

TRAVEL INDUSTRY JARGON

Cheat Sheet

Attraction

A natural or man-made facility, location or activity that offers items of specific interest. An attraction can be a natural or scenic wonder, a man-made theme park, a cultural or historic exhibition, or a wildlife/ecological park.

Buyer

Also known as a “tour operator,” a person or company that creates and/or markets inclusive tours and/or subcontracts their travel agents and/or directly to clients.

Circle Tour

A tour itinerary that departs from and returns to the same geographic origination point.

Coop Marketing

Any marketing program or project in which one or more partners pool their resources.

Commission

The amount, which may vary, a travel agent receives from suppliers for selling transportation, accommodations or other services.

Consortium

A loosely knit group of independently owned and managed companies such as travel agencies, tour operators, hotels, etc. with a joint marketing distribution process.

Contractor

A land operator who provides services to wholesalers, tour operators and travel agents.

Convention and Visitors Bureau (CVB)

A nonprofit organization supported by transient room taxes, government budget allocations or private memberships, or a combination thereof, which encourages groups to hold meetings, conventions and trade shows in its city; assists those groups with advance preparation and during meetings and promotes tourism.

Destination

The place a traveler is going. In the travel industry, any city, area or country that can be marketed as a single entity to tourists.

Destination Marketing Organization (DMO)

An organization that promotes a travel destination in a city, region or state. This includes state tourism office, convention and visitors bureaus, and chambers of commerce.

Escorted Tour	<p>1) A prearranged travel program, usually for a group, escorted by a courier. In a fully conducted tour, escort and/or guide service is provided throughout.</p> <p>2) A sightseeing program conducted by a guide, such as a city tour.</p>
Familiarization Tour (Fam tour)	A complimentary or reduced-rate travel program for travel trade and travel writers designed to acquaint them with a specific destination to stimulate the sale of travel.
Fly/Drive	A travel arrangement that combines air transportation with a rental car.
Foreign Independent Tour (FIT)	A prepaid travel arrangement tailored to meet a traveler’s basic needs, including airline, ground transportation, accommodation and some attraction vouchers. Also called a “preplanned fly-drive.”
Gateway	Most often refers to a major airport or seaport. Internationally, it can also mean the port where Customs clearance takes place.
Group Tour	A prearranged, prepaid travel program for a group, usually including transportation, accommodations, attraction admissions and meals.
Group Rate	A negotiated rate on travel, perhaps a stay or vacation plan, that incentivizes for a large crowd or group that books together.
Guided Tour	A local sightseeing trip conducted by a guide.
Hub-and-Spoke Itinerary	A travel routing design that uses a central destination as the departure and return point for day trips to outlying destinations and attractions.
Inbound Tour Operator (ITO)	A destination-based tour operator or travel agent who specializes in services for incoming visitors and works as a go-between for international tour operators and local suppliers. Also referred to as a “receptive operator.”
Independent Tour	An un-escorted tour sold through agents to individuals. For one price, the client receives air travel, a hotel room, attraction admissions and, typically, a car rental.
Incentive Tour	A trip offered as a prize, particularly to stimulate the productivity of employees or sales agents.

Itinerary The travel schedule provided by a travel agent for his or her client. A proposed or preliminary outline of all details, i.e. flight numbers, departure times, etc., as well as planned activities. It should be delivered shortly before departure.

Net Rate A wholesale rate to which an operator may add a mark-up if desired. This is the rate you are providing to the inbound tour operator while still being profitable. It should include all of your overhead costs, as well as your profit margin, although may not include much room for promotions. It should be low enough to allow the inbound tour operator, international tour operator and travel agent to add roughly a 10% markup and be competitive with your rack rate.

Online Travel Agency (OTA) An online travel agency (OTA) is an online-based marketplace that allows consumers to book travel products, including hotels, flights, cars, activities and more, directly with travel suppliers. Examples include Priceline, Expedia, and Orbitz.

Rack Rate Regular published rate of a hotel or other tourism service. This is your retail rate that is published online and what you would expect to receive from a client who books directly with you. It is essential that the rack rate is the same rate being quoted domestically to consumers.

Receptive Operator A destination-based tour operator or travel agent who specializes in services for incoming visitors and works as a go-between for international tour operators and local suppliers. Example: America4You (A4Y) and Rocky Mountain Holiday Tours (RMHT) are U.S.-based receptive operators. Also referred to as an “inbound tour operator (ITO).”

Series Tour Multiple departures from one tour company to the same itinerary destinations throughout the year.

Step-on Guide A tour guide who boards a motorcoach to give detailed, expert commentary about the city or area being visited.

Supplier The actual producer of a unit of travel merchandise: a carrier, hotel, attraction, sightseeing guide, etc.

Tariff

- 1) Fare or rate from a supplier.
- 2) Class or type of fare or rate.
- 3) Published list of fares compiling fares and conditions of purchase.

Tailor-Made Tour A tour category where an independent travel plan is designed and arranged just for the traveler’s need, goals and desires.

Tiered Rates

Also known as tiered pricing. A graduated rate structure designed to offer professional operators (Buyers) percentage discounts based on volume, production and/or their position in the distribution channel from wholesaler, motorcoach/tour operator, receptive operator and travel agent.

Tour Catalog

A publication by tour wholesalers listing their tour offerings. Catalogs are distributed to retail agents who make them available to their customers. Bookings by retail agents are commissionable.

Tour Director

Also called tour manager, tour conductor, and tour escort. The person who is responsible for a group on tour and for most aspects of a tour's execution.

Tour Operator

Also known as a "buyer." A person or company that creates and markets inclusive tours and subcontracts their product to travel agents or directly to clients.

Travel Agent/Agency

Person or firm qualified to arrange for hotel rooms, meals, transportation, cruises, tours and other travel elements.

Wholesale Rate

A rate usually slightly lower than the net rate, applicable to groups of individuals when a hotel is specifically mentioned in a tour folder. A full rate available to or advertised to the public. This rate is marked up by the wholesale sellers of the tour to cover distribution, promotion and retail rate. This rate can change seasonally.

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