

## Visit Moray Speyside Travel Trade Ready Guide

### Introduction

Moray Speyside is an iconic region of Scotland offering a diverse range of activities, experiences, and products to visitors. Already visited by domestic and international travellers this guide aims to help you understand who the travel trade are, what they do, how to engage with them and ultimately help you develop more business from these intermediary channels with confidence.

There are many reasons why you should consider working with the travel trade:

- Widen your distribution channels – domestic and international
- Balance your business and revenue from new markets, off peak and advance bookings
- Working with a range of markets protects your business, world situations are continually changing
- Increased revenue and overall business growth

### What is the travel trade? A definition.

**The travel trade is an intermediary or anyone between you (as the product or supplier) and the customer as a tourist. Intermediaries resell tourism product onto the end customers:**

- They are both buyers and sellers of your product - creating tours, packages, offers to sell to consumers or to other travel trade.
- To reach international customers it is key to work with the travel trade as they can play a crucial role in influencing holiday planning and travel decisions.

### Who are the main players and how do they work?

Wholesaler (B2B):

- Focus on large volume sales, accommodation, tours, attractions & itineraries
- Have own in-house product development, contracting and sales teams
- Usually located in the market they sell to
- Link tourism businesses with retail travel agents

#### DMC- Destination Management Company (B2B):

- Inbound operator “on the ground” in the UK with specialist area knowledge, and supplier Relationships.
- Create tour programmes and itineraries that can include local transport, accommodation, attractions and activities
- Manage the customers experience while they are in the UK coordinating bookings, reservations, payments
- Can also be known as ground handlers or inbound tour operators

#### Tour Operator (B2C and some B2B):

- The holiday “in the brochure” and can include travel to the country (if relevant)
- Build packages including accommodation, transfers, itineraries and activities
- Sell packages business to business or direct to consumer

#### Online Travel Agency / OTA (B2C):

- Specialise in selling products online
- Vast worldwide reach
- Accommodation, travel, attractions and experiences bookable individually or can be part of a package with some agents
- Use technology, product innovation and deep market analytics to target and retain customers

#### Travel Agent (B2C):

- Retail agents, can be niche, specialist, short break operator based in consumers country of Origin.
- Organise personal travel and holidays for the consumer, many of whom are loyal regular Customers.
- Popular with emerging and long-haul markets where they are looking for detailed knowledge of destinations that are less familiar
- Can create bespoke itineraries as well as sell “off the shelf” tours



## How will working with the travel trade benefit my business?

Working with the travel trade can benefit your business in the following ways:

- Give you access to additional distribution channels - UK and International worldwide reach
- Business on the books - advance bookings both individuals (FIT) & groups
- New & repeat business from new and existing markets
- Your product presented in a way to suit the client base and in their own language
- You benefit from their ground handling expertise and being packaged with other Scotland product
- Increased revenue opportunity– international visitors spend more- think of your ancillary offer (Retail, restaurant, cafe, donations)

**\*\* The travel trade is another channel to help you reach new business, and should be part of a wider marketing and distribution plan**

## What will the travel trade want from me?

In order that the travel trade can feature my product there are certain things they require from me.

- Reasons to visit
- Bookable product
- Trade rates – commissionable or net
- Easy to book and fast enquiry turnaround
- Clear and easy to understand collateral “cut and paste copy” and images
- Advance information - product, rates, terms and conditions

## TIMELINES

### Travel trade planning 12 - 24 months out



Therefore you need to have your product and rates ready in advance

### How can I prepare my business to work with the travel trade?

In order to be travel trade ready there are a number of things you must consider.....

- **Bookable Product & Reasons to Visit:**

Identify and agree your “**bookable product(s)**”

Select your best offering for the travel trade - you can consider 2 or 3 options here, maybe your standard offering and then something more unique or niche or with “add-ons”. Maybe a special travel trade early tour with a coffee and scone to encourage them to book off-peak? A complimentary drink with dinner to encourage them to dine in your hotel? There are endless options to create something unique and encourage sales.

- **Easy to Book and Fast Enquiry Turn Around:**

**Availability**, is it live, allocation or freesale?

Booking information, **how to book** - dedicated email or booking link with a quick turnaround time for both.

**Clear and Easy to Understand Collateral and Product Information:**

**Product Fact Sheet** this “one page wonder” should give the travel trade a good snapshot of your business, and include: some brief copy about your business, the destination, contact details, your product(s) and pricing information, any key highlights to inspire, unique selling points, how to book and an image. Please see a sample copy [here.....Laurie](#), suggest we link sample from new guide.

**Up to date website**, easy to navigate, online booking available. **This is your shop window**, make sure it is current!

Quality relevant **images**, have a selection of a few ready and handy to send to the travel trade as required. **Video**, a short video is a great way to showcase your product or offering

**Information in additional languages** is helpful (though not essential) if you have access to this in the languages of your key target markets.

