



The Guest Experience Revenue Effect

A Research Study on the Economic
Outcomes of Mid-Market Tours and
Attractions Switching to RocketRez

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ABOUT ROCKETREZ

RocketRez is a flexible multi-channel cloud ticketing business management software to help tours and attractions increase revenue, reduce costs, save time, and elevate the guest experience. For more information, visit rocketrez.com.

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Executive Summary

The RocketRez platform is a set of orchestrated software solutions that, when operated competently, allow mid-market tours and attractions to save time, increase revenue, enhance their guest experience, and enable great business decisions driven by data on user behavior.

This report is an effort to distill and quantify what parts of the platform add value to operators, how much value they can expect to generate by switching to RocketRez, and the key performance indicators to track to ensure the full value of the platform is unlocked.

A Travel Industry Turning Point

A recent study conducted by Skift and Amazon Web Services paints a picture of an industry amid a technological turning point. The business impact and competitive advantages are being realized by early adopter companies switching to best-in-class cloud technology, compared against a batch of late adopter companies who are desperate to catch up before it's too late.

The research shows that companies are craving flexibility and agility from their software providers in order to meet complex demands around user experience, process automation, profitability, and scaling. This need is prevalent in the travel industry subsection of tours and attractions, particularly in the highly competitive mid-market, which is served traditionally by legacy on-premises software providers or managed through a group of non-connected point solutions.

Trends indicate a widespread consolidation to all-in-one, cloud-based software to reap the rewards of scale agility, channel flexibility, and data on the full customer journey afforded by the modern SaaS model.



EXECUTIVE SUMMARY

RocketRez: The Cloud Ticketing and Operations Platform for Tours and Attractions

RocketRez is a cloud ticketing and operations platform powering the next generation of tours and attractions. It combines flexible, multi-channel ticketing with cloud-based business management software to help tours and attractions increase revenue, reduce costs, save time, and elevate their guest experience.

The software makes it easy to sell tickets, retail, food and beverage, private events, memberships, photos, and tours all in one place. All products and all distribution channels draw from a single source of inventory, and data is cleaned and visually presented to give operators full visibility across their business.

With the recent release of RocketPass, the mobile web app that powers every transaction, communication, and information sharing, and enables reporting on every touchpoint across the entire journey at a venue, RocketRez has effectively created a two-way portal for end-to-end guest management.

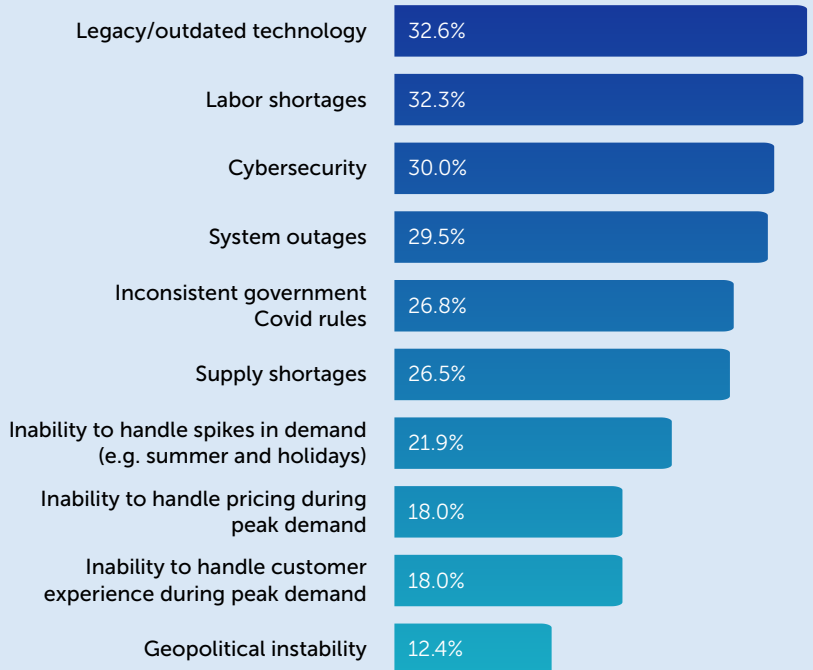
Operators can collect purchasing, demographic, and behavioral data from customers, and immediately act on the insights directly through the mobile channel. This level of personalization in the guest experience has previously only been available at enterprise attractions who build proprietary software in-house. RocketRez has now enabled a turnkey solution for the mid-market.

The modern tour and attraction customer expects a fast, easy, accessible, and convenient experience. RocketRez draws from SaaS, eCommerce, and consumer mobile software inspiration. This system, combined with in-house experts and white-glove service, empowers operators to deliver

Perceived Benefits of Cloud-based Technology



Travel Executives: Most Likely Business Disruptions in 2022 and 2023



Source: Skift and AWS, The 2022 Digital Transformation

EXECUTIVE SUMMARY

a best-in-class customer experience.

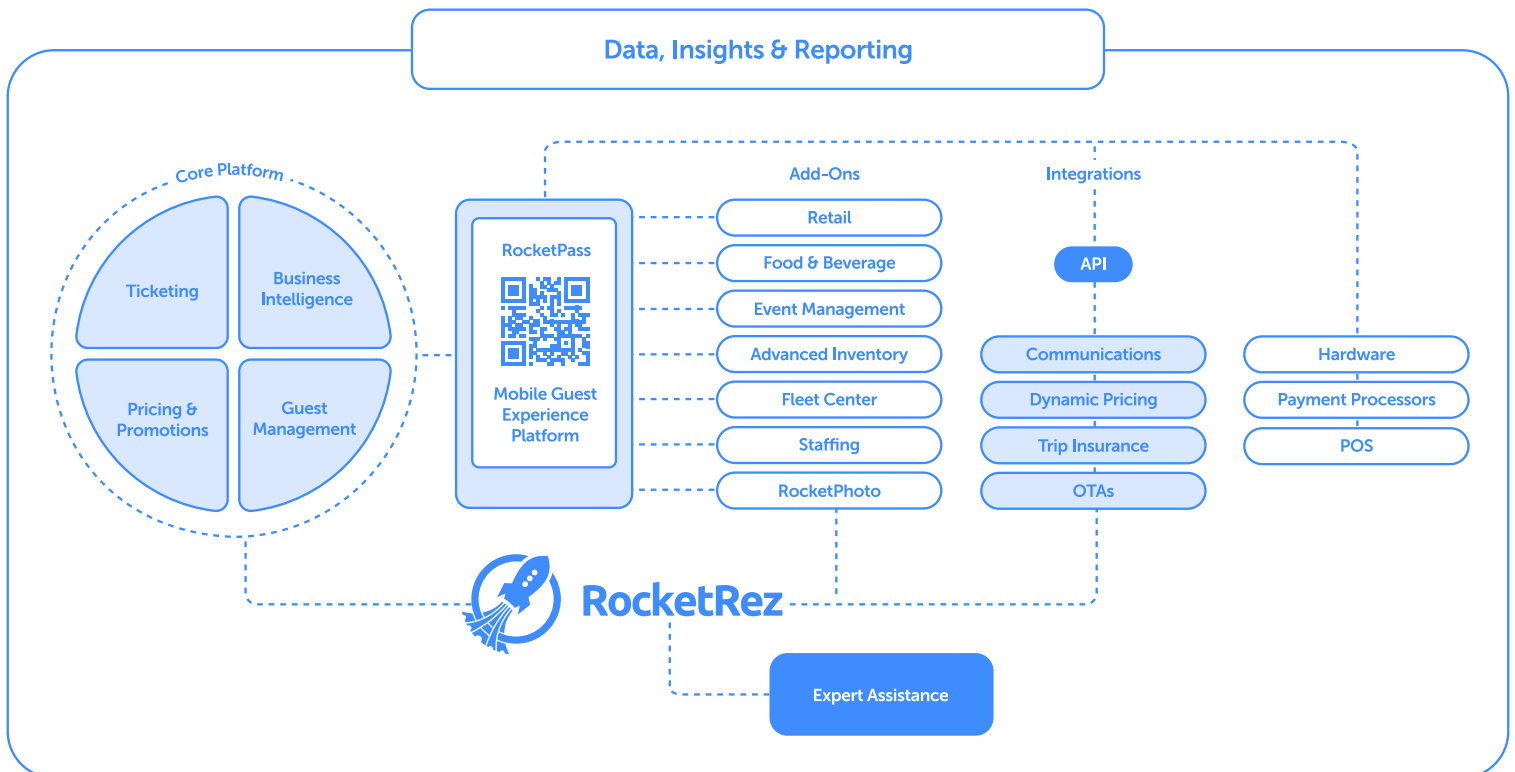
To better understand, and provide full transparency around, the benefits, costs, and risks of switching to an all-in-one solution, RocketRez conducted a comprehensive analysis of the expected return on investment for an operator. The team used a combination of publicly available market research and actual customer interviews and data to create a composite organization, representative of the ideal customer profile for RocketRez.

