



BWRDD CROESO CYMRU
WALES TOURIST BOARD

MARKETING PROMOTIONAL OFFERS AND PACKAGES

This factsheet has been produced by the Wales Tourist Board to help businesses in all sectors of the tourism industry to improve their performance through use of promotional offers and packages.

The information included in this factsheet is based on the results of independent research into the impact of promotional offers and packages.

It may be helpful to look at this factsheet in conjunction with the one entitled 'Costing and Pricing for Profit'.

Using promotional offers and packages

Effective use of promotional offers and packages can offer considerable benefits to tourism businesses - it can help to fill empty bedspaces at the last minute, extend the season and re-inforce brand image. However, poorly constructed or misleading special offers can be counterproductive and devalue the product and the destination.

The research undertaken has encouraged the Wales Tourist Board to use offer-supported marketing to boost tourism in Wales, extend the season and compete within the market.

WTB is planning offer-supported marketing that will cross-promote visitwales as the source for special offers, packages and last minute availability.

Types of promotional offer and package

Most tourism marketing activity seeks to attract visitors through promotion of a destination or product, using relevant information and images.

Promotional offers and packages seek to market a tourism business or destination through marketing the idea of a special deal to potential customers.

These special offers can be based on:

- special prices, which are clear reductions on the normal price of the product;
- added value offers, which include items beyond what would normally be offered to customers.

The benefits of promotional offers and packages

Effective use of promotional offers and packages can help tourism operators in all sectors of the industry in Wales to:

- increase overall sales volume;
- increase low or shoulder season business;
- increase business during quieter periods of the week or day;
- boost average spend;
- reach new customers;
- encourage customers to stay longer;
- encourage repeat business;
- enhance yield management, where prices are related to projected occupancy or visitor numbers;
- work successfully with other local operators;
- increase customer perception of value for money;
- improve profit margins;
- improve long-term profitability.

Developing special offers

It is important for tourism businesses to ensure that anything portrayed as a special offer provides worthwhile value. Consumers are dismissive of very small discounts or unimpressive free gifts and these are not likely to boost business. Discounts must be at least 20% off the normal price. Free gifts must be to a value of at least 20% of the price of the holiday.

Many customers prefer a clear price advantage over some added value offer. However, simple price discounting can convey a negative impression of something that cannot be sold. Price discounts must be clearly presented including, where possible, the use of high quality photographs.

People are strongly motivated by what a destination has to offer and its relationship to their special interests. An offer that links accommodation to attractions or activities can help to stimulate interest. Inclusive packages can also help to convey the idea that the destination offers lots of things to see and do.

Many consumers are wary of over packaging as they feel too constrained. However, remember to include detailed descriptions of attractions, facilities, activities and events in your area to facilitate self-packaging by the consumer.

Special offers are far more likely to be purchased by people with more time and less disposable income. Offers are most particularly sought via print by the retired market, who have the time to search through the press. Lower income families are also attracted by free child places.

The trustworthiness of an offer is a major issue for consumers. For this reason, they tend to favour known brands, such as national hotel chains. However, this reluctance to trust unknown tourism businesses can be overcome by participation in a wider campaign endorsed by an recognised organisation, such as WTB.

Examples of promotional offers and packages from regional and local destinations

- Cardiff Marketing has set up a discount scheme involving tourism businesses in the city.
- Llandudno offers a theatre package promotion in which a large number of the resort's hotels are involved.
- The Mid Wales Passport includes special offers for over 100 attractions, craft shops and restaurants.
- North Wales Tourism operates the Great Breaks scheme and plans to expand packaging of cultural and activity tourism.
- Carmarthenshire Tourist Association co-ordinates last minute offer pages on its website.
- Montgomery Rural Enterprise offers accommodation packaged with countryside activities.
- North Wales Borderlands Partnership offers a package of accommodation and a book of vouchers for free admission to local attractions.

