

Reaching Your Target Markets & Distributing Product

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EUROPEAN UNION
European Regional Development Fund



Norfolk
County Council

Interreg 
France (Channel
Manche) England
EXPERIENCE
European Regional Development Fund

Developing experiences for your preferred market & audience

When developing new visitor experiences, it helps to think about who your audience is. Who are you trying to attract to book your experience? Who are your potential customers?

In this chapter, we will give you the tools to help you to identify your potential markets and target audiences, also known as segments.

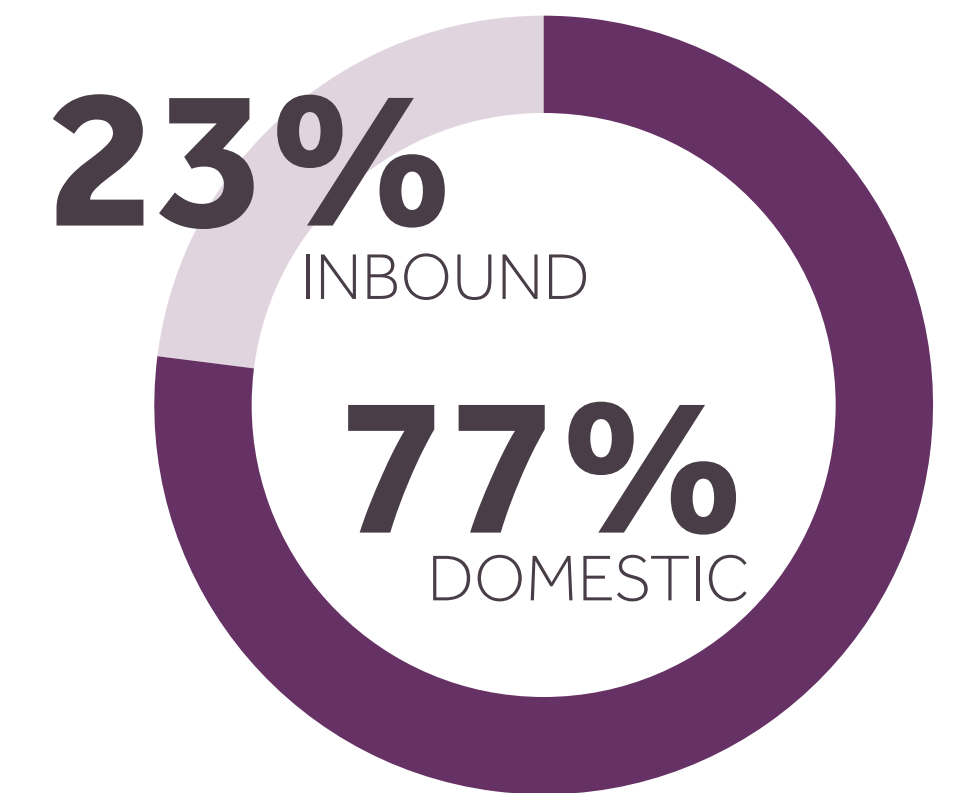
Questions to consider

- Who are you trying to attract?
- Which markets and what type of visitors do you think your experience will most appeal to?
- Do you think you are more likely to get visitors from the UK rather than from outside the UK?
- Is your experience more suited to adult groups?
- Will you only take bookings from private groups or do you prefer to have mixed groups and have individuals who don't know each other?

Domestic & Inbound Tourism

Having a good understanding of both domestic and inbound markets will help you plan and reach new visitors. Before the Covid-19 pandemic in 2019, domestic tourism accounted for approximately 77% of all tourism value in England. International visitors to England made up the remaining 23%. As the pandemic continues to effect tourism globally, you may well decide to focus on staycations with domestic customers.

However, inbound tourism can take time to get established so using this time to get up to speed about the inbound opportunities might help you later. The time you invest in learning about different markets will help you to reduce your seasonality and have a better understanding of how to be more inclusive of different customer groups that may have been inadvertently put to one side.



