

# Get FIT

Foreign Traveler Free Flexible Tourist Tour  
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# FIT WORKSHOP

- Definition of FIT
- Long Tail Strategy
- Objectives
- Key Players
- Requirements
- How does FIT fit into your business?



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# Pennsylvania

*pursue your happiness™*

*How does  
your  
destination  
define FIT?*



The Countryside of Philadelphia  
**BRANDYWINE VALLEY  
& VALLEY FORGE**



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# FIT - Definition

**Flexible Independent Traveler** – An individual or small group of <10 traveling and vacationing with a self-booked itinerary.

*FIT is different from the traditional group tour.*



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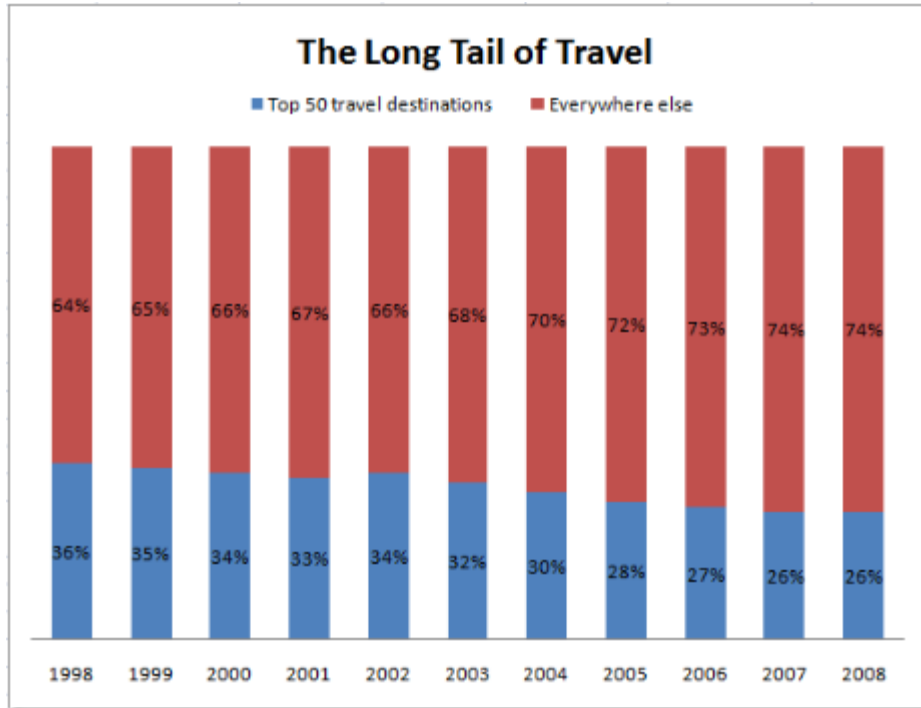
# FIT - The Long Tail



- Developed by Chris Anderson in 2004
- Theory: Culture & economy is shifting away from a focus on mainstream products & markets to niches.
- Selling a large number of unique items in relatively small quantities.
- Examples: Amazon, Netflix, iTunes

