
Building Your Business with Overseas and U.S. Visitors: **A Toolkit on How to Work with Travel Trade**



Introduction

Welcome to your introductory travel trade toolkit, developed as a tool to help grow your overseas and United States visitor business!

This Travel Trade toolkit is designed to provide tactics, processes and best business practices on how to develop and expand your distribution, and ultimately, your business. The toolkit focuses on the United States, the United Kingdom, Germany, France and China markets.

The information in this toolkit, combined with advice and assistance from your provincial tourism organizations (PMOs), destination marketing / management organizations (DMOs), tourism industry associations and tourism operators, will assist you in growing your business on the path to success.

The following modules are designed as a guide to help you make informed business decisions, but should be accompanied by further business advice. Making the decision to work with travel trade is not for everyone.

It's a significant business decision and involves a multi-year allocation of time and money. To achieve success in this area, your business needs to be market ready, and you will need to invest in developing relationships with travel trade.

This toolkit is designed to help you develop your business's travel trade channels. In short, building your business with overseas and U.S. visitors is a process, but if done right, your commitment will pay off!

How to Use the Toolkit: The toolkit is broken up into six distinct modules, with separate sections within each module. Each module begins with an outline of learning objectives, and key questions the module will answer. It ends with worksheets to help you apply the information you learned to your business and operations.

The modules were designed to build from the most basic to the most complex aspects of working with travel trade. However, you do not need to go through the toolkit in any particular order, or go through every step. If there are areas where you know you need more information you can jump to that module. Just as you don't necessarily need a screwdriver and a hammer and a wrench for a home project, you may not need Modules 1 through 6 to be ready to work with travel trade.

The pre-checklist in Module 1, is a great tool to assess how familiar you are with the subject matter in the toolkit. It's okay to pick it up and digest a module, then put it down for a few days until you are ready to pick it up again.

It's your toolkit – use it the way it suits you best!

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Why Work With Travel Trade?

Here are some of the potential benefits to you, the supplier:

1

An expanded distribution network. Travel trade provides an opportunity to extend market reach beyond traditional clients, allowing access to new and larger markets.

2

Opportunity to build repeat business. Satisfied travel trade will send more clients and word-of-mouth endorsements will encourage repeat business.

3

More predictable cash flow. Travel trade tends to reserve product well in advance of arrival allowing you to better predict cash flow, especially once your repeat relationships have been established.

4

Potential product and service expansion. As your product appears in more travel trade programs, you become a known source for specific experiences. This expands your ability to target new, niche markets.

5

Extended Travel Periods. International travel patterns aren't always focused around weekends and Atlantic Canada's traditional summer high season, so working with travel trade may level out seasonality issues.

6

Risk Mitigation. Spreading risk across a range of international markets can minimize the impact of any changes in the Canadian domestic or a single international travel market. This ensures you don't have all your eggs in one basket!

AM I READY FOR THE INTERNATIONAL MARKET?



Section 1. Being Travel Trade Ready

Learning Objectives:

- Understand what the travel trade network is and how it works
 - Understand how travel trade can enhance your business
 - Determine if your business is ready to work with travel trade
- › What is travel trade?
 - › How does travel trade help access my end consumer?
 - › How will working with travel trade impact my business?
 - › Is my business ready to work with travel trade?



GROWTH THROUGH TRAVEL TRADE

Roads to Sea Guided Tours, Moncton, NB



Image by Roads To Sea

Founded in 2003, Roads To Sea Guided Tours (www.roads2sea.com), is a nature-based tourism company operating out of Moncton, New Brunswick. Led by founder Anna-Marie Weir, it is a professionally certified tour company, specializing in small group tours and travel itineraries designed around experiencing the magnificent Bay of Fundy and Mi'kmaq heritage.

In 2015, Anna-Marie took the initial steps to engage with the travel trade. "As a small operator I just didn't have the time to focus on next steps around growth, because I was too busy trying to run my business."

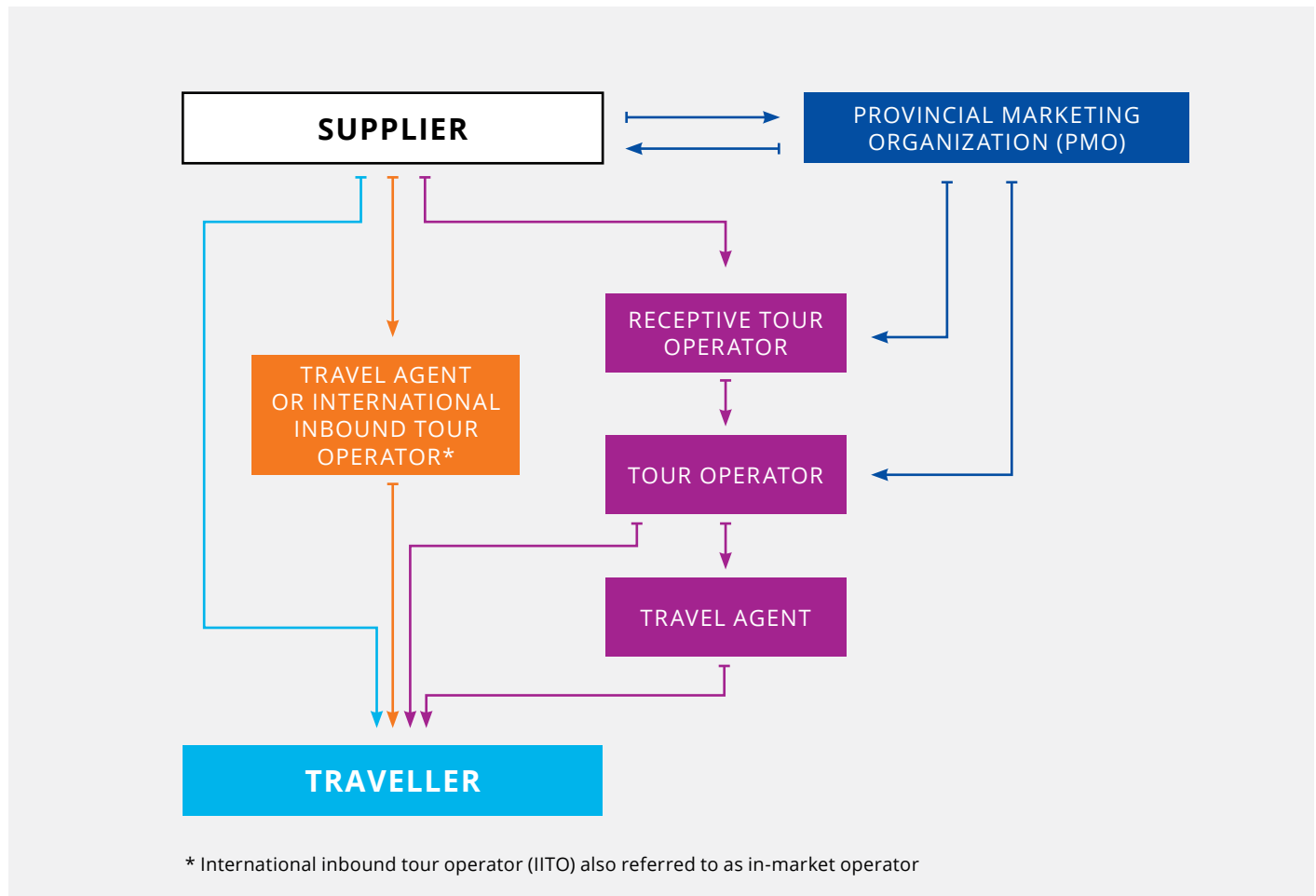
Anna-Marie attended Rendez-vous Canada and while it was generally a positive experience, she described her participation as 'being a deer in headlights'. Based on that experience Anna-Marie reached out to the New Brunswick Ministry of Tourism, Heritage and Culture and inquired about further opportunities including details on how to attend and benefit from Atlantic Canada Showcase.

Three years into the process of working with the travel trade and now growing her travel trade sales by almost 10%, Anna-Marie has this to say: "It's important to have a long-term vision and a clear list of what you want to achieve with the travel trade. There is no question that they can grow your business, as they have done for Roads to Sea Guided Tours, but it is important to ask the right questions and realize that a return on investment takes time."

The International Travel Trade Distribution System

This graphic outlines the relationship between key types of travel trade and how they work between the supplier and the end traveller, as well as where the PMOs support the supplier.

Refer to Section 8 or the Glossary for definitions of key types of travel trade.



COSTS AND BENEFITS OF USING TRAVEL TRADE

DIRECT TO CONSUMER (B2C)

Investment

- Direct marketing spend

Return

- Sales without commissions (unless via OTAs)

VIA INTERNATIONAL TRAVEL TRADE (B2B)

Investment

- Outreach & relationship building
- Commissions or NET rate
- Becoming travel trade ready

Return

- Repeat travel trade clients
- More advanced bookings
- Greater marketing reach

PRE-CHECKLIST

a. What does it take to be trade-ready?

- ✓ i. Rates
- ✓ ii. Booking systems and policies
- ✓ iii. Year-round support
- ✓ iv. Response times
- ✓ v. Service level expectations
- ✓ vi. Enhancing the experience

This toolkit is designed to help you, as an Atlantic Canada tourism business, determine if selling your products and services through the international travel trade network is the right choice for your business. If you decide that it is, the toolkit's various modules will also help you build successful relationships with travel trade.

WHAT IS TRAVEL TRADE?

For a full description of each type of travel trade, refer to Section 8.

Simply put, travel trade is the network of businesses that form the international travel distribution system. Trade are buyers and sellers, who in turn sell to both consumers or other buyers within the network. Travel trade with the greatest opportunity for your business are tour operators, receptive tour operators (also known as receptives) and travel agents.

IS WORKING WITH INTERNATIONAL TRAVEL TRADE RIGHT FOR YOUR BUSINESS?

This is a business decision that you will need to answer for yourself, but this toolkit is designed to help you get to a place where you can answer just that. However, a general rule of thumb is it takes typically between 2-3 years to see business results from building travel trade relationships. A business gets only one chance to get it right, so it's vital to be 100% ready to respond to the needs of travel trade, before you launch into working with them. When you do it right, the return on your investment can be significant!

The checklist on the following page will help determine if your business is ready to work with travel trade and expand your sales network globally.

WHAT INVESTMENTS WILL I HAVE TO MAKE TO WORK WITH TRAVEL TRADE?

This is a difficult question to answer, as it depends on multiple factors, including your current level of travel trade readiness, your business goals, and your target markets. However, you should expect to invest some funds to cover costs like sales collateral, travel trade marketplaces, travel to source markets, and potentially in-kind contributions like free night stays for travel trade guests.

Travel Trade Ready – The Basics

1. Rates

Tourism suppliers need to consider net rates and commissions when setting prices (called rates) for travel trade partners. The **Net Rate** is the price without the commission to the distributor (travel agent, tour operator, receptive, etc. – See **Section 8** for details). Travel trade can mark-up net rates with their preferred margin.

Commissions are the cost of increasing your distribution. They are the fee paid to any receptive, international inbound tour operator, online and/or retail agent for the services they provide, including the marketing, distribution and continued sales of your product or service.

You and your travel trade partner can either use net rates or commissionable rates (i.e., the published rate with an applicable commission paid to the partner).

Please refer to **Section 4** for more details on pricing and average commissions.

2. Supply & Inventory

Travel trade will require supply, so you need to determine if you have enough supply to work with travel trade before pursuing them. Different travel trade will require different amounts of supply, so determining whether you have enough supply to work with travel trade will depend on what type of travel trade you are seeking to work with. Review **Section 6** and **Section 8** to help determine this further. There is no rule of thumb, but a general guideline is that packaged group tours will require more supply than FIT. Group tours can range from four to 200 people.

3. Booking systems and policies

A flexible, online, automated booking system is very useful when working with both travel trade and consumers. Making sure your bookings are complete, confirmed and in order keeps your business organized and provides an enhanced level of service for travel trade and the end consumer.

Booking policies are included in the agreement between your business and travel trade. They set expectations for rates, taxes, cancellation, allocations & yield management, rates, booking numbers, arrival and departure times, inclusions, etc. They protect you and your travel trade partners.

4. Year-round support

Much of the Canadian tourism industry operates seasonally. The season may be as short as 10-14 weeks of the year (i.e., the summer travel period from June to September). International travel trade also experiences seasonal variations, but its partners plan and sell year-round and require your availability and support year-round. Having a year-round representative available for the travel trade via online channels and phone is essential.

5. Response times

An industry benchmark is to respond to any inquiry, either from travel trade or a consumer, within 24 hours. If you need more time to thoroughly answer all parts of the inquiry, best practice is to advise the individual on when they can expect all the information. Be sure to provide a dedicated email and phone number that is monitored regularly, 365 days of the year.

6. Service & experience level expectations

Travel trade are an educated, well-travelled audience. They expect a high-level of service and consistent product. Meeting these expectations means you will continue to receive repeat business from the partner, and the positive word-of-mouth will earn you even more travel trade partners.

Checklist – Are You Ready?

Use this simple checklist to determine if your business is travel trade ready. If you aren't there yet, don't worry – refer to the section highlighted after each question to learn what you need to do to get there.

MARKET READY

Any business with the appropriate licences, insurance and other necessary credentials can be considered market ready. That business is live and operating, ready to sell to any consumers that find it.

VS

TRADE READY

This requires a more advanced level of preparedness to actively seek out, and accommodate travel trade. Those businesses can market via the travel trade distribution system. They respond yes to every question listed in the following checklist.

