongst different visitors and markets. Think backpackers and luxury travellers; think Germans and Chinese. Adapting and being responsive to your target markets is important. Both VisitScotland and VisitBritain research and Travel Trade partners will be able to advise you on what fits best for your business AND what you might need to do to target new international visits from different markets.

Understanding how these visitors travel and what they like to do is crucial. To learn more about international target market visit <https://www.visitscotland.org/research-insights/about-our-visitors/international>

## RESEARCHING YOUR TARGET MARKETS WILL HELP YOU UNDERSTAND:

Who currently  
visits Scotland

How long  
they stay

What they like  
to do and see

Who they  
travel with

How  
they book

→ LOCH TROOL

## Key Takeaways

### KNOWING YOUR MARKETS



- It's important to understand that overseas markets are very competitive. Not only are you competing against companies that provide similar products, you are also competing against other international destinations.
- Selling your region and informing travellers about your destination and its attributes is often the first step in selling your product.
- Identify which markets you are aiming for and then prepare a marketing plan and budget for each market you plan to target.
- Carry out your research before you undertake any activity.
- Tailor your product offering, your messaging, your delivery, etc. to the nuances of each market.
- Look after your customers, trade partners and your visitors.
- Be prepared and always focus on building long-term relationships with the Travel Trade.

## SOME EXAMPLES OF SEGMENTS INCLUDE

**Fully Independent Traveller (FIT):** Often Self Drive programmes or City Breaks; will book a base package including accommodation, car hire and ferries or some elements of their holiday prior to arrival; organise most of their trip independently.

**Group Tour:** Buy a pre-organised package from a tour operator or travel agent; general tour programme or special interest itinerary often fully inclusive (transport, guide, entrances and experiences, meals); can be a SIC Tour (sit in coach tour with individuals travelling together) or a tour with groups such as an association, a club, a group of friends; ranges from small group tours (to 26 people) to group tours (to 50 people).

**Special Interest Groups:** Groups with personal interests e.g. gardens, health, museums, history & heritage; book through tour operators who specialise or have high level of expertise; includes lectures, location visits; can be high yield but low volume.

**Visiting Friends and Relatives (VFR):** Visiting friends or relatives is the reason for travel; will travel beyond the family base; use recommendations and advice from friends and relatives when planning their trip.

**Youth/Backpackers:** Essentially like the FIT market but spend at least one night in a backpacker/youth hostel during their stay; highly independent and are more likely to purchase travel experiences direct whilst travelling; generally, 18 – 25 but age profile is changing; high use of internet and social media for information.

**Education Travellers:** Student groups or international students are classed as education travellers; they have specific requirements for accommodation and parts of their itineraries; tend to stay for extended periods within the country whilst studying and are able to spend extra time to travel; long-term students generate more visitors: parents and friends visit them while they are here.



# WHAT ARE THE KEY MARKETS FOR THE SOUTH OF SCOTLAND?

**High-quality and authentic experiences are sought by travellers around the globe.**

The South of Scotland appeals to both domestic and international consumers and there is potential to increase our share from these markets. Success will come from investing resources into consumer segments where our products and experiences resonate strongly, reaching both new and repeat visitors.

The UK is Scotland's biggest market and is of great importance to the South of Scotland. International markets are also extremely important to Scottish tourism. Foreign visitors tend to stay longer than domestic visitors, their total expenditure during their visit is higher. VisitScotland's core markets where the majority of our overseas visitors come from year after year and remain critically important to the country's tourism success are:



**UK, US, Germany, France and China**



For the South of Scotland, **North America** and **Germany** are the key international markets, due to the high number of repeat visitors ready to explore alternative areas. A secondary market is the **Netherlands** due to the **DFDS ferry route** into Newcastle.

## WHERE A TRAVELLER COMES FROM WILL INFLUENCE A NUMBER OF FACTORS INCLUDING:



The length of visit.



How much they spend, what they eat and what they buy.



What they do and the attractions they visit.



What destinations within Scotland they visit.



The type of accommodation, touring, activities and attractions they prefer.



