

Appendix D:

Tourism Industry Glossary

The tourism industry is filled with specialized language, programs, and acronyms. The following glossary may help decipher “tourism industry talk.”

Adventure Tour – A tour designed around an adventurous activity such as rafting, hiking or mountain climbing.

Advertising agency – A specialized company that provides advertising services to destinations and businesses. May also be referred to as Marketing Agency.

Affinity Group – A group of people that share a common hobby, interest, or activity, or that are united through regular participation in shared outings. Also see preformed group.

American Bus Association (ABA) – A trade association representing motorcoach and tour companies, travel and tourism organizations, suppliers of bus products and services who work in partnership with the North American motorcoach industry.

Attraction – Any object, person, place or concept that draws people into a geography so that they may have an experience. The experience can be recreational, spiritual, or otherwise.

Brand – The brand is the promise made to the consumer of what you will deliver to them. It is the way the consumer thinks of a destination.

Channels of distribution – Travel products are sold through a variety of mechanisms. Products and services can be sold directly to the consumer (direct distribution) or through the various travel trade mechanisms (indirect distribution).

Charter – To hire the exclusive use of any aircraft, motorcoach or other vehicle.

Collateral – A marketing strategy that involves the use of various printed and online materials that communicate a brand, market position, product and service features, benefits to the customer, and for business partners. Includes pricing.

Commission – A fee paid to an agent for a transaction, a piece of business or a service. Commissions are paid to travel agents, tour operators and wholesalers in compensation for marketing and selling travel products and services to their specific markets.

Community-based tourism – A form of tourism in which a number of local residents have substantial involvement and control over tourism development and management.

Competitive advantage – A condition or circumstance that puts a company/product in a favorable or superior business position.

CVB – (Convention and Visitors Bureau) – The focus of a CVB is strictly tourism, individual visitors and meetings & convention business to fill in the seasonality of the visitor market. There are two CVBs in Maine - Portland and Bangor.

Cooperative marketing or promotion – When two or more organizations/businesses share the cost of a promotional program, as in advertising, promotions and public relations.

Cost per inquiry – The calculation of the cost of a promotional activity divided by the number of inquiries generated by that promotion. Example: if an ad cost \$100 and 100 people responded to the ad, the cost per inquiry was \$1.

Cost per thousand – The cost of an advertisement per thousand readers, viewers, or listeners reached through that specific media.

Cost per conversion – A calculation of the cost of a promotional activity divided by the number of bookings received. Example: if an ad cost \$100 and four people booked a stay based on that ad, then the cost per conversion was \$25.

Cultural attraction – An attraction of cultural origin as a manifestation of that culture without the original intention of serving tourism. May be tangible (building, landscape, object) or intangible (dance, music, art).

Demographics – A way to segment the larger market based upon age, household income, and other population statistics.

Destination development – The strategic planning and advancement of **defined** areas to support the evolution of desirable **destinations** for travelers, with a sole focus on the supply side of tourism, by providing compelling experiences, quality infrastructure, and remarkable services to entice repeat visitation.

A Destination Management Plan (DMP) – A business **plan** for building and managing the visitor economy for your **destination**. By sharing this plan with stakeholders, they can use it to help manage and invest in the **destination**.

Destination stewardship – Managing and supervising a destination for sustainability.

Direct mail – A method of advertising that involves the mailing of promotional materials directly to consumers or members of the travel trade.

Direct marketing – A broad term that includes all forms of marketing directly to the consumer and travel trade including direct mail, telemarketing and e-marketing among others.

DMO – (Destination Marketing/Management Organization) – An organization whose primary function is to attract visitors to a specific locale to enhance the local economy through the purchase of room nights, food and beverage, retail, visitor services, transportation, etc. DMOs come in multiple shapes, sizes and with a variety of names – state tourism offices, regional tourism groups, CVBs and chambers of commerce – who embrace this marketing mission. The organizational mission defines a DMO.

Double/Double – Refers to accommodations with two double beds in a room.

Ecotour – A tour designed to focus on preserving the environment, or a tour to environmentally sensitive areas.

Educational Tour – A tour designed around an educational activity, such as studying art.

Familiarization (FAM) tours – Tours organized by DMOs and CVBs at a free or seriously reduced cost for travel agents, tour operators, tour wholesalers/operators, travel writers, travel influencers and other industry suppliers who are capable of bringing large groups to a destination or providing important public relations.

Feasibility Study – An assessment of the practicality of a proposed plan or method.

FIT (fully independent tour/traveler) – Custom designed travel itineraries designed by travel agents or tour operators for travelers who do not wish to be part of a group tour but wish to have a fully planned travel experience.

Focus group – A small group of people gathered to participate in a discussion about a specific topic, usually moderated by a research professional.

Fulfillment – The process of delivering information to a consumer who has inquired about a tourism product (experience), often delivery of a brochure.

Group Leader – A individual who arranges packaged travel and tours for a pre-formed group (i.e.: senior citizen centers, a church, a club or individuals who work together or share a common interest such as skiing, history or sightseeing).

