

Travel Trade Handbook



OMCA

BETTER TOGETHER



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What is Travel Trade?

Travel trade refers to the distribution network for tourism products comprised of tour operators, travel agents, online travel agents, and tourism operators/suppliers.

A Tour Operator controls, books, and creates the whole trip. They curate a vacation package by combining all elements such as hotel, activities, restaurants and tours.

The distinct types of Tour Operators include:

- **Wholesale Tour Operator:** Creates tours for both group and Foreign Independent Traveller (FIT) markets and sells them to Tour Operators, Receptive Operators and Travel Agencies
- **Educational Tour Operator:** Creates educational trips for students
- **Receptive Tour Operator:** Sells a specific geographical area (ex. North America, Canada, US, or city only) direct to a Tour Operator. May target specific markets (like Germany, Asia Pacific, or Mexico)
- **Sightseeing operator:** Sells specific city tours or specialized tours, does not include a full package like accommodations at a specified time. Ex. Food tour, hop on hop off city tour
- **On-line travel agent:** Sells tour operator packages, attractions, hotels, accommodations and/or sightseeing tours on-line only to consumers world-wide.

What is the difference between a Tour Operator and a Travel Agent?

A tour operator creates packages and sells them to the consumer or the travel agent while a travel agent sells a package on behalf of the tour operator.

A travel agent will also book components of a package direct (ex. Ottawa tourism package or attraction tickets) and usually sell to Foreign Independent Traveller (FIT) clients.



Travel Agents vs Tour Operators (Cont.)

Travel Agent

Acts as a consultant, providing personalized advice and recommendations to help customers plan their trips.

- **Services:** May offer a wide range of travel options, including flights, accommodations, activities, and ground transportation.
- **Focus:** Helping customers find the best deals and customize their travel arrangements.
- **Relationship with Tour Operators:** Often works with tour operators to offer pre-packaged vacation packages or to customize elements of those packages.

Tour Operator

Designs, packages, and sells complete travel experiences, often including flights, accommodations, tours, and other activities.

- **Services:** May offer fixed itineraries or allow for some customization.
- **Focus:** Creating hassle-free travel experiences by taking care of all the logistics.
- **Relationship with Travel Agents:** Tour operators may sell their packages directly to customers or through travel agents.





Who Leads a Tour?

Group Leader The customer of a tour operator, leader of the group that the tour operator is selling to.

- Example: recreational director of a senior group; teacher of school group; a coach; a church leader; scouts leader

Tour Guide The person who leads the tour with commentary, education and expertise.

Step-On Guide A person who gets onto the coach in a specific area for a specific amount of time. Provides expertise and education to enhance the tour.

Tour Leader/Director Works for the tour company and is responsible for ensuring a successful itinerary for the clients.

Driver A bus driver's main responsibility is to operate the vehicle and get passengers safely to their destination. Sometimes a driver will give commentary as well.





Types of Tours & Clients

Different Types of Tours Include:

- **Day Trips:** No accommodations.
- **Multi-Day Trips:** Same city, multiple cities, or multiple countries.
- **Sightseeing/Excursions:** Specific area, special interest, or hop on/off.
- **Hub and Spoke Itinerary:** Stay in one area but tour out for other cities or experiences.
- **Special Interest Tours:** Specific tours with a common interest such as architecture, history, grandparent/grandchildren, cultural tours, food tours

Who are the Clients?

1. Retail Group Tours

Consumers who do not know each other buy a specific tour and go together to become a group.

2. Pre-Formed Group

Everyone in the group knows each other or is part of the same group (ex. Church group or school group).

3. Special Interest Groups

Groups may or may not know each other but share a common interest. Example: bird tours, architecture tours, and history tours.

4. SMERF Groups

Social, Military, Educational, Religious and Fraternal. (ie. Sports groups, women's tours, air cadets, bachelor parties, etc.)

What is the difference between an itinerary and a tour package?

An itinerary is a list of things you will do on a trip and when you will do them, day by day, hour by hour.

A tour package is what can be expected in exchange for the money paid to a tour operator.



