Working with the Travel Trade
Overview of Presentation

• Why working with the Travel Trade?
• Who are the Travel Trade partners?
• How does Travel Distribution work?
• Travel Trade Commissions and Pricing
• How to build relationships with the Travel Trade?
• Is your product Export-Ready?
Why should you be working with the Travel Trade?
Why Working with the Travel Trade?

- Diversifies your markets
- **Access to new distribution channels**
- Easy access to your experience and product
Tsa-Kwa-Luten Lodge H 004

Quadera Island, British Columbia

Von "Fitnah Tours" geführte Lodge
Ideal für Angelreisen und Naturentdeckungen

Die von Cape Mudge Indianer geführte Lodge liegt direkt am Strand Quadsa Island mit herrlichem Blick auf die Discovery Passage. Ein idealer Ausgangspunkt für Angelreisen und Naturerlebnis. Mit etwas Glück sehen Sie erste der zahlreichen Robben, die sich in Nähe nähern. Lernen Sie die maritimen Flora und Fauna sowie die mythische Erzählung der Kanadischen Indianer kennen.

Beschreibung
Nur eine zeitraubende Fährfahrt von Campbell River entfernt erreichen Sie die Lodge auf Quadsa Island. Sie haben die Möglichkeit, gelegentlich urzeitliche Angelstifte oder unbekannte Vogelarten zu bemerken. Sie machen eine Tour mit dem Naturführer, natürlich können Sie auch einfach nur die Stille der Umgebung genießen.

Tsa Kwa Luten Lodge
Cape Mudge, Quadsa Island

PRICE BAND

Tsa-Kwa-Luten Lodge bietet Privatsphäre und Ruhe in einer 1100-acre, bewaldeten Insel mit ihrer eigenen Passage. Ein idyllischer Ausgangspunkt für Angelreisen und Naturerlebnisse. Mit etwas Glück werden Sie erste der zahlreichen Robben, die sich in der Nähe nähern. Lernen Sie die Flora und Fauna sowie die mythische Geschichte der Kanadischen Indianer kennen.

Die Lodge liegt direkt an der Küste von Quadsa Island, nur eine kurze Fährfahrt von Campbell River entfernt. Sie haben die Möglichkeit, gelegentlich urzeitliche Angelstifte oder unbekannte Vogelarten zu bemerken. Sie können auch einfach nur die Stille der Umgebung genießen.

From £475 per person, twin share including 3 nights accommodation, meals, activities and return transfers from Campbell River.
Why Working with the Travel Trade?

• Promotion in markets you may not be able to reach
• Longer Booking Lead Time = Better Planning
• Minimized impact of changes in the regional or a single international market
Who are YOUR Travel Trade Partners?

• The **Travel Trade** is a network of businesses whose job is to distribute and sell your travel experiences to other buyers and/or consumers

• Travel Trade is a collective term for tour operators, receptive tour operators and travel agents
Tour Operators

• Tour Operators come in all shapes and sizes
Tour Operators

- They buy ground and air services from a Receptive Tour Operator or they contract directly with Suppliers.
- There are inbound tour operators (located in Canada) and outbound tour operators (located outside of Canada); both sell tours within Canada.
- They sell through Travel Agents or direct to the Consumers.
Receptive Tour Operators

• Receptive Tour Operators (RTO) are ‘business to business’ Canadian-based Tour Operators who contract products and services with Canadian Suppliers
• RTOs sell to Tour Operators or Travel Agencies
Receptive Tour Operators

- RTOs may specialize in particular markets:
  - JTB ➔ Japanese Market
  - Jonview’s ➔ Europe and Australia
  - Dominion Tours ➔ Spanish-speaking Markets
Key Point

- When working with Receptive Tour Operators it is important to understand their distribution and target markets.

- Ensure they understand how your product fits into their offerings.
• **Online Travel Agents** specialize in online distribution and sell directly to the consumer
• They buy from Receptive Tour Operators, Tour Operators or directly from Suppliers
Traditional Travel Agents

- **Traditional Travel Agents** sell in storefront locations, a convenient place for travellers to buy holidays.
- They buy from Receptive Tour Operators, Tour Operators or directly from Suppliers.
Travel Trade Distribution Chain

Aboriginal Experience / Product

Receptive Tour Operators

Tour Operators (Traditional or Online)

Travel Agents (Traditional or Online)

Consumer (Traveller, Visitor)

Aboriginal-owned Hotels, Traditional Restaurants, Cultural Centres, Outdoor Activities, etc.

Jonview, Discovery Holidays, Dominion Tours, JTB, etc.

Anderson Tours, Rocky Mountaineer Vacations, Globus, Inghams, Entree Destinations, etc.

Expedia, Carlson Wagonlit, Flight Centre, Travelocity, HelloBC

Other Sales and Distribution Partners

Destination Management Companies (Meetings, Conferences)

Corporate Travel Planners

Other Suppliers

Visitor Centres

Special Interest Groups (Associations, Clubs and Affinity Groups)
Key Points

• Take time to understand the structure and relations of the distribution channels in the market you are targeting
Travel Trade Commissions and Pricing

When dealing with the travel trade it’s important to understand the difference between a retail rate and a net rate.
Retail Rate

- **Retail Rate** = Net Rate + Commissions
- The retail rate is the rate the consumer pays and should be the same through all distribution channels
- For example, consumers should pay the same rate if they book directly through you, via the internet or via a storefront travel agency
- If you offer a better price for direct purchase, the travel trade will not market and sell your product
Net Rate

- **Net Rate** = your cost plus your profit margin (minus commissions)

- Net rates are generally given to Receptive Tour Operators and Tour Operators who then mark up the price to cover their commissions

