



PLANNING FOR INBOUND SUCCESS

Edition 1

A GUIDE TO WORKING
WITH NEW ZEALAND
INBOUND TOUR OPERATORS



Photo courtesy of Te Puia, Tourism Rotorua

It takes time to establish and position your product in the international market and achieve a successful level of international sales. Your marketing strategies should be well-planned and incorporate a variety of activities that target both the international consumer and the travel trade.

Developing your product to an international standard requires an acute understanding of international consumer needs, motivations and different travel styles, as well as language, cultural and culinary requirements. Understanding these will enable you to see where your product fits internationally and select the right markets for your product.

To be successful in the export tourism industry it is important to understand the roles of Inbound Tour Operators (ITOs), International Wholesalers (IW), Retail Travel Agents (RTAs) and other partners in the international travel distribution system. You will need to identify key partners and establish and maintain relationships with them over a long period of time. Your product

price structure should also support the commission levels required by your partners in the distribution system.

The Tourism Export Council of New Zealand's Planning for Inbound Success manual is designed to provide you with the basic tools, knowledge and key contacts needed to enter the export tourism market. This information, combined with the advice and assistance from tourism associations, industry bodies and tourism operators should put you on the path to success!

This manual contains advice on how to:

- Understand the travel distribution system
- Research international markets to establish who will use your products
- Recognise the different styles of inbound travellers
- Information on pricing your product and working with international trade
- Key contacts and links for better access to tourism data and research

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Moeraki Boulders. Photo by Chris Reynolds. Courtesy of Flying Kiwi Tours.





TOURISM IN NEW ZEALAND



- ✓ WHO IS THE TOURISM EXPORT COUNCIL?
- ✓ WHY TOURISM IS CONSIDERED AN EXPORT INDUSTRY?
- ✓ WHO ARE THE KEY PLAYERS IN NEW ZEALAND TOURISM?

TOURISM EXPORT COUNCIL OF NEW ZEALAND INC

The Tourism Export Council of New Zealand (TECNZ) is a trade association that has represented the interests of inbound tourism since 1971. Formerly known as ITOC (Inbound Tour Operators Council), the organisation rebranded in 2012 to assist mainstream New Zealand and government agencies to understand that tourism is a key export industry.

What do we do and who do we represent?
www.tourismexportcouncil.org.nz

The Tourism Export Council’s focus is to build long term business relationships with distribution networks in New Zealand and offshore. The relationship with product suppliers in New Zealand and offshore wholesalers is integral to the country’s continued growth as a visitor destination.

Member categories include:
Inbound member – inbound tour operators (ITO’s)
Allied member – attraction, activity, accommodation, transport and tourism service suppliers

Examples of the allied membership include:
Attraction – Milford Sound, SkyTower, Te Papa museum
Activities – Jetboating, Whalewatch, Maori Culture show
Accommodation – hotels, luxury lodges, backpackers
Transport – airlines, bus & coaches, sea transport, shuttles
Tourism services – IT and publishing companies, tourism agencies eg. RTO’s, Service IQ, DOC

WHY TOURISM IS CONSIDERED AN EXPORT INDUSTRY?

Tourism, like agriculture, is one of New Zealand’s biggest income earners. Both are export industries because they bring foreign dollars in to New Zealand. With agriculture, you grow an apple, send it offshore and a foreigner eats it. A clear pathway of a New Zealand product consumed or purchased by someone overseas.

Tourism works slightly differently

- The product is still developed in New Zealand (just like the apple)
- It is sold offshore (like the apple)
- It is purchased by a foreigner (again like the apple)
- BUT it is experienced in New Zealand and therein lies the difference.

IRD’s definition of an export industry is a “non resident who purchases a product or service from New Zealand”. It is important that people understand Tourism’s role in bringing in foreign earnings to New Zealand and its contribution to the economy as an export industry.



WHO ARE THE KEY PLAYERS IN NEW ZEALAND TOURISM?

Key Tourism Agencies:

TECNZ	Represents inbound tour operators and product/services providers who sell their services offshore	Membership funded
TNZ	Promotes New Zealand	Government funded via MBIE
RTO’s	Promotes your region	Local government funded
TIANZ	Advocacy and Information	Membership funded
QUALMARK	Provide a quality business assessment	Paid by operator

Diagram 1: Tourism Export Council inbound tour operators ‘buy’ New Zealand wide product, in volume and are repeat business. Our members represent the commercial private sector of the industry who in collaboration with the above agencies work to increase tourism export receipts and growth for the economy.

TOURISM NEW ZEALAND (TNZ)

Tourism New Zealand is a Crown Entity funded by the New Zealand Government, and is the organisation responsible for marketing New Zealand to the world as a tourist destination. The major tool they use to market New Zealand is the 100% Pure New Zealand marketing campaign.

Tourism New Zealand takes part in a variety of offshore trade events including consumer and trade travel expos, road shows and product workshops. These events involve participation by New Zealand inbound tour operators, some regional tourism organisations and key product suppliers in a variety of destinations around the world. These trade shows aim to attract key decision makers from offshore tour companies to be up-skilled on what New Zealand has to offer so they can provide their clients with appropriate information for itinerary planning, whether they be tour group parties, business or independent travellers. Tourism New Zealand also participates in front-line training for sales agents, media and agent familiarisations and in some countries, participates in consumer travel shows.

Tourism New Zealand has national offices in Wellington, Auckland and offshore offices in Australia, North America, Thailand, China, Indonesia, United Kingdom, India, Brazil, South Korea, Singapore, and Japan.

www.tourismnewzealand.com/about-us/contact-us



REGIONAL TOURISM ASSOCIATIONS (RTO's)

Regional Tourism Associations (RTO's) are responsible for promoting their region internationally and domestically. RTO's work closely with Tourism New Zealand and inbound tour operators to promote what their region has to offer to consumers, offshore wholesalers and retail travel agents and to various media outlets.

RTO's are generally funded by local government (councils) and the private sector. Investment from private sector businesses helps with developing promotional material, undertake generic or specific segment marketing and advertising opportunities to assist a business with promoting their product. A number of RTO's operate and manage i-SITEs, commonly known as visitor information centres.

As you are establishing your business you should keep in contact with your RTO. They can assist you with information, cooperative marketing, advertising opportunities, market intelligence, product development and sales calls. RTO's have a national office coordinator based in Wellington.

www.rtonz.org.nz



TOURISM INDUSTRY ASSOCIATION OF NEW ZEALAND (TIANZ)

The Tourism Industry Association New Zealand (TIANZ) is the national private sector organisation speaking on behalf of the tourism industry. It is membership-based and represents tourism operators of every size and sector. The organisation champions the interests of its members with government and other decision makers. It builds partnerships between the tourism industry and government, and works with all agencies involved in tourism.

TIA also provides tools and information to help members run successful businesses. This includes tourism intelligence and research data interpreted for members. The information and advice TIA provides helps members stay up to date with industry issues, respond to trends, take advantage of opportunities and overcome challenges.

www.tianz.org.nz



**TIA and TEC are both private membership organisations which have similar members with the difference being TEC is the trade business to business organisation.*

QUALMARK

Qualmark is New Zealand's national quality assurance programme for tourism operators. It operates as a licensing system for tourism's official quality mark and all tourism businesses in New Zealand are eligible to apply.

These operators include a range of accommodation providers (who are star rated), attraction, activity and transport operators. Inbound tour operators who belong to the Tourism Export Council of New Zealand have their own category which gives them a distinct and credible point of difference to other inbound tour operators.

Operators who are Qualmark endorsed are able to participate with Tourism New Zealand in offshore marketing activities. Qualmark operators must undergo a rigorous assessment process looking at the customer experience, health and safety and environmental commitment.

In addition to the Qualmark endorsement category, operators can also apply for bronze, silver and gold environmental endorsements.

www.qualmark.co.nz



NEW ZEALAND MAORI TOURISM

"Maori Tourism provides New Zealand with its unique positioning in the global marketplace."

New Zealand Maori Tourism (NZMT) is the national Maori tourism organisation, representing and advocating for more than 200 Maori tourism businesses. Based in Wellington, NZMT's role is to influence investment decisions in Maori tourism, foster relationships within the sector and across the tourism industry, assist policy development and to develop and implement strategies that encourage sector growth.

