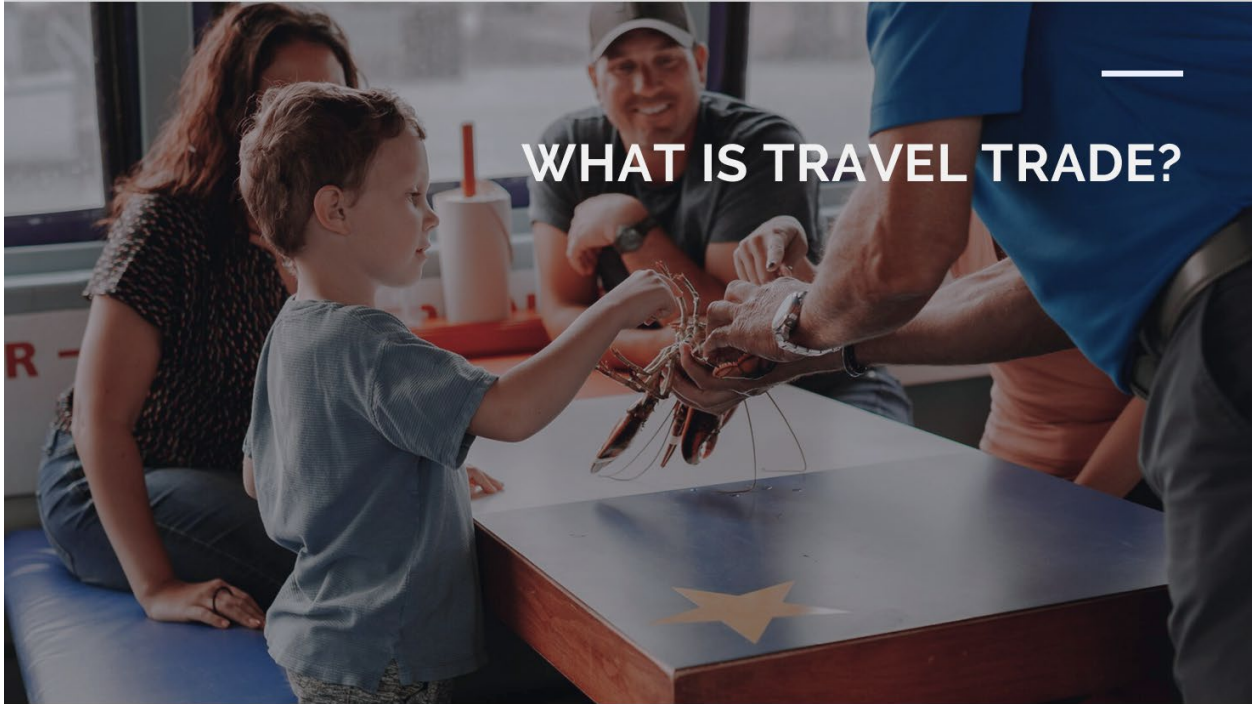




Maximizing Opportunities in Travel Trade

Workshop Handbook

Produced February 2025



Travel Trade refers to the network of travel industry professionals and companies that promote and sell travel-related products and services, connecting destinations and travel experiences with travellers.

Essentially, Travel Trade encompasses the companies or organizations that are buying tourism services and experiences, whether they are accommodations, restaurants, attractions, outdoor experiences, cultural experiences, and so on. They bundle various offerings and experiences into a travel package with an itinerary, which is then sold to the traveller.



Receptive Tour Operators (RTOs) are located in the destination where travellers are coming to visit, and they are the tour operators that “receive” those travellers. They are considered experts in the destination, and they partner with tourism suppliers in the destination who are travel trade ready and a good fit for their clients, to build travel packages. For New Brunswick, we have Receptive Tour Operators who develop programs based in our own province and Atlantic Canada, as well as in Quebec, Toronto, and Vancouver.

Tour Operators are based in the destination of origin of the traveller. They often work with a Receptive Tour Operator to package a program for their travellers, although they may work with suppliers directly to build a package. For us in New Brunswick, many of the Tour Operators are based in New Brunswick’s target markets – North America (Canada & United States), United Kingdom, Germany, and France.

