



WORKING WITH THE INTERNATIONAL MARKET

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USA

VisitTheUSA.com

Brand USA

Objectives

- Explain market structure, and requirements
- Understand the International Distribution Chain
- Define product development strategy
- Q & A

Top Source Markets to United States

- Canada
- Mexico
- United Kingdom
- Japan
- China
- Germany
- Brazil
- South Korea
- France
- Australia

*Based upon 2015 statistical information provided by NTTO



Top Source Markets for US Consumer Spending

- China
- Canada
- Mexico
- Japan
- United Kingdom
- Brazil
- India
- Australia
- Germany
- South Korea

*Based upon 2015 statistical information provided by NTTO



Top 15 Gateway Cities

- New York, NY
- Miami, FL
- Los Angeles, CA
- Honolulu, HI
- San Francisco, CA
- Chicago, IL
- Newark, NJ
- Orlando, FL
- Atlanta, GA
- Agana, GU
- Washington, DC
- Houston, TX
- Boston, MA
- Fort Lauderdale, FL
- Dallas, TX

*Based upon 2015 statistical information provided by NTTO



Top 20 US States & Territories By Overseas Visitation

- New York
- Florida
- California
- Nevada
- Hawaiian Islands
- Massachusetts
- Texas
- Illinois
- Pennsylvania
- Georgia
- New Jersey
- Washington
- Utah
- Louisiana
- North Carolina
- Michigan
- Colorado
- Virginia

*Based upon 2015 statistical information provided by NTTO



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- Orlando
- San Francisco
- Las Vegas
- Honolulu
- Washington DC
- Chicago
- Boston
- San Diego
- Fort Lauderdale
- Houston
- Atlanta
- Seattle
- Philadelphia
- Flagstaff/Grand Canyon
- Florida Keys
- Anaheim
- Tampa/St. Petersburg

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Receptive & International Operators Provide The Following Products & Services:

- Accommodation
 - Hotels
 - Ranches
 - Bed & Breakfasts
- Multi-Night Itineraries
 - Motorcoach Tours
 - Fly & Drive Tours
 - City Stays
- Car Rental
(International Operators Only)
- Attractions & Transportation
 - Theme Parks
 - Shows
 - City Sightseeing
 - Airport Transfers
- Flights
(International Operators Only)
 - International
 - Domestic Connections

The Distribution Chain

Wholesale Receptive Tour Operator
creates Tariff/website using their
negotiated net rates plus markup



Overseas Tour Operator creates
Brochure/website using their Receptive
net rates plus markup

SELL TO



Retail travel agents promote the
Operator Brochure/website and
commissionable rates

Consumer



Receptive Tour Operators Are Leaders In Arranging Inbound Travel & Offer

- International Wholesale and Retail distribution (your marketing arm)
- Year Round Business
- Branch out into Secondary and Tertiary Destinations
- Ability to Penetrate into Existing and Emerging Markets
- Streamlined Approach to Reaching International Audiences
- Longer Stays, Longer Booking Window



Overseas Tour Operators Are Market Specialists In Their Country Or Region

- Located overseas (extension of your sales team)
- Predominantly leisure travel based
- Market specific (UK, Germany, Brazil)
- Market specific knowledge and experience
- Streamlined approach to reaching overseas travel agents and consumers



Guidelines On How To Work With Tour Operators

- Respond to RFP's
- Have rates and/or schedules available at least 18 months in advance
- Do not divulge rates to passengers
- Tour series – accept all dates
- Communication: Ensure your staff are aware
- Provide value added promotions and offers
- Operate guaranteed program without minimum passenger requirements
- Multi Lingual capabilities necessary in certain markets
- Have control of rate feeds and distribution of rate plans

Pricing

- Discount required from Rack Rack
 - Wholesale Receptive Tour Operator (US Based) – 35-45%
 - Overseas Tour Operator (Destination Based) – 15-25%
 - Retail Travel Agent/OTA – 10%
- Reason for required discount
 - Each link in the chain is looking to make a minimum 10%



Developing Product

- Themes

- Nature
- Shopping
- Culture
- Music
- Sports & Events
- Regional Themes
- Culinary

- City Stays

- Multi Night/
Single Destination

- Road Trips

- Multi Night/
Multi Destination



Tips When Developing Product

- Know your competition!
- Educate yourself on source market needs and focus on those you are able to accommodate
- Develop local partnerships to create multi night, inclusive packages with single booking point
- Develop regional partnerships to create multi night, multi destination packages
- Utilize and promote seasonal pricing
- If seeking group business, develop a group rate calendar



Thank You

