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Vacation Packaging

Michigan State University

Cooperative Extension Service

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# vacation packaging



cooperative extension service  
michigan state university



*in the lodging industry . . .*

# **vacation packaging**

by Robert W. McIntosh, Extension Specialist, Tourism and Recreation; Jay S. Durling, student, Hotel, Restaurant and Industrial Management, and Robert P. Sposito, County Extension Director, Mackinac County, Michigan.

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## **INTRODUCTION**

Today, more than ever before, money and time is available for travel. We have already seen the emergence of the four day week. With the Monday holiday system in the United States, three day weekends are now quite frequent. One of the marketing methods for attracting these potential vacationers is the package — a group of travel services at an attractive price. Very few Michigan hosts offer a package to suit the needs of business and pleasure travelers. Following is a summary of the feasibility of offering package tours, including marketing, promotional and financial analyses with examples.

## **THE PACKAGE CONCEPT**

What is a package tour or a package offering?

Loosely, it is any advertised tour. A tour package may include any or all of the following ingredients: *sightseeing, lodging, visits to attractions, meals, entertainment, guide services, car rental, transportation by air, rail, motorcoach or private car.*

A package has a predetermined inclusive price, number of features and a time period. The package can offer option elements which permit the purchaser to extend the length of the package or purchase added features.

For example, to qualify as an *Advertised Air Tour*, a package must have the following ingredients: a round or circle trip, wholly or partly over the routes of one or more members of the Air Traffic Conference of America (ATC) and lodging for a minimum of two nights. In addition it must contain at least one



of the following: sightseeing, which is otherwise regularly advertised to the public at a stated price and which must be a "vehicular trip" by motorcoach or limousine, or a prepaid admission to at least two "points of interest" or a similar entertainment feature; at least two meals a day; or a prepaid order for a rental car for a minimum of two days. These requirements are relaxed to one night's lodging for a package based on a spectator sports event which takes place on a Saturday, Sunday, or Federal holiday and which includes prepaid admission to such event.<sup>1</sup>

Packaging could be a major component in marketing tourism in Michigan both domestically and internationally.

The use of package plans by Michigan lodging establishments could become increasingly important in merchandising individual rooms during low occupancy periods, or in the off-season. Demand for rooms can often be effectively stimulated by offering an economical package plan centered on specific area attractions, special programs, entertainment, holiday themes, special events, or activities.

New markets may be effectively created especially among the ever growing "middle-class" groups. People in this market desire economical vacations that include hotel or resort activities and for which the cost can be budgeted well in advance. And, special appeals to individuals, families, and groups having a common interest can be advantageously promoted when that interest is made the high point of a package plan. A few of many examples are:

- Fort Michilimackinac Pageant
- Cherry Festival in Traverse City
- Interlochen Music Programs and Special Events
- Mackinac Island Ferry Trip and Museum
- Greenfield Village and Henry Ford Museum
- Detroit Ethnic Festivals
- Detroit Sporting Events
- Winter Snow Sports Events — Skiing and Snowmobiling
- Holland Tulip Festival
- Tip-Up-Town at Houghton Lake

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1. For complete information on all requirements for Advertised Air Tours, see Discover America Package Tour Handbook available from DATO, 1100 Connecticut Avenue, Washington, D.C., 20036, price \$4.50.

## SHOULD I OFFER A PACKAGE?

To be sure a package tour plan is feasible, first perform some marketing research. Such basic information comes from observation and inquiry. A marketing plan for your property requires answering in detail:

1. Will your property provide the total package concept or image you plan to project through every communication with guests or prospective guests?
2. What is your competitive situation? Can you offer an attractive package which would be salable, considering your competition?
3. Is the physical appearance and quality of your property appealing to the new market you will be trying to serve?
4. Can you change or re-evaluate your present facilities and services to serve a new market?
5. Could there be a tie-in with travel-transportation groups (such as a bus line, airline, or auto rental service), reservation or credit card systems, and a promotional network through which you could merchandise your package plan?
6. Is there a special feature you can offer in the package to draw business to your operation (e.g., an outstanding local tour or a sporting event)?

You will need to know how people in your new market feel about your property and each of its facilities and services. Attempt to gain an insight into the needs and desires of this market. Sources of information:

1. Present guests.
2. Leaders of business and industrial associations.
3. Government agencies such as the federal or state Department of Commerce, and United States Bureau of the Census which collect very detailed information on all individuals living within a given geographical area. An example of such studies is the *U.S. Census of Transportation, National Travel Survey, Travel During 1972*.<sup>2</sup> This report contains a large amount of useful data on American travelers.

