

Business proposal on tailor made adventure holidays tourism essay

[Art & Culture](#), [Holidays](#)



This report puts forth a unique business proposal, based on tailor-made adventure holidays. This business plan encompasses unique holiday packages for adventure lovers residing in the United Kingdom, attractive deal of prices and promises of delivering a true value for money experience to our customers, a clear understanding of the market, the anchoring segmentation, marketing and pricing strategies that confirm a competitive edge over existing players in the market, along with the financial projections made in light of realistic terms and conditions.

“ To deliver our customers an entire experience to value, rather than a mere service for a value.”

Our aim is to make it a very simple and pleasant experience for our customers at every step, i. e. right from the time they consult us to bookings made, to the time their trip comes to an end and even after that we intend to live up to the needs of a good and lasting customer relationship.

“ To encourage eco-tourism.”

Our second aim is to actively encourage eco-tourism. Any kind of harm caused to the ecology, if witnessed, would certainly not be entertained. Our effort towards this aim would be, say, taking care of the camels during camel safari that is amongst one of our packages for trip to Rajasthan in India.

Also, not causing any kind of disruptions to the space and milieu of various animals, during trips to forests, would be highly acknowledged. Especially, during trips to forests in Africa which form a paradise for several endangered species.

Our objectives are:

“ To be the first choice of our prospective customers.”

We wish to be the first choice of the adventure lovers in the UK, seeking to book adventure trips for themselves.

“ To rule the niche market of exclusive tailor-made adventure holidays.”

Considering the fact that we belong to an extremely niche market, it is one of our prime objectives to dominate the market, where customers come to us by choice, and not just by chance.

“ To cover as many as, all the adventurous destinations round the globe by 2020.”

We intend to take our customers to numerous destinations to adventure the real variety of adventure! Right from the soft adventures like balloon safaris through the royal palaces of the incredible Rajasthan in India to extreme adventures of confronting the ultimate wildlife in the bushes of Amazon.

In years to come, not only cover, but we also intend to discover such adventurous destinations round the globe that are still waiting to be seen and experienced.

Product

PRODUCT

The product we would be offering is the various packages to the destinations mentioned below.

<https://assignbuster.com/business-proposal-on-tailor-made-adventure-holidays-tourism-essay/>

Destinations

Europe

Asia

Africa

Poland

India

Spain

Thailand

Amazon

Turkey

Tanzania

Uganda

Initially, we have chosen these eight destinations because, they exhibit variety in adventure. Our packages to these destinations would be promoted by the following names:

Phenomenal India Wild Tanzania

Thai venture Enticing Poland

Frantic Amazon Sensational Spain

Kingkong Uganda Thrill In Turkey

CHARACTERISTICS OF OUR PRODUCT

Exclusively for UK residents wanting to book an adventure tour.

Our main focus as far as customers are concerned, are the people residing only in the United Kingdom and the ones who want to go for an adventure trip in particular.

Tailor-made in true sense.

We are different from other tailor-made tour companies as we provide for freedom of choice in every sense.

For e. g. definitely, apart from our advice and suggestions; our customer is given a wide range of choices to make according to his requirement and convenience with respect to selection of hotel rooms (whether deluxe or economy), option of booking Air tickets with us, including or excluding the meal option and so on.

Also, our customer is free to decide the combination of adventure activities within a destination, like, he may choose a combination of Tiger Safari and Paragliding in two different places within India that we offer.

For all age groups.

We are open to all age groups because we offer a mix of soft as well as extreme adventure.

‘ The customer decides the price’ is our key selling proposition.

Other agencies offer packages inclusive of all its features for a set price. We would offer only what the customer is seeking for and he pays only for what he chooses. Thus, it is the customer’s choice of place, adventure and price too!

All procedures are just at a click of a button.

Our official website would provide for easy accessibility to complete information of our products, booking and payment procedures and all the required guidelines to our customers all over UK.

Market analysis

Market research is just like the foundation of any business research. Thus, it is one of the most crucial functionality that makes a piece of information more reliable and evident. Businesses, small or large, need this kind of research, not only to keep a track of the market, but also, to understand what and how certain strategies need to be introduced into the business to keep in pace with the uncertain market situations.

