

Digital 
that Delivers

Connected Distribution Toolkit

Glossary of Terms

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Access Control

How experience providers physically admit visitors to a tour, experience, or attraction. It refers to the validation of a ticket and the granting of admission to an event. This process should provide confirmation that your visitors have purchased that privilege of admission (also frequently referred to as an entitlement by ticketing software providers).

Activities

Any organized activity such as snorkeling, wellness, skydiving, educational or cultural classes, sporting activity (golf, tennis, ski, etc.) or recreational activity (escape rooms, miniature golf, zip line, bike or gear or bike rental, etc.).

Affinity Group

Members of an organization formed for purposes other than travel, such as a school, firm or club, who get together to travel as a group and are then eligible for special group rates.

Agency agreement

A contract between an agent (such as travel agent) and an experience provider setting out the terms and conditions for the transaction of business by the agent with and on behalf of the provider.

Agency code

An identifying code provided by an experience provider to a retail travel agent when creating a commercial relationship with them.

Agent

Person or organization with express or implied authority to act for or represent an experience provider.

Allotment

Allocation of a specific amount of availability to a reseller to sell until a given date, when the unsold seats are 'released back' to the experience provider without payment.



API, or application programming interface

A mechanism that allows the technology systems of the supplier and reseller to communicate, sending information back and forth on inventory and pricing, bookings, customers, and more. APIs represent the future of distribution. More and more resellers want suppliers to connect via an API. Most reservation systems today offer APIs into the major online resellers. A tour or activity supplier that does a lot of business with certain resellers should consider a reservation system that already has robust API capabilities

Attraction

Visitor attractions are experiences in a fixed location, such as museums, zoos, amusement parks, observation decks, natural and cultural monuments, and landmarks.

B2B Distribution / Distributor

B2B refers to business-to-business, or when one company sells to another company. B2B distributors are companies that generally focus on selling through other businesses. For example, a B2B distributor may sell only through travel agencies or websites of other businesses.

B2C Distribution

B2C refers to business-to-consumer, or when a business sells directly to a consumer.

Bar Code

Universal Product Code (UPC), system of printed lines on a product, which represent an alphanumeric code which, when scanned, can be used to retrieve a price.

Base Fare / Base Rate

The fare excluding taxes and other surcharges.

Billboard Effect

The phenomenon when visitor experience providers see additional direct bookings on their own website after listing on an online travel agency (OTA). This is because potential customers first discover the listing on an OTA, and then visit the provider's own website to directly book their trip.



Free sale, Block/Allocation, or On Request

Block Allocation

This is a form of inventory management with resellers whereby an experience provider sets aside a set number of seats or tickets on some experiences, which the reseller then sells to the traveling public through its own marketing and distribution system. A block spacing agreement is often used for specific group events.

Booking Portal

A portal typically refers to a B2B website where resellers or other distributor partners may access and book tours and tickets from an experience provider or multiple providers.

Booking System

See online booking system.

Bulk Fare

An American term for the fare charged by experience providers to resellers, for a minimum number of booked seats. This term is most commonly used in the airline industry.

Campaign

As used in marketing, the term describes any organized program of action in the promotion of goods or services to achieve specific objectives. Each campaign is normally planned over a specified period of time and has a common theme or message. Although the term has been traditionally most often used in relation to advertising, it is equally applicable to other promotional aspects of the marketing mix, and several of them are typically combined in a single campaign.

Carrying Capacity

In tourism, the maximum capacity of a site or area to sustain tourist activity without deterioration in the quality of the visitor experience. Hence, carrying capacity may be seen to have physical, social (perceptual) and environmental dimensions and is normally expressed in terms of a given number of concurrent users of, e.g., a historic attraction, beach or resort.



Channel Management

This is the business practice of strategically managing distribution channels by allocating products and pricing specific to different channels to maximize sales and profit.

Channel Manager

A technology used to connect a booking system to multiple resellers with a single connection. Once connected, a channel manager allows the experience provider to control the pricing and availability of their products to each reseller without having to log into each reseller's administrative system.

Check-in

Procedure for registration of visitors on arrival usually by verifying the visitor's details against a digital or paper manifest. Electronic check-in may be completed by scanning a barcode on the visitor's mobile device or a paper voucher.

Check-in Time

Term most commonly used to denote the latest time by which passengers are required to show up for an experience.