The following is an in-depth look into the methodology that derived this ROI, the quantifiable business benefits and costs, qualitative insights, and finally, a net present value analysis over three years.

“The larger chunk of our business is out in the field. Every boat has its own ticketing setup – but the boats can be ten miles apart.”

OWNER, FERRY COMPANY

THE ROCKETREZ ALL-IN-ONE PLATFORM



THE ROCKETREZ CUSTOMER JOURNEY

Before the Investment

INTERVIEWS

In order to accurately represent the market, customer interviews were conducted with tour and attraction operators who met the criteria for annual revenue, market vertical, operational components such as offering food & beverage options on site, selling retail items, memberships, hosting events and their role in the company:

Title	Vertical	Region	Annual Revenue
General Manager	Aquarium	US	\$15M
Vice President	Boat Tour	US	\$3M
Director of IT	Wildlife Center	US	\$8M
Marketing Manager	Attraction	US	\$21M
Executive Director	Aquarium	US	\$17M

COMPOSITE ORGANIZATION

To conduct the ROI analysis the business statistics and quantitative interview results of the sample market segment of customers has been aggregated into a representative composite organization.

Characteristics of the Composite Organization:

- Average Annual Revenue: \$12,851,871
- Average # FT Employees: 153
- Average Annual Visitors: 232,029
- Annual Ticket Revenue: \$9,185,933
- Annual Retail Revenue: \$1,781,163.46
- Annual Food and Beverage Revenue: \$3,121,895.82
- Annual Memberships Revenue: \$529,076

- Average Ticket Price: \$34.21
- Average # of SKUs: 10,057
- Average Retail Item Price: \$39.71
- Average Online Conversion Rate (Tickets): 0.3% Industry Standard

Channel Mix:

Advance Online	59%
Walk-Up	25%
Phone	10%
OTA	4%
Concierge	2%

“If we can create an ecosystem where everything is connected in real time, this is the next generation as far as I’m concerned.”

GENERAL MANAGER, AQUARIUM

BEFORE THE INVESTMENT

This composite organization accurately represents the makeup of a customer that could receive the expected benefits from switching to the RocketRez all-in-one ticketing and operations platform.

Note: The actual results may vary widely depending on the operational practices of a tour or attraction prior to switching to RocketRez and whether or not they are already employing some of the strategies documented in this study. As well, factors such as market conditions, geography, customer demographics, and adherence to best practices may all factor in to the results of revenue management tactics.

KEY CHALLENGES ADDRESSED

Before switching to an all-in-one cloud solution, interviewees reported the following problems based on the characteristics of their legacy technology stack:

A Disparate Set of On-Premises Functions or Non-Connected SaaS Point Solutions

- No shared inventory across different product and distribution channels resulting in underselling
- No simplified visibility/reporting on performance across different products and channels
- Poor experience purchasing online and effectively increasing conversions through digital channels
- Difficulty building brand awareness

A Need to Customize Software Functionality Based on Business Vertical

- Limited flexibility in pricing & promotions features leading to dropped conversions and smaller product margins
- Unable to meaningfully reduce manual work with current software system
- Difficult to scale up or down based on seasonality or macro trends

Time and Attention Drain of Manual Work

- Manual data entry for forms, surveys, and waivers
- Routine customer service tasks and consolidating disparate reports
- Difficult to train seasonal or part-time employees without a software background



“We wanted to invest in self-serve kiosks for low traffic times. Our goal is to be open 24-7, 365, and it is mutually advantageous to not need a ticket agent on staff at midnight on a weekday.”

OPS MANAGER, BOAT TOUR COMPANY

BEFORE THE INVESTMENT

Best-in-class operators recognize that delivering a modern and seamless customer experience requires more than ticketing and operations software. It requires a true implementation of **vertical market software**, that has the capability to implement core functional modules, and add-on modules as the business requires.

Vertical Market Software

Definition: Vertical market software is aimed at addressing the needs of a business within a discernible vertical market (specific industry or market). This contrasts with horizontal market software, which can be useful to a wide array of industries (such as word processors or spreadsheet programs). Vertical market software is developed for and customized to a specific industry's needs.¹

Many problems that operators report fall under the category of purchasing a ticketing and operations solution, or cobbling together a handful of point solutions that were not built specifically for their vertical – nor were they built to scale to the appropriate level.

The tell-tale signs you've chosen a mismatched solution include a cumbersome onboarding and implementation process, an inability to automate functions you expected you could, and poor adoption or frustration from employees.

Driving operator ROI therefore begins in the discovery phase, where RocketRez carefully selects companies within their four key verticals to ensure benefits will be unlocked, implementation will be smooth, and minimal custom development work will be required – setting the stage for a strong return on investment with the platform.

Ticketing and Operations Use Cases

Everyone needs ticketing, operations and guest engagement. Every provider has tools for it. What they look like, and how they work, varies widely based on the vertical being served.

