

**Northern
Ireland**

**Embrace
a Giant
Spirit**



The Business of Pricing

Facilitator: Elaine McInaw

Date: Monday, 16th September 2024

Time: 10-11am

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Agenda

- **Welcome and introduction**
- **Elaine McInaw
Runda Hospitality & Tourism Solutions**
- **Q&A**
- **Session duration: 1 hour**



Elaine McInaw

Hospitality and Tourism Expert

+ 20 years experience



RUNDA
HOSPITALITY & TOURISM SOLUTIONS

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Key Content

1. The pricing landscape
2. Value pricing
3. Rethinking pricing
4. Considerations for building your pricing strategy
5. Building your pricing model
6. Resources and B2B pricing
7. Q&A

A large, craggy rock formation on a hillside overlooking a green valley. The rock is dark grey and has a layered, fractured appearance. The valley below is a patchwork of green fields and roads, extending to the horizon under a clear blue sky.

1.

The Pricing Landscape

Diverse Businesses

Accommodation Providers

Tour Guides

Visitor Attractions

Events & Festivals

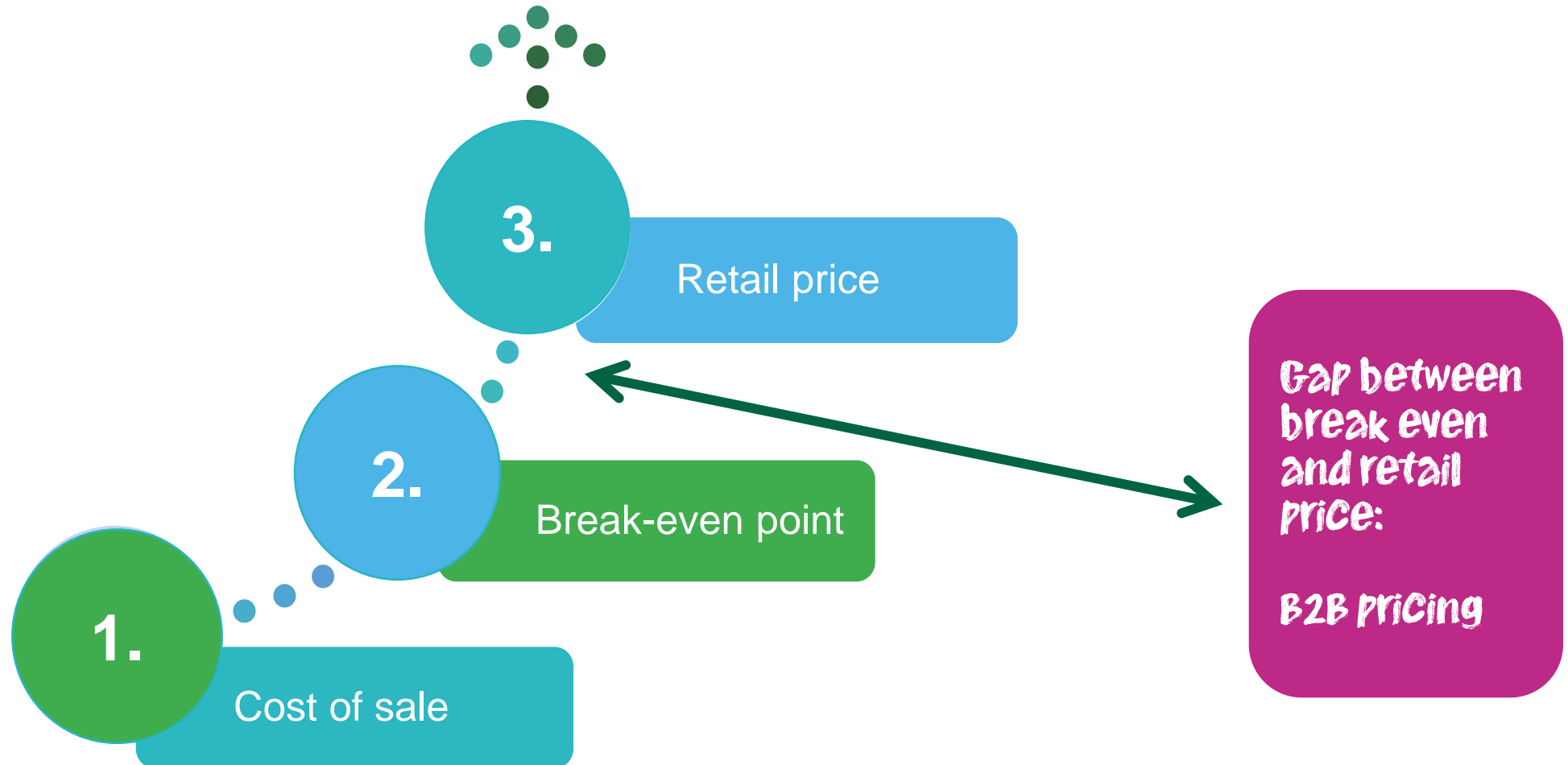
Activity & Experience Providers

Tourism Transport

Venues: places to eat, drink and socialise



Price Points for Consideration



Retail Price Points

Retail Price / Rate



Rack Rate



Public Rate



Fixed Pricing

Dynamic Pricing

Fixed Pricing

Examples	Price Point	Inclusions
Guided Hike	£35 per person	<ul style="list-style-type: none"> • 2 hour guided tour with an expert local guide • Spectacular photo opportunities
Craft workshop	£65 per person	<ul style="list-style-type: none"> • 1 hour potter's wheel experience • Step by step guidance including all materials
Lunch	£20 per person	<ul style="list-style-type: none"> • Main course, dessert, tea & Coffee • Fixed menu – no choice
Evening Transfer	£180 per group	<ul style="list-style-type: none"> • Return transfer by an executive 25-seater coach • Depart at 8pm, return at 11pm