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2. Order from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, price \$2.45.



4. State, regional, and local tourist associations, convention bureaus, or Chambers of Commerce.

## PRICING YOUR PACKAGE

Rooms are the major product for sale. Other facilities and services simply make your rooms more salable. They are part of your "product mix" since these help sell rooms at a rate that covers investment and operating costs and help earn a profit.

In determining your package tour price, begin with total daily costs per average room. This includes all costs — fixed and variable.<sup>3</sup> From these costs, make operating projections at average room rates for different levels of occupancy — 50, 60, 70 and 80 percent. Then calculate the "breakeven point."<sup>4</sup> Beyond the breakeven point lies profit. For example, if your breakeven point is 65 percent occupancy, what would your potential profit be if you can raise this figure 5 percent or even 10-15 percent?

Adding tour packages to your overall sales program can make your total sales effort very profitable. Develop your tour package around basic room price, adding a breakfast and dinner which is simple and reasonable. Tips should also be built into this package price. Add any other features, such as golf at a nearby course, interesting tourist attraction, or a day's outing, etc.

When selling your package through a travel agency, there are two policies available: pay the regular 10 percent commission on the ground package price, or make a net rate for the entire package, permitting the travel agent to mark up the all-inclusive price of the entire tour package to cover his costs and compensation. The first plan is the most common.

It is always wise to have a definite understanding about the payment of commissions and gratuities to your staff. Unless there is a clear-cut understanding about tips in the dining room and to the bellmen handling luggage, you'll find that your staff receives few, meager tips. The best practice is to have the package include a flat 10- or 15-percent gratuity on all meal checks and a flat rate per bag for all baggage handled.

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3. See Extension Bulletin E-656, In the Lodging Industry, Management Through Figures, 1971, p. 11, single copies, free from MSU Bulletin Office, P.O. Box 231, East Lansing, MI 48824.

4. Op. cit., p. 9.

If airline transportation is a part of your ATC approved package, the tour will be merchandised through joint airline and lodging advertising and promotion. The travel agent receives an 11-percent commission from the airline on the round trip ticket, and the inn customarily pays 10-percent commission on the room sales. The meals are often included, such as the Modified American Plan (breakfast and dinner), American Plan (three meals), Continental Plan (minimum breakfast), or Guest Option Plan (no set meals but a "fund" at the inn for charging meals and hotel services). You may wish to utilize the European Plan (room only). A motel without food service can offer a package with meals provided by a local restaurant. The motel manager provides tickets to his package customers entitling them to their meals at the restaurant.

Essentially, the lodging owner wants the additional occupancy that can be derived from tour packages, but doesn't want to make a major investment. In your area, there may be sporting, cultural, and theatrical events, festivals, a medical center, or a university. Perhaps you can tie-in your lodging business with them by means of a package arrangement on an experimental or seasonal basis. Even the most modest motel serving tourists can hand out an area-events calendar, offer traveling directions, suggest local or area activities or tours, and aid in ticket purchasing. Vacationers on the road are looking for something to do. Package offerings may keep them an extra day or several days, adding to your profits. Thus, you can sometimes sell a package to guests after their arrival.

The lodging owner must consider many variables in pricing his tour package. There are, however, some basic considerations:

1. The package price must be a *good value*, competitive, and at the same time able to produce adequate revenue and profits. The buyer should not be able to buy the ingredients separately for less than the package price.
2. Reasonable prices for your package make sense because:
  - A. Such prices are necessary to get the business.
  - B. Sales of packages provide income you wouldn't otherwise get.
  - C. The packages are offered at times of the year or days of the week when business is needed.
  - D. They don't replace other more profitable business.
3. Broad scale price cuts are generally ill-advised.
4. An alternative pricing option is to offer a single weekend package. One motor inn offers an



ascending discount based upon the number of nights spent and the dollar amounts charged.

Following is an example of how tour package costs per person are calculated and a worksheet for you to determine your own costs.

#### Example Calculation: Tour package costs/person.

Guest room (\$20) twin w/tax .....\$10.00

Food: w/tax

Dinner ..... 5.50

Luncheon ..... 3.50

Breakfast ..... 2.00

Other:

Food tips ..... 1.25

Baggage tips ..... .50

Admissions ..... 2.00

Bus & local transfer ..... 6.00

Tour staff or guides ..... 2.00

(salary & expenses)

Other:

Doorman .....

