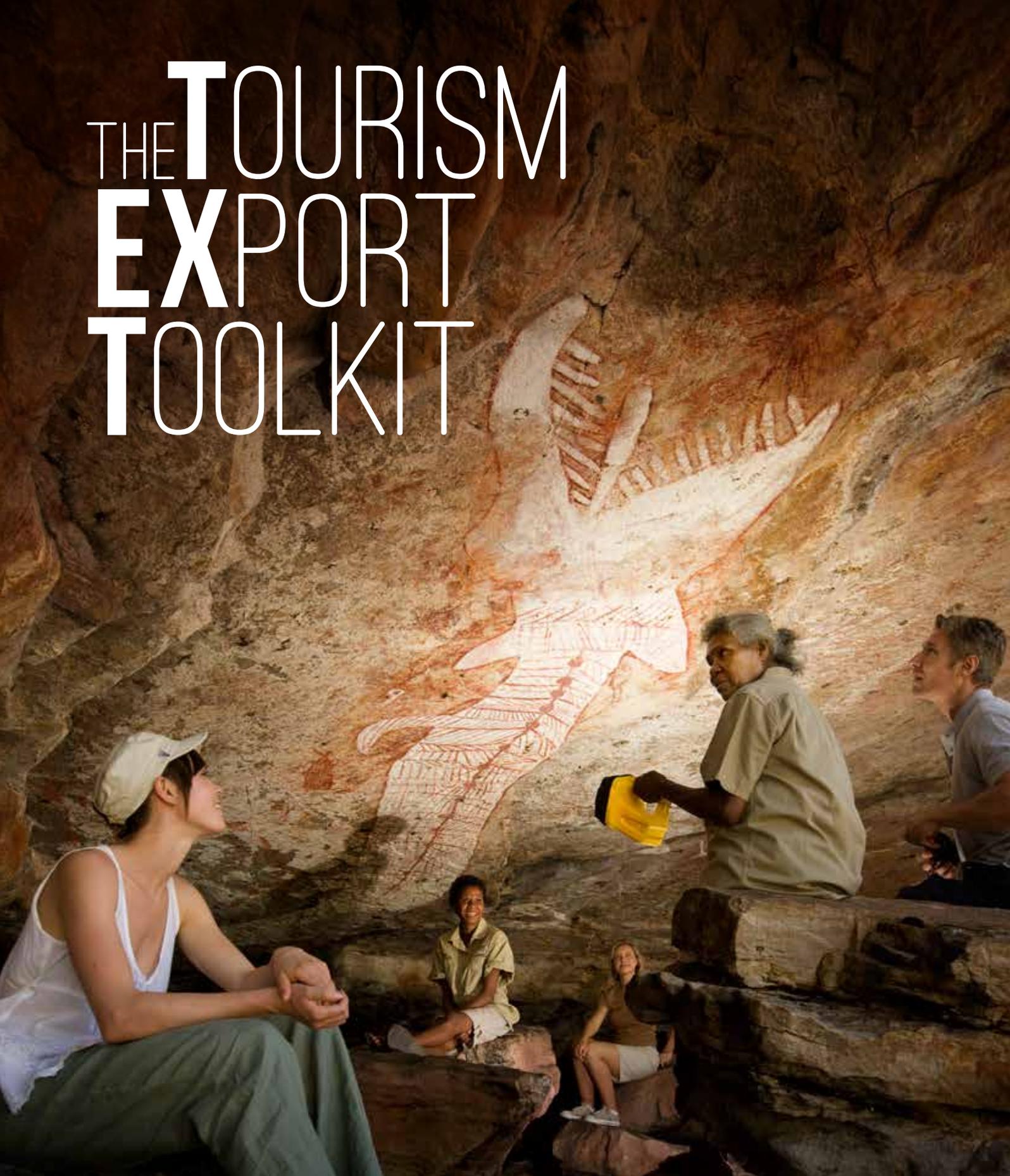


# THE TOURISM EXPORT TOOLKIT



Your introductory guide  
to inbound tourism 



# WELCOME TO THE TOURISM EXPORT TOOLKIT (TEXT)

Your introductory guide to inbound tourism in Australia.

This toolkit has been produced by the Australian Tourism Export Council (ATEC) in partnership with Tourism Australia and as a result of collaborative participation from all State and Territory Tourism Offices- a first truly national collaboration of this nature.

TEXT is designed to provide you with the basic tools, knowledge and key contacts needed to enter the export tourism market. This information, combined with advice and assistance from tourism associations, industry bodies and tourism operators will put you on the path to inbound tourism know-how!

TEXT contains advice on how 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 plan to target international visitors through a range of mediums and distribution channels
- Seek advice from your local, regional, state and national tourism offices, as well as relevant associations and groups

This toolkit is designed to help you make more fully informed business decisions. The information contained is to be used as a guide only, and any facts/figures are correct at time of issue. Use this guide as a tool to direct you on the right path, but do seek further professional advice regarding your business before making any decisions.



Here are the tools in your kit- easy to find information to get you started

Section	Tool
1	<a href="#"><u>Pre-checklist: How 'ready' are you right now?</u></a>
2	<a href="#"><u>Help desk: Quick links to get you going</u></a>
3	<a href="#"><u>Inbound Tourism: The What, Why &amp; How</u></a>
4	<a href="#"><u>The types of inbound travellers</u></a>
5	<a href="#"><u>Know your markets</u></a>
6	<a href="#"><u>Cultural considerations</u></a>
7	<a href="#"><u>Tourism industry research and understanding statistics</u></a>
8	<a href="#"><u>The travel distribution system</u></a>
9	<a href="#"><u>Distribution: The main players</u></a>
10	<a href="#"><u>Pricing: Its all about balance</u></a>
11	<a href="#"><u>Consider your product: Review or Bundle</u></a>
12	<a href="#"><u>Relationships are key- formal and informal</u></a>
13	<a href="#"><u>How to get the most out of trade shows</u></a>
14	<a href="#"><u>Sales Missions &amp; Overseas Representation</u></a>
15	<a href="#"><u>Working with Media and Maximising Familiarisations</u></a>
16	<a href="#"><u>Sales &amp; Marketing Materials</u></a>
17	<a href="#"><u>Digital Marketing</u></a>
18	<a href="#"><u>Building an Export Plan</u></a>
19	<a href="#"><u>Tourism talk- acronyms &amp; glossary</u></a>
20	<a href="#"><u>Final Checklist: Your ultimate list of key considerations</u></a>



# 1

# PRE-CHECKLIST: HOW 'READY' ARE YOU RIGHT NOW?



How many of the following can you truly tick off the 'international ready' basic checklist:

- |  |                          |  |                          |
|--|--------------------------|--|--------------------------|
| 1. Do you know your organisation's UVP (Unique Value Proposition)?   | <input type="checkbox"/> | 7. Do you have booking systems in place to accept international bookings both direct, and via the travel distribution network (on and offline)?    | <input type="checkbox"/> |
| 2. Have you secured a strong foothold with the domestic tourism market?  | <input type="checkbox"/> | 8. Have you developed a working export plan and budget to target international visitors?   | <input type="checkbox"/> |
| 3. Have you conducted a careful assessment of your competition?  | <input type="checkbox"/> | 9. Can you identify, or have you already started working with complementary product in your region to jointly package and/promote internationally? | <input type="checkbox"/> |
| 4. Have you researched all potential international markets for your business to determine which will best fit as target markets? | <input type="checkbox"/> | 10. Have you developed a range of promotional collateral with targeted messages for both consumers and the travel trade?                           | <input type="checkbox"/> |
| 5. Can you identify the different travel styles of inbound travellers?   | <input type="checkbox"/> | 11. Have you sought advice from your local, regional and state tourism office in addition to Tourism Australia and ATEC?                           | <input type="checkbox"/> |
| 6. Do you understand the travel distribution system and have relevant rate structures in place?                                  | <input type="checkbox"/> |  |                          |

## How did you score out of 11?

Any less than 11/11 do not worry! Once you understand all sections within this toolkit you will be armed with the knowledge to become internationally ready. A more comprehensive benchmark for your business awaits at the end of this TExT in section 20 "The Final Checklist".

Good luck! Read on to Section 2 "The Help Desk" to find a list of organisations to get you started, and assist your business on the journey.

# 2

# THE HELP DESK: THE GO-TO LIST FOR ASSISTANCE, GUIDANCE AND INFORMATION

Where can I turn to for information, assistance, advice and networking?

Do your homework and find out what opportunities and which contacts are available and applicable to your business!

## Tourism Australia

Tourism Australia is the Australian Government agency responsible for attracting international visitors to Australia, both for leisure and business events. The organisation is active in 16 key markets and activities include advertising, PR and media programs, trade shows and industry programs, consumer promotions, online communications and consumer research.

Tourism Australia's Industry Relations Managers are your best contact point for information about Tourism Australia's activities, events, research and marketing opportunities. Their aim is to connect you directly to marketing programs and resources that will help you generate more business and help you gain a better understanding of market conditions.

**About Tourism Australia** [www.tourism.australia.com/about-us/about-tourism-australia.aspx](http://www.tourism.australia.com/about-us/about-tourism-australia.aspx)

**Working with Tourism Australia:** [www.tourism.australia.com/industry-advice/Working-with-Tourism-Australia.aspx](http://www.tourism.australia.com/industry-advice/Working-with-Tourism-Australia.aspx)

**Industry Relations Manager** [www.tourism.australia.com/contact-us.aspx](http://www.tourism.australia.com/contact-us.aspx)

**Research and Insights** [www.tourism.australia.com/research](http://www.tourism.australia.com/research)

**Market Information** [www.tourism.australia.com/markets](http://www.tourism.australia.com/markets)

**Industry Programs:** [www.tourism.australia.com/programs/Industry-Programs.aspx](http://www.tourism.australia.com/programs/Industry-Programs.aspx)

[www.tourism.australia.com/marketing](http://www.tourism.australia.com/marketing)

## Australian Tourism Export Council (ATEC)

ATEC is the peak industry development body that represents the interests of over 850 tourism export businesses throughout Australia. ATEC is a membership based organisation that currently represents inbound tour operators (ITOs), online operators, 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 its members to government, industry and the wider business community.

ATEC run many workshop, famils, networking, education and conference opportunities all over Australia throughout the year and is a great way to connect with commercially sound and committed industry members.

[www.atec.net.au](http://www.atec.net.au)

## Local Tourism Associations or Local Tourism Organisations

Local Tourism Associations (LTAs) or Local Tourism Organisation's (LTOs) 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. LTAs nurture and strengthen local tourism businesses by liaising with regional tourism authorities and state bodies on behalf of operators. Local operators who are members of the LTA are also great sources of information, and potential partners in regional tourism packages.

## Regional Tourism Organisations or Associations

Regional Tourism Organisations (RTOs) or Regional Tourism Associations (RTAs) are organisations of local tourism associations and local tourism operators coordinated through a regional marketing authority. RTOs develop regional tourism marketing strategies, and work cooperatively with the State Tourism Organisations (STOs) to promote quality tourism experiences to ensure their region maximises its tourism potential. Not all RTOs are actively involved in the international market. Many, although not all, are membership based. Some are part funded by the State Tourism Organisations.

## State Tourism Organisations

Each state and territory in Australia has its own government tourism agency that works with industry. The role of the State Tourism Organisations (STOs) is to support the development and marketing of sustainable tourism destinations and experiences within their state, to increase awareness and attract visitors. 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, workshops and famils, and accreditation schemes. Check with your local STO for any additional funding or support they may offer.

## STO Contacts

[www.tourism.australia.com/contact-us/state-tourism-offices.aspx](http://www.tourism.australia.com/contact-us/state-tourism-offices.aspx)

## Australian Tourism Data Warehouse (ATDW)

The Australian Tourism Data Warehouse (ATDW) is a central content and distribution platform for the Australian tourism industry. The database is made up of over 35,000 tourism product listings which are available for publication across ATDW's multi-channel distribution network.

ATDW benefits Tourism Operators by providing a cost effective solution to increasing their digital distribution and online exposure, and provides Travel Distributors with rich, flexible content in a central database to easily populate their websites.

ATDW offer an online training programme to assist in your understanding and confidence with online digital technologies.

[www.atdw.com.au](http://www.atdw.com.au)

## Austrade

Austrade is the Federal government agency responsible for helping Australian businesses, education institutions and tourism operators gain entry into international markets and has primary responsibility for tourism policies, programs and research. Located in over 40 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.

[www.austrade.gov.au/Australian/Export/Export-Grants/EMDG](http://www.austrade.gov.au/Australian/Export/Export-Grants/EMDG)

## Tourism Research Australia (TRA)

Tourism Research Australia is Australia's leading provider of quality tourism intelligence across both international and domestic markets. TRA equips industry with information to strengthen your marketing and business decisions. TRAs data underpins government tourism policy and helps to improve the performance of the tourism industry for the benefit of the Australian community.

**You will find a number of free publications available including:**

- results from the International Visitor Survey (IVS) and National Visitor Survey (NVS)
- State of the Industry report, which assesses the current performance of the tourism industry and the emerging trends that will affect the industry
- key information about travellers, including demographics; expenditure places visited; activities; accommodation; and transportation
- biannual forecasts of tourism activity for the next ten years
- tourism business and employment data
- economic impact data
- regional expenditure data
- customised research at a regional level (Destination Visitor Surveys)

[www.tra.gov.au](http://www.tra.gov.au)

# 3

# INBOUND TOURISM: THE WHAT, WHY, & HOW

**What is inbound tourism and why is it worth considering?**

**How is it different to Domestic tourism?**

**How do I find out who is travelling to Australia?**

## 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.

## Why consider the Inbound Tourism market?

Inbound tourism allows you to diversify your markets and access new areas of business that may balance out regular domestic business patterns.

### There are many benefits to inbound 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 (ensures you don't have all your eggs in one basket!)
- 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 usually longer, allowing better business planning
- The opportunity to meet people from a range of cultures and backgrounds can be extremely rewarding – many life long friendships get established from around the globe!

## Why is Inbound Tourism so important?

Inbound tourism is big business in Australia with the tourism export sector currently worth \$36 billion (as at Dec 15), which is Australia's second largest export industry.

While domestic tourism is a large component of Australia's tourism industry, the inbound market is forecast to continue leading growth supported by lower fuel prices, the depreciation of the Australian dollar and the improvement of economic conditions in overseas markets.

Forecasts for Australia's key tourism markets are for growth above the global trend in the next few years.

Although China's economy has slowed down, growth in China, India and Malaysia is expected to outpace the global average rate. Similarly, the economic growth of Australia's leading Western tourism markets such as the United States, the United Kingdom and New Zealand is expected to exceed the average forecasted rate for advanced economies as well.

## What is the difference between Inbound vs Domestic Tourism?

Domestic tourism currently accounts for approximately 65% of all tourism in Australia. International visitors make up the remaining 35%.

International tourists usually travel for longer and spend more money than domestic travellers – hence the appeal!

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 and it is important to understand these and tailor your business accordingly.

“It came time for us to make the decision to expand our business and inbound tourism had clear advantages. We did our research, then went for it. It will take you time to experience success, so patience is definitely the key”

–Kathy Graham, SEIT Outback

Domestic Market	International Market
Travellers are familiar with Australia	Travellers may have limited knowledge of Australia
Lower marketing costs	Higher marketing costs
Traveller needs are consistent across segments	Traveller needs vary in each market and segment
Distribution system is consistent and operators often deal with consumers directly	Distribution systems vary in each market
Simpler, short break style itineraries	Complex itineraries
No language or cultural barriers	Language and cultural differences
Easy market to enter and return on investment established more quickly	Long term investment to recoup costs

## What do I need to consider in advance?

Overseas markets are super competitive. Not only are you competing against companies that provide similar products, you are also competing against other international destinations.