Dynamic Pricing



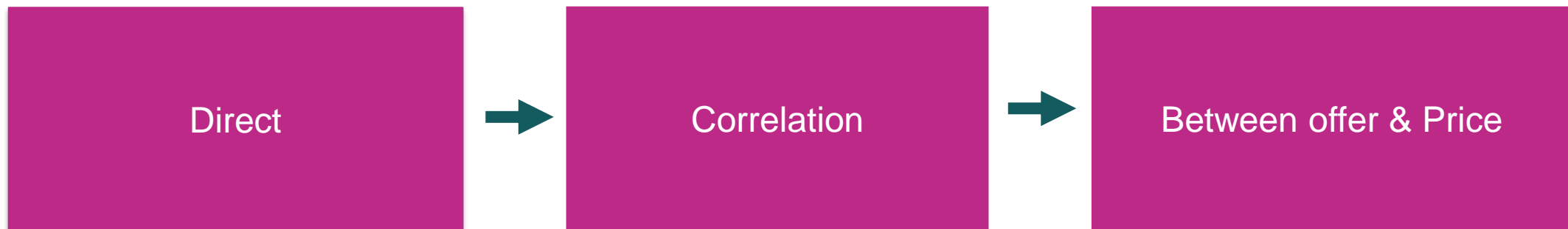
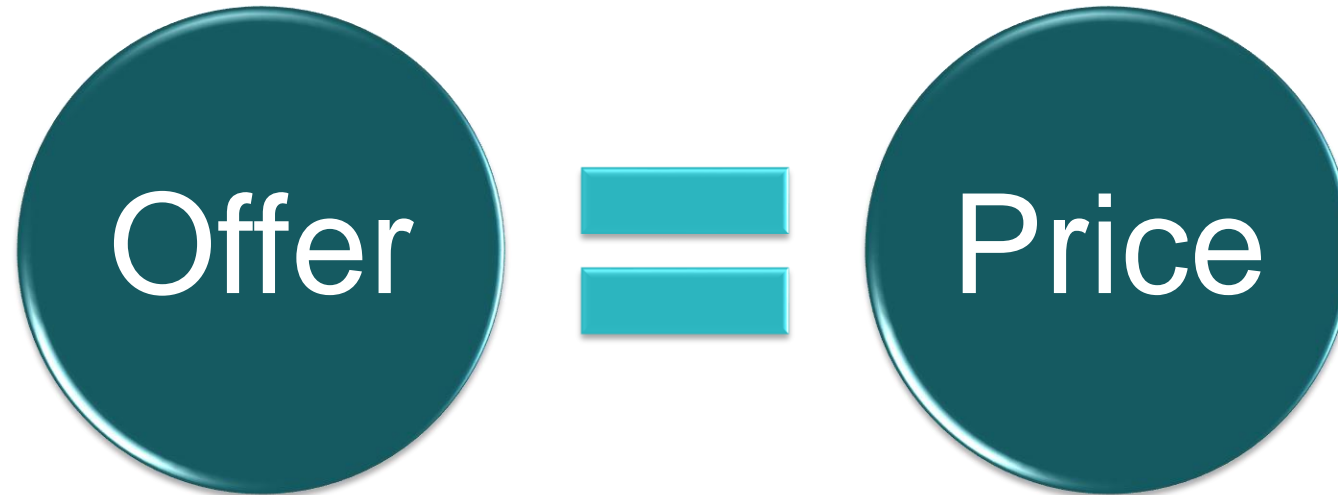
Dynamic Pricing: example hotel

Rate Code	Rate	Rate Code	Rate
SELL01	£230	SELL07	£155
SELL02	£190	SELL08	£150
SELL03	£180	SELL09	£145
SELL04	£170	SELL10	£140
SELL05	£165	SELL11	£130
SELL 06	£160	SELL 12	£120

An aerial photograph of a vast, green mountain landscape. In the foreground, a rocky cliffside descends towards a dark, circular lake. The middle ground shows rolling green hills and valleys, with a small town visible in the distance. The background features more distant mountain ranges under a clear blue sky. The text "2. Value Pricing" is overlaid in the center of the image in a white, hand-drawn font.

2. Value Pricing

What is Value



What is Value?



What is Value?

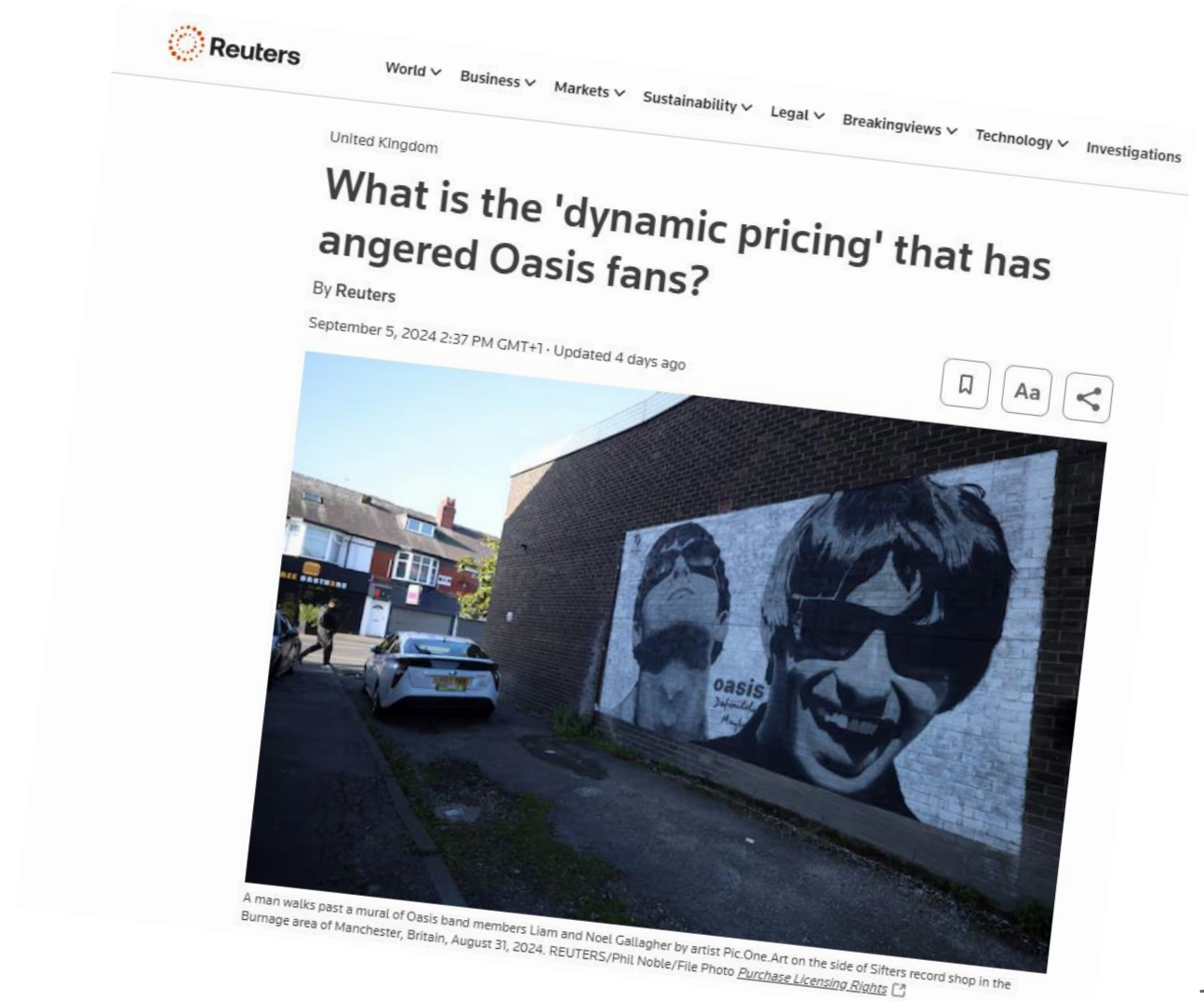


What is Value?



£90: standing ticket

£450: standing ticket



A man walks past a mural of Oasis band members Liam and Noel Gallagher by artist Pic.One.Art on the side of Sifters record shop in the Burnage area of Manchester, Britain, August 31, 2024. REUTERS/Phil Noble/File Photo [Purchase Licensing Rights](#)

Perceived Value

Oh my gosh, I paid
a small fortune, and
it was not worth it!

I'm delighted! It was
a TOTAL steal for
that price

I'm delighted! That
was totally worth it
and I will be back



Value: Tourism Business and Destinations



REVERBERATE!

Damage opportunities

Damage competitiveness

Affect your reputation

Importance of Value for money
– fair pricing for long term
sustainability

Tourism Destinations



A pair of tourists were charged 60 euros (\$65) for two coffees and two small bottles of water at the Cervo Hotel in Sardinia, although the owner told CNN the prices were plainly listed and the charge is mostly for the view over the expensive yachts of the nearby port.