Hostesses .....

Maids .....

Phone calls .....

Rest stops .....

Give aways .....

1.75

**Tour Cost Per Night** .....34.50

(two nights) ..... ×2

\$69.00

Air fare: round trip .....50.00

Tour Cost Per Passenger .....119.00

Mark Up (Travel Agent)

11% of Airline Ticket .....\$5.50

10% of Ground Package ..... 6.90

Price of Tour

for 2 nights/Person .....\$131.40

#### Manager's Package Pricing Worksheet\*

Guest room @ \_\_\_\_\_ twin\*\* w/tax .....

Food: w/tax

Dinner .....

Luncheon .....

Breakfast .....

Other:

Food tips .....

Baggage tips .....

Admissions .....

Bus & local transfer .....

Cruise or ferry service .....

Tour staff or guide .....

(salary & expenses)

Other:

Doorman .....

Hostesses .....

Maids .....

Phone calls .....

Rest stops .....

Give aways .....

Tour Cost Per Night .....

(Two nights) .....×2

Air fare: round trip .....

Tour Cost Per Passenger .....

Mark Up (Travel Agent)

11% of Airline Ticket .....

10% of Ground Package .....

Price of Tour

for 2 Nights/Person .....

\* Items shown in example may or may not be included in your vacation package.

\*\*Lodging is customarily shown as twin-bedded rooms. If you wish to offer double-bed rooms (2 persons in one bed) a discount could be offered.

## MARKETING VACATION PACKAGES<sup>5</sup>

For the lodging owner, actual promotion and selling of package tours is generally best accomplished through advertising, direct mail solicitation, and with the help of travel organizations such as automobile clubs, tourist associations, chambers of

commerce or other similar organizations. Selling can be done through transportation carriers, such as bus lines or air lines, or some 11,000 travel agencies in the United States and Canada. Direct mail promotion is sent to guests, former guests, and in response to various forms of advertising. Advertising and publicity can be obtained in major market areas through a hotel representative and/or an advertising agency. Newspaper, radio and other media advertising can also be helpful especially when directed to specific areas or audiences with the greatest market potential.

5. See Extension Bulletin E-677, In the Lodging Industry, Marketing Management, 1970, single copy free from MSU Bulletin Office, P.O. Box 231, East Lansing, MI 48824.



Market segments for specific promotion might include:

- special interest or hobby groups
- business groups
- school and college groups
- women's clubs and organizations
- social and fraternal clubs and similar organizations
- selected mailing lists obtained from guest records, commercial sources, and tourist organizations
- companies and distributors as "incentives" to salesmen and other employees
- convention and conference groups — a pre-convention and post-convention plan bridging slow periods
- chambers of commerce, merchants, charitable organizations as special awards

When working on package plan promotion, first list festivals and similar events which could be important attractions for your area. Such lists are published regularly by the Michigan Tourist Council under the title *Michigan Calendar of Travel Events*. (See Appendix for address.) To accomplish your objective: A) study all the advertising outlets available to you; B) determine how to reach these outlets; and C) the proper procedure for getting possible news coverage.

Your next step is to set up an advertising and publicity budget. List all the items of expense likely to be encountered.

The last general step in your promotion plan is to coordinate this with your other selling efforts. Keep in mind how this program can complement your other marketing programs.

Promote the package tour to get people to try your place a first time. Do everything possible to serve them well, promoting the use of your own facilities so that they'll spend their money with you. Thank them for coming and invite them to come back soon. If you've done your job well, they'll come back and send their friends and relatives to you with enthusiasm!

## BECOMING PART OF A PACKAGE TOUR

First look around to see if there are existing package tours within your area. Find out if your services or facilities can be included within these existing packages. If there are none, look for a company (e.g., a tour operator or broker) which may be interested in packaging in your area. (See Appendix I for listings.) If there are no tour operators or motorcoach tour brokers interested, consult the airlines or car rental companies serving your area. For addresses of national associations of this type, consult the booklet *Discover America Package Tour Handbook*, and Appendix I.

