

**ARIVAL**  
**360 SAN DIEGO**



Carmel  
Food  
Tours

# The Arival Culinary Experiences Forum



Gourmet  
Food and  
Wine Tours

## Takeaways from the Arival 360 San Diego Sessions

# Re-defining what a food tour is

Forrest Parker, Chief Culinary Evangelist,  
Undiscovered Charleston



Erik Wolfe of the World Food Tour Association has trademarked the definition of a food tour as, “Food tourism is the act of traveling for a taste of place in order to get a sense of place”, much in the same way that Copenhagen Chef Renee Redzepi has defined cuisine as being a “flavor of time and place.”

The classic model of 3 hours, 6 restaurants remains a value added draw for many impassioned foodie travelers, but the Covid-19 Pandemic has forced many restaurants and food tours both into re-evaluating longstanding models as neither tenable nor sustainable.

Just as many chefs and restaurateurs have begun re-evaluating long held notions, many food tour operators have begun doing the same in an effort to create food based experiences evocative of time and place.

How can we, as food tour operators, continue to partner with our respected food and restaurant colleagues to help them continue to succeed and profit while doing so ourselves?

## Strengths

- Guests are frequently drawn to food based experiences, even compelled, because they're so passionate themselves.
- As operators, we frequently have pre-existing relationships with the establishments and teams.
- The magic happens when guests share a moment, a taste or story.

## Weaknesses

- This model is dependent upon the restaurants. If they don't operate (ie lock-downs) we don't operate.
- Staffing! Universal issue in restaurants, retail (...and tours!) right now.
- Costs- decreased staffing, increased labor, inflation & costs of goods sold generally translate to higher costs for partnerships. Do we absorb the costs or pass them on?

## Threats

- Covid ain't going away anytime soon, kids.
- Do we assume the worst and plan for additional what if's, lockdowns etc?
- Other tour and activities. Who else is taking share of wallet and time?

## Opportunities

- The love of food is universal.
- By nature, Chefs & Restaurateurs tend to be agile & entrepreneurial.
- Just as the restaurant industry is reinventing itself, we should, as operators, also be agile.

## So How do we approach these challenges?

- **Be agile & creative**
- **Think beyond the restaurant.**
- What is it about your city that defines your cuisine?
- Who are the producers? Farmers, millers, distillers, fishermen, dairies, butchers that are noted in your area?
- How does your food overlap with your history?
- How can you actively involve your guests, ie kinesthetic, hands on experience?
- **Rethink the model!**
- Help your partners drive added revenue.
- Create different add ons or packages to sell in addition to your baseline experience.
- Tiered pricing.
- Preferred seating (“Comfort Plus.”)
- Do something counterintuitive & that does not scale. (Y Combinator- How to Start a Startup.)

# Partnerships with CVB's, DMO's, Other Operators in Town, and More

John LaVerne, Head Tour Guide, Bulldog Tours

## Why start with a CVB/DMO strategy vs other types of marketing?

- High possibility of immediate ROI with free exposure and being featured in your destination's marketing campaigns
- Invaluable networking opportunities for business partnerships
- Incredible source for visitor data that can help you better define and understand your market/niche
- Support for your tour business

## Peeling back the layers of your CVB

- Visitors Centers are just the beginning
- Your CVB's Sales, Media and Marketing Departments are a vital link



## Best Practices of Building Relationships with your CVB/DMO, & other local partnerships

- A rising tide lifts all boats!
- Try to help others first (practice reciprocity).
- Always respond ASAP and say YES, especially to travel writers and media opportunities.
- Be flexible
- Be visible so you stay top of mind
- Supply them w/ great images and b-roll video and support their branding & mission
- Be grateful, be helpful, say thanks, meaningful gifts like buying lunch for the Visitors Center Staff or Christmas presents or special occasions that show you care.
- You want to become known as THE EXPERT in your area for the thing you do

## Biggest Challenges to Overcome

- There is a lot of variety in the effectiveness of a CVB/DMO.
- Go up or down a level! (State to local, or state to national)
- Look to destinations nearby
- Local business bureaus (not necessarily focused on tourism - but they may be able to help!)