Which functions are your vendor solutions excellent for? Who do they focus on?

CROWDED, EVENT-DRIVEN

MINI-EVENTS, STEADY DAILY VISITATION

	Concerts	Sports	Ski Resorts	Trade Shows	Experiences	Zoos	Museums	Boat Tours
Ticketing	Seat Maps	Seat Maps	RFID	Registration	Calendar / Manifest	Timed Ticketing	Timed Ticketing	Capacity Management
Operations	Access Control	Access Control	Rentals	CMS	Marketing	Private Events	Private Events	Calendar / Manifest
Guest Engagement	VIP programs	Season Tickets	Season passes	Inventory	eCommerce	Memberships	Memberships	Private Events

NOT AN IDEAL ROCKETREZ CUSTOMER

IDEAL ROCKETREZ CUSTOMER

THE ROCKETREZ CUSTOMER JOURNEY

After Investment

Analysis of Cost Benefits

Here are the quantified cost savings applied to our composite organization.

DISCOUNT RATE: 15%

Benefit Calculation	Year 1	Year 2	Year 3	Total	Net Present Value
Time Savings					
• Automation	\$34,580	\$12,633	\$3,241	\$50,454	\$41,753
• Employee Training	\$88,350	\$32,276	\$8,281	\$128,907	\$106,676
Cost Savings					
• Software Consolidation	\$335,493	-	-	\$335,493	\$291,733
• Headcount	\$120,000	\$43,838	\$11,247	\$175,086	\$144,891
• Direct Sales	\$257,206	\$93,963	\$24,107	\$375,276	\$310,558
• Cancellations	\$433,576	\$158,394	\$40,638	\$632,608	\$523,511
Total Savings	\$1,269,205.13	\$341,103.96	\$87,514.13	\$1,697,823.21	\$1,419,122.19

This rate was calculated based on current rates applied by similar companies with publicly available data.

AFTER INVESTMENT

Assumptions

TIME SAVINGS

- Automation: Front line employees using the RocketRez platform save an average of 35 hours per week saved at average \$19/hour
 - Updating pricing – 6 hours
 - Collecting guest feedback – 5 hours
 - Data entry – 5 hours
 - Routine customer service tasks – 4 hours
 - Generating reports – 15 hours
- Employee Training: Platform training on legacy ticketing systems reported at 142 hours per year vs. RocketRez Training Time 62 hours per year
 - Ticket office employees – 24 hours/employee
 - Call center employees – 30 hours/employee
 - Retail service employees – 8 hours/employee

COST SAVINGS

- Software Consolidation: Attractions moving to RocketRez reduce an average for 4 external software programs
- Transaction fees: Industry standard 6% of online sales vs. RocketRez platform subscription + variable per ticket fee
- Industry average 18% OTA sales vs. RocketRez composite organization 4%
- Headcount: Automated chat bot customer service + 1 self-serve kiosk reduces the need for 3 full-time employees at \$19/hour
- Ticket cancellations: With ticket cancellation assurance, RocketRez customers save on the industry average 8% of cancelled tickets and 0.65% chargeback fees for refunds.

*Figures are for illustrative purposes only and will vary depending on individual business factors including revenue, channel mix, employee salaries and discount rate applied. Interested operators are encouraged to reach out to RocketRez directly for consultation and custom analysis.

I thought I would need a week to learn the whole system. It's just so user-friendly and intuitive. It takes a somewhat savvy person ten minutes to learn it and figure it out. Lots of things that would take a lot of time previously, take no time now. It's incredible.

OPS MANAGER, BOAT TOUR COMPANY



Key Findings

Time Savings

Automation not only saves time, but increases employee productivity.

The findings indicate that operator ROI analyses should consider automating employee tasks not only in terms of time savings, but in the ability to scale their knowledge to value added activities.

“Dynamic pricing was new to me, and I was actually manually dynamic pricing before. Every time we wanted to increase the price for a specific day or a specific cruise, I was going into the system and keeping track of that myself through a price override. I had a big notebook filled with the information!”

Organizations can save up to **35 hours per week** by automating routine tasks including updating pricing, collecting information, data entry, customer service and reporting. This frees employees to scale the knowledge they gain in the field towards higher leverage activities like ideating and managing new content and offers, process improvements, and turning data into actionable insights to make the whole team more efficient.

The biggest hindrance to training seasonal and part time workers is the system ease of use.

Not having to train the staff top to bottom on [how to use RocketRez] made the transition very easy. I have 75 staff, so I can't sit them all down for training. I prefer to train them where it's happening – like at the ticket booth or at the office.”

Cost Savings

The average customer can add capabilities while decreasing overall software spending.

When I started, we were not doing online ticketing. We were using a retail inventory system. We switched to [an online provider], but it took 3 and a half minutes to process a customer, and it's not scalable. It created extra labor demands. My focus is on trying to automate and make things run more efficiently. This is the appeal that RocketRez has.”

KEY FINDINGS

The average RocketRez customer uses four different SaaS point solutions, sometimes in combination with a legacy on-premises ticketing and access control software, to run their multifaceted organization.

Consolidating all software under the RocketRez roof provides operators the ability to add modules as needed and save costs by shifting to a monthly subscription + usage-based pricing model. The time savings from reporting seamlessly across the entire business is a core differentiator of the RocketRez platform.

Customers can scale operations without increasing headcount.

| *RocketRez customer] was able to do 60% more revenue with half the time spent managing."*

Scaling operations into new products and new offers at a tour or attraction company generally comes with demands for new employees to support growth. The power of automation on the RocketRez platform has allowed operators to do more with less. Improvements to operations such as timed-ticketing, faster admissions, faster payments, pre-booking, and advanced information gathering from customers require less staff to manage.

Some companies have an opportunity to use self-serve kiosks, running on the same user interface as the RocketRez point-of-sale, to reduce the need for several full-time employees in the ticket booth. Automated chatbot technology reduces customer service time spent by 75%, fundamentally changing the structure of customer service on site for many tours and attractions. ²

COMMON LEGACY TOUR AND ATTRACTION OPERATOR TECH STACK

Ticketing:

- Legacy Ticketing Provider
- Limited SaaS Ticketing Solution

Bolt-on SaaS point solutions to add functionality:

- eCommerce
- Payments & Point of Sale
- Memberships
- Private Events
- Fundraising & Donor Management
- CRM
- Inventory/ERP
- Retail/Gift Shop/Food & Beverage

"We wanted to invest in self-serve kiosks for low traffic times. Our goal is to be open 24-7, 365, and it is mutually advantageous to not need a ticket agent on staff at midnight on a weekday."

OPS MANAGER, BOAT TOUR COMPANY

KEY FINDINGS

A flexible and modern online booking process gets better ROI on content marketing and ad spend to increase direct bookings, eliminating costly OTA commissions.

