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*Economic Policy Reform and
Competitiveness Project*

Assessment & Business plan: National tourism portal of Mongolia

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ABBREVIATIONS AND ACRONYMS

DMO	Destination Management Organization
DMS	Destination Management System
EPRC	Economic Policy Reform and Competitiveness Project
ICT	Information Communication Technology
IMC	Integrated Marketing Communication
LMI	Last Mile Initiative
MTB	Mongolian Tourism Board
PPP	Public Private Partnership
PXL	Pixel Web Solutions Company
SMME	Small Medium and Micro Enterprises
TIC	Tourist Information Center
ToR	Terms of Reference
UNWTO	United Nations World Tourism Organization
W2M	Welcome 2 Mongolia

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PREFACE

History of the Mongolian National Tourism Portal

The EPRC project generated tremendous excitement among the tourism industry of Mongolia with the opening of the country's first **Tourist Information Center** in 2005. The TIC set the stage for promotion of Mongolia's tourism industry and demonstrated the importance of public-private partnerships to stimulate tourism development. Witnessing the excitement and support from the private sector around the opening of the TIC in Ulaanbaatar, the Mongolian government's Ministry of Road, Transport, and Tourism opened additional TICs in Mongolia's International airport, train station, and International centers in Tokyo, Seoul, and Beijing. With the TICs in place and the numerous events planned for the 800th anniversary of the founding of the Mongol Empire in 2006, the EPRC project started to explore additional activities that would continue to strengthen the tourism industry through public-private partnerships.

During this time a Mongolian entrepreneur, Enkhbaatar, CEO of Pixel Co., Ltd, one of the most successful web solutions companies in Mongolia, presented the EPRC team with a proposal to develop a national tourism portal for Mongolia. Realizing the potential for a portal to help promote Mongolia as a tourism destination while simultaneously providing a revenue generating business model that could provide indefinite support to the development of Mongolia's tourism industry, EPRC contracted the firm to develop a demonstrable prototype of the portal to present to major tourism stakeholders. The prototype was launched on October 27th, 2005 and presented to a focus group of 14 representatives from the tourism and hospitality industry consisting of 2 tourist camps, 2 hotels, 5 tour operators, and 3 NGOs. The results of the focus group indicated the need to clarify the business model and identify the ideal management and ownership of the portal.

At the request of EPRC, PXL provided a proposal to complete the portal, maintain the site, and become an equity owner of the portal. The EPRC team decided to seek the assistance of an International tourism 'dot.com' specialist to develop a business model and assess the profitability for the tourism portal. While recruiting the specialist an international consulting firm, G-Team based in Ulaanbaatar, provided a proposal to EPRC to take over the portal project and complete a business and deployment plan in order to make the portal project successful.

Justification for the Need to Modify the Assignment

The purpose of the original assignment for the tourism "DOT-Com" specialist was to consider how best a Mongolian tourism portal could be best structured to attract the commercial revenues needed to make the site profitable. Objectives of the assignment were:

- To design a commercial business plan/model for a Mongolian portal which gains acceptance from the main stakeholders.
- Prepare comprehensive financial projections indicating capital requirements, break even etc.
- Present a summary plan to the tourism industry at a launch event.

However, after the specialist and the EPRC team reviewed the prototype it became apparent for the need to conduct a thorough assessment of the portal and provide recommendations on how to improve the design, information architecture, and content of the site to achieve maximum profitability and equally important, gain buy-in from tourism stakeholders.

In addition to the need to conduct an assessment and develop a comprehensive business plan for the portal, the EPRC team requested the specialist to assess the proposals from G-team and PXL in order to identify the most effective firm to complete the portal and manage its operations.

As a result this report is intended to provide the following:

1. Comprehensive business plan for the portal to determine:
 - a. Company ownership
 - b. Product & Services
 - c. Market Analysis
 - d. Marketing & Sales Strategies
 - e. Organizational Structure
 - f. Financial Plan
2. Assessment of the portal prototype and recommendations for improvement
3. Assessment of additional proposal from G-team to take over the project and complete the portal

AUTHOR'S NOTE: The recommendations presented in this report are intended to provide the Mongolian tourism industry and the portal stakeholders suggestions on how to best develop a successful tourism portal that will contribute to the economic growth of the tourism industry and improve the social-well being of Mongolians. These recommendations are intended to be a starting point for discussions and the plan should be refined after feedback from various stakeholders.

SECTION I: EXECUTIVE SUMMARY

The travel industry accounts for the largest category of products and services sold over the Internet. According to a recent study by Jupiter Research the online travel market is expected to continue its strong growth and account for 34% of all travel spending in 2010. While the travel industry is experiencing a growth in online bookings, the Internet remains one of the greatest sources of research for travelers.

The Internet provides the opportunity for developing nations to correct imbalances in the tourism value chain where a significant percentage of tourism profits are captured by firms based outside the country being visited. The challenge for developing countries is to not only to put in place the technology for e-tourism, but also to develop a strategy that engages the public and private sectors to work in collaboration to promote the country, while effectively processing transactions and delivering a quality tourism product to the online travel planner.

While a growing number of destination management organizations (DMOs) in developing countries have developed an online presence in the last few years, only a small share have so far been able to offer a fully fledged services web portal in the form of a destination management services (DMS) that would propose effective booking and transaction facilitiesⁱ. A DMS is defined as ‘an IT infrastructure used by a destination organization for the collection, storage, manipulation and distribution of information in all its forms, and for the transaction of reservations and other commercial activities’.

In addition to supporting the growth of the tourism industry through promotion and sales, a DMS provides the opportunity to facilitate communication and collaboration among tourism suppliers and establishes a mechanism to increase their competitiveness. A successful DMS will provide administrative access to suppliers through a login and password in order to update and maintain their section of the site and in some cases inventory management. This process engages suppliers and provides government and development assistance agencies the ability to deploy tourism activities such as capacity building, cluster creation, distributing market intelligence, and creating quality and sustainable tourism standards through an industry intranet attached to the DMS.

Mongolia’s tourism industry is in a unique position to embrace the creation of a national tourism portal or DMS. With the absence of the Mongolian Tourism Board, the Mongolian government’s Ministry of Roads, Transport, and Tourism is restricted to activities surrounding tourism policy and is unable to effectively promote the destination in International markets. This combined with fact that the private sector industry is made up of predominantly small and medium sized enterprises with limited technical capacity provides the basis for the need to create a Destination Management Company (DMC) to manage the portal and support the growth of the industry. A DMC is defined as a local service organization that provides creative itineraries and logistics management based on an in-depth knowledge of the destination.

George Washington University’s Institute of Tourism states that “according to the UNWTO Business Council, the current trend in almost all regions of the world is towards semi-public but autonomous tourism organizations involving a partnership with both private sector and regional and/ or local authorities”.ⁱⁱ The reason for this new trend is a result of the travel industry’s desire to provide consumers with the ability to purchase tourism services not just promote the destination. The most effective way to do this is through a public private partnership.

Welcome 2 Mongolia (W2M) will be established through a public private partnership to create a profit-making DMC for the country of Mongolia. The organization will begin operations in

February 2006 to coincide with the 800th anniversary of the founding of the Mongol empire. W2M will be responsible for marketing and facilitating bookings of products and services provided by the Mongolian tourism industry to International and domestic travelers through a state-of-the-art website portal and DMS. The organization will also seek to facilitate the development of sustainable tourism in Mongolia by strengthening the competitiveness of tourism small, medium, and micro enterprises. (SMMEs).

An opportunity for W2M's success exists because the Mongolian tourism industry is growing at 15% p.a since 2000, apart from a 'dip' in 2003 caused by the SARS epidemic. Furthermore the UNWTO states that International tourism arrivals is expected to increase by 4.1% annually to reach close to 1.6 billion international arrivals by the year 2020ⁱⁱⁱ and travel segments related to Mongolia's tourism product are witnessing tremendous growth (Ecotourism, Adventure Tourism and Cultural Tourism). In addition the Internet as mentioned previously is revolutionizing the way travelers research, plan, and book travel. W2M is in a position to capitalize on these trends while accelerating the economic growth of the tourism industry by accessing new markets.

The company's goals over the next three years are:

- Gain acceptance and support from all tourism stakeholders in Mongolia
- Become the leading source of Mongolian tourism related information on the Web
- Provide superior customer service to all W2M customers
- Increase the competitiveness of Mongolia's tourism industry and tourism SMMEs
- Support the development of sustainable tourism in Mongolia

In order to achieve these goals W2M will need to:

- Develop partnerships with tourism suppliers built on loyalty and trust
- Effective off-line and on-line marketing to position W2M as "the" source of travel related information and booking services for Mongolia
- Deliver superior customer service to ensure word of mouth referrals
- Provide business development services that are in demand to Mongolia's tourism suppliers
- Segment and target niche markets to create an increased demand for Mongolia

As a DMC, W2M will provide benefits and services to a broad base of stakeholders including:

Stakeholder	Type	W2M Services & Benefits
Ministry of Road, Transport, and Tourism	Public	<ul style="list-style-type: none"> • Destination Marketing • Tourism SMME Training and Support • Market Intelligence
Arts Council of Mongolia	NGO	<ul style="list-style-type: none"> • Promotion of Mongolian art & culture • Promotion of Mongolian cultural events • Sales of local handicrafts through the e-shop
Tourist Information Center (TIC)	NGO	<ul style="list-style-type: none"> • Promotion of TIC and its services • Collection and storage of tourism information • Booking and reservation system for visitors of the TIC
Mongolian Tourism Association, Mongolian Ger	NGO	<ul style="list-style-type: none"> • Promotion of organization and members to International & domestic travelers

Camp Association, Mongolian Hotel Association, Mongolian Guide Association, Mongolian National Ecotourism Society		<ul style="list-style-type: none"> • Promotion of organization and member recruitment to private tourism companies in Mongolia • Market intelligence
Mongolian based tour operators, hotels, guesthouses, tourist camps, guides, transportation companies, and restaurants/bars	Private	<ul style="list-style-type: none"> • Promotion of products and services • Sales of products and services • Product development • Product improvement • Market intelligence • Capacity building • Cluster creation
International tour operators and travel agents	Private	<ul style="list-style-type: none"> • Tourism information • Promotion of products and services • Sales of products and services • Product development • Product improvement • Market intelligence
Rural Communities	-	<ul style="list-style-type: none"> • Assistance in creating community based tourism organizations, products, & services • Promotion of products and services • Sales of products and services • Capacity building • Pressure on tour operators to provide economic benefits to communities
International and Domestic Travelers (leisure and business)	-	<ul style="list-style-type: none"> • Tourism information • Booking & reservation of tourism products and services • Customer service – travel planning

W2M's revenue generating services will be based on the ability to provide advertising, membership, consulting, and business services to the Mongolian tourism industry while also generating commissions from bookings of products and services featured on the W2M website portal and through the TIC. It's through this dual approach to service both the supplier (improving the tourism product) and the consumer (accessing new markets while gaining market intelligence) that will ensure the long-term sustainability of both the tourism portal and the Mongolian tourism industry.

There are officially 560-registered tourism companies in Mongolia. These companies will be targeted to participate in the W2M tourism portal. Without a significant buy-in from these companies the tourism portal will be limited in the amount of information and services it will be able to offer to travelers and the travel trade. Understanding this, W2M will develop a communication strategy to describe the objectives of the portal and the benefits companies will receive and invite companies to sign up for the portal at **no cost for the introductory period**. It is recommended however, once a critical mass of suppliers are signed up to the site to begin a yearly membership fee to be featured on the portal and benefit from information and services provide to members. This will require W2M to provide value in the services offered by the portal. When signing up to the portal, tourism suppliers will be required to sign a contract providing 10% commission for bookings and agree to the terms and conditions of the contract.

One of the key roles of the organization will be to act as a business incubator in order to stimulate the growth of the tourism industry and increase the amount of products and services offered. The SMME incubator will be set up with the collaboration of EPRC's resource center and an educational institution like the National University of Mongolia or the Mongolian Tourism Training Institute to assist aspiring tourism entrepreneurs in a variety of technical assistance needs either directly or by engaging other international and local partnerships. Training and resources can be provided through the portal intranet, on-site, or by visiting the offices of W2M. The incubator will provide such activities as:

- Ger camp development and hospitality training
- Guide training (birding, wildlife, flora)
- Activities training (mountain biking, trekking, fishing, etc.)
- Licensing, permit, and registration assistance
- Trail management and development
- Food safety/quality—agribusiness
- Artisan and handicrafts development
- Business development (business plan creation, accounting, bookkeeping, computer training)
- Access to financing (micro-financing, foreign direct investment, donor assistance)
- Tourist health and safety training
- Marketing services (websites, multimedia, graphic design, online marketing)

W2M's target customers for travel services will be travelers planning a visit to Mongolia and targeted niche markets that may not have considered Mongolia as a travel destination. In this regard, W2M aims to increase the number of visitors to Mongolia by opening new markets while also aiming to increase the number of days and daily expenditures of travelers that may not have realized additional products and services available. The company will pursue an aggressive marketing campaign both online and offline to drive potential customers to the website.

W2M faces many forms of competition some of which are even potential customers of the organization. They are:

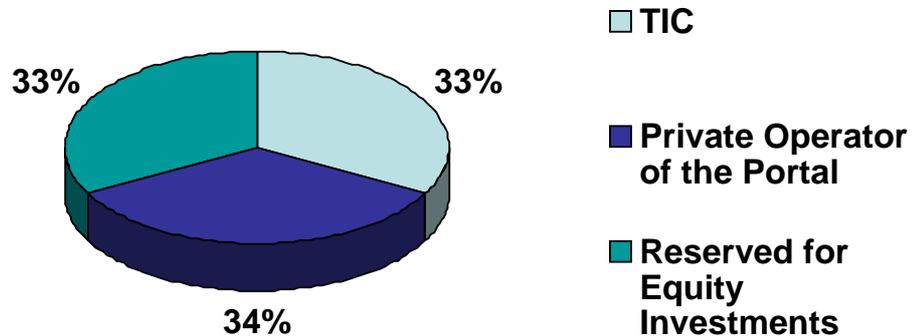
- Mongolian based and International tour operators selling Mongolian packages and customized tours
- Infomediaries – websites that focus on gathering and assimilating Mongolian tourism information.
- International tourism destinations both regionally (China, Russia, Eastern Europe) and those offering comparable tourism products and services to Mongolia (New Zealand – Eco and Adventure tourism, Uruguay – equestrian tourism, Tibet – cultural and spiritual tourism, etc)

It is essential that W2M be aggressive in acquiring market share from other international tourism destinations but cautious in strategies to gain market share from potential partners of the W2M portal.

A strategic alliance will be created with the TIC in order to provide a booking system to the visitors of the information centers both in Mongolia and abroad. This partnership is critical to the success of the portal and has the potential to contribute to a significant share of bookings made using the system. For this reason it is recommended that the TIC become an equity partner of the organization. In addition to increasing sales through the portal, a partnership with the TIC will demonstrate to the industry that this is a public-private partnership developed to support the industry not a competing private tour operator.

