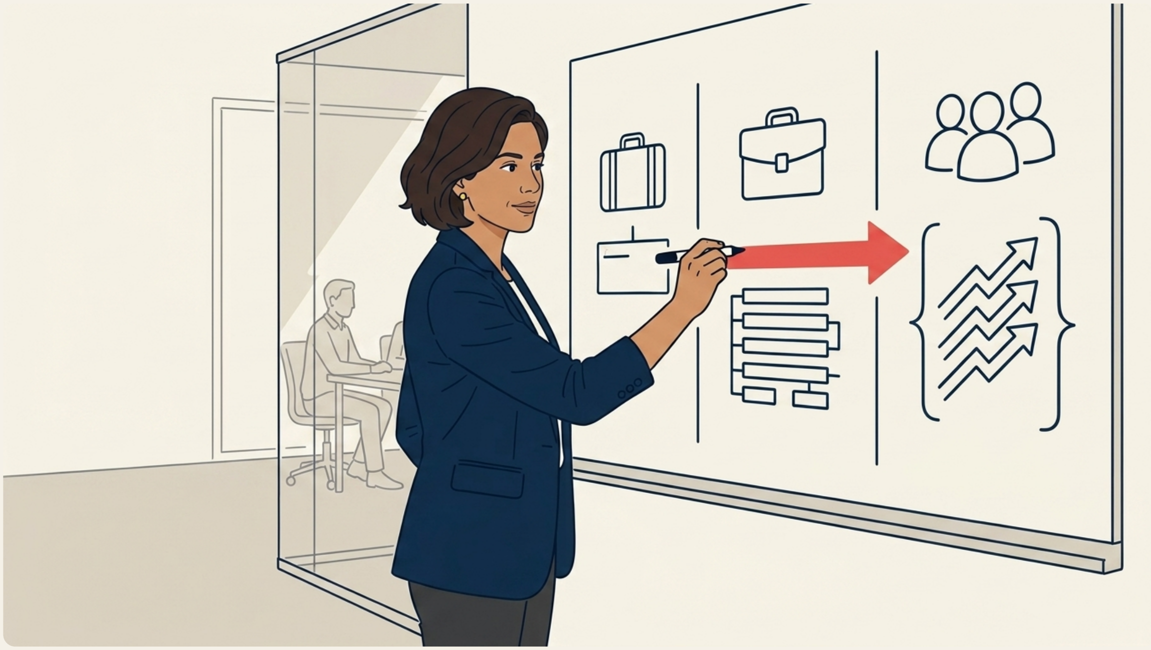
PLAYBOOK · TRAVEL AGENCY OPERATING

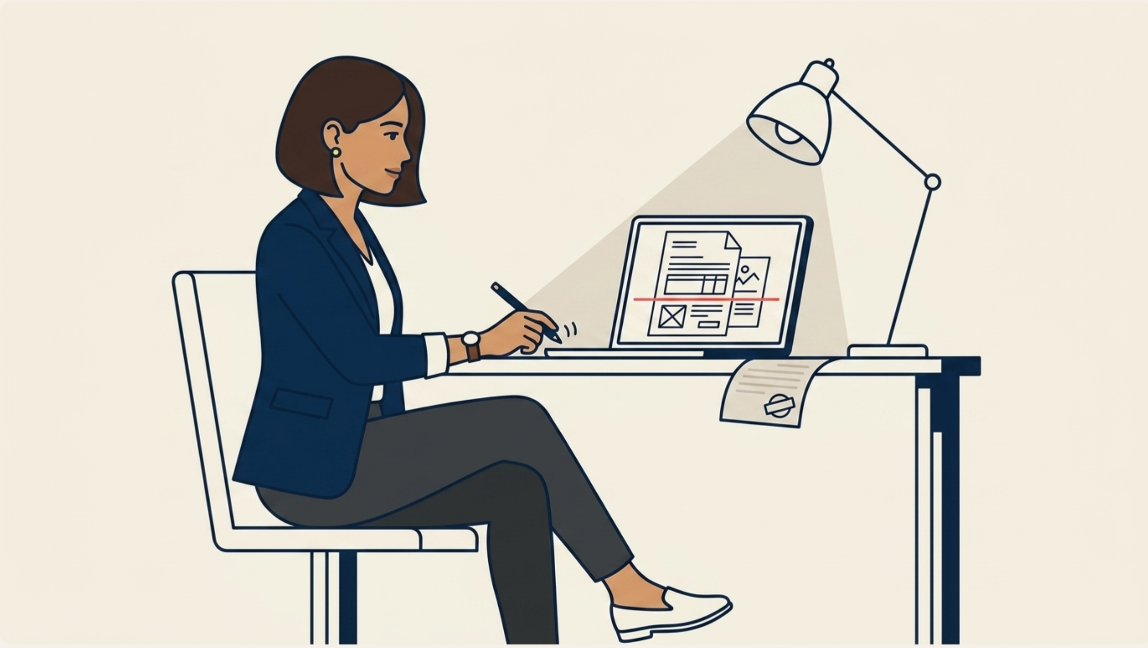
Complex Pricing: Packaged, Customized, and Group Rates



