

## Tourism Glossary

### Types of Visitors

#### B2B

- Business to business

#### B2C

- Business to consumer

#### FIT (Free/Foreign Independent Traveler)

- Individual visitor(s), 1-9 people. Accommodations, excursions, tours/activities, rental cars, etc. are all prepaid to the travel trade buyer and redeemed with each service provider in the form of a voucher. FIT visitors may be required to make a reservation or confirm a reservation in advance, directly with you as the supplier. However, the visitor still makes their purchase through the travel trade buyer, and you are paid by the travel trade buyer. A custom-designed, prepaid travel package with individualized arrangements. FIT visitors are unescorted and may or may not have a formal itinerary.

#### Group Tour

- A travel package for an assembly of travelers that has a common itinerary, travel date, and transportation. Group tours are usually prearranged, prepaid, and include transportation, lodging, dining, and attraction admissions. See also escorted group tour.

#### Incentive Travel

- A subset of tourism that develops, markets, and operates programs that businesses use as a tool to reward top performing employees with travel services.

#### VFR (Visiting Friends and Relatives)

- A type of visitor whose main travel purpose is to visit friends and family.

### Types of Travel Trade and Net Rates

**Travel Trade** – Professional companies that sell or package travel in advance of a visitor's trip.

- Synonyms:** Buyers/Travel Trade/Wholesalers/Third Party Re-sellers

#### Group/Group Leader (GL)

- Net rate 5-10%**
- An individual who has been given the responsibility of coordinating tour and travel arrangements for a group. The group leader may function as a liaison to a tour operator or may develop a tour independently (and sometimes serve as the tour director).
- Usually, a small discount is extended to the Group Leader or affinity group (i.e., association, club, church, school, seniors, etc.). A standard group is 10 or more. In the domestic market, Group Leaders may book direct without utilizing a Tour Operator. Refrain from giving Group Leaders your Tour Operator rate as this is reserved exclusively for them and their repeat, volume of business potential. (B2C or B2C)



## Travel/Retail Agent (TA)

- ✿ **Net rate 10%**
- ✿ A person or firm qualified to arrange for lodging, meals, transportation, cruises, tours, and other travel elements who sells directly to the customer.
- ✿ Travel Agents may contract and purchase direct from the supplier, but more often rely on purchasing from a Wholesaler/Tour Operator who provide brochures with packages and tour options for Travel Agents to sell the consumer. Travel Agents work with both FIT and groups. (B2C)

## Domestic and International Tour Operator (TO/ITO)

- ✿ **Net rate 15-20%**
- ✿ A person or company that contracts with suppliers to create and/or market a tour and/or subcontract their performance.
- ✿ Tour Operator companies create and market inclusive tours. Tour Operators can negotiate directly with suppliers, sell through Travel Agents, and/or utilize a Receptive Operator. They expect a NET rate. They may produce and feature your product or service in their brochures which they promote and sell to Travel Agents, Group Leaders, or consumers.

## Wholesaler (WS)

- ✿ **Net rate 20-25%**
- ✿ A Wholesaler develops and sells inclusive tour packages and product to Travel Agents, Tour Operators and sometimes consumers. A wholesaler may own multiple tour operators (brands). (B2C and B2C)

## Receptive Operator/Receptive Tour Operator/International Inbound Operator (RO/RO/IO)

- ✿ **Net rate 25-30%**
- ✿ Receptive/Inbound Operators are defined as USA-based companies that specialize in creating, marketing, and selling USA travel products. RO's have on-the-ground knowledge of the destinations they serve and sell. Receptive Operators are in major international gateways like New York, California, and Florida but may also serve domestic Tour Operators in any USA destination.
- ✿ Receptive/Inbound Operators specialize in providing a range of tour products and services assembling the various components of a tour and selling them together at a tiered rate to Tour Operators.
- ✿ The Receptive/Inbound Operator fills several crucial functions that expand the supplier's marketing reach. By marketing and selling regionally, nationally, and globally, Receptive Operators become experts in buying habits and marketing methods. They are outside sales representatives for your company because they are always selling the USA/your destination.
- ✿ The Receptive/Inbound Operator's NET rate should be the lowest available in the supplier's tiered system, understanding that the exposure and the increase in volume justify the net rate. The Receptive Operator produces an itinerary, manages the tour, and collects money from the Tour Operator on behalf of the suppliers. They may sell options and/or create packages that include ground transportation, tours, attractions, accommodations, entertainment, and meals. (B2B)

