2002
Forward Together
Study

National Tour Association

www.ntaonline.com

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INTRODUCTION

Partnering. This word has come to mean a great deal in the post-Sept. 11 world of travel. The National Tour Association has always brought its three categories of members – tour operators, tour suppliers and destination marketing organizations (DMOs) – together to conduct business, network, develop relationships and form partnerships. In the wake of the events of September 2001, NTA realized that now, unlike ever before, forming partnerships that work for all parties will be the key to survival.

Launching the “Forward Together” theme at the 2001 Annual Convention in Houston, NTA announced that not only would the travel industry survive, it would do so together. In keeping with the spirit of that theme, the Research and Development Council developed the Forward Together Surveys, a follow-up to the “Working Together” survey of 1994.

The Forward Together project has taken each individual segment of NTA’s membership and gathered information on how they currently do business. From deposit and cancellation policies to booking timelines, the data presented in this report will assist NTA members in understanding how their colleagues’ businesses work and identify better ways in which to work together.

The following report includes tour operator and DMO specific information as well as information on how each individual tour supplier category, as well as DMOs, conduct their business and work with tour operators. Finally, the report will contain appendices detailing tiered pricing information, NTA member demographics and responses to the two Sept. 11-related questions asked on each survey.

Forward Together – DMOs

Destination marketing organizations or DMOs are an integral part of the packaged travel industry. The following is some DMO-specific information that will help to provide insight into these organizations, their objectives and the way they operate. For demographics on the DMO, as well as all other categories, please refer to Appendix B.

General Information:

The majority of NTA member DMOs report having two to five full-time employees in their organization (40 percent) while 18 percent have six to 10. However, 31 percent of DMOs report 21 to 50 full-time employees in their tourism department with 77 percent reporting one employee dedicated to packaged travel and working with tour operators. Twenty-one percent of DMOs state that they have from two to five employees dedicated to packaged travel. Finally, 94 percent of responding DMOs have included a section dedicated to packaged travel in their organizational marketing plan.

Thirty-five percent of DMOs surveyed reported that the executive director is the person within their organization who makes marketing decisions for the packaged travel market with 24 percent stating that person would be the tourism department director. Twenty percent of DMOs stated the tourism department director and 19 percent stated the executive director serve as the organization's NTA Annual Convention attendee. However, more frequently than that, 21 percent of DMOs reported that the group sales director serves as the NTA Annual Convention attendee.

More than half – 56 percent – of the DMOs surveyed stated that they conduct training on the packaged travel market in their community. Almost half of this training, 44 percent, is done with hotels.

DMOs Working with Tour Operators:

Furthering their relationships with tour operators and the packaged travel industry, a whopping 89 percent of DMOs surveyed provide FAM tours for tour operators, with 73 percent of these tours being free of charge. For those who do charge a fee for FAMs, it appears to be nominal as almost half (46 percent) of the DMOs report the cost to be between $21 and $50. The average fee for FAM tours is $55. However, 57 percent of the DMOs who charge for FAMS report the fee to be non-refundable. Other statistics on FAMs are listed in the following charts.

Who DMOs Target for FAM Tours

Organizations	
Tour company owners	88%
Motorcoach charter operators	60%
Tour planners	87%
Travel agents	36%
Group leaders unaffiliated with a tour operator	27%
Group leaders affiliated with a tour operator	54%
International visitors	31%
Other	19%

Responsibility of Planning Components of FAM Tours

	Itinerary	Attractions/Activities	Meal Locations	Accommodations
State/Provincial DMO	34%	25%	17%	18%
Local DMO	85%	88%	88%	88%
Members/Local Suppliers	12%	17%	19%	19%
Receptive Operator	9%	7%	4%	2%
Other	7%	6%	5%	6%

Responsibility of Paying for Components of FAM Tours

	Meals	Lodging	Step-On Guides	Attractions	Transportation
State/Provincial DMO	15%	10%	9%	7%	30%
Local DMO	67%	41%	49%	37%	57%
Members/Local Suppliers	39%	33%	18%	30%	20%
Receptive Operator	2%	3%	6%	3%	6%
Complimentary	59%	67%	53%	69%	28%
Other	8%	5%	4%	4%	8%

FAM Tour Services Provided to Tour Operators on a Complimentary Basis

Services	
Lodging	95%
Admissions	95%
Meals	92%
Staff Guide	91%
Ground Transportation	58%
Other	11%
Airfare	6%

DMOs were asked to rate the methods of distributing supplier information to tour operators, where **five** is **extremely important** and **one** is **not at all important**. The results, in order of importance, are:

Methods of Distributing Supplier Information to Tour Operators

Method	Average Rating
Group tour manual	4.4
Itineraries	4.4
Web site	4.4
NTA Annual Convention	4.2
Individual brochures	3.8
Sales calls	3.8
E-mail	3.6
Newsletter/Fliers	3.2

Finally, DMOs rated the value of various marketing tools in reaching tour operators, where **five** is **extremely important** and **one** is **not at all important**. The results, in order of importance, are:

Ratings of Marketing Tools

Marketing Tool	Average Rating
NTA Annual Convention	4.4
Group tour manual	4.3
Domestic trade shows	4.2
The DMO's own Web site	4.2
Brochures	4.1
FAM tours	4.1
In-person sales calls	3.9
Direct mail	3.8
Co-op advertising	3.7
E-mail	3.4
International trade shows	3.4
Videos	3.3
Other association publications	3.2
Courier	3.1
Slides	3.1
NTA Online	3.0
Sponsorships	3.0
Web site banner advertising	2.7
Telemarketing	2.6
NTA Convention Daily Newsletter	2.4

In the opinion of the DMO, the best marketing tools for reaching tour operators are NTA Annual Convention, group tour manuals, domestic trade shows and the DMO's own Web site. This is very much in tune with what tour operators desire. As noted in the tour operator portion of the report, the items most frequently used by operators are group tour manuals and the *NTA Tour Supplier/DMO Directory*. However, FAMs, DMO Web sites and the NTA Annual Convention were rated very high as well.

DMOs Working with Tour Suppliers:

In working with tour suppliers, DMOs often act as lead generators. An overwhelming majority – 92 percent – provide these leads to suppliers free of charge. In addition, 62 percent of DMOs maintain these leads in a computerized database and distribute them via mail (73 percent) and e-mail (64 percent). Just under half (45 percent) fax leads to suppliers. However, while many (44 percent) have the ability to pull consumer leads for specific states or provinces, the majority of DMOs do not make consumer leads available to tour operators (61 percent). Six percent of DMOs did state that they would charge a fee to tour operators for supplying consumer leads.

As stated by tour operators, one of their main uses of DMOs is to obtain information about area tour suppliers. Therefore, DMOs must keep their tour supplier data up to date. The majority of DMOs request updated tour supplier information on an annual basis (38 percent) while 18 percent request this information semi-annually.

The majority of DMOs report that they receive requested tour supplier information annually (32 percent) with only 14 percent receiving it semi-annually and 19 percent in some other timeframe, such as at the NTA Annual Convention or as needed.

DMOs were also asked to rate the importance of various marketing opportunities offered to tour suppliers, where **five** is **extremely important** and **one** is **not at all important**. The results are:

Cooperative advertising opportunities	4.1
Sales missions/Promotional Tours	4.0
Joint booths at travel shows	3.7
Joint direct mail opportunities	3.3

As noted, the top two marketing opportunities DMOs feel they can provide tour suppliers are cooperative advertising and sales missions/promotional tours. Another reason for tour suppliers to work very closely with their area, state or provincial DMO is to keep them informed and updated on any changes with their company.

Forward Together – Tour Operators

The following tour operator-specific information will provide a better understanding of the tour operators' business practices, how they plan their itineraries, etc.

Tour operators were asked to rank the frequency of using input from various outlets in developing a new itinerary. Where **five** is **frequently use** and **one** is **never use**, the following are the results:

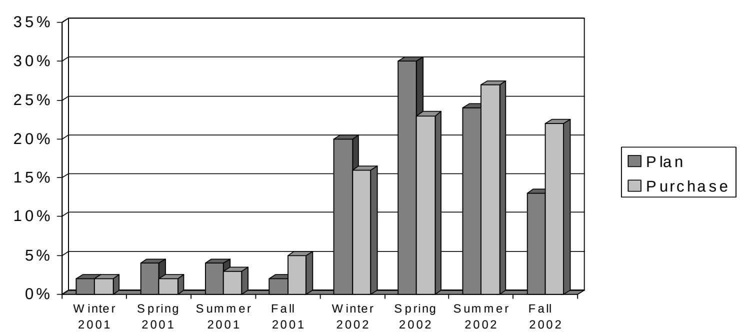
Tools Used for Itinerary Development

Itinerary Development Tools	Average
DMO group tour manuals	4.1
NTA Tour Supplier/DMO Member Directory	4.0
Customer input	3.9
NTA Annual Convention	3.9
Recommendations from other tour operators	3.8
DMO Web sites	3.6
FAM tours	3.4
NTA publications	3.3
Other trade association publications	3.3
NTA Online	2.7

As you can see, the top two sources relied upon to develop and plan new itineraries are DMO group tour manuals and the *NTA Tour Supplier/DMO Member Directory*.

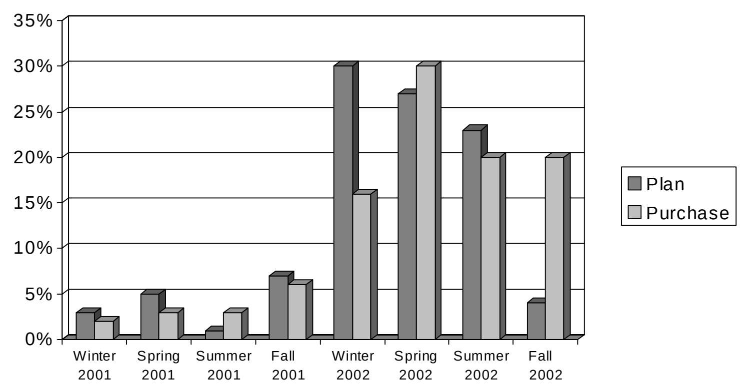
Tour operators also were asked when they would be planning both their 2003 domestic and international packages.

When Tour Operators Plan and Purchase Their 2003 ***Domestic*** Packages



As the graph above illustrates, 30 percent of tour operators stated they would be planning their 2003 domestic packages in the spring of 2002 with 24 percent stating the summer of 2002.

When Tour Operators Plan and Purchase Their 2003 ***International*** Packages



As for international packages, 30 percent of tour operators will be planning in the winter of 2002 with 27 percent planning in the spring of 2002 and 23 percent in the summer 2002.

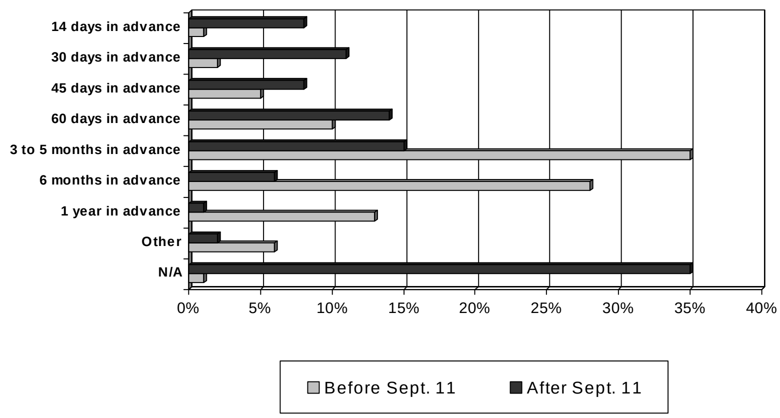
As for purchasing 2003 domestic packages, 27 percent of tour operators will purchase domestic packages in the summer 2002 with 23 percent purchasing in the spring and 22 percent in the fall. The majority of international packages are purchased in the spring 2002 (30 percent) followed by summer 2002 and fall 2002 with 20 percent each.