Tourism Destinations



Excessive prices in tourism areas have been making headlines in Italy this summer. Stefano Montesi/Corbis/Getty Images

Rome (CNN) — An Italian holiday may be a priceless experience for those who have enjoyed all this country has to offer. But the summer of 2023 will go down as one of the priciest in history after a slew of price gouging scandals at cafes and restaurants that have left tourists and Italians alike. A young mother in the Roman seaside town of Ostia charged 2 euros to cut their ham sandwich in half on the shores of the sea. Another young mother in the Roman seaside town of Ostia charged 2 euros to heat a sandwich in the microwave.

Tourists were also charged 2 euros for an extra - empty! - plate near Portofino in northern Italy, and 10 cents for a sprinkle of cocoa on a cappuccino at a Lake Como coffee bar. Italian cafes rarely use cocoa on cappuccinos, hence why they justified the charge.

These cases, dubbed “crazy receipts” by local media, have been documented by the consumer protection group Consumerism No Profit, which reports a staggering 130% increase in prices in tourist areas in Italy this summer.

Emphasising VALUE



Independent.ie

News Opinion Business Sport Life Style Entertainment Travel

By all means, call out bad value. But we should think before giving in too quickly to the 'rip-off' reflex, our Travel Editor argues.



Pól Ó Conghaile

February 24 2021 07:11 PM



"I HATE the term 'Rip-off Ireland,'" says Trea Heapes of Pure Camping, a family-run campsite and yoga retreat on Co Clare's Loop Head peninsula.

"No-one benefits from that impression on either side... I hope everyone is fair this summer. We all need a break."

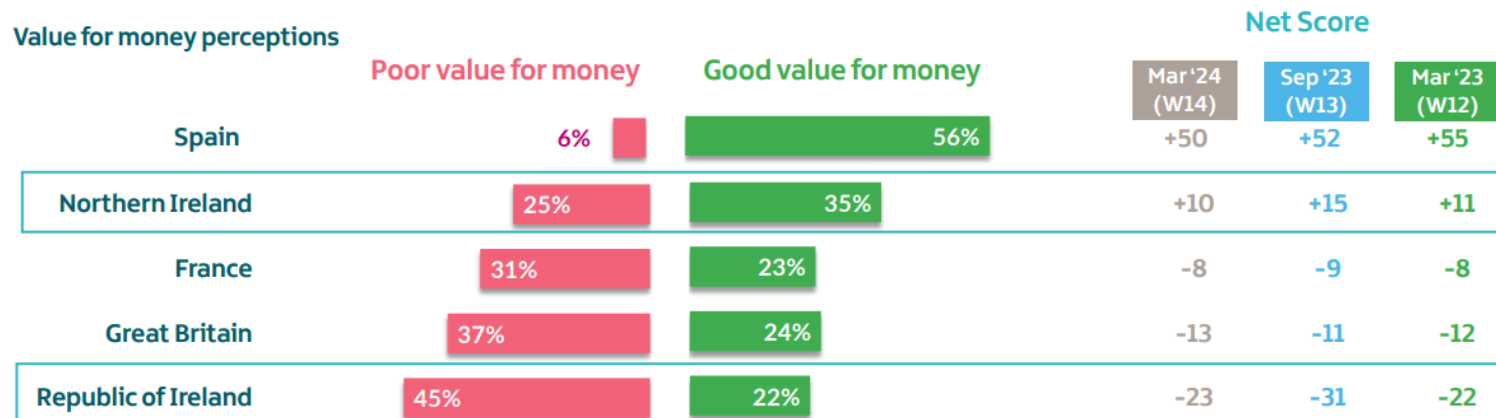
People want 'bang for their buck'

They want to know they will have a good time, without feeling ripped off

NI Value for Money reputation April 2024



NI maintains enhanced VFM reputation over ROI and GB but drops back slightly




35% 2024 vs 36% 2023 VFM

Nurture & protect Northern Ireland's reputation

Ensuring the offer matches
the price is crucial to
maintain customer
satisfaction

Align offer with price

Clearly define what is included



3.

Rethinking Pricing

Making sure that the offer matches the price



Northern Ireland Visitor Stats

NISRA – Northern Ireland Tourism 2023

**Overnight visits to
NI, total nights and
spend**

5.4 million trips

16.6 million nights

£1.2 billion





4.

Considerations for building your pricing strategy

Be clear on how the customer is purchasing

Direct sales channel: B2C (Business to Consumer)
e.g. Website, phone, email

Indirect sales channel: B2B (Business to Business)
e.g. intermediary, tour operator, online travel agent

Local Partners: referrals from another tourism
provider or neighbourhood pricing

Direct sales channel: payment?

Indirect sales channel: payment?

Local Partners: payment?

Disadvantages of not having a pricing strategy

Eroding Long Term Profitability

Damage Business Reputation

Customer Trust Issue

Competitive Disadvantage

Damage to Destination perception



Advantages of a planned sustainable pricing strategy

Reflect value

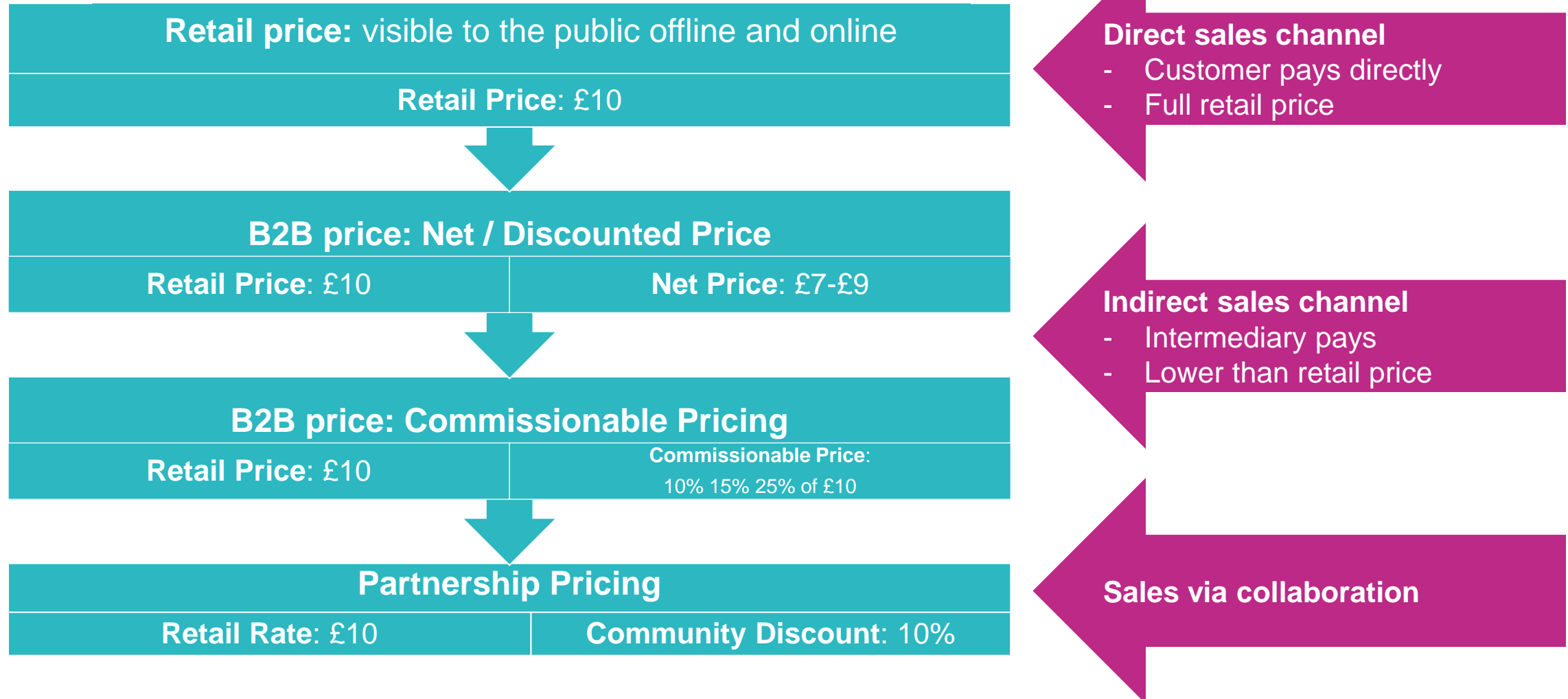
Positive reputation

Repeat visits

Positive WOM

Contribute to the long-term success and sustainability of both your business and the destination of Northern Ireland