It is proposed that the W2M be a Mongolian limited liability company with ownership distributed between:

Exhibit I – 1 Proposed Equity Distribution of W2M

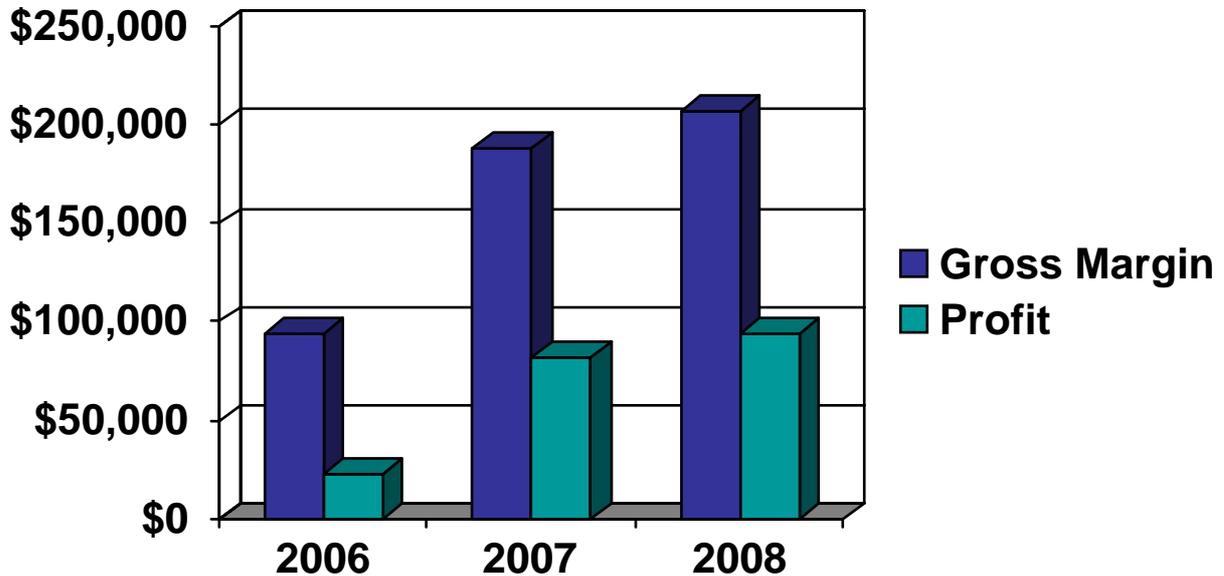


W2M’s start-up capital requirement is approximately \$96,575. \$15,000 of which has already been financed by a grant from USAID/EPRC. Another \$15,000 grant from USAID/EPRC will pay for the consultancy fees needed to train the operator of the portal. The private operator of the portal will contribute \$6,575 worth of computer and office equipment. An additional \$30,000 equity investment will be required from silent partners and W2M will take out a long-term loan of \$30,000 from the a private bank to cover the necessary additional start up expenses and the first 7 months of operating cash flow.

W2M will be staffed by a small group of hard working and dedicated individuals with excellent communication and management skills. The organization will begin operations with 5 full time positions. The positions are as follows; 1) general manager and director; 2) marketing and advertising director; 3) supplier account manager & business service provider; 4) reservations and customer service manager; and 5) accountant & office manager.

The company estimates sales of the first year of operations are \$807,790 producing a gross margin of \$94,025. The second year W2M will be expected to reach it’s full potential of \$1,615,580 of sales and a gross margin of \$188,050. After the second year, the company is expected to grow at conservative 10% annually. The company does not expect any problems with expenses or cash flow within the next three years. Annual cash flow for the first year of operation becomes positive in the fourth quarter of operations.

Exhibit I – 2 Projected Financial Highlights



A. Objectives

- Maintain profitability by the end of year 1
- Sign up 100 tourism suppliers to the site with contracts of 10% commission
- Average 30,000 Unique Visitors per day by the end of year 1
- Sales of \$1,777,138 by year three
- Attract 1000 new visitors to Mongolia per year
- Generate 250 new jobs in the tourism industry
- Register 75 new tourism businesses with the Mongolian government
- Achieve 50% of revenue from advertising sales & services to suppliers

B. Mission

Welcome 2 Mongolia (W2M) is a destination management company operating Mongolia's national tourism portal in order to increase the competitiveness of the tourism industry and private sector tourism businesses. W2M is dedicated to the preservation and conservation of the natural, historical, and cultural assets of Mongolia through the promotion of sustainable tourism, that is tourism that minimizes the visitors' impact on the destination while supporting the social well being of Mongolians. W2M's mission is to become the leading provider of Mongolian tourism information and travel planning/reservation services. W2M seeks to connect Mongolia tourism providers with a growing market of travelers in search of new experiences.

C. Keys to Success

1. Develop partnerships with tourism suppliers built on loyalty and trust
2. Effective off-line and on-line marketing to position W2M as "the" source of travel related information and booking services for Mongolia
3. Deliver superior customer service to ensure word of mouth referrals

4. Develop a business process to effectively process transactions and meet visitors' expectations on product delivery.
5. Provide business development services to Mongolia's tourism suppliers to improve the tourism product
6. Segment and target niche markets to create an increased demand for Mongolia as a travel destination
7. Communicate the unique aspects and quality of W2M's offerings through personal interaction, media, print, e-marketing, and other branding activities
8. Capture essential market share by capitalizing on the opportunities within the growing niche markets of adventure tourism, cultural tourism, spiritual tourism, equestrian tourism, ecotourism, and community based tourism
9. Retain essential talent through fair compensation while encouraging personal growth.
10. Incorporate integrity throughout operations at all times by paying attention to customer complaints, honoring guarantees, and catering to every need and concern.

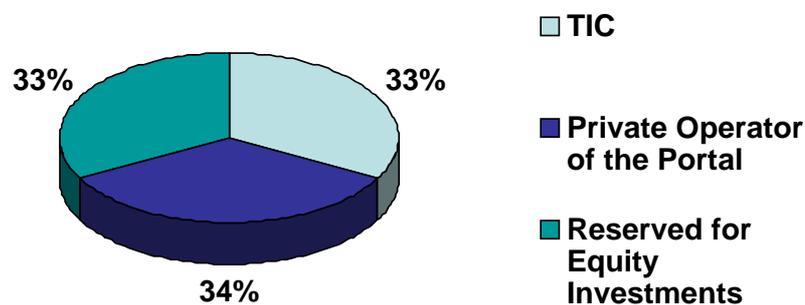
SECTION II: COMPANY SUMMARY

W2M will be a private company that will be owned and operated by at least 2/3 Mongolians with the remaining shares available for equity investments from local or foreign investments. The company will be registered as a legal entity in Mongolia as a Limited Liability Company. The company will also be registered with the Ministry of Roads, Transport, and Tourism as a travel agency.

A. Company Ownership

It is proposed that the W2M ownership distributed between:

Exhibit II – 1 Proposed Equity Distribution of W2M



B. Start-up Summary

W2M's start-up capital requirement is approximately \$96,575. \$15,000 of which has already been financed by a grant from USAID/EPRC. Another \$15,000 grant from USAID/EPRC will pay for the consultancy fees needed to train the operator of the portal. The private operator of the portal will contribute \$6,575 worth of computer and office equipment. An additional \$30,000 equity investment will be required from silent partners and W2M will take out a long-term loan of \$30,000 from the a private bank to cover the necessary additional start up expenses and the first 7 months of operating cash flow.

Start-up details are located in Exhibit I – 5.

- **EXPENSES:** These will be rent, office supplies, consultant's fees, insurance, utilities, website hosting, marketing, etc.
- **ASSETS:** Primary cash and computers
- **INVESTMENT:** Investments will come from a grants from USAID, an equity investment from the private operator, equity investments from a silent partner, and a loan from a private bank
- **LOANS:** A \$30,000 loan will be secured from a private bank.

Exhibit II – 2 Start Up Financing Details

Requirements

Start-Up Expenses

Legal	\$500
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Stationary	\$275
Brochures	\$1200
Postcards	\$500
Insurance	\$1,000
Computer & Multimedia Equipment	\$10,000
Office Furniture	\$2,000
Office Deposit	\$600
Development of Website Portal	\$30,000
Consultants	\$15,000
Other	\$500
TOTAL START-UP EXPENSES	\$61,575

Start-Up Assets Needed

Cash Balance on Starting Date	\$35,000
Other Current Assets	\$0
Total Current Assets	\$35,000
TOTAL REQUIREMENTS	\$96,575

Funding

Grants

1 st Grant from USAID/EPRC	\$15,000
2 nd Grant from USAID/EPRC	\$15,000
TOTAL GRANTS	\$30,000

Investment

Silent Partner Investments	\$30,000
<u>Operating Entity Investment</u>	<u>\$6,575</u>
TOTAL INVESTMENT	\$66,575

Liabilities

<u>Bank Loan</u>	<u>\$30,000</u>
TOTAL LIABILITIES	\$30,000

TOTAL FUNDING	\$96,575
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C. Company Locations and Facilities

W2M will be located in Mongolia's capital Ulaanbaatar, the starting point for a visit to the country whether arriving by the country's only international airport or by train via the Trans Siberian railway. The capital provides constant access to telecommunication and high-speed Internet through one of the various Internet service providers. Ulaanbaatar is the hub of tourism in Mongolia and the majority of all tourism suppliers have reservation and management offices in the capital. Many travelers who arrive in Ulaanbaatar make reservations and arrange logistics for tours into the countryside from the city. W2M will service these visitors in person through the partnership with the TIC. The staff at the TIC will be able to use the W2M booking system to arrange and book tourism products and services.



SECTION III: PRODUCTS AND SERVICES

W2M provides in-depth information on Mongolia’s tourism industry and allows individual and group travelers (both leisure and business) to consult, arrange, and purchase pre-packed tours, accommodations, flights, rail tickets, jeep rentals (with driver), and guiding services. In addition to servicing the consumers of Mongolia’s tourism products, W2M also provides invaluable exposure, market access, and business development services to Mongolia’s tourism suppliers and entrepreneurs. The W2M portal will also sell Mongolia souvenirs and handicrafts focusing on high value items that will outweigh the costs of shipping.

A. Products and Service Description

W2M’s products and services provided to the traveler are focused on processing reservations and facilitating travel logistics. These services are in demand by online and independent travelers visiting the TIC. W2M will be able to work with tourism partners to provide these services to meet visitor’s expectations.

In attempts to improve W2M’s tourism product and increase the competitiveness of Mongolia’s tourism industry, W2M will also provide products and services to the tourism suppliers of Mongolia. These products and services will include membership fees for being included on the portal, advertising fees for additional exposure from the portal, and business services that are in demand by the industry. It is important for W2M to be more than just a booking engine and to provide services that suppliers need so that they are able to grow their business independently from the portal.

Traveler Products & Services	Tourism Suppliers Products & Services
<ul style="list-style-type: none"> • Information & Travel Reviews • Travel Consultation & Advice • Reservations & Booking <ul style="list-style-type: none"> - Pre-Packaged Tours - Accommodations - Flights - Rail Tickets - Jeep Rentals (with driver) - Guides - Theater & Cultural Event Tickets - Travel Insurance • Souvenir & Handicraft Sales 	<ul style="list-style-type: none"> • Membership Fees (<i>portal listing, market intelligence, site statistics, industry trends, etc</i>) • Advertising Fees (<i>portal, e-newsletters, and printed publication</i>) • Multimedia Services (<i>photography, video, and virtual tours</i>) • Marketing Services (<i>website development, hosting, e-marketing, brochure design, and printing</i>) • Business Development Services (<i>business plan creation, accounting, bookkeeping, training, etc</i>) • Permit and Registration Services • Wholesale/Bulk Purchasing (<i>Linens, decorations, light bulbs, toiletries, water heaters/parts, carpets, furniture</i>)

B. Competitive Comparison

In the broader sense, W2M competition is tour operators, infomediaries and other tourism destinations.

Tour operators are both inbound Mongolian based operators and international outbound operators to Mongolia. There are roughly 300 inbound tour operators registered with the Mongolian government. Of these only 120 have a web presence. Those that have a website

offer limited information about the country of Mongolia and only their own products and services. These sites are also very difficult to find when searching online. In addition, due to a lack of information and photos available to the industry and lack of enforcement of copyright laws, many sites will feature the same limited content. International outbound tour operators that sell Mongolia often sell other destinations therefore information regarding Mongolia is limited to pre-packaged tour descriptions. An increasing trend of tour operators is to offer customized tours, which will be a direct competition to the services offered by W2M. The competitive advantage of the W2M portal will be the amount of tourism information and unbiased reviews available and the ability to create customized tours and 24/7 booking with the support of a local knowledgeable staff.

Infomediaries, a new word in the Information Age, is formed from a combination of the words **Information and intermediary**. An infomediary is a website that gathers and organizes large amounts of data and acts as an intermediary between those who want the information and those who supply the information. As a tourism portal W2M will be one of the only infomediaries on the web focusing on Mongolia's tourism industry. Other competitors that do not offer the same amount of information are:

- www.travelmongolia.org - The site of the Mongolian Tourism Association offers generic tourism information with a focus on members but limited to name and contact info. Features photos and video clips of Mongolia.
- www.mongoliatravel.com - limited information and not focused on tourism products and services
- www.mongoliatourism.gov.mn - official tourism site of the Mongolian government offers limited information. Tour Operators pay \$300/yr to be featured on the site
- www.lonelyplanet.com/worldguide/destinations/asia/mongolia/ - limited information about Mongolia, but new features allow users to book hostels and links to tour operators. Also includes a very popular travel forum used by thousands of independent travelers
- www.iexplore.com/dmap/Mongolia/Overview - Closest model to the W2M offering information, travel forums, user reviews, photos, find a travel buddy, and ability to book tours. Site is not focused solely on Mongolia and information is limited.

W2M's competitive advantage will be the fact that it is a local Mongolian based organization and its strong relationships with the partners featured on the site. Since W2M is also only focused on Mongolia it will be able to offer in depth information of the country and greater exposure to those featured on the site. The site will also generate direct bookings to the partners featured on the site.

Lastly W2M in effort to target new visitors to the country, will compete with other tourism destinations both regionally (China, Russia, Eastern Europe, and Central Asia) and those offering comparable tourism products and services to Mongolia (New Zealand – Eco and Adventure tourism, Uruguay – equestrian tourism, Tibet – cultural and spiritual tourism, etc). Strong emphasis should be focused on these markets in order to increase the amount of visitors to the country and support the economic growth of the tourism industry.

C. Sales Literature

W2M will need two different types of sales literature. The first will be designed to communicate to the Mongolian tourism industry the background of the portal and benefits of joining W2M. Careful attention should be made to communicate the public private partnership and mission to **support the industry** in order to gain buy-in from stakeholders. Earlier brochures distributed to the industry focused on the benefits but did not communicate the PPP

or the mission to support the industry. As a result many suppliers questioned the organization behind the portal and feared W2M as competition.

The second type of sales literature will be focused on increasing brand awareness and communicate the products and services offered by the portal to the travel consumer. Rather than a full brochure, postcards are recommended to easily communicate the brand and for distribution.

W2M will maintain a database of portal users both tourism suppliers and consumers to distribute electronic brochures/newsletters on a frequent basis.

D. Fulfillment

Product fulfillment is going to be the most important and difficult aspect for the success of the W2M business. Many DMS projects in developing countries fail due to the complexity of processing a transaction and delivering a quality tourism experience that meets the customers' expectations. Combine this with a country like Mongolia where ICT is limited in some cases non-existent in the tourism areas of the country. Additional challenges will be the number of small and micro-enterprises with limited managerial capacity who have traditionally relied on the direction of tour operators for product delivery. A typical booking made from the portal may include various suppliers.

For example the following could be in the checkout basket at the time of booking:

- Airport Transfers
- Hotel in Ulaanbaatar
- City tour of Ulaanbaatar
- Transportation Rental and Driver
- Guide
- 7-10 Different Ger Camps
- 2-3 Day Tours/Activities (Rafting, Fishing, Biking, etc)

This tour will require the coordination of reservation requests, confirmations, delivery, and payment of up to 18 different suppliers. If anyone of these suppliers does not deliver on the product or W2M fails to coordinate every aspect of the tour, the customer will be unsatisfied with the overall experience.

W2M will be required to offer two separate methods to process a transaction. The first method will allow a user of the portal to purchase the products and services in full using a secure online payment method. Then W2M will pay the net rate to the supplier prior to the tourists' arrival.

The second method will allow users to make a reservation for services but making the payment directly to the supplier at the time of product delivery. In this case W2M will create the reservation on behalf of the traveler and then invoice the supplier at the end of each month for commissions that are due. This second method is necessary to accommodate customers from the TIC that would rather make a reservation rather than purchase the products.