Yes No

1. Can you answer this question – “Why sell to travel trade?”
[Section 2: How Can Travel Trade Help Build My Business?]
2. Do you understand the difference between net and commissionable rates?
[Section 4: Pricing Your Product for Travel Trade]
3. Do you have enough supply to allocate a portion for travel trade?
[Page 9: Travel Trade Ready – The Basics]
4. Does taking multiple bookings of up to 12-24 months in advance suit your business?
[Section 4: Pricing Your Product for Travel Trade]
5. Do you have a reliable booking system in place that will accommodate advance bookings from travel trade, both in and off season? [Section 1: Being Travel Trade Ready]
6. Are your product and services up to the level of quality that travel trade will expect, and are they consistent? [Section 5: Developing Products for International Markets]
7. Can you answer this question: “Who are the right travel trade partners for me to target?”
[Section 8: Tour Operators & Agents for You]
8. Have you discussed your travel trade plans with your provincial tourism resources and/or PMO to determine where you can work together? [Section 9: Using Your Provincial Support]
9. Have you developed the necessary marketing materials and messages to allow you to target international travel trade? [Section 10: Building Partnerships Through Smart Marketing]
10. Is your business prepared to attend marketplaces in the next 12-18 months?
[Section 11: Maximizing Marketplaces and Sales Missions]
11. Do you understand how travel trade and the international distribution system works?
[Section 3: Working in the Travel Trade Distribution System]
12. Do you understand the differences between the types of inbound travellers your province has targeted? [Section 6: Inbound Travellers for You]
13. Do you understand the difference between the various inbound markets your province is targeting? [Section 7: International Markets for You]
14. Are your products, services or accommodators appropriate for all your global country targets and cultures? [Section 5: Developing Products for International Markets]
15. Do you have a plan in place for how to sell more product in the shoulder season?
[Section 5: Developing Products for International Markets]

Notional Timeline for Travel Trade Engagement:

The following graphic presents a notional timeline for travel trade engagement. The timeline is subject to change and could differ depending on your unique business circumstances. The timeline is meant to act as a guide on what is possible in terms of initial engagement with the travel trade to realizing results and measuring impact.

Month 1

Decide to work with travel trade

(use **Module 1** and **2** to help you make this decision)

Start the travel trade programme

(begin working through the toolkit and/or attending training session)

Reach out to your respective provincial tourism organization (PMO) for support

(begin working through the toolkit and/or attending training session)

Develop your travel trade action plan

(use the **Module 5** worksheet)

Engage in travel trade marketing activities

(work through **Section 10**)

Attend a marketplace and/or sales mission

(consult your PMO and refer to **Section 10**)

Month 36

Measure results

(refer to your measurement methods in the **Module 5** worksheet)

Based on your results, update your travel trade action plan for the next 1-3 years

(use the **Module 5** worksheet and your PMO support)

MODULE TWO

HOW CAN I USE TRAVEL TRADE TO HELP BUILD MY BUSINESS?



Section 2. Accessing New Markets

Learning Objectives:

- Understand the importance of the international market
- Understand the importance of diversifying your investments
- Gain awareness of the extended travel periods for the international market

- › Should I start selling to the international market?
- › How will the international market benefit my business?
- › What is the difference between the domestic market and the international market?

SECTION 2

Accessing New Markets

The following provides an overview of the size and scope of the Canadian domestic and key international markets. It is meant to provide a situational context to better understand and appreciate Canada's appeal and market potential.

Note: for the latest statistics and research on international travel to Canada please visit:

<https://www.destinationcanada.com/en/research>

a) An overview of Canada's current situation

Tourism plays a critical role in Canada's entrepreneurial development and job creation. In fact tourism generates 1 in 11 jobs in Canada and supports employment in every community across the country.

2015 (the last year of full year statistics) was a solid year for global tourism and marked the sixth straight year of continued growth. Despite an increasingly volatile global economy, travel growth remained resilient, with the world welcoming nearly 1.2 billion overnight travellers. All continents except for Africa experienced about 5% increases in arrivals from the previous year.

Despite the recent slowdown in China's economy, the country continues to be the world's largest source of tourism expenditures, outspending runner-up the U.S. by nearly 50% and seventh-place Canada by five times.

Turbulence in the world economy did not stop Canada's tourism industry from growing. Canada welcomed close to 18 million overnight visitors in 2015, a huge increase of 7.5% from the prior year. These visitors spent a combined \$16.8 billion while travelling across Canada, contributing to the livelihood of more than 190,000 small- and medium-sized tourism businesses and supporting more than 637,000 jobs. A weakened Canadian dollar, air capacity increases, international marketing and the implementation of the CAN+ Visa program have helped boost Canada's share of world arrivals.

Arrivals from the U.S., Canada's main inbound market, topped 12 million amid the economic recovery south of the border and the stronger purchasing power of the U.S. greenback. With one billion international travellers on the move spending more than \$1.3 trillion USD, predictions for sustained growth are strong over the next decade. This continuing momentum of the global tourism industry represents significant opportunity for Canadian economic prosperity.

b) Why International Markets are Important to Atlantic Canada

Canadian domestic tourism currently accounts for approximately \$72 billion of all tourism in Canada. International visitors make up the remaining \$16.8 billion. International travellers to Canada usually travel for longer and spend more money than Canadian domestic travellers – hence the appeal!

Inbound tourism covers all international tourist traffic entering a country. It is also known as 'export tourism' (Atlantic Canada is the export), because although travellers enjoy their travel experience within Canada, they are paying for it using foreign currency.

International tourism is big business in Canada with the tourism export sector worth **\$16.8 billion in 2015**, making it one of Canada's **largest** export industries.

International Arrivals to Canada

While Canadian domestic tourism is important to Canada's tourism industry, international markets are growing a lot faster. This is because of lower fuel prices, the Canadian dollar's depreciation and improvement of economic conditions in the U.S., and key overseas markets. Destination Canada notes international tourism spending is growing more than three times faster than domestic tourism with increases of 11.5% and 3.2%, respectively. And the trend is continuing: forecasts for Canada's key tourism markets are for continued growth above the global trend in the next few years.

The table below provides an overview of international travel and growth to Canada. International target markets of France, Germany, the U.K., and China all showed huge growth of 9% to 24% over 2015.

		Overnight Arrivals per Market	
		Overnight Arrivals	Arrival YOY Variation
	Market	YTD 2016	YTD 2016
United States	United States	13,899,814	9.7%
DC Europe	France	545,786	9.0%
	Germany	369,216	12.3%
	United Kingdom	833,329	16.5%
DC Asia Pacific	Australia	333,437	16.2%
	China	610,139	23.6%
	India	215,664	13.2%
	Japan	300,726	10.4%

Source: Statistics Canada, Frontier counts, custom tabulation
DC – Destination Canada

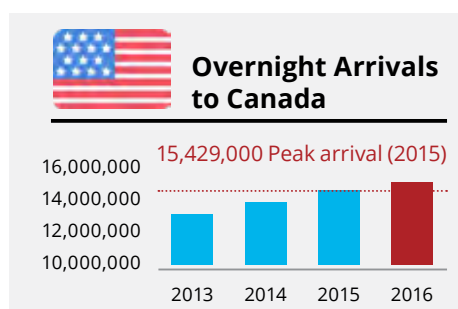
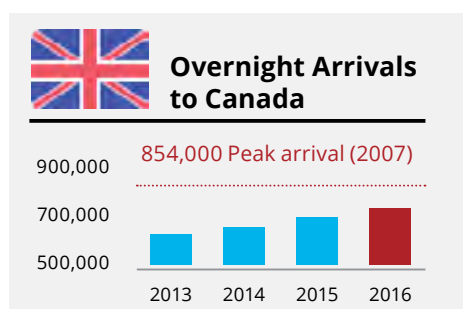
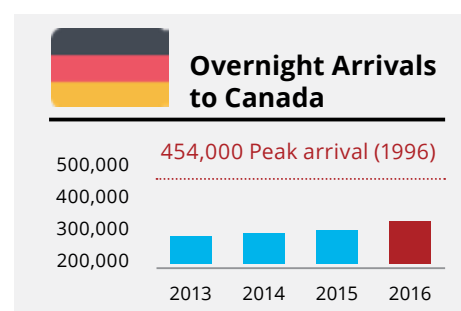
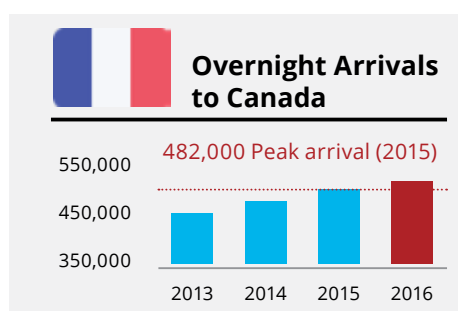
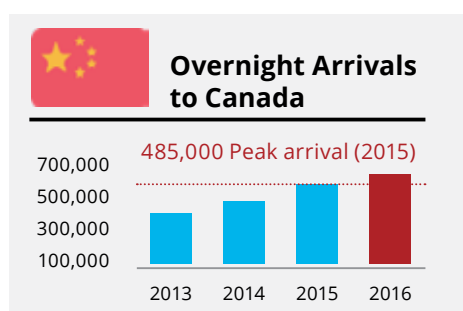
Specific International Growth within Atlantic Canada

More specific to Atlantic Canada, the table below shows international visitation growth in 2016, for each of the Atlantic provinces. Newfoundland and Labrador, Prince Edward Island and New Brunswick all showed growth of more than 20%, and Prince Edward Island in particular saw a huge increase in visitors since 2015. This is especially impressive considering the decrease in U.S. visitors to Newfoundland and Labrador and Nova Scotia.

		2016 Overnight Arrivals per Province			
		New Brunswick	Newfoundland and Labrador	Nova Scotia	Prince Edward Island
Total One or more nights	2016	361,653	62,202	222,705	2,410
	Variance YOY%	14.0%	0.6%	1.9%	667.5%
U.S. Residents by Automobile	2016	250,968	N/A	11,771	N/A
	Variance YOY%	6.8%	N/A	-33.2%	N/A
U.S. Residents by Non-Automobile	2016	96,569	10,978	135,210	274
	Variance YOY%	34.9%	-44.6%	7.1%	0.0%
Residents from Other Countries	2016	14,116	51,224	75,724	2,136
	Variance YOY%	30.1%	21.8%	1.3%	5240%

Source: Statistics Canada, Frontier counts, custom tabulations.
YOY means year over year

See the below for visitation growth of China, France, Germany, the U.K. and the U.S. to Canada. Visitation from each of these countries continues to grow from 2013.



Source: Destination Canada Tourism Statistics

How is Working with the International Market Different from the Domestic Market?

Most Canadian tourism suppliers start with marketing domestically in Canada (and also to U.S. consumers), and only once they have secured a foothold at home, do they market to international travellers. There are many key differences between Canadian domestic and international tourism markets – it's important to understand these and tailor your business accordingly.

	The Canadian Travel Market	International Travel Markets
The consumer market	Canadian consumers have a high degree of familiarity with the Canadian travel experience and products	International consumers tend to have lower levels of awareness of Canada's travel regions, products and experiences
	Canadian consumer travel needs and expectations are largely consistent across EQ segments*	International consumer travel needs and expectations differ across markets and EQ segments*
	Canadian consumers tend to take shorter getaways, largely within their province and/or region	International consumers typically travel for longer periods of time, visit multiple destinations and engage in multiple services
The business environment	The marketing costs to engage a Canadian consumer are much lower than accessing an international consumer. As a result the entry costs are lower and the return on investment faster.	
	The travel distribution system (i.e., value chain) is somewhat more direct to consumer	The travel distribution system (i.e., value chain) is slightly more complex and differs across markets and travel segments

* EQ refers to Destination Canada's Explorer Quotient – a market segmentation tool that provides data per segment, per country and provides insight into what motivates each group. Several Atlantic Canada provinces use lifestyle segmentations in order to best target their chosen markets.



HOW TRAVEL TRADE HELPED MY BUSINESS

The Great George, Charlottetown, PEI



Image by Tourism PEI/Emily O'Brien

The Great George (www.thegreatgeorge.com) is a gorgeous historic boutique hotel in Charlottetown, Prince Edward Island. Michelle Westaway, Director of Sales, explains that back in the early 2000s The Great George wanted to attract more international travellers but didn't have anyone in international markets representing its product. It found a solution in 2004, when its representatives attended the marketplace Atlantic Canada Showcase. Here they met a **receptive specializing in the German market**, which agreed to carry their product. Before this, Germany was not a market The Great George was able to reach on its own. **That same year the hotel booked a total of 24 new guests staying 44 nights, netting total revenue of \$7,095**, all through the new German partner. Over the years Michelle and her team have nurtured, strengthened and built that relationship through trust and getting to know their team through emails, phone calls and most importantly, by meeting face-to-face at trade marketplaces alongside provincial tourism organizations. **Last year, that same company sent The Great George 82 German travellers staying a total of 171 nights, netting total revenue of \$38,410.**

WORKSHEET

Identifying International Markets

The following worksheet outlines three main questions designed to help you understand if it makes sense for your business to enter into international markets. Review the questions and assess if your company or organization is ready and interested in targeting international travel consumers.

1. Where do I currently get most of my business?

(i.e., provincial market, Atlantic Canada, Pan Canadian, etc.)

- Look through your past business records to be as specific and accurate as possible.
- Note: If you do not currently track this, consider asking a question at check-in / sign-up to determine where your client is from.
- If most of your business is domestic, use this toolkit to help you enter the international markets. If many of your visitors are from the international market, use this toolkit to help you grow your international markets.

2. Do my products and services appeal to international travellers?

- If the answer is no, **Section 5** can help you develop your products and services.
- To help answer this question:
 - Review feedback of your products and services from international travellers
 - Consider Destination Canada's EQ segmentation profiles
 - Consult with your PMO

3. Am I set-up to meet the needs of international markets?

- The check-list in **Module 1** will help you answer this question.

4. What international markets, if any, likely make business sense for me to target?

- To help answer this question:
 - Consider current travel trade relationships that you currently have
 - Consider markets that competing and complimentary organizations are succeeding in
 - Review **Section 7**
 - Consult with your PMO

MODULE THREE

HOW WILL TRAVEL TRADE CHANGE HOW I DO BUSINESS?

Module Three Sections:

Section 3. Working in the Travel Distribution System

Section 4. Pricing your Product for Travel Trade

Section 5. Developing Products for International Markets

Learning Objectives:

- Understand what is needed to work with travel trade and how to adjust your business to meet these requirements
- Understand how to price your products and services to work with travel trade
- Know the various components of a standard trade agreement and why they are important

?

