

GLOSSARY OF TERMS

Advertising – Any paid form of promotion of destinations, products or services.

Advertising agency – A specialized company that provides advertising services to destinations and businesses.

American Bus Association (ABA) – A trade association representing motorcoach and tour companies, travel and tourism organizations, and suppliers of bus products and services who work in partnership with the North American motorcoach industry.

Brand – A promise of what you are going to deliver.

Channels of distribution – How travel is sold. Products or services can be sold directly to the consumer (direct distribution) or through the travel trade (indirect distribution).

Collateral – A marketing strategy that involves the use of various printed and online materials that communicate a brand, market position, product/service features, benefits to the customer, and for businesses – pricing.

Commission – A fee paid to an agent for transaction a piece of business or service. In the travel business, commissions are paid to travel agents, and tour operators or wholesalers as compensation for marketing and selling products or services to their markets.

Competition – When entities go after the same markets or customers they are in competition with one another.

Contingency planning – Part of the overall marketing plan that provides flexibility with plans and budgets to take advantage of unexpected opportunities.

Cooperative marketing/promotion – Two or more organizations share the cost of the promotional program, such as advertising, sales promotion, or public relations).

Cost per inquiry – A calculation of the cost of a promotional activity (e.g. an advertisement) divided by the number of inquiries received. For example, if an ad cost \$100 and 100 people responded to the ad, then the cost per inquiry was \$1.

Cost per thousand (CPM) – The cost of an advertisement per thousand readers, viewers, or listeners that are reached.

Cost per conversion – A calculation of the cost of a promotional activity divided by the number of bookings received. For example, if an ad cost \$100 and 4 people booked a trip based on that ad, then the cost per conversion was \$25.

Demographics – A way to segment the market based on age, household income, and other population statistics.

Destination – The place to which one journeys.

Direct mail – An advertising vehicle involving the mailing of promotional materials directly to consumers or to the travel trade.

Direct marketing – A broad term that includes all forms of marketing directly to the consumer and travel trade and includes direct mail, telemarketing, and e-marketing.

DMC (Destination Management Company) - A DMC is a professional management company specializing in the design and delivery of events, activities, tours, staffing and transportation, possessing and utilizing extensive local knowledge, expertise and resources.

DMO (Destination Marketing Organization) – An organization whose primary function is to attract visitors to its locale for the purpose of enhancing the local economy through purchase of room nights, food and beverage, retail items, transportation, visitor services, etc. In Oregon, local DMO's work with their Regional Destination Marketing Organization to cooperatively leverage budgets, advertising, services, and information for the benefit of all tourism entities in the region.

E- marketing (see Interactive Marketing)

Familiarization (“FAM”) trips – Free or reduced-priced trips given to travel agencies, tour wholesalers and operators, travel writers, and others by destination marketing organizations and travel suppliers.

FHWA (Federal Highway Administration) – A federal government agency that oversees the National Scenic Byways Program.

FIT (Fully independent tour) – Custom designed travel itineraries designed by travel agents or tour operators for travelers who prefer to have a fully planned vacation but do not want to be part of a group tour.

Focus group – A small group of people gathered to participate in a discussion about a specific topic, moderated by a research professional.

Fulfillment – The process of delivering a product, such as a brochure, to a customer.

Geotourism – Tourism that sustains or enhances the geographical character of a place-its environment, heritage, aesthetics, culture, and the well-being of its residents. (National Geographic)

Grants – In Oregon, tourism grants are awards offered to cities, counties, federally recognized Tribes and non-profit entities involved with tourism promotion and development through the Matching Grants Program. Applicants must equally match the amount of the awarded grant in either cash or in-kind services or materials.

Interactive marketing (e-marketing) – Interactive marketing engages the consumer in a conversation and allows them to connect with destinations, products and services in an active and timely manner. Interactive marketing includes websites, RSS feeds, social media, e-newsletters, blogs, e-blasts, etc.

Lead prospecting – A technique used to find potential sales prospects.

Lifestyle segmentation – A market segmentation approach that divides the market by lifestyle categories, such as types of media used, vacations taken, electronics owned, or hobbies and activities enjoyed.

Market analysis (market research) – The study of the demand of a potential market for a product or service.

Market share – The percentage relationship of an organization’s sales (or number of visitors) to total industry sales.

Marketing – The process or technique of promoting, selling, and distributing a product or service. To be most effective, marketing requires the efforts of everyone in an organization and can be made more or less effective by the actions of complementary organizations.

Marketing mix – The activities selected to communicate an organization or business’s brand, market position, product/service features and benefits to the customer.

Marketing objective – A goal focused on a target market that an organization or business attempts to achieve. Objectives are results-oriented, target market specific, quantitative/measurable, and time specific.

Marketing plan – A written plan, usually covering a year, which describes how an organization will use the marketing mix to achieve it’s marketing objectives.

Marketing strategy and actions (or tactics) – Marketing strategy is a course of action selected from the marketing mix to communicate to various target markets. Marketing strategies include pricing structures and how a product or service is distributed or sold.