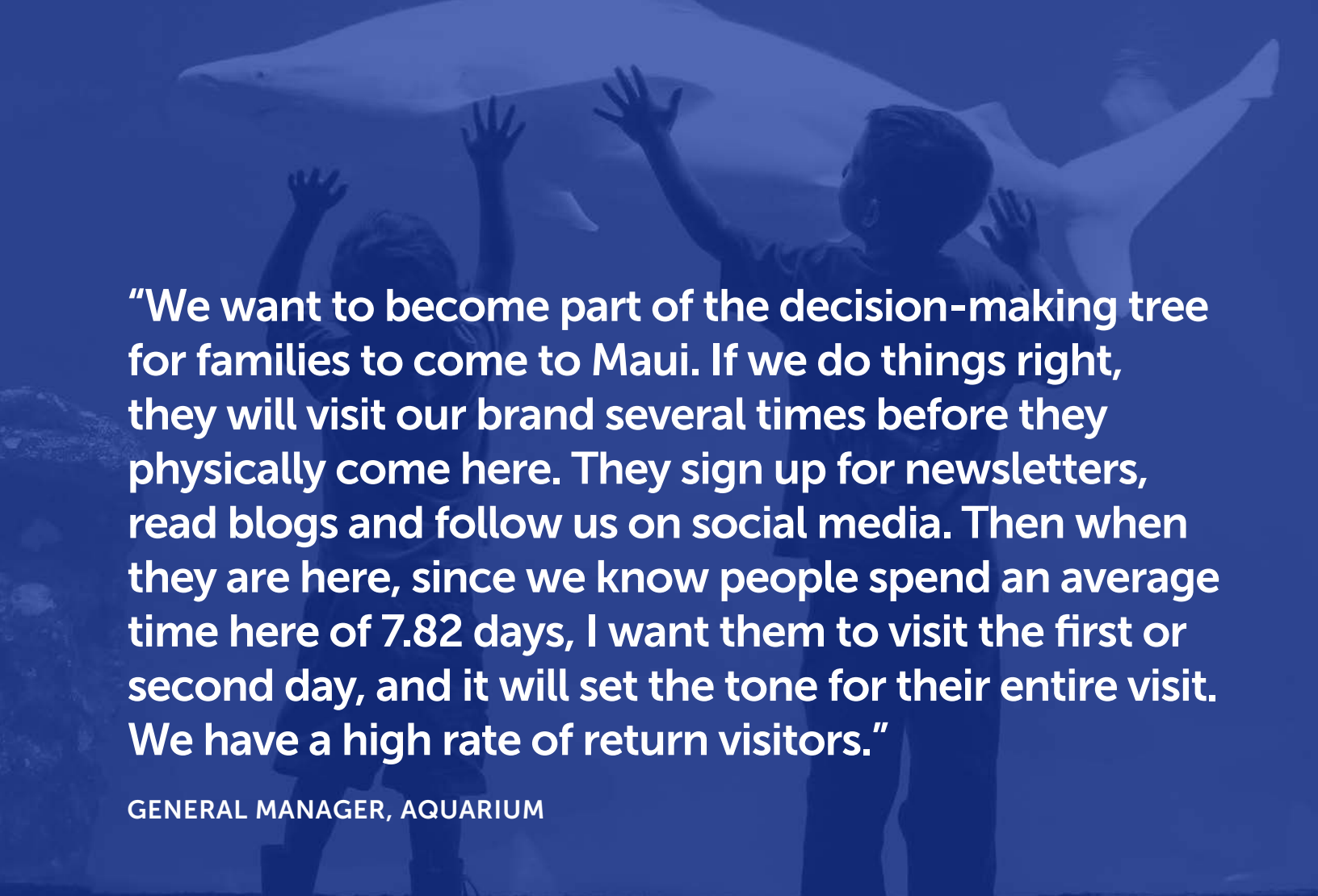
We want to become part of the decision-making tree for families to come. If we do things right, they will visit our brand several times before they physically come here. They sign up for newsletters, read blogs and follow us on social media. Then when they are here, since we know people spend an average time here of 7.82 days, I want them to visit the first or second day, and it will set the tone for their entire visit. We have a high rate of return visitors."

In the past, operators have relied on OTAs to aggregate and bring in their audience with additional exposure from airline and accommodations purchases. We've found that this reliance is dwindling, as operators on the RocketRez platform count OTAs as just 4% of their sales mix, versus the industry average of 18%.³

The customer benefits most from the RocketRez platform has a strong aptitude for in-house performance and content marketing. The RocketRez platform is a blank canvas for these operators to build a best-in-class sales flow, informed by data, to get the best engagement from their audience.

Cancellations have always been viewed as lost revenue compounded by chargeback fees from payment processors.

Cancellations are among the greatest sources of lost revenue for tours and attractions. Industry wide, operators see an average of 8% of booked tickets get cancelled.⁴ Providing ticket cancellation assurance at the point of purchase results in greater confidence from the traveler to complete the purchase and a massive cost savings from the attraction who no longer lose that revenue, don't pay chargeback fees, and can resell the cancelled ticket.



"We want to become part of the decision-making tree for families to come to Maui. If we do things right, they will visit our brand several times before they physically come here. They sign up for newsletters, read blogs and follow us on social media. Then when they are here, since we know people spend an average time here of 7.82 days, I want them to visit the first or second day, and it will set the tone for their entire visit. We have a high rate of return visitors."

GENERAL MANAGER, AQUARIUM

Analysis of New Revenue Opportunities

Here are the quantified new revenue applied to our composite organization.

Note: The revenue increases for Y2 and Y3 we calculated by only applying the percentage increase from Y1 to the different between Y1-Y2 and Y2-Y3 respectively.

DISCOUNT RATE: 15%

Benefit Calculation	Year 1	Year 2	Year 3	Total	Net Present Value
Incremental Revenue					
• Upsell/Cross-Sell	\$661,230	\$241,561	\$61,975	\$964,766	\$798,387
• Dynamic Pricing	\$520,291	-	-	\$520,291	\$452,427
• Single Source of Inventory (Under-selling)	\$183,719	\$67,116	\$17,219	\$268,054	\$221,827
• Abandoned Cart Recovery	\$569,069	\$207,892	\$53,337	\$830,298	\$687,109
• Optimized Web Engine	\$541,970	-	-	\$541,970	\$471,278
Net New Revenue					
• Memberships	\$133,354	\$48,717	\$12,499	\$194,569	\$161,015
• Donations	\$58,093	\$21,222	\$5,445	\$84,760	\$70,143
• Events (New Visitors)	\$38,214	\$13,961	\$3,582	\$55,757	\$46,141
• Positive Reviews (New Visitor)	\$164,265	\$60,009	\$15,396	\$239,670	\$198,338
• Repeat Visitors	\$555,640	\$202,986	\$52,078	\$810,704	\$670,894
Total Savings	\$3,425,843.79	\$863,464.60	\$221,531.73	\$4,510,840.12	\$3,777,558.60

