Planning for Inbound Success

VOLUME 2
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Introduction

The Tourism Forecasting Committee (TFC) predicts that international arrivals will increase at an average rate of 4.8 per cent per annum, delivering Australia 8.9 million international visitors by 2016.¹

The growth in international visitor arrivals to Australia is attracting new companies into inbound tourism and providing opportunities for new products and regions to be experienced by the international traveller.

There are many benefits in marketing your product to the inbound tourism sector as international travellers generally spend more, stay for longer periods and book further ahead than domestic travellers. Developing your inbound business provides you with an opportunity to work in different markets, which will complement your existing domestic business.

However, there are a range of challenges which you should consider before planning your approach. Successful inbound marketing requires a lot of hard work and establishing your business in the international market must be seen as a long term commitment. You may have to wait several years before you earn a return on your investment, as you establish credibility and reliability with your business partners.

It is essential you establish and maintain good business relationships and develop an excellent understanding of the international traveller and the language, cultural and culinary requirements of the countries you are targeting.

Understanding the international traveller and their needs, motivations and different travel styles, will enable you to see where your product fits internationally and to select the right markets for your product.

To be successful in inbound tourism, it is important to understand the roles of the key players in the international travel distribution system, both traditional and online. You will need to identify and research your partners in the markets you wish to work in and ensure your product price structure can support the commission levels required by these partners.

International marketing costs are usually higher, so your marketing strategies should be well-planned and incorporate a variety of activities that target both the international traveller and the travel trade.

The aim of this guide is to assist you to overcome these challenges. The guide will:

- Describe inbound tourism and export ready product;
- Explain the motivation, cultural differences and travel styles of the inbound traveller;
- Clarify the travel distribution system;
- Provide tools to market and distribute your product internationally; and
- Identify key contacts and resources.

‘Planning for Inbound Success’ will give you the understanding, basic tools and key contacts you need to enter inbound tourism. This information, combined with advice and assistance from tourism associations, industry bodies and tourism operators should put you on the path to success!

¹ Tourism Forecasting Committee Forecast 2007 Issue 2
The Great Australian Outback Cattle Drive, SA
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As with any business decision, before you begin to market to inbound travellers, it is important to do some research and planning. You will need to:

- Understand the travel distribution system and its rate structure;
- Research international markets to establish who will use your products;
- Recognise the different travel styles of inbound travellers;
- Develop a marketing plan to target international visitors through a range of mediums and distribution channels; and
- Seek advice from your local, regional and state tourism office.

**THE INBOUND TOURISM CHECKLIST**

If you can answer ‘yes’ to the following questions, then you are on your way to succeeding in the inbound tourism market. If you answered ‘no’, then read on – you will find advice and assistance to get you on your way!

- Is your product established in the domestic market?
- Have you researched international markets that are suitable for your product?
- After researching the markets you wish to work in, have you made refinements or enhancements to your product to better meet the needs of travellers from these markets?
- Have you sought the opinion and advice of people familiar with these markets?
- Have you researched what your competition is offering these markets?
- Do you understand the travel distribution system and the role and function of all key partners?
- Are your rates structured to work with the distribution system, allowing for up to 30 per cent commission?
- Can you guarantee prices for 12 – 18 months in advance?
- Have you developed a marketing plan and budget to target your chosen markets?
- Do you have a distribution strategy which works through a range of mediums, both traditional and online to target consumers?
- Have you developed a range of promotional material in English and other languages for your clients, both consumers and travel trade?
- Have you researched opportunities to package your product with other complementary product in your region? and
- Have you explored cooperative marketing opportunities with local, regional, state and national tourism offices?
WHAT IS INBOUND TOURISM?

Inbound tourism covers all international tourist traffic entering a country. It is also known as ‘export tourism’ (Australia is the export), because although tourists enjoy their travel experience within Australia, they are paying for it using foreign currency.

Inbound tourism is big business in Australia. There were 5.7 million visitor arrivals during the year ended 29 February 2008. These visitors spent approximately $23.3 billion on Australian goods and services. This was an increase of around 6.2 per cent compared to the previous 12 month period.

The Tourism Forecasting Committee (TFC) predicts that international visitor arrivals will reach 8.9 million by 2016 with the flow on benefits to the Australian economy in export earnings expected to reach $35 billion.

INBOUND VS DOMESTIC – WHAT’S THE DIFFERENCE?

Domestic tourism accounts for 75 per cent of all tourism in Australia. For the year ended December 2007, the economic value of domestic tourism was $58 billion, up by 7 per cent compared to the previous year. International visitors made up the remaining 25 per cent, spending $22.6 billion in the same year.

International tourists usually travel for longer and spend more money than domestic travellers, averaging $2,960 per trip compared to $590 per trip for domestic travellers.

Although inbound markets are expected to increase, domestic tourism will continue to dominate Australia’s tourism industry.

The vast majority of Australian operators concentrate on marketing their product domestically and then market to international travellers once they have secured a foothold at home.

While marketing your product to international travellers has many benefits, there are a number of differences between domestic and international tourism markets including:

- Overseas consumers, particularly long haul travellers, may have limited knowledge of Australia;
- Marketing costs are higher overseas;
- International markets vary considerably from country to country both in terms of travellers’ needs and the structure of the travel distribution system;
- International itineraries are generally more complex than domestic itineraries;
- Selling travel products to the international travel trade usually requires a commitment to their pricing and commission structures over a long period of time;
- Language and cultural differences create additional challenges for both marketing and product delivery; and
- Entering and establishing your business in the international market is a long term investment and it may take several years to recoup costs.

It is important to understand that overseas markets are very competitive, often more so than the domestic market. Not only are you competing against companies that provide similar products, you are also competing against other international destinations. Therefore, it is recommended that you take a different approach to international marketing, using different distribution channels and promotional mediums.

Limited consumer knowledge of Australia may require new promotional messages for your product that highlight the unique benefits of the destination and distinguish it from...
the rest of the world. In the international arena, selling your region and educating travellers about your destination and its attributes is often the first step in selling your product.

**WHY EXPORT TOURISM?**

Australia is one of the most desirable tourism destinations in the world and is number one on the list of ‘dream destinations’ for many international travellers. Export tourism allows tourism operators to diversify their markets and access new areas of business that may balance out regular domestic business patterns.

There are many benefits to export tourism including:

- International travel patterns are not focused around weekends and may level out seasonality problems;
- Spreading risk across a range of international markets can minimise the impact of any changes in the domestic or a single international travel market;
- The international travel market is growing and consumers from many overseas countries have expressed a high desire and intent to visit Australia;
- Tapping into inbound distribution networks opens up new forms of distribution and gives millions of potential travellers around the world easy access to your product;
- International travellers provide a higher yield and spend, on average, three times more than domestic travellers on each trip;
- Booking lead times are generally longer, allowing better business planning; and
- The opportunity to meet people from a range of cultures and backgrounds and be an ambassador for your country can be extremely rewarding.

Successful inbound marketing generally requires a large investment of both time and money and is based on establishing and maintaining good business relationships over an extended period of time. You may have to wait several years before you earn a return on your investment. It is a long term commitment!

**IS YOUR PRODUCT ‘EXPORT READY’?**

Not all tourism products are suitable for marketing overseas. Some products may need to be refined before being marketed to inbound consumers, or may only suit specific markets or niche consumer segments. Other products may be more attractive to inbound markets as part of a package.

Before investing your time and money in the international market ask yourself the following questions:

- **Is your business established in the domestic market?**
  Very few businesses enter the inbound market without first establishing themselves in the domestic market.

- **Do you have booking mechanisms in place for international markets?**
  Are you able to offer same day booking confirmation via email or the internet within 3 to 4 hours? Phone and fax are less commonly used to make international reservations.

- **Do you understand the traditional international distribution system?**
  Are you familiar with the role of an Inbound Tour Operator (ITO), International Wholesaler and Retail Travel Agent?

- **Are you familiar with commission levels and pricing structures?**
  You should allow up to 30 per cent commission for distribution through Inbound Tour Operators (ITOs) and 20 per cent commission for wholesalers.

- **Do you understand online distribution channels?**
  You should be aware of how you can distribute your product online and how this impacts on your pricing decisions and rate integrity with traditional distribution partners.

- **Do you understand where consumers can source information about your product?**
  Are you aware of User Generated Content (UGC) travel websites and how these can influence consumers on which products they choose?

- **Do you understand the concept of pricing?**
  Be prepared to set rates and guarantee them up to 18 months in advance to coincide with the travel industry calendar in each target market, which generally runs from 1 April – 31 March.

- **Have you thoroughly researched the international markets to establish where your product fits?**
  Tourism Australia’s market information fact sheets provide specific information on international markets, visitor travel patterns, consumer preferences and travel distribution in your selected source markets www.tourism.australia.com/markets.asp.

- **Do you clearly understand the needs of international markets compared to domestic markets?**
  It is important to consider the travel styles, motivations and expectations of international travellers, as well as their language and cultural differences.

- **Do you have an active quality assurance program to maintain your product to a high standard?**
  International travellers expect consistent levels of service, quality products and reliable operating schedules. In many cases, you and your travel trade partners will need to adhere to stringent consumer protection laws.

- **Are you prepared to work cooperatively with Tourism Australia, your State or Territory Tourism Organisation (STO), your Regional Tourist Association/ Organisation (RTA/ RTO), and your Local Tourism Association (LTA)?**
  These organisations can advise you about their international marketing efforts and offer a range of cooperative advertising and promotional opportunities.
The Inbound Traveller

Australia is one of the most desirable tourism destinations in the world. With its unique combination of natural wonders, vibrant culture, wide open spaces and friendly people, Australia is number one on the list of ‘dream destinations’ in many key markets. But where do international visitors come from, why do they come and what do they do when they get here?

The major source markets for Australia include New Zealand, United Kingdom, Japan, United States of America, Germany, Korea and Singapore. China is also becoming a key source market. Where a traveller comes from will influence a number of factors including:

- The length of visit;
- How much they spend, what they eat and what they buy;
- What they do and the attractions they visit;
- What destinations within Australia they visit; and
- The type of accommodation, touring, activities and attractions they prefer.

What Motivates The Inbound Traveller?

Travel choices and travel needs are influenced by many factors, including age, cultural background, previous travel experience and available holiday time. The primary motivation for planning a holiday will also affect a tourist’s choice of destination. For example, an Asian honeymoon couple will have very different requirements from a German backpacker or an American family.

Experiences are increasingly important to international travellers, and what compels and motivates people to travel varies from market to market. When planning a trip, travellers will generally select a destination that can provide the experiences that they are looking for. These experiences are underpinned by specific tourism products. While the product itself is an important part of the overall tourism experience, it is generally not the primary reason for visiting a destination. As such, when targeting international visitors it is imperative to work cooperatively to promote your destination or region as a total package or experience.

Research international markets to determine which sectors will match your product. Don’t make the mistake of trying to appeal to all markets and all people as you may end up satisfying no one.

GLOBAL EXPERIENCE SEEKER

Tourism Australia has identified common segments across different cultures that would be receptive to the Australian experience and called them the Global Experience Seeker. This target market is valid in all markets.

Using psychographic research, studies find how travellers think and feel to determine the personal factors that influence them to travel.

Global Experience Seekers are long haul travellers who are less affected by the traditional barriers to travel of distance, time and cost. They are more informed, interested and curious about potential travel destinations. They constitute around 30 to 50 per cent of all potential long haul outbound travellers from key source markets.

Global Experience Seekers can be found among all age groups, income levels and geographic locations. Research has shown that the Global Experience Seeker has a number of key “wants” to satisfy their travel experience. These include:

- Authentic personal experiences;
- Social interactions;
- Meeting and interacting with the locals;
- Experiencing something different from their normal day-to-day life;
- Understanding and learning about different lifestyles and cultures;
- Participating in the lifestyle and experiencing it, rather than observing it;
- Challenging themselves – physically, emotionally and/or mentally;
- Visiting authentic destinations that are not necessarily part of the tourist route; and
- Exposure to unique and compelling experiences.
Typically Global Experience Seekers are more likely to be:

- Experienced international travellers;
- Opinion leaders;
- Open minded; and
- Selective in their media consumption.

Other features of Global Experience Seekers are:

- Travel is an important part of their lifestyle;
- They stay longer and spend more;
- They travel beyond the major cities;
- They are less materialistic;
- They have a higher than average household income; and
- They are well educated and informed on a range of subjects.

**NEW ZEALAND EXPERIENCE SEEKER**

New Zealand is Australia’s largest international source market, accounting for 20 per cent of all international visitors to Australia and a major focus for tourism marketing activity.

The New Zealand Experience Seeker is different from the Global Experience Seeker. They have a preference for Australia as a travel destination and typically they:

- Spend money to experience life’s offerings — three times more on average than for all New Zealand travellers;
- Look for variety in the experiences they seek;
- Have a high net worth;
- Will spend more;
- Are well educated; and
- Are prolific internet users.

For further information on Tourism Australia’s target market, the Experience Seeker go to www.tourism.australia.com/research.

**AUSTRALIA’S KEY EXPERIENCES**

The Experience Seeker is looking for unique, involving and personal experiences from their holidays. Tourism Australia’s aim is to move Australia to the top of the list for the Experience Seeker by promoting Australia’s key experiences. These key experiences have been identified as taking into account the Experience Seekers’ motivations and needs.

Australia’s key experiences are:

1. **Aboriginal Australia** — learning about traditional Aboriginal practices as well as contemporary interpretations
2. **Nature in Australia** — access and learn about distinctive plants and intriguing wildlife that cannot be found anywhere else in the world
3. **Outback Australia** — enjoy the vast open spaces and meet the people that make this uniquely Australian landscape what it is
4. **Aussie Coastal Lifestyle** — offers one of the most diverse, least-crowded and unspoilt coastal experiences in the world
5. **Food and Wine** — enjoy Australia’s fabulous food and wine served by friendly Aussies in great locations
6. **Australian Major Cities** — enjoy Australia’s way of life and culture
7. **Australian Journeys** — discover the diversity, the wonders, the towns, the people and their unique way of life.

To assist you in ensuring your product fits the profile of the Experience Seeker, Tourism Australia has developed the Australian Experiences Industry Toolkit:


The toolkit contains a number of fact sheets, tips, tools and techniques designed to provide guidelines to help your product to deliver successful, compelling and memorable experiences.
LONG HAUL AND SHORT HAUL TRAVELLERS

Tourist perceptions are influenced by their knowledge of the destination, the distance they need to travel to the destination, their available holiday time and whether it is a first or repeat visit.

Perceptions and expectations of Australia are influenced by many factors, including advertising and media coverage of Australian exports such as fashion, food and wine.

Markets such as New Zealand, South East Asia and the United Kingdom receive high levels of exposure to Australia in the mainstream and news media channels across a wide spectrum of topics. Other markets such as Continental Europe and the United States of America see very little day-to-day coverage of Australia in these media channels.

In short haul markets, Australia is a highly achievable destination. Short haul visitors often travel to Australia more than once and purchase shorter, more frequent trips. With familiarity comes the confidence to plan their own trip, travel to destinations beyond the gateways or travel in a less structured, more independent style.

In long haul travel markets, Australia is seen as a destination that requires a large commitment of both time and money. There is much greater pressure on first time visitors to see as much as possible or to see the key ‘icons’. In many instances, long haul travellers believe Australia is the ‘trip of a lifetime’ and see it as a single visit destination.

The majority of long haul travellers visiting Australia for the first time feel they must see Sydney, Uluru (Ayers Rock) and the Great Barrier Reef during their short stay. Destinations beyond the major gateways or icons are often saved for a second trip.

HOW DO CULTURAL BACKGROUNDS INFLUENCE TRAVEL CHOICES?

Cultural background greatly influences Australia’s appeal in different international markets, as well as a tourist’s requirements during their stay in Australia.

The way in which an international traveller experiences Australia’s key natural and cultural attractions may differ markedly between countries. International travellers often visit the same attractions but they may each take something completely different out of the experience. For example, an Asian visitor may visit the Sydney Opera House to see the building and have their picture taken but an American visitor may want to experience a performance. You may need to vary your product presentation in each market to appeal to different consumers.

Cultural background also drives the types of tours, activities, food and accommodation requested by international travellers during their stay in Australia.

A German tourist may want to hire a campervan and visit remote, unpopulated locations. An American couple may request a twin room with two double beds. A Chinese group may express a desire for certain foods during a tour.

Tourism Australia’s Market Fact Sheets www.tourism.australia.com/markets.asp provide specific details on key consumer segments in every international market in which Tourism Australia operates. The International Visitors Survey (IVS) identifies the top locations visited by international tourists and the types of activities they prefer during their stay. This information can be found under Research and Statistics for each market.

WHAT ARE THE DIFFERENT STYLES OF TRAVEL?

Tourists can choose from a range of different travel styles based on whether their trip is for leisure, business, a special interest or family reasons.

A tourist’s travel style will influence their choice of tours and activities, style of accommodation, transport and the location of their product purchases. These choices will be influenced by the tourist’s age, budget, cultural background and previous travel experience. The maturity of the outbound travel market from the tourist’s home country will also influence their preferred style of travel.
The following section outlines several loosely defined travel styles. As with everything in the tourism industry, travel styles are constantly evolving and definitions vary from market to market.

**Group Inclusive Tour or Travellers (GIT)**

Group or package travellers pre-purchase the bulk of their holiday from a wholesaler brochure through their travel agent, or through specialist operators who may deal directly with consumers, before leaving home.

Agents, wholesalers or ITOs plan structured itineraries for package travellers and their tour arrangements are highly organised. Generally, all accommodation, transfers, tours and many meals are pre-booked. Arrangements are made using the preferred product of the agent or wholesaler concerned or the ITO who they deal with.