- Often your product is part of a package therefore mark-up is hidden

- Net rates should be kept confidential
Key Points

• Rate consistency is important to maintain good business relationships
• Provide guaranteed rates for at least one year
• State terms and conditions with your rates
• Show high and low season rates
• Keep track of your business partners and the rates and the rates you have given them
• Update rates when they expire
## Expected Commissions

<table>
<thead>
<tr>
<th>Distribution Channel</th>
<th>Commissions</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receptive Tour Operator</td>
<td>30%</td>
<td>You will provide a net rate based on a 30% margin.</td>
</tr>
<tr>
<td>Tour Operator</td>
<td>20%</td>
<td>You will provide a net rate based on a 20% margin.</td>
</tr>
<tr>
<td>Online Travel Agent (Expedia)</td>
<td>20-30%</td>
<td>You will provide a net rate based on a 20-30% margin.</td>
</tr>
<tr>
<td>Traditional Travel Agent</td>
<td>10%</td>
<td>A travel agent charges the retail rate and retains 10% commission.</td>
</tr>
<tr>
<td>Consumer Direct</td>
<td>0%</td>
<td>The consumer pays the retail rate which should be the same as provided by the other channels.</td>
</tr>
</tbody>
</table>

*This table is intended as a guide and commission levels may vary by market and business.*
Travel Trade Commissions and Pricing

Pricing → Distribution Channels
Why Tiered Commissions?

Tour Operator = $80

Travel Agent = $90

Consumer = $100

Receptive Tour Operator = $70

Tour Operator = $80

Travel Agent = $90

Consumer = $100

= $100 (Retail Rate)

Consumer Direct = $100
Key Points

• The travel trade provides valuable distribution that would be too costly to secure on your own

• You only pay commission once a sale has been made
Building Relationships with the Travel Trade

• It's about building relationships with the travel trade partners who can most likely bring you business

• Patience and persistence is key! Your time will be your investment.

• They will need to experience your product - usually first-hand before your product / experience is promoted and sold
Group Activity – 10 Minutes

Talk about ways how you can build relationships with the Travel Trade. What activities can you do to get the word out?

1 person per group will present your top 3 ideas.
How to Build Relationships with the Travel Trade?

• The best way to build relationships is in person
• Connect with the travel trade by scheduling meetings with tourism businesses in Vancouver or other areas
• Engage and interact with your extended Sales Network
How to Build Relationships with the Travel Trade?

• Your extended Sales Network:
  • Local Destination Marketing Organization (DMO) - e.g. Tourism Victoria, Tourism Whistler, Tourism Vancouver, Go Haida Gwaii
  • Regional DMOs - e.g. Kootenay Rockies, Northern BC Tourism, Vancouver Island
  • Sector Associations - e.g. Aboriginal Tourism BC, Adventure Travel Trade Association
  • Canadian Tourism Commission
  • Tourism BC

• Keep your travel trade partners and your extended Sales Network informed and updated

• Provide them with your Sales Tools
How to Build Relationships with the Travel Trade?

• Offer familiarization tours of your product to your targeted travel trade partners (free or at reduced cost)
• Prepare professionally written copy about your experience and product
• Offer professional images and videos of your experience and product
• Maintain an online presence of your product, which reflects the personality of your business and clearly showcases your experience and its unique selling point
• Produce brochures or flatsheet (depends on market)
How to Build Relationships with the Travel Trade?

- Attend networking events your extended Sales Network is organizing (e.g. AtBC's travel trade networking event tonight!)
- **Attend local or international tradeshows, if budgets permit**
- If your budget does not allow this kind of investment, find out when your sales network is participating in tradeshows. Send them your materials and information before the tradeshow.
Key Point

• Successful travel trade marketing requires a large time investment
• It is based on establishing and maintaining business relationships
• You may have to be persistent over several years before you see any pick-up
• Show your appreciation when business comes in!
Is Your Product Export-Ready?

- Is your business already established?
- Do you have a booking system in place? (You’ll need to offer same day booking confirmation.)
- Do you understand the travel distribution system?
- Are you familiar with the commission structure?
- Do you understand the concept of pricing?
- Do you know how consumers can access your products?
Is Your Product Export-Ready?

- Have you done your target market research? How does your product fit?
- Do you have procedures in place to deliver an outstanding experience and customer service?
- Do you have a quality assurance program in place?
- Are you working with your local Destination Marketing Organizations and other partners in your extended sales network?
Resource

- Tourism BC’s and AtBC’s export-ready criteria can be found here:

- Tourism BC’s corporate website -> go to Industry Resources

Thank You!

See you at the AtBC Travel Trade networking event this evening!
Companies Registered For Event

- Angel Destinations
- APT Vancouver
- BELL TOURS
- Big Bus
- BC Ferries Vacations
- Canada Swan International Travel Ltd.
- Cantrav Services Inc.
- Creative Western Adventures
- Dominion Tours
- Entree Destinations
- Jonview Canada Inc.
- JTB INTERNATIONAL
- Living Earth Eco
- Tours Mandate Tours
- Ministry of Tourism, Culture and the Arts
- MLI (Muskoka Language International)
- MYK Enterprises
- OAK Language Camp
- Pacific Coastal Airlines
- Rare Indigo
- Rocky Mountaineer
- Silkway Travel & Cruise Inc.
- The Vancouver Trolley Company
- Vancouver Terminal Club
- Tours of Exploration
- Uniglobe Specialty Travel Ltd. DBA Club ESL & Discover Canada Tours
- Venue West Conference Services Ltd.
- West Coast Rail Tours
- West Coast Sightseeing
- West Trek Tours
- Victoria Royal Vacations Inc.