

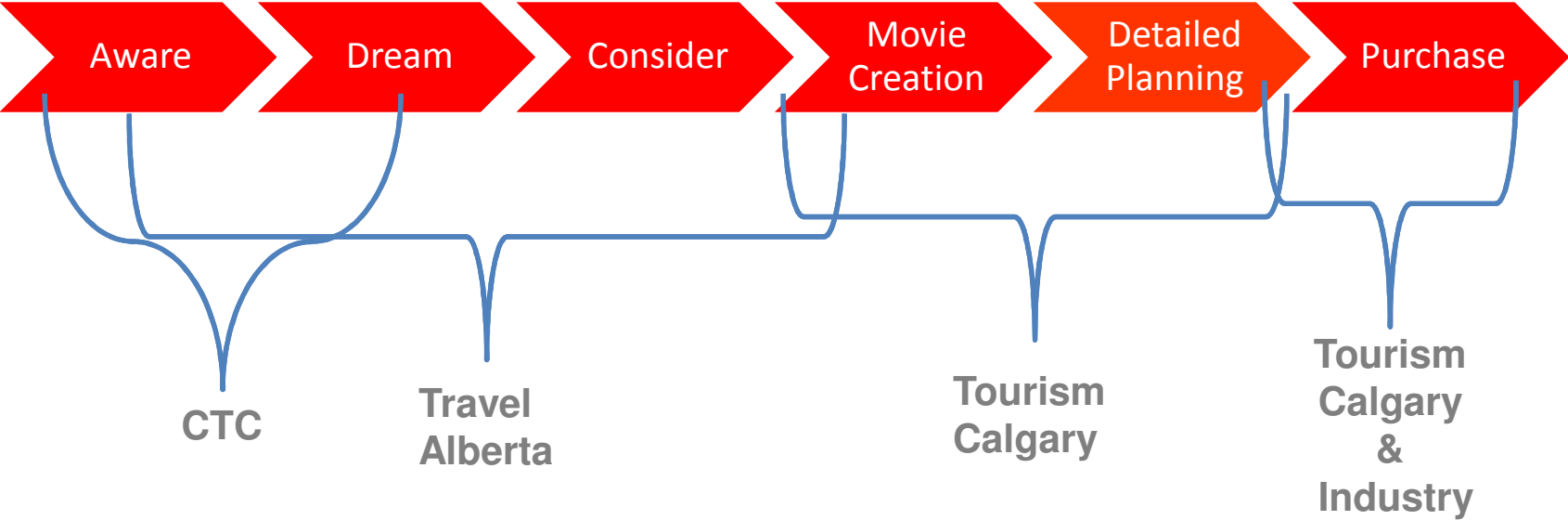
travel trade workshop

tourism
calgary

travel trade workshop

- who are the travel trade & tour operators
- benefits of working with travel trade
- how to become market ready
- how to work with travel trade
- how Tourism Calgary can assist you
- key things to remember
- shows Tourism Calgary is attending this year
- questions

tourism organizations & roles



travel trade workshop

travel trade

- the travel trade are buyers and sellers of YOUR product that either sell direct to the consumer or to other buyers
- they consist of receptive tour operators, outbound tour operators, wholesalers, and travel agents

travel trade workshop

definitions

- **receptive tour operator – otherwise known as RTO**

A receptive operator is a Canadian-based tour operator specializing in Canadian tourism experiences and products. The receptive operator represents Canadian tourism suppliers' products to tour operators in international markets.

- **outbound tour operator**

Is based out of the destination (in another country) who bring people to the country. They sell to the consumer or to the travel agents who sell to the consumers.

- **fit – fully independent traveller**

They travel by themselves not in a group. They are traditionally thought of as a single traveller but can be a couple or part of a family.

