

Introduction As the owner of a small property – be it a hotel, villa, lodge or camp – you surely know that the U.S. market simply can not be ignored. Assessed at \$2.4 trillion and 64 million outbound trips annually, the U.S. market is the second largest market for outbound leisure travel. Further underscoring the importance of having a strategic marketing plan targeting the U.S. market in place today, a variety of 2011 travel trend reports are forecasting between 4% and 5% growth in 2011 from the leisure travel marketplace.

Smart hoteliers understand the fundamentals of what draws travelers to their destination, deliver an authentic and meaningful vacation experience for their guests, and have laser sharp focus when it comes to marketing and related business decisions. This white paper provides boutique properties across the globe valuable strategic considerations surrounding these three key elements that should feature in an effective marketing and sales strategy for the U.S. market.

As a property owner you've likely invested blood, sweat (and maybe even some tears!) into your establishment, and are hugely passionate about your destination and the experience you provide. Regardless of how long you have been in operation, as we emerge from the global recession and face a leisure travel industry that is due to set records in 2011 and beyond, now is a good time to take a step back and reflect on key factors for success from the U.S. market.

Understanding the fundamentals of what draws travelers to a destination.

Travelers select their destination first and where to stay second. Often the process of selecting a property is complex, but two of the most important elements include: Proximity to key attractions and having a unique location or product.

Proximity to key attractions within a destination.

If your property is located in, near or at the key attraction in a destination (think the Serengeti in Tanzania, the Great Wall in China or directly on the beach in Brazil), marketing the destination comes easy. At this point elements of the property itself become more critical in the purchase decision process and therefore in the marketing message.

Unique location and product.

While many travelers will want to see the Serengeti, the Great Wall and the beaches of Brazil when traveling to these respective destinations, savvy tour operators craft itineraries with a healthy mix of the key sights alongside special places that may be more remote and off the beaten path. A product that offers the ability for travel planners to add something different to an itinerary is becoming increasingly attractive. In this case selling the actual location, talking about details such as access alongside what makes the property unique becomes a critical part of the overall marketing plan.

Regardless of what leads your marketing messages – proximity to key attraction or a unique location - carefully position your product within the context of your competition in your destination. Understand where other properties stand in terms of market position and build your positioning around that. By keeping a clear focus on what the traveler

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actually is looking for, you can craft a marketing message that will clearly communicate what you're all about.

Understanding what draws U.S. travelers to your specific destination and articulating that in a concise, clear manner is a critical first step in crafting an effective marketing and sales plan.

Value created by delivering an authentic and meaningful vacation experience for travelers.

While U.S. travelers are some of the highest spenders when traveling internationally, in this post-economic crisis era value remains an important element in the travel planning process. Property owners today must ask themselves, "What is going to create value for U.S. travelers?" The answer inevitably involves creating authentic and meaningful travel experiences for their guests. As a result any opportunity travelers have to connect with local characters remains high on the list of what travelers find valuable. Properties with interesting and engaging local hosts score big points in this department as well.

In this age of "me too" amenities, gratuitous luxuries in accommodations are no longer enough to create differentiating value for travelers. We're seeing an understated, "cool" atmosphere more attractive to today's U.S. traveler. The over-the-top décor we've seen proliferate properties across the globe over the past decade may very well be a passing trend.

Property size has become one of the most important elements in the value equation; with words like intimate, exclusive, charming and personal becoming increasingly powerful when marketing travel experiences in the U.S. Smaller properties are seen generally as more luxurious than larger properties. The growth in villa and home-style properties popping up across Africa, Asia and Latin America supports this trend of "the smaller the better."

Also, today American travelers expect that properties and operators will conduct business in a sustainable way. Properties will actively showcase a concern for the environment and maintain a mutually-respectful and safe environment for employees.

This all translates directly to profitability as well. One recent study found that 42% of U.S. leisure travelers say they are willing to pay more for "green" travel products. Delivering an authentic, personalized experience that is sustainable and responsible immediately creates value that is attractive to U.S. travelers and demands a higher price point.

