



# GLOSSARY OF SALES TERMS

**Accommodation Marketing Consortia:** Commonly representing luxury hotels / heritage and exclusive accommodations. Examples from international markets include; Preferred Hotels, Leading Hotels, Design Hotels. In Ireland examples include Select Hotels, Manor House Hotels, Heritage Island, Blue Book, Irish Landmark Trust and Town and Country Hotels.

**Ad Hoc Group:** Once off, bespoke tour group programme designed by a tour operator or travel agent to meet a client's specific interests, budget or time duration.

**Aggregators:** A website with computer software that provides for the sale of a range of travel products or packages for sale on a single platform. In travel and tourism this can include accommodation, flights, car hire, train tickets, cruise offers, tours or combined travel products. Some can be land only, multiday tours. Aggregators tend to sell using social media targeted advertising.

**Association Conference:** A conference attended by members of an Association. National Associations typically hold an annual conference open to members to attend and International Association conferences are generally open to its global membership.

**BAR:** Best Available Rate – also known as Best Rate Guarantee (BRG), is defined as the lowest available unqualified rate. BAR is priced based on the supplier and market demand and does, in fact, provide the lowest unqualified rate to the consumer every day. The BAR rates are available to the general public, does not require pre-payment and does not impose cancellation or change penalties and/or fees, other than those imposed as a result of a hotel property's normal cancellation policy.

BAR is designed to create transparency between direct supplier rates to public and those offered on third party intermediary channels. The BAR rate is in essence the lowest rate available for each date, and is offered to the guest and as a result, instead of paying the same price for each room-night, the guest could pay different prices each night as the rate distributed will fluctuate to be the same as unrestricted rates available publicly on any other channel.

**B2B Business to Business:** Where a tourism experience or service provider makes their offering available for sale to other businesses (in market or in Ireland, who represent clients) to sell onto clients. This usually requires the offering to be sold at a lower rate than you would sell direct to customers, so the other business representing the customer gets a % commission or if you sell at net rate, can add in their margin and sell at a higher rate.

These sales can be online (through an OTA) or offline (through a Tour Operator – in market or In destination, Agent or DMC). Some B2B Tour Operators are wholesalers



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who develop programmes and itineraries to sell on as packages to other tour operators and travel agents. One example of these is Service Reisen in Germany or Albatross in the UK. In these cases you can expect these operators will need a slightly lower B2B rate, as they will need to get their margin when they sell your product on, and the agent who sells it on to their customer will also need a cut.

**B2C Business to Consumer:** Where a tourism business sells their product or service directly to the customer, this can be online (own brand website) or offline (face to face – walk in, Phone or in advance at B2C)

**Booking Window (or Lead Time)** is the period of time between the reservation being made by the guests or a group and the actual arrival date to the hotel.

**Blog:** An abbreviation for the term ‘weblog’ – articles published online in a diary type, commentary that can link to articles on other websites.

**Brand Sites (or own brand site):** Hotels or tourism businesses own websites.

**Coach Operator:** A coach operator operates and owns his own coaching fleet. They can provide coaching services only and/or organise, plan or purchase touring holidays to sell directly to special interest groups or regular customers. Some offer priced packages with scheduled departure dates, where others just create packages on an enquiry basis from group organisers or travel agents

**Commission** is a charge that a supplier pays to third parties or intermediaries to sell their product/stock. It is usually a fix percentage of the retail rate. Commission can range from 7% to about 30% depending of the 3<sup>rd</sup> party distribution channel, how influential it is, the size of your product stock volume available for sale through this channel and the popularity of your product or destination/area. The larger your business the more influence it can bring to commission negotiations. The most common commission is about 15-20% In certain locations where the market is stronger, some OTA’s have introduced a ‘preferred property’ commission scheme with a higher % commission to give you more exposure or a spot in the top 10 properties listed for a location, to influence volume of sales conversion.

**Consumer Promotions:** Organised travel exhibitions where destinations, tour operators and travel businesses promote and sell their products to consumers.

**Channels:** Distribution Channels describe the different methods / platforms buy which bookings are made. A Channel can be a business’s own booking engine, a direct phone reservation or a specific stream of revenue from 3<sup>rd</sup> party intermediaries such as Tour Operators, travel agents of OTAs.

**Channel Manager:** An online tool that facilitates the distribution of your accommodation rates across multiple online channels.



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**CMS:** Content Management System is a computer application that allows the publishing, editing and modification of content on a website.

**CRM:** Customer Relationship Management – a system for managing a business’s interaction with its existing and potential customers.