## Key Takeaways

- The CVB's can do all your heavy lifting
- CVB's can be so much more than a visitor center and a publication
- They need you and you need them



# Show me the money: Costing, Pricing and Profit Margins in the age of COVID

Stu Card, Co-founder, Savannah Taste Experience Food Tours

COVID has not only knocked the tourism industry off of its tracks, but has also utterly transformed the F&B world. From the modification of the dine-in experience to the lingering staffing woes to the soaring food-costs and supply-chain disruption, setting up your costing and pricing strategy has never been more important. This discussion will be a practical exploration of cost/price strategies in this ever-changing new world. Discussion will include:

- What trends are operators noticing regarding: costs, pricing expectations?
- What are some necessary and/or creative cost-cutting operators are experimenting with?
- Should you rely more or less heavily on OTAs during this time?
- Can you cut costs anywhere or is there room to increase pricing to help keep your margins? Or should you expect a smaller margin during the pandemic?
- What resources are available to determine current pricing trends?

As part of this discussion we will explore some battle-tested approaches to pricing and cost-cutting.

## Data-Driven Decision-Making:

While there is definitely uncertainty in the food tour world in the age of the pandemic, there is still good data out there. And making decisions based on data is what it's all about.

- Where to find data to determine best pricing
- Competitors' pricing?
- How similar are the products?
- If outside your market, how comparable are the markets?
- Using your rez tech for help with data
- How price sensitive is your product?
- Are you the only food tour operator or culinary activity in your market?
- What time of day do you operate and what other non-food-related activities are you competing with at that same time? What price are those non-food related activities selling at?



Savannah Taste Experience Food Tours

## Working backwards:

Determining your pricing strategy often means not just determining your costs, but determining your margins. By starting with how much you want/need to make out of every ticket sale can give you a great start on building your pricing strategy.

- Are you thinking about your margins in terms of percentage or dollar-value?
- What's a fair/realistic margin?
- How many tickets per year do I have to sell to achieve target margin?
- Are you a high- or low-volume business?
- How does my volume impact my pricing?
- If you require a high-volume of sales to reach your target margin, will you have to rely on OTA's?
- If so, how much will selling through OTAs impact your acquisition costs and therefore your margins?
- Can you adjust any marketing costs to make up for the lost margins sold through OTA's?
- Do you have to sell all of your products through OTAs?
- Can you sell tickets on OTAs at a higher dollar amount to offset OTA fee/commission?

## Controlling your Costs.

It may be the case that in this new age your market can no longer support the price point you used to sell your products at, but that doesn't mean you want to skimp on the quality of the product. We will discuss strategic cost cutting in general and what may be done in the age of the pandemic.

- What are my costs in running a food tour? And which of these will diminish in scale with the increase in revenue?
- Marketing/Operations
- Marketing and operations are often costs not directly tied to the number of tickets you sell; the more tickets you sell the less of a percentage of your overall ticket price these costs should account for. Because of this marketing and operations costs can easily be overlooked when assessing what costs to cut.
- Operations
- What systems can I put in place to reduce time or money spent on aspects of my operations?
- How much can I (or do I want to) automate? Is it worth the cost?

- **Marketing**
- Can I measure the ROI on each of my marketing campaigns?
- Can I utilize the data I have regarding my existing customers to make better marketing decisions?
- When the demand is so high (as it was in many areas that were able to accommodate food tours/activities during 2021) can you and should you cut-off your marketing?

## Food/Beverage Costs

- While pre-pandemic these costs were fairly fixed for our business, the need to be flexible with our food options during the pandemic made this much more of a variable cost.
- Given staffing issues at restaurants, should you consider adding in additional tip money to keep restaurant owners and staffers happy?
- Are there things you or your guides could do with each restaurant to help cut costs? (e.g., supply disposable serving items, guide help serve/prepare dishes, bus/clean tables, etc.)
- Given supply chain issues, it might be in your best interest to have deals worked out with the restaurants on multiple food items in the event they can't serve you something.
- In Savannah, in 2021 we ran out of alligator meat for 2 weeks, some restaurants couldn't source pork belly on multiple occasions, and crab meat cost went through the roof. As such restaurants either couldn't serve us agreed to tasting dishes or refused to serve it to us at agreed-to pricing.