ANALYSIS OF NEW REVENUE OPPORTUNITIES

Assumptions

INCREMENTAL REVENUE

- Upselling and Cross-Selling: Average online upsell revenue lift of 30% and a 1% conversion rate. Average on-site upsell value of \$39.71 and SMS upsell conversion rate of 7%
- Dynamic Pricing: Average revenue increase of 9.6%
- Single Source of Inventory: Assuming an under-booking rate 10% of ticket inventory with locked allocation across channels
- Abandoned Cart: Average travel abandoned cart rate of 70%, average lift from communication tools of 15%
- Mobile-friendly Web Engine: Average increase in conversions of 30% with mobile-friendly web engine
- Ticket Insurance: Tour and attraction cancellation rate of 8% added back
- Positive Reviews: Assuming 17.5% increase in traffic from SEO, 15% increase in clicks to the website and a 4.6% increase in conversions

NEW REVENUE

- Memberships: RocketRez average member conversion rate of 0.7%
- Donations: RocketRez donation conversion rate of 9.78% and average donation of \$2.56 USD
- Events: SMS communications result in average repeat visit rate of 7%

See citations for general market data used in assumptions.

“When we made the switch over, I learned the system in about ten minutes. Anyone could. It’s just user-friendly. Changing reservations, making notes for private events, running a financial report daily, weekly or monthly to see revenue and number of passengers. It’s cut down on a lot of time for us! We have hours and hours of time saved from switching to RocketRez.”

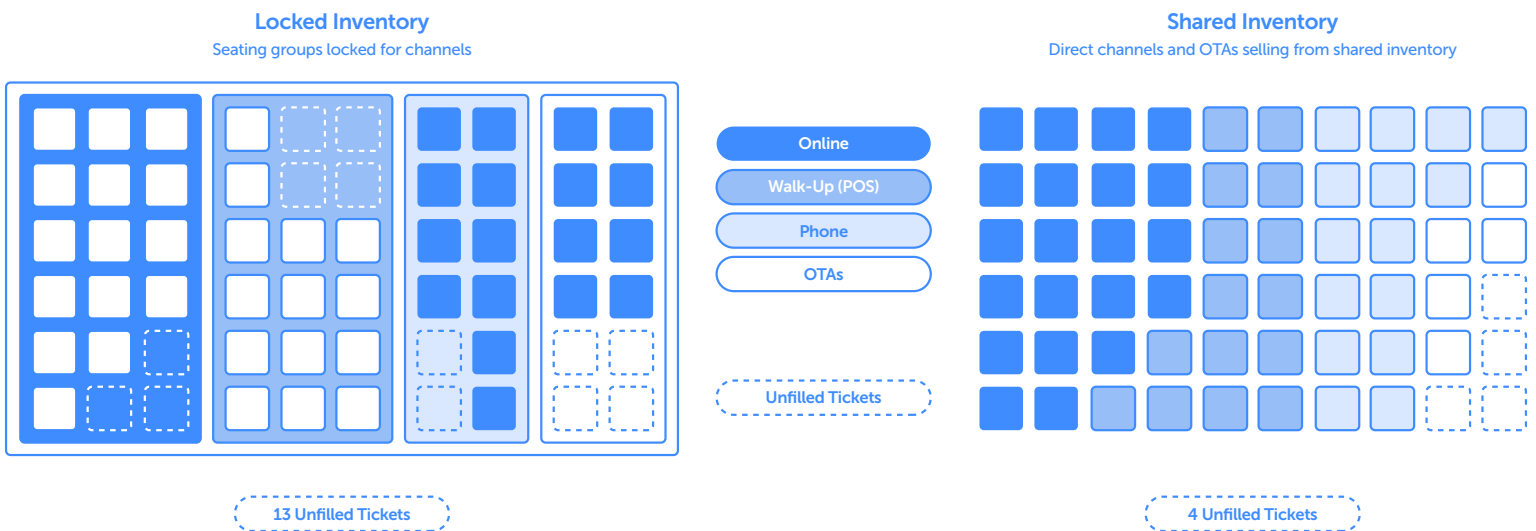
VICE PRESIDENT, CRUISE COMPANY

Incremental Revenue Increase

Effective Channel Management

A single source of inventory between sales channels (online, point-of-sale and OTA) gives operators the industry's most flexible revenue engine to bring new offers to life.

The main reason companies do not realize the full value of new sales channels is that their legacy software, or grouping of point solutions, does not share live inventory. This creates additional work because operators must now become experts at allocating the appropriate amount of product to different channels at the right times and right prices.



One RocketRez customer remarked that their legacy system was unable to draw from the same bank of tickets between online sales, in-person point-of-sale, and OTAs. Due to the wide seasonality and variation in weather in the tours and attractions space, it created a constant need to monitor potential overselling, and gave them a virtual guarantee that on any given day, they could never truly sell out.

This use case is especially powerful for operators who run tours with fixed capacity and have a heavy reliance on OTAs, concierge, and referrals. The composite organization showed that having to allocate fixed amounts of inventory to their channels resulted in 10% under booking of their highest demand tours and missing out on last-minute bookings, call-ins and walkups.

INCREMENTAL REVENUE INCREASE

Increasing Average Order Value

Ticketing, retail and food & beverage together makes upselling and cross-selling online easy, and additional modules provide an opportunity to bring new offers to the market.

Tour and attraction operators are in a unique position. Having a variety of products and a large physical footprint, with multi-use spaces gives operators a backdrop to not only sell additional products such as retail and food & beverage, but to bundle these products creatively in a way that increases the value of every purchase while also providing value to the guest experience.

Creating bundles, packages, and big-ticket items:

- VIP experiences
- Adding dinner
- Adding retail items
- Adding insurance
- Adding parking
- Multi-use passes

Expanding product lines with additional modules:

- Food and beverage
- Retail
- Memberships
- Private events
- Educational tours
- Pop-up restaurants
- Shows
- Conferences

The composite organization showed an average increase in order value of 30% through online upselling with an industry average 1% conversion rate⁵ upselling online, adding meaningful bottom line to their organization.

Upselling on site converts at 7 times the rate to upselling in the web engine. Customers will allocate separate budgets for advance ticket purchase and the day-of visit.

Whether an operator is looking to upsell their experience or cross-sell other products, delivering a timely upsell via SMS while a customer is on site converts at a rate of 7x the online upsell will⁶. This is because of “mental accounting”.

Mental accounting is the habit of setting aside a budget for multiple items you want to invest in, and arranging them in “buckets”. The composite organizations’ customers are creating buckets for how much they want to spend on tickets, how much they want to spend at the gift shop, how much they want to spend on food and drinks, and more. Each bucket provides a new opportunity for an operator, at each step in their customer journey to increase the order value.

This is great for operators, as customers have likely paid for their tickets in advance, and are drawing from a whole other “bucket” on the day of the event. The RocketPass mobile web app allows the composite organization to reap the rewards of mental accounting with timely upsell offers and simplified payment while the guest is on site.