Group travel is common in less mature Asian markets such as China, or with particular consumer segments in Western Hemisphere markets, such as the over 50’s coach tour market or educational groups.

**Fully Independent Travellers (FIT)**

Fully Independent Travellers or Free Independent Travellers (FIT) tend to be more experienced and like the freedom of planning their own arrangements. They often arrange core holiday components such as flights and some initial ground arrangements with a travel agent but organise the bulk of their itinerary independently often after their arrival. Some products, such as key experiences or events, are often pre-purchased.

The ‘pre-packaged modules’ offered by travel wholesalers suit the FIT style as it allows them to make some arrangements in advance and be independent in other sections of the trip.

FIT travellers rely heavily on word of mouth, the internet and guidebooks when planning their holiday arrangements, and often refer to tourist brochures found in hotel foyers or follow recommendations from a hotel concierge. A good example of the FIT style is the self drive segment where arrangements are organised on a day-by-day basis, depending on the whim of the driver.

**Partially Packaged Travellers**

A growing trend, particularly in Asia, is the ‘partially-packaged segment’. These include a ‘skeleton package’ of airfares, airport transfers and accommodation, and are pre-booked as a package prior to the visitor’s arrival.

Partially-packaged segments enable very competitive rates to be advertised in-market to the price conscious consumer. The consumer may be offered optional extras such as car hire, tours and additional accommodation at the point of sale. These extras are often themed to appeal to different consumer segments including families, couples, self drive and adventure.

Consumers in more mature Asian markets such as Singapore and Malaysia – including those that have already visited Australia – also show a growing trend towards purchasing air and accommodation packages prior to their arrival and making other purchase decisions on arrival in Australia.

**Visiting Friends and Relatives (VFR)**

Approximately 20 per cent of visitors to Australia cite friends and relatives as the primary reason for travel. While these visitors may spend a lot of time with relatives and friends, they are a lucrative market and often travel beyond the family base to other destinations. Travel arrangements are usually made independently relying on the recommendations and advice of their Australian-based friends and relatives when planning their trip.

**Backpackers**

The ultimate FIT traveller is the backpacker, who is defined for statistical purposes as a traveller who spends at least one night in a backpacker hotel or youth hostel during their stay in Australia. This segment traditionally covers 18 to 25 year olds but there is an increasing trend for people aged 30 and beyond to travel in this way.
This segment prefers a highly independent and unstructured approach towards travel. They are more likely to travel off the beaten path and purchase adventurous or different experiences. Word of mouth recommendations are highly important and they rely heavily on the internet, guidebooks, the backpacker "grapevine" and locally sourced tourist information.

**Education Travellers**

Australia’s high quality institutions and colleges are recognised around the world. With thousands of international students studying in Australian schools, colleges and universities, educational tourism is a growing sector in the Australian tourism industry. The sector covers everything from short course participants studying a special interest or language to long term university students and those participating in school excursions and exchanges.

While study is the main purpose of visit for education travellers, there may also be a tourism component to the trip. School excursions often incorporate education tours into their itinerary and long stay students often have additional time to travel throughout the country. In addition to the students, there are also their families who may visit throughout the course of study. One long term student often generates a number of additional visitors to Australia annually as parents, family and friends come to visit.

Student groups and school exchanges often require specialised arrangements. They can have specific requirements for accommodation and other operators in the segment. These requirements may change depending on the age of the children in the groups, and could be anything from no mini-bars and IDD telephone access in the rooms, to assigning an exclusive floor in a hotel for security.

Special interest study tours often require specialised arrangements, with guides who have detailed knowledge of a particular subject matter. This may include ‘behind the scenes’ touring, expert lectures, or visits to obscure locations.

**Business Travellers**

The business traveller may be a delegate of a large conference, an individual on a business trip or a delegate participating in an incentive tour.

Conferences are generally regarded as one of the highest yielding inbound tourism segments because of the high per delegate spend. The typical convention engages a vast range of venues, services and facilities. Delegates and their spouses often choose from a detailed travel program of pre and post conference touring organised by a professional conference organiser or meeting planner.

The incentive travel market is a specialised business segment which rewards performance with travel experiences. In contrast to other forms of business travel, leisure is the main focus of incentive travel. Typically the participants are members of a company and will travel together, or as a series of group movements over a period of time if the group is especially large. They are generally shorter trips, however the per head spend is often very high due to the specialised, reward based style of travel.

**Special Interest Travellers**

Increasingly, people travel for reasons associated with their personal interests including lifestyle, hobbies, culture and charities. Technical tours of agriculture and manufacturing businesses are becoming increasingly popular in markets such as China and Latin America.

Special interest travel is often booked through agents or operators who possess a high level of expertise and can access specialised tours and guides with detailed knowledge about a specific subject. Several companies in Australia specialise in these types of itineraries. While volume for particular special interest categories may be low, the yield is often very high if the agent can meet the high expectations of this segment.

Special interest and technical groups often require specialised tours and guides, expert lectures and visits to locations and facilities that are not part of the traditional tourism infrastructure.
THE CONSUMER

The importance of the consumer and their capability to tell the world of their travel experiences is an important new trend that tourism product suppliers need to be aware of.

During the year ending December 2007, 62 per cent of international visitors used the internet for information before coming to Australia, up from 58 per cent in 2006. Of those visitors who did use the internet to gather information prior to their trip, the most common reason was to find out more about Australia after deciding to visit.

Consumers are taking control of how they receive information and are obtaining ideas and inspiration from many sources. Travellers are now offered credible knowledge and engaging tools to help them create the perfect trip, with the content relevant to the traveller’s requirements. Due to the internet and the new web platforms and blogs, consumers are becoming more aware and informed in their decision making process for travel product choices.

Through user empowerment, improved search capability and Really Simple Syndication (RSS) facilitating the movement of content, the internet has caused a disruption to how consumers traditionally receive information about travel.

Consumer’s expectations are also changing. They have been exposed to more of the world either physically (through travel) or virtually (through travel documentaries and the internet) and have become more perceptive with a better understanding of value for money.

Consumers are also talking to each other via the internet which enables them to reach a large audience quickly. Word of mouth is a trusted source of information for travellers. Using the internet or other technology, consumers can produce information which can be more powerful than your own marketing in encouraging potential customers to purchase your product. Review websites, travel blogs, photo sharing and video sharing websites are making it much easier for customers to communicate to a large audience and share what they thought of their travel experience.

This means the relevance of official travel sites are declining due to the increase in community forums and user generated content (UGC) sites for travellers that are often considered more credible.

WAYS CONSUMERS ARE USING THE WEB

The following websites are popular with travellers:

**Travel sites**
- realtravel: www.realtravel.com
- VirtualTourist: www.virtualtourist.com
- gusto!: www.gusto.com
- tripadvisor: www.tripadvisor.com
- world66: www.world66.com
- Wikitravel: www.wikitravel.org
- WAYN: www.wayn.com

**Websites that may include travel**
- YouTube: www.youtube.com
- videoegg: www.videoegg.com
- reverb: www.rever.com
- vimeo: www.vimeo.com
- flickr: www.flickr.com
- myspace.com: www.myspace.com
- facebook: www.facebook.com
- Second Life: www.secondlife.com

**Meeting consumer expectations:**
- The experience you deliver is crucial. Does your product offer match your product?
- Aim to delight your customers. Make your product about the experience you offer. Ensure it stands out in terms of value and uniqueness;
- Know your product’s strengths and weaknesses. Have your product mystery shopped?
- Does your product give the customer control? Where possible personalise your customer service;
- Speak to your target consumers. Does your website have a place where customers can write reviews or leave photos? and
- Be aware of the customer feedback about your product. See what customer information already exists about you by searching online.

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7 International Visitor Survey – December 2007, Tourism Research Australia, Canberra.
TOURISM INDUSTRY

As a tourism product supplier it is important to be aware of trends that are occurring in the tourism industry and how these may impact on your business. Regular newsletters and updates are available from Tourism Australia, ATEC (Australian Tourism Export Council), STOs, RTOs and LTAs and other relevant industry associations.

Below is a list of the major trends that have occurred in the tourism industry over the past 12 to 18 months:

- The consumer has become the dominant force in the tourism sector due to their combined knowledge and travel needs;
- There has been a dramatic change in how consumers seek information on travel;
- Service is paramount as tourism product suppliers need to deliver on their promise;
- There is an increased interest in self drive and regional areas so consumers can “make it their own experience” with local interaction important;
- There are more small groups travelling, requiring customised and specialised itineraries;
- There is a large demand for product that offers a unique experience;
There is more demand for niche tourism products; The traditional distribution system is changing due to online distribution; There is an increased importance in familiarisations so travel staff can experience what they are selling; Dynamic pricing and packaging has become commonplace due to yield management objectives, yet rate parity is still vital; There is an increased website presence by wholesalers and inbound tour operators; The problem of labour shortages and staff retention is impacting on service quality; The issue of climate change is being discussed in relation to long haul travel, particularly in European markets; Delays on the delivery of new aircraft have limited seat capacity into major gateways; and As consumers are travelling into regional areas, the lack of infrastructure needs to be addressed.
The Travel Distribution System
WHAT IS THE TRAVEL DISTRIBUTION SYSTEM?

The tourism and travel industry is comprised of a complex, informal global network of independent businesses which form the ‘travel distribution system’. The network includes a series of distributors (intermediaries), who all play a specific role in the development, promotion and purchasing process of Australian tourism experiences.

Travel distributors allow you to broaden your customer base far beyond the reach of your own limited marketing budget. They are particularly important to the inbound tourism industry as overseas consumers still heavily rely on the advice of local travel experts when planning and booking their Australian holiday, particularly in long haul and emerging markets.

Travel distributors can also provide insights and advice on international markets and suggest changes or improvements to your product that will help you meet the needs of your target market.

The travel distribution system covers all the channels through which an international traveller can buy your product. Other than approaching you directly, international travellers may book your product via:

- retail travel agents;
- tour wholesalers;
- inbound tour operators;
- meeting planners; and
- online.

Distribution channels and consumer purchasing behaviour varies from market to market so you will also need to understand the structure of the distribution system specific to your target markets. In this section, you will find more detailed information on fourteen of Tourism Australia’s target markets. You can also find further information on Tourism Australia’s website www.tourism.australia.com/markets.asp.

When considering how best to distribute your product to international consumers, it is important to understand each channel and the relationships between companies within the distribution system.
HOW DOES THE DISTRIBUTION SYSTEM WORK?

The travel distribution system has traditionally been very structured with clearly defined functions for each role in the chain. However, as internet technology and company mergers transform the tourism industry, there is an increasing amount of cross over in the roles and functions of various sectors of the distribution system. Businesses are adopting a more integrated approach, often engaging a mix of distribution partners and processes to ensure the most effective way of reaching their target consumers.

Distribution Channels

Source: Australian Outback Travel, Tourism Directions and Distribution Conference 2007.
The traditional structure of the distribution system includes Inbound Tour Operators (ITOs) based in Australia, tour wholesalers based overseas and the international retail agents, the link to the international consumer. However, this varies considerably from market to market. In some countries, such as Japan, the system is very structured while in other markets a structured system has not developed. Market fact sheets available on Tourism Australia’s corporate website outline consumer travel purchasing behaviour in each market, as well as providing detailed descriptions of the structure of the travel distribution system in international markets.

Company mergers around the world have prompted an increase in the crossover of traditional distribution roles. Structured marketing agreements and cross-ownership are common relationships. For example, it is not uncommon for an inbound tour operator to be part of a larger company that also operates a wholesale arm in an overseas market, or for a travel wholesaler to also operate the travel agencies that sell its packages. As the traditional distribution system continues to evolve, it is important to clearly understand the structure of the companies that you work with and their relationships with other organisations.

With the growth of the internet, many traditional travel distributors are also taking an online approach and there has been an increase in online retail and wholesale websites. Some companies have relationships with preferred tourism suppliers and offer a range of products or packages, whilst others concentrate on selling volume, single product types (accommodation only) or last minute inventory.

The companies that sell product from their website are classed as online retailers or wholesalers. Online aggregators don’t actually sell product on their websites but link directly to supplier’s websites. Inbound tour operators are also seen as “bricks and mortar” aggregators that bring a range of product together to sell onto their distribution partners.

In this new distribution environment, both online and traditional distribution partners have the opportunity to work with each other and directly with products and customers. Therefore it is vital to understand each partner’s role and how your product can benefit from their part in the distribution network.

The internet has also changed the way consumers research and book travel, impacting the traditional structure of the distribution system. Many travellers use the internet as an information tool when researching holidays, however, personal advice and recommendations from travel agents are still important, especially for long haul journeys. The proliferation of ‘last minute’ websites to move inventory has also changed consumer booking patterns, resulting in shorter lead times for bookings, even in some long haul travel markets.

As the travel distribution environment changes, companies will need to take a more integrated approach to international product marketing, considering all the distribution options available and the way that your targeted consumers book travel products. This will allow you to develop an effective mix of distribution partners to reach consumers.

What are Travel Distributors looking for?
Travel distributors seek product suppliers that can offer:

- Quality products and experiences;
- Reliability (consistent operating hours and regular schedules);
- Efficient operations and procedures;
- Friendly, helpful reservations staff;
- High levels of customer service;
- Understanding of the cultural needs of different markets;
- Established and stable operations;
- Consistent pricing policies that consider all levels of distribution;
- Easy communication via email, toll free numbers and fax; and
- Fast and efficient turnaround and response times.

Building relationships and establishing your credentials takes time. Do not anticipate immediate results. The process of making key sales staff aware of your product, developing a new product range and brochuring a new product can take a minimum of 12 – 18 months.
What is an Inbound Tour Operator?

An inbound tour operator (ITO), also known as a ground operator or destination management company (DMC), is an Australian based business that specialises in developing programs and itineraries for distribution through overseas travel distributors and organising land arrangements on behalf of overseas travel companies.

ITOs are a vital link between Australian tourism products and the overseas travel distributors that buy them, including travel wholesalers, direct sellers, travel agents, meeting planners and event planners.

An ITO provides consultation on itinerary planning and product selection, and coordinates the reservation, confirmation and payment of travel arrangements on behalf of their clients by working with overseas travel companies and with Australian tourism products. They bring the components of accommodation, tours, transport and meals together to create a fully inclusive itinerary.

In some cases, an Australian ITO is a subsidiary of a parent travel company in their home market. This is prevalent in Eastern markets, especially Japan and Korea, but it is not common in Western hemisphere markets.

Dealing with an ITO provides many benefits for overseas travel companies, including:

- Local expertise on existing and new Australian tourism experiences;
- Staff knowledge of Australia;
- Itinerary consultation and advice on packaging products together;
- Instant access to a wide range of tourism products, eliminating the need to contact individual suppliers, reducing paperwork and simplifying payment;
- Assisting in quality control by providing first hand feedback to overseas operators; and
- Acting as a local contact point for the clients of overseas agents visiting Australia.

ITOs understand the interests, needs and culture of Australia’s overseas markets and are familiar with new developments in Australian tourism products.

When your planning and research is complete and you have developed a suitable product, it is a good idea to discuss your product with several ITOs who work in the markets you are targeting. They can assist you to assess your product’s suitability – remember to remain flexible and stay open to advice during your discussions!

Dealing with an ITO offers many advantages for tourism product suppliers, including:

- Regular business from a number of markets;
- Extensive knowledge of international consumer needs;
- ITOs make regular sales visits to their overseas markets and act as an extension to your marketing arm and booking office;
- Access to international travel partners, expanding your distribution network;
- Easier communication and payment recovery; and
- Payment in Australian currency.

How to Distribute your Product through an Inbound Tour Operator

Larger ITOs have product development departments that identify and select the products and suppliers they want to sell. These departments can offer advice on suitable markets for your product and suggestions about product development and packaging. ITOs often specialise in particular inbound markets or market segments so it is important to research the ITO and understand their business and how your product fits into their programs.

If you have an existing product, explore the reasons why the ITO is not using your product and discuss your findings with the relevant person. You must allow 18 months for new products to be channelled through to overseas wholesalers. Organise a product presentation or familiarisation for key ITO staff so they are aware of what you offer the overseas visitor.
Rate integrity is paramount when dealing with distribution partners, so it is vital that your pricing structure and accounting system comply with ITO requirements. ITOs look for commercial integrity, knowledge of the distribution system, quality and service in travel products. They measure these factors through questionnaires, client feedback and advice from overseas wholesalers.

In turn ITOs should respect a product supplier’s marketing mix, strategic direction, distribution methods and the fact that distribution is a partnership.

Support your relationship with an ITO by:
> Providing updated product information and training for sales staff;
> Maintaining regular contact through sales calls, workshops and trade shows;
> Supplying promotional material such as brochures, images, tariffs and a shadow website;
> Encouraging ITOs and their offshore clients to take familiarisation tours;
> Providing quality service to the ITOs offshore clients; and
> Promptly informing ITOs about potential complaints.

The Office of Fair Trading allows ITOs to obtain a license under the Travel Agents Act in every Australian State and Territory (except the Northern Territory). ITOs must be licensed operators if they wish to join the Australian Tourism Export Council (ATEC) www.atec.net.au.

All ITOs must be audited on an annual basis and meet strict criteria provided by the Travel Compensation Fund (TCF) in order to qualify for their license.

Where do you find ITOs?
ATEC can provide members with a list of ITOs and the markets in which they operate. Market Coordinators at your STO or your Tourism Australia Business Development Manager can also provide you with contact details for suitable ITOs.