Tourism associations at the city, area, state, and regional level can also help you form package tours. For example, agencies in the Detroit area include: The Michigan Hotel and Motor Hotel Association, The Metropolitan Detroit Convention and Visitors Bureau, the Michigan Motel and Resort Association, and the Southeast Michigan Travel and Tourist Association. In West Michigan, contact the West Michigan Tourist Association, Grand Rapids. In East Michigan, the East Michigan Tourist Association in Bay City, and in Upper Michigan, the Upper Michigan Travel and Recreation Association in Iron Mountain.

### Some examples of package tours for Michigan:

1. A planned vacation weekend in historic Detroit. An attractive folder would describe and show some of the many things to do on a weekend. The special packages could offer plans for one night, two nights, and three nights. Pricing would be on a per person rate, with twin or double beds, two to a room. The offer could include all arrangements for a tour of the city, theater tickets, a Greenfield Village excursion, visits to various museums, and local transportation. Meals could be included. An example of such a package is "F.O.B. Detroit," offered by the Detroit Convention and Visitors Bureau.

2. A resort area might offer weekend or weekday ski packages. The package could include round-trip bus transportation from Detroit or other market cities. Meals might be on the Modified American plan, American plan, or European plan. Package offerings could include private ski lessons, paid lift fees, a children's program and paid children lift rates. A snowmobiling trip or entertainment features could be included.

There are, of course, many possibilities for creating tour packages with various combinations of ac-



tivities and offerings. Optional tours and features which could be enjoyed in addition to the package or by extending one's stay can be a part of the planning. These could be included in the folder, as added possibilities.

### PREPARING THE PACKAGE FOLDER

When making up a tour package folder, present your property as honestly, accurately, attractively, and completely as possible.

In designing a folder keep in mind:

1. Typography: modern, but clear and easy to read.

2. Paper and ink(s): good quality white or light colored stock, pleasing, readable ink combination.

3. Page layout: effective, uncrowded arrangements of pictures, text, plans and decorations.

4. Illustrations: sharp, up-to-date color or black-and-white photographs. Include action or candid pictures with human interest and those that tell your story.

5. Printing: Halftone and good color engravings or lithographs.

6. Cover design: In color, compelling and striking, with location of package name clearly visible and easily read when displayed in racks. The word MICHIGAN should appear near the top on the cover page of the folder.

7. Text: Written by an experienced copy writer. Copy must be interesting, have punch, truthful, specific, informative, and factual. It should appeal to men, women and families and include most of the following:

- A. Features which provide socializing
- B. Size or capacity of property
- C. Type of property
- D. Shops or shopping nearby
- E. Map of surroundings and how to reach
- F. Points of interest in the area
- G. Children's recreation
- H. Sports opportunities
- I. Entertainment facilities
- J. What to wear
- K. Climate
- L. Exact location

M. List and explanation of package offerings

N. Transportation mode

Rate sheet might be printed separately:

- A. Basic rates for twin room occupancy per person
- B. Single rates
- C. Children's rates
- D. Family rates
- E. Group rates
- F. Average cost for a breakfast, a lunch, and a dinner should be included if meals are not included in the package



## APPENDIX I: Some Useful Addresses

### AIRLINE TOUR DEPARTMENTS

Manager - Tour Administration  
EASTERN AIR LINES  
Miami International Airport  
Miami, Florida 33148

Asst. to Mgr. Sales Administration  
NORTH CENTRAL AIRLINES  
7500 Northliner Drive  
Minneapolis, Minnesota 55450

Supervisor - Tour Marketing  
TRANS WORLD AIRLINES  
605 Third Avenue  
New York, New York 10016

Manager of Tour Sales Development  
UNITED AIR LINES  
P.O. Box 66100  
O'Hare International Airport  
Chicago, Illinois 60666

### MAJOR CITY CONVENTION AND VISITOR BUREAUS

Leonard E. Rolston, President  
Detroit Metropolitan Convention & Visitors Bureau  
1400 Book Building  
Detroit, Michigan 48226

Edward Brunette, Director  
Grand Rapids Convention Bureau  
Civic Auditorium  
Grand Rapids, Michigan 49502

Dick Carroll, Director  
Lansing Convention Bureau  
Suite One, Civic Center Building  
Lansing, Michigan 48933

Miss Gwendoline M. Kabobel, Director  
Saginaw Convention Bureau  
901 S. Washington  
Saginaw, Michigan 48601

Greg Ortale  
Flint Area Convention Bureau  
444 Church Street  
Flint, Michigan 48901

Charles Schrenk  
Twin Cities Chamber of Commerce  
777 B-Riverview Drive  
Benton Harbor, Michigan 49022