- › Where do I fit into the travel distribution system?
- › How will working with travel trade impact my pricing?
- › What is the difference between net rates and commissions?
- › What are standard commission rates?
- › What can I expect to be included in a travel trade agreement?
- › What changes do I need to make to my product or service to meet the demands of international markets?



WHERE TO BEGIN?

Volume Discounts: An Entry Point to Travel Trade, Experience PEI



Image by Experience PEI/Pick and Press Apple Picking



Image by Experience PEI/Fun with Falcons

Experience PEI (www.experiencepei.ca) is Prince Edward Island's leader in authentic island experiences. Prior to attending Charlottetown's Atlantic Canada Showcase in 2014, Experience PEI had limited exposure or knowledge of the travel distribution network. Owner and operators, Mary and Bill Kendrick, understood that travel trade required upwards of a 20%-30% commission, and their pricing structure did not account for this. The supplier's unique product was a starting point for discussions with receptives (i.e., Jonview) and international inbound tour operators (i.e., Road Scholar), and travel companies that frequently bundle and sell coach tour packages to PEI. With an average group size of 30-45 paying participants, they saw an opportunity to offer volume discounts, favourable for the buyers and less of a strain on their costing structure. **Experience PEI was then able to enter into the travel trade and grow it to represent 10% of its business within a period of three years, based on a structured volume discount approach tiered by groups of 10-20; 20-30; 30-40 and 40+.**

SECTION 3

Working In The Travel Distribution System

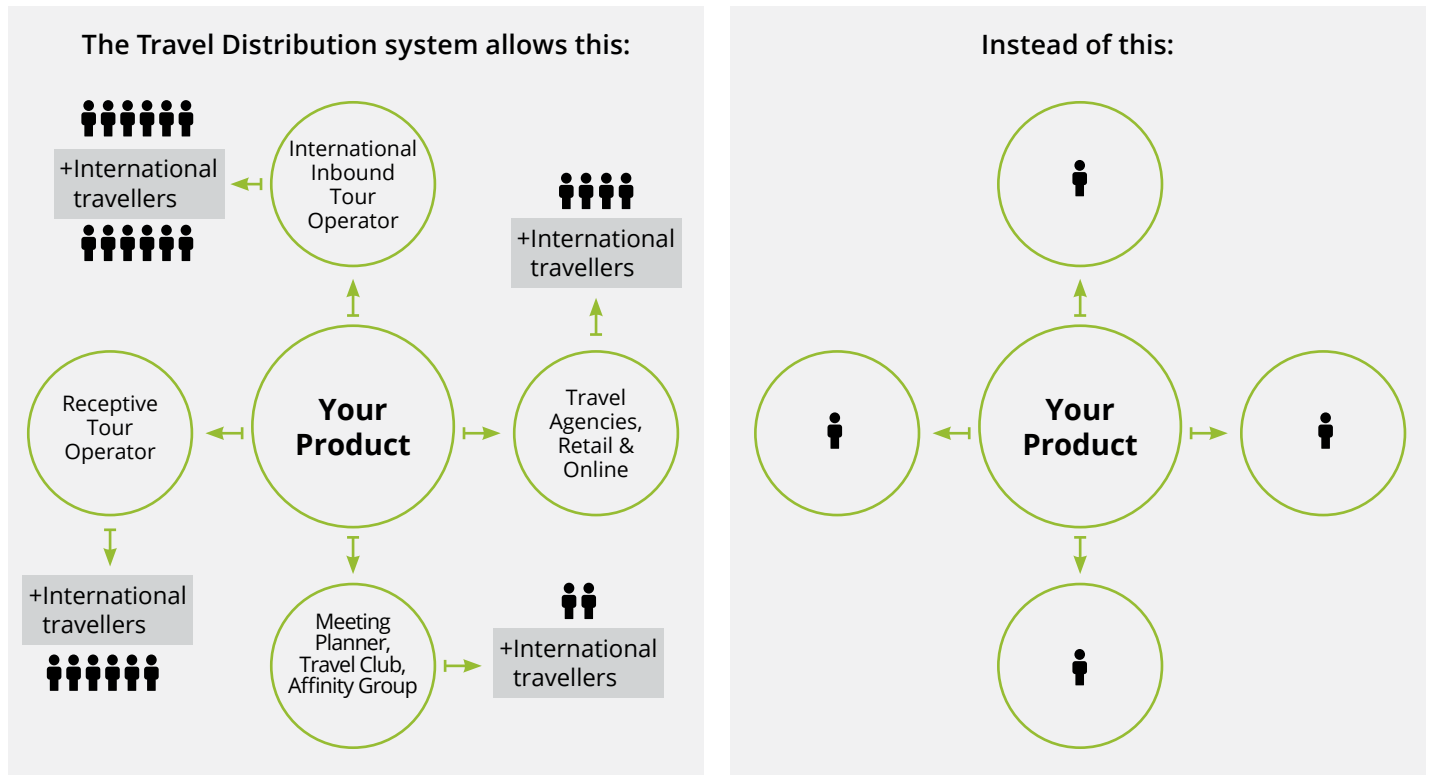
Who's Who: Key Players in the Distribution System

*Refer to **Section 8** for more detailed descriptions of these, and other important travel trade players

Supplier	You! Suppliers provide individual elements of a trip and can be in the form of accommodations, attractions, outfitters, guides, etc.
Receptive Tour Operator	Experts in Atlantic Canada product. Receptives carry suppliers' product, and sell it to international inbound tour operators, travel agents, affinity clubs etc. In Atlantic Canada 90% of overseas trade business comes through receptives. They are a vital link.
International Inbound Tour Operator	International inbound tour operators take residents from one country to travel in another country i.e., an internationally based operator who bring visitors to Canada such as CANUSA Touristik, Voyageur du Monde and Road Scholar. They often they work with receptives to access tourism products and services in the destination.
Retail & Online Travel Agencies	Retail agents are based in-market, and provide hands-on service to their clients to build trips mainly abroad. Online travel agencies such as Expedia Inc. carry a massive number of products (therefore, your product can get lost) and customers can book these online either in pieces or as a package.

How does the system work?

The travel distribution system is the network of businesses between you and the end consumer. Those businesses include tour operators, receptives, travel agents, and a lot more (descriptions of each in **Section 8**). The system is a useful tool to access international markets because it allows a small travel business to reach new markets without having to market to the end consumer directly, which would otherwise be very expensive.



*Working in the system means your product or service can be bought by more travellers and from multiple markets.

Prior to the Internet the travel distribution system was relatively straightforward. A receptive tour operator would sell John & Joan's B&B as part of a package to an international inbound tour operator. That tour operator, or "buyer", would then market its international travel packages direct to consumer, or through travel agents. John & Joan's B&B would provide the receptive a commission, the receptive would provide the tour operator a commission, and they in turn would provide the travel agent a commission.

Today, the fundamentals are still in place, with the addition of both cross-overs and multiple skipped steps. For example, tour operators can also own travel agencies, and receptives can also be part of a larger international inbound tour operator, therefore working in multiple markets. Many are selling online as well, meaning suppliers can sell direct to consumers and through travel trade.

As the system continues to flatten, having a solid understanding of the various players and their roles will give you a leg up when it's time to create partnerships of your own, and determine your place in the puzzle.

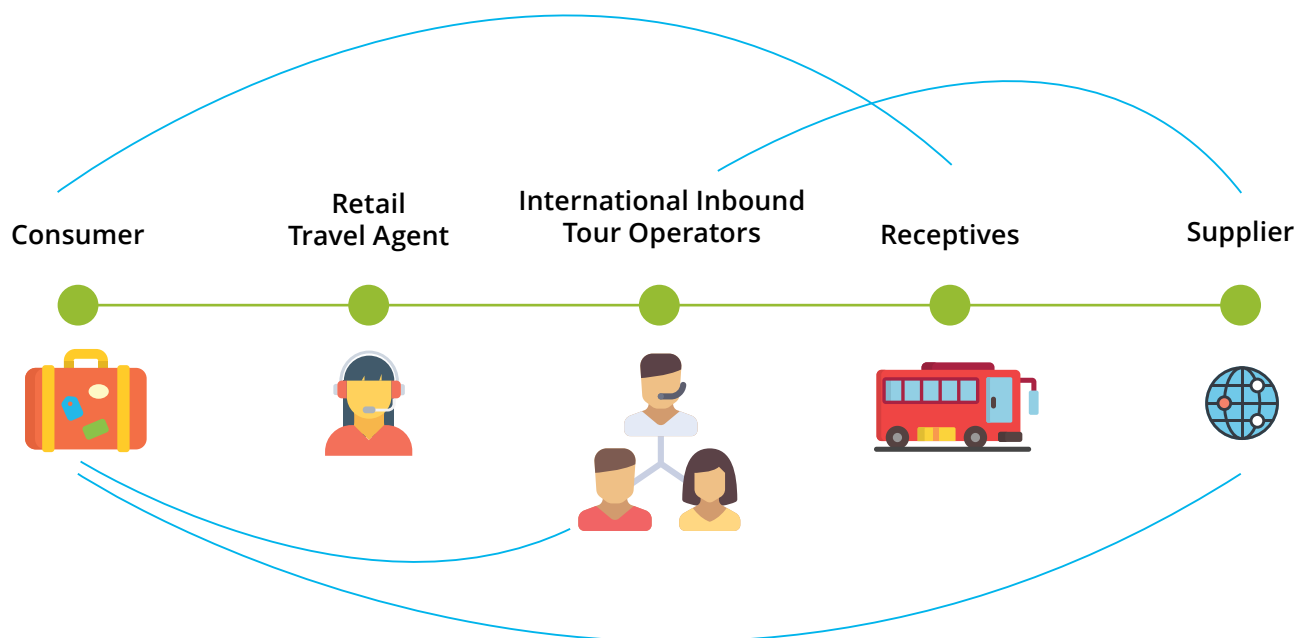
For definitions of each of the key players, refer to the table at the beginning of this section.

Organization map of the system

The Traditional Travel Distribution System



Today's Travel Distribution System



SECTION 4

Pricing Your Product For Travel Trade

As noted in the previous section, travel trade partners are compensated for their marketing efforts and sales of your product and services through net rates, or commissionable rates. When you commit to selling through travel trade, you are committing to compensating your travel trade partner for the sales and marketing support they provide. This section will give you all the dos and don'ts of travel trade pricing and explain how the compensation works.

Net rates mean the service or experience is booked at a rate with the commission already deducted from the price. For example, John & Joan's B&B may normally sell their service to the end consumer for \$100. They may choose to sell their service to a travel agent for a net rate of \$90. Travel trade partners can now go and sell that product for \$100 and take the 10% commission as compensation for their sales and marketing efforts.

Commissionable rates mean the product or service is booked at the retail rate and you would send a commission to the travel trade partner who booked the product or service, following the sale. For example, John & Joan's B&B might choose to still sell their product to the travel trade for \$100; however, they would also pay them an agreed commission for making the sale- i.e., 10% = \$10.

Most travel trade prefer to work with net rates. Retail travel agencies and online travel agencies typically prefer to work with commissions. However, this can vary and you can expect the travel trade to tell you what they prefer. As a guide, be prepared to offer net rates if working with most travel trade, and commissionable rates when working with agents.

There are several levels in the travel product distribution network, and commission levels will vary across each channel of distribution. Below are some general guidelines:

*When reviewing commissions it's very important to understand that each trade partner represents a different value to your business. For example, receptives are experts in the region, and your product, and therefore generally represent higher volume and more predictable, high value bookings. Online travel agents, on the other hand, carry a massive number of products, and are not specialists, so your product is at risk of not being found (or accurately represented). Do not base your trade partner decisions on commissions alone.

*Note the higher up the chain, the higher the commission. This is because the sale is then passed through the channels, and at each step the channel pays out a commission. For example, an RTO would receive 20% commission, but would then be paying their international inbound tour operator partner a 15% commission.

Distribution Channel	Standard Commission Rates
Receptive Tour Operator (RTO)	15-30%
International Inbound Tour Operator (IITO)	15-20%
Retail Travel Agent (RTA)	10-15%
Online Travel Agent (OTA)	10-25%

DETERMINE YOUR RATES TO ACCOMMODATE TRAVEL TRADE

Net rate = retail rate – agent’s commission

For example, in the above, John & Joan’s B&B’s

Net rate would be \$90 - their retail rate (\$100) – agent’s commission (\$10).

Your net rate should include all your costs and your profit margin.

Net rates are supplied to travel trade and are marked up by an appropriate amount to cover their costs and commissions, before the product is sold to the consumer. Rates should always be clearly marked as either retail (rack) or net.

Retail rate = net rate + agent’s commission

For example, John & Joan’s B&B’s

Retail rate would be \$100 – their net rate (\$90) + agent’s commission (\$10).

The retail (rack) rate is the amount the consumer pays. It must be consistent across all distribution channels. This means customers should pay the same price no matter how they book (direct, via travel agent, etc.). This is called Rate Parity.

FIT vs group / wholesale rates

Note there is a difference between Fully Independent Traveller (FIT) and group (also known as wholesale) rates. The group rate is based on multiple bookings. For example, a pre-set number of trips with a predetermined number of guests per trip. The FIT rate is based on one-off bookings. Because the group rate is based on a larger number of guests, the group rate is usually lower than a FIT rate.

Some general rules for rate agreements:

- Be sure the validity date and all booking terms and conditions (including cancellation penalties) are clearly stated on all correspondence related to pricing
- Know who you have distributed rates to so you can update them on changes – keep a travel trade database

Once agreed on, travel trade expect you to maintain the same rate (i.e., not increase it) until the term of your rate agreement with them expires. The industry norm is to provide detailed pricing to travel trade 12-18 months in advanced of their selling season.

This pricing comes in the form of a “rate sheet” also called a “tariff” which is a schedule of fees with details on such items as FIT vs. group rates, double occupancy, single supplements and rates by dates/seasonality.