For a start up business like ours, market research and analysis is of great onus, to determine the feasibility of a new business. Our market analysis comprises of reports from Keynote and other websites like CNBC, that discuss about the UK travel market.

The following data largely talks about our market, the customer behaviour persisting in the market and the trends, that in turn suggest us how can our business reach the desired levels of profit.

TRENDS IN OUTBOUND TOURISM

According to Keynote, the UK tourism market, in total is divided into three categories namely, inbound, outbound and domestic. The combined market yielded £74billion in the year 2008; out of which the contribution of domestic and outbound was as good as 77.9%. The outbound market increased by 20.6% during 2004-2008; being quite remarkable.

(KEYNOTE: A Report on Overseas Tour Operators, 2009)

Analysis

The table above clarifies the total UK market for tourism.

This table was used to identify and understand value and number of overseas holidays made.

It implies that outbound travel or overseas trips are greater than others, by value.

This says, in UK tourism market, role of outbound is significant.

This also means UK population, appreciates trips abroad and hence would buy our packages as we offer mix and range of many countries.

PATTERN OF HOLIDAY TRIPS ABROAD

Statistics highlighted by Keynote show, that holiday trips both domestic and abroad, estimated up to 120 million; almost equating to two holidays per resident. Figures put forth a lucrative amount of 64. 1%, being the share of the total amount of money that people in the UK spend on holidays abroad.

In volume

(Million Trips)

By value

(£ Billion)

(KEYNOTE: A Report on Top Markets: Transport & Tourism, 2010)

Analysis

This report was used to identify holiday trips made abroad.

Trip abroad can mean a visit to family or friends, or a business trip, or a holiday trip.

These two graphs help us in narrowing down to holiday trips only.

This shows customers spending on holidays abroad.

According to the graphs above, although the outbound holiday trip is less in number as compared to domestic trip (by number of trips made); but, is definitely much superior with respect to value.

It can be understood as; value of one overseas trip is equal to value of three domestic trips, concerning the price of package.

This also shows outbound holiday trips generate more money than domestic trips.

ADVENTURE TRIPS MADE, IN PARTICULAR

It is interesting to note that, average expenditure made on activity trips abroad is much higher than that of domestic ones; which is estimated up to a significant £1, 000 in comparison with a mere £193 respectively.

By Volume

(Million trips)

By Value

(£ Billion)

(KEYNOTE: Report on Activity Holidays, 2009)

Analysis

This report from Keynote helps us to narrow down to adventure holidays in particular.

This data is used to investigate, the interest and buying behaviour of UK population towards activity holidays.

Total holiday trips abroad comes to 39£bn, and the total of adventure holiday trips abroad is 7. 7£bn.

These figures tell us that out of all holiday trips made abroad, 20% are only for adventure.

This is a very positive figure for us, because, there are so many types of holidays like, Sightseeing, Beach holidays, Historic attractions, Honeymoon holidays, Spa holidays etc.

Amongst this scattered range, adventure holidays has a good 20% share, which says all; that people in UK like adventure holidays and they spend too accordingly for it.

RANKING OF DESIRED DESTINATIONS

The following are the favourite destinations, where people prefer to go for holidays. Especially, 13.4 million visits have been made solely to Spain, which makes way for it to top the list of most preferred holiday destinations that people of UK tend to choose.

(KEYNOTE: A Report on Travel agents and Operators, 2009)

Analysis

These are favourite places where people of UK like to visit.

According to this report, largest number of tourists is for Spain.

We have used this report, to decide onto the choice of countries to offer to the customer.

Looking at the statistics, we chose Spain, Turkey, Poland and India, as these are the destinations consumers like to visit.

Our other choice of country i. e. African countries is done for a reason that, several UK consumers are yet to explore these regions as tourist places.

Our research and observation shows, African market for adventure holidays is still unexplored and untapped for UK customers and the beautiful aspect of this is, the variety and thrill in adventure that Africa has; is what UK consumer will love.