Interactive marketing – Marketing that engages the customer in a conversation and allows them to connect personally with destinations, products, services in an active manner. Interactive marketing includes websites, RSS feeds, social media, e-newsletters, blogs, e-blasts, etc.

Lead – A direct inquiry or referral from a potential new customer.

Lifestyle segmenting – A market segmentation approach that divides the market by lifestyle categories, such as types of media used, vacations taken, electronics owned, hobbies and activities enjoyed. (also see demographics)

Market analysis (research) – The study of the demand of a potential market for a product or service.

Market share – The percentage relationship of an organization’s sales or number of visitors to total industry sales.

Market objective – A goal focused on a target market that a business/organization hopes to achieve. Objectives are results-oriented, specific to a target market, quantitative or measurable and time specific.

Market segmentation – The process of categorizing groups that share certain similar characteristics for marketing to them with appropriate products and services.

Motorcoach operator – Operators own motorcoaches and provide services such as charters, tours, sightseeing, scheduled service, school bus service, special operations, and/or local receptive operations.

National Tour Association (NTA) – A trade association of tourism professionals involved in the development and growth of the packaged travel industry.

Niche market – A percentage of the overall market that has a specific focus, such as adventure tourism, culinary tourism, etc.

OTA - Stands for Online Travel Agency. Online companies whose websites allow consumers to book various travel related services directly. They are third party agents reselling trips, hotels, cars, flights, activities, vacation packages, etc. provided by others.

Packaged travel – A tour that has been organized by a tour operator company, group leader or receptive operator. All aspects of the tour are arranged and coordinated – including travel, accommodations, overnights, attractions and itinerary.

Packaging – The combination of related but complementary travel and hospitality products and/or services into a single-priced offering to consumers.

Partnerships – Cooperative promotions or marketing efforts and other cooperative offerings made by travel and hospitality organizations.

Perishability – Something that cannot be regained if not sold, such as a hotel room, a ski lift ticket, tour seat, etc. This means once the date has passed, the sales opportunity is lost.

Positioning – How you describe the product you are selling to the market, determines your positioning.

Pre-formed group – A pre-existing collection of travelers, such as affinity groups and travel clubs, whose members share a common interest or organizational affiliation.

Primary research – Data collected for the first time through a variety of means such as surveys, focus groups, interviews, etc.

Product/service mix – The grouping of services, facilities and products that a tourism organization provides to customers.

Programming – The development of special activities, events, programs to increase customer spending and/or to give added appeal to a package or other hospitality/travel service.

Psychographic segmentation – The market segmentation approach based upon psychological profiles of customers and their lifestyles.

Rack rate – The price a hotel charges for a room before any discounts. Sometimes set high and used to account for discounts.

Receptive tour operator – A local tour operator that manages products and services for incoming visitors and tours.

Response rate – The percentage of people surveyed who answer the questions of researchers.

Sales mission – A visit by an organization or group to a target market area, such as a state or country, to promote their destination or business.

Scheduled tour – A tour that is set in a tour operator's regular schedule of tour departures and that is often sold to the general public. Also called a public tour or retail tour.

Secondary research – Information about markets that is already published and available from various sources.

Sharing economy – An economic model defined as a peer-to-peer (P2P) based activity of acquiring, providing, or sharing access to goods and services that is often facilitated by a community-based on-line platform. Examples are Airbnb and Uber.

Site – A location of a unique feature; many sites could be within a single destination.

Stakeholder – A person, group or organization that has an interest or something to gain in a process.

Survey research – A form of primary research that asks specific questions of an audience and can be accomplished by various means, including telephone, internet, mail, interviews.

Tactical planning (actions) – The specific actions or activities included in an organization's marketing plan with specific information on timelines, budgets, and responsibilities.

Target market (audience) – A specific market segment selected by an organization for marketing messages to attract them.

Tour operator – A company or individual that operates packages or tours.

Tour wholesaler – A company or individual who plans, prepares, markets and administers travel packages, often combining services from several suppliers.

Trade show – Events where many segments of an industry come together to share information, usually including a component with individual booths that aim to sell specific travel/hospitality opportunities.

Travel agent – A person or business who sells and reserves the services of suppliers to individual and/or group customers and receives a commission for this effort.

Travel experience – An experience is the result of combining an activity with a situation, plus resources, which together cause an event that creates an emotional reaction in an individual that becomes a memory. The combination of these components equals an experience.

Travel trade – Travel agents, tour wholesalers and operators, corporate travel managers, incentive travel planners and convention/meeting planners.

Triple bottom line – Returns on investment that are economic, social and environmental.

Visitor profile - A combination of demographic, psychographic, and spending patterns that characterize a specific group of consumers.

Wayfinding – A term specific to assisting people determine their current location and how to reach their desired destination within the larger geographic context. Wayfinding can include a variety of means, such as maps, signage, online directional programming, free-standing kiosks, logos, etc.