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THE BUSINESS OF INBOUND TOUR OPERATORS

Tour Operators Manual

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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1 INTRODUCTION

This manual was designed as a reference and toolkit accompanying a training course for companies that have newly begun an inbound tour operator business or are considering starting one. If you do not have much background in the travel business, parts of this manual will be difficult to understand or use without some introductory level training. Contact the Association of Croatian Travel Agencies about information on attending a course for new tour operators. The course and these materials should help new inbound tour operators gain a better understanding of:

- 1) The structure of the international travel industry, trends in specialty travel and new product demand;
- 2) Market segmentation, using specific information on traveler interests, motivations and expectations, identifying potential market niches and buyers.
- 3) Steps of new product development in organizing and selling new high value niche market tourism products.
- 4) Sales and distribution channels, and developing strategies for their effective use

Running a tourism business, as you all know, is complex. It is not possible to include within this publication everything that a tourism director or manager needs to know. It is not designed to be an introduction to the global tourism industry. Nor is it designed for those tour operators and travel agents involved in domestic and outbound tourism, although some of the contents may be relevant.

Its aim is to provide a few tips to lead to a more successful business.

1.1 The Tourism Business

The role of the tour operator is to essentially sell accommodation, transport, activities and transfers in a combined all-inclusive package.

The Tour operators' product is different to that sold by other businesses in many ways and understanding this will go a long way to being successful.

1. What you are selling is an intangible product that must be bought blind because it cannot be seen, touched or experienced by the consumer before use. Instead, tour operators prepare brochures which represent their products in words and pictures. These brochures cannot accurately give an impression of how any one particular client will experience the product, so sellers are often described as selling dreams. Buying a holiday is like buying a bar of chocolate; only memories are left after the product is consumed.
2. You are selling a discretionary product, meaning that the clients do not have to buy it in the same way that they do food or fuel. When finances are tight or during a recession, they may choose to spend their money that would have gone on a holiday on other consumer durables such as a compact disc player or new washing machine.
3. It is not a heterogeneous product. You could buy a refrigerator like your neighbor's and expect it to look identical and operate in exactly the same way, but holidays are by their very nature varied. Anyone coming to Croatia on a food and wine tour will have a different experience whether they come in July or October, even if they went with the same operator, stayed in the same hotels and ate at the same restaurants.
4. It is a perishable product. Holidays are only saleable up to the date of the flight departures, especially if you organize fixed date trips.
5. Package holidays suffer from inseparability. The behavior of everyone involved in the product, from the hotel porter to the vehicle driver can have an effect on the outcome of the experience. If we purchase a washing machine, our enjoyment of the product will not be reduced by an irritating plumber who installs it.

2 STRUCTURE OF THE TRAVEL TRADE

The travel industry is highly structured, and businesses within the industry tend to specialize in one or a small number of functions driven by their core business. Understanding the structure of the travel trade is important for a company in developing its core business strategy, making marketing decisions, and investing for growth.

The structure of the travel trade is largely driven by how consumers travel and how they identify and select the travel services they purchase. As we review the most widespread types of businesses in the travel trade, it is useful to keep in mind some common distinctions made when describing travel companies and their markets.

2.1 Definition of Terms in the Travel Trade:

Inbound and Outbound:

When a company focuses primarily on serving travelers coming from other destinations, we refer to them as inbound operators. They generally offer services for clients coming from other countries or regions. Examples of these include Adria Tours and General Tourist. When a company focuses on serving travelers in their domestic or regional market seeking to travel to foreign destinations, we refer to them as outbound operators. Examples of these would include the large number of agencies advertising package tours to other countries. The inbound operator seeks to understand foreign markets and develop products and services that will attract customers from overseas to their destination, and will focus on researching the travel motivations and preferences of target markets outside their own country. The outbound operator continually monitors demand for travel services within its own market, and will focus on identifying travel opportunities and creating products and services for these travelers going to other countries. Some companies may serve a local market, and they can attract both domestic and international travelers. A good example of this would be a ski resort. These are generally referred to as local operators without any distinction being made as to inbound or outbound.

Short Haul and Long Haul:

Short haul refers to travelers coming from a nearby market, while long haul refers to travelers coming from far away. Usually, if the traveler's destination is further away than one day's driving distance, they are considered to be long haul. Typically, companies will serve both short and long haul markets, but will have a greater focus one or the other. The quality of the experience offered usually dictates whether or not a product can be sold to a long haul market. A low to medium quality attraction will generally not attract many long haul customers. The cost of getting to that attraction is simply too high for the quality of experience to be gained. Only top destinations offering unique products and services are successful at attracting long haul customers. For example, you may drive one or two hours to the local aquarium or ski resort, since the effort of getting there is minimal for a day of fun. However, it is unlikely that a person from another country would plan a long trip to see the same attractions. They may only visit these attractions as part of a trip that has a greater focus: visiting Croatia for its historical or cultural attractions, or as part of an adventure travel vacation that involves multiple activities.

Operators and Resellers:

Operators are companies that supply their own services or products, while resellers are marketing and selling the products and services of others, usually charging a mark-up or taking a commission. In practice, many travel companies do both. A tour operator will offer many of its own services but may also sell services of other suppliers as part of a package. A travel agency is mainly a reseller, but may for example employ its own guides or translators and sell these services directly.

Package Travel, Group Travel, and Independent Travelers (FIT)

Package travel refers to travel services sold as a package, where many services are bundled together for the convenience of travelers who don't wish to spend time making their own arrangements. Package travel may be sold both to group travelers and independent travelers. Group travel refers to package holidays that have a set itinerary and an allocation of seats or spaces. Customers purchasing the package join the group. Independent travelers usually prefer not to travel with a group, unless it is a self-formed group. They prefer to have flexibility in their travel arrangements and may have done some research and have specific interests which dictate what they want to do and see on a trip. Sometimes they prefer not to make too many advance plans, but in other instances they may carefully plan a custom tour that fits their own interests, working with either a travel agent or tour operator before leaving home. Independent travelers may purchase package travel services, but they will choose their own dates or request a private departure rather than traveling with a group.

2.2 Types of Travel Operations

Now we will review the different types of travel operations that are the main players in the travel trade.

Travel Agencies:

Travel agencies are perhaps the most visible companies in the travel trade. Their primary businesses is to resell accommodations, transportation services (including airplane and train tickets, car and bus transfers) individual services including guide and translator services, and package services such as sightseeing tours. Within each agency, there is often a focus on either inbound or outbound trade, with the outbound agencies focusing either on ticketing services and accommodation bookings, or on package holidays. Travel agencies generally serve a mix of long and short haul markets, although some specialize in long haul markets. The majority of travel agencies seek to appeal to a large domestic market, so they focus mainly on products and services with a mass market appeal: beach and ski holidays, cruises, and package tours to well known and popular destinations. A small number may have a focus on specialty travel, and will offer products and services that cater to special markets. Examples would be agencies that specialize in custom travel arrangements, outdoor sports, or adventure holidays. Most travel agencies that focus on outbound travel resell the products of both outbound and inbound operators, but they can also find products to retail from other travel resellers or from travel portals. Most travel agencies offer ticketing services for international travel, and can assist their customers with obtaining information on travel requirements such as visas and vaccinations, as well as obtaining travel insurance.

Outbound Tour Operators:

Outbound tour operators create and market travel products to customers in their own markets that are usually long haul travelers seeking a specific experience in a foreign destination. They may design and operate their own trips, working with partners in the destination, or they may choose trips already designed by inbound operators and simply market these to their own clients. Outbound operators generally have an in depth knowledge of what their customers are looking for and what their travel requirements are, and are thus able to design travel products that meet those needs. In the past, most outbound operators focused on group travel arrangements, but increasingly they are offering package travel for independent travelers. Outbound operators usually offer trips to a variety of destinations, and many focus on a small number of specialty travel segments, leaving the mass market travel arrangements to travel agencies.

Inbound Tour Operators:

Inbound tour operators create and market travel products and services to customers mainly in long haul markets. Customers in countries far away generally do not have in depth knowledge of a destination or the service providers in that destination, may not speak the

language, and may not feel comfortable making their own arrangements. Inbound tour operators serve these customers by taking the guess work out of planning a holiday, and may offer experiences that would otherwise be inaccessible to independent travelers making their own arrangements. For example, planning and organizing your own expedition to go trekking in Western Croatia would involve months of research to identify routes, find local guides, arrange transport and pack animals, and considerable expense to transport equipment and gear or purchase it locally. A local company can organize all this for you at much less cost and in less time than it would take for you to do it yourself. Inbound operators usually specialize in package travel arrangements of this kind, and may have both group and independent travelers as clients. Inbound operators operate their own tours, although the services of many local companies may be packaged and resold as part of this tour. Inbound operator usually specialize in one country or region. They may offer tours catering to a broad range of interests if they are located in a country that is not well known to travelers, but if they are in a well known destination where it is easy for independent travelers to make their own arrangements they usually focus on specialty travel.

Ground Operators:

Ground operators are providers of travel products and services in their own countries or regions. Sometimes inbound tour operators also are referred to as ground operators, but the term is usually applied to companies that do not actively market their services directly to overseas customers. These operations focus on providing travel services on the ground, including activities like horseback riding, boat trips or guided diving tours, cooking or wine tours, etc. that form part of a larger experience or packaged tour. Ground operators may sell their services directly to independent travelers that have already reached a foreign destination – this is common in more well known travel destinations. In lesser known destinations, where there are relatively fewer independent travelers, ground operators usually work mainly with tour operators (either inbound or outbound) to market their products or services.

Local Service Providers:

This term is used frequently to refer to ground operators, but more commonly it is applied to operations that provide local services such as accommodations (hotels, guest houses, families offering homestays), meals, local guides, equipment rental, cultural performances, and other specific services. Local service providers may include museums, parks, ferry lines, or domestic airlines. Often, there is little distinction made between ground operators and local service providers, and the two terms may be used interchangeably.

Travel Resellers and Portals:

Travel resellers and travel portals offer consumers the convenience of being able to review and compare many travel options in one catalog or on one website, and make it easy to find travel packages, to book them, and to pay for them. Most resellers and portals earn a commission from the operator whose package is sold via their catalog or website, and they may resell trips from both inbound and outbound operators. Travelers may purchase products directly from resellers and portals, but travel agents and travel agencies also look for products to sell from these sources, and most resellers and portals have a commission arrangement for agents. Resellers and portals commonly have well defined target markets, and the theme of the trips they sell will reflect this. They may focus on budget or low cost travel, or focus on other specialty travel interest such as eco-tours, adventure tours, the gap year market (young adults taking time off to travel between finishing high school or college and starting a career), women travelers, or travelers over 50.

The following table presents an overview of the differences between the different types of travel operations in the leisure travel industry in terms of their markets and their main distribution channels:

	Target Markets or Clients	Main Products/Services	Distribution Channels
Travel Agencies	Mass market, general interest travel and package travel to more well known destinations	Flight and other travel arrangements, accommodation and event tickets, package tours for groups and individuals (for outbound). Products are mostly sourced from tour operators, ground operators, and local service providers, but also from travel resellers and portals. <i>Examples: package cruise in the Mediterranean, all inclusive holiday in Turkey, beach holiday package in Spain with accommodation and flights.</i>	Direct sales to consumers. Inbound agencies may sell to outbound agencies or place packages with resellers and portals. Mass marketing done through advertisement via direct mail, media, and via agency offices.
Outbound Tour Operators	Travelers with more specific interests, usually a defined audience in the domestic market.	Package travel to a variety of destinations within a specific area of interest, for groups or independent travelers. Products are mostly sourced from inbound operators, or may be designed in house with inbound operators, ground operators, and local service providers in the destination country supplying many of the services. <i>Examples: package tour to the Galapagos, 12 day trek in Bhutan, 9 day cultural tour of China, volunteer work holiday in India with 2 weeks of touring and one week of volunteer work.</i>	Direct sales to consumers. Some outbound operators may sell certain products through resellers or portals, or through specialized agencies. Targeted marketing through direct mail (of catalogs, brochures), via website and customer loyalty programs, at travel fairs, and to special interest groups in the domestic market via specialty publications, membership groups and clubs.
Inbound Tour Operators	Travelers with an interest in a specific destination or activity, usually long haul travelers in other markets.	Package travel for groups or independent travelers in one destination or a region, may cover several areas of interest or be more focused, for groups or independent travelers. Products are usually designed in house, with some services from ground operators and local service providers resold as part of the package. <i>Examples: 12 day trek in Western Mongolia, package tour of the Gobi Desert, homestay holiday with a nomadic family in Mongolia.</i>	Sales to outbound tour operators, some direct sales to consumers and through resellers or portals. Targeted marketing via direct contacts with outbound tour operators, travel fairs, and to special interest groups in foreign markets via direct mail, special interest publications, and some direct marketing via website.

Ground Operators	Target clients are inbound and outbound tour operators offering package services in the destination, as well as independent travelers that have already arrived in-country.	<p>Services for tour operators or independent travelers in one destination or a region. Offer own products and services with some services from local service providers resold as part of the package.</p> <p><i>Examples: one day sightseeing excursion in Dubrovnik, 3 day diving boat excursion, one day wine cellar tour with wine tasting.</i></p>	Direct contacts with tour operators, local advertising, on the street advertising in the tourist season, some marketing through websites.
Local Service Providers	Target clients are mainly inbound but sometimes outbound tour operators offering package services in the destination, as well as independent travelers that have already arrived in-country.	<p>Services for tour operators or independent travelers in one locality. Offer own services, with very few resold services added to the package.</p> <p><i>Examples: hotels, restaurants, traditional musical performance, national park entrance, horse rental, car hire.</i></p>	Direct contacts with tour operators, local advertising, on the street advertising in the tourist season, rarely any marketing through websites except in the case of accommodations.
Travel Resellers and Portals	Long and short haul travelers, usually with more specific interests but sometimes with general interests, may cover markets in more than one country.	<p>Similar to package services sold by outbound tour operators, but collections may be grouped to appeal to a specific audience.</p> <p><i>Examples: 14 day eco-tour in Sri Lanka, walking tour of vineyards in France for 50+ travelers.</i></p>	Direct mailing, advertisement through mass media and special interest publications, internet marketing via website, special promotions, and web advertising.

3 MARKETING

We all know that simply establishing a tourism company does not guarantee the arrival of tourists. We have to make the business work. But how do you do this? How much do you need to spend on publicity and how will you achieve it – through web promotion, word of mouth, advertising? How do you create awareness of your business other than communicating directly with tourists? How do you plan to grow your business over a period of time?

A successful business will need to develop suitable products for the market, price them correctly, promote them effectively, distribute them to the final customer and evaluate the results of the total program. Then the whole process starts again.

This is marketing. It is not solely attending travel fairs and making brochures. These are just a small part of the field of promotion, which is only a part of the marketing process.

A general definition for marketing could be as follows:

“Marketing is the management function which organizes and directs all those business activities involved in assessing customer needs and converting customer purchasing power into effective demand for a specific product or service to the final consumer or user so as to achieve the profit target or other objective set by the company or organization.”

This definition leads to some very important points to bear in mind.

Firstly, marketing is a management function. Some tour operators employ staff specifically in a marketing role. Others will have the marketing function solely undertaken by the manager or director. In either situation, there must be clear goals for the company. A marketer can not simply come into a business and make it more profitable. They must understand the philosophy of the company, what the goals are, where the interests lie and so on.

The second important point is assessing customer needs. A company will only succeed if it can produce or supply what is demanded by consumers. There would be little point, for example, in running two week ‘Pumpkin Picking’ tours. The demand for this type of activity is likely to be very small, difficult to sustain and difficult to market. Tour operators must provide what tourists want. The next chapter looks in detail on consumer needs, understanding clients and market research. I have personally seen many people establish a tourism company hoping that tourists will come, but without having ever given any consideration to what they are selling and to whom.

The third point is converting customer purchasing power into effective demand. Take a look at the letter below:

Dear Sir,

I have just started a tourism company in Croatia. We are called Croatian Tours & Travel Agency Co. Ltd. We can do lots of different types of trips to all parts of the country, from sightseeing to adventure and specialty travel, and food and wine tasting. We can also organize sailing and beach apartment rentals.. We hope that you can cooperate with us and send us some tourists from your company.

Thanks.

Imagine that you had received a letter like this from a tour operator. You'd probably throw it straight in the rubbish bin. They have no idea of selling, packaging, planning – in fact no idea of the tourism industry or business at all. A letter like this would get you nowhere. Getting people interested in your company requires careful planning and thoughtful promotion.

Achieving a profit target. For most of us, this is the reason why we have a company. We need to make money. There are of course other reasons why you may be involved in tourism such as the enjoyment of meeting new people or traveling to the countryside. However, what is important here is the fact that marketing is very closely linked to profit. For example, is it better to spend \$1000 on brochures for an increase in profit of \$100,000 or to attend a travel fair at a cost of \$20,000 for an anticipated profit of \$80,000? Obviously, you would choose the first option. You do specific marketing activities to get forecasted results, not simply because that's what every other tourism company does and because you think you ought to.

Marketing a company, its products and services is no easy task. It's therefore essential to have in place a marketing plan. This plan can of course change and your document should never be set in stone. The plan should change at least once a year. Because tourism is subject to outside influences, (we have seen evidence of this with the Iraq war, 9/11, Bali bombings and SARS in Asia.), modifications may need to be made at short notice to accommodate these influences.

3.1 Marketing Plan

A marketing plan must be supported by extensive, research-based data on markets, consumers and the environment. The plan can only be written once this research has been undertaken. As I have said earlier, you cannot sell a product or service based on your own intuition that people will want it. This is especially true if you require funding from an external source to help you grow your business. Just because you think something will sell, doesn't mean that people will buy.

This is no defined format for a marketing plan. There are big differences between organizations and these differences have to be reflected in the plan. Firstly, the plan has three major areas that should be considered after gathering your research.

- Objectives – what are you trying to achieve?
- Strategies – how are you going to achieve it?
- Tactics – what are the actions you will undertake to do all this?

The contents of a typical marketing plan could include the following:

1. Introduction & Background
 - Introduction
 - The current position
 - Objectives
 - Relationship of Marketing Plan to overall Business Plan
2. The Marketing Strategy
 - Marketing for Croatia
 - Company Marketing
 - Research
 - Promotion & Communication
 - Pricing
 - Corporate Image
 - Market segments & Distribution Channels
 - Product development

- People
- 3. Implementation Strategy
 - Trade Fairs
 - Website & Digital Media
 - Printed Media
 - Direct Mail
 - Personal Communications
 - Advertising
 - Membership
- 4. Budget
- 5. Evaluation

The marketing plan serves several purposes.

1. It is a managerial control document which aims to ensure that clear goals and targets have been established in order that the organization does not drift about.
2. It provides a detailed inventory as to how the marketing budget is to be spent and why it has been allocated in the ways set out. All sales and revenue targets must be identified and justified.
3. It provides an agreed basis of action that can be circulated to every individual involved in its implementation. As a result, it acts as a mechanism for ensuring that everyone is clearly identified with marketing aims.
4. It provides a set of benchmarks against which marketing programs can later be evaluated and refined for the future. Without explicit targets, evaluation of marketing efforts is impossible.

We will look in more detail at the contents of the plan later in this chapter.

3.2 Being Competitive

A tourist wanting a general tour of Croatia or an overseas tour operator wanting to partner with a Croatian operator has a number of choices. Within Croatia, there are over XX tourism companies and travel agencies offering tours throughout the season. Why should the Tourist Company or tourists choose you?

All operators offer vehicles, guides, hotel bookings, visits to attractions, cultural events, or other activities. These factors are comparable, meaning we can easily identify and compare them. If you offer the same as the other companies, you are unlikely to be very successful in your business. And if you are, it's likely that you have had to reduce your prices significantly to do so.

