



Glossary of Travel Trade Terms

Ad Hoc Groups: A pre-formed group that is traveling as a one-time tour.

Block: A number of rooms, seats, or space reserved in advance, usually by wholesalers, tour operators, or receptive operators who intend to sell them as components of tour packages.

Consolidator: A person/company that sells travel on air charters at group rates on scheduled flights to increase sales, earn override commissions, and reduce tour cancellations.

Escorted Coach Tours: An ad-hoc or tour series either brochured by an international tour operator and sold directly to consumers, or brochured by a receptive operator and marketed to tour operators for publication.

FAM (Familiarization) Tour: A free (comp) or reduced-rate trip offered to travel and media professionals to acquaint them with what a destination, attraction, or supplier has to offer.

FIT (Frequent Independent Travel): A custom-designed, prepaid travel package with many individualized arrangements. FIT's are unescorted and usually have no formal itinerary.

Fly/Drive Tour: An FIT package that always includes air travel and a rental car and sometimes other travel components.

Independent tour: A travel package in which a tour operator is involved only with the planning, marketing, and selling of the package, but is not involved with the passengers while the tour is in progress. See also Foreign Independent Travel (FIT).

Net Wholesale Rate: A rate usually slightly lower than the wholesale rate, applicable to groups of individuals when a hotel is specifically mentioned in a tour brochure. The rate is marked up by wholesale sellers of tours to cover distribution and promotion costs.

Packaged Travel: A package combining two or more types of tour components sold as a product which is produced, assembled, promoted and sold as a package by a tour operator for an all-inclusive price.

Receptive Operator: A local tour company which specializes in services for incoming visitors via tour operators. They are also known as Land Operator and Ground Operator. Receptive Operators only work with the travel trade and not directly with the consumer.

Room Rates: The various rates used by lodging properties to price rooms. These include: *flat rate* (a specific room rate for a group agreed upon by the hotel and group in advance), *group rate* (same as flat rate), *net group rate* (a wholesale rate for group business to which an operator may add a markup if desired), *net wholesale rate* (a rate usually lower than the group rate and applicable to groups or individuals when a hotel is specifically mentioned in a tour folder), and *published rate* (a full rate available to or advertised to the public-also called the rack rate.)

Tiered Pricing: When suppliers offer different prices to receptive operators, tour operators, and group leaders, so each party can earn a profit by marking up the supplier's price while still offering a fair price to customers.

Tour Operator: A tour company which works directly with suppliers (ie hotels, attractions, etc) or via Receptive Operators to offer a package which is sold directly to consumers or travel agents.

Tour Series: The same tour offered on multiple arrival dates.

Wholesale: Sale of travel products through an intermediary in exchange for a commission or fee generally at reduced tariffs.