Tour operators were also asked to rank the importance of offering services in languages other than English. Almost half (47 percent) ranked this as extremely important. An additional 24 percent ranked it as very important for a total of 71 percent of tour operators who consider this element to be of high importance.

Finally, in response to changes in the industry since Sept. 11, tour operators were asked about group booking timelines before and after that day. Tour operators reported that prior to Sept. 11, 35 percent of groups were booking three to five months in advance, followed next by six months in advance at 28 percent.

After Sept. 11, only 15 percent of operators were seeing group bookings three to five months in advance with 14 percent showing 60-day advance bookings and 11 percent at 30 days. However, a large percentage stated that it was not applicable to them.

Average Consumer Booking Timeline



Forward Together – Tour Operators and DMOs

In working with DMOs, tour operators were asked to rank the importance of various roles that DMOs play in doing business. On average, the most important role that a DMO can play for a tour operator is to assist in itinerary development, followed by providing hotel information. The least important role is a distributor of leads.

Itinerary development	#1
Providing hotel information	#2
Providing restaurant information	#3
Acting as a problem solver	#4
FAMs/Site inspections	#5
Distributor of leads	#6

Tour operators also were asked what they believe to be the most needed items in a DMO group tour manual. Topping the list were 800 and fax numbers with 95 percent. This was closely followed by attraction information at 93 percent. However, there are many items that a majority of tour operators find important, as the following chart shows.

Items Needed in a Group Tour Manual – According to Tour Operators

Group Tour Manual Items	Percent
800 and fax numbers	95%
Attraction information	93%
Restaurant information	90%
Maps	85%
Hotel information guides	84%
Receptive/Step-on guides	84%
Suggested itineraries	78%
Local history	75%
Web site addresses	75%
Tour notes	71%
Mileage/Drive times	65%
Special events	64%
Charter transportation	48%
State/Province regulatory information	48%
Other	7%

Additionally, tour operators were asked about the most important information for a DMO Web site. Topping this list again was attraction information (89 percent) and 800 and fax numbers (87 percent). Also high on this list was restaurant information (83 percent) and hotel information guides (81 percent). Again, there were a number of items that a majority of tour operators would like to find on a DMO Web site, as detailed below.

Items Needed in a DMO Web Site – According to Tour Operators

Web Site Items	Percent
Attraction information	89%
800 and fax numbers	87%
Restaurant information	83%
Hotel information guides	81%
Suggested itineraries	74%
Receptive/Step-on guides	74%
Maps	73%
Local history	69%
Weather/Climate	66%
Special events	65%
Tour notes	64%
Mileage/Drive times	64%
Charter transportation	47%
State/Province regulatory information	46%
Other	13%

Forward Together – Tour Operators and Attractions

Level of Interaction:

According to the survey, 97 percent of tour operators do business with attractions, and member attractions report 29 percent of their business is derived from the packaged travel market with the same amount (29 percent) of this packaged travel business coming from NTA tour operators. Additionally, NTA attractions report that 71 percent of their business in the packaged travel market is derived from group tours and 29 percent from independent packages. (See appendix A.)

Booking Timelines:

When asked about a preferred booking timeline for group business, 21 percent of member attractions would prefer bookings 30 days in advance with 18 percent preferring three to five months in advance.

Actual bookings for group business is varied. Nineteen percent of attractions report actual bookings for group business at both 14 days and three to five months in advance. A full 23 percent report some other timeframe for actual bookings, such as seven days in advance.

Booking Timelines for Group Tours

	Preferred	Actual
14 days in advance	14%	19%
30 days in advance	21%	16%
45 days in advance	6%	5%
60 days in advance	13%	10%
3 to 5 months in advance	18%	19%
6 months in advance	13%	9%
1 year in advance	7%	0%
Other	8%	23%

Deposits, Payments and Refunds:

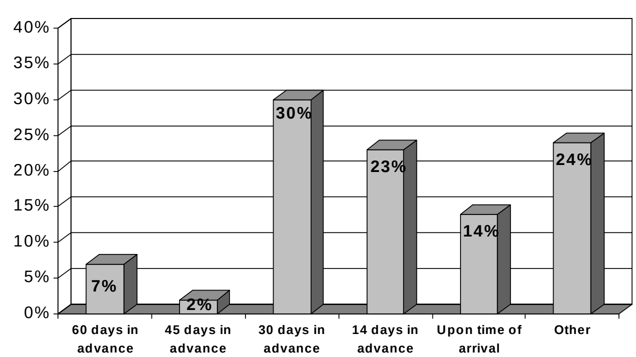
Forty-five percent of attractions require a signed contract from tour operators and 50 percent require a deposit at an average amount of $79. Tour operators reported that reasonable timeframe for an attraction with limited seating or capacity to expect a deposit was six months in advance (54 percent). For attractions without a limited seating or capacity, that timeframe is shorter with 51 percent stating 30 days in advance. Forty-three percent of attractions who have limited seating or capacity stated a reasonable booking timeline would be 30 days while 44 percent of attractions without a limited seating or capacity stating a one week advance booking as reasonable.

Reasonable Booking Timelines According to Attractions

	With Limited Seating or Capacity	Without Limited Seating or Capacity
One week in advance	13%	44%
30 days in advance	43%	35%
6 months in advance	26%	4%
1 year in advance	5%	1%
Other	11%	15%

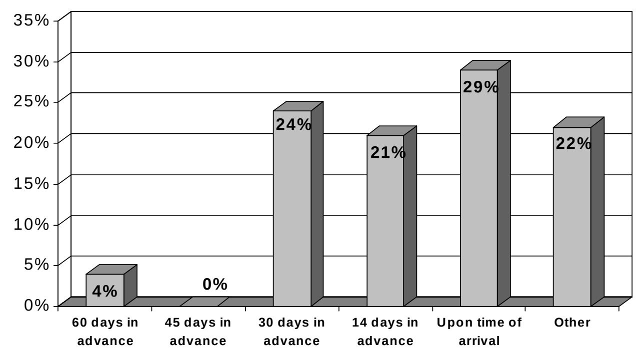
As for receiving full payment, 50 percent of attractions require payment on day of arrival. Seventy percent of attractions report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, more than half (54 percent) will cancel 30 days prior to arrival. Additionally, 56 percent of tour operators stated that a reasonable timeframe for receiving a full refund would be if the cancellation is received 30 days in advance. In line with this, 30 percent of attractions reported a reasonable timeframe for requesting a full refund would also be 30 days in advance, closely followed with 23 percent stating 14 days in advance.

Reasonable Timeframe to Request ***Full*** Refund
(Attractions)



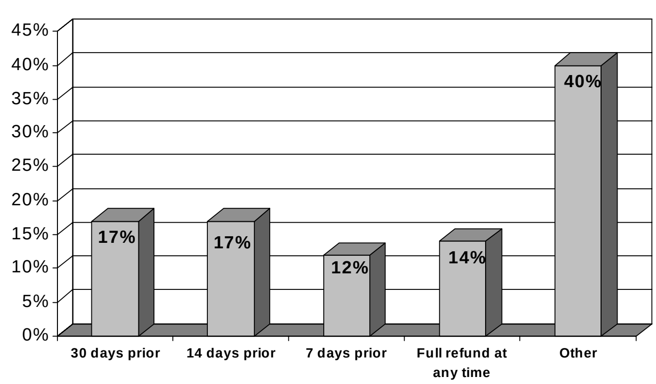
As for receiving a partial refund, 41 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be up to time of arrival with 36 percent stating 14 days in advance of arrival. From the attraction point of view, 29 percent stated that a reasonable timeframe to expect a partial refund would be up to time of arrival with 24 percent stating 30 days advance notification and 21 percent stating 14 days notice.

Reasonable Timeframe to Request ***Partial*** Refund
(Attractions)



The view on when an entire deposit becomes non-refundable is split for attractions. Forty percent of attractions state other timeframes, such as 60 days in advance or 48 hours in advance. However, 17 percent say deposits become non-refundable if cancelled at both 30 days and 14 days prior to arrival of the tour.

When Entire Deposit Becomes Non-Refundable
(Attractions)



Volume/Tiered Pricing:

More than four in 10 attractions (41 percent) report volume discounts offered to tour operators. On average, the attractions report that 13 tours and/or 374 people would constitute a volume discount for a tour operator.

When it comes to group rates, tour operators believe that an average of 20 people should constitute such a rate. However, attractions stated that an average of 17 people constitute such a rate, slightly fewer than tour operators would expect. In addition, 29 percent of attractions required no advance reservation policy to obtain group rates with 25 percent requiring both a 24-hour and 14-day advance policy to obtain such a rate.

Just about half of the attractions (49 percent) offer tiered pricing with 89 percent offering such pricing to tour operators. However, tour operators receive the second best price from attractions, with receptive operators listed as receiving the best price on the tier.

To Whom Attractions Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	89%	#2
Group Leaders	58%	#4
General Public	28%	#5
Travel Agents	42%	#3
Receptive Operators	73%	#1

Other Information:

Other facts learned from NTA attraction members are that 63 percent do not maintain professional liability “errors and omissions” insurance, 52 percent communicate updated rate schedules whenever they occur while 37 percent report that information annually. In addition, 58 percent of attractions provide in-house training to their staff on the travel industry.

To obtain business, 83 percent of attractions list their company in city and state/provincial DMO group tour manuals.

To assist in facilitating group visits to their property, 32 percent of NTA’s attraction members offer a separate ticket window and entrance for groups with two percent of those charging a fee for this offering. Also, to make groups feel welcome, 75 percent of attractions offer greeting and briefing sessions for arriving groups.

Finally, to facilitate tour operator utilization of their attraction, 69 percent offer complimentary tickets to the tour director and driver. When tour operators were asked about complimentary ticket policies, 29 percent stated one complimentary ticket for each 15 purchased was fair and 58 percent of tour operators agreed that both the driver and tour director should receive complimentary tickets.

Forward Together – Tour Operators and Casinos

Level of Interaction:

According to the survey, 48 percent of tour operators do business with casinos. NTA member casinos report 20 percent of their business is derived from the packaged travel market with 18 percent of this packaged travel business coming from NTA tour operators. Additionally, NTA casino members report that 67 percent of their business in the packaged travel market is derived from group tours and 33 percent from independent packages. (See appendix A.)

Booking Timelines:

When asked about a preferred booking timeline for group business, 26 percent of member casinos would prefer bookings three to five months in advance with 18 percent preferring six months.

Actual bookings mirror the preferred with 33 percent receiving bookings three to five months in advance. However, 26 percent also report a 14-day advance booking, much shorter than any of the top preferred timeframes.