It also provides an accessible point of contact with Maori and Iwi businesses and stakeholders.

www.maoritourism.co.nz



DEPARTMENT OF CONSERVATION (DOC)

The beauty of New Zealand's national and forest parks is a key motivator for many visitors to come to New Zealand. Inbound tour operators work very closely with the Department of Conservation and have concessions to be able to operate a commercial business or visit the DOC estate with visitors; e.g. If a tour group wishes to stop at a key photographic site or an itinerary includes a trip or experience in a conservation area like a national park. The operator; on behalf of visitors, must pay a concession fee which assists DOC with their conservation activities and/or maintenance of the many walks, huts and car parks.

Outdoor tour operators (eg. kayak or tramping company) who operate on the DOC estate as their full time activity are also DOC approved concessionaires.

www.doc.govt.nz



Department of
Conservation
Te Papa Atawhai

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT (MBIE)

The Ministry of Business, Innovation and Employment is responsible for Tourism research and policy making. They provide advice to the Government on how it can create the right environment for enhanced productivity and growth in the tourism sector in order to grow tourism's contribution to New Zealand economy. They collect, analyse and publish tourism data, such as international visitor expenditure, and evaluate the effectiveness of government initiatives on tourism working closely with the Department of Immigration www.immigration.govt.nz and Statistics New Zealand.



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

www.stats.govt.nz

www.med.govt.nz



OTHER TOURISM MEMBER ASSOCIATIONS

BARNZ – Board Airline Representatives
www.barnz.org.nz

BCA – Bus & Coach Association
www.busandcoach.co.nz

B&B – Bed and Breakfast Association
www.bnb.co.nz

BYATA – Backpackers, Youth & Adventure Tourism
www.byata.org.nz

CINZ – Conventions and Incentives New Zealand
www.conventionsnz.co.nz

Cruise New Zealand
www.cruisenz.org.nz

HPANZ – Holiday Parks Association of New Zealand
www.holidayparks.co.nz

HNZ – Hospitality New Zealand
www.hospitalitynz.org.nz

MANZ – Motel Association of New Zealand
www.nzmotels.co.nz

NZLA – NZ Luxury Lodges
www.lodgesofnz.org.nz

ONZ – Outdoor New Zealand
www.outdoorsnz.org.nz

RVA – Rental Vehicles Association
www.rentalvehicle.co.nz

Ski Areas Association
www.snow.co.nz/media/snowsports/saanz.htm



INDUSTRY TRAINING ORGANISATIONS

Service IQ – Tourism, Travel, Aviation, Museum, Retail and Hospitality

www.serviceiq.org.nz

Skills Active Aotearoa - Sport Fitness & Recreation Industry

www.skillsactive.org.nz



INBOUND TOURISM - Where to Start?



- ✓ PREPARE YOUR BUSINESS
- ✓ INFORMATION AND ASSISTANCE
- ✓ TOURISM DATA AND REPORTS AVAILABLE

PREPARE YOUR BUSINESS

Before you begin to market to inbound travellers, it is important to do some research and planning. You will need to:

- Join the appropriate tourism organisations. This would include Tourism Export Council (TECNZ), Tourism Industry Association (TIANZ), NZ Maori Tourism, Qualmark and your local Regional Tourism Organisation (RTO);
- Determine which paid industry intelligence media or reports/information you will need. For example Inside Tourism (weekly tourism e news), Tourism Business Magazine (bimonthly tourism magazine), and/or annual industry sector reports eg. CAM - commercial accommodation monitor;
- Look at current research/reports available for international and domestic visitors;
- Research international markets to establish who will use your products;
- Read the Planning for Inbound Success e-manual;
- Determine what your competition is offering these markets;
- Recognise the different travel styles of inbound travellers;
- Understand the travel distribution system and its rate structure;
- Develop a marketing plan and budget to target international visitors through a range of mediums and distribution channels;
- Research opportunities to package your product with other complementary product in your region;
- Develop a range of promotional material in English and other languages for both consumers and the travel trade;
- Make refinements or enhancements to your product to better meet the needs of travellers from these markets;
- Seek advice from your local, regional and national tourism office.

INFORMATION AND ASSISTANCE

Do your homework! There are many sources of advice and assistance for tourism operators interested in finding out more before investing time and resources into international marketing. In this section you will find details on the different types of reports, where to find them and how often they are made available.



**A TIP FOR INBOUND SUCCESS:
DO YOUR HOMEWORK!**

Poor Knights Marine Reserve. Photo by Destination Northland.

TOURISM DATA AND REPORTS

NAME	DESCRIPTION	RELEASED BY	TIMING
IVA (International Visitor Arrivals)	Arrivals and departures of overseas visitors and New Zealand resident travellers are key indicators of tourism and travel. The International travel statistics measures international visitor arrivals into New Zealand, and collects data on their origin, purpose of visit, intended length of stay, age, gender and port of arrival.	Produced and released by Statistics New Zealand (also released by MBIE)	Monthly
IVS (International Visitor Survey)	Measures the travel patterns and expenditure of international visitors to New Zealand.	MBIE	Quarterly
TSA (Tourism Satellite Account)	A picture of the role tourism plays in New Zealand, with information on the changing levels and impact of tourism activity. It presents tourism's contribution to the New Zealand economy in terms of expenditure and employment.	Statistics New Zealand (also released by MBIE)	Annually
CAM (Commercial Accommodation Monitor)	Monitors trends in New Zealand's commercial accommodation sector and provides regional data on the supply and demand of the accommodation sector. It includes statistics on guest nights, international/domestic guests.	Produced and released by Statistics New Zealand (also released by MBIE)	Monthly
Tourism Forecasts 2012 to 2018	The forecasts establish expectations of tourism demand at the national level.	MBIE	Annually
Tourism Industry Monitor (TIM)	The purpose of the TIM is to provide tourism businesses with regular, up-to-date information on the performance of the tourism sector, including the outlook for the next three months.	MBIE	Quarterly
Convention Activity Survey	Monitors and benchmarks the activity of more than 150 professional conferencing and meeting venues in New Zealand.	MBIE	Quarterly
Convention Delegate Survey	Monitors the expenditure of multi-day convention delegates through an online survey.	MBIE	Annually
Regional Tourism Indicators (RTI's)	Regional level transactional data by country of origin (international), and domestic origin by credit card capture. Aim to be able to show spend levels, by merchant location (by accommodation, transport, food and beverage services etc....)	MBIE	Monthly
Regional Tourism Estimates (RTE's)	Regional value of visitor expenditure by country of origin and domestic origin by credit card and electronic transaction.	MBIE	Annually
Active Considerer	Looks at the demographics, emotional needs and travel preferences of travellers from Tourism New Zealand's target market, known as 'Active Considerers'.	TNZ	On going
Visitor Experience Monitor (VEM)	A survey of international visitors who came to New Zealand for a holiday or to visit friends and family. The VEM asks how satisfied international visitors are with different aspects of their New Zealand holiday, and is used to assess behavioural patterns.	TNZ	Annually

Quicklinks

Tourism Export Council of New Zealand

www.tourismexportcouncil.org.nz

New Zealand Maori Tourism

www.maoritourism.co.nz

Tourism Industry Association of New Zealand

www.tianz.org.nz

Tourism New Zealand

www.tourismnewzealand.com/markets-and-stats

www.tourismnewzealand.com/sector-marketing

www.tourismnewzealand.com/developing-your-tourism-business/working-with-the-trade

MBIE Research

www.med.govt.nz/sectors-industries/tourism/tourism-research-data

www.med.govt.nz/sectors-industries/tourism/tourism-research-data/regional-tourism-indicators

www.med.govt.nz/about-us/publications/publications-by-topic/tourism-publications/key-tourism-statistics

www.med.govt.nz/sectors-industries/tourism/tourism-research-data/commercial-accommodation-monitor-data

Media Quicklinks

Inside Tourism

Weekly tourism news received electronically.

www.insidetourism.com

Tourism Business Magazine

Bi-monthly magazine with tourism articles and features.

