



Tour Operator Trends for Booking Channels

Global Edition - 2018

An Industry Survey
conducted by



Introduction

Welcome to the latest Industry Survey Research publication of Rezdy: **Tour Operator Trends for Booking Channels - Global Edition for 2018.**

Here at Rezdy, we're passionate about data. Knowing how to interpret numbers is crucial for tour and activity providers looking to push their products to the next level. So, we have recently conducted an industry survey which has uncovered the latest data that can help define and solidify important trends, facts and insights within today's dynamic tours and activities industry.

Understanding the latest trends can enrich your overall strategy for your business. This resource can be a valuable tool to help you evaluate where you stand competitively and provide you with insightful tips throughout.

This year, we have divided the results of Tour Operator Trends for Booking Channels for 2018 into three editions: **Global**, Australia & New Zealand and United States & Canada.

Finally, we would also like to thank everyone who've participated in our survey this year - we've received such an amazing response from amazing tour and activity operators around the world!

For more free resources, please visit: <https://www.rezdy.com/resources/>

The global
B2B Marketplace
for Tours & Activities





CONTENTS

1 Understanding Your Business

- 1.1 The Level of Competition within Destination
- 1.2 The Retail Price of Most Popular Products
- 1.3 Where do the Majority of Customers come from?
- 1.4 Where do Tour Operators want more Customers from?

2 Working With Agents

- 2.1 How many Tour Operators are Working with Agents?
- 2.2 Who are the Agents that Tour Operators are Working with?
- 2.3 The Number of Agents Working with Tour Operators

3 Commission Rates

- 3.1 The Average Commission Rate per Agent
- 3.2 Are the Commission Rates Fair?

4 Booking Channels

- 4.1 How do Tour Operators take their Bookings?
- 4.2 The Most Effective Booking Channels for Tour Operators
- 4.3 The Most Effective Channels for Increasing Visibility
- 4.4 The Most Effective Marketing Channels for Increasing Bookings

5 Marketing & Operation Channels

- 5.1 The Average Hours per Week on Admin for Tour Operators
- 5.2 The Average Marketing Spend per Month for Tour Operators
- 5.3 The Average Monthly Website Visits for Tour Operators
- 5.4 The Average Mobile Traffic for Tour Operators
- 5.5 The Average Rate of Conversions for Tour Operators

6 Final Insights

- 6.1 The Biggest Challenge for Tour Operators Today

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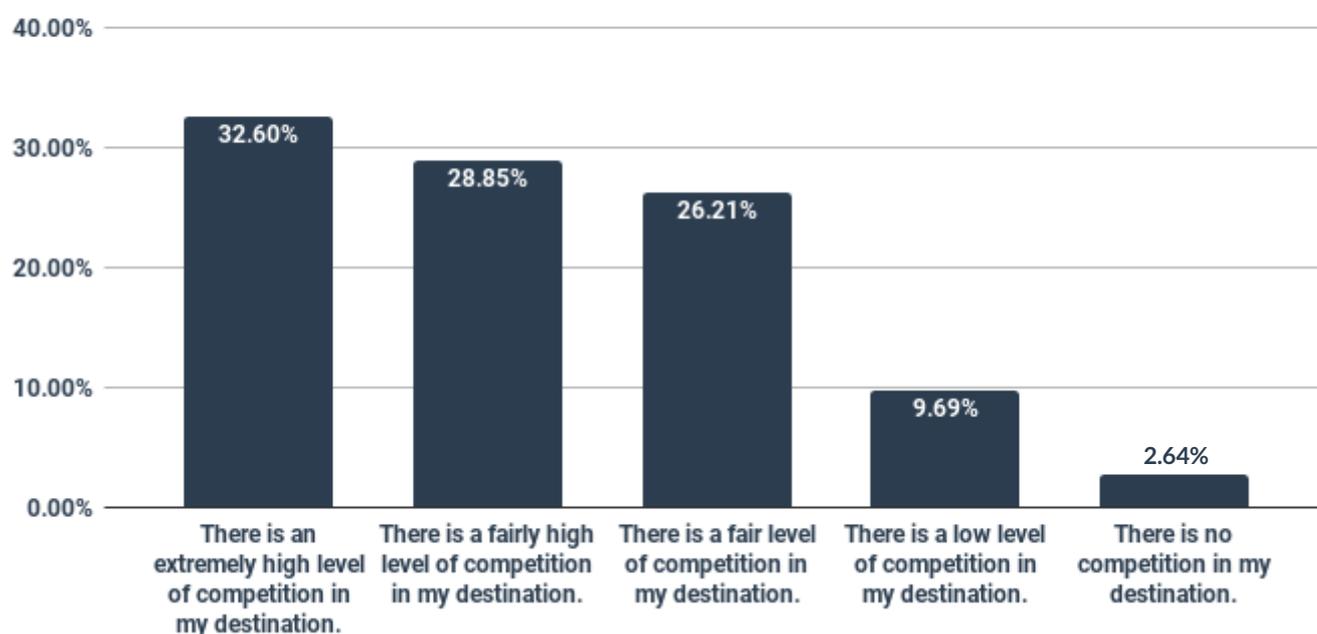


1.1 The Level of Competition within Destination

In Part 1, we asked questions specifically on the respondents' current businesses to help us understand the context of their situation.

Firstly, we asked them how they felt about the level of competition within their destination.

Figure 1.1: How much competition do you feel you have in your destination?



It can be seen in *Figure 1.1* above, that the majority of respondents at 32.60% felt that there is an extremely high level of competition within their destination. Closely following, 28.85% felt that there is a fairly high level of competition within their destination.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

Rezdy recently identified a shift in consumer behavior ([Read article](#)). Consumers now are seeking immersive experiences and are also eager to explore destinations with an open mindset. Thus, with the greater level of competition, it is extremely important for tour operators to engage travelers through appealing tours, engaging descriptions, and seamless mobile booking experiences.



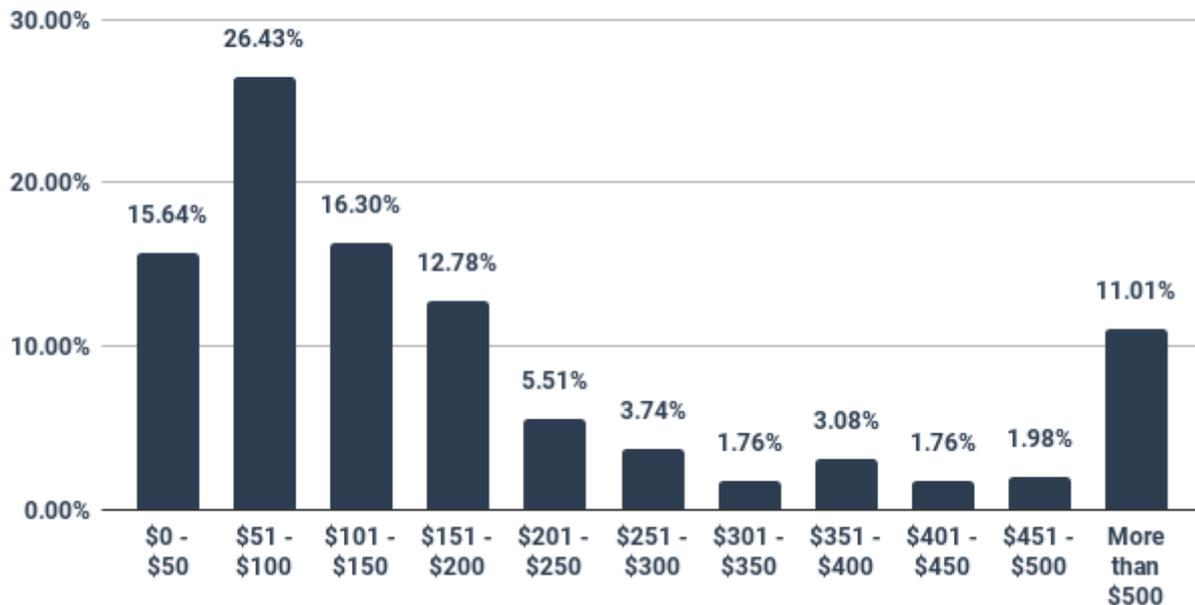
Learn how to optimize your mobile website in today's thriving Tourism Industry.