Pricing models



Nett & Commissionable Pricing



Nett/discounted pricing

Commissionable pricing

GET YOUR GUIDE

Tour highlights Itinerary Reviews Dates & prices What's included

The best of Northern Ireland in under a week

Over six comfortably-paced days, the Discover Northern Ireland Tour introduces you to the culture and countryside of Northern Ireland. Immerse yourself in the lives and histories of its people. Witness with wonderment the beauty of the wild northern coastline. This tour is fully inclusive, with no hidden extras or optional extras. Six days of discovery, and five nights of relaxation in the luxury of our hand-picked four-star hotels.

- €1090 - €1190
- 5 nights
- 6 days
- 26 guests maximum
- Fully Inclusive Package
- Arrival & Departure in Dublin

viator a TripAdvisor company

Search: Belfast Bike Tours

Top Belfast activities Top Belfast landmarks Beyond Belfast Belfast trip ideas

Home / Things to do in United Kingdom / Things to do in Northern Ireland / Things to do in Belfast / Belfast Tours / Tours, Sightseeing & Cruises / How to Get Around / Bike To

Top Belfast Bike Tours

Bike Tours Half-day Tours Cultural Tours Private Sightseeing Tours Mountain Bike Tours Sightseeing Tours Beer & Brewery Tours Holidays Spring

5 results Clear all filters Revenue may affect this sort order Featured

When are you traveling? Select Dates

Time of Day

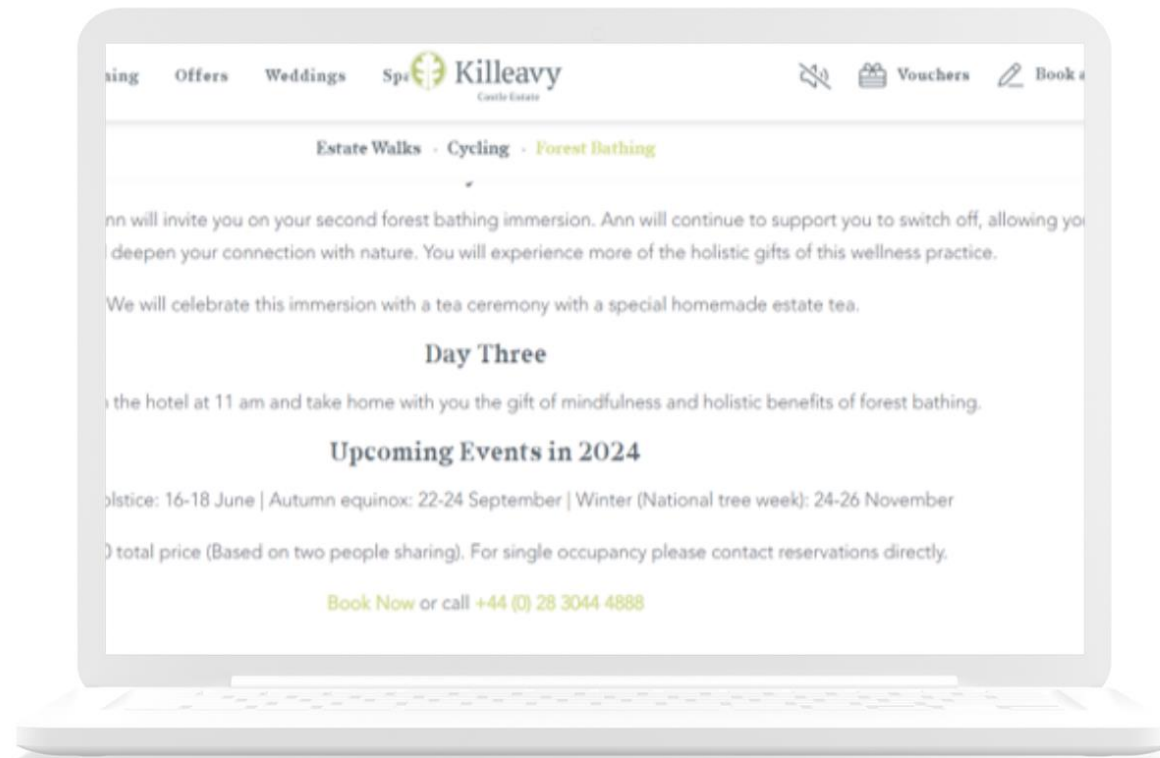
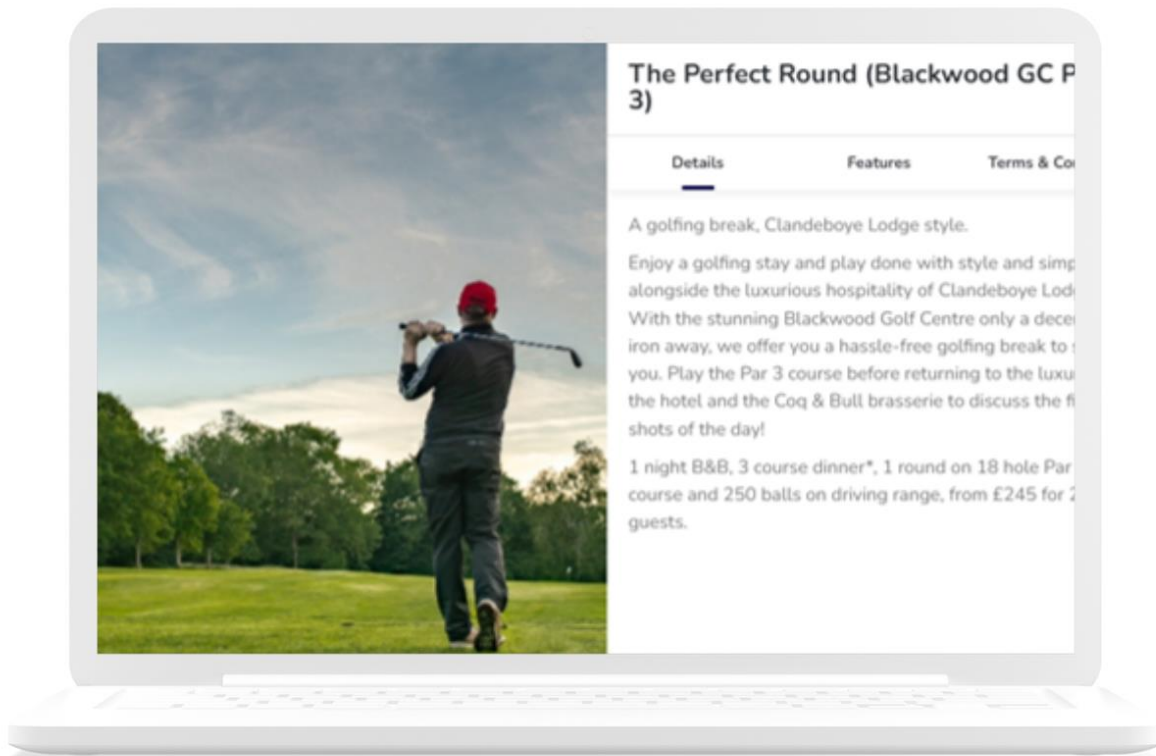
- Morning Starts before 12pm
- Afternoon Starts after 12pm

Belfast Bike Tours 5.0 (251) from £30

Get outside and join a guide on a bike ride around Belfast. Bike rental is included, so you don't have to worry about bringing one with you, and a guide takes care of the navigating so you don't get lost. Highlights include Belfast's famous murals, one of Ireland's oldest...