Key tips for working with ITOs
> Research who the ITO works with in the distribution system and which markets they target to ensure your product is the correct fit;
> Become a member of ATEC;
> Compile a sales kit with product fact sheets (available in PDF format) giving a short description, facilities, inclusions, departure times and points, minimum and maximum guests plus high resolution images of your product;
> Ensure information on your website is up to date and provide links to your image gallery;
Ensure your pricing structure allows for the overseas distribution system’s pricing and commission structure and the need to set rates in advance. There needs to be a 10 per cent difference between the rate offered to the ITO and the overseas wholesaler. You need to provide final rate tariffs up to 18 months in advance. See the section on Price to understand rate setting more fully;

Provide information in language (online fact sheets, IPOD commentary, brochures) if targeting markets where English is not commonly spoken;

Participate in ITO networking events, workshops or familiarisations organised by ATEC, your STD or RTA;

Provide ITOs with prompt (same day) turnarounds on enquiries, quotations and bookings;

Provide concise information on your terms and conditions e.g. rate validity, cancellation policy, and child policy. See the section on Rate Validity, Terms and Conditions for more information;

Don’t ask for prepayments or deposits;

Accept ITO vouchers and trading terms;

Action complaints promptly;

Inform ITOs about new product developments or changes to your product; and

Check that the ITO is licensed (where required) by contacting ATEC or the Office of Fair Trading. Don’t be afraid to speak to other businesses that work with the ITO to confirm that it is a reputable company.

WORKING WITH A TOUR WHOLESALER

What is a Tour Wholesaler?

Tour wholesalers, also known as international travel wholesalers, are located in overseas markets and have traditionally provided a link between travel agents and ITOs or suppliers. Tour wholesalers purchase programs developed by Australian based ITOs or develop their own packages and itineraries to make travel planning and advice easier for travel agents and consumers. These packages will usually offer transport, accommodation, tours and attractions.

The role of the wholesaler is changing and varies from market to market. In some markets, wholesalers are also ‘direct sellers’ who bypass travel agents to directly target consumers. In other markets, there are no wholesalers in the traditional sense and travel agents perform both roles.

Traditionally, travel packages are published in brochures and promoted and distributed via retail travel networks. Wholesalers may operate their own retail outlets, a common occurrence in North America, the United Kingdom and Germany, or work with an established network of travel agents in their own country.

Wholesalers may also specialise in particular market segments such as adventure, gay and lesbian, or the 50-plus market, and have access to consumer niches that may not be available through mainstream distribution networks. By researching wholesalers and their target markets, you can tailor your distribution methods and reach your chosen segments more effectively.
How to distribute your product through a Tour Wholesaler

Many wholesalers rely on an ITO to identify and recommend new Australian products to include in their programs. It is essential that you establish good relationships with the inbound tour operators who specialise in your target markets.

Building a relationship with an international wholesaler is critical. This can be achieved by conducting "in market" sales calls to meet with and sell the benefits of your product to a Product Manager at a wholesale travel organisation. Participating in trade events such as the Australian Tourism Exchange (ATE) also provides an opportunity to meet with key wholesale travel decision makers. ATE is an annual event for major international wholesalers who brochure and promote Australian tourism experiences to meet with Australian tourism products.

For tips on making sales calls refer to the Sales Calls section and see the Trade Events section for information on meeting with key wholesale travel decision makers.

Don’t be surprised if it takes several years of contact before a wholesaler begins to use your new product. This is partially due to their loyalty to existing product suppliers and stringent consumer protection laws in some major markets. Wholesalers also need assurance that you are an established operator that will remain in business for many years.

Use the following questions to research information on your targeted wholesalers:

- How does your product fit the style of package/s offered by the wholesaler?
- Does the wholesaler sell Australia as part of their package/s and which Australian destinations do they include?
- Does the wholesaler already use any complementary products within your region and are you able to package with those products?
- Does the wholesaler have any ties with retailers and ITOs?
- Does the wholesaler work with any niche segments? and
- What volume and percentage of Australian business does the wholesaler generate?

Once you have secured a product distribution deal with a tour wholesaler, you will need to provide the wholesaler and key frontline sales staff with ongoing education and product updates to keep your product front of mind.

Maintain contact with key wholesalers at Tourism Australia’s regional trade events such as Oz Talk and Corroboree, for more information, go to www.tradeevents.australia.com. Also, consider individual sales calls and staff training conducted by you or your General Sales Agent as part of your marketing plan. Planning familiarisations for the sales staff of key wholesale partners is another effective method of educating your partners.

Key Tips for Working with Wholesalers

- Research – find out which markets the wholesaler targets, the type of experience they sell and who their distribution partners are;
- Keep wholesalers up-to-date on any new product developments or changes to your product;
- Suggest ideas for packaging your product to make it easier to sell;
- Highlight your unique selling point (USP), the benefits of your product and the factors that set you apart from the competition;
- Make sure that you understand the overseas distribution system, commission structure and the need to set advance rates when setting your pricing; and
- Keep in mind any terms and conditions or consumer protection laws that the wholesaler must adhere to. In particular, Europe and Japan have strict consumer laws that require companies to deliver the promised standard of holiday experience.
WORKING WITH A RETAIL TRAVEL AGENT

What is a Retail Travel Agent?
Retail travel agents are based in the consumers’ country of origin and act as the shop front of the travel industry, dealing directly with consumers. Retail travel agents offer wide distribution in prominent suburban locations and provide a convenient place for potential travellers to make bookings and buy holidays.

Traditionally, retail travel agents have provided a link between the wholesaler and consumers. With the integration of distribution roles, however, the retailer may deal directly with ITOs or Australian-based products, particularly in Asian markets.

Many retail travel agents belong to a larger chain of travel agencies or consortiums that use their combined resources to market the agency brand. In some countries, retail agencies may be operated by travel wholesalers. Independent agencies are increasingly turning to high yield, special interest travel niches to make up for falling airline commissions and increased competition.

Despite the increasing popularity of the internet, consumers still rely on retail travel agents to plan and book their travel. For complex, long haul destinations such as Australia, clients value their agent’s expertise in developing customised itineraries.

How to Distribute Your Product through Retail Travel Agents

The vast number of travel agents that exist in major markets presents a number of communication challenges. It is therefore important that you research the distribution system within your chosen markets.

One of the best ways of distributing your product at the retail level in markets where travel agents prefer to work with a wholesaler and/or ITO is to identify established wholesalers with a wide distribution via retail agents.

Training the wholesalers and ITOs about your product and providing them with the tools to effectively train their retail partners may be the most effective way to target these retail agents.

The Aussie Specialist Program

In other markets, you may want to take a more direct approach. The Aussie Specialist Program (ASP) is Tourism Australia’s global online training program, designed to give travel agents and distributors the knowledge and skills to sell Australia more effectively.

The total number of qualified agents globally stands at 10,000. These ‘Aussie Experts’ have been educated and trained in the ASP run by Tourism Australia with the cooperation of the State and Territory Tourism Organisations. The program was developed to provide a network of retail agents to whom Tourism Australia could direct consumers interested in travelling to Australia, along with providing a vehicle for Australian product to access the retail network.

By becoming an Aussie Specialist, retail agents have access to training, resources and knowledge that they need to sell Australia with confidence as well as providing access to consumer leads generated by Tourism Australia’s marketing activities.

The Aussie Specialist program is available in the United Kingdom, Europe, North America, Asia and New Zealand. For more information go to www.tourism.australia.com/asp.

There are a number of marketing opportunities available for the Australian industry to educate retail agents on their product or service:

- Advertising in the ASP newsletter;
- Brochure mailing to premier agents (USA only);
- Exclusive email blasts;
- Training events;
- Custom Partner Training Modules;
- Travel Club Offers; and
- Agent familiarisation visits.

For more information on these opportunities go to www.tourism.australia.com/marketingmixbuilder.
Key Tips for Working with International Retail Travel Agents

1. Get involved in the Aussie Specialists Program and offer special holiday deals to encourage agents to experience your product first-hand;
2. Meet retail agents and wholesale reservation agents by attending trade shows such as Oztalk and Corroboree organised by Tourism Australia and the STOs;
3. Establish and maintain good relationships with your retail travel agent’s preferred wholesalers and ITOs; and

WORKING WITH MEETING AND INCENTIVE PLANNERS

What are Meeting and Incentive Planners?

Meeting and incentive planners organise and manage all aspects of meetings and events including conventions, conferences, incentives, seminars, workshops, symposiums, exhibitions and special events. Incentive trips are awarded as a non-cash bonus for good performance and may include a corporate meeting or corporate team-building activity. All these events attract delegates and participants from Australia and overseas.

This sector is called business events and is one of the highest yielding inbound tourism segments. For more information on business events please visit Tourism Australia’s dedicated business events website – www.businesssevents.australia.com

Meeting and incentive planners use a wide variety of services and products, including venues, tour operators, accommodation, team building companies and restaurants. They look for unique travel experiences and require different support and facilities to leisure tourism.

Meeting and incentive planners are also known as:
- Professional Conference Organisers (PCO);
- Destination Management Companies (DMC);
- Conference Managers;
- Event Managers;
- Incentive Houses;
- Travel Fulfilment Companies; and
- Special Project Managers.

Meeting and incentive program requirements vary from market to market. An incentive program out of Asia is substantially different to a program from the USA. It is important to match your product offerings to the needs of the market. The larger ITOs are beginning to develop specialist divisions to source and handle meeting and incentive programs.

Key tips for working with Meeting and Incentive Planners

- Offer a variety of itineraries that include unique and diverse experiences;
- Ensure the ITOs and DMCS that handle business and incentive travel are familiar with your product;
- Suggest interesting ways to package your product together with other experiences; and
- Participate in cooperative marketing activities organised by Tourism Australia and your local Convention and Visitors Bureau (CVB).

WHAT IS ONLINE DISTRIBUTION?

With the continual growth of the internet as a tool for both planning and booking travel, the presence and importance of online distribution has grown. There are an abundance of websites currently offering a booking mechanism for travel related products. These websites fall into three categories:

1. Last minute or distressed inventory sites such as Need It Now www.needitnow.com.au or Last Minute www.lastminute.com.au where suppliers can sell product at dynamic prices, based on the availability of the product on a particular date.
2. Websites operated by established retailers, wholesalers and inbound tour operators as an extension of their traditional operations. Some of these sites can be accessed by the consumer whilst others require a user password and are dedicated trade only sites.
3. Dedicated ‘e-travel companies’ websites where consumers can purchase a product or an entire holiday package online. Examples of these are Expedia www.expedia.com.au or Travelocity www.travelocity.com.

WORKING WITH GENERAL SALES AGENTS

What are General Sales Agents?

A general sales agent (GSA) can represent and market your product in key international markets and, more importantly, they can provide a local booking service for retail agents.

It is essential that you consider all channels of distribution and the needs of your business before signing a GSA agreement and committing to a GSA for an extended period of time.

Many businesses choose to appoint an international sales representative or product representation company (PRC) to actively promote their product in their key international markets.

PRCs can assist your business in many ways:
- Making sales calls to wholesalers and retail agents;
- Training wholesale and retail agency staff;
- Providing representation at trade and consumer shows in the market; and
- Giving feedback and advice on market trends.

However, unlike a GSA, a PRC doesn’t provide a booking service.

Key Factors to Consider when Appointing Product Representation

- Do they have experience in destination and product-type representation? Do they have other clients with Australian product? Have they represented similar products to yours in the past?
- Do they hold other contracts and are they complementary or competitive?
- Can they provide trade contact records and reports? How will you measure their effectiveness and how will they report on their activities to you?
- Do they have established relationships with the clients that you want to reach?
- What is their reputation in the market? Are they respected by the industry?
- Does the GSA retail products and how will this impact on their ability to sell your product? and
- Consider the cost versus the level of business from the market and balance these against the cost and benefit of making calls and attending trade shows yourself.

1. Provide key agents with regular – but relevant – product updates.

2. Began to develop specialist divisions to source and handle offerings to the needs of the market. Some larger ITOs are to a program from the USA. It is important to match your product market. An incentive program out of Asia is substantially different from market to market.

3. Meeting and incentive planners also known as: Professional Conference Organisers (PCO); Destination Management Companies (DMC); Conference Managers; Event Managers; Incentive Houses; Travel Fulfilment Companies; and Special Project Managers.

Meeting and incentive program requirements vary from market to market. An incentive program out of Asia is substantially different to a program from the USA. It is important to match your product offerings to the needs of the market. The larger ITOs are beginning to develop specialist divisions to source and handle meeting and incentive programs.

Key tips for working with Meeting and Incentive Planners

- Offer a variety of itineraries that include unique and diverse experiences;
- Ensure the ITOs and DMCS that handle business and incentive travel are familiar with your product;
- Suggest interesting ways to package your product together with other experiences; and
- Participate in cooperative marketing activities organised by Tourism Australia and your local Convention and Visitors Bureau (CVB).
Online distribution is less structured than the traditional travel distribution system. Commission levels vary from site to site, depending on how the site is operated. Before establishing a distribution deal with any online partners, it is important to research the site, how it operates and how it will promote your product, as well as how information is loaded and updated. Many sites provide you with access to maintain and update your details on the site. While this does provide you with control over the information on your product it can also be very time consuming, especially if you are featured on a number of sites.

An excellent tool to determine the most visited consumer travel websites is Hitwise www.hitwise.com. This company provides insights and reviews into the performance of travel websites, based on the internet usage of more than 25 million people in six countries.

When distributing online, rate parity is critical. Rate parity exists when the same rate structure for a product exists across all its’ distribution channels. When a product effectively controls rate parity, rate integrity is assured and the consumer becomes confident in booking the product. Rate parity ensures an even playing field and protects a product’s relationship with all its distribution partners. This will ensure that consumers receive the best pricing and value no matter which of these channels they use to make their reservations. If a consumer visits a dozen different travel websites and there is a different rate on every site, the product’s integrity is put into question by the consumer.

When considering online distribution it is important to consider possible impacts on your traditional distribution partners. You need to manage and preserve the relationship you have with these partners. It is important not to discount the rates offered to your traditional distribution partners when promoting online as this will create inconsistencies in rates offered to consumers and erode your relationship with existing partners. It is important to remember that once your rates are on a website they can be accessed worldwide. Operators may also run a number of affiliate sites on-selling packages – just as an ITO would to a wholesaler. It is important that you are aware of any affiliate sites and where rates may appear – one disadvantage of online distribution is the lack of control you have over who is able to access your rates. It should be your goal to mirror the same rates at all points of reservation for your travel distribution partners.

When looking at your online distribution options it is important to consider:

- Commission levels required and the level of promotion of your product;
- Existing relationships with the traditional distribution system and possible impacts on these relationships;
- Rate parity and integrity;
- How much new business the site may generate – business generated from last minute sites may have been business that would have already booked with you via other avenues;
- Any affiliate sites that may operate in addition to the main site;
- How is your information on the site maintained – by you or the site host? Maintaining your details on numerous sites can be time consuming; and
- How is the site promoted? Is it targeted at the trade or consumers? Are there any distribution agreements in place?

**DISTRIBUTION SYSTEMS BY MARKET**

Tourism Australia promotes Australia in 23 markets as the world’s best destination for business and leisure. Tourism Australia focuses its’ activities on the markets offering growth opportunities and the best return on investment.

This includes: established markets such as Australia, United Kingdom, Germany, Japan, New Zealand, United States of America, Korea and China; growth markets such as Ireland, Canada, Singapore, Malaysia, Hong Kong, Taiwan, and India; and the emerging markets of Thailand, Gulf Countries, Netherlands, Switzerland, Austria, Italy, France, and Nordic.

Below is a summary of the key changes that have occurred over the last year plus a trade structure diagram (where appropriate) for each established and growth market. For further information on all markets, including emerging markets go to www.tourism.australia.com/markets.asp.
UNITED KINGDOM

- The UK distribution system is complex and varied with many companies offering wholesale, direct, retail and online channels to market;
- The industry is increasingly consolidated, with 3 main players in the market becoming significantly vertically integrated;
- Independent wholesalers have decreased from 80 per cent of the market in the 1990’s to 40 per cent currently;
- There are over 100 tour operators selling Australia in their programs throughout the UK;
- Direct sellers are a key feature of the UK market and have traditionally dominated sales to Australia although they are becoming decreasingly independent as a result of industry consolidation;
- Online sales continue to grow, however predominantly only for simple bookings;
- Retailers are increasing their focus on long haul and tailor made holidays due to decreasing profit margins in short haul package holidays and flight only;
- Retail agents and home based travel agents are increasingly more knowledgeable and specialised in destinations than their wholesalers;
- There is an increasing popularity in consumers booking their own travel direct with suppliers rather than through travel agents;
- There are over 5,500 ABTA (Association of British Travel Agents) member travel agencies and 900 tour operations in the UK. Traditionally the industry has been built on sales of package holidays through ‘high street’ retail travel agencies, although many online and direct-sell business have emerged in recent years, doing particularly well in short haul markets;
- ITOs have increased in importance in the UK market in the past few years, with almost all major tour operators using one or more ITOs to contract their product. The main advantages of this relationship for tour operators are easier administration and on the ground support for clients; and
- Tourism Australia’s Aussie Specialist Program has 2340 qualified Aussie Specialists in the United Kingdom.

IRELAND

- When buying travel there are a number of distribution channels available to the Irish consumers. They may research and book their trip using a combination of traditional distribution partners and online options;
- There are eight major tour operators actively selling Australia in Ireland that produce the majority of the business sold through the trade and direct. Many travellers book direct with airlines and product;
- ITOs are working the market, however the nature of this market is highly FIT and of a very independent nature;
- There are approximately 370 ITAA (Irish Travel Agents Association) travel member agencies and 80 other agencies selling travel packages. The majority of the agencies are independent family owned organisations although there is a growing trend towards franchising;
- The Irish are a confident market for internet booking and are happy to book their travel and accommodation directly. 45.6% of the total population are online. Internet usage is good across all age groups and commonly used for bookings due to the low level of ground content in package sales;
- The Internet is growing increasingly important in the research phase for travel planning and predominately the youth sector use it for point to point bookings. There is a strong youth market with 63 per cent of Irish visitors to Australia under 35 years; and
- Tourism Australia’s Aussie Specialist Program has 134 qualified Aussie Specialists in Ireland.