So, what intend to offer places they typically go in accordance with what they like and also place that they would like to go, if given a chance.

It is more like introducing African adventure holidays to UK consumers in a refined and tailor-made way.

US, the second favourite, will be offered in years to come.

ROLE OF INTERNET IN BOOKING TOURS

(KEYNOTE: A Report on Holiday Purchasing Patterns, 2009)

Analysis

This table is been used to see the importance of internet for holidays.

The chart above reflects the source of information for the last holiday taken in last 12 months (in % of adults)

This table supports that, internet is the largest source used by people to book their holidays.

This would be very fruitful to us because, as we are a virtually operating tour company, we would have the largest number of potential customers finding us and seeking information.

The figure for ' information from tour operator' is also pretty decent.

So, in a way, we are likely to benefit in this situation, both, through internet users as well as our physical presence.

CUSTOMER SOPHISTICATION

According to a Keynote report based on Purchasing Patterns (2009), customer sophistication in terms of their awareness about technology usage has seen a steep rise. Moreover, their ideas about holidays have only and only grown clearer about how exactly they wish to design their trips; further adds to attract them towards our type of service.

A survey by CNBC says, ' Holiday Are a Necessity for Britons'

Further it mentioned that,

" Despite the fragile economic recovery, 91% of Britons surveyed are still keen to take their annual holiday, according to the British Travel Awards. Lorraine Barnes Burton, CEO of British Travel Awards, told CNBC Thursday that people are more likely to cut back on other discretionary spend before they cut back on their holiday"

(CNBC SURVEY, February 2010)

FORECAST

With respect to a report on Keynote, activity holidays abroad are expected to grow from 5.6 million trips to 6.1 million trips during the year span from 2009 to 2013. Moreover, the expected increase by value, during the same span is £5.3 billion to £6.7 billion.

(KEYNOTE: A Report on Activity Holiday, 2009)

Analysis

Considering factors like recession and consumer spending, tourism is definitely in a little unstable situation.

But the best part is, things are moving towards positive and the forecast table supports this.

Outbound activity holidays are expected to rise in the next three years.

The growth is predicted to be comparatively higher in 2012 and 2013.

Forecasts further show that outbound activity holidays will continue to generate more revenue compared to domestic activity holidays.

There are few more implications regarding the forecast related to Political and Economical issues.

Factors like, more specific regulatory issues relating to tour operator licensing and customer safety and restrictive entry visa requirements.

There was decline in UK GDP in 2009. However, 2010 observed a 1.2% increase and the prediction for 2012 expects a rise by 2.5%.

COMPETITORS

As mentioned earlier in this report, we belong to an extremely niche market. Our research says, there are quite a few tailor-made tour operators and travel companies specialized in designing adventure trips; but very few direct competitors i. e. both tailor-made as well as specialized in adventure trips in particular.

This gives us a stronger chance to make our presence felt in the market with the help of appropriate strategies.

The following are our indirect competitors:

Tailor-made holiday Tour operators

Tailormade Travel

Kirkir holidays

Travelbag. co. uk

Kuoni travels

Audley travels

There's a long list, of about 40 tailor made holiday operator companies in UK. These are the most known and popular. They are not direct competition, but there is obviously a threat because they have adventure holidays. There is

another aspect to this too that, customers who like tailoring their holiday might look for tailor made adventure holiday as well.

Adventure Holiday operators

The Adventure Company

Explore! World-wide Adventure Travel

Adventure Sports Holidays

Activities abroad

Footloose Adventure Travel

Addicted to Travel

Active Adventure

High Adventure and Wild Expedition

These are the tour operators which have only adventure activities. They are even bigger threat, because customer looking for adventure holiday would not necessarily try for tailor made holidays unless he is looking for same.

The following are our direct competitors:

Tailor-made adventure tour operators

Wild Frontier Adventure travel – Adventure tours and Tailor made holidays

Tailor-made Explore Adventure Holidays

Responsibletravel. com

Imaginative traveller

These four are our main direct competitors, all UK based. Undoubtedly, these travel companies have a wide range of destinations to offer. But, they tailor only to the extent of preferred types of rooms in a hotel, flight bookings. A customer is definitely free to state specifications if any; but, anything more than this might or might not be arranged for. This is what is common in all these adventure tour operators.

