
An introduction to working with the Travel Trade.



Travel Trade definition

The Travel Trade is a collective term for intermediaries such as tour operators, travel agents and wholesalers who can facilitate business between you, the Wales tourism industry (i.e. accommodation providers, attractions and transport providers) and the end user i.e. the customers/consumers.

The Travel Trade are basically buyers and sellers of your product that then sell tours, holidays and experiences direct to consumers or to other buyers.

For many international holidaymakers the Travel Trade plays a crucial role in providing the information potential customers need to plan a trip and can even play a huge role in influencing a holiday destination.

Relevance.

The importance of the Travel Trade

Our 2019 Travel Trade research states:

- The overall value of business to Wales from operators in the research sample providing bed night data is approximately £35.8m.
- Operators are introducing new tours or programmes as a result of Visit Wales' interaction and approximately 174 new tours/programmes have been generated in 2019.
- 57% of operators already including Wales are interested in developing/selling more Wales products.

Therefore, as well as Visit Wales marketing directly to consumers we also have a team dedicated to undertake marketing to, and working with, the Travel Trade. This is also sometimes referred to as working Business to Business or B2B.

The key aims of the activities undertaken by the Visit Wales Travel Trade team are:

- to increase the Wales products and services included in tours and programmes sold by agents and operators.
 - to improve the distribution network by working with wholesalers and tour operators.
 - to increase the awareness of Wales as a tourist destination in order to encourage the Travel Trade to include Wales over other destinations in a competitive market.
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Engagement.

Who can work with the Travel Trade?

Anyone! As long as you are able to offer rates to operators. It is a common myth that only accommodation providers with a larger number of rooms, or attractions that caters for large groups are suitable for the Travel Trade.

Online travel businesses are increasingly taking larger shares of the market, for example bespoke packages on Travelzoo, Virgin Experience Days and Groupon are platforms that any business willing to work with the market can take advantage of when working with the Travel Trade.



Terminology.

New terms you may hear when working with the Travel Trade...

Group v FIT

FIT

This can mean 'Fully Independent Tour' or 'Flexible Independent Traveller' and consists of any type of traveller such as individuals, couples, families etc. who have booked via an agent but are not travelling as part of a group. They require the assistance of the Travel Trade to plan and book their holiday/accommodation/things to do based on their knowledge and expertise. This is a growing trend in travel for all markets, especially with online bookings increasing.

Operators will need: FIT or commissionable rates because they can generate a huge amount of business throughout the year, however the bookings need to be flexible as to when customers choose to book rather than restricted to a particular day, week or month.

Suitable Wales Product: Any product wishing to increase their bookings and willing to offer rates can work with FIT travellers.

Groups

Groups means that the consumers will be travelling in a group, they may know each other beforehand (e.g. a special interest club) or may be individuals/couples or families who book on to a pre-arranged Travel Trade package/tour with a full itinerary already planned out. The group will travel together and stay in the same hotels, often visit the same attractions or do the same activities. The average group rate starts at either 10 or 15 people.

Operators will need: group rates depending on the size of the group and you as a business are able to negotiate this.

Suitable Wales Product: depending on the size of the group some products and services will not be able to cater for the groups market. When marketing to the Travel Trade it is always useful to state the group sizes you are able to cater for.

Pricing

At this point you may now be thinking that it is going to cost you to work with the Travel Trade as you need to offer commissions and net/special rates. In order for the Travel Trade to be successful the companies selling your product or service on your behalf also need to be able to make a profit. In most cases you only pay commission or offer a discounted price when the sale is made. It provides an opportunity for greater promotional reach of your product at little extra cost.

Travel Trade Commission/Net Rates

The commission is the fee paid to the intermediary who has worked to market, distribute and sell your product or service. This is a fee that covers their function and service. It is often determined as a percentage of the gross rate.

Group Rates

These are the rates that you offer to an operator who brings a group to your product or service and it will generally be the net rate (rate before they are marked up with an additional margin for profit for sale to the public).

FIT Rates

When arranging an FIT tour, operators will also ask for a net rate, remember that the booking may only be for an individual, couple or family but over the year the operator may place many bookings at your venue.

Time length of pricing

Operators will be discussing pricing for their tours/holidays normally about 2 years in advance and they will be calculating their tour prices accordingly. This should be considered in your pricing strategy because increases in hotel rates/entrance fees will impact on their profit margins.

The Travel Trade is just another channel...

Benefits.

Benefits for you and your business to work with the Travel Trade

1. Wider distribution

Sometimes it is easy to think that the Travel Trade are trying to take your business. This is another myth, the Travel Trade is just another channel to help you reach **new** business. In most cases you won't be asked for an up-front fee. You will instead be asked to provide good net rates/discounted prices on which operators can add their commission to.

2. New customers reached

It's sometimes difficult to reach markets and working with the trade means promoting your business in places that you've found hard to reach due to administration and marketing capacity or lack of market awareness.