Casey Cohen  
Kalamazoo County Chamber of Commerce  
500 W. Crosstown Parkway  
Kalamazoo, Michigan 49008

### CONSOLIDATED AIR TOUR MANUAL

General Manager  
CONSOLIDATED AIR TOUR MANUAL  
3800 N.E. First Avenue (305) 633-4893  
Miami, Florida 33137

### RAILROAD TOUR DEPARTMENT

Manager Tour Development  
AMTRAK  
955 L'Enfant Plaza North, S.W.  
Washington, D.C. 20024

### RENTAL CAR TOUR DEPARTMENTS

Travel Agency Sales Manager  
AVIS RENT-A-CAR SYSTEM, INC.  
World Headquarters  
900 Old Country Road  
P.O. Box 201  
Garden City, New York 11530

Manager, Domestic Leisure Marketing  
HERTZ CORPORATION  
660 Madison Avenue  
New York, New York 10021

Director Marketing Services  
NATIONAL CAR RENTAL SYSTEM, INC.  
5501 Green Valley Drive  
Minneapolis, Minnesota 55437

### STATE TOURISM OFFICES

MICHIGAN TOURIST COUNCIL  
300 S. Capitol Avenue, Suite 102  
Lansing, Michigan 48926  
Phone: (517) 373-0670  
Contact: Director

MICHIGAN TOURIST COUNCIL  
Branch Office  
52 E. Monroe  
Chicago, Illinois 60603  
Phone: (312) 372-0080  
Contact: Manager

MICHIGAN TOURIST COUNCIL  
Branch Office  
29 Public Square  
Cleveland, Ohio 44113  
Phone: (216) 771-1956  
Contact: Manager

EAST MICHIGAN TOURIST ASSOCIATION  
Main U.S. Office  
1 Wenonah Park  
Bay City, Michigan 48706  
Phone (517) 895-8823  
Contact: James H. Hall, Executive Vice President

SOUTHEAST MICHIGAN TRAVEL & TOURIST ASSOCIATION  
Main U.S. Office  
M.150, South Tower, Executive Plaza  
1200 Sixth at Howard  
Detroit, Michigan 48226  
Phone: (313) 961-2780  
Contact: Sidney Baker, President

UPPER MICHIGAN TRAVEL AND RECREATION ASSOCIATION  
Main U.S. Office  
P.O. Box 1188  
Iron Mt., Michigan 49801  
Phone: (906) 774-5480  
Contact: Robert L. Helwig, Secretary Manager



WEST MICHIGAN TOURIST ASSOCIATION  
Main U.S. Office  
136 E. Fulton Street  
Grand Rapids, Michigan 49502  
Phone: (616) 456-8557  
Contact: Wesley Tebeau, President

## TOUR BROKERS AND OPERATORS

Manager, Tour Development  
CASSER TOURS  
201-203 West 41st Street (212) 279-1000

Director, Tour Planning  
GREYHOUND WORLD TOURS, INC.  
Greyhound Tower (602) 248-5035  
Phoenix, Arizona 85077

INDIAN TRAILS, INC.  
109 E. Comstock St.  
Owosso, Michigan 48867

Manager, Tour Development  
TRAVEL AND TOUR SERVICE, INC.  
722 N. Third Street (414) 271-0620  
Milwaukee, Wisconsin 53203

BIXLER TOURS, INC.  
6796 Wakefield Road, Box 37  
Hiram, Ohio 44234  
Contact: Mrs. Marilane B. Spencer

McMULLEN TOURS, INC.  
5 West 10th Street  
Erie, Pennsylvania 16501  
Contact: Mr. Harold V. Grupp, Jr.

AAA WORLD WIDE TRAVEL  
8111 Gatehouse Road  
Falls Church, Virginia 22042  
Contact: Tours Manager

JEFFERSON TOURS  
1104 Currie Avenue  
Minneapolis, Minnesota 55403  
Contact: Manager

TALMADGE TOURS  
1223 Walnut St.  
Philadelphia, Pennsylvania 19107  
Contact: George S. Talmadge, President

TRAILWAYS TRAVEL BUREAU  
315 Continental Avenue  
Dallas, Texas 74207  
Contact: General Manager

NATIONAL ASSOCIATION OF MOTOR BUS OWNERS  
1025 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
Phone: (202) 293-5890  
Contact: Director of Government and Public Affairs