GERMANY

- The German travel trade main locations are in Munich, Frankfurt, Hamburg, Hanover, Cologne, Bonn, and Düsseldorf;
- Eleven major players with a mix of direct sellers and wholesalers that mainly buy via ITOs, but sometimes book direct;
- Consolidation of German tour operators has not to date had any negative impact on the number of partners offering and promoting Australia. To the contrary, a number of the larger players have actually increased their focus on the destination;
- There is increased interest from smaller specialist operators who want to service demand for high-end product;
- In the future, it will be important to work with the retail trade segment to better sell Australia as competing destinations are moving their consumer engagement away from the wholesaler and more to the retail level;
- One impact of consolidation of agency chains in Germany is that there are physically less travel agent locations than previously;
A key element of ensuring the capability of the retail sector is the introduction of the Aussie Specialist Premier program in Germany;
Wholesalers and retailers are losing customers to the internet and low cost carriers as people book direct without using traditional distribution channels. This has not impacted on long haul travel yet but once low cost carriers from Asia and Australia start services to the European market this might change; and
Tourism Australia’s Aussie Specialist Program has over 1400 qualified Aussie Specialists in Germany.

UNITED STATES OF AMERICA
In the USA, there are over 80 Tour Operators that have active Australia programs. Of these 80, there is a mix of operators that sell through ITOs and some choose to contract directly with Australian product. There are 8 major wholesalers that are involved in our major campaigns with Qantas and Tourism Australia;

‘Mass customisation’ in consumer travel planning is becoming an increasingly important phenomenon in the USA. Consumers booking fully customised trips (with the help of their travel agent) increased by 17% in 2006, and in 2007 accounted for 53 per cent of all trips booked to Australia. The popularity of customised trips soared in 2007, while pre-packaged trips have declined since 2004 within;
In recognition of the continued importance of retail distribution in the USA, Tourism Australia builds strong partnerships with leading retail consortia groups, including Virtuoso, Signature and American Express;
Consumer reliance on the internet to book travel continues to grow with air sales, however consumers still prefer to use traditional distribution channels including Travel Agents for FIT bookings;
There are over 80,000 travel agents in the US. Tourism Australia maintains a close relationship with the sector through the Aussie Specialist Program. Currently there are 131 Premier Aussie Specialist agents and over 1100 fully qualified Aussie Specialists.

United States Distribution System

Source: Tourism Australia Passenger Study, 2007
CANADA

- The Canadian distribution system is not as fragmented as in the United States, with three major wholesalers selling to the retail agency system. Two wholesalers sell through retail agents only and one sells both to retail agents and directly through its own retail chain;
- There are six smaller wholesalers and some of these companies are integrated wholesale and retail;
- There are six retail travel agent chains that make up the remainder of sales to Australia;
- More retail travel agents have direct relationships with ITOs and suppliers;
- Tourism Australia’s Aussie Specialist Program has 560 qualified Aussie Specialists in Canada.

NEW ZEALAND

- There has been a consolidation of retailers with wholesalers and online to form four major groups with five wholesalers, six retail chains and three online players;
- There is a growing trend for online bookings with 53 per cent of New Zealanders now booking online;
- The decision making power within the distribution system has moved from the wholesale product manager to the marketing team who are consumer driven and the training managers who are ensuring retail staff are meeting consumer needs by offering relevant product;
- It is important to identify consumer’s preferred method of booking and work with those channels;
- Tourism Australia’s Aussie Specialist Program has over 1000 qualified Aussie Specialists in New Zealand.