www.tourismbusinessmagazine.co.nz

Key Points

- 📌 *Meet your local tourism manager to discuss your product and plans in the international market.*
- 📌 *Discuss cooperative marketing opportunities that suit your business.*
- 📌 *Be familiar with how and where to access research and information appropriate to your business.*
- 📌 *Provide TNZ and Inbound tour operator staff with a briefing on your product and give them regular updates.*
- 📌 *Be an active member of the organisation - attend networking functions and other events.*
- 📌 *Remember the first step is to sell your destination, then your product, so it is important to have a good relationship with your local and regional tourism association.*

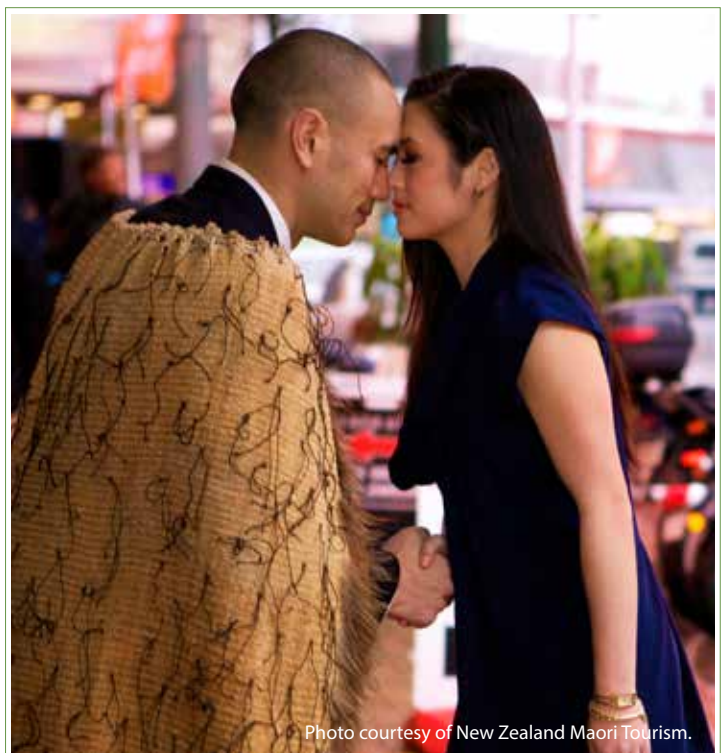


Photo courtesy of New Zealand Maori Tourism.



INTRODUCTION TO INBOUND TOURISM



- ✓ INBOUND (INTERNATIONAL) TOURISM
- ✓ WHAT IS THE DIFFERENCE BETWEEN INBOUND AND DOMESTIC TOURISM?
- ✓ WHY PURSUE INBOUND TOURISM?
- ✓ IS YOUR PRODUCT EXPORT READY?

INBOUND (INTERNATIONAL) TOURISM

Inbound tourism covers all international tourist traffic entering a country. It is also known as ‘export tourism’ (New Zealand is the export), because although tourists enjoy their travel experience within New Zealand, they are paying for it using foreign currency. Inbound tourism is big business in New Zealand with the tourism export sector worth more than \$9.8billion and total tourism receipts including domestic worth \$24 billion dollars.

Visitor arrival details are published on a monthly basis by the Ministry of Innovation, Business and Employment (MBIE) and they publish forecasts for New Zealand inbound travel annually. The International Visitor Survey (IVS) is published is the most comprehensive source of information on international visitors to New Zealand. The IVS samples 10,000 departing, short-term international travellers over the age of 15 years who have been visiting New Zealand. For full list of research and data reports available see pages 12 & 13.

INBOUND VS DOMESTIC - WHAT’S THE DIFFERENCE?

Domestic tourism accounts for 60 per cent of all tourism in New Zealand. International visitors make up the remaining 40 per cent. International tourists usually travel for longer and spend more money than domestic travellers.

The vast majority of New Zealand 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.

Key Points

- 📌 *It is important to understand that overseas markets are very competitive.*
- 📌 *Not only are you competing against companies that provide similar products, you are also competing against other international destinations.*
- 📌 *Selling your region and educating travellers about your destination and its attributes is often the first step in selling your product.*

DOMESTIC MARKET	INTERNATIONAL MARKET
Travellers are familiar with New Zealand	Travellers may have limited knowledge of New Zealand
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, shorter 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



WHY PURSUE INBOUND TOURISM?

In most instances, inbound tourism allows businesses to receive pre-booked reservations and diversify their income streams 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;
- 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, two times more than domestic travellers on each trip;
- Booking lead times are usually longer, allowing better business planning; and
- The opportunity to meet people from a range of cultures and backgrounds can be extremely rewarding.

Key Points

- 📌 *Successful inbound marketing requires a large investment of time and money and is based on establishing and maintaining good business relationships.*
- 📌 *You may have to wait several years before you earn a return on your investment*

IS YOUR PRODUCT EXPORT READY?

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

Before investing your time and money in the international market ask yourself the following questions. If you can answer YES to these questions then you are on your way to becoming export ready.

EXPORT READY

Is your business established in the domestic market?	Very few businesses enter the inbound market without first establishing themselves in the domestic market	<input type="checkbox"/>
Do you have booking mechanisms place for international markets?	You should offer same day booking confirmation via email or the internet within 3-4 hours	<input type="checkbox"/>
Do you understand the international distribution system?	Be familiar with the role of an inbound tour operator, wholesaler, online and retail travel agent	<input type="checkbox"/>
Are you familiar with commission levels?	You should allow up to 30% commission for distribution through inbound tour operators and 20% for wholesalers	<input type="checkbox"/>
Do you understand how to distribute your product online and how this impacts on other distribution partners	Set and guarantee rates up to 18 months ahead to coincide with the travel industry calendar from 1 Oct – 30 Sep each year	<input type="checkbox"/>
Do you understand where consumers can source information about your product?	Be aware of User Generated Content (UGC) travel websites and how these influence consumers product choice	<input type="checkbox"/>
Have you researched international markets to establish where your product fits?	Use industry resources to understand key source markets	<input type="checkbox"/>
Do you understand the needs of international markets?	Consider the travel styles, motivations, expectations language and cultural differences of international travellers	<input type="checkbox"/>
Do you have an active quality assurance program?	Provide consistent levels of service, quality products and reliable operating schedules to adhere to consumer protection laws	<input type="checkbox"/>
Do you have marketing (promotional) material in foreign languages?	Provide quality resources for trade and consumers in their country of origin language	<input type="checkbox"/>
Are you prepared to work with Tourism New Zealand, ITO's and your local RTO?	These organisations can offer a range of co-operative advertising and promotional opportunities	<input type="checkbox"/>

* high season is considered 01 October until 01 April each year.



Photo courtesy of New Zealand Maori Tourism.

THE INBOUND TRAVELLER



- ✓ WHERE DO INBOUND TRAVELLERS COME FROM?
- ✓ WHAT MOTIVATES INBOUND TRAVELLERS TO COME TO NEW ZEALAND?
- ✓ WHO ARE LONG HAUL AND SHORT HAUL TRAVELLERS?
- ✓ HOW DOES CULTURAL BACKGROUND INFLUENCE TRAVEL CHOICES?
- ✓ THE ACTIVE CONSIDERER TRAVELLER
- ✓ WHAT ARE THE DIFFERENT STYLES OF TRAVEL?
- ✓ BENEFITS OF GROUP TOURING & COACH TRAVEL

WHERE DO INBOUND TRAVELLERS COME FROM?

The major source markets include Australia, China, United Kingdom, United States, Japan, Korea, Malaysia, Singapore, Germany and Hong Kong and Tourism New Zealand has offices or representations in most markets. Tourism New Zealand has recently opened offices in Indonesia and Brazil.

Where a traveller comes from will influence a number of factors including:

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

Quicklinks

Tourism New Zealand's key markets

www.tourismnewzealand.com/markets-and-stats

Key Points

- 📌 *Research international markets and segments to determine which ones match your product*
- 📌 *Don't try to appeal to all markets and all people as you may end up satisfying no one*
- 📌 *Work cooperatively with complementing partners to promote your destination or region as a total package or experience*

WHAT MOTIVATES INBOUND TRAVELLERS TO COME TO NEW ZEALAND?

People travel to experience difference and travel choices are influenced by many factors, including age, cultural background, previous travel experience and available holiday time. Current economic, environmental and political concerns also impact travel choices. The primary motivation for planning a holiday will affect a tourist's choice of destination. For example, an Asian honeymoon couple will have very different requirements from a German backpacker or an American family.