Of course you need to assess other tourism companies in Croatia to see what they are doing. But additionally, you need to look further a field and understand why tourists or tourism companies are sending their tourists to other destinations in the region.

You need to be competitive and compete against both other Croatian tour operators and those operators in neighboring countries.

So how do you compete? Competitive advantages are built up through competitive activities, orientated towards doing the same things that rivals do, but better, and also doing different things to other competing companies.

Imagine that you are purchasing a new computer. There are lots of similar ones available, all offering the same specifications – size of disk space, speed of operation, availability of accessories, etc – the comparative advantages. So how do you choose which one to

purchase? You focus not only on price but length of guarantee, reliability of after-sales service, reliability of retailer and ability to upgrade the computer – the competitive advantages.

In the same way with your company, you need to either do the same things better than other Croatian tour operators or provide better and different products and services. We're not talking about just going to different locations or doing different activities. Look at the whole operation of your company. What could you do better than anyone else or do that nobody else is doing? You could look at booking procedures, cancellation policies, return client incentives, gifts for guests, specialist language guides, lengths of trips, profits going to local charities or communities. These are competitive advantages in the tourism industry that may just make a tourist decide to go with you rather than another company.

$$\begin{array}{ccccc}
 \text{Value} & & \text{Services} & & \text{\& Experience} \\
 \text{-----} & & \text{Facilities} & & \text{Gained} \\
 & = & \text{-----} & + & \text{-----} \\
 \text{Effort} & & \text{Cost} & & \text{Effort Required}
 \end{array}$$

In the past, 'value for money' has often been a term used when purchasing a service – measuring the diversity of services or quality of services against the cost for those services. However, new theories suggest that this does not fully reflect a tourist's way of thinking. As the diagram above shows, the tourism services offered have to be combined with the feelings and sensations obtained from undertaking travel with your company. These then are measured against not only the cost of the trip but also against the efforts the tourist had to go to arrange and undertake the trip and the obstacles or deterrents they faced. If the services were poor, the experience unrewarding, the price high or the trip difficult to organize or undertake then you will not be a competitive business – no matter how wonderful your trip was presented in a brochure.

To compete successfully, your business has to offer to the market greater value than your rivals for the same effort on the part of the tourists – or the same value for less effort.

3.3 Destination Marketing

In almost all cases, a tourist will decide to come to Croatia before they decide to travel with your company. In the same way, an overseas tour operator will look for a partner in Croatia after they have decided to take clients to Croatia.

Therefore, you are not only trying to sell the products and services your company offers but Croatia itself as a tourism destination.

Imagine you are attending a travel fair in London. A stand display emblazoned by your company name and a list of the activities you do is unlikely to attract many people, unless your company name includes the words 'Croatia' or 'Croatian'. The decision making processes of tourists is discussed later in the chapter, but at this stage, you need to be aware that marketing the country is likely to bring more success than marketing solely your company.

The main thing that any tourist is purchasing when they come here is a Croatian experience, not the services of your guide or the quality of hotels. This is a decision they make after they have decided to come here. For someone who has never been to Croatia before, whether

they are a tourist or a foreign tour operator, they will firstly want to know why they should come here and what the attractions and benefits are over other destinations.

This is where competitiveness comes in again. You need to highlight what Croatia has that is better than other neighboring countries and what it does better or differently than the competing destinations. Never be complacent and believe that tourists will always want to come to Croatia. Never also believe that everyone knows where Croatia is.

Some of you will know from experience that those attendees at travel fairs first ask questions about the country rather than about your company. How sunny is it there? Where is Croatia? Didn't you have a war?

3.4 Marketing Research

Marketing research is the design of a plan for the collection of data, the purpose of which is to answer a given question. Such a question could be "Which country's outbound tourists offer the best opportunity for long term sustainable growth?" or "Who is my biggest competition?". Answers to these questions are vital for understanding the market within which your business operates.

Research can fall into two areas:

- 1) A descriptive role whereby the aim is to focus on what is happening by concentrating on the collection of factual data to provide a picture of the current situation, or
- 2) An analytical role by shifting the focus to why things are happening in an attempt to explain the situation by seeking out reasons.

In order to develop a marketing plan, it is imperative that information is gathered on the business's performance and the marketplace. Answers are needed for a business to be able to make decisions. Without such information, any decisions being made run the risk of being bad ones which could prove very costly both financially and otherwise to the long term health of the business. Marketing research needs to be undertaken on a regular basis. Changes within the marketplace, among consumers and within the business will all have an effect on the business. Although information gathered from marketing research will not be perfect, if the research is well planned and executed, it will mean that decisions taken will be more likely to prove successful.

There are various steps in undertaking research.

Identify and define the problem – Before beginning the task of gathering information, it is first necessary to identify the problem for which research is required. You do not want to start gathering information only to find later that the information does not answer the questions you have.

Investigate available sources – You do not want to start collecting information if that information already exists. You should seek out information which is already available.

Travel Research Links, in Section 1 of the Learning Tools, will get you started with places to look for information.

Determine research plan – Once all available sources of data have been evaluated, a plan is formulated to identify what further information is required and how it should be collected. This will involve generating hypotheses to be tested and methodologies. Methods could be interviews, surveys and observation.

Data collection – Data should be collected based on the methodology outlined in the research plan.

Data analysis – Based on the information collected analysis techniques will differ according to whether the information is quantitative or qualitative.

Present research results – The information should be tabulated and interpreted so that recommendations can be made regarding the appropriate course of action to take.

When looking for secondary data (data from sources other than your business), sources could include government agencies, trade associations, trade press & magazines, subscription sources, the press, internal company records, international organizations

A tour operator's need to do marketing research will fall into several areas:

Consumer satisfaction – If you regularly receive clients, you will need to get feedback on the satisfaction of the services and products you are selling. This form of research would normally be in the form of a questionnaire that would be distributed to clients prior to their departure. The results of this research should help you to make changes to the way you run your operations to improve satisfaction.

Overseas Operator – To sustain and grow the partnerships you have with foreign operators, you will need to undertake research on their satisfaction with your products and services. It may be that tourists will give feedback to them rather than to you. In which case, again some adjustments may be needed to your operations to ensure that satisfaction levels are maintained. Undertaking research is in itself, a marketing tool. Showing that you actively encourage feedback will impress the clients.

Industry trends – Whether you just subscribe to industry trade magazines or e-newsletters or purchase reports on trends within the international tourism industry, it is important that you have some familiarity on what changes are taking place in the popularity of competing destinations, consumer preference for destinations and growing markets for specific activities.

Market Segments and Channels

The Market Segments and Market Channels Presentation in Section 2 of the Learning Tools will walk you through the steps of understanding market segments and channels. The **Marketing and Distribution Channel Worksheet** that follows it will guide you through the basics of developing a marketing plan.

3.5 Main Marketing Tools

3.5.1 Trade Fairs

Travel fairs and exhibitions can be a highly-cost effective sales and marketing tool combining all the best characteristics of advertising, promotions, direct mail and selling, either through tour operators and travel agents or, in the case of public shows, directly to consumers.

Benefits include direct sales, new product launches, lead generation, penetration of new markets, building and maintaining client/customer relations, market research, database building and networking. Research suggests that more than 80% of visitors to trade fairs are decision makers.

Taking part in a trade fair without first having a clear view of why you are there is an almost certain recipe for failure. Setting objectives is, therefore, an important starting point for any exhibition, giving direction to all aspects of your participation.

Setting your objectives will make it possible to measure objectively the result of the exhibition, instead of making such a judgment merely subjective. At the same time, objectives will help you establish budgetary requirements, motivate your staff and justify your participation next time around. The goals you set for yourself need to be formulated as concretely as possible. They must be realistic, open to evaluation and have a time limit in order to facilitate and provide a firm base for future work.

Possible objectives could include; increase in sales, meeting new clients, obtain market intelligence, launch new products, penetrate a new market, change or enhance company image, carry out market testing and study the activities of competitors.

In order to ensure that your objectives are appropriate and attainable, you need to:

1. Know what you want to sell or communicate
2. Know your target market
3. Quantify your objectives in order to set a goal
4. Ensure your targets are achievable
5. Prioritize your objectives
6. Communicate your objectives to your staff

Once you have defined your main goals, the next step is to give careful consideration to which sector of the travel industry you want to direct your sales and marketing efforts towards. How can you best attract your chosen targets to visit your stand? You could specifically invite companies to the fair, make pre-booked appointments or hold a reception on your stand for selected guests. By staying focused on your target market at all times, you will stand a better-than-average chance of getting your messages across and building new business.

For some, having a stand of their own is the most natural way to participate, while others may find it more desirable or cost-effective to share stand space with others. Sharing with a national airline, a tourism board, a hotel or other tour operator who is not a direct competitor may enhance your presence.

Since most tour operators will wish to work directly with overseas operators, it makes sense that attending wholly public fair would not be in your best interests. Your decision on where to exhibit should be made only after careful consideration of the event, the audience it is likely to attract, its timing and location and the cost, not only of exhibiting but also of attending including meals, accommodation and flights.

In deciding which fair(s) to participate, you should identify all the possibilities, compile as much information as possible; from organizers (attendance figures, breakdown of visitors, etc), cost implications and comments from other exhibitors.

The more information you collect, the easier it will be to cut out those exhibitions that do not match your marketing objectives or your budget. Similarly, timing of the event, the size and importance of their venues and their geographical catchment area will help you reach a decision.

Planning is essential to protect your investment in trade fairs, it is the key to getting the best possible return, to ensure smooth and stress free exhibiting, project a cohesive, positive and memorable message and improve your participation the next time around. Planning for an exhibition should be thorough enough that no surprises crop up during the actual exhibition, the time when all your efforts should be directed towards sales work.

One person in the business should be responsible for making all the arrangements. Most fairs will provide you with a manual which should be fully understood. A timetable should be drawn up highlighting key tasks and deadline dates.

You should draw up a budget for your participation based on the activities you plan to become involved in. The budget should also be linked to the forecasts for the benefits that you expect to achieve. The budget could be broken down into six areas:

Stand space

- Space rental
- Design & construction (for space only stands)
- Displays
- Furniture
- Accessories & equipment
- Electrical installations
- Connections – water, telephone, fax
- Plants & Flowers
- Cleaning & Security Services
- Audiovisual equipment
- Insurance
- Catering
- Incidentals

Transport of materials

- Packing
- Air Shipment
- Insurance
- Customs Fees
- Storage
- Handling charges

Personnel Costs

- Staff transportation
- Accommodation
- Local transportation
- Meal allowances
- Interpreters
- Entertainment

Promotional Costs

- Telephone & Mail marketing
- Brochures & Catalogues printing
- Post fair distribution of materials
- Promotional video
- Press packs
- Translation of material
- Promotional give aways
- Passes for customers
- Advertising in official fair catalogue
- National and international magazine advertising
- Other advertising
- Sponsorship of fair activities

Your stand at a travel fair should make a strong visual impact and convey at a glance who you are and what you have to offer. For most tour operators, the shell scheme option will provide the best option. It will make it easier to present your products and services, is more

cost efficient and minimizes the amount of time you need to spend at the venue during build-up and break down of the exhibition. A shell scheme is a basic framework or shell erected by the organizers appointed contractor on your behalf. Take only the space you need at a fair. If you take too much, you will be left with the problem of having nothing to fill it with.

The location of your stand within the exhibition is important, though with many well-established fairs, you may not have much option. Try to ensure that above all, you have a stand of the right size, properly equipped, containing the right exhibits and staffed by knowledgeable and well-prepared personnel able to negotiate on behalf of your company. If you have the chance to choose the location for your stand, look for the busiest areas of the hall where traffic flow is likely to be high. Also, take into account the location of competitors' stands, location of service and access points (entrances, stairways, feature areas, restaurants).

The design of the stand should reflect the messages that you wish to give to your clients and potential clients. If you want to get your company better known to all visitors then an open eye-catching display is most appropriate. With graphics, they should visualize clearly what you do, have brief messages and promote benefits and not features. Ensure that the messages can be read clearly. Remember that if you choose a shell scheme you will still need to decorate it. A shell scheme will normally include a signboard, basic furniture, carpet and electrical connections. It will not do anything to promote your company.

If an exhibition organizer does its job properly, it will deliver thousands of potential clients to the exhibition halls. What it will not do and cannot do is persuade those buyers to visit your stand, rather than those of your competitors. That is your job and your organization is the only one that stands to lose out if you do not do it.

It is important to inform your target audience that you are exhibiting and about your profile at the show. You will also invite them to the stand and set up specific appointments with them. The key to effective promotion is to match your promotional strategy to your exhibition objectives; to coordinate your activities carefully; to explore all available avenues for promotion before, during and after the event and to heed all deadlines.

In order to promote your attendance before and during the fair, you could consider:

- advertising in trade magazines and newspapers
- undertaking direct mail
- sponsoring fair events or merchandise
- incentives and small give aways
- advertising in fair catalogue

The number of staff required to man the stand depends upon the size of your stand, the number of leads anticipated and facilities and activities on the stand. As a rule, you should allow one staff member per 4-5 square meters of floor space, this being the space required to allow two people to conduct a conversation comfortably. One person should be in charge and in attendance at the show all the time. Make sure that the staff on your stand really are friendly, approachable and well informed in the company products and services. Staff training and briefing are essential to exhibition success; training in encouraging visitors on to the stand, how to open and close a conversation, how to qualify visitors and the impact of body language. Also make sure that your staff know what they should be selling and how. The stand should be manned at all times and should be kept tidy.

The essence of sales technique is firstly to arouse interest of the prospects and discover his/her needs or problems. Then steer the conversation towards the way your products or

services can solve these. Every person with whom you come into contact then receives individual attention depending on need.

The following sales techniques are important:

1. Concentrate on people in your target markets
2. Present briefly yourself and your product
3. Chart the customer's needs and desires
4. Steer the conversation towards the customer's needs and how your product/service satisfies these
5. In all cases, make a note of the person's name, company, address etc and follow up after the fair, giving additional information and/or making your offer

The visitor information you capture at exhibitions and the way it is recorded, will have a direct effect on the speed and efficiency with which you follow up your leads. Only collecting business cards is not an effective way to compile visitor information, even if you do scribble action points on the back.

There are four steps to an effective follow-up after the fair:

- 1) Prioritize leads according to urgency
- 2) Follow up leads immediately
- 3) Pursue leads on an ongoing basis
- 4) Track leads to provide some measure of return on investment

When measuring the effectiveness of exhibition participation, there are two areas you need to look at. Firstly, the extent to which you achieved your specific objectives and secondly the extent to which the exercise proved cost effective. Look at the value of sales achieved, the number of qualified leads, the number of new contacts made, the level of awareness before and after the show, the number of promotional materials distributed, the media coverage generated, the value of market research undertaken and other benefits.

The following is a suggested timetable of activities that may need to be undertaken when planning participation at a fair

10-12 Months before the fair

- Make an initial selection of the itineraries and services that you will be selling
- Calculate how much space you will require
- Go over documentation from previous editions of the fair, if you were present at them
- Draw up an initial budget
- Get in contact with the fair organizers to let them know that you are interested in participating and request your space pre-registration
- Examine the fair's rules and regulations
- Fill out and submit the pre-registration and request information on promotional activities

8-10 Months before the fair

- Draw up a plan and budget for the promotional activities organized prior to the fair
- Budget for post-fair promotional activities
- Decide on which information and sales material you will need
- Analyze your needs for other material and where appropriate, design and develop it
- Make allowances for trips and book tickets
- Provide for accommodation and make reservations

6-8 Months before the fair

- Design a support advertising campaign, objectives and timeframe

- Launch the information campaign aimed at customers and trade media
- Coordinate promotional activities with the fair organizers
- Order promotional articles that will be handed out during the fair
- Anticipate and organize logistics and transport tasks
- Define the decoration, atmosphere and identity of your stand

4-6 Months before the fair

- Coordinate planned activities with programs and fair regulations – stand build up, advertising material, promotional material, miscellaneous activities
- Identify new prospective clients and send them information
- Order fair organizational services, external services, insurance
- Design incentives for attracting visitors to the stand

2-4 Months before the fair

- Intensify marketing actions to attract visitors
- Select and allocate functions to the personnel that will be present on the stand and decide if you need to train staff in sales, train staff in corporate image, conduct practice sessions with products and sales arguments, instruct external personnel,
- Send information for the fair catalogue
- Check if periodic payments have been settled with the fair organizers

0-2 Months before the fair

- Check the materials that should be taken to the fair – office materials, sales material, give aways
- Organize press activities (conferences, invitations)
- Distribute information on new products, etc to technical magazines and the fair's press office
- Send out passes and invitations to customers
- Collect information on the seminars and conferences that are being organized
- Prepare a form for registering the details provided by visitors that come to your stand

During stand build up & fair

- Build up the stand as soon as possible
- Checklist in hand, make sure that none of the elements, materials or services ordered for the stand are missing
- - Locate the fair organization's offices and services
- On a daily basis, supervise stand cleaning, stocks of promotional materials
- Exchange information with other staff on a regular basis
- Gather competitor information, make notes and compare with equivalent aspects in your own company

After the fair

- Supervise stand break down and packing of material and equipment
- Organize the transport of material, equipment and products
- Arrange a meeting with all personnel involved in the project to analyze results
- Launch actions for following-up leads generated at the fair

3.5.2 Brochures and Printed Materials

As we stated earlier, a tour operator's brochure is important because of the intangible nature of the product that is being sold. The brochure should invite people to buy the itineraries it advertises, provide the information necessary to persuade the client to purchase a holiday and create and reinforce the company's image with its clients.

Most brochures are designed to an A4 format in Europe and Letter size in the US so the size of your brochure will be important according to the market you are targeting.

Most brochures are printed on glossy colored paper. The bigger the brochure, the flimsier the paper it is printed on tends to be, both to keep down production costs and to stop it becoming unmanageably heavy. Pull out price pages are normally printed on cheap colored paper. Some companies will also have slightly thicker front covers to protect the brochures in transit and on the shelves, and to create a better image.

Although many operators will produce full color brochures, it is cheaper to choose fewer colors. A full color brochure could include some pages that are one or two color (those pages used for terms and conditions, booking information, etc) to cut down costs. Color is important. Bright colors usually signify cheaper tours. Pale and dark colors signify more expensive tours.

Every brochure should contain clear, legible, comprehensive and accurate information to enable the client to exercise an informed judgment in making his choice. Content could include:

- 1) A company's legal identity
- 2) Means of travel
- 3) Destinations or itineraries
- 4) Dates of fixed departures (if you have them)
- 5) Nature of accommodation and meal facilities
- 6) Additional facilities
- 7) Booking conditions
- 8) Insurance details
- 9) Price policy
- 10) Health matters
- 11) Arbitration
- 12) Publication date
- 13) Difficulty ratings
- 14) Maps
- 15) Pictures of attractions, accommodations or previous clients

Of course the content of your brochures may vary according to whether you are targeting the travel trade or consumers. If you are selling tours in Europe, you may like to familiarize yourself with the EC Package Travel Regulations that outlines how European tour operators must present their information and what brochures must include.

The front cover of the brochure is particularly important since it is what the client will see first of all. The cover must therefore be designed to be eye-catching but must simultaneously convey certain crucial messages. It should show the company name and a logo. The choice of picture can make it clear what sort of product is on offer and also for whom the product is aimed at. The more expensive and exotic the product on offer, the less likely it is to show clients on the cover at all, preferring to concentrate on what they will see at their chosen destination.

The main part of the brochure should be clearly structured so that clients can easily identify the information they require. A contents page may be appropriate for brochures with many pages. Colored borders for pages also help in this regard. General information is usually found at the rear of the brochure. This would include guidelines for making bookings; information on what is included in the price, insurance and cancellation policies, a booking form, and health and visa requirements.

