



Travel 'Experiences' : The Ancillary Product Context

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Fyi – to be deleted: brief for the session... in red – the areas we can respond on... hence context setting/ bit of category-sell in the presentation...

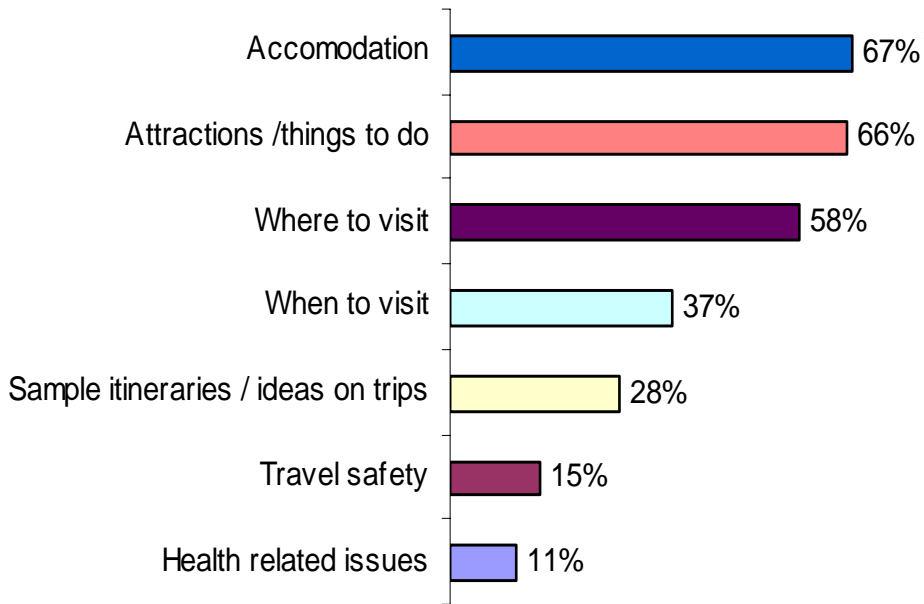
- Maximise profits from the big three – car hire, hotel, insurance – examine all the options that you have to source, market and sell for over 15% commission.
- **Industry insight into what consumers are buying, expand your product mix with new highly-profitable products.**
- Profile your customer to target them with precise ancillary offerings that add value to their trip and increase your profits.
- Financial services, such as co-branded credit cards, are used by nearly 100% of your customers – learn how to get them hooked on your brand by implementing this big earner.
- Double your ancillary revenue with loyalty programmes – learn how it can be your biggest potential earner and increase customer stickiness.
- **Look at products you can sell throughout the travel corridor, from destination services, events, experience to souvenirs after they return.**

What is this product category?



The new breed of online travel consumer....

Percentage of online travelers who research the following online:



Growing customer demand...

67% research hotels online

66% research tours & activities

... far fewer players

Dozens of big players and 100s of smaller ones catering to the demand

Very few, emerging players

Source: Forrester – Rounding off Sharp Corners, Making Web Travel Planning Better

“People want an experience when they get there. They want more than a beach, sun and a sight-seeing tour.”
Travel Mole

The new breed of online travel consumer....

Growth of experiential long haul travel

Long haul growth **5.4%** vs interregional at **3.8%** (WTO, 2005)

Asia Pacific up 24%.
China, Hong Kong, Mongolia
Malaysia, Cambodia
India, Pakistan, Bhutan