W2M staff will be required to develop a business process for making both methods and facilitating payment to and collection from suppliers. This process will differ from the large hotels and tour operators to the remote Ger camp without access to communication or banking services. It is important that when every supplier signs up for the W2M portal, a contract is created specifically for the supplier to put in writing how this process will work.

Communication is going to be critical to the success of the portal. It is recommended that the EPRC project collaborate with the USAID Last Mile Initiative to deliver ICT to rural areas with a high concentration of tourism suppliers. Payment to suppliers should be facilitated through direct deposit in suppliers' accounts prior to the arrival of the visitor.

E. Technology

W2M will rely on a hosted DMS for all client bookings and reservations. The DMS was developed in Mongolia using open source MySQL PHPNuke technology. This technology provides a robust content management system allowing administrative access to tourism suppliers and provides the ability to login in to update text, photos, prices, and special promotions. This administrative access also provides an opportunity to develop an tourism industry intranet to communicate directly to the tourism industry of Mongolia. This password-protected intranet may be used to deliver market intelligence, communicate the business services offered by W2M, e-Shopping for industry supplies, and provide online training. The portal will also feature a dynamic packaging tool and reservation/booking engine with the ability to collect payment through a secure transaction. Additional features of the portal will include the ability for travelers to post reviews of products, an interactive forum, find a travel "buddy", and upload photos and travel stories to share with friends and relatives.

A hosted e-marketing program will be utilized to create, send, and track e-newsletters that are sent to travelers and the tourism industry.

The supplier account manager and business service provider will be trained in the use of multimedia technology and software to create 360° virtual tours, streaming videos, and interactive DVDs. These services will be used both to create rich media content for the portal and to provide fee for services to tourism suppliers.

F. Future Services

W2M in the future may publish a printed travel publication intended to communicate travel news, stories, and cultural events related to Mongolia. The publication will serve as a mechanism to increase W2M brand awareness and Mongolia as a travel destination. The publication also would provide an additional revenue stream by selling advertising to tourism suppliers of the industry.

SECTION IV: MARKET ANALYSIS SUMMARY

There are two different markets for the products and services of W2M; 1) tourism suppliers and 2) travelers. There are officially 560-registered tourism companies in Mongolia that spend an estimated average of \$500 marketing and business services annually. The size of this market is expected to increase with the forecasted continual growth of Mongolia's tourism industry. It is in W2M's best interest to facilitate the growth of this market and increase the profitability of these companies in order to increase the sales of W2M's services to these suppliers. For the purposes of the business plan, the remainder of the market analysis will focus on the travel market.

The travel market for Mongolia's tourism industry is focused on both international and domestic tourists. The World Tourism Organization defines a tourist as any person who stays at least one night in a collective or private accommodation in the place visited. In 2004 337,676 arrivals were recorded out of which 234,180 tourists visited Mongolia generating in excess of US\$ 199 million in tourism receipts contribution to 1.63% of the country GDP (13760.9 million Tugrugs/1,185.19 = \$11,610,712,206).^{iv}

A. Market Segmentation

W2M's target travel customers can be segmented into 6 main categories. Within these groups the common characteristic among W2M's customers will be their familiarity and use of the Internet, specifically to research and plan travel. These segments are detailed below:

- 1. International Gap Year Travelers** – also known as “backpackers” this is one of the largest markets for independent travelers visiting Mongolia. Often ignored by tourism strategies, the gap year traveler is the market that paves the way for tourism development since they are early adaptors and require less in the form of tourism infrastructure. The “Gap Year” signifies a significant amount of time between jobs or education where travelers take time off to travel “as long as the money lasts”. These trips involve multiple countries over many months. Gap year travelers rely on guidebooks, recommendations from other travelers, local tour operators, and the Internet to plan their travel logistics along the way. With the increase in Internet cafes located throughout tourism destinations along the well defined “backpacker trails” and the booking capabilities from the partnership with the Tourism Information Center, W2M will be able to service these independent travelers and could become the largest market of W2M users. It should be noted however that servicing this market would not necessarily increase visitors to Mongolia since many of these travelers have already made up their mind to visit the destination. Focus should be on increasing their length of stay in Mongolia and increasing their daily expenditures.
- 2. International Long Haul Travelers** – representing one of the greatest opportunities to increase high spending visitors to Mongolia, the long haul traveler originating from Western Europe and North America is one of the most sought after visitors in destination marketing. These travelers are in search of new experiences and unspoiled destinations both of which Mongolia offers. They are willing to spend high dollars for excellent service and authentic experiences. Historically these travelers prefer to book through outbound tour operators originating in their host county but a significant shift is seeing an increase in independent travel planning from this market.
- 3. Ex-expatriate** - living in Mongolia and neighboring countries are an untapped market for Mongolia's tourism industry. International development agencies and multinational companies are deploying ex-pats to Asia on a regular basis. These individuals work hard

and would love the opportunity to escape urban cities to explore Mongolia's natural resources and rich culture. This market will appreciate the amount of tourism information, trip ideas through pre-packed tours, and the ease of bookings.

- 4. Regional Leisure Travelers** – China, Korea, and Japan have always been and will remain the largest markets for Mongolian tourism. The combined population of these countries is over 1.3 billion people with an increasing middle and upper class eager to travel. Destinations from around the world are making plans to target this emerging travel market. These travelers prefer to book through travel agents and international tour operators but could use the portal to research and make decisions to visit the destination. Even capturing a small percentage of this market would contribute significantly to the success of the portal. Additional strategies could be focused on targeting younger adventure travelers from these markets that might be willing to book without going through travel agencies or tour operators.
- 5. Business and Conference Travelers** – Ulaanbaatar is the hub of business in Mongolia and there are dozens of hotels throughout the city catering to this market. Conferences are increasing, like the GIS summit scheduled to take place in October of 2006 will bring over 800 GIS professionals from throughout the world to Ulaanbaatar. This market will appreciate the ability to purchase flights and hotel bookings in the capital and may be influenced to extend their trip to experience Mongolia's countryside.
- 6. Domestic Leisure Travelers** – The UNWTO estimates that domestic tourism represents 80-90% of total world tourist demand. Historically dismissed by Mongolia's tourism promotion strategy, the rising middle class is willing and eager to experience their country's natural assets. The rapid adaptation of western culture is creating a greater interest for families to visit rural areas and traditional culture.

Further segmentation of these markets will focus on the travel interest of these targeted groups. It is important for the portal to organize the content around these travel interests, these might include:

- Ecotourism
- Cultural Tourism
- Heritage Tourism
- Adventure Tourism
- Equestrian Tourism
- Spiritual Tourism (Buddhism and Shamanism)
- Wellness Tourism
- Volunteer Tourism (Voluntourism)
- Community Based Tourism

These travel interests also represent an opportunity to create additional economic clusters and encourage collaboration among suppliers.

It is difficult to measure the size of the market for these travel segments. For example Adventure travel activities and businesses might also be captured as ecotourism, heritage tourism, volunteer tourism, rural tourism, community tourism, wildlife tourism, to name a few.^v One approach to measure the size of these markets is to understand the number of tour operators that cater to these markets. A basic search on Yahoo provides the following results:

- Adventure Tours: 770 listings;
- Eco Tours: 335 listings
- Cultural Tours: 499 listings

- Heritage Tours: 390 listings

There have been some studies that have attempted to measure these segments. Below are some statistics to support the size of these segments.

- The Mintel Report 2001 on the European Adventure Travel Market suggests that the adventure side of the package tourism business in Europe accounts for something in the region of 25% of the total package sales. This indicates that, excluding domestic travel, the total size of the European Adventure travel market is some 443,000 holidays per year.^{vi}
- 68.6% of travelers surveyed at travel trade shows indicated they are planning an “adventure vacation” in the future.^{vii}
- A “geotourism” study undertaken by National Geographic and TIA in 2002 suggests that adventure or “active” travel is 20% of the leisure travel market, between 16 million and 20 million adult travelers^{viii}
- Adventure Travel Trade Association survey of more than 1000 travel trade show participants revealed physically active, “risk equipped” sports requiring specialized equipment (hiking, biking, kayaking) were preferred by 60% of all survey respondents.

B. Market Needs

Many potential customers are unsure of their travel destinations when researching vacation plans. These customers will use the Internet to search for information to determine a destination to visit. Even those that are interested in Mongolia are desperate for information about the country and the attractions it offers. Customers want to access unbiased tourism information and evaluate different options available including the products and services available for purchase. W2M will be able to provide this information and build brand loyalty while doing so. Once a traveler makes up their mind to visit a destination they are in need of the ability to ask a knowledgeable person questions and look for advise on planning one of the most important purchase decisions of the year. After itineraries are developed and choices are made the traveler wants the ability to make the transaction and use a credit card to purchase. W2M will provide the traveler the information, consultation, booking capabilities, and travel experiences that the customer wants.

C. Market Trends

One of the most notable trends in the travel industry is the increase in demand for responsible travel providers. A survey conducted by the Travelers Industry of America and the National Geographic Society stated that:

- More than 47 million travelers believe that it is important that the travel companies that they use employ local residents and support local communities;
- More than 55 million travelers exhibit a high degree of commitment to travel that protects the local environment, engages visitors in the local culture, and returns benefits to the community;
- 61% of travelers agree that their travel experience is better when the destination preserves its natural, historic and cultural sites and attractions;
- 71% indicate that it is important to them that their visit to destinations does not damage local environments

Even travel segments are seeing the same demand. According to a new Opinion Research survey of “adventure travelers,” roughly three-quarters (74 percent) of the respondents who

have taken an adventure vacation over the past three years find responsible travel practices extremely important when choosing a travel provider. Sponsored by the Adventure Collection, the survey also confirmed that travelers are willing to spend an average of 10 percent more on their excursion if they are assured of the travel provider's responsible travel practices and their respect for the ecology and diversity of the planet and its inhabitants.

It is important for W2M to understand these trends and to communicate the organizations support of responsible tourism while educating both travelers and suppliers about the concept. The organization should also consider creating an evaluation method to measure a supplier's commitment to supporting local communities and environmental conservation. This will also provide pressure on the industry to adapt sustainability into their operations.

D. Market Growth

The travel industry is growing. Reasons for this growth include a healthy global economy, increased air routes, and the market's desire for new "experiences". According to the UNWTO, International tourism arrivals is expected to increase by 4.1% annually to reach close to 1.6 billion international arrivals by the year 2020^{ix}. The UNWTO also reported that international tourist arrivals reached an all-time record of 760 million – an increase of 10% over 2003. "Growth in 2004 was found in all regions, with strongest performance in Asia and the Pacific (29%)^x. Mongolian tourism industry is growing at 15% p.a since 2000, apart from a 'dip' in 2003 caused by the SARS epidemic.

In addition to the growth of the tourism industry both internationally, regionally, and in Mongolia there are also notable trends in the growth of travel interests. According to Cendant Travel Distribution Services "Travelers, young and old, will challenge traditional vacations as they seek, on average, up to four very different experiences a year by 2020. Choice of location and activities is expected to vary enormously as future travelers adopt a check-list mentality which entails *buying a series of one-off experiential vacations*."^{xi}

One of the fastest growing parts of the sector is cultural tourism, according to studies by the Travel Industry Association of America and Smithsonian magazine."^{xii} Third party research compiled by the International Ecotourism Society reveals that ecotourism is experiencing a 20% annual growth.

Outdoor retail indicators are also supporting the growth of these segments.

- Cabela's Incorporated (NYSE: CAB), the World's Foremost Outfitter(R) of hunting, fishing, and **outdoor gear**, reported total revenue for the first quarter of fiscal 2005 increased 11.7% to a record \$350.6 million compared to \$313.9 million for the same period last year.^{xiii}
- REI posted **sales** of \$ 887 million in 2004, a 10 percent increase from the prior year. Profits increased by 32 percent to \$ 25 million last year. More importantly, comparable-stores **sales** -- which measure all stores open over the reporting period -- increased 5.3 percent over the previous year.

E. Market Distribution Patterns

The historical distribution pattern in the travel industry is from supplier to inbound tour operator to outbound tour operator to travel agent and finally to the consumer. The Internet has challenged this distribution pattern and is now connecting consumers directly to tourism suppliers. Intermediaries are forced to add value to the travel product in the form of packaging, service quality, customer service, marketing, and risk management.

SECTION V: STRATEGY AND IMPLEMENTATION SUMMARY

In order to reach its goals of becoming “the” source of Mongolian tourism information and a sustainable destination management company, W2M will adopt the following strategy:

1. Develop partnerships with the stakeholders of Mongolia’s tourism industry built on loyalty and trust. This will be accomplished through a communication strategy explaining the mission of the organization and provide business development services to W2M’s partners.
2. Position W2M as “the” source of Mongolian tourism information and booking services for travelers wishing to visit Mongolia. This will be accomplished through an integrated marketing communication strategy both online and off targeting Mongolia target travelers.
3. Provide unparalleled customer service to W2M’s travel customers in order to gain repeat business and word of mouth referrals. This will be accomplished by demonstrating a commitment to detail and service in all phases of the transaction.
4. Aggressively promote Mongolia as a travel destination by capitalizing on the opportunities within the growing niche markets of adventure tourism, cultural tourism, spiritual tourism, equestrian tourism, ecotourism, and community based tourism.

A. Value Proposition

The value proposition of W2M’s services comes from the ability to connect a growing market of travelers in search of new experiences with information about Mongolia’s tourism attractions and Mongolia’s tourism providers. W2M’s services to tourism providers are intended to both improve W2M’s product while supporting the competitiveness and sustainable development of these companies. The ability of W2M to provide seamless transactions with authentic and often to difficult to reach tourism providers will translate to a product that is unmatched on the market.

B. Marketing Strategy

The success of W2M will rely on its ability to attract and service customers. W2M’s marketing strategy will focus on this principle and will seek to understand, communicate, and deliver the benefits its customers are looking for. W2M’s tourism suppliers want to grow their business, period. Whether they purchase business development services, advertising opportunities, or agree to pay the portal’s membership fees they will do so only if they believe these services will help grow their business. W2M’s travel customers seek new travel experiences and while doing so need tourism information, travel consultation, and the ability to process the transaction.

B.1. Positioning Statement

W2M is the most comprehensive and in-depth source for travel information related to Mongolia. The automated booking system and live travel consultation provides travelers the ability to purchase pre-packaged and customized travel experiences throughout the country. W2M is a destination management company created to help support the sustainable development of Mongolia’s tourism industry in order to preserve the country’s natural and cultural assets while improving the lives of Mongolians.

B.2. Pricing Strategy

W2M’s partners will dictate the prices of the travel products and services featured on the portal. W2M will require all suppliers to provide at least 10% commission in order to be featured on the site. It is critically important for the suppliers to price their products and services on the portal at the same rate they sell through their own sales outlets. If not the portal will not be able to maintain competitive pricing.

The services W2M will provide to Mongolia’s tourism suppliers will be determined by what the market will bear. It is important to set pricing in a way that makes the services provided affordable to small and micro businesses while also maximizing revenue opportunities for larger companies.

The following chart represents possible price points for services, but these should be researched and surveyed in greater detail.