Media – A means of communication that reaches a wide variety of people, such as newspaper, radio, television, magazine, and Internet.

Mission – A broad, general statement about an organization’s business and scope, services or products, markets served and overall philosophy.

National Scenic Byway – A program that is part of the U.S. Department of Transportation, Federal Highway Administration that helps to recognize, preserve and enhance selected roads throughout the U.S. through grass-roots collaboration. See www.byways.org.

National Tour Association (NTA) – A trade association of tourism professionals involved in the development and growth of the packaged travel industry. See www.ntaonline.com.

Niche markets – A portion of the overall market that has a specific focus, such as Culinary Tourism or Bicycle Tourism.

Oregon Q Care (customer service training) – Travel Oregon’s customer service training program.

Oregon Tourism Commission – Travel Oregon

Override – An additional commission received by a travel agent or tour operator when they reach a prescribed number of bookings.

Packaging – The combination of related and complementary travel and hospitality services into a single-price offering.

Partnership – Cooperative promotions/marketing efforts and other cooperative offerings made by travel and hospitality organizations.

Perishability – Something that cannot be regained if not sold, such as an unsold hotel room or seat on a tour is perishable – meaning it is lost.

Place – In marketing terms “place” refers to the distribution channels for selling a product or service.

Positioning – How you describe what you are selling.

Press/News conference – Prearranged meetings where prepared presentations are made to invited media people.

Press (Media) kits – A pre-packaged selection of promotional materials, such as press releases, articles, photographs, brochures and CD/DVDs, that is made available and distributed to the press.

Press/News releases – Short articles about organizations that try to attract media attention, leading to media coverage or the material contained within the releases.

Primary research – Data collected for the first time by various methods, such as surveys, focus groups, or personal interviews.

Print media – Newspapers, magazines, direct mail, outdoor advertising and other printed materials in which advertising can be placed.

Product/service mix – The assortment of services, facilities and products that an organization provides to customers.

Programming – The development of special activities, events, or programs to increase customer spending or give added appeal to a package or other hospitality or travel service.

Promotion – All the techniques that hospitality and travel organizations use to promote their services.

Psychographic segmentation – A market segmentation approach based on psychological profiles of customers and psychologically based measures of distinctive modes of living or lifestyles. (See Lifestyle segmentation)

Public relations – Activities designed to generate and maintain awareness of a destination, product or service among target markets and other organizations through nonpaid communication or information about what is offered.

RCMP (Regional Cooperative Marketing Program) – Travel Oregon program that appropriates a portion of the statewide lodging tax to a regional cooperative marketing program. There are seven regions in Oregon and each receives a portion of this money to plan and implement cooperative marketing activities.

RDMO (Regional Destination Marketing Organization) – Oregon is divided into seven tourism regions. Each region has identified one Destination Marketing Organization (DMO) to act as its Regional Destination Marketing Organization. The RDMO partners with Travel Oregon for the purpose of attracting visitors to their specific region and implementing the RCMP (see above).

Reach & Frequency – Reach refers to the number of households exposed to a given advertisement, while frequency refers to the number of times they are exposed.

Receptive Tour Operator – A local tour operator that manages products and services for incoming visitors, often for tour operator groups or overseas tour groups.

Response rate – The percentage of all people surveyed who supply answers to the researcher's questions.

Sales mission – A visit by an organization or a group of organization's to a target market area, such as another country, to promote their destination or business.

Secondary research – Published information about markets that is available from existing sources.

Social media – An overall term that refers to Internet-based tools for sharing and discussing information among human beings. (Wikipedia)

Survey research – A form of primary research that includes telephone, Internet, mail, and personal interview surveys.

Tactical/action planning – The specific actions or activities included an organization's marketing plan, with specific information on timelines, budgets, and responsibilities.

Target market/audience – A market segment that is selected by an organization for marketing attention.

TOT (Transient Occupancy Tax) – A 1% statewide tax on lodging that funds Travel Oregon and its promotional activities.

Tour operator – A company or individual that operates packages or tours that are included in packages.

Tour wholesaler – A company or individual who plans, prepares, markets, and administers travel packages, usually combining the services of several suppliers.

Trade show – Events where all parts of an industry are brought together to share information.

Travel agent – A person or business or who sells and reserves the services of suppliers to individual and group customers and receives commissions for these efforts.

Travel Trade – Travel agents, tour wholesalers and operators, corporate travel managers, incentive travel planners, and convention/meeting planners.

United States Tour Operators Association (USTOA) – A professional association representing the tour operator industry, composed of tour companies who conduct business in the U.S.

VFR – An overnight visitor whose purpose is to visit friends and relatives.

Sources for Definitions: Great Destination Strategies, LLC, Travel Oregon, Miriam-Webster Dictionary, Hospitality and Travel Marketing by Alistair Morrison, Association of Destination Management Executives, Wikipedia, U.S. Tour Operators Association, National Tour Association, American Bus Association.