What's the difference between the two markets?

Domestic

Activities of a resident visitor within the country of reference.

- Travellers are familiar with England
- Lower marketing costs
- Traveller needs have many commonalities across segments
- Distribution system is consistent across the one market and operators often deal with consumers directly
- Simpler, short break style itineraries
- No language or cultural barriers
- Easy market to enter and return on investment established more quickly

Inbound

International tourist traffic coming into a country.
Also referred to as export tourism.

- Travellers may have limited knowledge of England
- Higher marketing costs
- Traveller needs vary in each market and segment
- Distribution systems vary in each market
- Complex itineraries
- Language and cultural differences
- Long term investment to recoup costs

Meet Your Markets

When targeting inbound markets, it's very useful to find out as much as you can about each market. Answering the following questions will help you .

Compare the market

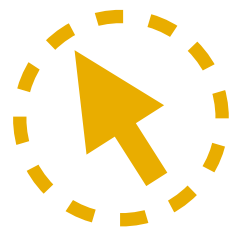
Market: France



How likely are they to visit?	Officially #2 global ranked to the UK in 2019
How do they travel?	39% travel through the Channel Tunnel
When do they visit?	April - December
What's the lead in booking time?	3 - 6 months
How long do they stay for?	5 nights on average

Compare the market for yourself...

VisitBritain produces extensive market profiles for each target market. Visit www.visitbritain.org/markets to view the market profiles and try answering the above questions for yourself.



Inbound markets to Norfolk

France, Germany, The Netherlands and Belgium are some of our closest inbound markets. These markets are likely to return to the UK sooner than some long haul markets. Many visitors arrive through the Channel Tunnel, rather than relying on air travel. This of course has a lower carbon footprint but also means visitors will be using the train or their own vehicle when arriving and travelling through Norfolk. This will make it easier for visitors to get to you.

Traditional booking lead in times

	France	Germany	Netherlands	All markets average
6+ months	7%	15%	7%	14%
3 - 6 months	37%	44%	29%	32%
1 -2 months	29%	17%	29%	28%
Less than a month	23%	19%	27%	21%
Don't' know	4%	4%	9%	5%

Market Segmentation

Market segmentation is a marketing tool that offers the chance to break down a specific market into groups or segments of individuals with shared needs or behaviours in order to better target them.

There are four basic types of market segmentation:

1. Demographic (who)
2. Psychographic (why)
3. Geographic (where)
4. Behavioural (how)

In tourism we describe these as 'customer segments' and tend to be referred to when targeting inbound markets.

Understanding who you are trying to attract

Firstly, complete your own research on the demographics of your potential customers. Is your experience going to appeal to a younger audience or is it more suitable for families or for older people?

Think about why your customers will want to book this experience, what interests might they already have and what type of experience might they be looking for? Once you have understood the demographic and psychographic segments, you should then consider where your customers will be coming from and how they will find you and how they will book?

Segmentation Exercise

Norfolk Surf School,
'Surf & Turf Experience'

Who: Younger, 18 - 34

Why: Free spirited and spontaneous, like to take holidays full of action and excitement

Where: Local/Regional/Domestic, France, Belgium

How: Airbnb Experiences, TripAdvisor, Google My Business, Instagram



Try this exercise for your business.
See next page to learn about the segments



Market Segmentation

To help tourism businesses better identify their target markets, VisitBritain/ VisitEngland created the following segments. Buzzseeker and Explorers are Norfolk's target segments, which represents 61% of the inbound market in 2019.

Target Segments

Buzzseekers (38%)

Trendsetters seeking out new experiences and always looking for action and excitement

Explorers (23%)

Enjoy spending time outdoors and want to see the world's most famous sites. Prefers holidays where they can enjoy the destination at a more relaxed pace

Adventurers (16%)

Enjoy travelling off the beaten track, spending time outdoors in nature and seeking out new experiences

Sightseerers (12%)

Like to stay within comfort zone, prefer cities to countryside and seek sensible, well-planned trips

Culture Buffs (12%)

Image and brand conscious, travelling often is a status symbol and they like well-known and safe destinations

There will of course be variations for all segments. For example, a European Explorer will be different to an American Explorer. Use these target segments to guide you and inform your targeting of potential customers.