3 hrs Free Cancellation

Package Pricing



Partnership Pricing

Some tourism/hospitality providers offer a discount when you present your hotel keycard e.g. 10%.20%



Strategies for pricing

Do your homework

Plan your pricing

Give clear instruction



Expressing Value in your pricing

Express the VALUE

Emphasise Inclusions

Price & Bullet Point

Give clear instructions



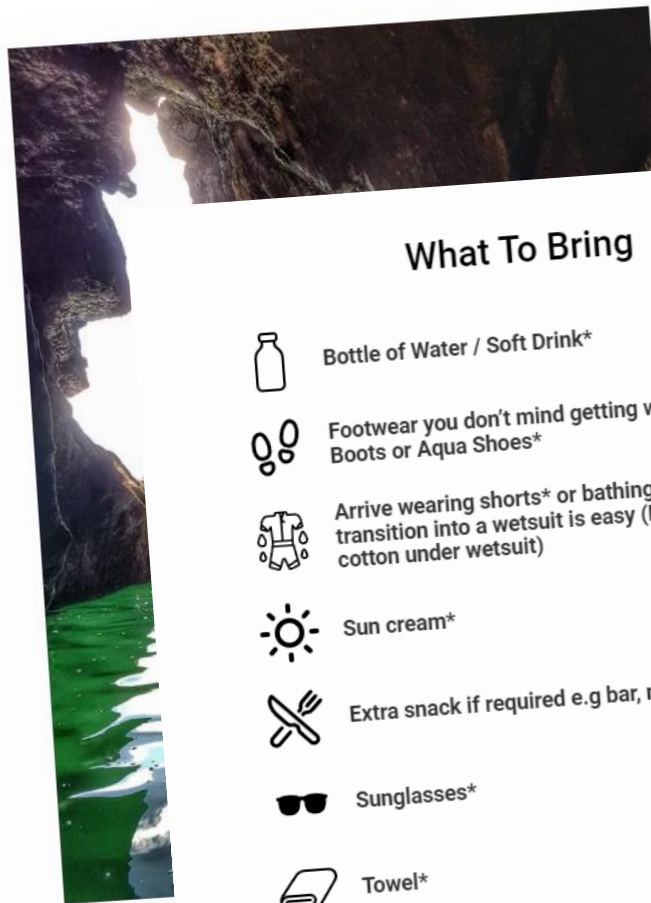
Example: Pricing grid

Experience	Short Description	Min-Max Numbers	Duration Approx.	Public Price Per Person
Chocolate Tasting Session	Enjoy a feast for the senses with a variety of samples specially chosen to showcase the surprising origin flavours and tasting notes in every cacao bean. Chocolate will never taste the same again!	1-10	20 mins	£XX
	Inclusions: <ul style="list-style-type: none"> • 5 different chocolate samples • Roasted cacao bean • Choice of drinking chocolate 			

Presenting Pricing

SEA CAVE KAYAKING EXPERIENCE HIGHLIGHTS








- ⌚ Approximately 3-hour **Sea Cave Kayaking Experience** (Check-In Closes 30 mins before start time).
- ⌚ Fully Guided Experience with an **Expert Kayaking Guide** who will Bring your Stunning Surroundings to Life!
- ⌚ Discover the **Hidden Sea Caves** and Arches During this Truly Magical Experience.
- ⌚ Immerse yourself in our **Amazingly Diverse Geological Peninsula**
- ⌚ Hear **Epic Stories of Battles and Invasions** in this very location where The Normans Derailed Irish History Forever!
- ⌚ Explore **Hidden Beaches and Sandy Coves**, where we will Land for a midway pitstop.
- ⌚ Re-energize Yourself with our Famous mid-tour **Hot Chocolate & Snack** Included!
- ⌚ Spot our **Local Seals** who Tail our Kayaks to See what we are up to!
- ⌚ See **Beautiful Marine Wildlife** such as Dolphins, Basking Sharks, and an Impressive Variety of Coastal Birds using the same Habitat.
- ⌚ **Unique Perspective:** Whether you're an international tourist or local, this Experience will leave you lost for words.
- ⌚ **Suitable for Novice** or Experienced Paddlers, this is an experience that will heighten senses and excite!
- ⌚ We Safely Guide you out of your comfort zone and **into your 'Adventure Zone'** on this experience to remember!



What To Bring

-  Bottle of Water / Soft Drink*
-  Footwear you don't mind getting wet / Wetsuit Boots or Aqua Shoes*
-  Arrive wearing shorts* or bathing suit* so transition into a wetsuit is easy (Please avoid cotton under wetsuit)
-  Sun cream*
-  Extra snack if required e.g bar, nuts, etc.
-  Sunglasses*
-  Towel*

What Is Included

-  Local Expert Guide
-  Full Length Wetsuit
-  Kayaking Safety Gear
-  Kayaking Equipment
-  Pre-Tour Tuition
-  Mid Tour Snack
-  Chocolatey Hot Drink

An aerial night view of a city with a large building labeled 'EUROPA HOTEL'. The city is illuminated with streetlights and building lights, creating a vibrant urban scene. The text '5. Building your price point' is overlaid in a white, hand-drawn font.

5.
Building your price point

Strategies for pricing

1. Cost plus:
work out your
costs and add
on your desired
profit



2. Competitor
based:
benchmark your
pricing against
your
competitors



3. Objectively
assess the
value: what do
you feel the
experience is
worth? Look at
the strengths
and price
inclusions.



4. Consumer
value: look at it
from the
customer's
perspective.
The perceived
value and what
the customer
would be willing
to pay