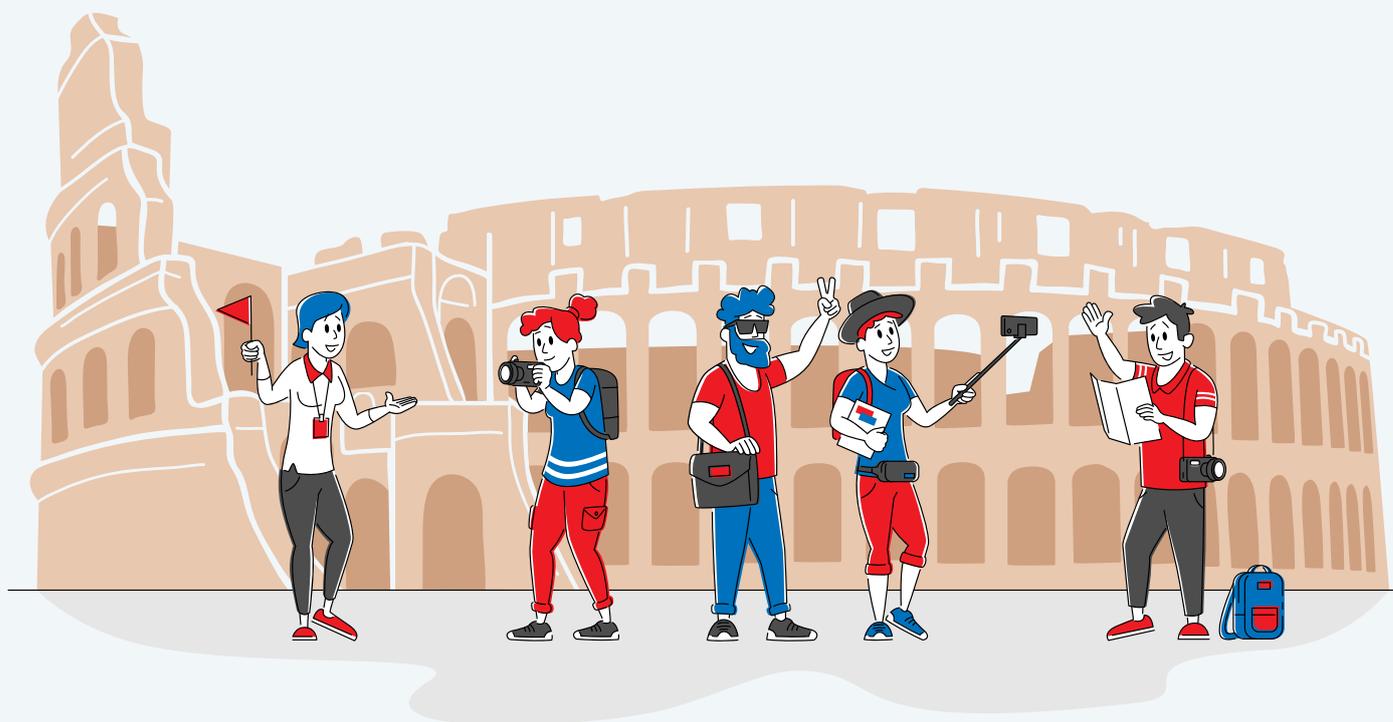
Key Components of a Package

Key Components of a package Include:

- **Transportation:** Flights, transfers, local transportation or bike rentals.
- **Accommodation:** Hotels, resorts, or other lodging.
- **Activities and Excursions:** Planned sightseeing, guided tours or other experiences.
- **Meals:** Some or all meals may be included
- **Other services:** Travel insurance, transfers to/from airport, bike storage, etc.

Why Do Customers Purchase Tour Packages?

Customers often choose packaged tours for their convenience, cost-effectiveness, and the assurance of a planned itinerary. Specifically, they appreciate having someone else handle the details like booking, hotels, and transportation, which saves time and effort. Additionally, packaged tours can be more affordable than booking everything separately.





Benefits of Packaged Tours

Expertly Planned Itineraries

Packaged tours provide a pre-planned itinerary, reducing the stress of researching and booking each element of the trip separately.

Peace of Mind/Less Stress

Customers can relax and enjoy the planning process, knowing that all the details are being handled by the travel company.

Time Efficiency

Well-planned itineraries help maximize travel time and allow for more exploration within the given timeframe.

