



TOURISM GLOSSARY

The Tourism Academy

TOURISM GLOSSARY OF TERMS

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It started with a brilliant business psychologist, a well-recognized tourism developer, and a savvy instructional designer sharing their passion for travel. They came together to solve one of the most challenging problems in tourism. They needed better professional training and education. They decided to make travel available to more people around the world. They wanted to share the personal and cultural growth derived from traveling.

They focused on the expertise and industry they knew best. To unlock the potential for greater reach, impact, efficiency, and sustainability. The tourism industry needed qualified education. Training that is transformative, engaging, and accessible, on demand.

These were the fundamental ingredients for creating The Tourism Academy, a 501(c)(3) nonprofit organization.

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**There had to be a better way.
So we built it.**

PROLOGUE

We are creating a world where knowledge, skill, economic development, exploration, travel, and personal growth thrive together.

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COMMON TRAVEL & TOURISM INDUSTRY TERMS

A DEFINITIVE GUIDE TO THE LANGUAGE AND ACRONYMS USED WITHIN THE TRAVEL AND TOURISM INDUSTRY

The list has been compiled by the world-class team of strategists, consultants, educators and established tourism experts at the nonprofit Tourism Academy. Our team offers relationship powered professional development, trade marketing, tourism development and consulting solutions.

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Add-on: a product or service not included in the list or package price. See also: Upsell

adventure travel: a type of niche tourism, involving exploration or travel with a certain degree of risk (real or perceived), and which may require special skills and physical exertion

affinity group: a group of people linked by a common interest or purpose. See also pre- formed group.

agent: one who acts or has the power to act as the representative of another. A person whose job it is to arrange travel for end clients (individuals, groups, corporations), confirming travel components and simplifying the planning process for customers, providing consultation services and travel packages.

American Bus Association (ABA): A trade organization consisting of member bus lines throughout the country. www.buses.org

American National Standards Institute (ANSI): A private non-profit organization that oversees the development of voluntary consensus standards for products, services, processes, systems, and personnel in the United States. www.ansi.org

American Society of Travel Agents (ASTA): The oldest and largest travel agent organization in the world with travel agents being the primary members. Other companies providing travel industry products and services can be associate members. www.astanet.com

Application Programming Interface (API): a code that allows two software programs to communicate with each other.

attrition: Shortfall of sleeping room block pick-up or food-and-beverage projections from numbers agreed to in a contract. Penalties for attrition may be outlined in a contract's attrition clause.

Average Daily Rate (ADR): a statistical unit that represents the average rental income per paid occupied room in a given time period.

back of house: a business term that refers to parts of a business operation that customers do not see. This may refer to mechanical rooms, accounting offices, kitchens, and those persons who are engaged in those areas.

block: a group of rooms, tickets, seats or space reserved for a specific customer – usually for a set period of time. Room blocks are commonly reserved for conventions, meetings or groups in general. Room blocks may also be allocated to high volume buyers (wholesale, receptive, tour) who intend to sell them as tour components on an ongoing basis. A room block is usually under a firm agreement and is for a set period of time.

Brand USA: A public/private partnership to promote inbound tourism to the United States and communicate US entry/exit policies. Also known as the Corporation for Travel Promotion.
www.thebrandusa.com

bulk pricing: the practice of offering exceptionally low, typically non-commissionable rates to high volume buyers who purchase a specified number of units to resell at a mark up.

campaign: A specific, defined series of activities used in marketing a new or changed product or service, or in using new marketing channels and methods.

Certified Tour Professional (CTP): A designation administered by the National Tour Foundation and conferred upon tour professionals who complete prescribed evaluation requirements.

certificate: an official document attesting to a fact such as a level of achievement in a course of study or training.

certification: the action or process of providing someone or something with an official document attesting to a status or level of achievement. See also: American National Standards Institute

certified: officially recognized as possessing certain qualifications or meeting certain standards.

Certified Travel Counselor (CTC): A designation conferred upon travel professionals who have completed a travel management program offered by the Institute of Certified Travel Agents.

