

The Business of the Food Tour: How to Launch, Operate, and Profit from Culinary Tours

Presented at the 2017 IACP Conference in Louisville, KY

[Karen Solomon](#), Moderator, Guide for Edible Excursions in San Francisco and Food Writer/Cookbook Author.

Lisa Rogovin, Founder, [Edible Excursions](#) in San Francisco. Her career began by designing exclusive culinary jaunts for weekend travelers staying at the Four Seasons in SF. Prior to launching her business, Lisa worked in ad sales for Gourmet Magazine.

Shane Kost, CEO, [Chicago Food Planet](#) and the President of [Food Tour Pros](#). He's given 3500 clients in over 25 countries the tools, training, and guidance to help them build and manage their own food tourism businesses. He produces the annual Global Food Tourism Conference.

Max and Stacy Shireman, [Food Guide Food Tours of Louisville](#). They brought their love of food and travel to Louisville in 2015 by starting the Best Eats of Downtown Louisville tour.

Robbin Gheesling, Founder, [Vineyard Adventures](#), offering wine and culinary tourism services in wine regions across Europe to individuals and groups.

HOW DID YOU GET STARTED IN THIS BUSINESS?

Shireman - They are big travelers and food tour guests everywhere, and they wondered why they weren't doing it themselves. They were clients of Food Tour Pros to help get the business going.

Shane - A serial entrepreneur who loves people, travel, and food. This is his third business.

Lisa - Formerly in ad sales for Gourmet Magazine, but, "selling ads was not soul satisfying". She was approached by the GM of the Four Seasons hotel in SF to take guests around on private restaurant tours, and she worked exclusively for the hotel for a year and a half. She did a lot of traveling, "I was looking for locals to show me around and people weren't giving tours everywhere back then. I just found people and befriended them and asked them to tell me where to eat. When i came back, I had a sense that this is what people like me want when they want a tour."

Robbin - I was burned out on being a recording engineer. I wanted to travel.

BUSINESS SIZE AND SCOPE

Shireman - No additional staff. They do 26 tours a season, and the season is April-October. Each tour is progressive tastes, not a meal. The itinerary is planned on the fly - the church group doesn't get taken to the bar. Each stop is about 20 minutes and the owner or chef comes out and talks about the

food and/or drink, and between stops they include history or pop culture. The Shireman's still both have other full-time jobs. In season they work 6-7/hours per week. Off-season 2 hours per week to prepare for next year. Their most popular tour is The Downtown Louisville tour. \$55, 2.5 hours, 5 stops.

Shane - \$1.5 million business with a staff of 30 including five full-time administrators - sales, marketing, managers, and operations people - and 20-22 part-time guides. While many tour companies are owned and operated by a single person with a small staff, Shane's distinction is that his company is a scaled model that can run day-to-day operations without him. They offer 8-10 different experiences to 1500 guests per month that began seasonally and now runs year-round. Their walking tours spend about 20 minutes at each location. "We want their mind blown on information, depth, and access to staff and owners. You don't wait in line. Guests have access to a VIP experience." The Second City Classic is among the most popular experiences.. \$50 for 3 hours and guests try bites of different Chicago staples - pizza, sushi, spices, specialty chocolate, tea, oil and vinegar - along with info on history and architecture.

Lisa - 14 part-time guides, plus a full-time tour coordinator, contract web developer, and contract bookkeeper. For 13 years, Lisa has grown EE into a \$500,000/year company and she now offers 11 tours. The SF Ferry Building tour, and its affiliated Alcatraz Ferry Building tour that combines a food tour with a trip to Alcatraz, are her most popular - in summer this tour alone runs with a max of 12 guests up to eight times per week. For \$75, guests get seven hearty tastes and all the history they can eat.

Robbin - 100% custom.

WHAT SEEMED MOST DAUNTING WHEN LAUNCHING THE BUSINESS?

Shireman - Securing the restaurant partners and the script. We wanted to select good restaurants with a tie to the area and a good story behind it. That's the fun part of this business. You get to have lots of lunch dates and go exploring. You introduce yourself, talk to the staff, the manager, and the chef. It's amazing how much people will talk about their restaurant when you get them started. You have to be a good customer and observe. It can't just be that we like a restaurant. It also has to have good reviews.