NATIONAL TOUR BROKERS ASSN.  
Main U.S. Office  
c/o Casser Tours  
201 West 41st Street  
New York, New York 10036

## TRAVEL ORGANIZATIONS & TRAVEL TRADE ASSOCIATIONS

AIR TRAFFIC CONFERENCE (ATC)  
Main U.S. Office  
1709 New York Avenue  
Washington, D.C. 20006  
Phone: (202) 872-4000  
Contact: Manager, Tours

AMERICAN HOTEL & MOTEL ASSOCIATION  
Main U.S. Office  
888 Seventh Avenue  
New York, New York 10010

AMERICAN SOCIETY OF TRAVEL AGENTS (ASTA)  
Main U.S. Office  
360 Lexington Avenue  
New York, New York 10017  
Phone: (212) 661-2424 Cable: ASTA member  
Contact: Director, Agency Development & Training

ASSOCIATION OF RETAIL TRAVEL AGENTS (ARTA)  
Main U.S. Office  
8 Maple Street  
Croton on Hudson, New York 10520  
Phones: (212) 299-5151 (914) 271-9000  
Contact: Executive Vice President

DISCOVER AMERICA TRAVEL ORGANIZATIONS, INC.  
Main U.S. Office  
1100 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
Phone: (202) 293-1433  
Contact: William D. Toohey, President

NORTHERN GREAT LAKES AREA COUNCIL  
Main U.S. Office  
P.O. Box 490  
Libertyville, Illinois 60048  
Phone: (312) 362-2670  
Contact: Secretary-Treasurer

NATIONAL AIR CARRIERS ASSN., INC.  
Main U.S. Office  
Suite 710, 1730 M Street, N.W.  
Washington, D.C. 20036  
Phone: (202) 833-8200  
Contact: President

MICHIGAN HOTEL & MOTOR HOTEL ASSOCIATION  
548 Book Building  
Detroit, Michigan 48226  
Phone: (313) 962-2645  
Contact: Elmer Winkler, Executive Secretary

MICHIGAN MOTEL AND RESORT ASSOCIATION, INC.  
P.O. Box 277  
Royal Oak, Michigan 48068  
Phone: (313) 543-4350  
Contact: Phyllis Poe, Executive Secretary



## APPENDIX II: Glossary of Travel Terms (Relating to Vacation Packages<sup>1</sup>)

**Advertised Tour** — Any travel program for which a brochure has been prepared. Specifically, a tour which meets airline requirements for an IT number.

**A La Carte** — According to the bill of fare; with a separate price for each item on the menu. (See Prix Fixe and Table d'Hôte.)

**All Expense Tour** — Tour offering all or most services — transportation, lodging, meals, portage, sightseeing, etc. — for a pre-established price. The terms "all-expense" and "all-inclusive" are often misused. Tour rates seldom cover everything. The terms and conditions of a tour contract should specify exactly what is covered.

**American Hotel & Motel Association** — Federation of state and regional lodging industry trade associations covering the U.S., Canada, Mexico and Central and South America.

**American Plan** — Hotel rate that includes a bed and three meals. (See Modified American Plan.)

**AMTRAK** — Name under which the National Railroad Passenger Corporation operates virtually all U.S. intercity passenger trains — excluding commuter trains — under contract with individual railroads.

**Bermuda Plan** — Hotel accommodation with full American-style breakfast included in the rate.

**Concierge** — In most European hotels (and many elsewhere); the superintendent of minor services — portage, mailing letters, making reservations and the like — for guests. The concierge is often a guest's principal link with both the hotel and the city in which it is located.

**Conducted Tour** — (1) pre-arranged travel program, usually for a group, escorted by a courier. In a fully-conducted tour, escort and/or guide service provided throughout. (2) sightseeing program conducted by a guide.

**Confirmed Reservation** — Oral or written statement by a supplier (a carrier, hotel, car rental company, etc.) that he has received and will honor a reservation. Oral confirmations have very little legal worth. Even written or telegraphed confirmations have specified or implied limitations. For example, a hotel is not obligated to honor a reservation if the guest arrives after 6 p.m., unless late arrival is specified.

**Consolidated Air Tour Manual** — Trade catalogue of tours and packages published annually by 19 U.S. and Canadian airlines in three editions — all-year, winter and spring-summer-fall. Covers all U.S. destinations, the Bahamas, Canada and the Caribbeans.