Booking Timelines for Group Tours

	Preferred	Actual
14 days in advance	15%	26%
30 days in advance	15%	4%
45 days in advance	4%	7%
60 days in advance	18%	4%
3 to 5 months in advance	26%	33%
6 months in advance	18%	15%
1 year in advance	3%	0%
Other	0%	11%

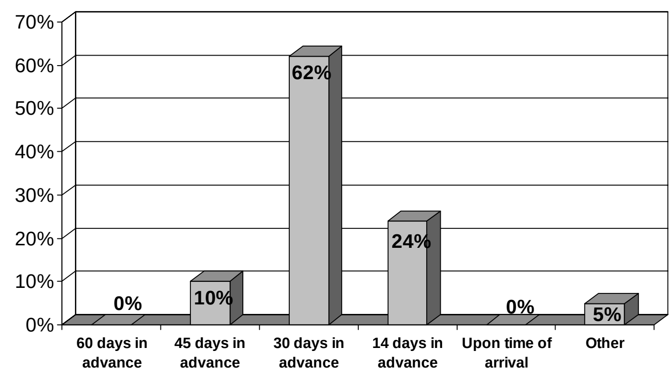
Deposits, Payments and Refunds:

Eighty-five percent of casinos require a signed contract from tour operators with 56 percent requiring a deposit at an average amount of $276. Tour operators (34 percent) reported a preference for direct bill with casinos instead of deposits. However, 27 percent of tour operators did state that, if required, 30 days in advance of arrival was a reasonable timeframe to expect a deposit.

As for receiving full payment, 31 percent of casinos require payment on the day of arrival with only 12 percent accepting direct bill.

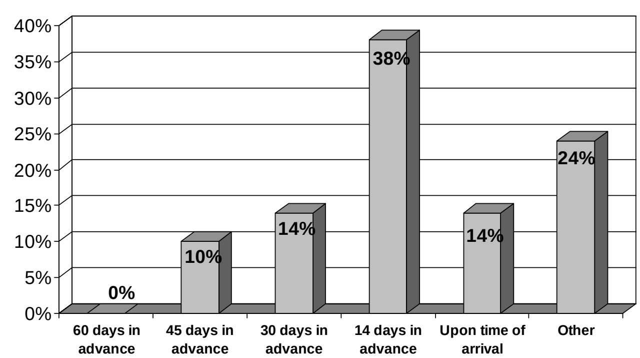
Eighty-one percent of member casinos report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, more than half (52 percent) will cancel 30 days prior to arrival. Additionally, 47 percent of tour operators believe that is also a reasonable timeframe for receiving a full refund. Sixty-two percent of casinos agree on this timeframe for a full refund as well with 24 percent stating 14-day advance notice as preferable.

Reasonable Timeframe to Request ***Full*** Refund (Casinos)



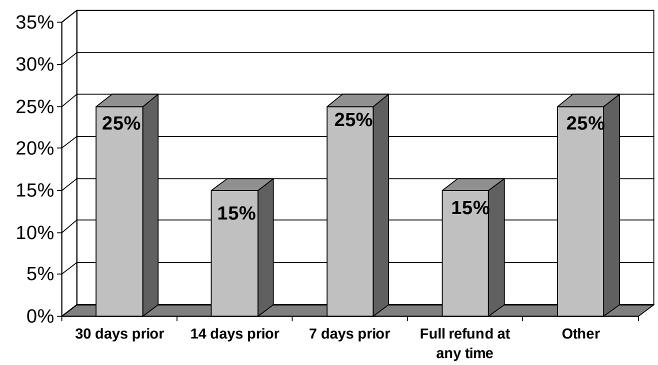
As for receiving a partial refund, 42 percent of tour operators believe a 14-day advance notice is a reasonable timeframe for cancellation with a partial refund with 38 percent stating cancellation up to the day of arrival would be fair. For the casino, 38 percent would prefer at least a 14-day advance notice with 14 percent accepting the day of arrival for a partial refund.

Reasonable Timeframe to Request ***Partial*** Refund (Casinos)



The view on when an entire deposit becomes non-refundable is split for casinos. Twenty-five percent state either 30 days or seven days prior to departure with 15 percent believing 14 days is fair.

When Entire Deposit Becomes Non-Refundable
(Casinos)



Volume/Tiered Pricing:

Forty-eight percent of member casinos offer volume discounts to tour operators. Those offering volume discounts consider an average of 177 people as sufficient to constitute such a discount. Casinos also consider an average requirement of 22 guests to qualify for a group rate where tour operators believed that to be an average of 20. In addition, 27 percent of casinos reported that a 14-day advance reservation policy is reasonable to receive a group rate.

Forty-one percent of casinos offer tiered pricing with 91 percent offering such pricing to tour operators and providing them with the best price on the tier.

To Whom Casinos Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	91%	#1
Group Leaders	73%	#3
General Public	46%	#5
Travel Agents	46%	#4
Receptive Operators	55%	#2

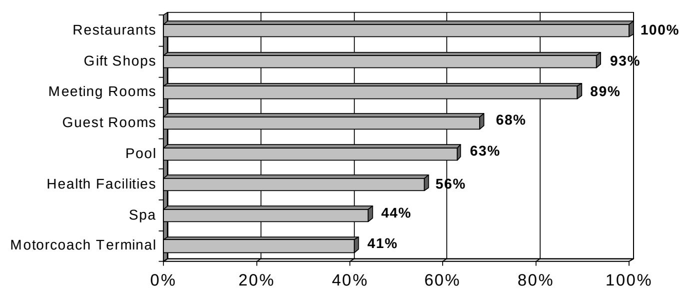
Other Information:

Other facts learned from NTA casino members are that 60 percent do not maintain professional liability “errors and omissions” insurance and 78 percent communicate updated rate schedules whenever they occur.

In order to attract business, 92 percent of casino members list their company in both city and state/provincial DMO group tour manuals and 48 percent have in-house training for their staff on the travel industry.

Casinos also offer tour operators a number of amenities. Tour operators stated that it was somewhat important for a casino to have a gift shop (32 percent), health facilities (29 percent) and a pool (28 percent). Tour operators also found it extremely important that a casino have guest rooms (46 percent), a motorcoach terminal (37 percent), and a restaurant (76 percent). All NTA member casinos reported having a restaurant with a variety of meal options offered to tour operators through the casino’s restaurant.

Amenities Offered by NTA Casino Members

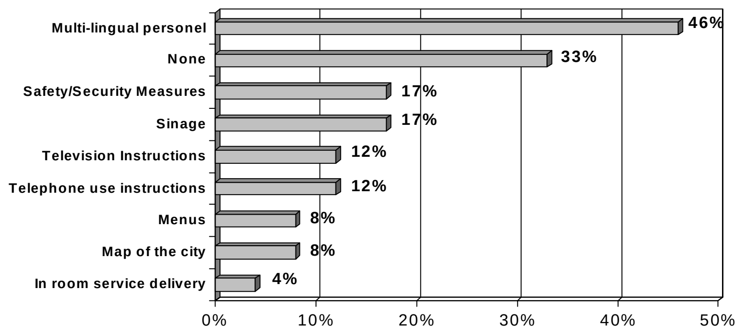


Meal Options Offered by NTA Casino Members Who Have a Restaurant

Meal Type	
Breakfast (full American)	70%
Breakfast (continental)	26%
Lunch (buffet)	82%
Lunch (pre-set)	44%
Lunch (a la carte)	30%
Dinner (buffet)	78%
Dinner (pre-set)	48%
Dinner (a la carte)	37%
Special menu for groups	33%

To better serve international guests, casinos also offer a number of services in other languages.

Services Offered in Languages Other than English



Forward Together – Tour Operators and Hotels

Level of Interaction:

According to the survey, 100 percent of tour operators do business with hotels and member hotels report 27 percent of their business is derived from the packaged travel market with the same amount (27 percent) of this packaged travel business coming from NTA tour operators. Additionally, NTA hotel members report that 73 percent of their business in the packaged travel market is derived from group tours and 27 percent from independent packages.
(See appendix A.)

Booking Timelines:

When asked about a preferred booking timeline for group business, 30 percent of hotels would prefer bookings one year in advance, followed closely with 29 percent who prefer six months in advance and 21 percent preferring three to five months.

Actual bookings for group business is not quite as far in advance as preferred but is not far off. Twenty-nine percent of hotels report actual bookings for groups at three to five months in advance with 25 percent booking six months in advance. Only 14 percent of group business book one year in advance – the time most preferred by hotels.

Booking Timelines for Group Tours

	Preferred	Actual
14 days in advance	1%	2%
30 days in advance	2%	4%
45 days in advance	2%	5%
60 days in advance	5%	11%
3 to 5 months in advance	21%	29%
6 months in advance	29%	25%
1 year in advance	30%	14%
Other	9%	11%

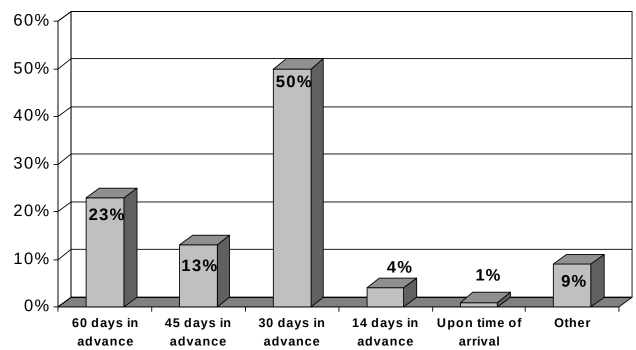
Deposits, Payments and Refunds:

Ninety-four percent of hotels require a signed contract from tour operators and 88 percent require a deposit at an average amount of $100. Tour operators reported that reasonable time frames for a hotel to expect a deposit was 30 days (38 percent) and 60 days in advance (32 percent).

As for receiving full payment, 32 percent of hotels require payment on day of arrival with 24 percent expecting a full payment from a tour operator 30 days in advance.

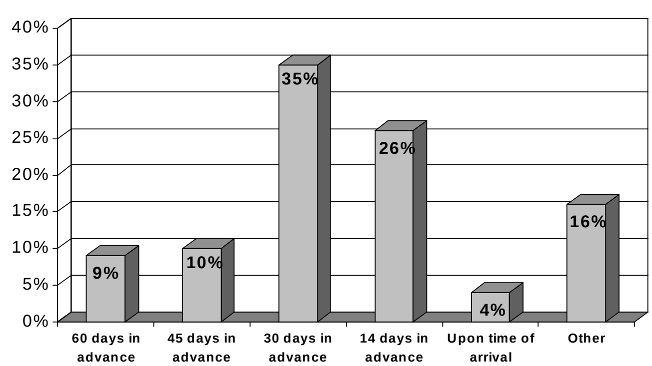
Ninety-one percent of hotels report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, half (51 percent) will cancel 30 days prior to arrival. More than half (59 percent) of tour operators stated that a reasonable timeframe for receiving a full refund would be if the cancellation is received 30 days in advance. In line with this, 50 percent of hotels reported a reasonable timeframe for requesting a full refund would also be 30 days in advance.

Reasonable Timeframe to Request ***Full*** Refund
(Hotels)



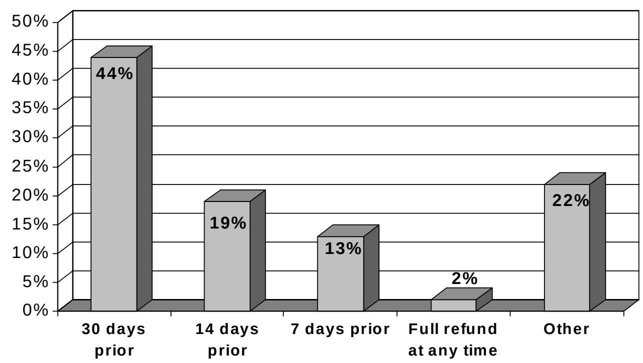
As for receiving a partial refund, 38 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of arrival with the same amount (37 percent) stating that up to day of arrival is reasonable. From the hotel point of view, 35 percent stated that a reasonable timeframe to expect a partial refund would also be 30 days in advance with 26 percent stating 14 days in advance.

