



## Bundling and Packaging Tourism Products and Experiences

### What is bundling and packaging?

Bundling is collating and aligning a range of complementary tourism products or experiences that exists at a broader level than that of individual attractions. These are 'clusters' of tourist attractions, presented as part of a shared theme.

A package combines two or more products so the customer and market segment being targeted gain an advantage compared with buying the items separately. It is about providing complementary products to like-minded travellers and focuses on making visitors aware of what the region has to offer. It improves visitation in the region and helps to increase tourism revenue and the local visitor economy.

Core holiday components, such as transport, accommodation, meals, attractions and entertainment, can be carefully combined into a complete packaged experience. On a large scale, this could include flights, transfers, basic meals and activities. Packages provide the customer with either greater convenience or a more competitive price. Generally, in a package, the sum of all components will be cheaper for the customer than buying them individually.

In tourism, bundling or packaging offers great opportunities to target specific markets and explore new ones, particularly during shoulder and off season periods, especially the free and independent traveller (FITs) market.

### Packaging Benefits

- Customer convenience
- Ease of payment
- Savings
- Ease of planning
- Co-operative

With co-operative packaging, your product's appeal may be enhanced, and promotional costs reduced, by working with other operators to create an attractive package.

If compiling a package in cooperation with other operators or on behalf of a number of operators work to allow a satisfactory profit margin for all concerned, determine product break even points and make a budget for unexpected costs.

### 8 step guide to packaging

1. Define your target market
2. Name the package
3. Brainstorm what the package could include
4. Determine specific elements of the package
5. Determine which operators will be involved
6. Plan the logistics



7. Calculate your costing and pricing
8. Promote the package

**Things to consider**

- Timing - understand your seasonal or experience peak periods.
- Pricing - prices should be fixed for at least a 12 month period.
- Commission - factor this in with pricing and consider how the package will be distributed.
- Target audience - be clear on who this package or bundle is for.
- Logistics and operation - be clear who is responsible for what.
- Branding and promotion - develop an agreed plan for marketing.
- Inclusions - based on your target audience, consider what package inclusions would appeal to them and at what price.

Be careful to not over package and remember that some customers enjoy flexibility. Instead you may want to offer add-ons, thus providing some level of freedom for your guests to custom design their own experience.

**Examples of bundles and packages:**

- Romantic
- Cultural
- Adventure
- Key examples - The Sydney Pass, road trips, bicycle tours, tasting tours, etc.

In regional areas, a package featuring complementary products that are a well targeted mix of visitor experiences can enhance the appeal of a destination - often much more than selling your product individually.

Trade shows are the perfect platform to work as a region and showcase to buyers how they can bundle and package products, or present a pre-bundled product offering.