Experiences are increasingly important to international travellers, and what compels and motivates people to travel varies from market to market. When planning a trip, travellers will generally select a destination that can provide the experiences that they are looking for. These experiences are underpinned by specific tourism products. While the product itself is an important part of the overall tourism experience, it is generally not the primary reason for visiting a destination.



Photo courtesy of New Zealand Maori Tourism.

LONG HAUL AND SHORT HAUL TRAVELLERS

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

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

In long haul travel markets (12 hours or more) such as the United States and Europe, New Zealand is seen as a destination that requires a large commitment of both time and money. There is much greater pressure on first time visitors to see as much as possible and to see the key 'icons'. In many instances, long haul travellers believe New Zealand is the 'trip of a lifetime' and see it as a single visit destination.

HOW DOES CULTURAL BACKGROUND INFLUENCE TRAVEL CHOICES?

Cultural background greatly influences the way an international traveller experiences New Zealand's key natural and cultural attractions. 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 want to watch a performance however a German visitor is more likely to visit a local marae or community to experience story telling, local history and cuisine.

Cultural background also drives the types of tours, activities, food and accommodation requested by international travellers during their stay in New Zealand. 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 and perhaps cooking facilities.

Quicklinks

The Active Considerer Segments we target:

www.tourismnewzealand.com/markets-and-stats/research/active-considerers-research

Key market snapshots can be found with the following links:

Australia	www.tourismnewzealand.com/markets-and-stats/australia
China	www.tourismnewzealand.com/markets-and-stats/china
UK	www.tourismnewzealand.com/markets-and-stats/united-kingdom
USA	www.tourismnewzealand.com/markets-and-stats/north-america
Japan	www.tourismnewzealand.com/markets-and-stats/japan
Germany	www.tourismnewzealand.com/markets-and-stats/germany
India	www.tourismnewzealand.com/markets-and-stats/india
South East Asia	www.tourismnewzealand.com/markets-and-stats/south-east-asia

THE ACTIVE CONSIDERER TRAVELLER

Tourism New Zealand's target market – the "active considerer" can be found among all age groups, income levels, and geographic locations. They are not a demographic – they have a particular mindset!

Using psychographic research, studies find how travellers think and feel can determine the personal factors that influence them to travel. The active considerer traveller is less affected by the traditional barriers to travel of distance, time and cost. They are more informed, interested and curious about potential travel destinations. They constitute approx 30 per cent of all potential long haul outbound travellers from key source markets. This target market is highly predisposed to New Zealand's offer and is more likely to stay longer, spend more and disperse to regional areas.

Research has shown that the active considerer has a number of key 'wants' to satisfy their travel experience:

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

To assist with global marketing efforts, Tourism New Zealand takes a segmented approach, allowing messages to be appropriately targeted to various life stages and mind sets. In each segment, there is an emphasis on attracting first time visitors. Segments include youth, family, holiday-maker, fly-fishing, golf, cruise, luxury and honeymoon.

Key Point

- 📌 You will need to vary your product presentation in each market to appeal to different consumers

WHAT ARE THE DIFFERENT STYLES OF TRAVEL?

Tourists can choose from a range of different travel styles based on whether their trip is for leisure, business, a special interest or family reasons. A tourist’s travel style will influence their choice of tours and activities, style of accommodation, transport and the location of their product purchases. These choices will be influenced by the tourist’s age, budget, cultural background and previous travel experience. The maturity of the outbound travel market from the tourist’s home country will also influence their preferred style of travel.

The following section outlines several defined travel styles. As with everything in the tourism industry, travel styles are constantly evolving and definitions vary from market to market.

<p>Group Inclusive Tour or Travellers</p> <ul style="list-style-type: none"> • Pre-purchase the bulk of their holiday before leaving home via distributors • Prefer structured itineraries • Have highly organised and pre booked tour arrangements • Use distributor’s preferred products • Common in less mature markets and with certain segments such as educational groups 	<p>Fully or Free Independent Traveller (FIT)</p> <ul style="list-style-type: none"> • Like the freedom of planning their own arrangements • Arrange some core holiday components prior to arrival • Organise the bulk of their itinerary independently often after their arrival • Rely heavily on word of mouth, the internet and social media when planning their trip
<p>Semi Independent Travellers (SIT)</p> <ul style="list-style-type: none"> • Pre book ‘skeleton package’ of airfares, transfers and accommodation prior to arrival • Search for competitive rates • Optional themed extras such as car hire and tours are offered at the point of sale to appeal to different segments 	<p>Visiting Friends and Relatives (VFR)</p> <ul style="list-style-type: none"> • Cite friends and relatives as the primary reason for travel • Often travel beyond the family base to other destinations • Rely on the recommendations and advice of their New Zealand based friends and relatives when planning their trip
<p>Backpackers</p> <ul style="list-style-type: none"> • Spend at least one night in a backpacker hotel or youth hostel during their stay • Traditionally 18 to 25 year olds but often people aged 30 and beyond travel this way • Prefer a highly independent and unstructured approach towards travel • Rely heavily on the internet and social media for information • Often include voluntourism in their travels E.g. volunteering for a charitable cause 	<p>Education Travellers</p> <ul style="list-style-type: none"> • Include short course participants, long term university students, school excursions and exchanges • Cite study as the main purpose of their visit but there may be a tourism component to the trip • Have families who may visit and travel throughout the course of study • Often require specialised arrangements depending on the age of students
<p>Business Travellers</p> <ul style="list-style-type: none"> • Include delegates of a large conference or an individual on a business trip • Often include a component of leisure travel during their visit such as pre and post conference touring • Include delegates participating in an incentive tour - a specialised business segment which rewards performance with travel experiences • Offer high yield as the per head spend is often very high 	<p>Special Interest Travellers</p> <ul style="list-style-type: none"> • Travel for reasons associated with personal interests such as agritourism, health and wellness or bird watching • 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 • Have customised itineraries • Offer high yield but often low volume
<p>Cruise Ship Travellers</p> <ul style="list-style-type: none"> • Generally the Cruise season is from October – April • Approx 200,00 passengers and 80,000 crew visit New Zealand each year • Most of their travel is prepaid with onboard purchases for sightseeing activities at different destinations • Exchange cruises start and finish in New Zealand destinations • Most cruise lines have a NZ ‘ground operator’. • Although cruise passengers generally only have a 4-5 hour excursion at each port, there is evidence a good experience encourages passengers to return for land experience within 2-3 three years of first visit 	<p>Special Events</p> <ul style="list-style-type: none"> • Similar to business and special interest travellers, these visitors travel to major and minor events. E.g. Rugby World Cup 2011, CWC (Cricket World Cup) 2015, U-20 FIFA World Cup, World of Wearable Art • Two types of event travellers (i) with official event like players, management, media, medical support etc, (ii) fans and event enthusiast • Book through agents or operators who possess a high level of expertise for the event • Often bring partners or family • Have customised itineraries built around the event • Offer short term high yield and high volume



Milford Sound coach touring. Photo by Real Journeys.



BENEFITS OF COACH TOURING AND GROUP TRAVEL

New Zealand has many types of travellers but working with group tours or group travellers offers many more benefits for tourism operators and visitors to New Zealand. Buses and coaches are the safest most environmentally-friendly, affordable, user friendly and efficient way to move people from here to there.

Safety & Pastoral Care

Coach companies and professional drivers pride themselves on the importance of safety. Professional coach drivers are ready to handle the streets, open roads and challenging conditions so visitors don't have to. Regular coach maintenance, driver training and knowledge of road conditions are top priorities for coach companies. Inbound tour and coach companies can also deliver better 'pastoral care' of their customers – whether there are time or personal issues, special requests and particularly in times of adversity.

Better Productivity and Profitability

To have a coach full of people (versus ten sets of self drive visitors) arrive at a destination is more fuel, time and operationally more efficient and productive. Group touring can also assist with managing seasonality issues and ability to manage staff and resources.

Social Benefits

On a coach, visitors have more time to see sites and socialise with others around them rather than focusing on the driving.

Travelling with others is a great way to meet new people or connect with old friends. Many coaches have wifi capability and on-board entertainment. Some can provide food and beverages while customers work, relax or simply enjoy the scenery.