A note about vouchers. Vouchers are sometimes provided by travel trade to the booked guest as proof of pre-payment who then uses them to “pay” for travel costs including meals, excursions, hotels, flights, etc. This is often the case with FIT bookings. If your travel trade partner works with vouchers, you will need to ensure your staff and systems are aware of this, and expecting to accept these as currency when the guest arrives.

EXAMPLE: INTERNATIONAL INBOUND TOUR OPERATOR RATE SHEET

The following table is an example of a rate sheet that a supplier might provide to its travel trade partners. By clearly stating net rates, the travel trade partner can quickly identify that a supplier appreciates how to work within the travel distribution system.

Supplier Rate Sheet for an International Inbound Tour Operators

ISLAND ADVENTURES Confidential net rates for (insert name of travel trade partner) Valid from 1 April 2017 to 31 March 2018 <i>*Note: All rates include applicable taxes</i>			
Name of tour/ departure time/ duration	Passenger type	NET Rate (less 20% commission)	Retail Rate
City sightseeing Departs at: 8am Duration: Full day	Adult	CAD \$180.00	CAD \$225.00
	Senior	CAD \$160.00	CAD \$200.00
	Child (4-16 yrs)	CAD \$112.00	CAD \$140.00
	Group Rates	CAD \$150.00	CAD \$180.00
Sunset cruise Departs at: 6pm Duration: 4 hours	Adult	CAD \$140.00	CAD \$175.00
	Senior	CAD \$120.00	CAD \$150.00
	Child (4-16 yrs)	CAD \$60.00	CAD \$75.00
	Group Rates	CAD \$110.00	CAD \$140.00

Group rates are available to groups of 15 or more. Additional discounts do not apply to group rates.

EXAMPLE: WHAT MIGHT TRAVEL TRADE MEAN FOR A BUSINESS MIX?

When weighing the benefits of including travel trade into your various sales channels (also referred to as your business mix), many suppliers become concerned about the amount of commissions they will be obliged to pay. The following example provides a breakdown of a sample supplier and the total amount of commission they pay, on a per product basis, based on the percentage of business various travel trade channels make up for them.

The Travel Trade & Your Business Mix

BOOKING CHANNEL	COMMISSION RATE*	RETAIL RATE (as determined by you)	NET RATE [retail rate - commission rate]	NUMBER OF PRODUCTS SOLD TO CHANNEL	COMMISSION PAID (commission rate X retail rate X number of products sold to channel)	NET REVENUE (net rate X number of products sold to channel)
Receptive Tour Operator/Inbound Tour Operator	20%	\$100	\$80	10	\$200	\$800
International Inbound Tour Operator	18%	\$100	\$82	10	\$180	\$820
Retail Travel Agent	10%	\$100	\$90	10	\$100	\$900
Online Travel Agent	10%	\$100	\$90	10	\$100	\$900
Direct	n/a	\$100	\$100	10	n/a	\$1,000

*Commission rates are meant as a guide only

Rate Parity: Suppliers need to allow for rate parity among retail (rack) rates and those selling your product or services, without confusing the consumer. This means the final price the consumer pays can't be affected by the amount of commission paid to your distribution channels.

The end customer should pay the same price if they book direct, through a travel agent, or online.

If the customer can purchase directly from you at a reduced price, travel trade will not promote/market your product, rendering your trade networks unserviceable.

Supplier Agreements & Contracts

Once you and your travel trade partner have agreed to do business together, you will need a Supplier Agreement or Contract. Either the travel trade will provide their typical contract for you to review, to make adjustments and to sign, or you will provide your standard contract for them to review. The below table outlines the main elements that should be included in a standard Supplier Agreement or Contract.

ITEM	EXPLANATION
Contact Details	Phone, mobile, email, website, physical address, and Skype ID. Ensure specific contact details for key departments are also included i.e., Reservations, Product Development, Operations, and Marketing. Include after hours and weekend contact details for emergency and on-trip situations.
Cancellation Terms	Clear cancellation terms that are in line with operational needs and industry expectations must be explained prior to booking.
Inclusions and Exclusions	What is included in your rate? More importantly, what's NOT included? Do not forget even the most minute of details i.e., Meals, entry fees, gratuities, etc. Be sure to include the currency rate you are quoting in.
Tentative vs. Confirmed	Some travel trade will provide notification a certain number of days out from the trip/experience/ service as to whether a group is confirmed, while others will not. Determine this in advance and add details to contract.
Capacity and Night Stays	Ensure the minimum number of nights required are clear, in addition to minimum and maximum capacity on groups. Be sure to note any blackout periods.
Child/Infant	Provide child age ranges and associated rates e.g., infants aged 12 months or younger are free.
FOC (Free of Charge) Policy	If you offer free rooms on group bookings, explain the number of rooms or passengers that must be booked to qualify for a free room. Typically group leaders receive rooms FOC.
Bedding Configuration	Types and numbers of beds in rooms - include additional charges and maximum capacity per room.
Departure Details	Check in/check out times where applicable, as well as all logistical information guests will require including location, pick up points and times, bus parking.
Any Special Conditions	This is your opportunity to provide any necessary caveats e.g., seasonality of product; weather conditions may change the tour or opportunity to see wildlife; please be sure to bring sunscreen or parka!

You can download a sample rate request form and a sample travel trade contract from your provincial travel trade website.

The Contracting Cycle

Rate agreements will typically come into conversation following a trade contact established through either a travel trade marketplace or a sales meeting. That said, different types of travel trade will often seek to finalize rates at standard times of the year. The following table provides a guide.

TRAVEL TRADE PARTNER	WHEN TO FINALIZE RATE AGREEMENT
Inbound Tour Operator (ITO) / Receptive Tour Operator (RTO)	Can vary between 18 – 11 months prior to operating season
International Inbound Tour Operator	Approximately 18 months before operating season
Retail Travel Agent (RTA)	Rolling / No Deadline
Online Travel Agent (OTA)	Rolling / No Deadline

*Please consider these as general guidelines which should not be strictly relied upon.
All timelines will vary with each travel trade partner's own internal processes.

Blocking Space

If working with the travel trade is a priority, it's important that you allow them to book in peak demand periods, and not block those dates for this sales channel

Deposits are used to ensure your product or service is secured prior to the date of execution. Deposits range from 25-50%, and are due from your trade partner at the time of booking, often on a non-refundable basis. This will be laid out in your contract with them.

Release time frames will range between 120, 90, 60, or 30 days prior to a service date.
Three months/90 days prior is an industry standard time frame to collect final payment among tour operators.

Blackout dates can be determined by a supplier and include dates when the service is not available to book. Blackout dates also outline minimum night stays, non-refundable rates, increased pricing, and longer release timeframes. These will be established by you internally.

Cancellation Terms

Cancellation terms, as stated in the cancellation policy made available to all clients, vary among suppliers, accommodators and activity providers. It is important to ensure that your cancellation terms are fair to the customer, and protect your business. A common approach from tour or activity providers is to implement penalties depending on the time of notification. Here's an example of cancellation terms to get you started, and remember to try to keep it simple!

- Please notify us by phone at (area code + number) if you need to cancel or reschedule. Refund amounts will depend on the cancellation time and the tour/ activity you are cancelling.
- Full payment is due at the time of booking.
- No refunds for cancellations within 48 hours of departure.
- Cancellations OR rebookings prior to 48 hours before departure are subject to a (% or \$ amount) per person fee for tour/activity.
- (Full refunds or credit) will be provided if your tour/activity is cancelled due to weather, mechanical failure, unsafe conditions or insufficient reservations.

Forecasting for Travel Trade

Forecasting when working with travel trade is much the same as forecasting when working direct. You need to consider previous years' numbers, current contracts, factors affecting the industry generally and factors affecting travel trade partners specifically (environmental, political, economical). For the first 1-2 years of working with a new travel trade partner it is hard to predict how many bookings you will actually receive, so a good rule of thumb is to include in your forecasting a 25% buffer.

Good Questions to Ask Travel Trade Upon Agreeing to Do Business Together

1. Do you deal in net or commissionable rates?
2. What are your commission expectations, and when are commissions (if applicable) due?
3. Do you require vouchers?
4. How do you handle exchange rates? Are you operating on fixed or variable rates?
(if international travel trade.)
5. What are the terms of the contract (elements of contract specifics are outlined further in this section.)
6. What is your contracting cycle?
7. What are your expectations regarding product exclusivity?
8. How will the product or service be marketed? (i.e.,: Is it an add-on to an all-inclusive program?
What will the description of the experience be?)

WORKSHEET

What Does Travel Trade Mean For My Business Mix?

The following worksheet will allow you to assess what those commissions might be, per product, based on your own estimate of what percentage of your client each travel trade channel may make up.

How to complete this worksheet:

- **Retail Rates:** Begin by filling in your retail rates for each sales channel. Note that this rate should be consistent across the board.
- **Commission Rates:** Sample commission rates have been given for your reference. Feel free to change commission rates to apply to your business.
- **Net Rate:** Determine your net rate for each channel.
- **Number of Products Sold:** Estimate the number of sales you expect for that product from each channel. These sales make up the business mix of your product.
- **Commission Paid:** Determine your total commission paid for each channel.
Determine your total commission paid for this business mix by adding the commission paid for each channel.
- **Net Revenue:** Determine your net revenue paid for each channel.
Determine your total net revenue for this business mix by adding the net revenue for each channel.
- The total commission paid for the travel trade channels should be considered as the marketing cost for receiving these extra sales and net revenue from the travel trade.

BOOKING CHANNEL	COMMISSION RATE %	RETAIL RATE (as determined by you)	NET RATE [retail rate - commission rate]	NUMBER OF PRODUCTS SOLD TO CHANNEL	COMMISSION PAID (retail rate X commission rate X number of products sold to channel.)	NET REVENUE (net rate X number of products sold to channel)
Receptive Tour Operator (RTO)/Inbound Tour Operator (ITO)						
International Inbound Tour Operator (IITO)						
Retail Travel Agent (RTA)						
Online Travel Agent (OTA)						
Direct						
TOTAL						

WORKSHEET

Complete To Learn What Your International Inbound Tour Operators Rates Should Be

Use the following worksheet to determine what your net rates would be,
per product, based on your existing retail rates.

INSERT NAME OF YOUR BUSINESS Confidential net rates for (insert name of third party seller) (Insert valid date period) <i>*Note: All rates include applicable taxes</i>				
Name of Product / Service	Passenger type	Retail Rate	Commission	Net Rate [Retail Rate - Commission]
	Adult			
	Seniors			
	Child (4-16 yrs)			
	Group Rates			
	Adult			
	Seniors			
	Child (4-16 yrs)			
	Group Rates			
	Adult			
	Seniors			
	Child (4-16 yrs)			
	Group Rates			
	Adult			
	Seniors			
	Child (4-16 yrs)			
	Group Rates			

SECTION 5

Developing Products And Services For International Markets

Global travel markets are incredibly competitive. When targeting international markets your competition increases exponentially to include not only similarly placed regions, but international destinations. **Understanding who your potential market is and what they want is an important step towards becoming successful with travel trade. Take some time to learn what tactics are being used at the provincial and national level.** Equally important is understanding that it might not make good business sense to target all potential international markets.

Product Development

What type of products & services are in demand by international customers (per market)?

Understanding who you are creating products and services for will help you make them compelling and interesting for those travellers. Destination Canada's Explorer Quotient segments are a useful first step in determining what your product development priorities should be.

The market segmentation tool provides data per segment, per country and provides insight into what motivates each group. Several Atlantic Canada provinces use lifestyle segmentation in order to best target their chosen markets.

Product development for travel trade requires a somewhat different approach. One of the basic expectations any supplier should meet before working with travel trade is that they know and understand their audience. Certain travel trade may or may not have specializations, so it's important to know that. Sometimes they will simply purchase a product or service from you to integrate into their own offer; other times they will request a full custom package that must be unlike anything you might already be selling direct to consumers.

Value adds* are often important to travel trade. They are a subtle but useful way to do two important things:

1. Differentiate product for travel trade from product for consumers
2. Demonstrate you understand the value of your travel trade partners

* preferential room, complementary packed lunch, groups line at attractions, etc.

Use the following sample questions to help your business create quality product for a new travel trade partner.

Where is the tour operator, and its travellers from?	
Who is its target market(s)?	
Does the tour operator have a specialization? If so, what is it? e.g., history, adventure, culinary, general touring.	
Does the tour operator like to provide active holidays?	
What is the average group size?	
Does it require a guide or transfers?	
Are there language/cultural considerations?	
Are there other special needs to consider?	

How can I improve the quality of my products and services to satisfy international customers' needs and expectations?

There are several factors you can consider when improving the overall quality of your experience. Because experience quality is subjective, consider a systematic approach. First, decide on what market you are reviewing your experience for, then, ask yourself the following questions:

Unique Selling Points (USP)	Does your product or service offer a clear point of difference from your competitors?
Feedback	Have you received feedback on your services or experiences? Review websites (i.e., TripAdvisor) or guest feedback forms. What are your partners and guests telling you?
Product Pricing	Are your prices competitive?
Accessibility	Are you accessible enough? Are transport links a challenge for you, or part of your USP?
Seasonality	Are you open during the times that your intended market prefers to travel?
Time	How do you fit into an itinerary? Consider this for all intended markets, and think logistics first. Difficult logistics will be one of the key reasons for travel trade to leave you off an itinerary.
Accommodations	Are there sufficient, quality accommodations near you? Do they fit with your travel trade partner's accommodation needs/style?
Service Level	How easy is it for consumers and travel trade to book you? Entry fees, gratuities, etc.

Packaging my products and services – What, Why & How?

WHAT – Product packaging is the combining of accommodations, events & activities, meals and, depending on the package, transportation. It involves aligning complementary (stand-alone) products and services together to create a compelling, full-service traveller experience.

WHY – Consumers see value/trust in travel packages. Purchasing a travel package saves the consumer time, should offer value for money, and provides a unique marketing opportunity.

HOW – Packaging is most effective when various travel products and services are combined, and sold by a single business. That business manages the bookings, vouchers (where required) and finances of a package booking.

WHICH PARTNERS AND TRAVEL TRADE SHOULD I WORK WITH?