Services	Price
Yr membership fees:	
<ul style="list-style-type: none"> • Basic (no admin access, 1 photo, 350 words of text) • Enhanced (admin & intranet access, 5 photos, 750 words of text, newsletter) <ul style="list-style-type: none"> ○ International Tour Operator ○ Foreign Owned Mongolian Based Tour Operator ○ 51% Mongolian Owned Tour Operator ○ Hotel with more then 50 rooms ○ Tourist Camp with more then 15 gers ○ Hotel with less then 50 rooms ○ Tourist Camp with less then 15 gers ○ Community Based Tourism Enterprise ○ Restaurants, Bars, movie theaters, museums, galleries, gift shops 	<p style="text-align: center;">Free</p> <p style="text-align: center;">\$800</p> <p style="text-align: center;">\$500</p> <p style="text-align: center;">\$300</p> <p style="text-align: center;">\$300</p> <p style="text-align: center;">\$300</p> <p style="text-align: center;">\$150</p> <p style="text-align: center;">\$150</p> <p style="text-align: center;">\$50</p> <p style="text-align: center;">\$100</p>
Advertising Fees:	
<ul style="list-style-type: none"> • Website top banner (450 pixels x 120 pixels) • Website side banner (80 pixels x 80 pixels) • Featured supplier appears on home page • Newsletter top banner ad (450 pixels x 120 pixels) • Newsletter side banner ad (80 pixels x 80 pixels) • Newsletter story (new tour, guest testimonial, special offer, etc) 	<p style="text-align: center;">\$120/mo</p> <p style="text-align: center;">\$40/mo</p> <p style="text-align: center;">\$100/mo</p> <p style="text-align: center;">\$120</p> <p style="text-align: center;">\$40</p> <p style="text-align: center;">\$100</p>
Multimedia Services (travel costs are not included in pricing)	
<ul style="list-style-type: none"> • Photography shoot • Virtual Tour Production (8-10) tours and posted to the portal • Production of a streaming website video clip • Promotional Tourism Video & DVD Authoring 	<p style="text-align: center;">\$350</p> <p style="text-align: center;">\$500</p> <p style="text-align: center;">\$500</p> <p style="text-align: center;">\$1500</p>
Marketing Services	
<ul style="list-style-type: none"> • Creative & descriptive copywriting • Translation services • Brochure design and printing (8.5” x 11”, tri-fold, full color – 3000 count) • Logo and stationery design (printing not included) • Basic website design and development (up to 8 pages, contact form) • Dynamic database driven website design and development • Website hosting & yearly domain registration fee • E-Marketing start-up package 	<p style="text-align: center;">\$1/word</p> <p style="text-align: center;">\$1/word</p> <p style="text-align: center;">\$1500</p> <p style="text-align: center;">\$800</p> <p style="text-align: center;">\$500</p> <p style="text-align: center;">\$1800</p> <p style="text-align: center;">\$200/yr</p> <p style="text-align: center;">\$500</p>

<ul style="list-style-type: none"> • E-Marketing yearly retainer fee • Brochure drop (TIC, guesthouses, tour operators, etc) • Inbound tour operator introductions & sales presentations • Development of a sales manual for travel trade (printing not included) • Development of a press kit (printing not included) 	\$800/yr \$150 \$100/mtg \$1200 \$1200
Business Development Services - one-on-one, workshops, and e-learning	
<ul style="list-style-type: none"> • Resource library • Permit & Registration Services • Business plan & start-up advising • Business Training - (business strategy and implementation, marketing strategy and implementation, management planning, human resource management, financing and fundraising, accounting and bookkeeping, legal) • Computer training – (Portal maintenance, accounting & bookkeeping software, Microsoft office, Basic Internet, e-marketing, reservation management, virtual customer service, property management systems, online payment) • Hospitality Training - (housekeeping, food & hygiene, customer service, guide training, English language for the Mongolian tourism industry) 	Free TBD TBD TBD TBD TBD
Wholesale/Bulk Purchasing (<i>Linens, decorations, light bulbs, toiletries, water heaters/parts, carpets, furniture, kitchen supplies, etc</i>)	20-30% Margin

B.3. Promotion Strategy

The first year of operations for W2M will be critical to the success of the company. It is essential for the company to win the buy-in and support of the tourism suppliers immediately otherwise there will not be a product to offer to travelers. Additional timing pressure exists due to the celebration of the 800th anniversary of the Mongol empire that will take place in 2006. For these reasons it is imperative for W2M to conduct an aggressive promotion strategy to begin in the first quarter of 2006.

W2M should host an industry “kick off” party in Ulaanbaatar to coincide with the launch of the portal. The invitations to tourism suppliers will be equally important as the party itself since this will be the first opportunity to describe the portal to the targeted audience. Careful consideration should be made to the way the portal is described as mentioned in the sales literature section of the business plan in order to communicate the mission and benefits of the portal. The party should be a festive celebration to symbolize the next “big thing” in Mongolia’s tourism industry. All efforts should be made to invite “keynote” speakers from the government, TIC, and USAID to give short presentations explaining the importance of this portal to the industry. Additional presentations should be made to demonstrate how the portal functions and the marketing activities planned for the upcoming year. A sign up table and information packages should be positioned at the entrance/exit of the party. Additional images and videos of Mongolia’s magnificent tourism attractions should be displayed throughout the party to enforce the pride of the country’s assets. Local press from Mongolia should be invited to the event and keynote speakers should be made available for questions and answers in a side room for the press.

Similar events should be recommended to Mongolia’s TICs, embassies, and consulates abroad but budgets should not be allocated by W2M. Press releases should be provided to these offices and requested to distribute in the host countries.

To create excitement and provide a catalyst for potential travelers to register on the W2M portal, an online promotional sweepstakes should be developed to offer a “Mongolian Adventure of a Lifetime”. In order to register for the sweepstakes, users must create an account on W2M and sign up for the monthly newsletter. Every attempt should also be made to develop a cross-promotional sweepstakes with a well-known brand (Sony, Land Cruiser, Lonely Planet, Nissan, Yamaha, etc) to leverage larger advertising budgets by these brands to market the promotion.

B.4. Distribution Strategy

W2M’s distribution strategy will focus on the Internet, as it’s primary sales outlet to reach individual traveler customers directly. In addition, understanding the trends of increased vacations with affinity groups, W2M will establish secondary distribution channels through special interest clubs, associations, and spiritual centers (bird watching clubs, off-road motorcycling associations, Buddhism centers, etc). This strategy will provide a method to reach millions of travelers with interests in Mongolia’s travel segments and tap into more profitable group travel.

B.5. Integrated Marketing Communication

A new school of thought in the marketing industry is changing the way marketing activities are implemented. IMC is designed to make all aspects of marketing communication such as advertising, Internet marketing, sales promotion, public relations, and direct marketing work together as a unified force, rather than permitting each one to work in isolation. The IMC program of W2M serves a dual purpose. First and foremost it will drive visitors to the site and produce sales. Secondly and equally important it will attract suppliers to sign up for the portal and it’s services realizing the benefits of being part of the marketing programs. For the second reason it is recommended that a summary of the IMC program be described in communications to suppliers and posted on the W2M intranet.

The goals of W2M’s IMC program are to:

1. Build W2M brand awareness among target markets
2. Position W2M as “the” source for tourism related information in Mongolia and a one stop shop for travel planning and booking services
3. Position Mongolia as a culturally and naturally rich destination offering “once in a lifetime” travel experiences
4. Create demand for Mongolia’s tourism products and services

To achieve this, W2M will implement an IMC program with the following activities:

e-Marketing: Search engine optimization, search engine registration, online advertising, link swapping, google ad words, Yahoo’s Sponsored Search/Search Submit/Directory Submit, forum postings, affinity group marketing, and e-Newsletters

Postcards: Design and distribute W2M branded postcards of Mongolia via Flycards <http://www.flycards.net> distribution system throughout Mongolia. Also distribute through postcard drops and promotional representatives in Internet cafes, bars, restaurants, gift shops, TIC, train stations, and anywhere else that travelers in Mongolia are likely to visit.

Tradeshows: Attend industry travel tradeshows in China, Japan, Korea, Europe, and North America. W2M will invite suppliers featured on the portal to share the booth to reduce costs of these shows.

Media: Purchase ads in local English newspapers distributed in Mongolia, Beijing, and Seoul to target both ex-pats and travelers on their way to Mongolia. Additional ads may be purchased at low costs on Mongolia’s media outlets (TV and print) targeting Mongolia’s domestic travel market.

PR: Conduct an on-going public relations campaign in Europe and North America targeting International and local travel publications through regular press releases and coordination of press trips.

C. Sales Strategy

W2M will sell the benefits of the services it offers to both tourism suppliers and travel customers. Personal selling will be used to sell to tourism suppliers through e-mail and phone solicitation. In person sales meetings will also be conducted to “key” tourism suppliers in Ulaanbaatar.

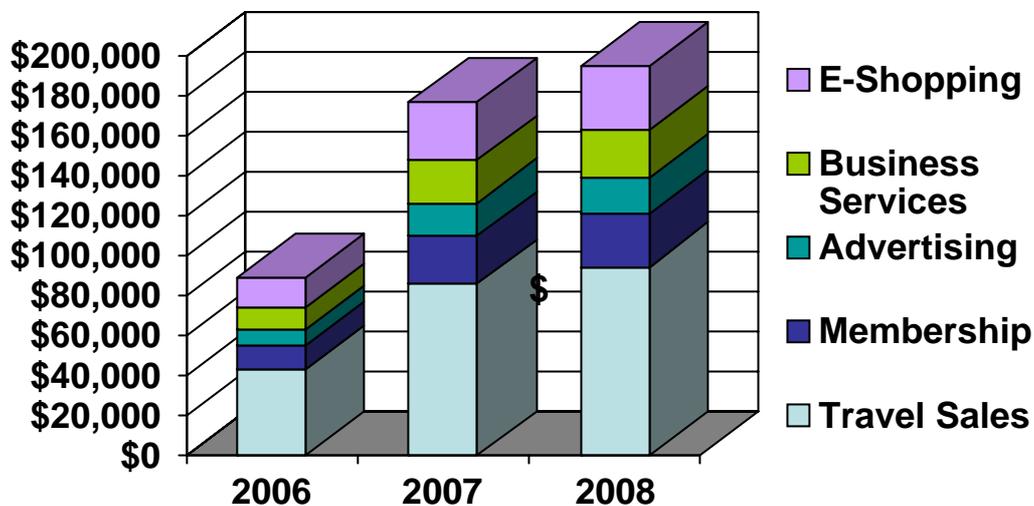
W2M’s booking system is designed to allow travelers the opportunity to design and book their own customized travel experience in Mongolia. However, understanding that often travelers will want to interact with a travel consultant, the portal will encourage and provide opportunities to contact a representative of W2M during any phase of the travel planning process through form submissions, email, live chat, Skype (VOIP), or phone.

C.1. Sales Forecast

Mongolia is a seasonal tourism destination with the majority of all visits taking place in the summer months. However, since W2M services both travelers that will book their vacations months in advance and those who wait to arrive to the destination, it is expected that sales will begin slowly in January peak in July shortly before the Nadaam Festival and then decrease through the end of year. As a start up company W2M expects sales to be slow in the first year, but double in the second year as the brand awareness and word of mouth referrals increase. After the second year W2M will estimate a conservative 10% sales growth rate.

Sales projections are detailed in the Yearly and Monthly Sales Charts below. Conservative projections were based on the potential of the second year of operations when W2M is able to realize it’s full potential. 2006, estimates were generated by reducing 2007 estimates in half.

Exhibit V – 1 Yearly Sales Chart



**Exhibit I – 10 FY 2007 Forecasted Sales Table
Based on Estimated 2,000 Customers**

Sales	Avg Booking	Profit	Quantity	Total
Travel Sales				
• Pre-Packaged Tours	\$1000	\$60	600	\$36,000
• Accommodations	\$420	\$25	1000	\$25,000
• Flights	\$2000	\$60	100	\$6,000
• Rail Tickets	\$250	\$20	100	\$2,000
• Jeep Rentals (with driver)	\$800	\$48	200	\$9,600
• Guides	\$200	\$12	200	\$2,400
• Theater & Cultural Event Tickets	\$5	\$1	100	\$100
• Travel Insurance	\$40	\$8	600	\$4,800
Membership Fees				
	Fee			
• International Tour Operator	\$800	\$800	5	\$4,000
• Foreign Owned Mongolian Based Tour Operator	\$500	\$500	5	\$2,500
• 51% Mongolian Owned Tour Operator	\$300	\$300	30	\$9,000
• Hotel with more then 50 rooms	\$300	\$300	5	\$1,500
• Tourist Camp with more then 15 Ger camps	\$300	\$300	10	\$3,000
• Hotel with less then 50 rooms	\$150	\$150	10	\$1,500
• Tourist Camp with less then 15 Ger camps	\$150	\$150	10	\$1,500
• Community Based Tourism Enterprise	\$50	\$50	3	\$150
• Other	\$100	\$100	10	\$1,000
Advertising Fees:				
• Website top banner (450 pixels x 120 pixels)	\$120	\$120	50	\$6,000
• Website side banner (80 pixels x 80 pixels)	\$40	\$40	100	\$4,000
• Featured supplier appears on home page	\$100	\$100	24	\$2,400
• Newsletter top banner ad (450 pixels x 120 pixels)	\$120	\$120	12	\$1,440
• Newsletter side banner ad (80 pixels x 80 pixels)	\$40	\$40	36	\$1,440
• Newsletter story	\$100	\$100	12	\$1,200
Multimedia Services (travel costs are not included)				
• Photography shoot	\$350	\$350	10	\$3,500
• Virtual Tour Production	\$500	\$500	6	\$3,000
• Production of a streaming website video clip	\$500	\$500	4	\$2,000
• Promotional Tourism Video & DVD Authoring	\$1500	\$1500	2	\$3,000
Marketing Services				
• Creative & descriptive copywriting	\$500	\$500	3	\$1,500
• Translation services	\$500	\$500	5	\$2,500
• Brochure design and printing	\$1,500	\$500	2	\$1,000
• Logo and stationery design	\$800	\$200	3	\$600
• Basic website design and development	\$500	\$100	3	\$300
• Dynamic database driven website	\$1800	\$300	1	\$300
• Website hosting & domain registration fee	\$200	\$80	3	\$240
• E-Marketing start-up package	\$500	\$200	3	\$600
• E-Marketing yearly retainer fee	\$800	\$200	1	\$200
• Brochure drop	\$150	\$100	3	\$300
• Inbound tour operator sales presentations	\$100	\$100	5	\$500
• Development of a sales manual for travel trade	\$1200	\$1200	1	\$1,200
• Development of a press kit	\$1200	\$1200	1	\$1,200

Wholesale/Bulk Purchasing – Supplier Store	\$250	\$62	100	\$6,200
Souvenir & Handicraft – Travel Store	\$100	\$25	500	\$12,500
		TOTAL:		\$188,0570

D. Strategic Alliances

Strategic alliances will be developed with the TIC in order to help support the economic growth of Mongolia's tourism industry. By establishing a public private partnership with the TIC, the portal will ensure that it remains focused to supporting all stakeholders of the industry not just maximizing profits. This strategic alliance will also provide market access to W2M by providing the TIC staff the ability to book products and services for visitors of the TIC.

Additional strategic alliances will be made with Internet cafes located in Ulaanbaatar. W2M representatives will visit these cafes and ask for permission to set all home pages to the W2M home page. If necessary W2M will provide a small monthly fee for this or negotiate a small percentage of commissions made through the computers in the Internet cafes (the technology is already in place to track the IP address of the computer used to make the booking).

E. Milestones

W2M's important milestones are detailed in the following table. These milestones coincide with the goals set by the organization. The goals determine strategy and techniques, while helping the organization stay focused. These milestones will be used as a method to measure the success of the organization and the ability to reach its goals.