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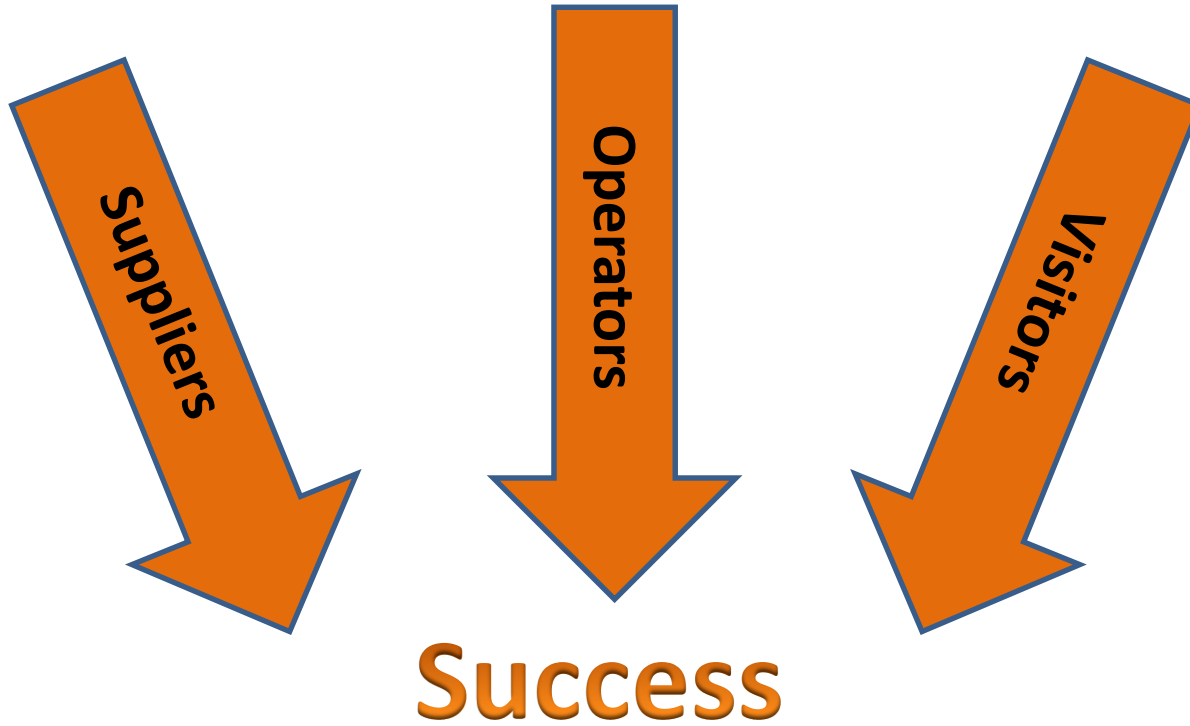
# FIT - The Long Tail, cont.



- Top 50 destinations vs everywhere else
- Why trend?
  - Wider access to info on internet
  - Social media – establish trust in “taking the road less traveled”
  - Stable consumer finances

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# Three elements of



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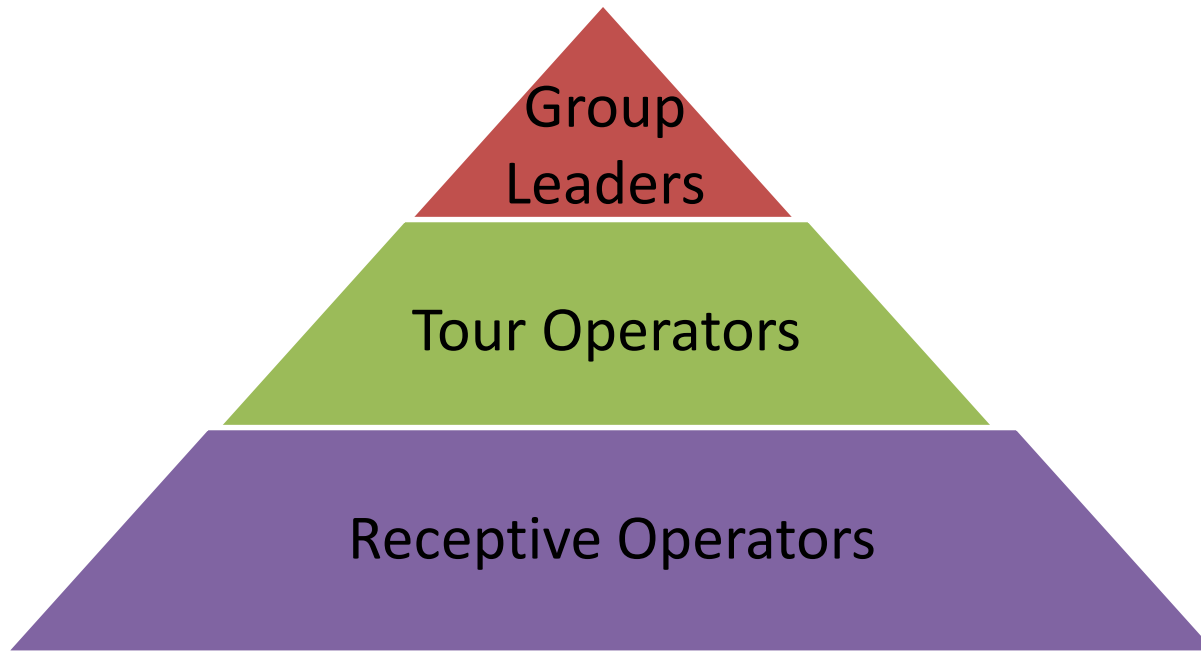
# FIT Operators