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1.2 The Retail Price of Most Popular Products

Next, we asked respondents the retail price of their most popular product as seen in *Figure 1.2* below.

Figure 1.2: What is the retail price of your most popular product?



As highlighted on the graph, the majority of operators around the world at 26.43% had their most popular products within the retail price range between \$51 - \$100. Following this, the second most popular retail product price range fell within the \$101 - \$150 bucket at 16.30%.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

Knowing the price of other tour operators' products and most importantly, your competitors', can give you an edge in the market. Understanding the price point of other tour businesses can be a useful guide for your own products. If you want to resell your products to large agents, keep in mind that they will not only sell your tours but also other tours available through competing companies in your destination. Therefore, evaluating your competitors' prices and offers can help structure your product pricing and commission when reselling your products to third-party agents.

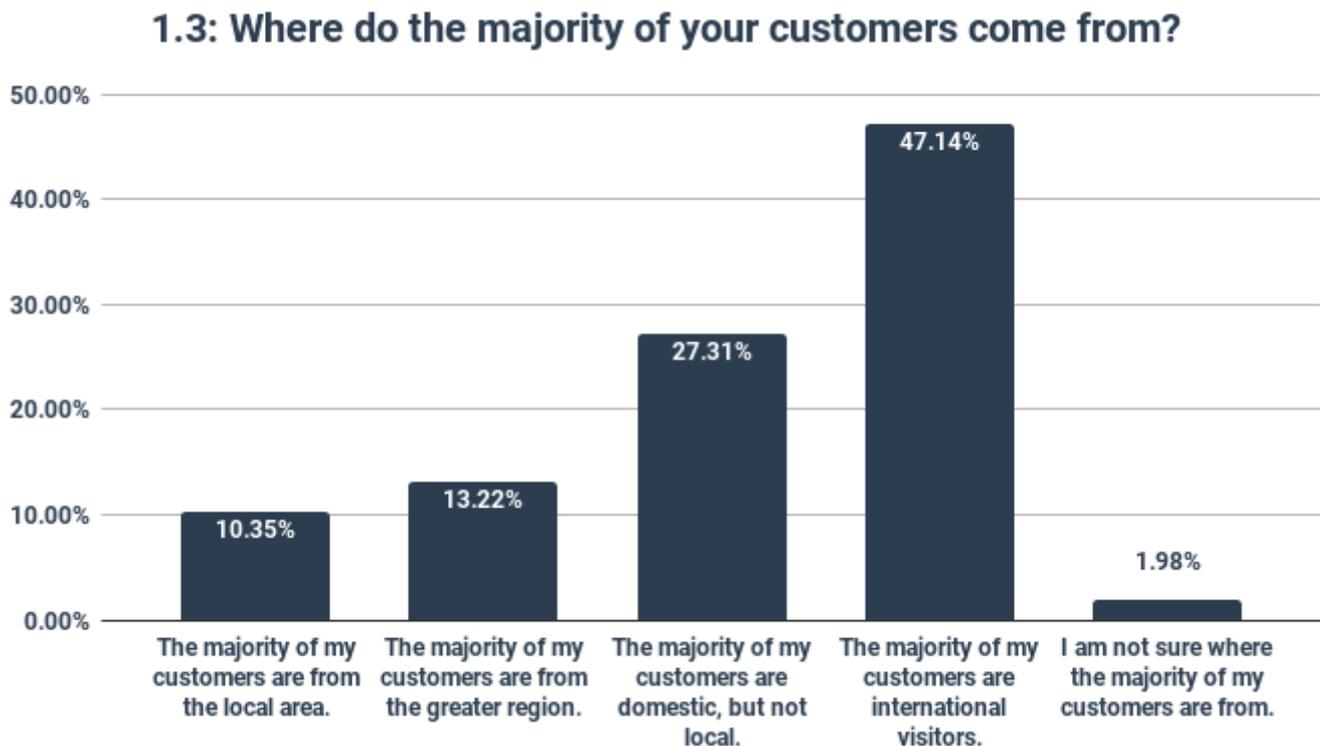


Partnering with agents is a proven way to grow your business. Become a master of distribution.

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1.3 Where do the Majority of Customers come from?

Here, we asked respondents where the majority of their customers currently come from as seen in *Figure 1.3* below.



We can see that a staggering 47.14% of respondents said that the majority of their customers are international visitors. Second at 27.31% said that the majority of their customers are domestic, but not local.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

From this finding, we can highlight that as the Tourism Industry is booming at a global level, it is extremely vital for tour operators to seize the opportunity where possible: refreshing your overall business and marketing strategy, revamping your tour products and descriptions, finding the right online booking software, optimizing mobile booking experiences and/or seeking to expand your distribution channels to garner more prospects.

As many tour operators are aware, Chinese travelers are becoming one of the most powerful and motivated travel segments in the world. These tech-savvy globetrotters love using social media and mobile technology to gather information on their upcoming trips and finalizing their bookings.

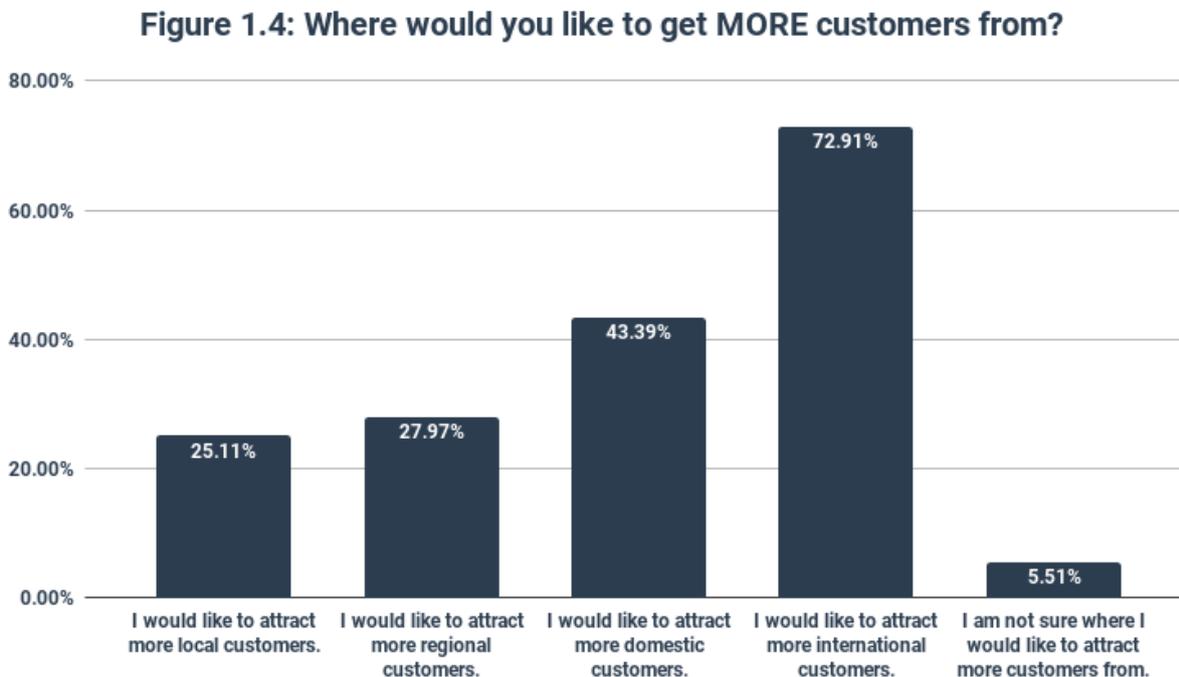


Everything you need to know to prepare your business for Chinese visitors: Get China Ready.

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1.4 Where do Tour Operators want more Customers from?

Next, we asked respondents where they would like to get MORE customers from as seen in Figure 1.4 below.



As seen in the graph, the majority of tour operators at 72.91% would like to attract more international customers. Following this, 43.39% want to attract more domestic customers.