Commission

Payment by a supplier to an intermediary as a reward for their services, usually determined as a percentage of the value of the transaction. Hence, commissionable, that for which a commission is payable. This is most commonly the amount received by a retail travel agent on ticket sales from an experience provider. The percentage varies between products and services and to some extent also between countries and providers. Many providers also reward their most productive agents by higher rates or by other incentive payments.

Concierge

French term, in common use particularly in Europe, for a member of uniformed staff in hotels, variously responsible for guests' luggage, the parking of their cars, provision of information, sale or arrangement of experiences, and other guest services. Also known as head (hall) porter and in America as bell captain.



Connectivity

In the context of this toolkit, connectivity is the way in which visitor experience businesses make products bookable through resellers. Connectivity typically refers to a direct system-to-system connection between the experience provider's booking system and the reseller system to exchange product and booking information automatically.

Conversion Rate

In marketing, the ratio of customers who buy a product to the number of enquiries or responses received to an advertisement or another promotion.

Cost-plus Pricing

Any method of setting prices in which a mark-up is added to product cost. When the full cost is used as a mark-up base, the addition represents the expected profit. This approach continues to be used, for example in development contracts when it is not possible to estimate eventual costs accurately in advance.

Cut-off / Cut-off Window

A cut-off is a term used to describe the amount of time in advance a booking must be made. For example if the cut-off for a specific tour is one day, then a visitor can book a tour up to one day in advance.

Day Tour Operator

Operators of tours and excursions in a destination, whether by bus, car, boat, plane or foot (walking tour). "Tour operator" in the context of visitor experiences refers to day tours that operate within a destination and should not be confused with holiday, packaged or escorted tour operators, which offer full travel vacation packages with flights, accommodation and experiences.

Day Visitor

A visitor who does not stay overnight in the destination or place visited.

Database

Collection of data commonly stored on a computer and retrievable from a shared file for different purposes.



Destination Marketing Organization (DMO)

A national, regional or local organization whose major function is the promotion of its destination. A DMO is typically a non-profit entity funded through a public-private partnership to drive inbound tourism to a destination. Some DMOs have reservation desks or offer attraction tickets and tour bookings at their visitor centers or online.

Direct Booking / Direct Distribution / Direct to Supplier

This is when the customer books directly with the experience provider and no reseller is involved. This may be online via a website, over the phone, or in-person at a ticket office or counter.

Distribution

Distribution is the process of a provider selling their products to customers. Direct distribution is selling directly to customers without a reseller or intermediary, and indirect distribution is selling through a reseller to reach customers.

Distribution Channel

A distribution channel is used to describe a method for selling your experiences to customers. A channel typically refers to a group of common resellers, such as travel agencies or OTAs (i.e. the OTA channel). However, it can also refer to direct distribution, or selling directly to customer online or offline.

DMC (Destination Management Company)

Destination management companies are generally local resellers who work with a variety of local suppliers to offer tours and activities to travelers who are already in the destination. Many DMCs may also own and operator their own visitor experiences.

Dynamic Pricing

The ability to adjust pricing in real time based on certain conditions, such as date, time, current availability, group size, and cut-off date. Dynamic pricing is different from variable pricing in that dynamic pricing means the prices change over time. Variable pricing refers to experience providers who offer different prices for different days of the week or times of day, but those prices do not change over time.



E-commerce

Business transactions conducted by electronic means via the Internet. In essence, a form of direct selling, which enables even small firms to compete with large ones and offer the visitor the convenience of shopping from home.

Events

Performing arts, sporting events, or other non-recurring ticketed events (e.g., fairs or festivals) that the traveler attends as a spectator. Many travel resellers do not focus on offering events because they present particular challenges for travel distributors (they are not repeating events create unique requirements that some travel distribution systems are not well suited to support).

Excursion

Generally a short pleasure trip, also a sightseeing trip.

Extranet

Private web portals provided by resellers where visitor experience operators can load their product information and manage the bookings that come in.

Familiarization Trip (Fam Trip)

Trip commonly arranged by tourist boards and similar organizations for journalists, tour operators and travel agents in generating areas to visit destinations and to become acquainted with their attractions, facilities and services. These trips, popularly known as fam trips, may be viewed as part of sales promotion and as one of the facilitation techniques used by tourism organizations to assist the tourism industry. They also have a public relations role in providing opportunities for influencing communication and distribution channels for travel and tourist products and through them ultimately potential customers.