- **Trade Rates:**

**Clear pricing structure (commission or net rate).**

Working with the travel trade you need to factor in a margin for them within your pricing structure. Sometimes there can be 2 or 3 intermediaries in the booking process and each needs to make a small margin to allow them to market your product. This can seem the most complicated part of working with the travel trade but there are really just 2 pricing models to consider:

Commissionable Trade Rates

Or

Net Trade Rates

Other considerations to think about whilst setting your pricing: group rates, FIT rates, costs and break-even points, forward rates to 2023 and beyond, seasonality, bespoke pricing on enquiry, competitor pricing.

Gross rate = Net Rate + commission. The gross rate (Best available rate) is the amount that the consumer pays and should be consistent across all your distribution channels.

**Commissionable Trade Rates:**

With this model you would pay the travel trade partner an agreed level of commission on your Best Available Rate (direct consumer rate or gross rate).

Commission is usually paid to the travel trade partner after the guest has stayed or visited, they will send a commission invoice.

Commission rates can vary from 10-30%.

This option allows you to regularly amend your Best Available Rate as you wish as the travel trade partners know they will get their agreed level of commission on whatever that rate is.

**Net Trade Rates:**

Here you offer the travel trade partner a rate that is slightly lower than your Best Available Rate (direct consumer or gross rate) to enable them margin to mark up during the packaging of your product. Generally these are static net rates agreed 18-24 months in advance so this does give less flexibility to amend your net pricing as the agreed net rates are usually contracted. These

rates must remain confidential; the consumer should not know what they are as it is an agreement specifically between the travel trade partner and you.

As the travel trade partner is buying at a special reduced rate at the time of sale there is no need for commission claims at a later stage.

**\*\* Remember the travel trade has a worldwide distribution. Trade discounts and commissions should be considered as marketing spend.**

- **Advance Information:**

Clear **terms and conditions** – cancellation, payment and other policies such as children, pets.

Can you **collaborate** with your “near neighbours” to offer packages? As a small business this may enable you to have a stronger proposition.

## How do I promote my business to the travel trade?

### 1 - Start with having your product in the right places

- Contact Visit Moray Speyside to make sure they include you in their trade related promotions. Benefit from their association with travel operators.
- VisitScotland has a trade platform where you can add your trade ready products and also regular travel trade newsletters - explore all the options with your VisitScotland industry relations manager

### 2 - Meet the Buyers/Operators

- **Familiarisation trips (fam trips)** - Offer travel trade **partners the opportunity to visit your business** and experience it first-hand. This can be done solus or in partnership with other businesses or the region. There are online opportunities also for “virtual fam trips” and product presentations too.
- **Workshops & Trade Shows** - there is a raft of key annual events and it will depend on your budgets what you can get involved with. Visit Moray Speyside or other organisations may have partnership opportunities, reducing the costs. They can be great events for getting to know the trade, building a database, selling and also for fact finding! The key Scottish B2B event is organised by VisitScotland\* annually in April (either in person or online event). In addition VisitBritain attend workshops around the world and bring buyers to Explore GB, their annual Britain travel trade showcase.
- **Trade Associations** - some good associations to consider aligning yourself too include Ukinbound [www.ukinbound.org](http://www.ukinbound.org); European Tour Operators Association [www.etoa.org.uk](http://www.etoa.org.uk) ; Coach Tourism Association [www.coachtourismassociation.co.uk](http://www.coachtourismassociation.co.uk) There are many more but these are 3 key ones.
- **Sales calls** - Start close at home with local DMCS or key operators in Edinburgh and Glasgow. Partner up with another business for a joint approach.

\*Known as VisitScotland Expo/ Discover Scotland or Scotland Reconnect

### 3 - Be in it for the long game

- **Relationship account management**, keep in touch with regular communications, keep your travel trade partners and Visit Moray Speyside up to date with your product
- **Share your product news** - Keep the trade informed of news and changes to your product

Research is always essential. Good resources to find out about Scotland's top markets, trends, domestic and international - and identify whether your product is suitable - [www.visitscotland.org](http://www.visitscotland.org) and [www.visitbritain.org](http://www.visitbritain.org)

### TOP TIPS- How to approach workshops or sales meetings

1. Ask some key questions: What type of client do they have - groups, FITs, corporate? What interests do they have – gardens, regions, specific themes, activities etc.?
2. Do they want to book directly with us or via an intermediary such as Abbey Tours or Cashel? How they book is very important to know whether your focus is on product awareness only or awareness plus rates and booking process.
3. Have your sales resource & product presentation ready to share? Focus on 2 or 3 highlights and essential points if time is brief.
4. Prepare to actively listen and negotiate.
5. Be prepared to answer the “What is new?” question.
6. Follow up the meeting quickly afterwards.

\*\*It can take time (sometimes years) to get your business featured with some operators due to the length of the sales cycle. Be patient, it's a worthwhile journey!