- Overview
- Needs/Expectations

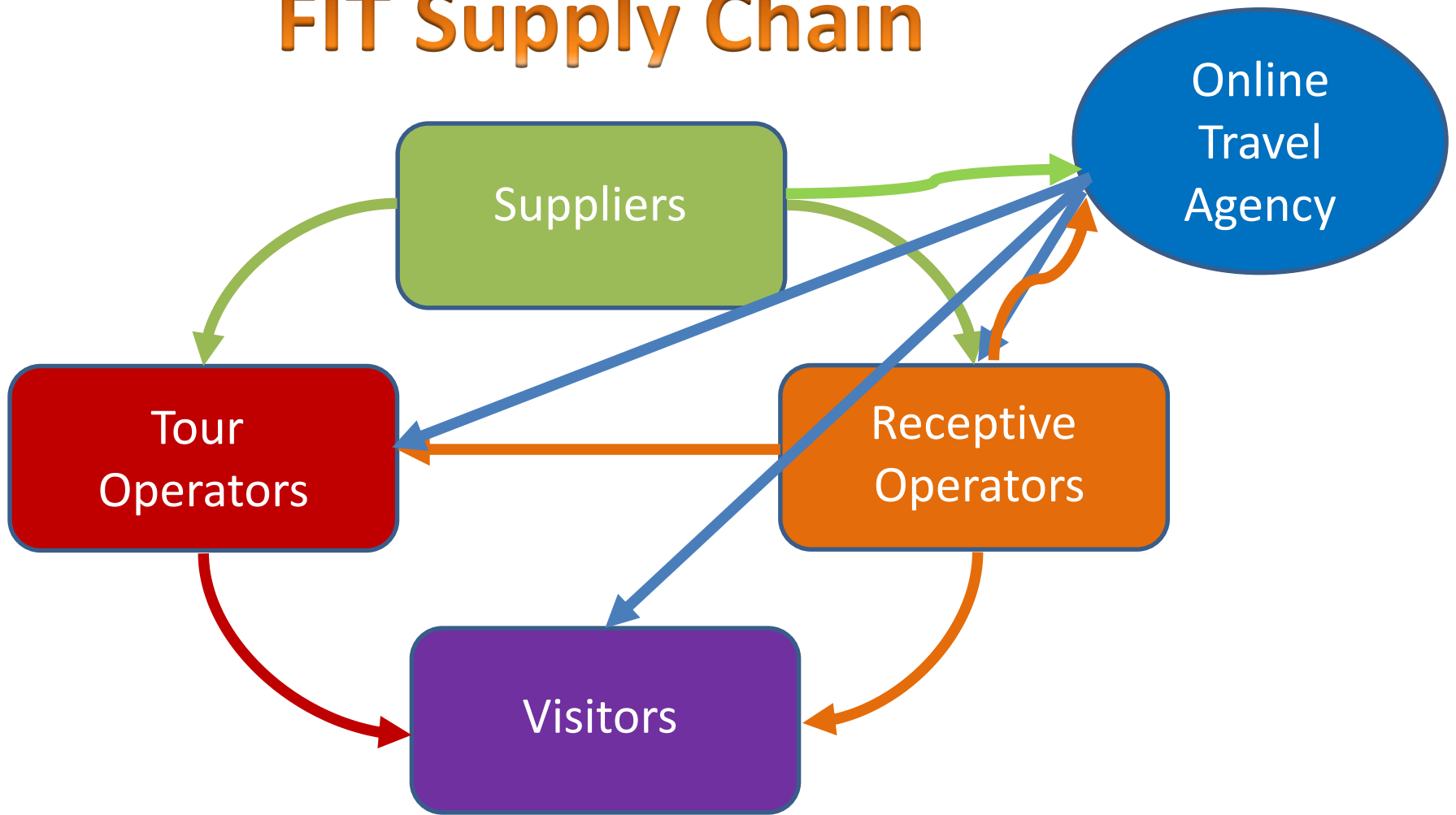
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# Traditional Tiered Approach