Middle East up 21%

Latin American up 11%

E Europe up 11%
vs. W Europe **< 5%**,

Africa up 15%

East Africa up 24%

The screenshot shows the isango! website interface. At the top, there's a navigation bar with 'Home | Travel Planner' and 'UK-Ireland Edition | change'. Below that is a search bar and a banner for '100% PURE NEW ZEALAND'. A menu bar includes 'About New Zealand', 'Destinations & Maps', 'Sights & Activities', 'Accommodation', 'Getting to and around New Zealand', and 'Conferences'. The main content area features a large image of a hiker in a forest. Below this, there are sections for 'Activities', 'Planning Your Day', 'Booking & Information Services', and 'QUALITY ASSURANCE'. A 'Find Activities' sidebar on the right allows filtering by activity category, region, and town/city. The 'Find Activities' sidebar shows a dropdown for 'Activity category' set to 'All', a list of activities including 'All', 'Abseiling/Rappelling', 'Arts & Crafts', 'Bird Watching', 'Boat Cruises', and 'Booking Services', a 'Region' dropdown set to 'All New Zealand', and a 'Town/City' dropdown set to 'All'. There is also a 'Keywords' field and a 'Find' button.

The new breed of online travel consumer....

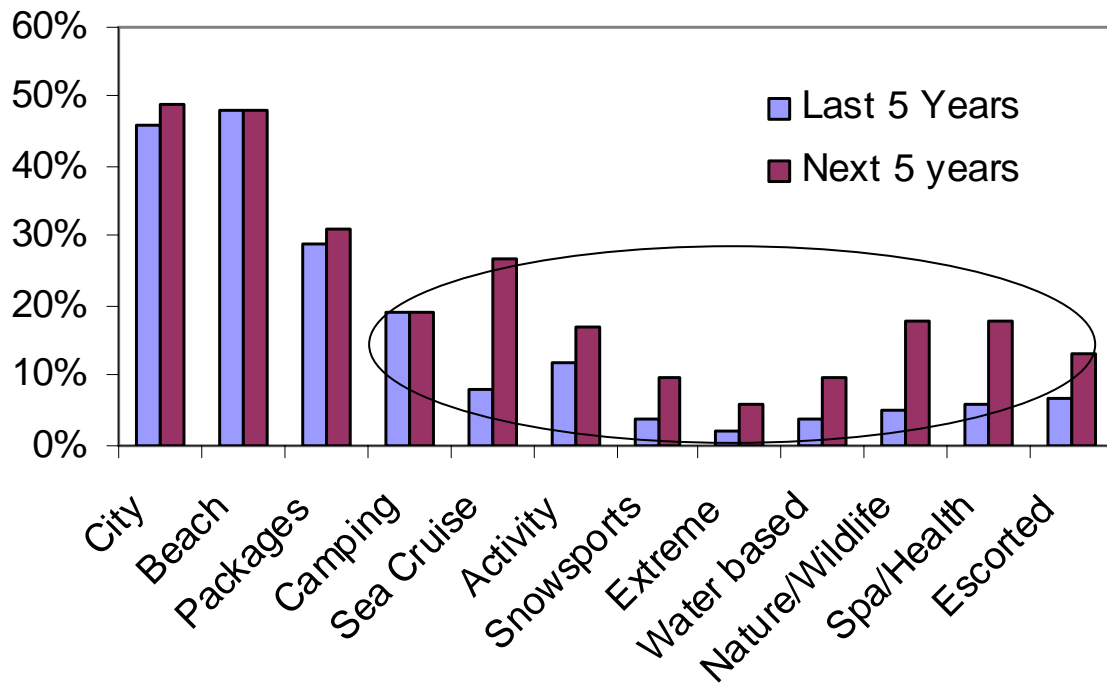
Growth of experiential travel; Tripadvisor's Top 10 destinations for 2008

1. Jerba, Tunisia
2. Makandi Bay, Egypt
3. Phangnga, Thailand
4. Kovalam, India
5. Sabaudia, Italy
6. Asilah, Morocco
7. Ko Phangan, Thailand
8. La Plagne, France
9. Yangshuo, China
10. Kotor, Montenegro



The new breed of online travel consumer....

Growth of special interest travel



Source: Tripvision 2007

Fastest Growing travel products

City breaks



Cultural Tourism



Adventure Travel



Ecotourism

Special interest
(health/
cooking etc)



The new breed of online travel consumer....