There will be schemes in your area operated by local authorities, regional tourism partnerships, regional tourism companies and other organisations. Contact them direct for further information.

Consumer reactions to special offers

Research undertaken for the WTB in the UK shows that:

- although most visitors to Wales will continue to rely on word of mouth recommendations and previous knowledge to initiate and inform their holiday planning, some potential visitors respond well to special offers and packaged promotions;
- good value offers/deals were often trigger factors for making bookings;
- price is a key deciding factor in holiday choice for C2DE families, with price reductions and 2 for 1 offers proving popular;
- value for money is a key deciding factor for more affluent holidaymakers;
- there is scope for increased packaging of activity holiday products;
- packaging is particularly relevant where it enables visitors to access a product that they might not be able to arrange for themselves, such as daily baggage transfer on a walking or cycling holiday;

- there is both domestic and international demand for accommodation packaged with countryside activities.

Special prices

There are a number of ways of constructing special offer prices including:

- straight price reductions of 20% or more, which may be for specific times of the year, week or day;
- lower prices for family parties or groups (free child place);
- lower inclusive prices for extended stays or purchases (3 for 2);
- lower prices for repeat or multiple visits;
- time of purchase offers, such as reductions for advance booking or last minute deals.

Straight price reductions

Consumers are often wary of straight price discounts expressed as '10% or 15% off', particularly when they are not provided with information on the normal rack rate or price.

Consumers are now making little or no pre-booking (six weeks to none).

Simple last minute discounting could fill an empty bed space.

In many instances a simple, attractive, off-season price would be preferred by potential customers. However, higher percentage price reductions of 20% plus command attention from potential customers.

Lower inclusive prices

These can include lower prices for:

- families, such as special family ticket rates for admission to an attraction;
- group rates for parties, say of 10 or more people;
- 'kids go free' schemes, which are gaining in popularity and can be very appealing to families, especially those on lower incomes;
- 2 for 1 or 3 for 2 offers.

These lower inclusive prices are welcomed by many visitors and are not normally perceived as devaluing the product.

Lower prices for extended stays or purchases

Weekend or midweek break prices are common among serviced and unserviced accommodation establishments throughout Wales, especially outside of the peak Summer season, as are schemes which offer one night free with each two or three night stay.

Loyalty offers

Airlines and retailers have led the way in the promotion of large-scale loyalty schemes and uptake from frequent flyers or shoppers has been substantial.

Small tourism businesses can also benefit from loyalty offers or schemes, varying from discounts for repeat visits to attractions to discounts for frequent guests to a hotel.

Time of purchase offers

It is increasingly difficult to persuade leisure travellers to book well in advance. One way in which tourism businesses have succeeded in encouraging people not to wait until the last minute is by offering early booking discounts. For these to be

effective, they need to ensure that those booking at the last minute do not receive a better deal.

Other types of business favour discounts for last minute bookings, which are used to sell surplus capacity.

Deals can also be based on the time of day or week and constructed so as to encourage customers to visit or eat at less popular times. For example, early evening special offers in restaurants or midweek rather than weekend admission to events.

Added value offers

Added value offers are normally developed in order to:

- make customers feel that they are receiving enhanced value for money;
- promote a particular theme or experience that may be specifically attractive to all or specific groups of customers;
- assemble a product that makes it easier for customers to purchase a particular experience, through adding together a range of services that can be booked as a single purchase.

Added value offers include:

- free gifts;

Developing your own packages

When developing packages for your own business, it is important to think about:

- the market you are trying to attract, eg. families, couples or those wanting to participate in activity tourism;
- where the people you are trying to attract are located;
- what there is in your area that is likely to appeal to your target market.

You can then work to combine the different elements of the package in an appealing way.

As packages tend to appeal to specific groups, you can target your marketing more specifically to them. For example, through your website or advertising in a relevant magazine.