How are we different from our direct competitors???

Intensely Tailor-made: We welcome choices made by our customers in light of not only hotel rooms, flight seat specification; but also, to the extent that our customer is free to choose his own adventurous activities at various destinations that we offer.

The ' Kingpin' pays only for what he chooses to: By this we mean that our customer has the liberty to make a choice of even the activities at the destination he decides to go. He can choose his own combination of adventure according to his preference and most importantly pays only to the extent of what he chose. Thus, our packages have flexible pricing benefit.

Strategy formulation

Target segment

Our segmentation is divided in two parts:

By Age

We would be considering all the age groups.

Especially, age group ranging from: 30 years-49 years.

While, 18 years-29 years and 49+, if applicable.

By Class

Affluent class.

Upper middle class.

Basically, our customer can be anyone who can afford to spend an average of £1, 000 for holiday trips as we provide for a blend of adventure with desired levels of luxury.

The following table represents the weekly disposable income categorized by age. Considering this information can help us know who can be our prospective customers and how can we generate sales.

(KEYNOTE: A Report of Market Assessment on Extended Financial Families, 2005)

Analysis

Age groups ranging from 30 years-49 years have the highest weekly disposable income; which also form our prime focus for selling packages.

Second highest is the age group that ranges from 50 years-64 years of age; which implies that these are people who have money but most probably

might not be keen to go for extreme adventure trips. So, we can sell them our packages that ensure soft forms of adventure, say, a balloon safari Rajasthan, India or boat cruise in the forests of Amazon.

It shows that we have a good amount of prospective customers.

It reflects that the market indeed has the type of customers we looking for, who can potentially buy our services if we can reach them.

Competitive position

The following table is a glance of what our direct competitors are offering and how different are we, to this regard. These are the specimen forms that are provided in either of the cases under specialized tailor-made holidays.

DIRECT COMPETITOR

VENTURE FUN TOURS

CUSTOMER'S PERSONAL DETAILS

CUSTOMER'S PERSONAL DETAILS

CUSTOMER'S CONTACT DETAILS

CUSTOMER'S CONTACT DETAILS

CUSTOMER'S POSTAL DETAILS

CUSTOMER'S POSTAL DETAILS

EXTRACT INFORMATION: like, how did they hear about us etc.

EXTRACT INFORMATION: like, how did they hear about us and so on.

DATE OF TRAVEL

DATE OF TRAVEL

CLASS OF TRAVEL: Business/Economy

DURATION OF TRAVEL: Default or set by customer.

OTHER SPECIFICATIONS INCLUDE:

Flight only/ Self drive/Camper van/ Coach.

OTHER SPECIFICATIONS INCLUDE:

Flight details- Economy class/Business class

(both for International & Domestic flights)

Preferred Local transport- Coach/ boat cruises/local trains.

Meals: Yes/No ;

if yes, then Vegetarian/Non-vegetarian;

Meals on certainly specified days;

Go for the default program.

CHOICE OF DESTINATIONS

CHOICE OF DESTINATIONS

CHOICE OF HOTEL

CHOICE OF ROOMS IN HOTEL: Deluxe/Economy/Suite.

CHOICE OF DURATION

AVAILABLE PACKAGES

AVAILABLE PAKAGES

AVAILABLE ADVENTURE ACTIVITIES: By Default or chosen by the customer.

PRICES OF PACKAGES (fixed)

PRICE OF PACKAGE: Set by Customer.

SPECIFICATIONS, IF ANY

FURTHER SPECIFICATIONS

SWOT Analysis

The following are the strengths of our business, which grants us certain opportunities:

STRENGHT

OPPORTUNITY

1. Intensively personalized/tailor-made.

Customer's needs completely meet our offer.

2. Price of customer's choice.

Customer is free to stick to his budget.