Growth of special interest travel



26% of consumers said they will be more environmentally conscious in their travel decisions in the coming year
Tripadvisor Survey 2007

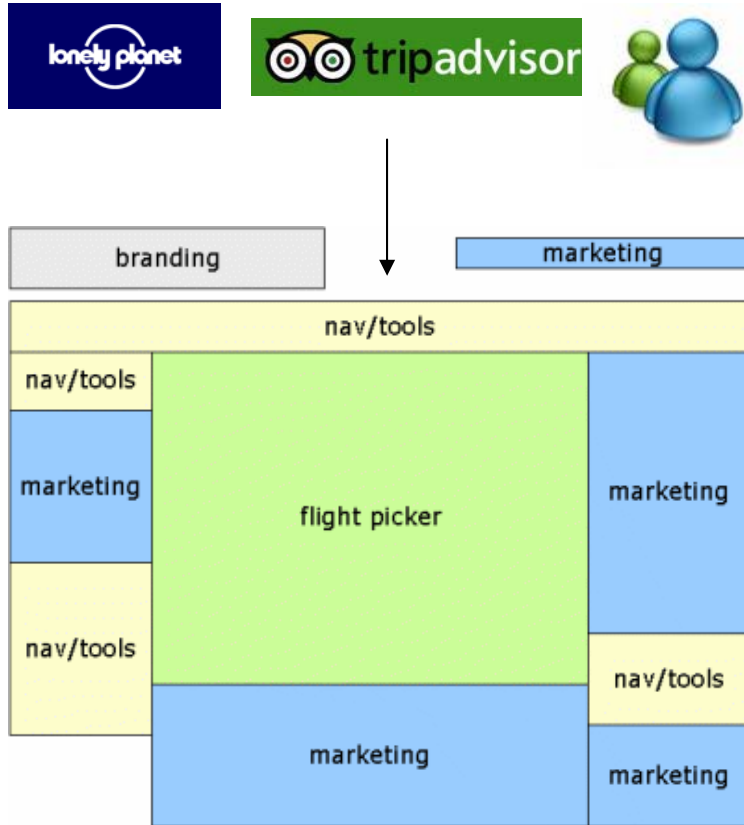
'27 million (or 17% of) American leisure travelers engaged in culinary or wine-related activities while traveling within the past 3 years' *Travel Industry Association, USA*

32% of travellers are planning to engage in educational activity on vacation this year, such as a cooking or art class, up from 25% last year. *Tripadvisor Survey 2007*



Using Experiences to drive Travel

Consumers enjoy the freedom of DIY travel but it remains logistics-led....



- Flight search, hotel engines predominate
- Legacy of GDS system set-ups
- Search engines the most popular tool for consumers browsing for inspiration/
- Inspiration vs. commerce
 - Few e.g. combine the two well

How can an unbundled 'why travel' product be better used to drive the 'how travel'..?

London

London, United Kingdom

Category: [Cities](#)

Tags: [culture](#), [shopping](#), [theatre](#), [nightlife](#), [cafe_culture](#), [food](#)



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Photos (12) Videos (0) Map



Overview [Reviews \(0\)](#) [Information](#) [Weather](#)

London is arguably now the most exciting city in the world. Well, it depends of course what you are coming for - but for variety of art, restaurants, theatre, museums, green space and sheer energy - when taken together - it beats New York and Paris hands down. Paris is a more beautiful city, and New York more exciting architecturally - but London has a charm that is hard to resist. However, it is not an easy city - locals are not naturally welcoming, and walking into a pub or bar in search of a conversation is unlikely to elicit the desired response. New York is much friendlier in this respect.

But the real uniqueness of London revolves around its village atmosphere - each district has its own distinct character, whether Chelsea, Islington, Kensington, Knightsbridge, the City. Part of this is historic, in the way the city has evolved over the centuries by enveloping outlying villages and suburbs - and part down to the fact that periodic conflagrations such as the Great Fire of London on the 17thC and the Blitz of the 20th have enabled the city to have regular injections of fresh architectural blood.