→ **GUNSGREEN HOUSE, EYEMOUTH**

Credit: Jason Baxter



# MARKET BREAKDOWN

<b>America (US&amp; Canada)</b>
<b>When They Plan</b> 6 months + (40.9 weeks on avg. in advance)
<b>When They Visit</b> April-October
<b>Length Of Stay</b> 8.7 Nights
<b>Booking Behaviour</b> <ul style="list-style-type: none"> <li>• Use websites, friends and family and printed travel guide books for planning trip.</li> <li>• More likely to seek personal advice from a travel agent.</li> <li>• More likely to purchase tickets for visitor attractions / guided sightseeing tours, prior to trip.</li> </ul>
<b>Travel Trade</b> <ul style="list-style-type: none"> <li>• Increase in millennials booking FIT packages through travel agents.</li> <li>• 70% of luxury segment still book with travel agent.</li> </ul>

<b>Germany</b>
<b>When They Plan</b> 6 months + (25.9 weeks on avg. in advance)
<b>When They Visit</b> May-September
<b>Length Of Stay</b> 7 Nights
<b>Booking Behaviour</b> <ul style="list-style-type: none"> <li>• Rely on tourist boards, Trip Advisor, tour operator websites and word of mouth from friends and family when planning.</li> <li>• Following advance research, will approach a travel agent or tour operator for booking.</li> </ul>
<b>Travel Trade</b> <ul style="list-style-type: none"> <li>• Booking through the trade continues to be strong.</li> <li>• Increased sense of need for safety to discuss holiday plans with travel professional (due to recent health, political and safety situations).</li> </ul>



## TOP TIP

Ideas are generally more compelling and distinctive if you have a focused target definition – hoping an idea will appeal to everyone and thus avoiding making a choice is not a strategy for success!

## HOW DO YOU TARGET THESE TRAVELLERS?

There are two ways for you to find and sell to potential customer.

### DIRECTLY

You target visitors directly through your own advertising, brochure distribution, website, social media and client referrals. Direct online bookings and sales will be through your own booking engine on your website; or they may be through phone, email or walk-in bookings and sales.

### INDIRECTLY

Another way to promote your business is indirectly through a third party by using tourism distribution channels such as travel agents, wholesalers and inbound tour operators, including handling agents, destination management companies (DMCs).



→ ABBOTSFORD HOUSE

## KEY DISTRIBUTION CHANNELS

### TOURISM PRODUCT

(Hotels, B&Bs, hostels, self-catering, attractions, restaurants, activities, events)

#### DIRECT



Online  
Brand website  
Email  
Internet booking engine  
Mobile  
Social media  
Offline  
Phone  
Walk-in

#### INDIRECT



DMCs  
Wholesalers  
Incoming tour operators  
Retail travel agents  
Coach Operators  
Online travel agents  
Third-party websites

→ THE CUSTOMER /TOURIST ←



### TOP TIPS YOUR WEBSITE

The most important online sales channel for your business is your own website which should generate the highest yield of any channel.

As well as ensuring that you make it as easy as possible for customers to do business with you on your own website, there are a variety of third-party online sales channels which are examined over the following pages.

## UNDERSTANDING INTERNATIONAL DISTRIBUTION CHANNELS

**Understanding the various ways your product or experience can be sold to potential customers is vital to ensuring the sustained viability of your business.**