Increasing Online Conversions

The industry average online conversion rate for tours and attractions is a paltry 0.3%, compared with a 1-3% conversion rate across other sectors of online sales and eCommerce.⁷ Why do customers buy tours and activities at 1/10th the rate they buy products?

Several factors combine to create these conditions, including sticker shock, last-minute booking, chance of cancellation, and the paradox of choice for what to do on vacation. In addition to all these factors, many online ticket sales engines do not have a user-friendly user interface which leads to more abandoned carts and dropped conversions.

There is tremendous white space for operators to increase revenue by building the muscle of modern eCommerce and optimizing their online ticket sales engine to convert at a higher rate.

RocketRez has tackled this issue by addressing the root causes of dropped conversions with the following bespoke online tools to strengthen the sales funnel at every key touchpoint:

INCREMENTAL REVENUE INCREASE

Web ticket sales optimized for mobile purchasing makes a world of difference.

Consider the following statistics:

- 70% of tour and attraction customers do research on their smart phone.
- 72% of mobile bookings happen within 48 hours of last-minute Google searches that include the words 'tonight' and 'today'.
- Mobile conversion rates are roughly half of desktop conversion rates.⁸

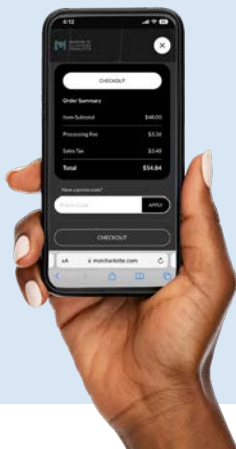
Customers search for things to do at the last minute on their phones and tablets, and quite simply have a hard time deciding. The paradox of choice is real. The RocketRez composite organization is competing with all other local events in marquee destination cities.

The mobile buying experience must be smooth to the point of delightful, with rich content and imagery. Any friction in the checkout can prove detrimental to conversion.

The RocketRez web engine is among the most flexible and customizable available from top ticketing platforms. It can be designed in a way that is on brand and follows best practices for online selling on any device.

The following are table stakes for a best-in-class, mobile-optimized checkout:

- Guest checkout, no account creation required
- Easy payment, multiple methods
- Auto-filling of repetitive contact/payment information
- Natural/personalized upselling
- Immediate mobile confirmation of purchase, additional details



Abandoned cart tools and ticket insurance included in the web engine play on customer psychology to increase revenue.

Many factors are working to cause customers not to complete purchases they seemingly want to make (and have the budget for). Travel and tourism businesses have one of the highest abandoned cart rates of any industry in online sales.

Great operators focus on what they can control by using well-timed offers to ease purchase anxiety and rekindle any lost enthusiasm for the purchase. These strategies can be implemented by any operator and boost the bottom line in a meaningful way.

Customers abandon carts an astonishing 70% of the time.⁹ Abandoned cart reminders through email and SMS are a staple of many eCommerce websites, but are underutilized by tour and attraction operators. Cart abandonment features can add back an additional 15% of purchases on average and are regarded as a great feature by many customers.¹⁰

Dynamic Ticket Price Adjustments

Adjusting prices to match market demand has reached its tipping point and is now proliferating across the travel sector to tours and attractions promoting time-based, limited capacity ticket sales.

Dynamic pricing practices had long been exclusive to airlines and other transportation, and hotels – major corporations who were able to develop the technology and who had a sales model that would fit the methodology. It was like this for decades, and an unsuspecting public never really questioned why the cost of their flight would change day by day, or potentially minute by minute.

To be fair, some forward-thinking tour operators have been doing this manually for years – looking at how fast their tickets have sold, the weather, nearby competing events and arduously updating the price of each ticket for each tour to meet the demand and take a guess at what their customers would be willing to pay.

As the trend goes in technology, the enterprise level custom-built software has become productized and made available for the mid-market.

Whether using the native dynamic pricing features or the integration with Digonex, RocketRez customers can automate and perfect their dynamic pricing strategy.

Customers who implement the practice can see an average of 9.6% lift in ticket revenue in the first year. This works both

INCREMENTAL REVENUE INCREASE

by increasing ticket prices for rapidly selling tours and time-slots, and conversely, dropping prices when demand is low due to extraneous factors.

Net New Revenue

Positive reviews are the gas that drives increased web traffic and increased visits.

It is known that 92% of visitors consult and make decisions on where to go largely based on information from online reviews.¹¹ What's important to note is that reviews also influence discovery, the step before purchase, and a lot of high-quality reviews increase a tour or attraction's visibility in the customer's search engine.

Reviews on third-party sites like Google, Trip Advisor, Yelp and others provide benefits in search engine optimization, with backlinks from these high authority sites. For this reason, reviews provide great local SEO, increasing website ranking especially for in-destination travelers.

User generated reviews provide valuable social proof and lead to a higher conversion on ticket sales. The data is clear when it comes to how important reviews are to traffic and conversion rate:

- 92% of consumers will hesitate to buy a product if there are no reviews left by customers.

- 97% of consumers report that the customer reviews they read influence their purchasing decisions.
- 95% of all travelers read online reviews before booking.¹²

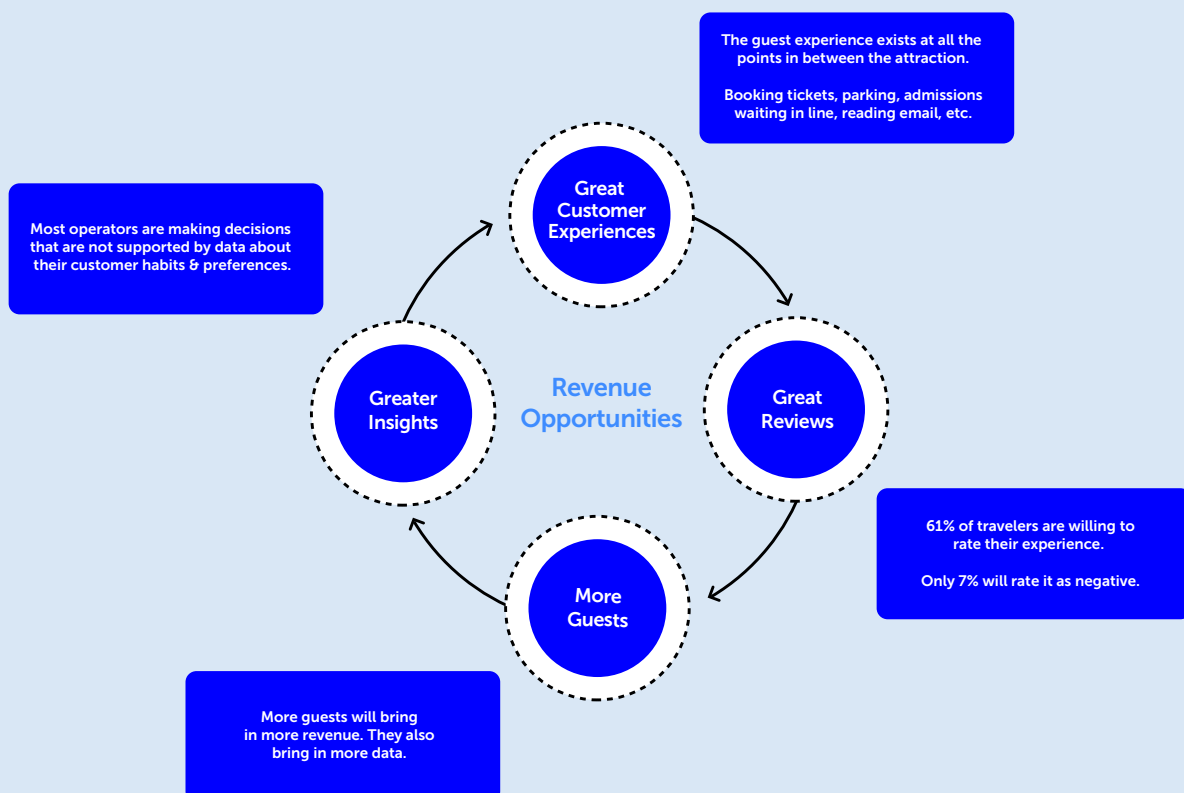
Think of this much like a flywheel, where great experiences beget great reviews, which leads to more web traffic and conversions.