Maya's pricing model worked beautifully for one kind of customer. A family of four, two-week itinerary, mid-range budget. The math she'd built her agency on assumed customers like that. Then a corporate procurement officer asked her for a quote on a 60-person retreat with a fixed per-head budget, and she tried to apply leisure logic to it. The quote came in 22% over budget. The lead never came back.

This is the playbook her agency now runs three pricing models on, what each one is doing differently, and how the team learns when to use which.

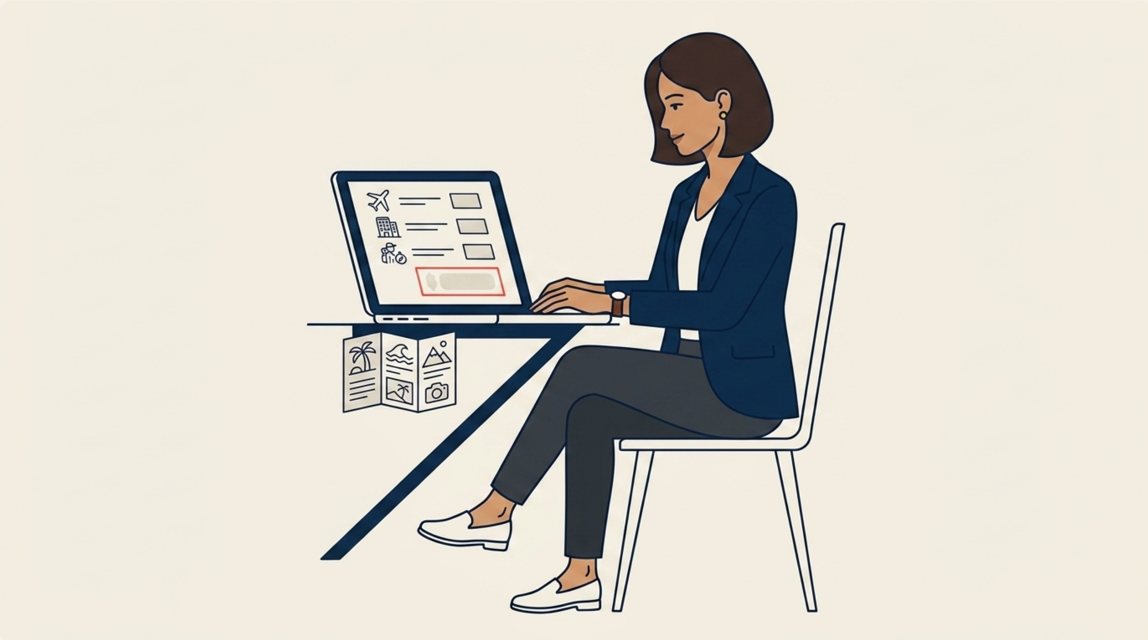
The Quote That Wasn't Even Close



The corporate retreat asked for accommodation, transport, two activity days, and a closing dinner. Maya sized it the way she sized a leisure trip, find the components, mark up by her usual percentage, add a buffer, send the quote. The number was 22% above the procurement officer's stated budget.