The downsides include the cost - it's now one of the most expensive cities in the world - the transport infrastructure, which is dirty, unreliable and expensive, and the rather bland shops in most locations. You need to get off the main 'high streets' to find the smaller boutiques and interesting shops - New York, and especially Paris, do this better. But marvel at the energy and the diversity of the population - these things go in cycles, and London right now is at a peak.

Review by editor [James Dunford Wood](#)

What's nearby?

[Experiences](#) [Sleeping](#) [Eating](#) [Transpo](#) [Local tours](#)

- [The London Showboat Tour \(0.3 km\)](#)
- [London Past and Present \(0.6 km\)](#)
- [Morning Photography Tour of London \(0.6 km\)](#)





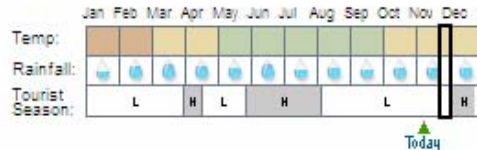
Sydney

Australia

Region: **New South Wales**

Cost per day: **\$ 133** (Moderate)

Population: **4,394,576**



Sydney is the capital city of the south-eastern Australian state of New South Wales, situated on Port Jackson, which is more commonly known as "Sydney Harbour". With a population of just over 4.2 million, Sydney is the largest and most cosmopolitan city in Australia. Sydney has a worldwide reputation for being one of the most beautiful of all cities, brimming with historical associations and remaining vastly globally influential in the realms of culture, art, fashion, cuisine and design. Sydney is also home to many unique architectural styles, including Sydney's most recognized architecture: the Sydney Opera House and Sydney Harbour Bridge, two of the most iconic structures on earth.

Description from [WIKI Travel](#) by [user](#) but we are not associated with them.

Reset



your things to do:

- [Sydney Opera House](#) *****
- [Balmoral Beach](#) *****
- [Home Sydney](#) *****
- [Sydney Opera House Markets](#) *****
- [Warringah Mall](#) *****
- [City Night Market](#) *****

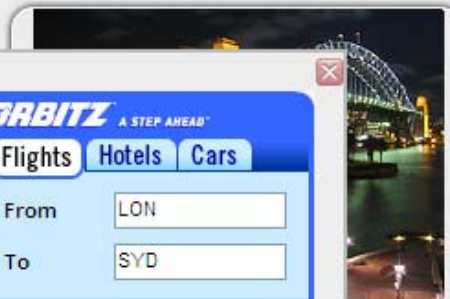
Articles

- [Australia Made Easy](#) (Diversio Magazine)
- [Sydney Sights & Activities](#) (Fodors.com)
- [Attractions](#) (Frommer's)
- [Sydney Shopping](#) (Fodors.com)

Travel Guides

- [Wikipedia](#)
- [Wiki Travel](#)
- [Yahoo Travel](#)
- [Google](#)
- [Trip Advisor](#)

Photos



chad chad



Photos made possible by [Flickr](#), but we are not associated with [Flickr](#)

GABITZ A STEP AHEAD™

Flights | **Hotels** | **Cars**

From:

To:

Leave:

Return:

Travelers [\(up to 9\)](#)