Always compare your product offering internationally. What do you consider when you are choosing a holiday overseas – what destination and what experiences are you going to enjoy and why, what stands out and for what reason, how do you compare?

Now reverse this and consider how your product would stand up with the same analysis.

Selling your region and educating travellers about your destination and its attributes is often the first step in selling your product. You will need to commit to selling the destination and then your product to entice international travellers. For example, if you operate a walking tour in the Grampians National Park, then you also need to market the touring routes that bring travellers from Melbourne to the Grampians area, such as Visit Victoria's promoted 'The Great Southern Touring Route'.

## How do I know who is travelling to Australia?

Visitor arrival details are published on a monthly basis by the Australian Bureau of Statistics (ABS) and Tourism Research Australia (TRA) publishes forecasts for Australian inbound travel twice a year.

The International Visitor Survey (IVS) is published quarterly by TRA and is the most comprehensive source of information on international visitors to Australia. The IVS samples 40,000 departing, short-term international travellers over the age of 15 years who have been visiting Australia.

Always keep informed of the market trends and forecasts - visit [Tourism Research Australia](#)

Also refer to Section 5 – Know Your Markets and Section 7 – Understanding Statistics for more detailed information on understanding your potential target markets.

## How do I know whose travelling and how quickly?

Successful inbound marketing requires a large investment of time and money and is based on establishing and maintaining good business relationships.

In contrast to the domestic market, it may take several years before you earn a return on investment for your international marketing. Therefore, it is important to have a long-term marketing strategy when considering the Inbound market and consistently maintain the relationships.

# 4

# THE TYPES OF INBOUND TRAVELLERS



**What are the different styles of inbound travellers and why is it important to understand them?**

**Why are experiences so important?**

## **Why is it important to understand the different styles of travel?**

A tourist's travel style will influence the choice of tours and activities, styles of accommodation, transport and the location of the product purchase.

These choices will be influenced by the tourist's age, budget, cultural background and previous travel experience.

The maturity of the outbound market from the tourist's home country will also influence their preferred style of travel.

If you understand the different styles of travel, match and market your product accordingly, you will be on the right path to securing bookings from that type of traveller.

For example, an Asian honeymoon couple will have very different requirements from a German backpacker or an American family.

## **What are the differences between a short and a long haul traveller?**

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

In short haul markets, such as New Zealand, Australia is a highly achievable destination. Short haul visitors often travel to Australia more than once and purchase shorter, more frequent trips. They then become more familiar with the destination and gain the confidence to plan their own trips, travel in a less structured way, more independently and beyond the gateways.

In long haul markets such as United States and Europe, Australia is seen as a destination that requires a large commitment of both time and money, and thus they see it as a 'single destination' visit. However a high percentage of long haul visitors do choose to make a return trip to Australia. It's important to note that a number of markets have a high propensity to return to Australia.

# THE TYPES OF INBOUND TRAVELLERS

<b>Group Inclusive Tour or Travellers (GIT)</b> <ul style="list-style-type: none"> <li>→ Pre-purchase the bulk of their holiday before leaving home via distributors</li> <li>→ Prefer structured itineraries</li> <li>→ Have highly organised and pre booked tour arrangements</li> <li>→ Use distributor's preferred products</li> <li>→ Common in less mature markets and with certain segments such as educational groups</li> </ul>	<b>Fully Independent Travellers (FIT)</b> <ul style="list-style-type: none"> <li>→ Like the freedom of planning their own arrangements</li> <li>→ Arrange some core holiday components prior to arrival</li> <li>→ Organise the bulk of their itinerary independently often after their arrival</li> <li>→ Rely heavily on word of mouth, the internet and social media when planning their trip</li> </ul>
<b>Partially Packaged Travellers</b> <ul style="list-style-type: none"> <li>→ Pre-book 'skeleton package' of airfares, transfers and accommodation prior to arrival</li> <li>→ Search for competitive rates</li> <li>→ Optional themed extras such as car hire and tours are offered at the point of sale to appeal to different segments</li> </ul>	<b>Visiting Friends and Relatives (VFR)</b> <ul style="list-style-type: none"> <li>→ Cite friends and relatives as the primary reason for travel</li> <li>→ Often travel beyond the family base to other destinations</li> <li>→ Rely on the recommendations and advice of their Australian-based friends and relatives when planning their trip</li> </ul>
<b>Backpackers</b> <ul style="list-style-type: none"> <li>→ Spend at least one night in a backpacker hotel or youth hostel during their stay</li> <li>→ Traditionally 18 to 29 year olds but often people aged 30 and beyond travel this way</li> <li>→ Prefer a highly independent and unstructured approach towards travel</li> <li>→ Rely heavily on the internet and social media for information</li> <li>→ Often include voluntourism in their travels - volunteering for a charitable cause</li> </ul>	<b>Education Travellers</b> <ul style="list-style-type: none"> <li>→ Include short course participants, long term university students, school excursions and exchanges</li> <li>→ Cite study as the main purpose of their visit but there may be a tourism component to the trip</li> <li>→ Have families who may visit and travel throughout the course of study</li> <li>→ Often require specialised arrangements depending on the age of students</li> </ul>
<b>Business Travellers</b> <ul style="list-style-type: none"> <li>→ Include delegates of a large conference or an individual on a business trip</li> <li>→ Often include a component of leisure travel during their visit such as pre and post conference touring</li> <li>→ Include delegates participating in an incentive tour - a specialised business segment which rewards performance with travel experiences</li> <li>→ Offer high yield as the per head spend is often very high</li> </ul>	<b>Special Interest Travellers (SIT)</b> <ul style="list-style-type: none"> <li>→ Travel for reasons associated with personal interests such as agritourism, health and wellness or bird watching</li> <li>→ Book through agents or operators who possess a high level of expertise and can access specialised tours, guides, expert lectures and location visits that are not part of the traditional tourism infrastructure</li> <li>→ Have customised itineraries</li> <li>→ Offer high yield but often low volume</li> </ul>

## What are the different styles of travel?

Tourists can choose from a range of different styles of travel based on whether their trip is for:

- Leisure
- Business
- A special interest
- Family reasons

Travel styles are constantly evolving and definitions will vary from market to market, however the above table summarises the key different styles that you mostly need to be aware of.

"It is so important to understand the different types of travellers and what suits your business needs. As a group of small independent owner operators, we target various markets ranging from the adventure youth market right up to the deluxe market"

– Gabby Shaw, Whitsundays Sailing Adventures

## Why are experiences so important?

Experiences are increasingly important to international travellers, they are what compels and motivates people to travel from market to market. When travellers start planning a trip, they will generally select a destination that can provide the experiences that they are looking for.

**For example, these travellers may be looking for:**

- **Honeymoon couple** – a five-star accommodation, indulgent and romantic experiences
- **Family** – value accommodation in a safe, central location with child-friendly experiences
- **Backpacker** – share accommodation close to transport and adventure experiences

Therefore, always consider what 'experience' your product is offering and focus on this in your target marketing.

# 5

# KNOW YOUR MARKETS

**What are the key markets for Australia?**

**Why is it important to understand these markets and to decide which markets to target?**

**Where can I gain further detailed market information and what are the key travel periods?**

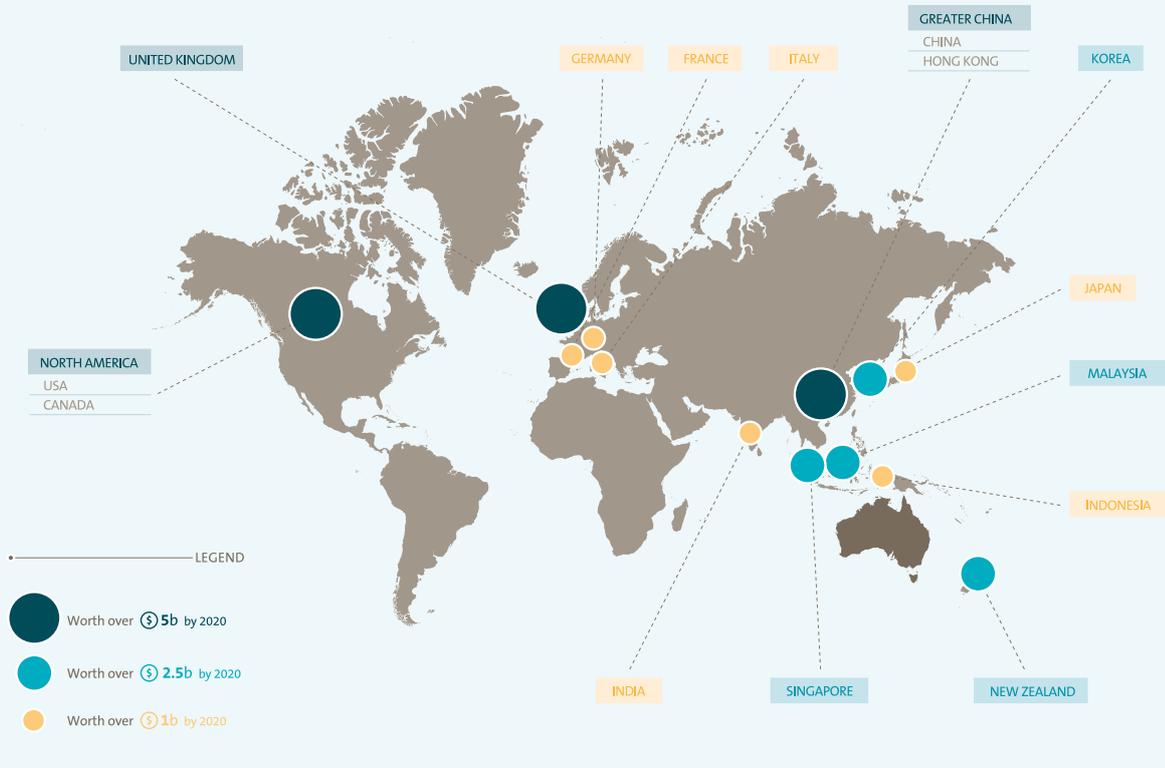
## **What are the key markets for Australia?**

**Tourism Australia is active in 16 markets within 6 major regions worldwide:**

- North Asia (China, Hong Kong, Japan, South Korea)
- South East Asia (India, Malaysia, Singapore, Indonesia)
- The America's (US, Canada, Brazil)
- United Kingdom
- Continental Europe (Germany, France, Italy)
- NZ (Business Events)

The markets are divided into three strategic categories based on their ability to help achieve the Tourism 2020 Strategy, which focuses on increased returns from the tourism industry. The categories are decided by market performance, investment decisions and industry consultation.

## TOURISM AUSTRALIA'S KEY TARGET MARKETS



[See Tourism Australia's 2020 Growth Strategy](#)

### Why is it important to understand these markets and to decide which markets to target?

In order to succeed in the international market, it is important to tailor your business and product to your customer's 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.

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.

A key point to remember is don't try to enter every market at once. Select your markets carefully and take the time to plan your approach, allocating your resources to the markets which will generate the greatest return.

Always keep informed of the market trends and forecasts - [visit Tourism Research Australia](#)

See [Tourism Australia's Consumer Demand Research reports for consumer insights of Australia's key tourism markets](#)

Also refer to [Section 7 – Understanding Statistics](#) for more detailed information on understanding your potential target markets and [Section 18 – Building an Export Plan](#) for tips on how to plan your marketing.

## What is the travel seasonality of each market?

It is important to know the key booking and key travel periods for each market to assist you in contracting with the key distribution partners and product planning.

Country	Key Booking Periods	Key Travel Periods
Brazil	September to October and April to May	December to January and July
Canada	January to March	November to March
China	October to January and May to June	October, January/February (due to Chinese New Year) and July to August
France	European Spring (Mar to May) European Autumn (Sep to Nov)	July and October to February
Germany	January to March	October to March
Hong Kong	November to December and end June/early July	October and December to (due to National Day and Chinese New Year holidays) and July and December
India	May to August and Dec	May (Indian school vacation) and December (Indian winter holiday, Christmas and New Year season)
Indonesia	May to August and December	Lebaran period (July to August) and December.
Italy	September to February	July to August and December. February to November for the honeymooners
Japan	Approximately one month prior to travel	January to March and July to September and December
Malaysia	February to March and September	January/February (due to Chinese New Year), Hari Raya (July) and all school holidays
New Zealand	April to August	February to May and September to November
Singapore	April to June and October to December	June and November to December
South Korea	June to July and December to February	July to August and November to March
United Kingdom	January to March and September to November	December to March
USA	January to March and October to November	December to March and July (July is the most popular for student travel)

## Where can I gain further information on each market?

Tourism Australia produce extensive market profiles on each market, these can be found here:

- Individual Market Profiles: [www.tourism.australia.com/markets/market-regions.aspx](http://www.tourism.australia.com/markets/market-regions.aspx)
- International Market Updates: [www.tourism.australia.com/statistics/8696.asp](http://www.tourism.australia.com/statistics/8696.asp)

- Your local STO can also provide you with similar region-specific information, be sure to contact them for more information.
- The Australian Tourism Export Council (ATEC) also offer workshops on specific markets. Keep up to date with the latest workshop opportunities via their website [www.atec.net.au](http://www.atec.net.au)



# 6 RECOGNISE CULTURAL INFLUENCES & TAILOR YOUR OFFERING

**Why do I need to understand cultural backgrounds when targeting the international market?**

**What are the key cultural considerations?**

**The importance of tailoring your message.**

## **The world is full of differences and we need to understand them.**

Cultural background greatly influences the way we communicate to the international market, and the way an international traveller experiences your product. 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.

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 queen beds. A Chinese group may express a desire for certain foods during a tour.

## **What are the key cultural considerations?**

For each international market you need to consider the following aspects or categories in relation to how they will interact with your product, and how you need to present your product to them. An example of each consideration is provided.

Consider	Impact	For example
Religion	Can affect food, dress and activities	Sensitivities around appropriate dress, e.g., beach photos with women in bikinis would not be appropriate in a brochure targeting certain markets.
Politics	Can impact what and how you promote	Some governments ban the open promotion of casinos and gambling e.g. China
Food and dining	Can impact what you need to provide	Vegetarian, Jain, Halal, Kosher etc. For Chinese culture, dining is a shared experience, loud and convivial, large shared dishes are more popular than individually-ordered meals.
Pace	Needs to be faster for some visitors	Eastern Market visitors traditionally enjoy a faster pace of travel than Western Hemisphere markets.
Punctuality	Needs to be reinforced for some markets.	The Indian market is traditionally known for being around 30 minutes late whereas the German market are very punctual and like others to be.
Timing	Need to consider if your target market traditionally starts early or late in the day or like to stay out late	Think of whether they eat earlier, later or around the same time as Australia, and how long they like to take to enjoy their meal. For example Mediterranean countries tend to eat their evening meal a lot later and take a lot more time than other markets.
Language	Can impact all components, but especially be conscious of safety messages	Consider translation of all safety advices such as the use of life jackets, swimming, fire regulations etc.
Sensitivities	Need to be aware of any cultural sensitivities, such as nudity and alcohol	Mormons, Muslims and Jain will traditionally not drink alcohol
Superstition	Need to be aware of any superstitions that impact the traveller	Chinese have sensitivities around colour and numbers – the numbers 4 and 13 are considered to be unlucky.

