

## 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%

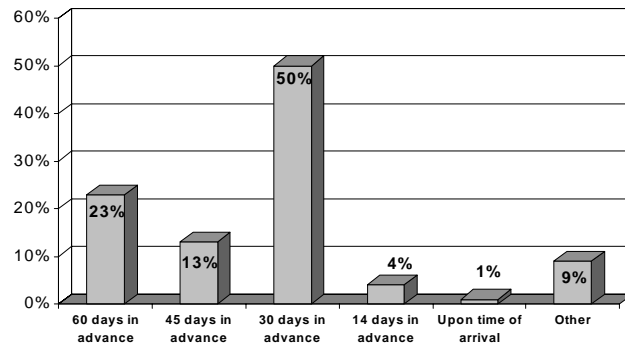
### *Deposits, Payments and Refunds:*

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.

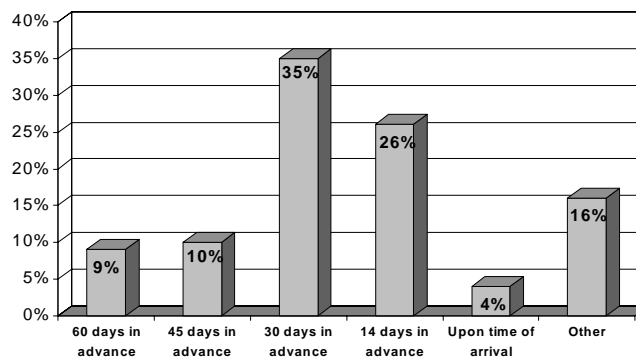
Ninety-one percent of hotels report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, half (51 percent) will cancel 30 days prior to arrival. More than half (59 percent) of tour operators stated that a reasonable timeframe for receiving a full refund 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)



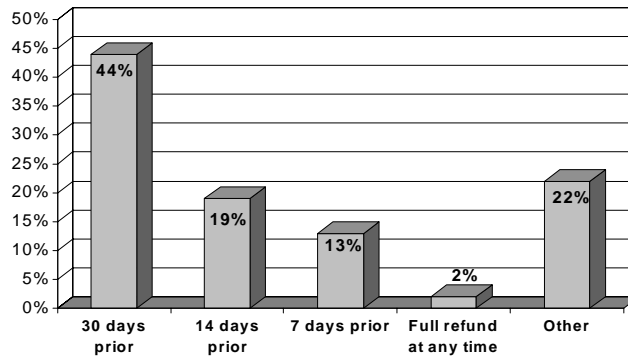
As for receiving a partial refund, 38 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of arrival with the same amount (37 percent) stating that up to day of arrival is reasonable. From the hotel point of view, 35 percent stated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

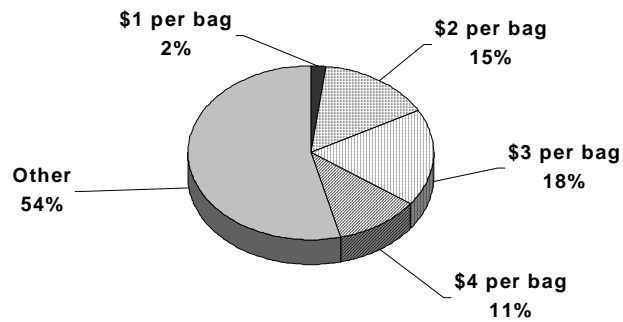
**When Rooming Lists are Submitted to Hotels by Tour Operators**

	<b>Preferred</b>	<b>Actual</b>
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.