Adult	Senior	Youth	Child
<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>

Find

Exclusive Luxury Hotels

Stay at a hotel in the world's most exclusive & luxurious locations

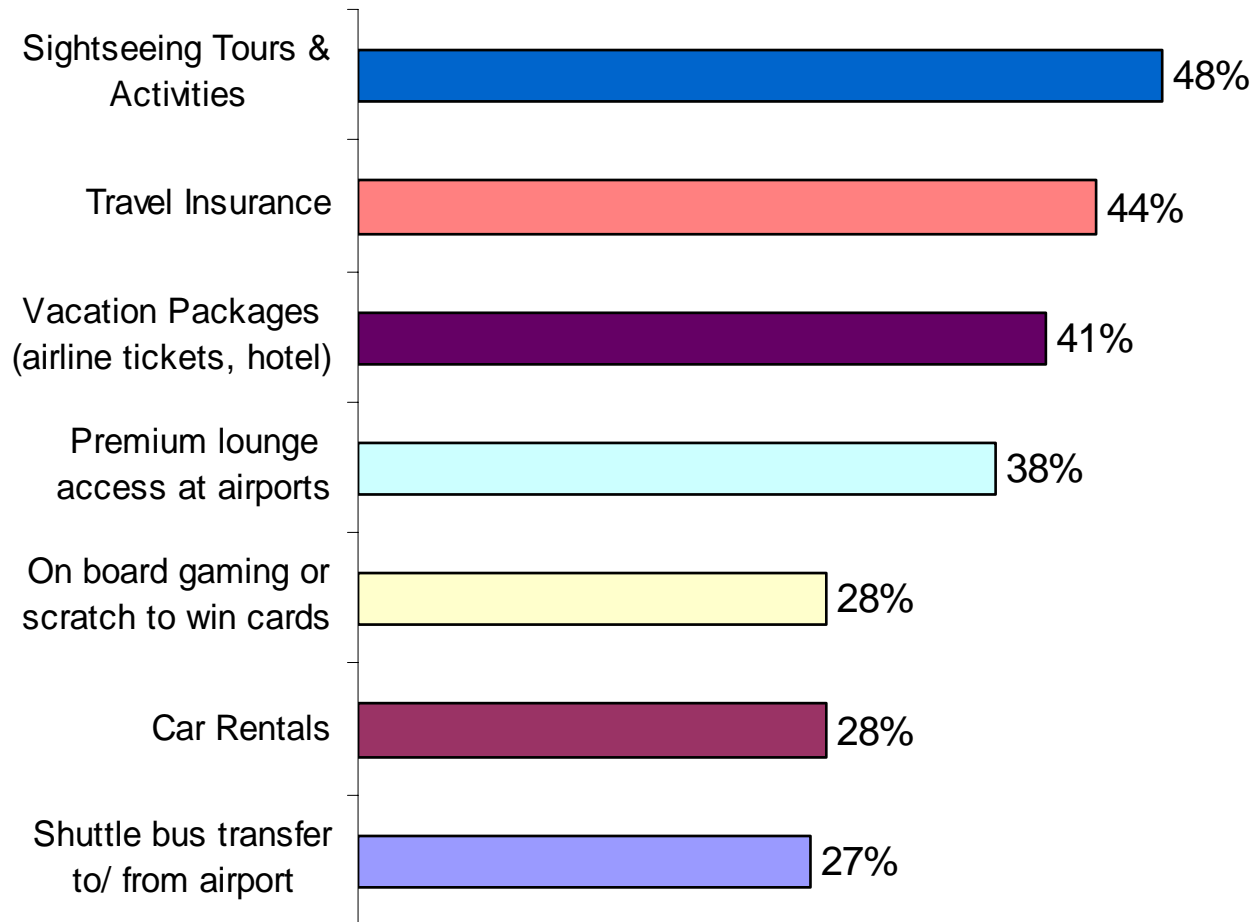
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The new breed of online travel consumer....

Which items may generate ancillary revenue opportunities in the future?



