



DETROIT  
METRO  
CONVENTION  
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BUREAU

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## The Secrets of Package Pricing

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# I. Hyper-Local Travel Packaging:

1. The Detroit Metro CVB Travel Packaging Initiative:

2. Packaging Customers & Themes:

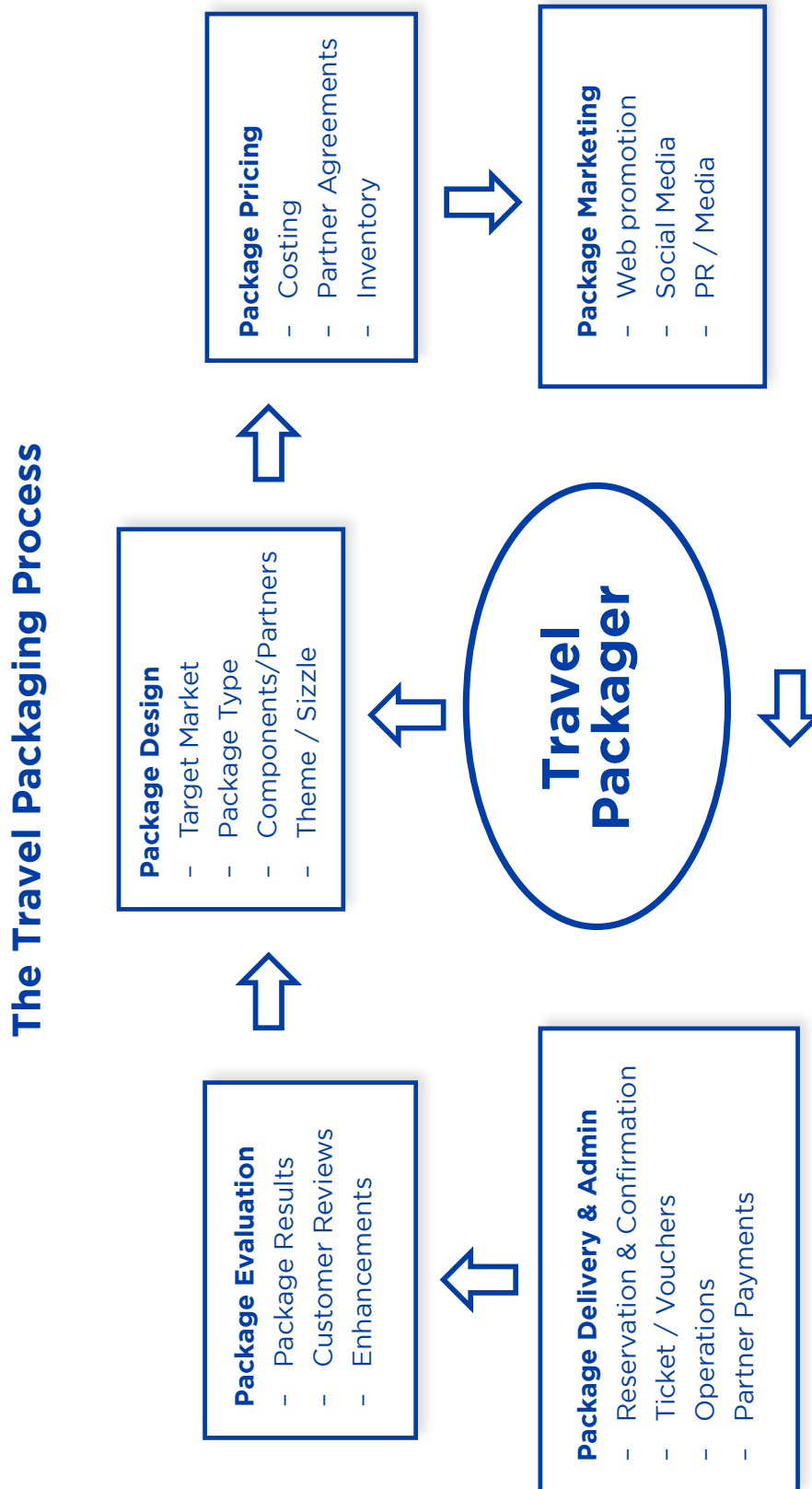
3. The Travel Packaging Process:

4. The Pathways of Packaging

- The Packager
- The Partner
- The Customer
- The Detroit CVB


5. Business Partnerships to drive Packaging Success:

## II. The Process of Travel Packaging:



# III. “Business-Ready” Dynamics for Packaging & Partnership:

## 1. Leveraging Your Business:

- “B to C”  