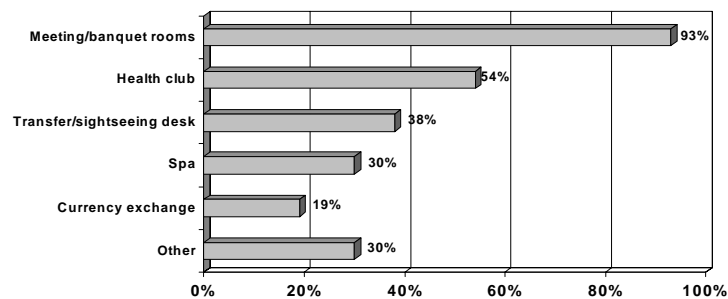
## Baggage Handling Fees Charged by Hotels



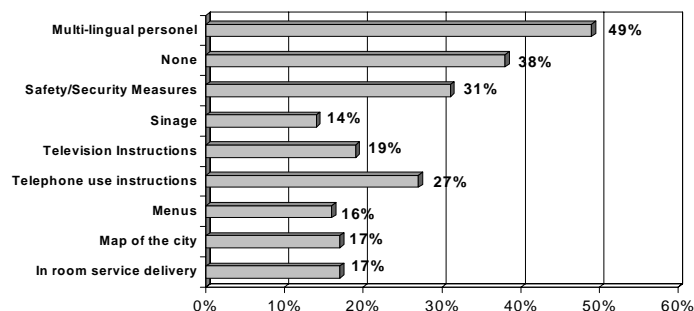
Half of NTA tour operators reported their preference in calculating baggage handling charges was on a per person basis with 36 percent stating a per bag basis. Tour operators perceive either a \$2 or \$3 charge as equally fair (41 percent for each response) when assessing per bag charges.

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.

## Forward Together – Tour Operators and Motorcoach Companies

### *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 motorcoach 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.

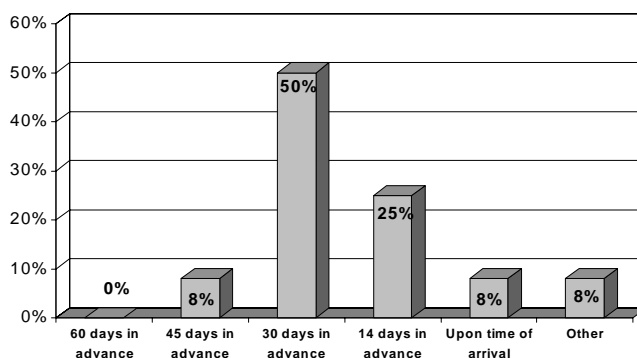
### Deposits, Payments and Refunds:

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.

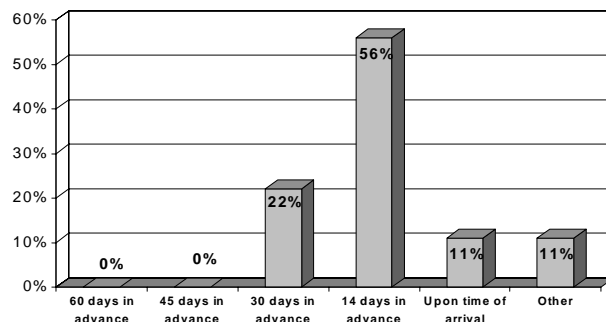
All member motorcoach companies (100 percent) report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, just under half (47 percent) will cancel 30 days prior to arrival. Fifty percent of motorcoach companies agree on this timeframe for a full refund.

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



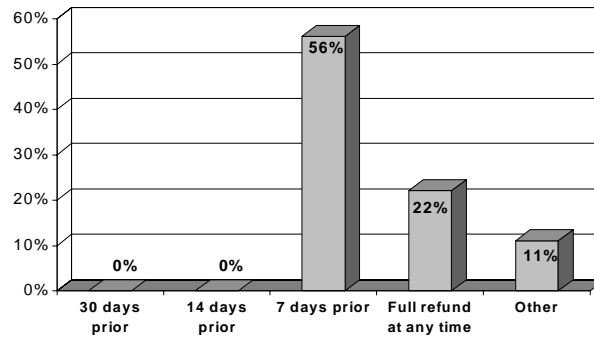
As for receiving a partial refund, 41 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of departure. For the motorcoach company, 56 percent agree with this timeframe.

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



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

When Entire Deposit Becomes Non-Refundable  
(Motorcoach Company)



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 motorcoach 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 motorcoach 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**

<b>Amenities</b>	<b>Average Rating</b>
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