Exhibit I – 11 Milestones

<u>Milestone</u>	<u>Start Date</u>	<u>End Date</u>	<u>Budget</u>	<u>Department</u>
Site Launch	01/01/06	15/02/06	\$45000	IT
Industry Kick-Off Party	15/02/06	15/02/06	\$6000	Marketing
Breakeven	01/01/06	31/01/07	\$0	Accounting
Training Program in Place	01/01/06	01/10/07	\$15000	Training
Totals			\$66000	

SECTION VI: MANAGEMENT SUMMARY

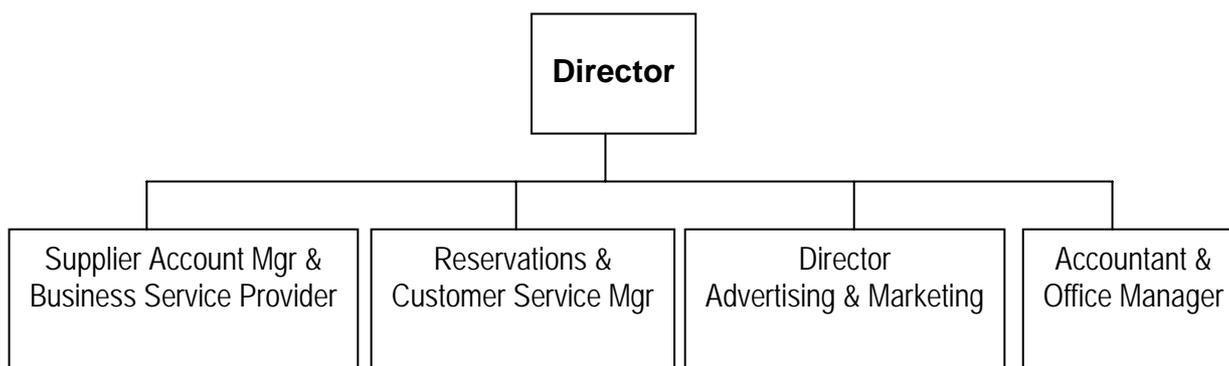
After careful review of available options for managing the W2M organization, it is recommended that the new entity that was created by PXL – Dama Co. Ltd be the management organization of the portal. There are several reasons for this recommendation:

1. Enhbaatar, the CEO of PXL claims that he first came up with the idea of the portal 7 years ago after building many different sites for tour companies and has been refining the idea ever since.
2. Chimgee, the director of Dama began drafting a business model for the portal after meeting with Enhbaatar two years ago.
3. The development costs quoted by PXL to create the portal for USAID/EPRC did not include a profit under the assumption that they would become the management company.
4. Dama and PXL have been actively promoting the portal to tourism stakeholders in Mongolia including purchasing a booth at the Great Mongol – 800 International Tourism Fair and distributing over 1000 brochures describing the concept of the portal.
5. As a result of their promotions over 20 tourism suppliers have submitted their information to Dama in order to be included on the portal.
6. Chimgee and the Dama team display a level of management expertise needed to run an effective business in Mongolia.
7. PXL's equity stake in Dama will ensure that the technology and design of the portal will always be constantly improved without on-going substantial costs to upgrade the portal.
8. Dama is not an industry tour operator so the company stands a better chance of approval from tourism stakeholders as opposed to if a major operator took the management of the portal.
9. TIC the second choice for managing the portal, does not display the management capacity or staff to run both the operations of the TIC and the portal.
10. Dama is prepared to contribute \$6,575 worth of computer and office equipment to the W2M organization.
11. Dama is 100% Mongolian owned.

A. Organizational Structure

W2M will be staffed by a small group of hard working and dedicated individuals with excellent communication and management skills. The organization will begin operations with 5 full time positions. The positions are as follows; 1) general manager and director; 2) marketing and advertising director; 3) supplier account manager & business service provider; 4) reservations and customer service manager; and 5) accountant & office manager.

Exhibit VI – 1 Organizational Chart



The Dama organization currently has 4 full time personnel working on the portal. The organization feels confident in the current’s staff’s ability to perform the positions described above with the exception of a marketing and advertising director. Dama will need to recruit this person and should be a person that demonstrates both e-marketing knowledge and the ability to design and implement the integrated marketing communication program. It should also be noted however that the reservations and customer service manager will need to demonstrate a strong ability communicate in English both written and verbal. The person put forward by Dama may not have the level of language proficiency needed for the position. Additional contracted/part time customer service and language translators should be identified for Korean, Japanese, German, and Chinese translations when needed.

The organization will require a board of directors to make the strategic decisions for the organization and ensure the organization continues to support the tourism industry. The board should consist of representatives from the TIC, tourism associations, and the management company.

Personnel Plan

The personnel plan describes the positions needed to effectively run the W2M portal. W2M does not anticipate the need to significantly increase the personnel in the first 3 years. Additional reservation and customer service managers will be needed only if the sales from the portal increase greater then originally expected. In the event that this happens the increased revenue will easily cover the costs to hire additional staff.

Exhibit VI – 2 Personnel Table

	Monthly	FY2006	FY2007	FY2008
Director	\$400	\$5200	\$5720	\$6292
Director of Marketing/Advertising	\$350	\$4550	\$5005	\$5505
Supplier Account Mgr & Business Service Provider	\$300	\$3900	\$4290	\$4719
Reservations & Customer Service Mgr	\$250	\$3250	\$3575	\$3932
Accounting and Office Mgr	\$200	\$2600	\$2860	\$3146
TOTALS	\$1500	\$19,500	\$21,450	\$23,594

Annual salaries are calculated using a 13-month calendar year to include a year end bonus if goals are met. Yearly salaries are increased by 10%

SECTION VII: FINANCIAL PLAN

W2M's financial plan is detailed in the following sections. Preliminary estimates suggest that the first year will start slow while building brand awareness and due to seasonal factors. This is expected to change after the first year for two important reasons 1) W2M will be able to establish a strong presence in the market and 2) Word of Mouth referrals from both the first users of the portal and the thousands of tourists that will arrive for the 800th celebrations of the Mongol empire.

Estimates used in the financial projections are based on industry averages for a inbound tour operator in Mongolia. The estimates are conservative in order to prepare for the worst case scenario. With effective marketing, superior customer service, and increased profitability of W2M's partners, financial goals will easily be reached. W2M will require a cash balance to endure the negative cash flow of the first months of operations. To offset the seasonality of Mongolia's tourism industry heavy emphasis will be placed on selling services to tourism suppliers during the off-season in order to "prepare" suppliers for the coming high season.

A. General Assumptions

W2M assumes the following:

- Market growth projections for the International and Mongolian travel industry as well as specialty travel segments are accurate.
- International economic conditions and World events which may impact the travel industry, will not result in a dramatic change over the next five years
- Relationships with Mongolia's tourism suppliers will remain favorable and W2M will be able to maintain these relationships

Exhibit VII – 1 General Assumptions

	FY2006	FY2007	FY2008
Current Interest Rate (12 mo term)	24.00%	24.00%	24.00%
Long-Term Interest Rate	20.00%	20.00%	20.00%
Online Transaction Costs	5.60%	5.60%	5.60%
Tax Rate for Annual Profit <\$81,000	15.00%	15.00%	15.00%
Tax Rate for Annual Profit >\$81,000	30.00%	30.00%	30.00%
Sales on Credit %	100%	100%	100%

B. Operating Costs

Expense	Monthly	FY2006	FY2007	FY2008
Personnel				
Director	\$400	\$5200	\$5720	\$6292
Director of Marketing/Advertising	\$350	\$4550	\$5005	\$5505
Supplier Account Mgr & Business Service Provider	\$300	\$3900	\$4290	\$4719
Reservations & Customer Service Mgr	\$250	\$3250	\$3575	\$3932
Payroll Taxes	\$450	\$5400	\$5400	\$5400
	\$1750	\$22300	\$23990	\$25848
Office				
Rent	\$600	\$7200	\$7200	\$7200
Internet	\$100	\$1200	\$1200	\$1200

Website Hosting	\$20	\$240	\$240	\$240
Website Programming	\$50	\$600	\$600	\$600
Phone	\$100	\$1200	\$1200	\$1200
Office Supplies	\$100	\$1200	\$1200	\$1200
	\$970	\$11,640	\$11,640	\$11,640
Financial Fees				
Banking Fees	\$20	\$240	\$240	\$240
Wire transfer Fees	\$45	\$540	\$540	\$540
	\$65	\$780	\$780	\$780
Marketing				
e-Marketing	\$250	\$3000	\$3000	\$3000
Postcard Distribution	\$100	\$1200	\$1200	\$1200
Tradeshows (5 shows a year costs shared)	\$1000	\$12000	\$12000	\$12000
Media Ads	\$300	\$3600	\$3600	\$3600
PR Campaign	\$350	\$4200	\$4200	\$4200
	\$2,000	\$24,000	\$24,000	\$24,000
TOTALS	\$4,785	\$58,720	\$60,410	\$62,268

C. Break-even Analysis

To conduct a break-even analysis, it is important to consider the service units for both the travel suppliers and travel customers separately and then together to determine the projected break-even point. For purposes of the analysis we will use the start-up expenses that include the 7 months of operating cash flow as the fixed costs. Since we assume that the full time staff will be able to facilitate all sales, there will be no variable costs associated with per unit sold. Break-even calculations assume an average of \$75 revenue per travel sale and \$500 average revenue (membership + advertising + business services) from tourism suppliers.

Fixed Costs = Start-up & 7 months operating costs = \$96,575

Variable Unit Cost = \$0

Travel Sales Avg Unit Revenue = \$75

Projected Travel Unit Sales Forecast = 2000

Units Break-Even = 1,287 Travelers

Tourism Supplier Avg Unit Revenue = \$500

Projected Travel Sales Forecast = 75

Units Break-Even = 193 Suppliers

If we consider three separate scenarios; 1) Best 2) Expected 3) Worse, we can determine different break-even points depending on the number of suppliers that partner with W2M based on \$500 average revenue (membership + advertising + business services) from suppliers.

Scenario 1) Best = 100 Suppliers

Fixed Costs = Start-up & 7 months operating costs = \$96,575

Revenue from suppliers = \$50,000

Adjusted Fix Costs (minus revenue from suppliers) = \$46,575

Travel Sales Avg Unit Revenue = \$75

Travel Units Break-Even = 621 Travelers

Scenario 2) Expected = 75 Suppliers

Fixed Costs = Start-up & 7 months operating costs = \$96,575

Revenue from suppliers = \$37,500
 Adjusted Fix Costs (minus revenue from suppliers) = \$59,075
 Travel Sales Avg Unit Revenue = \$75
Travel Units Break-Even = 787 Travelers

Scenario 3) Worse = 50 Suppliers

Fixed Costs = Start-up & 7 months operating costs = \$96,575
 Revenue from suppliers = \$25,000
 Adjusted Fix Costs (minus revenue from suppliers) = \$71,575
 Travel Sales Avg Unit Revenue = \$75
Travel Units Break-Even = 954 Travelers

D. Projected Profit and Loss

	Monthly '07	FY2006	FY2007	FY2008
Sales	\$134,631	\$807,790	\$1,615,580	\$1,777,138
Direct Cost of Sales	\$118,961	\$713,765	\$1,427,530	\$1,570,283
Gross Margin	\$15,670	\$94,025	\$188,050	\$206,855
Gross Margin %	11.63%	11.63%	11.63%	11.63%
Expenses:				
Personnel	\$1750	\$22300	\$23990	\$25848
Office	\$970	\$11,640	\$11,640	\$11,640
Financial Fees	\$65	\$780	\$780	\$780
Marketing	\$2,000	\$24,000	\$24,000	\$24,000
Total Operating Expenses	\$4,785	\$58,720	\$60,410	\$62,268
Profits Before Interest & Taxes	\$10,885	\$35,305	\$127,640	\$144,587
Interest Expense	\$600	\$7,200	\$7,200	\$7,200
Taxes Incurred	\$3,191	\$5,296	\$38,292	\$43,376
Net Profit	\$7,094	\$22,809	\$82,148	\$94,011
Net Profit/Sales	5.26%	2.82%	5.08%	5.29%

E. Projected Cash Flow

	Q1 '06	Q2 '06	Q3 '06	Q4 '06
Cash Received				
Investments	\$35000	\$0	\$0	\$0
From tourism suppliers	\$5158	\$10316	\$12895	\$12895
From travel sales	\$0	\$19680	\$19680	\$9840
Total Cash Inflows	\$40,158	\$29,996	\$32,575	\$22,735
Cash Expenditures				
Personnel	\$7433	\$7433	\$7433	\$7433
Office	\$387	\$387	\$387	\$387
Financial Fees	\$260	\$260	\$260	\$260
Marketing	\$8000	\$8000	\$8000	\$8000
Total Cash Outflows	\$16080	\$16080	\$16080	\$16080
Ending Cash Balance	\$24,078	\$37,994	\$54,489	\$61,144

F. Projected Balance Sheet

	FY2006	FY2007	FY2008
Assets			
Cash	\$22,809	\$52,148	\$94,011
Computer Equipment	\$10,000	\$10,000	\$10,000
Office Furniture	\$2,000	\$2,000	\$2,000
Total Assets	\$34,809	\$64,148	\$106,011
Liabilities and Capital			
Current Liabilities	\$30,000	\$0	\$0
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$30,000	\$0	\$0
Capital Stock	\$30,000	\$30,000	\$30,000
Retained Earnings	(\$25,191)	\$34,148	\$94,011
Total Capital	\$4,809	\$64,148	\$106,011
Total Liabilities and Capital	\$34,809	\$64,148	\$106,011

SECTION VIII: ANALYSIS OF PORTAL PROTOTYPE

The portal prototype presented to the industry at a focus group on October 27th, 2005 demonstrated the design, content style, information architecture, and technology used to develop the portal for the Mongolian tourism industry. Judging from the user experience and the back end administrative features of the site, it is clear that PXL demonstrates a very strong technical capability but lacks understanding of effective design, content style, and information architecture needed to make the portal successful. This analysis is intended to provide some basic direction but it is strongly recommended that PXL receive the assistance of an international tourism-marketing specialist to provide direction throughout the completion of the project.

A. Home Page Design, Content & Information Architecture

Welcome2Mongolia
Your online travel guide to Mongolia

The 800th Anniversary of the Great Mongol State

Home **Tour** **Hotel** **Flight** **Mongolia** **Travel Guide** **Shop** **Contact**

Ulaanbaatar Terelj Huvsgul Gobi desert Karakorum Khentii Altay

Tour From: To:
 Round trip One way
Hotel Depart: Return:
Flight

Tours **Price**

Horse Riding	\$169
Naadam	\$219
Erdene Zuu	\$197
Tsagaan Sar	\$122
Khovsgol	\$127
View more	>>>

W2M offers Mongolia travel packages and tourist guide information for our valued travelers to explore the Mongolian civilization of this beautiful and mysterious land. As the largest online Mongolian travel agency, we provide economical group travel packages, luxury private travel packages as well as hotel reservation in Mongolia with 24/7 manned online & hotline services.

Hotels **Price**

Ulaanbaatar	\$169
Terelj	\$219
Undur Dov	\$197
Karakorum	\$89
Erdenet	\$110
View more	>>>

Flights **Price**

Beijing	\$169
Seoul	\$219
Tokyo	\$197
Moscow	\$89
Berlin	\$103
View more	>>>

Dog Sledding in Mongolia (12 days trip)
Even though dogs have been an integral part of Mongolian nomadic life, only now dog sledding has become known in Mongolia. [more](#)

Bayangol
Situated in the heart of downtown, the Bayangol is the place to stay for business and pleasure in Ulaanbaatar. [more](#)

Car rental
"E-one" company provides you with the high-quality vehicles with insurance as well as the finest qualified drivers that guarantee best quality and safe services for your convenience. [more](#)

Oct. 27, 2005

WEATHER
High : 68F, 20C
Low : 50F, 10C

FOREIGN EXCHANGE RATES

Currency	Rate
1 USD	1221
1 EUR	1458
1 JPY	10.55
1 GBP	2157
1 RUB	42.7
1 CNY	151
1 CAD	1028
1 SGD	720

A.1. Branding Area

The top area of the portal, similar to other websites, is reserved for branding or communicating the personality or image behind the organization and destination. The branding area presents three important messages; 1) the W2M brand and marketing tagline "Your online travel guide

to Mongolia”, 2) the logo for the 800th Anniversary of the Great Mongol State, and 3) the traditional ger camp, open blue sky, and open steppes.



Messages 2 and 3 communicate Mongolia’s unique selling propositions as a tourism destination. Message 2 immediately creates awareness and recall of the historical significance of the Mongolian culture while simultaneously promoting this culture as an attraction of the destination. Message 3 reinforces the natural and nomadic cultural attractions of Mongolia through a simple illustration.