Extending the season will help you reach your markets fully

The days of when visitors only visited a destination or booked an experience in the traditional holiday season is very much a thing of the past. Whether you're targeting domestic, inbound or both, visitors are looking for all year-round experiences.

The Covid-19 pandemic has changed the booking behaviour of customers who are more than ever now looking to travel in what has been known as the 'low season'.

Who likes to travel in the low season?

Visiting in the low season is for those who:

- dare to think a little differently;
- have a spirit of adventure, courage, exploration and enlightenment;
- travel to seek genuinely new experiences and want to return with stories to tell of their experiences;
- quite literally go against the flow of the crowd.

Market Segmentation

Understanding your key target audiences coming to Norfolk

Diversify your markets and learn how to respond to their different needs.

Walkers & Cyclists

What visitors are looking for

- Somewhere easy to get to
- Ways to freshen up when they arrive
- Food, they've been exercising to get to you
- Safe travel there and onward travels

Quick wins to entice this audience

- *Information beforehand about cycle routes and off-road paths and right of ways*
- *Dogs welcome information*
- *Water bowls and snacks for dogs*
- *Facility for muddy boots, towels to dry wet dogs and people, facility to dry clothes*
- *Safe place to store a bike*
- *Bike maintenance – details of local bike mechanic nearby, puncture repair kits*
- *Ways to freshen up when they arrive. Deodorant spray in bathrooms, blister plasters, welcome drink etc*
- *'No need to bring anything – it's all here!'*

Car Free Visitors

What visitors are looking for

- An experience that's easy to get to and back to public transport
- Feeling good and not harassed when they arrive

Quick wins to entice this audience

- *Bigger meals and snack on arrival*
- *Provisions to take when they leave – water and snack*
- *Phone charging facilities*
- *Information on other experiences to do nearby to do while here*
- *Local taxi details available*
- *Pick up facility from local train station*
- *Be ready to allow for electric cars to recharge*



Try some of these quick wins to help diversity your markets

Market Segmentation

Understanding your key target audiences coming to Norfolk

Diversify your markets and learn how to respond to their different needs.

LGBTQ+

What visitors are looking for

- Fitting in
- Feeling welcomed
- No awkward or insensitive moments

Quick wins to entice this audience

- Everyone's welcome
- No "His & Hers" wording anywhere
- Marketing photos showing same sex couples
- Toilets labelled sensitively

Differently abled

What visitors are looking for

- Not feeling special, but catered for
- Fitting in
- No awkward or insensitive moments
- Able to access all facilities

Quick wins to entice this audience

- Everyone's welcome
- Easy access around the venue
- Signage at eyesight
- Marketing photos showing people differently abled
- Space around seating for wheelchairs
- Safe routes into and around the venue
- Accessible toilets
- Nothing too high up to reach

Pre-Nesters & Empty-Nesters*

What visitors are looking for

- Child free experiences and activities
- Visiting anytime (not tied to school holidays)
- Special time with their partner or friends
- Making memories
- Other activities (what else can they do when they are here?)

Quick wins to entice this audience

- Listings or links of other things they can do while they are here
- Keepsake from the day
- Easy ways to bring friends too
- Show child free activities in marketing

* Pre-Nesters: 18-34, typically without children in household.

* Empty-Nester: adult couples whose children have flown the nest.

Bookability

Simply having your experiences on your own website is not going to attract a huge number of customers to book.

How will customers know you exist?

In 2019, 65% of the domestic market booked an experience before leaving home and 59% chose of the type of experience they wanted to do over the destination.

There are many ways to market your experiences, but it's much more than just listing your experience on your own website or distributing leaflets to local businesses. While all of the above are good to do, on their own they are never going to drive enough traffic for bookings.

You will need to widen your reach and in doing so you need to distribute your experience more widely and effectively.