Reasonable Timeframe to Request ***Partial*** Refund
(Hotels)



Finally, 44 percent of hotels state that the entire deposit becomes non-refundable 30 days prior to arrival with only two percent stating a refund could be expected at any time.

When Entire Deposit Becomes Non-Refundable
(Hotels)



Volume/Tiered Pricing:

A majority of hotels (82 percent) report volume discounts offered to tour operators. On average, the hotels report that nine tours and/or 115 people constitute a volume discount for a tour operator.

When it comes to group rates, tour operators believe that an average of 20 people should constitute such a rate. However, hotels stated that an average of 16 people constitute such a rate, which should be good news to tour operators. In addition, 30 percent of hotels required a 30-day advance reservation to obtain group rates with 20 percent stating a 14 days advance policy.

More than half of hotels (59 percent) offer tiered pricing with 90 percent of those offering such pricing to tour operators and providing them with the best price on the tier.

To Whom Hotels Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	90%	#1
Group Leaders	63%	#3
General Public	39%	#5
Travel Agents	40%	#4
Receptive Operators	81%	#2

Other Information:

Other facts learned from NTA hotel members are that 71 percent do not maintain professional liability “errors and omissions” insurance, 48 percent communicate updated rate schedules whenever they occur while 42 percent report that annually. In addition, 71 percent of hotels provide in-house training to their staff on the travel industry.

NTA tour operators have a great variety of hotel types to choose from among their fellow NTA members. While 56 percent of NTA member hotels are classified as moderate/midscale, 20 percent are both budget and deluxe/upscale.

To help hotels and tour operators work better together, the following chart details the preferred timeframe for hotels to receive rooming lists compared to the actual timeframe. One will notice that while the majority – 38 percent – prefer 30 days in advance, hotels generally receive rooming lists 14 days prior to arrival (43 percent). While that timeframe is second on the preferred list with 35 percent, it is certainly a convenience for the hotel that can only serve to make the tour planning more efficient and less problematic. When tour operators were asked how far in advance rooming lists should be due to hotels, 39 percent stated 14 days prior to arrival (consistent with the hotels response on when they actually receive lists). The hotels most preferred timeframe – 30 days prior to arrival – was second on the tour operator list with 29 percent stating this timeframe should be utilized.

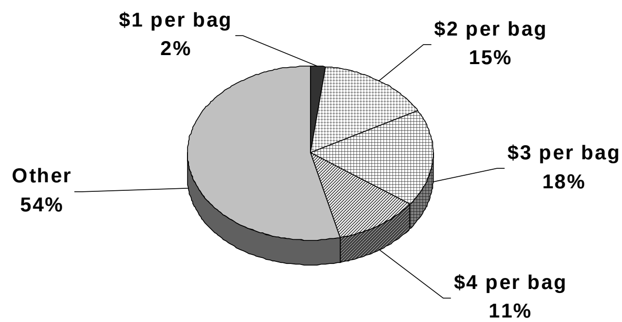
When Rooming Lists are Submitted to Hotels by Tour Operators

	Preferred	Actual
30 days in advance	38%	14%
21 days in advance	20%	21%
14 days in advance	35%	43%
7 days in advance	5%	12%
5 days in advance	1%	4%
Other	1%	6%

NTA member hotels provide a great deal of services to tour operators in order to facilitate their group’s stay. Sixty-four percent of hotels will hold space without penalty for tour operators for an average of 22 days. In addition, 57 percent of member hotels offer a welcome reception with 29 percent charging a fee for that service. This is good news for hotels as 32 percent of NTA tour operators stated the importance of a welcome reception as either extremely or very important.

In addition, 63 percent of hotels quote baggage handling fees within price quotes they give tour operators. The graph below will detail the various baggage handling charges.

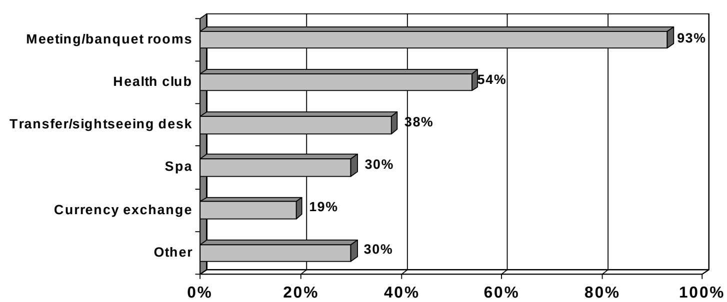
Baggage Handling Fees Charged by Hotels



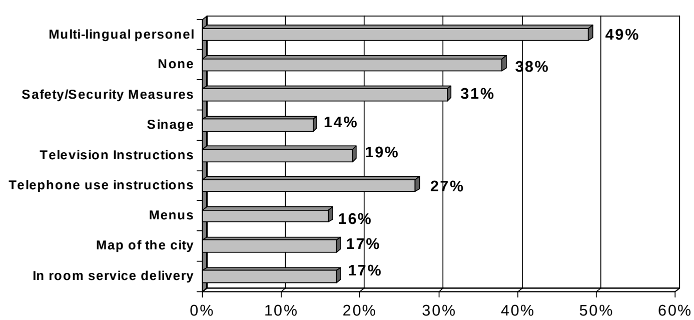
Half of NTA tour operators reported their preference in calculating baggage handling charges was on a per person basis with 36 percent stating a per bag basis. Tour operators perceive either a $2 or $3 charge as equally fair (41 percent for each response) when assessing per bag charges.

There are also many other services offered by NTA member hotels detailed in the graphs below.

Services Offered by NTA Hotel Members



Services Offered by NTA Hotel Members in Languages Other than English



Although 40 percent of tour operators stated that it was not very important that a hotel have a restaurant, it is certainly a convenience they enjoy as half of tour operators (50 percent) include at least one meal per day in their hotel package with 49 percent incorporating two. Naturally, the no. 1 meal they prefer to include is breakfast, followed by lunch and dinner, in order of importance.

Meal Options Offered by NTA Hotel Members who Have a Restaurant

Meal Type	
Breakfast (full American)	66%
Breakfast (continental)	66%
Lunch (buffet)	33%
Lunch (pre-set/sit down)	38%
Lunch (a la carte)	22%
Dinner (buffet)	39%
Dinner (pre-set/sit down)	49%
Dinner (a la carte)	25%
Special menu for groups	51%
No facilities on site	3%

Finally, 78 percent of tour operators ranked the importance of a group check-in upon arrival as not at all important.

Level of Interaction:

According to the survey, 95 percent of tour operators do business with motorcoach companies. NTA member motorcoach companies report 43 percent of their business is derived from the packaged travel market with 14 percent of this packaged travel business coming from NTA tour operators. (See appendix A.)

Booking Timelines:

When asked about a preferred booking timeline for group business, 46 percent of member motorocoach companies prefer bookings three to five months in advance with 23 percent preferring a 60-day advance booking.

Actual bookings for group business is much shorter than preferred. Thirty-one percent report receiving actual bookings 14 days in advance with 23 percent reporting both 45 days in advance and six months.

Booking Timelines for Group Tours

	Preferred	Actual
14 days in advance	8%	31%
30 days in advance	8%	15%
45 days in advance	0%	23%
60 days in advance	23%	0%
3 to 5 months in advance	46%	8%
6 months in advance	15%	23%
1 year in advance	0%	0%
Other	0%	0%

Every motorcoach company requires a detailed itinerary from a tour operator (100 percent). Thirty-eight percent of those require these itineraries at least 14 days in advance of departure with 23 percent asking for them at least seven days in advance. As for planning routes for tour operators, 69 percent of motorcoach companies surveyed said they did this sometimes with 23 percent stating that was a frequent occurrence.

In addition, 61 percent of the companies stated they provide drivers who also serve as guides on a tour. Seventy percent of the companies charge an average fee of $69 per day for this service.

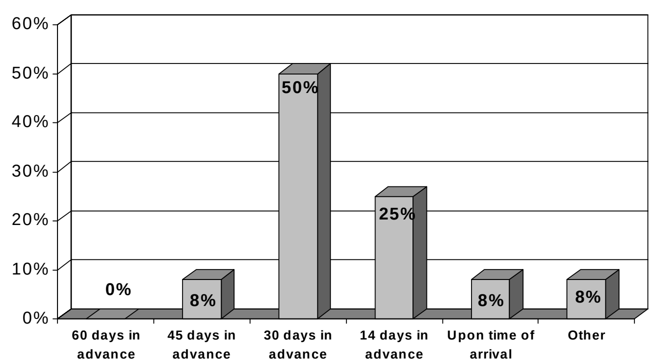
Deposits, Payments and Refunds:

Eighty-three percent of motorcoach companies require a signed contract from tour operators with 30 percent requiring a deposit. Tour operators reported that they prefer direct bill to deposits with motorcoach companies (38 percent) with 20 percent stating both a preference for a 60-day and 30-day advance policy as preferable.

As for receiving full payment, 46 percent of motorcoach companies require payment 14 days in advance of departure.

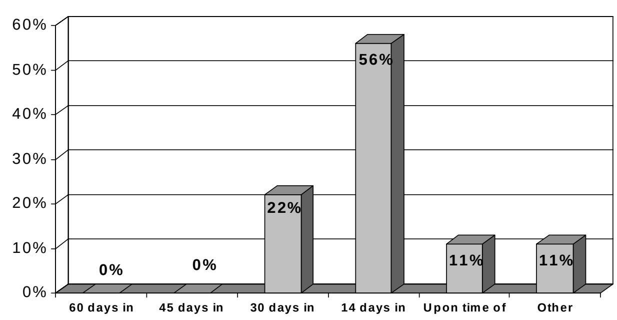
All member motorcoach companies (100 percent) report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, just under half (47 percent) will cancel 30 days prior to arrival. Fifty percent of motorcoach companies agree on this timeframe for a full refund.

Reasonable Timeframe to Request ***Full*** Refund
(Motorcoach Company)

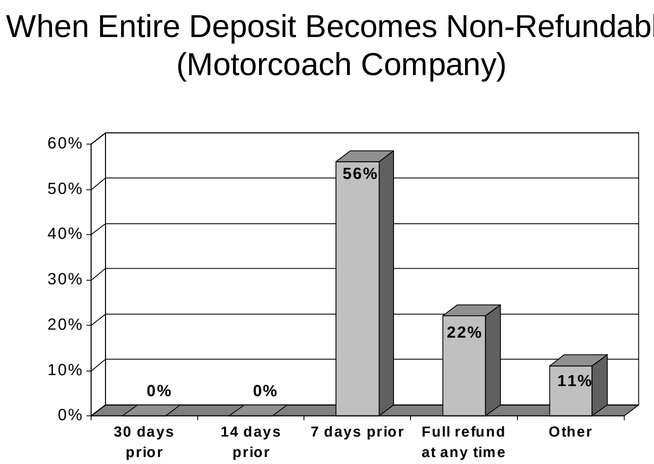


As for receiving a partial refund, 41 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of departure. For the motorcoach company, 56 percent agree with this timeframe.

Reasonable Timeframe to Request ***Partial*** Refund
(Motorcoach Company)



As for the time in which deposits become non-refundable, more than half (56 percent) of motorocach companies state that seven days prior to departure is fair.



As for gratuity policies, 77 percent of motorcoach companies stated that the gratuity is determined by the tour director while 15 percent have no policy at all.

Volume/Tiered Pricing:

Seventy-three percent of member motorcoach companies offer volume discounts to tour operators. Those offering volume discounts consider an average of 14 tours as sufficient to constitute such a discount.

Sixty-two percent of motorcoach companies offer tiered pricing with 54 percent offering such pricing to tour operators and providing them with the best price on the tier.