What she'd missed was that corporate procurement isn't price-sensitive in the same way leisure customers are. It's budget-bound. There's a number the procurement officer is approved to sign off on, and quotes outside that envelope don't get negotiated, they get rejected. Leisure pricing optimizes for margin. Corporate pricing optimizes for landing inside the envelope. Different game.

Model One: Leisure Packaged

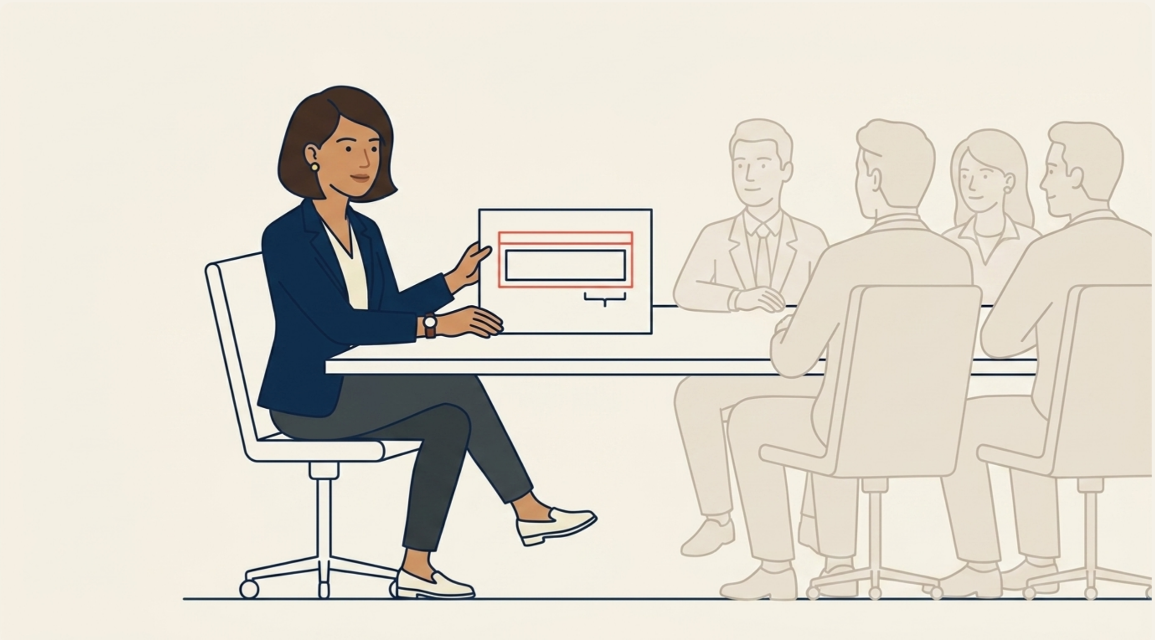


Leisure packaged pricing is the model most independent agencies grew up on. Build a multi-day itinerary, mark up each supplier component by a consistent percentage, present the customer one all-in price, hide the component breakdown.

The math is straightforward. The skill is in component selection, picking suppliers whose published rates leave room for the markup, and picking experiences whose perceived value justifies the all-in number. Discounting, when it happens, comes out of the markup, not the supplier cost.

This model breaks for two reasons in a mid-sized agency. Customers increasingly compare component-by-component (especially flights, where transparency is high) and ask why the package costs more than the parts. And the model assumes the customer wants the agent to make all the choices, which is decreasingly true as customers Google more.