New Zealand Distribution System

```
<table>
<thead>
<tr>
<th>Wholesale</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Independent Wholesalers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>81 Travel Centres</td>
<td>125 Travel Centres</td>
<td>22 Travel Centres</td>
<td>93 Travel Centres</td>
<td>71 Travel Centres</td>
<td>27 Travel Centres</td>
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<tr>
<td>Online</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Niche Wholesaler Websites</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```
JAPAN

- There is a decline in the demand for leisure travel, especially to long haul destinations;
- The appreciating Australian Dollar has resulted in consumers finding Australia an expensive holiday destination in addition to the high airport taxes and fuel surcharges;
- There has been a 21 per cent decline in the number of seats to Australia over the last two years and airline services have been suspended from Fukuoka and Sapporo. In addition there will be a 22 per cent decline in the number of seats to Australia in December 2008 and airline services will be suspended from Nagoya;
- There is a need for stronger engagement with travel agents;
- School excursion and incentive business are important market segments.

Japanese Distribution System

- Airlines
- Hotels
- Bars
- Restaurants
- Tour Guides
- Rail
- Attractions
- Duty Free & Shopping
- Land Operators
- International Offices of Major Travel Companies
- Wholesale Package
- 5 companies
- Media Sales Company
- 4 companies
- Retail & Online
- 5 companies
- Travel sites
- 2 companies
- Consumers
KOREA

- There are two types of retail travel agents in Korea – General Travel Agency (GTA) handling both inbound and outbound travel and Overseas Travel Agency (OTA) handling only outbound travel;
- There are around 808 GTA and 5,616 OTA travel agents nationwide. The GTAs are the most influential and important agencies for outbound business;
- There are only three true wholesalers in Korea and the distribution system does not formally distinguish between wholesalers and retail travel agents;
- Despite airlines abolishing the Hard Block System, Korean wholesalers and major retailers still control much of the outbound market in the high season as they are still capable in securing bulk seats from the airlines due to their huge sales volume;
- Most of the major ITOs operate offices in Seoul and deal with consumers through websites for FIT, honeymoon and small group family travel;
- Consumers are changing to independent travel with many GIT agents restructuring to FIT;
- Tourism Australia’s Aussie Specialist Program has 180 qualified Aussie Specialists in Korea.

Korean Distribution System

SUPPLIERS

- Airline
  - 2 key players
  - Business with wholesalers and major travel agents
- ITOs in Korea
  - 22 key players
  - Product development
- ITOs In Australia
  - 38 ITOs/Branch or liaison offices in Seoul
- Wholesaler
  - 3 major wholesalers
  - Distribute product information and sell to retail agencies
- Small Retail Agency
  - 6,424 agents selling products from wholesalers
- Retail Travel Agency
  - 30 major agencies
  - Able to develop the product
- Online Agency
  - 4 key players
  - FIT & young travellers

CONSUMERS
China

- The China National Tourism Administration (CNTA) has 797 Approved Destination Status (ADS) outbound travel agencies for Australia;
- Tourism Australia has successfully trained 1,041 Aussie Specialists from 229 CNTA approved outbound travel agencies;
- Two major airlines have been promoting Australia in 15 key cities throughout China;
- Two online agents have started promoting outbound tours which include Australia, targeting group tours;
- Tourism Australia’s Aussie Specialist Program has 1,180 qualified Aussie Specialists in China.

Chinese Distribution System

**SUPPLIERS**

- **Airline**
  - 7 key players
  - Business with wholesalers and major travel agents

- **ITOs**
  - 57 ADS approved
  - Key ADS operators are controlled by shops that run shopping commission tours

- **Wholesaler**
  - 10 wholesale agents
  - Mainly operating shopping commission tours

- **Outbound Agencies**
  - 797 CNTA approved agencies
  - 88 ADS agencies
  - 50 Premier Aussie Specialist agents

- **Online Agencies**
  - 2 key players
  - FIT & young travellers

**CONSUMERS**

Hobart, TAS
SINGAPORE

- The traditional wholesaler has not developed in Singapore. Large retail agencies brochure and market their own programs with links to inbound tour operators;
- Growth in the online environment has increased with large travel agencies proactively establishing e-commerce sites and services. Retail groups have consumer sites, with regular updates and last minute deals;
- Agents are becoming increasingly specialised in the products and destinations they offer, including luxury programs;
- Singaporeans are using the internet to book more of their travel services online;
- Consumer spending is cautious in view of the current economic conditions and this may lead to the growth in travel to nearby Asian destinations;
- Low Cost Carriers (LCC) continue to add new intra-Asia destinations and services with fare offers that stimulate last minute bookings and have a strong impact on destination choice switching at the last minute;
- Three airlines have advertised airfares with all taxes and surcharges included. This new direction will allow consumers to evaluate different destination airfares in a far more transparent environment;
- Tourism Australia’s Aussie Specialist Program has over 100 qualified Aussie Specialists in Singapore.

Singaporean Distribution System

**SUPPLIERS**

- Airline (direct service to Australia)
  - 5 key players and 2 Low-cost carriers (LCC)
  - Business with major travel agents and corporations
  - LCC focus on direct online sales
- ITOs
  - 4 ITOs

**CONSUMERS**

- Premier Aussie Specialist Agents
  - 5 Premier Aussie Specialists
- Retail Travel Agency
  - 44 agencies (Aussie Specialist agencies) Develop product and promote Australia actively
- Other Retail Agency
  - 260 NATAS-registered agents selling outbound tours
- Online Agencies
  - 2 key players
  - FIT focus
MALAYSIA

› The market is highly fragmented and predominantly retailer based. Most agencies are small, independent businesses with some who are national businesses;
› Four major wholesalers are active in the market and deal with the consumer through their distribution network of smaller agents acting as preferred sales agents. One wholesaler also deals directly with the consumer through their retail/franchisee outlets;
› ITOs actively service the market, with 12 Australian based operators, out of which four have representation and three have offices in market;
› Two of the major wholesalers have set up an online travel agency and are aggressively promoting their FIT and series departures to Australia;
› Product knowledge and service skills among retail agents are not adequate to meet FIT consumers’ expectations. There is a perception that retail agents are only good for group tours that may lead to more direct bookings with suppliers and online operators;
› Short booking lead times (most within a month of travel) have increased the likelihood of last minute destination switching;
› Tourism Australia’s Aussie Specialist Program has over 100 qualified Aussie Specialists in Malaysia.

**Malaysian Distribution System**
HONG KONG

- The majority of the Aussie Specialist agents are from 10 retail travel agencies that mainly focus on GIT segment;
- The market mix of GIT and FIT packages is 20 to 80 per cent;
- There are 10 retail agencies focusing on GIT with 70 per cent of the business generated by the top two major agencies;
- 80 per cent of the FIT business is generated by airline subsidiaries or associated agents;
- Online travel bookings are still very immature as in a small city, retail travel agent branches are very accessible;
- Tourism Australia’s Aussie Specialist Program has 215 qualified Aussie Specialists in Hong Kong.

Hong Kong Distribution System

**SUPPLIERS**

- **Airline**
  - 4 key players
  - Business with wholesalers and major travel agents

- **ITOs in Australia**
  - 12 Players
  - Product development

- **Wholesaler**
  - 4 major FIT package agencies
  - Airline owned or affiliated
  - Develop the air plus hotel
  - Produce and sell to retail agencies

- **Wholesaler**
  - 3 major group package agencies
  - Distribute the product information and sell to retail agencies

- **Corporate Agency**
  - 5 key players
  - Business travellers

- **Small Retail Agency**
  - 1300 agents selling products from wholesalers

- **Retail Travel Agency**
  - 7 major group package agencies with 100 branches/outlets
  - Able to develop the product

- **Online Agency**
  - 2 key players FIT and young travellers

**CONSUMERS**
TAIWAN

- There are 314 wholesalers and 2322 retail travel agencies. While majority of retail agents have consumer websites with online booking facilities, there are also four online agencies that specialise in processing online bookings;
- Six ITOs service the Taiwanese market;
- The demand for FIT packages, especially high end products will increase due to the limited group seat allotment from the major airlines;
- Tourism Australia’s Aussie Specialist Program has 140 qualified Aussie Specialists in Taiwan.

Taiwanese Distribution System
INDIA

- The market is highly fragmented and predominantly retailer based. There are currently 182 key Retail Travel Agencies in India, most of which are small, independent businesses with some that are national businesses;
- Four major wholesalers are active in the market and deal with the consumer through their distribution network of smaller agents acting as preferred sales agents. However three of these also deal directly with the consumer through their retail outlets;
- ITOs actively service the market, with eight Australian based operators. Six of these ITOs have representation in market;
- The leading online travel agency is aggressively promoting their series departures to Australia;
- There has been three new entrants to the retail trade, established by experienced ex staff from previous retail mergers;
- Three new online travel agencies (OTA) were established in the market and existing OTAs opened brick and mortar offices as the consumer is still not mature enough to deal with the online only model;
- Due to the current dynamic travel environment, travel agencies will continue to merge with each other or split into separate entities;
- Tourism Australia’s Aussie Specialist Program has 270 qualified Aussie Specialists in India.

Indian Distribution System

**SUPPLIERS**

- **Inbound Tour Operators**
  - 8 Australian based players
  - 6 with representation in market
- **Retail Travel Agencies**
  - 182 key agencies focused on FIT
  - Small independent businesses
  - City specific but few have branches
  - Specialise in 4-5 destinations
  - Not able to develop products
- **Niche Operators**
  - 3 key players
  - Retailers cater to FIT and MICE only
  - Destination specific and able to develop products
- **Online Travel Agencies**
  - 4 key players
  - Cater to FIT & young travellers
  - Also have retail outlets

**CONSUMER**

For further information, contact the relevant Marketing Servicing Coordinator:

- Americas and New Zealand
- UK and Europe
- South and South East Asia and Gulf Countries
- North Asia and Japan

Tel: 02 9360 1111
Email: international@tourism.australia.com
Web: www.tourism.australia.com/Markets.asp
DEVELOPING A MARKETING PLAN

As with any business venture, your entry into international markets should be well planned. A detailed marketing plan should be developed to provide a blueprint for your marketing activities.

Whether you are a small family run attraction or an international airline, the principles for a marketing plan are the same. The purpose of marketing is to match the right product to the right market, providing an optimum return on investment. It is more than just advertising. Essentially there are four elements (the four P’s) of marketing: product, price, place and promotion. A good marketing plan incorporates a combination of these elements.

Writing a marketing plan is one of the most important steps that you can take to improve your business’s effectiveness and efficiency. The plan will guide your marketing decisions and assist in allocating your resources.

It should incorporate:
- Overall business objectives. What is it that your organisation wants to accomplish?
- Assessment of the market environment. What are the factors, internally and externally, that will affect your business and servicing of identified markets?
- Market Identification. What are the specific markets and segments that are most likely to use your product?
- Marketing Objectives. Are the objectives for each target market measurable, achievable, time-specific, non-ambiguous and flexible?
- Marketing Strategies. What is the best combination of the four P’s for each of your target markets?
- The action plan. What are the actions needed to make the plan work, who will do it and when?
- The Marketing Budget. How much do you have to spend and how will you allocate the resources? and
- Monitoring and evaluation. How will you measure the performance of your marketing efforts?

The challenge with tourism marketing is that the principal products are experiences and hospitality. These are intangibles and much more difficult to market than tangible items such as household appliances. The consumer also needs to travel to the product in order to experience it. Your tourism marketing message should focus on the consumer experience.

For the consumer the travel experience is made up of a number of components including: transportation, accommodation, food, shopping, entertainment, touring and events. It is important to consider this when developing your marketing plan.

This section covers some of the key principles of a marketing plan and specific considerations for the tourism industry. There are numerous publications available which can assist you with further details. Your local Business Enterprise Centre (BEC) is usually a good place to start. Go to www.beca.org.au for more information.

Setting your Marketing Budget

There is no rule that specifies how much of your turnover you should allocate to your marketing budget. This is always a difficult decision. As a very rough guide, however, most small businesses allocate between three and ten per cent of their budget to both domestic and international marketing. If possible it is useful to make comparisons to other similar sized businesses.

As domestic tourism is the ‘bread and butter’ of most tourism operations, most marketing budgets are spent on domestic marketing activities. Therefore, it is important to thoroughly research and plan your targeted international marketing activities to maximise the small portion of your budget allocated to this area.
Identifying your Target Markets

Identifying and understanding your target markets should be the foundation of your marketing plan. In order to succeed in the competitive international market, it is important to tailor your business and product offerings to your customer requirements. By understanding how your region and product might appeal to the international market, you can tailor your product, marketing and promotional activities to attract new business. Consult with your regional tourism organisation to learn which countries and market segments they are targeting and, where appropriate, incorporate these into your plan.

Understanding your consumer target markets will guide the development of your product, how you price your product in the marketplace, where you offer your product for sale and how you promote your product to consumers.

Consumer characteristics such as age, socio economic background, lifestyle choices and personal values, as well as identification of their key needs, will further define those consumers who may be interested in your product.

Targeting particular countries or market segments enables you to more effectively tailor your product and your marketing and promotional activities.

Many travel and tourism products make the mistake of trying to appeal to all markets and all people. When dealing in the international markets, it is impossible to be all things to all people. Don’t try to enter every market at once, select your markets carefully and take the time to plan your approach. Plan your strategy carefully, allocating your resources to the most appropriate markets which will generate the greatest return.

Consider the following points when selecting a target market and consumer segment:

- What does the consumer (or market) want?
- What can I provide to meet the consumer’s needs?
- What is the size of the market?
- Is the market large enough to support the marketing costs required? Will I receive a return on my investment?
- How long do these travellers stay in Australia? Do they make repeat visits?
- How much do these travellers spend, what do they eat, and what do they buy?
- What type and standard of food, transport, accommodation, touring, activities and attractions do these travellers prefer?
- What parts of Australia do these travellers visit? Do they visit your local area?
- Do these travellers prefer FIT, group, backpacking or another style of travel?
- Do their interests suit my product and why?
- How will my product fit into a wider itinerary? Can I work with any complementary products in my region?
- How do they travel to my region? How will they access my product? and
- How do they book their holidays?
The four P’s of Marketing

Product

Your product is the combination of ‘goods and services’ that make up the visitor experience, including the standard of your facilities and equipment, the level of service you provide and the quality of your interpretation.

An individual product will make up only part of the total travel or tourism product for a consumer. The complete travel experience includes all the elements that a tourist consumes from the time they leave home until they return. These individual elements include transport, accommodation, attractions and activities. These may be purchased independently by the consumer or bundled into a package for sale by an ITO or wholesaler.

The development of your product should be guided by the type of experience or holiday needs your target market seeks. A backpacker may be happy to share a room with other travellers and place more value on the quality of their experience. A honeymoon couple may look for five star indulgence in secluded, romantic surroundings. An Asian traveller may seek soft adventure experiences but want to return to a city hotel each day.

When developing your product you should:

- Always consider the product from the consumer’s view and focus on the benefits for them, otherwise you might have a product that nobody wants;
- Think about the characteristics that make your product unique and define your unique selling proposition (USP), your point of difference from the competition; and
- Remember that the characteristics of your product or service that directly meet your consumer’s needs may differ according to the market and the traveller you are targeting.

Not all products are suitable to be marketed overseas on an individual basis, particularly smaller products located outside of major gateway cities. It is essential that these products demonstrate an appeal that is not available in more accessible destinations.

It is often difficult to attract international visitors to an area outside established destinations as they may have limited time and knowledge of the area. However, by working cooperatively with your region to promote the destination as a whole, there is a better chance that visitors will take the time to visit. Work in cooperation with local operators and create a package or bundle that will make your product more enticing.

For more information on ‘bundling’ your product to create an enhance product offering read the section on Positioning your Product to Promote Experiences in the Australia Experiences Industry Toolkit, Volume II at www.tourism.australia.com.australianexperiences toolkit.

When planning your product for inbound travellers consider:

- Location – are there attractions and facilities nearby which enhance the appeal of your product?
- Price – is the product competitively priced and does it allow for all levels of commission?
- Accessibility – how do visitors get to your product? Is transport available?
- Seasonality – are you open to coincide with peak arrivals from your target market?
- Hours of operation – are they regular and compatible with transport times?
- Time – how do you fit into an international itinerary? Do visitors need to stay overnight? Will they miss out on other attractions if they visit you?
- Information Availability – for both tourists and your distribution partners; and
- Reservations – How easy is it for consumers to book your product?

As tourism is essentially a service industry it is essential that quality standards permeate every aspect of your operations. The foundations for quality are comprehensive training, evaluation and accreditation programs for both management and staff.

In addition to the national program, there are several accreditation schemes that evaluate your product on certain operational and quality standards. These include the International Ecotourism Standard coordinated by Ecotourism Australia, www.ecotourism.org.au, ATEC’s Tourism Export Code of Conduct www.atec.net.au and AAA Tourism’s Accommodation Rating Scheme www.aaatourism.com.au, a system that targets different segments in the accommodation industry.

Operators that successfully meet certain standards can use their accreditation certification in their marketing programs. Consumers and the travel trade are increasingly choosing product suppliers based on their accreditation, as this provides an assurance that suppliers are committed to professionalism both operationally and in the delivery of service.

Price
Your price is the cost to consumers at various points in the distribution chain. It includes the price that consumers pay when they buy direct from you, the commission and nett rate structures offered for intermediaries and the rates for children or seniors. It also includes booking conditions and refund and cancellation policies.

A product must be priced consistently, accurately and competitively to be successful in the market place. This requires a clear understanding of each individual cost component, including commissions and their impact on the total price of the product.

Getting your pricing right is a key requirement for success. The price should be set according to:

› Your competitor’s pricing;
› The level that your target market is prepared to pay;
› The cost of distribution (i.e. commissions) built into the overall price;
› Any fixed costs and overheads; and
› Seasonality.

What are the Different Types of Rates?
If you plan to sell your product through the travel distribution system, you will need to factor commissions into your price structure. Commissions are the fee paid to the inbound tour operator, wholesaler and retail agent to market, distribute and sell your product. This is their income, paying for their operation and the services they provide.

Each level of the distribution system receives a different rate of commission. If the price of your product does not allow for these levels of payment, you will find it very difficult to market your product through an inbound tour operator, wholesaler or retail agent. It is important to remember that wholesalers and ITOs provide valuable distribution that you may never be able to secure on your own. Commission is only paid once a sale has been made!

When dealing with the travel distribution system, you must understand the difference between nett and gross rates and ‘protect your rates’ by providing the correct rates to each level of the distribution system. Rates should be clearly marked as either gross or nett.
Gross Rate = Nett Rate + Agent’s Commission

The gross or sell rate of a product is the amount that the consumer pays and should be consistent across all distribution channels. For example, a customer should pay the same price if they book direct, via an international travel agent or via the internet. Consumers will not purchase the product from a travel agent in advance if they know they can purchase it directly from you at a reduced price. Agents will not promote and market your product if they know the consumer is not going to buy from them.

Nett Rate = Gross Rate – Agent’s Commission

A nett rate is the gross, sell, rack or door rate of your product less the commission paid to the booking agent. It is the amount that you will receive from the agent and should be kept confidential. Nett rates are supplied to ITOs and wholesalers and are marked up by an appropriate amount to cover the agent’s costs and commissions, before the product is sold to the consumer. The end cost should never exceed your usual rack rates but if you provide a nett rate to a partner, you cannot dictate the rate at which your product is sold.

Your trade distribution strategy should allow for the sales mix you want to establish to meet your volume and profit targets.

<table>
<thead>
<tr>
<th>SALES METHOD</th>
<th>LEVEL OF COMMISSION</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inbound operator</td>
<td>30%</td>
<td>A nett price providing a 30% margin is agreed with the inbound tour operator on behalf of the overseas client, wholesaler or travel agent.</td>
</tr>
<tr>
<td>Tour wholesaler</td>
<td>20%</td>
<td>A wholesaler will receive 20% commission to cover the costs involved in selling your product.</td>
</tr>
<tr>
<td>Retail travel agent</td>
<td>10%</td>
<td>A travel agent retains a standard 10% commission once the booking is confirmed.</td>
</tr>
<tr>
<td>Direct with consumer</td>
<td>Nil</td>
<td>If the client buys the product directly from you, it is relatively easy to set the price. However, the gross rate should be the same as that provided to ITOs, wholesalers and retail agents.</td>
</tr>
</tbody>
</table>
Managing the Business Mix

When each commission level is considered, it may seem that agents receive a large proportion of your takings, eroding your profits. It is important to consider the volume of international business coming from each channel as a percentage of your total business, as well as the benefits of working with the international travel distribution system. Your trade distribution strategy should allow for a business mix which will meet your volume and profit targets. The diagram below shows how a commission structure should work.

If the supplier honours pricing as per the distribution system and the supplier receives an equal one third of their business from ITOs, wholesalers and direct from consumers, the average commission works out at 16.67 per cent.

Frustrations occur in the distribution system when the ITO and the wholesaler get the same commission, or when there is only a 5 per cent difference between commissions offered to the ITO, wholesaler and retail travel agent or if the tourism product supplier gives better rates to online distributors for last minute bookings.
The table below illustrates another example of a possible business mix:

<table>
<thead>
<tr>
<th>BOOKING CHANNEL</th>
<th>COMMISSION RATE</th>
<th>PERCENTAGE OF BUSINESS</th>
<th>GROSS RATE</th>
<th>NETT RATE</th>
<th>NETT REVENUE</th>
<th>COMMISSION PAID</th>
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<tbody>
<tr>
<td>Direct</td>
<td>–</td>
<td>40</td>
<td>$100</td>
<td>$100</td>
<td>$4,000</td>
<td>–</td>
</tr>
<tr>
<td>Retail</td>
<td>10%</td>
<td>30</td>
<td>$100</td>
<td>$90</td>
<td>$2,700</td>
<td>$300</td>
</tr>
<tr>
<td>Wholesale</td>
<td>20%</td>
<td>20</td>
<td>$100</td>
<td>$80</td>
<td>$1,600</td>
<td>$400</td>
</tr>
<tr>
<td>Inbound</td>
<td>30%</td>
<td>10</td>
<td>$100</td>
<td>$70</td>
<td>$700</td>
<td>$300</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9,000</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

If a product has a retail price of $100, 10 per cent of sales are made through inbound tour operators with a commission of 30 per cent, 20 per cent of business comes through wholesalers with a commission of 20 per cent, and a further 30 per cent of business comes directly from retail agents with a commission of 10 per cent. The remaining 40 per cent of business is booked directly by the consumer and no commission is paid.

If you make 100 sales, the total nett revenue would be $9,000 and commission paid $1,000. While you may be paying up to 30 per cent commission on individual bookings, overall the average commission on each booking is actually 10 per cent.