To Whom Motorcoach Companies Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	54%	#1
Group Leaders	23%	#4
General Public	15%	#5
Travel Agents	23%	#3
Receptive Operators	62%	#2

Other Information:

Other facts learned from NTA motorcoach members are that 58 percent do not maintain professional liability "errors and omissions" insurance, 62 percent communicate updated rate schedules whenever they occur and 36 percent provide this information annually. On average, the equipment offered by the motorcoach companies surveyed is five years old.

In order to attract business, 64 percent of motorocoach companies list their company in both city and state/provincial DMO group tour manuals, 92 percent conduct hospitality training for their drivers with all (100 percent) requiring drivers to attend safety training.

More than half (54 percent) of tour operators report that it is a requirement that motorocoach companies list the operator on insurance policies and 62 percent require a copy of the motorcoach company's insurance policy.

When asked to rate the importance of various amenities provided by motorcoach companies, where **five** is **very important** and **one** is **not at all important**, the survey revealed the following:

Importance of Motorcoach Amenities According to Tour Operators

Amenities	Average Rating
Type and size of equipment offered	4.7
Knowledge of company's maintenance and safety records	4.2
Willingness and ability of the driver to handle baggage from the motorcoach to the hotel	4.1
Ability to choose your driver	4.1
Availability of telephone equipment or other communication from the coach	4.1
Knowledge of company's screening, hiring and training of drivers' policies	3.9
Ability to be named as additional insured on motorcoach company's insurance policy	3.4
Willingness and ability of the coach company to assist in routing and timing of tour itineraries	3.3
Availability of handicapped accessible motorcoaches	3.1
Ability of the driver to act as a guide	2.7

Level of Interaction:

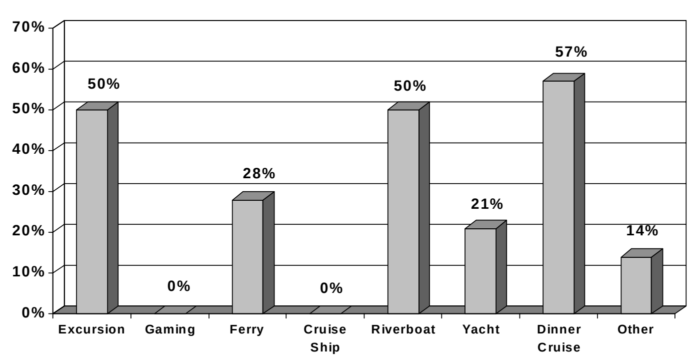
According to the survey, 69 percent of tour operators do business with passenger vessels, and member passenger vessel companies report 30 percent of their business is derived from the packaged travel market with 35 percent of this packaged travel business coming from NTA tour operators. Additionally, NTA passenger vessel members report that 81 percent of their business in the packaged travel market is derived from group tours and 19 percent from independent packages. (See appendix A.)

In addition, 42 percent of tour operators report booking passenger vessels for independent packages (FIT).

Types of Passenger Vessels:

NTA member companies operate a number of different types of vessels as described below. Please note that the following data does not include responses from cruise lines.

Types of Vessels NTA Members Operate



Booking Timelines:

When asked about a preferred booking timeline for group business, 36 percent of passenger vessels would prefer bookings three to five months in advance, closely followed with 31 percent who prefer 60 days in advance.

Actual bookings for group business was very close to the preferred booking time as 50 percent of passenger vessels report actual bookings for group business at three to five months in advance.

Booking Timelines for Group Tours

	Preferred	Actual
14 days in advance	0%	0%
30 days in advance	7%	7%
45 days in advance	14%	0%
60 days in advance	31%	14%
3 to 5 months in advance	36%	50%
6 months in advance	21%	14%
1 year in advance	0%	0%
Other	7%	14%

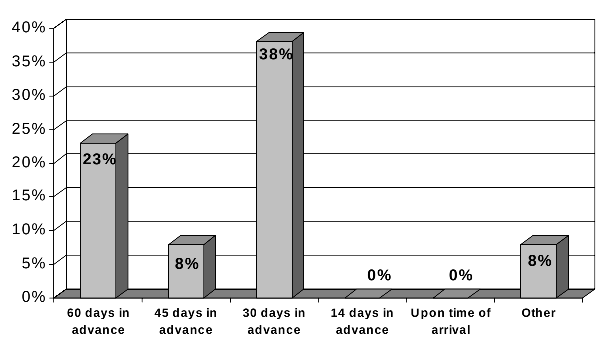
Deposits, Payments and Refunds:

Eighty-six percent of passenger vessels require a signed contract from tour operators and 92 percent require a deposit at an average amount of $340. Tour operators reported that reasonable time frames for a passenger vessel to expect a deposit was 60 days (35 percent) and 90 days in advance (29 percent).

As for receiving full payment, 64 percent of passenger vessels require payment on day of arrival.

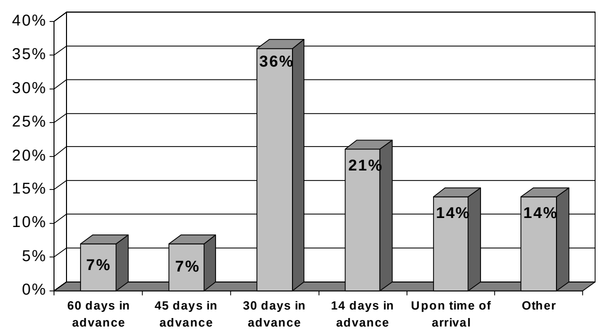
One hundred percent of passenger vessels report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, 38 percent will cancel 30 days prior to arrival. Almost half (43 percent) of tour operators stated that a reasonable timeframe for receiving a full refund would be if the cancellation is received 30 days in advance. Thirty-eight percent of passenger vessels agree with this 30-day advance notice to receive a full refund.

Reasonable Timeframe to Request ***Full*** Refund
(Passenger Vessel)



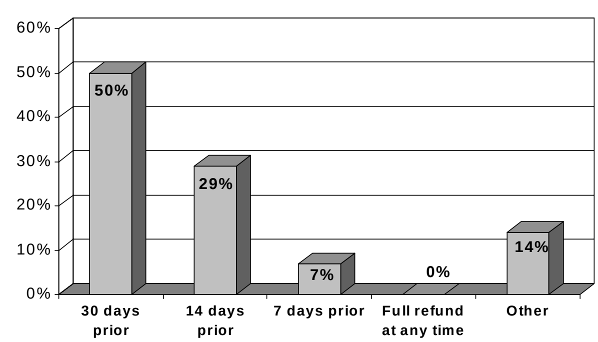
As for receiving a partial refund, 36 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of arrival with 28 percent stating a 30-day notice is reasonable. From the passenger vessel member's point of view, 36 percent stated that a reasonable timeframe to expect a partial refund would also be 30 days in advance with 21 percent stating 14 days in advance.

Reasonable Timeframe to Request ***Partial*** Refund
(Passenger Vessel)



Finally, 50 percent of passenger vessels state that the entire deposit becomes non-refundable 30 days prior to arrival with 29 percent requiring a 14-day notice.

When Entire Deposit Becomes Non-Refundable
(Passenger Vessel)



Volume/Tiered Pricing:

More than half of the passenger vessels surveyed (64 percent) report volume discounts offered to tour operators. On average, the passenger vessels report that six tours and/or 26 people constitute a volume discount for a tour operator.

A large majority of passenger vessels (77 percent) offer tiered pricing with 90 percent of those offering such pricing to tour operators and provide them with the second best price on the tier.

To Whom Passenger Vessels Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	90%	#2
Group Leaders	90%	#4
General Public	70%	#5
Travel Agents	60%	#3
Receptive Operators	90%	#1

Other Information:

Other facts learned from NTA passenger vessel members are that 70 percent do maintain professional liability “errors and omissions” insurance, 43 percent communicate updated rate schedules whenever they occur while 57 percent report that annually. The average age of the vessels being operated is 13 years.

To obtain business, 84 percent of passenger vessels list their company in city and state/provincial DMO group tour manuals.

To facilitate working with tour operators and the packaged travel industry, 80 percent reported providing hospitality training for hosts or hostesses and 20 percent provide safety training. Nearly one-half (47 percent) of the companies surveyed also reported that they will delay departure for as much as 15 minutes without penalty to accommodate a late-arriving group. Tour operators stated that a 30-minute grace period for late arrivals would be preferable (36 percent), closely followed by a 15-minute grace period (31 percent). In addition, 21 percent of the vessels surveyed offer pre-boarding privileges for groups; however, only 14 percent offer a special boarding facility for groups.

The majority (64 percent) provide open seating with 43 percent having seating in reserved seating areas with other passengers for groups. Of those that provide meals on board, 57 percent are prepared on board and 36 percent are catered.

When surveying tour operators on the importance of various facets of working with passenger vessels – where **five** is **very important** and **one** is **not at all important** – the following resulted:

Importance of Passenger Vessel Amenities According to Tour Operators

Amenities	Average Rating
Friendliness of on-board staff	4.8
Quality and availability of on-board food selection	4.4
Provision of on-board commentary about sites along route	4.4
Knowledge of company's maintenance and safety record	4.2
Availability of handicapped accessibility on passenger vessel	3.9
Availability of on-board host/hostess	3.8

Forward Together – Tour Operators and Railroads

Level of Interaction:

According to the survey, 41 percent of tour operators do business with railroads and member railroads report 31 percent of their business is derived from the packaged travel market with 16 percent of this packaged travel business coming from NTA tour operators. Additionally, NTA railroad members report that 90 percent of their business in the packaged travel market is derived from group tours and 10 percent from independent packages. (See appendix A.)

Booking Timelines:

When asked about a preferred booking timeline for group business, 75 percent of railroads would prefer bookings 60 days in advance with the other 25 percent stating six months in advance.

Actual bookings for group business is as little more varied. Half of the railroads surveyed (50 percent) stated they receive bookings 60 days in advance, with the other half reporting 25 percent three to five months in advance and 25 percent six months in advance.

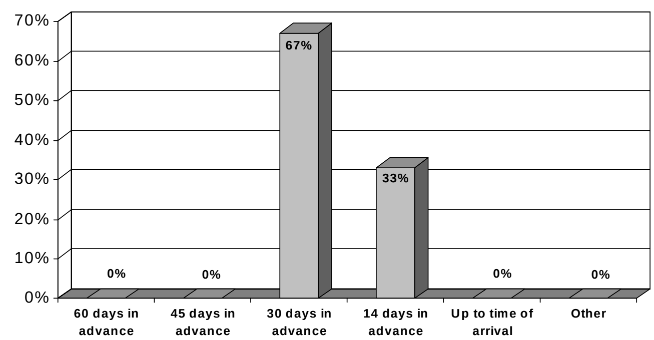
Deposits, Payments and Refunds:

No railroads required a signed contract from tour operators however, 75 percent require a deposit at an average amount of $200. Tour operators reported that reasonable time frames for a railroad to expect a deposit was split with 32 percent stating both 30 days in advance and 60 days in advance.

As for receiving full payment, 50 percent of railroads require payment 30 days in advance with 25 percent expecting a full payment from a tour operator on the day of arrival (25 percent).

Seventy-five percent of railroads report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, just under half (44 percent) will cancel 14 days prior to arrival. More than half (51 percent) of tour operators stated that a reasonable timeframe for receiving a full refund would be if the cancellation is received 30 days in advance. In line with this, 67 percent of railroads agreed that a reasonable timeframe for requesting a full refund would also be 30 days in advance with the remainder – 33 percent – stating a full refund with a 14-day advance notice.