Model Three: Corporate and Group



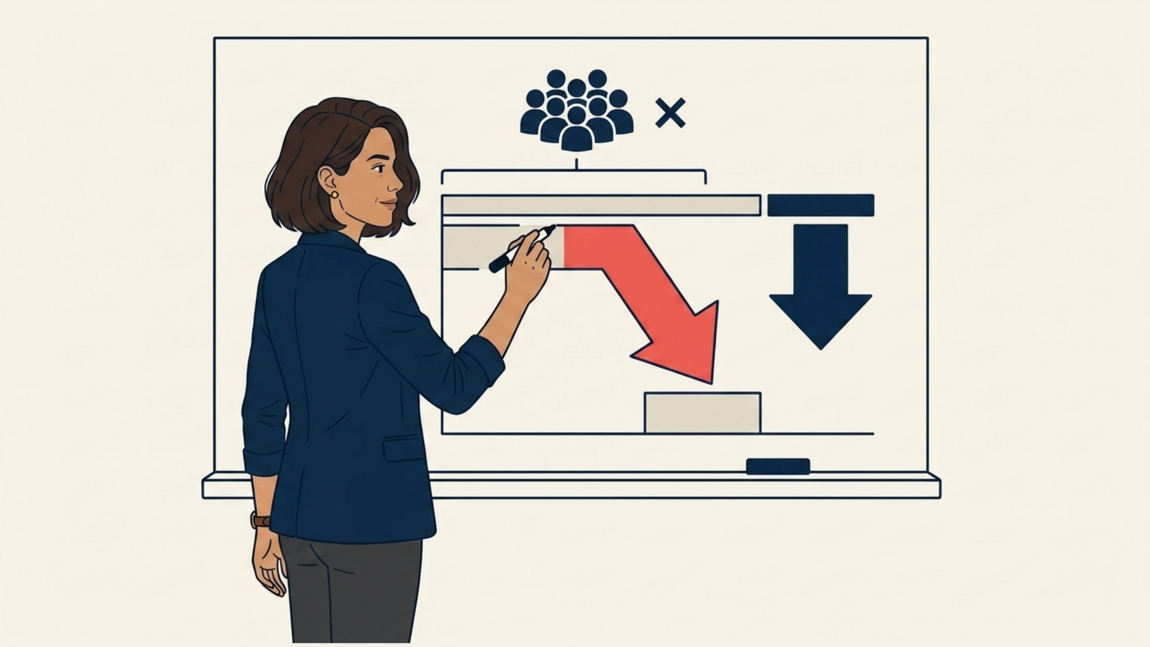
Corporate and group pricing is a different game with a different set of rules.

The procurement officer has a budget envelope. The agency's job is to land inside it while preserving margin, not to maximize quote value. Quotes outside the envelope get rejected without a counteroffer.

Component pricing is at supplier-rate or below. The margin lives in volume rebates, in supplier overrides on the corporate's preferred hotel chains, and in a per-passenger management fee that's negotiated annually rather than priced per trip.

The skill here isn't quoting. It's structuring the master agreement. Once the agency has a year-long contract, every individual trip booked under that contract is administrative. The pricing happens once per year, not per trip.

Group Rates: The Multiplier Move



Group rates sit between corporate and leisure. A group is anyone booking a single itinerary for 8+ travelers, a wedding party, a small corporate team, a multi-family vacation.

The math has two moving parts. Group volume unlocks supplier discounts (the group rate at hotels can be 15–30% below rack rate). And the agency's per-traveler operational cost goes down, one phone call, one itinerary, one set of documents covers the whole group.

Both effects favor the customer. The agency captures some of the supplier discount as margin and passes the rest along as the price advantage that makes group bookings worth a customer's effort. The blended margin on a group is often higher than on a single leisure trip, even though the per-traveler price is lower. Volume eats overhead.

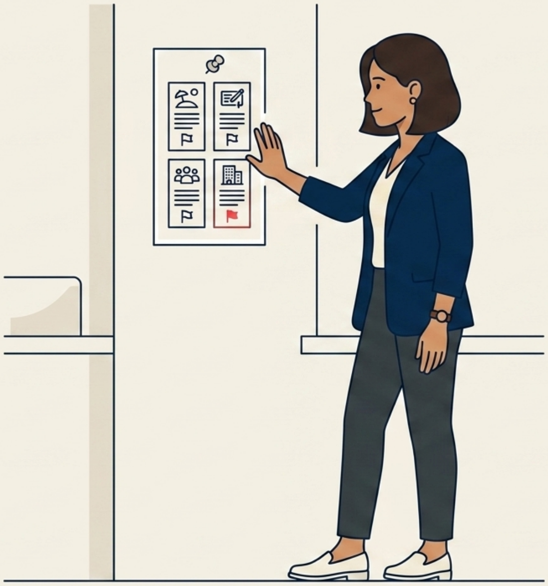
The Hand-Off Rule Maya's Team Now Uses

The team doesn't ask "which pricing model?" on every quote. The conversation has front-loaded triage:

If the inquiry is for 1-7 travelers and the customer wants the agency to make most choices, leisure packaged. If the inquiry is for 1-7 travelers and the customer is co-building the itinerary, customized. If 8+ travelers under one decision-maker, group. If the buyer is a procurement function or there's a stated budget envelope, corporate.