Interestingly across all countries, the majority of respondents would like to attract MORE customers from **Europe** at 48.83%.

Here, we break the numbers down based on geographical locations:

- The majority of respondents from Canada want more customers from Europe and the United States.
- The majority of respondents from United States want more customers from Europe, Australia and Canada.
- The majority of Australian respondents want more customers from Europe, the United States and Asia .
- The majority of New Zealand respondents want more customers from Europe, the United States and Asia.
- The majority of European respondents want more customers from surrounding European countries, the United States and Asia.

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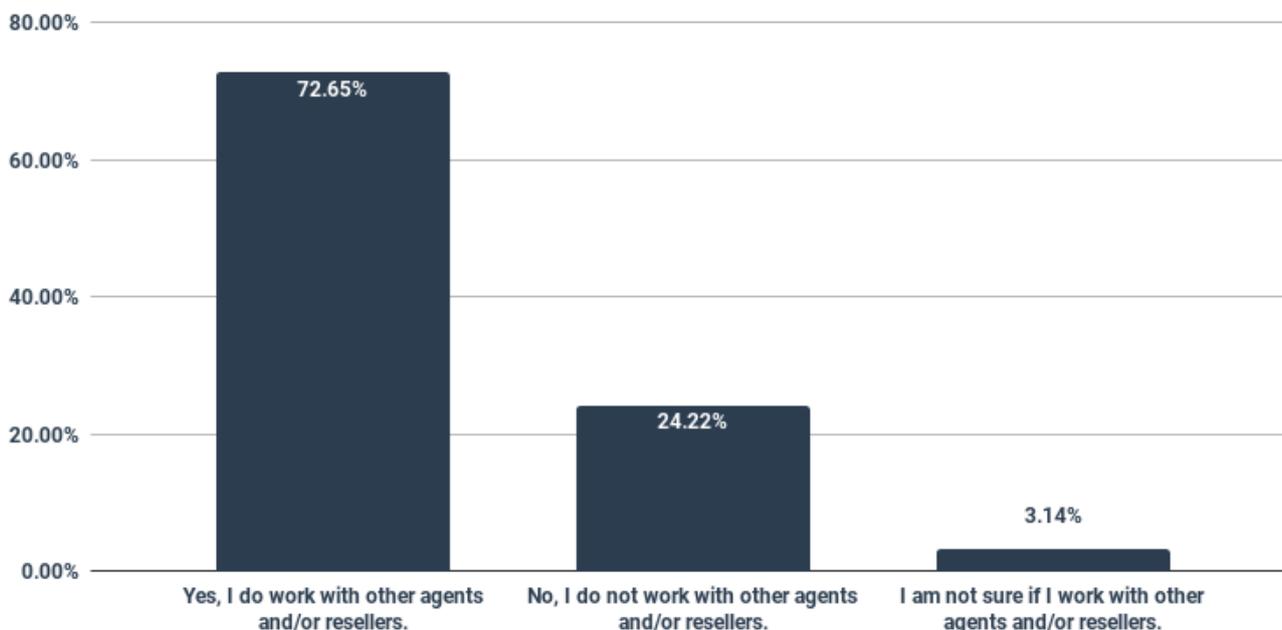


2.1 How many Tour Operators are Working with Agents?

In Part 2, we focus on agents. By definition, agents are vendors/ resellers of your tours and activities. They work to distribute and resell your products to a broader market, ultimately increasing your bookings overall. Examples would be hotels/ concierges, Visitor Information Centers, Visitor Bureaus and Online Travel Agencies such as Expedia and Viator.

We asked respondents if they are currently working with agents or any third party resellers as seen in *Figure 2.1* below.

Figure 2.1: Do you work with agents, or any other third party that resells your tours and activities?



The graph shows a significant number of the sample that are working with other agents and/or resellers at 72.65%.

Working with agents and resellers can help you sell to an audience of millions and reduce your valuable time in marketing your tour products.



Want an instant distribution strategy for your tours and activities? Discover 3600+ agents on the Rezdy Marketplace.

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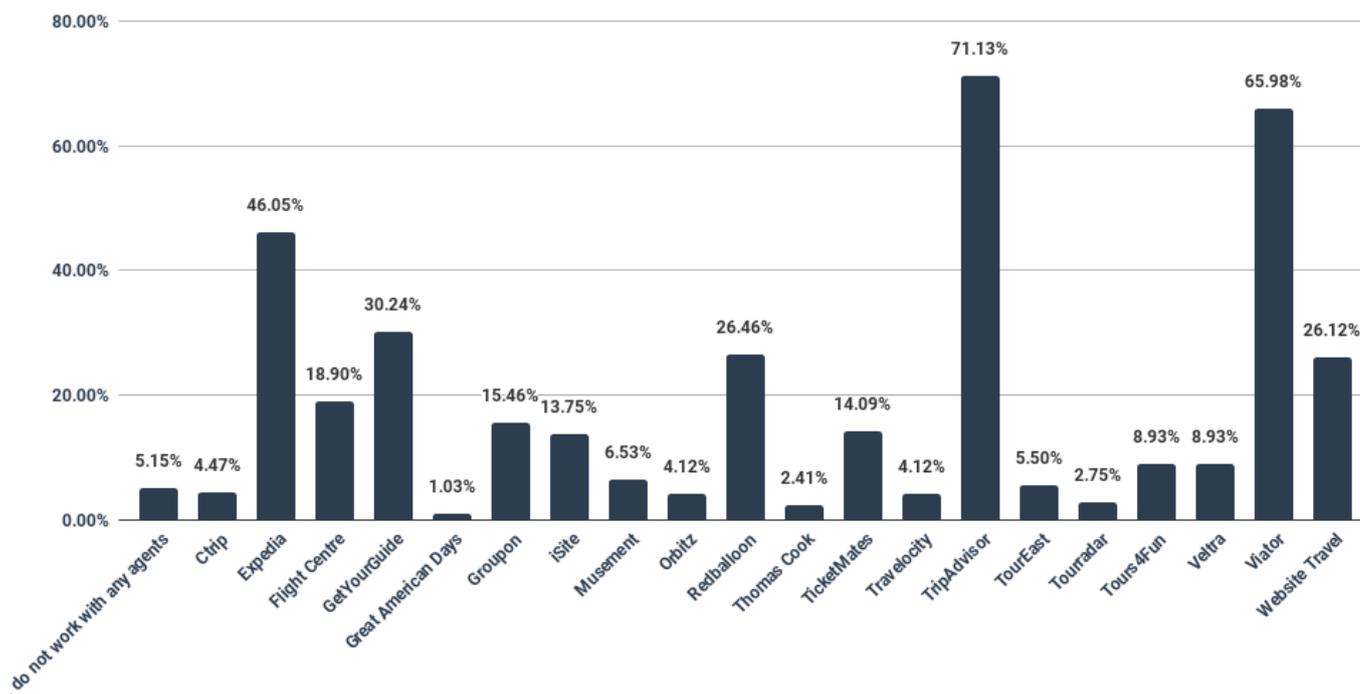
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2.2 Who are the Agents that Tour Operators are Working with?

For our next question, we asked which agents they are working with, as depicted in *Figure 2.2* below.

Figure 2.2: Do you work with any of the following agents?



As seen in the results, the top three agents that respondents are currently connecting with are: TripAdvisor at 71.13%, Viator at 65.98% and Expedia at 46.05%.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

In Part 2.1, we saw that 72.65% of participants work with agents. We can compare this to our 'Tour Operator Trends for Booking Channels 2016' survey where it was revealed that only 66% of respondents then were working with agents. Here, we see a definite trend that more suppliers today are connecting with agents globally and reaping the benefits of having agent connections.

As tour and activity operators are seeing the value of agent connections in today's thriving tourism industry, Rezdy has created a Marketplace for suppliers, like yourself, to discover over 3600+ agents where you can list your products for distribution.



