

Working with Receptive Tour Operators

By Kim Birrell

A receptive tour operator sells your product, whether it's included in a tour itinerary or is sold alone, to tour operators and/or travel agents. They are a wholesaler and do not sell directly to the public. They produce a tariff that gives the specifics and rates for all products they carry -- whether they are hotels, ranches, bed and breakfasts, sightseeing tours, horseback rides, bike tours or transportation. In our region a receptive must be an expert on the whole region, and must know so much more than just which hotels, ranches or activities are offered here.

The receptive markets your product for you overseas. They attend trade shows both overseas and in the US where they promote your product. They do advertising for you. Overseas tour operators who carry your product print brochures or offer online brochures that contain your product. There is no cost to you for any of this advertising and promotion until the guest books and stays at your property or uses your services. The cost is in the form of a percentage discount that you give to the receptive in your rates. You pay nothing for any of this advertising and promotion unless a client books your product.

It would cost you a lot of money in print or online advertising, trips overseas, and phone calls, emails and letters, not to mention the enormous amount of time it would take for you to contact all the individual tour operators that a receptive tour operator can contact on your behalf during its normal course of business.

The receptive makes money by adding a percentage onto the rate you give them. The receptive adds a fee to the tour operator for booking its product. That tour operator may add on a fee to the travel agent who books that product. This is why you don't have to deal with commissions when working with a receptive.

Tour operators consult receptives for assistance in setting up their own tours and itineraries, whether they are for motorcoach tours, FITs, fly/drives or tailor made itineraries. The tour operator may not know much about a region so they need the assistance of a receptive to help them with identifying hotels or services or setting up itineraries.

Receptives are especially useful in our region because our four states are not as well known to the overseas markets as other areas in the US and clients often choose our region because they want a unique vacation experience. RMI's two official receptives -- America 4 You and Rocky Mountain Holiday Tours - know about lesser-known, unique or special properties or services, as well as the well-known ones, that would fit well into a particular tour operator's offerings or that would satisfy a particular client.

Large receptives may have access to a large number of rooms across the US but specialized regional receptives are more valuable to tour operators located in overseas markets that RMI targets. Lena Ross, Director of Product Development at America 4 You, says “larger tour operators often simply provide what they know will be booked at high volume. Smaller operators look for the unique and different and the destinations that may not get 500 room nights but that will provide guests with an experience they will never forget.”

Gary Schluter, owner of Rocky Mountain Holiday Tours, says his company “can work with smaller, often more specialty or boutique lodging that cannot afford to have large room blocks set aside until just prior to the booking date.” He says large receptives “tend to contract only with the ‘standard’ lodges in the region. If a specific lodge is not available, they do not have the expertise to offer an alternative.” Tour operators know they can rely on the expertise of a receptive who understands their needs and knows the region well. It is too time consuming for a tour operator to research all the lodging options; they rely on the expert – the receptive.

A regional receptive, particularly America 4 You and Rocky Mountain Holiday Tours, can also better assist with unusual requests or with providing suggestions to make a client’s stay especially memorable. Schluter says “many times a day, we get specific requests for a lodge or an activity that a client may have seen in a travel article, on a tv show or movie, or heard about from a friend.” Ross says their company often receives requests from tour operators “for things that are outside the norm.” She says “that’s one of the benefits of working with a smaller operator. They have the time and understanding to find those unique things for clients that may not be offered normally.” In contrast, a large receptive who covers the entire US doesn’t have the expertise to offer a better alternative for that client. These smaller receptives also offer other activities and options like ranches or specialty resorts. These all help to enhance a guest’s stay in our region, and hopefully keep them coming back.

Tour operators also like to work with receptives because it simplifies their billing. Instead of the tour operator having to pay ten individual hotels separately for each night where a client stayed during his trip, the receptive tour operator handles the billing. The tour operator pays one bill for all these overnights to the receptive. It’s much easier to handle this way and saves the tour operator money because they don’t have to convert each individual payment from their currency to USDollars. A tour operator who works with a receptive can often make one monthly payment for all their bookings that month. This saves them on bank wire fees.

In this industry relationships are key and this applies to working with receptives too. Tour operators develop close working relationships with smaller receptives and trust them because they realize how valuable they are to work with. Local suppliers, cvb’s, and states should develop close relationships with receptives.

Tour operators often consult a trusted receptive when they want to expand a program or create a new itinerary. Schluter says he works with many tour operators who call on RMHTours first when they are looking for a new program or a new group route. "They get to know that RMHTours is a specialist...in the RMI region and call on our advice before making any definite plans or changes to their current programs." This special attention is something provided by the smaller specialist receptive. Ross elaborates: "we are able to provide clients with scenic routing, special hotels and cities, and activities that one might skip if you didn't know the area better. It's easy to pick the shortest route if a route is map-requested, but companies that know the area will make sure you see everything you need to see. It's hard to do a full three-week tour in a place you have never been and choose the right options. That's why we are here, to make sure the clients do."

You don't have to work with a receptive and this relationship may not work for your particular product. But it is to your benefit to explore whether or not it would make sense for your particular business. Some receptives specialize in fly/drives or groups, or in ranches or upscale lodging, others in particular markets, like Japan or Italy. You do not have to work with many receptives; you may choose just one or two that are right for you. Some tour operators will only work through receptives in our region so ask a tour operator who you want to work with which receptive they use.

If you choose to work with one you must give them your LOWEST RATE. At first you may think this is unreasonable, that you are giving away too much. Realize this is necessary because of the chain of bookings. Each party along the way must make some money or there is no incentive to promote and book. The receptive does not keep all the percentage discount that you give them. They keep only a small part of it. The tour operator and travel agent also get a share. In the end the guest will end up paying about what they would have paid had they booked it direct.

You will need to provide your rates early – the receptive needs to get these into their tariff and to the tour operators before they publish their information, all of which is done well in advance. For example, at Roundup 2012 they are looking for rates that cover 2013-2014. Also provide information on what your tax rate is because these are quoted together.

If you work with a receptive you must also be aware of international laws and their requirements. You cannot advertise certain services, like breakfast or free airport shuttles, and then not have them available once the guest arrives. If the hotel is undergoing renovations, or its pool or gym is closed, you must give adequate notice of these changes. Events in recent years, like the Icelandic volcano ash cloud or disturbances in North Africa, emphasize the importance of booking through a tour operator or travel agent. Travelers who booked online

were not protected and received no assistance when they were stranded because of the ash cloud. By law, tour operators had to assist clients who booked with them. Events like these remind travelers to book with a reputable agency. It is another reason why you may want to associate with a receptive and not rely entirely on online business in the international market. Despite the growing worldwide trend to book directly online, there are still a great number of travelers who book only through agencies.

There will be a briefing session for suppliers at RMI's Roundup in Buffalo where we talk about working with receptives and where you can ask questions of our two official receptives. You can also meet with them during the marketplace to discuss your particular needs.

Working with a receptive doesn't mean you can't also do individual direct bookings. It doesn't mean you can't work with several receptives. It does make your product more readily available to more outlets to purchase. In the long run if your product is available through more channels, you should get more bookings. Isn't that what everyone wants?