ADVENTURE TRAVEL
TRADE ASSOCIATION™

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Adventure Travel Supply Chain: Complexities, Challenges & Preferences

February 2023

FOREWORD

The adventure travel community has always been about building trust and relationships, celebrating shared success and supporting each other in times of struggle, which we have seen on full display the last few years.

This report focuses on the different organizations that make up the adventure travel supply chain, and how they work with each other, buyers, and individual travelers. This network is the foundation of our community, and partnerships will be more essential than ever as traveler numbers increase and we work to maintain sustainable growth for all areas of the world. Only in healthy collaboration can we as an industry succeed.

Although it was difficult and even felt impossible at times, we have made it together through a three-year crisis like the global travel industry has never seen. Our community has shown its strength, resilience and love for adventure travel, which we anticipate will only continue to grow despite the challenges and long-term commitment.

- Shannon Stowell, CEO, ATTA

REPORT CONTENTS

01 INTRODUCTION

02 THE CURRENT LANDSCAPE

03 SURVEY RESULTS

04 CONCLUSIONS + TAKING ACTION

KEY FINDINGS

1 All companies that have an effect on the pre-trip, en-route, and destination on-site travel experience are part of the tourism supply chain.

2 Suppliers (and buyers) are struggling to find technology to manage their business. Many are turning to costly and time-consuming custom-built solutions for taking bookings and payments.

3 Suppliers prefer to work with outbound tour operators and other individual suppliers, although DMCs can also be valuable and important partners at times.

4 Indirect marketing through travel advisors, tour operators, and OTAs is the most popular way that suppliers reach travelers, followed by digital ads and direct email marketing.

5 Suppliers most often sell their products to travelers through tour operators or through travel advisors/agents, but selling direct is also popular. Third-party online travel agencies (OTAs) are the least common way to sell.

6 While buyers and suppliers are primarily looking for each other in the same places, suppliers slightly prefer conferences/trade shows, and buyers tend to look for referrals from other industry professionals. Both commonly seek each other through trade associations, such as ATTA.

7 Although associations are valuable ways to meet new potential partners, building relationships and trust are more important for both buyers and suppliers when choosing others to work with. Budget/price ranks about halfway down the list for both.

Part I:

Introduction

INTRODUCTION

Even for industry veterans, it can be a confusing process to fully understand the supply chain of travel due to the many layers and different terminologies used. This can lead to confusion and a lack of understanding around the complexities within the industry, the cost of doing business, as well as the advantages and disadvantages of the various supplier layers. In addition, innovation, technology, and modernization are changing the travel supply chain model on a regular basis.

Given the global environment of the tourism industry, it is ever more important for companies to collaborate within their supply chain and to find partners with similar values. This report takes a deeper look at the adventure travel supply chain components, defines different types of adventure suppliers (also known as service providers), and investigates their preferences and challenges that they are currently facing.

The goal of this report is to help adventure travel companies better understand the ecosystem in which they work. While the report focuses on suppliers, the connection between buyers and suppliers is also examined to acknowledge their differing preferences. Based on the findings, recommendations are made to help the industry move forward to ensure traveler expectations are met.

METHODOLOGY

- A survey was conducted throughout August and September 2022 of member and non-member buyers and suppliers of the ATTA community. The survey was open to all who identify themselves as an adventure travel buyer or supplier.
- Responses from all suppliers are included in this report, along with some buyer responses for comparison purposes.
- 176 supplier respondents started the survey; 121 completed it.

Part II:

The Current Landscape: Suppliers in the Adventure Travel Ecosystem

2a.

Supply Chain Framework and Service Flow

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TOURISM SUPPLY CHAIN FRAMEWORK

Throughout different stages of the tourist journey, various industry players enable a complete tourism experience to be created. Service providers such as transportation, accommodation, and food and beverage fulfill travelers' basic needs, while attraction and excursion providers add to the on-site experience. Some travelers book individually, while others prefer group tours offered by tour operators and travel advisors/agents. All companies that have an effect on the pre-trip, en-route, and destination on-site travel experience are part of the tourism supply chain.

ADVENTURE SUPPLIERS ARE A KEY COMPONENT OF A HEALTHY AND EFFICIENT TOURISM SUPPLY CHAIN

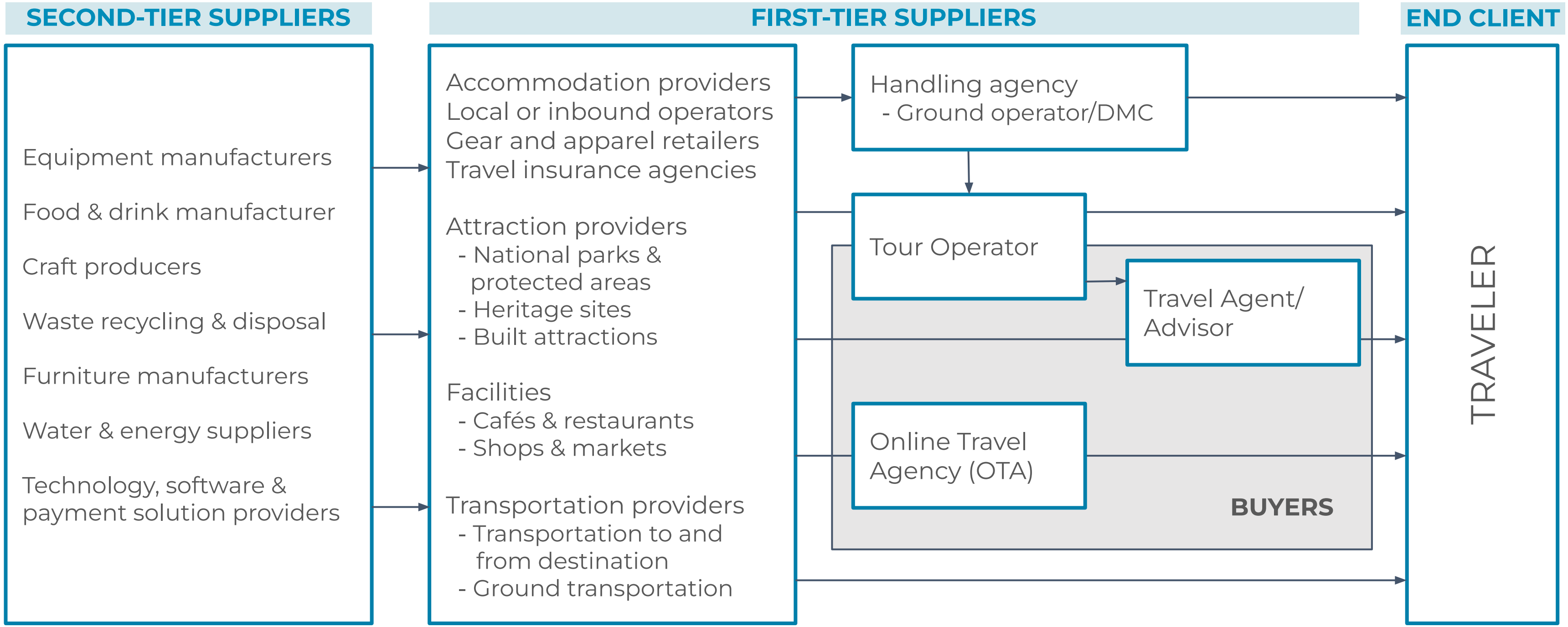
Service providers, also known as suppliers, are an important part of the travel industry ecosystem. Adventure suppliers include a broad range of different industry players from transportation and accommodation providers to natural and built facilities travelers may visit while in the destination and the companies who guide them throughout their journey *(see chart on the next page).*

TOURISM SUPPLY CHAIN can be defined as "a network of tourism organizations engaged in different components of tourism products/services such as flights and accommodation to the distribution and marketing of the final tourism product at a specific tourism destination, and involves a wide range of participants in both the private and public sectors."[1]

[1]Zhang X., Song H., Huang G. Q. (2009). Tourism supply chain management: A new research agenda. Tourism Management, 30(3), 345–358
Also see [Understanding the Supply Chain of Travel](#) by Casey Hanisko

SERVICE FLOW IN ADVENTURE TRAVEL

Suppliers can be divided into first- and second-tier suppliers, depending on whether they serve the end client (first-tier supplier with B2B and/or B2C business models) or supply products/services to the first-tier suppliers (second-tier suppliers with traditionally B2B business models only). Suppliers rarely compete alone in the complex environment of the tourism industry, but instead cooperate and collaborate with other suppliers and buyers within the supply chain.