## Tailor your message

Once you have reviewed the cultural considerations for each of your target markets, you then need to ensure that this translates into your marketing and also your day to day operations. How the visitor engages with your product, and how comfortable they feel, will ultimately define their experience.

At all times be open and honest about what the visitor may experience, for example, stating that alcohol will be served at a touring lunch stop prewarns the visitor and also allows them to feel comfortable in refusing or approaching the guide about it should they have any concerns.

When conducting a sales call or trade show appointment, tailor your message to appeal to the different markets and respect their culture. The quality of your tailored communications is critical to being successful. For example, when handing your business card to a Chinese market client the exchange should always be done so with two hands as a sign of respect. Chinese business cards represent the person to whom you are being introduced, so it is polite to study the card for a while and then put it on the table next to you or in your business card case (don't staple it in a book).

“The secret of building our successful tourism business, was that we must sell the clients what they want to buy, by tailoring our Sydney Harbour cruise experiences and inclusions to meet their various cultural and ethnic expectations – of course at the right price point.”

-Sudhir Warriar, Sydney Showboats

# 7 TOURISM INDUSTRY RESEARCH

 **What statistical research is available and how else should I be gaining market information?**

**How do I keep updated on a regular basis?**

“Statistics can be daunting but just take the time to understand what they mean for your business and you can use them to your advantage to make some truly informed business decisions.”

-Karen Dempster, National Museum of Australia

## What research is available?

When entering into the international market it is critical to undertake ongoing market research including the reviewing of the latest tourism statistics. There is a wealth of up-to-date statistical tourism information readily available for you to analyse. You just need to know where to find it.

## The role of Tourism Research Australia

Tourism Research Australia provides superior research information that supports improved decision making, marketing and tourism industry performance for the Australian community. Tourism Research Australia is now a branch of Austrade. To view their full range of reports, covering international tourism, and research tailored to regional areas, please visit [Tourism Research Australia website](#)

## The role of Tourism Australia

Tourism Australia provides research services to the industry through consumer and market insights, plus tourism, aviation and economic analysis. They are responsible for identifying and understanding the needs and drives for consumer segments that give the greatest return on investment. They also produce relevant and timely analytical research on inbound tourism markets, including analysing and communicating trends in global tourism and identifying new and high-yield markets. For further information and reports visit [Tourism Australia website](#)

## The role of State and Territory Organisations

The respective State and Territory Organisations also deliver state/territory-specific statistical data and analysis to assist the tourism industry. To find out more, click on the below links to bring you to the respective information sources.

- [Visit Victoria](#)
- [Destination NSW](#)
- [Tourism and Events Queensland](#)
- [Tourism Western Australia](#)
- [South Australian Tourism Commission](#)
- [Tourism NT](#)
- [Tourism Tasmania](#)
- [Visit Canberra](#)

## Don't be wowed by the numbers – consider all factors

When reviewing any statistics it is wise to consider them in practical and realistic terms. For example, one market may be showing a significant percentage growth, but ensure you look at what base that growth is from. What is the real size of the market and does it hold the same potential as another market that may be growing at a slower rate yet off a higher base.

Also remember to consider the suitability of your product to each market. For example, you may see a high growth in the China market, however before you start targeting that market make sure your product is an experience that that market is interested in and that your product meets the needs of that market. You may indeed get a better return from another market that would suit your product better. Therefore, don't consider the statistics in isolation.

When looking at the arrival statistics, don't consider them at face value for the total numbers. It is important to drill down and review in real terms. For example, instead of just reviewing the total arrival statistics for a market, review the specific arrival statistics for each category to see the actual size of your target market, namely; Holiday, Visiting Friends & Relatives (VFR), Education, Business and Employment. Then consider what is the average spend of your target category, not the total overall spend, and of that how much has been present before they arrive in Australia.

## Let's look at the statistics for Singapore.

Singapore Visitor Summary					
Latest Results (as at December 2015)					
	Ranking: Arrivals - 5		Spend - 6		
	Total	Business	Education	Holiday	Visiting Friends and Relatives
Arrivals	345,000	59,000 (17%*)	16,000 (5%*)	189,000 (55%*)	59,000 (17%*)
Spend Per Trip	\$4,013	\$3,506	\$24,487	\$2,642	\$2,696
Spend Per Night	\$223	\$438	\$202	\$293	\$159
Average Stay	18	8	121	9	17
Repeat Visitors	82%	N/A	N/A	76%	89%

\* Refers to share of arrivals of respective purpose of visit

If we were to review the summary statistics alone, Singapore total arrivals is 345,000 as at December 2015 with an average spend per trip of \$4,013 and an average stay on of 18 nights. If you were an hotelier considering this in isolation you may think this is an extremely attractive market for you with Singaporean guests potentially staying for a long duration from a big market source. However, when you drill down per category, you will see that the average stay for a leisure visitor (likely to be your target market and purchase hotel accommodation) is 9 nights, with the market size being 189,000 leisure travellers. This demonstrates how the Education and VFR markets can put a slant on the statistics that you always need to be mindful of.

Another area to be cautious of is regional dispersal statistics. The tourism industry commonly refers to regional dispersal as being outside capital or main cities. However, the International Visitor Statistic (IVS) defines that regional dispersal means a stay overnight in a place other than Sydney, Melbourne, Brisbane or Perth.

## Top tips for reviewing IVS statistics:

- VFR & Education increase the total average stay
- Education drives spend in many cases
- Leisure statistics of spend and stay are strongly influenced by VFR
- Total trip spend includes airfares and pre-purchased products, so it is not 'available' buying opportunity
- Shopping and (retail) spend can account for up to 50% of some market's trip spend
- Dispersal rates can be strongly influenced by Cairns and the Gold Coast for some markets

## The importance of industry associations

In addition to reviewing statistical information and market reports it is critical to keep up to date with your travel industry partners and products on a regular basis. This can be easily facilitated by industry organisations, such as The Australian Tourism Export Council (ATEC).

One of their key roles is to deliver relevant, current and informative guidelines and tools for businesses seeking to attract international tourists. Being a member of such an organisation gives you access to a wealth of information, industry comments and market trends and a broad industry network. For further information – [The Australian Tourism Export Council](#)

## How to keep updated – Tourism Subscriptions

To stay up to date with what is happening in the tourism industry you can subscribe to a variety of e-newsletters.

Tourism Australia's **Essentials** newsletter contains reports on upcoming marketing opportunities, what's new in Australian tourism, statistics and analysis, global tourism trends and developments, and special industry offers and opportunities.

### Tourism Australia also produces the following newsletters as well as Media Releases:

- Australian Stories
- Aboriginal Tourism
- Business Events Australia

To subscribe visit [Tourism Australia News & Media](#)

You can also subscribe to your respective State and Territory Organisations newsletters for state/territory-specific information and opportunities.

The **Insight Files** is a great source of consumer trends and news curated by Tourism Australia [insights.australia.com/](http://insights.australia.com/)

## Form your own knowledge base

Use every opportunity to undertake your own research and gain market feedback. For example, when you are attending trade shows (such as The Australian Tourism Exchange) or industry conferences (such as ATEC Meeting Place) this is a perfect opportunity to ask your fellow industry colleagues for market related feedback.

Whilst statistical information is essential to review, you will also gain great insight by asking your industry trade partners. They will have a feel for how the market is tracking and also be able to give you some practical advice. This two-way communication will also enable you to market test ideas and gain instant feedback.

Always focus on building your network of industry contacts as they can be a great resource to you.

For further information, please refer to [Section 2 - Help Desk](#)

# 8 THE TRAVEL DISTRIBUTION SYSTEM

**Why work with travel distributors?**

**How does the distribution system work?**

**Who are the key players?**



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 before marketing internationally.

The travel distribution system is a complex, global network of independent businesses. This network includes a series of distributors or intermediaries, who play a specific role in the development, promotion and purchasing process of Australian tourism experiences.

## Why work with travel distributors?

Travel distributors allow you to broaden your customer base far beyond the reach of your own limited marketing budget. They are 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 market intelligence, insights and advice on a specific market.

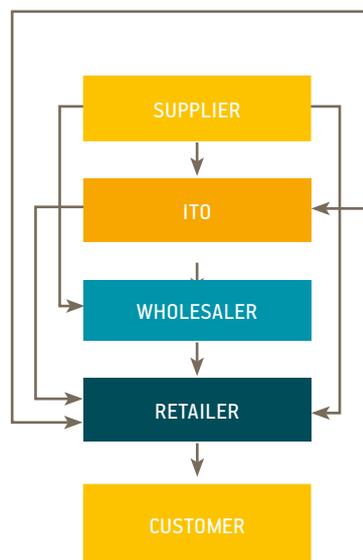
The travel distribution system covers all the channels through which an international traveller can buy your product. Other than approaching you directly, international travellers may book your product as follows:



## How does the distribution system work?

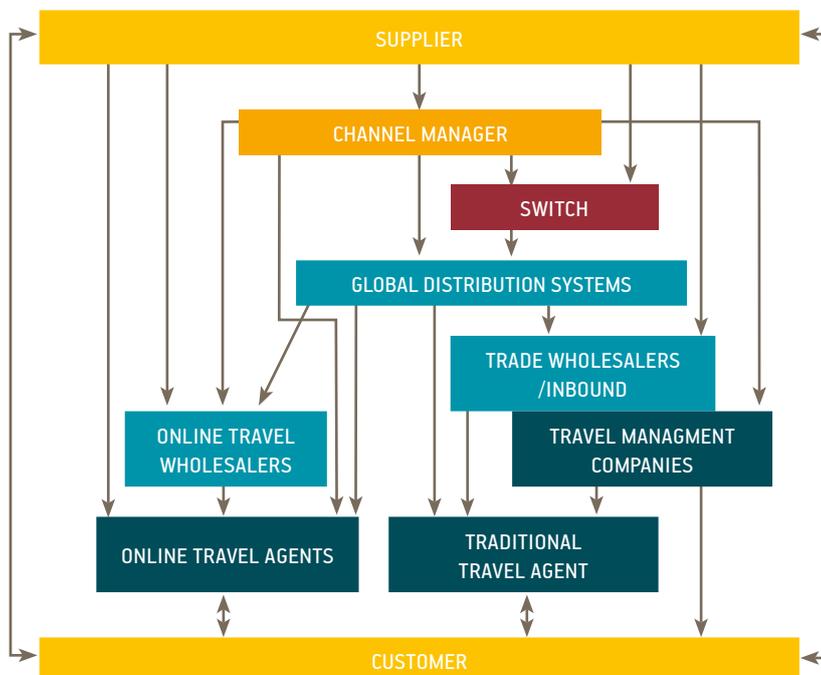
The travel distribution system has customarily been very structured with clearly defined functions for each role in the chain. However, online technology and company mergers have transformed the tourism industry, with an increasing amount of crossover in the roles and functions of various sectors of the distribution system. Businesses are engaging a mix of distribution partners to ensure the most effective way of reaching their target consumers.

## Traditional Distribution Channels



source: [traveltrends.biz](http://traveltrends.biz)

## New Distribution Channels



The conventional structure of the distribution system includes inbound tour operators (ITOs) based in Australia, wholesalers based overseas and international retail travel agents, the link to the international consumer.

However, this varies considerably from market to market. For example, it is not uncommon for an inbound tour operator to be part of a larger company that may also operate a wholesale arm in an overseas market, or for a 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 such as wholesalers and travel agents are taking an online approach as well as offering their services from a retail shop front. There has also been an increase in online travel agencies (OTAs) who operate solely in the online 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.

### Inbound Tour Operators

An inbound tour operator (ITO), also known as a ground operator or destination management company (DMC), is an Australian-based business that provides itinerary planning and product selection, and coordinates the reservation, confirmation and payment of travel arrangements on behalf of their overseas clients. They bring the components of accommodation, tours, transport and meals together to create a fully inclusive itinerary.

ITOs are the 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.

### Wholesalers

Wholesalers are located in overseas markets and have traditionally provided a link between travel agents and ITOs or tourism product. Wholesalers purchase programs developed by Australian based ITOs or develop their own packages and itineraries for travel agents and consumers. These packages will usually offer transport, accommodation, tours and attractions. In some markets, wholesalers are also 'direct sellers' who bypass travel agents to directly target consumers. In other markets, there are no wholesalers, 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 or work with an established network of travel agents in their own country. Many wholesalers specialise in specific market segments such as adventure or the seniors market and many also have an online presence.

### Retail Travel Agents

Retail travel agents are based in the consumer's country of origin and deal directly with consumers. Retail travel agents offer wide distribution in prominent shop front locations and are a convenient place for travellers to make bookings and buy holidays.

Traditionally, retail travel agents have provided a link between the wholesaler and consumers, however with the integration of distribution roles, 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, or may concentrate on particular market segments such as special interest or family travel. Many retail travel agents also have an online presence.

### Online Travel Agents

Online travel agents (OTAs) specialise in online distribution and predominately have no intermediaries – they mainly deal directly with consumers and tourism product. Consumers can purchase a product or an entire holiday package online. Online distribution is less structured than the traditional travel distribution system. Commission levels vary, depending on how the site is operated.

### Meeting & 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 to company employees 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.

Meeting and incentive planners use a wide variety of venues, tour operators, accommodation, team building companies and restaurants. They look for unique travel experiences and require different support and facilities to leisure tourism. Many will enlist the expertise of an Inbound Tour Operator or Destination Management Company in Australia to handle the ground operations and bookings.

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

For more information on how to work with each of these distribution system players refer to [Section 9 – How to Work with the Distribution System's Main Players](#).

# 9

# HOW TO WORK WITH THE DISTRIBUTION SYSTEM'S MAIN PLAYERS

**What are distributors looking for?**

**How do I work with the different types of travel distributors?**

## **What are travel distributors looking for in products?**

In *Section 8 – The Travel Distribution System* we identified who the key distributors are and how the overall system works. If you have decided to work with these distribution partners, you need to ensure that your product offers the following minimum requirements, commonly termed as being "Export Ready":

- Quality products and experiences that are delivered consistently
- Reliability and efficiency (consistent operating hours and regular schedules)
- High levels of customer service and helpful reservations staff
- Understanding of the cultural needs of different markets
- Consistent pricing policies that consider all levels of distribution and offer commissionable rates
- Easy communication via email, toll-free numbers and fax and
- Fast and efficient turnaround and response times for bookings and enquiries (within 24 hours)

## **How do I distribute my products with an Inbound Tour Operator?**

Larger ITOs have product 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.

The Australian Tourism Export Council (ATEC) can provide members with a list of ITOs and the markets in which they operate.

### Top tips for working with ITOs include:

- 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 (in PDF format), brochures and images
- Ensure information on your website is up to date
- Provide a visual presentation, including video footage
- Provide rates that allow for ITO commissions and include concise terms and conditions. Be prepared to provide rates up to 18 months in advance
- Provide information in languages (online fact sheets, brochures) if targeting markets where English is not commonly spoken
- Participate in ITO networking events, workshops or famils organised by ATEC, Tourism Australia, your STO or RTO
- Provide ITOs with prompt (same day) turnarounds on enquiries, quotations and bookings
- Don't ask for prepayments or deposits
- Accept ITO vouchers and trading terms
- Action complaints promptly
- Provide updated product information, training and famils for key ITO staff
- Check that the ITO is licensed 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

## How do I distribute my product with overseas Retail Travel Agents?

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 ITO about your product and providing them with the tools to effectively train their retail partners is the most effective way to target these retail agents.