Maintaining the best yield is an important part of maximising your profit but you can make a significant impact on your profits by influencing your mix of distribution sources. Generally, international business received via the distribution system will only make up a small percentage of your total business mix and the cost of each sale as a percentage of your total income will be relatively small.
Rate Validity, Terms and Conditions

In order to make your product easy to sell for your distribution partners, when setting your rates, keep it as simple as possible. If your product is seasonal, or if you have chosen to use mid week and weekend rates, keep the number of seasons or price categories to a minimum. A maximum of two rate categories is ideal. Having too many rate periods is confusing for agents, makes your product more difficult to sell and may mean that your product is less likely to be featured in brochures. This doesn’t mean that ‘specials’ can’t be offered throughout the year. When offering special rates or packages ensure that they are structured to include all levels of distribution and that the validity and terms and conditions are clearly stated.

To protect your business it is important to clearly state all the booking terms and conditions with your rates. It is preferable that the terms and conditions are on one page, followed by your rates. This should include the following:

- Rate validity dates;
- Contact details;
- Cancellation charges – preferably 24, 48 and 72 hours before travel;
- Amendment charges;
- Child rates and ages;
- Free of charge (FOC) policy – usually 1 FOC for every 15 paying guests;
- Inclusions;
- Minimum night stays;
- Minimum and maximum guest capacity;
- Bedding configuration;
- Departure times and points;
- Payment policy;
- Any special conditions;
- Gross and nett rates including GST; and
- Be clear – are your rates per person, per room, per vehicle?

All tourism industry partners have different methods of payment. It is the responsibility of the individual operator to negotiate an agreed payment method direct with the booking agent. The trick is to keep it as simple as possible for trade partners to sell your product.

The Do’s and Don’ts of Pricing

**Do’s**

- Get the price right for the market and compare it with prices offered by your competitors;
- Build a totally consistent rate schedule;
- Guarantee your rates for at least the period 1 April to 31 March. Price guarantees may need to be valid for up to 18 months;
- Ensure that your price will generate sufficient profitability and turnover;
- Ensure that the validity date and all booking conditions are clearly stated on all correspondence related to pricing;
- Ensure that you identify any seasonality in your product (i.e. high season, low season, and days of operation) and clearly identify the corresponding rate alterations; and
- Ensure you know who you have distributed rates to so you can update them.

**Don’ts**

- Distribute rates intended for wholesalers and inbound operators to retail agents. This will either increase your commission payments or dispense with one level of the distribution system for your product;
- Consider commissions as a ‘discount’ as they are part of the cost of doing business. ‘Intermediaries’ have to promote your product and pay their costs in selling and packaging your product; and
- Try to set different rates for local and overseas visitors unless there is a variation in the product offering.
Loyalty and ethics are an integral part of the inbound travel industry, particularly for new products and services in the international market. To maintain rate integrity and avoid indiscriminate distribution of rates, it is important that suppliers of new products and services understand commissions and distribution channels. You must factor all commission levels into your pricing. The ‘golden rule’ for commissions is to protect your commission levels at all levels of the distribution system.

**Place**

Distribution is the vital information link between your product and the consumer. It is not enough to have a perfectly tailored product and expect visitors to beat a path to your door. While word of mouth and direction signs to your product may be an essential part of your marketing mix, you will need to use other mediums and engage other organisations to assist you in getting the message across. A distribution strategy considers the ‘place’ your product is sold and the range of different pathways a consumer may use to make a purchase decision.

As many travellers arrive in Australia with limited travel arrangements already planned, don’t overlook local distribution through visitor information centres, hotel concierges and local travel agents.

Tourism Australia’s ‘How Consumers Purchase Travel’ Fact Sheets summarise the key consumer trends and trade distribution structures in each market. Once you have identified the key purchase points for the markets you are targeting, you need to establish a pricing and marketing strategy based on how and where those consumers purchase travel products. These fact sheets are available at www.tourism.australia.com/Markets.asp.

Consumer behaviour and travel distribution patterns are greatly influenced by the profile of the markets and countries you are targeting. International consumers may buy a wholesale package from a local travel agent before they leave home, or book at their hotel’s tour desk following their arrival. The booking may be channelled through an inbound tour operator or conference organiser. Consumers may have found your product on the internet, in a guide book or received a recommendation from a friend.

Less independent travellers are far more likely to go through traditional travel distribution pathways. More experienced travellers might organise the bulk of their arrangements once they have arrived in Australia. Therefore, don’t overlook distribution points that your target consumers may approach and factor these into your business and marketing planning.

Your trade marketing strategy should address the following points:

- How does your target market purchase this type of product?
- How does your target market research their visit? How will they find out about your product?
- How do you distribute your product through those outlets?
- What are the costs involved?
- Have you set goals for your distributors?
- Are they trained in selling your product?
- What feedback do you expect? How frequently? and
- Do they handle direct competitors?

Once you have established distribution channels, it is important to set up a system to track your bookings, recording where they come from. It is essential to monitor how each of your distribution channels are performing, as knowing where your bookings are coming from and which partners are generating business for you will help to maximise your marketing expenditure. It will also allow you to strengthen your relationships with agents and partners who are performing well.

Tourism Australia, the STOs and RTOs offer a range of activities to assist you to target key travel trade contacts including trade shows, sales missions, product manuals and familiarisations.
Promotion

Promoting your product to consumers and the travel trade requires an understanding of your target market and the most cost effective way to reach them.

The promotional mix usually comprises a combination of the following:

- Advertising – print, broadcast, direct mail and the internet;
- Public Relations – media release, media kits, press conferences, media familiarisations, interviews and speeches;
- Personal Selling – trade and consumer events, sales calls, sales missions and staff training; and
- Sales Promotions – competitions and sales incentives.

Each option has its strengths and weaknesses. A good promotional strategy should include a mixture of promotional activities that you can refine as your business experience grows. Don’t be afraid to experiment with new strategies but make sure you can measure their effectiveness.

Rather than go direct, many operators choose to promote their product cooperatively through marketing opportunities offered by Tourism Australia, STOs and RTAs. Many of these opportunities are cost-effective and offer greater exposure and impact than activities undertaken by individual businesses, especially in the international market place. For details on cooperative marketing opportunities with Tourism Australia go to www.tourism.australia.com/marketingmixbuilder and view the Marketing Mix Builder.

No matter what promotion activities you choose, tracking the impact of your advertising spend is paramount. It will help you decide which campaigns to continue and which ones need refinement.

- Are you able to set up a unique phone number or website address which allows you to track the response to your advertising?
- Can you set up a special tour code or package deal which is only promoted through your advertising? and
- Or simply ask customers how they found out about your product when they contact you to make an enquiry or a booking.

Advertising

Advertising can be an expensive option, especially when marketing internationally, therefore advertise only in those publications that will reach your target market. While advertising is likely to play an important role in your domestic marketing strategy, it is unlikely to be as important to your international marketing activities. This is mainly due to:

- Your dependence on travel trade distribution partners for promotion;
- The comparatively small number of wholesalers packaging Australian product; and
- The high cost of advertising in international markets.

Understanding how your target markets make travel decisions will enable you to pinpoint the best mediums and the best audiences to target to get your message across.

If your target markets rely heavily on travel agents for booking advice, it might be more effective to advertise in a product manual or trade publication. If your target audience plans the majority of their trip on the internet, then consider advertising on a high profile travel website. If you want to target consumers following their arrival, advertising in a tourist guide distributed in city hotels might produce results.

Cooperative advertising with partners is another great way to share the costs and package with other travel products. Tourism Australia, STOs, RTAs and LTAs offer a range of cooperative online and print advertising opportunities. They are targeted specifically at consumers who are interested in coming to Australia, and the travel trade who sell them their holidays.
Public Relations

When executed well, public relations can be the most cost-effective segment in your promotional strategy. Media coverage can reach far more people than limited advertising budgets can afford. A media story may also be far more persuasive and in-depth than a small size advertisement. Consumers are more likely to be engaged by, and indeed trust, a first-hand account of a destination than they are by paid advertising.

Publicity from media campaigns and media familiarisation tours is commonly described as ‘free’ because there is little cost involved compared to advertising. Unlike advertising, however, there is no guarantee of placement or message and you still incur the cost of providing the service.

You can generate public relations by sending product information to media contacts at a targeted publication or by inviting a journalist from that publication to experience your product first-hand.

When planning your public relations strategy, research the different mediums and publications available:

- What type of information do they present?
- How is the information presented?
- Who are the target audiences, readers or listeners? and
- Be realistic and target publications that will reach your intended audience.

The key to success is developing ‘media ready’ materials that will encourage a journalist or an editor to write a feature on your product. The media looks for newsworthy stories that are new, different or unique, have a ‘human interest’ element or provide eye catching and emotive visuals.

Develop a media kit for your product that includes key information such as the types of tours offered, pricing, operating hours and contact information. You may want to engage a PR specialist to help you write professional press releases. Releases that are well written, interesting and require little editing will have the greatest chance of success.

Never expect publicity to generate business on its own. Remember that publicity is one element of an overall marketing plan and it should complement your total marketing mix and business strategies.

For further information on working with the media and how to maximise your profile through international media channels download a copy of ‘Making a Splash’ Tourism Australia’s guide to working with the media from www.tourism.australia.com/makingasplash.
Personal Selling

There is nothing better than personal contact to build rapport with your business partners. There are a range of opportunities to meet face to face with both trade and consumers.

Tourism Australia and STOs regularly conduct international sales missions to key markets. These sales missions are useful for both first time entrants into the market as well as operators already established in the market looking to further develop their business through the wholesale and retail programs in those countries. Visiting the market allows you to present your product to the travel trade.

Regular sales calls to key ITOs, wholesalers and retail agents should also be conducted. These may be done independently or together with other complementary products. Staff training to educate frontline staff on your product and how to sell it should also be included in your call schedule.

Trade shows are another excellent opportunity to meet with a large number of targeted clients in the one place at the one time. They are a good chance to meet new potential partners. Consumer shows are open for attendance by the general public, a good opportunity to talk directly to the consumer, especially in the markets where there is good awareness of Australia. For details on Tourism Australia’s calendar of trade and consumer events visit www.tradeevents.australia.com.

Sales Promotions

You may choose to run sales promotions to support other promotional activities. These may be targeted directly at the consumer in the form of a competition or at distribution partners through a sales incentive program.

Consumer competitions may take a variety of forms. You may find them difficult to run independently and may need to partner with a retail chain or travel wholesaler. Promotions for international travellers also need to take into account the total travel experience when offering a prize package. It is no good to offer an accommodation prize to a consumer in the United Kingdom if they have no way of getting to Australia. Tourism Australia and STOs often run promotions as part of their campaigns. Contact their PR departments if you are interested in getting involved.

Agent incentives can be run with ITOs, wholesalers and retail travel agents. They provide a reward for meeting sales targets for your product. It may be vouchers for your product, vouchers at a retail store or increased commission if sales exceed set targets. Agent incentives can be a good way to improve agents’ knowledge of your product and increase sales. As with any promotional activity, they should form only part of any integrated campaign.
Marketing to Inbound Travellers
There are countless ways to get involved in international marketing. Many can be expensive, costing more than the entire marketing budget of most small and medium sized businesses. However, with a little creativity, thorough research and planning and a collective approach, you can succeed in the international marketing arena.

Some of the most effective ways involve working cooperatively with local regional and state tourism organisations. Most run a variety of activities targeting their chosen international markets. Tourism Australia also offers a range of cooperative opportunities that allow the Australian tourism industry to get involved in marketing programs.

While consumer marketing and ‘above-the-line’ (paid advertising) promotions are generally prohibitively expensive for individual tourism product suppliers there are many other low cost options that can build to form an effective marketing strategy. It is important to take full advantage of each opportunity you invest in, planning your activities to ensure maximum leverage and exposure.

In this section you will find details on how to tap into the inbound market, through advertising, by targeting the travel trade and working with the media.

Advertising

While direct consumer advertising for the international market can be expensive and get lost amongst the sea of travel advertising in the market place, there are some key advertising and promotional tools that a business should investigate:

The Internet & Digital Marketing

Worldwide usage and access to the internet continues to increase. The internet plays an important role in the travel planning and decision making process.

Research indicates that more and more travellers investigate their travel options online. Importantly, online travel sales are also growing in popularity. In 2007, 62 per cent of international visitors to Australia used the internet to research and gather information before their arrival.

The internet plays an even greater role in travel planning once the decision to visit a destination has been made, rather than influencing the choice of destination. International visitors to Australian cited researching activities, events and accommodation information as the key reasons for using the internet. The item most commonly booked on the internet is accommodation, followed by flights to Australia, flights within Australia and rental cars or campervans.
The complexity of long haul travel may make online bookings more difficult, especially for first time visitors. While FITs rely heavily on the internet as a research tool, they often seek the advice and expertise of a travel agent when making a booking.

As the internet grows, it is important to maintain an online presence for your product, either through your own website or by advertising on other major tourism sites. Tourism Australia and the STOs offer a range of online advertising opportunities, including Tourism Australia’s consumer website, www.australia.com. The site is designed to target consumers interested in planning an Australian holiday.

The Australian Tourism Data Warehouse (ATDW) www.atdw.com.au is a system for storing information on Australian tourism products. The ATDW supplies the product information on www.australia.com and State and Territory consumer websites, and is also an invaluable tool for sourcing appropriate product information. Registering with ATDW provides cost-effective exposure on a number of key tourism websites.

Key points to consider when developing your website:

- Ensure the site is quick to load and, easy to use;
- Consider using a Search Engine Optimisation (SEO) service to improve consumer’s ability to find your website;
- Provide clear navigation paths and group information in a way that is relevant to consumers;
- Secure a domain name that is easy to remember and if possible, keep it simple;
- Provide accurate, high quality and up-to-date information;
- Use maps to assist the consumer to find your location;
- Show clear validity dates on your rates;
- Provide links to your site from complementary products;
- Provide an interactive way for consumers to discuss/review your product – user generated feedback;
- Offer simple booking processes and secure payment technology so users feel comfortable entering their payment details; and
- Make sure that the information is easy to understand. If you are targeting international visitors, consider language barriers and present the information as clearly and concisely as possible.

Providing online booking facilities on your own website can impact your existing distribution relationships. Some operators develop mirror sites for their travel partners, which provides the same product information but sends the booking or response back to the distribution partner in the region.

There are several site development techniques that will enable search engines to locate your site more easily. The key is to learn which search engines are used by your target consumers and how those search engines operate. These sites will vary from market to market.

Online advertising or online databases are another effective means of publicising your website. Before investing in online advertising, evaluate the website or database concerned and review the quality and size of the audience it attracts. Online advertisers should report the number of page views and responses to your ad. You may also want to establish a link to your website home page from other sites such as major tourism organisations, dedicated travel websites and complementary product sites in your region.

For further information and tips on improving your digital marketing read the section on Promoting your Experience through Digital Marketing in the ‘Australian Experiences Industry Toolkit Volume II’ available at www.tourism.australia.com/australianexperiences_toolkit.
Product Manuals
A variety of product manuals or travel planners are produced by STOs and various RTAs. These manuals feature details on ‘export ready’ product including accommodation, transport, attractions and special interest operators such as arts, education, ecotourism and adventure tourism in the areas they are promoting. They also feature general information such as maps, climate and shopping details for the destination. Distributed to inbound tour operators, international wholesalers and international travel agents, they are an extremely useful tool for agents when planning itineraries.

Product manuals are also prepared by ITOs for distribution to their international agents. Generally these will include listings of all the Australian product that they work with and often there is an opportunity to advertise in the guides. Check with your key ITOs for details of the manuals that they produce.

Brochures
Brochure production is a major promotional expense for many tourism businesses. By observing a few basic principles during the design phase, you can avoid any misunderstandings and improve the effectiveness of your marketing messages. You will need to decide whether the brochure will be distributed to consumers, the travel trade, or both. It should project a positive image and educate and inform customers.

Consider the following points when preparing your brochure:
> Ensure that your brochure is created in a format that suits your target market. Consider where will it be distributed (brochure racks, trade shows, travel agencies) as this will affect the size and layout. Unusual shapes, sizes or layouts are appealing but may limit your display and distribution options. How will consumers receive your brochure? The cost of any mail outs will depend on the weight and size of your brochure;
> Provide a concise, factual description of your product and your key selling points;
> Include contact details such as physical address, email address, website address and phone and fax number including international dialling codes;
> Use quality images that demonstrate your product’s greatest benefits. Many tourism organisations provide access to their image library;
> Supply accurate information only. Consumers are well protected in today’s international business environment;
> Use a map to illustrate the location of your product; and
> Pricing details may restrict the shelf life of your brochure. Make sure you clearly state validity dates and any terms and conditions. Consider using inserts for rates or directing consumers to your website for further details.

Brochure Distribution
There are a number of different options available when distributing your brochure to consumers and the trade:
> Contact Tourism Australia and your STO to discuss their distribution methods and offer copies of your brochure to distribute to their international offices;
> Many brochure distribution companies will distribute your brochure for a fee within Australia and overseas;
> Direct mail to the travel trade and consumers is effective but can be very expensive and time consuming. In the international market place, direct mail is not likely to produce a return on your investment; and
> Contact visitor information centres in your region and in gateway cities to discuss distribution options.
PUBLIC RELATIONS AND THE MEDIA

Harnessing the power of the media through effective public relations is a cost effective way to promote your business to the world.

The Global Public Relations (GPR) team works with Tourism Australia’s global PR network, and all levels of the Australian tourism industry, to generate editorial coverage and buzz about Australia throughout the world’s print, broadcast and online media channels, and through a range of advocacy programs.

With the objective of consistently delivering new news on Australia, and finding new and creative ways to generate word of mouth advocacy, the team aims to maximise cut through and consistency of Australia’s brand message internationally.

These activities complement and add depth to TA’s global marketing activities by increasing the awareness and knowledge of Australia through various media and advocacy channels, ultimately targeting First Time Experience Seekers.

Working in close collaboration with our international offices, the GPR team delivers the following programs:

> International Media Hosting;
> Global News Bureau;
> Advocacy Strategy; and
> Australian project and activity support.

International Media Hosting

Tourism Australia works closely with the Australian tourism industry to host visits to Australia of around 870 accredited international media representatives from almost 30 countries each year. These media may arrive into Australia under our invitation, or may be foreign correspondents or freelance journalists already based here.

The aim of hosting visits by media is to generate quality and positive editorial coverage that extends and strengthens Australia’s profile as a leisure holiday destination. The coverage generated reaches billions of consumers globally, engaging them in a deep and rich conversation about our country.

Successful media visits have shown to deliver unusual, new and valuable editorial coverage of Australia in media outlets as diverse as the *New York Times*, *Vogue* and *National Geographic* through to niche fishing journals, to hours of lifestyle television coverage, which is increasingly also syndicated online.

Global News Bureau

The Global Public Relations team works with the Australian tourism industry to generate editorial coverage on Australia throughout the world’s print, broadcast and online media. These efforts are multiplied by significant content generation that can be tailored to relevant local audiences.

TA’s Global News Bureau (GNB) has been designed to act as a central repository for the generation of content that is distributed either via media channels or via the TA global PR network. The focus of such content is on topical new news aimed at stimulating media interest. Delivery mechanisms for this content include:

> Fact sheets;
> Media releases;
> Did You Knows?;
> Q&As;
> Newsletters;
> Trend reports;
> Operator reports;
> Famil reports;
> Feature articles; and
> Image library.
Advocacy

The TA Advocacy Program is a new initiative that is aimed at creating a bank of local and foreign opinion leaders who can help drive word of mouth ‘buzz’ by communicating their Australian experiences to their own networks.

The Advocacy Program introduces a range of tools and activities designed to engage consumers in a deeper and richer conversation via non-traditional media channels.

TA’s approach addresses the changing communications landscape and the manner in which consumers today prefer to receive information i.e. via engagement and participation, rather than by preaching and instructive delivery.

The Advocacy Program works on the principle that word of mouth, via sources that are credible, reliable and motivating, is the most honest – and therefore most effective – form of marketing, building upon people’s natural desire to share their experiences with family, friends and colleagues.

Advocacy Program tools and activities include the Visiting Opinion Leaders Program (aimed at bringing influential opinion leaders to Australia), an ‘Australia on Tour’ program (aimed at showcasing the best of Australia offshore), an ambassadorial program, ex-pat communications programs, and the use of advocacy in the digital space.

