

How Receptive Operators Can Make Your Life Easier

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Chain of sales

- Supplier
- Receptive Operator / Wholesaler
- Overseas Wholesaler
- Overseas Retail Outlet / Travel Agent
- Consumer

What is an RTO ?

- There are a wide range of sizes and types of Receptive Tour Operators but the common feature to all is that they buy Canadian Tourism products. Products are presented in confidential tariff's or through customized quoting.

The Overseas Wholesaler

- These are tour operators outside of Canada which may buy a Canadian land package from an RTO, and add on the air transportation. They produce glossy brochures which are distributed to the travel agents and into the hands of the consumer.

The Travel Agent (overseas)

- This is where the tour product reaches the consumer. The travel counsellor will discuss which of the multitude of different products will best suit their desires.

Types of RTO's

- **Geographic market area**

the demands of the overseas markets vary considerably which requires specialized knowledge from the RTO.

- **Destination area**

Some RTO's specialize in one province or area ie; the Maritimes and at the opposite end of the spectrum they represent all of Canada

- **Product Type**

One of the main differences here is whether the RTO is selling to Groups or FIT (Individual Travellers)

- **Size**

Smaller companies are usually more specialized by market, destination or product types. Usually the larger the operation the greater number of markets they reach and the wider product range.

RTO Organization structure

- Product / Contracting
- Sales and Marketing
- Operations

Advantages for International Tour Operators

1. One stop shopping
2. Cost Savings
3. Reliable Partner in Canada
4. Protection of Interests – Tourism Laws
5. Marketing of New Products
6. Destination Education
7. Adaptable Tour Products

Advantages for Suppliers

1. Exposure to International Marketplace
2. Less Volume Fluctuations
3. Efficiency
4. Customer Service
5. Packaging of your product
6. Accounts receivable

Why Work Direct?

- Control over client relationship
- Promotion of your product
- Higher Price

Some things to remember

- You can work with both!
- Loyalty, Trust, Respect
- Pricing structure is important

Preferred Commission Structure

- Canadian Receptive Operator = 20% to 30%
- Overseas Tour Wholesaler = 15% to 20%
- Travel Agents = 10%
- Consumer price should match retail

25% off retail = cost savings to you

- Marketing costs
- Communication costs
- Questions / Complaints
- Payment issues
- Expertise and Experience
- Packaging with other products

Confidentiality of Information

- Do not disclose the retail rate to consumers
- Competitors rates

How does the

Sales Cycle

- RTO produces a Tariff
- Meet with the Overseas Tour Operators
- Finalize Product for their Brochure
- Overseas TO produces a Brochure
- Distribute Brochure to TA's
- Traveller buys a holiday

Lead Times

- International Markets require advance pricing
- RTO's tariff production
- Products and Prices required 12-18 months in advance

Deposits & Refunds

- Deposits vs. Good faith
- Cancellation / refund policies should be consistent and flexible

Examples 60 days prior

30 days prior

7 days prior

48 hours prior

**Are you ready to enter the
International Marketplace?**

Making your Product Export-Ready

- Description
- Pricing – 12 months in advance
- Terms and Conditions
- Consistent Rates
- Consistent Product
- Key Contact
- Images (high resolution for brochures)

Other issues

- Consumer Protection Laws
- Inventory (hotel block allocations)
- Liability
- Assumption of Risk
- Safety
- Languages

Marketing Your Product

- Research the RTO's
- Book a sales call
- Follow up
- Make presentations to RTO staff
- Offer Familiarization Tours to RTO staff & the overseas TA's via RTO requests

Which type of RTO is best suited for your business?

Supplier Type:

Hotels

Lodge / B&B

Restaurants

Boat Charters

Coach

Attractions

Adventure product

Seaplanes

Limo's

Regional TO

RTO's Focus:

All

FIT and small groups

Groups & Incentive

Groups & Incentive

Groups & Incentive

All

All

All

FIT only

All

An Example

...of a request sent to an RTO by an
Overseas Tour Operator

Request from the Ukraine

- 2 VIP adults
- 1 week Dec/Jan
- Observing the northern lights. Living in igloo or something typical for this region
- Getting acquaintance with local traditions: maybe some shamans or something unusual like this.
- We also need all the transfer and living in 5* hotels (except days when the tourist will stay in igloo 2-3 nights).

A more standard request

Request received April 2007 for travel September 2008

Good morning from Germany,
we just received a special group request for sep. 2008 from
our group Karlsruhe, approx. 20-35 pax.

This group would like to travel to Westcanada for 12 nights including
Steward and Inside Passage.

Could you please be so kind to send me an itineray as suggestion?
It would be great if you can send me also rates based on
20/25/30/35 pax + 1 FOC - maybe for sep. 2007 if you don't have
yet rate for 2008.

We will need - maybe optional - supplement for daily ABF and a
special suggestions for a dinner on the last day.