**Cost Per Click – CPC:** This is the amount of money an advertiser pays search engines and other internet publishers for a single click on its advertisement that brings one visitor to its

**CRS:** Refers to central reservations system. It is a computerised reservations software programme used to maintain hotel data including room stock and rates, to managing the reservations. It provides hotel room rates and availability for many different distribution channels such as the GDS, IBE, OTA and 3<sup>rd</sup> party websites. It serves as an application with various functionalities to manage a supplier’s product distribution / bookings.

**Distribution Channel:** A chain or network of businesses or intermediaries through which a product or services passes to reach the end consumer.

**Distribution Strategy:** determines when and through which channels to sell your product based upon an analysis of the costs of acquisition and volume and value of customer booking within each individual channel.

**DMC – Destination Management Company:** Companies that provide full travel management services and expertise for corporate meetings, incentive programmes and events. Typically, they design, plan and deliver bespoke travel experiences to overseas corporate meeting and Incentive Houses or direct to the company based corporate meeting planner. Typically they ground handle all elements of the trip but don’t book the flights, this is done by the operator or travel agent in the market representing the group or individual.

**Dynamic Packaging:** Typically a system designed to enable a consumer to choose the individual travel components to build their own package holiday.

**FIT:** Acronym used to describe independent travel packages – Free (or fully) Independent Traveller... they may be purchased direct by the customer or by an agent or tour operator that will build an independent itinerary bespoke to the clients’ needs.

**FIT Allocation:** Is an agreement between a tour operator and an accommodation provider to hold availability of a few rooms (often 1-2 rooms) to be available at any



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time, for advance booking to them (usually up to 24 hours before) if they have client requests.

**GDS – Global Distribution System:** Computer systems originally established by the airline industry in the '70s to enable travel agents to make airline reservations and over time expanded into the provision of inventory of numerous travel products, hotels, car hire, cruises, etc. With the advent of the Internet, GDSs have evolved into content providers for OTAs also.

**Google AdWords:** Allows you to create and run ads for your business as part of a search engine marketing campaign. AdWords are displayed along the search results when a consumer searches Google using one of your keywords.

**Group Organiser:** A group organiser is typically an individual who organises packaged holidays for members of a club who annually travel as a group in pursuit of their particular interest, i.e. choral groups, bridge club, active retirement groups, etc.

**Handling Agent:** A handling agent provides full comprehensive land arrangements or special partial service of an overall land programme for group tours, individual travel and other large movements of holiday makers such as cruise ships. These companies generally act as direct representative to the international travel trade – tour operators, wholesalers, travel agent consortia.

**High/Low Res Image:** The resolution of an image varies from high to low res – high res is generally required for print media and low res is generally suitable for online reproduction.

**Incentive Travel:** A tailored travel package designed as a reward for winners of an incentive programme which recognises achievement or rewards loyalty. The incentive travel business typically has a long sales and delivery cycle therefore it tends to have longer lead in time from booking to delivery. Generally high end bespoke programmes designed by DMCs.

**LCC:** Low Cost Airline Carriers

**Merchant Model** refers to the commercial model of an OTA. The main characteristic of a Merchant Model is that the guest pays the OTA at the time of booking a room, and the OTA afterwards pays the hotel when the actual stay occurs.

**Metasearch:** An online travel site that allows users to enter search criteria once and access several search engines simultaneously.

**Meta Search or Comparator sites** such as Trivago, Opodo, TripAdvisor and Kayak who offer comparison of prices for accommodations, flights etc. on a like for like product basis.

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**MICE:** Acronym used specifically used for Business Tourism – Meeting, Incentive, Conference, Events.

**Net Rate** is the price without the commission of the intermediary. This means the distributor can mark up this price with whatever margin he/she wishes to make. Generally the mark-up or margin should be determined in the distribution partnership agreement between the supplier and distributor/intermediary. Care must be taken in rate negotiations to ensure Net rates are not sold on at a rate lower than your direct BAR

**Online Channels:** A variety of online websites, including desktop and mobile enabled sites and apps that facilitate online bookings. These include hotels' own websites, OTAs and metasearch sites.

**OTA (Online Travel Agent):** Similar to a traditional travel agency but operates only online. They act as online intermediaries between travel industry suppliers (primarily accommodation and transportation) and the consumer. The two biggest global OTA brands are: Bookings.com (part of Priceline group); Expedia.com (Each of these are part of a bigger family of brands). Collectively they manage 70% of OTA bed night sales worldwide.



**Pay Per Click – PPC:** Internet advertising where advertisers only pay when their advert is clicked. Google Adwords, Yahoo, Search Marketing and Microsoft Ad Centre are the three largest PPC providers.