Customer Experience Map

Pre trip

Inspiration/ Info/
Research/
Comparison

-TRAVELGUIDES

Booking Trip

- Compare,
- Payment
- Confirmation

- PACKAGE
- FLIGHTS
- HOTEL
- CAR RENTAL
- HIGH INVOLVEMENT
EXCURSIONS

Getting ready

- Logistics
- Preparation
- Research things to do

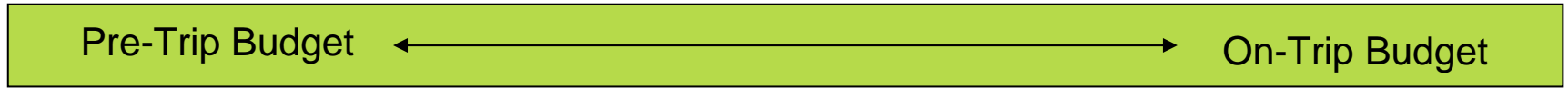
- BOOKS/ INFO
- CASH, INSURANCE
- PARKING
- EXPERIENCES/
SIGHTSEEING,
- TICKETING

On trip

- Things to do
- EXPERIENCES
- SIGHTSEEING,
- TICKETING





← Pre-Trip Budget ————— On-Trip Budget →

Customer Experience Map: Pre-trip vs. On-trip budget



Motivation to pre-book decreases

Customer Experience Map: The Ancillary Product Context

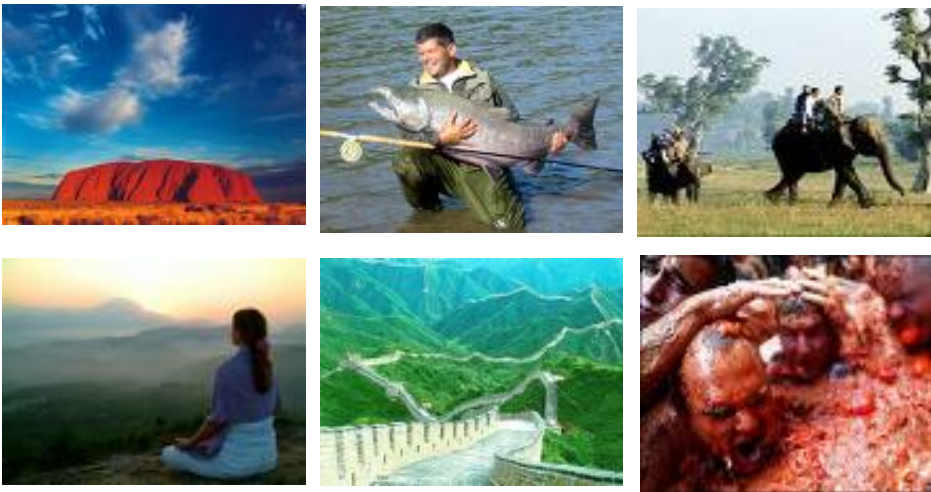
The PRINCIPAL \ The ANCILLARY							
'Inspiration'/ Destination Guide	X	\$	\$	\$	\$	\$	\$\$
Package		X	X	X	\$\$	\$\$\$	\$\$\$
Flights			X	\$\$\$	\$\$\$	\$\$\$	\$\$\$
Hotel			\$	X	\$\$	\$\$	\$\$\$
Car Hire				\$	X	\$\$	\$\$
Money/ Insurance/ Parking						X	\$
Experiences			\$	\$	\$	\$	X

time →

Do's and Don't's of Experience/ Activities cross-sell

DON'T sell 'generically'...

'Tours & Activities' isn't as self-explanatory as 'Insurance'
'Nice to have' not 'Need to have'



Discover

	Seine Dinner Cruise more info from £97.88
	
	Bath, Windsor and Stonehenge more info from £47.78
	
	Sound of Music Tour in Salzburg more info from £22.89
	
	Florence Segway Tour more info from £34.05

DO showcase product – have fun with images and specific products

Do's and Don't's of Experience/ Activities cross-sell

DON'T sell indiscriminately: right product to right person at right time

e.g.