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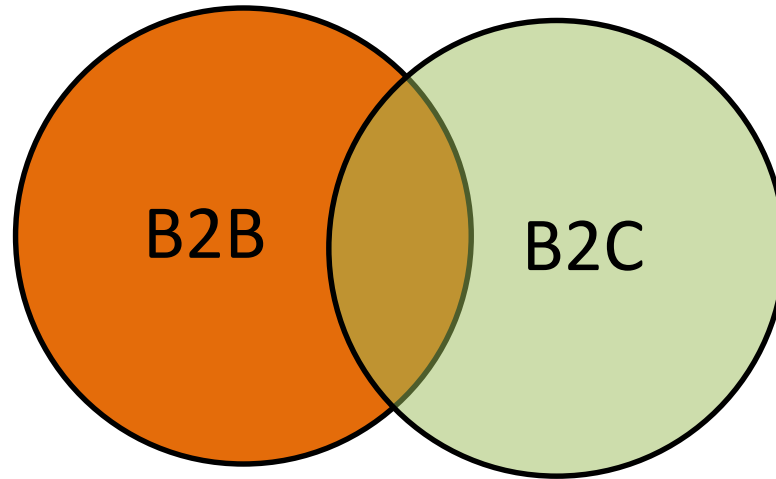
# FIT Supply Chain



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# OTA Contacts

- HotelBeds
- GTA
- Tourico
- TeamAmerica



- Expedia
- Viator

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# FIT Tour Operator Expectations

- FIT Rates: 20-35%
- Deal directly with suppliers or receptive operators
- Variety of payment options
- Blackout dates are acceptable if notified in advance - many prefer availability at higher rates
- Cancellation policies vary per hotel/attraction – longer for international vs domestic
- No baggage handling necessary
- Most visits unescorted unless language barriers
- Attractions – prefer e-vouchers, confirmation emails or tickets in advance

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# FIT Visitors

- Overall Expectations
- International Comparisons
- Top Key Markets



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# Overall Expectations

- Independent
- Freedom, flexible schedule
- Ease in reservations
- Upscale comfort
- Exceptional service
- Cultural accommodation
- Value, exclusivity associated with group travel



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# International Comparisons

- China, Europe, Brazil & India work directly with airlines for trip planning; Australia & Japan still prefer Travel Agency
- Main purpose of trip is vacation or holiday except for Indians, who primarily travel for business
- Shopping is the top activity for all markets, followed by sightseeing
- Top transportation types used in US range from air travel between cities (Australia & India) to auto (China & Brazil) to taxi/limo (Japan) and subway/bus (Europe)

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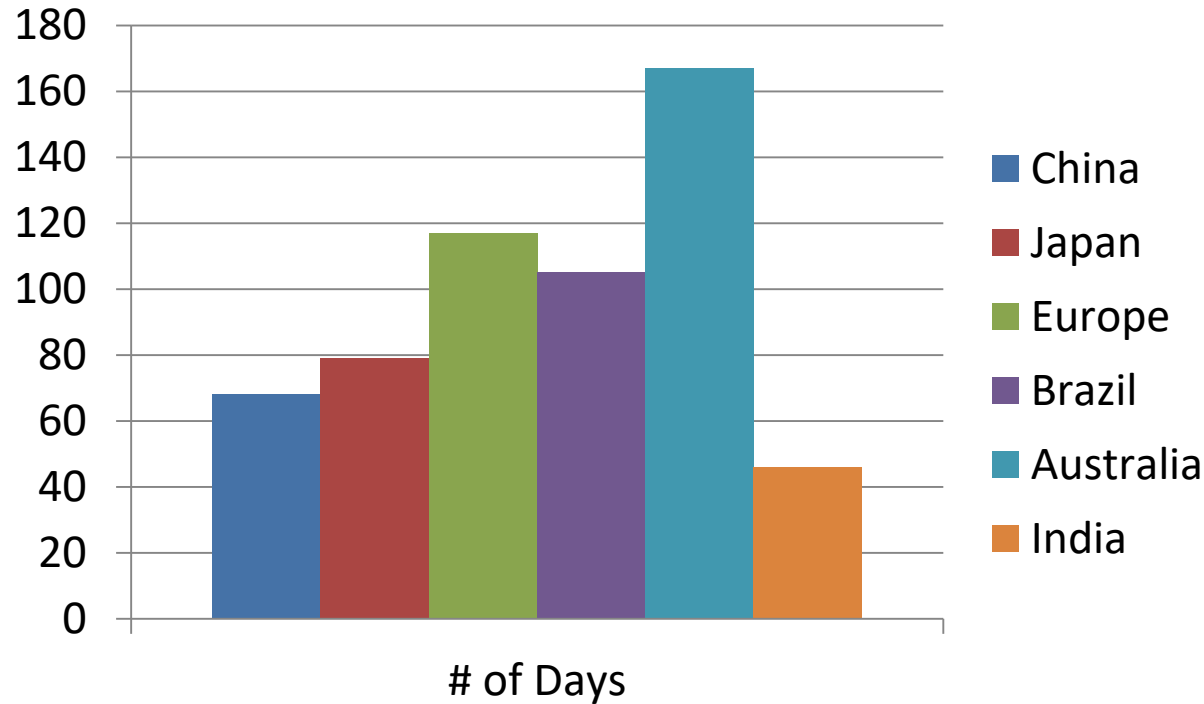
# International Comparisons, cont.