Travel Agents are also based in the destination of origin of the traveller, and they sell travel packages from tour operators to travellers. Travel Agents have great value to travellers because of consumer protection laws in many countries, where booking through a travel agent reduces risk and makes cancellations and refunds much easier in many instances. For that reason, many travellers book their travel packages through a travel agent.

Online Travel Agents (OTAs) are organizations like Expedia, Bookings.com, Hotels.com or others who sell travel products and experiences directly to travellers through their online platforms.



As tourism suppliers, there are different ways you can reach guests through Travel Trade.



In this instance, as a tourism supplier, you would contract with the Receptive Tour Operator in your destination. They would include your product, service or experience into their tourism package, and then they would sell it to the Tour Operator. The Tour Operator would then package it with other suppliers as part of an itinerary or program. Then they promote and sell it to their Travel Agents and/or direct to travellers. A common term used when working with RTOs is **tariff**. Each RTO has a tariff (sometimes digital, sometimes printed, sometimes a bit of both) that is like a catalogue of the tourism suppliers/experiences they have contracts with and that the TO can book through them.



In this instance, the Tour Operator is working directly with the tourism suppliers in a destination to build a package. You would contract directly with the Tour Operator, who would include your product, service or experience into their travel package, and then they would promote and sell it to their Travel Agents and/or direct to travellers.



In this instance, as a tourism supplier, you would have an agreement directly with the Online Travel Agent (i.e. Expedia, Bookings.com), and they would promote and sell your product, service or experience directly to travellers through their online platform.



Typically, Travel Trade Guests fall into one of three categories:

FIT – FIT most often refers to “Fully Independent Traveller”. There are other meanings that have the same principle, such as Foreign Independent Traveller, Flexible Independent Travel, Free Independent Traveller, and others – but the most common is Fully Independent Traveller. These guests typically travel as one person, a couple, a family or a small group of friends. They book a travel package that includes accommodations, attractions and experiences, and it is all arranged for them in advance by a Tour Operator or Receptive Tour Operator. They travel on their own to the destination and follow the itinerary and package that has been booked for them.

Escorted Group Tours – Sometimes known more commonly as “Motorcoach Tours”, these are groups of up to 30 or 50 guests who are travelling together with a tour director or escort to lead them. They follow a set itinerary with accommodations, some meals, attractions and experiences arranged for the group in advance.

Small Specialty Groups – These are typically smaller groups who share a common interest, and they are travelling together on an itinerary that usually has a certain theme. Examples might be a gardening club that is visiting a region and including several gardens in their itinerary, an adventure travel group visiting iconic hiking or kayaking sites, or a small group of bird-watchers who are visiting key birding sites in a particular area. Typically these groups range in size from 10-30 guests.



Travel Trade is an important source of visitors for New Brunswick, and partners work together to grow Travel Trade in the province. They include:

The Provincial Marketing Organization (PMO) - New Brunswick Tourism, Heritage and Culture has a Travel Trade team that focuses on this channel, and they collaborate closely with the Regional Destination Marketing Organizations.

Regional Destination Marketing Organizations – Whether they are Destination Marketing Organizations (DMOs) or Regional Service Commissions (RSCs), responsible for tourism portfolio in a specific region of the province that includes Travel Trade. They work closely with the PMO, as well as with the travel trade ready tourism suppliers in their region.

The **key Travel Trade markets for New Brunswick** are North America (Canada and the United States); The United Kingdom; Germany; and France. These are strategic areas of focus that align closely with Destination Canada and the Atlantic Canada Agreement on Tourism (ACAT).

The **key Travel Trade initiatives and activities** to pursue this channel include:

- Fostering relationships with Receptive Tour Operators & Key Tour Operators
- Business-to-Business Marketplaces
- FAM Tours
- Sales Calls
- Joint Marketing Partnerships
- Destination Training

WHAT DO YOU NEED TO WORK WITH TRAVEL TRADE?



To be successful working with Travel Trade, tourism suppliers need the following:

- ✓ Product, service or experience that aligns with travel trade channel or operator demographic
- ✓ Ability to meet tour operator needs with bookings and pricing
- ✓ Desire and commitment to grow your business with travel trade operator
- ✓ Willingness to build long term partnerships with travel trade operators



Delivering a high-quality, consistent experience is critical to success in Travel Trade!