Module Four Sections:

Section 6. Inbound Travellers for You

Section 7. International Markets for You

Section 8. Tour Operators and Agents for You

Learning Objectives:

- Understand the different types of inbound travellers
- Understand the nuances of different international travellers
- Understand the different types of travel trade
- Identify the best markets, travellers and operators for you and learn how to cater to their needs



- › How does an all-inclusive traveller differ from a FIT traveller?
- › What do I need to know about long haul vs. short haul travellers?
- › What cultural considerations do I need to be ready for when working in different international markets?
- › What is the difference between an international inbound tour operator and a receptive tour operator and why does that matter?



FINDING THE RIGHT PARTNER MAKES A WORLD OF DIFFERENCE

The Anchor Inn, Twillingate, Newfoundland and Labrador



Anchor Inn (www.Anchorinn.ca) co-owner Wilma Hartmann has learned through years of experience working with travel trade, that when searching for trade partners, those who value a positive working relationship, not just visitor volume, are usually the best partners.

For example, Wilma notes one trade partner, a receptive they work closely with, does not generate as many guests as others, but their excellent communication and thorough customer service means the guests they do deliver are happy, well prepared, and “high value”, meaning that before arriving, they are aware of all the elements of the Inn – the restaurant, gift shop, entertainment, excursions – and ultimately spend more while on site.

The Inn and the receptive work diligently to ensure thorough product and destination understanding. During the off-season, this even means sitting down to a cup of tea and reviewing the previous year and discussing all details for the year ahead. This way the Inn is never misrepresented to end guests.

Wilma suggests that when choosing travel trade partners, it is important to assess whether there is a practical fit and the potential for added revenues, but to also consider the company culture, the travel trade partner’s approach to working with its partners, and its understanding of the destination. All these things will pay off, both on the books and off.

SECTION 6

Inbound Travellers For You

Read on to determine what traveller types you should focus on, and what their needs are.

Remind yourself that less is more.

TYPES OF INBOUND TRAVELLERS

a. Understanding the Differences – How and Why?

Travellers are motivated by all sorts of factors. Having a grasp on those motivators will help increase your success working with the international travel trade. This section breaks down the various types of travellers to Atlantic Canada. You'll notice these are largely defined by why they are travelling, and how they are getting around. One of the key differences to understand is fully independent travellers (FITs) vs. people travelling as part of a group, or pre-paid package.

**The following are guidelines only. Some terms may vary in different markets.*

ALL INCLUSIVE GROUP TRAVEL	FULLY INDEPENDENT TRAVELLERS (FIT)
<ul style="list-style-type: none"> • Travel for specific interests including culinary, wildlife, history, active travel, adventure, etc. • Very structured itineraries • Motor-coach touring common, but not all in this traveller type travel via coach • Most travel purchases and decisions made prior to arrival • Well organized, pre-booked arrangements • Group tour distributors often have long-term relationships with suppliers • Cruise travellers included in this group • Sometimes book pre-and-post FIT travel 	<ul style="list-style-type: none"> • Travellers are unescorted and pre-pay for elements such as accommodations, rental cars and sightseeing • Usually use travel vouchers as proof of payment • Travel is usually fully-customized, but can be pre-packaged as well • A typical example is the “fly & drive” package, offering a saving in airfare, car rental, and perhaps some additional services on a package basis + may also include accommodations for some or all nights, and/or some meals • FITs can travel in a group as well, but most commonly travel in twos
PARTIALLY PACKAGED TRAVELLERS/SEMI-FIT	EDUCATIONAL TRAVELLERS
<ul style="list-style-type: none"> • Often called Fly-Drive, Self-Drive or Touring travellers • Pre-book all key elements of an itinerary prior to arrival. (i.e., air, hotels, transfers) • Competitive rates a key factor in their decision-making process • Additional ‘optionals’ or ‘optional excursions’ typically booked following arrival 	<ul style="list-style-type: none"> • Travel for specific interests including culinary, wildlife, history, etc. • Often book through tour operators who specialize in their specific area of interest • Require custom itineraries • Typically smaller group sizes (range from 8-16 on average) with a higher on average spend per passenger • Some FIT fall into this group
BUSINESS TRAVELLERS	VISITING FRIENDS OR RELATIVES (VFR)
<ul style="list-style-type: none"> • Includes conference delegates, company representatives travelling for business as a group or solo, and corporate incentive travellers • Pre and post-conference leisure travel common • Typically smaller group sizes (range from 8-16 on average) with a higher on average spend per traveller 	<ul style="list-style-type: none"> • Seeing friends and relatives is the main reason for travel • Often use the family base as a hub for other travel within region • Advice of friends and relatives key to trip planning process • Enjoy having “insider knowledge” of region
STUDENT TRAVELLERS	LOW COST (BACKPACKERS)
<ul style="list-style-type: none"> • Segment is made up of university students, exchanges, and other study course participants • Not considered “academic” travel • Learning is the main reason for travel, with leisure travel a common secondary motivator • Families often visit the student during their visit • This group can also include junior high and high school students, curriculum and music based travellers • FIT packages also available 	<ul style="list-style-type: none"> • Will spend at least one night in a hostel during their travels • Age 18-30 on average • Word of mouth, social media and other travel influencer sites key to trip planning process • Very unstructured travel and highly independent • Youth travel brands cater to this market

Examples of Special Interest Travel Areas

Travel trade catering to the above traveller types might specialize even further by focusing on one or more specialty areas of activity. These areas should not be overlooked as they will greatly impact your product development direction. Some of these areas include:

CULINARY

Product and services focused on local food specialties, wineries, breweries, local restaurants, chefs and culinary heritage.

ADVENTURE

Sport specific or multi-activity itineraries. They may focus on hiking and walking, sea kayaking or cycling.

WILDLIFE

Experiences can either have a strong wildlife focus, or some wildlife elements incorporated, which is usually the case in Atlantic Canada.

EDUCATIONAL

Experiences that dig deep into the educational component of a destination.

Examples of Tour Operators catering to these specialty areas:

Culinary	Adventure	Wildlife	Educational
Gourmet on Tour	Reefs to Rockies	Natural Habitat Adventures	Road Scholar

b. Short-Haul vs Long-Haul

Short-haul (travelling from inside Atlantic Canada or nearby) and long-haul (travelling from a country further afield) travellers have different travel characteristics. Short-haul markets are often associated with the following characteristics:

- Travellers have relatively high knowledge of the region
- Lower marketing and outreach costs
- Consistent traveller needs across segments
- Shorter, long weekend style itineraries
- Distribution is simpler; often book travel directly
- Fewer language and cultural considerations
- Easier access to market

Long-haul markets are often associated with the following characteristics:

- Travellers have limited knowledge of the region
- Higher marketing and outreach costs
- Typically book through tour operator or travel agent
- Inconsistent traveller needs across segments
- Longer, more complex itineraries
- Language and cultural considerations
- Limited access to market
- Higher traveller spend

SECTION 7

International Markets For You

WHY IS IT IMPORTANT TO UNDERSTAND THESE MARKETS AND TO DECIDE WHICH MARKETS TO TARGET?

Understanding your consumer target markets will guide the development of your product, how you price your product in the marketplace, where you offer your product for sale and how you promote your product to consumers. Try not to enter every market at once. Select your markets carefully and take the time to plan your approach, allocating your resources to the markets that will generate the greatest return.

The following section provides a brief overview of the market potential and general travel characteristics of the main international markets to Canada. The data is drawn from Destination Canada and includes a description of current marketing, PR and travel trade efforts designed to increase visitation from these markets to Canada. The information is useful for tourism suppliers to better understand some of the market dynamics and judge what the potential is.

For further in-depth information about each market and/or updated profiles please visit - <https://www.destinationcanada.com/en/markets>

Review these market profiles for a better understanding of the France, Germany, U.K., U.S. and China markets.



U.S.

2014 gross domestic product (GDP) growth: 2.4%

2014 tourism statistics: 68.3 million outbound trips in 2014 – an all-time high; 11.5 million overnight visitors to Canada; average annual change of - 2.7% since 2009; visitor revenue to Canada of \$7.5 billion CDN; average trip spend of \$647 CDN.

Tourism profile: Increased air capacity; single largest source market (70% of total international arrivals); favourable exchange rate; prefer experiences geared to nature/scenery and historic sites.

Primary marketing objective: Target travellers actively considering Canada who live in select U.S. cities that have direct air access to Canada. Refresh travel perceptions to drive leads to partners that result in trip bookings.

Marketing activities: Consumer direct marketing with heavy focus on digital content marketing with multi-channel network partners (MCNs), PR and media relations, social media as well as trade co-op partnerships.



U.K.

2014 GDP growth: 2.9%

2014 tourism statistics: 16.4 million long-haul traveller trips;

676,000 visitors to Canada; average annual change of -1% since 2009; visitor revenue to Canada of \$1.1 billion CAD; average trip spend of \$1,656 CDN.

Tourism profile: Strong air capacity; high awareness of Canada; value unique and authentic travel experiences; desire to visit natural wonders, parks and mountains, view wildlife, and have urban experiences.

Primary marketing objective: Drive trip bookings to Canada.

Marketing activities: Consumer direct marketing, trade engagement, trade/airline co-operative marketing, media relations and social media.



FRANCE

2014 GDP growth: 0.2%

2014 tourism statistics: 10.9 million long-haul traveller trips.

482,000 visitors to Canada; average annual change of +3% since 2009; visitor revenue to Canada of \$731 million CDN; average trip spend of \$1,538 CDN.

Tourism profile: Strong air capacity; high awareness of Canada and especially Québec; Canada perceived as top destination; long-stay traveller; family vacations are important; look for once-in-a-lifetime experiences; desire to view nature and wildlife, visit natural wonders and historical and cultural attractions.

Primary marketing objectives: Build awareness of holiday opportunities for all of Canada's regions and drive trip bookings to Canada.

Marketing activities: Consumer direct marketing, trade engagement, trade co-operative marketing, media relations, public relations and social media.



CHINA

2014 GDP growth: 7.3%

2014 tourism statistics: 15.6 million long-haul traveller trips;

454,000 visitors to Canada; average annual change of +23% since 2009; visitor revenue to Canada of \$1 billion CDN; average trip spend of \$2,299 CDN.

Tourism profile: Rising incomes and growing economy; growing outbound travel market; increasing air capacity; relaxed visa restrictions; high online usage; prefer experiencing culture, visiting historical sites and attractions, and viewing nature.

Primary marketing objective: Drive trip bookings to Canada.

Marketing activities: Integrated consumer co-operative and trade campaigns through dedicated video content channel (CTCTV), digital and social media.



GERMANY

2014 GDP growth: 1.6%

2014 tourism statistics: 9.1 million long-haul traveller trips; 327,000 visitors to Canada; average annual change of +1% since 2009; visitor revenue to Canada of \$566 million CDN; average trip spend of \$1,725 CDN.

Tourism profile: Stable air capacity including into northern Canada; Canada perceived as top destination; high awareness and top-of-mind consideration of Canada; adventurous travellers; enjoy viewing wildlife, visiting natural wonders, parks and mountains, cruise and recreational vehicle holidays.

Primary marketing objective: Drive trip bookings to Canada.

Marketing activities: Consumer direct marketing, trade engagement, social media and media relations.

Source: Destination Canada 2016 – 2020 Corporate Plan

CULTURAL CONSIDERATIONS

Cultural background greatly influences the way we communicate to international markets, and the way an international traveller experiences your products or services. International travellers will visit the same attractions but they may each take something very different away from the experience. For example, a French visitor might visit the Ship's Company Theatre to see the building and have their picture taken, but an American visitor may want to experience a performance.

Cultural background also drives the types of tours, activities, food and accommodation requested by international travellers during their stay in Atlantic Canada. A German tourist may want to hire a campervan and visit remote, unpopulated locations. An American couple may request a twin room with two queen beds. A Chinese group may want certain foods during a tour.

What are the key cultural considerations?

For each international market, aspects related to language, religion, politics, food and beverage tastes and timing in relation to how they will interact with your product and/or service should be considered. Each culture reacts to these aspects in different ways and while a key component of travel is cross-cultural interactions, a balanced approach is warranted.

Consider	Impact
Religion	Can affect food, dress and activities
Politics	Can impact what and how to promote
Food and Dining	Can impact what you need to provide
Pace	Needs to be faster for some visitors, slower for others
Punctuality	Needs to be reinforced for some markets
Timing	Need to consider if your target market traditionally starts early or late in the day or likes to stay out late
Language	Can impact all components but especially relevant for safety messages
Sensitivities	Need to be aware of any cultural sensitivities, such as alcohol, conservative attire etc.

Tailor your message

With a good grasp of the cultural considerations in each of your target markets, you can then better suit your marketing and day to day operations to fit these markets. The more comfortable and engaged your visitors are with your product and service, the better their overall experience will be!

Try to be open and honest about what visitors should expect. For example, stating that alcohol will be served at a touring lunch stop pre-warns them and allows them to feel comfortable in refusing it. When conducting a sales call or travel trade marketplace appointment, tailor your message to appeal to the different markets and respect their cultures. The quality of your tailored communications is critical to being successful. For example, when handing your business card to the Chinese market travel trade, it should always be done with two hands as a sign of respect.

SECTION 8

Tour Operators And Agents For You

Here we learn what types of travel trade are out there, and what they need from their suppliers (you). From this section, you can determine what travel trade type you should be working with.

a. Who are the travel trade players?

Having a grasp on the different travel trade players will help to understand where your Atlantic Canada travel business belongs. It will allow for better business planning, negotiation and comfort as you begin working with the trade.









The descriptions below also address the question of tour operators vs. travel agent vs. meeting planner, and the question of online travel agencies vs. retail travel agencies – all tricky subjects.