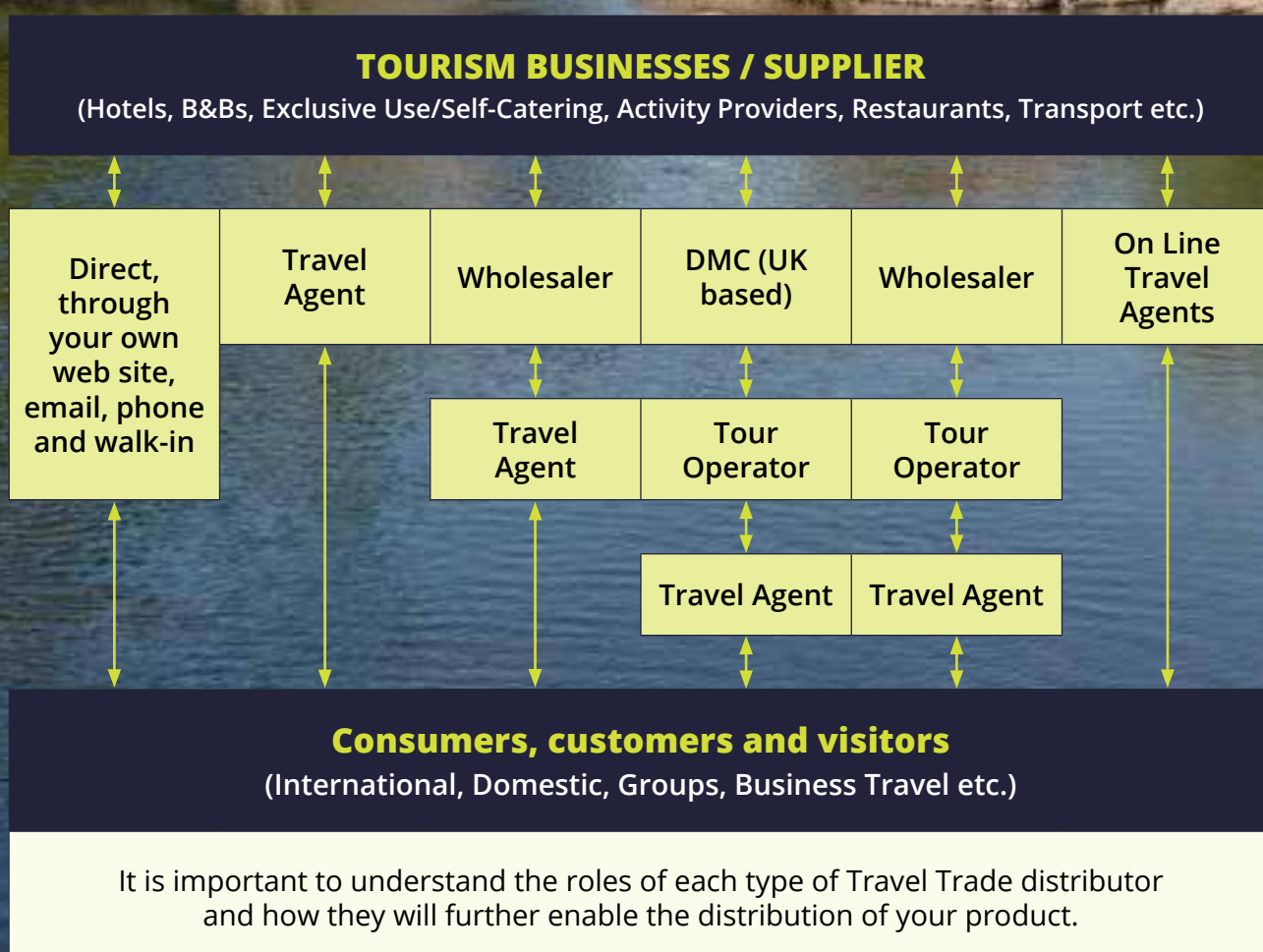
Whilst a significant proportion of your customers will find you by themselves, either online or through your other marketing and promotional channels, it's important to know about the different distribution channels and how they are likely to impact on both your product and your costs.

It's also important to understand the roles of each type of Travel Trade distributor and how they will further enable the distribution of your product. International distribution channels and systems vary from market to market. It's vital for you to know what structures are in place in the markets you plan to target.

### THE INTERNATIONAL TRAVEL DISTRIBUTION LANDSCAPE

Distribution refers to the way in which consumers find out about your product and the channels they use to research it and make bookings. It is different in each country. For example, many travellers still book flights through their travel agent. However, they may book their accommodation online through an online travel agent (i.e. Booking.com, Expedia) and their activities direct with the operator once they arrive in Scotland.





## WORKING WITH THE TRAVEL TRADE AND TRAVEL INTERMEDIARIES

Travel Trade intermediaries (travel agents and tour operators) play a significant role in the decision-making process of many international visitors: they help to open up new markets and encourage tourists to spend longer exploring Scotland. But, as with all markets, the Travel Trade is dynamic and its role will vary depending on what country they are in, to reflect changing characteristics of different markets.

Understanding the various ways your product can be sold to potential customers is vital to ensuring the sustained viability of your business, so you may need to engage with a mix of distribution partners to ensure the most effective way of reaching your, and their target customers.

So, it's important to know about the different distribution channels and how they are likely to impact on both your product and your costs. This may also require you to put new procedures and systems in place to support the international distribution process from the time of booking, through to the visitor's arrival and post visit.

### → ELLISLAND MUSEUM AND FARM



## TOP TIPS TAILOR YOUR APPROACH

If you are sending a tour operator an email, there is every chance that they are receiving hundreds from other tourism businesses as well. Do your research first and make sure you tailor your approach to suit their needs.