If there are suitable destination marketing materials available that provide much of the destination information, then a company's promotional materials can focus more on their own particular itineraries.

The text of a brochure needs careful consideration. Firstly, there should be no grammatical or spelling mistakes. Secondly, the text should present your products in a way that will make them appealing to potential customers. For Croatian operators, the text should emphasize the beauty of the nature and uniqueness of the culture, history, cuisine, architecture, etc. as well as the prospects for adventure, good sailing, or outdoor sports. Many brochures will also use "you", "we" and "our" to emphasize the central role of clients and their needs and how 'at home' they will feel even though they are abroad.

Photographs have the same purpose of the text, to portray the destination and products in a positive light. The photographs should complement the text and be relevant to it. Obviously the photos should be of a high quality in terms of resolution. Also, they need to be professional. It would not be appropriate for example to have pictures of clients wearing raincoats standing on a cloudy beach. There should be a good use of color. Many brochures will use pictures of previous clients enjoying themselves, inviting would-be buyers to imagine themselves in their place. If you use pictures of previous clients be sure that the clients are typical of those you are trying to attract

3.5.3 Websites:

A Well designed website will contain much the same information as a well conceptualized brochure. The difference here is that you have much more room for photos, and your use of color is limited only to the web palette of colors likely to display well on most monitors. You can also make inquiries, bookings, and other interactive functions easy for customers by using web forms, online reservations and payment, etc. Hundreds of websites exist with excellent features. Search (Google) company websites in your line of business and see which features you think are best, and try to integrate these features into your site planning. Have a professional web developer do your site, and insist that current standards be used in the coding of your website. Because most search engines give sites using frames poorer rankings, for example, most new websites are now laid out using CSS, which also makes them faster to load. Decide if you will use HTML or XHTML, make sure the site is viewable in the most popular browsers (IE, Firefox, Netscape, and Opera are just a few). Finally, make sure you do a good job of search engine optimization.

Search Engine Optimization

Search engines are your customer's vehicle of choice for finding web sites. The top 10 search engines outrank banner advertising and all other forms of media in delivering qualified site visitors. Studies show that consumers are 5 times more likely to purchase goods or services as a result of finding a site through a search engine listing rather than a banner advertisement.

Unfortunately, there is no magic formula to consistently guarantee you top ranking with the engines. Most of the search engines use different ranking formulas, and what works well at one site this month, may not work well the next. Many things alter your site ranking, new sites may have been added to the index, one of your competitors may have resubmitted with a new strategy or, as frequently occurs, the search engine may have changed its programming. The following tips should help you get started, but it's a good idea to review quarterly your search engine rankings and update your information on how various search engines are ranking websites.

Titles & Keywords:

The first rule to remember is: **The <TITLE> tag content is the most important element for scoring well on most search engines.** The first thing most Search Engines look for are the keywords that are contained in the Title tags of your web page. Secondly, you should not

lose sight of the fact that you are attempting to provide accurate information about your product or service to your client or customer.

Step 1: Construct a list of all of the keywords and keyphrases that your customer is most likely to use when searching for your site. Run searches on these keywords. Make a list of the sites that come up in the top ten positions – this is your competition. Use <http://www.google rankings.com/> to check keyword rankings.

Step 2: Visit the sites of your competitors and view the source code in your browser (Click on View and then scroll down to Source and click on it). Look at the keywords and keyphrases that they are using effectively and add them to your list if they are relevant.

Step 3: With your list in hand go to the keywords page and use the tools in the keyword tool kit to refine your list. This critical step can be challenging. However, the work you put into the job at this point – narrowing and focusing your keywords - will be very productive in the end. The Google Ad Words tools will tell you (for free) which are the most popular keywords.

Step 4: Sort your words and phrases in order of relevancy.

Step 5: Place your keywords in order of relevancy in the title of your page:

<title>most important keyword, second most important, third most important </title>

Things not to do: Do not repeat your keywords – most search engines will penalize you for "keyword stuffing." Keep your list under 30 keywords or phrases and highly prioritized. Do not use keywords that will not frequently appear in the "body" of your page(s). If you use non relevant keywords – words that do not appear in your page at all – you will be penalized.

Keyword Density: The **placement** of "keyword text" on your web page before your images is important because search engines don't value images. They are looking for text. Place meaningful keyword text at the top of your page before your image(s)

It is very important that your keywords are **relevant** to the contents of your web page. Your title must be relevant to these keywords and your web site must be relevant to both the content between your <title> tags as well as the keywords that you're using in your body text.

The next step is to analyze your page's keyword **density**. Keywords and key-phrases need to be placed as frequently as possible in the body of your page - that is, between the <body> </body> tags, and remember - keywords in graphics can't be seen by a search engine "crawling" your site. The number of times your keywords appear in the body of your page will be compared to the keywords in your <meta> tags and a score for relevancy will be generated. Bottom line, the more times you use your keywords on your page the higher the score for density will be.

Don't do this!

"**Spamdexing**" - i.e., repeating keywords over and over in text at the top of the page and/or at the bottom of the page in very small letters, i.e. or headline <H6>. Most search engines will drop your ranking even if the keywords are relevant and stuffing irrelevant keywords into your pages will likely get your domain banned from most search engines.

Invisible text: many search engines automatically reject any pages having the same *exact* background color as the font color. *Note: one way around this, is to use very similar colors but NOT exact colors.*

Simply installing <META> tags is not enough to insure top positioning for your web pages.

Meta Tags are the text added to your HTML code between the <HEAD> and </HEAD> tags that tell Search Engines what is in your web page so that it can be indexed. There was a

time when carefully crafted meta tags would generate "first page" exposure – this technique no longer guarantees top page ranking. However, when a Search Engine uses the description tag as a "summary" for your page there is a great marketing opportunity. Using a <META> description gives you some degree of control over how the search engine "presents" your link to the viewing public.

Sample Meta Tags:

```
<HTML>
<HEAD>
<TITLE>Active Adventures In Croatia</TITLE>
<META name="description" content="Adventure tours in Croatia, fixed departures and
custom tours, biking specialists.">
<META name="keywords" content="adventure, travel, sports, croatia, biking, tourism, tours,
custom tours">
</HEAD>
```

The "description" tag:

The "description" is used by some SE's as the "summary" for this web site. That means that people will see it... and use it to decide whether or not to "click" on this link.

Note: 250 characters Max. (counting all spaces and periods) in Meta "description".

The "keyword" tag:

The META "keywords" are seen only by the Search Engines. Be careful that you do not repeat your keywords too many times. In some cases, one to three times is the limit.

Note: 1000 characters Max. (counting all spaces and periods) in Meta "keywords".

Things not to do:

Do not try to trick the search engines with words & phrases that are unrelated to the content of your web site with META tags. Some search engines may refuse to even list your site if you use unrelated keywords or repeat the same keywords within the meta tags too many times.

It is common knowledge that the old "same color font as background trick" no longer works, and neither does hiding keywords in comment tags: <!--keywords--> In fact, both of these techniques are being penalized at all search engines. A good general rule is: if you can't see it on the page and it isn't part of the <meta>, <title>, or in the image tag "alt" attribute forget it! You will only lower your ranking, or in certain circumstances generate an outright ban for your domain for up to six months.

Repeating Keywords over and over on most search engines will cause your pages to be penalized or rejected by the search engines – don't do it.

Using dynamic content like Macromedia's Flash and Swish: These deliver beautifully complex and interactive animation and navigation while conserving bandwidth. However, they cause no end of problems when it comes to search engine placement and optimization. Search engines don't like to index your Flash movie or index your .ASP catalog or read your JavaScript. Even something as simple as sites built using frames can cause your page ranking to be much lower than it should. There is a way around this using Z-order and cascading style sheets (CSS). The Z Order allows you to place content on top of other content. Since only the content on top is viewable, you could place an un-indexable FLASH movie on top of an easy to index layer containing all of your relevant text content. (Z Order may not work on some browsers, so be sure to test extensively.)

Using frames: If you are using frame sets you need to research the [<no frames>](#) tag. When a search engine crawls your site it will read the content in the no frames page and your site visitors will see your site as they normally do. Your no frames page can be specifically developed for good search engine ranking, with high keyword density and indexable links. Please remember that your no frames content must be relevant to the content on your site, or you may be removed from the search engine on a manual review.

Search engines don't read JavaScript. Extensive use of JavaScript on a page will dilute your keyword density and negatively affect your search engine ranking.

Generated Pages: In general, if a URL is using the ?, % or other similar "extended" characters, search engines will not automatically crawl your Web site with out you paying for submitting specific pages for indexing. The submission requirement is to protect the crawler from becoming trapped in an endless series of loops inside of a site. Google is the exception and freely crawls dynamic pages, but will only go one level deep into a dynamic web site. If the content you need to have indexed is below that you have a problem.

What you can do:

The best way to "stuff" keywords today requires that you work them into *regular sentences* as much as possible, increasing the frequency to the point that your keywords and phrases blend to create the desired "keyword density mix". <http://www.searchenginewriting.com/writehomepage.shtml>. You can test your keyword density using the keyword density tracker on Google.com

Always include the **ALT="A list of my keywords"** in your tags. Here's an example:

By analyzing your competitors' HTML code and studying their page setup and design, you'll gain valuable information to fine tune your site .

Keep in mind that achieving consistently high ranked web sites involves more than just your page tags and formatting. Keyword density and relevant links from other high-ranking sites also play a major role in search engine success.

The November Issue of [PlanetOcean Communications Search Engine News](#) reports that **Google** and **Overture** account for (at least) the top three (3) results on all of the following portals:

AllTheWeb.com (aka, FAST)

AltaVista

AOL search

AT&T (ISP)

Earthlink (ISP)

Excite

Go.com

Google

Infospace

lwon.com

Lycos

MSN

Netscape

Sympatico.ca (Canada)

Yahoo

- as well as hundred of minor search sites

In contrast, the remaining seven major search sites collectively only score top listings at **ODP**, **LookSmart** and **Ask Jeeves**.

It is obvious that your emphasis should be on getting top placement at **Google** and using **Overture** for paid placement. **Google** assigns relevancy to pages based on their proprietary (and changeable) algorithm that weighs in the following elements: page content, page title, keywords in URL, link content, page reputation, incoming links and page rank score. Achieving high Page Ranking and Reputation is the most critical component of **Google's** formula and is dependent on the Web pages that are linking to your site.

1. Overture <http://www.overture.com>

Nothing will get you traffic faster than Overture. This is the best place to experimentally tune your keywords and advertising copy.

2. Google <http://www.google.com/addurl.html>

Rapidly becoming the search engine of choice, Google assigns more relevancy to pages with lots of relevant links and lots of relevant "clicks". You need to spend time requesting links from other sites related to your product or service. Google's AdWords program will help build "click" relevancy for your pages.

3. ODP -- The Open Directory Project <http://www.dmoz.org>

Volunteers run the ODP directory and getting your site listed can be challenging. Your search rankings at AOL will be boosted by an ODP listing.

4 Product Development

4.1 Developing a Product

In designing a tourism product, you want to put together all the information you have collected about your target market and clients. **The Product Development and Planning Sheet**, in Section 3 of the Learning Tools, will help you organize the information. Once you have the facts laid out using the worksheet, developing an itinerary is the next step. Use the template provided (**Product Development Planning Part 2**) to lay out an itinerary with all the details. A Sample Itinerary is included in the Learning Tools. Studying the itineraries of leading outbound tour operators will give you many ideas about how to improve your own, but this is largely a creative process, and this manual cannot lead you through it step by step. Rather, the feedback you get from clients and outbound tour operators should guide you in continually improving your itineraries. Pricing your product is a process unique to each company. The **Pricing Spreadsheet** that is given as an example is only one way to go about pricing a product. You will have to develop your own spreadsheet or tool that is adapted to your products and services. Just make sure you review all the possible costs associated with each itinerary and ensure you have accounted for them.

4.2 Operations and Management

Once you have your products designed, you should ensure that you are set up to operate your tours when they sell, and to manage your business so that your trips run smoothly, the service you give is of good quality, and you have sufficient resources to serve your clients. This manual is not intended to teach you the details of running a small business, but **Operations Workflow and Management**, in Section 4 of the Learning Tools, gives you an illustration of the basic workflow of an outbound tour operator, and some tips on how to organize your operations. If you have a background in small business, it will be easy to adapt this information to setting up a tour company operation. There are some key issues that new tour operators should pay attention to when starting operations. These are listed below.

4.2.1 Key Issues for New Companies

1. Keeping Track - Set up an efficient documentation and filing system before you get much business. It takes too much time to fix it later.
2. Safety – client safety should be your absolute first priority. Train all trip staff in first aid (accredited course like Red Cross).
3. Liability Insurance – Products sold in the EU must be backed by Errors and Omissions insurance. You should carry liability insurance for this and for Product Liability. Consider whether you need Employers Liability and insurance on your equipment.

4. Terms and Conditions – In some cases, clients should sign a document accepting the risks of travel and releasing the tour operator from liability in case of accident and other unplanned events (lost time from delays, trip cancellation due to forces of nature, etc.) Spend a lot of time on your Terms & Conditions document.
5. Travelers Insurance – In most cases, require your clients have valid travelers health and accident insurance that also covers emergency evacuation. You should collect at the start of the trip a copy of this and of their passport.
6. Service Providers – If possible, have multiple service providers identified for each service that is offered as part of your published trips.
7. Hiring staff (esp. guides) – an experienced guide from another company is not always the best solution.
8. Staff training - is EVERY YEAR no matter how long the employee has been in the business. Learning new skills is an ongoing process and you should have refresher courses prior to each season.
9. The Guide or Trip Leader - is the most important person to the client since they are in contact every day for several days. The client doesn't care about the company director, president, manager. Guides must be able to solve most problems ON THE SPOT, without help from you.
10. Focus on Your Business: If you are a tour operator, don't try to run a hotel, ticketing agency, and restaurant as part of that business.
11. Ticketing Agent: A good agent or agency handling your air tickets is worth their weight in gold. If the client can't get to Croatia they are not coming on your trip. Eventually you may need ticketing agents in your major markets.
12. Response Time: The MOST IMPORTANT factor of getting good business is answering inquiries quickly – and answering the questions the client ASKED!!!!!! Excellent = same day, good = 24 to 48 hours. Over 48 hours = lost client in most cases.
13. Service Providers often need to be educated about the tourism business (eg. hotels that ask for full advance payment)
14. Make sure your contract with the service provider lays out rates and terms for the whole season – or you will not be able to respond quickly to requests.
15. Some service providers are very difficult to work with. Often if they see you are taking clients to another service provider they will make an effort to change.
16. Keep service providers informed about your operations and the markets you serve. Give them client feedback from your trips, so they can also work to improve their services.

5 Working with Outbound Operators

You are ready to begin contacting outbound operators and agents you have found as part of your marketing research. Don't forget to refer to the specialty travel indexes provided in Travel Research Links in the Tools. Here are some tips on working with outbound operators.

5.1.1 First Do Homework

1. Before approaching an operator, study their product well.
2. Make sure if you contact them your communication indicates that you understand in general their product type, travel style, and how their itineraries are set up.
3. Make sure you have something of interest to offer them (not already in their catalog), so they will be more disposed to answering your questions.
4. Do not be afraid of asking questions to clarify their requirements. The operator should understand you seek to improve your product offering to them. It is better to ask than to most tour operators expect a certain amount of back and forth before getting the right trip.

5.1.2 Getting in the Door

1. Sending interesting product descriptions with photos and prices is often effective. Save them time and effort.
2. A familiarization trip is the best way to attract AND repel clients. The outcome will depend on how well you have done your homework and prepared for the visit.
3. Travel fairs are NOT the best place to meet people... it's where people come find you. Try and schedule meetings with your targeted operators before or after the fair – or making a separate trip.
4. Using the right terms is an indication of how easy you will be to work with. Make an effort to learn the terminology of the business.
(see <http://www.hometravelagency.com/dictionary/>)

5.1.3 Establishing Relationships

1. Signing a contract for one or more trips a season is the first step in the relationship.
2. Offer reliable service
3. Be flexible when you can
4. Offer something new every year that helps them sell their trips.
5. Stick to the terms of the contract you have signed. If you must change something, wait until the contract is up for renewal and give good reasons for the change.
6. Take client feedback seriously, and respond in a positive and appropriate manner. No responses or argumentative ones, and business will go elsewhere.

5.1.4 Building Relationships

1. Take clients on your trips – especially if they do not use their own trip leaders and do not get to experience the product first hand.
2. Visit clients in their offices when you have a chance, and get to know the staff there.
3. Pass on discounts or cost savings when appropriate.
4. If you sell an itinerary as an exclusive, ensure that you do not offer the same trip to another client.
5. Treat their traveler information as privileged. Never use it for direct marketing or to “steal clients”. Word will get around faster than you can imagine.
6. Make it as easy as possible for them to book with you.

5.1.5 Building Relationships

1. Working well with their trip leaders is an excellent way to build your trip portfolio with any operator. Take trip leaders on mini fam trips if you can keep them in country a few extra days.
2. Always inform the client of any problems as they arise, and steps you are taking to resolve them. If you cannot reach the client, take detailed notes so you can give a good accounting of your actions in case of problems or emergencies.
3. Always take responsibility for any mistakes made by your office or your staff. If you are honest and bring up problems first, your client will see the incident in a far better light.

5.1.6 Tips

1. For every itinerary you send, detail what is included in the price and what is excluded.
2. Calculate price breaks according to pax breaks used by your client.
3. Usually, a trip leader position is offered FOC – this does not mean you pay for their trip leader to travel. It means the cost is already factored in to your pax breaks.

4. If there are changes, always send a new itinerary with a different reference number – in PDF form or by fax. The client should agree in writing and reference this number. This will help avoid any misunderstanding.

5.1.7 Unpleasant Surprises

1. Serious operators do not ask you to pay airfare.
2. Operators who put continuous downward pressure on prices may not be serious about quality. Selling trips with very low margins does not help your business.
3. Try and check out operators to ensure they are reputable before offering fam trips or giving away detailed information.
4. Be prepared to have any itinerary you publish get copied – and purchased from another cheaper supplier. That's life in the business!
5. Contact lists are gold – keep them secure.
6. Before making big non-refundable deposits on a trip with a new customer, run a credit check.

5.2 Continuous Improvement

Finally, as your business develops, you will want to continually improve your product and service. Remember the section on Being Competitive? Using what you know now about competitive products and the simple **Gap Analysis Tool** in Section 5 of the Learning Tools, you will be able to build a stronger business year by year.

6 Learning Tools

6.1 Section 1: Travel Research Links

GENERAL TRENDS AND MARKET RESEARCH

Waksberg Tourism Research Links: Links to web resources for tourism research, schools, publications, call for papers, jobs, technology, and consultants.

<http://www.waksberg.com/>

Travel and Tourism Research Association: Large, categorized searchable research article database. Requires membership, from \$45 (student) on up.

<http://www.ttra.com/>

World Tourism Directory: Thorough, regularly updated resource for contact information of organizations and businesses associated with tourism, organized by country.

<http://www.worldtourismdirectory.com/>

World Tourism Organization: Their tri-yearly "Barometer" publication is a good source of data for international arrivals and expenditures by country, and for market outlook surveys of tourism professionals. Subscriptions are paid, but the previous trimesters' reports are made available for free download.

<http://www.world-tourism.org/>

World Travel and Tourism Council: The WTTC maintains a media and resources page and publishes several country-specific publications of research and recommendations each year. They have also recently developed a document called the "Blueprint for New Tourism".

<http://wttc.org/>

The Travel Industry World Yearbook—The Big Picture : This yearbook covers the main events in the tourism industry and provides statistics and analysis by region, country, and industry sectors. Partial content of the previous years' publication is available online.

