

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.

Co-op 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. The Great American West is considered to be a “consortium” of states and destinations in several European markets.

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

Where 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)

A category of membership of the National Tour Association, which includes state or provincial tourism offices, convention and visitors bureaus, and chambers of commerce that promote a city, region or state as a travel destination.

Escorted Tour

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. 2) A sightseeing program conducted by a guide, such as a city tour.

Familiarization Tour (Fam Tour)

A complimentary or reduced-rate travel program for travel agents and/or airline employees 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. May also include accommodation vouchers.

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. Example: Denver International Airport (DEN) is considered a major gateway into the Great American West region.

Group

Discounts from regular fares for groups of varying minimum sizes in selected markets, with various conditions that usually require round-trip travel within a specified time limit.

Group Tour

A prearranged, prepaid travel program for a group, usually including transportation, accommodations, attraction admissions and meals.

Guided Tour

A local sightseeing trip conducted by a guide.

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.

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.

Lead Time

Advance time or length of time between initiating a tour and its departure date.

Mission

Group tour with a business rather than a vacation purpose. Usually planned for business or government representatives traveling overseas to secure new business in foreign markets for their product, city or other entity.

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.

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 Tour 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. Also referred to as a “receptive operator” or “inbound tour operator” (ITO).

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.

Tour Operator

Also known as a “buyer.” A person or company that creates and/or markets inclusive tours and/or subcontracts their travel agents and/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. Can change seasonally.