BUYER



SELLER



Travel Trade Type	Description
Suppliers	 <p>Provide individual elements of a trip. Includes accommodation providers such as B&Bs, small inns or large hotels; attractions, outfitters, guided experiences activities and even larger scale elements like airlines, car rentals, cruise lines, railways and travel insurance. In Atlantic Canada, most of the time it is best for supplier to work directly with receptives (described below) rather than directly with international inbound tour operators. e.g., John & Joan's B&B; Red Rock Adventures</p>
Receptive Tour Operator (RTO) / Inbound Tour Operator (ITO) / Destination Management Company (DMC)	  <p>Often called receptives in Canada, these are experts in Atlantic Canada tourism products and promote them through other distributors (international inbound tour operators, travel agents, affinity clubs, etc.) around the world. Receptives are an vital link between Atlantic Canada's experiences and overseas travel companies that sell them. Therefore, as mentioned in the supplier description above, Atlantic Canada suppliers typically work with receptives rather than directly with international inbound tour operators. Approximately 90% of overseas B2B business is through receptives.</p>
Wholesalers/International Inbound Tour Operator (IITO)	 <p>The organizers and providers of packaged trips mainly abroad. They make arrangements and contracts with Atlantic Canada suppliers and/or receptives, assemble them, and then sell them direct to the traveller or through travel agents in their market, whether it be Germany, the U.K., the U.S., etc. To add another layer, many larger tour operators offer a variety of outbound as well as inbound tour package products.</p> <p>IITOs typically market their travel packages through their brochures (can be annual, bi-annual, seasonal) and/or on their website, and through other marketing efforts, including co-op marketing with suppliers (refer to Section 10). IITOs often specialize in a type of travel, be it fly and drive, FIT, adventure, educational, family, etc.</p>
Retail Travel Agents	 <p>Once upon a time it was nearly impossible to book international travel without an agent, since they held the keys to booking and receiving air tickets. Those times have changed, but agents continue to be important. They are based in the traveller's country, and provide hands-on service and access to a large portfolio of experiences around the world. They typically sell complete packages, either themselves or through IITOs. Some agents belong to agency chains, and others are independent, and/or specialized in specific areas of travel. e.g., Carlson Wagonlit; Thomas Cook; American Express Travel.</p>
Custom Travel Planners	 <p>This group is the most recent to evolve. Custom travel planners sit between travel agents and tour operators. They plan their client's trip from start to finish, often for a set fee paid by the client, in addition to the commission they receive from the tour operator or supplier. Most travel planners have previously contracted relationships with chosen suppliers, and conduct research trips to ensure what they sell meets their standard.</p>
Online Travel Agencies (OTA)	 <p>OTAs typically sell end products and services direct, rather than through IITOs. They sell trip components and complete packages. OTAs carry a massive portfolio of products and services. They are less structured and (typically, although this varies) have lower commissions than retail agents and other travel trade.</p>
Meeting & Incentive Planners	 <p>These are special travel planners who work within the MICE (Meetings, Incentives, Conferences and Exhibitions) space. MICE business can bring both international and domestic visitors to Atlantic Canada.</p> <p>These planners have different needs from leisure travel trade, such as large exhibition space, large room blocks, sometimes entire hotels, specific restaurants, etc. Therefore, they work with a combination of direct suppliers like venues, hotels and restaurants, as well as receptives.</p>



BUYER



SELLER

Travel Trade Type	Description
Travel Affinity Groups & Alumni Travel	 These, along with travel clubs, are the ultimate end user/consumer. Typically they will not work directly with suppliers. Alumni travel means travel groups associated with a charity, academic institution, museum, gallery or other independent membership group. Their membership or alumni organizations plan and prepare the trips, in partnership with travel agents or operators. They tend to be consistent in what they demand. The flip side is that it's difficult to gain relationships as this group is highly sought after, and there aren't many of them.
Travel Clubs	 Much like affinity groups, travel clubs travel in groups and mainly book their trips with retail agents or tour operators. As well, they should be treated by suppliers as the end consumer as they typically will only work with receptives or tour operators. The difference is they don't belong to non-travel affiliations - their affiliation is the travel club itself.

This chart shows a few examples of relevant Atlantic Canada travel trade:

Suppliers	Receptives	International Inbound Tour Operator	Retail Agents	Custom Travel Planners	Online Agents
John & Joan's B&B	Jonview	Tauk	Carlson Wagonlit	Bridge and Wickers	Expedia Inc.
Red Rock Adventures	Maxxim Vacations	Trailfinders	Thomas Cook	Magnetic North	Travelocity
	Vision Atlantic	Audley Travel	American Express Travel	Gourmet on Tour	Kayak.com
	JAC Travel	Independent Traveller	AAA		
	Canadvac	CANUSA Touristik			
	Travel Freedom Tours	DER Tour GmbH & Co. KG			
	Atlantic Tours	Vacances Transat			
	Discover Holidays	Cercle des vacances			
	MISA Tours	Voyageur du Monde			
		Road Scholar			
		Globus Family of Brands			
		Canadian Affair			

This chart outlines what travel trade partner type is most relevant for specific supplier types in Atlantic Canada.

Travel Trade Type (Buyers)	Receptives	International Inbound tour Operator	Affinity & Alumni Groups	Travel Clubs	Retail Travel Agents	Online Travel Agencies	Meetings & Incentive Planners
Supplier Type (Sellers)					AAA		
B&B	✓	X	X	X	✓	✓	X
HOTEL	✓	✓	✓	✓	✓	✓	✓
ATTRACTION	✓	✓	✓	✓	✓	✓	✓
GUIDED EXPERIENCE	✓	✓	X	X	✓	✓	X
PROVINCIAL PARK	✓	✓	✓	✓	✓	✓	✓
AIRLINE	✓	✓	✓	✓	✓	✓	✓

b. How do I work with them to distribute my product and service?

Now that you have a basic grasp of the various travel trade players and what type of partners would be best for you, the next step is to learn how to work with each of them. In Atlantic Canada the vast majority of overseas travel trade business is through receptives (most international inbound tour operators won't go direct to suppliers).

The first step is determining whether you are trade ready. **Section 1** of this toolkit maps out the steps to get there, and a checklist to be sure. Once you've determined you are trade ready, working with the travel trade takes a different approach depending on the type of trade you are targeting.

1. How to work with receptives: The beauty of receptives is that they provide the link from your product and service to international markets through international inbound tour operators. It's essential to build strong relationships with the receptives specializing in your province or product and service type. Many receptives have Atlantic Canada departments. Creating a relationship with a receptive can be easier than with an international inbound tour operator because they specialize in smaller areas, which can mean that the destination you are in represents a significant piece of their business. Please note that not all international inbound tour operators work with receptives. e.g., Many of the traditional U.S. based motorcoach tour operators do not work with receptives, but some do.

- Your local PMO can guide you on who you need to talk to
- Travel trade marketplaces and PMO organized sales missions are a great way to learn not only who the key players are, but also to establish contact
- Another approach is simply emailing or phoning the key contact (usually a product manager) at a receptive and getting their attention with your well positioned pitch! See **Section 10** for more on that.

Once you've established a working relationship with a Receptive, you'll need to continually update them to be sure include your product or service. Tips on how to do this are listed in **Section 10**.

2. How to work with international inbound tour operators: This travel trade type is based in international markets and their main link to your experience is through receptives. However, it's still important to also have a relationship with your target IITO so they're aware of your product without relying solely on the receptive.

As noted under "receptives," not all IITO's work with receptives. Suppliers should first ask international inbound tour operators if they work with a Canadian or North American receptive, and if so, which one(s).

Connecting with an IITO is much the same as with a receptive, so use the bullet points we've outlined above! As IITOs are worldwide, you need to determine your target geographic market. Information in **Section 6** and **Section 7** will help. Travel trade marketplaces, in-market sales swings and sales calls are effective See **Section 11** for more on this.

If you do begin a working relationship with an IITO, bypassing the receptive, you will need to perform the service standards as outlined in **Section 1** - Am I Ready for the International Market?

Quick Tips

- Know your stuff before you reach out
- Make sure they are the right fit for your product or service
- Ensure information on your website is up to date
- Follow the advice in **Section 1** carefully. Missing these simple but key expectations can end the relationship
- Consider at least some of the marketing advice outlined in **Section 10!**

3. How to work with retail travel agents: It's best to work with international retail agents through your receptive and/or iito, rather than connecting directly. Ensure your iitos are up to date on the latest news about your product or service.

Quick Tips

- Expand your agent network through travel trade marketplaces
- If your product or service is very specialized, for example culinary tours or advanced mountain biking, consider establishing a relationship with agents also specialized in these areas

4. How to work with online travel agencies: Working with OTAs requires similar aspects as working with IITOs and receptives – you need to have excellent descriptions of your experiences, great images, rates 18 months to 2 years in advance, etc. – but since most OTAs provide you with access to maintain and update your details, creating and maintaining relationships with OTAs is not vital as it is with other traditional travel trade partners. However, there are other important things to consider. Most OTAs require automatic booking software and therefore automated, or at least up to date, availability. When working with OTAs, rate parity is especially crucial. See **Section 4** for details.

Quick Tips

- Know the OTA's affiliated websites (if any) before pursuing that distribution channel
- Determine approximately how many bookings the OTA will generate for you, and the level of inventory you will need
- Determine how the site is maintained and what it requires (e.g., automated availability)
- Determine commission structure
- Make sure you have rate parity across all channels

5. How to work with meeting and incentive planners: These planners either work through receptives or directly with the supplier so needing local meeting planners and receptive partners informed of your product or service is the first step in working with these distributors. Much like working with international inbound tour operators, the key to working with meeting and incentive planners is to make sure you have the capacity they require (often involving large groups, lots of breakout space) and the ability to provide high-end service. Meeting planners are often looking for unique experiences not offered off-the-shelf and require a level of custom service and the ability to make last minute changes that your usual groups may not need.

Top Tips

- Understand the different needs between convention planners and incentive planners. Convention planners usually require more convention space and fewer excursions. Incentive planners usually require several custom, often high-end itineraries that include unique experiences not offered off-the-shelf with suggestions of interesting ways to package them with other experiences
- Develop relationships with your local meeting planners – they are good targets for domestic and international group business of all sizes
- Keep the distributing partners (receptives) who are working directly with the planners up to date on your product or service
- Build relationships with local meeting planners; continually update them with presentations and opportunities to experience your product or service
- Get involved with FAMs (Section 10) and establish connections at marketplaces and sales missions (Section 11)

6. How to work with affinity & alumni groups: Best practice is to work with these travel partners through receptives or IITO partners, rather than direct, as that is their preference. Expect requests for complimentary room nights, passes, etc., For travel group host.

7. How to work with travel clubs: As with alumni groups, travel clubs typically work with receptives and IITOs directly, rather than suppliers. Again, as with affinity and alumni groups, expect to comp room nights, etc. for the travel club group host.

WORKSHEET

Define Your Traveller Type

This exercise helps you define your traveller type(s) and specialty area(s) of travel you are currently set up to offer.

Step 1: Determine Your Ability to Service the Following Needs

Instructions:

1. List your key products and services in columns 1 - 5. Products and services delivered through partnerships or sub-contractors should be included here.
2. Check the box for each travel trade requirement that you can deliver for products and services #1 – 5.

Travel Trade Requirements of Supplier	Product / Service #1	Product / Service #2	Product / Service #3	Product / Service #4	Product / Service #5
1. Ability to handle large groups. Average 50 - 300 pax					
2. Ability to book 2 years in advance					
3. Ability to block space 2 years in advance					
4. Able to deliver highly organized itineraries					
5. Ability to offer competitive rates					
6. Have resources (time, staff) and capacity to accommodate last minute bookings					
7. Can accommodate requests very quickly (within 24 hours)					
8. Have a business model that can handle small group or individual bookings- these typically take longer with less yield per booking					
9. Be prepared to book services only (no accommodations)					
10. Can accommodate both self-guided and guided travellers					

Step 2: Determine the basic travel types that you are currently set up for:

- a) If you checked all the boxes for trade requirements 1 to 5 for a product or service, you have the basic requirements to work with group travel, including all-inclusive. This also gives you the potential to work with education, business and special interest travel depending on your product or service focus.
- b) If you checked most of the boxes, determine whether you have the capacity to address the areas you are lacking. You may only need to make small adjustments to be able to work with this group!
- c) If you have checked fewer than 3 boxes, consider whether you are able to make the further investment to work with all-inclusive travel groups. Speak with your local PMO for advice.

FIT Travel:

- a) If you checked all the boxes for trade requirements 6 to 10 for a product or service, you have the basic requirements to work with FIT (including special interest FIT), VFR, semi-FIT, backpackers.
- b) As above, if you checked most of the boxes, you may only need small changes to work with these traveller types. If you checked fewer than 3 boxes, consider carefully what further investment you need to make to work with this group.

Step 3: Determine which specialty interest groups you are currently setup for based on the boxes you check below.

See **Section 8** for relevant operator examples.

	Product / Service #1	Product / Service #2	Product / Service #3	Product / Service #4	Product / Service #5
Travel Trade Requirements					
Culinary Product and services focused on local food-specialties, wineries, breweries, local restaurants and chefs					
Adventure Sport specific or multi-activity itineraries. They may focus on hiking and walking, sea kayaking or cycling					
Wildlife Product and services that either have a strong wildlife focus, or some wildlife elements incorporated					
Educational Product and services that dig deep into the educational component of a destination- short 2-3 hour intervals					

HOW DO I GAIN NEW TRAVEL TRADE PARTNERS?

Module five Sections:

Section 9. Using Your Provincial Support

Section 10. Building Partnerships Through Smart Marketing

Section 11. Maximizing Marketplaces and Sales Missions

Section 12. Creating Your Travel Trade Action Plan

Learning Objectives:

- Learn how to develop beneficial long-term relationships
- Be able to create an effective yet simple travel trade action plan

- › Who can help me develop my international market plan?
- › How can I build better relationships with trade partners?
- › Which marketplaces are best for me?
- › What financial investment should I expect to make?





