

# Packaging your products & services effectively

Northern  
Ireland  
Embrace  
a Giant  
Spirit



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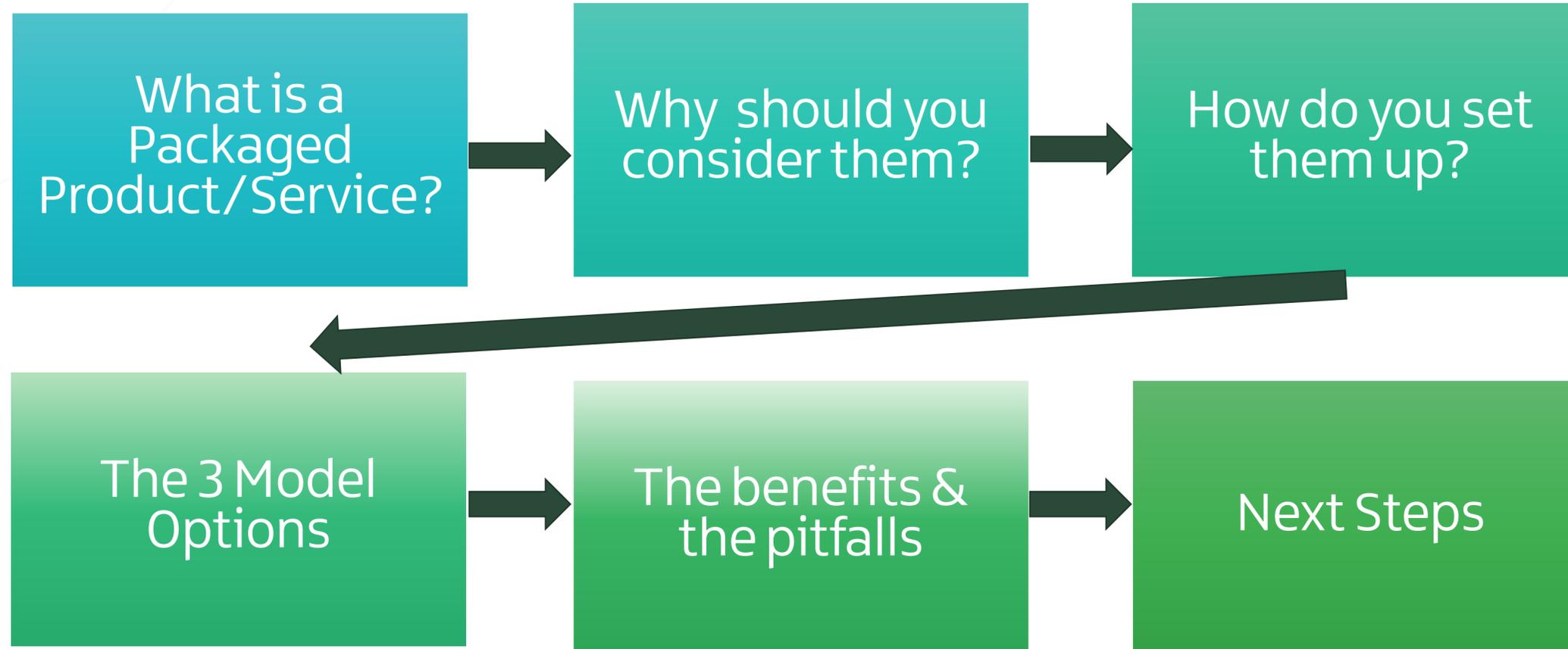
**TED**

Tourism  
Enterprise Development  
Programme



tourism  
northernireland

# Overview



# What is a Packaged product or service?

*“A product or service that has been merged with other products or services and is sold as a package to consumers.”*

*Essentially it brings together individual parts to make something bigger or better.*

# What is Collaboration?

*Collaboration is the process of two or more people, entities or organisations working together to complete a task or achieve a goal.”*

**Source: Wikipedia**

# Package holidays & legislation

*Key Reference for specific types of travel packages:*

*“The Package Travel and Linked Travel Arrangements  
Regulations 2018”* (updated August 2021)

*[The 2018 PTRs]*

# Package holidays & legislation

## The 2018 PTRs

*“The 2018 Regulations protect consumers buying package holidays or linked travel arrangements (LTAs) and impose obligations on the organisers of package holidays (“organisers”) and traders which facilitate LTAs (“traders”).....*

*.....the degree of protection is greater in the case of packages.”*

# Package holidays & legislation

## What is a package holiday?

*“Generally, the combination of two or more different types of travel services combined for the purpose of the same trip”*

## What is a Linked Travel Arrangement(LTA)?

*“Travel combinations that have looser commercial connections than that of a package”*

# Package holidays & legislation

## (Legal) Definition of Travel Services?

Two or  
more....

1. Carriage of passengers – includes flights, trains and coaches
2. Accommodation
3. Motor Vehicle Hire – includes car and motorcycle hire
4. Any other tourist service – includes admission to concerts, sports events, excursions or event parks, guided tours, rental of sports equipment such as golf equipment, or spa treatments (make up a significant part of the package)

# Package holidays & legislation

*The 2018 PTRs do not extend to:*

1. Packages and LTAs < 24 hours unless overnight accommodation included.
2. Packages and LTAs that are organised occasionally and on a not-for-profit basis and for a limited group of travellers e.g. a one-off church trip arranged for its members.
3. Packages and LTAs purchased on the basis of a general agreement.