To ensure your experience is high-quality, be sure to:

- ✓ Tell your story!
- ✓ Be courteous, hospitable and welcoming
- ✓ Ensure guests feel safe, secure and comfortable
- ✓ Clean and sanitize
- ✓ Ensure fair treatment and honesty
- ✓ Deliver excellent service
- ✓ Include “Wow!” experiences and bragging rights
- ✓ Deliver authentic experiences
- ✓ Ensure guests are entertained and having fun
- ✓ Offer engaging and interactive experiences
- ✓ Provide opportunity for learning or personal growth
- ✓ Ensure great value for their time and for their money



WOW is in the service you provide, in the experience you deliver, and in the stories that you tell.

Start by knowing their expectations – Knowing your guests and their expectations allows you to clearly understand what they’re truly looking for from their experience.


Create memorable moments – Memorable moments can be big or small, planned or spontaneous, and should always leave the guests saying **WOW**. When incorporating memorable moments into your experience consider:

- Opportunities to connect with locals:
 - Local industry experts
 - Local celebrities or characters
- Learn about your guests:
 - What would make memorable moments?
 - Listen and give your full attention
- Opportunities to engage the senses:
 - Get up-close experiences
 - Taste, touch, and smell
 - Go behind the scenes

Anticipate their needs – Excellent service means anticipating needs before the guest even realizes that they have them. Some examples include:

- Have bug spray on a hiking tour
- Water & Snacks for sale on a boat tour
- First Aid training for frontlines
- Providing maps
- Bring all cleaning practices to the forefront
- Give a safety briefing that addresses concerns

Show appreciation – Showing appreciation is an important step to ensuring that guests leave the experience in a positive way. It encourages guests to share their **WOW** feedback with others and to come back and experience it again. Showing appreciation includes saying thank you, asking for feedback, and inviting them to return.



HOW TO BENEFIT FROM TRAVEL TRADE

- ✓ **Expand your market reach** – Access travellers from destinations that may be too expensive or require too many resources to reach on your own.
- ✓ **Diversify your customer base** – Rather than relying on just one source for guests, including Travel Trade in your business mix allows you to have more diversity in where your guests are coming from, and keeps you from having all of your eggs in one basket, so to speak.
- ✓ **Growing your customer base** – Since Travel Trade guests are typically from longer-haul markets, this can help group your customer base.
- ✓ **Extend your season** – Travel Trade guests typically start visiting our region in the spring and continue through the fall, allowing you to potentially extend your season and have more guests in the shoulder seasons
- ✓ **Welcome all-weather guests** – Travel Trade tend to stay longer, spend more, and not cancel due to poor weather because they are typically coming from longer-haul markets.
- ✓ **Be confident with advance bookings** – Travel Trade guests book in advance, so you can be confident in your bookings further ahead than with some other channels. Further, if held space is not required, it is released in time to be sold to other guests.
- ✓ **Leverage sales & marketing efforts** – By working with the Travel Trade, you are leveraging their sales and marketing efforts to promote the packages that include your product or experience.



Implementing processes and procedures is important for any business, especially those wanting to optimize their operations. Processes should be clearly defined with roles and responsibilities outlined and they should be easily accessible and communicated to your team. Processes and procedures should also be regularly reviewed and continually improved. Checklists can be helpful when documenting processes.

Some specific areas to document your processes and examples of what to include are:

Experience Delivery

- Steps for delivery of different experiences
- Content & inclusions
- Timelines or itineraries
- Instructions
- Special Notes

Maintenance & Safety

- Maintenance Processes
- Inspection Checklists
- Timelines & schedules
- Safety Signage, Briefings, etc

- Risk Management Plans

Bookings & Allotments

- Booking Systems
- Reservation Systems
- Allotments
- Sales Tracking

Human Resources

- Hiring Processes
- Training Processes (new hires)
- Training Processes (ongoing)
- Scheduling
- Job Descriptions & Information
- Evaluation Processes



There are unique pricing and costing considerations when working in Travel Trade.

