



## Travel Trade Terminology

**Affinity Group** – A formal or informal organization made up of people with similar interests.

**Auto Release** – A specific date that a hotel/attraction can automatically release a wholesaler's reservation (or block of reservations) if they have not confirmed use. The dates will be noted in the wholesaler contract and is typically 14-30 days prior to arrival.

**Black List** – A slang term used to describe what happens when a business does not meet the requirements or the contractual obligations of a wholesaler. Wholesalers who "black list" a supplier advise other wholesalers of their negative experience and encourage them not to do business with them.

**Blackout Periods** – A period of time that a stakeholder identifies as unavailable to the travel trade. This typically occurs during high demand periods when the supplier is or will be sold out. In an effort to maintain good relationship with travel trade, blackouts should be avoided. Travel trade will expect access, even on a limited basis, during high demand dates.

**Block Bookings/Block Space** – Product inventory that is set aside and put under the control of a tour operator so as to allow them to confirm reservations without recourse to the supplier. Generally this arrangement is established as part of the negotiations between the supplier and the tour operator.

**Buyer** – A tour operator seeking to add a supplier's tourism product or service to its own product mix.

**Collateral** – The materials produced to market a business - brochures, websites, flyers, newsletters, etc.

**Commission** – In the case of any travel component, i.e. attraction, accommodation, transportation services, etc., a commission represents an amount payable to the seller of the travel goods. Travel agents usually receive an amount averaging no less than 10 per cent of the advertised or retail price of the service or goods. Wholesalers or tour operators generally receive 20-30 per cent of the advertised or retail price of the travel service or goods.

**Domestic Traveller** – A traveller originating from Canada.

**DMO** – Destination Marketing Organization – An organization dedicated to developing and marketing tourism, typically defined by a geographic or political area such as a town, city or region.

**Escorted Group Tour** – A prearranged group tour developed and managed by a tour operator, receptive tour operator or travel agent. A tour guide accompanies the group on the tour and handles all logistical matters.

**Experiential Travel** – Experiential travellers want to learn, participate and create. Examples: building dream catchers, working on a ranch, learning to make bannock, sleeping in unique accommodations, hiking the Boreal Trail.

**Export Ready** – A term used to describe a tourism business that meets the criteria to sell to the wholesale market. See also **Market Ready**.

**Familiarization Tour (FAM Tour)** – A complimentary or reduced-rate travel program designed to “familiarize” qualified tour operators, travel agents or media with a destination or product. The purpose is to encourage travel influencers and media to promote the product to customers, encourage active marketing support, or produce favourable media stories about the destination.

**FIT – Fully Independent Travel** – Packages designed for independent travellers that do not usually involve group activities at any stage of the trip. A typical example is the fly/drive package, offering a saving in air, car rental and perhaps some additional services on a package basis.

**Fly/Drive Tour** – A FIT package that includes air travel and a car rental and may include other elements such as accommodation.

**Fully Commissionable** – The commission applies to the total value of the transaction, pre-tax - not just selected portions.

**Ground Operator** – A company or individual who provides services to a tour operator at the destination. Services include sightseeing tours, local transfers, guides and other local services.

**Inbound Operator** – A tourism operator who usually serves travellers arriving from another country.

**Incentives** – “Perks” offered to encourage more sales (especially during low season). An example includes providing a free gift upon arrival.

**Incidentals** – Charges that are not included in the tour package. Incidentals may include phone calls, tips, gratuities and miscellaneous room charges.

**Incremental Business** – New business that generates new revenue.

**Inventory** – A list of product available for sale.

**Itinerary** – A detailed travel plan provided to a client by a travel agent or tour operator.

**Group** – Group booking, tour or package, generally involving ten or more people.

**Hub and Spoke** – Hub and spoke is a travel pattern in which the traveller stays in one place for a number of days and takes in different day trips from the central point. By contrast, a “touring” traveller changes location every day or so.

**Leisure Travel** – Vacation travel, sightseeing, visiting friends or relatives at one’s own expense and during one’s free time. Also called pleasure travel, as distinguished from business travel.

**Liability Insurance** – Insurance that protects a company from legal claims arising out of accidents or losses incurred by customers. Wholesalers will expect export-ready stakeholders to be adequately insured.

**Long Haul** - Long haul refers to travellers coming from far away. Usually, if the traveller’s destination is further away than a three-hour flight, they are considered to be long haul.

**Marketplace** – A tourism industry event in which suppliers and buyers meet via scheduled appointments.

**Market Ready** – A term used to describe a tourism business that meets the criteria to sell to the wholesale market. See also **Export Ready**.

**Meet and Greet** – The service of a representative to greet travellers at a specific point in the itinerary and welcome them. Meet and greets often include a small gift, information packages or refreshments.