Certified Meeting Planner (CMP): A designation conferred upon convention and meeting management professionals who have completed an application and written exam offered by the Events Industry Council.

channel manager: a system or platform that coordinates the distribution of product details, inventory and pricing in real time across multiple sales “channels”

charter: to hire for exclusive use any aircraft, motorcoach, cruise ship or other vehicle

class of service: a parameter used to differentiate the types of accommodation offered by travel suppliers, often denoted by fare code on air tickets. Classes may reflect differences in space, comfort, amenities and cabin service. Ex: First Class, Business Class, Coach Class or please hold this chicken until we land.

commercial rate: A special rate given by a hotel or rental car, motor coach, bus or passenger transport company to an organization based on either the volume of business done or the type of accommodation or rental car. Also referred to as a corporate rate.

commission: The varying amount paid by suppliers to travel agents for the sale of travel products and services.

commissioned tours: A tour available for sale through retail and wholesale travel agencies, which provides for a payment of an agreed upon sales commission either to the retail or wholesale seller.

complementary: goods or services that add to the value of another good or service. Ex: peanut butter complements jelly

complimentary (comp): Service, space or item given at no charge.

complimentary (comp) ratio: The number of rooms, tickets, meals or service items provided at no cost based on the number of occupied rooms.

- The industry standard is one complimentary room per 20-50 rooms occupied per day.
- The industry standard for ticketed attractions and restaurants is one complimentary admission/meal per 10-20 paid.

complimentary registration: Waiver of registration fees.

concierge: a hotel employee whose job is to assist guests by arranging tours, local transportation, making reservations for theater or restaurants, etc.

Convention & Visitors Bureau (CVB): A nonprofit organization supported by bed taxes, government budget allocations, private memberships or a combination of these. A CVB promotes tourism, encourages groups to hold meetings and trade shows in its city, and assists groups before and during meetings.

consolidator: a person or company which forms groups to travel using group rates on to increase sales, earn override commissions or reduce the possibility of tour cancellations.

consortium: a loosely knit group of independently owned and managed companies such as travel agencies, tour operators, hotels, or other suppliers, with a joint marketing distribution process

convention and visitors bureau (CVB): a nonprofit local organizations charged with representing (and promoting) a specific destination. CVBs are funded by transient room taxes, government budget allocations, private membership dues, sponsorship sales and program participation fees, or a combination of these mechanisms. See also: destination marketing organization

co-op marketing: outreach activities that help multiple suppliers reach the target audience by sharing costs, resources and tactics.

course: a series of lessons or modules to teach the skills and knowledge for a particular job or activity.

destination: a place where travelers might visit. This may be any neighborhood, city, region or country that can be marketing as a single entity for tourists.

destination management company (DMC): Company or professional individual engaged in organizing tours, meetings of all types and their related activities. Also referred to as a ground operator.

destination marketing organization (DMO): A nonprofit marketing organization for a city, state, province, region or area whose primary purpose is the promotion of the destination. See also: convention & visitors bureau

direct spend: the value of goods and services purchased by tourists (e.g., attraction ticket, hotel room rate and meals)

double double: refers to a room containing two separate double beds, capable of sleeping up to four guests comfortably, sometimes referred to as a “quad”

double occupancy rate: the price per person for a room that will be shared between two people

dynamic pricing: the practice of varying the price for a product or service to reflect changing market conditions, in particular the charging of a higher price during times of greater demand. This is the opposite of static pricing.

educational travel: a type of niche tourism, built around learning objectives, often to the benefit of students and/or those who share a common interest, hobby or profession

emerging market: A group of customers who do not provide as much business as the target markets, but show interest in the destination.

escort: a person employed or contracted by a seller of packaged travel product who accompanies tour participants from point to point often acting as a the tour operator liaison and onsite problem solver.

escorted tour: a packaged, pre-planned itinerary that includes the services of a tour manager or tour escort who accompanies participants for the full duration of the tour

escrow: a legal concept and financial instrument whereby assets are held by a third party on behalf of two other parties that are in the process of completing a transaction. In many places, agents and tour operators are required by law to maintain customer deposits and pre-payments in escrow until the time of service.

excursion: a trip made for leisure, education or physical purposes. It is often an adjunct to a longer journey, cruise or visit to a place.