Australian Project and Activity Support

GPR also provides ongoing support for Australian-based activities and ad hoc projects that have global applicability.

Our support for regular activities include ATE and Dreamtime, and examples of our involvement in major projects include communications activity surrounding Australia the movie and World Youth Day.

Getting Involved

Tourism Australia wants to work with professional operators who understand the value of publicity and who can supply us with their news and images.

If you are interested in supporting any of the above programs by:

› offering discounted or free of charge (FOC) products for media or opinion leaders; or
› providing updated news or photographs of your products or services;

Please contact us at internationalmedia@tourism.australia.com

PR Tips

To help you maximise the likelihood of generating interest amongst international media, here are a few PR tips:

› Think international – not just domestic;
› Understand Tourism Australia’s Brand Values and how they relate to the market you’re targeting. Potential visitors to Australia perceive us as inclusive, irreverent, optimistic, original, candid and honest. They see us as a land without strangers, a place that values mateship and rejects “airs and graces”, and a country where people address each other on a first-name basis;
› Find your point of difference and emphasise it. Australia is not just seen, it is lived;
› Develop a professional media kit (or even just a media release) which details background, points of interest and why your product is different;
› Use pictures as well as words – the right picture can make all the difference to a story;
› Have a ‘hook’ to link your story to – something topical or special that distinguishes it;
› Look at holiday themes or experiences to develop the story about your product;
› Highlight the ‘Australian-ness’ of your product – make the most of the points of difference. Tourism Australia’s research reveals that people overseas perceive Australia as the only place that “does what it does in the way that it does”;
› Where applicable, profile Australian personalities or characters. It’s a good opening and it adds a distinctly Australian flavour to the story;
› Don’t waffle. Keep it short and sharp – key facts and figures at a glance. Be honest – research by Tourism Australia shows that potential overseas visitors believe Aussies “say what they mean and mean what they say”;  
› Ensure PR materials are relevant to the publication (or section therein) they are sent to. If you can, find the correct person at the publication and address your PR materials to them by name;
› If you attend a business event in your target market, take the time to organise a media dinner;
› At trade shows such as ATE and Dreamtime, don’t underestimate the importance of proactively seeking the media and selling them a new angle on your product; and
› Use Tourism Australia and STO International Media Relations units – they have plenty of contacts and know how to keep the media updated. They are always looking for new opportunities for media exposure.

Developing a Media Kit

When working with the media, you should develop a specific media kit including the following information:

› A fact sheet containing information about your product;
› One or two media releases that highlight key newsworthy aspects of your product in a succinct but motivating style;
› A copy of your brochure;
› Motivational, ‘print quality’ images supplied, on CD ROM or as downloadable files on your website. It is vital to develop a high resolution image kit containing PR images (not marketing images) as the media are less likely to use ‘brochure shots’; and
› Staff contact details.

Media Release Essentials

› Keep it short – one page is ideal;
› Keep it simple and don’t waffle. Journalists will ring for more details if necessary;
› Proof read the release for spelling and grammatical errors. Ask someone to check it for you;
› List your name, email and telephone number at the end of the release;
› Date the release;
› Don’t use clichés, unexplained acronyms or jargon;
› Don’t exaggerate or make unsubstantiated claims – stick to the facts; and
› Use letterhead paper and a clear, easy-to-read, 12-point typeface.

For further information on working with the media and how to maximise your profile through international media channels, download a copy of the Tourism Australia Working with the Media Guide www.tourism.australia.com.
Familiarisation Visits

Familiarisation visits (famils) or educational visits improve the product knowledge of the inbound tour operator, international wholesaler and retail travel agents, providing them with the opportunity to experience your product first hand. They provide product suppliers with highly targeted exposure for their product and present a valuable opportunity to promote their product directly to their extended sales force. That is, those people who will ultimately be selling your product to consumers.

STOs and RTOs are proactive in organising trade famil groups. ATEC also runs a series of famils, coordinated by the state branches of ATEC, often linked to industry workshops targeting ITOS.

To obtain maximum benefit for all parties, tourism organisations will endeavour to match the famil groups with the right products for their market. As such it is important to make sure that your regional and state tourism organisations are aware of the markets you are interested in working with.

If you are approached to participate in a famil find out as much information as you can about the participants; it is important that you understand who the group are before committing to host the group. Determine if they are part of your target market and what the benefits of hosting the visit are for your business. Establish if they have been to your region before; do they sell – or is there potential for them to sell your product. Don’t be afraid to say no to a request if you don’t think that your product is suited to the group.

Generally support for famils is requested free of charge (FOC) in return for the benefits for your business via the exposure. However, if you are uncertain of the benefits of a famil opportunity, for example if they are not from one of your primary target markets, or due to costs you are unable to offer complimentary services you may consider extending a reduced rate. Discuss options with the famil organiser to try and create a ‘win-win’ situation.

How to Host a Successful Famil

Prepare for the Visit

› Understand the participants in the group – who are they (inbound operator, wholesaler or front line retail agent), where are they from, what is their position (product manager, travel agent), do they sell your product (are you already featured in their program), how do they sell your product (as part of a package or on its own), do they have the potential to sell your product?
› Know their itinerary – when do they arrive and depart; where the group has been beforehand and where they are going next; have they experienced a competitor’s product? Obtain contact details in case of delay;
› Consider the available time and plan the best way to present your product in this time – remembering it is best to present the product as the customer would experience it;
› Brief staff, making sure all staff are aware of the group; and
› Prepare information for each participant tailored to their needs – you may also wish to include a small gift (keeping in mind they have to carry it home).

During the Visit

› Make sure that the visitor is welcomed;
› Introduce yourself and exchange business cards;
› Outline the program while at your property;
› Escort the group during the visit;
› Be a gracious host;
› Introduce key staff as appropriate;
› Present an information kit at an appropriate time and offer CDs /videos if you have them available (offer to post information to participants – they collect a lot of information along the way);
› Develop some personal relationship with members of the group;
› Give time and attention to questions;
Make a note to follow up any requests – e.g. for images or other information; and
Ask the group for feedback on your product – is it appropriate for their market; what changes/improvements could you make.

After the Visit
Add the participants to your contact database – as appropriate;
Send a thank you letter or email and follow up any requests for additional information;
Follow any sales lead opportunities presented by the visit; and
Keep participants informed of any relevant changes or updates on your product.

SALES CALLS
Maintaining regular contact with your distribution partners and providing them with updated information on your product helps foster strong relationships. Face to face sales calls are an excellent way of building rapport, while updating clients on your product.

Plan a call schedule – the number of times you visit an operator will depend on how much business, current and potential, that they generate for you. You will also have an opportunity to meet with operators at trade shows and workshops that you attend. Remember, ITOs and wholesalers are busy people, don’t visit them more often than you need to and make sure you always have something new and interesting to tell them.

For international sales calls, the timing of your visit is also important and this will vary from market to market, don’t just plan around your overseas holiday. When planning individual sales calls in market for the first time, contact your local STO as they can assist with planning and introductions to key wholesalers and travel agents on your first sales visits.

Do
Make sure you have something new and interesting to discuss or feedback to give – there is no point making a call with nothing new or interesting to discuss;
Make an appointment and turn up on time;
Research the operator before you call, what markets do they work in; do they sell a competitor’s product or product that is complimentary to your own;
Make sure you have a basic understanding of cultural differences and local customs; even if they are based in Australia i.e. if you are visiting an Asian operator don’t be afraid to take a small gift. Research cultural differences and respect them;
Be flexible – impress your target operator by offering to accommodate adjustments in product, booking procedures and offering incentives when necessary to secure their business. You also need to consider the potential volume of business versus the costs of making significant adjustments – work with them to create a ‘win-win’ situation;
If possible provide the operator with feedback, let them know how much business they have been producing for you;
Reconfirm your appointment; and
Follow-up and honour everything committed, maintain regular contact with the operator.

Don’t
Visit during busy periods, such as when major trade shows are being conducted or during product planning;
Don’t arrive unannounced – cold calling is almost never appreciated and likely to prove counter productive; and
Don’t commit to rates or services without keeping a written record.
STAFF TRAINING

Once you have established a relationship with ITOs and international wholesalers and they have begun using your product, you should train and educate their staff so they are able to effectively sell your product. It is also a good idea to train staff when your product is being featured in any special campaigns or promotions. Speak with the Product Manager regarding this, as you will find some companies are more flexible with training than others.

When planning your training, consider how the agent will sell your product as part of an itinerary. Conducting training with other complementary product from your region and selling the destination as a whole can be more rewarding than selling an individual product.

Consider including details such as:
- What else is there to do in the area;
- How do they get there; and
- Where can they stay?

Make sure your STO and RTA are also aware of your product and any changes, as they may update staff when visiting ITOs and wholesalers.

Before you go check:
- How many staff you will be training; and
- How much time you will have?

Points to Remember when Doing Training

- Keep your presentation simple, factual and interesting;
- Make sure you communicate the key points about your product;
- If your product is featured in their brochure, highlight where they will find it;
- Take brochures and any additional sales collateral that may be relevant;
- Try to make your presentation interactive and fun;
- Keep in mind busy periods and avoid scheduling training at these times;
- Know your audience – think about who you are presenting to and the key message you want to get across and make sure you tailor your presentation; and
- It’s a good idea to take something for morning or afternoon tea.
SALES MISSIONS

Tourism Australia and STOs regularly conduct Trade or Sales Missions into identified key markets. The majority of missions are organised by the STOs with Tourism Australia focusing on emerging markets. These missions are useful for both first time entrants into the market as well as operators already established in the market looking to further develop their business through the wholesale and retail programs in those countries. Visiting the market allows you to present your product to the travel trade.

Travelling as part of an organised sales mission allows you to present your product and destination alongside other complementary products to a targeted group of operators. The audience will vary from retail travel staff to wholesale product managers so make sure you are aware of who you are meeting with and tailor your presentation to suit their needs.

The golden rule for international sales missions is ‘do your homework first’. The more preparation you do, the greater the return on your investment.

The guiding principle in a successful sales mission is not the amount of ground covered or even the number of meetings held. It is in seeing the right people from the right organisations that have an interest in seeing you and the potential to sell your product. As with all types of sales activity, follow up is vital. Don’t forget to send a follow-up thanking them for their time and include any additional information that may have been requested.

Certain countries have customs not usual to Australia; observing local courtesies and morals will be highly appreciated by your hosts and significantly enhances your chances of success. This is especially important when you are visiting the market.

For details of Tourism Australia’s Trade Missions visit www.tradeevents.australia.com.

Sales Tools

Develop a tool kit for sales calls, missions and staff training to include:

- Product brochures;
- Fact sheets on your product;
- A sales presentation using a flip chart or PowerPoint;
- A CD/DVD containing a collection of images of your product;
- Online tools such as Podcasts and Vodcasts; and
- Display material such as banners and posters.

When developing your sales tool kit, keep the look and feel consistent and make sure that the information is accurate and up to date.

TRADE SHOWS

Trade shows are a key forum to meet key industry players and develop or enhance business relationships. They are an excellent opportunity to meet with a large number of targeted clients in the one place at the one time. Events may be more cost and time effective than conducting individual sales calls, however often your appointment time will be limited. If attending trade events, especially those held overseas, it is a good idea to incorporate individual sales calls, pre or post the event, into the visit.

Trade shows require an organised and targeted approach, with clearly set objectives, and committed staff who understand their roles and what the company is trying to achieve at the event.

For more information, and to receive regular updates on upcoming trade shows, visit www.tourism.australia.com/newscentre.asp to view and subscribe to Tourism Australia’s Essentials newsletter.
Selecting the Right Event

Trade shows are held throughout the year, each targeting different audiences and designed to achieve different objectives.

- Trade events can target specific elements of the trade distribution system from wholesalers to inbound operators, specific segments like diving or adventure, or particular industries like business tourism; and
- Some events target Product Managers who make decisions on tour programs – other events are designed to train the front line sales staff of those companies.

Trade events are a large investment and it is important to understand the difference between each event, and choose events that will specifically meet your trade marketing objectives. Research each event thoroughly by speaking to the trade events department at Tourism Australia, your STO market coordinator or other operators that have attended the event in the past.

Questions you need to ask include:

- What is the selection criteria and cost? Companies that participate in Tourism Australia organised trade events must meet certain selection criteria. Details of the criteria along with costs and further details on attending events can be found at www.tradeevents.australia.com;
- What are your objectives for participating in the event – i.e. developing new business, consolidating existing relationships, increasing product knowledge with sales staff? Will the event achieve your goals?
- What is the reputation of the event? Does it suit new-product entrants?
- Is the event based on prearranged appointments between buyers and sellers? This is normally a better format than a completely informal structure, particularly if you don’t have a network of established contacts; and
- What are the participation options? Can you participate at the event on a ‘share basis’? Is it possible, to participate with complementary product or a marketing partner?

Whichever events you choose, you should be prepared to commit to participation in the same event for a minimum of three years. The awareness of your product will significantly increase each year, as will your own expertise and knowledge of how to work the show.

It is also far more effective to participate in international trade shows under an Australian or State umbrella. Tourism Australia and STOs coordinate attendance at a range of international trade shows including the Australian Tourism Exchange. Discuss your objectives with the International Marketing department of your local STO, or contact the Trade Events team at Tourism Australia.

Preparing for a Trade Show

Attending a trade show requires a lot of preparation. It is important to take careful note of the various event requirements when registering. Not reading the event procedures is one of the major mistakes companies can make.

Key points to take note of include:

- Read all pre-event literature and application forms very carefully;
- Note the cancellation policy and deadlines;
- Be sure to meet all designated deadlines;
- If appointments are available, research who is attending and request appointments with those most relevant to your product;
- Obtain accurate information on the dimensions of your booth and its exact location to enable you to plan your display accordingly;
- Make sure all your booth and marketing materials are ordered (and due for delivery) well before you need to leave;
- Develop a clear strategy for the trade event and plan your preparations around those objectives (see next section); and
- Consider doing a direct mail piece prior to the trade show to those delegates you want to meet.

Develop a Strategy for the Event

Registering for a trade event is only the first step in achieving your marketing goals. A well thought out strategy and a team who will work towards those objectives are the most important elements of a successful trade show.
Who are you Targeting and How can you Meet with them?

A successful trade show strategy must include a hit list of the key business contacts you need to meet, and the way you are going to meet them.

Try to obtain an attendee list from the trade event organisers as soon as you can. Many trade shows have a scheduled appointments system matching buyers to sellers based on the preferences each has requested.

Don’t despair if you fail to confirm appointments in the scheduled part of the show. There are many other ways to meet up with people. Contact key clients via email or phone before they arrive and see if you can schedule an appointment. Develop a catchy promotion which requires delegates to visit your booth to take part. Secure a high profile booth in a prominent location, which may generate a high degree of walk in traffic.

Try to attend all key social and networking events. They are a great way to meet clients in a casual setting, and can often lead to a commitment to consider your product, or drop by your booth.

Getting Your Message Across

Developing a communication strategy for the trade event includes everything from the branding you use in company uniforms and booth design; to the way you communicate your message in brochure materials and formal meetings.

A golden rule, often quoted, is “Listen for 80 per cent and Sell for 20 per cent”. Understand who the buyer is, and what they are looking for, so you can tailor your sales message to the buyer’s needs. Aim to highlight the things that set you apart, your unique selling proposition (USP), as well as anything new, but remember to keep your message short, sharp and memorable.

Brochure materials should be succinct, outlining your key product benefits. Make sure you include your logo and contact details. If the budget permits use photos and colour to attract more interest. Pricing information should clearly indicate validity dates. If you are producing a gift to hand out, make sure that it is relevant to your product or service, it has your company logo and contact details – and can be carried home if the event is offshore for the buyers.

Staff training is crucial to event success. Staff should know who you are trying to target, and who will handle that client when they visit. Role plays of meeting situations are a good way to polish your sales delivery. Attendees should have a clear understanding of presentation standards, including dress codes, staff positioning within the booth, eating of meals, mobile phone use etc. You should also discuss what happens at the booth between appointments. Developing a roster will enable your booth to be attended at all times.

Plan team meetings during the event to review your progress and make any necessary changes. This could happen between appointments or as a debriefing at the end of each day.

Follow Up

The follow up process with those you have met with is possibly the most crucial element of the entire trade show strategy.

Trade show veterans have a system to collect and prioritise the names of key contacts from the event. It is a good idea to design a template form to use in meetings to capture all the key information discussed including any follow up that is required.

A follow up plan should be devised to reply to the most important contacts first, based on the key discussion points during your meeting. Even though it can be time consuming, it is best to personalise your follow up rather than sending bulk emails or letters. A thank you should be sent to everyone you met with, even if they did not request any further information.

Make sure you send every piece of information and material you promised, as soon as possible. If you are out of stock, send a ‘thank you’ and mention that the material is being sourced and will be forwarded as soon as possible.

After an appropriate time for delivery, follow up with the person involved, to review next steps in developing your business relationship.

Trade Show Evaluation

As with all marketing campaigns, trade shows should be evaluated to compare the returns and potential business from the event against your costs.

Leads can often take several months to generate business, and as mentioned, success should not be expected from your first year’s attendance. It takes several years to build up your product awareness, and business relationships, at particular events.
Need more assistance?
BEFORE ENTERING INTO THE INBOUND TOURISM MARKET IT IS WORTHWHILE DOING SOME HOMEWORK. THERE ARE MANY SOURCES OF ADVICE AND ASSISTANCE FOR TOURISM OPERATORS INTERESTED IN FINDING OUT MORE BEFORE INVESTING TIME AND RESOURCES INTO INTERNATIONAL MARKETING.

In this section you will find details on how to work with the various types of industry associations as well as contact details for some of the key organisations who can assist.

There are many more associations including segment specific groups such as bed and breakfast and backpacker associations that can offer advice, assistance or simply the chance to network with other businesses in your sector. Ask your tourism associations and other operators for details of other suitable contacts or see www.tourism.australia.com/Marketing.asp and go to Industry Groups and Associations for further details.

LOCAL TOURISM ASSOCIATIONS

Local Tourism Associations (LTAs) are generally operated by local government and focus on servicing visitors once they are in the area or region. Generally the LTA will run the local Visitor Information Centre. The size, structure and scope of LTAs varies enormously; some cover a Shire or large community, others only a small village; some run only a visitor information centre, others market their area aggressively both domestically and internationally; some are run solely by volunteers, while others have a large number of staff.

LTAs are concerned with maximising the visitor experience once they are in the local area, working closely with operators to develop products and improve service standards. They work closely with their RTAs and STOs to develop strategies and campaigns to attract visitors to the area and can provide very specific information on international visitation to the area. LTAs may also provide the opportunity to get involved in STO and Tourism Australia’s activities on a cooperative and more cost effective basis.

Local operators who are members of the LTA are also great sources of information, and potential partners in regional tourism packages. New operators should take advantage of the networking opportunities their local LTA arranges.

Remember the first step is to sell your destination, then your product, so it is important to have a good relationship with your local tourism association!
**REGIONAL TOURISM ASSOCIATIONS OR ORGANISATIONS**

Regional Tourism Associations (RTAs) or Regional Tourism Organisations (RTOs) are a great first port of call for information on inbound tourism. RTAs are an association of local tourism associations and local tourism operators coordinated through a regional marketing authority. RTAs develop regional tourism marketing strategies, and work cooperatively with the STOs to promote the region. Not all RTAs are actively involved in the international market. Many, although not all, are membership based. Some are part funded by the STO.

RTAs can provide detailed information on how many international tourists visit your region, where they are from, and the key destinations, experiences and opportunities within the region. RTAs generally work closely with product suppliers in their region to provide cohesive messages to international markets.

They can provide good advice on the travel distribution system and often coordinate sales missions, and attendance at trade shows. Some also develop cooperative marketing programs targeting the trade or consumers.

For the contact details of your regional tourism organisation go to www.regionaltourism.com.au.

**Easy Steps to Working with LTAs and RTAs**

- Meet with your local tourism manager to discuss your product and plans in the international market;
- If appropriate become a member;
- Discuss cooperative marketing opportunities with the tourism manager and get involved in programs that are suitable for your business;
- Provide staff with a briefing on your product and give them regular updates; and
- Be an active member of the organisation; attend networking functions and other events.

**STATE TOURISM ORGANISATIONS**

Each State and Territory has a government funded state tourism organisation (STO). STOs are responsible for marketing both domestically and internationally. In addition to offices in Australia, STOs also have international offices located within their priority markets.

Within Australia, STOs have dedicated product or industry development units that can assist operators in developing their product for the international market. This may include marketing consulting services, advisory services for new operators and training and accreditation schemes.