### Top Tips for working with Retail Travel Agents:

- Get involved in the Aussie Specialist Program and offer special deals to encourage agents to experience your product first-hand
- Meet retail agents and wholesale reservation agents by attending trade shows that target these staff
- Establish and maintain good relationships with your retail travel agent's preferred wholesalers and ITOs and
- Provide key agents with regular but relevant product updates

The Aussie Specialist Program (ASP), is Tourism Australia's global online training program, shared by all eight state and territory tourism partners and designed to provide frontline travel sellers from around the globe with the knowledge and skills to best sell Australia.

The Aussie Specialist Program is available in 11 languages, globally there are more than 30,000 registered agents across 130 plus countries including the key markets of the United Kingdom, Europe, North America and Asia. Tourism Australia maintains active relationships with qualified Aussie Specialists through trade events, the online training program, e-newsletters and familiarisation trips to Australia.

### You can get involved in the program through:

#### Travel Club

Entice Aussie Specialists to try your product and visit your region the next time they are in Australia by offering an industry rate on travel, tours, accommodation and attractions. All Aussie Specialists gain entry to the Travel Club once fully qualified which provides access to these special industry rates.

#### Product update videos

Educate Aussie Specialists about your product by creating a short two minute video introducing yourself and your product, explaining the product location and key selling points outlining how Aussie Specialists can sell your product to their clients. These can either be created professionally or for free via an iPhone.

#### Training events

Training events for Aussie Specialists are held overseas and in Australia (Corroboree) and provide you with the opportunity to promote your product face-to-face with Aussie Specialists. These events are promoted on Tourism Australia's [Trade Events website](#) and in Tourism Australia's weekly online newsletter, [Essentials](#).

Visit the [Tourism Australia website](#) for further information on how to participate.

## How do I distribute my product with Overseas Wholesalers?

Wholesalers are located in the overseas markets and many are still reliant on Australian based ITOs to develop their own packages for travel agents and consumers. It is essential that you establish good relationships with ITOs who specialise in your target markets.

Building a relationship with a wholesaler is also critical. To successfully engage the distribution partners you need to work all partners along the chain and ensure there is awareness and interest in your product regardless of where the actual purchase transaction takes place.

This can be achieved by conducting in-market sales calls or joining in-market roadshows to meet with the Product Manager, or by participating in trade events such as the Australian Tourism Exchange (ATE) to meet with key wholesale travel decision makers. ATE is an annual event held in Australia for major international wholesalers who brochure and promote Australian tourism experiences to meet with Australian tourism products.

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.

Once you have secured a product distribution deal with a 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 via newsletters, sales calls, trade shows and famils.

### Top tips for working with wholesalers include:

- Research – find out which markets and market segments the wholesaler targets, the type of experience they sell and who their distribution partners (e.g. ITOs) are
- Keep wholesalers updated on any new developments or changes to your product
- Suggest ideas for packaging your product with complementary products in your region 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
- Ensure you allow for wholesaler commissions in your rates and include concise terms and conditions. Be prepared to provide rates up to 18 months in advance
- Keep in mind consumer protection laws that the wholesaler must adhere to. Europe and Japan have strict consumer laws that require companies to deliver the promised standard of holiday experience

"To succeed in Tourism, the most important thing is to have rate integrity and parity across all distribution partners and platforms you work with. The Tourism industry operates in a very transparent and seamless environment. Proactively manage and maintain your yield and distribution practices and your distributors/partners will reward you with revenue generation and strong business relationships."

- Deb Carr, Rottneest Fast Ferries



## How do I distribute my product with Online Travel Agents?

As Online Travel Agents deal directly with the consumers, you can research their website as if you were a consumer. See how it operates and how it will promote your product. Contact the OTA to see how information is loaded and updated. An excellent tool to determine the most visited consumer travel websites is Experian Hitwise. This company provides insights and reviews into the performance of travel websites.

Many sites provide you with access to maintain and update your details. 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. Online distributors 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.

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.

When considering online distribution, it is important to think about the possible impacts on your traditional distribution partners. You need to manage and preserve the relationship you have with these partners. It should be your goal to mirror the same retail rates at all points of reservation for your travel distribution partners. It is important to:

- Clarify commission and inventory levels required and the level of promotion for your product
- Find out how much new business the site may generate
- Check if there are 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?
- How is the site promoted? Is it targeted at the trade or consumers?  
Are there any distribution agreements in place?

You also have the opportunity to meet with key Online Travel Agents in person at the annual Australian Tourism Exchange (ATE) event.

## How do I distribute my product with Meeting and Incentive Planners?

Meeting and Incentive Planners can provide your business with access to the corporate traveller attending a business related event.

### Top Tips for working with Meeting and Incentive Planners:

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

## Where can I obtain further information?

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

Be mindful that building relationships and establishing your product with travel distribution partners can take time, usually a minimum of 12 to 18 months to see results.

Once you have established distribution channels and pricing levels, 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 partners 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.

For further information on distribution strategies refer to [Section 18 – Building an Export Plan](#)

# 10 PRICING – IT'S ALL ABOUT BALANCE

How does pricing in the international market work?

What is the 'cost of distribution'?

What specific information should I include in my rates agreement?

## What is the 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 students. It also includes your booking terms and conditions.

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:

1. Your competitors' pricing
2. The level that your target market is prepared to pay
3. The cost of distribution (i.e. commissions) built into the overall price
4. Fixed and variable costs
5. Seasonality
6. Your profit margin

## What is the cost of distribution?

If you plan to sell your product through the distribution system, you will need to factor commission levels into your price structure. Commissions are a cost of distribution and the fee paid to the inbound tour operator, wholesaler, online and retail agent to market, distribute and sell your product. This is their income, paying for their operation and the services they provide.

Distribution costs can be either:

- You, the operator, making a percentage commission repayment to the distributor, or
- The distributor paying you a nett rate, less the appropriate commission level

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, online or retail agent.

## Why should I factor in the cost of distribution?

If you plan to sell your product through the travel distribution system, you will need to factor commissions and nett rates into your pricing structure. These are the cost of distributing and selling your product internationally.

Cost of distribution is a cost of doing business in the international market place. If you can get your pricing right, you should view it as an opportunity to market and distribute your business to an international audience that you might not have otherwise been able to achieve.

## But I can't afford to pay commission!

But can you afford to turn sales away, and do you have the budget and time to be able to market your product across the globe without being part of the distribution network?

**This issue needs to be addressed from 2 different perspectives:**

1. How you incorporate the right amount of commission in your prices
2. How much money you make if you pay commission on a sale

## How do I price to incorporate distribution costs?

**The price of your product is made up of the following cost components:**

- **Fixed costs or overheads** – light, power, marketing, telephone, admin wages etc.
- **Variable costs** – the costs associated with supplying the service – e.g. laundry, cleaning, inclusions
- **Profit margin** – the small amount that will contribute to your end of year profit
- **Average Commission** – an allowance to be able to pay commission to travel agents
- **GST** – if you operate in the GST system

The sum total of all the above costs is your **market price** or **gross price**. From this gross price you can calculate the nett price by deducting the specific level of commission offered to the partner in the distribution chain. It is important not to just add the commission on top of your publicly displayed market price, as

the 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.

## How do I price my products for distribution system partners?

When dealing with the travel distribution system, you must understand the difference between nett and gross (or retail) 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 (retail) or nett.  $Gross\ Rate = Nett\ Rate + Agent's\ Commission$ . The gross or retail rate of a product is the amount that the consumer pays and should be consistent across all distribution channels. Rate integrity is vital in maintaining good business partnerships.

## The do's and don'ts of pricing

### DO

- 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 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 terms and 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
- Ensure you know who you have distributed rates to so you can update them

### DON'T

- Just add the cost of commission for the different distributor channels on top of your public pricing. This will immediately ensure the inbound market will not do business with you as they will be priced out of the market
- 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
- Try to set different rates for local and overseas visitors unless there is a variation in the product offering

Sales Method	Commission Level	Explanation
Inbound tour operator (ITO)	25-30%	A nett rate providing a 25-30% margin is agreed with the ITO and paid to you once a sale is made.
Wholesaler	20%	A nett rate providing a 20% margin is agreed with the wholesaler and paid to you once a sale is made.
Online travel agent (OTA)	10-15%	A nett rate providing a 10-15% margin is agreed with the OTA and paid to you once a sale is made.
Retail travel agent (RTA)	10%	A RTA retains 10% commission once the booking is confirmed and pays you the balance.

Please note: Information on commission levels is intended as a guide only.

## Rates Agreement – what to include?

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. 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 distributors' programs. 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, attached to your rates. The more information that you provide on your rates agreement the easier it will be for your distribution partner to load your product efficiently into their system ready for sale.

- **Rate validity dates:** Rates for the international market need to be valid 01 April – 31 March and need to be guaranteed and final
- **Gross (Retail) and Nett Rates:** List both the gross (retail) and nett rates and the commission level percentage. Be clear – are your rates per person, per room, per vehicle? Use Tour Codes where possible
- **GST:** Clearly indicate if rates are GST inclusive or exclusive and any further additional charges that may apply
- **Contact details:** Include address, phone, fax, mobile, email and website. Include specific contact details for bookings, marketing and accounts
- **Cancellation conditions:** Explain cancellation charges based on the time cancellation occurs prior to travel. Ensure your cancellation conditions are in line with industry standards as well as meeting your operational needs
- **Amendment charges:** Explain amendment charges based on the time amendments occur prior to travel. Ensure your amendment charges are in line with industry standards as well as meeting your operational needs
- **Child/Infant:** Advise age ranges and then provide actual rates on your rate sheet. For example – Infant is under 2 years, child is 2 to 12 years inclusive. If you also offer discounts, such as a Seniors Discount, please also list this and the identification required
- **Group conditions:** For example how many days prior to the tour or accommodation booking do you require a group rooming list? What is the minimum number required to access group rates if provided?
- **Free of charge (FOC) policy:** Stipulate that this applies to groups only and advise how many rooms need to be booked or how many passengers on tour. For example it is usually 1 FOC for every 15 paying passengers or 1 FOC room for every 10 rooms booked
- **Inclusions & exclusions:** For example National Park Entry Fees, meals or room inclusions i.e. breakfast, newspaper
- **Minimum night stays:** Ensure these are listed, if they are only over peak periods list the specific peak period dates
- **Minimum and maximum guest capacity on tours:** Also advise any minimum numbers to make a booking
- **Any block out periods / seasonal rates / days not operating:** These need to be advised at the time of contracting, not after the rate agreement has been issued
- **Bedding configuration:** Also include maximum capacity per rooms and any additional bedding charges (e.g. rollaway bed)
- **Departure times, dates and points:** Also include any specific details to assist your customers in finding your tour departure (e.g. include a map)
- **Payment policy & banking details:** Include when the payment is due for each booking and how payments should be made. Also state that if a trade distribution partner is going to be on an account basis (for example invoiced every 30 days) that they need to complete a credit application form and a credit check will be undertaken
- **Any special conditions:** For example if photography is not allowed on tour or that the tour may not operate in certain weather conditions, or if it is an all weather activity. Be careful to cover inclusions on your tour, for example guests will have the opportunity to spot whales, however sightings can not be guaranteed
- **Any additional information of relevance:** For example, check in/check out times, what passengers need to bring on tour, if passengers need to arrive at a set time prior to departure, what they need to wear (e.g. long pants for safety), what level of fitness they may require etc.
- **Damages and responsibilities:** This clearly needs to state who is responsible for any damages. You may also include that you recommend that all passengers have travel insurance

*This is to be used as a guide only. You should seek professional legal advice for your own business, especially to ensure all your terms and conditions are covered to protect your business.*

# CONSIDER YOUR PRODUCT – REVIEW OR BUNDLE

**What should I consider when reviewing or developing new products?**

**What is product bundling?**

## What is a 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 experience for a consumer. The complete travel experience includes all the elements that a tourist consumes from the time they leave home until they return. This includes transport, accommodation, meals, attractions and activities. These may be purchased independently by the consumer or bundled into a package for sale by an ITO or wholesaler.

## What should I consider when reviewing or developing new products?

All products should be reviewed to ensure market alignment prior to releasing rates and product information for the next season. As a minimum it is worth considering the following:

→ **Market Suitability** – Does the product suit the markets that I am targeting? Look at the characteristics and product choices of the consumer from this market and is there a match? The development of your product should be guided by the type of experience your target market seeks

## What should I consider when bundling products?

- **Product Tailoring** – Do I need to make product changes or enhancements to suit certain markets, as consumer tastes vary per market. Small changes to tailor-make your products can have significantly positive impacts
- **Unique Selling Points** – Do you still have a point of difference from your competitors? Review your Unique Selling Points
- **Product Feedback** – What feedback have you received on your products? Review your customers' feedback including websites such as Trip Advisor. Have any of your customers or trade partners provided suggestions for new products or changes? What would your consumers like to see?
- **Product Pricing** – Is the product competitively priced and does it allow for all levels of commission? Is the product profitable?
- **Location** – are there attractions and facilities nearby which enhance the appeal of your product? Are you promoting the destination as well as your products?
- **Accessibility** – is your product accessible enough? Could you provide better transport links?
- **Seasonality** – are you open to coincide with peak arrivals from your target market?
- **Hours of operation** – are they regular and compatible with transport times and meet the needs of your markets?
- **Time** – how do you fit into an international itinerary? Consider providing suggested itineraries to demonstrate this
- **Information availability** – for both tourists and your distribution partners
- **Reservations** – How easy is it for consumers to book your product?

## What is product bundling?

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. 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 bundle that will make your product more enticing.

Bundling refers to aligning and marketing complementary products together to form compelling and unique experiences for the consumer. It helps to improve visitation through regions and increase tourist revenue through multiple suppliers offering complementary products, or via single suppliers providing services that complement their core offering. It also assists by offering a stronger commissionable proposition for distribution partners.

For example, if you were a bed and breakfast operator in a wine region, you could work with other operators such as wineries, restaurants, attractions and tours to provide a combined product that could offer the ultimate food and wine holiday experience.

Bundling can be done in many ways. It could be as simple as having links to other organisations' websites on your website. Or it could involve joining forces with other businesses in your region to create more substantial marketing activity and promotions. Most importantly, the key to effectively bundling your experience is to cross-promote like-minded experiences that enhance the overall visitor experience in your region.

- **Target** – Whom do you want to target? What markets, who are your customers?
- **Inclusions** – Based on your customer profiles what package inclusions would appeal to them and at what price? For example, a 'Romantic Package' for an accommodation provider could include dinner at an exclusive restaurant, or a picnic basket option, a personalised tour or spa treatment
- **Time elements** – be careful not to 'over package' and remember that some customers enjoy flexibility in their travel choices
- **Partnerships** – what specific product partners will you need? What agreements will you put in place? Ensure these are mutually agreed and confirmed by legal agreements
- **Agreed terms of operation** – work out all the logistics with your product partners and include these in the agreement. For example: What period will the product be available, how will you price your product ensuring you allow distribution system commissions, how will the bookings be handled, what booking lead times does each component need, create a specific tour code, ensure all reservations and operations staff are cross trained on each product, ensure all legal and insurance compliances are met
- **Branding** – Think creatively when naming your bundled product, the name must appeal to the target market
- **Promotions** – With your product partners, agree on all elements of marketing the bundled product including what promotional mediums you will use, what promotional copy and PR activities. Develop a communications strategy to consumers and trade partners, decide on what sales activity will be undertaken, what the marketing budget will be and how you will jointly review the return on your investment. These details should also be included in your agreement

"The Great Southern Touring Route enables four regions within Victoria to work together collaboratively, combining their resources to pitch their destination to the world. Looking for partnership opportunities, especially in region, can provide your business with a voice and increased exposure."