familiarization tour (FAM): A program designed to acquaint participants with specific destinations or services. Offered in groups and on an individual basis.

folio: an itemized record of guest charges and credits, often referred to as a guest bill or statement.

frequent independent travel (FIT): A custom-designed, pre-paid travel package with many individualized arrangements. An FIT operator specializes in preparing FITs documents at the request of retail travel agents. FITs usually receive travel vouchers to present to onsite services as verification or pre-payment. Also known as foreign individual/independent travel or frequent individual travel.

front office: a business term that refers to a company's departments that come in direct contact with customers.

gateway: a city, airport, port or area where visitors arrive. International gateway refers to places where foreign visitors may first enter a country.

ground operator: a company or individual providing local accommodations, transfers, ticketing and related services. See also: receptive operator

group booking: Reservation for a block of rooms for a single group.

group tour: A prearranged, prepaid travel program for a group usually including transportation, accommodations, attraction admissions and meals. Also referred to as a package tour.

guaranteed departure: a tour that will definitely operate on the day it is scheduled and will not be cancelled.

Horizontal Market: audiences for products or services that are not easily distinguished by consumer characteristics. Examples of horizontal markets include those for computer security, legal or accounting services.

Hospitality Sales and Marketing Association International (HSMAI): A trade association for hotel sales, marketing and revenue management professionals.

hotel classifications: Classification of a hotel by its amenities, facilities, service and cost. Qualifications and terms may vary by country.

- **limited service or economy** is generally a reasonably priced, generally providing a bed, telephone, TV, shower and free parking. They often do not have room service or a restaurant.
- **full service** may refer to a property of any price category that offers some meeting space and features a restaurant onsite
- **moderate** medium-priced property with services and amenities such as a restaurant and possibly conference rooms.
- **upper moderate** is a property that offers special services such as a first-rate restaurant, banquet and conference rooms, valet service, room service, cable TV, and a host of other amenities.
- **luxury or deluxe** is a top-grade hotel or resort offering the highest service and the maximum variety of amenities. All rooms have a private bath, and all the usual public rooms and services are provided.
- **boutique** is loosely used to describe properties that have typically between 10 and 100 rooms and often contain luxury facilities in unique or intimate settings with full service accommodations.

hub and spoke: a style of tour that has guests staying in a single location with excursions to nearby destinations

incentive tour: travel experience offered to stimulate employee productivity or as a reward for sales agents

incidentals: items not included in the package price

inclusive: referring to a package or product price that includes all of the varying components, taxes and gratuities for a flat rate. An inclusive tour may include transportation, lodging, transfers, etc. for a set price. An inclusive meal might include food, drink, tax and gratuity.

independent tour: a style of travel packaging that allows visitors to move about without the accompaniment of a tour manager or escort

indirect spend: the value of all goods and services used to produce tourism output. (e.g., toiletries for hotel guests, ingredients for meals and plastic used in souvenirs)

International Inbound Travel Association (IITA): A trade association of inbound receptive tour operators and suppliers from the US. Formerly RSAA Receptive Services Association of America.

incentive travel: A travel reward given by companies to employees to stimulate productivity. Also known as an incentive trip.

inclusive tour: A specific package in which all components of the package are part of the price. Generally, an inclusive package includes transportation, lodging, meals, gratuities and taxes, and some form of sightseeing or rental car. The terms and conditions of a tour contract should specify exactly what is covered. Also referred to as an all-expense tour and an all-inclusive tour.

inclusive rate: The rate charged to an operator that includes all service, tax, gratuities and additional fees.

IPW: A computerized scheduled appointment show for international tour operators always held in the United States and sponsored by U.S. Travel Association. Formerly known as Pow Wow.

itinerary: a schedule of travel components put together by an agent or operator.

leg: a portion of a journey between two scheduled stops.

lesson: an amount of teaching given at one time; a period of learning or teaching.

market segment: a group of consumers or buyer types that share one or more common characteristics, lumped together for sales or marketing purposes.

markup: the difference between the cost of a good or service and its selling price.

meet and greet: Pre-purchased service for meeting and greeting a client upon arrival in a city, usually at the airport, and assisting the client with entrance formalities, baggage and transportation.

microlearning: a tool for training, teaching and development that delivers content in small, very specific bursts.

module: each of a set of standardized parts or independent units that can be used to construct a more complex structure such as an item of furniture or a building. multiple lessons may be combined to create a module.

motor coach: A large, comfortable, well-powered bus that can transport groups and their luggage over long distances. Motor coaches are normally able to accommodate 46 to 54 passengers.

motor coach tour operator: A company that creates tours in which group members are transported via motor coach to their destination, itinerary activities and back.

mystery tour: a short journey, usually in a bus, that people make for pleasure without knowing where they are going.