<http://www.travelbigpicture.com/>

International Market Research Reports: Very reasonably priced reports on countries, regions, and sectors of the tourism industry.

<http://www.internationalbusinessstrategies.com/>

List of international tourism boards: The Culturaltravels.com portal site maintains an extensive, searchable list of trips by theme and activity, and tourism boards from most every country. Tourism boards are good sources of research and statistics.

<http://culturaltravels.com/>

Traveldailynews.com: This news site maintains a research and statistics section.

<http://traveldailynews.com/>

Worldinformation.com: A huge repository of tourism-related and general facts about countries, news, international economic statistics, lists of tourism-related associations, and more.

<http://www.worldinformation.com>

PRODUCT RESEARCH

Specialty Travel: Features link to specialty travel providers and websites that feature specialty travel.

<http://www.specialtytravel.com>

Specialty Travel Directories:

www.google.com/Top/Recreation/Travel/Specialty_Travel/

http://dmoz.org/Recreation/Travel/Specialty_Travel/

<http://www.itravelnet.com/specialtytravel.html>

Special Interest Trip Directory: The Culturaltravels.com portal site maintains an extensive, searchable list of trips by theme and activity.

<http://culturaltravels.com/>

Eco-tourism directory: The International Eco Tourism Society website has a membership list of companies specialized in eco-tourism.

<http://www.ecotourism.org>

Eco Travel: Planeta has information on eco travel trends and a directory of tour operators specialized in eco tours.

<http://planeta.com/>

Food Tours: Food Reference: Contains many educational resources on food tours, wine tours, and gourmet cooking tours.

<http://www.foodreference.com/html/culinary-tours-gourmet-tours.html>

World Travel Guide: Destinations and Attractions, as well as guides to tours.

<http://www.worldtravelguide.net/>

TRIP PORTALS

I Explore: Trip finders, travel guides, reviews, and journals.

<http://www.iexplore.com/>

Away: One of the net's largest travel portals.

<http://away.com/index.html>

Orbitz: Beach and luxury vacations, among others:

<http://www.orbitz.com>

GORP, a division of Away specialized in adventure travel.

<http://gorptravel.away.com>

Adventure Engine: Specialty travel reseller.

<http://adventureengine.com/>

GoNOMAD: offers destination guides, photo galleries, directories and thousands of listings of tour operators, small hotels, and travel resources. www.gonomad.com

BootsnAll Travel Network:

<http://www.bootsnall.com>

Travel Bag: Handles more well known destinations.

<http://www.travelbag.co.uk>



MARKET SEGMENTS AND MARKET CHANNELS



The Marketing Process

- Market Segmentation
- Develop Consumer Profile in each Market Segment
- Determining the Attractiveness of each Market Segment
- Selecting Target Markets
- Develop Positioning Strategy for each Target Market
- Develop Marketing Mix for each Target Market – the 4P's!



What is Market Segmentation?

“The process of dividing a total market, such as all visitors, or a market sector, such as holiday travel, into subgroups or segments of the total for marketing management purposes”



The Purpose of Market Segmentation

“To facilitate more cost effective marketing, through the design, promotion and delivery of purpose-designed products, aimed at satisfying the identified needs of target groups”

- To develop the product to satisfy specific needs
- To identify where and how to sell the product
- To judge if and how to mix different segments together

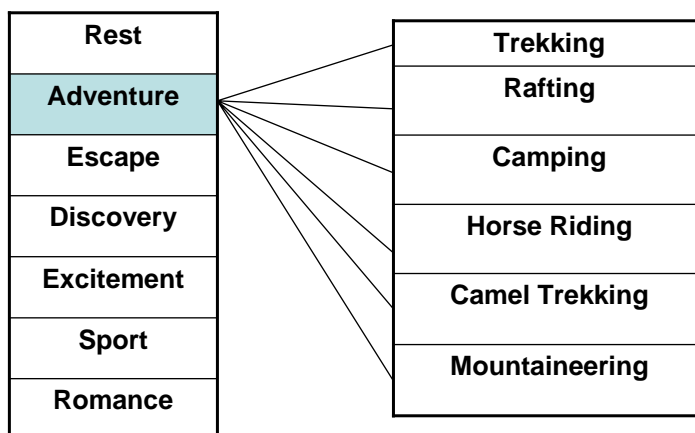


Methods Used To Segment Markets

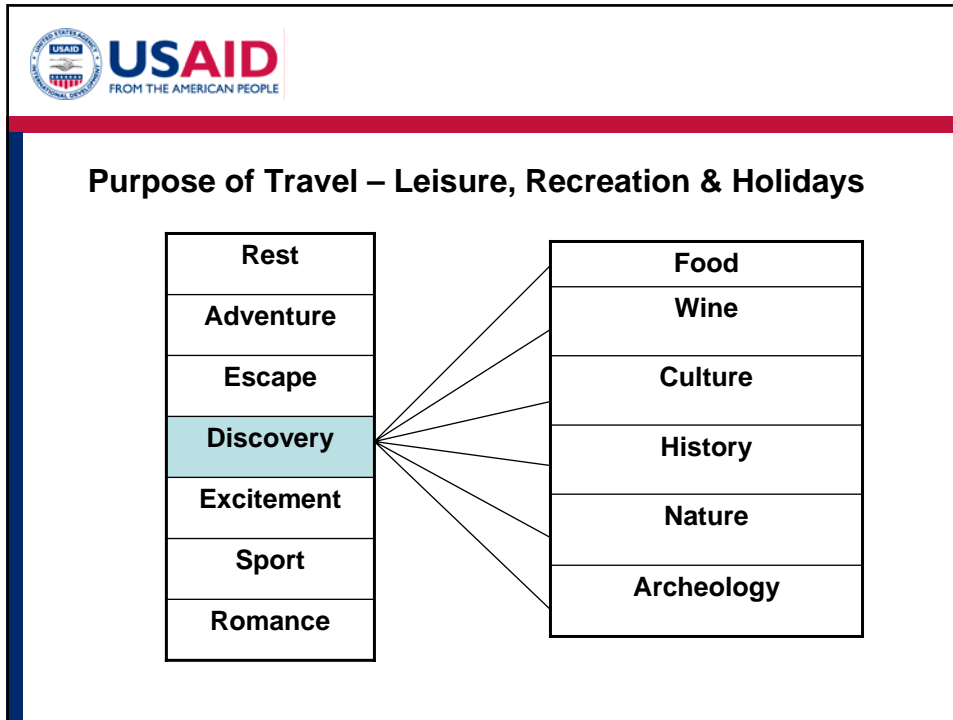
- Purpose of Travel
- Buyer needs, motivations & benefits sought
- Buyer or user characteristics
- Demographic, economic & geographic characteristics
- Psychographic characteristics
- Geodemographic characteristics
- Price




Purpose of Travel – Leisure, Recreation & Holidays

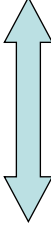


Section 2: Market Segments and Market Channels Presentation



 **USAID**
FROM THE AMERICAN PEOPLE

Classification of Tourists

Independent Travelers  Mass Travelers	Drifter Explorer	Adventurer in search of novelty, avoids organized travel and tourism
	Individual Mass Tourist	Individual travel arrangements made to destinations which are better known, more familiar
	Organized Mass Tourist	Package tours, seeks familiarity, organized events, comforting group



Buyer needs, motivations and benefits sought

- Meet and mix with people
- Try new foods
- Adventurous activities
- New environment
- Luxury
- Different culture
- Relaxation
- Entertainment/Nightlife



Buyer or User Characteristics

- Frequency of Use
- Visitor Expenditure
- Brand Loyalty
- Price
- Convenience
- Availability
- Information sources
- Booking Processes
- Consumption Patterns

Section 2: Market Segments and Market Channels Presentation



Demographic, Economic and Geographic Characteristics

- Age
- Sex
- Occupation
- Social Class
- Income
- Place of Residence
- Life Cycle



Psychographic Characteristics

- Seek Adventure
- Enjoy Risks
- Challenges
- Comforts
- Active Holidays
- Culture Seekers
- Seek Open Space



Geo-demographic Characteristics

- Based on the type of accommodation people live in and where in a country they live
 - Modern family housing, higher incomes
 - Council estates
 - Agricultural areas
 - High status non-family areas
 - Retirement areas
 - Multi racial areas



Price

- Budget
 - Middle
 - Expensive
 - Relates to service
 - Facilities
 - Transport
 - Activities
- **NOTE THAT NOT ALL HIGH INCOME GROUPS SPEND HIGHLY ON HOLIDAYS!!**



Market Segments for Croatian Tour Operators

- What are the major segments targeted by Croatian tour operators?
- Are there any segments not being penetrated fully?
- What activities could you offer to people within these segments?



Consumer Profiles

Specialist tour operator - arranging coast to coast adventure camping holidays in North America.

Consumers are:

- single people of both sexes aged from 18-40 years
- belonging to socio-economic groups B, C1 and C2.
- live in privately-owned accommodation
- attracted from developed countries in Europe, South Africa, the Far East and Australasia.
- motivated by the chance to see as much of America as possible, at a reasonable cost, with like-minded people.
- enjoy the outdoor life, group-living, and are looking for excitement and adventure
- believe that the company offers good-value-for-money, and is a reliable tour operator.



Determining the Attractiveness of each Market Segment

- Growth rate of market segment
- Size of market segment
- Number of existing competitors & their market share
- Profitability of other companies in the same segment
- Costs involved in entering the market
- Ease of communicating with the sector
- Necessary resource availability for the segment
- External Influences



Selecting the Target Markets

- Large tour operators often appeal to the mass market, can face fierce competition and gain small profit margins
- Small tour operators often develop small 'niche' markets, face less competition and gain larger profit margins



Developing a Positioning Strategy for each Target Market

- Product or company positioning is the process whereby the company decides upon the image it would like consumers to have of its product or itself
- A strategy is then designed that will lead to this desired image being established in the minds of consumers



Developing a Marketing Mix for each Target Market

- Product
- Promotion
- Price
- Place – MARKET CHANNELS



What is a Market Channel

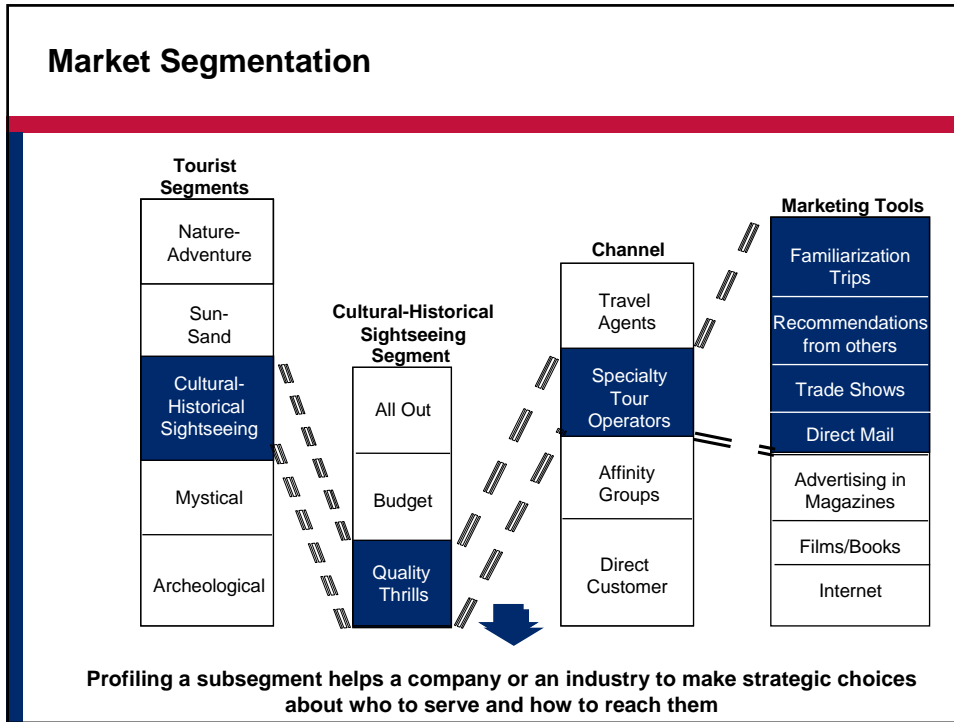
- A Market Channel is “Any organized and serviced system, created or utilized to provide convenient points of sale and/or access to consumers, away from the location of production and consumption, and paid for out of marketing budgets.”
- A pipeline through which a targeted volume of sales will flow



Roles of Marketing Channels

- To extend the number of points of sale or access, away from the location at which services are performed or delivered
- To facilitate the purchase of products in advance of their production

Section 2: Market Segments and Market Channels Presentation





Marketing Channels in the Tourism Industry

Tour Operator acts as retailer at own location	TO – Customer on Tour Operators Premises
Tour Operator acts as retailer via reservation system	TO – Customer at Home
Tour Operator owns and operates the distribution system	TO – Owned Retail Outlets – Customer on Tour Operators Premises
Tour Operator pays commission to retailer	TO – Independent Retail Outlet – Customer on Retailers Premises
Tour Operator negotiates bulk sale or allocation of production to another tour operator or agency	TO – Tour Operator/Wholesaler – Independent Retail Outlet – Customer on Retailer's Premises



Functions of Marketing Channels

- Points of sale and convenient customer access, either for immediate purchase or for booking in advance
- Distribution of product information such as brochures and leaflets
- Display and merchandising opportunities
- Advice and purchase assistance
- Arranging transfer of tickets & documentation
- Receiving and transmitting sales revenue to tour operators
- Provision of ancillary services – insurance, etc.
- Source of marketing intelligence for Tour Operators
- Supplement Tour Operators promotional activities
- Receiving and assisting with complaints from customers



Fixed & Variable Costs of Marketing Channels

- Installing reservation systems, computers, software, staff dealing with enquiries
- Brochure production, distribution, maintaining supplies at point of sale
- Sales promotion incentives aimed at motivating retailers and other points of sale
- Support visits to distribution intermediaries
- Maintaining and motivating a sales force to negotiate agreements with intermediaries
- Workshops organized in support of distributor systems and staff training



Market Research on Outbound Tour Operators

- Internet Searches
- Contact with Tour Operator Associations
- Contact with foreign embassies and consulates
- Visits to travel fairs and exhibitions
- Foreign travel trade publications
- Foreign newspapers

Marketing and Distribution Channels

How important is it for clients to have direct contact with your company, considering the types of tours you sell? If you offer trips of the type where clients are likely to have many specific questions, either you should be taking inquiries directly or your resellers should be very knowledgeable about the product. Specialized tour operators or carefully selected agents are your best options.

MM = Mass media (television advertisements, newspapers, magazines, etc.)

DM = Direct Mailings (Offers mailed to individuals)

SP = Special Publications - usually special interest magazines or membership newsletters mailed by clubs, etc.

TA = Travel Agencies – walk-in or online, promoting different products or destinations.

TO = Tour Operators – usually specialized in a particular product or market.

SG= Special Interest Groups – trips are often organized or promoted by clubs if they are of special interest to their memberships.

TF = Travel Fairs – increasingly there are numerous fairs organized for the public, and many are specialized (adventure & outdoor, camping, MICE, etc.)

SA = Specialized Travel Agent – often focused on corporate travel, incentive travel or MICE, but many are emerging in other market segments.

IP = Internet Portals = resellers of travel packages, as of now tours are listed on portals catering to travel interests of all kinds: specialty travel, adventure travel, responsible travel, small group tours, women’s tours, 50+ etc.

IS = Internet Search Engine: many kinds of travel can be sold this way but the more specific the interest is, the easier it is to sell through the internet from your website.

FT = Familiarization Trip –included here because it is one of the most effective ways of getting outbound tour operators, travel agents, and special interest groups to promote and market your trips.

Market Segment	MM	DM	SP	TA	TO	SG	TF	SA	IP	IS	FT
Sun and Sand	X	X	X	X			X		X		X
Sightseeing/Shopping	X	X	X	X					X		X
Soft Adventure			X		X	X	X	X	X	X	X
Hard Adventure			X		X	X			X	X	X
Cultural/Historical			X	X	X	X	X	X		X	X
Special Interest			X		X	X			X	X	X
Birdwatching			X		X	X			X		
...Photography			X		X	X				X	X
...Wildlife			X		X	X			X		X
Spa/Relaxation	X	X	X	X			X	X	X	X	X
Food & Wine			X	X	X	X	X	X	X	X	X
Sailing Holidays			X	X	X	X	X	X	X	X	X
Religious Pilgrimage			X		X	X				X	
Archeology			X		X	X				X	

As a note: some distribution channels will be more or less effective depending on the market. Where does YOUR market purchase their holidays? How can you find out? Developing a good relationship with outbound operators and travel agents is the best way to learn about your market.

Marketing and Distribution Channel Worksheet

What is your market? Try and describe it in 3 sentences or less.

Where would this market be most likely to find information on your trips, given their special interest in the activity? Make a list of the distribution channels you think may be best suited to the product.

Now, estimate your marketing budget in years 1, 2, and 3 – results in several distribution channels takes time. You should be able to maintain your marketing presence in travel fairs and in special interest publications for a minimum of two years, and better three, before you begin to see significant results.

Year 1 budget:

Year 2 budget

Year 3 budget

Weigh the investments you would have to make in each marketing and distribution channel and see what fits in the budget. Most tour outbound operators spend a minimum of 20% of their annual net revenues in marketing every year, and for new companies, marketing investments may reach 50% of annual net revenue. Exceptions are those companies whose products or services are so highly specialized that outbound operators and travelers must seek them. Keep in mind that a small, well-prepared, and highly targeted campaign will most likely have better returns than a larger marketing campaign that is unfocused, in which staff have little time to invest in research and preparation.

After you have researched costs and the match between your product and the potential clients reached through the selected marketing channels, you will be ready to develop your marketing plan. Setting targets for each distribution channel will help you analyze returns on your investment.

Returns per Euro invested = total revenue derived from the distribution channel/total amount invested. Be prepared to wait up to two years before you get a clear picture of returns on investment in travel fairs, fam trips, and other indirect channels. With more direct marketing channels (your placement reaches the customer directly) such as the internet and magazine advertisements, it is reasonable to evaluate returns in the first year. Remember, what you spend on gaining exposure through the distribution channel will not be effective unless you also have good presentation and an interesting product that offers value for effort.

6.3 Section 3: Product Development

Product Development and Planning Sheet

OPERATOR OR MARKET _____

Average (preferred) Group Size		
Preferred Trip Length		
Age Range		
Priorities	Relaxed pace or see it all? Balance?	
Requested activities (note how much or how many hours/days of each)	Hiking, cooking, family stays?	
Trip Style:	Budget, Moderate, Luxury	
Level of Difficulty	Easy, Moderate, Challenging	
Accommodations	Type and category	
Transport:		
Guides/Trip Leaders		
Other support staff/services?		
What to include?	All meals? Half board? Other services?	
FOCs?	trip leader / expert / guest	
Quote Land Costs or Full Pkg?		
Special Requirements	Special performance/attend certain festival? Handicaps? Dietary?	
Notes on trip design:		

Your Company Name and Logo Here:

Tour Code:

Date of Proposal :

Tour Name:

Days: / Nights:

Dates:

Number of participants or max group size:

Arrival/ Departure flights Details:

Accommodations:

Special Requirements: (e.g. No. of vegetarians):

Proposal notes:

Itinerary: (Trip Name Here)

Day 1. (locations or route)

Describe day's activities and places visited. Mention type of accommodation for the evening, and what meals are included or on own today. If there are transfers, you can mention transit or driving time.