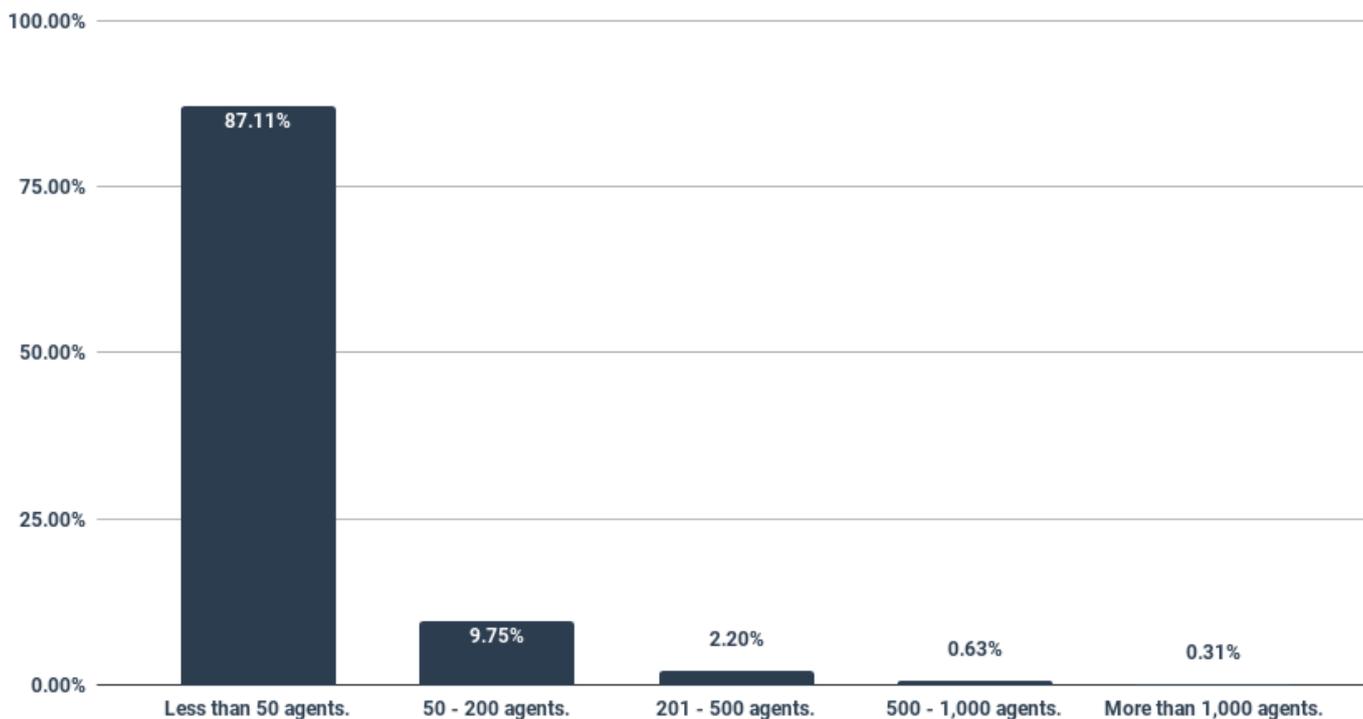
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2.3 The Number of Agents Working with Tour Operators

For those who are working with agents, we asked respondents how many agents they are currently working with. Responses were recorded in *Figure 2.3* below.

Figure 2.3: Approximately, how many agents do you work with?



87.11% of our respondents noted that they are currently working with less than 50 agents. Interestingly, 0.31% of the sample said they are currently working with more than 1,000 agents.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

What can be inferred from these results is that there is an expansive opportunity for suppliers to connect with more agents. Whilst direct bookings are incredibly valuable to tour and activity operators, many can argue that it is impossible to build a successful business on direct bookings alone. Thus, partnering with reputable and high-quality agents can be an integral part of your tour and activity company's distribution strategy.



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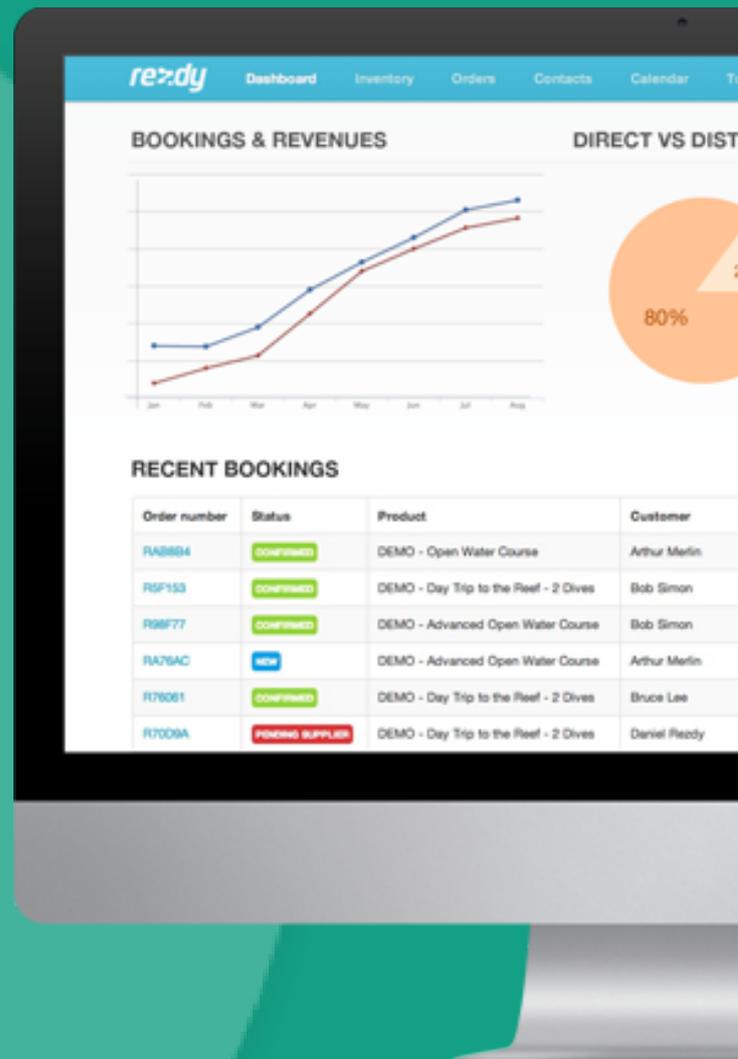


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Sell your tours to a worldwide audience of millions

Increase booking volume without increasing the workload



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3.1 The Average Commission Rate per Agent

For Part 3, we asked respondents who are currently working with agents on how much, on average, they pay in commission.

Figure 3.1: On average, how much commission do you pay per agent?

Types of Agents	% Working with this Type of Agent	Average Commission Rate
Online Travel Agencies (Expedia, Viator etc.)	95.65%	16% - 20%
Visitor Information Centers/ Visitor Bureaus	78.97%	11% - 15%
Hotels/ Concierges	74.69%	6% - 10%
Daily Deal Websites (Groupon etc.)	46.01%	16% - 20%
Traditional Travel Agents	84.13%	16% - 20%

Of the respondents who are working with agents, the majority are working with Online Travel Agencies such as Expedia and Viator at 95.65%. Of these, 37.68% said that they are paying between 16% - 20% in commission.

Overall, the findings show across all agent types, the majority of respondents have stated that they are generally paying between 16% - 20% in commission.