- themed promotions developed by one operator;
- simple packages linking more than one enterprise;
- more complex packages for holidays or short breaks, which may include transport, accommodation, activities and attractions.

Free gifts

Consumers will appreciate a free gift if its monetary value is very clear and it is linked with the market you are looking to attract. The offer of a free gift, such as flowers or a bottle of wine, can be appreciated by customers and add to the perception of good value for money. However, they are unlikely in themselves to boost bookings.

Themed promotions

These are popular with serviced accommodation establishments and can include:

- special activity packages, such as a hotel with a golf course promoting golfing breaks or a guest house taking visitors on guided walks as part of a walking break;
- special packages for Christmas, New Year, Valentine's Day or Easter;
- themed breaks such as murder mystery weekends or bridge tournaments.

Themed packages catering for guests with a sporting or other special interest can often be successfully promoted through specialist magazines.

Packages

Simple packages are often developed by accommodation providers, working in collaboration with other public or private sector operators. They can include:

- events packages, such as accommodation and theatre tickets or tickets to a sporting event;
- packages including accommodation and discounted entry to one or more attractions;
- packages involving accommodation and participation in an activity, such as horse riding.

More complex packaged holidays or short breaks can include a number of different elements, such as transport, accommodation, activities and entry to attractions.

Small businesses can be reluctant to develop packages with other operators by concerns about legislation, insurance and the requirements of the EU Package Travel Directive.

While it is important to ensure that any packages conform with relevant legislation, the requirements are not so

Do you have a marketing project that needs financial assistance?

WTB's Joint Marketing Business Support Scheme can help support marketing initiatives that are capable of growing tourism business to Wales, which could include the development and promotion of special offers and packages.

If you can demonstrate a professional approach to marketing and have a creative marketing project, WTB may be able to help.

Private sector tourism businesses can get between 29% and 49% of their project costs funded under the Scheme.

For further information on the Joint Marketing Business Support Scheme, contact Suzanne Stephens on 029 2047 5232 or e-mail: suzanne.stephens@tourism.wales.gov.uk.

onerous that tourism operators need to be deterred from exploring opportunities for collaborative marketing of packaged products.

EU Directive on Package Travel

The European Union Package Travel Directive came into force in 1990 as a consumer protection measure and was incorporated in UK law in 1992.

It defines the responsibilities of tourism operators in relation to 'packages', which they sell or promote. A 'package' is a pre-arranged combination of two or more of the following, offered at an inclusive price and covering a period of at least 24 hours:

- transport;
- accommodation;
- other tourist services that account for a significant proportion of the package.

The law requires the operator to:

- provide full and accurate details about packages including terms and conditions;
- provide guarantees for any advance booking monies until the trip has taken place;
- be liable as well as responsible for the services supplied by their sub-contractors.

This legislation therefore provides security for consumers in a variety of ways, including the protection of deposits and late changes in arrangements.

Tour operators must provide financial security in relation to pre-payments in one of three ways:

- **bonding:** setting up a form of business guarantee usually through an association such as ABBOTT (The Association of Bonded Travel Organisations Trust Ltd);
- **insurance:** an individual policy for each customer;
- **trust accounts:** lodging pre-payments in a secure account until the package has taken place.

Promoting special offers

Offers are most effective if they are not promoted in isolation from a complete product description. Use of photographs and effective language in marketing communications are critical success factors. Where a special offer is made, the terms need to be spelt out clearly so that consumers know exactly what they are getting.

It is also vital for special offers and packages to be described accurately as the descriptions form the basis for buying decisions. As with other marketing communications, they must conform with the Trade Descriptions Act 1968 and the Unfair Contract Terms Act 1977.

Assistance from WTB

The WTB will be using offers to support its marketing activity, particularly seasonally themed short breaks and last minute bookings.

Tourism enterprises are encouraged to actively use VisitWales and their local tourist information centres to update last minute offers regularly.

