



# American Indian Alaska Native Tourism Association

Pricing Your Tourism Product  
2019

Go International  
Camille Ferguson  
1-28-19



**AIANTA**  
American Indian Alaska Native  
Tourism Association



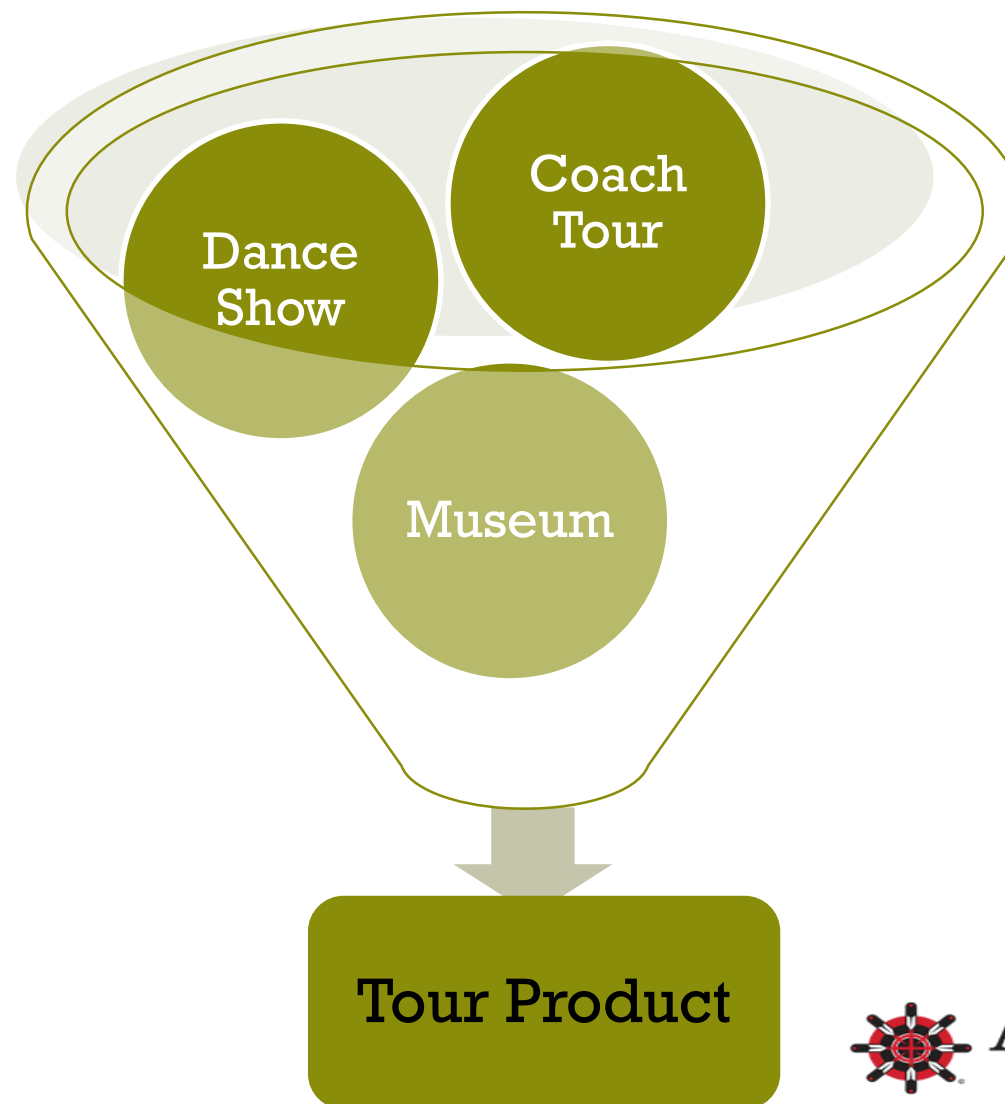
## **AIANTA's Mission:**

*To define, introduce, grow and sustain American Indian, Alaska Native and Native Hawaiian tourism that honors traditions and values.*



# Elements of Creating a Tribal Tour Package

- Tribal Demonstration- Dance Show, Story Telling
- Site Seeing– Coaches, Wagon, Snow Mobile
- Walking or Hiking Tour
- Attractions- Museums National or State Park
- Wildlife Attraction
- Culinary Tourism
- Housing – Hotel, Motel, Resort, B&B



# Key Pricing Factors – Operating Costs

## Variable Costs

- wages; gas; electricity;
- cleaning, maintenance, repairs;
- materials used in production, etc.;
- stock, including stationery, linen, food, petrol, machinery and uniforms; · bank fees; ·
- and marketing including research, advertisements, promotions, brochures,
- consumer or trade events, familiarizations for industry or media and travel costs.

