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PACKAGING THE FAIR TO FOREIGN VISITORS

BY

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ABSTRACT

Operations are the essential element in packaging tours. Advanced planning is critical to an effective operation. A sound management philosophy is needed to intergrate the operation and planning phases of an event the size of the World's Fair.

PACKAGING THE FAIR TO FOREIGN VISITORS

INTRODUCTION

As Dick Howell indicated, we wear two hats at the office. Under the South/USA hat we did much research with the airlines because we specialize in FIT (Foreign Independent Tour) programs--individual programs do not do much business unless it is a special interest group. We talked with the airlines, we spoke with car rental companies, we spoke with World's Fair officials and got their estimates and statistics, we looked at some of the responses that had come from Spokane, and we also spoke with bus operators and brokers to see what they were planning. We attended many trade shows and spoke with our clients, especially those overseas to determine their interest. When we put it all together, we decided on a FIT program that would be a limited fly/drive package where you could pick up your car and drive to the World's Fair. We had determined that people would be spending two days at the Fair, and that they would want to include something on the way going or returning. People would not fly in just to go to the Fair because the air fares this year are expensive. Our figures are not all in; we will not have them for another few days and then we will sit down and finish our head count, but it probably will be in the neighborhood of close to 2000 passengers. We were a small tour company, and that is a large volume of business. From the number of passengers that we moved through South/USA, it was a successful program.

PROBLEMS

The problems came from a number of different areas. Since we are looking at 1984, it is time to review the problems operators had and perhaps see how they may be corrected.

Knoxville was exceptional in that they really made an effort to cater to the tour and travel business. That was a new experience for us and I think everyone in the industry was very excited. However, in the way it was set up, many people involved really did not have the required business experience. They had a state tourism background, but they did not have the nuts-and-bolts tour experience. We started running into problems, first in selling tickets.

You had a choice in purchasing your tickets. You could buy your tickets six or eight months early at a large discount. You could buy them either for yourself or through the National Tour Brokers Association for bus tours or you could buy as you needed when the Fair opened. Tour operators got discounts on volume. When we did our original packaging, we were told the ticket would be \$14 for a two-day pass on the wholesale rate, and it turned out to be \$14.50. Now that does not sound like much--just 50 cents--but when you multiply that by 2000 passengers, it turns out to be a loss of profits. When you add up all these little differences over a season, there is an indication of a lack of preparedness. This created a problem for us in estimating our costs and revenues.

There were terrible delays in getting the tickets. It became almost a crisis in the office. In fact, it got so bad that one Saturday I flew to Knoxville to pick up tickets because I could not get them sent to our office. It was taking up to six weeks in May to get the tickets back from the time they were ordered. That was a real problem because our volume was much greater in May than we anticipated, and we kept reordering tickets and running out. The processing simply was not set up properly.

On the plus side for the people at the World's Fair, they corrected the problems that we ran into very quickly. By the end of May they were getting the tickets out within a week. But that one-month period gave everyone a very shakey feeling. This was compounded by the amount of bad publicity that came out. I think if we look at the Fair itself, the most critical problem that all of us had in trying to market the Fair was the bad publicity. It started with Readers Digest and it continued with the Wall Street Journal, who published the front page center article on "what happens when you give a World's Fair and nobody comes". That was published back in 1981, and this bad publicity continued throughout the Fair. By May, when the Fair opened and the stories of the long lines started coming out, the rate of cancellation was incredible. I would be willing to guess that for the middle of July through the middle of October our rate was at 40 percent. This, by the way, matches what happened to our bookings at the Great Smoky's Hilton which is the hotel we manage. They say "it did not happen" in Asheville. Well, we had some problems too; our cancellation rate for tour groups at the Great Smoky's Hilton this summer was 53 percent. I have not gotten all the final sheets through this month.

We attribute these cancellations to essentially the bad publicity, much of which had to do with housing. It had to do with the name of the game at the onset, which seemed to be greed and price gouging, and people ran into that problem. In fact, we were charged with price gouging because housing was very costly, and then when the occupancy rate was not

what it was estimated to be, some rates were lowered. Tour operators were already under contract for the higher rates, but people walking into the hotels were charged a lower rate. Imagine a passenger who had purchased a \$200 package for three days who walked into the hotel and realized that if he had bought all the components himself, he would have spent only \$150. This makes everyone look bad, and that is what happened. It became a crisis.

The other problem was that the Knoxville Housing Bureau was essentially selling a package over the telephone. If you called the Housing Bureau early in the summer, they sold you two nights with a two-day pass package. It was not an individual hotel night. You had to buy a package. It created a conflict with the official carrier of the World's Fair. Delta Airlines had two packages out on the market that were two-night packages, for the most part, with admission to the Fair. All of a sudden the rates that were given by the Housing Bureau became lower than the tour packages that were out on the market. We ran into some cancellations through this problem.

SUMMARY

There is reason for talking about all this, but I do not want to sound excessively negative. Overall, I have to say the Fair was a success. I can not deny that. The main problems were bad publicity and the lack of advanced marketing. By the time the ad campaigns came out, it was really too late for us. We sell several months in advance. Bus operators sell even further in advance. We can deal with the last-minute passengers, but the bus operators can not. Without the marketing support that was necessary, we could not salvage the cancellation rate. We had to cancel out on blocks of tickets that we had as well as contending with what happened to our hotel. This is one factor which must be changed in 1984. The marketing has to be thought out and planned. Advertising and public relations must come sooner.

The second thing that I think is really important is in the organization of the World's Fair. People with solid tour operating, tour brokering or travel agency experience should be employed to work with the operators, travel agents and brokers who are going to be bringing people into the Fair. Duplications of effort, competitive programs put out by non-profit organizations, and last-minute changes in rates on ticket prices and the like should not occur in 1984.

Overall, I want to emphasize that while it "did not happen" to Asheville, in the sense that they did not get the one-nights, and it did not happen to Atlanta either--we did not get the one nights that we needed for the hotels. Overall, the World's Fair gave our part of the country an accessibility and a coverage that we never would have had otherwise.