Elimination of Language Barriers

For those not fluent in the local language, packaged tours often include local guides who can answer questions and facilitate communication.

Cost Savings

While it might seem like a lump sum, package deals can often be more cost-effective than booking everything separately, especially when factoring in hidden discounts.

Expert Local Knowledge

Local guides can provide insights into the culture, history, and attractions of the destination, enriching the travel experience.

Social Interaction and Troubleshooting

Packaged tours can offer opportunities for social interaction with fellow travelers, especially for solo travelers and Tour Operators can handle unexpected issues, such as cancellations or emergencies, providing support and assistance throughout the trip.



What is a Bus Operator/Motor Coach Carrier?

Bus operators/motor coach carriers are private companies that own motor coaches or other passenger vehicles and perform a variety of transportation services such as charters, retail tours, scheduled service, sightseeing, local receptive operations, school bus, package express, and special operations.

- **Charters**

Renting a bus (ex. to a tour operator)

- **Intercity Transportation**

City to city, country to country

- **Intracity Transportation**

Travels to specific places within one city

- **Line Runs**

Does a specific transportation line run: intercity transportation, taking someone from one location to another at a specific time and does pick-ups along the way.

- **School Bus Operator**

Takes kids to schools or on school trips

- **Sightseeing Operators**

Runs specific tours throughout the day





Suppliers, Products and Services, and Tracking ROI

Tourism Suppliers

Any organization that is an accommodation, attraction, food service provider, destination marketing organization, retailer, tour service provider, or local receptive operator.

Products and Services

Products & Service suppliers include companies that provide products and/or services to tour or motor coach operators. Examples include:

- Insurance Broker
- Marketing or Promotional Products
- Online Travel-Booking/Internet Service
- Ticket Company
- Security Service/Equipment Provider
- Consultant
- Drug/Alcohol Screening Services
- Legal Services
- Maintenance & Repair
- Bus Refurbishing/Remanufacturing
- Seating Manufacturer
- Tires, Brakes, Other Parts Distributors
- Fuel, Oil & Gas Companies
- Bus Dealer
- Chemicals/Cleaning Supplier
- Electronics/Software Provider
- Fleet Graphics & Vehicle Wraps,
- Accessibility Products Provider

How to Track Return on Investment (ROI)

It will take 3 years to gain full business potential with this market, since they plan their itineraries so far in advance.

As you start receiving the business, compare the ROI on different mediums:

- How does email work for you? Do they respond? What is the open rate?
- How do the tradeshow work for you? Did you introduce a new product and did they add it to their itinerary?
- Do you use social media? How many likes and comments do you get?
- Track your business annually for 3 years to see where it most comes from. How many touchpoints are needed to make a sale or increase sales?
 - You can use an Excel spreadsheet to track this.



Group Tour Statistics

OMCA has been using Canada's Tourism Satellite Account (TSA) and integrating its data with various sources, such as the Visitor Travel Survey and available data that captures planned visitations into destinations to better help assess the economic significance of the group travel market to tourism.

With this data, we can determine that the indirect contribution to destinations and local economies is significant yet often unstated.



For example, Statistics Canada's Visitor Travel Survey shows an average overnight spend per person of:

\$721.55 for bus travel

\$514.96 traveling by car

\$1017.31 arriving by air

For a destination, this means assuming a motor coach has 52 guests traveling on it. The economic value is approximately \$37,500 per motor coach per night.

It also means that a destination investing in group travel will reduce its traffic and parking congestion and increase its economic growth.





What Does Group Travel Mean to Your Company?

- ✓ **Your product is organized by an expert.**
- ✓ **You only deal with one person, but gain finances of a large group.**
- ✓ **This business comes all year round.**
- ✓ **This market can help fill your off-season.**
- ✓ **You can target this market to come to specific events, new itineraries, etc.**
- ✓ **They pay in advance.**
- ✓ **They are in and out of your property all at once and they leave a lot of money behind.**
- ✓ **This market is gentle on the property since they are in and out so quickly.**
- ✓ **This is a very loyal market, once they come to you on a successful itinerary, they will return.**





How Do Tour Operators Work, and What Do They Need?

How Tour Operators Work

Tour Operators are in the business of selling vacations, a good time, fun and memories! They sell direct to consumers, travel agents, group leaders, or special interest groups.