# Legislation

*Read the relevant legislation and see if/how it applies to you - seek your own legal advice*

*(there are Case Study examples in the 2018 PTRs)*

# Why should you consider one?

1. Your customers are asking for it
2. Your competitors are doing it
3. You've seen a gap in the market
4. You want to diversify/grow
5. You want to experiment
6. Your current product/service mix isn't working
7. A combination of some or all the above

# 3 Model options for packaging

*Might* be  
affected by the  
2018 PTRs

1  
DIY – keep it  
internal

2  
Package them by  
buying other  
services

3  
A joint venture  
with at least  
one other  
provider

# Model 1

## DIY – internal

1. Combine two or more of your products/services
2. Identify your target market – is it needed?
3. Review your financial model – pricing for profit tool
4. Is it a package holiday or LTA?
5. Align your marketing strategy
6. Track your sales (and costs) i.e. profit and cash flow
7. Get feedback; review and repeat or withdraw

# Example Model 1

Walking tour operator in Belfast.....

- Offers 3 tours – (i) musical (ii) industrial (iii) heritage
- “Buys in” no other services –all “self-delivered”
- Decides to combine 2x tours - packaged
- Offers a discounted price
- Use “Pricing for Profit” template – largely time based

# Model 2

## Buy in other services

1. Combine your products/services – buy from another provider
2. Identify your target market – is it needed?
3. Check – is it a packaged product or LTA?
4. Review your financial model – pricing for profit tool
5. Align your marketing strategy
6. Track your sales (and costs) i.e. profit and cash flow
7. Get feedback; review and repeat or withdraw

# Example Model 2

## *Cider making farm/orchard in Co Armagh.....*

- Wants to offer cookery sessions alongside orchard tours
- Approaches a local cookery school
- Agrees a discounted price for classes at the end of an orchard tour, with apples/cider as a key ingredient
- Develops a “Tour/Cookery” package (≠ package holiday/LTA)
- Collects the money directly and pays over to the school

# Option 1 & Option 2 Pricing for Profit

See Pricing Tool

# Model 3

## A joint venture

1. Offer your products/services jointly with others
2. Is it part of a package holiday or LTA?
3. Identify your target market – is it needed?
4. Review the financial model – overall and pricing tool
5. Establish your business model – formal or loose
6. Establish your marketing strategy & your roles
7. Track your sales and costs i.e. profit and cash flow
8. Get feedback; review and repeat or withdraw

# Example Model 3

Two operator businesses develop a bespoke “package”.....

- (i) Orchard (ii) a Cookery School
- Offer “complementary services”
- Decide to sell it online as a packaged offering
- Establish a new company; legal agreements; bank accounts; profit shares; allowable costs; time etc.....



# Collaborations – Key Tips

- Decide on your Business Model (incl. package holiday or not)
- Be clear from the start
- Prepare for if things go well.....
- ..... and if they don't
- Focus on the £££/€€€/\$\$\$ and the Risk/Return

# Collaborations

## What do you each need to consider?

1. Do you know each other? Do you get on well?
2. Are you aware of exactly what each other offers?
3. What do their customers say about them?
4. Where will it be advertised? Both websites/social media?
5. How will people pay? Into whose bank account?
6. How will the income be shared? What about your costs?

# Collaborations

## What do you each need to consider?

7. What if something goes wrong? Insurance? Insolvency?
8. Who will lead it, take phone calls, web & email enquiries?
9. What about confidentiality and sharing of information?
10. What about GDPR?
11. What are the risks and what if you fall out?
12. Is it a packaged holiday or LTA – seek separate advice

# Model 3

## What are the steps? (1)

1. Establish the need – demand/competitors/feedback?
2. Identify the joint venture partner(s)
3. Establish the potential sales/cost/profit
4. Agree the “profit share”
5. Agree the “business model” – formal i.e. Partnership or Ltd co or informal [And package holiday or not?]

# What are the steps? (2)

6. Decide on confidentiality/non-disclosure agreements
7. Decide on “controlling the cash” and the cash flow timings – income/costs/banking/profit
8. Develop a “Service Level Agreement” or consider a formal contract (larger ventures)
9. Develop a plan – SMART with responsibilities/timings
10. Agree a full review/feedback process on the package

# HOW? (SWOT)

Internal

Strengths	Weaknesses
Opportunities	Threats

External

# Joint Ventures

## - Benefits

- Meets a new need you can't meet on your own
- Helps you diversify/expand
- Can improve your brand/image/network
- Can increase your profit/cash flow
- Can address seasonal ups and downs

# Joint Ventures

## - Risks/Pitfalls

- Possible brand damage if it goes wrong
- Can be very time consuming to set up
- May not be a meeting of “equal commitment”
- Profit/cash share can be uneven/difficult
- Communication can be poor/unclear
- Fall out can be challenging

# Package Holidays & LTAs

## Sources of information

- <https://www.tourismni.com/build-your-business/sector/accommodation/accommodation-getting-started/legal-considerations/package-holiday-advice-and-regulations/>
- <https://www.legislation.gov.uk/ukxi/2018/634/regulation/4/made>
- [https://www.tourismalliance.com/downloads/TA\\_402\\_428.pdf](https://www.tourismalliance.com/downloads/TA_402_428.pdf)

# Final Tips

Trust & planning are key!

Keep it Simple!

- If external, choose your partner(s) carefully
- Work out the money – cash/profit at the start
- Agree as much as possible in writing – SLA/Contract
- Check if it is a package holiday or LTA
- Test and pilot first and review thoroughly
- Take calculated risks – for greater return
- Learn from your mistakes and move forward

Each situation is different

See the Collaboration Checklist

Thank you  
Tony Haren

Q & A