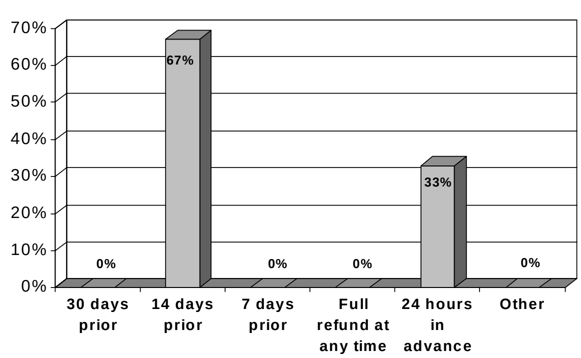
Reasonable Timeframe to Request ***Full*** Refund
(Railroad)



As for receiving a partial refund, 39 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of departure. From the railroad's point of view, 100 percent stated that a 14-day notice would be reasonable.

Finally, 67 percent of railroads state that the entire refund becomes non-refundable at the same timeframe – 14 days prior to departure – with the remaining 33 percent stating 24 hours.

When Entire Deposit Becomes Non-Refundable
(Railroad)



Volume/Tiered Pricing:

Few railroads (25 percent) offer volume discounts to tour operators. Railroads report that an average of 10 tours and/or 20 people constitute a volume discount for a tour operator.

A majority of railroads (75 percent) offer tiered pricing with 100 percent of those offering such pricing to tour operators and provide them with the best price on the tier.

To Whom Railroads Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	100%	#1
Group Leaders	33%	#4
General Public	33%	#5
Travel Agents	67%	#2
Receptive Operators	67%	#3

Other Information:

Other facts learned from NTA railroad members are that 75 percent do not maintain professional liability "errors and omissions" insurance, 50 percent communicate updated rate schedules whenever they occur while the other 50 percent report that annually.

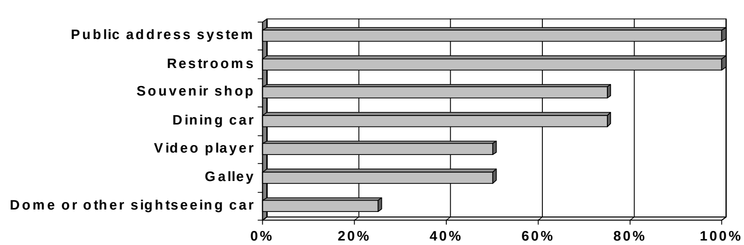
To obtain business, 75 percent of railroads list their company in city and state/provincial DMO group tour manuals.

On reporting of railroad schedules, tour operators stated that they would like to receive a 12-month advance notice of the next tour season's schedules (57 percent), while 30 percent would prefer an 18-month advance notice.

To facilitate working with tour operators and the packaged travel industry, 50 percent of railroads provide hospitality training for their staff. In addition, 50 percent of railroads also provide safety training for their staff.

The average age of the trains provided by NTA member railroads is 56 years. These trains also offer a number of amenities to tour operators, as the following graph will detail.

Amenities Offered by NTA Railroad Members



A majority of railroads (75 percent) do not require detailed itineraries from tour operators and do not have a gratuity policy in place. The other 25 percent include a gratuity in the cost of the rail services.

In asking tour operators to rate the importance of various amenities when working with railroads, where **five** is **extremely important** and **one** is **not at all important**, the findings were:

Importance of Railroad Amenities According to Tour Operators

Amenities	Average Rating
Friendliness of on-board customer service staff	4.6
Quality and availability of on-board food selection	4.3
Knowledge of railroad's on-time arrival record	4.1
Type and size of equipment offered	4.1
Willingness and ability of crew to handle baggage from motorcoach to train and vice-versa	4.1
Provision of on-board commentary about sites along the rail route	4.1
Availability of dome or other sightseeing cars	4.1
Availability of separate seating area for your group	4.0
Knowledge of railroad's maintenance and safety record	3.7
Availability of handicapped accessible railcars	3.5
Knowledge of railroad's insurance coverage	3.4
Ability of the conductor to act as a guide	3.1
Availability of on-board host (apart from train crew)	3.1

Forward Together – Tour Operators and Receptive/Sightseeing Companies

Level of Interaction:

According to the survey, 80 percent of tour operators do business with receptive/sightseeing companies. When asked about frequency of utilizing such services, 76 percent reported that they do so sometimes, 13 percent only for new destinations and 11 percent always.

Receptives report 76 percent of their business is derived from the packaged travel market with 35 percent of this packaged travel business coming from NTA tour operators. Receptives also report that 87 percent of their sales volume comes from domestic travelers with 13 percent from international.

Additionally, NTA receptive members report that 86 percent of their business in the packaged travel market is derived from group tours and 14 percent from independent packages. (See appendix A.)

Receptive companies also can hold memberships with NTA as a tour operator as well as a tour supplier. In fact, the survey showed that 48 percent of receptive companies hold this dual membership.

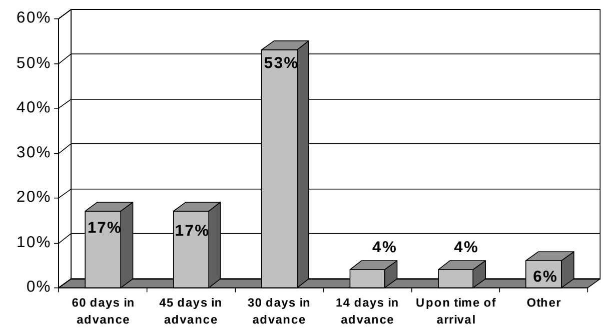
Deposits, Payments and Refunds:

Eighty-four percent of receptive/sightseeing companies require a signed contract from tour operators with 83 percent requiring a deposit at an average amount of $432. Tour operators reported that a reasonable time frame for a receptive to expect a deposit was 60 days in advance (40 percent) with 24 percent believing 30 days in advance was reasonable.

As for receiving full payment, 35 percent of receptives require payment 30 days in advance with 25 percent requiring 14 days in advance.

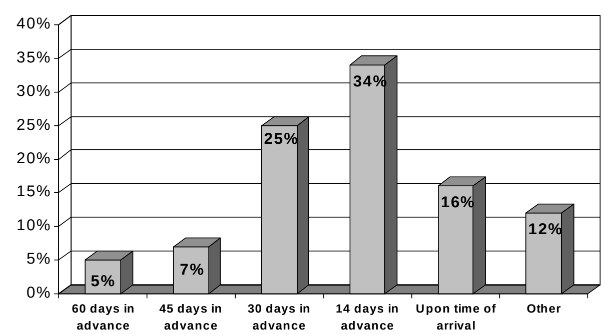
Ninety-seven percent of receptives report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, more than half (52 percent) will cancel 30 days prior to arrival. Additionally, 62 percent of tour operators believe that is also a reasonable timeframe for receiving a full refund. In line with this, 53 percent of receptives agree on this timeframe.

Reasonable Timeframe to Request ***Full*** Refund
(Receptive/Sightseeing Company)



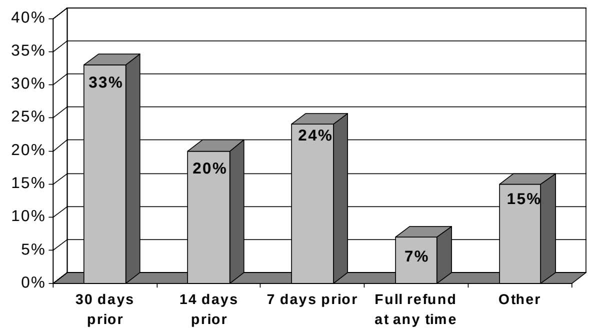
As for receiving a partial refund, 47 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of arrival with 29 percent stating the day of arrival. For the receptive, 34 percent agree with the tour operators, with 25 percent stating a 30 days prior to arrival to be optimal.

Reasonable Timeframe to Request ***Partial*** Refund
(Receptive/Sightseeing Company)



The view on when an entire deposit becomes non-refundable is split for receptives. While 33 percent state 30 days prior to departure, 24 percent believed seven days prior was appropriate, closely followed by 20 percent stating 14 days as more reasonable.

When Entire Deposit Becomes Non-Refundable
(Receptive/Sightseeing Company)



Tiered Pricing:

Seventy-nine percent of receptives offer tiered pricing with 94 percent offering such pricing to tour operators and providing them with the best price on the tier.

To Whom Receptive/Sightseeing Companies Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	94%	#1
Group Leaders	58%	#4
General Public	25%	#5
Travel Agents	44%	#3
Receptive Operators	63%	#2

Other Information:

Other facts learned from NTA receptive/sightseeing members are that 78 percent maintain professional liability “errors and omissions” insurance, 62 percent communicate updated rate schedules whenever they occur and 82 percent provide in-house training to their staff on the travel industry.

In order to attract business, 65 percent of receptive members list their company in both city and state/provincial DMO group tour manuals. Receptive/sightseeing companies offer a great deal of services to tour operators. The following list shows the percentage of NTA receptive/sightseeing members who offer these many services to tour operators.

Services Offered by NTA Receptive/Sightseeing Company Members

Services Offered	
Meals	98%
Attractions	97%
Hotel accommodations	97%
City tours	94%
Custom tours	94%
Step-on guide service	94%
Baggage handling	92%
Meet and greet services	92%
Entertainment	89%
Inclusive land packages	87%
Itinerary planning/suggestions	87%
Special interest tours	87%
Airport transfers	81%
Boat tours	81%
Charter coach services	79%
FAM Tours	79%
Site inspection	74%
Catered functions	73%
Walking tours	68%
Multi-lingual guides	64%
Convention services	61%
Incentive tours	56%
Group photos	50%
Carriage rides	48%
Study tours	47%
Cruises	42%
Limousine services	42%
Intermodal tours	37%
Van services	37%
Car rentals	29%
Winter skiing or snowmobiling	19%
Coordination and secretarial services	13%
Motor home rentals	3%

Finally, when asked to rank the benefits of using a receptive operator, receptives ranked knowledge of local market as the number one benefit for tour operators to utilize their company. Following on that list, in order, were guarantee of performance, convenience, efficiency, cost savings and tour supplier contacts.

However, when tour operators were asked the reasons they do utilize a receptive, 87 percent stated product knowledge, 66 percent enjoyed the ease of packaging, 56 percent reported time considerations and 41 percent stated cost effectiveness. In addition, 71 percent of tour operators stated that they will sometimes utilize guide services regardless of whether or not a package is purchased. When asked if they would be willing to have a receptive company combine their tour with another tour operators' clients, 59 percent of operators said "no."

Conversely, when tour operators were asked the reasons they did not utilize a receptive, the no. 1 reason was that they preferred dealing with tour suppliers directly (50 percent) followed by expense (22 percent). Eight percent of tour operators responding did not clearly understand the service provided by receptives.

Forward Together – Tour Operators and Restaurants

Level of Interaction:

According to the survey, 94 percent of tour operators do business with restaurants. NTA member restaurants report 19 percent of their business is derived from the packaged travel market with 30 percent of this packaged travel business coming from NTA tour operators. Additionally, NTA restaurant members report that 82 percent of their business in the packaged travel market is derived from group tours and 18 percent from independent packages. (See appendix A.)

Booking Timelines:

When asked about a preferred booking timeline for group business, 24 percent of member restaurants would prefer bookings three to five months in advance with 18 percent preferring both 30 days and six months in advance.

Actual bookings for group business is as varied as the preferred with the percentages mirroring those of the preferred.