SERVICE FLOW IN ADVENTURE TRAVEL

In one supply chain service flow scenario with multiple intermediaries involved, a **traveler** works with a **travel advisor/agent** to book their trip. The travel advisor then works with an **outbound tour operator**, the tour operator works with a **destination management company (DMC)**, and the DMC works with **local suppliers** (operators, accommodations, and transportation):

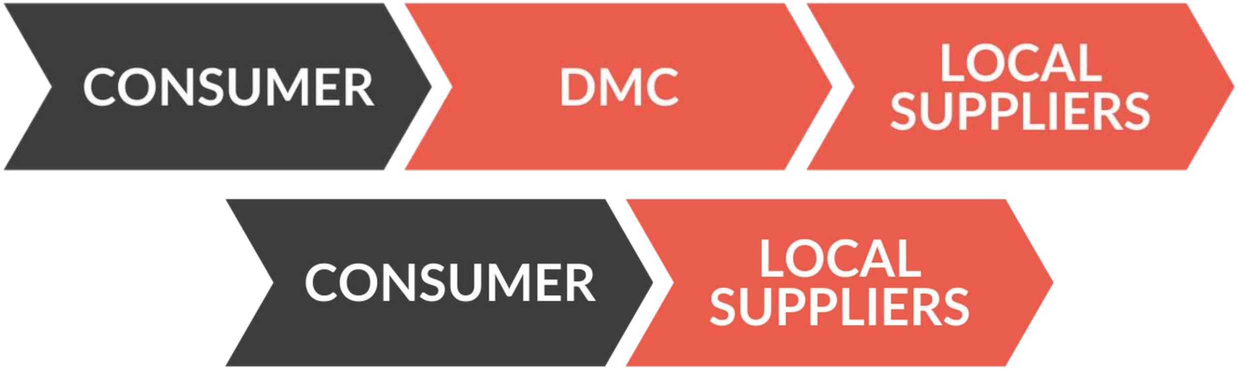
Since they are located in the destination, **DMCs** are typically considered suppliers. However, they sometimes act as an intermediary by connecting consumers to other local suppliers in their destination.

This service flow is also referred to as the supply chain or traditional distribution model.

Also see [Understanding the Supply Chain of Travel] by Casey Hanisko

DIRECT BOOKING / DISINTERMEDIATION / B2C

When a consumer books a trip “direct” with a local supplier or operator, they can skip through many of the intermediaries, which is also referred to as disintermediation (or called business-to-consumer or B2C). For example, the chain could look like one of these examples:



While booking “direct” is a growing trend in the travel industry, in adventure travel the consumer is often looking to experience more-remote or less-traveled destinations, or to combine various locations and activities. As a result, there is often a greater need for an intermediary than in other tourism sectors. Post-pandemic, having a trusted partner to provide reassurance and protection is more important and valuable than ever before.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

2b.

Supply Chain Components

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ADVENTURE TRAVEL TERMINOLOGY

At the Adventure Travel Trade Association (ATTA), we often use the term **“supplier”** when referring to DMCs and local suppliers and the term **“buyer”** for outbound tour operators and travel advisors/agents. It is also important to note that some tour operators operate as a hybrid inbound and outbound business model, making them both a buyer and a supplier.

“Buyers” are the ones directly connected with the consumer and who influence travelers’ destination and activity decisions. They buy or source products and services from local DMCs and tour operators in the destination.

“Suppliers” or DMCs and local tour operators in general are supplying services from the ground and destination to the buyers who book on behalf of consumers.

Online Travel Agencies (OTAs) and **online wholesalers** are also important intermediary players in the market.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

TRAVEL ADVISORS / AGENTS / CONSULTANTS

Consumers who value not having to spend hours looking for the perfect accommodation, consider how to get from point A to B to C, decide what destinations have the best option for their current activity requests, or research which options are more sustainable, gain great value and benefits from working with a travel advisor. Travel advisors can work for agencies or independently as business owners, and can enlist or become accredited by consortiums or associations of agents, depending on where they are based.

A **travel advisor** often charges a small fee to the consumer for their expertise, and they often receive commissions from businesses. For a tour operator, an advantage of working with travel advisors is that a curated traveler is brought to them; if the traveler has a good experience, the advisor or agent is likely to return with future clients. Often, travel advisors remain involved throughout the entire trip process and handle client questions and support.

One of the greatest values of a travel advisor to a consumer is that in addition to hotels and transportation options, they are knowledgeable about and sell a wide variety of packaged trips from different tour operators, and therefore can provide a diverse range of options. International travel, in particular, can involve more unknowns and uncertainty, making travel advisors' expertise and experience particularly valuable.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

TRAVEL ADVISOR/AGENT

A travel advisor (or agent) is a curator of a personalized experience for a consumer. The travel advisor's unique role is to understand the needs of their clients and to know the depths of the travel market so they can craft a travel solution that delivers on those needs.

OUTBOUND TOUR OPERATOR

The tour operator's value is in knowing current market demand and travel trends and matching those with destinations to keep innovating new products. These are often multi-day itineraries–from three days to three weeks, depending on the destination and experience. Many consumers will work directly with a tour operator, bypassing the travel advisor.

Outbound tour operators usually work with DMCs in a destination who help them identify the best local suppliers for their tour needs. A consumer who wants to go on a tour through an operator will sometimes also use a travel advisor because they can identify the right tour operator for their needs and also add additional experiences before or after the tour.

It is also important to note that tour operators usually hold a legal responsibility or bond to safeguard the consumer, depending on the country in which they operate. This adds an extra layer of protection by requiring transparency, information sharing, cancellation rights, and assistance to travelers.

OUTBOUND TOUR OPERATOR

Outbound tour operators craft itineraries and sell those itineraries to individuals or groups as a packaged product. Tour operators often cater to a niche market with specific needs, especially in adventure travel, where many operators specialize in activities such as trekking or cycling.

Also see [Understanding the Supply Chain of Travel] by Casey Hanisko

DESTINATION MANAGEMENT COMPANY (DMC)

DMCs are also known as wholesalers, ground handlers, or inbound tour operators.

A DMC gets rates from their suppliers for products which they then package and sell to operators, advisors, or even directly to the consumer.

DMCs work with outbound tour operators or cruise companies (specifically expedition cruise companies within adventure travel) to provide options that meet the needs of each tour.

Travel advisors can also work directly with DMCs to provide a menu of activity options and on-the-ground support for clients if issues arise.

DESTINATION MANAGEMENT COMPANY (DMC)

DMCs sell and package solutions within their destination. They have deep knowledge of and connections with accommodations, local transportation, and local suppliers who offer logistics and activity options.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

LOCAL SUPPLIERS

In the growing and ever-changing world of travel there are many businesses that offer services on the ground for travel experiences. **Local suppliers** can include organizations like:

- Accommodations of varying levels and styles
- Attraction providers
  - National parks & protected areas
  - Heritage sites
  - Built attractions
- Transportation providers
  - Transportation to and from destination
  - Ground transportation
- Local or inbound tour operators
- Food & beverage and shopping
  - Cafés & restaurants
  - Shops & markets
- Companies offering activities such as kayaking, climbing, food tours, cultural experiences, and more

Local communities are an important part of the travel experience, especially for adventure travelers, and tour operators' and DMCs' relationships with and connections to these communities are important. They are what make adventure travel experiences stand out and create shared economic value.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

ONLINE TRAVEL AGENCIES (OTAS) / WEB-BASED MARKETPLACE

Online Travel Agencies (OTAs) are best known for selling flights, hotels, and cars. However, many also sell packages, such as outbound tour itineraries or packaged tours from DMCs.

In the adventure travel industry, OTA can also stand for **Online Tours & Activities**. These are web-based marketplaces that directly curate activities or experiences from the local activity providers and sell them to individual travelers. Some OTAs sell primarily single-day tours and others sell primarily multi-day products.

OTAs can curate products from a DMC and directly connect the DMC with the consumer. The DMC is the one crafting the product and selling it to the consumer, while the OTA takes a commission for bringing the consumer to them. In this case the DMC must be able to sell directly to the consumer to be featured in the OTA's platform. This is particularly true of tailor-made holidays which require a strong local expertise. The resulting supply chain in this example looks like this:

Also see [Understanding the Supply Chain of Travel] by Casey Hanisko

2c.

Supplier Challenges

CURRENT CHALLENGES TOURISM SUPPLIERS FACE

Like the rest of the travel industry, adventure travel suppliers are facing challenges related to their recovery from COVID-19, but also have their own unique difficulties. As can be seen in previous research and the following survey results, suppliers (and buyers) are **struggling to find technology to manage their business**.[2] Many are turning to custom-built solutions for taking bookings and payments, and this can be costly and time-consuming.

COVID-19 has caused a significant reduction in revenue in tourism and adventure suppliers need time to recover from the epidemic outbreak. While the current economic situation around the globe is tenuous, in 2022 international tourism reached 65% of pre-pandemic levels, signaling a strong continued recovery.[3] Domestic and intra-regional tourism is recovering faster, which is bringing some income to tourism suppliers, many of whom acquired debt during the pandemic that they are now paying off in addition to their normal operating expenses.

[2] https://learn.adventuretravel.biz/research/creating-communicating-and-connecting-technology-in-adventure-travel
[3] https://www.unwto.org/news/tourism-recovery-accelerates-to-reach-65-of-pre-pandemic-levels

CURRENT CHALLENGES TOURISM SUPPLIERS FACE

Another challenge is that **tourism demand changes continuously**, and it is difficult to understand market needs to keep up with changing requirements and how to communicate with end clients. For example, COVID-19 changed travelers' expectations around safety and hygiene measures, cancellation policies, and travel insurance protection inclusions. These changes in demand also affect staffing and guide needs, making it more difficult to operate efficiently.

Healthy and collaborative buyer-supplier relationships are an essential element of tourism supply chain management, but can also be difficult and take time to build. At its best, positive buyer-supplier relationships throughout the industry can lead to extraordinary experiences for the end client. Supply chain partnerships created based on engagement, commitment, trust, communication and cooperation will also lead to direct benefits for the industry players, such as unique selling propositions (USPs), reduced procurement costs and increased efficiency.

The remainder of this report will discuss these challenges in more detail and provide recommendations for managing and overcoming them in the coming years.

Part III:

Survey Results

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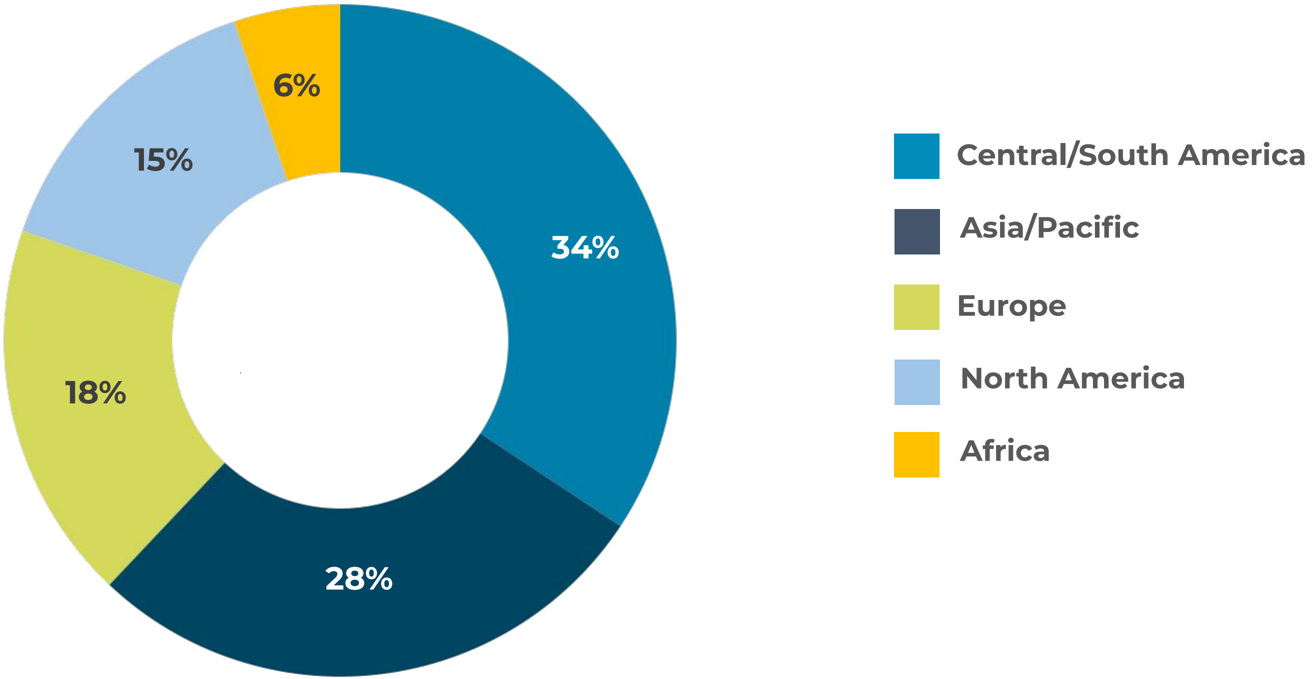
3a.

Profile of Respondents

ORGANIZATION HEADQUARTERS



Q2: In which country is your organization headquartered?
Base: All supplier respondents (n=137)
Source: 2022 Buyer/Supplier Survey

Notes: Totals may not equal 100 due to rounding.
Middle Eastern countries are included in Asia due to low response rate.
Caribbean countries are included in Central/South America.

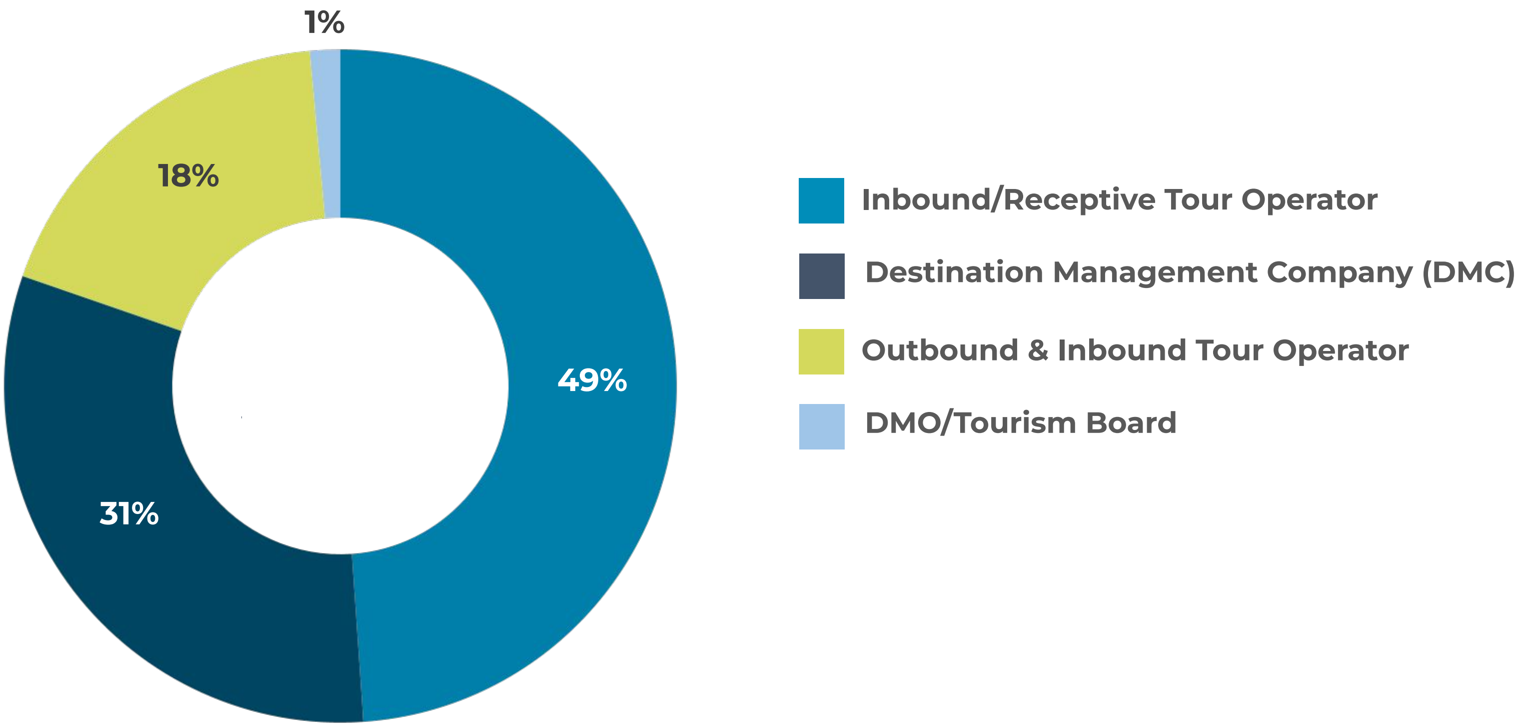
REGIONS OF OPERATION

The 5 most popular regions of operation are South America, Western Europe, Central America, North America, and South Asia.

Region	Currently Operate In	Would Like to Operate In	Used to Operate In	Neither
South America	34%	15%	4%	47%
Western Europe	29%	12%	0%	59%
Central America	18%	19%	1%	62%
North America	24%	8%	4%	64%
South Asia	19%	9%	3%	69%
Eastern Europe	15%	12%	3%	70%
Nordic	14%	14%	2%	70%
Central Europe	12%	12%	2%	74%
Southeast Asia	12%	12%	4%	73%
Australia and New Zealand	13%	9%	4%	73%
Africa	12%	8%	4%	75%
North Asia	7%	13%	6%	74%
Central Asia	7%	14%	2%	78%
Middle East & North Africa	9%	7%	4%	80%
Antarctica	7%	11%	1%	80%
Caribbean	6%	6%	2%	86%
South Pacific	4%	7%	3%	87%

Q5: Indicate which regions you are currently operating in and where you would like to operate in the future:
Base: All supplier respondents (n=137)
Source: 2022 Buyer/Supplier Survey

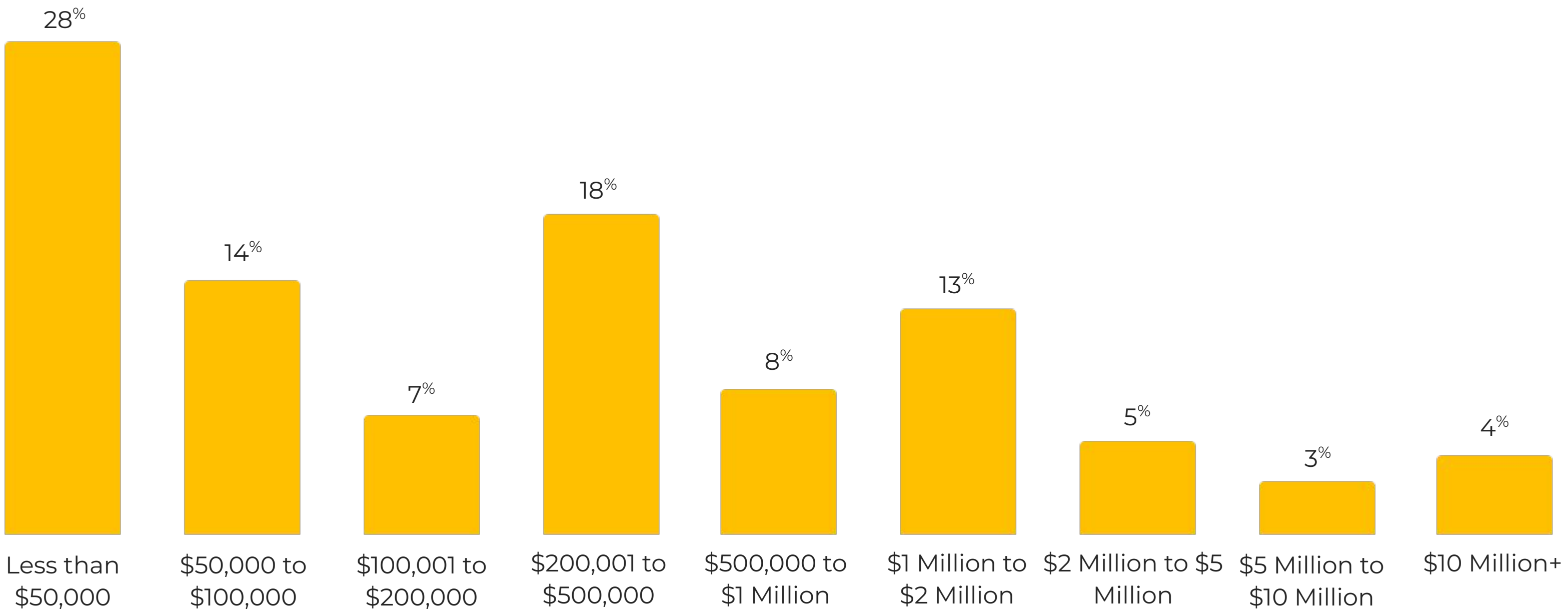
ORGANIZATION TYPE



Q2: Please select the option that most accurately describes the main function of your company:
Base: All supplier respondents (n=137)
Source: 2022 Buyer/Supplier Survey

2021 ANNUAL REVENUE

Respondents' organizations were most likely to have made less than $50,000 in revenue in 2021.



Q4: What is your organization's 2021 estimated gross annual revenue in USD?
Base: All suppliers that responded with a valid numerical amount (n=134)
Source: 2022 Buyer/Supplier Survey

WORKFORCE SIZE IN 2021

Respondents tended to be from small companies with fewer than 25 employees, although companies of all sizes are represented in the results.

14

average full-time employees*

8

average part-time employees**

17

average non-staff subcontractors**

45%

of respondents have a CEO or top leader who identifies as a woman

Q3: Please share the size of your 2021 workforce:
Q6: Does the CEO or top leader at your organization identify as a woman?
Base: All supplier respondents (n=137)
Source: 2022 Buyer/Supplier Survey

**Two outlying values were labeled and omitted from calculations using a 2.2 multiplier (Hoaglin & Iglewicz, 1987)*
***One outlying value was labeled and omitted from calculations using a 2.2 multiplier (Hoaglin & Iglewicz, 1987)*

TRAVELERS SERVED IN 2021

On average, responding organizations had 1631 guests in 2021.

1631

average travelers served in 2021*

Q28: How many individual travelers did your organization serve in 2021? Please supply us with your best estimate.
Base: All supplier respondents (n=118)
Source: 2022 Buyer/Supplier Survey

**One outlying value was labeled and omitted from calculations using a 2.2 multiplier (Hoaglin & Iglewicz, 1987)*

3b.

Partnership Preferences

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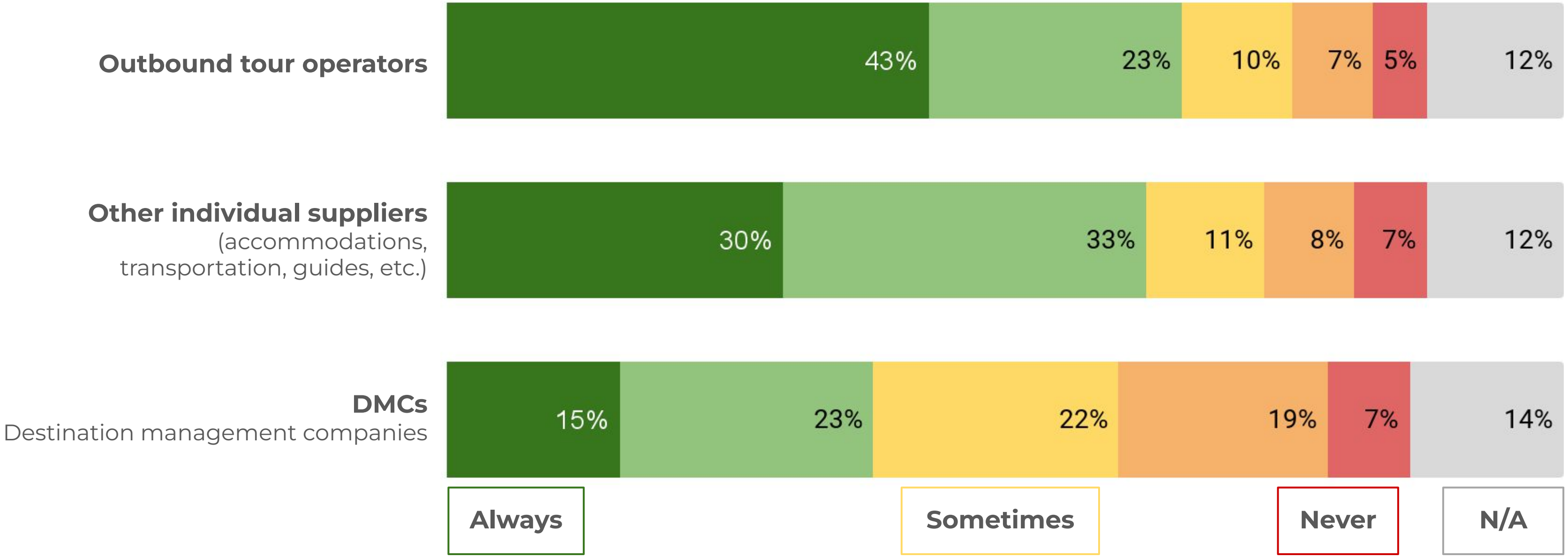
WORKING WITH PARTNERS

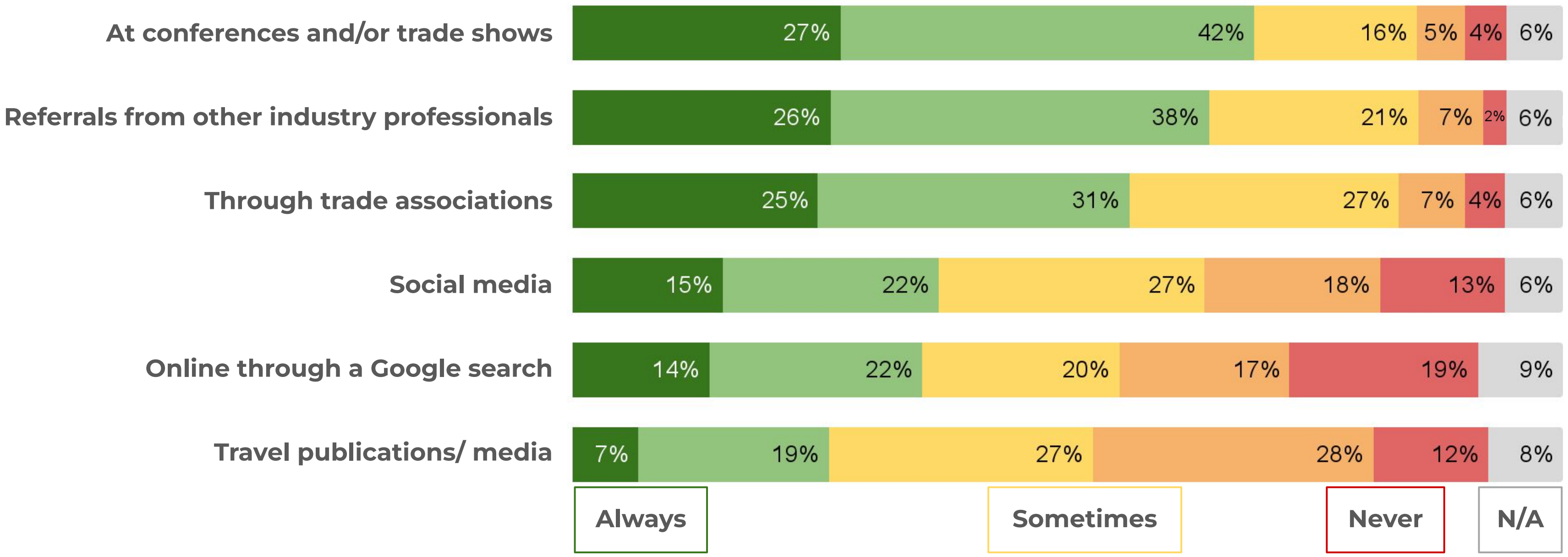
Supplier respondents prefer to work with outbound tour operators and other individual suppliers, although DMCs can be valuable and important partners at times.



Q22: In my role as a supplier, I prefer to work with partners that identify as:
Base: All supplier respondents who did not answer N/A (n=123)
Source: 2022 Buyer/Supplier Survey

SEARCHING FOR BUYERS TO PARTNER WITH

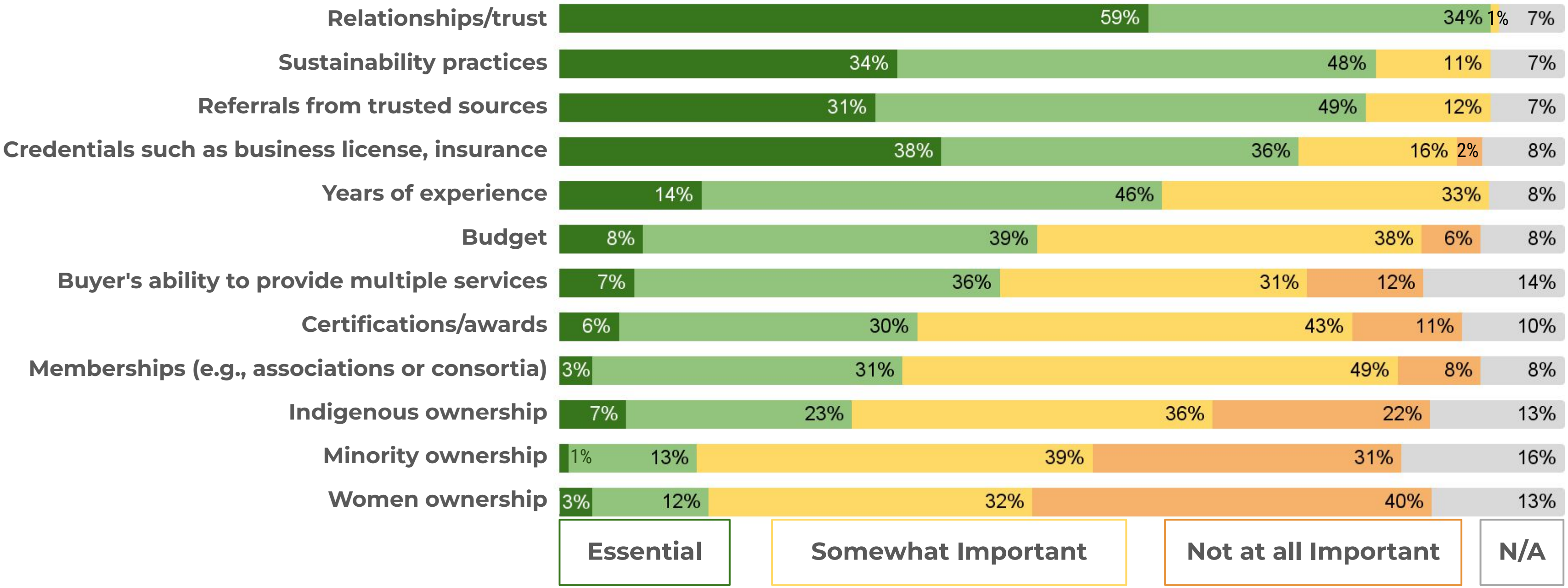
Respondents like to meet new buyers at conferences/trade shows, through referrals from other industry professionals, and through trade associations.



Q24: In your role as a supplier, how do you search for new buyers?
Base: All supplier respondents (n=123)
Source: 2022 Buyer/Supplier Survey

DECIDING WHICH BUYERS TO PARTNER WITH

Relationships/trust, sustainability practices, and referrals from trusted sources are the top things suppliers look for in a buyer. Respondents indicated that a business being owned by indigenous or minority persons, or women, is not currently of the utmost importance.



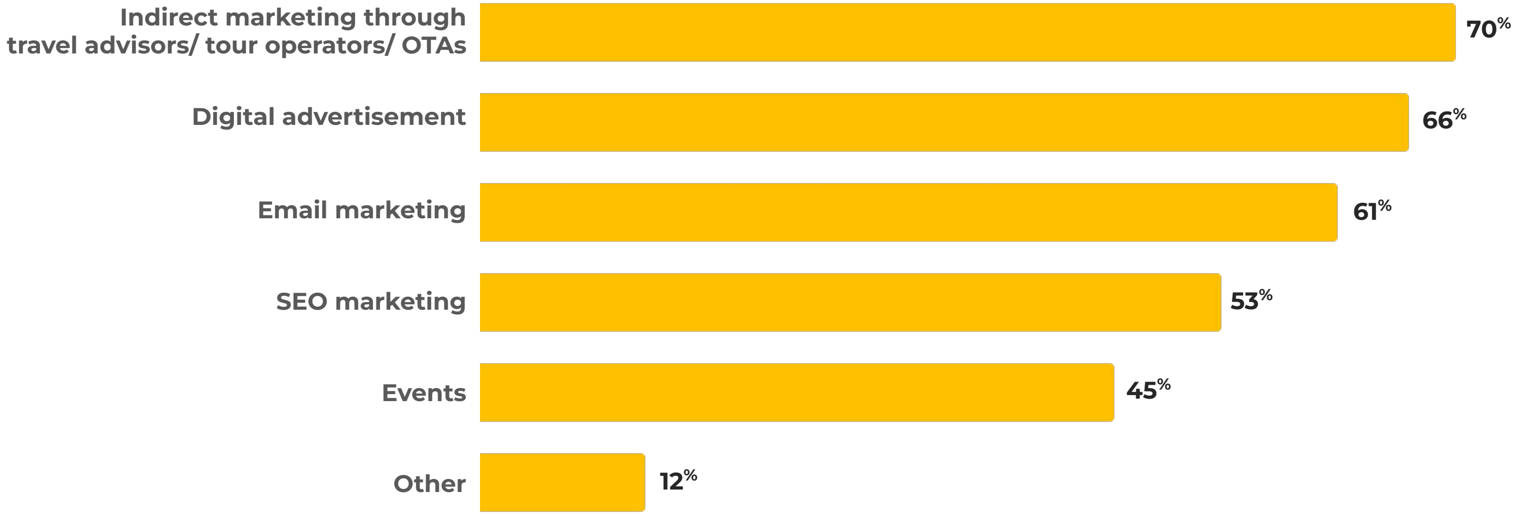
Q27: In your role as a supplier, what is most important to you when choosing new buyer partners?
Base: All supplier respondents (n=123)
Source: 2022 Buyer/Supplier Survey

3c.

Marketing & Selling Preferences

MARKETING PRODUCTS TO TRAVELERS

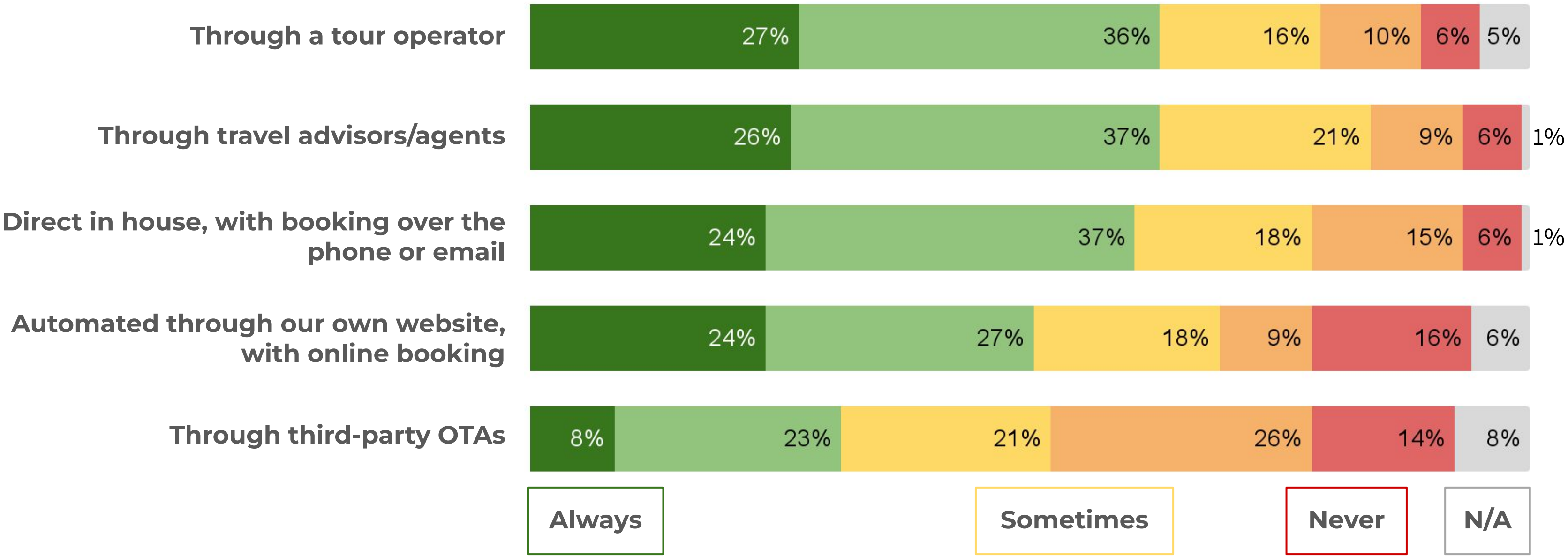
Indirect marketing through travel advisors, tour operators, and OTAs is the most popular way to reach travelers, followed by digital ads and email marketing.



Q31: What kind of marketing channels do you use to reach individual travelers?
Base: All supplier respondents (n=119)
Source: 2022 Buyer/Supplier Survey

SELLING PRODUCTS TO TRAVELERS

Supplier respondents most often sell their products to travelers through tour operators or through travel advisors/agents (B2B), but selling "direct" (B2C) is also popular. Third-party online travel agencies (OTAs) are the least common way to sell.



Q29: How do you sell your products?
Base: All supplier respondents (n=119)
Source: 2022 Buyer/Supplier Survey

BOOKING PLATFORMS

There are no clear leading booking platform solutions that work for many respondents. **35%** do not use a booking platform at all, and **27%** use their own custom-built software.

38% use a wide mix of off-the-shelf existing systems such as Fareharbor (7 respondents), WeTravel (5), Checkfront (4), Bokun (3), Peak15 (3), Xola (3), PEEK Pro, Bilberry, Civitas, Globetrack, Kodely, KOOB, BookMandi, Citybreak, Retreat Guru, Comers, Airbnb Experiences, Toogo, Make My Trip, and Tour Agency App (each of these only have 1 respondent).

Q30: If you use a booking platform, which one do you use?
Base: All supplier respondents (n=119)
Source: 2022 Buyer/Supplier Survey

INVOICING CUSTOMERS

Like booking platforms, respondents use a wide variety of systems to invoice their clients (both businesses and individual consumers). **41%** use a custom-built system, **8%** invoice manually, and **51%** use a pre-built system. This shows a hugely fragmented market, as there is no one solution that seems to work well for adventure travel suppliers.

Alternative systems used by more than one respondent include Flywire (5 respondents), Quickbooks (5), Xero (4), Checkfront (4), Paypal (3), Stripe (3), and Zoho (2). One respondent each reported using the following: BeSale, Ezus, iZettle, Peak 15, PEEK Pro, Poweroffice, Quickfile, Res Request, Retreat Guru, Sage, Salesforce, SAT, Square, Tally, Waveapps, WeTravel.

Q32: How are you currently invoicing your customers (if applicable)?
Base: All supplier respondents (n=119)
Source: 2022 Buyer/Supplier Survey

ACCEPTING PAYMENTS

Adventure travel suppliers accept payments in lots of different ways. The most common is through bank transfer (**91%** of respondents), followed by credit card (**76%**), cash (**51%**), and Paypal (**36%**).

91%	76%	51%	36%
Bank Transfer	**Credit Card**	**Cash**	**Paypal**

Other systems used by more than one respondent include Stripe (20 respondents), Venmo (4), Square (3), WeTravel (3), and personal check (3). Systems only mentioned once include Efecty, ePayco, Eway, FareHarbor, Flywire, money transfer services (Western Union, Moneygram, etc.), Nequi, PaySolutions, Sumup, Swish, Transbank, Wise.

Q33: How do you currently accept payments? Please select all that apply.
Base: All supplier respondents (n=119)
Source: 2022 Buyer/Supplier Survey

3d.

Buyer + Supplier Connections

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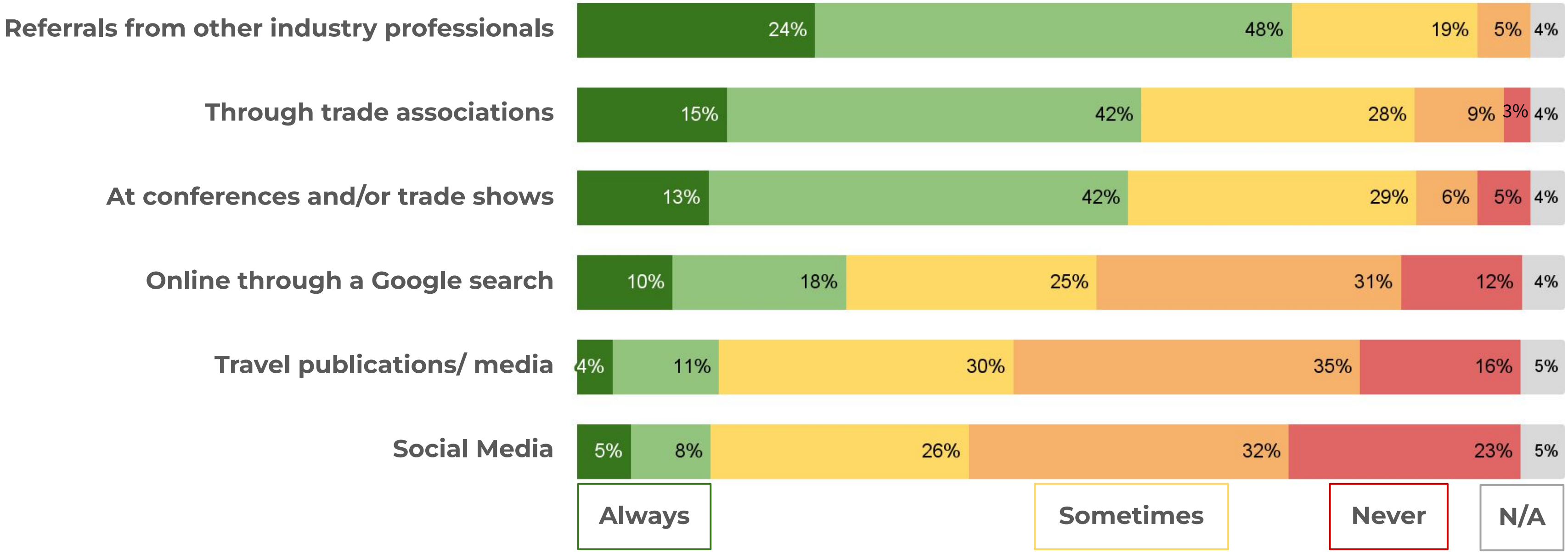
SEARCHING FOR SUPPLIERS TO PARTNER WITH

The same survey asked similar questions of **buyer** respondents. Buyers' preferred ways to find new suppliers to partner with are through referrals from other industry professionals, trade associations, and conferences/trade shows.
A comparison can be found on the next page.



Q23: In your role as a buyer, how do you search for new suppliers?
Base: All buyer respondents (n=114)
Source: 2022 Buyer/Supplier Survey

SEARCHING FOR NEW PARTNERS

While buyers and suppliers are primarily looking for each other in the same places, suppliers slightly prefer conferences/trade shows, and buyers tend to look for referrals from other industry professionals. Both commonly seek each other through trade associations, such as ATTA.

Buyer Preferences in Order

Referrals from other industry professionals
Through trade associations
At conferences and/or trade shows
Online through a Google search
Travel publications/media
Social media

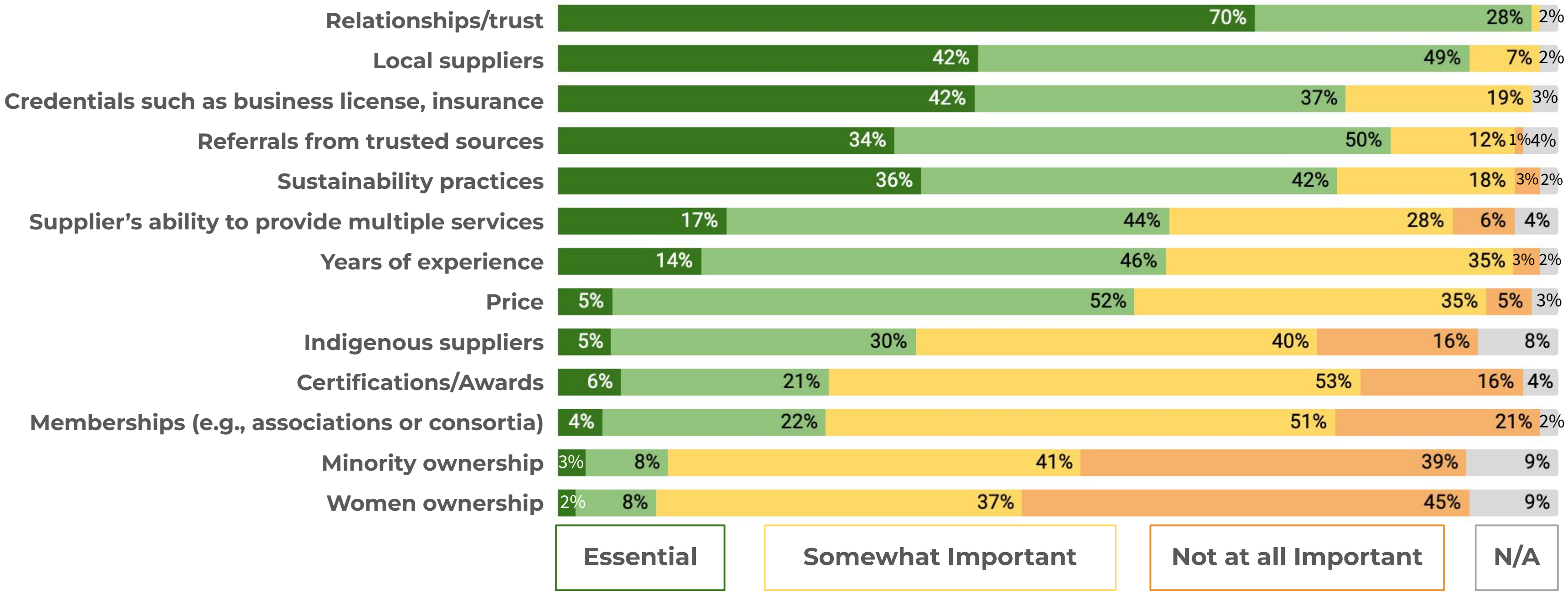
Supplier Preferences in Order

At conferences and/or trade shows
Referrals from other industry professionals
Through trade associations
Social media
Online through a Google search
Travel publications/media

Q22: In your role as a supplier, how do you search for new buyers?
Q23: In your role as a buyer, how do you search for new suppliers?
Base: All supplier respondents (n=123), all buyer respondents (n=114)
Source: 2022 Buyer/Supplier Survey

DECIDING WHICH SUPPLIERS TO PARTNER WITH

Buyers require relationships/trust to partner with suppliers. They like local suppliers with credentials like a business license and insurance. For most buyers, the suppliers do not need to be minorities or women. A comparison is on the next page.



Q26: In your role as a buyer, what is most important to you when choosing new supplier partners?
Base: All buyer respondents (n=113)
Source: 2022 Buyer/Supplier Survey

CHOOSING NEW PARTNERS

Relationships and trust are the most important factors in choosing new partners, for both buyers and suppliers. Although associations are valuable ways to meet new potential partners, building relationships and trust are more important when choosing which ones to work with. Budget/price ranks about halfway down the list for both.

Buyer Preferences in Order

Relationships/trust
Local suppliers
Credentials such as business license, insurance
Referrals from trusted sources
Sustainability practices
Supplier's ability to provide multiple services
Years of experience
Price
Indigenous suppliers
Certifications/Awards
Memberships (e.g., associations or consortia)
Minority ownership
Women ownership

Supplier Preferences in Order

Relationships/trust
Sustainability practices
Referrals from trusted sources
Credentials such as business license, insurance
Years of experience
Budget
Buyer's ability to provide multiple services
Certifications/Awards
Memberships (e.g., associations or consortia)
Indigenous ownership
Minority ownership
Women ownership

Q26: In your role as a buyer, what is most important to you when choosing new supplier partners?
Q27: In your role as a supplier, what is most important to you when choosing new buyer partners?
Base: All buyer respondents (n=114), all supplier respondents (n=123)
Source: 2022 Buyer/Supplier Survey

Part IV:

Conclusions + Taking Action

SUMMARY: ADVENTURE TRAVEL SUPPLIERS

Challenges with Technology

Suppliers (and buyers) are struggling to find technology to manage their business. Many are turning to costly and time-consuming custom-built solutions for taking bookings and payments. There is not one single booking platform solution that works for many respondents. 35% do not use a booking platform at all, and 27% use their own custom-built software.

Like booking platforms, respondents use a wide variety of invoicing systems. 41% use a custom-built system, 8% invoice manually, and 51% use a pre-built system.

Adventure travel suppliers accept payments in lots of different ways. The most common is through bank transfer (91% of respondents), followed by credit card (76%), cash (51%), and Paypal (36%). This shows a hugely fragmented market, as there is no one solution that seems to work well for adventure travel suppliers.

SUMMARY: ADVENTURE TRAVEL SUPPLIERS

Partnering with Buyers

Supplier respondents prefer to work with outbound tour operators and other individual suppliers, although DMCs can be valuable and important partners at times. This may be because working with a DMC can add an extra layer of service, and therefore increase costs, but this is worth the expense in some situations such as a complicated itinerary or a destination with many restrictions.

Supplier respondents most often sell their products to travelers through tour operators or through travel advisors/agents, but selling directly to the consumer is also popular. Although selling through other channels likely lowers suppliers' margins, it is often a more efficient way to reach travelers, saving the supplier a lot of time and money on sales and marketing efforts. Third-party online travel agencies (OTAs) are the least common way to sell. Indirect marketing through travel advisors, tour operators, and OTAs is the most popular way to reach travelers, followed by digital ads and email marketing.

While buyers and suppliers are primarily looking for each other in the same places, suppliers slightly prefer conferences / trade shows, and buyers tend to look for referrals from other industry professionals. Both commonly seek each other through trade associations, such as ATTA.

Relationships and trust are the most important factors in choosing new partners, for both buyers and suppliers. Although associations are valuable ways to meet new potential partners, they are not as important when it comes to choosing which ones to work with. Budget/price ranks about halfway down the list for both.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

GLOBAL DIFFERENCES AND A CHANGING MARKETPLACE

The global travel supply chain is a complex puzzle which is constantly changing in a disruptive world and varies depending in which country the company is based. For instance, in the United Kingdom, there is a clearly defined line between tour operators and travel agencies. Outbound tour operators contract directly with local DMCs, while travel agencies sell products from tour operators or UK-based businesses with a UK tourism license. In contrast, in France, travel agencies work directly with local DMCs as well as with outbound tour operators.

In Asia, travel advisors and outbound tour operators are often one and the same business, calling themselves a travel agent, but taking the role of packaging the trip themselves.

Increasingly more popular in the travel industry is the role of the marketing representative or 'Sales Rep' who is in charge of promoting and connecting DMCs with outbound tour operators (and possibly travel advisors). They are based in the targeted destination and are very well-connected. They can work on commission or retainer fees, depending on a country's practices and agreement between the two parties.

An additional disruption in the market are media influencers who sell their own curated tours to their followers where they often lead the group. Since they have already built trust with their audience, their loyal followers are interested in traveling with them to destinations and experiencing travel through their lens and brand.

Special interest groups are another growing niche market, for example avid cyclists might organize an annual trip overseas for their group, where they might work directly with an outbound tour operator, DMC, or even the local suppliers themselves.

Also see [Understanding the Supply Chain of Travel] by Casey Hanisko

MOVING FORWARD

Building Relationships

Developing relationships across the complicated global travel supply chain is more important than ever, especially as destinations and businesses recover from the pandemic. New entrants to the market should ask clear questions when establishing their business relationships to ensure both parties understand their individual roles and expectations and maintain open communication throughout their partnership.

Buyers and suppliers also should be looking for each other in similar places. Both buyers and suppliers like to use conferences/trade shows, referrals from other industry professionals, and trade associations as a way to connect. Therefore, new buyers and suppliers looking to start or build a presence in the adventure travel market should attend industry events, join a trade association, and network with other industry professionals.

Challenges with Technology

Technology continues to be a hurdle for many adventure travel suppliers (and buyers). There are many solutions available, but none are working well for a large segment of the market, leading many organizations to develop their own custom product or process tasks manually across a variety of solutions that may or may not work together. Unfortunately there is no easy answer to this problem, but starting the discussion and asking other organizations for their experience is one way to navigate the options available.

Also see Understanding the Supply Chain of Travel by Casey Hanisko

MOVING FORWARD

In light of the anticipated overwhelming return to travel and growth in the number of travelers interested in adventure, this type of research is essential to better understand the current marketplace. The trust-based relationships that adventure tourism experts bring to the field will continue to lift the entire industry as partnerships strengthen.

These relationships and bonds will be more essential than ever to support a sustainable return to travel, as traveler numbers increase and concerns around overtourism and responsible tourism continue. Curating experiences for a growing and diverse group of travelers who are new to adventure or those aging with accessibility needs and specific expectations will make understanding and finding an organization's place in the supply chain even more critical to succeed as a unique successful business with a strong value proposition.

It is important to remember that building relationships and trust takes time. From an initial meeting at a conference to a fully developed itinerary that is available for consumers to book can take up to three years, so it requires a long-term commitment to the process and adventure travel community.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Flywire, the Adventure Travel Trade Association's Preferred Global Payments Partner, is proud to support ATTA's work, including this report on the state of adventure travel suppliers.
As part of our continued support of the adventure travel community, Flywire is offering all ATTA members a free travel payments assessment. To learn how Flywire can reduce your payment costs and improve your guest experience, request an assessment by clicking the link below:
flywire.com/assessment

ADVENTURE TRAVEL SUPPLY CHAIN: COMPLEXITIES, CHALLENGES & PREFERENCES

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ABOUT THE ATTA

Established in 1990, the Adventure Travel Trade Association is the largest global network of adventure travel leaders. Our community is made up of ~30,000 individual guides, tour operators, lodges, travel advisors, tourism boards, destination marketing and management organizations, outdoor educators, gear companies and travel media who share a belief and commitment to sustainable tourism. The connections and creativity of this vibrant community come together both virtually and in person to create and deliver the solutions that propel our businesses and our communities toward a responsible and profitable future.

ABOUT OUR RESEARCH

The ATTA strives to produce regular reports that take the pulse of the industry through our membership as well as the global travel industry. In addition, consumer research studies lend insight into the fast paced and changing world of travel and travelers' perceptions of it. At adventuretravel.biz, our Research Reports can be located that dive deeply into the motivations of adventure travelers, the size of the industry, the landscape and health of the industry at large, as well as other targeted reports on subjects ranging from Travel Agents to adventure travel in specific destinations.

THE ATTA'S WEB PROPERTIES

ADVENTURE TRAVEL TRADE ASSOCIATION™

The ATTA's homepage online at adventuretravel.biz

ADVENTURE Travel News

The adventure travel industry's source of trade news online at adventuretravelnews.com

ADVENTURE .TRAVEL

The traveler's guide to finding adventure at adventure.travel

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