First, remember that whenever you are pricing or costing a product, service, or experience, you want to be sure you consider the following, which are sometimes overlooked:

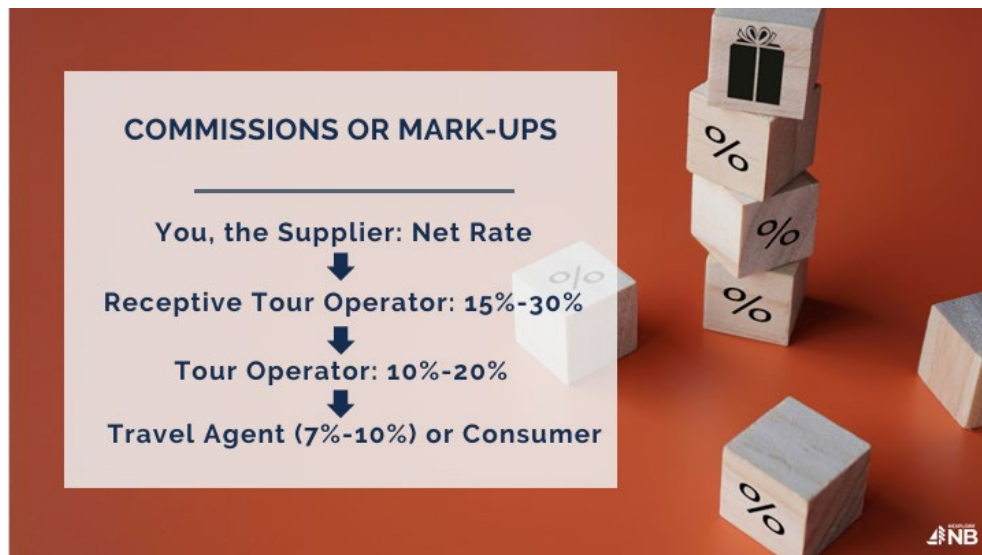
- Market demand
- Covering all costs
- Inflation & price increase challenges
- Partner markups or commissions
- Fair profit
- Overhead and administrative costs

When working with Travel Trade, there are additional considerations, including this important point: **Everyone needs to make money!** You, the supplier partner needs to ensure you make a profit, and so does the receptive tour operator, the tour operator, and/or the travel agent.

To achieve this, you may hear that working with Travel Trade requires “commissionable rates”. The easiest way to think about this is the **Travel Trade requires a net rate** from you, the tourism supplier, that is less than your retail rate or your regular rate.

Important! You don’t need to give a net rate to each person in the channel. You only give the net rate to the Travel Trade partner that is contracting you.

To understand how everyone in the Travel Trade channel makes money, here is an example:



You, the tourism supplier, offer your tourism experience to the travellers that arrive at your door for \$30. A Receptive Tour Operator partners with you and is looking for a “commissionable rate” or a net rate, something that is less than your regular rate. Typically for Receptive Tour Operators, suppliers offer a net rate of 15%-30% less than their regular rate. You, the tourism supplier, agree with this Receptive Tour Operator to offer them a net rate of \$26, or 20% less than your regular rate.

The Receptive Tour Operator then takes your rate, as well as the net rates they have negotiated with all of the accommodations, attractions, experience providers, and any other elements that are included in the package, and they determine the package price. Typically, they take the total of the net rates, and then add a mark-up of between 15% - 30%.

The Tour Operator then buys that complete package from the Receptive Tour Operator, perhaps adds airfare and airport transfers for their guests, and then adds a mark-up to that new total of 10%-20%.

The guests then buy that package from the Tour Operator, either directly or through their Travel Agent. If they buy the package through a Travel Agent, the Tour Operator pays the Travel Agent a commission of approximately 7%-10%.

There are **additional considerations when you are determining your pricing** for your Travel Trade Partners, including the following:

Travel Trade does expect a “commission” or net rate, lower than retail rate. Your net rates can be different for different Receptive Tour Operators or Tour Operators, reflecting their different needs. It is a negotiation.

Tiered Rates are an option. You can offer a bigger difference in your net rates in the shoulder seasons, for example, if you want to encourage more business in those seasons. You can also consider tiered rates by volume or other measurements.