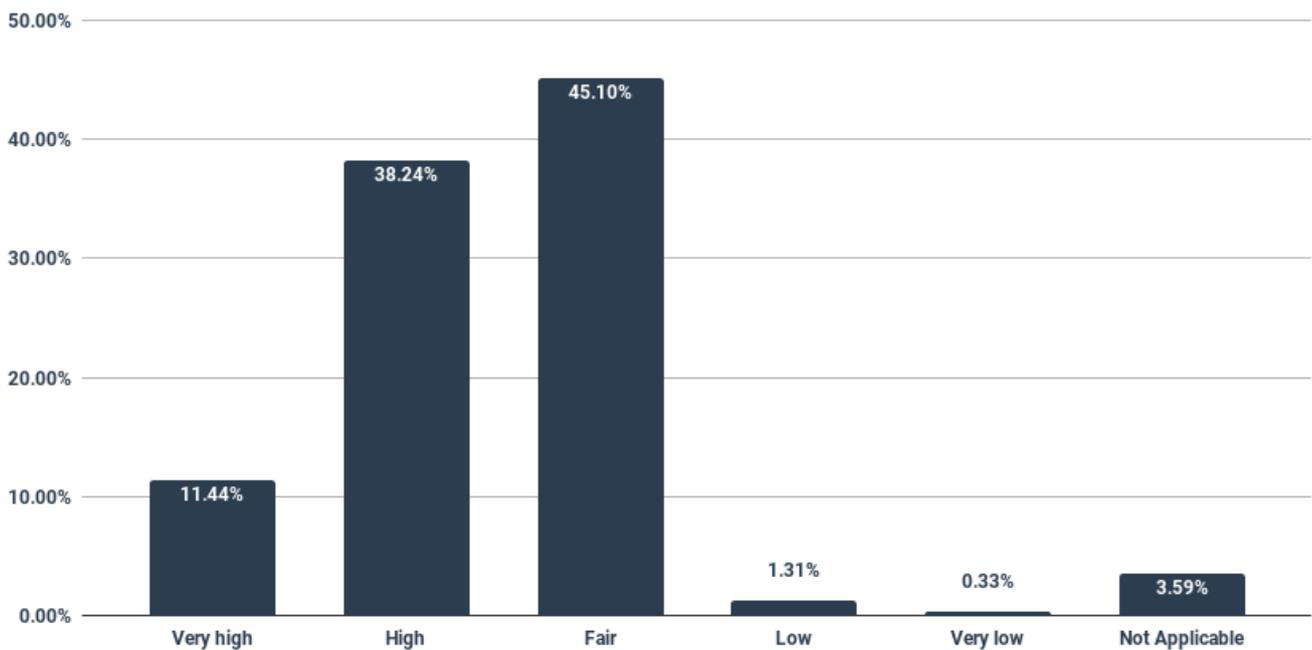
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3.2 Are the Commission Rates Fair?

We asked how respondents felt about the commission rates that they are currently paying to their agents as seen in *Figure 3.2* below.

Figure 3.2: In general, what do you think of the commission rates you currently pay your agents?



45.10% of respondents felt that what they are paying currently to their agents is fair. Nearly half (49.68%) of respondents felt that what they are paying is high to very high. These clustered results here indicate that in general, the majority of respondents feel that the commission rate is fairly high.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

As tour operators like yourself expand, you will need to consider the cost of commission to your agents. All of the agents who resell your products will expect a commission, regardless of the type of agent that they are. So, it is critical that you should find agents that are the right fit for your business.



Become a Master of Distribution and prepare our business for distribution through agents today.

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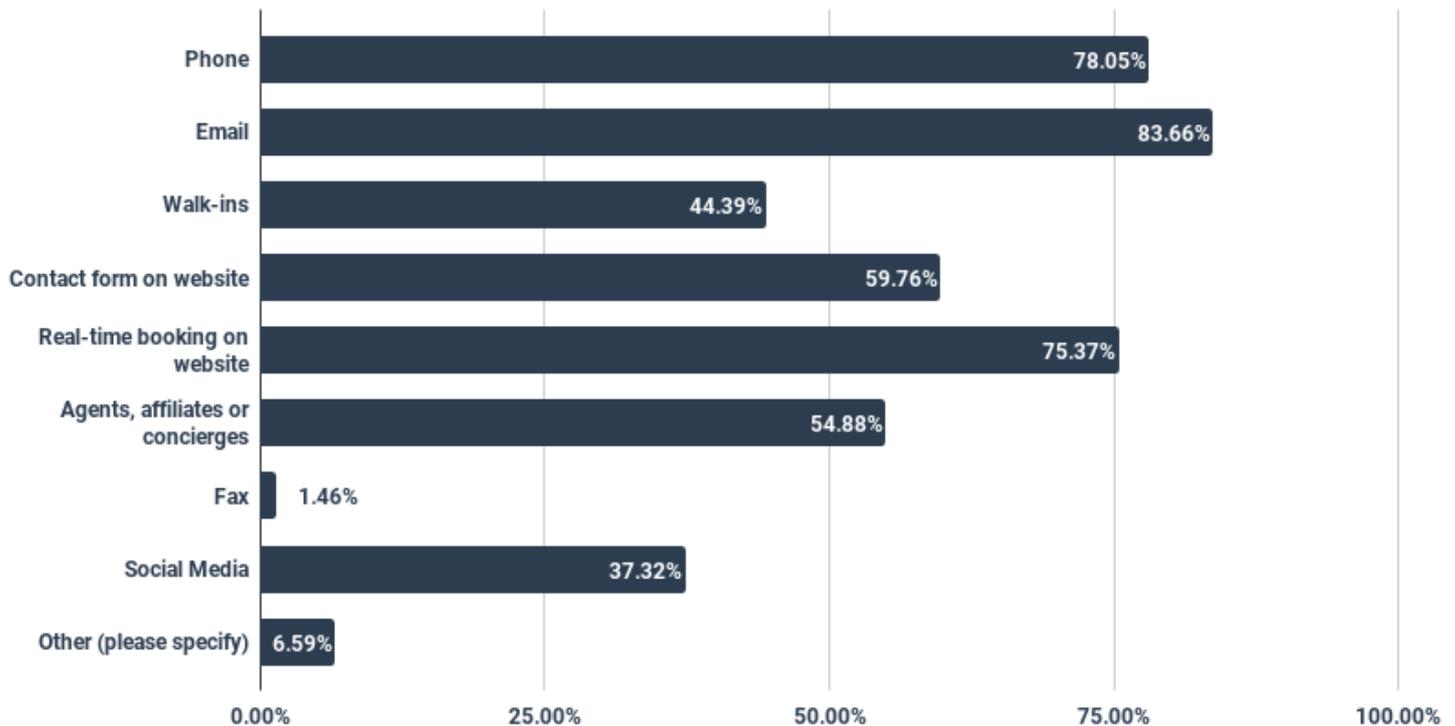
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4.1 How do Tour Operators take their Bookings?

In Part 4, we examine what types of booking channels modern tour and activity operators use as seen in *Figure 4.1*.

Figure 4.1: Currently, how do you take your bookings?



Interestingly, modern tour and activity operators are still taking their bookings via Email (83.66%) and Phone (78.05%), with real-time bookings on website coming in closely behind at 75.37%.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

According to the results, tour and activity operators are still relying on analog inventory management such as phone and email despite the shift to real-time bookings. In today's digital age, consumer behaviors are changing at a rapid pace, for example, being able to book last-minute on mobile devices. Therefore, the future success of tour and activity companies may rely on the technology they have available to facilitate this shift.

Did you know Rezdy is optimized for mobile devices? To find out if Rezdy is the right fit for your business, download our free e-book below.



The Buyer's Guide to choosing the best online reservation system for tours and activities.

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4.2 The Most Effective Booking Channels for Tour Operators

Following on, we asked respondents how effective their current booking channels are.

N.B.: Results have been simplified below in *Figure 4.2*.

Figure 4.2: How effective are the following booking channels?

% Highly Ineffective	% Ineffective	Types of Booking Channels	% Effective	% Highly Effective
1.02%	5.10%	Phone	40.05%	31.12%
1.27%	3.54%	Email	44.30%	28.86%
1.74%	6.40%	Walk-ins	20.35%	24.71%
1.63%	6.52%	Contact form on website	41.03%	24.18%
1.07%	2.67%	Real-time booking on website	25.60%	57.60%
4.01%	5.88%	Agents, affiliates or concierges	31.28%	20.86%
4.82%	4.18%	Fax	1.29%	0.96%
4.49%	11.52%	Social Media	24.16%	9.83%

Notably, even though phone and email had the highest usability as booking channels in *Figure 4.1*, the results in *Figure 4.2* show that these channels are not as efficient as real-time booking on website.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

Simply put, the volume of bookings via channels does not always correlate to the effectiveness of the bookings.



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4.3 The Most Effective Channels for Increasing Visibility

For this section, we asked how respondents rate various channels for increasing the visibility of their business.

Figure 4.3: How effective are the following channels for increasing the visibility of your business?