The WTB Marketing & Advertising Opportunities brochure lists all of the advertising options in WTB publications for both domestic and international markets. To obtain a copy, contact WTB's Business Support Unit.

The Advantage Wales scheme provides operators with subsidised advertising for special offers in the national press, Teletext and consumer magazines.

These advertisements include full-page features in publications, such as the Mail on Sunday, Telegraph and The Lady magazine, with editorial on Wales and a range of cost effective lineage and display advertising opportunities.

For further information on Advantage Wales, contact Beverley Jenkins on 029 2047 5212 or e-mail: beverley.jenkins@tourism.wales.gov.uk.

Samples of WTB advertisements are available on the www.wtbonline.gov.uk website.

For further information on marketing special offers related to activity products, contact Bethan Richards on 029 2047 5348 or e-mail bethan.richards@tourism.wales.gov.uk.

VisitWales also provides a convenient method of promotion for operators of all sizes in all sectors of the tourism industry. As well as featuring on the visitwales.com website, offers are promoted by the central reservations unit to telephone callers. Although initial coverage of special offers and packages was limited, this is expected to increase significantly in the future.

To help businesses input their own information on visitwales.com, free workshops are available throughout Wales. For further information, contact Natalie Wheeler on 029 2047 5338 or e-mail: natalie.wheeler@tourism.wales.gov.uk.

Assistance from VisitBritain

Tourism operators wishing to promote special offers to attract overseas visitors can work with VisitBritain (formerly the British Tourist Authority). Offers can be placed on the visitbritain.com website.

Case studies

Snowdon Lodge

The Snowdon Lodge in Welsh Goffwysa is a hostel with catering facilities sleeping 48 people.

In response to an e-mail from the WTB, the Snowdon Lodge decided to participate in the June 2003 offers and packages pilot on visitwales.com. As a promotion-orientated business continually looking for ways to increase market share, Snowdon Lodge were attracted to the scheme.

The business benefited in two ways: from an increase in the number of bookings in June and an increase in product awareness, as measured by customer feedback.

Brecon Lodge

Located in Cardiff, Brecon Lodge is a three-bedroom guest house. The business became involved in the visitwales.com offers and packages June 2003 scheme at the suggestion of the WTB's Quality Assurance team, when they identified the potential benefits of participation.

Brecon Lodge offered three nights for the price of one and 20% off the rack rate on certain nights. The business benefited from an upturn in weekday occupancy during the month of June.

Who can help?

The Advertising Association

Abford House, 15 Wilton Road, London
SW1V 1NJ
020 7828 2771
www.adassoc.org.uk

Advertising Standards Authority

2 Torrington Place, London WC1E 7HW
020 7580 5555
www.asa.org.uk

Chartered Institute of Marketing

Moor Hall, Cookham, Maidenhead,
Berkshire SL6 9QL
01628 427500
www.cim.co.uk

Chartered Institute of Marketing Travel Industry Group (CIMTIG)

Home Cottage, Old Lane, Tatsfield,
Nr Westerham, Kent TN16 2LN
01959 577469

The Direct Marketing Association

DMA House, 70 Margaret Street,
London W1W 8SS
020 7291 3300
www.dma.org.uk

Farming Connect

Welsh Development Agency, Lanfa, Trefechan,
Aberystwyth, Ceredigion SY23 1AS
08456 000813
www.wales.gov.uk/farmingconnect

Institute of Practitioners in Advertising

44 Belgrave Square, London SW1X 8QS
020 7235 7020
www.ipa.co.uk

VisitBritain

Thames Tower, Black's Road, London W6 9EL
020 8846 9000
www.visitbritain.com

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Cardiff CF24 0UY
029 2047 5303
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This factsheet is one of a series of business development and marketing factsheets produced by the Wales Tourist Board to assist businesses in all sectors of the tourism industry in Wales. For details of other titles, please contact the Business Support Unit or visit www.wtbonline.gov.uk.



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