STOs are very focused on trade development strategies. They work with inbound operators, international wholesalers and retail agents to ensure their destination is included in the programs the trade is selling. This includes organising attendance at trade shows and sales missions, developing product manuals and sales support materials, training programs and coordinating trade familiarisations.

STOs hold regular industry briefings to update operators on the latest market intelligence and research. Many also have a regular industry email update that reminds operators of upcoming events and marketing opportunities.

The STOs and Tourism Australia have formed an international marketing alliance called the Destination Australia Marketing Alliance (DAMA). DAMA meets regularly to discuss key opportunities for Australia internationally and to work toward a cohesive, cost-effective approach to marketing Australia in the highly competitive international market place. The effectiveness of the collective efforts of DAMA is enhanced by agreeing on marketing and communications strategies and activities.
STOs work closely with Tourism Australia and industry partners on consumer and trade marketing programs. These include the Visiting Journalist Program, PR programs, advertising campaigns and information dissemination via the web through the Australian Tourism Data Warehouse.

See the Business and Industry Resources section of this document for the contact details of your nearest STO office.

**Easy Steps to Working with State Tourism Organisations**

- Discuss your product and plans with the international and product development units in the State and Territory organisations head office. These are generally two separate departments – make sure you contact both;
- Ask for introductions to other key staff in their head office such as the famili and media staff;
- Sign up your product as part of the Australian Tourism Data Warehouse, and subscribe to the STO email database;
- Review your STOs cooperative marketing prospectus for the most suitable opportunities for your organisation; and
- Provide briefings, train, educate and provide feedback to STO staff whenever possible in Australia and overseas.

**TOURISM AUSTRALIA**

Tourism Australia is Australia’s national tourism marketing body funded by the Australian Government to increase international and domestic demand for Australian tourism experiences.

Tourism Australia is responsible for promoting Australia worldwide as the world’s best destination for business and leisure.

Tourism Australia aims to maximise tourism visitor spend within Australia and to ensure that spend is dispersed far and wide, delivering real economic benefits to regional Australia as well as our major cities.

Our strategy is to shift international consumers from a preference to visit Australia to an intention to visit Australia within the next 12 months.

With this in mind, Tourism Australia targets customers who desire what Australia has to offer, based on current and prospective competitive strengths as a destination and who can satisfy the objectives of spend, growth and dispersal. These target consumers are called Experience Seekers.

Through a wide range of activities Tourism Australia aims to raise awareness of Australia’s unique attributes which attract and entice visitors to experience our country.

Our activities in 23 markets, including Australia, include advertising, public relations and media programs, trade shows and programs for the tourism industry, consumer promotions, online communications and research.

Tourism Australia focuses its activities on the markets offering growth opportunities and the best return on investment. This includes: established markets such as Australia, United Kingdom, Japan, New Zealand, United States of America, Germany, Korea and China; growth markets such as Ireland, Canada, Singapore, Malaysia, Hong Kong, Taiwan, and India; and the emerging markets of Thailand, Gulf Countries, Netherlands, Switzerland, Austria, Italy, France, and Nordic.

Tourism Australia’s Business Development team is primarily responsible for helping the tourism industry get involved in Tourism Australia’s marketing activity. The Business Development Managers are the first point of contact when you need information about Tourism Australia’s marketing initiatives, research and insights that will assist you generate more business. To contact your Business Development Manager www.tourism.australia.com/industrydevelopment.
CONVENTION AND VISITOR BUREAUS

Convention and Visitor Bureaus (CVBs) are membership based organisations responsible for securing meetings, incentive travel programs, conventions, exhibitions and corporate events for the destinations that they represent. Members of the Association of Australian Convention Bureaux (AACB) www.aacb.org.au include capital cities and a range of regional destinations.

CVBs aim to sell the benefits of their destination as a business tourism destination by marketing directly to organisations, associations and meeting planners through the development of sales materials and presentations, attending trade shows, generating PR and publicity and coordinating bids, site inspections and familiarisations.

Members can choose from a range of different cooperative marketing opportunities which may include access to sales leads and industry databases, calendars of upcoming meeting events, advertising in sales materials, networking opportunities and trade show participation.

Easy Steps to Working with a CVB

› Make an appointment to meet with the membership services manager of your nearest CVB to discuss how the bureau may be able to assist you to reach your objectives;
› If appropriate, become a member of the bureau and review its cooperative marketing and networking opportunities;
› Provide a briefing on your product for all appropriate bureau staff;
› Register for selected cooperative marketing programs; and
› Maintain an active role in bureau activities.

Australian Tourism Export Council (ATEC)

ATEC is the industry body that represents the interests of over 1,100 tourism export businesses throughout Australia. ATEC is a membership based organisation that currently represents inbound tour operators (ITOs), Australian tourism product suppliers and service providers around Australia.

ATEC’s primary role is to optimise the business success of its members so that the resulting economic and social impact of tourism exports for Australians is maximised. ATEC represents the interests of inbound tour operators and product suppliers to government, industry and the wider business community.

ATEC works closely with federal and state/territory governments and marketing bodies. Their national office and nine branches Australia-wide are committed to promoting industry growth at a grassroots level.

ATEC also actively facilitates business to business relationships between ITOs and product suppliers with a program of national and regional branch events including workshops, educational seminars, networking events and familiarisations.

ATEC delivers skills, knowledge and tangible benefits to increase members’ business success and service quality through a range of business development and education export ready seminars. They have also developed an e-learning training program Export Ready, where members and guests can update their knowledge on export tourism via six learning modules.

With a national branch network ATEC facilitates industry growth and is recognised as the voice of the tourism export industry by industry stakeholders, government and the media. They provide commentary on a range of industry issues from the economic impact of tourism exports, international arrivals figures, industry research and forecasts, government policy and industry business development initiatives. For further details on ATEC’s activities and events go to www.atec.net.au.

Austrade

Austrade www.austrade.gov.au is the Federal government agency responsible for assisting Australian exporters gain entry into international markets. Located in 57 countries worldwide they offer practical advice, market intelligence and ongoing support to Australian businesses looking to develop business from international markets. It also offers financial support to some categories of exporters through the Export Market Development Grants (EMDG) Scheme.

International tourism is an international export which is eligible for assistance under the EMDG scheme. The scheme provides assistance to small and medium Australian exporters committed to developing export business by repaying part of their promotional expenses once that business has reached eligibility criteria. Any Australian individual, partnership, company, association, cooperative, statutory corporation or trust that has carried on export business in Australia can lodge a return.

Department of Resources, Energy and Tourism (RET)

The Federal Department of Resources, Energy and Tourism (RET) is responsible for the implementation of Australian Government tourism policy and programs. The Department’s major aim is to develop a sustainable, internationally competitive and innovative tourism industry.

The Department is responsible for monitoring the implementation of the Tourism White Paper, an essential part of building a framework that will assist the tourism industry to capture, maintain and grow future market share. The Australian, State and Territory governments, regional and local tourism organisations and the tourism industry all have an important role to play in ensuring tourism optimises its potential.

The Department is also involved in the Australian Tourism Accreditation Program an industry-based initiative designed to establish a benchmark for tourism businesses to become recognised providers of a standardised level of quality. The program aims to provide tourism businesses with an action plan for improvement that can include enhanced management, improved tourism product and higher customer satisfaction. Accreditation programs are also beneficial to consumers as a means of providing information and greater assurance of product and service quality.

Program criteria requires all businesses to document a system of management practices in order to ensure that all the services and products offered are reliable, consistent and predictable, resulting in customer confidence and satisfaction. The program provides operators with a self-assessment means, resulting in higher levels of efficiency, consistency in business practices, sustainability and consequently resulting in an increase in consumer confidence. For more information visit www.ret.gov.au.

BUSINESS AND INDUSTRY RESOURCES

This section is designed to provide you with links to organisations that can provide business assistance:

AusIndustry

www.ausindustry.gov.au

› Commonwealth Government agency for delivering products, services and information that support industry, research and innovation
› Australian Tourism Development Program (ATDP) – listed under the AusIndustry products menu from the home page
Austrade (Australian Trade Commission)  
www.austrade.gov.au

- Information for Australian Exporters includes country profiles, details on expanding your business and contact databases
- Business development assistance
- Export Market Development Grant (EMDG) scheme

Australian Tourism Export Council (ATEC)  
www.atec.net.au

- Members support and services include some key opportunities to network with key inbound tour operators and suppliers throughout the year at the annual ATEC Symposium
- They can also provide members with lists of ITO members who are active in specific country markets

Business Entry Point  
www.business.gov.au

- An online government resource for the Australian business community including information modules include detailed information making sense of small business related questions including referrals to various levels of government under specific modules
- Setting Up A New Business – registering a business, licences and permits, home-based business, coming from overseas, e-Business
- Managing Your Business – taxation, employing people, franchises, retail leasing, superannuation, training and apprenticeships, fair trading
- Expanding Your Business – tenders and contracts, importing, exporting
- Obtaining Financial and Other Assistance – grants and financial assistance, statistics and market analysis, advice and support
- Closing, selling or winding up a business

Cooperative Research Centre for Sustainable Tourism (CRC for Sustainable Tourism)  
www.crctourism.com.au

- Provides access to a number of research based publications and reports relevant to the tourism industry

Department of Foreign Affairs and Trade (DFAT)  
www.dfat.gov.au

- Country, Economy and Regional Information including travel information – details on visas, travel advisories, Australian contacts in international markets and international contacts in Australia
- TradeWatch – provides information on the international trade and investment environment and Australian Government action to open international markets

Department of Resources, Energy and Tourism (RET)  
www.ret.gov.au

- Australian Tourism Development Program
- Business Ready Program for Indigenous Tourism
- Tourism and Conservation Initiative

GOVERNMENT DEPARTMENTS AND OTHER BUSINESS RESOURCES

Each State and Territory Government has a department which offers advice on running a small business and details of legislation specific to that state.

- Queensland – Department of Tourism, Regional Development and Industry  
www.business.qld.gov.au
- South Australia – Department of Trade and Economic Development  
www.southaustralia.biz
- Western Australia – Department of Industry and Resources  
www.doir.wa.gov.au
- Northern Territory – Department of Business, Economic and Regional Development  
www.nt.gov.au/business
- Tasmania – Department of Economic Development  
www.development.tas.gov.au
- New South Wales – Department of State and Regional Development  
www.smallbiz.nsw.gov.au

Offices of Fair Trading

State and Territory Offices of Fair Trading administer and control travel agency licensing.

- New South Wales Office of Fair Trading  
www.fairtrading.nsw.gov.au
- Queensland Office of Fair Trading  
www.consumer.qld.gov.au
- Western Australia Department of Consumer and Employment Protection  
www.docep.wa.gov.au
- Tasmania Office of Consumer Affairs and Fair Trading  
www.justice.tas.gov.au
- Northern Territory Consumer Affairs – www.caba.nt.gov.au
- South Australia Office of Consumer and Business Affairs  
www.ocba.sa.gov.au

State and Territory Tourism Organisation Corporate Websites

- Tourism Queensland – www.tq.com.au
- Tourism New South Wales – corporate.tourism.nsw.gov.au
- Tourism NT – www.tourismnt.com.au
- Tourism Western Australia – www.tourism.wa.gov.au
- COAST North America  
Developed by Coalition of Australian States and Territories (COAST) for Australian product suppliers. This complete online sales call manual includes addresses and maps as well as handy hints for getting around in each key city.  
www.coastnorthamerica.com
- Destination Australia Partnership (UK)  
The “UK On-line Sales Call Manual” was developed as a resource for Australian product suppliers to have access to up-to-date UK operator contact details; location maps; market information and useful links to assist when travelling to this market.  
www.destinationaustralia.uk.com
### Tourism Acronyms

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AACB</td>
<td>Australian Association of Convention Bureaux</td>
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<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<tr>
<td>ABTA</td>
<td>Association of British Travel Agents</td>
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<tr>
<td>ADS</td>
<td>Approved Destination Status (relates to the China travel market)</td>
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<td>AEI</td>
<td>Australian Education International</td>
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<td>AFTA</td>
<td>Australia Federation of Travel Agents</td>
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<td>ASP</td>
<td>Aussie Specialist Program</td>
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<tr>
<td>ATDW</td>
<td>Australian Tourism Data Warehouse</td>
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<tr>
<td>ATE</td>
<td>Australian Tourism Exchange</td>
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<td>ATEC</td>
<td>Australian Tourism Export Council</td>
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<tr>
<td>BEC</td>
<td>Business Enterprise Centre</td>
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<tr>
<td>BIT</td>
<td>Borsa Internazionale del Turismo held in Italy each year (Trade Event)</td>
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<tr>
<td>BT</td>
<td>Business Tourism (Meetings, Incentives, Conventions and Exhibitions)</td>
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<tr>
<td>BTAP</td>
<td>Backpacker Tourism Advisory Panel</td>
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<tr>
<td>COAST</td>
<td>Coalition of Australian States and Territories (North America)</td>
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<tr>
<td>CRC</td>
<td>Cooperative Research Centre for Tourism</td>
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<tr>
<td>CRS</td>
<td>Computerised reservations system</td>
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<tr>
<td>CVB</td>
<td>Convention and Visitors Bureau</td>
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<td>DAMA</td>
<td>Destination Australia Marketing Alliance</td>
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<tr>
<td>DFAT</td>
<td>Department of Foreign Affairs and Trade</td>
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<td>DJ</td>
<td>Virgin Blue Airlines</td>
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<td>DMC</td>
<td>Destination Management Company</td>
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<td>EA</td>
<td>Ecotourism Australia</td>
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<td>EMDG</td>
<td>Export Market Development Grant</td>
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<tr>
<td>FIT</td>
<td>Fully independent traveller</td>
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<td>FOC</td>
<td>Free of charge</td>
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<tr>
<td>GALTA</td>
<td>Gay and Lesbian Travel Association</td>
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<tr>
<td>GIT</td>
<td>Group inclusive traveller</td>
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<tr>
<td>GSA</td>
<td>General sales agent</td>
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<tr>
<td>IATA</td>
<td>International Airport Transport Association</td>
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<td>ICCA</td>
<td>International Congress &amp; Convention Association</td>
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<td>IMR</td>
<td>International Media Relations</td>
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<td>ITAA</td>
<td>Irish Travel Agents Association</td>
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<tr>
<td>ITB</td>
<td>International Travel Bourse held in March in Berlin each year</td>
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<tr>
<td>ITO</td>
<td>Inbound tour operator</td>
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<td>IVS</td>
<td>International Visitor Survey</td>
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<td>JAM</td>
<td>Japan Australia Mission conducted by Tourism Australia</td>
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<td>LTA</td>
<td>Local Tourism Association</td>
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<td>MIAA</td>
<td>Meetings Industry Association of Australia</td>
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<td>NTO</td>
<td>National Tourism Office</td>
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<td>PATA</td>
<td>Pacific Asia Travel Association</td>
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<td>PAX</td>
<td>Passengers</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>PRIME</td>
<td>Pacific Rim Incentives &amp; Meetings Exchange (Business Tourism Event)</td>
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<td>QF</td>
<td>Qantas Airways</td>
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<td>RET</td>
<td>Department of Resources, Energy and Tourism</td>
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<tr>
<td>RTA/RTO</td>
<td>Regional tourism association/organisation</td>
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<td>SATC</td>
<td>South Australian Tourism Commission</td>
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<td>STO</td>
<td>State or Territory Tourism Office</td>
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<td>TA</td>
<td>Tourism Australia</td>
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<td>TFC</td>
<td>Tourism Forecasting Committee</td>
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<td>TNSW</td>
<td>Tourism New South Wales</td>
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<td>TNT</td>
<td>Tourism Northern Territory</td>
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<td>TQ</td>
<td>Tourism Queensland</td>
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<td>TRA</td>
<td>Tourism Research Australia</td>
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<td>TT</td>
<td>Tourism Tasmania</td>
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<td>TTF</td>
<td>Tourism and Transport Forum</td>
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<td>Tourism Western Australia</td>
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<tr>
<td>USP</td>
<td>Unique Selling Proposition</td>
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<tr>
<td>VFR</td>
<td>Visiting friends and relatives</td>
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<td>VJP</td>
<td>Visiting Journalist Program</td>
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<tr>
<td>WTM</td>
<td>World Travel Mart</td>
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<tr>
<td>WTO</td>
<td>World Tourism Organisation</td>
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<tr>
<td><strong>Tourism Terms</strong></td>
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<tr>
<td><strong>Agent</strong></td>
<td>A person or company that sells your product on your behalf, including ITOs, wholesalers and retail agents.</td>
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<tr>
<td><strong>Business Tourism</strong></td>
<td>Incorporates visitors travelling for conventions, conferences, seminars, workshops, symposiums, incentives, exhibitions and special events.</td>
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<tr>
<td><strong>Commission</strong></td>
<td>The fee paid to agents for them to market, distribute and sell your product.</td>
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<tr>
<td><strong>Distribution</strong></td>
<td>The channels or places through which a consumer may purchase your product.</td>
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<tr>
<td><strong>Eastern Markets</strong></td>
<td>All Asian countries, including Japan and the Middle East.</td>
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<tr>
<td><strong>Export Tourism</strong></td>
<td>International tourist traffic coming into a country, with foreign dollars contributing to the export economy.</td>
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<tr>
<td><strong>Familiarisation Visits</strong></td>
<td>Provides agents with the opportunity to experience your product first hand and improve their product knowledge.</td>
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<tr>
<td><strong>Frontline Staff</strong></td>
<td>The agents that deal directly with consumers including retail agents and reservations staff.</td>
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<tr>
<td><strong>Fully Independent Travellers (FIT)</strong></td>
<td>Travellers who plan their own travel arrangements. There are a number of types of FIT including visiting friends and relatives, backpacking and partially packaged travel.</td>
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<tr>
<td><strong>General Sales Agent</strong></td>
<td>Offer representation and marketing of your product in international markets. They may also provide a booking service.</td>
</tr>
<tr>
<td><strong>Gross Rate</strong></td>
<td>The price that consumers pay for your product. Also sell rate, rack rate or door rate.</td>
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<tr>
<td><strong>Group Inclusive Travellers (GIT)</strong></td>
<td>Travellers who purchase the bulk of their holiday arrangements before leaving home, also referred to as package travellers.</td>
</tr>
<tr>
<td><strong>Inbound Tour Operator (ITO)</strong></td>
<td>An Australian based agent that specialises in developing programs and itineraries for distributors. Also known as ground operators and destination management companies (DMC).</td>
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<tr>
<td><strong>Inbound Tourism</strong></td>
<td>International tourist traffic coming into a country. Also referred to as export tourism.</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>All business that are involved in tourism including distribution agents and product suppliers.</td>
</tr>
<tr>
<td><strong>Long Haul Travel</strong></td>
<td>International travel to a destination, generally more than 5 hours from the point of origin, i.e. Australia is a long haul destination for travellers from Europe and America.</td>
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<tr>
<td><strong>Meeting and Incentive Planners</strong></td>
<td>Organise and manage all aspects of meetings, incentives and events.</td>
</tr>
<tr>
<td><strong>Nett Rate</strong></td>
<td>The gross rate less the commission amount. The amount that you receive from the agent.</td>
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<tr>
<td><strong>Online Distribution</strong></td>
<td>Using the internet and web portals to distribute or promote your product to consumers.</td>
</tr>
<tr>
<td><strong>Outbound Tourism</strong></td>
<td>Residents travelling out of their country to an international destination.</td>
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<tr>
<td><strong>Product Manager/ Department</strong></td>
<td>Responsible for identifying and selecting the products and suppliers that an ITO or wholesaler will sell.</td>
</tr>
<tr>
<td><strong>Retail Travel Agent</strong></td>
<td>The link to the consumer, retail agents allow travellers to book travel products either through a wholesaler, an ITO or direct with the supplier.</td>
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<tr>
<td><strong>Sales Calls</strong></td>
<td>Face to face meetings with agents. Purposes may include; updating and educating them on your product, negotiating inclusion in their programs or negotiating rates.</td>
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<tr>
<td><strong>Short Haul Travel</strong></td>
<td>International travel to a destination, generally less than 5 hours from the point of origin, i.e. Australia is a short haul destination for travellers from New Zealand.</td>
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<tr>
<td><strong>Trade Shows</strong></td>
<td>Events held both in Australia and overseas which act as a forum for product suppliers to meet with agents.</td>
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<tr>
<td><strong>Travel Distribution System</strong></td>
<td>A global network of independent businesses which allow international consumers to research and book travel.</td>
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<tr>
<td><strong>Travel Trade</strong></td>
<td>A collective term for the agents that make up the distribution system, including ITOs, wholesalers, retail and online agents.</td>
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<tr>
<td><strong>Travel/ Tour Wholesaler</strong></td>
<td>Located in overseas markets wholesalers are the link between international travel agents and ITOs or suppliers.</td>
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<tr>
<td><strong>Visiting Friends and Relatives (VFR)</strong></td>
<td>Visitors whose main purpose is to visit with friends and relatives.</td>
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<tr>
<td><strong>Western Markets</strong></td>
<td>All non Asian countries, including New Zealand, the Americas, UK &amp; Europe.</td>
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