Fee-based Pricing

An approach to travel agent's remuneration in which a mark-up is added to the cost of services provided according to an agreed schedule as an alternative to commission payment.



Freesale

An arrangement that enables a reseller to sell an agreed amount of inventory without first checking availability with the experience provider, whereby reservations can be confirmed immediately to the client.

General Sales Agent (GSA)

Agent appointed by an experience provider to handle various promotion, reservations, ticketing and enquiries for that provider in a particular territory, and then may be also known as sole agent.

Gift Voucher

A form of payment for services made by one person for another person. The recipient can then use the gift voucher to pay for services provided by a specific provider. Gift voucher validity rules vary depending on jurisdiction but generally speaking, they do not expire and have a fixed monetary value which cannot be exchanged for cash. Also referred to as a gift certificate or stored value gift card.

Guide or Host

A tour guide or a host of a tour, activity or experience.

Incentive Travel

Travel by employees, agents, often with spouses, paid by a firm as a reward for achieving sales or other targets, for outstanding performance, or as a stimulus to future attainment. Specialist businesses known as incentive companies exist to organize incentive travel programmes for clients, and many experience providers offer discounted fares known as incentive fares for incentive groups.

Intermediary

A person or organisation acting between parties, e.g., a travel agent selling an experience providers tours or experiences to travellers. See also reseller.

Itinerary

Description of a journey, showing dates and times, mode of transport, places visited and activities.



Loss Leader

A good or service sold at a very low price to attract customers to purchase other items.

Manifest

An official list of passengers booked on a specific departure of a tour or experience. Used to verify passenger attendance and check-in purposes.

Marginal Cost Pricing

Method of setting prices to cover the direct (variable) costs of a product and make a contribution to fixed costs. Claimed to be particularly suitable for experiences with high fixed costs (which have to be covered anyway) and elastic demand. Thus, when deciding whether to accept a particular piece of business, what matters is (a) whether it covers its direct cost, and (b) what contribution it makes to fixed costs.

Mark Down

Reduction in selling price to stimulate demand for a product, to take advantage of reduced costs or force competitors out of a market.

Mark Up

Increase in selling price, also amount added to product cost to arrive at the selling price (mark-up). Mark up may refer to the commission the reseller adds to the net rate provided by the experience provider. See also cost-plus pricing.

Mass Tourism

Term to describe participation in tourism in large numbers, a general characteristic of developed countries in the second half of the twentieth century, in contrast to earlier times and to the situation in developing countries, as well as limited participation of people in such activities as mountain trekking or sailing.



Merchant of Record (MoR)

The merchant of record is the entity authorised to process payments and assumes all liabilities around those payments. Some booking systems act as the MoR. This can be convenient for operators who don't want to bother with setting up and managing their own payment gateway and merchant account. However, it also means that the experience business is limited to payment options available from the booking system.

Middleman

A person or organization acting as an intermediary between parties, e.g., a travel agent acting between the experience operator and the customer. Also known as a reseller or intermediary.

Multi-attraction Pass

Passes that provide access to multiple attractions or activities in a destination. They are typically provide travelers with two key benefits: a discount to the standard ticket price (if the traveler were to purchase tickets to each attraction separately) and the flexibility to visit the attraction whenever they want on their trip.

National Tourism Organization (NTO)

Also referred to as National Tourism (or Tourist) Office, an official body variously concerned with the development, promotion and coordination of tourism in a country, recognized and also to a varying extent financed by its government. Three main types are: governmental (government department), semi-governmental (statutory body set up by government), nongovernmental (voluntary association). Designation may differ accordingly, e.g., Ministry of Tourism, Tourist Board, Tourist Association.

Net Rate

The price at which an experience provider sells their products to a reseller. The net rate is generally calculated based on the retail rate minus a commission.

No Show

Term used for a visitor with a reservation who fails to participate in tour or experience without notifying the provider.



Non-price Competition

A generic term describing factors other than price, which differentiate the products of one seller from those of another and influence the buyers' choice. Examples of non-price competition might include offering easy online booking capabilities, alternative payment methods, inclusion of value add products or services, and convenient cancellation policies.