Tour operators have a selling cycle of 1-2 years ahead. They sell their itineraries through brochures, websites, tariff and/or advertising directly to the consumer through newspapers, travel publications, on radio or television.

What Infrastructure is Needed to Attract Groups to Your Property?

- Make sure your property is bus accessible
- Offer free bus parking, if possible
- Offer amenities to drivers (washrooms, microwave, bus cleaning services)
- Make sure your property is accessible and can accommodate large groups at one time
- If possible, have a separate group entrance or check-in area



What Tour Operators Need

- A regular contact in your organization to communicate with to organize a tour and for when a tour is on-site.
- Rates a year in advance
- Complimentary admission for the driver and/or guide
- Tier pricing
- Retail rates: what you sell to consumer direct
- Group rates: what you sell direct to a group, usually 10% off retail
- Tour Operator rates: usually 20% off retail rates
- Wholesale/Receptive Rates: usually 30% off retail
- A FAM tour/Site inspection (in person or virtually) so they get to know your product
- A description of your property/service so they can easily explain it to the clients
- Images that visually sell your product for brochures, websites, itineraries, social media





Travel Trade Pricing Model: Tiered Pricing

The tiered pricing model reflects a volume-based discount structure designed to support various travel trade partners based on their purchasing power, booking frequency, and distribution role:

Regular Rate



10% Group Rates



20% Tour Operator Rates



30% Wholesale Rates

Walk up customer



Group booking direct



Multiple groups/customers



Higher volume of groups/tour operators

Each tier assumes increased involvement in sales and marketing by the partner, which reduces the supplier's cost of customer acquisition. The greater the volume and commitment, the steeper the discount provided.



Sales 101

Lead Generation

Follow up on leads (destination, marketplace, general, emails) in a timely manner, because if you do not, someone else will!

Sales Materials

- Brochures
- Profile Sheets
- Videos
- Images
- Website or web page dedicated to travel trade
- **YOU are the best sales tool (sell, network and build relationships!)**

What is a Profile Sheet?

A profile sheet is a 1-page front and back flyer (advertising piece) that sells your property.

It contains:

- Contact information, location, logo, address
- Description of your property and services
- Map to your location (how far from major cities if applicable)
- Images to visually sell your product
- Suggested sights along the way or things to do while they are there (give them more reasons to come to your property/service)
- Climate (if needed)

[Click here for Profile Sheet Samples](#)

[Click here for our Profile Sheet Template](#)



Marketing 101

What is a FAM Tour?

The best way for an operator to sell your product is to experience it.

A Familiarization Tour (FAM tour) is a complimentary visit to your property/destination for the purpose of securing the client by having them get to know and become familiar with it your services for potential bookings.

- You can organize your own FAM tour and bring clients to you to highlight your products
- A Tour Operator can organize their own FAM tour and bring their clients to your property
- A DMO (Destination Marketing Organization) can organize a FAM tour and bring the clients to properties in their destination

Targeted Marketing

- Emails
- Advertising
- Social Media
- FAM Tours
- Sales Calls
- Newsletters
- Join Associations
- Attend Marketplaces
- Attend Industry Events



How Do I Network?

Striking up a conversation with someone you've never met before can be intimidating. Whether you're looking to join a conversation or start your own, it's important to go in with the right approach.

[Click here for our full 'How to Network' Sheet](#)



Be Knowledgeable

Working with travel trade can increase your customer reach and marketing reach. There is a lot of different types of categories of tour operators so it is important to find the right fits for your business. Travel trade can fill in gaps and enhance your customer marketing mix.

- **Join your local DMO and let them help guide you!**
 - Destination Ontario: [Stay in touch](#)
 - Destination Canada: [Sign up for their free communications](#)
- **Join Associations!**
 - Like OMCA, they make attracting the market so much easier for you.
 - [Sign up for OMCA's Newsletter](#)
- **Attend Tourism/Advocacy Networks**
 - If you need it, join tourism/advocacy networks, like TIAO in Ontario or TIAC for Canada.
 - OMCA can assist with that as well!

Stay Updated and be in the know of what is happening in the Industry! Travel Trade is a long-term commitment that is based on relationships, trust and loyalty.