- **group/tour groups**

Normally 6 rooms or more travelling together, could be a scheduled tour group or just a family traveling together.

travel trade workshop

receptive tour operators

- is a Canadian based tour operator specializing in Canadian tourism experiences and products
- produce a listing of all of their destinations and tourism suppliers in a publication known as a tariff
- they offer the ability to purchase these products individually or within a range of suggested packages or itineraries
- they create packages based on demand from tour operators and at the suggestions of local provincial tourism offices
- wholesale tour operators will feature what they sell to travel agents who sell to the customers

travel trade workshop

two main type of receptive tour operators

- **inbound receptive tour operator**

based in Canada, often with sales representatives in international locations, selling a range of Canadian product to international tour operators. Ex Jonview

- **local receptive tour operator**

based where the product is (i.e. Alberta), having working relationships with local tourism suppliers and with regional tourism organizations and Tourism Calgary and Travel Alberta. ex. Brewster, Anderson Tours

travel trade workshop

benefits of working with travel trade

- expands your marketing reach and customer base
(if you can not afford to market and travel to other countries, by working with travel trade your product will be represented in these markets)
- your product will be represented around the world, on websites and translated into different languages, without your costs
- it is good to spread your reliance on customers between markets, corporate, group, weddings and individual
- this is essential when the markets and economies go up and down, you are not relying on only one source of business
- they follow the trends, knows what the customers want
- example of their reach Jonview (the largest RTO) sells to 45 countries, 500 tour operators/wholesalers/clients

travel trade workshop

what are travel trade looking for in partners?

- They are looking for suppliers that can provide a consistent and quality product with competitive pricing while operating within recognized industry standards. They look for supplier partners who are fully licensed, insured and who understand how to work with tour operators.

travel trade workshop

definitions

Export/Trade Ready:

Tourism is recognized as an export industry because tourism products and services are purchased/consumed by non-residents. In order for tourism products and services to be considered “export ready” a number of criteria must be satisfied including:

- is it competitive in quality and programming to similar products and services offered to a non-resident market;
- is it promoted to and accessible to non-resident markets;
- does it meet the necessary standards, regulated and unregulated, as determined by foreign markets;
- is there a need or desire (demand) for the product or service offered to non-resident markets; etc.

travel trade workshop

key requirements to be trade ready

- maintain good standing on your business (licenses and insurance etc.)
- offering net rates & commissionable rates – for the next two years
- product that is quality and consistent
- offer industry standards on booking & cancellation terms
- professional images and information on your product
- marketing materials such as website, brochures or information sheets
- professionalism re: response time and allotment
- create a one page PDF – information sheet to provide to your DMO & PMO and to tour operators

travel trade workshop

rates

- provide travel agents with 10% commission (minimum) on the room rate
- offer net rates for receptive tour operators from 20-30% off of rack rates
- group rates are normally 20-30% off of rack rates
- attractions are 10-20% off
- ask the tour operator if they want net or commissionable rates
- always quote either net or commissionable and plus taxes
- value adds or incentives to book are important
- provide industry standard terms and conditions
- rates can be flexible

how rates and commission work



travel trade workshop

calculating net rates

- Net Cost of your Product = \$100.00
- Your net profit, mark up by 15% (0.85 divided by 100) = \$117.65
- Net Amount you must receive from each sale = \$117.65
- Retail selling price, mark up by 20% (0.80 divided into \$117.65) = \$147.06
- Travel agent price, less 10% off of retail price (\$14.70) = \$132.35
- Net price, less 20% off of retail price (\$29.41) = \$117.65
- Net amount paid to your business when both distribution channels are involved = \$117.65

very important for your rates to be transparent as tour operators and customers will check

