



Distribution channels

Entering the international distribution channel is a big step for any tourism operator so it is important that you not only understand the different channels but that your product will be able to satisfy the demands of the international visitor.

Working in the international environment comes with many benefits, and some costs.

Joining an international distribution channel does not mean lots of expensive international travel for you. Venture Taranaki work extensively in this market through their International Marketing Alliance (IMA) under the banner of Western North Island (WNI). The WNI work with Tourism New Zealand (TNZ) on trade missions to long haul destinations, through the international media programme (IMP) and through the international tour operator council (ITOC) which is the collective organisation for inbound operators (IBO).

Inbound operators have established relationships within our major international markets and work on behalf of operators to sell itineraries into wholesale brochures.

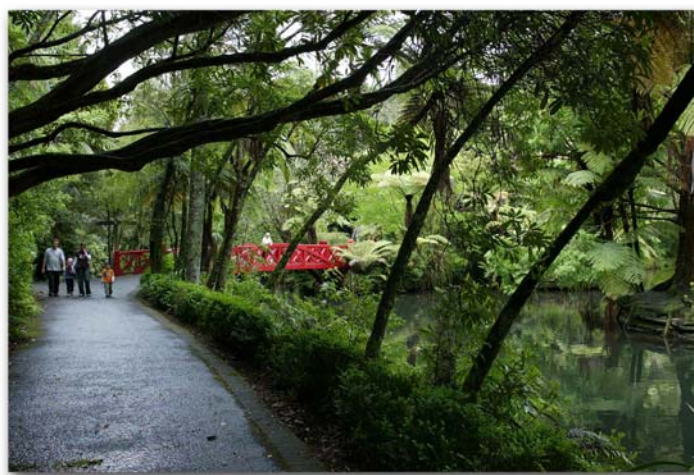
A similar role is undertaken by the WNI group, who work directly with the wholesalers to promote itineraries and update product information in the Taranaki, Wanganui and Manawatu regions.

They also keep inbound operators updated and conduct familiarisations based on the requirements of inbound operators.

A key point to remember when working in the international market and distribution channels is the need to provide commissionable pricing.



Campers at Lake Mangamahoe, New Plymouth
Photo: Courtesy of United Campervans



Photos: Rob Tucker



To determine whether your product is ready for the international market, consider the following:

- Is your product well accepted in the domestic market?
- Have you identified your target markets and established your potential customer base?
- Have you set your price for a 12-18 month period, and understand net rates and commission structures?
- Do you deliver a high standard of service such as well trained staff, high safety standards, and appropriate insurances?
- Do you have booking mechanisms in place to make it easy for the international market to book, such as 24-hour 7-day availability, phone and website bookings?
- Are you confident the product meets the requirements of travel wholesalers, travel agents and inbound tour operators?
- Do you have a full range of marketing materials?
- Are you currently working with Venture Taranaki and your local i-SITE?
- Has your business been quality assessed by an independent quality rating system such as Qualmark?

One of the trickiest aspects of selling your product offshore is negotiating the international travel distribution process. Visit the market guide area of www.tourismnewzealand.com for an overview of how these markets work and the players involved.

Different products will suit different booking methods. Some may use all steps in the distribution chain while others bypass one or more of the links. It is important to identify the most cost effective and appropriate distribution method for your business.

There are a number of ways for customers to buy your tourism product. Some are direct (telephone or internet) while others are indirect (through a third party based in New Zealand or overseas).

Traditional channels of the distribution process are retail travel agents, wholesalers, inbound tour operators and booking agents.

With traditional channels, bookings are usually made in advance and paid for by the agent following the visit.

Traditional distribution channels involve a cost to the operators called a commission, which should be factored into your pricing.

More information on commissioning is available in the Commission Structure sheet in this series.



Photos: Rob Tucker