**Continental Breakfast** — At a minimum, a beverage (coffee, tea or milk) and rolls or toast. Sometimes includes fruit juice. In Holland and Norway, may include cheese, cold meat or fish.

**Continental Plan** — Hotel rate that includes bed and continental breakfast.

**Courier** — Professional travel escort. Often called tour escort, tour leader or tour manager.

**Demi-Pension** — Hotel rate including bed, breakfast and either lunch or dinner. MAP.

**Discover America Travel Organizations, Inc.** — Non-profit association of companies and government organizations formed to promote travel to and within the United States.

**Double** — Loosely, any hotel room for two persons; more specifically, a room with a double bed. A room with two smaller beds is a twin.

**Double-Occupancy Rate** — Price per person for a room to be shared with another person. The rate most frequently quoted in tour brochures.

**European Plan** — Hotel rate that includes bed only; any meals are extra.

**Exchange Order** — Document issued by a carrier or its agent requesting issue of a ticket or provision of other specified services to the person named in the document.

**FIT** — Foreign independent travel. An international, prepaid tour, usually unescorted although guide service is often offered on some segments. An FIT is designed to the specifications of an individual client or clients.

**Full Pension** — Particularly in Europe, a hotel rate that includes three meals daily; an American Plan rate.

**Hostel** — Inexpensive, supervised lodging, particularly for young people.

**Hotel Rep or Representative** — Person (or company) who offers hotel reservations to wholesalers, travel agents and the public. He is paid by the hotels he represents on a fee basis. Many hotel reps also offer marketing and other services.

**Innkeepers Association of America** — A trade association.

**Land Arrangements** — All services provided to a client (except ongoing transportation by public carrier) after he has reached destination.

**Modified American Plan** — Hotel room rate including breakfast and either lunch or dinner, but usually dinner.

**Net Rate** — Wholesale rate to be marked up for eventual resale to consumer.

**Occupancy Rate** — Ratio, expressed as a percentage, of bed nights sold to the total offered for sale, by a hotel or group of hotels.

**Package** — Loosely, any advertised tour. Often, however, a tour to a single destination which includes prepaid transportation, accommodations and some combination of other tour elements — meals, transfers, sightseeing, car rental, etc. A package may include more than one destination — for example, a cruise — but the term connotes an offering intended to provide a holiday rather than meet the cultural or other requirements of the more serious traveler.

**Pension** — In Europe, a guest or boarding house.

<sup>1</sup>Selected from *The ABCs of Travel*, Ziff-Davis Publishing Co., New York, New York 10016.



**Prix Fixe** — Price at which a table d'hote meal is offered.

**Run of the House Rate** — Flat price at which a hotel agrees to offer any of its rooms to a group.

**Single** — Any facility or reservation to be used by one person.

**Studio** — A hotel room with a couch or couches that convert into beds. Thus, a studio may be used as a parlor or a bedroom.

**Table d'Hote** — Full-course meal served at a fixed price; may or may not offer alternatives.

**Tour Broker** — Person or company who holds an ICC license to organize and market motorcoach tours.

**Tour Leader** — Strictly speaking, a person with special qualifications to conduct a particular travel group, i.e. a botanist who conducts a garden tour. Often, however, used inaccurately to designate a courier.

**Tour Manager** — Courier, especially one employed to conduct a prepaid tour from beginning to end, including any transoceanic legs.

**Tour Operator** — Company which creates and/or markets inclusive tours and/or performs tour services and/or subcontracts their performance. Most tour operators sell through travel agents and directly to clients.

**Tour organizer** — Individual, sometimes a travel agent, who organizes a group of passengers to participate in a special, prepaid tour. An organizer does not necessarily have conference appointments, nor does he usually pay commissions.

**Twin** — Room for two guests with two single beds.

**Twin Double** — Room for two, three or four people with two double beds.

**United States Travel Service** Official U.S. agency for promotion of tourism.

**Wholesaler** — Company that usually creates and certainly markets inclusive tours and FITs for sale through travel agents. Often used interchangeably with tour operator, but several distinctions: (1) A wholesaler presumably sells nothing at retail; a tour operator often does both. (2) A wholesaler does not always create his own products; a tour operator almost always does. (3) A wholesaler is less inclined than a tour operator to perform local services. Industry reports often fail to make distinctions, and, to confound things further, many travel companies perform any or all of the functions of travel agent, contractor, tour operator and wholesaler.



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