3. UK has large no. of holidays abroad.

We have a large prospective market to attract.

4. 20% of total holidays abroad comprise of adventure holidays in particular.

A Large number of people from UK like to go for adventure trips.

The following are the weaknesses that might probe into a threat to us in respective ways:

WEAKNESS

THREAT

1. We are yet to enter the market.

The existing companies are presently more recognized.

2. Acts of terrorism tend to badly affect tourism.

Reduced sales are a loss to the company.

3. Reduction in the currency rate of Sterling Pound due to recession.

Might affect the spending ability of people on holidays thus, may lead to stagnancy in sales.

+

Pricing

Strategy: Our pricing strategy would be ' Skimming Pricing'.

Segment: This pricing strategy implies skimming a segment of customers in the market; as, in our case it is mainly the rich class and upper middle class people.

Cost of Production: Our average cost of production per package is approximately £1, 000. This includes payments to all our non-labour resources right from hotels/resorts to flight booking to activity operators to local transport providers so on and so forth.

Cost Differentiation: It is not possible for us to compete much on grounds of cost differentiation. Hence, our prices are not very different from what other service providers like us are offering, but our service is undoubtedly more personalized. At the most, we can probably give certain discounts in peak season to our customers.

For example, discounts for couples or kids in a family, who are below 10 years of age or school/college trips.

Negotiation with Suppliers: Negotiation with suppliers might enable us to procure concessions on costs, so that we can either yield a greater profit margin or give discounts to customers to expedite sales.

Competitive Pricing: The prices of our packages range from a minimum £800 to £1, 500 and higher, depending up on how much a customer is willing to

spend. This price though is for 7 to 8 days, unless the customer wants to pay more and extend his holiday; other operators quote this price for approximately 15 days.

But, we justify our prices because of the extent to which our packages are flexible and personalized.

Marketing strategy

Throughout our main marketing tag line would be;

“ YOUR place, YOUR price... thrill too of YOUR choice!!!”

Web page: Our official website would be the prime place to promote our service. Hence, we would aim to build a very strong and impressive web page. Our web page would be clear and easy to understand. We would provide for online chat service. If the customer has a query or complaint, this service would facilitate personal contact.

Online ads: As we are virtual travel operators, next best choice would be online ads. Online ads reach to large audience at a fast rate and are cost effective as well. For this, we would use ‘ Business Internet Directory’ and Axandra; which would cost us £289/year and £52/month respectively. We may also opt for such other online services that offer us still lower prices. Another advantage of this strategy is that we get to choose a keyword for which we want to come in first 10 choices in search engine; so that our customers can find us easily.

Digital displays: We wish to have our digital display and banner at Heathrow International Airport. The digital display would have clips of destinations and would depict the tailor-made aspect clearly. The banner (1533/month) would show picture of a popular destination with the name of our company.

Expenditure in both the cases would be £1, 533/month. Such ads would be displayed only six times in a year, i. e. those six months would be during and around the peak season.

Billboards: Billboards would be put in four main city centres of UK; mostly in Finchley, London and the one in Cardiff. It would be for four months in a year in each of the cities. Billboards will have new features or aspects each time. This would cost us about £500/month.

Brochures: Brochure distribution in city malls would also be done. Around 200-250 brochures and pamphlets would be distributed, say, on any four days of a month.

Tie ups: We would try to tie up with restaurant joints like Pizza hut or Burger King and convince them to have a contest or something. The trips awarded to winners then would be managed by us.

Universities: Contacts would be made with Universities and our contact details would be furnished to them. We intend to help students by providing them information or internal interviews for their dissertations or research on any topic related to travel, tourism and hospitality. This would make us popular among students and universities.

(All costs of advertising are included in Costing, under the heading ‘ Advertising’.)

Costing

Costing here will cover costs that would be incurred initially, i. e. at the time of establishing the business; the monthly expenditures like, the rent, electricity charges, salary etc; costs incurred depending up on the type and the number of employees we would be hiring; also, costs anchored to our packages.

The following are the costs represented in a tabular format along with their explanations.