NAJ: Producers of the RTO (receptive tour operator) summit and similar small trade show formats with a regional focus. Also referred to as North American Journeys

net rate: A wholesale rate for groups (usually 10-15 people) which an operator may add a mark up.

NTA (formerly National Tour Association): A trade association of North American motor coach tour operators. www.ntaonline.com

occupancy: the percentage of available rooms in use during a given period.

online travel agent (OTA): a travel website that specialized in the sale of travel products to consumers

outbound operator (or outbound tour): A company or tour that takes groups from a given city or country to another city or country.

Ontario Motor Coach Association (OMCA): A trade association of motorcoach operators based in and around Ontario province.

package: Travel arrangements with two or more components offered for one price, inclusive of all taxes. Also refers to a single-fee booth package offered by show management.

packager: An individual or organization that coordinates and promotes the development of a package tour and establishes operating procedures and guidelines for that tour.

performance tour operator: A tour operator company that focuses on planning trips for groups that must perform while traveling like school bands, choral groups, etc.

plus plus: a term used to describe a product price that does not include taxes, gratuities and/or service charges. Ex: The meal is \$15 plus tax and gratuity OR \$15++.

pre- and post-trip tours: Optional extension or side trip package offered before or after a meeting, gathering or convention.

pre-formed group: a group that contacts the tour operator to plan travel exclusively for the group members.

rack rate: the normal rate of a product or service, before any discounts, commissions or net price arrangements

receptive operator: A tour operator who provides local services, transfers, sightseeing, guides, etc. Many large receptive operators develop packages and sell them through wholesale tour operators in foreign countries. Also referred to as a ground operator, an inbound tour operator, a land operator, an RTO and a receiving agent.

retail tour: A tour put together by a tour operator and sold to individuals.

request for proposal (RFP): A document that stipulates what services the organization wants from an outside contractor and requests a bid to perform such services.

retailer: one who sells directly to the consumer. See also: travel agent

return on investment (ROI): Net profit divided by net worth. A financial ratio indicating the degree of profitability.

revenue per available room (RevPAR): A measure used by hotels that divides revenue for a given time period by the number of available rooms for the same time period.

sales mission: Intense selling effort in a particular locality; calling upon qualify leads. Usually performed by a group of people who may or may not all be in a sales capacity but have an interest in meeting with the same buyers.

Seasons (from a buyer/operator perspective):

- looking The time of year when tour operators are looking at for new activities & vendors to include in future trips. Also known as product or catalog development season.
- selling The time of year when tour operators are focused on reaching out to their customers, promoting future trips and selling packaged travel programs.
- booking The time of year when tour operators are booking and confirming tour components they plan to utilize.
- travel The time of year when the majority of the tour operators' customers are traveling.

Seasons (from a supplier perspective):

- off-season The time of year when tourist traffic, and often rates, are at their lowest because of decreased demand. Also referred to as low season, off-peak or value season.
- peak season The time of year when demand and price is at a premium. Also known as high season.
- shoulder season The season between peak season and off-season when demand is average and the travel product will not produce the highest price but does not need a deep discount to generate traffic.

series: describing a piece of business or scheduled itinerary that takes place on a regular frequency

site inspection: Personal, careful survey of property, facility or area.

Skål is a professional, fraternal organization of tourism leaders around the world, promoting global tourism and friendship.

SMERF: Meetings acronym for a category of meeting market segments including social, military, educational, religious and fraternal type groups. These organizations often are looking for value when selecting a meeting destination.

supplier: The actual provider of a travel product such as the hotel, attraction, restaurant, airline or car rental agency; not the travel agent or tour operator selling the product.