–Timothy Grandfield, Great Southern Touring Route

# RELATIONSHIPS ARE KEY – FORMAL AND INFORMAL

**How can I build industry relationships and secure their interest?**

**Why are sales calls & staff training essential?**

**What should I consider when planning a sales call & staff training, what are the do's and don't's?**

**What can networking opportunities offer?**

## Focus on building industry relationships & have that 'elevator pitch' ready

Building relationships with distribution trade partners is critical to your success in the international marketplace. This is a relationships industry and nothing beats face-to-face contact either via formal meetings such as sales calls, staff training and trade shows, or via informal networking opportunities such as industry social nights and trade event social functions either pre-planned or unplanned.

At all times, be prepared to deliver your elevator pitch – secure their interest in your product. Be prepared to highlight who you are and what your company and products are about. You should be able to do this quickly, and your listener should walk away with good information and a desire to know more.

Whether you are at a trade show, networking event or scheduled sales call, the key to a successful elevator pitch is to focus on your compelling selling points – your unique assets that make you stand out that you would have defined in your marketing plan.

## Here are some tips:

- Your pitch should take no longer than 30-60 seconds or be no more than a couple of sentences
- Use language that everyone understands, don't use fancy words or jargon
- Tell a story and make it entertaining
- Aim your pitch at a specific audience. If you have a few diverse target markets, you might want to develop a unique pitch for each
- Have a clear goal in mind of what you want to achieve
- Have a hook at the beginning - something that attracts your listener's attention and makes them want to know more
- Briefly describe your product but do not go into excruciating detail
- Explain the benefit your product gives to people – why they love your experience
- Be passionate. This is your business, be proud to promote it!
- At the end of your pitch, ask for something - do you want their business card, to schedule a meeting or to go into more in-depth training information?

## Why are sales calls & staff training essential?

Maintaining regular contact with your distribution partners and providing them with updated product information helps foster strong relationships. Face-to-face sales calls are an excellent way of building rapport.

Remember, distribution partners are like an extension of your sales and marketing force, therefore you need to ensure they are always kept up to date and know how to best sell your product. Once you have established a relationship with the distribution partner 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.

## When and how often?

Plan a sales call schedule each year as part of your marketing activity, and book appointments well in advance (at least a month).

The number of times you visit on a sales call or training will depend on how much business, current and potential, they generate for you. Speak with the Product Manager, as you will find some companies are more flexible with training than others. Remember, distribution partners are busy people; don't visit them more often than you need to.

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

Always keep in mind that distribution partners, whether in Australia or overseas, have peak working months or periods where they are on reduced team resources (e.g., around traditional holiday periods). Due to work demands they may have dates that they don't take sales calls visit or only have certain days of the weeks or time slots. Your STO will also be able to guide you on this.

You will also have an opportunity to meet with distribution partners at trade shows, workshops and sales missions that you attend.

## What should I consider when planning a sales call & staff training?

- Consider your purpose and whom you need to meet with. Always meet with the key product buyer/s to discuss rate contracts and provide updates on your products before training the reservations teams
- Is your product being sold as part of an itinerary? It is often good to conduct training with other complementary products to sell a destination
- How many staff will you be training?
- How much time do you have?
- Allow enough time between meetings for travel (and hiccups) and also for potentially longer meetings than initially planned

## What should I definitely do with sales calls and staff training?

- Make sure you have something new and interesting to discuss or feedback to give
- Make an appointment and turn up on time – be organised
- Reconfirm your appointment a few days prior
- Research the distributor before you call. What markets do they work in? Do they sell a competitor's product or product that is complementary 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 distributor don't be afraid to take a small gift. Research cultural differences and respect them
- Be flexible – impress your distribution partner by offering to accommodate adjustments in product or booking procedures and offering incentives when necessary to secure their business
- If possible, provide your distributor with feedback, let them know how much business they have been producing for you
- Keep your presentation simple, factual and interesting. Include a simple overview of the products you provide using great images, focusing on your unique selling points (what makes your product different from your competitors) and the functional aspects of booking your product
- Take brochures and any additional relevant sales collateral
- Consider bringing in morning or afternoon tea
- Follow up and honour everything committed

## What should I definitely not do with sales calls and staff training?

- Visit during busy periods, 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
- Don't commit to rates or services without keeping a written record

## Who else should I contact for sales calls and staff training?

Apart from your distribution partners, it is important to keep your National, State and Regional Tourism Organisations updated.

These organisations are also promoting your products and packages, providing opportunities for e-newsletter inclusions and joint marketing opportunities, and can provide updated information and contacts.

## Networking – what opportunities should I look out for?

There is often a range of social events held within the tourism industry that provide networking opportunities, which can further support your relationship building and product awareness. Networking can be undertaken at formal events, such as welcome and farewell functions at trade shows or informal events such as 'Happy Hours' and during lunch breaks.

However, don't wait for a trade show to network, as there are plenty of other opportunities. As a start, contact your local [Australian Tourism Export Council \(ATEC\) Branch](#) or State Tourism Organisation who will have a listing of upcoming industry social events.

Even better, offer your venue or product as a networking location – not only will you get to meet industry professionals but you will get to showcase and provide a familiarisation on your product at the same time. People who are in the tourism industry tend to be very social and welcome the opportunity to meet each other.

## Understand the purpose of networking & set your goals

To make the most out of networking opportunities you need to understand your goals, such as getting to know people, asking questions, sharing information about your product, building new relationships and further developing existing relationships.

Quality is more important than quantity – don't focus on grabbing as many business cards as you can, rather, focus on building the best relationships you can. Also keep in mind that it's important for you to return the goodwill by giving referrals as well. Supporting and encouraging other businesses may facilitate referrals back to you and provide opportunities for synergies.

By having a pre-prepared list of the questions you want to ask, you will avoid awkward silences and ensure that you gain the information and outcomes related to your goals. Don't be too scripted, be natural, however be mentally prepared with some ideas for discussion. Focus on open-ended questions to ensure the continued flow of conversation.

## What further resources are available?

Refer to [Section 13 – Trade Shows](#) for further information on how to conduct the perfect appointment and tips on how to follow up. This information also directly relates to sales calls and staff training and will assist in ensuring successful appointments.

Additionally, market-specific manuals are available to assist you with international sales call planning for:

[North America](#)

[United Kingdom](#)

For all regions you also refer to the Tourism Australia market profiles, these profiles are available in the Markets section of [Tourism Australia Website](#)

“I have always believed in the power of face to face relationships, and keeping your contacts up to date with your latest news. Get out there as much as you can- the more you get to know your clients, the more business you will gain”

–Craig 'Wacca' Wacholz, Let's Go Surfing



# 13 HOW TO GET THE MOST OUT OF TRADE SHOWS

What are trade shows and why attend?

How do I prepare, what do I take, how should I conduct my meetings?

How do I effectively follow up after the trade show?

## What are trade shows and why attend?

Trade shows are a 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.

Trade shows are held throughout the year, each targeting different audiences and designed to achieve different objectives. They may target specific members of the trade distribution system (wholesalers, ITOs, frontline retail staff), specific market segments (adventure, backpacker) or particular industries (business events).

Events may be more time and cost effective than conducting individual sales calls, however often your appointment time will be limited. At most trade shows you will need to pre-arrange appointments with trade buyers in order to give a short presentation on your product.

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. Refer to [Section 12 – Relationships Are Key](#) for further information.

Trade shows require an organised and targeted approach, with clearly set goals and committed staff to ensure you meet your trade marketing objectives.

Whichever events you choose, 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.

## For a listing of key events:

Tourism Australia Trade Events  
 The Australian Tourism Export Council  
 Or contact your State Tourism Organisation.

## How do I prepare for a trade show?

- **Get with the program** – know the event program inside out to ensure you don't miss out on any opportunities. Understand all the terms and conditions and maximise the process for making pre-scheduled appointments
- **Deadlines** – don't miss any!
- **Booth / appointment space** – obtain accurate information on the dimensions of your booth and its exact location to enable you to plan your display accordingly
- **Order and deliver your marketing materials** – often trade shows have freight partners.
- **Prepare to stand out in the crowd!** – Consider a company uniform or brand feature that carries through your attire. See if there is an event dress code
- **Book your travel arrangements well in advance** – often discounted accommodation offers will be available
- **Ensure your booking systems and website are up-to-date** – Consider where the trade show buyers may look for information about your business and products. Is your website the best it could be?

## Know what you want to achieve at the trade show

**Make sure you set measurable goals such as:**

- Making a specific number of new contacts
- Meeting a set number of existing clients
- Gaining competitive information
- Discovering trends in the market place
- Supporting existing trade partners

Develop a strategy to achieve these goals, including ensuring you are well prepared, that you conduct successful meetings and that you follow up after the trade show.

## Invest the time in pre trade show research

- **Ensure you have printed and reviewed your booking system reports** identifying sales by distribution partner and comparing them with the previous year. Clearly identify the partners where you can see growth, and the partners whose sales have declined. This will form the basis of your discussions with existing clients, and also assist with your appointment preferences for the trade show
- **Know where you are brochured and/or listed online for sale**
- **Review the delegate lists** and identify new partner opportunities
- **Determine how your product may fit within the partner's existing product selection/portfolio**
- **Know as much background information as possible about the partners and the current market conditions**  
 Refer to Section 5 – Know Your Markets
- **Know where the partner sits in the distribution chain**  
 Refer to Section 8 – The Travel Distribution System

- **Talk to your reservations and sales teams** to gain specific partner feedback (both positive and negative) that can be addressed in your meetings.
- Overall, **be informed and be knowledgeable** to demonstrate to the partner that you are enthusiastically monitoring their business with you.

## Meeting preparation pays off

- **Make contact with distribution partners prior to the trade show via email**, ideally before they select their trade show meeting preference
- **Ensure distribution partners are well versed in your products and have your seasonal contract rates**
- **Maximise the pre-appointment scheduling opportunities** by accurately reviewing the list of distribution partners and ranking your meeting preferences based on your prior research. If available, use online messaging to fill gaps in your appointment schedule
- **Prepare your presentation**, remembering to keep your message short, sharp and measurable. Dot points work best as they allow you to tailor your presentation during your partner meetings
- **Use visuals to showcase your product and focus on delivering a professional presentation.** Ensure your images are of a high standard and accurately represent your product, proof read your presentation and practice its delivery, keeping in mind different distribution partners
- **Know your destination.** In addition to selling your own product, you are also selling the destination. Ensure you know as much as possible about your region
- Be aware of the **international planning periods.** Each market has a different time of year in which they plan brochures and undertake their marketing. There are also key holiday periods that differ between countries so understanding these is imperative  
 Refer to Section 5 – Know Your Markets.
- **Make a great first impression** by being prepared for each individual meeting – have pre-prepared notes specific to each partner
- **Ensure you are prepared to capture key contacts and information** – design an easy to use template to use in each appointment. This can also act as a prompt in discussions
- **Review the products that you are offering and consider tactical offers or product bundling to boost interest in your products**  
 Refer to Section 11 – Consider Your Product.
- **Consider giving partners a promotional item/gift as a further reminder of your product**

## What should I take to trade shows?

- Your delegate name badge that you will receive at registration – otherwise access will not be allowed
- Your appointment schedule – don't miss an opportunity to slot in a key appointment
- Pen / Paper (or electronic device/required chargers) – don't rely on your memory at trade shows, they are a busy few days
- Business cards (lots) – you can never have too many
- Stationery kit (pens, paper, stapler, staples, scissors)
- Your presentation on an iPad, Laptop or similar
- A reference copy of your marketing material (e.g. brochure)
- Water – replenish frequently!
- Energy boost type snacks for you and your delegates

## How to conduct the perfect appointment?

- **Arrive early and be organised.** Make sure you have everything set up well before your first appointment
- **Know who your client is** before they sit down. Use your research and have a clear outline of the information or questions you need to ask your trade partner, in front of you. Make sure you are fully aware of the different markets and cultural expectations
- **You have 15 minutes** so use the time wisely – listen for 80% and sell for 20%. Make sure there are opportunities for the trade partner to ask questions throughout the meeting
- **Pinpoint one truly amazing thing about your product or region and open with that.** Focus on your compelling selling points and what really makes you stand out from competitors
- **Make it relevant and don't deliver a rehearsed spiel.** Use dot points to allow you to tailor your presentation to each trade partner and their market so it is relevant to them. Partners want to feel that you really want their business, not just that you are repeating the same thing over and over
- **If the trade partner is already sending you business then thank them for it.** Review the sales with them, ask for any customer feedback and update them on changes or new products. Don't be afraid to ask why their sales have increased or decreased
- **Make your product memorable.** Even if the trade partner only walks away with one piece of knowledge, as long as it stays with them, you have succeeded. Remember, you will be providing the partner with detailed information in your follow up
- **Remember to ask questions.** This is your product development opportunity to ensure you are meeting the trade partner's needs and to ask the hard questions. What can you do to improve the business? What are their clients looking for? Are they aware of your product or even the destination?
- **Avoid the use of slang or colloquialisms and be mindful that English may be your trade partners' second language.**
- Use the correct commission levels in your discussions. Make sure you understand where they sit in the distribution chain. Refer to [Section 8 – The Travel Distribution System](#).
- **Take notes!** It is perfectly okay to take notes at trade shows - it demonstrates your commitment. You can use your pre-prepared template for this
- **Invite trade partners to experience your product through trade famils**
- **Don't give out brochures or heavy information packs** – use your follow up to further showcase your product, or consider providing USB's with your information
- **Understand your outcomes.** It is important that you have a clear idea of what you want to achieve from each appointment (remember your goal setting). You should be aiming for leads, awareness and relationships in order to successfully promote your product. Conclude each appointment by summarising your follow up actions and agreed path
- **Seek opportunities for further discussion** – invite the trade partner for a drink or coffee during any free appointments / breaks and or networking opportunities
- **Ensure your booth is attended at all times** – you don't want to miss that great 'passing by' opportunity
- **Review your progress and make any necessary changes to your strategy** – this can be done either during breaks or at the end of the each day