## In Summary - Fast Track to being Travel Trade Ready

We have created a short summary of top tips for getting started:

1. Draw on the experience of others, there are tourism businesses working successfully with the trade already. Talk to them and the Visit Moray & Speyside Team.
2. Research - know who you are dealing with and how they buy and sell.
3. Audit what your business needs and wants are from the travel trade (time of day, period, market interests, revenue streams). What products are deliverable that suit this?
4. Create your bookable product with a clear trade rates strategy. Do you want to offer commission or net rates?
5. Product and rates need to be available in advance, 12 to 24 months and more ideally.
6. Create a sales resource – your sales “toolkit”.
7. Meet the trade - local sales meetings with local operators, workshops and invites to visit your business, direct dialogue will enable you to gather useful intelligence and also test out your offering & ideas.
8. Allow time to build business with the trade, it can take a couple of years or more. B2B relationships are important.
9. Collaboration, working together makes more impact.
10. Remember the travel trade is only one part of a marketing and distribution plan.
11. Take your colleagues on the journey with you, from bosses & budget holders to operational staff.

## What does FIT mean? There is lots of jargon. Here is our travel trade glossary...

Here is a summary guide to all the terminology you are likely to come across in the world of the travel trade. From FIT to commission, group series and more.

**Advance Purchase** - requirement to pre purchase tourism product ahead of arrival (can involve small cost saving doing it this way)

**Accessible**- whatever the business it can be enjoyed by all people regardless of age, ability, physical or other limitations

**Ad Hoc Group** – one off group request

**Allocation** – pre negotiated number of rooms, places, seats held by a tour operator or wholesaler for sale

**B2B** – business to business

**B2C** – business to consumer

**Best Available Rate**- your customer facing pricing.



**Bespoke/Niche** – customised tour or itinerary

**Buyer** – person working on behalf of travel trade intermediary who sources and negotiates contract from supplier

**Close Out Date** – Also known as blackout dates whereby accommodation or attraction is not available for purchase by the travel trade

**Commission** – the fee paid to intermediaries for in turn marketing and selling your product to the end consumer. Usually a percentage of the best available rate

**Complimentary Policy** – free meals, rooms, places in return for volume business

**Credit Agreement or Prepayment** – will you extend credit facilities or require prepayment for bookings

**Distribution Channel** – channels or places where the consumer may purchase your product. A managed group of businesses with primary aim of driving more business to their region

**DMC** – Destination Management Company, provides services and expertise specialising in local knowledge

**DMO** – Destination Marketing Organisation, typically a non-profit organisation or group dedicated to the promotion of their region

**Dynamic Pricing** – fluid pricing that fluctuates along with market demand, Best Available Rate

**Experiential Travel** – Immersive travel where visitors focus on experiencing a country, city or place by connecting closely to history, people and culture

**FAM Trip (or educational visit)** – hosted trip to allow buyer to experience relevant tourism product first hand

**FIT** - Fully Independent Traveller, travel on their own, in couples or smaller groups, plan their own itineraries and book elements of their holiday themselves or through specialist travel agents

**FOC** – free of charge

**Freesale** – ability for the tour operator or travel intermediary to see your product freely until you close out or stop sale. Eliminates the need for an enquiry for each individual booking.

**GDS** – Global Distribution System, international system that accesses databases and availability of many suppliers such as airlines and hotels.

**Gross Rate** – Price the consumer pays for your product (also known as Best Available rate, Rack Rate)

**Group Rate** – reduced rates for bookings of multiple travellers or guests

**Group Series** – regular groups, organised travel over multiple dates, tend to arrive on the same dates each week for an agreed time period, same group organiser but different travellers each time.

**Inbound Tourism** – International travellers coming into a country

**Intermediary** – anyone in the chain between the supplier and the end consumer i.e. travel agent

**Itinerary** – the planned route for a trip

**Market Segment** – an element of a wider market, for example travel could be broken down into transport, accommodation, tourist attraction etc.

**MICE** – Meetings, incentives, conference and events

**NET Rate** – Gross or Best Available rate less the commission.

**Online/Offline** – booking via online intermediary rather than an offline one such as a high street travel agent

**OTA** – Online Travel Agent

**Outbound Tourism** - consumers travelling out with their home country

**Pax** – meaning number of people

**Packages** – where products are tied in with other products to create a package such as hotel, restaurant, transport and tourist attraction

**Policies** – child, pet

**Rack Rate** - price the consumer pays for your product (also known as Best Available rate, Rack Rate)

**Responsible Tourism** – making better places for people to live and people to visit

**Single supplement** – a surcharge usually applied when a single person is staying in a room that can take 2 or more guests

**Special Interest Tour** – tour catering for needs of guests with specific interest ie cycling, walking

**Segmentation** – subdivision of a market to break it down.

**Supplier** – Tourism business that sells to buyers

**Target Market/Audience** – a specific demographic target to which communications are directed

**Tour Operator** – develops tour programmes and travel experiences comprising all elements from transport, accommodation, attractions, tours and meals.

**Trade Show** – a platform for buyers to meet suppliers can be in person or virtual held in country or overseas

**VFR** – Visiting Friends and Relatives

**Wholesaler** – company operating as intermediary between supplier and buyer, develops itineraries and programmes

**Yield Management** – calculating profits earned per room or customer