The next pages on distribution will tell you how.



Influence of experience holiday destinations in Britain

CHOSE DESTINATION FIRST AND THEN FOUND EXPERIENCE

41%

50%

CHOSE THE DESTINATION BECAUSE OF THE EXPERIENCE

37%

33%

CHOSE THE EXPERIENCE FIRST AND THEN FOUND THE DESTINATION

22%

17%

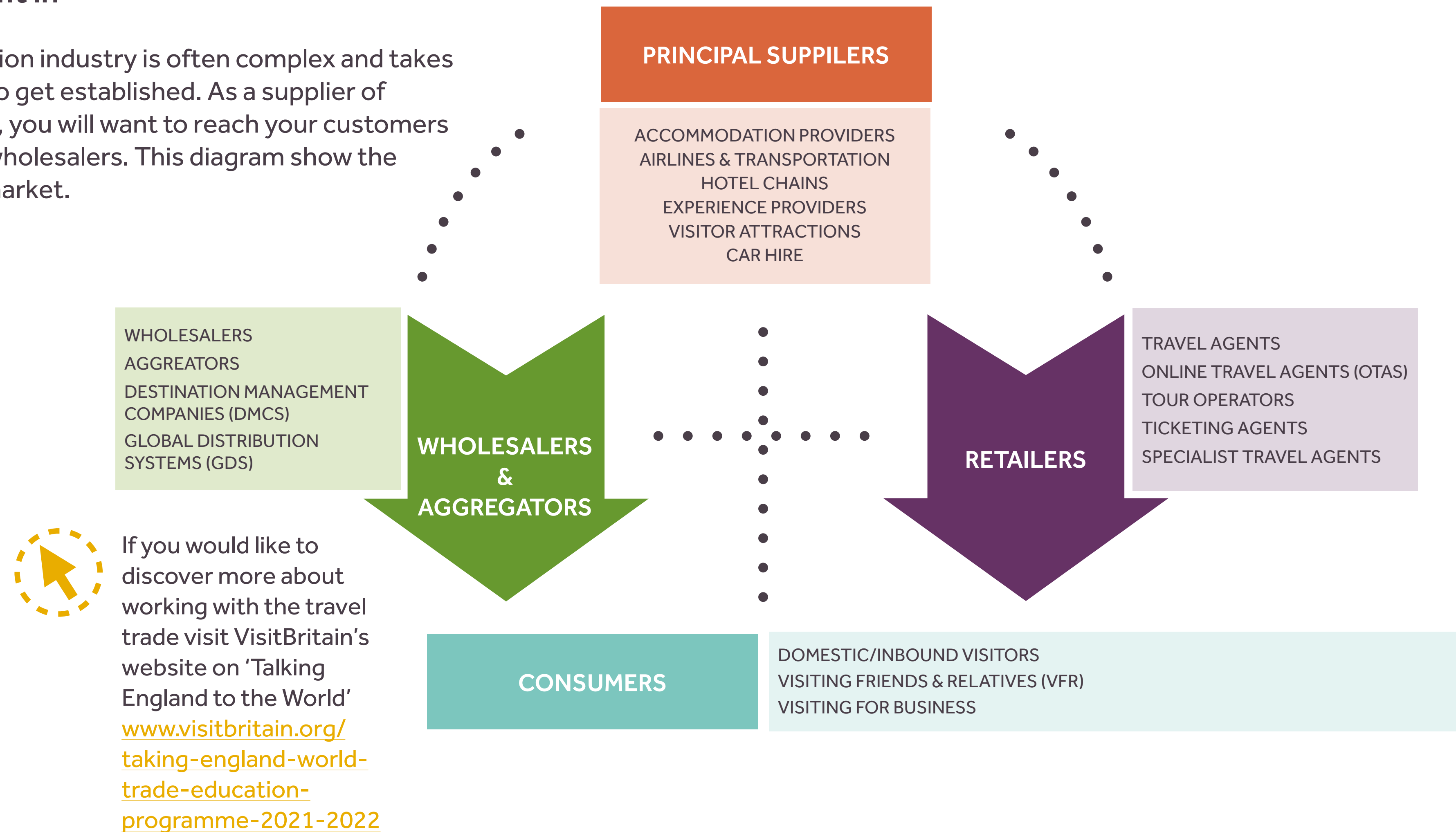
DOMESTIC MARKET

INBOUND MARKET

Travel Distribution Industry

How the travel distribution industry works and where you fit in

The travel distribution industry is often complex and takes time for suppliers to get established. As a supplier of visitor experiences, you will want to reach your customers through retailers or wholesalers. This diagram shows the various routes to market.



Travel Distribution Industry

Online Travel Agents (OTAs)

Online travel agents (OTAs) act as online marketplaces where experience providers from all over the world can onboard their experiences to be bookable. OTAs then spend a lot of money aggregating services from all over the world and marketing their inventory to a global customer base.

The global key players in the industry at present are Airbnb Experiences, TripAdvisor Experiences, Expedia Local Expert and Get Your Guide. These large OTAs have a long established presence in the travel industry and are continuing to grow their online presence among visitors.

Every OTA is different, some are large-scale and some are small and specialised, some only accept instant bookings, whereas on others guests can request to book. Some connect into distribution platforms, others have their own stand-alone booking platform.

It's good to compare and select the right OTA for you and your business. Which works best with your booking strategy? Are you looking to attract a large number of visitors to your experiences and host them often? You might then choose to work with one of the larger OTA's like on the next page. Or perhaps you are looking to reach a certain market or segment that chooses a more specialist OTA, which we'll cover on the next pages. Often businesses will choose to work with more than just one OTA.

A few questions to ask yourself when choosing the right OTA(s) for your business:

- Are you looking to a particular market?
- Do you want guests to book instantly?
- Are you happy to run an experience with only one guest?