TRAVEL TRADE GROWS INTERNATIONAL MARKETS

The Atlantic Oak Island Resort, Nova Scotia



The Atlantica Oak Island Resort (www.atlanticaoakisland.com), a picturesque 45 minute drive from Halifax, Nova Scotia, is a year-round ocean-front resort with a combination of guest rooms, chalets and villas. As the property's Tour and Travel Sales Manager, Nancy Petrie, describes it, "we focus on the leisure, motor coach, wedding, conference and most other market segments". In the mid 1990s the management team observed the great potential of the UK and German markets, from where travellers were starting to visit Canada in record numbers. "We wanted to attract travellers from these markets too, and reached out to Tourism Nova Scotia and the Atlantic Canada Tourism Partnership (ACTP). With the support of these two organizations, the Atlantica Oak Island Resort made their first venture into the travel trade world by attending Rendez-Vous Canada and setting up a number of meetings with tour wholesalers. 20 years later Nancy describes their relationship with the travel trade as "very positive and an active, evolving partnership".

"We now actively manage our travel trade channel. We invest in our partnerships and set out a number of objectives we want to achieve working with the travel trade. We work within our room block framework and our yield model and ensure regular communications with our travel trade representatives," continues Nancy.

The Atlantica links their work with the travel trade to their ability to effectively target and market to UK and German travel consumers. When asked to describe the one main reason why they work with the travel trade Nancy mentions "while we are providing a tariff or commission, we view this as a marketing investment to attract these high-value travellers from Europe. Without the travel trade we would not be able to be in Europe".

SECTION 9

Using Your Provincial Support

You're not alone! There are many players involved in the sustainable development of Atlantic Canada's tourism industry who are there to help you. These include:

- The provincial tourism organizations
- The destination marketing / management organizations
- The industry associations
- National tourism boards and associations

If you have any questions about how, when or why when working through any aspects of travel trade, contact the relevant office below.

Organization Name	Market	Link
New Brunswick		
Tourism, Heritage and Culture	Trade Sales and Partnerships	www.tourismnewbrunswick.ca/TravelInfo/TravelTrade
Tourism, Heritage and Culture	Travel Trade - U.S. Market	www.tourismnewbrunswick.ca/TravelInfo/TravelTrade
Tourism, Heritage and Culture	Travel Trade - Canada, Cruise and China Markets	www.tourismnewbrunswick.ca/TravelInfo/TravelTrade
Tourism, Heritage and Culture	Travel Trade - United Kingdom and Germany Markets	www.tourismnewbrunswick.ca/TravelInfo/TravelTrade
Tourism, Heritage and Culture	Travel Trade - France Market	www.tourismnewbrunswick.ca/TravelInfo/TravelTrade
Newfoundland and Labrador		
Newfoundland and Labrador Tourism	International Markets	www.newfoundlandlabrador.com/TravelTrade/Contact
Newfoundland and Labrador Tourism	North America Touring & Cruise	www.newfoundlandlabrador.com/TravelTrade/Contact
Newfoundland and Labrador Tourism	International Travel Trade	www.newfoundlandlabrador.com/TravelTrade/Contact
Nova Scotia		
Tourism Nova Scotia	Travel Trade Marketing and Research	www.novascotia.com/travel-trade/home
Tourism Nova Scotia	Cruise Markets	www.novascotia.com/travel-trade/cruise
Tourism Nova Scotia	Europe (United Kingdom and Germany) Markets and other international markets	www.novascotia.com/travel-trade/team
Prince Edward Island		
Tourism Prince Edward Island	All travel trade inquiries	www.tourismpei.com/contact-trade-team
National		
Destination Canada	Australia, China, India, Japan, South Korea, Brazil, Mexico, United States	www.destinationcanada.com/en/offices-contacts
Travel Industry Association of Canada	Travel Trade Development & Tourism Advocacy	www.tiac.travel/contact.htm

SECTION 10

Building Partnerships Through Smart Marketing

Now that you are travel trade ready, have decided what your key demographics are and what types of travel trade partners are best for you, it's time to strike these partnerships. This section outlines key areas to consider and important tips to ensure you make the most out of opportunities as they come about.

a. Financial Investment

It's true, you will likely need to make a financial investment to create partnerships with travel trade, but the level of investment will really depend on what your goals are, what your current level of preparedness is, and what markets you are interested in pursuing. Examples of where you can expect to see costs are:

- Creation of sales collateral specific for the travel trade (see further in this section for sales collateral guidelines)
- Attendance at travel trade marketplaces (see **Section 11**)
- In-kind support of press trips & FAMs (see further in this section for more information)
- Co-op advertising (also outlined in this section)

b. Relationships – The Cornerstones of Success

Relationships are what the travel industry business is built on, and face-to-face contact is very important. The lead time from when a relationship is established to when an actual sale is made can be quite long, and managing contact in the meantime is essential to stay top of mind and relevant for trade partners. Proving that you want to get to know your trade partners will also help – people buy from people they know, and if you can consistently show up, your chances of closing business are higher.

Tips for managing travel trade relationships:

- Start with efficiency, clarity and focus when selling/pitching the destination
- Formulate an elevator pitch – a 30-second summary of your product or service and its unique differentiators
- Tell a story about the product or service – make it engaging and entertaining. Be a storyteller!
- Briefly describe the product or service (don't inundate with too much detail) and don't over promise
- Plan sales visits around busy times such as marketplace season and planning season – you don't want to make the investment in a sales trip for a less-than-ideal schedule
- Research your sales targets in advance and see if they sell competitors' products or how you might fit into their portfolio of products; make it easy for them to envision selling your product
- Book sales trainings and meetings well in advance (at least a month)
- Meet with your top targets once a year for the first 2-3 years of establishing a relationship
- Have a strategy for travel trade marketplaces and when you are going to engage with your targets; plan meetings in advance! Marketplaces can be extremely hectic.
- Ask your PMO for introductions!
- Have a 2-pager on your company and its services

c. Sales Materials

Sales materials are a crucial part of succeeding with travel trade, both for promotion to your trade partner as well as for their end consumers.

The most important element is profiling the Unique Selling Proposition or Differentiator

Some General Guidelines for Great Sales Materials

Imagery

Beautiful, high-resolution images and an image bank that perfectly embodies the product or service is the best way to communicate your offering. (Make sure both you and your trade partners give proper credit to photographers.)

Presentations/Sales Trainings

Include visuals, present the information methodically and do so in a slide show format.

Here is an example of a smart slide show approach:

- Location /Map
- Whether it's accessible by motorcoach or RV (if relevant)
- Accessibility (visitor accessibility/mobility if relevant)
- Overview of product and most importantly, why it is unique (consider your differentiators)
- How your product fits in to the bigger picture of the region in which you operate
- How your product fits into the trade partner's offer and brand
- Introduction to the history of the business
- Introduction to the owners or trade relationship manager
- How to book
- Pricing
- Contact information
- Parking
- Seasonality

Sample Itineraries/Descriptions

Detail everything about your product or service(s) in an easily digestible format, whether that's through sample multi-day or single-day itineraries, or a listing of separate activities. Don't forget to include:

- Highlights or an overview if it's multi-day itineraries
- Compelling imagery
- Inclusions and exclusions
- Minimum ages for the activities
- Ideas for what to pair the product or service with
- Physical requirements including height, health conditions etc.

Travel Trade Sales Guides

These are short (2-3 page) image-heavy documents which focus on all the most relevant information for travel trade. They are a high-level positioning brochure to give your targets a 'birds-eye view' of your offering. They contain much of the same information as presentations/sales training but are more consolidated.

White-Labelled Rack Cards

These are one-page versions of a brochure for travel agent distribution networks, and retail storefronts. Usually only the top third of your brochure will be visible so consider if your product will be selected based on your company name, or an eye-catching description of your tour. For example, it may be better to have “Experience Bay of Fundy by Air” rather than your company name. Make sure they are white-labelled (which means your logo and company name are removed so the partner’s details can be in place) with the call-to-action being the travel agency where the card is displayed.

d. FAMs & Press Trips

FAMs and press trips are familiarity trips hosted by suppliers and tourism partners to give travel trade an opportunity to experience your product and service first hand. They are usually complimentary and/or at very discounted rates and can be organized on your own, in conjunction with other tourism suppliers and/or fully organized by your PMO/DMO. This is a relatively cost effective way to put your product or service front of mind and establish new partners. Let your PMOs and travel partners know that you are keen to participate!

e. Digital Marketing

Digital marketing support for your travel trade partner means providing excellent written and visual content for them to use in their digital channels. Digital marketing includes:

- Website content & promotions
- Social media & networking
- Online advertising
- Search engine marketing & search engine optimization
- Email and newsletter campaigns
- Podcasts, videos and other collateral produced to be shared online

f. Co-op Marketing through PMO

Your Atlantic Canada PMO is often leading the charge, making inroads into new destinations through travel trade outreach and media, as well as marketing. As mentioned previously, commissions paid to travel trade are a marketing investment for initiatives led by your travel trade partners and PMOs to help promote your product. Often these initiatives are in the form of co-op marketing programs.

As an example, Newfoundland and Labrador Tourism may advertise their destination in The Independent in London, promoting an inclusive cultural experience comprised of a traditional hotel, a museum and an historic attraction with the call to action being an international inbound tour operator in the U.K. or possibly an Atlantic Canada receptive tour operator. Another example is New Brunswick working behind the scenes to develop a campaign where a brand new tourism supplier is represented in relevant digital media campaigns, magazines and online channels.

Other examples of co-op marketing are joint sales missions, joint FAMs (as noted above) and joint presence at travel trade marketplaces. Your size of business will determine what tactics you should apply.

To get involved with co-op marketing programs, you must have strong relationships with your travel trade partners and your PMO. Atlantic Canada suppliers are blessed with highly-engaged PMO support, so be sure to connect with your PMOs as your first point of contact for co-op programs.

Once you have the opportunity to participate in co-op marketing programs, there are ways that you can help them gain the attention of their end customer by providing marketing support as identified in the tips below.

Quick Tips on How to Support Travel Trade Through Marketing

Press Trips & FAMs

Provide complimentary space for press trips and FAMs. Can be requested directly from travel trade, or from PMOs organizing regional press trips. This may well prove to be your best investment through secured business relationships

Content Marketing

Provide content such as written pieces, images and videos to be used for newsletter campaigns, social media communication and website communication

Social Media

Provide images, interesting facts, testimonials, anecdotes, guest direct experience, etc. to your partner to use in social media channels

Advertising

Cost-share on ads, with your partner and your product featured if your volume of potential business supports this level of additional activity

SECTION 11

Maximizing Marketplaces and Sales Missions

Tradeshows and marketplaces are travel industry events designed to match product and service providers with travel trade operators (i.e., business to business events) and in some cases end consumers (i.e., business to consumer events). While there are literally hundreds of these events held each year around the world, a first step will be to contact your respective provincial tourism organization to understand which make most sense to attend. After all, it will take valuable time and money to participate at one of these events and you want to ensure you are likely to get some return on investment. Additionally, your provincial tourism organization might take a lead role at the event and will tell you what to expect.

Sales meetings are slightly different. These are typically tailored meetings with specific travel trade operators at their offices designed to introduce your products and/or services and work out a formal relationship. Some provincial tourism organizations do organize these on a regular basis and should be contacted for more information.

Newfoundland and Labrador - <http://www.newfoundlandlabrador.com/TravelTrade/Contact>

Nova Scotia - <http://www.novascotia.com/travel-trade/>

Prince Edward Island - <https://www.tourismpei.com/pei-trade-and-sales>

New Brunswick - <https://www.tourismnewbrunswick.ca/TravelInfo/TravelTrade>

What are tradeshows and marketplaces and why attend?

Tradeshows and marketplaces are professional events designed for travel and tourism businesses (including product and service providers and operators), to meet one another in one main forum, and develop and/or enhance business partnerships. They typically involve a number of core activities including (but not limited to):

- Information, education and training seminars
- Pre-set, formal business appointments
- Tradeshows to showcase supplier products and services
- Formal and informal networking opportunities

There are a number of main tradeshows and marketplaces held on an annual/bi-annual basis at set intervals. Each of these have defined audiences (e.g., leisure travel vs. business travel), area of focus (e.g., adventure travel, seniors travel, cruise travel, etc.) and objectives (e.g., building new business, renewing partnerships, etc.). The following table outlines the most relevant international tradeshows and marketplaces for Atlantic Canada.

MODULE FIVE - HOW DO I GAIN NEW TRAVEL TRADE PARTNERS?

Marketplace	Objectives	Location	Website
Atlantic Canada Showcase	International & national buyers meet Atlantic Canada suppliers	Atlantic Canada (Various Cities)	www.atlanticcanadashowcase.com
Rendezvous Canada (RVC)*	International buyers meet Canadian suppliers	Canada (Various Cities)	www.rendezvouscanada.travel/welcome
ITB Berlin	Global buyers meet global suppliers	Berlin, Germany	www.itb-berlin.de/en
World Travel Market (WTM)	Global buyers meet global suppliers	London, England	www.london.wtm.com
Showcase Canada Asia	Asia buyers meet Canadian suppliers	Asia (Various Countries)	www.destinationcanada.com/en/event/showcase-canada-asia
Focus Canada Japan	Japanese buyers meet Canadian suppliers	Tokyo, Japan	www.focus-canada.jp
International Lesbian & Gay Travel Association (ILGTA) Convention	Gay, lesbian and gay friendly suppliers and buyers connect	Various cities	www.iglta.org/convention
Educational Travel Consortium (ETC)	Educational travel buyers meet suppliers	Various international cities (mainly North America)	www.educationaltravel.travel
U.S. Tour Operator Association (USTOA) Annual Conference	North American buyers meet international suppliers	Various U.S. cities	www.ustoa.com/events
Adventure Travel World Summit (ATWS)	International adventure travel buyers meet with international adventure travel suppliers	Various international cities/towns	http://www.adventuretravel.biz/events
American Bus Association Annual Meeting & Marketplace	North American tour operators (with an emphasis on motorcoach tour operators) meet international suppliers	Various U.S. cities	www.buses.org
National Tour Association Travel Exchange	North American tour operators meet international suppliers	Various U.S. Cities	ntaonline.com

*Note that you must be approved by your PMO to attend this marketplace.

If attending tradeshow or marketplace events, especially those held in international markets, it is a good idea to incorporate sales meetings, either individually or with your PMOs, DMOs or tourism partners, before or after the event.