Shane - Restaurant partner outreach. How do you get buy-in and get them to work with you? What's the value for them? Outreach can be scary. **Our business can't exist without those partnerships, but theirs can - they have the upper hand.** The pitch is how to make it an even playing field. Explain that win-win situation that alleviates their concerns. We are a third party marketing service for the restaurant partners, and we pay you. Sure, there are a few who say no. And you don't want to work with people who are bad at running their business or who see you as more work and not more money.

Lisa - I had the sales and marketing background and I love the networking and cold calling, so partnerships weren't a problem. For me, staffing became a pretty immediate issue. The company started with just me, but when I got hired for large events with tour operators and they were sending me 40 people at a time, I had to very quickly staff up and find people to do what I did. I wasn't looking at the business from the 35,000-foot level. At one point I had 15 booked tours and only me! To hire staff, this is what I still do: word of mouth. I ask around to friends of friends to find people who are dialed into a quality experience. Anything like Craigslist has never brought me anyone who has been with me for long.

Robbin - Still daunting, sales.

WHAT'S THE MOST DIFFICULT PART OF RUNNING YOUR COMPANY TODAY?

Shireman - Customer acquisition to get people to take the tours. This is a running thing you're always up against. How you market, and how you get more people in. We are always trying to figure that out.

Shane - Choosing the direction for the business and making sure people have the tools they need to hit their numbers.

Lisa - Business has been flat for the last two years, but it grew every year previously. The right operations person is always a challenge, and I'm beginning to think this might be a two-person job. This position has always been my right hand person, and I like having one person as my go-to. I've had to come away from sales and business development - this is what I enjoy doing and what I do well - because the operations haven't been solid. Without that right person I can't do sales growth and I can't find the other projects that could continue to feed us.

Robbin - Clients who don't think culinary tourism is an actual business and want things for free because it is such a "fluffy hobby."

WHAT MAKES FOR A GOOD GUIDE?

Shane - We look for someone with the skills we can't teach. I can't teach you to be kind, empathetic, friendly, outgoing. I can teach you history and such. I'm looking for someone coachable who wants to be in front of groups and the star of the show. Our guide demographic looks something like a woman in her 30s/40s who has lived here at least 10 years with a background in gastronomy. We have a lot of teachers, yoga instructors, and other people who want autonomy in their life.

Lisa - We look for a great personality; someone engaging and able to command an audience. Someone responsible who is a team player, on time, warm, a good listener and a good leader. Someone who knows when to be quiet. I'm also looking for someone who already is deeply knowledgeable about the local food scene. They need to be able to talk about the neighborhood and the other neighborhoods and the history of SF food, food trends in general, and what's unique to food in SF. Knowledge of chefs isn't that important to me. My guides need to understand how food

connects people. I want them to be beyond passionate - someone living and breathing it, who learns about food in their spare time.

Robbin - NO SCRIPTS.

WHAT DO YOU LOOK FOR IN A POTENTIAL RESTAURANT PARTNER, AND HOW DO YOU APPROACH?

Shireman - We want to know that they're just as invested as we are. It's free marketing for them. **We try to make sure they understand that our customers are going to be repeat customers.** For example, there was a recent chef change at one of our stops, and the new chef wasn't so sure of our value. On a recent tour we ran into some of our former guests who we had taken to the restaurant on a tour and had come back to eat. It was a perfect moment for us to have him tell the chef that he was there because of us!

Lisa - All of our tours are walking, so it has to geographically make sense. The place has to be delicious and something I want to eat and want to share. It should have a good story that fits the narrative of the tour or it should in some way be inspiring. From there I find the owner or the manager and give them a quick one minute schpiel - i introduce myself, give them some collateral, and mention some of our other clients in the area. More often than not i'm going in to eat in person. I need to see what the operation looks like and decide if they can they accommodate us. I'm looking at everything - how is the staffing? Is it well-managed? Warm and welcoming? Sometimes working with us is not obvious to them. The owner's world is so about their restaurant; outside of that is difficult for them to think about. I also let them know that they will always know we're coming at least 3 days in advance. **We don't take last-minute bookings, so there are no surprises** - how many guests and when we show up and the taste they'll receive are all decided well in advance. And I tell them that i'll be bringing in people who will not have been here before, and that they will come back and tell other people. A good partner looks at me as part of their marketing plan. I insist on being a paying customer and not taking free samples, because otherwise they won't treat you like a customer. They burn out if they give you free food. Sometimes restaurants approach me, but it doesn't usually start that way.