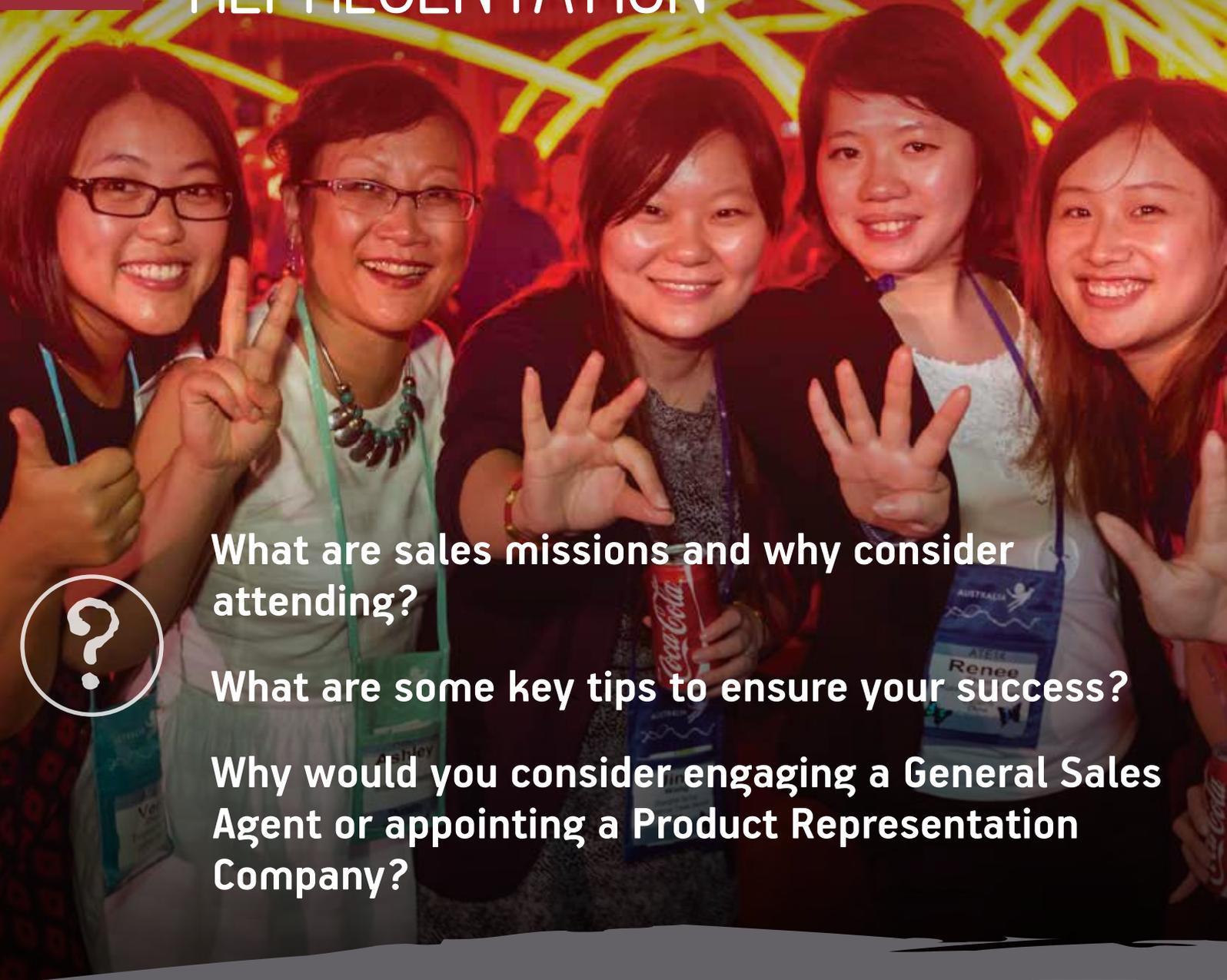
## Don't forget the value of networking opportunities

There are often multiple opportunities available during Trade Shows that allow you to build or consolidate business relationships outside the scheduled business appointments. The organised social functions are prime occasions, as well as breakfast or quick catch-ups in the hotel lobby before the show, or even walking around the trade show floor. For further tips on networking see [Section 12 – Relationships are Key](#).

## The appointment is only as good as the follow up

- **Following up is the most critical component of any trade show.** If you don't have the time to follow up, then consider not participating in the trade show
- **Timing is imperative** - follow up should be done either during or immediately after the trade show
- **Personalise and thank you** – each trade partner should receive an individualised follow up specifically referring to the content of your appointment and always thank the partner for the business and their ongoing support. Use your meeting template to prompt you and personalise your follow up – make reference to your discussions during the trade show
- **Categorise your trade show appointments/leads in order of priority** and complete your follow up in this order
- **Send all the material and information that you promised as soon as possible**
- **Continue to promote and update e-Connect** with your latest marketing collateral and information
- **Post trade show planning should include a multiple contact plan** until you meet the Buyer again. Keep the Buyer updated and focus on strengthening the relationship. Consider using your social media channels, such as Facebook and Twitter to boost your social media activity
- **Ensure your follow up includes all partners in the distribution chain** – if the Buyer partners with a local Inbound Tour Operator (ITO) ensure you also follow up with the ITO directly as well as the overseas Buyer
- **Prepare and distribute training material to Buyers** – this extends the reach of your appointment to the front line reservations teams
- **Remember to also follow up with complementary Sellers and industry associations** – continue to work together and seek out joint opportunities.
- **Be in regular contact with your State and/or Regional Tourism Association** to jointly promote the region and the products offered and to seek out opportunities
- **Be patient** – understand that it takes time to establish a relationship and to be selected for brochure/online inclusion
- **Add new contacts to your database and track if business is generated from them.** Keep your Buyers updated on their sales achievements
- **Update your teams** on the outcomes of the trade show and any required actions specific to each Buyer
- **Measure your trade show success against your pre-set goals.** Consider such questions as what worked, what you could improve on next time, did I meet the right people, what did I learn from others, what did I learn about the competition?

# 14 SALES MISSIONS & OVERSEAS REPRESENTATION



**What are sales missions and why consider attending?**

**What are some key tips to ensure your success?**

**Why would you consider engaging a General Sales Agent or appointing a Product Representation Company?**

## **What are sales missions and why consider attending?**

Tourism Australia and State Tourism Organisations regularly conduct sales (or trade) missions into key overseas markets. These missions are useful for first time entrants into the market as well as operators already established in the market looking to further develop their business. 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 distributors.

“Sure, committing to going in to market overseas is an expensive venture, but if you do it after thorough research and you can ensure you maximise every opportunity, you will surely reap the benefit of giving your personal time to the market”

## Key tips for sales missions

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

During a sales mission the audience will vary from retail travel staff to wholesale product managers so make sure you are aware of who you are meeting and tailor your presentation to suit their needs.

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.

Develop a sales kit for sales calls, sales missions and staff training to include: brochures, product fact sheets, your sales presentation, a collection of images on DVD/USB, online tools such as podcasts and vidcasts, display banners and posters. When developing your sales kit, keep the look and feel consistent and ensure information is accurate and up to date.

Always check with the host organisation what the format of each event during the sales mission is and what marketing material is required and will be allowed. For example, at some events banner space may not be available, or you may be required to deliver a group presentation rather than having one-to-one appointments so be prepared.

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. [Refer to Section 6 – Cultural Considerations.](#)

Remember you are travelling with a group and you need to be timely, as per the assigned schedule and mindful of travel etiquette. Consider your luggage, keep it minimal and be well organised.

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 information that may have been requested.

[Refer to Section 13 – How to get the most out of Trade Shows](#) for tips on effective follow up.

## What can a General Sales Agent (GSA) or Product Representation Company (PRC) offer?

A general sales agent (GSA) can represent and market your product in key international markets and 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.

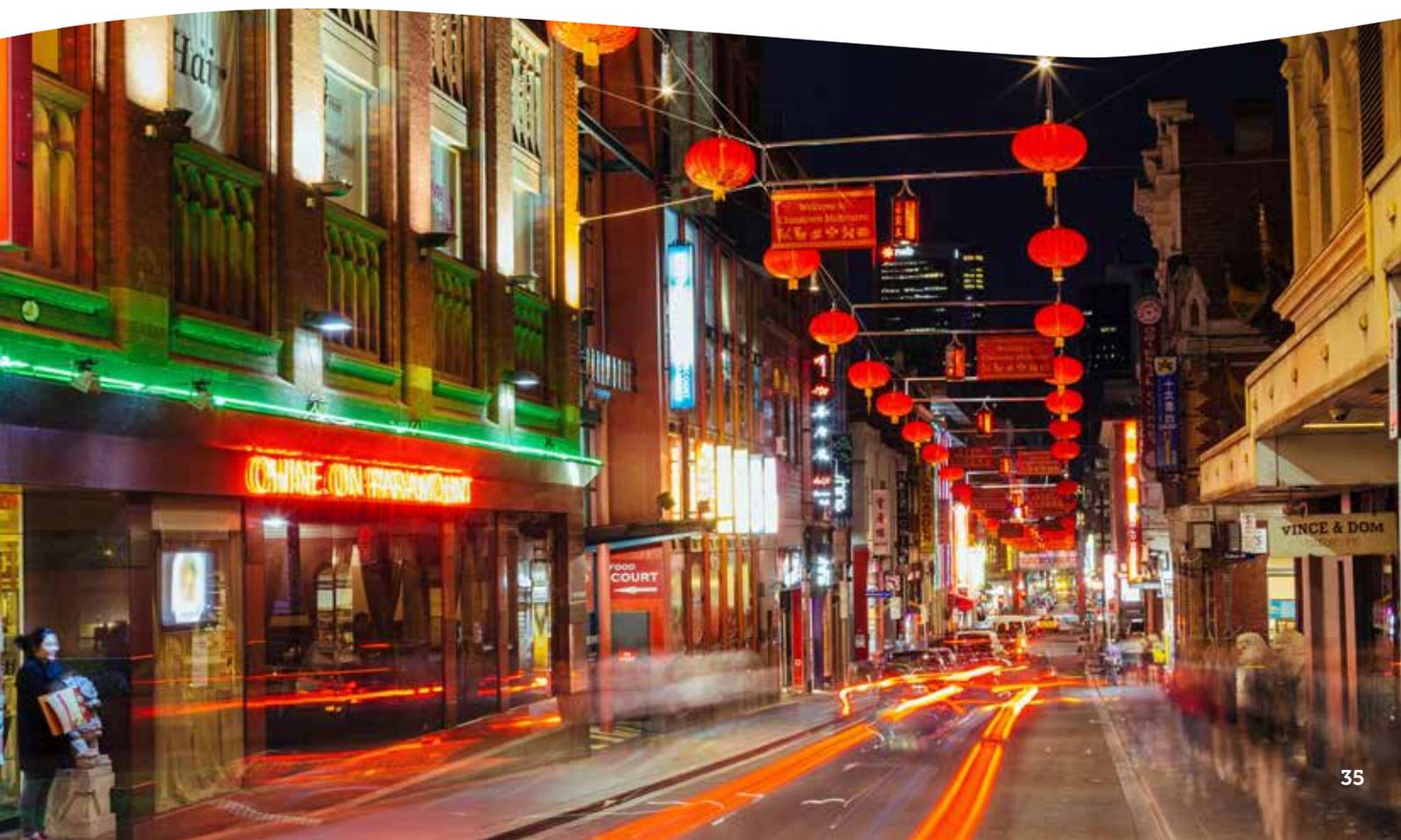
Many businesses choose to appoint an international sales representative or product representation company (PRC) to actively promote their product in their key international markets. However, unlike a GSA, a PRC doesn't provide a booking service.

### PRCs can:

- Make sales calls to wholesalers and retail agents
- Train wholesale and retail agency staff
- Provide representation at trade and consumer shows in the market
- Give feedback and advice on market trends

## 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?
- 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



# WORKING WITH MEDIA & MAXIMISING FAMILIARISATIONS

**What is the value of media exposure and how can I attract it?**

**What is a media kit and what should I include?**

**What are media and trade famils, what value do they offer and how do I host one successfully?**

## **The power of publicity – how can I maximise my media exposure?**

Generating positive publicity is a vital component in establishing and maintaining your reputation. Publicity can create a powerful media endorsement that acts effectively as a word-of-mouth recommendation. Positive media coverage can assist you in raising awareness of your products and experiences and can lead to direct enquiries and bookings.

Journalists are approached constantly by businesses seeking to attract their attention. So how can you make a journalist take notice of you? How do you achieve publicity?

Tourism Australia have developed a guide "Making a Splash Generating Publicity for Australia: A Practical Guide for Working with the Media" which has been created to help you respond to these questions and to better understand how to generate publicity, how the media works, and how you can better promote your product or experience through a variety of media channels. It also provides an insight into Tourism Australia's publicity programs and how you can be involved.

Tourism Australia's Global Public Relations team works with all levels of the Australian tourism industry to generate inspirational publicity about Australia in the world's print, broadcast and online media. They are also responsible for generating influential word-of-mouth commentary through a range of cutting-edge advocacy programs.

Media representatives also often attend trade shows looking for story angles, hence you need to be well prepared to respond to both delegate and media enquiries. On some occasions, official media events are held prior to the Trade Show and are definitely worth participating in, so ensure you always have a media kit prepared.

## What is a media kit and what should I include?

A media kit is a pre-packaged set of promotional materials that is distributed to the media for promotional use. It should give media representatives a thorough background on the topic and provide information in various formats.

### A media kit in either hard copy or electronic format could include:

- Current media releases
- Fact sheets about your business and products
- A background on your company's history
- Recent awards
- Product biography
- Executive biography
- Latest brochures
- High-resolution images (either on CD or downloadable) of products, company logo, key executives etc
- Media contact information

## What is a media release and what should I include?

A media release is a written statement that provides information in a ready-to-publish form that you provide to a journalist or editor to make an announcement or inform them of something you would like reported. The media release is one of the most fundamental PR tools, but it is easy to get wrong.

### Some tips include:

- Identify key messages and ensure you deliver them early on in the release
- Use lead paragraphs to sell your idea – make sure you include “who, what, where, why and how” in the lead paragraph
- Always use clear, simple language and avoid jargon and acronyms.
- Pay attention to grammar, punctuation, capitalisation, spelling out of numbers etc.
- Provide quotes from a credible spokesperson that can be contacted at any time
- Make sure that you have included all the relevant information that the journalist will need to know, such as prices, inclusions, validity for any special offers and your full contact details
- Make it easy for the journalist to understand your story and get in touch with you
- Copy should be written in the third person, i.e., the “he=she” format as in: “he said”
- Have high-res (1MB) pictures readily available

Often it is a good idea to have both a hard copy presented in a folder as well as an electronic version so it can be emailed to a journalist quickly.

“The most important thing I’ve learnt over the years hosting famils is to ask for feedback. If you don’t follow up on the business or exposure the famil will provide your business, you’re missing out”

–Craig Wickham, Exceptional Kangaroo Island

## Review your photographs, images and video – do they make your product shine?

Photographs and videos can be one of the most effective methods of communicating the true nature of your tourism experience. A really good image can make the difference as to whether your story is published, or even whether a distribution trade partner is interested in working with you.

### → **Make sure you have a selection of interesting, high quality images.**

Ensure they are motivational, and that the people in the images bring the experience to life. Investing in a professional photographer can pay off both in terms of publicity via the media and also securing partnerships with trade buyers. Remember, your images tell the story of your product

### → **Avoid using out of date imagery**, in particular with landscapes and people. This is mostly noticeable through style of clothing, hairstyles, vehicles and built environment or infrastructure

### → **Most publications will require high resolution images**, a minimum of 300 dpi and around 1MB in size. Often it is best to present these high resolution images to media representatives on a CD, or have them in a downloadable format on your website for easy access

### → **Make sure that all your images are captioned** to explain the content of the photography (including the location); names of people and any copyright issues or photo credits should be clearly indicated. It is important to ensure that you have permission to use any images which are not your own, and that all approvals have been obtained prior to printing (for example, be sure you have signed talent release forms)

## What are media and trade famils and what value do they offer?

### Trade familiarisation tours (famils) target two key groups:

#### → **Trade** - includes your distribution partners, for example wholesalers, inbound tour operators etc.

#### → **Media** - includes journalists and writers for print, broadcast and online media outlets

In the tourism industry, trade and media are key third party proponents of your product and story. Famils offer trade and media a taste of what’s on offer by experiencing your product first hand. They’re your chance to educate and win over the people who influence consumers in making their holiday decisions.