## Advantages of working with the Travel Trade include:

- Being included in a comprehensive brochure or online portfolio which is produced and distributed to travel agents or accessed direct by consumers.
- Tour operators' representatives will conduct a range of marketing activities, including sales calls, to attract retail travel agents to promote the programme and operators in it.
- Tour operators have computerised, often global, reservation systems to record bookings.
- Familiarisation visits for the industry and media are conducted to give staff an opportunity to experience the product first-hand.
- Third-party organisations undertake advertising campaigns aimed at both consumers and retail travel agents.
- They create individually tailored packages, e.g. self-drive, nature-based tourism, luxury stays, exceptional experiences and more.
- They attend trade workshops, trade missions and shows and act as an extension of your product marketing efforts, providing international exposure for your product.
- They understand and manage cultural nuance, foreign language, visa and legal requirements for overseas visitors.
- They act as a local contact point for clients overseas.

Credit: Duncan Ireland



# HOW TRAVEL TRADE & TRAVEL INTERMEDIARIES OPERATE

## THE KEY TRAVEL TRADE DISTRIBUTION CHANNELS ARE:

- DMCs (Destination Management Companies)
- Travel Agent
- Wholesaler
- Tour Operator
- OTAs (Online Travel Agents)
- Coach Operators

With the growth of the internet, many traditional travel distributors such as wholesalers and travel agents are taking an online approach in addition to, or as an alternative to, offering their services from a retail shop front.

Wholesalers, Tour Operators and Travel Agents rely on DMCs recommendations, as they are based in the UK and have the knowledge of tourism products and experiences, as well as being a single point of contact.

Online and traditional distribution partners have the opportunity to work both with each other, and directly with local tourism operators who supply tourism product (e.g. accommodation, tours etc.) and customers. It's important to know each partner's role in the Travel Trade and how local tourism businesses can benefit from their part in the distribution network. The Travel Trade and the distribution network are dynamic, with new players, products and experiences joining all the time.

## → SICCAR POINT



## DMCs

**Destination Management companies are based in the UK with many in Edinburgh and Glasgow as well as London.** DMCs provide all players of the Travel Trade with ready-made travel packages, sample itineraries and product inspiration. They will have a close working relationship with international wholesalers, tour operators and travel agencies in a range of different markets and will contract for their specific programme needs.

They are the link between UK tourism businesses and their products or services and the overseas travel distributors that buy them.

DMCs are in charge of all itinerary planning, product selection, booking all travel arrangements and working directly with suppliers. DMCs are very helpful in getting your product to market. Examples include: Abbey Tours, Angela Shanley Associates (ASA), Cashel Travel, The Tour Partner Group, JAC Travel.

### Benefits to operators of using DMC:

- Inbound tour operators conduct a number of activities to attract the interest of overseas wholesalers and retail agents to make them aware of the services and products in Scotland.
- They also create individually tailored packages, e.g. self-drive, nature-based tourism and special interest tours.
- They attend trade workshops, missions and shows and act as an extension of your product marketing efforts, providing international exposure for your product.
- They understand and manage foreign language, visa and legal requirements for overseas visitors.
- They act as a local contact point for clients overseas and only work with international clients.

### Tips for working with DMCs:

- With DMCs being locally based ensure they are your first point of contact when introducing your product to them, in person where possible.
- Ensure that the DMCs have a good understanding of your offer but also of the region you are operating in.
- Keep the DMCs up to date with any product innovations.
- Be open to ideas and feedback from the DMCs, they have a great level of experience of tour operator requirements and interest.
- Consider extending an invitation to DMCs staff to experience your product first hand, consider collaboration on this with other attractions in your area.
- Be prepared to provide rates up to 18 months in advance, supplied for the tourism calendar year of 1 April to 31 March. This is linked to the wholesaler's brochure production.
- Compile a sales kit with product fact sheets in PDF format, brochures and images.
- Provide DMCs with prompt (same day where possible) turnarounds on enquiries, quotations and bookings.





## Wholesalers

**Wholesalers provide retailers with travel packages comprising two or more products supplied by different local businesses.** These packages are put together in brochures (on and offline), which are then distributed to networks of retail travel agents and also coach tour operators for display in their retail travel agencies.

Wholesalers are located mainly in the overseas markets, and many are still reliant on UK-based DMCs to develop their own packages for travel agents and consumers. It is essential that good relationships are established with DMCs who specialise in operators' target markets. Wholesalers link individual tourism operators with retailers and do not sell directly to the public. Examples of tour wholesalers are: Service-Reisen Giessen, Behringer Touristik, Vosaio, Greatdays, Albatross Travel.