Critique: Message 1 displays the brand name of the portal and organization “Welcome 2 Mongolia – Your online travel guide to Mongolia”. The brand appears to be a private online travel agency and does not communicate the Public-Private Partnership behind the organization, the equity partnership with the TIC, nor text that communicates the official government supported portal of the tourism industry. As mentioned in the business plan, the success of the portal will result from the buy-in and support from the Mongolia tourism suppliers and the ability to obtain the trust of the online travel planner.

Recommendation: Branding the portal with the logo of the TIC and changing the tagline to “The Official National Tourism Portal of Mongolia” will better achieve the goals mentioned above. In addition, every attempt should be made to secure the new top level domain **Mongolia.travel**. The new .travel domain is available for pre-registration and is reserved for only official destination management organizations. This new domain is intended to help travelers locate official tourism portals during their Internet search. To learn more about the steps involved in registering the Mongolia.travel domain please visit: <http://www.encirca.biz/html/travel.shtml>

A.2. Main Navigation Menu

The main navigation menu is horizontally placed just below the branding area of the site. This is the ideal location since it allows the user to access the main links easily and quickly while also maximizing the available space on the page design for additional content. The red background color and the white text help the menu stand out from the rest of the page design. The orders of the links are as follows:

Home	Tour	Hotel	Flight	Mongolia	Travel Guide	Shop	Contact
------	------	-------	--------	----------	--------------	------	---------

1-Home 2-Tour 3-Hotel 4-Flight 5-Mongolia 6-Travel Guide 7-Shop 8-Contact

Critique: The choice of link titles and order need to be improved. For example, most portals provide information about the destination first. Also titles, “Hotel” and “Flight” are limiting on what content would be included in that section of the site. Would a traveler know that a tourist camp or guesthouse is in the same category as a hotel? The same with “Flight” - why not also include the transportation services that a traveler will need?

Recommendation: it is recommended that the main navigation change the order and link titles to the following:

1. **About** – The “Home” link can be removed from the main navigation and the logo at the top of every page can link back to the home page. This is very common on websites. It is important to include an “About” link to clearly communicate the story behind the portal, the PPP, and help establish trust for both the online user and the travel supplier.
2. **Mongolia** – The first option for the traveler should be a “destination guide” that provides the traveler with background information on the country **and attractions**.
3. **Tours** – Rather than use the verb “Tour” it is recommended to change the title to a noun with the word “Tours”. This will communicate the tours available for bookings. The sub page should immediately provide options of day tours, multi-day tours, search etc.
4. **Accommodations** – Replace “Accommodations” for the title “hotel” to provide the opportunity to include different types of accommodations.
5. **Transportation** – Change “Flight” title to “Transportation” to provide the opportunity to include other transportation services in the country.
6. **Travel Guide** – Leave this the same
7. **Shop** – Leave this the same

It is recommended that the “Contact” link be removed from the main navigation bar. An additional link should be placed in a different location on the page design to stand out and stress the ability to communicate with a travel counselor during the travel planning process. The link should communicate the various different ways to communicate; Chat, Skype, Phone, Email, and Form and include a photo of a Mongolian person to reinforce the personal service offered.

A.3. Gravity Focus Area

The Gravity Focus Area (GFA) is the area of a website where the online user focuses attention to after viewing the website quickly. This area is known as the most important communication section of the site since its content will provide the first impression, summary of the site, and immediate call to action.

On the prototype, 1) photo links of the country’s main tourist attractions, 2) a “quick search” feature, 3) overview copy of the site, and 4) side links to priced tours populate this area.



Critique: The GFA is the most important area of the home page design and the prototype does not make the most effective use of this area. The photo links of the countries are an effective attempt at providing “quick links” and a strong call to action to get started planning a trip to Mongolia. However it is important to remember that many people that visit this site will have little knowledge of Mongolia as a destination and will have no idea that these photo links are the major tourism regions of the country. The “quick search” feature is practical, but this is not an Expedia or Travelocity site. Travelers do not need the instant ability to search. It is just as easy to click on a link to bring this feature up. Or this feature can be moved to a less important area of the site (further down). The right side vertical navigation area is reserved for quick links to prices tours, hotels, and flights. Again, understanding the online user of W2M it is important to realize that this is not the way users will find and book services on the site. This area should be reserved for more important links that will help a traveler get started planning a trip rather than assume that they are looking for price sensitive commodities.

Recommendation: it is recommended that the GFA concentrate on the following content; 1) Map of Mongolia with quick links to tourism attractions in the country 2) “Secondary Links” and 3) Summary content of the portal focusing on communicating the following main points; the Mongolian tourism experience, the official portal, PPP, amount of information, commitment to responsible tourism, and travel planning and booking services. It is important for this description to include the “key search terms” so that the content matches the meta tags of the site.

<p>Summary welcoming text focusing on communicating the following main points; the Mongolian tourism experience, the official portal, PPP, amount of information, commitment to responsible tourism, and travel planning and booking services.</p>	<p>Contact a Travel Planner LINK</p>
<p>MAP OF MONGOLIA WITH PHOTO LINKS TO TOURISM ATTRACTIONS</p>	<p>Get Answers / Forum LINK</p>
	<p>Find a Travel Buddy LINK</p>
	<p>Multimedia LINK</p>

Secondary Links

The map should include photos of the attractions. It is recommended that the map be developed using Macromedia Flash to allow for animation (photos and text appearing) once the user rolls over the “quick links”. The links will take the user directly to the specific tourism attraction section of the site.

The secondary links are links that are important and should appear on every page but they are not part of the main navigation bar. These secondary links are intended to drive sales and must stand out on the page by using graphic buttons. On the internal pages these links should be reduced to text links but should appear on every page in a similar location.

A.4. Dynamic Content Area

The area below the map should be reserved for dynamic content or content that changes regularly. This area should also be used to demonstrate some of the “Featured” products and services the user will find on the portal.

Dog Sledding in Mongolia (12 days trip)
Even though dogs have been an integral part of Mongolian nomadic life, only now dog sledding has become known in Mongolia. [more](#)

Bayangol
Situated in the heart of downtown, the Bayangol is the place to stay for business and pleasure in Ulaanbaatar. [more](#)

Car rental
"E-one" company provides you with the high-quality vehicles with insurance as well as the finest qualified drivers that guarantee best quality and safe services for your convenience. [more](#)

Oct. 27, 2005

WEATHER
High : 68F, 20C
Low : 50F, 10C

FOREIGN EXCHANGE RATES

Currency	Rate
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1 EUR	1458
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1 RUB	42.7
1 CNY	151
1 CAD	1028
1 SGD	720

Hotels

Hotels	Price
Ulaanbaatar	\$169
Terelj	\$219
Undur Dov	\$197
Karakorum	\$89
Erdenet	\$110

[View more](#) >>>

Flights

Flights	Price
Beijing	\$169
Seoul	\$219
Tokyo	\$197
Moscow	\$89
Berlin	\$103

[View more](#) >>>

Critique: The prototype does a good job of selecting three different types of product and services (multi-day tour, a hotel, and a transportation service) to feature in the dynamic area of the page design. However there is no title above to explain these are “Featured”. The featured area is important and should be used as revenue generating advertising for the portal.

The middle column displays the date, weather, and foreign exchange rates. This information is useful and should be included in the Travel Guide section, but it does not warrant placement on the home page design. This area could be better used to showcase other dynamic information.

The right column again features prices of products and services. While this information may be useful, this is not the best use of this space on the homepage design.

Recommendation: It is important to try and maintain different types of featured products to include in the featured area to avoid three hotels appearing at once. There should be a heading above this area to communicate “Featured Partners”. In order to showcase the e-shop, perhaps a fourth category of a featured souvenir supplier could be displayed.

The middle column should be replaced with “News”. There should be relevant news that appears to communicate important current events related to Mongolia’s tourism industry (International tourism fair, 800th anniversary celebrations, President Bush visits, etc). The news section could include a featured news story and then quick story headlines below that link to additional stories.

The right column should be reserved to highlight special events and travel interests. It is well known that special events help drive sales and many International tour operators plan trips around scheduled events. It is important devote a section of the site to highlight special events. This area may highlight an upcoming event with a link to that event and another link for a full calendar of events.

The other section on the right column should allow travelers to click on a “travel interest”. Often travelers prefer to search for products and services based on their travel interests. This also allows for the opportunity to create competitive clusters around these travel themes – (Ecotourism, Adventure, Heritage, Silk Road, Chinggis Khan, Community Based Tourism, etc)

If the featured area is increased to add an e-shop featured supplier then there will be additional space available on the right column, it is recommended to use this area to highlight the

UNESCO world Heritage sites of Mongolia. Uvs Nuur Basin and Orkhon Valley Cultural Landscape. If this additional area is not available it should be featured elsewhere on the home page design maybe on the map but should highlight UNESCO World Heritage Site Status.

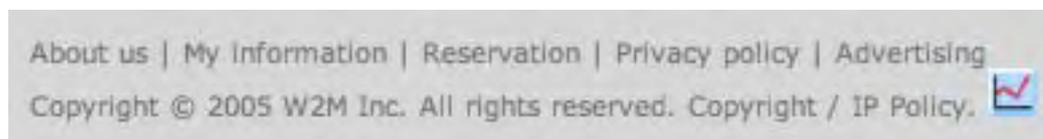
A.5. Bottom Quick Link Navigation

The portal prototype uses a web development technique known as “Quick Link Navigation” at the bottom of the page. This technique is common with portal sites that have large amounts of information and is intended to help direct online users to relevant content that might not be easy to find using the main navigation menu. This navigation system is intended only to add additional methods to access content on the site, but all links should be accessible through the main navigation system. This provides the ability to change the quick links at any time since there are other ways to access the content displayed. The choice of categories and content links is fine for now, but link hits should be monitored to understand popular links and those that need to be changed.

Genghis Khaan`s Mongolia	Nomadic Lifestyle	City Entertainment	Useful Information
<ul style="list-style-type: none"> ▶ The Era of Genghis Khaan ▶ The Unified Mongol Empire ▶ Successors of Genghis Khaan ▶ The Great Khaans ▶ 800th Anniversary Event 	<ul style="list-style-type: none"> ▶ Mongolian Cuisine ▶ Ger-Nomad`s Dwelling ▶ Traditional Clothing ▶ Naadam Festival ▶ Tsagaan Sar – Lunar New Year 	<ul style="list-style-type: none"> ▶ Bars & Pubs ▶ Disco & Karaoke ▶ Movies ▶ Museum & Galleries 	<ul style="list-style-type: none"> ▶ Visa ▶ Mongolian Currency ▶ Transportation ▶ Accommodation ▶ Handy Mongolian Phrases

A.6. Bottom Navigation Menu

The bottom navigation menu is intended to provide content to the secondary target audience – tourism suppliers. This navigation menu will appear on every page of the site in the same location. Below is how this menu appears on the prototype.



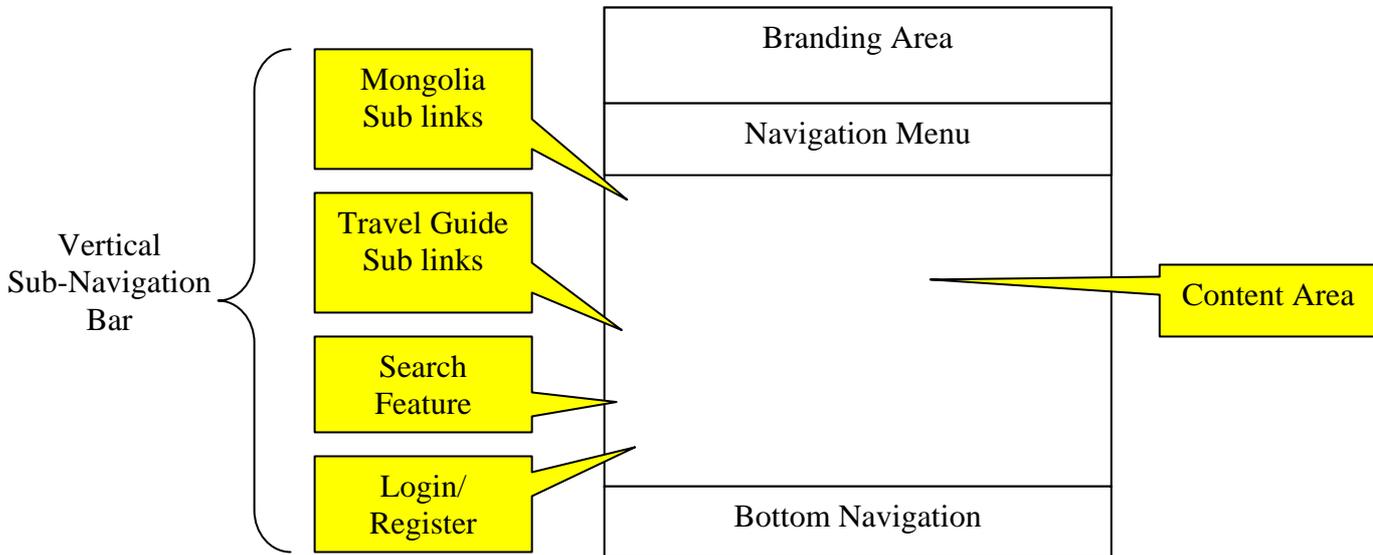
This area should be reserved to communicate specifically to tourism suppliers. Above the links a title should read: “Information for Tourism Suppliers”. The links should be changed to:

1. About W2M - similar to “About” section but language directed to supplier
2. Free Listings – describes process to receive free listing
3. Membership – describes the advantages and benefits of becoming yearly member
4. Business Services – describes business services offered to the tourism suppliers
5. Partner Login – access to intranet and content management system
6. Advertising – information on advertising
7. Site Statistics – communicates general site statistics – detailed stats available to members.

The copyright information should remain below the navigation.

B. Internal Page Design & Information Architecture

The internal page design and information architecture is uniform throughout the site. After leaving the home page, every page on the site follows the below information architecture.