High-end/ luxury experiences for first class travellers

Low-cost sightseeing for LCC city-breakers

Romantic experiences for honey-mooners

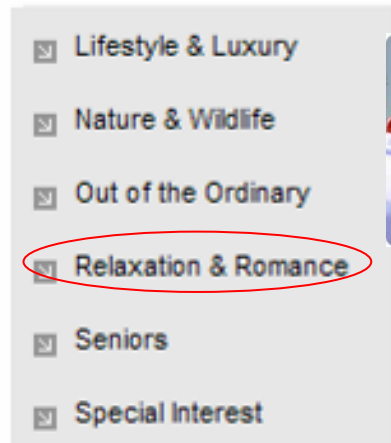
Transfers/ Parking for business travellers

DO target by destination

DO target by demographic

DO target by purpose of travel

DO seasonal/ promotional merchandising



Do's and Don't's of Experience/ Activities cross-sell

DON'T just leave experiences until the end

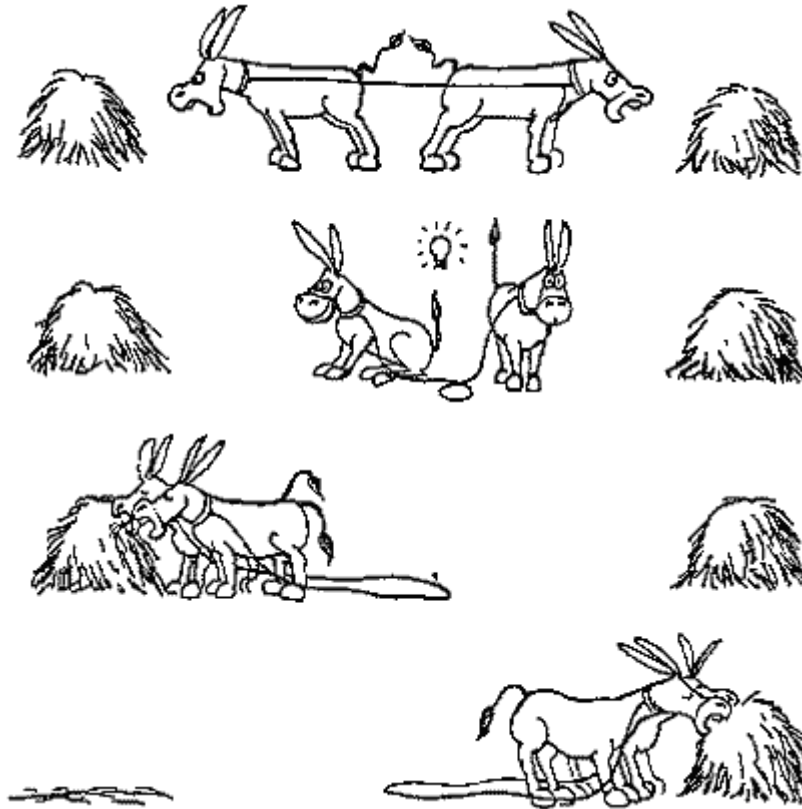
USE EXAMPLES PER PRODUCT CATEGORY



DO top and tail your end-to-end offering with experiences – up front to inspire reason to travel, at end to cross-sell opportunistically

Do's and Don't's of Experience/ Activities cross-sell

DON'T do it on your own



DO use the experts. Let them share what works, take the merchandising pain away... Ultimately they need to work with you to grow this new category

Conclusions: Factors affecting success of ancillary-product sell

- **BRAND, BRAND, BRAND = Trust**
 - Stay true to brand values. Eg low cost/ quality
- **The earlier the primary product in the decision making, the better the scope for cross-selling rest of the chain**
 - The higher the primary product cost – the ease of cross-selling lower basket items
- **Work the booking window**
 - Distinction between pre-trip/ on-trip budget products e.g. use confirmation emails & pre-trip emails
- **Relevancy**
 - Ensure your platform can capture demographic, destination & purpose of the travel
 - Invest the time/ technology to target product accordingly
- **Rewards for one-stop-shopping:**
 - \$ off ancillary product/ loyalty incentives

Thank you

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