### Tips for working with wholesalers:

- Research – find out which markets and segments the wholesaler targets, the type of experience they sell and who their distribution partners are (e.g. DMCs).
- Keep wholesalers updated on any new developments or changes to your product.
- Suggest ideas for packaging your product with complementary products in your region to make it easier to sell.
- Highlight your unique selling point (USP), the benefits of your product and the factors that set you apart from the competition.
- Ensure you allow for wholesaler commissions in your rates and include concise terms and conditions. Be prepared to provide rates up to 18 months in advance.

### KEY TAKEAWAY

Keep pricing confidential between supplier and trade operator. This includes pricing that is available via the Internet – visitors should not see trade price and trade should not have same price as direct sale price.

## Tour Operators

**Tour Operators create and offer tours that include services from different accommodation providers, attractions and transport companies.** They book blocks of their inventories and can combine these services into different tour packages. They might be contracting product from their international offices or might have a contracting team based in the UK. A tour operator may sell direct to the consumer or through travel agents and may operate through print and online. Examples of well-known tour operators are: Tauck Tours, Brendan Vacations, Trafalgar, Evan Evans, Tenon Tours, CIE Tours.

### Tips for Working with Tour Operators:

- Tour operators will be planning and choosing product for itineraries and packages at least two years in advance. Keep this in mind when working with trade initially.
- When working with tour operators you should have a recommended retail price so that there is pricing transparency across all your distribution channels.
- Provide information of your product such as trade fact sheets, online brochures and images. Include clear information around your visitor capacities such as maximum group numbers you are able to receive.
- Ensure that you identify any seasonality in your product (i.e. high season, low season, and days of operation).



→ LEADERFOOT VIADUCT

Credit: Jason Baxter

## Travel Agent

**Travel agents sell national and international holiday and travel products to the consumer, are based in the consumer's country of origin and are a link to the international consumer.**

They offer wide distribution in prominent shop front locations and a convenient place for travellers to make bookings and buy holidays. Many travel agents belong to a larger chain of travel agencies or consortiums that use their combined resources to market the agency brand. In some countries, retail agencies may be operated by travel wholesalers, or may concentrate on particular market segments such as special interest or family travel. Many retail travel agents also have an online presence. However, keep in mind that travel agents tend to sell worldwide holidays, business from Travel Agents might be infrequent but is often high value.

Well-known examples of travel agents in this country are: Barrhead Travel, Virgin Holidays and Kuoni Travel (note that Kuoni are both a wholesaler and a travel agent).

### Tips for Working with Retail Travel Agents:

- Register your business on VisitScotland's Travel Trade site - <https://traveltrade.visitscotland.org/>
- Meet travel agents and wholesale reservation agents by attending trade shows that target this industry sector.
- Establish and maintain good relationships with your retail travel agent's preferred wholesalers and DMCs and provide key agents with regular but relevant product updates.

### Key Takeaways:

- Invest in the relationship – invite trade partners to visit your property on a complimentary basis and provide extras when you can. They must have first-hand knowledge to sell your product with enthusiasm.
- Keep your product exciting by adding new components and promoting this in a trade newsletter - your own or one that your DMC or local marketing organisation might produce.

- Be professional at all times. When you make a promise to follow up with more information, follow up in a timely manner. If you don't- someone else will.
- Don't be afraid of asking questions to clarify their requirements. The operator should understand you seek to improve your product offering to them. It is better to ask relevant questions first, most tour operators expect a certain amount of back and forth before getting the right trip.

## Online Travel Agents (OTAs)

**Online travel agents (OTAs) are the fastest-growing distribution channel for travel products.** OTAs now represent the second-largest travel booking channel (after direct hotel channels) in many countries, both in Europe and further afield.

OTAs specialize in online distribution and have no intermediaries: they deal directly with consumers and tourism business and their products. Consumers can purchase a product or an entire holiday package online. They are online versions of the traditional travel agent or tour operator, acting as a bridge between consumers and suppliers (hotels, airlines, car hire companies, activity providers and visitor attractions).

Online distribution is less structured than the traditional travel distribution system. Commission levels vary, depending on how the site is operated (see below).