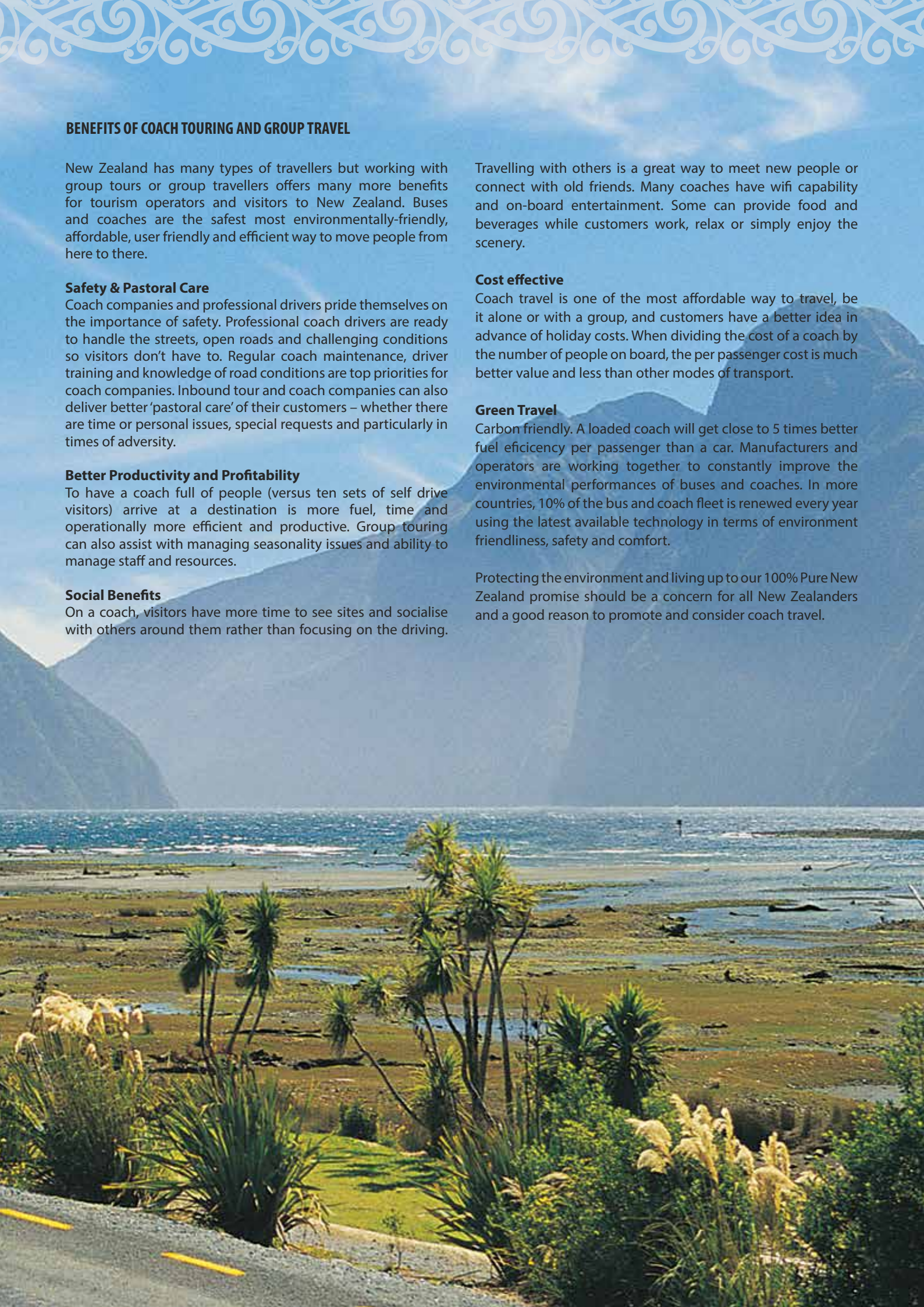
Cost effective

Coach travel is one of the most affordable way to travel, be it alone or with a group, and customers have a better idea in advance of holiday costs. When dividing the cost of a coach by the number of people on board, the per passenger cost is much better value and less than other modes of transport.

Green Travel

Carbon friendly. A loaded coach will get close to 5 times better fuel efficiency per passenger than a car. Manufacturers and operators are working together to constantly improve the environmental performances of buses and coaches. In more countries, 10% of the bus and coach fleet is renewed every year using the latest available technology in terms of environment friendliness, safety and comfort.

Protecting the environment and living up to our 100% Pure New Zealand promise should be a concern for all New Zealanders and a good reason to promote and consider coach travel.





INBOUND TRENDS



- ✓ CONSUMER TRENDS
- ✓ WAYS CONSUMERS ARE USING THE WEB AND HOW THIS IMPACTS ON YOUR BUSINESS
- ✓ TOURISM INDUSTRY TRENDS

CONSUMER TRENDS

Inbound tourism is consumer driven due to consumer's increased access to travel information and their customised travel requirements.

Consumers are researching, planning and booking their travel online and booking lead times are becoming shorter. Consumers are searching for last minute deals, usually the airfare.

Consumers are booking components of their itinerary online; however the travel agent or wholesaler is seen as a risk mitigator, particularly in long haul markets.

Consumer's expectations are changing. They have been exposed to more of the world either physically (through travel)

or virtually (through travel documentaries and the internet) and have become more perceptive with a better understanding of value for money.

With the convergence of technology into smart devices such as the iPhone or iPad, consumers have instant access to information including:

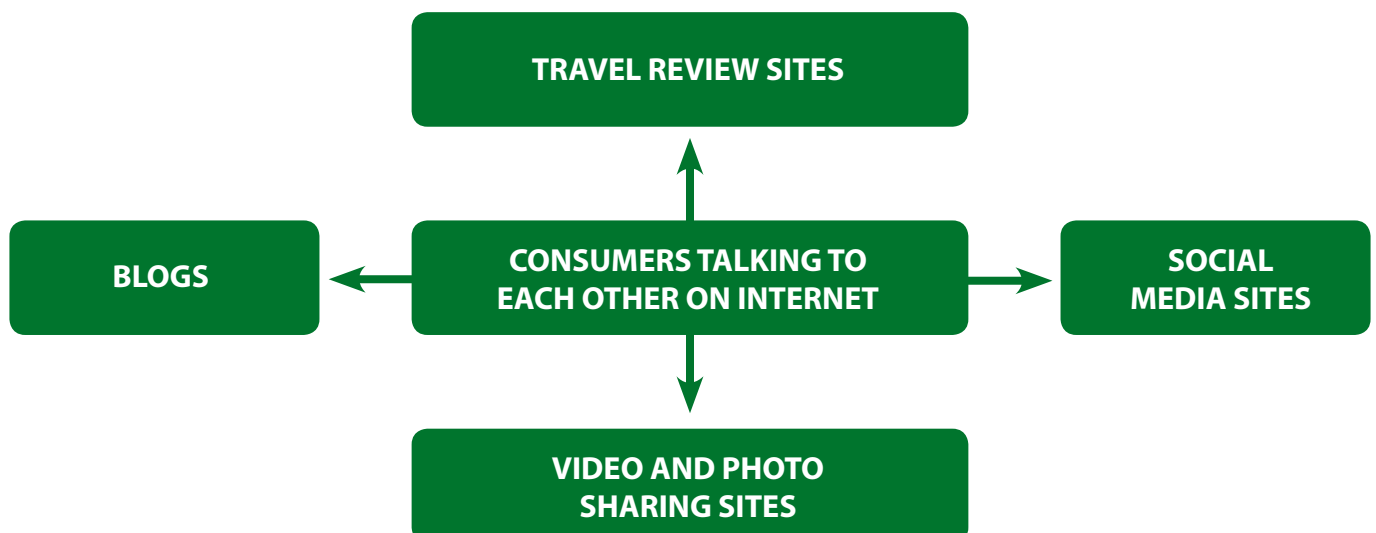
- flight schedules;
- check-in applications;
- geo location based travel information and map updates;
- virtual reality views of hotel rooms and locations;
- user profile preferences that can alert you to restaurants, shops or galleries as you travel; and
- social media sites

WAYS CONSUMERS ARE USING THE WEB

Consumers using the web are offered credible knowledge and engaging tools to help them create the perfect trip. Due to user generated content (UGC) travel review websites, blogs and the internet, consumers have access to a large range of information to research and plan their travel.