% Highly Ineffective	% Ineffective	Types of Channels	% Effective	% Highly Effective
4.58%	6.62%	Online Travel Agencies (E.g. Expedia)	27.23%	23.41%
1.58%	4.49%	Google Adwords	33.25%	18.21%
3.31%	3.05%	Social Media	45.55%	23.16%
5.68%	11.63%	Printed Media (E.g. Brochures, Magazines)	38.24%	10.59%
6.53%	11.49%	Traditional Travel Agents	26.37%	9.14%
5.25%	12.34%	Hotels/ Concierges	31.23%	8.40%
2.28%	2.03%	Review Websites (E.g. TripAdvisor)	36.71%	40.76%
5.35%	7.49%	Daily Deal Websites (E.g. Groupon)	14.71%	6.95%
4.87%	8.97%	Visitor Information Centers/ Visitors Bureau	33.08%	13.85%
1.01%	1.51%	Word of Mouth/ Referrals	34.76%	53.90%
3.71%	5.84%	Outdoor Advertising	18.30%	6.63%

It can be noted that the majority of respondents felt that word-of-mouth/ referrals are most effective at 53.90% and second came review websites (E.g. TripAdvisor) at 40.76%. In contrast, the least effective channel for increasing the visibility of tour business was said to be traditional travel agents at 6.53%.



Did you know that Rezdy integrates with TripAdvisor Review Express? See this feature in action today.

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4.4 The Most Effective Marketing Channels for Increasing Bookings

Here, we asked how respondents rate the same channels as *Figure 4.3* on the criteria of whether they are effective in increasing the bookings for their business.

Figure 4.4: How effective are the following marketing channels for increasing the bookings of your business?

% Highly Ineffective	% Ineffective	Types of Channels	% Effective	% Highly Effective
3.18%	6.54%	Online Travel Agencies (E.g. Expedia)	27.79%	23.98%
1.67%	3.89%	Google Adwords	30.00%	20.56%
4.76%	5.88%	Social Media	38.94%	23.53%
4.92%	9.29%	Printed Media (E.g. Brochures, Magazines)	37.43%	12.84%
5.03%	10.89%	Traditional Travel Agents	23.46%	11.17%
3.34%	8.08%	Hotels/ Concierges	29.81%	11.98%
3.48%	2.14%	Review Websites (E.g. TripAdvisor)	33.96%	40.91%
5.60%	7.56%	Daily Deal Websites (E.g. Groupon)	17.65%	8.40%
4.10%	7.92%	Visitor Information Centers/ Visitors Bureau	31.15%	14.75%
1.61%	1.08%	Word of Mouth/ Referrals	37.90%	50.00%
2.79%	6.42%	Outdoor Advertising	20.95%	6.42%

Comparatively, we can see that results are quite similar between the two figures. Again, the majority of respondents felt that word-of-mouth/ referrals were the most effective channel for increasing the bookings of their business at 50.00% whereas again, the majority of the sample felt that traditional travel agents were the least effective at 5.03%.

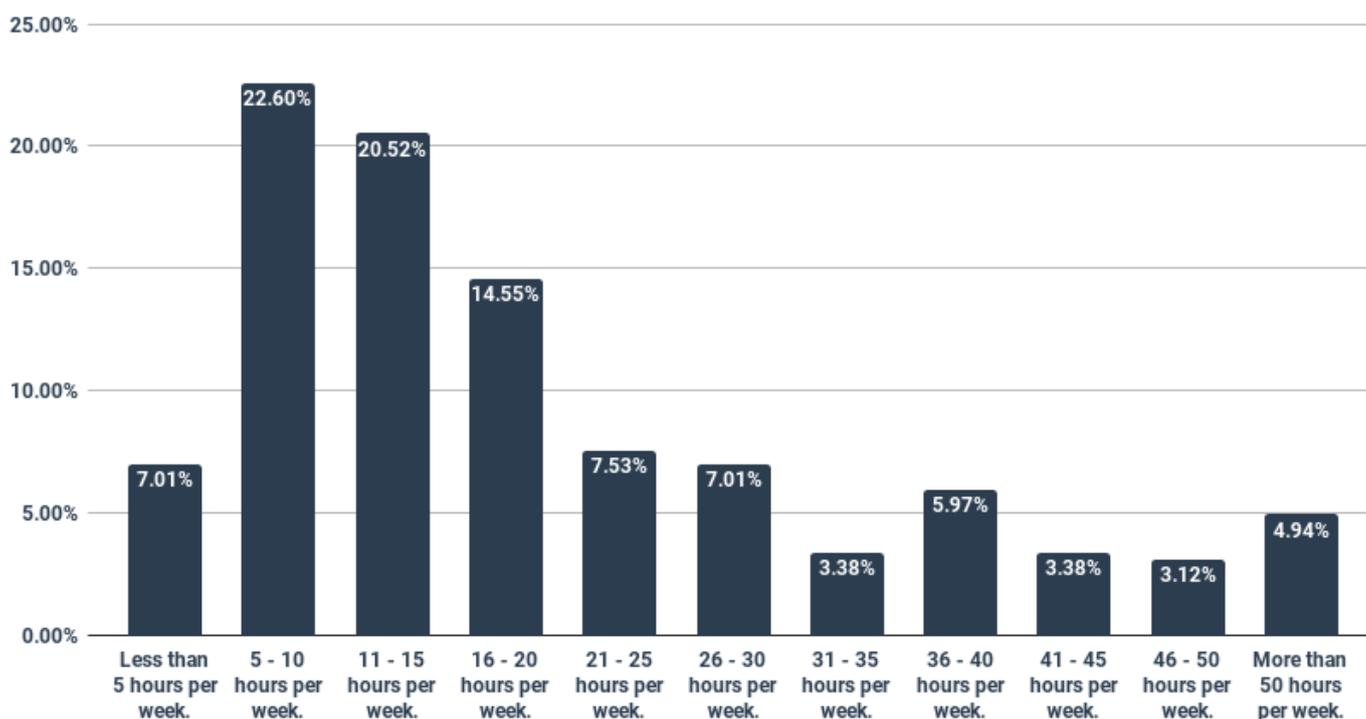
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5.1 The Average Hours per Week on Admin for Tour Operators

In Part 5, we investigated the various marketing and operation channels for tour and activity operators as depicted in *Figure 5.1*.

Figure 5.1: On average, how many hours per week do you spend on admin?



On average, the majority of respondents have indicated that they are currently spending 5 to 10 hours per week on admin at 22.60%.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

Even though a significant sample here has indicated that they are mostly spending less than 20 hours per week on admin, there is still an opportunity for the rest to reduce their admin hours. From this sample, over a third of the respondents are spending more than 21 hours per week on admin (35.33%).

Rezdy's unique feature 'Manifest' can help reduce lengthy admin time and get you organized by managing all your resources in one place and empowering staff with all the information they need in real-time when running your tours.