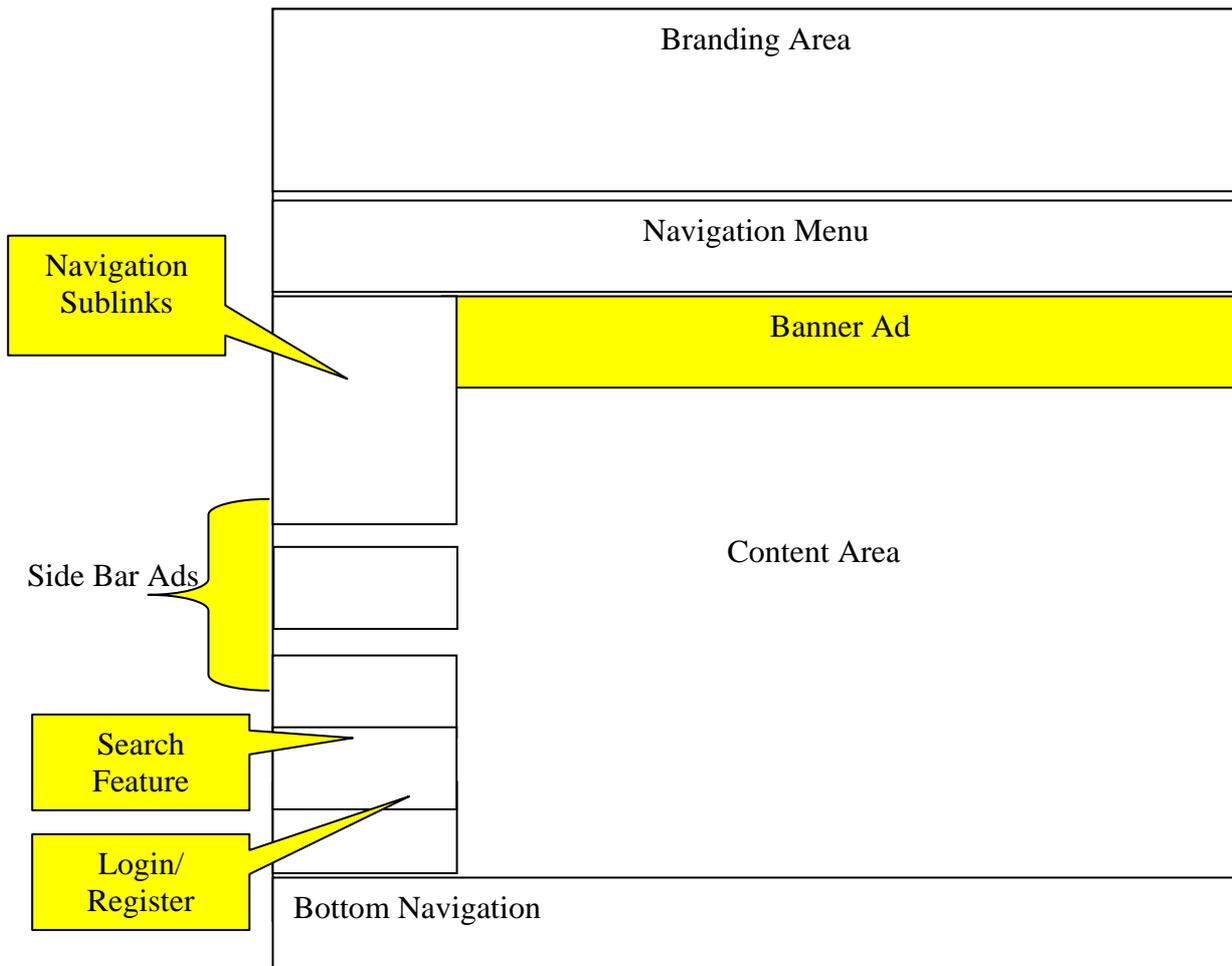
B.1. Branding Area

The branding area remains the same graphic on every page of the site. This prevents the opportunity to utilize valuable space on the page design for additional photographs that showcase the tourism attractions of Mongolia. It is recommended to use different landscape photos to replace the ger illustration on the interior pages of the site while also maintaining the branding in a consistent area (top left corner above the photo).

B.2. Vertical Sub-Navigation Bar

The vertical Sub-Navigation bar features the Mongolia sub links and the travel guide sub links in that order regardless of the main link selected by the user. It is recommended that the area where the Mongolia sub links is displayed to be reserved for the main link that is chosen from the main navigation menu. For example, if the user clicks on “Tours” this area should display the sub links of “Tours”. Only when the user clicks on the “Mongolia” link will the sub links of “Mongolia” appear.

Below the sub-navigation menu the area should be reserved for advertising banners. These banners will provide additional revenue to the site. A horizontal banner ad should also be placed on every internal page below the navigation menu. Ads should be relevant to the content displayed on each page if possible.



C. Search Pages

One of the best features of the W2M portal is the ability for users to search for tours or hotels based on various search criteria. However both the tour search and the hotel search screens are not designed effectively.

C.1. Tour Search

When the user clicks on tours they are directed to the tour search page. The tour search allows users to search for tours based on:

1. Activity
2. Destination
3. Month Range
4. Length
5. Price
6. Keyword

Welcome 2 Mongolia

FIND YOUR ADVENTURE TOUR

W2M tour finder is designed to help you easily find tours you desire. Just choose your interest from the drop down menu using the tools and start planning your trip to Mongolia.

Tour Search

Activity:

Destination:

Month Range: To:

Length: To:

Price: To:

Keyword Search

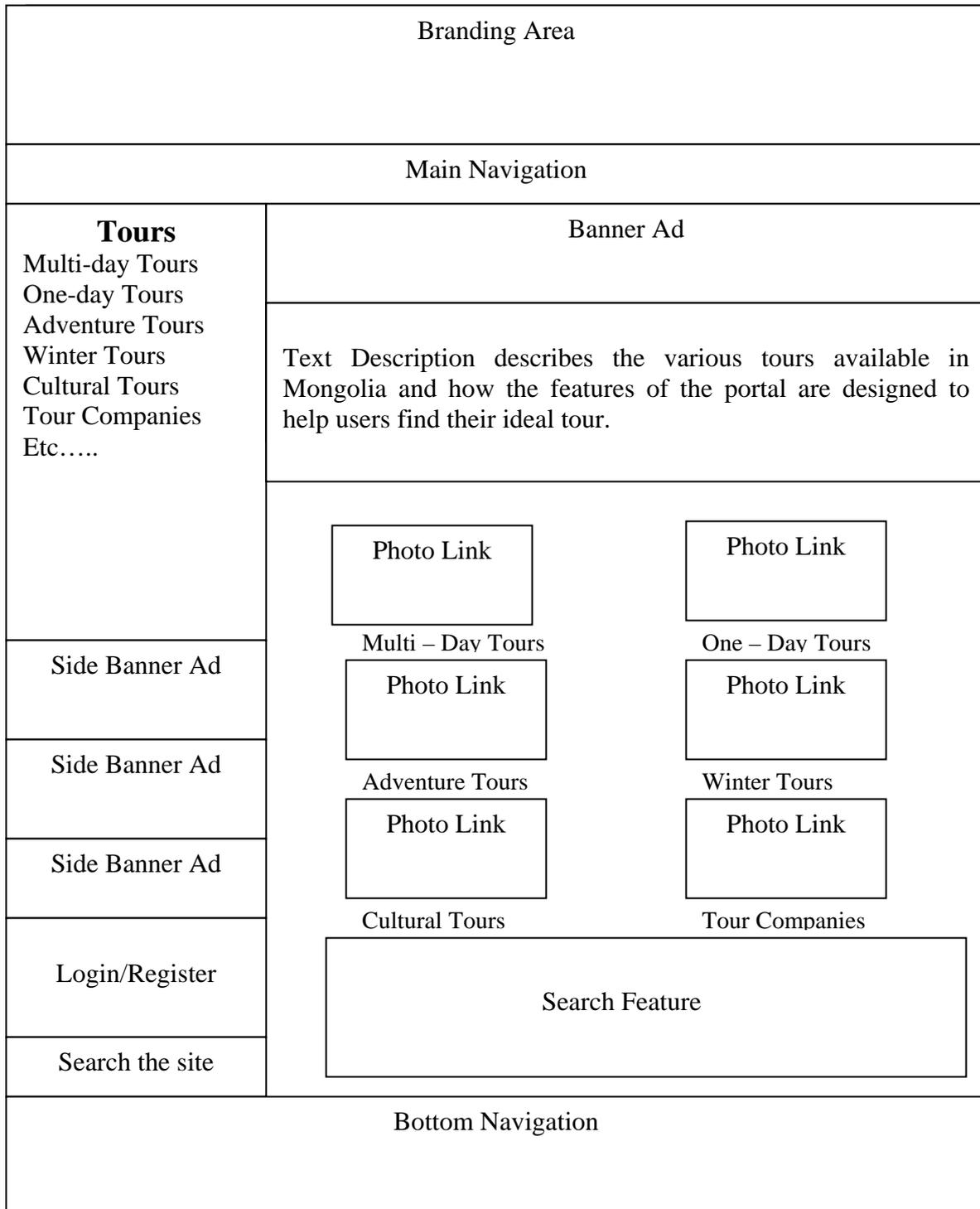
Search word or phrase:

Newsletter

E-Mail:

When a user clicks on the tour link, the first page should begin with a text description that describes the various tours available in Mongolia and how the features of the portal are designed to help users find their ideal tour. It should also be noted in this paragraph that W2M partners provide tours and W2M is not responsible for the product delivery. Below the introduction paragraph photo links should direct users to tours based on travel themes (adventure, cultural, seasonal, multi-day, one-day, etc). After the links to tours based on travel themes the search feature should be displayed.

Below is the recommend tour search page layout:



C.2. Hotel Search

The hotel search page is designed in the same format as the tour search page. As recommended earlier, this section should change from the title “Hotels” to “Accommodations” so that ger camps, guesthouses are not excluded.

Welcome 2 Mongolia

FIND YOUR HOTEL

The hotel search provides you an access to hundreds of various kinds of accommodations such as hotels, camps and guesthouses in Mongolia. Just make selections from any or all of the categories below to find hotel rooms suitable for you.

Hotel Search

Check in:	December	30	2005
Check out:	December	31	2005
Star Rating:	<input checked="" type="checkbox"/> ★	<input checked="" type="checkbox"/> ★★	<input checked="" type="checkbox"/> ★★★
	<input checked="" type="checkbox"/> ★★★★	<input checked="" type="checkbox"/> ★★★★★	
Sort by:	Hotel Name		
Rooms	1	Adults (ages 19+)	Children (0-18)
Room 1	2		0
<input type="button" value="Search"/>			

The search begins with “check in” date and “check out” date, which is not necessary since there is not a managed inventory of rooms available in the system. Additional search features should allow the user to search using additional criteria like accommodation type (hotel, ger camp, guesthouse), region/aimag, amenities, user reviews, etc.

D. Product-Listing Page

The product-listing page is one of the most important parts of the portal since this is what the travel customer will be purchasing. For this reason special attention should be placed on these pages to ensure the product is presented the best possible way with effective visual photos and effective web copy. The prototype currently presents the hotel and tour listings in a similar format. Each listing features one main photo, limited overview text, and price information. Additional photos and text is imperative in order to provide travelers with information needed to make purchase decisions. Tours should provide a brief day by day itinerary with the option to view a detailed day by day itinerary. Maps should also be provided to show the traveler where the tour goes and where the accommodation is located. User reviews should also be included to allow travelers to post comments based on their experience. Additional rating system could also be created by W2M to set standards both in quality and commitment to sustainability.

E. Trip Planner Application

A recommended additional feature for the site to improve the ability for users to plan independent travel is the creation of a trip planner application. Similar to a shopping cart feature on many e-commerce websites, the trip planner application allows travelers to navigate through the website and add products to their travel itinerary like a shopping basket. Once the itinerary is complete the traveler can then proceed to check out and purchase the various different components all at once. The application should also allow the traveler to save the itinerary and return at a later date to purchase. This feature is important since one of the biggest trends in the industry is the demand for customized travel planning.

F. Multimedia Enhancements

Today's faster Internet connection combined with new multimedia technology provides the ability to bring to life the tourism experience that Mongolia offers. Using Streaming Web Videos and 360° Virtual Tours, W2M would be able to provide product demonstrations to the online travel planner. According to a study by Aribtron/North Star New Media, travelers who view a travel-related video are 70% more likely to visit the destination. The same study also shows that Web sites that incorporate video into their overall experience attract 29% more visitors than non-video Web sites and have a 26% greater likelihood of generating a transaction. The Travel Industry Association of America also reports that travel videos motivate travel "dreamers" to become travel "purchasers." The W2M staff can easily be trained to produce this multimedia content and many tourism partners will see the value and purchase multimedia packages to enhance their website listing.

SECTION IX: ASSESMENT OF G-TEAM PROPOSAL

During the development of the W2M prototype, G-Team, an international consultancy firm based in Ulaanbaatar presented a proposal to the EPRC team to take over the portal project. Per the request of the EPRC team the tourism specialist reviewed the proposal and met with the principals of G-Team to provide recommendations on the proposal.

The proposal outlines:

- G-Team's capabilities
- Proposed project team
- Design, deployment, and operation methodology
- Cost structure
- Revenue projections for the portal
- Expected return on investment

Based on the proposal and the meeting with G-Team on December 6, 2005 at the EPRC office it is evident that the firm possesses strong capabilities and experience that would greatly benefit the W2M project. The firm demonstrated their understanding that the success of W2M is going to be only as strong as the business behind the portal. Both the proposal and the meeting stressed the importance of customer service and marketing the site both online and off. It is evident that the firm is fully capable of building the "business" behind the portal.

However there are several factors that make it difficult to recommend the firm to take over the project. These factors are detailed below.

1. **Cost** – This is the biggest deterring factor from the proposal. The total design, deployment, and first year operation of the portal was estimated at \$484,000. The capital required to set up the portal and business before any revenue is generated is \$335,300. This cost is extremely high compared to the budget described in the business plan.
2. **Starting Over** –G-Team explained that the development work that has gone into the portal prototype is not worth using and it would be better to start over. Considering \$15,000 has already been invested in the project and the administrative features behind the portal – it would be a waste to start over on this project.
3. **International vs Local** – If available it is always preferable in international development work to utilize local talent. It is evident from the portal prototype that PXL has the technical capabilities to develop the site. International consultants should be used as advisors to provide technical assistance to the local firms rather than take over the project. This will also provide greater buy-in from the stakeholders.
4. **Idea Ownership** – PXL claims to have been working on the portal prototype idea for over 7 years. While this may or may not be true it is obvious that the firm has invested a tremendous amount of time and effort into the portal and is determined to make it successful. If the project were taken away from PXL the firm would be devastated and could possibly seek legal action.

For these reasons it is recommended to reject the proposal from G-Team as it was presented. Instead the firm could revise the proposal to provide technical assistance to the PXL team to help specifically with customer service and Internet marketing.

ANNEX A: MEETING SUMMARIES

ANNEX A: MEETING SUMMARIES

Meeting with Pixel Co. Ltd

Date & Time: Friday December 1, 2005 10am-11am

Location: EPRC Office

Attendance: Chris Seek, EPRC Tourism 'Dot-Com' Specialist
Indraa Bold, EPRC Business Development Advisor
Erenechimeg. D, Pixel - CEO
Odkhishig. G, Pixel – Advisor

Summary: PXL team met with EPRC team to review portal prototype with the tourism specialist. Erenechimeg, the CEO from PXL demonstrated the user interface and information architecture of the portal. EPRC team and PXL reviewed the original scope of work of PXL's contract to determine allowable changes and modifications to the portal prototype. Reactions from the focus group on October 27th, 2005 were discussed by both EPRC and PXL. Both PXL and EPRC agreed that the reaction was "warm". The focus group was impressed with the site design and functionality but questioned how it would be used, how transactions and inventory would be managed, and who will benefit from the portal. Both EPRC and PXL believed that the focus group consisted of "major" tourism stakeholders that may see the portal as a threat to their own ability to attract their own business. PXL believed that if the focus group consisted of smaller tourism companies the reaction of the portal would have better received. The transaction process was discussed and PXL stressed one of the major constraints will be the ability to communicate with tourism suppliers located in remote areas of the country. Inventory systems were also discussed and the group evaluated different available options including real-time inventory and allocated inventory. Real-time inventory was dismissed due to the lack of Property Management Systems (PMS) and the inability to integrate legacy systems into the portal's database. The allocated inventory option was also questioned due to the fore mentioned issues with lack of ICT among suppliers. The specialist also determined PXL's knowledge of Search Engine Optimization (SEO) and Internet Marketing as well as PXL's level of technical ability with additional software including Macromedia Flash, QTVR, and video compression. PXL also described the creation of a new company Dama Co., Ltd, which they envision as the company that will manage and own the tourism portal separate from PXL.