This means consumers are more informed in their travel product choices. Many consumers now base their travel decisions around customer ratings they read online.

Consumers are also talking to each other on the internet which enables them to reach a large audience quickly. Word of mouth is a trusted source of information for travellers.



These sites are used to cross check travel information and to update friends and family whilst travelling. The conversations act as personal recommendations in real-time to an individual's entire network.

Using the web, consumers can produce information which can be more powerful than your own marketing in encouraging potential customers to purchase your product. This means the relevance of official travel sites are declining due to community forums and UGC sites (user generated content) for travellers that are often considered more credible.

Key Point

📌 *The internet has increased the reach of word-of-mouth by giving every consumer the power to publish their thoughts, feelings and experiences online*

The following websites are popular with travellers: (not an exhaustive list)

Travel sites:

realtravel	www.realtravel.com
virtualTourist	www.virtualtourist.com
gusto!	www.gusto.com
kayak	www.kayak.com
tripadvisor	www.tripadvisor.com
World66	www.world66.com
Wikitravel	www.wikitravel.org
WAYn	www.wayn.com
Hostelworld	www.hostelworld.com
IgoUgo	www.igougo.com
Webjet	www.webjet.com
Expedia	www.expedia.co.nz

Websites that may include travel:

YouTube	www.youtube.com
Facebook	www.facebook.com
Twitter	www.twitter.com
Vimeo	www.vimeo.com
Flickr	www.flickr.com
Second Life	www.secondlife.com
Myspace.com	www.myspace.com
trade me	www.trademe.co.nz
travelbug	www.travelbug.co.nz

HOW THIS IMPACTS ON YOUR BUSINESS?

The best strategy is to ensure the quality of the products and services you deliver meet the expectations of your visitors.

Some points to consider:

- Make your product about the experience you offer. Ensure it stands out in terms of quality, value and uniqueness;
- Ensure customers can find you on the internet. Use Search Engine Optimisation (SEO) and key words that highlight your experience;
- Ensure you are listed on www.newzealand.com
- Ensure you are listed on the RTO regional website
- You may have to budget for paid google SEO search features;
- Make it easy for customers to contact you and make bookings;
- Where possible personalise your customer service;
- Provide a place where customers can write reviews or leave photos on your website;
- See what customer information already exists about you by searching online; and
- If a complaint is received or things go wrong, ensure you handle the situation professionally.

Key Points

📌 *Use Google Alerts www.google.com/alerts, www.search.twitter.com and www.socialmention.com to monitor what is being said about your business online and have your product mystery shopped*

📌 *There are social media /reputation management systems available but come at a cost*



Abel Tasman kayaking. Photo by Tourism Nelson

TOURISM INDUSTRY TRENDS

As a tourism product supplier it is important to be aware of trends that are occurring in the tourism industry and how these may impact on your business. Regular newsletters and updates are available from the Tourism Export Council (TECNZ), Tourism New Zealand (TNZ), Tourism Industry Associations (TIA) and other relevant industry associations. Be sure to subscribe to keep up to date!

Here are the major trends occurring in the tourism industry:

- Online distribution is increasing in the traditional distribution system with wholesalers and retail travel agents having an online presence;
- Increasingly, consumers are using online travel agents to research, plan and book their travel
- Retail travel agents are consolidating into large consortiums to increase their buying and marketing power;
- Dynamic pricing and packaging is commonplace due to yield management, yet rate integrity is still vital;
- Channel managers are emerging in the accommodation sector. Their role is to distribute inventory across multiple online channels to assist with yield management;
- Sustainability and being 'green' has become increasingly relevant to tourism businesses and events;
- Indigenous or Maori culture will become a stronger motivation to travel
- There is a shift to customised itineraries and more demand for special interest travel with a high per person spend;
- There is continued interest from consumers in self-drive itineraries into regional areas with local interaction important and product bundling more prevalent;
- Lack of training and labour shortages are having an impact on service levels in the tourism sector, particularly in regional and remote areas;
- Backpackers are more discerning in their travel choices due to increased standards and choices in the accommodation sector;
- The cruising sector has seen growth both in inbound and outbound markets;
- The rise of low cost air carriers has made travel more affordable and taken market share away from full service carriers;
- Outbound travel is on the increase and has impacted on tourism operators as domestic travel is often their core business. Many operators are now looking at inbound markets to diversify their market mix and spread the risk;
- Education travel has slowed due to external factors and the Global Financial Crisis (GFC); and
- Visas requirements are set to change in many key markets to enable better access to New Zealand.





THE TRAVEL DISTRIBUTION SYSTEM



- ✓ WHAT IS THE TRAVEL DISTRIBUTION SYSTEM?
- ✓ HOW DOES THE DISTRIBUTION SYSTEM WORK?
- ✓ WORKING WITH INBOUND TOUR OPERATORS
- ✓ PRICING, COMMISSIONS & MARGINS

WHAT IS THE TRAVEL DISTRIBUTION SYSTEM?

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 New Zealand tourism experiences.

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 New Zealand holiday, particularly in long haul and emerging markets.

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.



Key Point

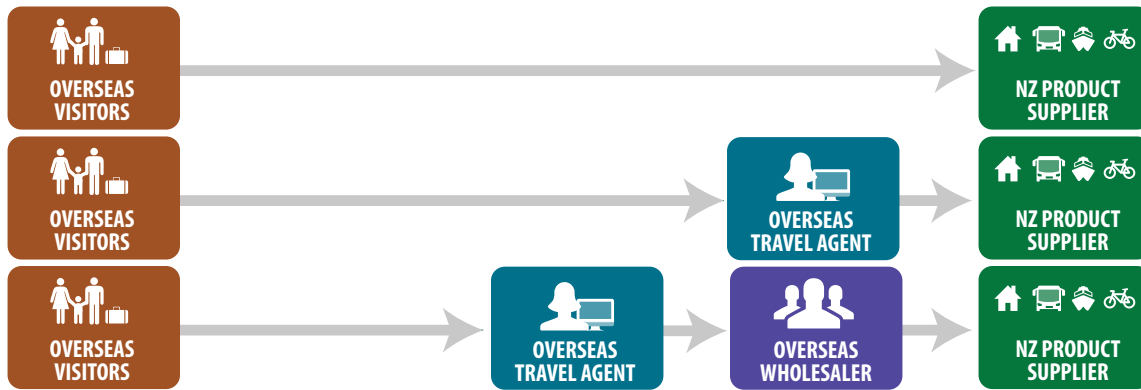
📌 *Distribution channels and consumer purchasing behaviour varies from market to market so you will also need to understand the structure of the distribution system specific to your target markets*



The unity of dance. Photo by James Heremaia.

HOW DOES THE DISTRIBUTION SYSTEM WORK?

The travel distribution system has traditionally been very structured with clearly defined functions for each role in the chain. However, online technology and company mergers have transformed the tourism industry, with an increasing amount of cross over 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.



The traditional structure of the distribution system includes inbound tour operators (ITOs) based in New Zealand; working with wholesalers based overseas in different markets who brochure destinations and holidays, which are then sold by international retail travel agents, to the international consumer.

However, this varies considerably from market to market. 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.



E.g. You want to book a holiday to Egypt so you go to a local travel agent, Terrific Travel Agent, who gives you a brochure packaged and prepared by the wholesaler, Egypt Travel. Egypt Travel's ground or inbound tour operator (ITO) is Cairo Tours & Travel. It is Cairo Tours & Travel who facilitates your tour in Egypt but you have purchased via the New Zealand travel agent who works with Egypt Travel. Cairo Tours & Travel need to pay Egypt Travel and the New Zealand travel agent a commission for selling their product on their behalf and bringing the customers to Egypt.