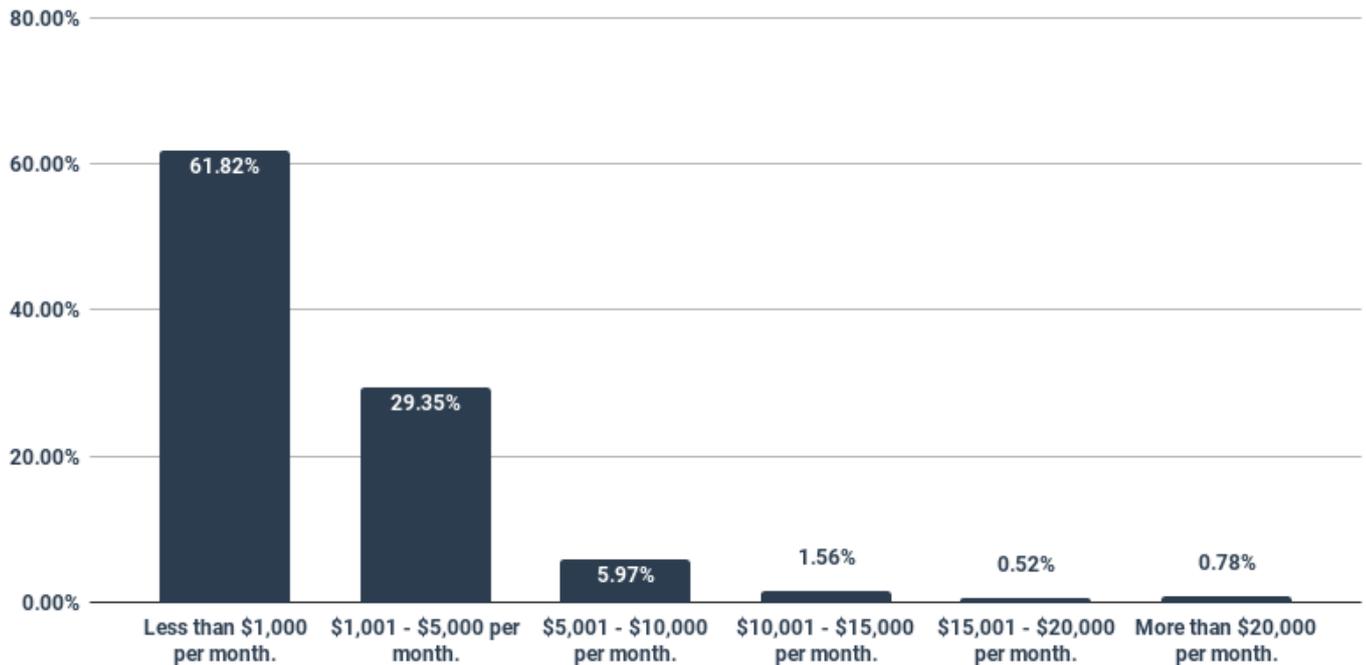
Get organized today! See Rezdy's Manifest feature in action, save time and grow your business now!

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5.2 The Average Marketing Spend per Month for Tour Operators

Here, we asked on average, how much do respondents typically spend on marketing per month as shown in *Figure 5.2* below.

Figure 5.2: On average, how much do you spend on marketing per month? (Consider all online and offline advertising, marketing staff wages where applicable)



In general, the majority of tour and activity operators are spending less than \$1,000 per month on marketing at 61.82%.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

As we refer back to *Figure 4.3*, we can see word-of-mouth/ referrals and review websites (E.g. TripAdvisor) ranked the highest in being the most effective avenues for increasing the visibility of their tour business at 53.90% and 40.76%, respectively speaking. Thus, this may indicate as to why more and more tour operators are spending less on marketing for their business as they are investing in promoting positive customer experiences, working with review websites and actively advocating feedback on channels such as social media.

Rezdy can help sell more of your tours by equipping your business with tools you need to garner more visibility and in turn, increase your bookings.

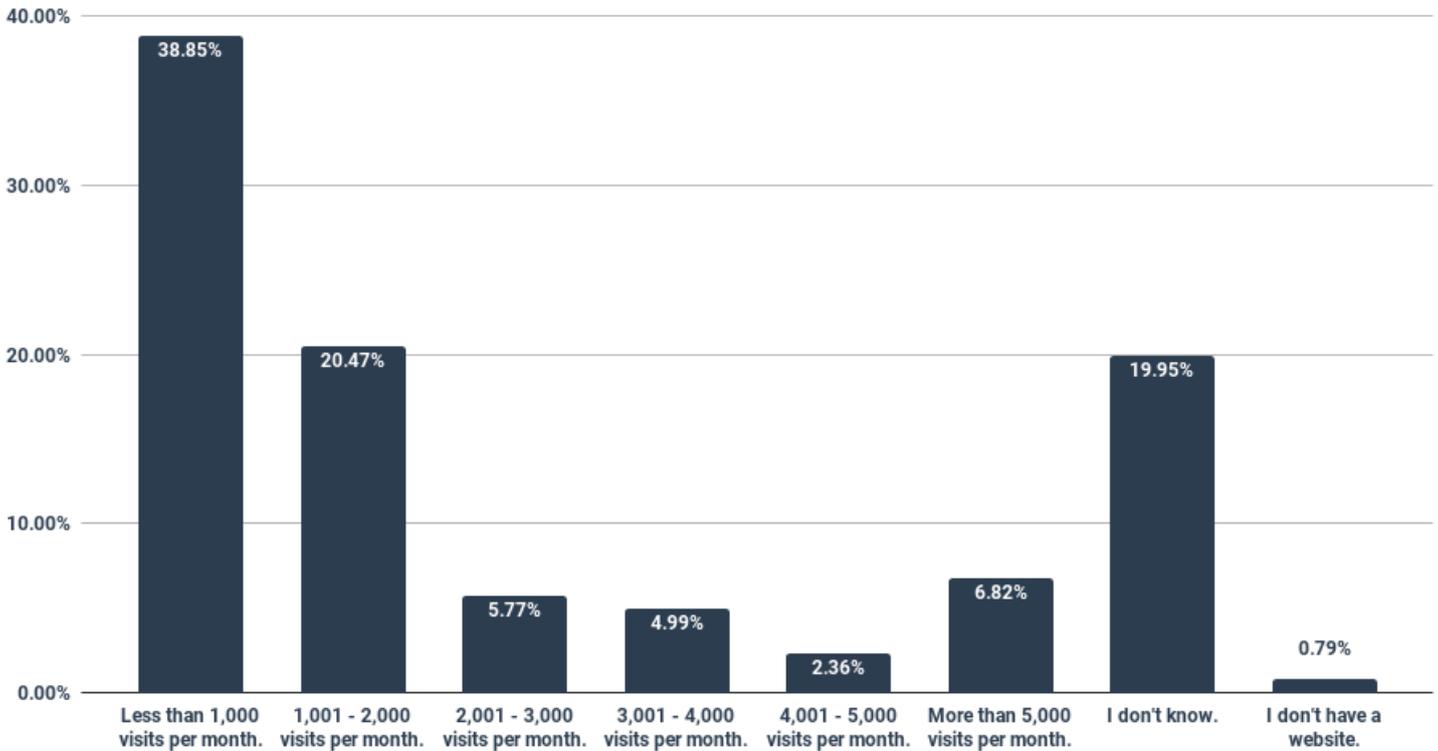


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5.3 The Average Monthly Website Visits for Tour Operators

Figure 5.3: On average, how many visits does your website get each month?



To further understand the tour and activity operators' website activity per month, we asked approximately, how many visits they received on average. According to the results, *Figure 5.3* shows that 38.85% of the respondents have less than 1,000 visits per month, compared to 6.82% who have more than 5,000 visits per month.