Day 2. etc. until departure day

- end of services -

QUOTATION:

The prices quoted here are valid for the period:

No. of pax	Price
Domestic Flights	
Single Supplement	

Note what currency prices are in or exchange rate basis:

The price includes:

The price does not include:

TERMS OF PAYMENT

CANCELLATIONS AND ALTERATIONS OF REQUESTS

CONDITIONS OF SERVICE

Sample Itinerary

HIKING IN ITALY'S LAKE DISTRICT

◆ Day Hikes & Explorations in Northern Italy

ITALY ~ HIKING ~ 8 DAYS

trip details
4 days moderate hiking
on rugged terrain
(maximum elevation
5,300')
7 nights hotels

2006 DATES

May 21–May 28

Jun 11–Jun 18

Jul 2–Jul 9

Jul 30–Aug 6

Aug 27–Sep 3

Sep 17–Sep 24

LAND COST

per person
(7-14 members)

per person
(4-6 members)

trip level
moderate

“One can’t describe the beauty of the Italian Lakes, nor would one try if one could,” wrote Henry James. Nevertheless, you might be inspired to put pen to paper, too, after this fine adventure.

The extravagant beauty of the Italian Lake Region has attracted visitors since the time of the Roman Empire, inspiring poets, writers, and musicians with its idyllic landscape of peaceful lakes framed by steep, rugged granite mountains.

This hiker’s ramble combines exhilarating day hikes among the pinnacles and towers of the surrounding mountains with a discovery of the picturesque charm and Mediterranean atmosphere of such lakeside towns as Bellagio, Varenna, and the narrow cobblestone streets and pastel-washed houses of Orta San Giulio.

We begin at Lake Orta, tucked in the foothills of the alpine chain, with a guided tour of the lake’s tiny San Giulio Island and its Basilica with its Romanesque art treasures. We will hike to the top of Monte Mazzocone (4,742’), a vantage point for spectacular views of the lake, the Po Plains, the Alps, and Monte Rosa (15,348’), the second highest mountain in Western Europe. We’ll also venture into the Val Grande National Park, with its balcony views of Lake Maggiore to the south and the Monte Rosa chain to the west.

Lake Maggiore enjoys a Mediterranean climate that fosters rich botanical gardens filled with hundreds of species of flowers and plants. We’ll visit the Borromeo Islands with their manicured gardens, elegant palaces, and quaint fishing villages before heading to Lake Como, lined with sumptuous villas and peaceful small towns. Based at Varenna, a charming, medieval town on the eastern shore of the lake, we’ll explore the region, including a hike above the town of Bellagio and a guided walking tour of its narrow cobblestone streets. We will enjoy unparalleled views of the lake and its backdrop of stunning mountains, and discover why the area has enjoyed favor for centuries (both Plinys and the poet Longfellow wrote of the lake’s luxuriant beauty). Our adventure concludes with an exclusive guided tour of Villa Del Balbianello and a boat ride down the lake to the city of Como, where we have ample time to enjoy its architecture and do some last minute shopping before reluctantly bidding farewell.

ITINERARY

☞ This trip begins with a rendezvous at the Malpensa International Airport in Milan, Italy, on Day 1.

DAY 1 ~ Arrive in Italy

Your tour leader will meet you at 10:30 a.m. in front of Exit 2 (indoors) on the Arrivals floor of Terminal 1 of Malpensa International Airport. *Note—Many international flights arrive after our recommended meeting time on Day 1. Depending on your arrangements, we suggest you arrive at least one day early (or more).* Transfer by private bus (about one hour drive) to Orta San Giulio, a picturesque village on the shore of Lake Orta. This lake is the smallest of the Italian Lakes we will explore, and is nestled among granitic mountains and surrounded by the stunning backdrop of the Prealps. A relaxing half-hour walk allows us to enjoy the peaceful environment of the lake before our short boat ride to the Island of San Giulio, founded, according to tradition, by San Giulio at the end of the fourth century. Here we will enjoy our first Italian meal at a lakeshore restaurant before setting out to a guided walking tour of the noteworthy Romanesque Basilica, with its frescoes and valuable art works; the town of Orta; and Sacro Monte, a perfect vantage point above town with great views of the Lake Orta and the surrounding mountains. Here you will visit the 21 chapels depicting the life of Saint Francis of Assisi.

Our accommodation is the luxurious four-star Hotel San Rocco, perfectly located in a romantic spot on the lakeshore and in the heart of Orta's historical center. Once a place of meditation, Hotel San Rocco was for 150 years a seclusion convent, looking architecturally similar today, until the 1960s, when the Giuseppine nuns gave it up and it became the present hotel. Our lake view rooms have all the amenities and the bathrooms display an elegant workmanship of the granite quarried in the area. In the late afternoon, you can enjoy a swim in the pool right by the lakeshore, or simply relax and sip an aperitif while watching the glittering water and the soft light on the Island of San Giulio.

We will meet on the outside patio of the hotel for a welcome drink and a briefing before dinner at a local restaurant where we will savor an array of local dishes.

L,D...Hotel San Rocco, Orta San Giulio

Note—Please make sure you arrive prepared for the initial walk and the tour of the town after lunch. *Hiking boots are not necessary but we highly recommend you wear comfortable walking shoes and proper clothing for your visit of the Basilica (shorts and sleeveless shirts are not allowed). We also recommend you bring a daypack to carry the items you may need such as camera, sweater, etc.*

DAY 2 ~ Quarna – Monte Mazzone

A private bus takes us from Orta San Giulio to Quarna, a small town where wind instruments have been manufactured since 1818, and where we begin our hike toward Monte Mazzone. The peaceful and spectacular trail, with a few short but steep stretches, winds through pristine birch and chestnut forests, over granite boulders, then follows a grassy ridge offering us a serene view of Lake Orta, the surrounding hills, and the distant Po Plains. Once at the top (4,742'), a spectacular world opens up to us, with views of wild, narrow, and precipitous Valstrona, also called the Valley of Pinocchio. In fact, even today, family-run factories still produce Pinocchios of different sizes in an artisanal way and export them internationally. Slate-roofed villages still clinging to superstitions and legends are perched mid-way up the sunny side of the valley. On a clear day, the impressive summit of Monte Rosa (15,348'—the second highest mountain in Western Europe) commands our view to the west, blanketed in its perennial snows. We descend into an idyllic pastoral setting where, accompanied by cowbells, we have a picnic lunch consisting of mouth-watering delicious local cheeses and cold cuts, olives, and other delicacies. We then continue our descent along a nice path through conifer, birch, and chestnut forests back to Quarna, where we take an exclusive tour of the family-run wind instrument factory. Drive back to Orta San Giulio. Our hike today is about four and a half hours with an elevation gain and loss of approximately 1,850 feet.

B,L...Hotel San Rocco, Orta San Giulio

DAY 3 ~ Val Grande National Park

Today we transfer by private bus to Miazina (3,165'), a sunny destination favored by famous painters and artists of the 19th century. We then start hiking on a gentle uphill panoramic trail that takes us through conifer forests and along the ridge that follows the southern boundary of Val Grande National Park. All along the trail, rhododendrons, heather, ferns, raspberries, blueberries, as well as porcini mushrooms in the fall, contour and color our path. The trail becomes steeper for about twenty minutes as we approach Pian Cavallone (5,210'). Here we relax, spread out our display of yet more local delicacies, and enjoy a view of Val Grande, the largest wilderness area in Italy. This unique valley, crowned by solitary and craggy peaks, is where nature is reclaiming its space after the dramatic events that unfolded during World War II, when the area was a Partisan stronghold. At our feet, the blue expanse of Lake Maggiore conveys a sense of peace to this rugged landscape while creating a contrast of colors and textures. We continue our hike, descending through a peaceful forest into Caprezzo, where we meet our bus and drive to Stresa. Today we hike about 5 hours with an elevation gain and loss of approximately 2,100 feet.

Hotel La Palma is a luxurious four-star hotel, built in the early 1960s, when tourism began to take a strong hold on Lake Maggiore, and remodeled in 1995. Here all the comfort is at your disposal and deluxe rooms with a balcony and wonderful views of the lake awaits you. A Jacuzzi and a solarium could be the perfect way to relax after two days of hiking. You may also choose to sit by the private swimming pool on the edge of the lake and take in the beauty of the Borromeo Islands (which we will visit the next day) and the jagged peaks of the Val Grande National park across the gulf. Dinner will be at a renowned family-run restaurant in the heart of this charming town.

B,L,D...Hotel La Palma, Stresa

DAY 4 ~ Isole Borromeo

Today we shed our hiking boots, and spend the morning on Lake Maggiore, the second largest of the Italian Lakes, and visit the Borromeo Islands. We start with a short ride in a private boat from our hotel to Isola Bella, where we take a guided tour of the sumptuous palace containing invaluable art pieces, and whose architectural style spans from the neoclassical to the baroque period. On your own, you will visit the majestic gardens, the most exquisite and elegant example of "Italian gardens," rich with an incredible variety of rare flowers and home to the famous white peacocks. We continue on to Isola Madre, the largest and most peaceful of the islands, where silence and the occasional call of peacocks accompany us during our visit. We then ride to Isola dei Pescatori (Fishermen's Island), where we enjoy the very simple and rustic aspect of this hamlet and a lunch at a waterfront restaurant. Return to Stresa where we meet the bus for our transfer to Varenna, on Lake Como, which will take about two and one half hours. Varenna is a romantic and quaint medieval town with a layout of Roman origin and an obligatory stop for those who visit Lake Como's eastern shore. Sitting at the base of a small promontory, Varenna beckons the visitor like a sparkling jewel while maintaining its medieval atmosphere. Its houses painted with bright ochre and red are a splash of color in the lush vegetation surrounding the town. A few religious sites comprise the town's historic center, and patrician villas, enclosed in parks, house rich art collections and host exhibits and conventions. Dinner is on the lakeshore veranda of an exquisite local restaurant. The soothing sound of small waves reaching the shore and the occasional call of the ducks will accompany our meal.

Our accommodation is the **Hotel Royal Victoria**, located in the heart of Varenna's historical center and right on the eastern shore of Lake Como. Once a spinners, the hotel has bestowed its hospitality to many famous people, including the Queen of England in 1838 (hence, the name "Hotel Royal Victoria"). It is believed that even Gounod's *Ave Maria* was inspired by the composer's contemplation of the lake at sunset from the hotel. Restored in 2000, the four-star hotel has maintained its 19th-century atmosphere while offering all the modern comforts. The rooms have an unmatched view of both Lake Como and Lake of Lecco as well as the Bellagio promontory, while

sunsets are truly breathtaking. A secluded private garden, overlooking the water, has a swimming pool, lounge chairs, and a patio with iron tables and chairs where you can enjoy an aperitif.

B,L,D...Hotel Royal Victoria, Varenna

DAY 5 ~ Monte San Primo – Bellagio

We take a boat to Bellagio where we meet our private van and transfer to Piano Rancio. Here we start our gentle two-hour hike up to the ridge of Monte San Primo (5,300'). We'll walk through woods and across peaceful pastures filled with wildflowers including cyclamens, ranunculus, narcissus, primroses, and more. We will be thrown back into a fairytale world, and look at the dramatic, calcareous spires of the Grigne range, a famous rock-climbing destination. From the ridge and to the north we'll have an unparalleled view of Lake Como and its characteristic Y-shape, and of the Alps in the background. To the south we can spot the golden Madonna, standing as a sentinel on the top of Milan's Duomo, as well as the chain of the Apennine mountains. We then descend through more pastures to Alpe del Borgo, where we enjoy a hearty, traditional meal at a mountain restaurant. After lunch, we return by van to Bellagio where you can spend some time on your own visiting the town or shopping and to let your imagination take you back to that splendid past. The Romans called Lake Como "the pearl of the Lario," and Bellagio is perched at the very end of the promontory that divides the lake into two separate branches. Since the middle of the 18th century, eminent personalities of the nobility, artistic, and literary worlds have chosen Bellagio as their summer residence.

Return to Varenna by boat. Dinner is on your own tonight. Total hiking time today is about 4 hours with an elevation gain of about 1,700 feet and an elevation drop of 1,452 feet.

B,L...Hotel Royal Victoria, Varenna

DAY 6 ~ Sentiero del Viandante (The Wayfarer's Trail)

Today we explore Varenna's surroundings. We begin with a half-hour walk to the source of the Fiumelatte (Milk River), which, with a descent of only 833 feet from its source to its mouth, is the shortest creek in Italy. Its foaming waters, rumbling down at a 36-degree angle, give it a milky-white color. Here we make a short stop to observe this peculiar and mysterious creek, which has held the interest of speleologists for decades. We continue up the hill through olive groves to the 14th-century Castle of Vezio (1,165'), from where we enjoy a beautiful view of the rooftops of Varenna and both branches of Lake Como. From the castle we start hiking toward Bellano on the Sentiero del Viandante, a beautiful mule path following the lakeshore used in the old days to bring goods from Milan and the plains to the north. As we hike along we pass through hamlets surrounded by vineyards and thick woods, while to the north we take in a spectacular view of the Alps. We will step over the official geological border between the Prealps and the Alps. We then return by train or boat to Varenna, where you can spend some time on your own meandering its narrow streets, visiting the gardens of Villa Monastero, or enjoying an espresso at a lakeside cafe. Today's hike is only about three hours with minimal elevation gain or drop. We will have a picnic lunch with specialties of the area along the way. Dinner will be in a unique restaurant on one of the narrow cobblestone pathways of Varenna. The restaurant, run by Mario, owner, chef, waiter and host, only sits fourteen people.

B,L,D...Hotel Royal Victoria, Varenna

DAY 7 ~ Como

The day begins with a short boat ride to Bellagio where we enjoy a private walking tour of the town. With the expertise of a licensed tour guide, we'll walk through its narrow cobblestone streets and learn about its history and the eminent personalities who appreciated it as their summer residence. We continue by boat to the town of Lenno, on the western shore of Lake Como, where you will have lunch on your own. After lunch we meet again and walk about twenty minutes along the shore to Villa del Balbianello, a villa on Lake Como of unique, unusual history and of exceptional interest. Sitting at the edge of a promontory jutting out into Lake Como, the Villa is today a museum hosting

a breathtaking array of memorabilia and equipment collected by its late owner, Guido Monzino, an Italian industrialist and a famous and extravagant explorer responsible, among other feats, for organizing the first successful Italian expedition to the summit of Mount Everest in 1973. The Villa is an extraordinary expression of his taste and character. With the knowledge of a private guide, his life and adventures will come to life and you will feel as if you are partaking of his travels and passion.

We will then walk back to the embarcadero and board the boat for our final ride down the western branch of Lake Como, with time to admire the villages, villas, and manicured gardens that dot the lake's coastline. It's one more opportunity to enjoy all this beauty before we reach Como. This could also be a good opportunity to go over your departure details with your trip leader, in the event that you need any assistance. Once in Como, you are on your own for the rest of the afternoon (we will arrive at about 5:30pm) to explore the town and do some last minute shopping. Founded by Julius Caesar in the first century B.C., Como has been famous for its silk manufacturing since 1510. But pretty scarves, ties, and printed silk fabrics are not all the city has to offer. The historical center holds several astounding monuments, including the Duomo, a blend of Gothic, Renaissance, and Baroque styles. For those with a sweet tooth, there are choices of typical desserts such as *resta*, *matoch*, and *masigott*.

Accommodation is at the **Palace Hotel**, a splendid four-star hotel built in 1890, last remodeled in 1992, and today under the ownership of Villa d'Este. It is perfectly located a few minutes walk from Como's historical center and the rooms enjoy a beautiful view of the lake and offer all modern comforts. Frescoes and grand windows bestow upon the dining and breakfast room a truly sumptuous atmosphere. Exquisite cuisine tops off the day. We will bid good-bye with a farewell dinner at the hotel.

B,D...Palace Hotel, Como

DAY 8 ~ Departure

The trip ends in Como. If you are returning to Malpensa International Airport to connect with your homeward-bound flight, there is a public bus from Como to the airport. Please do not schedule your flight before 12:00 noon. If you are continuing on to other destinations in Italy or elsewhere in Europe, you can take a taxi (five-minute ride) from the hotel to the San Giovanni train station in Como (the main train station).

B...

LAND COST

\$##### per person (7-14 members)

\$##### per person (4-6 members)

Rates quoted are per person, based on sharing double accommodations.

Single Supplement—\$#### for "requested" singles; \$#### for "forced" singles.

If you prefer single accommodations, you must pay the Single Supplement Fee. If you're traveling alone and wish to share accommodations, we'll try our best to find you a roommate. If that's not possible, we will only charge you half of the single supplement.

What's Included

- ◆ expert leadership
- ◆ accommodations
- ◆ meals as noted (B=Breakfast, L=Lunch, D=Dinner)
- ◆ transfer from Malpensa Airport to Orta San Giulio
- ◆ tips to porters and drivers
- ◆ guided walking tours

- ◆ entrances to museums as specified in the itinerary
- ◆ transportation within Italy as per the itinerary
- ◆ basic medical and evacuation insurance

What's Not

International airfare; any transfer from Como at the end of the trip; meals not noted on itinerary; insurance other than basic medical and evacuation insurance noted above (we strongly recommend you purchase the supplementary trip insurance offered by Mountain Travel Sobek, which includes trip cancellation insurance); optional tipping to trip leader and tour guides; excess baggage charges; airport taxes (if any); cost of medical immunizations; and items of a personal nature (sodas, alcoholic beverages, laundry, etc.). Unused transportation to/during the tour will not be reimbursed.

Air Travel

Airfare is not included in the land cost of our trips. For air reservations, we recommend you contact the airlines directly, either by phone or the Internet. In addition, many travelers elect to use their "frequent flyer" miles when traveling with us. **But please check with our staff before purchasing or obtaining your tickets.** We need to verify your arrival and departure schedule and ensure we have enough participants to operate the trip.

WHAT YOU CAN EXPECT

Expert Leadership

Expert leadership is the key to an exciting, unforgettable experience. Our trips feature gifted leaders for whom leading trips is a true vocation. Besides showing you wonders you'd never find on your own, they make sure everything runs smoothly and safely without a hitch. They are knowledgeable about all aspects of your trip, and take great pleasure in sharing their insights with you. More than just guides, they positively elevate your experience by being teachers, companions, and the best of friends. You'll be in good hands with them every step of the way.

"Anna took eight strangers and turned us into a family in a matter of days. She met and exceeded any expectations I might have had prior to the trip and did so with much joy and enthusiasm. She was the true jewel of this trip."
Mary Garcia

Although trip leader assignments are subject to change, **Anna Bezzola** is scheduled to lead this trip. Anna was born and raised in northern Italy, and has been hiking in the Alps since childhood. In addition to being multilingual, she is very knowledgeable about the history and customs of the area as well as the flora and fauna. Anna truly enjoys people, and her passion and love for nature and her country are truly contagious. She has worked in theater as a lighting designer and enjoys ballroom dancing. Anna has been guiding for Mountain Travel Sobek for the last 12 years, and her trips have included our *Hiking in Italy's Lake District*, *The Great Walser Trek*, *Hiking the Bernese Oberland*, *The Tour of Monte Rosa* and *Hiking in Ticino* in the Alps, as well as *The Chomolhari Trek* in Bhutan. She has also escorted trips for us in the Arctic and Antarctic. She currently lives in Switzerland but returns to California, her other home, in winter on a regular basis.

Leader assignments will be confirmed in the Final Bulletin sent to you three weeks prior to departure.

Activity Level

This is an excellent trip for those who are looking for moderate hikes combined with a cultural experience. There are three to five hours of hiking on most of the hiking days, so it does require some degree of stamina. Although the hikes are quite varied and there are some ascent and descents, they are not strenuous. There is always the option to skip a hike and spend the day on your own.

You need to be in good health and physical condition to enjoy this trip, with adequate muscular strength, cardiovascular endurance, and good balance. The level of fitness and endurance needed for

this trip requires regular aerobic exercise at least one hour 3-4 times per week, performing moderate intensity hiking, cycling, swimming, or other forms of cardiovascular exercise. You must be able to hike four to six hours a day for at least two consecutive days and be comfortable hiking on rough terrain.