**MC&IT** – Meetings, Conventions and Incentive Travel.

**Motorcoach Tour** – A group tour in which the primary mode of transportation is by motorcoach.

**Net rate** – The rate provided to wholesalers and tour operators that can be marked up to sell to the customer.

**Online operator** – A tour operator who sells exclusively online.

**Outbound Operator** – A wholesaler who organizes groups to travel outside the country of origin.

**Outbound Travel** – Travellers leaving their own countries to visit other nations.

**Package** – A combination of travel components packaged together and sold at an all-inclusive price in a single transaction. Each component of the package is discounted, resulting in an attractive price that consumers could not get if they were to purchase the components individually. Example: A tour that combines prepaid transportation, accommodations or other tour elements, such as meals, sightseeing admissions or car rental.

**PMO** – Provincial Marketing Organization.

**Published Rate** – An advertised rate of a tourism product or service. This is the rate that wholesalers use to determine what their net or wholesale rate should be.

**Rack Rate** – See **Published Rate**.

**Receptive Tour Operator (RTO)** – A wholesaler who specializes in particular destinations, providing services at the destination to group travel organizers and tour operators. An RTO receives 30 per cent of the advertised or published rate of the travel service or good.

**Release Date** – A specific date that a wholesaler is expected to confirm a reservation (or block of reservations) with the names of the end user. The dates will be noted in the wholesaler contract and are typically set for 14-30 days prior to arrival. The unused block will be released for public sale.

**Self-Drive Itinerary** – An itinerary of travel arrangements for an independent traveller on an independent package tour.

**Short Haul** - Short haul refers to travellers coming from a nearby market.

**Site Inspection** - An assessment tour of a destination or facility carried out in advance to determine whether a given site or event meets the inspector's needs and requirements. Site inspections may be done by a meeting planner, convention or trade show manager, site selection committee, tour operator, wholesaler, travel agent or incentive travel representative.

**Special Interest Group** – A group built around a common interest in a specific subject or activity. Example: birding clubs.

**Stakeholder/Supplier** – A company or individual providing the actual travel product, such as accommodations, activities or attractions, to the tour operator.

**Step On Guide** – A knowledgeable individual from the target community who is contracted by a tour operator to “step on” the bus to escort and educate a touring group.

**Tariff** – The catalogue of itineraries, products and programs (complete with pricing) developed by RTO’s/wholesalers for distribution to tour operators and travel agents.

**Tour Itinerary** – The day-by-day, event-by-event travel plan for a tour.

**Tour Operator** – A tour operator designs, develops, markets and operates packaged travel and tourism products and tours. Tour operators sell through travel agents or directly to consumers.

**Tour Operator Rates** – A discounted net rate that is negotiated between suppliers and wholesalers/tour operators. This rate is expected to be 20-30 per cent off the retail or published rate.

**Tourism Supplier** – See **Stakeholder/Supplier**.

**Trade Show** – An industry event that involves exhibits of destinations and tourism company products.

**Transferable/Floating Deposit** – An advance deposit that may be rolled over to other dates or other block bookings.

**Travel Agent** – A person who arranges travel for individuals or groups. Travel agents may be generalists or specialists (cruise, adventure travel, conventions and meetings). The agents receive a minimum 10 per cent commission from accommodations, transportation companies and attractions for coordinating the booking of travel. They typically coordinate travel for their customers at the same or lower cost than if the customer booked the travel on his/her own.

**Travel Influencer** – A person who has the ability to influence a group or individual’s travel decisions. Influencers can be travel agents, tour operators, DMO’s, travel writers and media.

**Travel Trade** – A term describing the full range of organizations operating as intermediaries in the travel and tourism industry. These typically include tour operators, wholesalers, receptive operators, group leaders and travel agents.

See also **Wholesaler**.

**Value Added** – A term used to describe those things that can be included in a package or itinerary that do not significantly add to the cost of the program. Example: Small gift upon arrival, local festival or event and no-charge attractions.

**Visiting Friends & Relatives (VFR)** – These are FIT travellers who stay with friends and relatives for a portion of their visit.

**Volume Based Discount** – A discount formula that is based on volume of business that a wholesaler generates for a supplier. When an established volume threshold is achieved, a deeper discount or “incentive” is provided to the wholesaler.

**Voucher** – A document having monetary value, issued by a tour operator or travel agent, to be exchanged at face value for specified products or services. A voucher authorizes the provision of a particular product or service at a negotiated price. Stakeholders agree to accept vouchers and invoice according to the wholesale contract. A voucher is issued following a pre-payment by the customer to the travel company. It is commonly used with independent packages and tours and wholesalers should provide sample vouchers with the duly signed contract.

**Wholesale Net Rates** – The discounted rate negotiated with the travel trade for booking in volume. See also **Tour Operator Rates**.

**Wholesaler** – A company that operates as an intermediary between the travel product supplier and the retail travel agent or international tour operator. They develop and market inclusive tours and individual travel programs to the consumer through travel agents. Wholesalers do not sell directly to the public. See also **Travel Trade**.