Remember that Travel Trade typically means **volume business and advanced bookings** that are confirmed at least 30 days in advance. This can be particularly valuable for tourism businesses.

The “commission” or difference between the regular and net rate can be thought of as **paying for sales & marketing**. Often, tourism suppliers buy advertisements with no idea if there is any return on the investment. With the travel trade, the sales and marketing to the travellers is being done for you, and you only “pay the commission” when those guests are confirmed and the bookings actualize.

Different Travel Trade partners may have different needs that must be considered and included in your pricing. For example, perhaps a tour operator who markets to adventure travellers wants a bottle of water included in the hotel room each day. Or perhaps a tour operator working with escorted group tours expects a complimentary admission for the tour director or escort.

Everything is a negotiation. Set yourself up to negotiate on price, inclusions, bookings and allotments, or other factors that may be part of your product, service or experience.

NOTE: Pricing & OTAs

- Online Travel Agents (OTAs) typically receive a commission of 10%-30%.
- A critical consideration with OTA's is “**Rate Parity**”. Essentially, this means ensuring there is consistency in your rates across all of your channels, and you are not promoting a lower rate than what you have agreed to in your contracts with the OTAs.
- An inventory management strategy for OTAs can be to also work with “**Opaque Sites**”. These are websites where travellers can name where they would like to stay, what amenities they want, and other details. The traveller is then told if they can be accommodated and what the rate would be, but it is not until they have made the reservation and paid with their credit card that they learn the name of the hotel.

Costing Strategies

There are a variety of **costing strategies** that you might want to consider as a tourism supplier. Some of those strategies include:

Inclusions - Considering what is included in the experience, and if there are options for more or fewer inclusions to allow for adjustment in the price.

Optional Add-ons – Perhaps you have water and snacks for sale, or water shoes that can be purchased on-site before your water activity. These optional add-ons can sometimes be a meaningful revenue source.

Schedules & allotments – If you know you have a group tour booking most Tuesday afternoons, perhaps you schedule a tour for your leisure travellers weekly on Tuesday mornings, so your tour guide is scheduled for the day and delivering two experiences, maximizing your resources.

Value-adds – Value-adds can be an excellent way to support pricing with little to no additional costs. When we include elements that travellers perceive as adding value, they are often willing to pay more for it. Examples of value-add opportunities include: unexpected inclusions that surprise and delight; opportunities to meet local people; opportunities to get behind the scenes; independent choice within the group experience; props or hands-on experiences; inexpensive but meaningful takeaways; and so on.

Experience variety – By offering a diverse set of experiences, you can support offering different price points. Perhaps in addition to your main experience (i.e. admission to your museum), you could also provide:

- Packaged experiences, such as admission, a guided tour, and lunch
- VIP versions of the experience, such as admission, a private guided tour, access to behind the scenes of your collection, and a book on the history of your region
- Packages built with partners, such as admission to your museum and the two other museums in your area
- Accessible experiences, that perhaps are more mobility friendly, move at a slower pace, and include a seated presentation.

This approach allows you to scale your product to meet the needs of your potential clients, and that also benefits you.

Inventory Management Strategies

There are a variety of **inventory management strategies** that you might want to consider as a tourism supplier, particularly in determining which is right for you and your business. Some of those strategies include:

- **Block & Release** - This means the Receptive Tour Operator or Tour Operator will block space with you 12-18 months in advance, and you hold it for them until the release date, which is typically 30-60 days in advance. At that time, the bookings are confirmed or the space is released and you can sell it to other guests.
- **On Request** – This is perfect for a small tourism supplier, such as an inn with 3 rooms. Receptive Tour Operators and Tour Operators contact them when they have a request, and the inn would confirm the availability and accept the booking if available.
- **Free Sell** – This is ideal for tourism suppliers with very large inventory, like a big museum. The Receptive Tour Operator or Tour Operator just sells the admission ticket as part of any package, and updates the museum periodically about how many tickets they have sold.
- **Black Out Dates** – This strategy is best used if you have certain dates when you cannot accommodate the travel trade, such as your hotel being fully booked for a wedding. Black out dates should be used sparingly and only when necessary (i.e. cannot black out dates in high season such as July or August), or Travel Trade partners may start looking for other options.