## Destination Management Company (DMC)

- ✿ A professional services company possessing extensive local knowledge, expertise, and resources, specializing in the design and implementation of events, activities, tours, transportation, and program logistics. A DMC provides ground service for large corporations, conventions, meetings, and leisure clients based on local knowledge of their given destinations. These services can be transportation,

accommodations, restaurants, activities, excursions, conference venues, themed events, gala dinners and manage all coordination, as well as, helping with overcoming language barriers. (B2B)

### **Meetings, Incentives, Conferences/Congresses, and Events/Exhibitions (MICE)**

- ✿ Companies that deal exclusively with planning, booking, and facilitating conventions, meetings, and events; often high-end, custom business as compared to general leisure. (B2B & B2C)

### **Online Travel Agency (OTA)**

- ✿ Sell exclusively online, quicker presence to global exposure. I.e., Expedia, Viator, GetYourGuide, Tiqets, etc. (B2B & B2C)

### **Bed Bank**

- ✿ Bed banks are consolidators of thousands of accommodation rooms offering them at significant discounts to both leisure and business travelers. (B2B & B2C)

### **Unique Buyer Type**

- ✿ As the industry continuously evolves there is a growing number of companies who fall into this category simulating as travel trade. For example, attraction passes, employee benefit providers, discount coupon companies, loyalty/reward companies, double-decker bus companies, etc. The goal is to understand their ability to offer you a prominent level of consumer exposure, the impact their business can have on your business, and their unique pricing methods.

## **Types of Sellers**

### **Suppliers**

- ✿ Travel trade suppliers include tour guides, outfitters, attraction/activities, art/cultural museums, accommodations, dining, retail, services, transportation, event/festival/sports, parks & recreation, and BID/DMO.

### **Business Improvement District (BID)**

- ✿ A Business Improvement District (BID) is a geographical area where local stakeholders oversee and fund the maintenance, improvement, and promotion of their commercial district.

### **Chamber of Commerce**

- ✿ An organization that operates at the local level and is comprised of businesses that are not necessarily associated with the tourism industry but provide dining, retail, and other options for the visitor market.

### **Convention and Visitors Bureau (CVB)**

- ✿ A nonprofit DMO that operates at the county and city level. A CVB typically encourages groups to hold meetings, conventions, and trade shows in its city. Business Improvement Districts (BIDs) and Chambers of Commerce can also often play a role in promoting tourism. (i.e., NYC & Company)

### **Destination Marketing Organization (DMO)**

- ✿ A local tourism marketing company, organization or other entity involved in promoting and increasing tourism to a destination (city, region, state province, country) and improving its public image as a travel destination. DMO's can also be referred to as a CVB.

## Tourism Promotion Agency (TPA)

- ✿ Another name for DMO.

## Marketing Resources and Tactics

### Familiarization Tour (FAM)

- ✿ Organized trip for members of the travel trade to acquaint and “familiarize” participants with tourism destinations or suppliers. The travel trade becomes educated and better prepared to answer customer questions and stimulate the sale of the destination or business. FAM Tours are also offered to journalists/travel media as research to cultivate media coverage of specific travel products.

### Site Inspection

- ✿ An assessment tour of a product or service by any member of the travel trade or a travel journalist to see if it meets their needs and requirements prior to selling (writing about) the product or service. If they experience it, they will be better prepared to market, promote, and sell it.

### One Pager/Business Profile

- ✿ A standard document used at tradeshow and to email product and service information to the travel trade. When the information presented on the document meets the criteria that the travel trade needs to sell your services, the faster to market experience you will have. Information that a third-party seller of travel needs to efficiently sell your products.

### Net Rate/Tiered Rates

- ✿ A rate lower than retail provided to travel trade. The difference between the NET and Retail rate is the travel trade’s commission for selling that product or service. They may have to share that commission with other travel trade they sell to, so it is advised to have multiple travel trade net rates that align with the levels of the travel trade in the distribution channel.