Meeting with Tourist Information Center (TIC)

Date & Time: Monday December 5, 2005 2:30pm-3:30pm

Location: TIC

Attendance: Chris Seek, EPRC Tourism 'Dot-Com' Specialist
Bat-Erdene Ochirbat, TIC Executive Director
Sukhbold Tserennavaan. TIC General Manager

Summary: Specialist visited the TIC to assess the product offerings and services of the TIC and meet with management to discuss the results of the first year operations and the website portal. The specialist learned that 20,000 visitors (12,000 foreign and 8,000 domestic) used the TIC services in the first 8 months of operations. Requests for information varied from simple recommendations of accommodations and restaurants to help organizing a full tour around the country. The TIC sells maps, books, videos, and offers Internet connections. The sales records were not available at the time of visit for these products and services. In August the TIC began using a voucher system to turn recommendations into a commissionable sales program. The paper voucher is completed by a customer service manager who then retains a part of the voucher for their records before giving to the tourist to redeem the reservation. The TIC then collects a 10% commission from the tourism supplier after the voucher is used (some suppliers provide greater than 10%). **According to the management the suppliers are very satisfied with the voucher system and very willing to provide a commission for the vouchers.** To date only 10-20 vouchers have been distributed to tourists. When asked to see an example of the voucher it took over 10 minutes to find a voucher, upstairs in the management office. This leads to question the most effective use of the voucher program. The specialist interviewed the management on experience in the tourism industry and learned that while the executive director has limited experience in the private tourism sector the manager of the TIC used to be a manager for a private tour company in Mongolia. The specialist also interviewed the management's attitude and opinion on the website portal. They both agreed that the portal was a very important component of their ability to both market and facilitate bookings of products and services from the tourism industry. They also both agreed that the tourism portal could be used to help aggregate information of products and services while also providing revenue support to help cover the overhead costs of the organization. Management also expressed interest in taking over the maintenance and customer service of the portal.

Meeting with Dama Co., Ltd.

Date & Time: Monday December 5, 2005 4:30pm-5:30pm
Location: Dama Co., Ltd Office Cultural Plaza 4th Floor
Attendance: Chris Seek, EPRC Tourism 'Dot-Com' Specialist
Odkhishig. G, Pixel – Dama Manger

Summary: Specialist visited the Dama office to understand how the content is being collected and populated into the site, evaluate the customer service capabilities of the Dama team, and discuss the feedback from the tourism suppliers at the tourism fair. The Dama team explained that background information for the site is being collected from various English destination guides and history books from Mongolia. The specialist immediately expressed the importance of the Dama team to understand International copyright law and how the content used on the

site must receive permission from the author before publishing. Dama team understood this but explained that Mongolia is different than the US. **It is strongly recommended that the EPRC team explain the importance of adhering to the International copyright law to avoid future lawsuits against the portal.** The specialist learned that the 4-person Dama team is fully capable of providing the customer service needed for the website at least in the Mongolian and English language. However, they will need training on how a tour operator/online travel agency operates and communicates with suppliers and customers. The Dama team discussed the feedback from the suppliers at the tourism fair. The overwhelming response from suppliers was positive with over 1000 brochures distributed and many small tour operators, souvenir shops and handicraft suppliers signing up for the portal. The biggest question from the suppliers was “who is behind the project?” **It is clear that the portal needs to develop a communication strategy to introduce and communicate the portal and its benefits to tourism stakeholders.** The specialist discussed additional revenue generating strategies for the portal that would support the needs of the tourism suppliers. Dama agreed that these ideas are feasible and have not been considered. Specialist described the importance of building trust of the online user of the portal by communicating about the organization and values behind the portal. The concept of sustainable tourism was described and explained in theory how the portal could support the conservation of Mongolia’s environment and culture while also improving the social well being of rural Mongolians.

Meeting with Pixel Co., Ltd

Date & Time: Monday December 5, 2005 5:30pm-6:30pm
Location: Pixel Co. Ltd., Office Cultural Plaza 11th Floor
Attendance: Chris Seek, EPRC Tourism ‘Dot-Com’ Specialist
Erenehimeg. D, Pixel – CEO
Pixel – Lead Programmer
Odkhishig. G, Pixel – Dama Manger

Summary: The specialist visited the PXL office to review the backend functionality of the portal and how different users will be given access to update content on the site. The specialist learned that the site was built using MySQL the world’s most popular open source database. The administrative features allow non-technical staff the ability to populate and edit the site, thus drastically reducing the cost needed to maintain the portal. PXL provided a demonstration of the payment process and discussed two different options in regards to payment for airline tickets. The specialist attempted to clarify the desired ownership of the portal between PXL and Dama but learned that this was not fully discussed or decided between the two organizations.

Meeting with G-Team

Date & Time: Tuesday December 6, 2005 11:00am-12:00pm
Location: Pixel Co. Ltd., Office Cultural Plaza 11th Floor

Attendance: Chris Seek, EPRC Tourism ‘Dot-Com’ Specialist
Bruce Harris, EPRC Sr. Business Development Advisor
Joachim Bertot, Managing Director – G-Team
Ceri Morgan – Consultant – G-Team

Summary: G-Team visited the EPRC office to discuss their proposal to take over the development of the portal and provide the management direction and consulting for the on-going portal maintenance. G-Team presented its capabilities and discussed why they are in a better position than PXL to make the site successful. It was clear the team of International consultants have in-depth knowledge of Mongolia and SEO but limited experience in the tourism industry. When asked what G-Team would do with the existing prototype developed by PXL they explained that they are better off scrapping this site in entirety and starting over from scratch.

Meeting with AED – USAID Last Mile Initiative

Date & Time: Saturday December 3, 2005 10:00am-2:00pm

Location: Chinggis Khan Hotel and Tourism Fair

Attendance: Chris Seek, EPRC Tourism ‘Dot-Com’ Specialist
Steve Rynecki, AED

Summary: While researching USAID tourism portal projects, the specialist contacted the USAID ICT office in Washington DC. The ICT office put the specialist in contact with Steve Rynecki from AED who was in Mongolia designing a project to increase access to communication in rural areas of Mongolia. During the initial meeting both projects were discussed and the specialist described the challenges for the portal based on remote suppliers inability to access communication. Steve explained that the project was looking for locations to pilot the program and would be interested in areas with a high tourism concentration.

Meeting with AED – USAID Last Mile Initiative & EPRC

Date & Time: Friday December 9, 2005 10:00am-11:00am

Location: EPRC Office

Attendance: Chris Seek, EPRC Tourism ‘Dot-Com’ Specialist
Steve Rynecki, AED
Indraa Bold, EPRC Business Development Advisor

Summary: Steve Rynecki visited the EPRC office to meet with Indraa Bold the tourism business development advisor in order to identify priority areas for the pilot project. Steve described the objectives of the project and the criteria for selecting areas. Indraa recommended to bring the pilot to two different tourism areas; one with a high concentration of tourism attraction and demand where the LMI will have immediate impacts, the other area would be an emerging tourism destination that with the help of the ICT access could help increase visitation to the destination. Both projects agreed that it is imperative to collaborate on these two projects.

ANNEX B: SUPPLIER SURVEYS

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Prior to arriving to Mongolia the tourism specialist developed two different surveys for International and Mongolian based tour operators. The surveys were intended to gauge the suppliers interest in the portal project and willingness to pay a fee to be featured on the portal. 10 International tour operators were sent a survey via email and the tourism specialist visited the “Great Mongol Fair” and interviewed over 50 Mongolian based operators in person. The overwhelming reaction from the industry was positive and they supported the idea of the portal. Price points for the membership fees were not surveyed since they were not developed at the time of the survey.

Below are two surveys that were completed and returned by International tour operators with local offices in Mongolia.

Nomadic Expeditions Survey

Name of Organization:	Nomadic Expeditions, LLC	Survey Completed By:	Gereltuv Dashdoorov
Website:	www.nomadicexpeditions.com	Position:	Program Director
Phone Number:	976-11-313 396; 976-11-325 786	Email Contact:	Mongolia@Nomadicexpeditions.com
Address:	Building 76, Suite 28 1-40 000, Peace Avenue Chingeltei District Ulaanbaatar		
Country:	Mongolia		

How many years has your organization sold packages to Mongolia?	<input type="checkbox"/> 0-2 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 6-10 years <input checked="" type="checkbox"/> 10 years	What percentage of your business is focused on Mongolia?	<input type="checkbox"/> 0-25% <input type="checkbox"/> 26-50% <input type="checkbox"/> 51-75% <input checked="" type="checkbox"/> 76-99% <input type="checkbox"/> 100%
Please indicate the type of travel clients you service:	<input checked="" type="checkbox"/> FIT <input checked="" type="checkbox"/> Groups <input type="checkbox"/> Incentive <input checked="" type="checkbox"/> Education	Do you sell packages through travel agents or other sales partners?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
How many visitors did you send to Mongolia in 2005?	<input type="checkbox"/> 1-50 <input type="checkbox"/> 51-200 <input type="checkbox"/> 201-500 <input checked="" type="checkbox"/> 500-1000 <input type="checkbox"/> > 1000	How satisfied are you with the level of service from suppliers in Mongolia?	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input checked="" type="checkbox"/> Not Satisfied
What percentage of your business is generated via the Internet?	<input type="checkbox"/> 0-25% <input type="checkbox"/> 26-50% <input type="checkbox"/> 51-75% <input checked="" type="checkbox"/> 76-99% <input type="checkbox"/> 100%	Please indicate the themes of your travel packages to Mongolia?	<input checked="" type="checkbox"/> Nature/Ecotourism <input checked="" type="checkbox"/> Adventure <input checked="" type="checkbox"/> Culture <input type="checkbox"/> Chinggis Khan <input checked="" type="checkbox"/> Horseback Riding <input checked="" type="checkbox"/> Trekking <input checked="" type="checkbox"/> Religion/Spirituality

What do you consider the biggest challenge for your organization to increase sales of packages to Mongolia? Please Explain

The biggest challenge lies in increasing the capacity of suppliers namely the number of beds available at 4 star hotels, flight and train availability. Due to their limit, we get into constant stagnation and loss of potential clients.

What support or services would you like the Mongolian Ministry of Tourism to provide to help you grow your business? Please Explain

The Ministry would be at its best to coordinate airline and train schedules to make sure they are released well in advance. The Ministry could also exert its influence on encouraging tour operators to tie in their events efficiently so that two events can be run back to back if possible.

Some event organizers release their event dates too late as to market them so the ministry might be able to intervene and set up a time standard.

The Mongolian Tourism Industry is creating an Internet portal to increase visitors to Mongolia. What features would you like to see on this website and how can it help your business?

The portal site could provide background information on the company including number of years of experience, type of trips and events it runs etc. A direct link to the company's website would be helpful.

Would you be willing to pay a yearly fee in exchange for a full-page description on the site and the ability to include your packages for sale on the site at a 10% commission rate?

YES NO

It depends on the fee. We see this as a tool to increase our sales so we would be willing to try this.

Would you consider developing new products for your packages to Mongolia by using this portal?

YES NO

Please explain.

One of the objectives of our project is to increase tourism outside the peak tourism months (July & August). There are many local events that take place throughout the country that we would like to promote to International tour operators. Would you be interested in knowing about these events? Do you have any suggestions or ideas on how we can help you develop tourism packages outside these peak months? Please explain.

Yes, we would like to. Timing of the events are important within regard to their ability to be run back to back. People would be interested in attending a unique festival but they will feel even more drawn if another festival was connected to it so that they experience two different events on one go. For examples, in 2006 Camel Festival is to be held in Gobi during February 7-9 but we couldn't tie it with the Ice Festival at lake Hovsgol because 1) the date was released too late not allowing any time to market it 2) it's held at the end of February so it was not possible in time wise to tie them anyways.

It would be great if you would have means to coordinate these events.

Thank you for taking the time to complete this survey. Please provide any additional comments or concerns about the tourism industry of Mongolia.

Thank you for your attempts to improve Mongolia's tourism industry.

Mongol Reisen Survey

Name of Organization:	Mongol Reisen	Survey Completed By:	Erdene
Website:	www.mongolijourneys.com	Position:	Managing Director
Phone Number:	976 11 330691	Email Contact:	erdene@mongolijourneys.com
Address:	Bodi Tower Suite 103, Sukhbaatar Sq.		
Country:	Mongolia		

How many years have your organization sold packages to Mongolia?	<input checked="" type="checkbox"/> 0-2 years <input type="checkbox"/> 3-5 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> > 10 years	What percentage of your business is focused on Mongolia?	<input type="checkbox"/> 0-25% <input type="checkbox"/> 26-50% <input type="checkbox"/> 51-75% <input type="checkbox"/> 76-99% <input checked="" type="checkbox"/> 100%
Please indicate the type of travel clients you service:	<input checked="" type="checkbox"/> FIT <input checked="" type="checkbox"/> Groups <input checked="" type="checkbox"/> Incentive <input type="checkbox"/> Education	Do you sell packages through travel agents or other sales partners?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
How many visitors did you send to Mongolia in 2005?	<input type="checkbox"/> 1-50 <input checked="" type="checkbox"/> 51-200 <input type="checkbox"/> 201-500 <input type="checkbox"/> 500-1000 <input type="checkbox"/> > 1000	How satisfied are you with the level of service from suppliers in Mongolia?	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input checked="" type="checkbox"/> Satisfied <input type="checkbox"/> Not Satisfied
What percentage of your business is generated via the Internet?	<input checked="" type="checkbox"/> 0-25% <input type="checkbox"/> 26-50% <input type="checkbox"/> 51-75% <input type="checkbox"/> 76-99% <input type="checkbox"/> 100%	Please indicate the themes of your travel packages to Mongolia?	<input checked="" type="checkbox"/> Nature/Ecotourism <input checked="" type="checkbox"/> Adventure <input checked="" type="checkbox"/> Culture <input type="checkbox"/> Chinggis Khan <input checked="" type="checkbox"/> Horseback Riding <input checked="" type="checkbox"/> Trekking <input type="checkbox"/> Religion/Spirituality

What do you consider the biggest challenge for your organization to increase sales of packages to Mongolia? Please Explain

- Speedy communication
- Advanced marketing strategy
- Best ground service
- Competitive prices

What support or services would you like the Mongolian Ministry of Tourism to provide to help you grow your business? Please Explain

- Destination Marketing Strategy
- Create General Identification of Mongolia in the world travel market
- More trains and planes on international routes

The Mongolian Tourism Industry is creating an Internet portal to increase visitors to Mongolia. What features would you like to see on this website and how can it help your business?

- The portal should be seen in the most global searching systems; Google, Yahoo, AOL
- It should has search directories for prices, quality, tour activities and destination
- Also the customized programs display feature will be good

Would you be willing to pay a yearly fee in exchange for a full-page description on the site and the ability to include your packages for sale on the site at a 10% commission rate?

YES NO

Please explain

Would you consider developing new products for your packages to Mongolia by using this portal?

YES NO

Please explain

One of the objectives of our project is to increase tourism outside the peak tourism months (July & August). There are many local events that take place throughout the country that we would like to promote to International tour operators. Would you be interested in knowing about these events? Do you have any suggestions or ideas on how we can help you develop tourism packages outside these peak months? Please explain.

- Deliver broad and aggressive marketing for international tour operators
- Convince MIAT or other airline carriers for discounted tickets

Thank you for taking the time to complete this survey. Please provide any additional comments or concerns about the tourism industry of Mongolia.

SOURCES

- ⁱ ICT and Tourism for Development - Background Paper by the UNCTAD secretariat. United Nations Conference on Trade and Development September 20, 2005
- ⁱⁱ George Washington Institute of Tourism - <http://www.gwutourism.org/dm.htm>
- ⁱⁱⁱ UNWTO, Tourism 2020 Vision, <http://www.world-tourism.org/>
- ^{iv} Ministry of Roads, Transport, and Tourism of Mongolia
- ^v Adventure Travel Industry Growth Statistics, Compiled by Christina Heyniger, Xola Consulting
- ^{vi} Adventure Travel. European Report. October 2003. Mintel International Group
- ^{vii} Adventure Travel Study 2005; sponsored by ATTA and Michigan State University
- ^{viii} The Geotourism Study, 2002 National Geographic and TIA
- ^{ix} UNWTO, Tourism 2020 Vision, <http://www.world-tourism.org/>
- ^x "2004 A Record Year For Tourism;" Feb 2, 2005. Leisuretourism.com
- ^{xi} "The World of Travel in 2020" study, commissioned by global travel giant, Cendant Travel Distribution Services
- ^{xii} "Heritage Tourism Booming in America." Leisuretourism.com. Sept 15, 2004.
- ^{xiii} 2005 Business Wire, Inc. Business Wire April 28, 2005 Thursday 8:00 PM GMT