3. Boost your bookings

If you are already always at capacity through direct bookings then we are thrilled. If not you may think that customers will come to you direct and you don't need to work with the Travel Trade to gain extra bookings. New customers and certainly international customers will very often book via an agent or operator first. By having pricing levels which allow the trade to build in commission or discounted rates, you can generate additional sales to increase visitor figures or fill spare capacity.

4. Pay only for results

In order for the Travel Trade to be successful the companies selling your product or service also need to be able to make a profit. In most cases you only pay commission or offer a discounted price when the sale is made. It provides an opportunity for greater promotional reach of your product at little extra cost.

5. Form long lasting relationships

The trade gets to know and trust you to deliver a quality and consistent product. They will continue to promote and sell your product year after year, or until market demand suggests otherwise.

6. Less hassle all round!

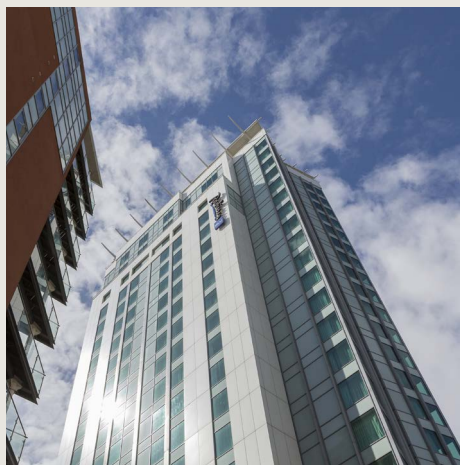
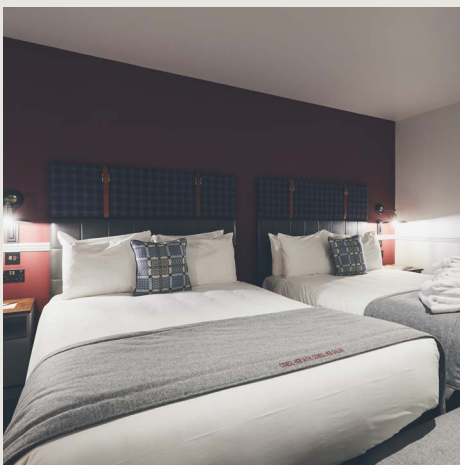
The trade are the conduit between you and the consumer up until the time the guest arrives at your door. The trade deals with various general information enquiries, financial transactions and any problems the client might encounter. They often also have the ability to sell all of the other components of the traveller's holiday.

Organisation.

Travel Trade Structures

- **Tour Operators** – build a package of all the elements that make up a holiday or a tour and often includes a variety of companies including coach operators, accommodation and activities at a destination. E.g. TUI.
- **Online Travel Agents** – work in the same way as a tour operator however are purely online. E.g. Expedia, booking.com, Viator.
- **Travel Agents** – organise personal travel and accommodation for travellers. They provide the services on behalf of suppliers such as airlines, hotels, railways and package tour operators. E.g. Trailfinders.
- **Wholesalers** – develop and supply inclusive tour packages and accommodation through retail travel agents who sell on to consumers. They often sell to other elements of the Travel Trade such as tour and coach operators and not directly to consumers.
- **Inbound Tour Operators** – Operators that put together tours for international operators (many are represented by UKinbound, the Association for Inbound Tour Operators).
- **Ground Handlers** – makes arrangements for travellers from overseas from the moment they arrive in the UK until the moment they leave. Their work involves managing the visitor experience whilst international tourists are in the country.
- **Destination Management Companies (DMC)** – companies with specialist local knowledge who handles all bookings and arrangements for tours, usually tailor-made.

www.visitbritain.org/understanding-travel-trade



...to help you reach new business.

What next?



How you can get involved and support Visit Wales working with the Travel Trade

Get in touch with the team on: traveltradewales@gov.wales and make us aware of your product or service.

Make sure you are listed on our product database and include as much relevant information for this market as possible including website links, up to date images and room/group numbers. This will help potential buyers to find your product easily.

Keep us posted with your news and developments to feature on our website news page, E-news and product updates. When we are developing fact sheets and itineraries for the market we can include you. Make sure you send us the information well in advance to productnews@gov.wales. We will also share relevant updates with tour operators, PR companies, VisitBritain and other departments within Visit Wales.

Support us when we bring in tour operators/agents on familiarisation/ educational trips to Wales which help to generate more and improved programmes. To get the most out of supporting familiarisation visits it is important to welcome the buyers and provide relevant information about your business. It is also a good idea to follow-up with the buyers after their visit.

We attend both product and destination trade shows and exhibitions, many of which provide partner opportunities. Join us at an event, find out more here: <https://businesswales.gov.wales/tourism/travel-trade-events>

Remember to follow:

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- Use Visit Wales #findyourepic or VisitBritain's #lovegreatbritain on your social media posts