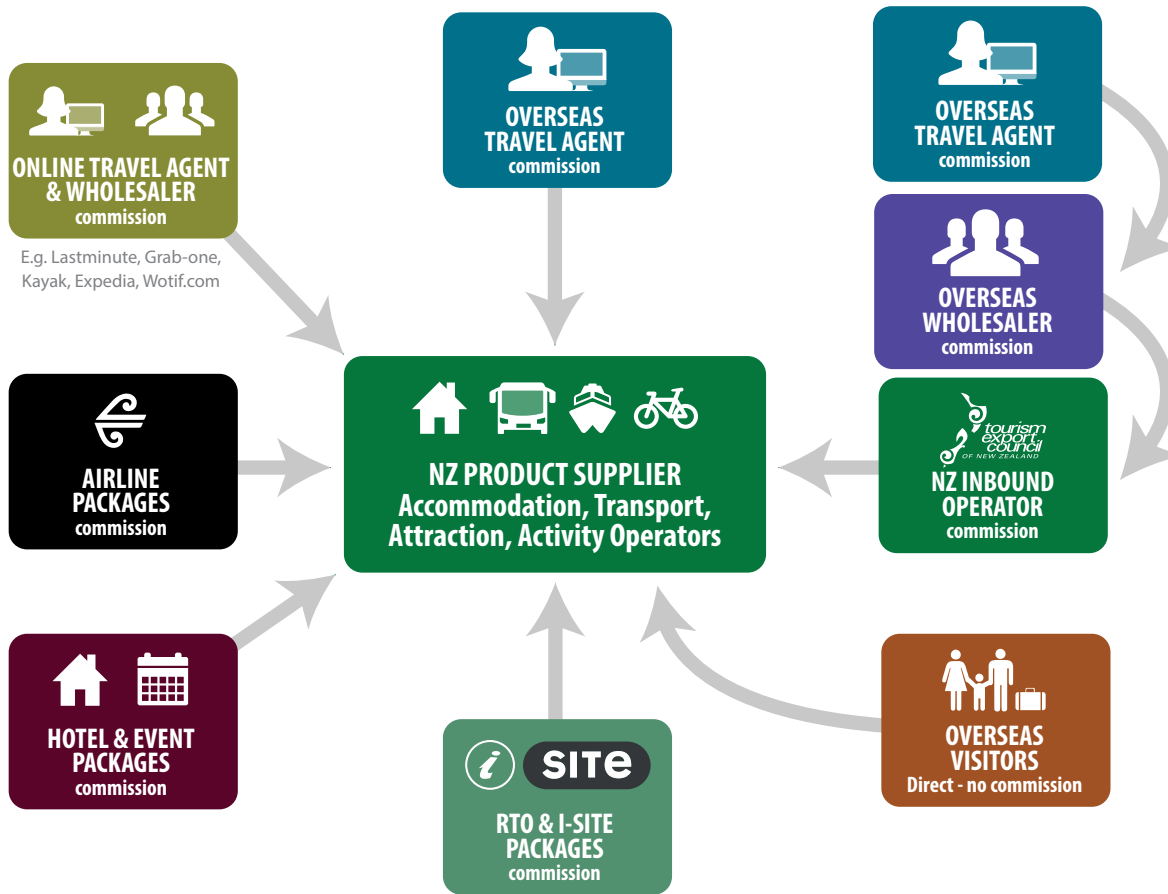


EGYPT HOLIDAY COMMISSION EXAMPLE

Kiwi traveller goes to Terrific Travel Agent	Egypt Travel brochure	Cairo Tours & Travel (ITO)	Packages Egypt operators
TRAVEL AGENT	→ WHOLESALER	→ INBOUND OPERATOR	→ PRODUCT SUPPLIER
Customer pays holiday price including 30% commission	10-15% commission	5-10% commission	Receives business from ITO

The customer purchases their 'holiday' with little thought of the distribution channels and commission structure. However it is the responsibility of all those involved in the distribution channels and those who deliver the products at the holiday destination to make sure they deliver a valued and enjoyable holiday from booking, to the time they get home again.

MODERN DISTRIBUTION CHANNELS



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.

Online and traditional distribution partners have the opportunity to work with both 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. With the rise of sport and event tourism, airlines, hotels and RTO's are also packaging product.

All avenues of booking require a commission to be paid unless the customer books direct with your website or turn up at your door.

It is important you understand commission is a fee you are paying someone else to promote your business. It should be viewed as an **investment to generate sales, not as a cost to the business**. If you do not wish to pay commission and you're still interested in attracting international visitors through your door, the alternative is for you to go direct to each market to generate sales.

What are travel distributors looking for?

Travel distributors seek product suppliers that can offer:

- Quality products and experiences;
- 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;
- Easy communication via email, toll free numbers and fax; and
- Fast and efficient turnaround and response times.

Key Point

📌 Building relationships and establishing your product takes time. It can take a minimum of 12 to 18 months to see results

WORKING WITH INBOUND TOUR OPERATORS

An inbound tour operator (ITO), also known as a ground operator or destination management company (DMC), is a New Zealand 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, attractions, activities, transport and meals together to create a fully inclusive itinerary.

ITO's are the link between New Zealand tourism products and the overseas travel distributors that buy them, including travel wholesalers, direct sellers, travel agents, meeting planners and event planners.

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

- Local expertise on existing and 'new' New Zealand tourism experiences;
- Itinerary consultation and advice on packaging products together;
- Instant access to a wide range of tourism products, eliminating the need to contact individual suppliers;
- Assisting in quality control by providing first hand feedback; and
- Acting as a local contact point for the clients of overseas distributors visiting New Zealand.

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

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

How to distribute your product through 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. ITOs often specialise in particular inbound markets or market segments so it is important to research the ITO and understand their business and how your product fits into their programs.

TOP TIPS FOR WORKING WITH INBOUND TOUR OPERATORS (ITO's)

- Research who the ITO works with in the distribution system and which markets they target to ensure your product is the correct fit;
- Understand pricing and the difference between margins and commissions – see pg 34
- Become a member of the Tourism Export Council (TECNZ)
- Compile a sales kit with product fact sheets in PDF format, brochures and images;
- Ensure information on your website is up to date;
- 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 language (online fact sheets, brochures) if targeting markets where English is not commonly spoken;
- Participate in ITO networking events, conferences, workshops or famils organised by TNZ, TECNZ or your local RTO
- Provide ITOs with prompt (same day) turnarounds on enquiries, quotations and bookings;
- Prepayments or deposits can be asked for in the early days of working together. Once an established credit payment system is agreed you don't need to keep asking for deposits;
- Accept ITO vouchers and trading terms;
- Action complaints promptly;
- Provide updated product information, training and famils for key ITO staff; and
- Check that the ITO has a good reputation. Don't be afraid to speak to other businesses that work with the ITO to confirm that it is a reputable company.

Who are and where do you find Inbound Tour Operators?

The Tourism Export Council can provide members with a list of ITOs and the markets in which they operate. Visit the website <http://www.tourismexportcouncil.org.nz/member-type/inbound-member/> for further information.

Inbound and allied member information from the member listings is collated each year into an 'e inbound directory'. For members they can request an excel spreadsheet of contact details from the office.

Market coordinators at your Regional Tourism Organisation (RTO) or your Tourism New Zealand Business Development Manager can also provide you with contact details for suitable inbound tour operators.



Agrodome. Photo by Ngai Tahu Tourism

PRICING

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 net 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:

- 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; i.e. credit card fees, monthly account systems;
- Seasonality; and
- Your profit margin.

What are the different types of rates?

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

Each level of the distribution system receives a different rate of commission. If the price of your product does not allow for these levels of payment, you will find it very difficult to market your product through an inbound tour operator, wholesaler, online or retail agent.

Key Points

- 📌 *Travel agents, wholesalers and ITOs provide valuable distribution that you may never be able to secure on your own*
- 📌 *Commission is only paid once a sale has been made*



When dealing with the travel distribution system, you must understand the difference between net and gross (or retail) and 'protect your rates' by providing the correct rates to each level of distribution system. Rates should be clearly marked as either gross (retail) or net.