1

3

2

Planning your B2B Pricing

1. Cost of Sale
2. Break even point
3. Retail price

Working out your Costs



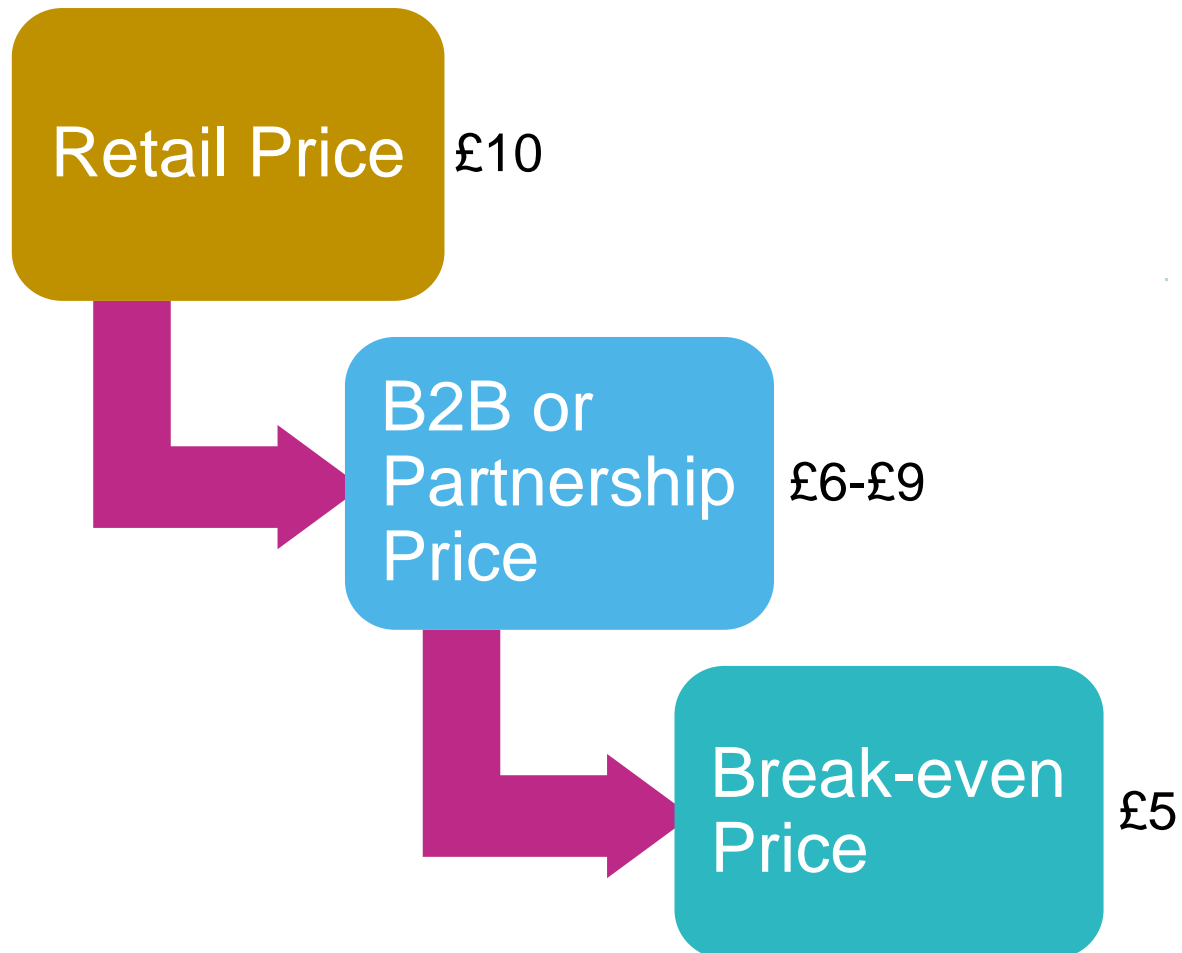
Fixed Costs

- insurance
- payroll
- repairs
- maintenance

Variable Costs

- food & drink
- brochures
- audio guide
- memento

Calculating your price point



- The price points between retail and break even = opportunity for negotiation
- Retail price should accommodate any discounts inc. B2B pricing
- Discount or B2B price HOOKS OFF retail price

Stable Revenue Generation

Mix it Up!

Diverse Sales Channels
Diverse Markets
Diverse Customer
Segments

Goal: year-round revenue
generation!



3. FILL OUT BASE
Individual bookings: B2C

2. BUILD ON BASE
Group bookings B2C & B2B

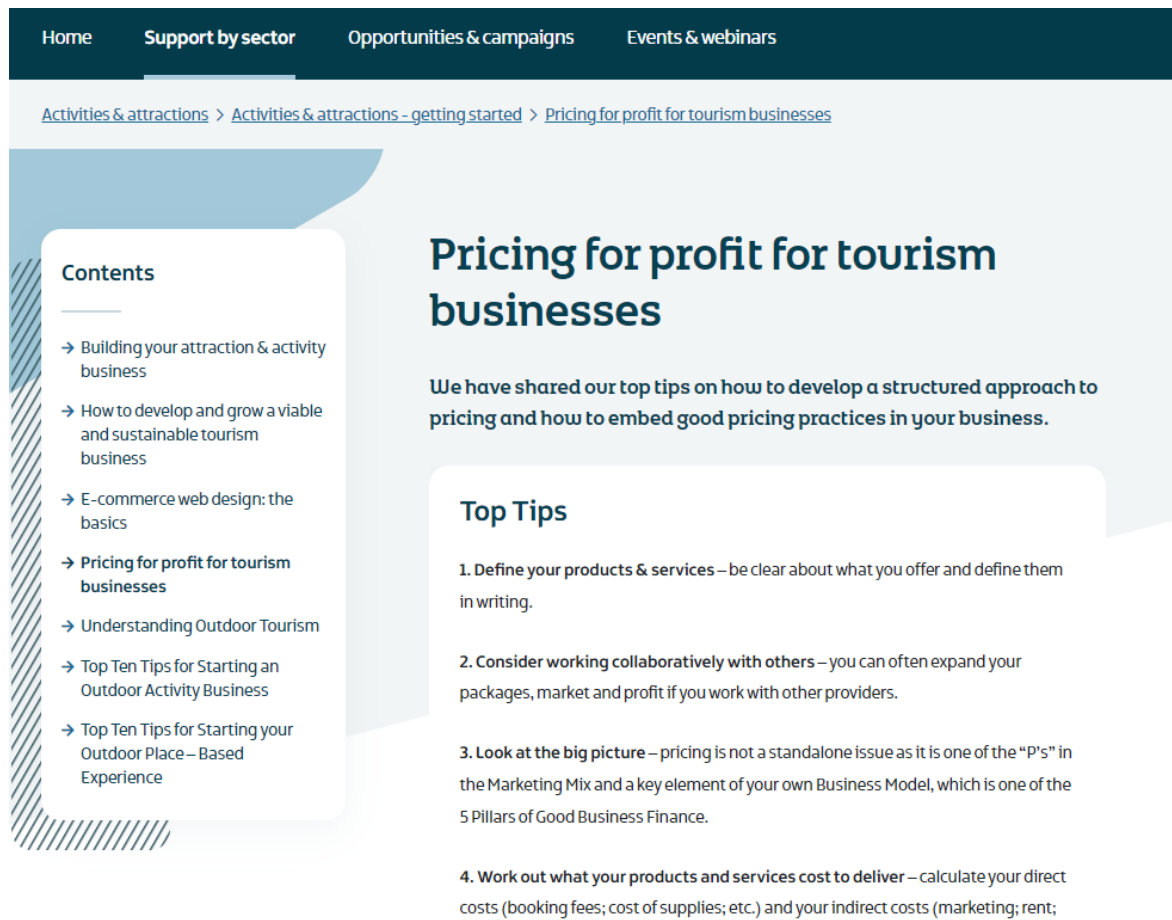
1. ESTABLISH BASE
Regular & contracted business
B2C + B2B groups &
individuals



6.

