

Forward Together – Tour Operators and Passenger Vessels

Level of Interaction:

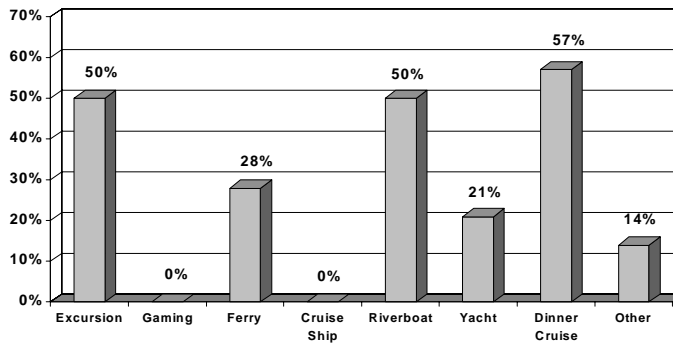
According to the survey, 69 percent of tour operators do business with passenger vessels, and member passenger vessel companies report 30 percent of their business is derived from the packaged travel market with 35 percent of this packaged travel business coming from NTA tour operators. Additionally, 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%

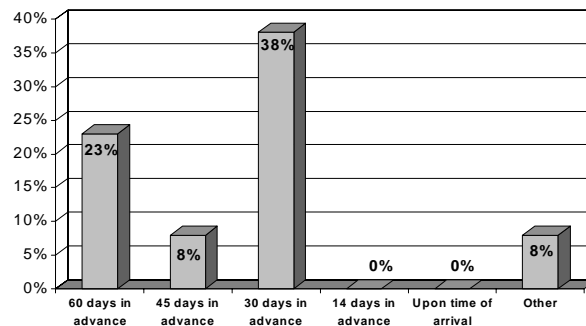
Deposits, Payments and Refunds:

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.

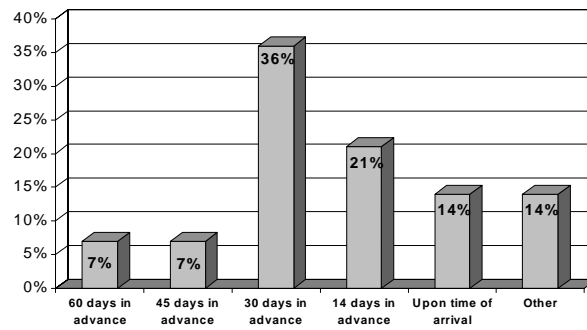
One hundred percent of passenger vessels report providing refunds to tour operators. Tour operators report that, if a tour is not going to operate, 38 percent will cancel 30 days prior to arrival. Almost half (43 percent) of tour operators stated that a reasonable timeframe for receiving a full refund 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)**



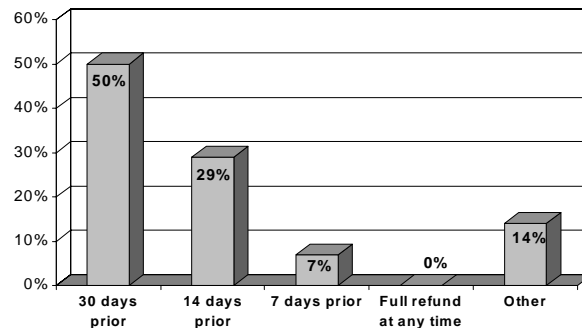
As for receiving a partial refund, 36 percent of tour operators believe a reasonable timeframe for cancellation with a partial refund would be 14 days in advance of arrival with 28 percent stating a 30-day notice is reasonable. From the passenger vessel member's point of view, 36 percent stated that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

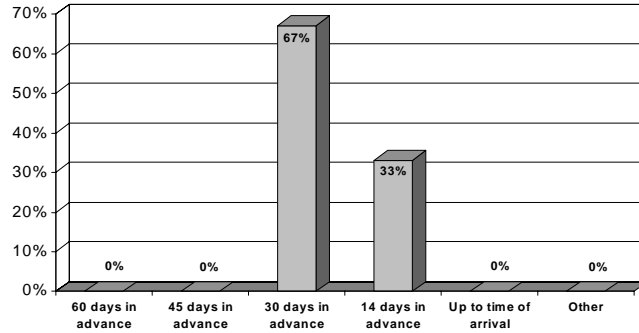
Deposits, Payments and Refunds:

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.

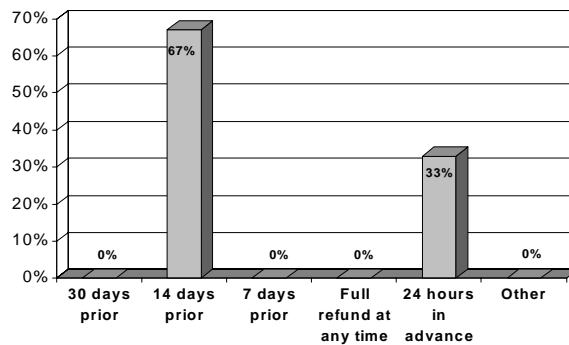
Reasonable Timeframe to Request **Full** Refund (Railroad)



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.

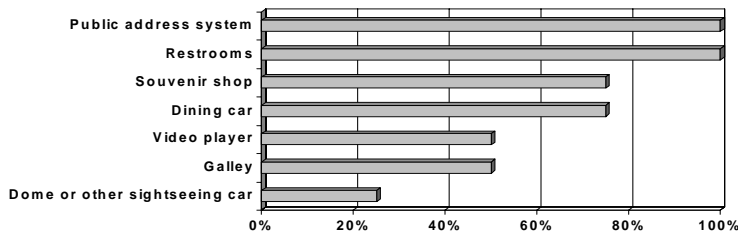
To obtain business, 75 percent of railroads list their company in city and state/provincial DMO group tour manuals.

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.