- Do you prefer private groups rather than mixed with individual bookings?
- How much commission are you willing to pay?

Let's talk about OTAs' commission...

Instead of thinking of commission being taken by OTAs as an extra cost to running your business, think of this as your marketing cost, which will often work out to be more cost-effective than your own marketing strategy.

Ask yourself, will you attract and reach the same volume of bookings as these OTAs? Will your own website be able to reach the same traffic as these online marketplaces that have perfected over the years. Do you have the time, expertise and budget to deliver your own marketing strategy all by itself?

Travel Distribution Industry

Online Travel Agents Comparison

Never add the cost of commission on to your price when working with travel distributors. Distributors will see this a mile off and you could ruin all future business. Factor in the cost of commission from the word go!

And, remember this commission is a part of your marketing budget

OTA	Market	Booking request option	Min. group size set by OTA	Group types	Exclusivity	Approved experiences only	Linked into distributors	Booking widget for own website	Commission %
	Global large-scale OTA	Instant booking only	1	Mixed and private	Yes, Airbnb guests only on experiences	Yes	No	Yes (same commission)	20% includes insurance cover (0% for nonprofits)
	Global large-scale OTA	Instant booking only	No	Mixed and private	Non exclusive	Yes	Trekkssoft	No	Case by case
	Global large-scale OTA	Instant booking only	No	Mixed and private	No	No	Trekkssoft	No	20%–30%. Lower commission for high-volume suppliers
	Global - small specialised OTA	Instant booking only	N/A	Private	N/A	Yes	No	No	Case by case
	North America - Small specialised OTA	Instant booking only	N/A	Private	N/A	Yes	No	No	25%
	Global large-scale OTA	Instant booking only	No	Mixed and private	No	No	TXGB, Trekkssoft	No	Case by case
	Domestic, North America & Europe	Booking request with 24h to accept/decline	1 (option to reschedule guest up to 7d before)	Mixed and private	Non exclusive	Yes	No	Launching 2022	15% (10% for nonprofits)

Travel Distribution Industry

Distribution Platforms

A distribution platform is where you can add and schedule your experience. Some platforms will also distribute your experience on to other websites and platforms giving you a much wider reach to new customers.