The key to getting more reviews is simple - just ask. Specifically, just ask at the right time, as customers are leaving your site and the magic is still in the air.

RocketRez enables operators to pre-program text messages to be sent requesting an online review once a customer leaves the site. The results speak for themselves, as tour and attractions customers get 24 more reviews per month, or 288 additional reviews per year using strategic SMS communication tools enabled by Twilio and TourOpp Go! integrations within the platform. This equates to a 15% increase in reviews, which in turn enhances customer discoverability through search.¹³

Repeat visits increase massively when strategic communication is included.

Much like reviews, the key to securing a repeat visit (and pre-paid revenue) is simply to ask at the right time. Best-in-class operators expand their definition of "repeat visits" to include any commitment by a customer to purchase



The Revenue Flywheel, powered by the RocketRez platform.

INCREMENTAL REVENUE INCREASE

another ticket, even if it is for a different person. To generate meaningful additional revenue, operators should be sending their customers well-timed SMS offers not just to come back, but also for another activity, to refer a friend, to purchase a voucher, or to purchase a gift card.

Within the composite organization, roughly 7% of people who were messaged by TourOpp Go! purchased one of these options, using strategic tools to do so.¹⁴

To get customers to spend more, don't lengthen their stay - maximize the productivity of their visit using mobile tools.

Review sites indicate people recommend roughly 4 hours at any given attraction, however, the median time spent waiting in line at an attraction (accounting for differing traffic levels) is 2 hours.¹⁵ That means customers are spending half of their time in line. The truth is, to sell more on-site, best practices suggest not to increase the customer time on site, but rather to make it more efficient and profitable.

76% of customers want mobile apps for queueing, ordering, operator updates, and personal itineraries to help guide them through their day on-site.¹⁶ With a mobile upselling conversion rate of 7%, tour and attraction businesses generate significant additional revenue by upselling on-site (significantly more than upselling in the web engine).¹⁷

An integrated tech stack works like magic for data capture and reporting on customer activity.

Operators accustomed to managing several different point solutions for each function of their business, or running on an outdated on-premises system, miss out on the ability to maintain one consistent record of a customer. This creates challenges to make decisions on how to improve the guest experience.

It comes down to data. Many operators rely on simple equations to measure performance over a time frame, for example "per caps", which is the total revenue divided by the number of guests. This presents limitations to operators looking to grow their business, because the equation does not link the effectiveness of any individual input to a monetary output. Everything is blended into one outcome.

Campaign-level data:

- How many customers responded to SMS upselling?
- What upselling offer converted best?
- Which conversion was most profitable?
- What behavior indicates likelihood to become a member? Or donor?

After working with multiple operators, data shows that the ideal number of texts to send from the moment that the guest books until the moment that they leave the tour or activity is between 4 and 5 in a sequence that looks like this:

- Booking Confirmation: Right after the booking occurs.
- Reminders, important info, safety measures, & waivers: 1–2 days before the activity.
- Product recommendations (cross-selling): 2–5 days before the activity.
- A "welcome" message encouraging social media engagement: 15 – 45 minutes after the activity has started.
- Asking for reviews or feedback: 30 minutes to 2 hours after the activity has finished.¹⁹

TourOpp Go!

Excerpt from The Ultimate SMS Guide for Tour and Activity Operators by TourOpp Go!



INCREMENTAL REVENUE INCREASE

Multiple parameter reporting insights from total customer journey data:

- **Across cohorts:** Morning guests vs. Afternoon, Families vs. Couples
- **Across product lines:** Total customer value across all digital and on-site purchases
- **Attribution:** Customer satisfaction based on what communications they received

Memberships

Strategic communication helps convert more customers into members.

It has been shown that the lifetime value of a customer who has purchased a membership is up to 4.5x the value of one who has not. The RocketRez composite organization relies heavily on its most loyal supporters as brand ambassadors and, in some cases, donors. A memberships program, with software tools to enable it, is a key driver of predictable revenue.

Members need to be acquired, nurtured, and renewed year-over-year in order to have a program that delivers compounding value. Every communication with one-time visitors is an opportunity to convert a new membership. The RocketRez platform and associated data is highly adept at delivering timely communications for this purpose.

RocketRez drives the most business value in the member acquisition phase, judging the success of a memberships program by the member conversion rate (how many guests the composite was able to convert into members). The composite organization delivers a 0.7% conversion rate on total visitors (some exceptional customers convert above 1.5%) adding compounding recurring revenue growth to the organization.

Donations

The composite organization supplements formal fundraising efforts by thinking about donations as if they were tickets or products, and working to increasing conversions.

Many RocketRez verticals are education, conservation, or social mission-driven. They have close ties to philanthropic organizations in their community, and expert teams to help drive and allocate their contributed revenue to give the best

return on investment. This is work that needs to be done by a capable human being, building great business relationships.

RocketRez customers enjoy a supplemental lift to these efforts by wrapping transactional donations seamlessly into the purchase process to drive new contributed revenue, on autopilot.

The key to driving transactional donations is the same as driving ticket or eCommerce conversions. Operators must manage the purchase process to improve conversions by eliminating friction from their checkout. In addition, they must provide a range of options; from rounding up to the nearest dollar to open ended amounts.

The simplified roundup feature and tiered donation levels - often a \$1, \$5, \$10, \$25, or open-ended option - can be implemented on any online or point-of-sale checkout. When presented this way, transactional donations convert for the composite organization at a rate of 9.78%, with an average donation of \$2.56 USD, adding meaningful contributed revenue to the composite organization fundraising efforts.