OPERATIONAL CONSIDERATIONS FOR TRAVEL TRADE

Travel Trade has some unique operational considerations as well. To ensure optimal operations for your business, you should have key processes and procedures in place for how your experience is to be delivered, your safety processes and procedures, and more. There are also considerations to your processes and procedures that will need to be made for travel trade, including the following:

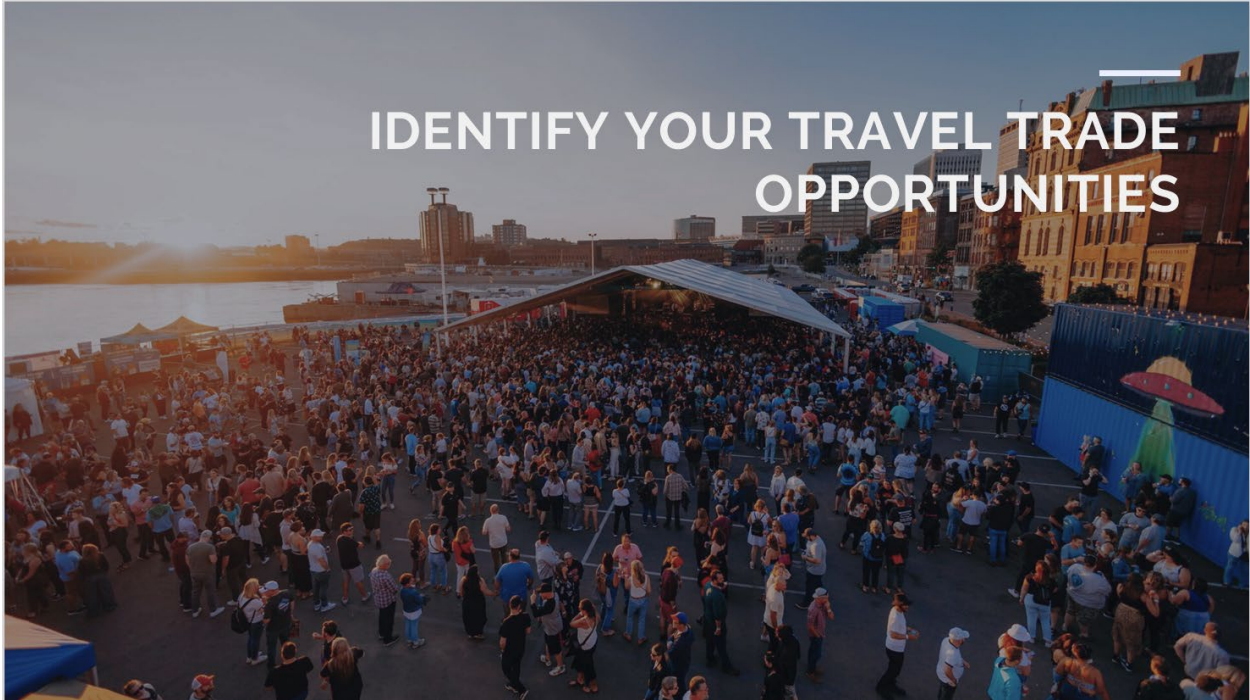


Pricing for Travel Trade – In addition to the many considerations on pricing that have already been noted, Travel Trade expects tourism suppliers to be able to provide pricing 12-18 months in advance. This is due to the Travel Trade sales cycle.

Contracts & Agreements – Everything is negotiable before the contract is signed. Once the contract is signed, ensure you deliver according to the contract, and train your teams to be able to do this also. For example, perhaps a Tour Operator has negotiated that there will be additional items on the breakfast buffet to accommodate their guests from Germany or France, and you need to be sure that is delivered.

Bookings & Allotments – Typically, bookings are made 12-18 months in advance, and that space is held up to 30-60 days in advance. At that point, any space that is not needed is released back into your inventory for you to sell to other guests. Remember to consider the various inventory management strategies when negotiating bookings and allotments.