STAR (STR) Report: a tool used to measure hotel performance against competitive aggregates and within local markets. Data is collected and distributed by strglobal

static pricing: the practice of maintaining the same price for a product or service at all times regardless of changing market conditions, trends and demand. This is the opposite of dynamic pricing.

Student Youth Travel Association (SYTA): a trade association representing tour operator companies that specialize in student travel. www.syta.com

tariff: a schedule of rates for a good or services provided by a supplier

tiered pricing: A pricing structure that offers a variety of price points for different customer types. For more or suggested rates by buyer type.

tour operator: A person or company that negotiates discount rates, packages travel products, prints brochures, and markets these travel products through travel agents or to the general public.

tour vouchers: Documents issued by tour operators to be exchanged for accommodations, meals, sightseeing, admission tickets and other services. Also referred to as coupons and tour orders.

tourism: travel for business or pleasure; also the theory and practice of touring, the business of attracting, accommodating, and entertaining tourists, and the business of operating tours. Tourism may be international, or within the traveler's country.

tourism ambassador: an individual possessing the knowledge, skill and training to represent a destination, assist tourists and create better visitor experiences.

Tourism Cares: A charitable organization that focuses on helping preserve the travel experience for future travelers. www.tourismcares.org

trade association: Group of persons employed in a particular trade.

trade publication: A magazine or newsletter that targets a specific industry.

trade show: Exhibit of products and services that is targeted to a specific clientele and not open to the public.

travel agent (or travel agency): Person or firm qualified to advise and arrange for travel needs such as hotel rooms, meals, transportation, tours and other travel elements. Represents all travel suppliers worldwide. Also referred to as a retailer.

Travel Alliance Partners (TAP): A member-owned organization of tour operators that work together to develop unique itineraries within their respective regions, cross-promote products offered by other members and leverage their collective buying power. www.tapintotravel.com

travel receipt: purchase of travel and tourism related goods and services by visitors. These goods and services include food, lodging, recreation, gifts, entertainment, local transportation and other items incidental to travel.

United Motor Coach Association (UMA): North America's largest association for operators of motorcoach companies providing charter, tour and regular route services. www.uma.org

United States Tour Operators Association (USTOA): A nationwide organization of tour operators offering protection for travelers purchasing member travel products by way of a multi-million-dollar bond. www.ustoa.com

Upsell: sales technique where a seller induces the customer to purchase more expensive items, upgrades or other add-ons in an attempt to make a more profitable sale

U.S. Travel Association: The national, nonprofit association representing all components of the U.S. travel industry. (formerly known as TIA – Travel Industry Association of America) www.ustravel.org

Vertical Market: used to identify areas where vendors offer goods & services specific to a group of customers with specialized needs. Examples may include customers identified by their areas of origin, age range(s) or interest types.

Visa: a conditional authorization granted by a country to a foreigner, allowing them to enter, remain within, or to leave that country.

voluntourism: the act or practice of doing volunteer or charitable work as needed in the communities where one is vacationing

voucher: documents or digital codes issued to consumers by tour operators that may be exchanged for tour components

walk-through: Review of meeting details, or inspection of function room or trade show floor prior to event.

webinar: Short for web-based seminar, a presentation, lecture, workshop or seminar that is transmitted over the web. A key feature of the webinar is its interactive elements – the ability to give, receive and discuss information. Contrast with webcast in which the data transmission is one way and does not allow interaction between the presenter and the audience.

wholesaler: A company that creates and markets inclusive tours and FITs for sale through travel agents. Often used interchangeably with “tour operator,” but several distinctions should be drawn: a wholesaler presumably sells nothing at retail, a tour operator does both; a wholesaler does not always create his or her own products, a tour operator virtually always does; and a wholesaler is less inclined than a tour operator to perform local services.

World Tourism Organization (WTO): An organization created to promote and develop tourism in the interest of the economic, social and cultural progress of all nations. www.world-tourism.org

ABOUT THE AUTHOR



Stephen Ekstrom is the Chief Strategist at The Tourism Academy | tourismacademy.org, featured speaker at numerous tourism industry conferences, travel writer and host of the Business Class podcast.