If you are not optimally conditioned, we recommend that you start a training program **at least three months** before departure, gradually increasing the intensity and duration. If your health is questionable or your physical stamina is limited, please discuss other trip options with us.

THE NEXT STEP

Ready to go? Signing up is easy!

Just call us at 1-888-MTSOBK (687-6235) and reserve your spot! You can also book a reservation online at our website (www.mtsobek.com). If you prefer to use a travel agent, he or she can book your trip at no extra cost and provide other helpful assistance.

Then Leave the Rest to Us

Before you go, we provide you with extensive pre-departure information, including clothing recommendations, suggested reading lists, and other details.

Why Mountain Travel Sobek is Your First Choice for Adventure

Mountain Travel Sobek is the pioneer in active adventure travel. No other adventure travel company can lay claim to that title. We were the first to take Americans trekking in Nepal, raft the wild rivers of Africa, and open up many previously inaccessible corners of the world to curious travelers. We set the standard for adventure travel and have a strong reputation for excellence that we do everything we can to maintain. Since we are the leading adventure company, we have a lot to live up to, so we make sure we provide safe, quality trips and the best customer service to our passengers. With Mountain Travel Sobek, you'll see this part of Italy as only an insider can, with friendly, hospitable guides who know the region intimately. They'll accompany you throughout the day, lending support and insights about where you are and what you see. Their close familiarity with the local geography, history, culture and traditions (plus their entertaining stories and great jokes) are the key to a superb, informative experience—one you just can't get on your own.

References

Don't take our word for how great our trips are. We'll be happy to provide you with references of satisfied past travelers.

Questions?

Feel free to call us at 1-888-MTSOBK (687-6235) if you still have any questions or concerns. We're here to help you. You can also check out our website at www.mtsobek.com.

Note on Itinerary

Although we will do our very best to adhere to the itinerary schedule as listed, it is subject to change for numerous reasons beyond our control. Please read the Limitations of Liability and Booking Conditions in the four-page Participant Information Form.

Conditions of Participation

Your participation on a Mountain Travel Sobek trip is subject to the conditions stated in the four-page Participant Information Form, which includes the Agreement and Release from Liability and the Booking Conditions. We urge you to read this information carefully, and to call us if you have any questions.

Note on Services

We often use local suppliers who provide services that may include transportation, equipment, logistic support, and other services (hotels, restaurants, etc.). We do not own or operate these independent suppliers. We work with service providers who share our commitment to safety and quality, and work closely with them to develop itineraries unique to Mountain Travel Sobek.

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Pricing

	A	B	C	D	E
1	Group:	TGM070701			
2	Pax:	2		=E48	=D2+(D2*5%)
3	Foreign guide:				
4					
5	Item	cost	quantity	days	total
6	Car	78	1	12	=B6*C6*D6
7	Guide	30	1	13	=B7*C7*D7
8	Cook	18			=B8*C8*D8
9	Flight 1	=Flights!E8	=C13	1	=B9*C9*D9
10	Flight 1 Mon	=Flights!C8	2	1	=B10*C10*D10
11	Flight 2	=Flights!E13	=C13	1	=B11*C11*D11
12	Flight 2 Mon	=Flights!C13	2	1	=B12*C12*D12
13	Hotel	48	=B2+B3	5	=B13*C13*D13
14	Ger camp 2	10	=C13		=B14*C14*D14
15	Ger camp 2 mon	7,5	=C6+C7+C8+C35	=D14	=B15*C15*D15
16	Tsenherin halun us	16	=C13		=B16*C16*D16
17	Ger camp 3 mon	10	=C15	=D16	=B17*C17*D17
18	Tent	1,5	=(B2+B3+C6+C7+C8)/2	=D6-D14-D16	=B18*C18*D18
19	Mattress	0,08	=B2+B3+C6+C7+C8+C8	=D18	=B19*C19*D19
20	Sleeping bag	0,08	=C15	=D18	=B20*C20*D20
21	Food	15	=C13	9	=B21*C21*D21
22	Restaurant	12	=C13+2	8	=B22*C22*D22
23	Museum day	12	=C13	3	=B23*C23*D23
24	Cultural show	120			=B24*C24*D24
25	Horse riding	20	=C13+1	1	=B25*C25*D25
26	Camel riding	20	=C13+1		=B26*C26*D26
27	Relocation 1 days	15	2	2	=B27*C27*D27
28	Relocation 1 (fuel)	=Relocations!E9	=C6	1	=B28*C28*D28
29	Relocation 2 days	15	2	2	=B29*C29*D29
30	Relocation 2 (fuel)	=Relocations!E15	=C6	1	=B30*C30*D30
31	Family stay	4	2	7	=B31*C31*D31
32	Entrance fee	5	=B2	2	=B32*C32*D32
33	Boat	15	3	1	=B33*C33*D33
34	Bus day	90			=B34*C34*D34
35	Translator	12			=B35*C35*D35
36	Bank transfer	1	1	50	=B36*C36*D36
37	Others				=B37*C37*D37
38	Bayan Olgii	75	=C9+1		=B38*C38*D38
39	Shaman	150	1		=B39*C39*D39
40	Airport tax	13	0		=B40*C40*D40
41	Naadam tickets	25	=B2+1	1	=B41*C41*D41
42	Total cost				=SUM(E6:E41)
43	0,3				=E42*30%
44	Grand total				=E42+E43
45					
46		No of paying pax			
47	Price per person	0			
48		=B2			=E44/B48
49	Single supp.:				
50	Hotel	24	1	=D13	=B50*C50*D50
51	Ger camp.	7	=C50	=D14+D16	=B51*C51*D51
52	Total				=SUM(E50:E51)
53	0,4				=E52*40%
54	Total				=SUM(E52:E53)

Pricing

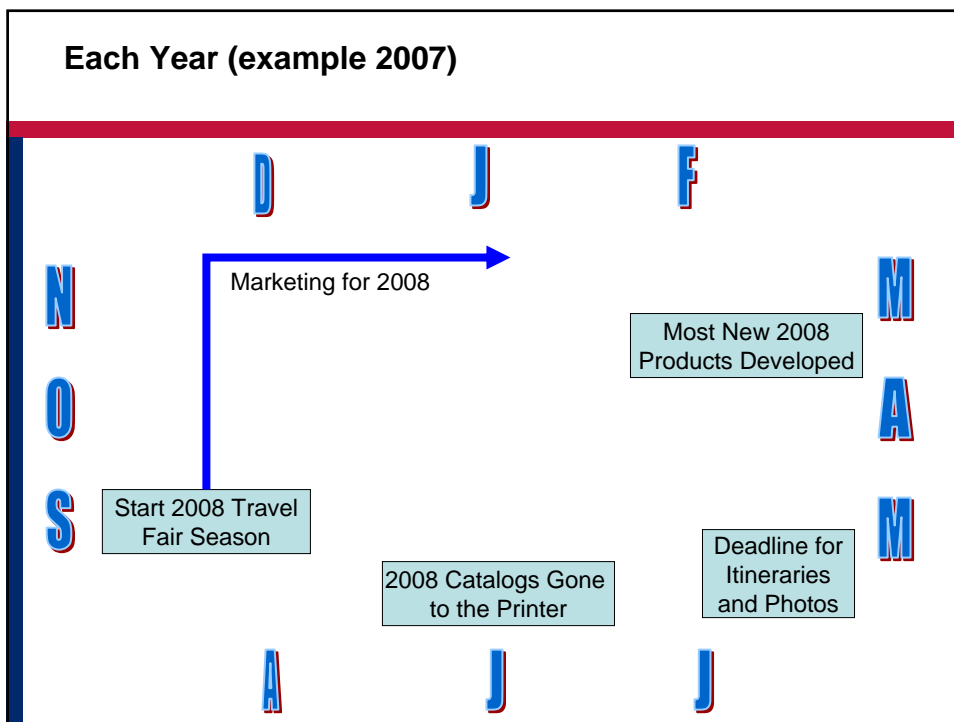
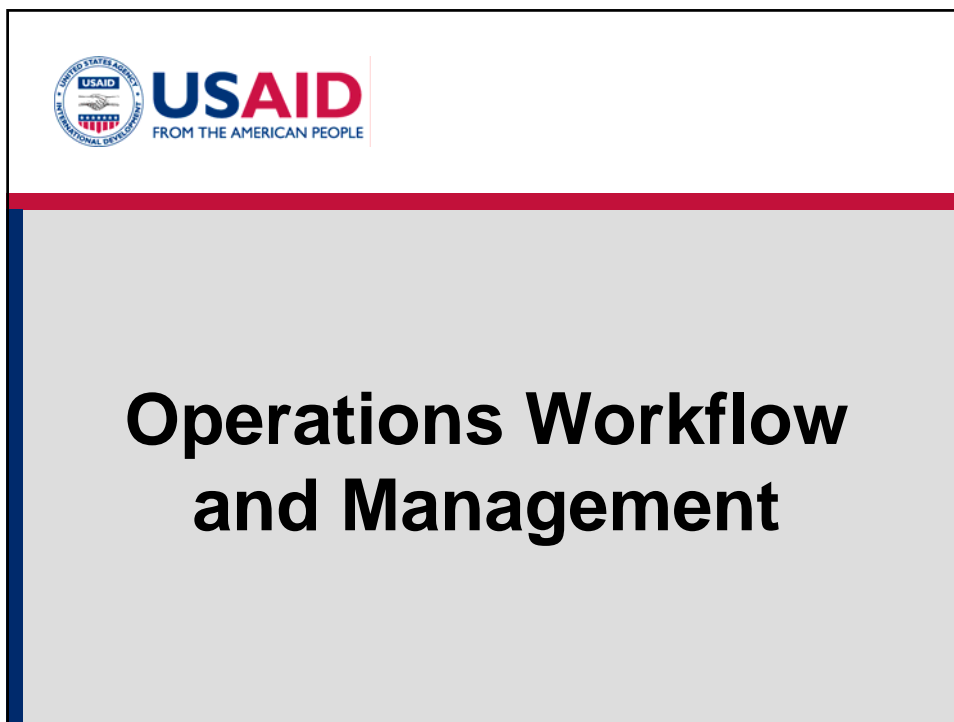
	F	G	H	I	J	K	L
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Flights

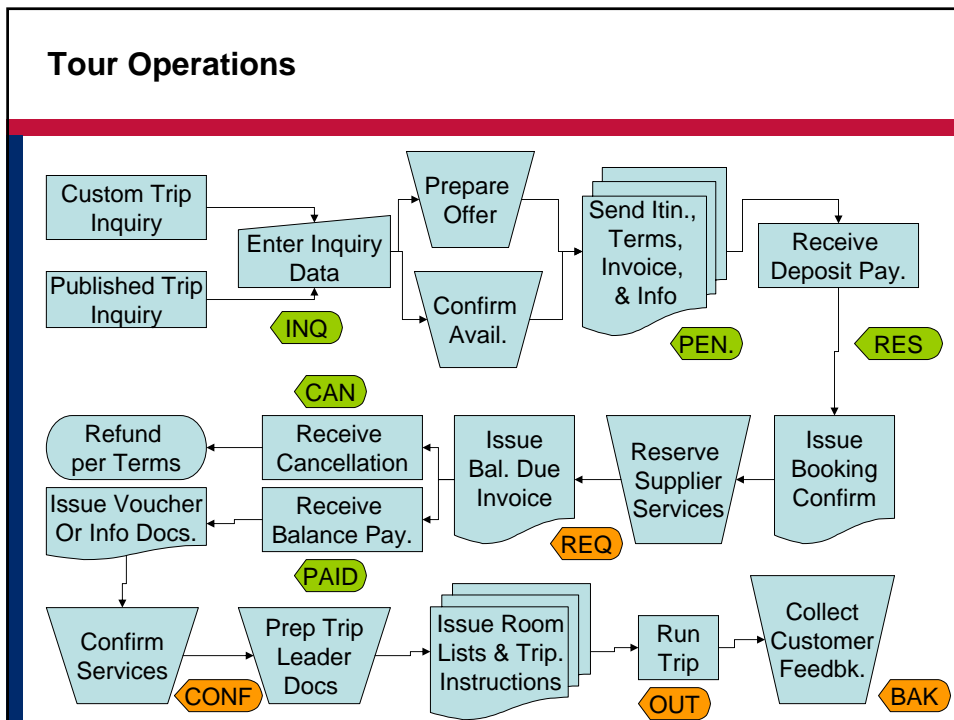
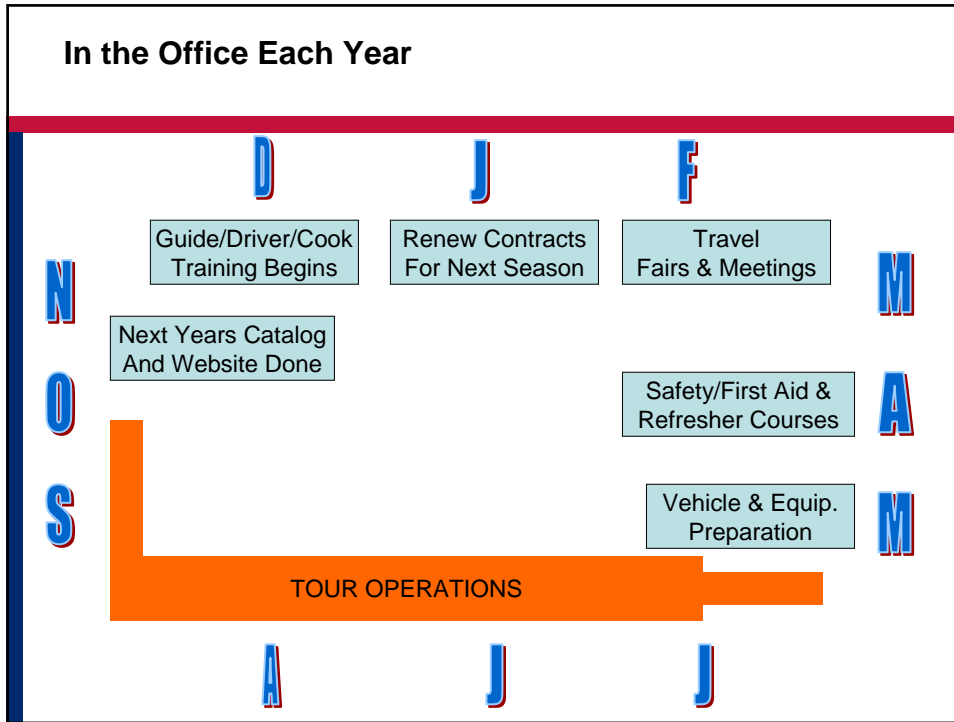
	A	B	C	D	E
1	Ub to	Mon	Mon \$=1100	Foreigner	Foreigner 2 ways
2	Altai	40600	=B2/1220	138	242
3	Arvaheir	29800	=B3/1220	69	122
4	Barun urt	38300	=B4/1220	94	166
5	Bayanhongor	38100	=B5/1220	94	164
6	Bulgan	24200	=B6/1220	52	91
7	Choybalsan	41400	=B7/1220	104	182
8	Dalanzadgad	37900	=B8/1220	81	140
9	Harhorin	27000	=B9/1220	61	106
10	Hovd	64600	=B10/1220	168	294
11	Khovdin bulgan	73800	=B11/1220	200	351
12	Mandalgov	22700	=B12/1220	47	82
13	Moron	38100	=B13/1220	94	164
14	Ulgii	70500	=B14/1220	185	323
15	OndorKhan	27300	=B15/1220	62	108
16	Tosontsengel	45700	=B16/1220	115	202
17	Tsetserleg	32400	=B17/1220	78	137
18	Ulaangom	63500	=B18/1220	166	290
19	Uliastai	55300	=B19/1220	143	250
20	Hatgal	46700	=B20/1220	115	200
21	JG1	39700	=B21/1220	81	140

Relocations

	A	B	C	D	E
1	UB-to	Benzin price	Distance	cost	cost \$=1100
2	Altai	1200	1071	=B2*C2/5	=D2/1220
3	Arvaheir	1200	430	=B3*C3/5	=D3/1220
4	Barun urt	1200	560	=B4*C4/5	=D4/1220
5	Bayanhongor	1200	630	=B5*C5/5	=D5/1220
6	Bulgan	1200	326	=B6*C6/5	=D6/1220
7	Choybalsan	1200	655	=B7*C7/5	=D7/1220
8	Choyr	1200	238	=B8*C8/5	=D8/1220
9	Dalanzadgad	1200	553	=B9*C9/5	=D9/1220
10	Darhan	1200	219	=B10*C10/5	=D10/1220
11	Erdenet	1200	371	=B11*C11/5	=D11/1220
12	Hatgal	1200	791	=B12*C12/5	=D12/1220
13	Hovd	1200	1425	=B13*C13/5	=D13/1220
14	Mandalgovi	1200	260	=B14*C14/5	=D14/1220
15	Moron	1200	700	=B15*C15/5	=D15/1220
16	Olgii	1200	1636	=B16*C16/5	=D16/1220
17	Ondorkhan	1200	331	=B17*C17/5	=D17/1220
18	Saynshand	1200	463	=B18*C18/5	=D18/1220
19	Suhbatar	1200	311	=B19*C19/5	=D19/1220
20	Tsetserleg	1200	430	=B20*C20/5	=D20/1220
21	Ulaangom	1200	1336	=B21*C21/5	=D21/1220
22	Uliastai	1200	984	=B22*C22/5	=D22/1220
23	Zuunmod	1200	43	=B23*C23/5	=D23/1220



6.4. Section 4: Operations Workflow and Management



6.4. Section 4: Operations Workflow and Management



Tour Operations

Marketing: Takes inquiries, enters data into database. Prepares offers and confirms seat availability. Sends out itineraries and other trip preparation docs, plus initial invoice with terms and conditions. Checks INQ, and PEN, and RES each day. Follow up on PEN occasionally, by contacting customers about reservation status. Forwards Issues booking confirmation on RES and forwards RES to Operations. Checks BAK status to collect trip feedback from clients. Prepares itineraries for coming season, and ensures catalog and website production are completed on time. Books and prepares for travel fairs, usually attends fairs and meets with clients yearly.



Tour Operations

Accounting: Checks incoming payments. Marks PEN to RES when deposit is received. Sends balance due invoices when RES is at appropriate days before trip departure. Marks RES to PAID when balance due is received. Checks CAN to issue refunds. Marks RES to CAN if payment is not received by cancellation date. Receives supplier invoices and makes payments, monitors cash flow needed for deposits with suppliers, etc. Does trip accounting and annual accounting.

6.4. Section 4: Operations Workflow and Management



Tour Operations

Operations: Checks RES each day, makes service requests as needed, flags them with REQ when services have been requested (rooms, meals, guides, etc.). Marks REQ to CONF when supplier issues confirmation. Checks CAN to cancel services. Checks that all trips show suppliers as CONF prior to departure date or makes alternative arrangements. Prepares trip leader docs, rooming lists, and trip instructions. Marks travelers as OUT and BAK as trips depart and return. Follows up on BAK status to collect trip feedback from trip leader and staff. Reviews trips before the season to determine supplier requirements, constantly checks supplier performance and looks for new services. Plans and supervises annual staff training, undertakes performance review of trips and staff.



Company Operations

Management: Annual planning (which trips to offer, which travel fairs to participate in, which staff or equipment improvements are needed. Finalizes annual marketing plan and operations plan. Does budgeting for marketing and operation. Analyses profitability from various products, operations, agents, and partners. Monitors supplier cost effectiveness and value. Ensures that Marketing, Operations, and Accounting are set up to function properly.