Smart hoteliers have laser sharp focus when it comes to marketing and business decisions.

As mentioned above, the marketing plan of any boutique property interested in succeeding in the U.S. market should pay serious attention to marketing the destination, and illustrating how the experience is authentic and meaningful. Keeping these two critical components top of mind will ensure an on-message, traveler-focused marketing strategy.

However, it is absolutely critical to understand and embrace the unique travel trade distribution system that has developed in the U.S. market. The traditional, vertically integrated travel trade distribution system has given way to a new, highly-fragmented

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travel distribution network. It is critical for any property owner looking to do business in the US market to understand this new distribution system.

For boutique international properties perhaps the most significant emerging trend is the shift to one “middle man” in the travel selling transaction. Travel professionals, whether technically called “travel agents” or “tour operators”, are specializing in destinations and focusing on learning as much as they can about that destination. These specialists want to book direct with either the property or in-bound operator in country, thus playing a more significant and entirely hands-on role in the travel planning process.

As a result, traditional wholesalers, whose role in the distribution network has been challenged, have now started marketing directly to consumers vs. focusing entirely on travel agents. We’re seeing most wholesalers continue to sell about 50% of their business through traditional travel agents while about 50% of their business is direct to consumers. This trend is simply a natural progression in travel distribution ensuring the highest value in terms of cost (cutting out an added layer of commission), along with direct access to travel professionals who have the greatest knowledge about the destination. Travelers have been empowered by the internet and access to an unprecedented amount of information when it comes to planning travel, yet still value the services of a professional when it comes to planning travel to exotic destinations.

American travelers today want to work with a travel professional that has relationships with the hotels, tour guides and intimate knowledge of the best a destination has to offer. You will succeed by helping travel planners meet this need.

Implementation: In all businesses, effective marketing strategies require a company to narrow the focus of its market offering so that it has a clear competitive advantage. Failure to focus is perhaps the most common and most costly mistake made in business.

What can you say about your property that is “only”, “first” or “best”? Identify this and use it regularly in your traveler-focused marketing message.

Being able to identify your unique key travel trade prospects – say 20 to 30 travel agents and tour operators who can deliver regular and consistent bookings – is perhaps the most important element of focusing your marketing plan and will guide business decisions pertaining to the U.S. market.

Once you’ve identified your key targets, build strong and lasting relationships with them by providing clear, succinct information about your product and partner with them throughout the sales process by offering immediate turnaround on inquiries, easy and smart speaking points and other marketing support to help them showcase product knowledge to their clients and finalize bookings as a result.

If you are hands-on in running your business on the ground, it is likely necessary to retain representation or other marketing support in the U.S. market to effectively build



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strong relationships with trade partners. The critical “face” of your company, whether it’s you or someone else who is well connected in the market, brings to life the story you’ve developed including the fundamentals of what draws travelers to your destination and how you deliver an authentic and meaningful vacation experience for guests.

Smart hoteliers understand the fundamentals of what draws travelers to their destination, deliver an authentic and meaningful vacation experience for their guests, and have laser sharp focus when it comes to marketing and related business decisions. Above all, become a passionate storyteller for your brand, empower others to share the same joyful, powerful message and you will find success in the U.S. market.

**About
Fazendin
Tourism
Consulting
Services:**

Fazendin Tourism Consulting Services offers the most efficient, strategically focused, and seriously effective tourism industry consulting services for boutique properties seeking to do business within the U.S. market. The firm services boutique properties, experiential tour operators, NGOs and other small to medium sized businesses. Fazendin Tourism Consulting Services brings to each client and project a focused experience marketing travel within the U.S. coupled with a passion and enthusiasm for travel experiences that are personal, experiential, and offer a sense of heritage.

The FTCS team would be thrilled to assist you in better understanding the fundamentals of what draws travelers to your destination, delivering an authentic and meaningful vacation experience for your guests, and helping craft an effective and focused marketing strategy to increase sales from the U.S. market. Please contact us at info@fazendinconsulting.com or +1.303.895.9583. Learn more about Fazendin Tourism Consulting Services at www.fazendinconsulting.com