If trade partners and travel writers know your product and like it, they can do a lot to sell it through their respective channels. Building trade and media relationships is an essential part of doing tourism business. After all, your product competes not just on a regional level, but also with tourism destinations and products across the globe. Famils are a relatively low cost way to promote your product to larger networks of trade and media.

Tourism Australia, State Tourism Organisations (STOs) and Regional Tourism Organisations (RTOs) are proactive in organising famil groups. The Australia Tourism Export Council (ATEC) also runs a series of famils, coordinated by their state branches of ATEC. You can also build your own familiarisation program and invite delegates directly.

## How to host a successful famil

<p><b>Before</b></p>	<ul style="list-style-type: none"> <li>• If you are approached to participate in a famil, find out as much information as you can about the participants 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. Don't be afraid to say no to a request if you don't think that your product is suited to the group.</li> <li>• Generally, support for familis is requested free of charge (FOC) in return for the benefits for your business via the exposure. If 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.</li> <li>• Know their itinerary and obtain contact details – when do they arrive and depart, where the group has been and where they are going, have they experienced a competitor's product?</li> <li>• Consider the available time and present your product as the customer would experience it.</li> <li>• Be culturally sensitive: be aware of cultural sensitivities such as religious dietary requirements, appropriate conduct and greetings. If you aren't sure, ask the Familiarisation Coordinator.</li> <li>• Brief staff, making sure all staff are aware of the group.</li> <li>• Prepare information for each participant tailored to his or her needs</li> </ul>
<p><b>During</b></p>	<ul style="list-style-type: none"> <li>• Professionalism: be on time, well-presented and groomed, offer refreshments if required.</li> <li>• Make sure that participants are welcomed - introduce yourself and exchange business cards.</li> <li>• Ensure the product is at its best – this is your one opportunity to shine!</li> <li>• Outline the program while at your property or on your tour.</li> <li>• Escort the group during the famil and be a gracious host.</li> <li>• Give time and attention to questions and make a note to follow up any requests.</li> <li>• Present an information kit and offer to post information to participants.</li> <li>• Ask the group for feedback on your product.</li> </ul>
<p><b>After</b></p>	<ul style="list-style-type: none"> <li>• Add the participants to your contact database.</li> <li>• Send a thank you email and follow up any requests for additional information.</li> <li>• Follow any sales lead opportunities presented by the famil.</li> <li>• Keep participants informed of any relevant changes or updates on your product.</li> </ul>



# SALES & MARKETING MATERIALS – YOUR BROCHURE



**Why do you need a brochure?**

**What should you consider when making a brochure?**

## Why do you need a brochure?

Consumers commonly research travel and tour options online, however, when tourists are at a destination they still like something they can carry with them and review. On occasions trade partners also like to have a brochure on hand or view in meetings, particularly at trade shows.

Many people collect brochures from the local Visitor Centre or their accommodation when they arrive to make their touring decisions.

Trade partners also often refer to online brochures when promoting your product.

You need to ensure that your brochure is an effective piece of marketing that stands out from the crowd. It needs to be fresh and compelling and align with your brand image – what you represent and deliver to your customers.

## Think about how and where your brochure is going to be distributed?

Before you start to produce the brochure you need to decide whether it will be distributed to consumers, the trade or both – know your target market. You will then need to tailor your brochure message accordingly.

Often distribution decisions will impact your brochure design. Consider where it will 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. For example, some brochure stands in local visitor centres may be A4 and others may be DL.

### There are a number of different options available when distributing your brochure to consumers and the trade:

- Many brochure distribution companies will distribute your brochure for a fee within Australia and overseas
- Contact visitor information centres in your region and in gateway cities to discuss distribution options

Plan your distribution before you produce your brochure

## What should you consider when producing a brochure?

**Research** - Undertake research about your customers, your competitors and your budget.

### This knowledge will help you design and write an effective brochure. For example:

- Who are your target markets and what type of brochure will appeal to them?
- Look at competitor and tourism industry brochures and objectively review the good and bad features
- What is your budget to produce and print the brochure?
- Can you afford to get your brochure professionally designed, or will you be doing it in-house?
- What is the most common brochure size for your region? Do you want to produce something a bit different, or conform to the norm? Remember, your brochure needs to be practical and fit into a brochure rack

→ **Brochure heading & front cover** – Remember that in a brochure rack it is likely that only the top third of your brochure will be visible. Consider if your product will be selected based on your company name, or based on an eye-catching description of your tour? This will depend on the strength of your current brand and how well your business name describes your product. For example it may be better to have "Experience Sydney Harbour from the Air" rather than your company name, as this may be more eye catching

Your front cover is the most important part of your brochure as it should inspire customers to select your product over others

→ **Written content** - Provide a concise, factual description of your product and your key selling points. Use short sentences and language that's easy to understand and focuses on the experience. Remember, English might be a second language for some of your customers. Consider having your collateral professionally translated for a specific market should you feel it is worth the return on investment

→ **Contact Details** - Ensure there is a clear call to action, include contact details such as physical address, email address, website address and phone and fax number including international dialing codes

→ **Images** - Use quality images that show people enjoying the experience you offer. Images are pictorial language that virtually 'speak' to you and conjure up all kinds of thoughts and emotions. Ensure your images are of a high standard and accurately represent your product. Consider using a large photo (like a 'hero image') rather than lots of smaller images. Many tourism organisations (e.g. Tourism Australia and STOs) provide access to their image library

→ **Design elements** - Choose a simple, common and neat font such as Verdana or Tahoma. Use this font throughout the whole brochure – don't overdo it and mix fonts as this can make your brochure look messy and crowded. Based on your previous distribution decisions select your brochure size. Consider the weight, colour and texture of your brochure, ensuring it will stand up to being displayed in racks

→ **Brand image** - Your brochure should align to your brand of how you want to look and feel in the market place. It is what you stand for and your product personality. Brand your product and your supporting marketing material so your customers know and trust what you stand for and deliver

→ **Product location** - Use a map to illustrate the location of your product ensuring it is simple and clear

→ **Consider if you will include prices** - 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

→ **Accreditations, awards & endorsements** - Include these; ensure, however, that the awards are recent

→ **Proofread & Market Test** – make sure that you carefully proofread a draft of the brochure before it goes to print. Perhaps do some market testing of the brochure as your customers may pick up something that you have omitted or that may be confusing or non-appealing

## Participation in trade distribution partner brochures

Distribution trade partners, such as overseas wholesalers, may offer your business the chance to participate in their brochure, normally for a set fee. The advantage of participating in distribution partner brochures is additional exposure and extended distribution.

The participation cost traditionally covers the production and distribution costs, and is a cost of doing marketing, hence should be considered as part of your marketing plan and activities.

Before committing, ensure you have reviewed the quality of the production (including the overall content), how your product will be promoted and positioned (ensuring you get to review a proof before printing) and the exact distribution locations and quantities. Consider, does this align with your target markets and brand positioning?

What estimates can be made on your return on investment, i.e., review the current level of bookings provided by the partner and jointly assess what additional bookings may result from your participation in their brochure.

"One size does not fit all in the inbound market! Ensure your marketing material is targeted specifically to the market you are working with by fully understanding the cultures and the requirements of that market."

— Kate Marshall, AccorHotels Australia

# 17 DIGITAL MARKETING

## What is Digital Marketing?

How to secure exposure on Australia.com

How to effectively market your website and be social media savvy.

### What is Digital Marketing?

**Digital marketing (also known as eMarketing, online marketing or Internet marketing) is a type of marketing that focuses on the electronic environment and incorporates the following:**

- Online advertising
- Search Engine Marketing and Search Engine Optimisation
- Social networking and user generated content
- Videos, podcasting and vidcasting
- The use of mobile phones to search the Internet
- Geo search maps
- Website promotions
- Email and viral campaigns

**Some of the benefits of promoting your product online include:**

- Access to a global audience of potential new customers
- Low cost of entry
- Cost effectiveness compared to traditional forms of marketing such as dv
- The ability to measure and analyse results from marketing activities
- Automated processing of enquiries and bookings

One of the most effective ways to become involved with digital marketing is to work cooperatively with your 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 digital marketing programs.

## Get Your Product Listed on Australia.com

Australia.com is the primary call to action for all Tourism Australia marketing activities. To have your product featured on the site you need to first list your product with the Australian Tourism Data Warehouse (ATDW). [Get your product on Australia.com](#)

## The Australian Tourism Data Warehouse

The ATDW is a joint initiative of the state government tourism organisations and Tourism Australia. The ATDW produces the only nation-wide tourism database of its kind in Australia and the world, including more than 35,000 listings. These listings are made up of information on accommodation, tour, attraction, event, hire, and transport products, as well as destination information.

All ATDW content is quality assured and updated daily to the national database by State or Territory Tourism Organisations. With daily updates, tourism operators and ATDW distributors can ensure their information is always cutting edge. This content is distributed through a broadening network of around 150 websites including state and regional tourism organisations.

If you want your product or business listed on the ATDW, simply contact your State or Territory Tourism Organisation. Ask them for guidelines on creating the best product listing for your business. If you already have a listing, ensure it is regularly updated. [www.atdw.com.au](http://www.atdw.com.au)

## How to market effectively via your website

As worldwide usage and access to the Internet grows, it is important to maintain an online presence for your product. Your website should reflect the personality of your business and clearly communicate your experience and unique selling proposition (USP) to market your product effectively.

### Points to consider when developing your website:

- Ensure the site is quick to load and easy to use
- Secure a domain name that is easy to remember and if possible, keep it simple
- Use a Search Engine Optimisation (SEO) service to improve consumers' ability to find your website
- Provide clear navigation paths and group information in a way that is relevant to consumers
- Use clear and simple copy - consider language barriers
- Provide accurate, high quality and up-to-date information
- Use geo search maps to assist the consumer to find your location
- Set up links to social networking sites
- Use a blog and social media channels to develop a two-way rapport with your customers and communicate with them positively and regularly
- Include video, videocasts/podcasts and images on your website
- Show clear validity dates on your rates
- Provide links to your site from major tourism organisations, dedicated travel websites and complementary product sites in your region
- 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

## Are you active in Social Media?

Social media is an umbrella term used to describe online technologies that facilitate interaction and exchange of information online. Social media is an entire online environment built on people's contributions and interactions, connecting groups of people together.

Businesses are using social media as a tool to reach customers and to build or maintain their reputation. As social media continues to grow, the ability to reach more consumers globally has also increased.

One of the greatest benefits of social media is its immediacy – updates provide real time information to anyone interested in your product. For example, facts that aren't major enough for a media or trade release could be used for updating your social media networks. In all instances, social media posts should inspire and contribute to the community, not spam them with unwanted advertisements.

It is also important to be wary of the real possibility social media users may use this platform to complain or discredit your product; a commitment must be made to invest the time required to stay on top of content, as well as customer feedback.

### Here are some of the more popular networking sites and ways you can incorporate them into your tourism business:

#### → Facebook

Facebook is one of the most popular social networking sites. With over 1.5 billion active users worldwide, Facebook's fastest growing demographic is the 45 to 54 years age bracket. A free platform, it can be used to provide updates on your product as well as interact with clients and obtain feedback. If you are a business owner you can set up a dedicated Facebook Page that represents your business - this is a place to house all the pertinent information about your company, as well as the more fun, daily updates. You can update information regularly and easily, and the fresher your content, the more you will engage people

#### → Twitter

Twitter is a popular social networking and interactive micro-blogging service. It enables people to send short 140 character messages to Twitter using a web or phone interface. If people are interested in a user's messages (called tweets) they may decide to follow this user and therefore be informed every time they send a new tweet. As a tourism business you can use Twitter to keep up with industry news, build industry contacts, monitor your online reputation and easily share quirky facts and updates about your business in real time

#### → YouTube

Youtube is a video-sharing site with over 1 billion active monthly users and is the second largest search engine in the world after Google. You can create quality short videos about your product or tour that showcase the kind of experience that your guests can have. Videos that work best are those that are not overly commercial and show the highlights or quirky parts of your product offering in a captivating and visual way. Use keywords in your video title to help people find your videos through search

#### → Pinterest

Pinterest is an online virtual pinboard where users can create their own boards and share beautiful images they love such as travel destinations. There are nearly 100 million active Pinterest users, the majority of which are female. You can set up a Business Page to visually represent your product and/or region by creating your own themed boards and pinning high quality photos from a range of sources

#### → Instagram

Instagram is an app based photo and video sharing social networking site. It's a fun and quirky way to communicate your business offering through a series of pictures and 15 second videos. There are a range of filters that can be used to enhance photos and it allows you to share snapshots of your product and region in real-time. It's an extremely fast growing social media network and is easy and quick to use

#### → LinkedIn

LinkedIn is a Business-to-Business social networking site with over 414 million users. Users create an account, which allows them to create their own profile with their full work history and connect with other profiles. LinkedIn is great for networking with colleagues and leaders in the Tourism Industry and for staff recruitment. It is a good idea to create a Business Page that covers basic information about your business. If your customers spend time on LinkedIn then you are able to spend time building relationships and connecting with people

→ **Google +**

Google+ is the social network created by Google. All users with a Google account are automatically given a Google + account. It offers a full range of features including personal profiles and company pages. Creating a Google + listing for your business will help with your search engine rankings and make it easier for customers find your website

→ **Flickr**

Flickr is an online photo management site on which anyone can upload their photos and share them with the world. Flickr has a strong online community focus. Displaying your property or tour photos on an online photo management site such as Google + will increase the exposure of your product and allow you to capture a different market. It's also a great place to store high resolution, quality images that media can easily download and use

## Where can I get further information on Digital Marketing?

The 'Tourism e kit' covers the A to Z of online marketing and distribution and is available at [www.tourismtribe.com](http://www.tourismtribe.com). The online training programme, comprises over 65 tutorials and was developed to support, train and raise the professional standards of the tourism industry and to improve understanding and confidence with online digital technologies.

### Monthly or annual membership options are available and include:

- Email Alerts to advise on important tech changes and provide you with the steps to implement to remain up to date
- Tourism e kit tutorials providing access to the multi award-winning, up-to-date Tourism e kit tutorials covering the A to Z of Tourism marketing using the web
- Live Chat Hotline to solve digital problems
- Support Forums where operators can connect with like-minded industry operators and e-tourism experts

See Tourism Australia's Tips & Tricks on using social media:

[www.tourism.australia.com/industry-advice/using-social-media.aspx](http://www.tourism.australia.com/industry-advice/using-social-media.aspx)

## Social Media can vary globally – Case Study China

It is important to do your research specific to the country you are targeting, as social media channels can vary per country, for example let's look at China.

China is Australia's second largest international source market for visitor arrivals and the largest market in terms of overall expenditure and visitor nights. China has the most Internet users in the world and is one of the most engaged countries on Social Media. One out of five global internet users is from China and over 98% of urban Chinese internet users visit social media sites regularly. Being online in urban China generally means that you use social.

So not surprisingly the Internet has become an extremely influential medium in China – but the Chinese Internet is different. Many popular western social media websites such as Facebook, YouTube and Twitter are not available to Chinese Internet users due to the "Great Firewall of China" (government Internet censorship).

Therefore local Chinese equivalents of these platforms rule the digital space, and the number of websites and platforms is staggering and growing. Social media, media advocacy and word-of-mouth are becoming more powerful sources of information to assist Chinese travellers with planning and purchasing travel.