Booking Timelines for Group Tours

	Preferred	Actual
14 days in advance	12%	12%
30 days in advance	18%	18%
45 days in advance	6%	6%
60 days in advance	12%	12%
3 to 5 months in advance	24%	24%
6 months in advance	18%	18%
1 year in advance	0%	0%
Other	12%	12%

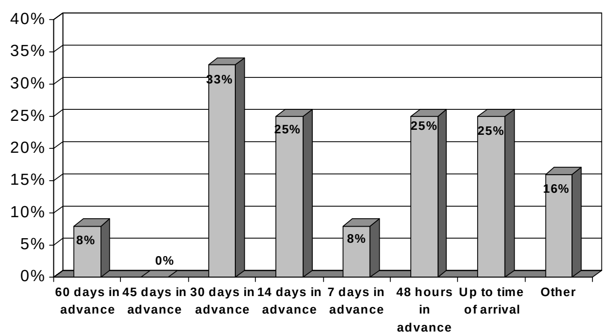
Deposits, Payments and Refunds:

Fifty-six percent of restaurants require a signed contract from tour operators with 50 percent requiring a deposit at an average amount of $175. Tour operators reported that a reasonable time frame for a restaurant to expect a deposit was 30 days in advance (39 percent) with 32 percent stating a preference for direct bill as opposed to any form of deposit.

As for receiving full payment, an overwhelming 70 percent of restaurants require payment on the day of arrival.

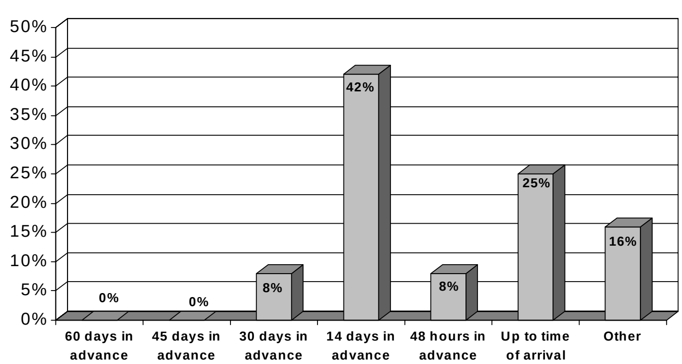
Eighty-one percent of member restaurants report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, more than half (52 percent) will cancel 30 days prior to arrival. Additionally, 38 percent of tour operators believe that is also a reasonable timeframe for receiving a full refund. Thirty-three percent of restaurants agree on this timeframe for a full refund with 25 percent stating both a 14-day and 48-hour advance notice as preferable.

Reasonable Timeframe to Request ***Full*** Refund (Restaurant)

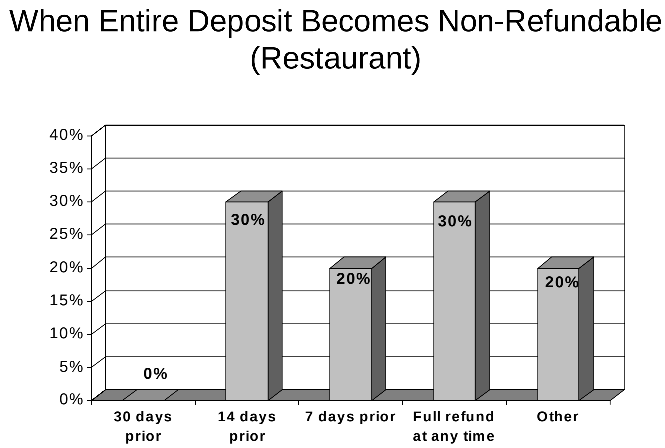


As for receiving a partial refund, 47 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be up to the day of arrival with 31 percent stating 14 days advance notice as fair. For the restaurant, 42 percent would prefer at least a 14-day advance notice with 25 percent accepting the day of arrival for a partial refund.

Reasonable Timeframe to Request ***Partial*** Refund (Restaurant)



The view on when an entire deposit becomes non-refundable is split for restaurants. While 30 percent state both 14 days prior to departure and refunds at any time, 20 percent believe both seven days notice as well as other timeframes are more reasonable.



Volume/Tiered Pricing:

Seventy percent of member restaurants offer volume discounts to tour operators. Among those offering volume discounts, they consider an average of 13 tours and/or 148 people as sufficient to constitute such a discount.

Conversely, only 31 percent of restaurants offer tiered pricing with all of them (100 percent) offering such pricing to tour operators and providing them with the best price on the tier.

To Whom Restaurants Offer Tiered Pricing

	Offer Tiered Pricing	Price Rank
Professional Tour Operators	100%	#1
Group Leaders	60%	#3
General Public	80%	#5
Travel Agents	80%	#4
Receptive Operators	80%	#2

Other Information:

Other facts learned from NTA restaurant members are that 60 percent do not maintain professional liability “errors and omissions” insurance, 56 percent communicate updated rate schedules whenever they occur and 44 percent provide this information annually.

In order to attract business, 64 percent of restaurant members list their company in both city and state/provincial DMO group tour manuals.

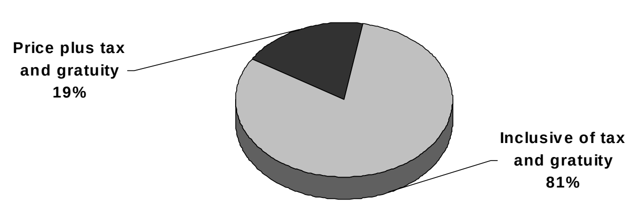
To attract group tour business, 67 percent of restaurants offer complimentary meals for both tour directors and drivers. This is consistent with tour operator preferences as 73 percent of tour operators surveyed stated tour director and driver as the preferred recipients of complimentary meals.

No NTA member restaurant reported a holding fee charge if a group arrives later than the time designated and 39 percent will hold table 30 minutes past the reserved time for late arrivals. Additionally, 89 percent of member restaurants provide seating in a reserved area in the public dining room for groups with 56 percent having private dining areas. When tour operators were asked about their clients' dining preferences, 67 percent stated that it depended on the group with 17 percent reporting that public dining areas are preferable.

As an added convenience, 27 percent of restaurants require menu selection 48 hours in advance of arrival with 20 percent asking for two weeks advance notice. Additionally, 20 percent of tour operators reported a one-week advance notice of menu selections followed by 17 percent providing 48-hour notice and 16 percent giving restaurants a 72-hour notice.

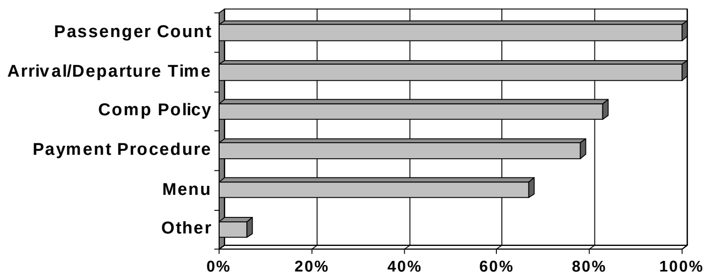
Twenty-eight percent of the restaurants surveyed expect payment in the form of a check at the end of the meal, with 26 percent accepting credit cards and 21 percent asking for the meal to be prepaid. When receiving pricing from the restaurant, 81 percent of tour operators prefer a price that is inclusive of tax and gratuity.

Tour Operators' Preference for Pricing from Restaurants

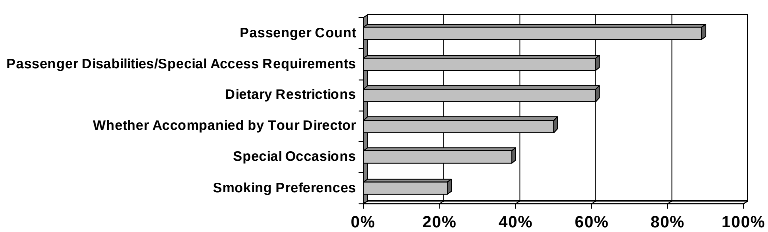


The following are charts detailing items that both the restaurant and the tour director should know prior to arrival to make the group's visit the best possible:

What the Tour Director is Expected to Know Prior to the Groups' Arrival



What the Restaurant is Expected to Know Prior to the Groups' Arrival

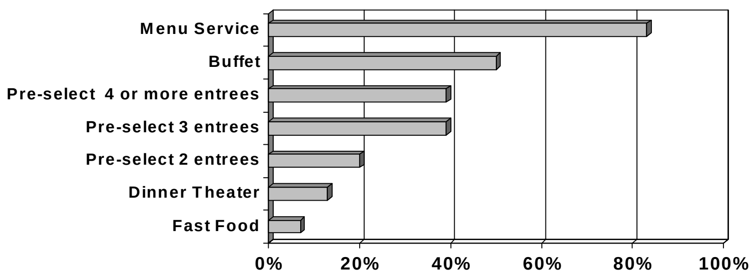


A variety of options are important, as tour operators receive a number of alternative menu requests from their clients. Half of tour operators surveyed (50 percent) report that 1 to 9 percent of their clients request alternative menus with 21 percent stating the percentages to be between 10 and 25 percent.

The following chart describes some of these menus and the percentage of requests received. The average number of clients who request alternative menu choices is 5 percent.

NTA member restaurants also offer a variety of food services as well as menu selections, as detailed in the charts below.

Types of Food Services Provided by
NTA Restaurant Members



Tour operators were also surveyed on their preference for breakfast, lunch and dinner menus as to whether they are pre-set menus or provide the option of entrée choices. The following are the average results from the tour operator survey where a rating of **five** is **prefer** and **one** is **do not prefer**:

Meal Preferences by Tour Operator Customers

Meal Type	Average
Breakfast – buffet	4.5
Breakfast – choice of three entrees	3.2
Breakfast – choice of two entrees	2.9
Breakfast – choice of four to six entrees	2.8
Breakfast – a la carte	2.4
Breakfast – set menu	2.3
Lunch – buffet	4.0
Lunch – choice of three entrees	3.6
Lunch – choice of two entrees	3.3
Lunch – choice of four to six entrees	2.8
Lunch – set menu	2.5
Lunch – a la carte	2.4
Dinner – choice of three entrees	4.0
Dinner – choice of four to six entrees	4.0
Dinner – buffet	3.4
Dinner – choice of two entrees	3.2
Dinner – set menu	2.5
Dinner – a la carte	2.4

With buffet being the most preferred by tour operators for both breakfast and lunch and 50 percent of NTA member restaurants offering buffet services, the two should be able to work together on successful group meals. For dinner, 83 percent of restaurants offer menu service with 39 percent offering pre-select three entrees. Again, a good match for NTA tour operator preferences.