## Tour Guide Wages

- Are there different incentive-based pay structures that could provide your guides with wages they deserve and expect while also provide you with the margins you need?
- Are there benefits you can offer that provide value to your guides/staff while also reducing your wage cost percentage (e.g., use of business assets, group medical/dental coverage)?
- In 2021 when Savannah Taste Experience brought back on our Operations Manager, we didn't feel comfortable returning to the pre-pandemic salary given the volatility in the industry, but were able to meet her income needs by replacing a portion of her salary with a company car. She could not only sell her own car, but also no longer had to pay for a car loan, taxes or insurance, while we simply converted cash into a depreciable asset. This helped us keep our wages/salaries cost down, while simultaneously satisfying a valued employee's salary needs and exciting our other staff.



## Acquisition Costs

- **RezTech**
- How efficient is your RezTech?
- How much do you pay per ticket for your RezTech?
- Does your RezTech help you convert online sales?
- **OTA**
- How much do you offset OTA sales with a reduction in marketing expenditure?
- Do you have APIs for all of your OTAs? If not, how much is it costing you in man-hours and opportunity-cost to manually maintain OTA bookings on your system?
- Can you sell your OTA tickets at a higher price to offset the OTA commissions?
- Can you negotiate a better commission with your OTA?
- **Answering Calls/Emails - hourly rate? Opportunity cost?**
- Does your OTA handle calls for you? If so, what data do you have on the number of calls being handled and the results therefrom? Is it costing you more money than it is worth?
- How many calls, emails do you answer per month?
- What is the cost of you doing this yourself versus paying someone to do it for you?
- What emails can you automate? Is there a CRM system that can help filter, automate responses and enter real prospective clients into appropriate sales pipelines? What is the cost of those CRMs and does this help reduce costs and/or increase revenue?
- What automated phone answering systems are out there that might help alleviate unnecessary time spent on phones that can be handled via standard FAQ responses? Can you improve navigation, information and your FAQ page to reduce the number of phone calls and emails you need to respond to?

# Managing Multiples - Thinking of Expanding Into Other Destinations?

*Renee ReBell, Founder/Owner, Gourmet  
Food and Wine Tours*

## Evolving from one tour to more - leveraging your one-town success?

- Mapping popular destinations
- Established familiarity
- Ideal timing ~ build in response to demand, ie: wait for a corporate tour, so it can pay for your build out (time, energy, marketing)

## Supporting the juggle - who and what do you need?

- Website
- Booking Partner
- Visitor Bureau, Chambers, etc - launch open
- Key employee(s) in the town you are opening

## Why it can be a good idea!

- Repeat business from guests
- Shifting visitors to open tours in nearby for different reasons
- Server and staff familiarity
- Selling or franchise opportunity
- More options (from gift certificates to force majeure)



## Challenges

- Tracking more restaurant partners and bookkeeping
- Costs & expenses double, triple, etc. with local marketing (CVBs, Chambers)
- Properly showing up on Viator, Google when you do not have one address
- Competition, is there any? If so, research and plan around
- Watering down your efforts in just one town - trade off

If you are thinking of expanding, be sure to ask yourself some key questions first. Are you able to swiftly get to each town yourself if necessary? Do you know the town you want to expand to first well enough to pull together a tour that matches your brand? Are you able to employ qualified local guides and organizations who will care enough to represent your company in a new town? The upsides are many, if you are willing to answer the questions honestly and dedicate yourself to the success of your newest tour!



Gourmet Food and Wine Tours



# Butter Your Bread: Grow your Corporate and Private Event Business

*Lauren Herpich, Founder & Owner, Local Food Adventures*

## Look at your business differently - you are more than just a tour operator!

- What other activities that cater to private events are available in your market? Go on Yelp and see what else is listed for "private events."
- How else do people find them? On which websites are they listed? Get yourself on those listings.
- Develop a media list of writers who report on local events and activities. Reach out with new products and offer local contests/sweepstakes.

## Identify key target audiences and learn how to market to them

Who books private events? Think of people like:

- Office managers/executive assistants
- Social club presidents and membership directors
- Event planners
- Moms!

## Maximize your existing personal and professional network

- Don't be shy to reach out to friends and family! Everyone works for someone.
- Utilize LinkedIn and invest in the LinkedIn Premium membership.
- Stay abreast of local Facebook groups and message boards - there is always someone asking for ideas for a team building event or birthday party idea, especially for kids and teens!