Before establishing a distribution deal with any online partners, it is important to research the site, how it operates and how it will promote your product, as well as how information is loaded and updated. Many sites provide you with access to maintain and update your details. While this does provide you with control over the information on your product, it can also be very time-consuming, especially if you are featured on a number of sites. Online distributors may also run a number of affiliate sites also selling on packages, just as an Independent Tour Operator (ITO) would to a wholesaler. It is important that you are aware of any affiliate sites and where rates may appear.



OTAs can be very effective for independent hotels, B&Bs and guesthouses who will not typically be known internationally and who might not have the expertise or marketing budgets to directly target international visitors. Working with OTAs can be a relatively low maintenance way of reaching new and international visitors. Well-known examples of OTAs include: Expedia, Viator, Booking.com, Hotels.com.

### Top Tips for Working with OTAs:

- Clarify commission and inventory levels required and the level of promotion for your product.
- Find out how much new business the site may generate.
- Check if there are any affiliate sites that may operate in addition to the main site.
- How is your information on the site maintained and updated – by you or the site host?
- How is the site promoted? Is it targeted at the trade or consumers? Are there any distribution agreements in place?
- Many OTAs do not promote the country, region or your product. They are a vehicle for rate search only.
- Check the fine print for their refund policy.

### → THE EILDON HILLS



### TOP TIP



Tour operators are all different; they have different products, different routes and destination regions and different types of customers. It will be important that you check out their websites or profiles to get a sense of what they are selling and how your offer might fit into their program. If you see a fit, they might see a fit too if you pitch to them in that way.

## Coach Operators

**Coach operators might not only buy from a wholesaler, but many UK based coach companies, operating mainly full-size coaches (49/51 seater), will also contract their programmes directly.**

These are often family-run businesses specializing in domestic holidays from 3 to 7 days, some also offer European holidays. The target audience is exclusively retirees which leads to a programme of relaxed sightseeing on these trips.

Often, they include multiple nights in each location, for the benefit and comfort of the guests. The British audience has not the same focus on touristic highlights compared to the international audience. We often see programmes from this segment that already include regions away from the 'honey pot' destinations. Coach packages are very successful across the UK, particularly midweek in low season when prices are cheaper.

Examples are: Wood's Coaches, Richmond Coaches, Barton Hill & Armchair, Deirdre Brown Travel, Albatross Travel (a wholesaler for the coach operator market).

### Top Tips working with Coach Operators:

- Be aware of your capacities especially if you operate a visitor attraction. Are you able to provide a service for up to 40/50 people, are you able to still operate a tour by allocating multiple guides?
- Have a clear understanding of the operator's cancellation deadlines, how early or late are their customers signing up to the trips.
- Do you have the facilities to cater to an older audience?
- Be mindful that the coach driver will be part of the 'gang' travelling, ensure you look after the driver well and include in catering ideally free of charge.
- Do you have coach parking space or does the driver need to book away from the accommodation/ attraction/ restaurant – ensure to advise the coach company in advance.

# CREATING A TRAVEL TRADE SALES KIT

Before you start to meet with Travel Trade buyers to pitch your product and work towards setting up sales contracts, it's important to be prepared with all the sales materials you will need to support your sales effort. A trade sales kit is a set of promotional materials that includes all the information an inbound tour operator or wholesaler might need in order to promote your product and to put it onto their system and sell it through their distribution networks.

→ TRIMONTIUM MUSEUM

## A Trade Sales Kit Includes:

- A trade fact sheet that communicates the experiences you offer, and all information needed to sell your product.
- Destination information that sets the scene
- A selection of high-resolution images that showcase your product experience.
- Rate sheets with terms and conditions with rates set out 18 months in advance of travel.

Remember all your material should be consistently branded, reflecting the look and feel of your existing marketing materials.

## What to Include in your Trade Fact Sheet

### COMPANY INFORMATION:

- **About you** - A brief overview of who you are and what you offer.
- **About the tour, attraction or accommodation** - A brief introduction about your product tour inclusions or property facilities.
- **Tours or attractions** - List the inclusions and selling points to help the Travel Trade understand the experience that visitors will have. This is your chance to identify your unique selling points.
- **Accommodation** - List the property facilities including dining options, room types and bed configurations.
- **Booking Details** - How the product can be booked, including phone and email details for your dedicated trade contact person if applicable.
- **Features** - Highlight the features that make your product stand out - your unique selling points. Include unusual itinerary highlights, access to insider knowledge or locations, or unique interactions with people or places not offered elsewhere.