Appendix A

Packaged Travel Market

Percentage of Business Derived from Packaged Travel Market:

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Average	27%	29%	76%	19%	20%	43%	31%	30%

Percentage of Business Derived From Packaged Travel Market That is in the Form of Group Tours and Independent Packages

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Group Tours	73%	71%	86%	82%	67%	--	90%	81%
Independent Packages	27%	29%	14%	18%	33%	--	10%	19%

Percentage of Packaged Tavel Business That is From NTA Tour Operators

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Average	27%	29%	35%	30%	18%	14%	16%	35%

Tiered Pricing

Percentage of Members Who Offer Tiered Pricing

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Yes	59%	49%	79%	31%	41%	62%	75%	77%
No	41%	51%	21%	39%	59%	38%	25%	23%

Groups For Which Tiered Pricing is Offered

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Professional Tour Operators	90%	89%	94%	100%	91%	54%	100%	90%
Group Leaders	63%	58%	58%	60%	73%	23%	33%	90%
General Public	39%	28%	25%	60%	46%	15%	33%	70%
Travel Agents	40%	42%	44%	80%	46%	23%	100%	60%
Receptive Operators	81%	73%	63%	80%	55%	62%	67%	90%
Other	5%	14%	8%	0%	9%	0%	0%	0%

Ranked Order of Tiered Pricing (#1 being the best price)

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Professional Tour Operators	#1	#2	#1	#1	#1	#1	#1	#2
Group Leaders	#3	#4	#4	#3	#3	#4	#4	#4
General Public	#5	#5	#5	#5	#5	#5	#5	#5
Travel Agents	#4	#3	#3	#4	#4	#3	#2	#3
Receptive Operators	#2	#1	#2	#2	#2	#2	#3	#1

System Used to Store or Maintain Leads

	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Computerized system	46%	62%	55%	47%	48%	54%	75%	57%
Manual system	16%	8%	6%	12%	11%	0%	25%	7%
Both	38%	20%	39%	41%	41%	46%	0%	36%

Preference for Receiving Leads From DMOs

	Tour Operator	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Mail	57%	47%	48%	48%	50%	63%	38%	50%	29%
E-mail	54%	75%	73%	66%	78%	85%	15%	25%	79%
In person	19%	26%	23%	19%	33%	26%	15%	75%	14%
Disk	11%	17%	19%	16%	17%	18%	0%	50%	7%
Fax	40%	64%	33%	52%	56%	59%	54%	50%	43%
Other	3%	6%	5%	3%	0%	4%	0%	0%	0%

Effectiveness Ratings for Marketing Tools Used to Reach Tour Operators:

	Tour Operator	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Pass. Ves.	DMO
Brochures	**4.1**	3.8	4.1	3.9	3.8	3.8	3.5	3.8	4.2	4.1
Co-op advertising	**3.2**	3.8	3.5	3.4	3.1	3.4	2.0	3.0	4.1	3.7
Courier	**3.2**	2.5	2.6	1.9	3.7	3.0	3.3	2.0	2.9	3.1
Direct mail	**3.8**	3.6	4.0	3.8	3.3	4.4	4.2	3.3	3.3	3.8
Domestic trade shows	**3.4**	3.9	3.9	3.8	4.1	3.8	4.1	4.0	3.7	4.2
E-mail	**3.1**	3.4	3.3	3.1	3.1	3.1	4.1	2.3	3.3	3.4
FAM tours	**3.9**	3.7	4.0	3.5	3.6	3.0	3.7	3.3	3.5	4.1
Group tour manuals	**4.3**	3.2	3.6	3.2	3.4	3.0	4.2	2.3	3.1	4.3
In-person sales calls	**3.2**	4.0	4.2	4.3	3.9	3.3	4.3	4.0	3.3	3.9
International trade shows	**2.4**	3.4	3.3	3.3	3.2	2.9	4.5	3.3	2.4	3.4
NTA Annual Convention	**4.0**	3.9	4.1	3.8	4.5	3.8	4.7	4.3	4.1	4.4
NTA Convention Daily Newsletter	**3.1**	2.1	2.4	2.2	3.0	2.8	--	3.0	1.8	2.4
NTA Online	**2.9**	2.7	2.3	2.6	3.1	2.9	3.7	--	2.5	3.0
Other associations publications	**3.0**	2.9	3.1	2.9	2.9	3.2	3.3	2.0	2.8	3.2
Slides	**2.8**	2.9	3.0	2.2	2.8	2.5	3.0	3.3	2.8	3.1
Sponsorships	**2.8**	2.6	3.0	2.6	2.9	3.3	4.0	2.0	2.6	3.0
Telemarketing	**2.1**	3.1	3.3	3.0	2.6	3.1	3.7	2.5	2.4	2.6
Videos	**3.3**	2.8	3.5	2.7	3.0	2.8	--	2.7	3.3	3.3
Web site banner advertising	**2.2**	2.8	2.8	2.6	3.3	3.3	--	2.5	2.8	2.7
Your Web site	**3.1**	3.9	4.0	3.8	3.7	3.8	3.7	4.5	4.2	4.2

Appendix B – Demographic Data

Region Company or Organization is Located

	Tour Operator	DMO	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
United States	**92%**	**91%**	**81%**	**85%**	**88%**	**100%**	**82%**	**77%**	**100%**	**93%**
Midwest *(Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin)*	32%	32%	12%	28%	15%	13%	37%	8%	0%	21%
New England *(Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)*	8%	7%	6%	6%	10%	0%	4%	0%	0%	14%
Middle Atlantic *(New Jersey, New York, Pennsylvania)*	13%	3%	8%	14%	18%	20%	7%	0%	50%	0%
South Atlantic *(D.C., Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia)*	10%	16%	17%	14%	17%	13%	4%	23%	0%	14%
East South Central *(Alabama, Kentucky, Mississippi, Tennessee)*	4%	8%	4%	4%	8%	0%	15%	0%	0%	7%
West South Central *(Arkansas, Louisiana, Oklahoma, Texas)*	6%	7%	5%	4%	5%	27%	4%	0%	25%	7%
West *(Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)*	19%	18%	27%	17%	12%	27%	22%	46%	25%	0%

	Tour Operator	DMO	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Canada	**8%**	**9%**	**19%**	**15%**	**12%**	**0%**	**8%**	**15%**	**0%**	**7%**
Atlantic Canada *(Newfoundland and Labrador, Nova Scotia, Prince Edward Island, New Brunswick)*	2%	2%	0%	1%	3%	0%	0%	0%	0%	7%
Quebec	0%	1%	4%	2%	3%	0%	0%	0%	0%	0%
Ontario	2%	2%	5%	6%	7%	0%	4%	0%	0%	7%
The Prairies *(Manitoba, Saskatchewan)*	1%	2%	1%	1%	0%	0%	4%	0%	0%	0%
The Mountains and the West Coast *(Alberta, British Columbia)*	3%	1%	9%	5%	2%	0%	0%	15%	0%	0%
Northern Canada *(Yukon, Northwest Territories)*	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Mexico	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**8%**	**0%**	**0%**

Average Number of Years NTA Members Have Worked in/with the Travel Industry

	Tour Operator	DMO	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Average	20	13	15	12	21	12	11	20	15	14

Gender of NTA Members

	Tour Operator	DMO	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
Female	55%	79%	76%	73%	69%	71%	81%	50%	50%	67%
Male	45%	21%	24%	17%	31%	29%	19%	50%	50%	33%

Age of NTA Members

	Tour Operator	DMO	Hotel	Attraction	Receptive	Restaurant	Casino	Motorcoach Company	Railroad	Passenger Vessel
18 to 24	1%	2%	1%	2%	0%	6%	4%	0%	0%	0%
25 to 29	1%	9%	11%	11%	0%	18%	8%	0%	0%	17%
30 to 34	6%	14%	15%	17%	11%	0%	19%	17%	0%	25%
35 to 39	7%	11%	16%	16%	8%	6%	23%	17%	25%	25%
40 to 44	11%	19%	20%	12%	16%	23%	19%	0%	0%	8%
45 to 49	15%	16%	8%	13%	16%	23%	12%	8%	0%	8%
50 to 54	16%	15%	16%	12%	14%	6%	8%	33%	25%	8%
55 to 59	19%	7%	10%	10%	14%	6%	8%	17%	25%	0%
60 to 64	17%	6%	2%	7%	10%	0%	0%	8%	25%	8%
65 or older	7%	1%	2%	1%	10%	12%	0%	0%	0%	0%

Appendix C – Tour Operator Data

Average Consumer Booking Timelines

	Before Sept. 11	After Sept. 11
14 days in advance	1%	8%
30 days in advance	2%	11%
45 days in advance	5%	8%
60 days in advance	10%	14%
3 to 5 months in advance	35%	15%
6 months in advance	28%	6%
1 year in advance	--	1%
Other	13%	2%
Not applicable	1%	35%

When 2003 Domestic Packages are Planned and Purchased

	Plan	Purchase
Winter 2001 (Jan., Feb., March)	2%	2%
Spring 2001 (April, May, June)	4%	2%
Summer 2001 (July, Aug., Sept.)	4%	3%
Fall 2001 (Oct., Nov., Dec.)	2%	5%
Winter 2002 (Jan., Feb., March)	20%	16%
Spring 2002 (April, May, June)	30%	23%
Summer 2002 (July, Aug., Sept.)	24%	27%
Fall 2002 (Oct., Nov., Dec.)	13%	22%

When 2003 International Packages are Planned and Purchased

	Plan	Purchase
Winter 2001 (Jan., Feb., March)	3%	2%
Spring 2001 (April, May, June)	5%	3%
Summer 2001 (July, Aug., Sept.)	1%	3%
Fall 2001 (Oct., Nov., Dec.)	7%	6%
Winter 2002 (Jan., Feb., March)	30%	16%
Spring 2002 (April, May, June)	27%	30%
Summer 2002 (July, Aug., Sept.)	23%	20%
Fall 2002 (Oct., Nov., Dec.)	4%	20%

Company Size by Annual Sales

Less than $1 million	25%
$1 million to $3 million	43%
$3 million to $5 million	13%
$5 million to $7 million	7%
More than $7 million	12%

Percentage of Sales Volume

Group Tours	87%
Independent Packages	13%
Other	0%

Scheduled vs. Customized Tours

Customized/Preformed	49%
Scheduled/Published	51%

Percentage of Customers That are the Following Ages

Student	16%
Young Adult (21 – 34)	3%
Baby Boomer (35 – 53)	9%
Future Senior (54 – 64)	22%
Senior (65 and older)	50%

Percentage of Sales Volume

Group Leaders	31%
Travel Agents	9%
Other Tour Operators	11%
Direct to Consumers	46%
Other	3%

Percentage of NTA Tour Operators Who Offer Domestic vs. International Packages

Domestic only	39%
Domestic and International	61%

Percentage of NTA Tour Operators Who Offer International Inbound vs. International Outbound

Inbound	20%
Outbound	53%

Appendix D - Methodology

Through an initiative NTA is calling Forward Together, every individual member category was sent a survey in March 2002 in regards to their particular business, their policies and practices, what they can provide, and what they need most from other NTA members – helping to identify areas with great potential for successful partnerships between various NTA member segments.

Because the surveys were rather long, as an added incentive, NTA held a drawing for a complimentary DMO registration, a complimentary tour supplier registration and two complementary tour operator registrations to the 2002 NTA Annual Convention. To be eligible, NTA members had to return the completed survey and postcard by the survey deadline.

Surveys were sent to 3,668 NTA members. The members were instructed to fill out the survey and return it in a postage paid reply envelope to NTA Headquarters.

Two weeks after the initial mailing a mass fax was sent to all members reminding them to fill out and return their survey. After the initial deadline of April 8, an additional mass fax was sent to all members extending the deadline to receive completed surveys to April 15.

Data entry for the tour operator, DMO, hotel, attraction, and receptive/sightseeing surveys were completed by Lexington Opinion Research. The research firm then ran tabulations for the completed questionnaires. Due to the small respondent base, data entry and tabulations for casinos, motorcoach companies, passenger vessels, railroads and restaurants was completed by NTA staff

The final number of members responding to the surveys was 1,031, for an overall response rate of 28 percent.

Forward Together Surveys Response Rate by Member Category

	Surveys Mailed	Surveys Returned	Response Rate
Tour Operator	642	253	39%
DMO	798	307	38%
Airline	3	1	33%
Attraction	634	135	21%
Casino	66	27	41%
Hotel	1,050	198	19%
Motorcoach Company	66	13	20%
Passenger Vessel	70	13	19%
Railroad	11	4	36%
Receptive/Sightseeing	179	62	35%
Restaurant	84	18	21%
Total	3,668	1,031	28%