Non-Refundable

Cannot be returned for cash or credit. Some changes may be allowed but a fee is normally charged.

Non-Transferable

Can only be used by the passenger named at the time of booking.

Offline Booking

A booking with payment made by phone or email where a customer service agent or travel agent manually enters the booking into the booking system. Offline booking channels include ticket offices or windows, phone or call centre bookings.

Online Booking

A booking with payment by a customer or reseller that takes place on a website or mobile app.

Online Booking System

The core business operations systems that handle bookings, tickets, vouchers, scheduling and inventory, pricing, customers' information, and more. There are more than 100 system providers serving tours and attractions. These systems may also be referred to as reservation systems, "restechs," or ticketing systems.

Online Travel Agency (OTA)

OTAs primarily sell directly to consumers online. Example companies include Viator, GetYourGuide, Klook, Musement, Tiqets and many others.



Opaque, or Opaque Pricing

This typically refers to a means of bundling or packaging a product with other products or services so that the price of the individual ticket or tour is not visible to the traveler. For example, a holiday package may include several travel components or experiences for a single price, so the prices of the individual components are not visible.

Open Ticket, or Open-date Ticket

A visitor ticket issued by an experience provider without a reservation to use a particular service, such reservation to be made at a later date. Also referred to as a Gift Voucher or Gift Certificate.

Operator

A commonly used term to refer to visitor experience provider businesses, such as day tour and activity operators.

OTA

See online travel agency.

Outbound tourism

Tourism by residents of a given country going to other countries.

Overbooking

Reservation of more seats by an experience provider than are available, sometimes deliberate to compensate for anticipated no shows. Overbooking is generally regarded as a negative effect of manual or off-line booking processes and can be avoided with the use of modern booking systems.

Package

Generally, a combination of two or more elements sold as a single product for an inclusive price, in which the costs of the individual product components are not separately identifiable. This form of pricing is also referred to as opaque pricing.



Pick-up point

Place where individuals or groups are collected by an experience provider for a tour by prior arrangement.

Point of Interest (POI)

A specific physical location, typically an attraction, that may be of interest to visitors. Day tour providers typically build their tour itineraries around points of interest.

Point of Sale (POS)

Any location where selling takes place. Points of sale include retail travel agencies, providers' booking offices, or activity sales desks; internal or in-house points of sale include call centres, kiosks or customer sales desks.

A point-of-sale system is a combination of hardware and software used to facilitate the sale or booking of a provider's tours or experiences. A point of sale system usually includes a sales interface as well as a payment device such as a credit/debit card terminal and printer.

Price Elasticity of Demand

An economic concept which measures the responsiveness of demand to changes in price. When a given change in price leads to a more than proportionate change in consumer demand, the demand is said to be elastic; when a given change in price leads to a less than proportionate change in demand, the demand is said to be inelastic. Demand for travel related services is generally considered to be price-elastic and elasticity is of practical importance in pricing.

Protected Commission

A commission guaranteed by a provider to an intermediary regardless of cancellations, e.g., by an experience provider to a travel agent whether a tour takes place or not.

Rack Rate

Standard full or published price for a given tour or experience ticket, to be distinguished from various special (discounted) rates at which the tour may be actually sold. Often used when displaying pricing on brochures that appear on brochure racks in hotels and tourist locations.



Recommended Retail PWe rice (RRP)

Price (exclusive of taxes and fees) at which a provider suggests the tour should be sold by a reseller.

Referral

In general, the act of one person or organization recommending another, with or without a payment, known as referral fee or referral commission. In destinations, non-competing experience providers may work together to refer business to each other for the benefit of all members of the group.

Reseller

Also referred to distributors, a reseller is a company that sells products created by another business. For example, an OTA is a company that contracts tours and attraction tickets from experience providers and sells them to consumers.

Reservation System

See online booking system.

Response Rate

In marketing, the number of replies or enquiries received in response to an advertisement (or another promotion), used as a measure of advertising effectiveness.

Service Charge

Traditionally used to include a gratuity in restaurants, when referring to tours, activities, and attractions, a service charge is a percentage (usually between 1% and 10% per cent) added to bookings to cover the cost of the booking system or other fees. The service fee may be separate or included with other fees and taxes and display in aggregate or separately on booking receipts.

