

# LODGING INDUSTRY GLOSSARY

## A RESOURCE FOR TOUR OPERATOR, GUIDE & OUTFITTER BUSINESSES

**Allotment:** The number of hotel rooms available for sale by an agent or supplier.

**Best Available Rate (BAR):** The lowest non-restricted rate bookable by all guests. This rate can change several times a week or day. Also called Best Flexible Rate (BFR).

**Group Rates:** Negotiated rates (usually discounted against standard rates) for group travel based on an agreed upon minimum number of rooms booked.

**Net Rate:** A wholesale rate to allow a third-party markup.

**Complimentary Room (Comp):** A guest room for which no charge is made. Complimentary rooms are usually given when a group blocks a number of rooms.

**Package:**

1. Pre-arranged combination of elements such as air, hotel, sightseeing, and social events put together and sold at an all-inclusive package price.
2. To package, meaning to combine elements as above into an all-inclusive package product.

**Partnering:** A partnership to cooperate in producing a travel package such as a hotel that partners with an attraction or rental car; also known as a co-op.

**Length of Stay (LOS):** The duration of a guest's visit (e.g., three nights).

**Minimum Length of Stay (MLOS):** The shortest bookable duration of a visit.

**Pax:** Number of people/passengers (e.g., "six pax" would indicate six people/passengers).

**PP:** Per person.

**PPPN:** Per person, per night.

**Rack Rate:** The standard or default rate for a room, before any discounts (e.g., advance purchase discounts) are applied.

**Room Block:** A group of rooms reserved in advance; typically for group tour or corporate purposes.

**Releasing Rooms:** To release blocked rooms, normally on an agreed upon date prior to check-in.

**Incidentals:** Additional hotel charges such as room service. *It's always important to confirm guests are responsible for incidentals before they check-in to the hotel.*

**Courtesy Room Blocks:** A room block that does not require a deposit or formal agreement. This is most common for a block of less than 30 rooms.

**Deposits:** A deposit guarantees a reservation. *Negotiate to ensure the deposit is at least partially refundable.*

**No-Walk Penalty Clause:** Clause that ensures a reservation or room block is protected, even if another party wishes to reserve rooms.

**Ownership Change Clause:** Clause that grants the option to back out of a reservation or room block if hotel ownership changes after the agreement was made.

**Hotel Maintenance Clause:** Clause that states the hotel must be in the same or better condition at check-in as it was upon making reservation.

**Allowable Shrinkage Clause:** Clause that states the number of rooms that may be un-booked without penalties. Allowable shrinkage is best under 20%.

**Attrition Rate or Minimum Commitment:** The percentage or number of rooms that must be filled to avoid a penalty fee. *The target attrition rate is 80%-90%.*

**Cut-Off Date:** The date that rooms in a block, that are not yet reserved, will be released. *A typical cut-off date is 30-days prior to check-in.*

**Hotel Classification:** *There is no official classification or accepted rating system for U.S. hotels, but the following definitions are generally understood:*

- **Budget or Tourist:** Budget hotels/motels are reasonably priced accommodations. In general, they provide a room with a bed and bath, TV set, and telephone, as well as free parking. They usually do not have room service or a restaurant.
- **Moderate:** Accounts for nearly 75% of available U.S. hotel rooms. Offer on-site restaurants, bars, and perhaps a conference room, as well as other basic services.
- **Deluxe:** A top-grade hotel with all rooms usually having a private bath. The public rooms and services are provided, and a high standard of décor and services are maintained.
- **First-Class or Luxury:** Many first-class/luxury hotels in the U.S. exist in large cities, offering a number of special services to the business/leisure travelers. They offer amenities like first-rate restaurants, banquet and conference rooms, valet service, room service, cable TV and complimentary morning news.