**Path to Purchase:** The route that customers take to make a travel booking. This typically starts with the inspiration stage and ends with a booking

**PCO – Professional Conference Organiser:** Companies with skills and expertise in the conference meeting industry, PCOs manage all aspects of large international conferences and congresses that travel globally on a rotational basis

**PMS or Operating system** is a local hotel administration system used for



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reservation, managing and checking availability and occupancy management, check-in/out, images, guest profiles, report generation etc. This application is used in-house (in an individual hotel) to control the onsite property activities. The PMS can be connected with other applications such as the hotel point-of-sale (POS) or the CRS. The interface to a CRS is an additional option in order to transfer availability, reservations and guest profile information.

**Retail/Rack/Public Rate:** The highest published retail price – traditionally the maximum rate specified by the business on tourist board annual registration forms.

**Retail Travel Agent:** Retail travel agents sell holiday and travel products to the public. They typically earn commission on sales from tour operators and travel providers. A retail agent (can be shopfront or in the US many are home-based) who offers travel packages, flights, and individual travel services to a customer at a retail rate. Some Travel agents have their offerings available online on their website for sale, but a lot of their sales tend to be conducted in person, allowing them to tailor and create bespoke travel solutions for their clients. Their expertise and knowledge of a destination is often key to the loyal relationship they build up with their clients, as they become trusted Travel advisors/destination experts. While most agents provide travel solutions for individuals or private (small groups) some do offer bigger group tour packages, but actually work through a tour operator (in market or in destination) or DMC (destination management company) to provide this.

**RevPar:** Revenue per available room.

**Social Media:** Websites and applications (Apps) that enable social interaction among people/businesses in which they create share and exchange information and ideas in virtual communities and networks.

**SEO:** Search Engine Optimisation is the process of getting traffic from the free organic editorial or natural (unpaid) search results on a search engine – <http://www.failteireland.ie/Market-Your-Business-Online/Help-Consumers-Find-Your-Website.aspx>

**TCS:** Tourism Content System – operated by Fáilte Ireland is Ireland’s national database of tourism content.

**Tour Operator:** A tour operator plans and prices holiday packages that are published in both brochures and on-line. Typically holiday packages combine a number of travel components, often from different tourism industry suppliers to create a tour or holiday package. A touring itinerary can be developed for groups or individuals and may include air/sea access, land transportation, guiding services, accommodation, visits and evening entertainment. A Tour Operator can sell through third parties, i.e. travel agents or direct to the consumer.



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**Tour Series:** An annual series of packaged escorted group tours provided by Tour Operators. The touring itinerary operates on a schedule of departure dates throughout the year or over a number of months.

**Trade Promotions:** Organised sales events for suppliers (can be in Ireland or in market) to meet travel trade buyers. Fáilte Ireland's managed listing of these is available at <https://tradeportal.failteireland.ie/>

**Travel Consortia:** Typically a consortia comprises a number of independent travel agencies, DMCs, Luxury Hotel properties and global hotel groups, as well as travel consultants/concierges who join together to increase their influence and buying power. The big consortia include, i.e. Signature, Virtuoso, World Choice, Travellermade, Travel Leaders. Travel buyers gain benefits of membership through marketing services, training, networking, technology tools/insights, and client upgrade benefits (where available) while travel suppliers gain priority access to sales events and sales platforms and sales appointments/meetings for their products and services. Joining and annual membership fees can be very high.

**Washdown rates:** A practice of applying an overbooking strategy in a business which sells to group organisers or tour operators is common where you track *wash down rates* daily (i.e. patterns or percentage of cancellations and no shows), to monitor the history of bookings most commonly by group organisers or tour operators, but more recently by OTAs who offer last minute cancellation options. The washdown rates confirm the typical pattern and levels of cancellations to what was originally booked. Hotels who have patterns of wash down rates in hotels on the basis of past trends, choose to apply an overbooking policy (usually a small % of rooms) to optimise occupancy and room sales thus minimising the impact of unsold rooms due to cancellation patterns.

**Workshop/Trade Event:** Sales events where suppliers can have one to one planned or unplanned/unscheduled meetings.

**Wholesaler** is a 3rd party organization that sells hotel room nights or travel experiences or services. Wholesalers are companies that buy in bulk then sell them on to other 3<sup>rd</sup> party channels on and offline, allowing suppliers generate more volume bookings. Some wholesalers have a retail brand that allow them sell on to customers to, but usually within the wholesale rate agreement, the business ensures the wholesaler cannot sell the stock on to consider at wholesale rate, thus underpricing against other distribution platforms.