- Prepaid packages range from 11% (India) to 60% (Japan)
- First international trip to the US - percentage has declined for all markets except for India - growth of 6.4%
- Average number of hotel nights in US range from 5.6 (Japan) to 18.9 (India)
- Average age of traveler for men ranges from 36-44; women ranges from ages 33-43
- New York City is a top destination for international guests, ranging from 393,000 (Australia) to 5 million (Europe)

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# International Comparisons

Advance Trip Decision Time (Mean Days)



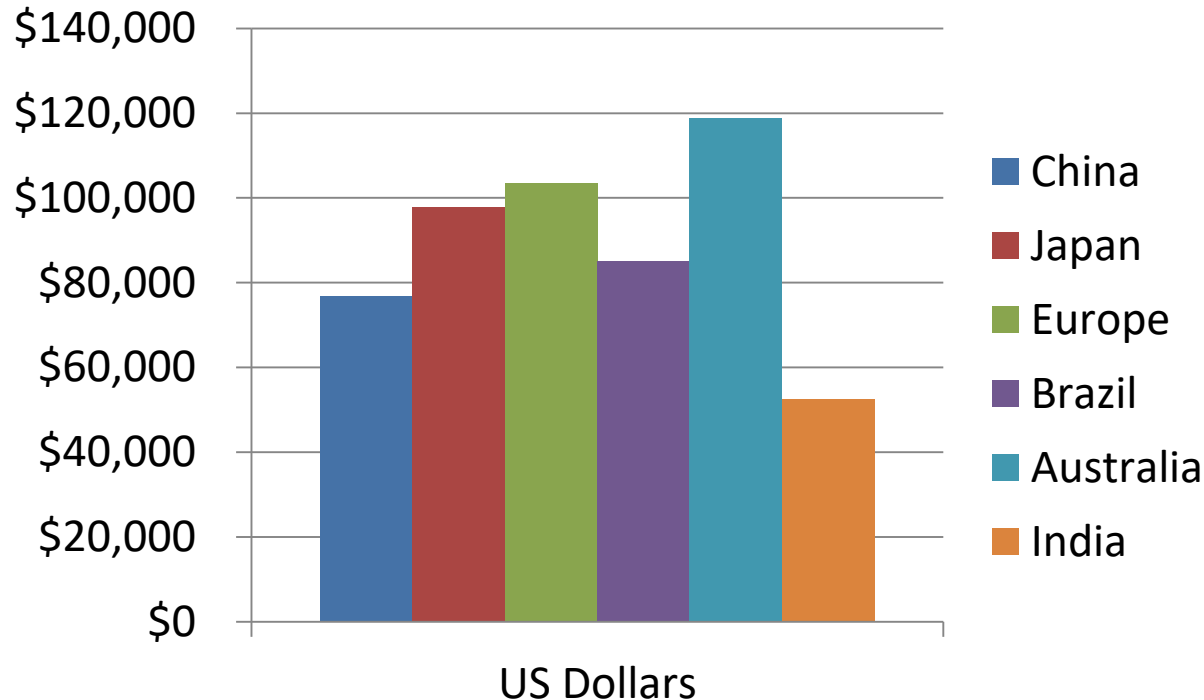
*Statistics from  
National  
Travel &  
Tourism Office  
2014 Market  
Profiles*

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# International Comparisons

## Household Income



*Statistics from  
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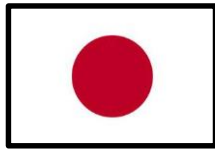
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# Key Inbound Markets



China

Income – \$55K+ , tripled in 5 years  
45% of spend on shopping, 24% of lodging - VALUE



Japan

One of highest life expectancies in the world – 81.25 years  
US most popular international destination



Brazil

Strong traditional values, emphasis on family  
Relaxed pace – on time is 5-10 minutes late

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# Key Inbound Markets, cont.