Robbin - Availability of the chef/owner/chief players to talk with the guests for at least a moment.

JUST CURIOUS - HOW MANY OF YOU ARRANGE WITH YOUR PARTNERS AHEAD OF TIME AND HOW MANY OF YOU JUST TAKE YOUR GROUP AROUND ON THE FLY?

LET'S TALK MARKETING

Shireman - **TripAdvisor** has been worth its weight in gold. The trick is getting people to review you. We do a followup email with a link to TripAdvisor and hand out business cards with our info and the TripAdvisor link. **We've used Google AdWords and we've not seen a return** yet. Some people swear by it, but we put in in \$150/months for 6 months and then gave up.

Shane - I built this brand on the idea of online business. It's all about digital advertising, and we put about 80 percent of our time resources and budget behind it. Printed materials don't help. People make up their mind about a food tour before they even get there. Campaigns that work well are pay-per-click, social media, search engine optimization, email marketing, and referral campaigns. We also have a lot of partnerships in law firms and with local businesses. There's lots of business to be done in the private sector.

Lisa - The biggest waste of money was AdWords. I spent \$500-\$1,000 per month for 16 months and it didn't pay out. Also, I've never seen a tangible ROI from social media, but I have no way to track it. That said, you need social media because the community wants to hear from you and it helps you stay top of mind. The best thing for us has been media coverage, and that has the greatest legs to it. News coverage lasts in people's minds, and I can track an uptick to articles. For a long time I stopped working with tourist agencies because I wanted a local customer. Instead I was focused on meeting planners and event planners, and finding people who plan events for companies. LinkedIn has been a really great opportunity. I had a PR firm which was very expensive, but they did work. All the big hotel concierges know me, but I've not gotten a lot of results from them because we don't do things last-minute.

Robbin - I'm all ears on this one. I just use social media and know that's not enough.

TALK ABOUT PRIVATE CLIENTS VS PUBLIC TOURS. WHAT PERCENTAGE OF YOUR BUSINESS IS THE PRIVATE TEAM BUILDING, BIRTHDAY PARTIES, BACHELORETTE, ETC.?

WHAT DO YOU WISH YOU'D KNOWN BEFORE GETTING INTO THIS BUSINESS?

Shireman - We wish we were better at social media.

Shane - I used to travel a lot, which was great, but I wish I'd started investing and scaling earlier on. We'd be much bigger than we are today. It's great to be the owner/operator of a business. For most people in this industry, the owner/operator does all the hiring, training, building of partnerships, etc. But if something happens to the owner, the whole business shuts down. And the company can only get as big as the owner's time and energy. It's better to hire a tour director or marketing director to hire guides or make business partnerships. When you scale the business you fill those roles. If you could have someone working 40 hours a week just on marketing, wouldn't you? Too often small business owners don't understand cash flow. You don't make as much money at first for 12-18 months, but eventually you build something that can sustain itself - and something that an entrepreneur would want to buy.

OTHER TAKEAWAYS

Shireman - We might not get rich in this business, but it is self-fulfilling. Once you work for yourself you lose your fear of Corporate America. You become fearless in some ways. You feel more self-reliant.

Lisa - I wish there were **more industry collaboration**. The industry has grown so much, but we don't see collaboration with other operators very much. We could learn from one another. what works and what doesn't. I'd like to collaborate but i've been soured by it when someone spies on a tour to start their own business. The other thing you should really think about is that this business is a business! Budgeting, sales, operations - as well as the tours. There are so many moving parts and it's really all-encompassing. Things change all the time - restaurants open and close and the staff changes, customers change their mind, guides' availability, not to mention all of the technology that helps the business grow. So really ask yourself - do you want a business or do you want to bring a concept to an existing business?

Robbin - The best advice I received when changing careers was "that there is bullshit in all jobs. if you're changing jobs just to avoid bullshit, there is no point."