

Working with International Tour Operators

Have you thought about attracting more international visitors to your region or business? Have you wondered how to go about working with tour operators and receptive operators? Here are some guidelines to get you started.

What is a “supplier”?

- Destination marketing organizations (DMO) and government agencies
- Lodging/campgrounds
- Museums/attractions, activities, events
- Transportation

What is a “buyer”?

- Receptive operators based in the U.S. and Canada
- International tour operators
- Online booking agencies

Who sells to the consumer?: International tour operators, travel agents, online booking agencies

US Receptive Operators (“Buyers”) – Also known as Inbound Operators

- U.S.-based companies that contract with suppliers to create “packages” they sell to international tour operators. Advantages of working with them:
 - They negotiate the contracts and handle all payments with local suppliers for the International Tour Operator
 - Ease of booking hotels and attractions through direct API connections with the Inbound Operator’s booking system or on a web-based booking engine
 - They have the most comprehensive knowledge of a particular destination
 - They may assist in organizing the consumer’s itinerary; select destinations, properties and attractions
 - Global exposure - market to a broad range of tour operators in multiple countries
 - You work with one local company for bookings and payments rather than many international companies

International Tour Operators (“Buyers”)

- Package all elements of tour and travel products together
- Purchase packages from receptive operators or contracts directly with hotels and attractions
- Market their products to travel agents and consumers through printed brochures and websites

Travel Agents

- Book packaged holidays arranged by a tour operator
- Work one-on-one with the consumer



Tour Operators create packages — Travel Agents sell packages (Any or combination of the following)

- City stay
- Pre-planned fly-drive holiday/vacation
- Custom fly-drive holiday/vacation
- Motor coach/group tours
- Activity holiday (i.e.: ski, golf, biking)
- Cruise
- Destination/resort stay
- Airline ticket and rental car only

Remember...

- Tour Operators, and even some Receptive Operators, are selling the world - not just the United States
- The New England region competes against the rest of the United States
- Most international travelers use Travel Agencies, Airlines and OTAs in their home country, which get their product via receptive operators.
- International travel laws offer them protection consumers don't get if booking directly.

Travel Industry Glossary

Term	Definition	Additional
FAM	Familiarization tour	Media or trade
Net rates	Agreed upon reduced rates offered by a supplier to a wholesaler	
Rack rates	Full price, published rates	
FIT	Foreign Independent Traveler	<i>Any party that is traveling on their own as opposed to traveling with a group. Can be families, couples and individuals.</i>
Fly-Drive	Individual travel	
Tailor Made	Custom made programs for clients/ consumers	
Long Haul	Any vacation outside of Europe	

BREAKING INTO THE FIT MARKET

Credit: TourMappers

- Contract with at least one Inbound (Receptive) Operator
- Have rates ready early for the following year:
 - CALENDAR YEAR FOR INTERNATIONAL TRAVEL TRADE IS APRIL 1 – MARCH 31
 - Rates delivered in 2022 should be for period April 1, 2023-March 31, 2024 or beyond
- Maintain Appropriate Rate Tiers

Consumer (Rack Rate)	Full Price
Travel Agent	-10%
Tour Operator	-20%
Receptive Operator	-30%

- Offer Static Contracts and/or a Dynamic Connection
- Receptive operators may retrieve rates from properties that utilize SynXis, TravelClick, RoomCloud and Hotel Trader (including RezTrip and Windsurfer through HotelTrader)
- Rates are pushed to the inbound operator the same way they are pushed to an OTA
- Static contracts should provide room allotments (may only be 1 or 2 rooms) or Free Sell which allows the inbound operator to sell freely up to a cutoff date.
- Ideally, rates given to receptives are approximately 30% below rack rate in any given period; however, receptives are typically willing to work with you.
 - Make sure hotel staff is apprised of FIT procedures
 - Accept paper or digital vouchers, making sure guests receive a blind folio
 - You can have blackout dates and stop sell terms
 - It is important to view working through receptives similarly to the "Pay Per Click (PPC)" version of travel trade sales where the receptive does all of the marketing and training upfront and they broker the compensation for the operator and the agent on your behalf ONLY ONCE a booking is made.