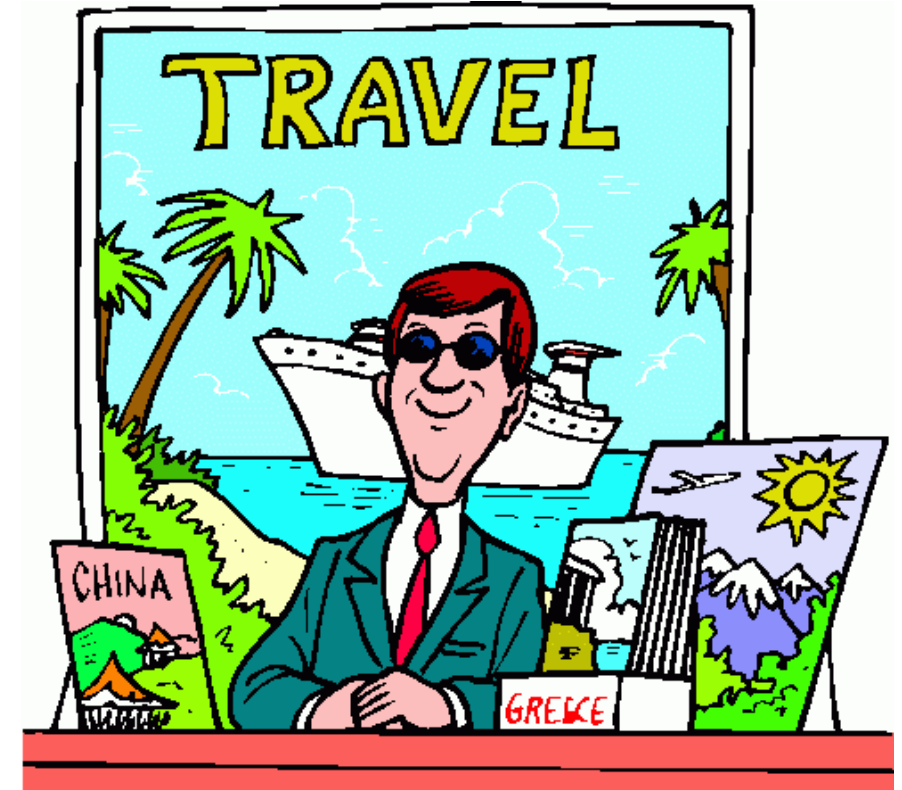
## Fixed costs :

- rent; ·
- buildings; ·
- machinery; ·
- insurances.

# Working with Distributers

Distribution network costs Industry standards for commissions paid from the retail rate for traditional distributors are: ·

- 10% of the retail rate for retail agents who sell directly to customers
- 20% of the retail rate for wholesalers who sell to retailers or directly to customers
- 30% of the retail rate for ITOs who sell to wholesalers, who then on sell to retailers or customers.



# Understanding Industry Rate Structure

- Net Rate = operating costs + your profit margin
- Retail Rate (gross, sell, rack or door rate).

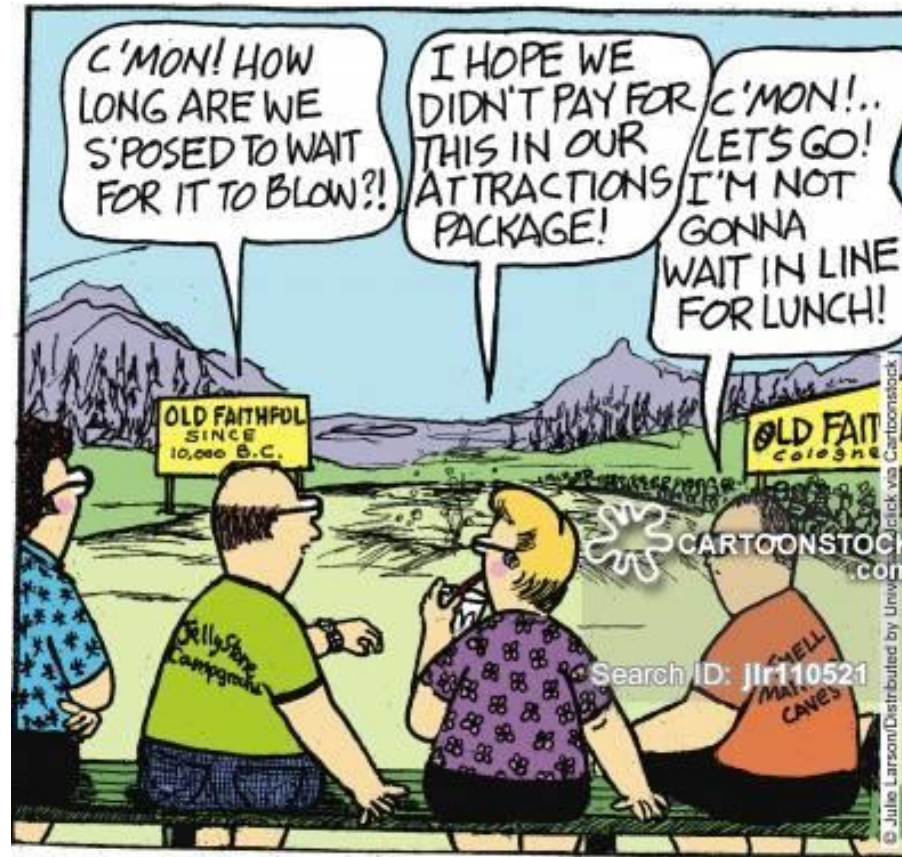
## EXAMPLE: WHOLESALE RATE SHEET FOR A TOUR OPERATOR

NAME OF YOUR BUSINESS			
Confidential net rates for (insert name of third party seller)			
Valid from 1 April 20XX to 31 March 20XX			
<i>Note: All rates include GST</i>			
Name of tour / departure time / duration	Passenger type	NET Rate (less 20% commission)	GROSS Rate
City sightseeing Departs at: 8am Duration: day	Adult	\$180.00	\$225.00
	Concession	\$160.00	\$200.00
	Child (4-16 yrs)	\$112.00	\$140.00
Sunset cruise Departs at: 6pm Duration: 4 hours	Adult	\$140.00	\$175.00
	Concession	\$120.00	\$150.00
	Child (4-16 yrs)	\$60.00	\$75.00

- Net rate = rate excluding commission, this is the price that you receive after commission.
- Gross rate = rate inclusive of commission, the price charged to the consumer. This is the rate that should be used for all marketing. This rate should not differ whether you are selling directly to the consumer, or through a wholesale distributor.

# Other Key Factors

- Consistent
- Accurate
- Competitive
- Realistic





# American Indian Alaska Native Tourism Association

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