Resources & B2B Pricing

Pricing support online



Home Support by sector Opportunities & campaigns Events & webinars

[Activities & attractions](#) > [Activities & attractions - getting started](#) > [Pricing for profit for tourism businesses](#)

Contents

- Building your attraction & activity business
- How to develop and grow a viable and sustainable tourism business
- E-commerce web design: the basics
- **Pricing for profit for tourism businesses**
- Understanding Outdoor Tourism
- Top Ten Tips for Starting an Outdoor Activity Business
- Top Ten Tips for Starting your Outdoor Place-Based Experience

Pricing for profit for tourism businesses

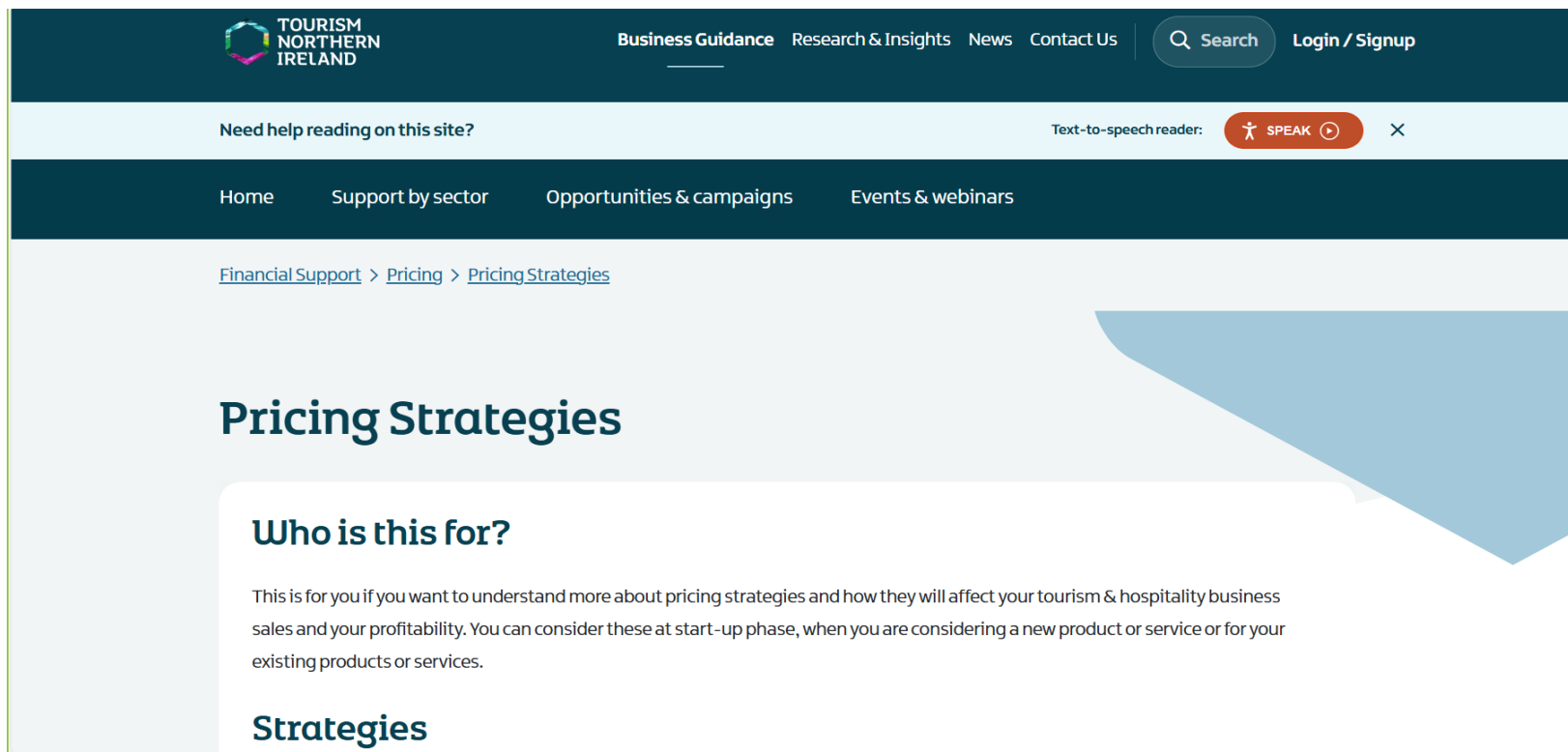
We have shared our top tips on how to develop a structured approach to pricing and how to embed good pricing practices in your business.

Top Tips

1. Define your products & services – be clear about what you offer and define them in writing.
2. Consider working collaboratively with others – you can often expand your packages, market and profit if you work with other providers.
3. Look at the big picture – pricing is not a standalone issue as it is one of the “P’s” in the Marketing Mix and a key element of your own Business Model, which is one of the 5 Pillars of Good Business Finance.
4. Work out what your products and services cost to deliver – calculate your direct costs (booking fees; cost of supplies; etc.) and your indirect costs (marketing; rent;