## Associations

- ✿ **ABA** American Bus Association
- ✿ **BUSA** Brand USA
- ✿ **HSMIA** Hospitality\_Sales and Marketing Association International
- ✿ **USTA/IPW** United States Travel Association/International Pow Wow
- ✿ **IITA** International Inbound Travel Association/IITA Summit
- ✿ **ABA** American Bus Association/ABA Marketplace
- ✿ **MPI** Meeting Planners International
- ✿ **NTA** National Tour Association
- ✿ **SYTA** Student Youth Travel Association
- ✿ **USCS/NTTO** United States Commercial Service/National Travel and Tourism Office

*There are more associations, and none are left out intentionally. Then there are regional and state tradeshow and associations like Go West, Florida Huddle, Discover New England, Travel South USA, etc.*

## Pricing

### Static Rates

- ✿ Rates provided in advance of the Travel Trade selling to the customer. If Travel Trade is bundling packages and they need to set package pricing in advance, they need static rates to maintain truth in advertising to the consumer. This is a considerable chunk of the international visitor business.

### Dynamic Pricing

- ✿ Dynamic rates meet demand and fluctuate based on that demand. Dynamic rates typically yield the supplier a higher rate when demand is high.

### High Demand Rates

- ✿ Rates that you provide at a higher margin when you are close to sold out or in peak periods. This is preferred by the travel trade vs. blackouts.

### Hybrid Rates

- ✿ A combination of Static and Dynamic rates to provide for all types of potential travel trade business.

### Group Rate

- ✿ A special discounted rate charged by suppliers to groups. Typically, 10% for one-time groups.

### Static pricing

- ✿ Set pricing for a tour operator provided in advance so they can sell packaged tours. Many international tour operators and domestic group operators sell their products as packages in advance.

### Tariff

- ✿ Confidential pricing between travel trade who sell and buy from one another.

### Variable Costs

- ✿ Costs that change with sales or production levels.

## General Terminology and Travel Trade Terms

### Charter

- ✿ A preformed group (organization, association, tour company, shuttle service, church, school, etc.) who hires a motorcoach for exclusive use under a fixed contract.

### Blackout Dates

- ✿ Time that is blocked from being sold because it is considered sold out or unavailable. Better to have higher rate periods than too many blackout dates when working with the travel trade.

### Bookable Product

- ✿ Refers to any product or service that is bought by or sold to consumers including accommodations, activities/sightseeing, events, dining, transportation, etc. To work effectively with the travel trade, the product must be bookable with a price and terms.

## Comp Policy

- ✿ Items provided free of charge, such as rooms, meals, tickets, airfare, gifts, souvenirs, in recognition of group business. Typically, 1 in 20 or 2 in 40 for the tour escort and driver who are not paid customers on a group itinerary.

## Connectivity

- ✿ How your products and services connect to tech platforms to provide you with wider distribution.

## API

- ✿ **Application Platform Interface** is the software technology that connects different selling networks.

## Deposit Policy

- ✿ A specified amount or a percentage of the total bill due on a specified date prior to arrival.

## Escorted Motorcoach Tours

- ✿ A motorcoach group tour that is led by a tour escort throughout a preplanned itinerary. (Typically, 30-56 passengers)

## FAM (familiarization) Tour

- ✿ A free or reduced-rate trip offered to travel professionals to acquaint them with what a destination, attraction, or supplier has to offer.

## Fly/Self-Drive Tours

- ✿ An itinerary that includes air transportation and a rental car. Fly-drive tours are typically a package intended for FITs that can include self-guided itineraries/self-drives. An F.I.T. package that always includes air travel and a rental car and sometimes other travel components.

## Group Tour

- ✿ (10+ pax). In the travel trade industry, domestic groups are typically a motorcoach group (typically 40-57 pax) while an international group can be any number of self-formed visitors.

## Escorted Group Tour

- ✿ A group tour that features a tour director who travels with the group throughout the trip to provide sightseeing commentary and coordinate all group movement and activities.

## Guide or Guide Service

- ✿ A person or company qualified to conduct tours of specific localities or attractions.

## Guided Tour

- ✿ A local sightseeing trip conducted by a guide.

## High Season

- ✿ Peak season.

## Incentive Tour

- ✿ A trip offered as a prize, particularly to stimulate the productivity of employees or sales agents.

### **Inclusive Tour**

- ✂ An all-inclusive package.

### **Markup**

- ✂ A percentage added to the cost of a product to achieve a selling price.

### **Markup Pricing**

- ✂ Pricing a product by adding a standard markup to costs. Also called cost-plus pricing.

### **Meet-and-Greet Service**

- ✂ A pre-purchased service for meeting and greeting clients upon arrival in a city, usually at the airport, pier, or rail station, and assisting clients with entrance formalities, collecting baggage, and obtaining transportation.