## Explore potentially new resources for acquisition and retainment

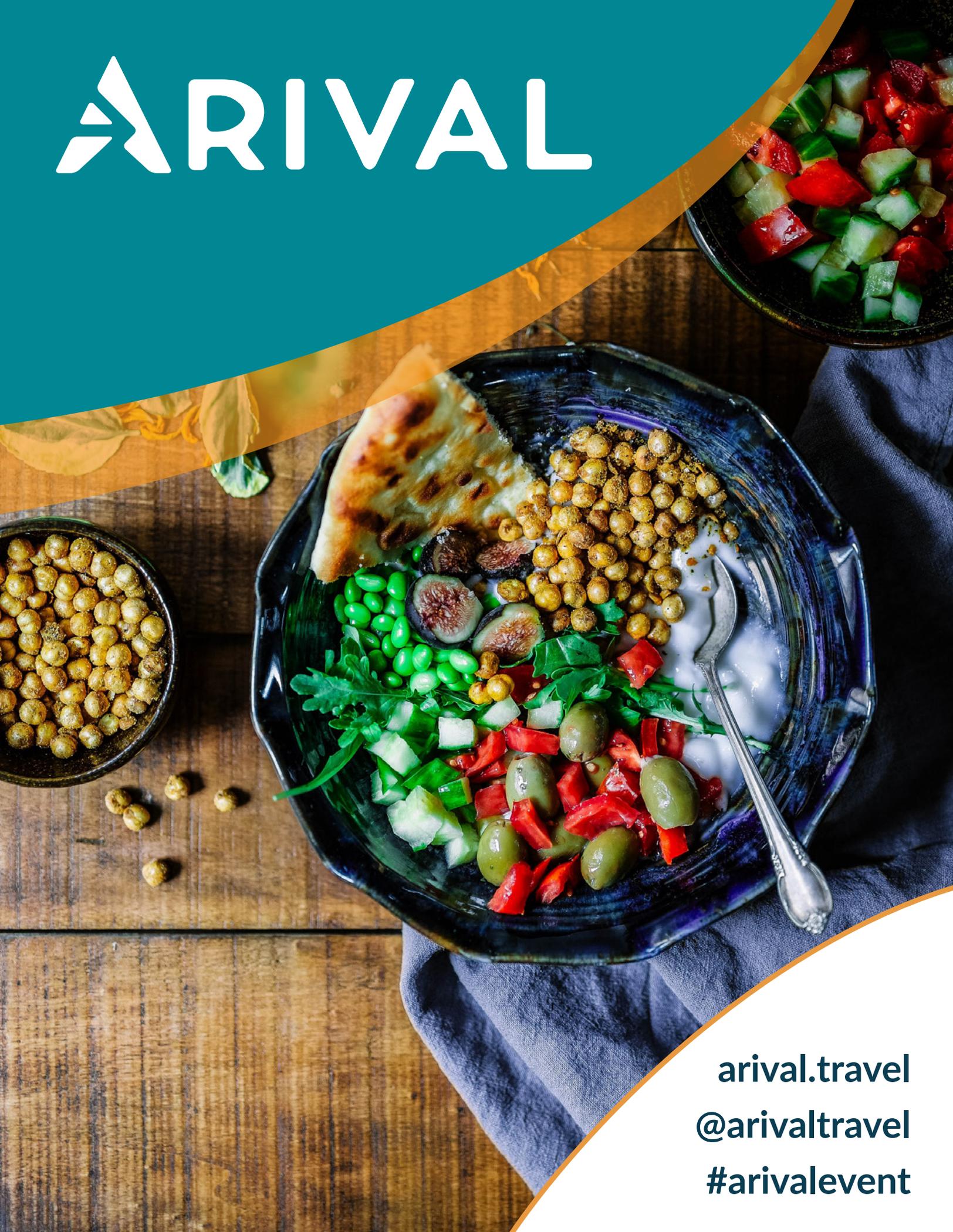
- Join local chambers of commerce and professional networking groups.
- Develop a list of local event planners and Destination Management Companies (DMOs).
- Hotel concierges may not be helpful, but their sales & corporate events teams ARE!

## Think LOCAL! LOCAL! LOCAL!

- Diversify your target audience so you are not dependent on the one-off traveler, especially during these crazy times.
- Invest your time and energy with your local community that will help you in times of need.



# ARIVAL



[arival.travel](https://arival.travel)  
[@arivaltravel](https://www.instagram.com/arivaltravel)  
[#arivalevent](https://www.instagram.com/hashtag/arivalevent)