6.4. Section 4: Operations Workflow and Management



Staff: Provide feedback on what is working well, and what is not, suggestions for changes the following year. This could be about markets, products, sales and distribution channels, customer service, suppliers, staff training, internal systems, etc.

6.5 Section 5: Gap Analysis Tool

Top 5 Service or Industry Trends/Characteristics for:	Competitor/Industry Ratings (default = 3)	My Ratings (scale of 0 to 3, 0=not offered, 1=poor, 2=good, 3=excellent)
	3	
	3	
	3	
	3	
	3	
Total Scores:	15	

What is the gap?:

In what ways can you reduce the gap?

Is there anything you can do to beat the industry or your competitors in an area where they don't yet have any capabilities, don't offer a product or service, or do not have a unique offering that you could put on the market?

6.6 Section 6: Sample Documents

ITINERARIES



Furore,
Costa d' Amalfi

Amalfi Coast Spa and Cooking Retreat

Perched on a cliff overlooking the Amalfi Coast you will find the Furore Inn, the perfect destination for travelers in search of an idyllic Italian retreat.

This five star spa hotel offers indulgent beauty and spa treatments, hands-on cooking lessons, and incredible views of the sea. Located between Amalfi and Positano, the Furore Inn is in an ideal location to explore the famed Amalfi Coast. Here you can learn to prepare healthy Neopolitan cuisine in the morning, tour the Amalfi coast in the afternoon, and relax at the spa before dinner.



Cooking lessons are taught by Executive Chef Patricia Bottone who will focus on creative Mediterranean cuisine. Chef Bottone began her culinary education with her father, Pio, who was a famous Italian chef. Born in Switzerland and originally from Scala, Chef Bottone enjoys both the technical and creative aspects of taking indigenous ingredients and turning them into gastronomic art. She is also a professional sommelier.



Itinerary

Day One

Transfer from the Naples airport or train station to the Furore Inn Resort. Enjoy a welcome cocktail with the chef and hotel manager while soaking in the sites of the Amalfi Coast.



Day Two

Today's cooking lesson is called "Scents of the Sea." First you will go with Chef Bottone to pick out seafood for the lesson, then you will learn hands-on how to prepare delicious Mediterranean recipes such as Cavatelli in Salsa di Zucca Rossa e Alici Conservate sotto Sale (pasta in red pumpkin and anchovy sauce) and Paccheri con Melanzane Dorate e Filettino di Coccio (pasta with eggplant and hen fish fillets).

Lunch follows your lesson.

In the afternoon take a walk along the Via dell'Amore and relax at the spa.

Dinner on your own.

Day Three

Today your lesson will focus on "Taste of the Hills." First you will go to the little town of Agerola with Chef Bottone to purchase local products such as bread, mozzarella and salami. Then you will return to the hotel to prepare today's dishes.

After lunch, visit the beautiful hilltop town of Ravello.

Dinner on your own..



Day Four

Today you will visit the Fjord of Furore, with a walk along the Volpe Pescatrice (Fishing Vixen path), visiting the ecomuseum and enjoying a buffet lunch in a converted lime kiln.

Return to the hotel in the afternoon and relax in the beauty center.

Dinner on your own.

Day Five

Today's lesson is "The Wines" and will focus on local wines. First you will visit a nearby wine cellar with Chef Bottone, who is also a sommelier, for a wine tasting and lesson. Then return to the hotel to prepare today's dishes.

Afternoon excursion to Positano.

Dinner on your own.



Day Six

Today's lesson is called "The Farmer's Cooking." Chef Bottone will take you from traditional Neapolitan Cuisine to innovative and creative cuisine, learning to use what is on hand in the farmhouse.

Afternoon on your own to relax at the beauty center.

Graduation and farewell dinner at Furore Inn.

Day Seven

Morning transfer to Naples.

Details

PRICE PER PERSON

\$2995

\$1625 3-night program

\$345 per person supplement, high season

Single Supplement:

\$125-250

INCLUDED IN THE PROGRAM

Six nights accommodations
Four cooking lessons followed by lunch
Farewell dinner (excluding drinks)
Excursions in itinerary
Magical Moonlight massage
3 Roman circuits
1 Lather massage
1 Full body massage
Group transfer to/from Naples airport or train station

Other beauty treatments can be arranged directly with the beauty center at a 10% discount

Four Dates

February 19-25

March 26-April 1

May 7-13

June 11-17

July 9-15

August 6-12

September 10-16

October 8-14

November 5-10

Other dates available upon request

Contact us for more information:

888-380-9010 toll free in the U.S.

847-295-5363

847-295-5371 fax

Email: info@epiculinary.com

Website: www.epiculinary.com

EMILIA ROMAGNA BY BIKE 2001

This brief itinerary is the normal schedule your holiday will follow. However, our tours are flexible to allow for changes in the weather, local festivals, holidays and other influences, and it should be taken as an expression of intent rather than fact. Mention of facilities does not guarantee their availability.

Day 1 Sat. Arrival in Modena. Those on group flights are met on arrival and we transfer by road or rail to our first hotel in central Modena. Your guide will meet with you sometime after arrival, and we normally have a brief and informal introduction to the programme followed by dinner in our small family hotel. If you are arriving early we suggest you try to allow time for some independent sightseeing in this small city, famous for Ferrari and Maserati, as well as a wealth of pre- and post- Renaissance history. The Galleria Estense and Palazzo die Musei (reached through a wonderful warren of medieval streets) houses the most important artistic pieces of the city, including works by Bernini, Veronese, Tintoretto and Velazquez. The Romanesque Duomo and leaning tower of Ghirlandina has been designated a World Heritage Site by UNESCO.

Day 2 Sun After breakfast we leave Modena by bike to follow the valley and lowlands to Castelnuovo Rangone. At Levizzano we visit a winery inside the castle, and a Balsamic Vinegar house at Vignola - also famous for its cherry orchards. Dinner and overnight nearby. *26 miles; 4 hours cycling*

Day 3 Mon We continue into Emilia's foothills towards the high Apennines, mostly on quiet lanes, but much gently uphill! Through the Colli Bolognesi vineyards we hope to stop and taste some of the fine Pignoletto wines, and perhaps find famous white truffles of Savigno (in season). We pass the abbey of Monteveglio and Serravalle castle en route to Savigno, and our country hotel. *30 miles; 5+ hours cycling*

Day 4 Tue We climb steadily through rolling hills next to the Sassi di Roccamalatina Park, a region of strange eroded stone formations, bubbling volcanic pools, high pasture and oak and chestnut forest. The rocky outcrops are home to several pairs of peregrine falcons and other bird life. From Zocca (about 2,500 ft) we continue through Castel d'Aiano to the little village of Maserno. *23-26 miles; 5 hours cycling*

Day 5 Wed From the village we continue a gentle route into the Apennines, skirting the ski resort of Monte Cimone (7,100 ft). We follow the Dardagna valley, and at Fanano may have time to visit the open-air sculpture museum and a Parmigiano cheese farm before continuing to Vesale, beneath the castle of Sestola. *23-27 miles; 6 hours cycling*

Day 6 Thu We continue through the Frignano (the Alto Apennino Modenese Park), to the north of Monte Cimone. Spruce and oak forest abound, as well as high pasture and smallholdings. From the medieval hamlet of Roccapelago we climb along the ancient Via Vandelli to S Anna Pelago, on the trail of pellegrini of old. *19-25 miles; 5 hours cycling*

Day 7 Fri A tougher day into the Apennines, turning east to Fiumalbo. We pass the stunning glacial amphitheatre of Lago Santo, and beneath the high peaks of Monte Giovo and Rondinaio before dropping down to Fiumalbo. This delightful medieval village is conveniently wedged between two mountain streams. *19 miles; 5 hours cycling*

Day 8 Sat An ancient pass of Abetone, with its small pyramids, takes us through the nature reserves of Campolino and Pian degli Ontani. We pass also through the Pistoiesi - endemic spruce forests at Boscolungo - before descending to Cutigliano (2,200 ft) - well worth a stop with its historical medieval centre, and Palazzo dei Capitani della Montagna. *13 miles; 4½ hours cycling*

Day 9 Sun More Pistoiesi forest at Macchia Antonini leads us to the medieval centre at Montecatini Alto. At Serravalle we may see Barbarossa's great castle, before descending rapidly, past Garfagnana's 'Mountains of the Moon' to the seldom visited city of Pistoia, and a tasting of some local Tuscan wines. An ancient feud here between the *Bianchi* and *Neri* gave rise to the prominence of the *Pistole* - at first a small assassin's dagger, and later a little pocket gun, that gave us the word pistol. *30 miles; 5 hours cycling*

Day 10 Mon The tour ends after breakfast. Rail transfers are available to Bologna and Modena, at cost.

Bicycle Tours in Italy : Cycling the Piedmont Plus! the Lakes District

[Tour Details](#) | [Dates & Prices](#) | [Questions?](#) | [Hold a Space For Me!](#) | [Book this Tour](#) | [Other Tours](#)

Tour Itinerary:

Day 1: Arrive in Saluzzo, Italy

Highlights: Saluzzo, Alps views, welcome dinner

Gather today in Saluzzo, just west of Turin. We'll fit bicycles this afternoon, then you're free to explore town or to take a warm-up ride. This evening, we'll celebrate with a traditional Piedmontese dinner together.

Day 2: Loop ride in the Alps

Highlights: Alpine climb, Monviso mountain, Abbey of Staffarda

Majestic Monviso mountain rises above the Po River on the border between France and Italy. Our route takes us to the base of the mountain today; those who want can climb it to Crissolo or as high up as the Po River spring-a 6,000 foot climb into the Alps! Others can enjoy an easier loop ride along the Po and on to the Abbey of Staffarda. Whichever you choose, we'll be back in Saluzzo late afternoon for a stroll through town and dinner on your own. Distance: your choice, 60-80 km (37.5-50 miles).

Day 3: Bicycle through Roero region

Highlights: Riding in Roero region, vineyards, Racconigi palace, wine tasting, Slow Food University

Heading east across the Po River valley today, you'll enjoy a ride through pasture lands, corn fields, and poplar groves. Along the way, we'll stop in Racconigi, where the Savoy royal family had their summer home and castle. The castle, now owned by the state, is beautifully preserved and dates to the 17th Century. Visit the castle on your own if you would like before continuing on through the Roero region to Pollenzo, a small village along the banks of the Tanaro river. Pollenzo has become the center of the world's first University of Gastronomic Sciences. Associated with Italy's well known "Slow Food" movement, both the University and the village of Pollenzo have become centers of innovation for international cuisine. Dinner together after a wine tasting. Distance: 79 km (49 miles).

Day 4: Loop ride to Barolo

Highlights: Bicycle through vineyards, hilltop towns, Barolo

A loop ride today takes us through the vineyards of Le Langhe and the famous hills of the nebbiolo grape. Along our route you'll pass through the stunning landscape of La Morra, as well as vineyards around Barolo, Monforte d'Alba and Verduno. The town of Barolo gives its name to the famous wine and has an interesting ethnographic and wine museum to visit. Distance: 55 km (34 miles).

Day 5: Bicycle to Asti

Highlights: Alba, bicycle along rolling hills, Asti

Today we'll pass through the vineyards that produce most of the other famous Piedmont wines, including Barbera d'Asti, Dolcetto d'Alba, Nebbiolo d'Alba, Barbaresco, and Asti Spumante. We'll also stop in Alba, the Piedmont's truffle hunting capital. Our destination is Asti, where dinner is together this evening. Distance: 63 km (39 miles).

Day 6: Asti

Highlights: Optional loop ride into surrounding hills, visit medieval Asti

Sleep in this morning, as we'll be in Asti again tonight. Those wanting time off the bikes can spend the day strolling through Asti's medieval streets and have lunch at one of the local cafes, while others can take a ride into the Monferrato hills. Rolling hills and small villages mark today's ride. Enjoy dinner on your own in Asti this evening. Distance: your choice, 50-65 km (31-41 miles).

Day 7: Asti to Casale Monferrato

Highlights: Small country roads, fortified town of Casale Monferrato

We head north today. Along the way we'll point out the Santuario di Crea, an important church for many Italian pilgrims, before reaching Casale Monferrato, once the most fortified

towns in northwest Italy . Rich in Medieval and Renaissance architecture, Casale was an important fortress guarding the Po and the eastern border of the French kings of Savoy . Join the locals for a popular stroll through town before dinner together this evening. Distance: 65 km (41 miles).

Day 8: Casale Monferrato

Highlights: Small farm towns, quiet roads and ridge rides with extensive views

Our loop ride today takes us south through small towns and past stunning scenery as we alternate between valley roads and ridgeline riding. Have a cappuccino along the way before continuing on off-the-map roads to the town of Terruggia. You can have lunch here at the local trattoria-she's open every day unless there aren't any customers, then she closes to have lunch at her mother's house! You'll be back at our hotel this early afternoon in time for a nap and a stroll before dinner on your own. Distance: 45-66 km (28-44 miles).

Day 9: Borgomanero

Highlights: Flat ride through rice fields, 11th century Abbey, gourmet dinner

We cross the Po River this morning and pedal north through one of the largest rice growing areas in Europe. Along the way, you'll pass through no less than fifteen small farm villages, including San Nazzaro Sesia, a village built around an 11th-century Benedictine abbey. We'll suggest a spot for lunch before you continue on to Borgomanero. We'll enjoy a gourmet dinner together this evening in a traditional Piedmontese trattoria. Distance: 83 km (52 miles).

Day 10: Italy's Lakes District

Highlights: Spectacular lake views, riding into the Alps and along lake shores

Our final day of riding takes us into Italy's Lakes District. This breathtaking series of lakes was created as glaciers retreated from northern Italy some 20,000 years ago. Our first stop is Lago d'Orta, then Lago di Mergozzo, and finally Lago Maggiore. We'll end our journey in Verbania, along the shores of beautiful Lago Maggiore this afternoon. This evening, we'll enjoy a farewell dinner together. Distance: 56 km (35 miles).

Day 11: End of tour on Lake Maggiore, Italy

You are on your own today in one of Italy's most beautiful regions. This is a great starting point for further exploration of the Lakes District or to just sit and relax for a few days. Whatever you choose, have a great time and thanks for joining us!

SAMPLE TERMS AND CONDITIONS

Agreement

This Agreement ("Agreement") is made as of October 28, 2005 by and between Mountain Travel ("MT"), a California corporation and _____("Operator").

WHEREAS

MT is a tour packager in the business of providing quality adventure travel to MT's clientele; and

Operator is a tour operator, including tour operator's employees, agents, guides, leaders and subcontractors, with experience and knowledge in conducting tours in a specific country and/or region; and

The parties wish to document their arrangement.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged by each party, the parties agree as follows:

1. Itinerary:

1.1 MT and Operator have agreed to offer specified services for the day-to-day itineraries set forth in Exhibit A-1 attached. If this Agreement covers multiple itineraries, then each itinerary will be labeled A-1, A-2, etc.

1.2.1 Neither party may make a significant modification to a trip itinerary without the prior written consent of the other unless there is no time to advise the other of the change and the change is done for the safety or well-being of the tour participants. In any such case, the party effecting the change must advise the other party as soon as possible of the change.

1.3.1 From time to time, the parties will agree to add a Foreign Independent Traveler (FIT) trip. In such instances, the parties agree to document the itinerary and trip costs in the form of a written agreement, e-mail or fax. Both parties acknowledge and agree that documentation relative to an FIT will become a part of this Agreement and that the FIT is subject to the terms and conditions of this Agreement.

2. Pricing:

2.1 The agreed trip cost of each itinerary noted in section 1 and the planned departure dates for each trip are set forth in Exhibit B-1 attached. Both parties acknowledge that all costs for each trip departure are set forth in Exhibit B-1. Neither party will be responsible for any costs not included in Exhibit B-1 unless mutually agreed to in writing. These costs include, but are not limited to, equipment, meals, accommodations, arrival/departure transfers, ground transportation, internal flights (if applicable), staff and any admission fees. If this Agreement covers multiple trips, the exhibits should be marked B-1, B-2, etc.

The parties agree all departures are exclusive to MT and are to be advertised and sold only through MT-approved channels.

3. Equipment

3.1 Operator will provide all equipment including but not limited to those items listed below, where applicable. Operator is not responsible for providing equipment which is the responsibility of the client.

- **Vehicles:** Well-maintained, MT branded vehicles with safety belts for every passenger.
- **Fire-safety equipment:** including extinguishers on boats.

- **Approved personal flotation device (PFD):** on boats (minimum 1 per passenger and for each member of the boat crew).
- **Communication:** such as cellular phone, satellite communication system, emergency transponder etc.
- **First-Aid kits:** well stocked, clean, and suited to local conditions. **No prescription drugs are to be administered by the staff.** Please refer to leader manual document.
- **Pack animals** enough to support the trek along with the vehicle.
- **Riding horses** sufficient for support to trekking clients. No young or untrained horses may be used for this purpose.

4. Quality:

Operator agrees to follow the guidelines set forth in the Mountain Travel Sobek Leader's Manual – Current Edition attached hereto as Exhibit D.

Both MT and Operator agree to communicate on a periodic basis to discuss Operator performance. This process evaluates each party's performance based on the standards and quality document as well as feedback from clients.

MT will submit selective copies of client's evaluation feedback during and after each season to Operator with recommendations.

Operator will e-mail, fax, or mail MT trip leader reports within ten (10) days after completion of each departure.

5. Emergency situations:

5.1 In an on-trip emergency situation, Operator agrees to respond immediately and maintain a flow of information between the passenger and MT. Every effort should be made to help clients access medical care, file insurance claims, supply documentation as required in the leader's trip report form, secure the cooperation of airlines, hotels and local authorities. MT will also work diligently to resolve issues in the best interest of our clients.

6. Payments:

Deposits and final payments: MT agrees to pay Operator deposit if requested. Final invoice is paid by mutually agreed deadline. Invoices are paid in either check form, or bank transfer within 30 days of receipt, unless otherwise agreed in writing.

Additional expenses: Operator will invoice additional expenses for mutually-agreed upon unexpected trip costs no later than 10 days following the completion of tour. All trip-related expenses must be submitted no later than 30-days following the end of a trip.

Canceled trip: Should MT and Operator mutually decide to cancel a departure due to lack of bookings, or other reasons, any outstanding deposits will be refunded to MT.

Invoices: Invoices shall be legible and contain only information pertinent to a specific trip. If requesting a wire transfer, all bank transfer information should be written in English on the face of the invoice.

7. Communications

Primary and emergency contacts for communications between Operator and MT are set forth in Exhibit C attached.

7.1.2 MT will send client information to Operator by e-mail, fax or hardcopy at least 2 (two) weeks prior to trip departure. Client information to include:

Arrival/Departure information

Extra services confirmation if applicable

Rooming list

Participant information including medical, dietary and other information pertinent to the safe operation of the trip.

MT and Operator recognize the importance of frequent communication regarding preparations and bookings. Upon receipt of emails or other forms of communications, the receiving party will acknowledge receipt to the other party within two (2) working days.

8. Customer Satisfaction

8.1.1 The Operator acknowledges and understands that MT has a customer satisfaction policy that applies to adventure travel services including services provided by the Operator. In the event of customer complaints, MT will negotiate with the customer in an effort to resolve the complaint consistent with MT customer satisfaction policies. Any amount paid to the customer by MT should be shared between MT and the Operator based on determination of the cause of the customer's complaint and a reasonable division of responsibility, if any, between MT and the Operator. Discussions between the Operator and MT should be open and frank with the objective of resolving client dissatisfaction. The Operator agrees to pay its share of any amounts paid to dissatisfied customers based on joint resolution of issues.

9. No Fault Cancellation:

9.1.1 Notice of Cancellation: If either Operator or MT determines that a trip should be canceled for reasons that either make operating the trip impractical, or unfeasible, the other party will be notified.