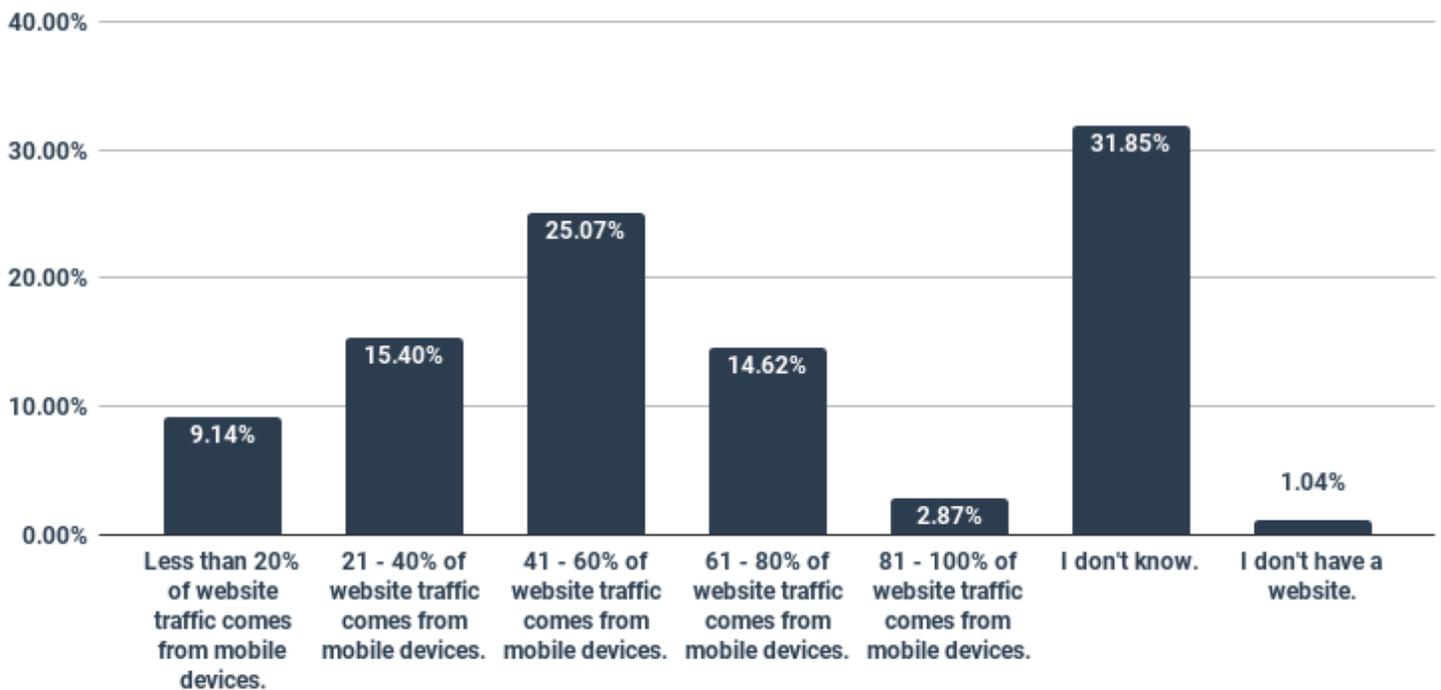
Interestingly, 19.95% of the respondents noted that they do not know how many visits they get for their website and 0.79% of respondents do not have a website for their tour company.

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5.4 The Average Mobile Traffic for Tour Operators

Figure 5.4: On average, what percentage of your website's traffic is from mobile devices?



Next, we examined the percentage of the website traffic from mobile devices. A staggering 31.85% of respondents do not know their mobile traffic whereas approximately two-thirds of respondents are aware of the role mobile traffic plays in their business.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

Rezdy Founder Simon Lenoir recently noted in his interview with [tnooz](#) that last-minute bookings have been growing continuously - driven by consumers booking via mobile. This means that the mobile browsing and checkout experience matters more than ever before for tour operators.

Data from Rezdy has also shown that mobile bookings have been growing 1% per quarter consistently for the last 4 years. This means that the overall share of mobile bookings has grown from 30% a few years ago to 45% in December 2017, particularly when making the booking (both transactions and payment).

Rezdy facilitates and optimizes mobile bookings, and has recorded 400% growth in mobile bookings since 2015.



Get more online bookings from today's mobile savvy travelers. Go mobile now!

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5.5 The Average Rate of Conversions for Tour Operators



Here, we asked respondents about their website's booking conversion rate. We can define conversion rate as the number of visitors who arrive at your site and book one of your products.

In total, we received an average conversion rate of approximately **29.96%**.

WHAT DOES THIS MEAN FOR TOUR OPERATORS?

For many, online shopping has become a way of life. Unfortunately for many online brands including tour and activity businesses, the vast majority of consumers are more likely to abandon their cart than they are to finalize their purchase. In fact recently, research has shown that 67% of online users leave a website without making a purchase (tnooz).

As a tour and activity company, you not only want to attract more visitors to your website but you also want to increase your conversions.

Rezdy allows you to track your booking form conversion rate so that you can measure and improve your look-to-book ratio. Easily monitor the number of bookings and the value per booking and calculate the return of investment (ROI) for all your marketing efforts.



Track your conversions today! See Rezdy's feature in action, save time and grow your business now!

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6.1 The Biggest Challenge for Tour Operators Today

Finally, we asked respondents, "What is your biggest challenge to date?"



Some answers that we received:

"Establishing agent partnership relations with international traditional companies. Stand out from the crowd of local competitors, get the better rates from local suppliers and survive the business."

"Marketing! Getting the word out and out and out!"

"Hiring the right guides."

"Consistency of bookings over the year."

"Maintaining our brand and products top-of-mind of the local and social channels - being consistently in those spaces."



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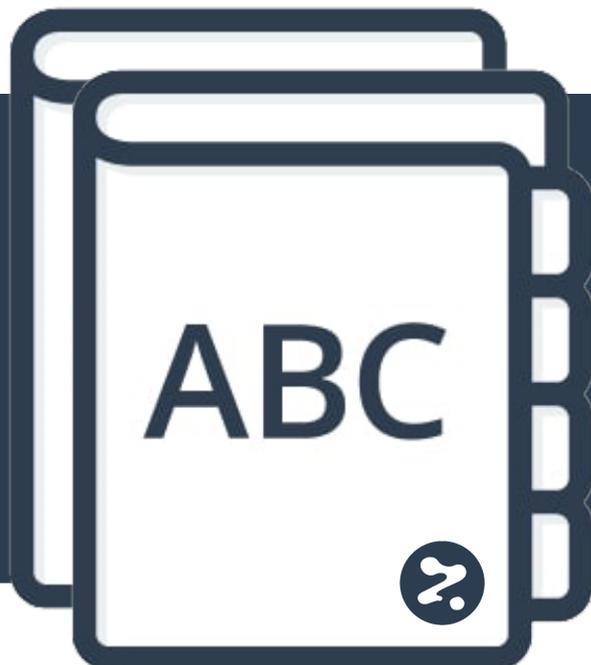
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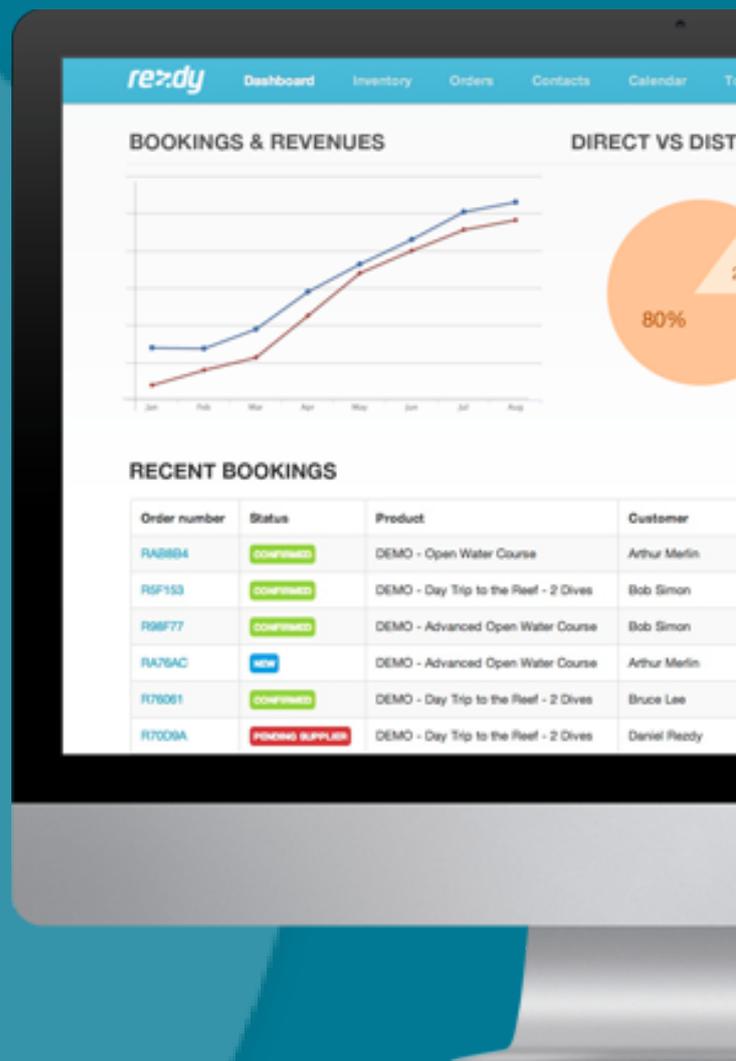
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