- “B to B to C”

## 2. “Business Ready” Partners:

## 3. “Business Ready” Dynamics:

- Sell
- Reserve
- Confirm
- Deliver

## 4. Flow:

- Information
- Documents
- Money

## 5. “Business Ready” Systems:

- Ease of Partnering
- A Pricing Strategy
- Tracking & Reporting
- Delivery Systems
- Payment Systems

### III. “Business-Ready” for Packaging & Partnership:

#### 6. “Business-Ready” Checklist Questions:

- Could you activate three new packaging partnerships in less than a week?
- What would you need to implement them?
- What other internal departments in your organization would be part of the process?
- Do you have a pricing strategy in place?
- What is your process for capturing reservations information from partners?
- Can you access past and future reservation information?
- What is your reservation confirmation process?
- Are there any pre-trip details or information that relate to your product or service?
- What do clients need for proof of purchase to obtain seamless delivery of your product? (Tickets, Vouchers, Mobile Confirmation?)
- How do you handle inventory management, increases, decreases, releases?
- What is your payment process with partners?
- Based on the above questions, what “business-ready” systems do you need to put in place?

# IV. Package Pricing

## 1. Pricing Essentials

- Land Only
- Pricing Categories (Per Person)
  - Twin/Double
  - Single
  - Triple
  - Child (4-12)
  - Per Couple
  - Per Person/ Per Night
  - Per Group
- Fixed vs. Variable Costs
- Inclusive Rates
- Package Partner Agreements

## 2. Tiered Pricing - Lodging

- Rack Rates
- Commissionable Rates
- On-line Consumer Rates
- Net Rates
- Net/Net - Wholesale

## 3. Tiered Pricing - Attractions

- Gate
- Group
- Volume

# V. Package Costing Elements

## 1. Calculating Package Elements

- Net Rates
- Lodging
- Meals
- Attractions & Entertainment
- Lagniappe Gifts
- Pricing Formulas
- Package Mark-Up (Profit)
- Breakage
- Sell at Pricing
- Competitive Analysis
- Credit Card Charges (Build-In)

## Notes:

# VI. Package Costing Worksheets

## PACKAGE COSTING WORKSHEET

Package Name: \_\_\_\_\_  
Date Range: \_\_\_\_\_

Days/Nights: \_\_\_\_\_  
Traveler Segment: \_\_\_\_\_

<b>Per Person Rates - Net</b>	<b>Twin</b>	<b>Triple</b>	<b>Single</b>	<b>Child</b>
LODGING:				
Room				
Room Tax				
Occupancy Tax				
Baggage				
Gratuity				
Other				
LODGING:				
Room				
Room Tax				
Occupancy Tax				
Baggage				
Gratuity				
Other				
MEALS:				
Breakfast				
Lunch				
Dinner				
Transportation				
Sightseeing/Attractions				
Evening Events				
Other Costs/Lagniappe/Gifts				
Mailing Costs				
Costing Sub-Total				
Mark Up ( _____ %)				
Commission ( _____ %)				
Credit Card Charges ( _____ %)				
Costing Sub-Total				
(Breakage)				
Sell At Price per Person				



# VII. Package Administration

## 1. Booking Procedures

- On-Line Package Posting
- Availability & Inventory
- Package Reservation
- Deposits & Payments  
Inventory Costs
- Cancellations & Changes
- Tracking, Measurement &  
A Call to Action

## 2. Package Operations:

- Confirmations
- Pre-Trip Materials
- Advance Reservations  
(Spa, Golf, etc.)
- Vouchers & Tickets
- Managing Inventory
- Payments to Partners
- Customer Service Issues
- Insurance & Liability

# VIII. Travel Packaging Worksheet:

## 1. Packaging Ideas:

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## 2. Package Partners:

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- 
- 

## 3. Sample Packages:

### Package I

- Target Market \_\_\_\_\_
- \_\_\_ Days / \_\_\_ Nights
- Theme:
- Title:
- Lodging:
- Features:
  - 
  - 
  - 
  - 
  -

### Package II

- Target Market \_\_\_\_\_
- \_\_\_ Days / \_\_\_ Nights
- Theme:
- Title:
- Lodging:
- Features:
  - 
  - 
  - 
  - 
  -

## IX. Your Packaging Action Plan:

Packaging Ideas:

To Be Completed By: