

GroupTo

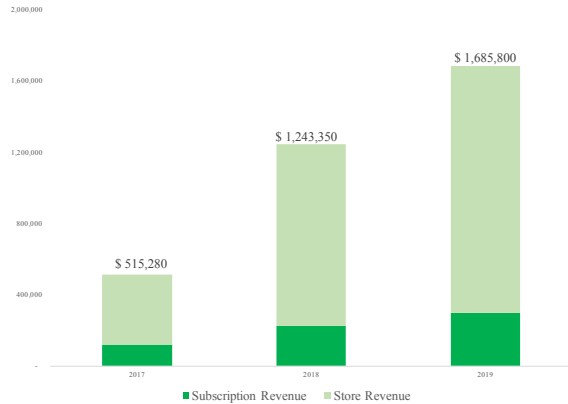
Setting Pricing and Go-to-market Strategy for International Expansion

Objectives:

- Size the market both in terms of number of customers and estimated revenue
- Recommend how GroupTo should adjust pricing structure and pricing points with the incorporation of newly-launched features
- Develop a go-to-market strategy for UK and Spain in a 12-month timeframe

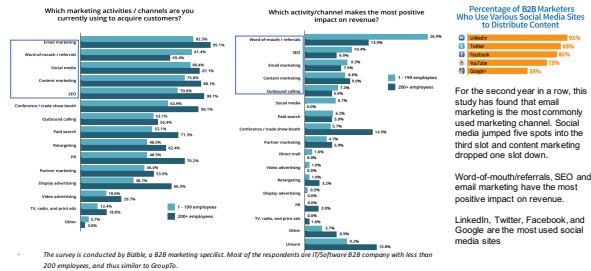
Overview and Revenue Projection

- GroupTo is a B2B2C product and service company that allows group leaders to create customized itinerary on its proprietary mobile software platform.
- Revenue Projection for UK & Spain Market:



B2B Marketing Research Results

Marketing research:



Social Media (Empirical Data)

	Offered Tools	Customer Accessibility	Avg. CPC (Test / Industry Average)	CTR	Spending per Day
Facebook	Sponsored ads	Medium	Test: \$1 Industry Avg: \$1.01	Test: 0.56% Industry Avg: 0.35%	Test: -\$30
Google Adwords	Search Ads and Display ads	Low	Test: \$0.38 Industry Avg: \$0.58	Test: 0.99% Industry Avg: 0.35%	Test: -\$7
LinkedIn	Sponsored content, InMail, and Text Ads	High	Industry Avg: \$2-\$7	Industry Avg: 0.3%	N/A

Google Adwords is the most cost effective option, while LinkedIn is more suitable for B2B marketing if there is enough budget

Pricing Recommendations

- Summary: Short-term vs. Long-term

Subscription

Maximum Pricing: EVIC Model	Survey Testing	Minimum Pricing: Competition Model
<ul style="list-style-type: none">Value of Time Saving Intangible Value:90% of customers said that using new technology is at least somewhat important to them when choosing travel agenciesPotential to Upsale	<ul style="list-style-type: none">A/B testing for 3 pricing points:\$69 up to 10 trips, \$129 unlimited per month (50% of EVIC)\$39 up to 10 trips, \$69 unlimited per month (25% of EVIC)\$19 up to 10 trips, \$39 unlimited per month (benchmark with competition)Survey Subjects:WTH contact list, UK travel agent database, LinkedIn/ Facebook groups, M.JarkMass emails through MailChimp (service Spain free)Test access value of store: \$5, \$15, \$30 per month	<ul style="list-style-type: none">Competitor: Travely10 Days Free TrialBasic (Itinerary Creation) \$16/MonthPlus (Trip Management) \$39/Month

Store

Listing Fee

- One Insertion Fee Per Item Regardless of Quantity Sold
- Listing is Free in Store's Pricing Phase to Encourage Postings and Lock in Tour Operators
- With more data on store, recommend

Transaction Fee

- Vary by Product Category
- GroupTo Product: 8% of Total Sales Price
- Account Product: 4% of Total Sales Price
- Recommend Field Testing

Pricing Strategies of Other Platforms

Platform	Subscription	Listing	Transaction
Amazon	\$39.99/m	0	Varies 6% - 45%
eBay	\$24.95/m	250 \$0.2	Varies 4% - 9% Max \$250
	\$74.95/m	1000 \$0.05	
ZoDoc	\$349.95/m	1000 \$0.05	
	\$250-\$300/m	0	0
	\$29/m		2%
Shopify	\$79/m	0	1%
	\$299/m		15%

Marketing Recommendations

UK Go-To-Market Strategy

Market Overview	Recommended Marketing Strategy
<ul style="list-style-type: none">Inbound Tourism: (as of 2014)35m visitors per year, £22bn total spendUS, Germany, France and Australia are top 4 sources~10k people are employed by travel agencies and other reservation services	<ul style="list-style-type: none">Marketing Channel: Direct sales & Social MediaDirect Sales (calling & emailing)Database already obtainedA designated sales personTiming: after the peak season
<ul style="list-style-type: none">Tour Operators & Agencies:Estimated # of Tour agencies: 800Tech Trend in Travel Industry: Increasing usage of social media among tour operatorsTour Operator Association: 4 main associations with several marketing tools available. (More info at Appendix 1)	<ul style="list-style-type: none">Estimated Costs:Sales person: \$18,750/yearDatabase: \$81

Spain Go-To-Market Strategy

Market Overview	Recommended Marketing Strategy
<ul style="list-style-type: none">Inbound Tourism: (as of 2014)65m visitors per year, \$72bn total spendUK, France, Germany and Italy are top 4 sources	<ul style="list-style-type: none">Marketing Channel: Direct salesHave designated sales person who can Spanish and understand the Spanish marketSell through cold emailing, going to conferences
<ul style="list-style-type: none">Tour Operators & Agencies:Estimated # of Tour agencies: 450Tech Trend in Travel Industry: The main majority of the tour operator's decision makers are in 40s and 50s. They tend to be old fashioned and thus don't use Facebook. However, young generations are quickly getting into the market. They are more inclined to use social media like Facebook.Tour Operator Association: There are 19 states in Spain. They do not offer any marketing channels and they don't speak English very well.	<ul style="list-style-type: none">Estimated Costs:Sales person: \$18,750/yearDatabase: \$97

Comparable Case Study

Comparable A - Marketing Strategy	Comparable B - Marketing Strategy
<ul style="list-style-type: none">Early-stage Marketing Channels:Direct sales: cold emailing and going to conferencesSources of data: TripAdvisor, and other database	<ul style="list-style-type: none">Early Stage Marketing Strategy: Mainly through inbound marketing at its own travel blog
<ul style="list-style-type: none">Current Marketing Channels:Focus on content marketingExploring possibility of LinkedIn	<ul style="list-style-type: none">Current Marketing Strategy: Mainly inbound marketing, supported by light outbound marketingInbound: Continue working on SEO and blog posting. For ex., their website ranks top 3 at google search for "Group Travel Tool"
<ul style="list-style-type: none">How to Market to Tour Operators:Country-specific marketing: understand the locals of the people and how to talk to them are the keyTiming is very important: lifecycle of the product is long, better to market after high seasonsEngaging with customers through testimonials, webinars, e-book, meet and greetBuilding authority is key for B2B marketing: word of mouth through networking	<ul style="list-style-type: none">Outbound: Light introduce, plant the seeds, a list of customers come back few months later for demoChannel: Direct emailing & calling, SEM, conference (No social media)Customer info sources: organizations & association, manual searchesInternational Expansion: Not active, English-speaking countries only

Israel Lab 2017
GroupTo, Hertzliya, Israel
Shirley Chen
Walker Zheng
Fiona Xu
Priyanka Chutuvadi