Tourism Exchange Great Britain (TXGB)

TXGB is a business-to-business platform connecting tourism suppliers to a range of domestic and international distributors. TXGB allows you to access a global network of distributors including the trade in one place. By connecting to TXGB you can manage your availability, pricing, bookings and content across multiple distribution channels, and also access a wide range of analytical data. For businesses, getting distributed via some of the larger or niche distributors can be a daunting task. TXGB offers all the benefits as outlined above, in an accessible way for businesses of all sizes.

Beyonk

Beyonk provides the booking platform technology for businesses to onboard their experiences and activities and distribution to a network of local and regional tourism promoters. Beyonk has a feature to add a booking widget to your own website to take bookings.



Other distribution platforms are in the marketplace, but what's the difference and the advantages of TXGB and Beyonk? Here's what you need to know:

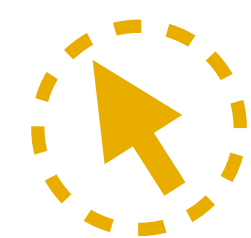
	Distributor to DMOs and other tourism sites	Distributes experiences on to some OTAs	Commission per booking via distribution
TXGB	Yes	Yes	2.5% + DMO%
Beyonk	Yes	No	10%

Travel Distribution Industry

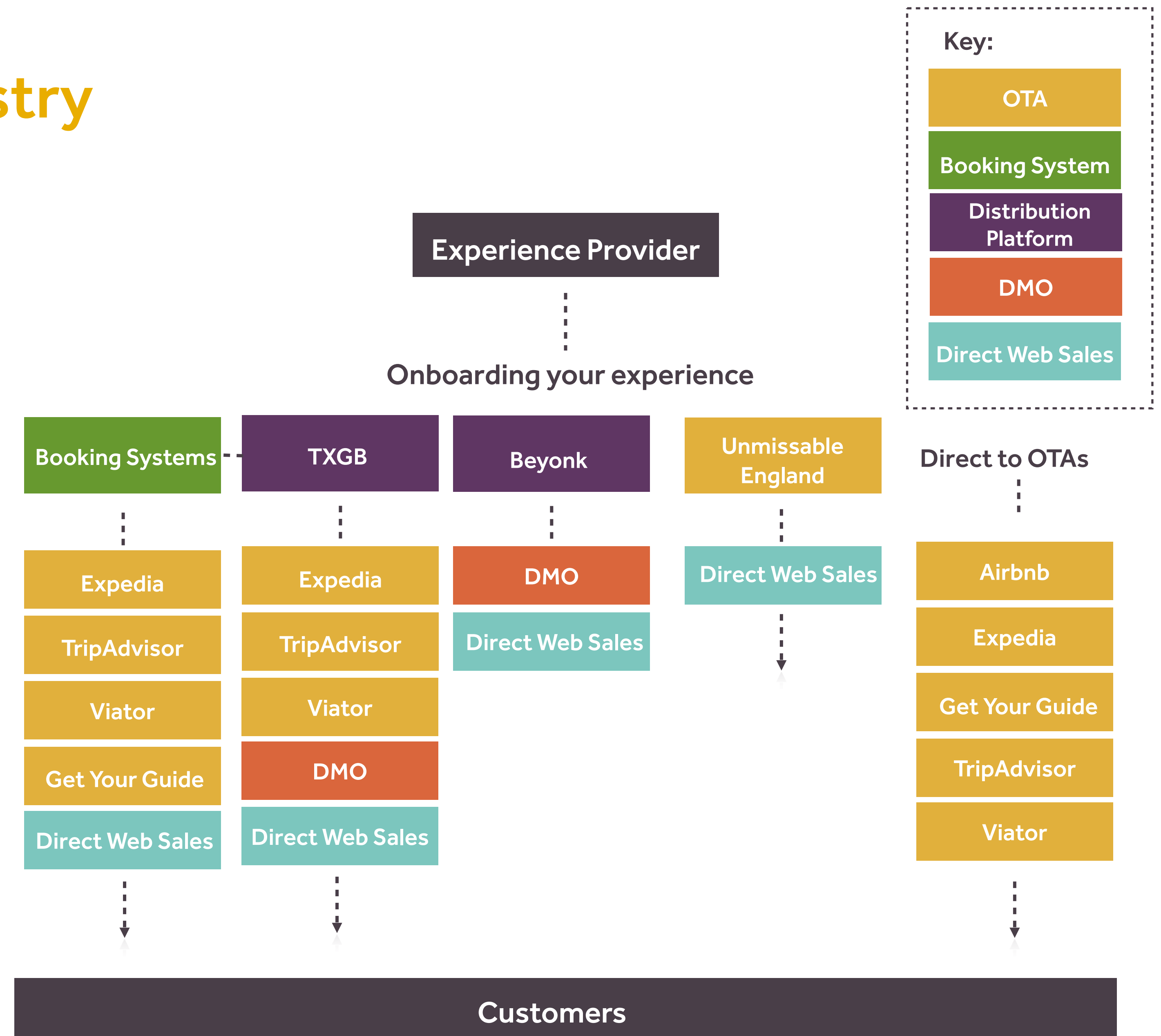
Getting your experience to market

What do I need to do to be ready to work with travel distributors?

- ✓ Have your experience/product ready to be delivered
- ✓ Have copy and content and imagery ready to distribute
- ✓ Be reliable and contactable
- ✓ Look to make industry relations
- ✓ Have your pricing structure ready with commission rates included
- ✓ Be happy to offer free trips for the trade and media
- ✓ Be ready for quick turnaround to respond to bookings/enquiries



How do you plan to be bookable?
Which routes to market will you take?
Do your homework and look at the various routes illustrated in this diagram.



Pricing Your Experience

When starting to develop your experience idea you'll need to think about how much you will need to charge per person or per a group in order to cover all of your outgoing costs and to make a profit. Creating experiences that visitors cannot simply do by themselves adds value.