Shared Commission

Commission received from an experience provider and shared by non-appointed travel agents who obtain tickets from appointed agents. For example, multiple concierges working at the same concierge desk may share their gross commissions. Also called split commission.



Shore Excursion

A tour provided for cruise passengers at a scheduled stop on a cruise, usually by bus or coach, normally optional and therefore paid for separately either to the cruise provider or to the experience provider directly.

Sightseeing

One of the most popular forms of recreation in developed countries and an important holiday (vacation) activity on foot, by car, in coach tours, cruises, excursions from holiday bases, and travel in small groups or alone using a variety of transport.

Social Tourism

Tourism participation of people of limited means and those disadvantaged through age, disability or family circumstances, encouraged and made possible by special measures. These include in practice subsidies, particular facilities and other measures, sometimes of a cooperative nature, sometimes by the state or another third party.

Sustainable Tourism

The World Tourism Organization (WTO) defines sustainable tourism as a model form of economic development that is designed to: improve the quality of life of the host community, provide a high quality of experience for the visitor, and maintain the quality of the environment, on which both the host community and the visitor depend.

Ticket

A document (either physical or digital) issued by an experience provider as proof of entry for an individual visitor for a specific tour or activity on a specific (or non-specific) date. Not to be confused with a voucher which is generally issued for an entire purchase which may include multiple individuals and therefore multiple tickets.



Ticketing System

See online booking system

Tour Operator

A person or organization buying individual travel services (such as transportation and accommodation) from their providers (such as experience providers and hotels) and combining them into a package of travel; the tour is sold with a mark-up to the public directly, or through intermediaries.

Tourist / Visitor Attraction

See attraction.

Transfer

Service for arriving and departing passengers to transport them between airports and ports, air, sea and rail terminals and hotels, or between transport terminals, provided by carriers, hotels or other operators, usually free between airport terminals, as hotel courtesy service or as part of an inclusive tour.

Travel Agent

A person or organization selling tours, activities, and attractions on behalf of experience providers for a commission. Most travel agents also normally provide ancillary services, such as obtaining passports and visas, traveller's cheques (traveler's checks), currencies and travel insurance. The principal functions of the travel agent are those of a retailer – to provide access for an experience provider to the market and to provide a location for the customer to buy travel services.

Travel Voucher

An all-purpose document (either physical or electronic) issued by an experience provider to a visitor who has purchased a tour or activity. The voucher may cover admission to tourist/visitor attractions, local transport, meals or other items. The voucher is often issued in conjunction with individual tickets. Also referred to simply as a Voucher.



Visitor(s) and Convention Bureau

American term but increasingly also used elsewhere as a designation for a local or area tourist board.

Waitlist

A list of passengers wishing to join a tour which is fully booked. Those on the list may then be accommodated in case of cancellations or no shows. Also referred to as “standby”.

Wholesaler

Intermediary who usually buys goods from suppliers for resale in small quantities to retailers and others. In tourism the term is sometimes used to describe businesses who aggregate tours and activities, negotiate agency contracts, and then resell the experiences to other businesses who want to manage only a single relationship. See also B2B distributor.

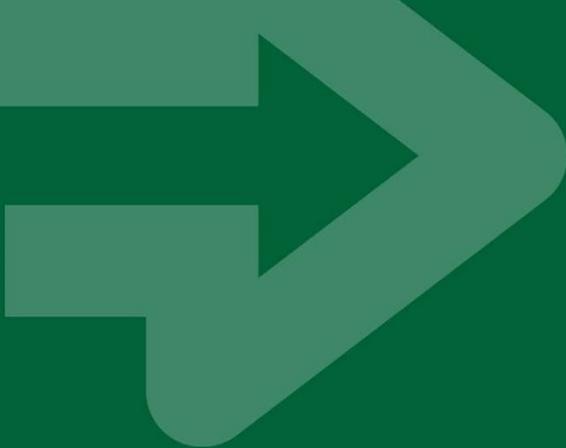
Yield

Profit or revenue attributable to a product, commonly expressed as average profit or revenue earned per unit of output, e.g., seats on a tour, equipment rentals.

Yield Management

The concept and techniques concerned with the maximization of profit or revenue and the development of an optimum business mix to those ends. In recent years, yield management has received increasing attention and application in tours and activities as distribution connectivity has increased in popularity and availability.





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