Communication Plan - Excellent communication is critical to be successful with the Travel Trade. Year-round availability to communicate is necessary, and a 24-hour response time to questions and messages is industry standard. Ways to meet these expectations are critical to your success with the Travel Trade. Your communication plan should include communicating with your travel trade partners to provide images, instructions for guests, or other information. It should also include communicate with your teams on the expectations of your various Travel Trade partners and their guests, key deliverables, and other elements of excellent service. Remember, your communication affects everyone – not just your own business, but the Travel Trade business in your region and throughout New Brunswick.



It is very important for all tourism suppliers to identify if working with Travel Trade is the right fit for their business. As an owner or operator makes business decisions, it's important to be clear on which opportunities to say “yes” to and which the opportunities to say “no” to. Evaluate the various needs, expectations, benefits and opportunities from working in Travel Trade, and determine if it is a right fit for your business.

If you determine that the Travel Trade is right for you, then you will want to start building your approach to securing business from this new opportunity. Some factors you may want to consider include the following:

Collaborate with your regional destination marketing organization (RDMO). Your RDMO should be your first point of contact. Educate them on your product and Travel Trade readiness, provide sales and marketing tools as needed, respond to leads that they share with you, and support familiarization tours (FAM Tours) or other opportunities. Remember, RDMOs promote the Travel Trade Ready Suppliers in their region to the Travel Trade!

Attend Marketplaces and Trade Shows. Business-to-business marketplaces are common with the Travel Trade, and Atlantic Canada Showcase is a great first marketplace. Typically these marketplaces are comprised of networking events and “speed-dating” style meetings, and are attended by Travel Trade “Buyers” and “Sellers”.

Include Travel Trade on your website. Considering having a small section that speaks directly to Travel Trade, with key message, great images, information on what guests need to know before they visit, FAQs, contact methods to reach you, and so on.



Key Consideration: Develop your Sell Sheet

A Sell Sheet is a sales and marketing tool that is commonly used in Travel Trade. A one-page takeaway, the Sell Sheet provides key information in a concise and visually appealing way. It's a quick reference guide – keep it clear, concise and well-organized. A Sell Sheet can be printed and/or electronic (hard & soft copies).

Your Sell Sheet should include:

- Business Name & Logo
- Short, Engaging Description
- Key Features in bullet points
- Identify travellers it is best suited to
- Pricing (include year for which it is valid)
- Booking Information
- Images & Visuals
- Contact Information



Prepare to sell to your Travel Trade Partners!

- Do your research
- Personalize your approach
- Ask questions
- Create an image with your words
- Focus on the benefits
- Offer a solution to any concern
- Connect with your prospect
- Ask for what you want
- Listen to the RTOs or TOs (you can learn a lot in one-on-one meetings!)
- Plan the next steps
- Say Thank You!
- Remember to follow up and tailor it accordingly

Make the most of attending Marketplaces & Trade Shows

- Network! It's why you are there!
- Go to the workshops and learn
- Go to the lunches and evening events to meet people
- Don't hang around with people in your region
- Practice introducing yourself
- Ask open-ended questions

