

- **Tour operators & business types:**

Tour operator: a person or company which creates and/or markets inclusive tours and subcontracts with suppliers to create a package. Most tour operators sell through travel agents and/or directly to clients. Traditional thought is that there are three layers: Receptive (in US), Wholesaler (foreign-based) & Retailer (sales/travel agency). Technology and consolidation have caused some wholesale & retail companies to merge and have added bed banks to the mix.

- **Receptive operator (aka: inbound tour operator or ground operator):** a tour operator or travel agent specializing in domestic tours for foreign visitors in the strictest sense. They may plan your lodging, meals, attraction visits, etc. for a fee or commission. A receptive may include domestic services as meeting them at the airport and facilitating their transfer to lodging facilities.
- **Wholesaler:** a company that usually creates and markets inclusive tours and FITs for sale through travel agents. Although the term is used often as a synonym for tour operator there are several distinctions: (1) a wholesaler presumably sells nothing at retail while a tour operator often does both; (2) does not always create his/her own products, while a tour operator always does; (3) is less inclined than a tour operator to perform local services.
 - **Outbound tour operator:** a general term for a foreign-based company which brings groups/travelers from another country to the U.S. May include both wholesale & retail operations.
 - **Bed bank:** an online wholesaler specializing in accommodations, operating like an OTA for wholesalers & tour operators. Some of the largest include Agoda, Hotels4U & Hotelbeds.
- **Retail (travel) agency:** a travel company selling directly to the public, sometimes a subdivision of a wholesale and/or retail travel organization. Retail salespeople are called **travel agents**.

- **International package tour types:**

Package tour: a saleable travel product offering an inclusive price with several travel elements that would otherwise be purchased separately. Usually has a predetermined price, length of time and features but can also offer options for separate purchase.

- **FIT (Frequent/Foreign/Fully Independent Traveler):** custom-designed, pre-paid tour with many individualized arrangements. Typically a "FIT Package" will include lodging, meals, and attractions, and will be unescorted and no formal itinerary. An FIT operator specializes in preparing FITs documents at the request of retail travel agents. FITs usually receive travel vouchers to present to on-site services as verification of prepayment.
 - **Fly/drive tour:** An FIT package that always includes airfare and a rental car – sometimes includes other components.
 - **Independent (fly/drive) 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.

- **Group tour:** typically group tours are prearranged, prepaid, and include transportation, lodging, dining, and attraction admissions. May be bus/motorcoach tour.
 - Could include incentive, educational, special event or theme tours
- **Additional tour themes/types:**
 - **All-inclusive package:** A tour package in which most travel elements are purchased for set price. Also called an all-expense package.
 - **Alumni tour:** A tour created for customers who have previously traveled with a tour operator. Also called a reunion tour.
 - **Amenity package:** A cluster of special features, such as complimentary shore excursions, bar or boutique credit, or wine at dinner offered to clients on a given tour or cruise, usually as a bonus or extra feature. Usually used to induce clients to book through a particular travel agency or organization.
 - **Bus/Coach/Motorcoach Tour:** A tour that features the motorcoach as the form of transportation to and from destinations.
 - **Custom tour:** A travel package created specifically for a preformed group or niche market
 - **Educational tour:** A tour designed around an educational activity, such as studying art
 - **Hub and spoke tours:** tours which utilize a central destination with side trips of varying length to nearby destinations
 - **Incentive tour:** (1) a trip offered as a prize, particularly to stimulate the productivity of employees or sales agents, or (2) the business of operating such travel programs
 - **Optionals:** Optional tour features that are not included in the base tour price, such as sightseeing excursions or special activities.
 - **Promotional group tour:** A travel package composed of tour elements that match the specific needs and wants of niche customers who aren't part of an organized or preformed group.
 - **Scheduled tour:** A tour that's set in a tour operator's regular schedule of tour departures and that's often sold to the general public. Also called public tour or retail tour.
- **Room/service/activity rate types:**
 - **Bulk fare:** fare available only to tour organizers or operators who purchase a specified block of seats from a carrier at a low, non-commissionable price and then have the responsibility of selling the seats, including a commission in their marked-up price.
 - **Day rate:** usually one-half the regular rate for a room during the day up to 5 pm.
 - **Flat rate:** a specific room rate for a group agreed upon by the hotel/group in advance.
 - **Group rate:** rate based on an agreed upon minimum number of rooms used, also called flat rate.
 - **Net group rate:** a wholesale rate for group business (usually a minimum of 10 and 15 people) to which an operator may add a markup if desired.

- **Net wholesale rate:** a rate that is usually lower than the group rate, applicable to groups or individuals when a hotel is specifically mentioned in a tour brochure/description. The rate is marked up by wholesale sellers of tours to cover distribution and promotion costs.
 - **Published/rack rate:** a full rate available to or advertised to the public, The rate can change, depending upon the season.
 - **Run-of-the-house rate:** flat rate for which a hotel or motel agrees to offer any of its available rooms to a group. Final assignment of the rooms is the discretion of the hotel.
 - **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.
- **Additional Definitions:**
 - **FAM tour:** an abbreviation for 'familiarization tour' which is often a complimentary or reduced-rate travel program for travel agents, tour operators, travel writers or others to acquaint them with a specific destination or attraction, thereby helping to stimulate sales and demand.
 - **Split itinerary:** An itinerary in which part of the group does one thing while the other part does something else.
 - **Subcontractor:** A local operator who provides services for a wholesaler.
 - **Supplier:** The actual producer and seller of a unit of travel merchandise, such as a carrier, hotel or sightseeing operator.
 - **Voucher:** Documents that are exchanged for goods and service to substantiate payment that will be or already has been made.