→ TRIMONTIUM MUSEUM



# RATES AND COMMISSIONS

## Different rate types

**Working with the Travel Trade requires local tourism businesses to factor in commission charges, also called Travel Trade discounts, into their pricing structure.**

It is the fee paid to the DMC, wholesaler, online and retail agent to market, distribute and sell your products and services. This is their income, paying for their marketing, operation and the services they provide you and their customers.

Commission rates can vary amongst the different levels of the Travel Trade (see below). If your own prices don't reflect commissions, it will be very difficult for you to market your product through a Travel Trade operator to overseas customers.

When dealing with the travel distribution system, suppliers must provide the correct rates to each level of distribution system. Rates should be clearly marked as either gross (retail) or net (Travel Trade rate).

### KEY TAKE AWAY

The Travel Trade discount or commission should be considered a marketing fee that is only paid when a booking has been made and customers have travelled. If you decide to utilise the Travel Trade and their impressive marketing and distribution network, consider the trade discount in your overall pricing strategy from the outset.

**GROSS RATE** = Net Rate + Agent's

Commission: The gross retail rate of a product is the amount that the consumer pays and should be consistent across all distribution channels. For example, a customer should pay the same price if they book direct, via an international travel agent or via the internet. Consumers will not purchase the product from a travel agent in advance if they know they can purchase it directly from the business at a reduced price. Agents will not promote and market the business if they know the consumer is not going to buy from them or they may endorse/promote competitors. The reputation of a DMC can be affected if price parity across all mediums is different.

**NET RATE** = Gross Rate – Agent's

Commission: A net rate is the gross, retail or rack rate of the product minus the commission paid to the booking agent. It is the amount the business will receive from the agent and should be kept confidential. The net rate should include VAT, all costs and your expected profit margin.

Net rates are supplied to DMCs, wholesalers and tour operators and are marked up by an appropriate amount to cover the agent's costs and commissions, before the product is packaged and sold to the consumer. The end cost should not exceed the usual retail rate but if a net rate is provided to a partner or a DMC, you cannot dictate the rate at which your product is sold.

## EXAMPLES OF COMMISSION LEVELS

Sales Method	Commission Level <sup>1</sup>	Explanation
DMC, Tour Operators	Up to 20%	A net rate providing a 20% margin is agreed with the DMC and paid once a sale is made and the client has travelled
Wholesaler	20%	A net rate providing a 20% margin is agreed with the wholesaler and paid once a sale is made
Online Travel Agent (OTA)	10% - 30%	A net rate providing a 10-30% margin is agreed with the OTA and paid once a sale is made and the client has travelled
Retail Travel Agent	10%	A travel agent retains 10% commission once the booking is confirmed and pays the balance
Direct to Consumer	nil	The consumer pays retail rate – however the retail or gross rate should be the same as that provided to distribution partners

<sup>1</sup> Please note: Information on commission levels is intended as a guide only.

# GETTING YOUR BUSINESS 'TRAVEL TRADE READY'

## What does it mean to be a Travel Trade ready business?

Not all tourism products or experiences are suitable for international markets. Some products may need to be refined before being marketed to inbound Travel Trade or consumers or may only suit specific markets or niche consumer segments. Other products may be more attractive to inbound markets as part of a package but are currently marketed independently. At the same time the systems and processes within a business might not be sufficiently receptive or adaptable to meet Travel Trade criteria or specifications.

Being Travel Trade ready means your tourism offering is produced, packaged, priced, promoted in such a way as to be both easy to find, bookable and an attractive proposition for customers. It means understanding the way the tourism trade works and applying a pricing policy that allows distribution through the Travel Trade.

Before investing time and money in international markets, ask yourself the following questions.

<b>Is your business established in the domestic market?</b>	Very few businesses enter the inbound market without first establishing themselves in the domestic market	✓
<b>Do you have booking mechanisms in place for international markets?</b>	You should offer same day booking confirmation via email or the internet where possible or respond to enquiries at least within 12 – 24 hours.	✓
<b>Do you understand the international distribution system?</b>	Be familiar with the role of the DMC (destination management company), an inbound tour operator, wholesaler, online travel agent (OTA) and retail travel agent	✓
<b>Are you familiar with commission levels?</b>	You should offer commissionable or discounted Travel Trade rates to trade partners, build this into your business planning	✓
<b>Do you understand how to distribute your product online and how this impacts on other distribution partners</b>	Set and guarantee rates up to 18 months ahead to coincide with the travel industry calendar, decide which product can be distributed online easily, which needs to be sold 'on request'	✓
<b>Do you understand where consumers can source information about your product?</b>	Be aware of User Generated Content, travel websites and how these influence consumers' product choices	✓
<b>Have you researched international markets to establish where your product fits?</b>	Use industry resources provided by VisitBritain and VisitScotland to understand key source markets	✓
<b>Do you understand the needs of international markets?</b>	Consider the travel styles, motivations, expectations language and cultural differences of international travellers	✓

If you can answer YES to the majority of these questions, then you are on the way to becoming Travel Trade ready.



