

## Travel Industry Definitions

Listed below are travel trade industry-related terms from various sources, including the National Tour Association and the Travel Industry Association of America:

**Packaged Travel:** A package in combination of two or more types of tour components into a product which is produced, assembled, promoted and sold as a package by a tour operator for an all-inclusive price. (*source: NTA*)

**Tour Series/Tour Program:** Multiple departures to the same destination throughout the year. (*Source: NTA*)

**Group Tour:** A travel package for an assembly of travelers that has a common itinerary, travel date, and transportation. Group tours are usually prearranged, prepaid, and include transportation, lodging, dining, and attraction admissions. (*Source: NTA*)

**Independent Travel:** A custom-designed, prepaid travel package with many individualized arrangements. ITs are unescorted and usually have no formal itinerary. Sometimes referred to as FIT. (*Source: NTA*)

**Travel Trade:** Any individual or company that creates and/or markets tours and/or IT packages. Travel trade includes but is not limited to tour operators, travel agents, individual travel planners, online travel companies.

**Tour Catalog:** A publication by tour wholesalers listing their tour offerings. Catalogs are distributed to retail agents who make them available to their customers. (*Source: NTA*)

**FAM (Familiarization) Tour:** A free or reduced-rate trip offered to travel professionals to acquaint them with what a destination, attraction, or supplier has to offer. FAMs should be considered a sales effort, more than just an educational trip for the travel trade. (*Source: NTA*)

### **Itinerary (Suggested):**

A recommended schedule of visitor-oriented activities, usually including (but not limited to) the destination's cultural institutions and attractions, dining establishments, entertainment and recreation venues, retail stores and often highlighting unique, one-of-a-kind offerings. Itineraries are often themed: family, romantic, first-time visitor, etc.

### **Visitor Spending:**

*(number of visitors) X (spending per person per day) X (length of stay)*  
*CVB Travel Trade Sales Performance Reporting*

**Economic Impact:** Visitor spending generates secondary spending (*indirect* and *induced*) on the destination's local economy over and above the original visitor spending. These secondary impacts, when combined with the original direct spending, result in the **economic impact**. *Indirect spending* is spending by the destination's travel industry businesses on goods and services from local suppliers.

**Induced spending** occurs when employees in the destination's travel industry and its suppliers spend their wages in the local economy. This chain of buying and selling among businesses and employees continues until the original direct spending "leaks out" of the local economy. The **economic multiplier** is calculated as total economic impact divided by direct spending. (Source: Travel Industry Association of America)