India

One of fastest-growing outbound travel markets in the world.  
50% of population below age 25



Europe

Greatest linguistic & cultural diversity of Western world  
History & Distance Perception



Australia

Boom in outbound travel reflects 9.6% surge in 2011  
Average visitor spend \$3,250

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# FIT Suppliers

- Business Opportunities
- Operations
- Regional Partnerships



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# FIT - Opportunities

- Increase Visitation
- Extend Travel Season
- Fill Gaps/Shoulders



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# FIT Operations

Typically an FIT program is executed as a contract with the operators and will cover the following:

- Rate 20-35% off rack
  - Direct Connect: 20-25%
  - Industry Standard: 25-30%
- Static Pricing vs. Dynamic Pricing
- Billing
  - Prepay
  - Post-pay
  - Direct Bill
- Operator Reservation Options
  - Direct Connect - Brands
  - Pre-Buy Room Allotment
  - Free Sale
  - Confirmation Emails/  
E-vouchers/Tickets
- Black Out Dates vs. Higher rate
- Cancellation Policies
- Comps - negotiation point

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# FIT Partnerships

- Brand USA
- State Tourism Office
- CVBs
- Hotels, Attractions,  
Other Suppliers



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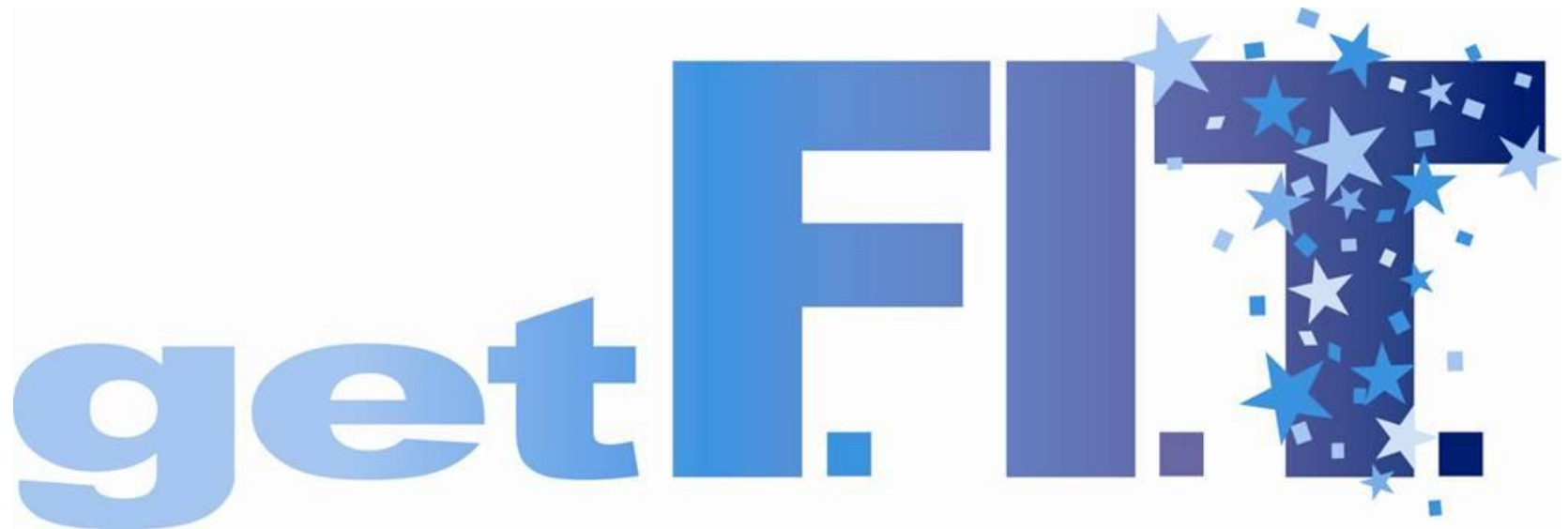
# FIT – Questions to ask?

- How important is international tourism to your destination?
- Does your region have representation at international shows or key international tourism events?
- Where are the visitors coming from? Are there key operators bringing them into your region?
- What experiences do FIT visitors seek? Is your destination ready to deliver on those expectations?
- Are visitors flying or driving to your region?



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# Questions & Answers



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