Prepare for “Speed-Meetings”, or 5-10 minute Appointments

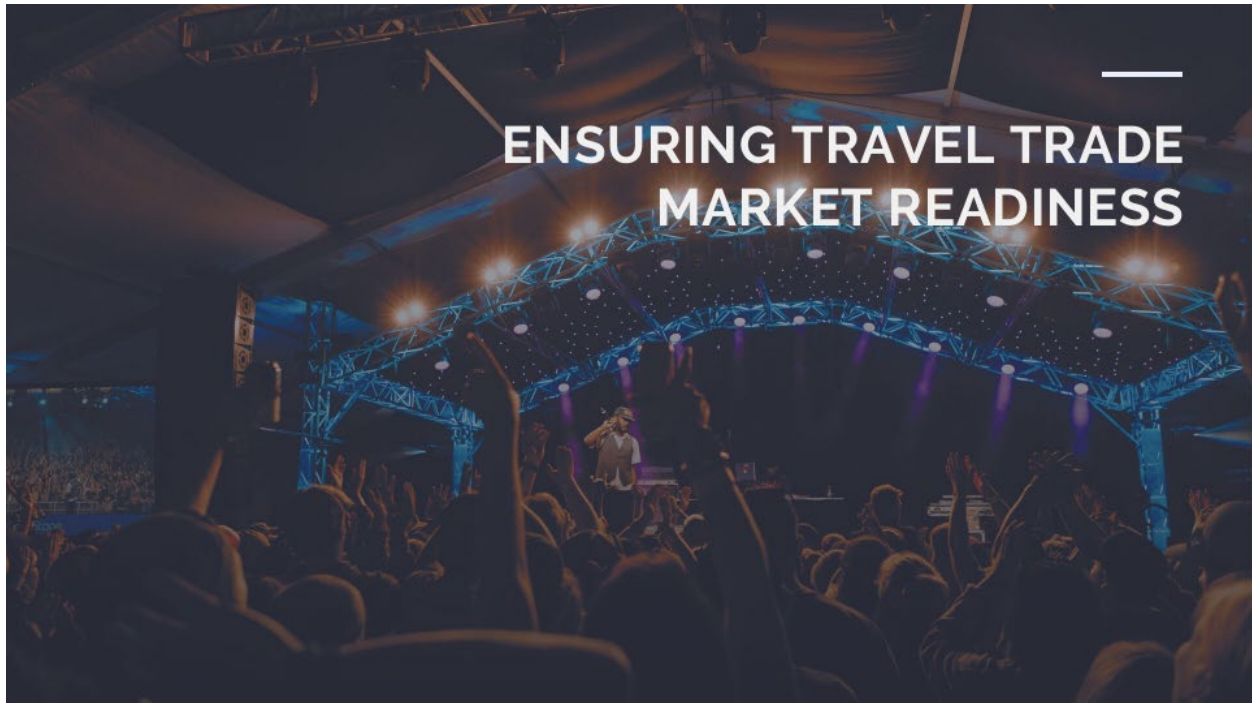
- Do your research!
- Don’t ask what you can find out.
- Prepare your questions.
- Demonstrate you’ve done your research.
- Ask open-ended questions that will help you discover why they buy.
- Share how they can solve their problems with your product.
- Don’t leave without next steps.
- Follow Up!

Focus on Building Strong Relationships

- Be Professional in behaviour and appearance
- Make a positive impression - it inspires trust.
- Project confidence, friendliness, and enthusiasm
- Be an excellent communicator
- Communicate with honesty and sincerity
- Be attentive and interested
- Get to know your potential Travel Trade partner
- Be supportive
- Provide information they will need in advance
- Find opportunities to connect
- Build relationships with everyone

Ensure Excellent Communication

- Answer all questions clearly and politely
- Respond promptly
- Provide accurate information
- Handle concerns, complaints, and difficult situations with professionalism
- Support your partners



Travel Trade Readiness Checklist

- ✓ Can this accommodation or experience live up to the expectations of your guests?
- ✓ Can this experience be delivered consistently and at a high quality?
- ✓ Do people delivering the experience have great customer service skills and attitudes?
- ✓ Is your business operationally able to support the travel trade?
- ✓ Do you have a pricing structure for the travel trade?
- ✓ Are you able to respond to inquiries and bookings within 24 hours, year-round?
- ✓ Are you able to provide pricing and make bookings 12-18 months in advance?
- ✓ Are you prepared to customize your experience and accommodate different needs of international travellers?
- ✓ Are you willing to negotiate and sign contracts with travel trade clients are you able to build long term partnerships with travel trade clients?
- ✓ Are you prepared to commit resources to selling to the travel trade?
- ✓ Are you willing to commit to the travel trade market, even though it might take a few years for business to actualize?

**If you can answer “yes” to every question,
you are ready to pursue the Travel Trade!**



Being successful in the Travel Trade market means it's a **win-win** for your business and the Travel Trade market.

It's a business decision that needs to be **right for you!**

While there are so many advantages to working with Travel Trade, success can take time. It can take **3-5 years** to feel the win-win benefits for your business. The key to success is developing relationships, building trust, and delivering consistency to those in the Travel Trade market.

The Travel Trade can be an excellent opportunity for many tourism businesses. However, everyone needs to make the decisions that are best for their businesses. You need to make the business decisions that are right for you!



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