Events

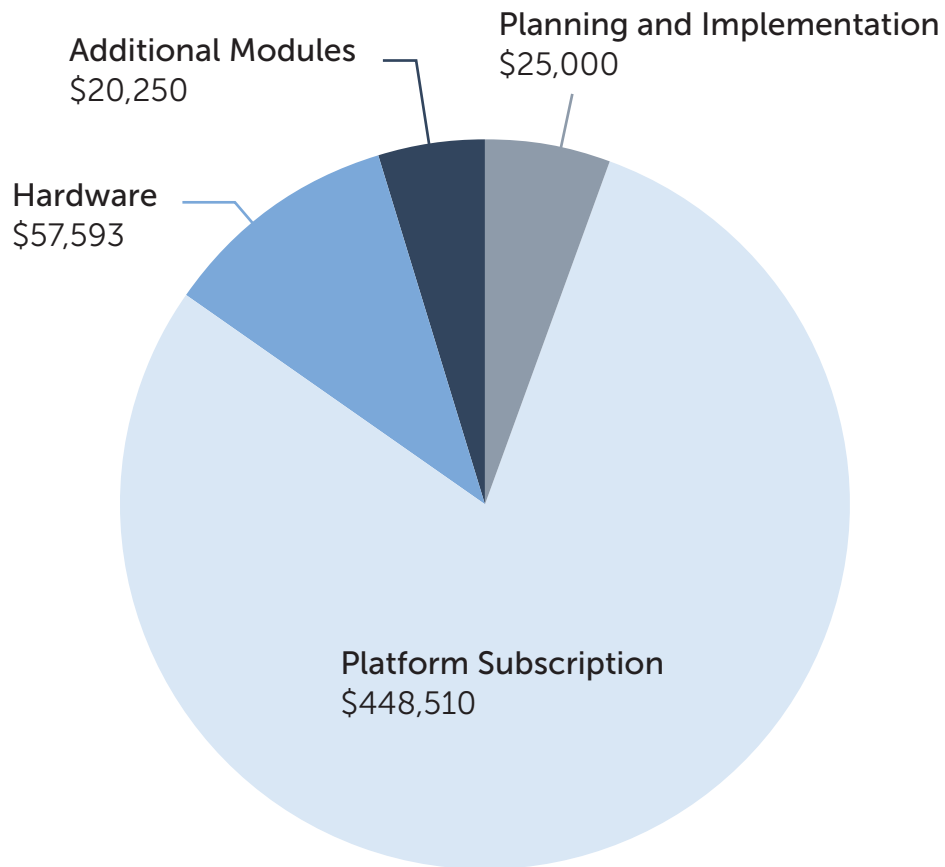
Events are free advertising for the attraction and the guest experience. With significant exposure to a new audience, this can have an exponential effect on repeat visits.

Many of the RocketRez target verticals supplement their core offerings with private events. The RocketRez platform includes a complete event management module for selling event packages and managing vendors. With that, there is an opportunity to drive compounding value by using events to generate repeat visits.

The many customers attending a wedding or business function, having a great experience, and taking lots of pictures for social media, are being planted with the idea of bringing their families to visit or hosting their own event there one day. Be it a wedding attendee who decides to buy a venue membership for their kids, or a guest at a corporate event who refers the venue to their employer, best in class operators ensure that they nurture all event guests with opted-in personalized communications to generate repeat visits. This can include social media, email lists, personalized SMS, and other guest communication tools available on the RocketRez platform.

Using guest communication tools generates additional visits at the overall repeat visit rate of 7% for the composite organization, adding significant additional revenue over the course of a year.¹⁸

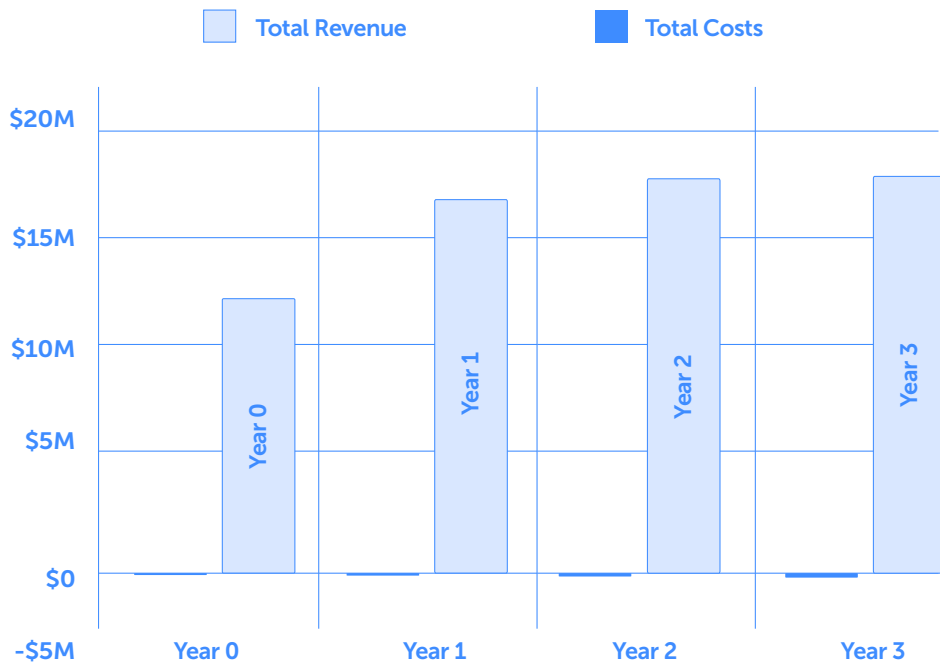
Analysis of Costs



Benefit Calculation	Year 0	Year 1	Year 2	Year 3	Total
Costs Calculation					
Planning and Implementation	\$25,000	-	-	-	\$25,000
Platform Subscription	-	\$105,609	\$144,684	\$198,217	\$448,510
Hardware	\$57,593	-	-	-	\$57,593
Additional Modules	-	\$6,750	\$6,750	\$6,750	\$20,250
Total Costs	\$82,593	\$112,359	\$151,434	\$204,967	\$551,353

Financial Summary

Provide a cash flow analysis for a composite organization switching to RocketRez from a 6% online sales model.



Net Present Value	\$4,849,702.67
Internal Rate of Return	5,471.448%
Gross Return	6,849.625%
Net Cash Flow	\$5,657,311

Benefit Calculation	Year 0	Year 1	Year 2	Year 3	Total
Financial Summary					
Total Benefits	-	\$4,695,049	\$1,204,569	\$309,046	\$6,208,663
Total Costs	\$82,593	\$112,359	\$151,434	\$204,967	\$551,353
Net Benefits	-\$82,593	\$4,582,690	\$1,053,135	\$104,079	\$5,657,311
Net Present Value					\$4,849,702.67

Total Revenue	\$12,851,871.97	\$17,434,562.19	18,487,696.83	\$18,591,775.72
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Scan the QR code on the back of this magazine to view a digital version of the report with links to all data and references.

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