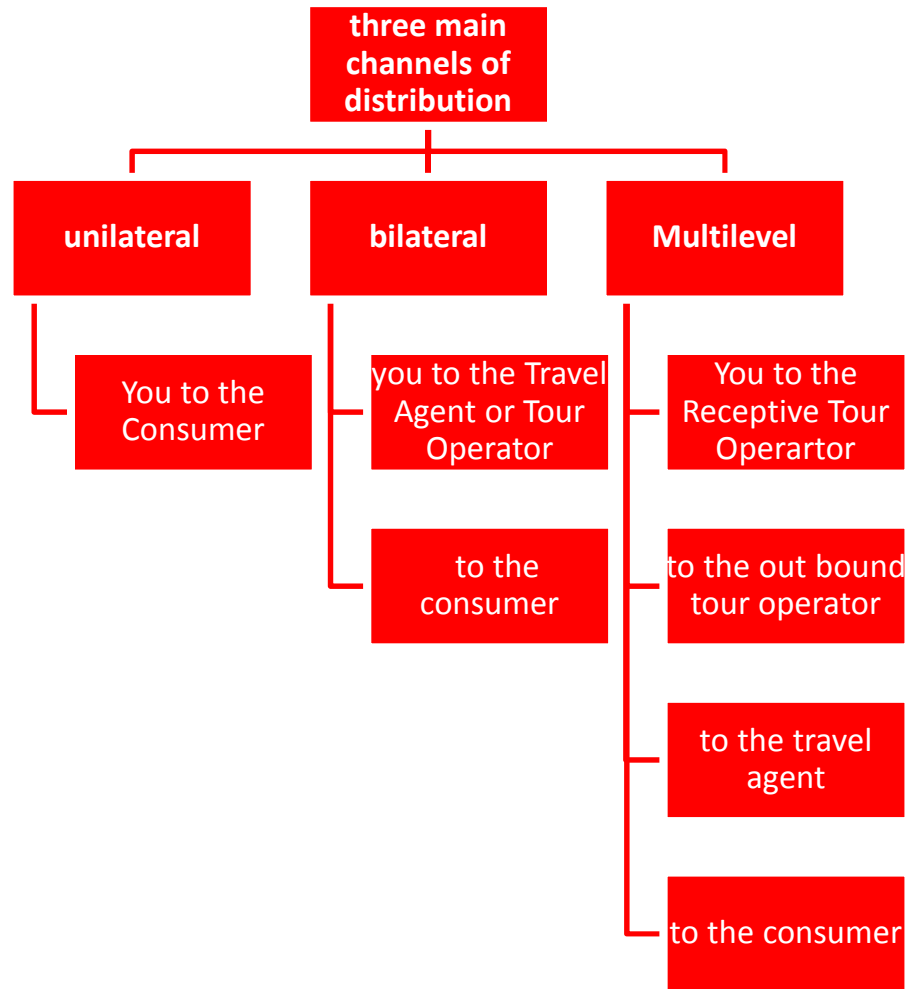
travel trade workshop

how do you work with travel trade?

three main channels of distribution

- **unilateral**
 - you to the consumer
- **bilateral**
 - you to the tour operator or the travel agent to the consumer
- **multilevel**
 - you to the receptive tour operator to the outbound tour operator to the travel agent to the consumer

travel trade workshop



travel trade workshop

remember

- ensure you are market ready before you begin
- be professional and honest on what you sell and what you can offer to your customers
- ensure you deliver what you promise
- establish your rates 12-18 months in advance
- follow up is extremely important
- work with your DMO & PMO
- remember it can take time to see results from travel trade
- participate in product development trips to your product
- make your product unique and stand out to the Tour Operators
- offer value ads or incentives for them
- make it easy for them to work with you
- ask questions

travel trade workshop

How can Tourism Calgary help you?

- assist you in becoming market ready for the travel trade sector
- introduce your product to the receptive tour operators and tour operators
- introduce your product to Travel Alberta
- represent your product at the trade shows
- connect you with top key tours operators that sell your product
- ensure key tour operators know about your product
- bring product development trips to experience your product
- provide you with tourism leads for business
- guide you and assist you on how to begin working with the trade

travel trade workshop

Shows that Tourism Calgary is attending in 2013

- Rendezvous Canada May 12-15 - Ottawa, Ontario
- Showcase Asia, October 14-17 - China
- Canada's West Marketplace, November 29-30 - Whistler, BC

travel trade workshop

best methods for success from attending a trade show or hosting a fam

- **be prepared**
 - do your research before meeting with them or hosting them
 - know what they currently sell or the product they already feature
 - know their customers and what they want
 - know what your strengths are and the type of experience you sell
- **follow up**
 - ensure you complete follow up within either a week or two from a trade show, and always within 24 business hours when receiving a request

travel trade workshop

in your package, you will find

- information on working with travel trade
- a checklist for working with travel trade that includes, product, rates, pricing, policy, allotments, commitments
- key RTO contacts
- example of a PDF information sheet

travel trade workshop

what can you do today?

- review the information and the check list provided
- decide if you want to work with travel trade
- decide what product and experience you want to offer and who your ideal customers are
- provide Tourism Calgary with your information
- work with your DMO & PMO & partners

travel trade workshop

thank you & questions

tourism
calgary