Australia as a destination has a presence on China's social media platforms through the activities of the State and Territory Tourism Organisations and Tourism Australia.

The use of social networking and blogs has implications for the tourism industry and the way that the Chinese consumer searches for information. Reading blogs and forums is becoming more commonplace, and information and reviews on destinations are becoming more accessible, providing Chinese consumers with a way to compare travel options. It is therefore worthwhile considering the use of Chinese social media to promote your business.

Any tourism business looking to reach Chinese consumers needs to leverage the Internet and social media landscape in China. According to Digital Influence Index 85% of Chinese Customers view the internet as the most influential channel and 95% of Chinese customers trust a company more that is engaged and active on Weibo (micro blogging), and WeChat, another emerging social networking platform that is growing robustly.

"Knowing where trade or consumers can research your business online is fundamentally important. You need to have a clear understanding on how to use digital channels to your advantage, and be prepared to update them regularly"

– Julie Smith, Rawnsley Park

# 18 BUILDING AN EXPORT PLAN



**Why should I develop an export plan and what key topic areas should I cover?**

**How is marketing tourism experiences different?**

**How do I set my marketing budget and export plan?**

By deciding to target international travellers to purchase your tourism product, you are, in effect, exporting your product. The key to success is to match the right product to the right market, providing an optimum return on investment.

A detailed export (or marketing plan) should be developed to provide a blueprint for your marketing activities in exporting your product to each market.

**An effective export plan will help evaluate your strengths and weaknesses when entering the export market, when you consider:**

- The products that you will export
- Your target markets
- Timeframe
- Marketing strategies

Your plan and all the related activities should be reviewed on a regular basis to ensure you continue to receive a return on your investments.

## What should my export plan include?

- **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 Ps (Product, Price, Place & Promotion) for each of your target markets?
- **Strategic action plan** – what are the actions needed to make your strategies work, who will do it and when?
- **The marketing budget** – how much do you have to spend and how will you allocate the resources?
- **Monitoring and evaluation** – how will you measure the performance of your marketing efforts?

You can use these headings as the template for your plan, and it doesn't have to be a lengthy document. It should be easy to read and reviewed on a regular basis. [Click here for Marketing Plan Templates](#)

## What makes Tourism Marketing different and how do we harness that?

The challenge with tourism marketing is that the principal products are experiences. 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 whole 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.

## Setting Your Marketing Budget

There is no rule that specifies how much of your turnover you should allocate to your marketing budget. As a rough guide, most small businesses allocate between 3-10% 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 operators, 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.

### Points to consider in this analysis should include:

1. Understand the growth of Inbound tourism markets and current domestic and outbound trends
2. Develop a business plan including a SWOT (analysing your Strengths, Weaknesses, Opportunities & Threats)
3. Understand the various distribution channels to market
4. Understand what a distributor can provide to you
5. Know what you need to do to be able to work with a distributor
6. Understand the steps required to gain distribution
7. Set the price for your product to allow for distributor commissions
8. Learn how to leverage your product by packaging with other products

## Identifying Your Target Markets

Identifying and understanding your target markets should be the foundation of your plan. In order to succeed in the international market, it is important to tailor your business and product to your customer's 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.

## The four elements (P's) of marketing – the modern day approach

You may have heard of the four Ps of marketing, being Price, Product, Place (Distribution) and Promotion, as it has been used as an approach to marketing around the world for decades. However, with the rapid growth and influence of the Internet, it has changed the way we engage with our customers and the relationships that have developed. This means we still need to focus on these four Ps but consider them in the light that your customer will seem to know everything about your business (or want to), and they will want to research it for themselves, rather than the old model of being told.

## Product

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 experience for a consumer. The complete travel experience includes all the elements that a tourist consumes from the time they leave home until they return. This includes transport, accommodation, meals, attractions and activities. These may be purchased independently by the consumer or bundled into a package for sale by an ITO or wholesaler.

Instead of just focusing on your actual product in your marketing, focus on the experience, and the solution that it provides. Often a holiday experience will solve a customer's problem, such as being overtired, needing to feel refreshed, or needing to learn and try new things. Focus on the features of your product that helps them solve these problems, for example, by joining an Indigenous culture tour you could experience the healing powers of nature, discover breathtaking scenery that revitalises your spirit, view ancient rock art galleries, and meet artists or take an art workshop yourself to gain a first-hand insight into the creation of contemporary Aboriginal art.

## 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 students. It also includes your booking terms and conditions.

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.

For further information refer to Section 10 – Pricing: It's all about balance.

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

- Your competitors' pricing
- The level that your target market is prepared to pay
- The cost of distribution (i.e., commissions) built into the overall price
- Fixed and variable costs
- Seasonality and
- Your profit margin

However, in your marketing plan and activities don't just focus on price, rather, focus on value. Consumers aren't analysing your price in relation to your production costs and your profit margins. They will be concerned about price, but it relates to how much value they perceive the experience to have. Therefore, in your plan and marketing messages articulate the benefits of your product relative to your prices.

## Place (Distribution)

Distribution is the vital link between your product and the consumer.

A distribution strategy considers the 'place' your product is sold and the range of different ways a consumer may make a purchase decision.

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 channeled 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 via a social media site.

Less independent travellers are far more likely to go through traditional travel distribution channels. More experienced travellers might organise the bulk of their arrangements once they arrive in Australia. Therefore, don't overlook distribution points such as visitor information centres (VICs), and hotel concierges that your target consumers may approach and factor these into your business and marketing planning.

Customers also want to know that your business is accessible, for example, knowing how available you and your team are should something go wrong or need changing. They want to know and see demonstrated that your company is responding to feedback.

## Promotion

Traditional ways of promotion were limited to 'interruption marketing' whereby the business told the consumer what to believe. Today we need to think entirely differently as the business has the opportunity to be involved at each point in the evaluation and purchase cycle, and the customer wants to make up their own mind.

Therefore, the way you outline your promotion strategy needs to consider all the steps in the purchase cycle, what promotional activities you can do along the way that is a combination of activities to cost effectively reach your target market and get them to convert to a sale. For example, ensuring that your company ranks high on an Internet search for research gathering, to featuring often in travel articles. That is, to provide the information as well as the third party endorsement so that the consumer can make up their own mind.

**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

→ **Sales Promotions** – competitions and sales incentives

→ **Digital marketing** – Online advertising, search engine marketing and optimisation, social networking and user generated content, videos, podcasting and podcasting etc.

"Export plan/business plan/marketing plan: whatever you choose to call it, it doesn't have to be complicated- it just had to be thorough, clear and easily reviewable and measurable. Your strategic action plan should set out clear goals that are achievable within a set timeframe"

–Meredith Baxter, Booking Boss

# 19 TOURISM TALK: ACRONYMS AND GLOSSARY

You may have noticed that tourism language is very acronym-heavy! Here are some of the more common tourism acronyms and terms to help you

AACB	Australian Association of Convention Bureaux
ABS	Australian Bureau of Statistics
ABTA	Association of British Travel Agents
ADS	Approved Destination Status (relates to the China travel market)
AFTA	Australia Federation of Travel Agents
ASP	Aussie Specialist Program
ATDW	Australian Tourism Data Warehouse
ATE	Australian Tourism Exchange
ATEC	Australian Tourism Export Council
BEC	Business Enterprise Centre
BIT	Borsa Internazionale del Turismo held in Italy each year (Trade Event)
BT	Business Tourism (Meetings, Incentives, Conventions and Exhibitions)
COAST	Coalition of Australian States and Territories (North America)
CRS	Computerised reservations system
CVB	Convention and visitors bureau
DAMA	Destination Australia Marketing Alliance
DFAT	Department of Foreign Affairs and Trade
DMC	Destination Management Company
DNSW	Destination New South Wales
EA	Ecotourism Australia
EMDG	Export Market Development Grant
FIT	Fully independent traveller
FOC	Free of charge
GALTA	Gay and Lesbian Travel Association
GIT	Group inclusive traveller
GSA	General sales agent
IATA	International Air Transport Association
ICCA	International Congress and Convention Association
IMR	International Media Relations

ITAA	Irish Travel Agents Association
ITB	International Travel Bourse held in March in Berlin and London in November each year
ITO	Inbound tour operator
IVS	International Visitor Survey
KDP	Key Distribution Partner
LTA	Local Tourism Association
MIAA	Meetings Industry Association of Australia
NTO	National Tourism Office
OTA	Online Travel Agent
PATA	Pacific Asia Travel Association
PAX	Passengers
PR	Public Relations
RTA/RTO	Regional tourism association/ organisation
SATC	South Australian Tourism Commission
STO	State or Territory tourism office
TA	Tourism Australia
TEQ	Tourism and Events Queensland
TFC	Tourism Forecasting Committee
TNT	Tourism Northern Territory
TRA	Tourism Research Australia
TT	Tourism Tasmania
TTF	Tourism and Transport Forum
TWA	Tourism Western Australia
USP	Unique Selling Proposition
VC	Visit Canberra
VFR	Visiting friends and relatives
VJP	Visiting Journalist Program
VV	Visit Victoria
WTM	World Travel Market
WTO	World Tourism Organisation

## Tourism Terms

Agent	A person or company that sells your product on your behalf, including ITOs, wholesalers and retail agents.
Allotment	A pre-negotiated number of seats/rooms/vehicles held by a wholesaler or inbound tour operator for sale.
Business Tourism	Incorporates visitors travelling for conventions, conferences, seminars, workshops, symposiums, incentives, exhibitions and special events.
Commission	The fee paid to agents for them to market, distribute and sell your product.
Co-operative Advertising	Advertising funded by two or more partners.
Distressed Inventory	Product whose potential to be sold at a normal cost will soon pass.
Distribution	The channels or places through which a consumer may purchase your product.
Eastern Markets	All Asian countries, including Japan.
Ecotourism	Ecologically sustainable tourism with a primary focus on experiencing natural areas that fosters environmental and cultural understanding, appreciation and conservation.
Export Tourism	International tourist traffic coming into a country, with foreign dollars contributing to the export economy.
Familiarisation Visits	Provide agents with the opportunity to experience your product first hand and improve their product knowledge.
Free Sell	A room, seat or vehicle provided by an operator to a wholesaler or inbound tour operator in unrestricted quantities until otherwise indicated, so a booking may be confirmed immediately to a client.
Frontline Staff	The agents that deal directly with consumers including retail agents and reservations staff.
Fully Independent Travellers (FIT)	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.
Gateway	A major air, land or sea entry point to a region or country.
General Sales Agent	Offer representation and marketing of your product in international markets. They may also provide a booking service.
Gross Rate	The price that consumers pay for your product. Also retail rate, rack rate or door rate.
Group Inclusive Travellers (GIT)	Travellers who purchase the bulk of their holiday arrangements before leaving home, also referred to as package travellers.
Inbound Tour Operator (ITD)	An Australian based agent that specialises in developing programs and itineraries for distributors. Also known as ground operators and destination management companies (DMC).
Inbound Tourism	International tourist traffic coming into a country. Also referred to as export tourism.
Incentive Travel	Incentive travel is a trip offered as a prize or reward, for top performing employees or sales agents.
Industry	All businesses that are involved in tourism including distribution agents and product suppliers.
Long Haul Travel	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.
Meeting and Incentive Planners	Organise and manage all aspects of meetings, incentives and events.
Nett Rate	The gross rate less the commission amount. The amount that you receive from the agent.
Online Distribution	Using the internet and web portals to distribute or promote your product to consumers
Online Travel Agent	Allows consumers to check live availability and pricing then book travel products in real time through the OTA website.
Operator	The owner and/or manager of the tourism product.
Outbound Tourism	Residents travelling out of their country to an international destination.
Product Manager/ Department	Responsible for identifying and selecting the products and suppliers that an ITO or wholesaler will sell.
Retail Travel Agent	The link to the consumer, retail agents allow travellers to book travel products either through a wholesaler, an ITO or direct with the supplier.
Sales Calls	Face to face meetings with agents. Purposes may include; to update and educate them on your product, negotiate inclusion in their programs, negotiate rates etc.
Short Haul Travel	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.
Trade Shows	Events held both in Australia and overseas which act as a forum for product suppliers to meet with agents.
Travel Distribution System	A global network of independent businesses which allow international consumers to research and book travel.
Travel Trade	A collective term for the agents that make up the distribution system, including ITOs, wholesalers, retail and online agents.
Visiting Friends and Relatives (VFR)	Visitors whose main purpose is to visit with friends and relatives.
Western Markets	All non-Asian countries, including New Zealand, the Americas, UK and Europe, the Middle East and Africa.
Wholesaler	Located in overseas markets wholesalers are the link between international travel agents and ITOs or suppliers.

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# FINAL CHECKLIST: YOUR ULTIMATE LIST OF KEY CONSIDERATIONS

Congratulations on making your way through the Tourism Export Toolkit. It can be a daunting decision to enter in to, or target more international business for your tourism product.

So when is a tourism business considered 'international ready?'



Tick all of the following on the checklist, and you will be ready to not only welcome international visitors, but also maximise international business opportunities for your organisation.

- |    |   |                          |    |  |                          |
|----|---|--------------------------|----|--|--------------------------|
| 1  | Is your business already well established in the domestic market with a network of diverse distribution partners?   | <input type="checkbox"/> | 12 | Do you research and understand the current visitor statistics for your region?   | <input type="checkbox"/> |
| 2  | Can you identify your Unique Selling Proposition and also align this with particular target markets?  | <input type="checkbox"/> | 13 | Do you understand where consumers can source information about your product and invest appropriately in digital marketing?   | <input type="checkbox"/> |
| 3  | Can you provide a consistent quality of service, product/experience   | <input type="checkbox"/> | 14 | Do you have appropriate collateral materials for your clients, both through the distribution networks and for the consumers themselves that is informative, targeted and culturally sensitive? | <input type="checkbox"/> |
| 4  | Do you have booking mechanisms in place for international markets?  | <input type="checkbox"/> | 15 | Have you researched international markets to establish where your product fits?  | <input type="checkbox"/> |
| 5  | Does your rate structure and accounting system comply with distribution partners?   | <input type="checkbox"/> | 16 | Do you understand culturally-influenced needs of specific international markets?   | <input type="checkbox"/> |
| 6  | Do you understand and recognise the importance of the international distribution system?  | <input type="checkbox"/> | 17 | Are you willing to invest in famil programs both for trade and media to showcase your product/ experience accordingly?   | <input type="checkbox"/> |
| 7  | Do you understand the concept of pricing in the international marketplace?  | <input type="checkbox"/> | 18 | Do you have an active quality assurance program? Whether this is an official tourism body rating or accreditation; an ATEC membership; or a combination of the above?                          | <input type="checkbox"/> |
| 8  | Are you familiar with the appropriate commission levels and which distribution partners to offer net rates and which require a commission payment?            | <input type="checkbox"/> | 19 | Do you work collaboratively with those in your region to maximise the marketing and sales opportunities that working together can provide?   | <input type="checkbox"/> |
| 9  | Do you keep in regular contact with your distribution partners both locally and overseas?   | <input type="checkbox"/> | 20 | Are you prepared to work cooperatively with Tourism Australia, ATEC, your STO, RTA/ RTO, and LTA?  | <input type="checkbox"/> |
| 10 | Do you invest in relationship building with your distribution partners whether that be through trade shows, sales missions, sales calls or networking events? | <input type="checkbox"/> |    |  |                          |
| 11 | Do you understand online distribution channels both B2B and B2C?  | <input type="checkbox"/> |    |  |                          |