

## **Abstract**

This topic has arisen from the interest in pricing strategies in tourism sectors and the study of managing package tourism to satisfy demands of potential clients. The paper will mainly focus on preferences of Swedish tourists towards holiday packages, and will use price bundling technique to create holiday packages that will attract new travellers and encourage previous travellers to come back again to a well-known tourist destination.

The study of pricing in tourism business has started long before, however for the more intimate study on price bundling seems to be very little comparing to other service sectors. As the connection between pricing and profitability is fundamental, the understanding of price bundling is prominent. As for this thesis, the discussions will mostly be in the economics and marketing directions. A case study of a travel agency will later on be introduced in this paper to illustrate how packaging principle and price bundling strategies are applied.

**Keywords:** packaging holidays, price bundling, tour operator, WTP or RP, Customer demand satisfaction, Swedish tourist