INITIAL AND MONTHLY COSTS:

INITIAL COSTS (In Pounds)

Security Deposit

1, 000

Rent

500

Equipments

2, 500

Advertising (6months)

10, 000

Registration

350

TOTAL: 14, 350£

Explanation:

Initially we would require paying a security deposit of £1, 000 i. e. double the rent, along with the rent of the first month being £500. So, that makes it £1, 500 towards rent in the first month.

Equipments would include computer systems, printer, scanner, fax machine, Xerox machine and so on.

We would enter into a contract with an advertising agency for six months, which would cost us £10, 000.

Cost of registration would come up to £350.

MONTHLY EXPENSES (In Pounds)

Rent

500

Electricity

100

Water

40

Telephone

16

Stationary

1, 000**TOTAL: 1, 656£****Explanation:**

Monthly rent would be £500.

We would get into a contract with SWALEC, according to which we would have a fixed post-paid amount to pay every month, which would be £100 each month, which comes up to £1200 per year.

Water charges incurred would be approximately £40.

A special deal with 'Talk Talk' service providers would grant unlimited international calling in a fixed rate of £16 per month.

Stationary would include pen, pencils and erasers, staplers, punching machines, papers, files & folders and so on.

STAFF & WAGES:

TYPE OF STAFF (In Pounds)

Manager

(Salaried Employee)

1, 800

Customer service Executive

(Full time)

1, 200/Month

Customer service Executive

(Part time)

472/Month

TOTAL: 3, 472£

Explanation:

We would employ a Manager, who would be a salaried employee and would be paid £1, 800.

We would require to employ a full time Customer Care Executive, who would be paid £1, 200 each month.

We would also recruit a part time Customer Care Executive having a salary of £472 per month.

COSTS OF INDIVIDUAL PACKAGES:

The cost of individual package means the cost incurred to make a particular package.

This cost includes expenses to reach to different activity operators; which refers to contacting them or making contract with them, or giving them information or getting information.

This cost is counted under the head of telephone cost.

(Example: calling the operator dealing with winter sports in Poland and making the deal.)

There is no cost involved for signing the deal, it's a rapport built by communication modes like emails and telephone.

This essentially lets the suppliers know that we too exist in the market, and that we can provide potential customers to them as well. This makes a win-win situation possible for both the parties.

With time, we would get more and more familiar with suppliers in the market.

Good supplier-relationship will lead to the scope for acquiring concessions also.

Keeping aside the profit margin as £150-£200, all the remaining price of the packages that range from £1000-£1200-£1500, is the cost behind the packages that we would incur.

In the third year, we expect a reduction in cost of sales, as we would be getting discounts from suppliers.

Staffing & resourcing

STAFF

Initially, we would be employing:

One Manager.

One full time Customer Care Executive.

One part time Customer Care Executive.

The following are the details of their job profiles, criteria of selection, likely remuneration and methods of recruitment.

Type of staff : Manager

Job profile :

Managing and co-ordinating the team of customer care executives.

Communicating courteously, in case required to deal with a client personally.

Analysing market and financial statistics to mould strategies if necessary.

Handling customer complains.

Establishing contacts and networking with various hotels, resorts and activity operators, being one of the main demands of our service.

Training the staff.

Job specification :

An MBA graduate or holder of a post graduation degree in Hospitality & Tourism.

Preferably should have a work experience of minimum one year.

Excellent communication skills required.

Must know to implement leadership qualities.

Well versed with basic managerial skills.

Remuneration : £1, 800 per month i. e. £21, 600 per year

(8 hours/day, Mon-Fri, salaried employee)

Type of staff : Customer care executive

Job profile :

Receiving calls of the customers.

Handling customer queries.

Suggesting and advising customers to design trips that best suits their choice and budget.

Explaining the features of the various products if required.

Co-ordinating with the resort and activity operators based on the instructions given by the manager.

Managing the data base and information system.

Job specification :

Any graduate, preferably in the fields of Management or Hospitality & Tourism.

Preferably should have some work experience in any kind of hospitality service.

Must possess excellent persuasive communication skills.

Must hav