# STEPS TO WORKING WITH THE TRAVEL TRADE

## 1. Know your customer

You must know who your target customers are and how your product or service can satisfy their needs better than the competition. This relates to both the end consumer and the tour operator who will sell on your behalf:

- To understand the needs of the end consumer, familiarise yourself with VisitScotland and VisitBritain research and statistics about the markets you are targeting.
- Review the tour operator's website and other sources of information about them.
- Find out what motivates your customer to buy. To make a successful pitch, you must understand your customer and their motivation for buying. Is it economic? Is it because you can offer a unique product or proposition? If they are open to change, is this due to previously poor service from a competitor?

## 2. Know your product

- You must understand your product or service intimately. You should know its benefits, values and unique selling points and how it can satisfy your customers' needs better than the competition.
- You should also know about complementary products and services in your area and the access points into Scotland and the South of Scotland from your target markets.

## 3. Know your pricing and allocation policy

- Depending on the tour operator's requirements, you will need to give them Travel Trade discounted net rates as appropriate for groups, FITs (individual travellers), both for the current and forthcoming year.
- Within your pricing structure, be able to demonstrate how your price represents value for money, based on what the product or service delivers relative to your competition and be specific about the ways you add value.
- Be clear about how you manage your allocation for individuals and groups and what the typical 'release periods' are within your allocation contracts.
- Provide information about your payment and cancellation policy.

## 4. Before you contact potential Travel Trade partners

VisitScotland may be able to help give you useful information, facilitate introductions to the main decision makers in the company tell you how important Scotland is within their total product portfolio and the kind of products or services they are looking for.

Speak to your local Business Development Manager.

# NEXT STEPS?

**This toolkit has provided you with the basics of selling through the Travel Trade. It is now up to you to evaluate if working with the Travel Trade is for you and to implement an appropriate Travel Trade strategy for you and your business.**

**As you do this, remember the following points:**

- Make sure your business is totally market-ready before approaching and engaging with the Travel Trade.
- Make sure your products and experiences are “bookable”.
- Respond to enquiries from tour operators within 24 hours (on business days), year-round. Follow-up on leads and keep in touch by an agreed arrangement – email, phone or mail.
- Research - do your homework on each DMC/ Tour Operator/ Wholesaler/ OTA you want to work with.
- Prepare a Travel Trade sales kit to include details on your business, key contacts, rates, terms and conditions.
- Develop a sales presentation for the Travel Trade, making sure it is different for each tour operator and offer an exclusive something if you can.
- Have a range of high-quality digital photography available.
- Keep your pricing arrangements with tour operators confidential.
- Understand that working with the Travel Trade is a long-term partnership, not just a quick solution to getting more business.



→ TRIMONTIUM MUSEUM



## ADDITIONAL RESOURCES AND SUPPORT

### South Of Scotland Destination Alliance

The South of Scotland Destination Alliance (SSDA) is the strategic Destination Management and Marketing Organisation for the South of Scotland, encompassing Dumfries and Galloway and the Scottish Borders.

If you'd like to keep up to date with South of Scotland Destination Alliance Travel Trade opportunities, please contact:

[traveltrade@ssdalliance.com](mailto:traveltrade@ssdalliance.com)

<https://www.ssdalliance.com/travel-trade/>

### USEFUL WEB SITES

#### VisitScotland

<https://traveltrade.visitscotland.org/>  
[www.visitscotland.org](http://www.visitscotland.org)

#### VisitBritain

<https://trade.visitbritain.com>  
[www.visitbritain.org](http://www.visitbritain.org)

#### UK Inbound

[www.ukinbound.org](http://www.ukinbound.org)

#### SDMA Scotland Destination Management Organisation

[www.scotland-sdma.org.uk](http://www.scotland-sdma.org.uk)

#### Independent Tour Operators Association

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



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