9.1.2 Cancellation by Operator: If Operator wishes to cancel a trip departure for any reason other than the reasons stated above, the Operator must first obtain written approval for the cancellation from MT. Notification of cancellation must be received in writing a minimum of four-months prior to scheduled departure. Operator will issue a credit memo or refund any deposits made by MT.

Cancellation for Cause: MT reserves the right to cancel this Agreement at any time if MT determines, in its sole discretion, that the Operator services are unsatisfactory to MT. Upon such cancellation, the Operator shall return to MT all amounts paid for services not yet rendered and the Operator shall receive no further payments. Operator shall not be reimbursed for services that were unsatisfactory to MT.

Cancellation fees: Should Operator incur penalties as a result of last minute client cancellation, Operator is entitled to recoup any deposits made to various vendors from MT as long as MT is able to recoup these penalties.

10. Independent Contractor:

10.1.1 Operator agrees that it is responsible for all taxes, fees and premiums, unless otherwise agreed to in writing, and agrees to indemnify, defend and hold MT harmless to the extent of any obligation imposed by law on MT to pay any withholding taxes, social security, employment or disability insurance or similar items in connection with any payment made to Operator by MT under this Agreement.

Operator will comply with all applicable federal, state and local laws, codes, ordinances, regulations, orders and other governmental authorities. Operator and all providers of services to Operator will maintain all licenses, permits and approvals that Operator (or its service providers) is or are required by law to maintain. MT is not responsible or liable for Operator's failure to comply with any or all of the requirements of this section.

Both parties to this Agreement are independent companies. Nothing contained herein shall be deemed to create an association, partnership, joint venture or other similar relationship or master and servant between the parties hereto or to provide either with the right power or authority whether expressed or implied to create any such duty or obligation on behalf of the other party.

11. Liability Insurance:

11.1.1 Operator agrees to carry liability and errors and omissions insurance for death, personal injuries and property damage and agrees to cause to be named MT as an additional insured on Operator's liability policy. **The Operator agrees to provide MT with**

**Memorandum of Understanding between ExperiencePlus! Specialty Tours, Inc. and
Soft Adventures International, S.r.l.
(Effective dates: Nov. 1, 2004 – Oct.31, 2006)**

Overview:

The following memorandum of understanding (MOU) outlines the responsibilities of ExperiencePlus! Specialty Tours, Inc. (d.b.a. ExperiencePlus!) and Soft Adventures International, S.r.l. (a.k.a.SAI.) in creating a strategic alliance to offer bicycle, walking, and multisport tours in Europe for ExperiencePlus! participants for calendar years 2005-2006. This alliance pertains to any and all tours offered in Europe by ExperiencePlus! The dates, tours, and pricing agreements listed herein apply to calendar year 2003 only.

The term of this MOU is effective from November 1, 2004 through Oct. 31, 2006 with any amendments, changes or modifications to be made in writing and signed by both parties. ExperiencePlus! may, at its discretion, contract with other suppliers in Europe for additional tours or partial tour services without regard for this MOU. Hence, this MOU does not constitute an exclusive arrangement between SAI and ExperiencePlus!

Roles & Responsibilities:

The following provides an overview of the roles and responsibilities of both parties in delivering the above mentioned tours.

SAI agrees to provide the following:

- details on logistics, hotels, restaurants, and other suppliers (i.e., ferry services and the like) for each tour;
- complete route details for each tour;
- a support van for use during the tour to shuttle luggage between hotels and to shuttle participants as necessary (note that luggage shuttling does NOT include delivery of luggage to the room or retrieval of luggage from the room; Van use to include fuel, maintenance, parking and related fees, use of bike tool kit, and first aid kit;
- ExperiencePlus!-trained tour leaders familiar with the route and with the destination country (salary, hotels and meals to be paid by SAI);
- the booking of hotels and restaurants for the tour and the payment of costs for those services;
- Complete materials that will allow ExperiencePlus! to prepare a pre-tour travel packet that includes a descriptive itinerary and information about arrival and departure, pre & post trip lodging, packing list, public transportation, and release of liability agreement;
- Quality bicycle rentals (i.e., well-maintained bicycles) included in tour price;
- Information that will allow ExperiencePlus! to produce and distribute a pre-tour travel packet that includes a descriptive itinerary and information about arrival and departure, pre & post trip lodging, packing list, public transportation, trip cancellation insurance, beginning training schedule and release of liability agreement;

ExperiencePlus! Agrees to provide the following:

- Comprehensive marketing for all tours to assure the tours sell and will run;
- Complete customer lists, including bicycle request forms, and special needs for said customers;
- Timely communication on an ongoing basis of numbers of customers participating on all tours;
- Payment due SAI within 30 days of billing.

Payment Deadlines and Tour Cancellations:

By virtue of this MOU ExperiencePlus! agrees to pay SAI a comprehensive fee for every customer participating in a SAI operated tour according to agreed fee structures which

are set, from time to time during the course of the year. Fees are to be set by mutual agreement based on the estimated numbers of participants and will be adjusted quarterly according to actual number of participants.

Any tour cancellation by ExperiencePlus! must be communicated to Soft Adventures International, S.r.l. no later than 60 days prior to the scheduled tour start.

Bicycle Assignments & Late Additions:

ExperiencePlus! agrees to provide a bicycle-fitting information for each customer on each tour. This information shall be submitted by ExperiencePlus! to SAI at the time of submission of the tour to ensure proper bike assignment and fit.

Customers who sign onto a tour or provide bicycle information within 30 days of departure will be considered "late additions." In such instances, SAI will make every effort to provide the customer with his/her first choice of bicycle and size but cannot guarantee perfect fit in those instances.

Minimum/Maximum Tour Participants:

ExperiencePlus! reserves the right to decide on minimum or maximum numbers for all tours. SAI shall negotiate costs for those tours on a tour-by-tour basis.

• **Good Faith Communication**

Both signatories to this MOU agree to maintain open, frequent and accurate communication as to the status of operations relative to these programs. This shall include, but not be limited to:

- ExperiencePlus! shall convey numbers of customers subscribing to tours as available;
- SAI shall advise ExperiencePlus! of any changes to itineraries, logistics, or tour leadership as that information comes available.

Tour Ownership, Rights, and Participants

While the tours listed above are jointly operated through this alliance and in good faith by the two parties to this agreement the ownership of tour names, routes, and logistics belongs to ExperiencePlus! Soft Adventures International, S.r.l. agrees to not offer this or similar tours or routes to its customers for a period of three years without the prior written consent of ExperiencePlus!

ExperiencePlus! retains exclusive ownership of all logistical and route information for these tours, both physical and intellectual. This information, while shared with Soft Adventures International, S.r.l. for the purpose of delivering and marketing these tours, is not to be shared with any competitors of ExperiencePlus!, without the prior written consent of ExperiencePlus! This provision extends to new tours developed by SAI expressly for ExperiencePlus! on request from ExperiencePlus!

Customers participating in the tours subject to this MOU are ExperiencePlus! customers and SAI and its employees agree not to add these customers to their data base, nor to contact them by any means or to attempt to sell other tours to them. The tour leader(s) cooperating to deliver these tours will be instructed NOT to discuss the role of ExperiencePlus! as a subcontractor to Soft Adventures International, S.r.l. but rather to represent themselves as representatives of ExperiencePlus! while on tour.

Insurance:

ExperiencePlus! shall obtain and maintain at all times during the terms of this agreement sufficient general liability insurance ("errors and omissions") as is standard in the industry. In

addition, SAI shall retain the appropriate automobile insurance coverage for the use of any vehicles on tour.

Termination of this Contract:

Either or both parties may terminate this contract at any time provided that the following conditions are met:

- notification must be made in writing and submitted to both parties at least 180 calendar days prior to the date when termination is to take effect;
- in the event of termination of the contract, ExperiencePlus! retains exclusive ownership and rights to all physical and intellectual property associated with the tours listed above and any subsequently added through amendment - including tour names, routes and logistics. Soft Adventures International, S.r.l. may not offer these or similar tours or routes without the prior written consent of ExperiencePlus!

Signatures:

We, the undersigned and our representatives, agree to the provisions set forth in this contract and agree to uphold and abide by its contents under penalties of perjury and law.

Rick Price, President
ExperiencePlus! Specialty Tours, Inc.

Massimo Malpezzi, Director
Soft Adventures International, S.r.l.

Addendum - March 10, 2003

Memorandum of Understanding between ExperiencePlus! Specialty Tours, Inc. and Soft Adventures International, S.r.l. (Effective dates: Nov. 1, 2002 – Oct.31, 2003)

The addendum will serve to clarify roles and responsibilities of both SAI and ExperiencePlus! Specialty Tours relative to the above-mentioned Memorandum of Understanding. It will also name, as appropriate, responsible individuals acting on behalf of both organizations.

Contacts

Rick Price, President of ExperiencePlus! will be the primary contact for this company while Massimo Malpezzi, Director, will represent SAI.

Massimo Malpezzi also acts, in the capacity of fiscal representative (*rappresentante fiscale*) for ExperiencePlus! Specialty Tours, Inc. in Italy. His responsibilities in this capacity are explained below.

Rick Price acts as the U.S. representative for SAI in promoting its services to other U.S. companies.

Responsibilities

- 1) ExperiencePlus! Specialty Tours in Italy (represented by Massimo Malpezzi, "Rappresentante Fiscale")
 - a) As the tour operator in this relationship, ExperiencePlus! will pay all hotels and restaurants for all tours.
 - b) ExPlus! will allocate funds and pay for a base of operations in Italy to include lodging for ExperiencePlus! staff and principals, storage for any and all vehicles that ExPlus! or its principals may purchase for use in Italy.
 - c) ExPlus! may engage the contract services of consultants, lawyers, accountants and commercial advisors on its business dealings in Italy via its legal and/or fiscal representatives in Italy.
 - d) ExPlus! may deploy employees or contract employees in Italy to perform quality control on hotels, restaurants, or tour operations or to undertake research and development that cannot be done by SAI.
- 2) SAI responsibilities in Italy:
 - a) As the primary operational and logistics arm of ExPlus! in Italy and Europe, SAI will perform the responsibilities outlined in the attached memorandum of understanding dated Nov. 1, 2002.
 - b) Any responsibilities that SAI cannot perform legally or administratively, SAI will either refer ExPlus! to the competent providers or will so advise ExperiencePlus!
 - c) SAI will represent ExperiencePlus! in Italy for any individuals wishing to purchase ExPlus! products. In this capacity, SAI will act solely as an agent publicizing ExPlus! products (including bicycle and walking tours). Actual sale of these products will be effected directly from ExperiencePlus! via the world wide web.
- 3) ExperiencePlus! on behalf of SAI in the US:
 - a) ExperiencePlus! with the explicit authorization from SAI, will undertake to market SAI's logistics and operational services to other tour operators (US and non-US based) around the world. In this capacity, ExperiencePlus! operates as an agent for and consultant to SAI. In this capacity ExPlus! is authorized by SAI to incur reasonable expenses on behalf of SAI. Said expenses will be billed to SAI on a monthly basis.
 - b) ExPlus! will, from time to time, represent SAI in other, as yet to be defined capacities in the US.

SAMPLE TRIP APPLICATION & WAIVERS



INDIVIDUAL TRIP APPLICATION

AGENT CODE

Mongolian Ways, Ulaanbaatar, Mongolia Email: trips@mongolian-ways.com Fax: 976-11-330350

Thank you for choosing Mongolian Ways. Please complete this form as accurately as possible so we can better prepare for your trip to Mongolia. All pages must be completed and returned before your reservation can be confirmed, even if you have already paid a deposit. One application should be completed for each traveler. Click in the grey boxes to enter your information into the form. We will not trade, exchange or misuse the information provided here.

TRAVELER INFORMATION

Trip Name or Code Departure Date (m/d/yyyy)

Full Name (as it appears on your passport)

Waypoints ID No. if member Apply accrued Waypoints to the cost of this trip? yes no

Mailing address

City Country Postal Code

Phone Mobile Fax

Email Occupation

Female Male Single Married Date of birth (m/d/yyyy)

Country of Birth Citizenship

Passport No. Issued (m/d/yyyy) Expires (m/d/yyyy)

Have you been on previous Mongolian Ways tour? yes no

Which ones (including year)?

I prefer a single room at supplement cost I am willing to share a room Smoker yes no

Please detail all dietary restrictions you have and any dietary preferences:

Describe the nature and extent of your camping, hiking, or other outdoor experience:

How did you hear about Mongolian Ways? Search Engine If other, please describe:

If you are not already a member of the waypoints program, you can join now. The Waypoints program is a program designed to reward our loyal customers by enabling them to accrue points for trips taken with Mongolian Ways, and apply these toward the cost of future trips. For more information on the Waypoints program, please visit our website. Waypoints members receive quarterly email newsletters informing them of new travel opportunities with Mongolian Ways, exclusive trips, and special events.

I would like to joint the Waypoints program yes no Send my point statements by email paper mail

CONFIDENTIAL MEDICAL HISTORY AND INSURANCE RECORD

Age	yrs	Height	ft <input type="checkbox"/> meters <input type="checkbox"/>	Weight	lbs <input type="checkbox"/> kg <input type="checkbox"/>
Doctor's Name		Office Tel.		Mobile.	
Medical Insurance			Policy Number		
Name of Policy Holder			Insurance Tel.		
Emergency Contact Person			Relationship		
Home phone		Mobile phone			

If you have had any of the following, please mark and give details in the space provided below:

1. Adverse effects while traveling at high altitude	yes <input type="checkbox"/> no <input type="checkbox"/>
2. Dizzy spells, fainting, convulsions, severe motion sickness	yes <input type="checkbox"/> no <input type="checkbox"/>
3. Frequent infection of throat, sinuses, ears or chronic bronchitis	yes <input type="checkbox"/> no <input type="checkbox"/>
4. Shortness of breath, asthma	yes <input type="checkbox"/> no <input type="checkbox"/>
5. Chest pain on exertion, angina, history of heart disease	yes <input type="checkbox"/> no <input type="checkbox"/>
6. Low or high blood pressure	yes <input type="checkbox"/> no <input type="checkbox"/>
7. Frequent diarrhea or blood in stools	yes <input type="checkbox"/> no <input type="checkbox"/>
8. Abdominal cramps, severe menstrual cramps	yes <input type="checkbox"/> no <input type="checkbox"/>
9. Difficulty urinating, kidney infection or stones	yes <input type="checkbox"/> no <input type="checkbox"/>
10. Previous broken bones, surgery of any kind	yes <input type="checkbox"/> no <input type="checkbox"/>
11. Joint pain, stiffness or swelling without injury	yes <input type="checkbox"/> no <input type="checkbox"/>
12. Any severe injury to head, chest, internal organs	yes <input type="checkbox"/> no <input type="checkbox"/>
13. Severe and prolonged illness	yes <input type="checkbox"/> no <input type="checkbox"/>
14. Allergy to medicines, foods, insects, or environmental factors	yes <input type="checkbox"/> no <input type="checkbox"/>
15. History of psychiatric care, claustrophobia, acrophobia, etc.	yes <input type="checkbox"/> no <input type="checkbox"/>
16. Problems with vision or hearing, wear glasses, hearing aid, contact lenses	yes <input type="checkbox"/> no <input type="checkbox"/>
17. Do you have dentures, a bridge or braces?	yes <input type="checkbox"/> no <input type="checkbox"/>
18. Do you wear prosthesis, braces, or use other physical aids?	yes <input type="checkbox"/> no <input type="checkbox"/>

Emergency evacuation/repatriation insurance is a requirement for all travelers on Mongolian Ways trips. In the event you must be evacuated for medical reasons, you will bear the financial responsibility for costs incurred. You must provide proof of insurance prior to the start of the trip.

Anything else we should know regarding your medical history, current state of health or safety concerns?

DECLARATION OF APPLICANT

If you are emailing this form, please leave the signature space blank. You will be asked to sign the form on your arrival in Mongolia and before the start of the trip.

Declaration: I the undersigned hereby declare that all above information is true and correct:

Signature of Applicant: _____ **Date (m/d/yyyy)** _____

Parent or guardian of a minor: I certify that I am the parent or legal guardian of the minor applicant named in the trip application above, and I hereby give my permission for this minor to participate in the trip or expedition.

Name of parent/guardian: _____

Signature of releaser: _____ **Date (m/d/yyyy)** _____

ACCEPTANCE OF TERMS AND CONDITIONS – PLEASE READ CAREFULLY

1. Mongolian Ways Co. Ltd. gives notice that some services provided in connection with its itineraries, including transportation, hotel accommodations, restaurants, and other services, are purchased from independent suppliers who are not affiliated with Mongolian Ways Co. Ltd. in any way. Although we endeavor to choose the best suppliers available, Mongolian Ways Co. Ltd. Does not control their operations and therefore makes all travel arrangements upon the express condition that Mongolian Ways Co., Ltd., and its own agents and employees, shall not be liable for any delay, mishap, inconvenience, expense, irregularity, bodily injury or death to person, or damage to property occasioned through the conduct or default of any company or individual engaged in providing these services. Mongolian Ways Co. Ltd. shall not be liable for: (a) expenses such as additional hotel nights and meals not specified in the individual trip itineraries that may be required either en route, prior to, or following a trip, when caused by individual clients' travel arrangements, by airline scheduling or airline schedule changes, canceled flights, missed flight connections, or by other factors not under Mongolian Ways Co. Ltd. control; (b) expenses incurred in recovering luggage lost by airlines, belongings left behind on a trip, or in shipping purchases or other goods home from abroad; (c) bodily injury or property damage for any reason, including but not limited to acts of God, weather, quarantines, strikes, civil disturbance, theft, default, detention, annoyance, changes in government regulations, terrorism, war, or failure of conveyance to arrive or depart as scheduled, etc., over which it (Mongolian Ways Co. ,Ltd.) has no control.
2. Mongolian Ways Co. Ltd. reserves the right to take photographic or film records of any of our trips, and may use any such records for promotional and/or commercial purposes.
3. Mongolian Ways Co. Ltd. reserves the right to substitute trip leaders, departure dates and hotels from those listed in the catalog without notice.
4. Mongolian Ways Co. Ltd. reserves the right to decline any applicant, and to exclude from further participation any person it judges: (a) does not meet the physical or other requirements of participating in the trip or activities envisaged; (b) acts or behaves in a manner that impedes trip operation or the rights, well being, or enjoyment of other trip members; (c) acts or behaves in a way damaging to Mongolia's natural, cultural, or environmental resources after being duly informed of trip guidelines and local customs and traditions. A refund based on cost of unused land services is the limit of Mongolian Ways Co. ,Ltd. responsibility in such a case.
5. Trip members have the responsibility to select a trip appropriate to their abilities and interests. In order to assist you we grade each trip with a Trip Rating. We are also happy to discuss the trip with you, as well as provide you with names of past participants who can discuss their experience with you. Trip members are responsible for being sufficiently fit and in good health to undertake the trip. Trip members are responsible for preparing for the trip by studying the itinerary and pre-departure information packets sent by Mongolian Ways Co. Ltd. and for bringing the appropriate clothing and equipment as advised therein.
6. Trip members are responsible for the proper care and use of any equipment and gear provided for their use by Mongolian Ways Co. Ltd. for the entire duration of the trip. This includes but is not limited to tents, sleeping pads or mattresses, saddles, folding chairs and tables, shower and toilet equipment. Trip members will examine equipment assigned to them and will immediately inform Mongolian Ways staff if any equipment appears to be damaged or otherwise not in good working condition. Trip members acknowledge responsibility for the condition of the equipment and agree to be charged for the replacement value of the equipment or costs of repair if not returned in working order at the end of the trip, excluding normal wear and tear.

I, _____ hereby declare that I have read and understood the above and agree to the terms and conditions declared hereon by placing my initials here:_____.