### **Motorcoach**

- ✂ Comfortable vehicles used by travel trade in group tour programs. Amenities may include reclining seats, bathrooms, air conditioning, good lighting, entertainment systems, Wi-Fi, charging stations, luggage bays, and refreshments. A standard motorcoach seats up to 57 passengers.

### **Motorcoach Tour**

- ✂ A tour that features the motorcoach as the form of transportation to and from destinations.

### **Motorcoach Tour Operators**

- ✂ Tour operators that own their own motorcoaches.

### **Multi-Day Tour**

- ✂ A travel package of two or more days. Most multi-day tours are escorted, all-inclusive packages.

### **Net Wholesale Rate**

- ✂ A rate usually slightly lower than the wholesale rate, applicable to groups of individuals when a hotel is specifically mentioned in a tour brochure. The rate is marked up by wholesale sellers of tours to cover distribution and promotion costs.

### **Niche Market**

- ✂ A highly specialized segment of the travel market, such as an affinity group with unique special interest.

### **Off Peak**

- ✂ Slow booking periods for suppliers. Also called the low season.

### **Packaged Travel**

- ✂ A package in combination of two or more types of tour components into a product which is produced, assembled, promoted, and sold as a package by a tour operator for an all-inclusive price.

### **Peak Season**

- ✂ A destination's high season when demand is strong. Also called the high season.

## Platforms/Methods of Selling

- ✿ Travel Trade have different methods of reaching their network of customers. It is important to know those methods to lend support to travel trade and be featured on those platforms and able to be sold.

## Preformed Group

- ✿ A pre-existing collection of travelers, such as affinity groups and travel clubs, whose members share a common interest or organizational affiliation.

## Product Placement

- ✿ When your product and services are ready for market, they are presented in the buyer's network of offerings. Make sure they accurately represent you in the markets they are intended.

## Reservation Types

- ✿ Confirmed is a written statement by a supplier that they have received and will honor a reservation.
- ✿ Notification only is when you know the customer is booked, but no additional details until they arrive.
- ✿ Free sale is no reservation is needed and visitors can arrive at any time.

## Retail Price

- ✿ The actual price a customer pays for a travel element or tour.

## Room Rates

- ✿ The various rates used by lodging properties to price rooms.
- ✿ These include: day rate (usually half the regular room rate used by a guest during the day up to 5pm - also called a use rate), flat rate (specific room rate for a group agreed by the hotel and group in advance – also called group rate, net group rate (wholesale rate for group business to which an operator may add a markup if desired), net wholesale rate (usually lower than group rate and applicable to groups or individuals when a hotel is specifically mentioned in a tour folder), and published rate (full rate available or advertised to the public - also called the rack rate.)

## Shoulder Season

- ✿ Periods between the peak and off season when destination demand is moderate.

## Step-on Guide

- ✿ A tour guide who boards a vehicle to give detailed, expert commentary about the destination visited.

## Supplier

- ✿ The actual producer and seller of travel components.

## Tariff

- ✿ Fare or rate from a supplier; (2) Class or type of a fare or rate; (3) Published list of fares or rates from a supplier; (4) Official publication compiling rates or fares and conditions of service.

## Tiered Pricing

- ✿ When suppliers offer net rates to receptive operators, tour operators, and group leaders, for their marketing efforts in promoting products and services. Each level of the travel trade earns their

respective 10% while maintaining rate integrity so each travel trade level can earn their profit while still offering the retail rate to customers.

### **Tour Guide**

- ✿ A person qualified (and often certified) to conduct tours of specific locations or attractions. See also step-on guide, city guide, on-site guide, and docent.

### **Tour Series**

- ✿ Multiple departures to the same destination throughout the year.

### **Value**

- ✿ The relationship between the benefits associated with a product or service and the costs of obtaining the product or service.

### **Value-add**

- ✿ Products and services that are added to an itinerary to create value without adding price to the package.

### **Voucher**

- ✿ The redemption form that is provided to a visitor who pre-purchases a product or service from a travel trade buyer. The voucher proves that the product or service has been paid in advance, notes all essential information the visitor needs to know about that product or service, and is exchanged for that product or service upon check-in at that product or service location. Vouchers are then reconciled for invoicing and payment from the travel trade.
- ✿ Digital or paper documents that are exchanged for goods and service to substantiate payment that will be or already has been made.

### **Wholesale**

- ✿ Sale of travel products through an intermediary in exchange for a commission or fee at net rate tariffs.