This isn't a perfect taxonomy. Edge cases happen weekly. But it gets the agent into the right pricing conversation in the first thirty seconds, instead of pricing a corporate retreat as a leisure package twenty days into the proposal.

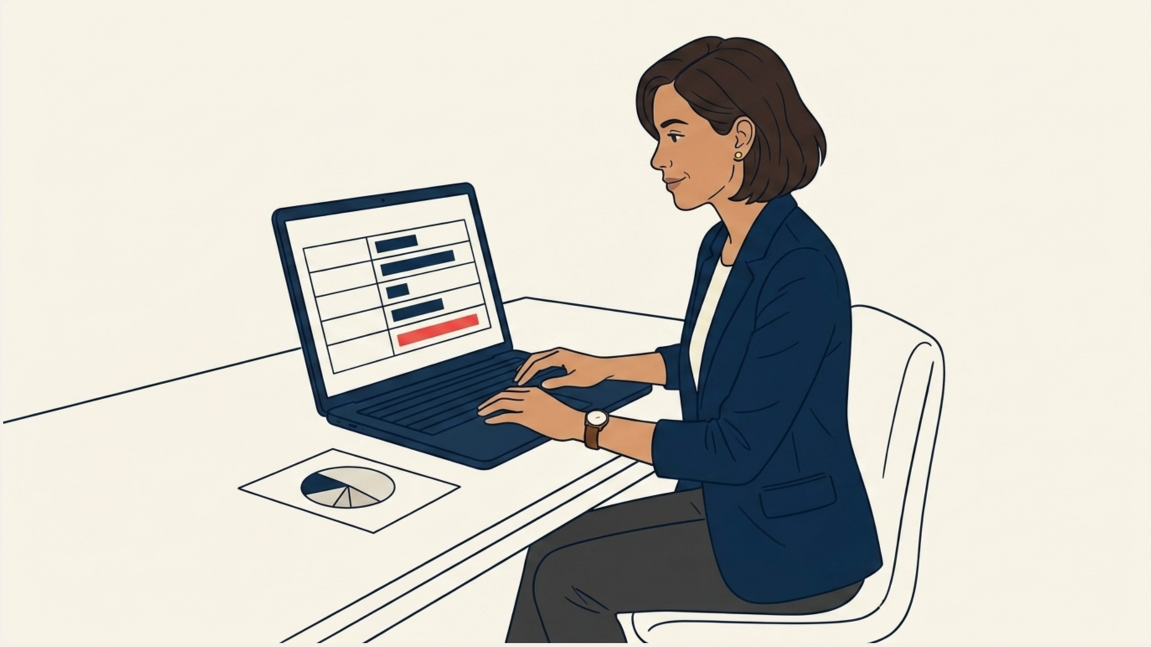
What the Cheat Sheet Says



The cheat sheet on the wall has four lines per model. What it optimizes for, who it's for, what the margin model looks like, and one warning sign that you've picked the wrong model and should re-route.

The warning signs are what catches mistakes. "Customer keeps asking for component breakdown", wrong model, switch to customized. "Customer references a per-head budget", switch to corporate. "Booking party larger than expected", switch to group rates. The team learned to listen for those signals during qualification, not during the proposal stage.

The Margin Math Under the Hood



Different models produce different margin profiles, and a healthy mid-market agency runs a portfolio across all four. Maya's mix, eighteen months after the corporate miss: 45% leisure packaged, 25% customized, 20% corporate, 10% group. Average blended margin per booking actually rose 4 percentage points from the all-leisure-packaged era because the customized and group bookings produced higher-margin work even if their headline price tag was lower.

The agencies that fight this, that try to price every booking as a leisure package because that's what they know, leave money on the table on bookings they could have won, and lose bookings they could have priced correctly.