Preparing to attend a tradeshow or marketplace

In order to obtain the most return in attending a tradeshow or marketplace (terms that typically refer to the same type of event) it goes without saying that preparation and commitment will go a long way to achieving success. Participating in a tradeshow or marketplace on an on-off basis will rarely achieve long-term results. Relationships with the travel trade take time to develop and nurture. Participation for at least two to four years will go a long way to increasing familiarity of your product and/or service with the right travel trade.

Tips to Prepare:

- **Know the length of your appointment:** Appointments usually vary between 7 to 15 minutes.
- **Understand the event program:** Review the event program including learning opportunities and networking events. These components are often separate from the main tradeshow and offer tremendous opportunities for tourism suppliers. Furthermore, review the other suppliers exhibiting at the show/marketplace to understand how your organization differs.
- **Plan and book well ahead of schedule:** Tradeshows and marketplaces, especially those with travel trade matching programs (i.e., buyers), involve a process of pre-scheduled meeting appointments. Ensure you know the booking deadlines and book in advance so that you can meet with higher priority travel trade aligned with your products/ services and focus markets.
- **Differentiate your offering:** Prior to booking, ensure your collateral material including website are updated and well developed. Additionally, invest in a tradeshow space that provides an edge for your product/service. Attention grabbing PR goes a long way to attracting the right travel trade.

Tips for the Event:

- a) **Treat travel trade appointments like a partnership building engagement:** The travel industry is built on relationships and partnerships. Understand your product and/or service inside out and how it will fit within specific travel trade itineraries and packages. Listen to what the travel trade are asking of you and be prepared to compromise and work with them to best position your product and/or service.
- b) **Commissioning is key:** Commissioning is your investment in marketing your product and/or service to international consumers. Ensure your commissioning level is fair and reasonable and understand that you are one part of an overall travel and tourism value chain. Keep in mind that you might need to invite travel trade to experience your product and/or service (i.e., a FAM trip) as a means to showcase your offering as well as secure a deal.
- c) **The importance of following up:** Following each appointment, make sure to send a personalized message outlining what was discussed and agreed to. Track progress and ensure you are meeting your outlined objectives.

What are Sales Meetings?

Destination Canada and your PMOs regularly conduct sales (or trade) missions into key international markets. These missions are especially useful for first time entrants into the market and already established operators looking to further develop their business, to engage with attentive and primed travel trade, as well as to leverage a broader destination brand. Travelling as part of an organized sales mission is typically a cost-effective opportunity to showcase your product and/or service in partnership with other complementary products and services to a targeted group of operators.

At the start of the year, Destination Canada and the four Atlantic Canada PMOs typically publicize a list of planned sales meetings.

SECTION 12

Creating Your Travel Trade Action Plan

Once you make a decision to target the international market, a good first step is to develop a travel trade action plan. This will help you organize your efforts and achieve a better return on investment. The plan you come up with should be evaluated on a regular basis to measure progress and impact.

What should my travel trade action plan include?

- Main objectives – what are you trying to accomplish via the travel trade?
- Market selection – what are the international markets and consumer segments that are most likely to use your product and/or service? How can you best differentiate our product/service in each market?
- Product/service matching – Who are the ideal travel trade companies that will be interested in your product and/or service who focus on specific international markets?
- Strategies to engage with the travel trade – what are the three to five main strategies to identify and engage with the right travel trade representatives?
- Travel trade budget – how much budget including staff, time and money do you have to spend?
- Performance measurement – what are the key outputs and outcomes you want to achieve?
- Pricing structure
- Timelines

Your travel trade action plan does not need to be a lengthy or complex document, but rather should be manageable and achievable. The action plan will serve as the main document to guide your investment and interactions with the travel trade.

WORKSHEET

Positioning & Pitching Exercise

When working with new clients, a clear understanding of what sets them apart from direct and indirect competitors is crucial. That said, this is also one of the most difficult things for a travel company to do.

While there are only a few questions, they do require some thought. To get started, it's sometimes useful to review what your competitors are saying; however in the end your responses should relate strictly to what your company does, and not to the competition.

STEP ONE - THE COMPETITION

A direct competitor is a company that offers the same product or service as your company to the same client base. An indirect competitor is a company that offers the same or similar services as part of a wider service offering, or that offers a product or service that can serve as a viable substitute.

For this exercise, we will only worry about direct competitors.

My direct competitors are:

1

2

3

STEP TWO - YOUR CURRENT UNIQUE SELLING PROPOSITION (USP)

What is a Unique Selling Proposition? It's the reason your product or service is different from, or better than, the competition. The best USPs directly address a special need experienced by your ideal customer.

My USPs are:

1

2

3

Don't have one? Don't worry - that just gets you to step three quicker.

STEP THREE - "THE ONLY"

Have a look at the following, and try to fill in your answers one by one. You'll see that as they build on one another, you may have to revisit your previous answer and amend it in order for this to work. It doesn't have to be long, but it has to be impactful, and true. Change the structure of the sentence as much as you need. It should cover geography, activity and destination features that make you and your product or service unique and give your target market a compelling reason to choose you over the competition.

COMPANY XXX is the only..... in..... offering

..... and For example,

Arctic Kingdom is the only **Canadian-based tour operator** offering ground-based tours in Canada's High Arctic. They are the only **operator** offering Arctic sea diving and land-based Arctic safaris.

WORKSHEET

Developing a Travel Trade Action Plan

By addressing each of these questions you will be able to craft your travel trade action plan.

1. Main travel trade objectives

- a) What is it that my company/organization wants to accomplish via the travel trade?

2. Market selection

- a) What is/are the international market(s) that are right for my company/organization?

- b) Are our products/services in demand and/or can they be differentiated in international market(s)?

3. Product/service matching

- a) Which are the ideal travel trade companies that will be interested in my product and/or service and that focus on specific international markets?

4. Strategies to engage with the travel trade

- a) What are the three to five main strategies to identify and engage with the right travel trade representatives?

- b) How can I best develop a relationship with the right travel trade representative(s)?

WORKSHEET

Developing a Travel Trade Action Plan (Continued)

By addressing each of these questions you will be able to craft your travel trade action plan.

5. Travel trade budget

a) What will be my rate structure?

b) What are my projected sales - i.e., forecast of total sales from all sources including travel trade?

c) How much budget including staff resources, time and money do I have to spend to engage with the travel trade (i.e., including commissioning, development of collateral material, sales meetings, etc.)?

d) What is my ideal investment payback period? (i.e., when do I need to achieve a return on investment?)

6. Performance measurement

a) What key outputs and outcomes do I want to achieve via the travel trade?

b) How am I going to measure my performance?

MODULE SIX

NOW AM I READY FOR THE INTERNATIONAL MARKET?

REVIEW THE FINAL CHECKLIST TO DETERMINE IF YOU ARE READY TO WORK WITH THE TRAVEL TRADE AND GROW YOUR INTERNATIONAL SALES

SECTION 13

Final Checklist

Are you now able to address all of the below?

Module One: Am I Ready for the International Market?

- ☐ Understand what the travel trade network is and how it works
- ☐ Understand how travel trade can enhance your business
- ☐ Determine if your business is ready to work with travel trade

Module Two - How Can Travel Trade Help Build My Business?

- Understand the importance of the international market
- Understand the importance of diversifying your investments
- Know the extended travel periods for the international market

Module Three - How Will Travel Trade Change How I Do Business?

- Understand what is required to work with travel trade and how to adjust your business to meet these requirements
- Understand how to price your products and services to work with travel trade
- Know the various components of a standard trade agreement and why they are important

Module Four - Which Travel Trade Partners Should I Work With?

- Understand the nuances of different international travellers
- Understand the different types of inbound travellers
- Understand the different type of travel trade.
- Identify the best markets, travellers and operators for you and learn how to cater to their needs

Module Five - How Do I Gain New Travel Trade Partners?

- Develop beneficial long-term relationships
- Refer to your effective yet simple travel trade plan

Don't forget to contact your PMO for support and additional information



TOURISM GLOSSARY

B

B2B: Refers to Business to Business transactions, relationships, marketing, etc. (rather than Business to Consumer).

B2C: Refers to Business to Consumer transactions, relationships, marketing, etc. (rather than Business to Business).

C

Commissions: Commissions are the cost of increasing your distribution. They are the fee paid to any receptive tour operator, international inbound tour operators, online and/or retail agent for the services they provide – including the marketing, distribution and sales of your product or service.

D

Destination Management Company: A tour operator or travel agent specializing in services for incoming visitors, such as within their own city, province, region or country. Provide services at the destination to group or FIT travel organizers/tour operators. Contracts with individual tourism suppliers.

Destination Marketing / Management Organization: Destination marketing / management organizations work with provincial marketing organizations, tourism suppliers, travel trade, operators, associations, regional tourism organizations, legislators and government to collaboratively promote tourism growth within the region. They can provide support, resources and introductions to you and are a key resource for growing your international market. Examples are Newfoundland and Labrador Tourism and Tourism Prince Edward Island.

E

Escorted Group Tour: A pre-arranged tour, primarily for groups 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.

F

FAM Tour/Familiarization Trip / Educational Visit: A complimentary or reduced-rate travel program for tour operators, travel agents, airline or rail employees or other travel buyers, designed to acquaint participants with specific destinations or suppliers and to stimulate the sale of travel. Familiarization tours, also called FAM tours, are also offered to journalists (media tour) as research trips for the purpose of cultivating media coverage of specific travel products.

FIT: Fully Independent Traveller: A pre-paid unescorted tour that includes several travel elements such as accommodations, rental cars and sightseeing. An FIT operator specializes in preparing FIT documents at the request of retail travel agents. FITs usually receive travel vouchers to present to on-site services as verification of pre-payment. Packages are 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 airfare, car rental, and perhaps some additional services on a package basis. It may also include accommodations for some or all nights, and/or some meals.

I

Inbound Tour Operator: An Atlantic Canada based business that provides itinerary planning, product selection and coordinates the reservation, confirmation and payment of travel arrangements for their overseas clients such as international inbound tour operators or retail travel agents.

International Inbound Tour Operator: International inbound tour operators take residents from one country to travel in another country. e.g., internationally based inbound operators who bring visitors to Canada such as CANUSA Touristik, Voyageur du Monde and Road Scholar. They often they work with receptives to access tourism products and services in the destination.

M

Market ready: Refers to a business that markets to potential visitors, that communicates with potential visitors year-round, and is ready to accept advanced reservations.

Marketplace vs. Consumer Show vs. Tradeshow: A Marketplace is where tourism suppliers (sellers) have pre-scheduled appointments with tour operators and/or other travel influencers (buyers). A consumer show is where the general public attends and the tourism supplier (exhibitor) interacts with consumers that visit their booth. A Tradeshow is an exhibition of travel tourism products designed to solicit business from travel trade buyers. As an example, NB THC Travel Trade representatives primarily attend marketplaces, secondarily consumer shows, and less often, tradeshow.

Motorcoach (coach) Tour: A group tour in which the primary mode of transportation is by motorcoach (Though can fly into destination then experience it via motorcoach.) Also refer to Escorted Group Tour.

N

Net Rate: Price of goods to be marked up for eventual resale to the consumer.

O

Online Travel Agency (OTA): A travel website that is dedicated to travel, the site may be focused on travel reviews, the booking of travel or the combination of both. Contracts with individual tourism suppliers. e.g., Travelocity, Expedia, Orbitz, etc.

P

PMO: Provincial Marketing Organization (also known as Provincial Tourism Organizations) - Provincial marketing organizations work with tourism suppliers, travel trade, operators, associations, regional tourism organizations, legislators and government to collaboratively promote tourism growth within the province. They can provide support, resources and introductions to you and are a key resource for growing your international market.

R

Rack Rate: The official cost posted by a hotel, attraction or rental car offered to the general public, but not used by tour operators.

Rate Parity: Suppliers need to allow for rate parity among retail (rack) rates and those selling your products or services, without confusing the consumer. This means the final price the consumer pays can't be affected by the amount of commission paid to your distribution channels. The end customer should pay the same price if they book direct, through a travel agent, or online. If the customer can purchase directly from you at a reduced price, travel trade will not promote/market your product, rendering your trade networks unserviceable.

Receptive Tour Operators: A tour operator or travel agent specializing in services for incoming visitors, such as within their own city, province, region or country. Provide services at the destination to group or FIT travel organizers/tour operators. Contracts with individual tourism suppliers.

Retail Agency: A licensed travel company selling directly to the public, sometimes a subdivision of an international inbound tour operator and/or retail travel organization.

Retail Rate: The price of travel marketed to end consumers.

Rate Sheet or Tariff: A schedule of fees with details on such items like FIT vs. wholesale rates, double occupancy, single supplements and rates by dates/seasonality. This is distributed in confidence to international inbound tour operators and travel agents.

ROI: Return on Investment

S

Supplier: The producer of a unit of travel merchandise, such as a carrier, hotel or sightseeing operator. Also includes a company that provides local travel services, including transportation or guide services.

T

Tour: Any prearranged (but not necessarily pre-paid) journey (group or FIT) to one or more places and back to the point of origin.

Tradeshaw: In the travel industry, this refers to an exhibition organized so that travel companies and destinations can showcase their products and services to industry partners and clients. Tradeshaws often have speakers and presentations about recent market trends and new opportunities as well. The most well-known tourism tradeshaws are ITB and World Travel Market (WTM).

Travel Agent: The collection of companies which buy and sell travel. This includes receptives, international inbound tour operators and travel agents.

Travel Trade: The collection of companies which buy and sell travel. This includes receptives, international inbound tour operators and travel agents.

U

USP: Unique Selling Point - The benefits differentiating your product and service from your competitors. You want to distinctly and easily highlight these benefits when marketing to travel trade.

V

Voucher: This is a document, or proof of payment provided to booked guest to verify what they paid for travel costs (meals, excursions, hotels, flights, etc.). Often used for FITs.

W

Wholesale Tour Operator: (Also known as an international inbound tour operators) - A licensed business that usually creates and markets inclusive tours and FITs for sale through other tour operators and/or travel agents. Usually sells nothing at retail, but also does not always create his/her own product; also less likely to perform local services. Contracts with individual tourism suppliers.



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