TNI Pricing Support

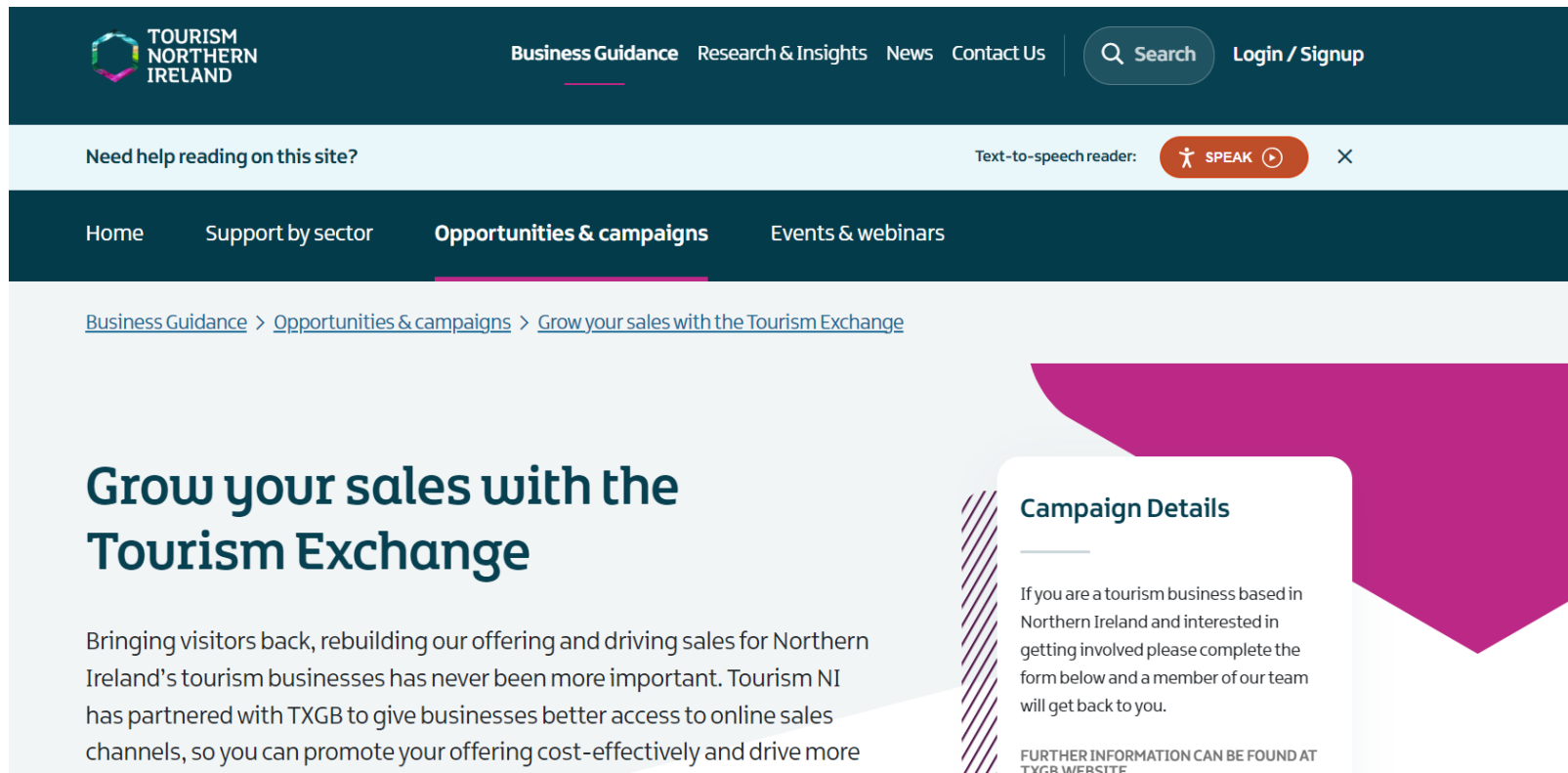
Pricing strategy templates



The screenshot shows the Tourism Northern Ireland website. The top navigation bar includes the logo, 'Business Guidance', 'Research & Insights', 'News', 'Contact Us', a search bar, and 'Login / Signup'. A text-to-speech reader is active, showing 'Text-to-speech reader: SPEAK'. The main navigation bar has 'Home', 'Support by sector', 'Opportunities & campaigns', and 'Events & webinars'. The breadcrumb trail is 'Financial Support > Pricing > Pricing Strategies'. The main heading is 'Pricing Strategies'. A section titled 'Who is this for?' contains the text: 'This is for you if you want to understand more about pricing strategies and how they will affect your tourism & hospitality business sales and your profitability. You can consider these at start-up phase, when you are considering a new product or service or for your existing products or services.' Below this is a section titled 'Strategies'.

Pricing strategy
templates TNI

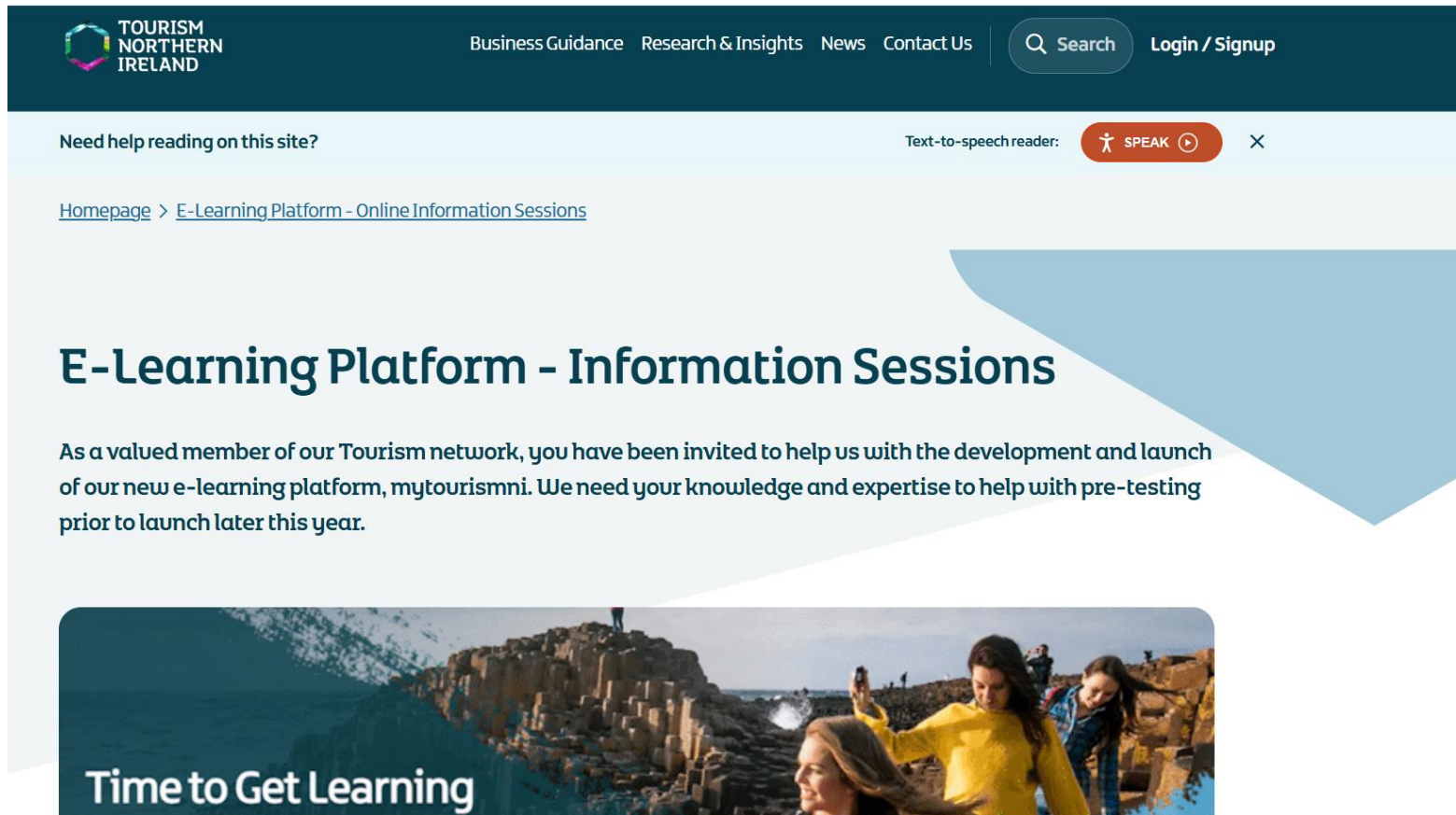
Growing sales with TXGB



The screenshot shows the Tourism Northern Ireland website. The top navigation bar includes the logo, 'Business Guidance' (underlined), 'Research & Insights', 'News', 'Contact Us', a search bar, and 'Login / Signup'. A secondary bar offers a 'Text-to-speech reader' with a 'SPEAK' button. The main navigation menu includes 'Home', 'Support by sector', 'Opportunities & campaigns' (underlined), and 'Events & webinars'. The breadcrumb trail reads: 'Business Guidance > Opportunities & campaigns > Grow your sales with the Tourism Exchange'. The main content area features a large heading 'Grow your sales with the Tourism Exchange' and a paragraph: 'Bringing visitors back, rebuilding our offering and driving sales for Northern Ireland's tourism businesses has never been more important. Tourism NI has partnered with TXGB to give businesses better access to online sales channels, so you can promote your offering cost-effectively and drive more'. A 'Campaign Details' box contains the text: 'If you are a tourism business based in Northern Ireland and interested in getting involved please complete the form below and a member of our team will get back to you.' and a link: 'FURTHER INFORMATION CAN BE FOUND AT TXGB WEBSITE'.



E-Learning Platform



The screenshot shows the top navigation bar of the Tourism Northern Ireland website. It includes the logo, navigation links for Business Guidance, Research & Insights, News, and Contact Us, a search bar, and a Login / Signup link. Below the navigation bar is a text-to-speech reader interface with a 'SPEAK' button. The main content area features a breadcrumb trail: Homepage > E-Learning Platform - Online Information Sessions. The main heading is 'E-Learning Platform - Information Sessions'. The text below the heading reads: 'As a valued member of our Tourism network, you have been invited to help us with the development and launch of our new e-learning platform, mytourismni. We need your knowledge and expertise to help with pre-testing prior to launch later this year.' At the bottom of the page, there is a banner image of people on a rocky coastline with the text 'Time to Get Learning' overlaid.

TNI e-learning platform

Key Takeaways



Key Takeaways

Ensure you do your homework

Think long term sustainable business

Avoid price escalation for short term gain


Responsible pricing benefits reputation

Protect your business & destination



Embrace a Giant Spirit

1. **Big heartedness**
2. **Legends & stories**
3. **Originality**
4. **Land, water & sea**



Q & A



Thank-you