It's good practice to count your time as a cost, especially if you're a business providing the experience. You will also need to break down any annual costs you may have (e.g. insurance, printing of leaflets, hosting of your website) and estimate the number of guests you will have in that year.

How do I set my price?

- Work out your fixed/variable costs to run your experience/product
- Assess your profit margin in scaleable group sizes
- Do your research on your competitors pricing
- Find out what your target market(s) are prepared to pay
- Think about seasonality and how your price will reflect this
- Be ready to factor in distribution costs also known as commissions
- Be prepared to start lower and only increase your pricing one year later

"Be different or be dead. Memorable experiences are about creating value. Value is the defining factor. When there is no difference people buy on price alone. You can only compete on price for so long, but you can compete on value forever." The Experience Economy



Try creating your own list of costs and then work out the pricing per head.

	Time/Cost	Per person	Per group of 4
Your time & staffing resource in admin prior to experience; (e.g. enquiries and bookings, scheduling dates on OTAs etc)	1 hour	£10	£10
Your time & any staffing resource in delivering the experience	7 hours	£70	£70
Booking system fees, when making booking through distributor	TXGB	2.5% (£3)	2.5% (£12)
Commission to OTA's or trade (marketing budget)	TripAdvisor Experiences	20% (£24)	20% (£96)
Pay entry to venues	Boat museum donation	50p	£2
Equipment hire	Boat hire	£4	£16
Refreshments and meals	Pub lunch and pint	£7	£28
Local marketing	Leaflets in local hotels and website hosting	10p	40p
Transportation	Pick-up in company mini-bus - fuel	10p	10p
Insurances and licensing	Public liability insurance	5p	20p

Totals

Sale	£120	£480
Costs	£118.75	£234.70
Profit*	£1.75 (+ £80 your time)	£245.30 (+ £80 your time)

*it's good practice to count your time as a cost, especially if you're a business providing the experience. If you're an individual you might simply see this as a part of your profit line.