Gross Rate = Net Rate + Agent's Commission

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

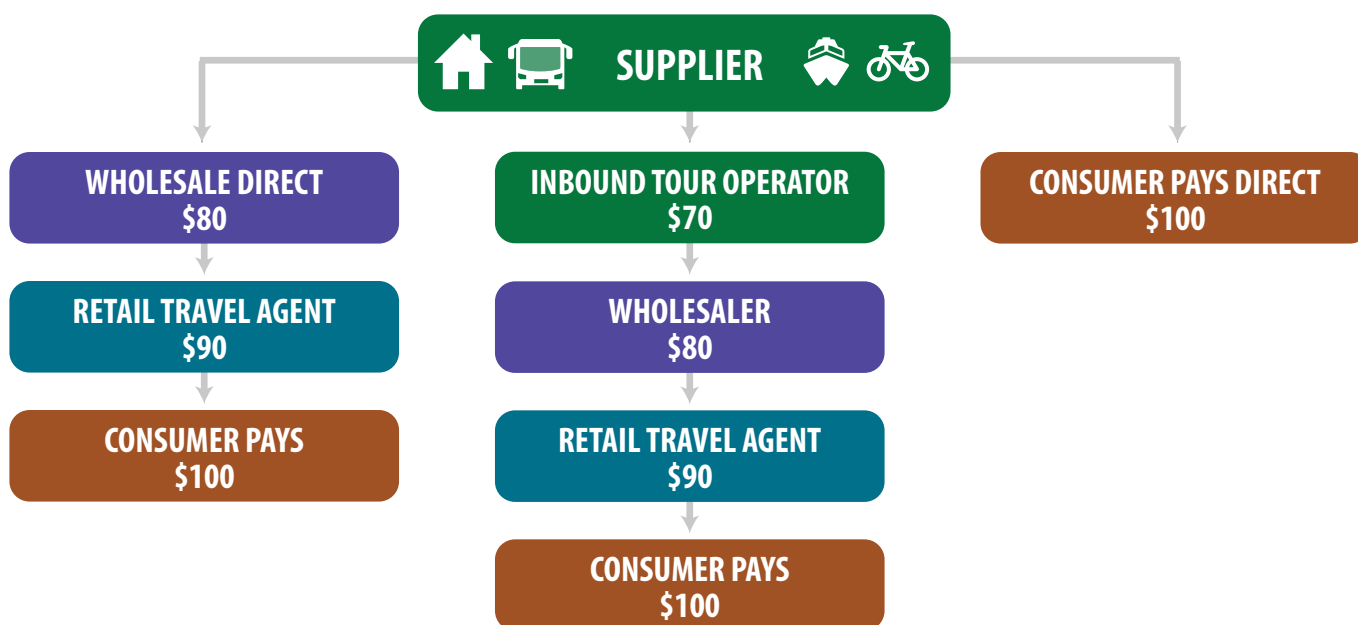
competitors. The reputation of an ITO can be affected if price parity across all mediums is different.

Net Rate = Gross Rate – Agent's Commission

A net rate is the gross, retail or rack rate of your product "less" the commission paid to the booking agent. It is the amount you will receive from the agent and should be kept confidential. **Your net rate should include all your costs and your profit margin.**

Net rates are supplied to ITOs and wholesalers and are marked up by an appropriate amount to cover the agent's costs and commissions, before the product is sold to the consumer. The end cost should never exceed your usual retail rate but if you provide a net rate to a partner or and ITO, you cannot dictate the rate at which your product is sold.

Sales Method	Commission Level	Explanation
Inbound Tour Operator (ITO)	30%	A net rate providing a 30% margin is agreed with the ITO and paid to you once a sale is made.
Online Travel Agent (OTA)	10% - 30%	A net rate providing a 10-30% margin is agreed with the OTA and paid to you once a sale is made.
Wholesaler	20%	A net rate providing a 20% margin is agreed with the wholesaler and paid to you once a sale is made.
Retail Travel Agent	10% - 15%	A travel agent retains 10% commission once the booking is confirmed and pays you the balance.
Direct to Consumer	nil	The consumer pays your retail rate – however the retail or gross rate should be the same as that provided to your distribution partners.





Auckland skyline. Photo by Sky City.

Managing the Business Mix

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

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

Frustrations occur in the distribution system when the ITO and the wholesaler get the same commission, or when there is only a 5 per cent difference between commissions offered to the

ITO, wholesaler and retail travel agent or if the tourism product supplier gives better rates to online distributors.

The table below illustrates another example of a possible business mix:

If a product has a retail price of \$100, 10% of sales are made through inbound tour operators with a commission of 30 per cent, 10 per cent of sales are made through online travel agents with a commission of 30 per cent, 20 per cent of business comes through wholesalers with a commission of 20 per cent, and a further 10 per cent of business comes directly from retail agents with a commission of 10 per cent. The remaining 50 per cent of business is booked directly by the consumer and no commission is paid.

If you make 100 sales, the total net revenue would be \$8900 and commission paid \$1100. While you may be paying up to 30 per cent commission on individual bookings, overall the average commission on each booking is actually 11 %.

Booking Channel	Commission	Percentage of business	Gross or Retail Rates	Net Rate	Net Revenue	Commission Paid
Direct	Nil	50	\$100	na	\$5,000	nil
Retail	10%	10	\$100	\$90	\$900	\$100
Wholesaler	20%	20	\$100	\$80	\$1,600	\$400
Online	30%	10	\$100	\$70	\$700	\$300
Inbound	30%	10	\$100	\$70	\$700	\$300
Total					\$8,900	\$1,100

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

WHAT IS THE DIFFERENCE BETWEEN COMMISSION & MARGIN?

A commission is a fee you pay an inbound tour operator (or another entity) who promotes your product or service that delivers business to your door.

A margin or mark-up price is when you sell your product or service to a third party and they add their facilitation/fee margin to the price and on-sell it for a higher price to the consumer.

Key Point

📌 Rate integrity is vital in maintaining good business partnerships.



Rate Validity, Terms and Conditions

In order to make your product easy to sell for your distribution partners, when setting your rates, keep it as simple as possible. If your product is seasonal, or if you have chosen to use mid week and weekend rates, keep the number of seasons or price categories to a minimum. 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 distributor's programs. This doesn't mean that 'specials' can't be offered throughout the year.

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 Do's and Dont's 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 the period, season or year. 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; and
- Ensure you know who you have distributed rates to so you can update them.

This should include the following:

- Rate validity dates eg. high season 01 Oct – 01 April, low season or other;
- Contact details- phone, mobile, email, website;
- Cancellation charges- based on different periods prior to travel;
- Child rates and ages;
- Free of charge (FOC) policy for groups – usually 1 FOC for every 15 paying guests or 10 rooms;
- Inclusions and exclusions;
- Minimum night stays; Minimum and maximum guest capacity;
- Bedding configuration;
- Departure times and points;
- Payment policy amendment charges;
- Any special conditions or blackout dates;
- Gross and net rates including GST; and
- Be clear – are your rates per person, per room, per vehicle?

DON'T

- Distribute rates intended for wholesalers or inbound operators to retail agents. This will either increase your commission payments or dispense with one level of the distribution system for your product;
- Try to set different rates for local and overseas visitors unless there is a variation in the product offering;
- Change your rates for an already contracted period unless there are world events making this absolutely necessary. Planning is key and rates must be honoured once contracted;
- 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.





WORKING WITH INBOUND TRADE



- ✓ STAFF TRAINING AND FAMILS
- ✓ SALES CALLS TO ITO'S AND OFFSHORE AGENTS
- ✓ WORKING WITH ONLINE TRAVEL AGENTS
- ✓ WORKING WITH WHOLESALERS
- ✓ WORKING WITH RETAIL TRAVEL AGENTS
- ✓ WORKING WITH GENERAL SALES AGENTS

STAFF TRAINING OF INBOUND STAFF

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

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

Consider including details such as:

- What else there is to do in the area;
- How do they get there; and
- Where can they stay?

Make sure your RTO is aware of your product and any changes, as they may update staff when visiting ITO's and wholesalers. Before you go check: How many staff you will be training and how much time you will have?

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

FAMILIARISATIONS

Familiarisation visits (famils) or educationals improve the product knowledge of the ITO, wholesaler and travel agent, by experiencing your product first hand.

They provide tourism operators with highly targeted exposure for their product and an opportunity to promote their product directly to their extended sales force - those people who will ultimately be selling your product to consumers.



Bay of Islands sunset. Photo by Eagles Nest.

HOW TO HOST A SUCCESSFUL TRADE OR AGENT FAMIL?



Dart River Jet Transfer. Photo by Ngai Tahu Tourism.

BEFORE

Understand the participants in the group – who are they, where they are from, what is their position, do they sell your product or have the potential to sell your product?

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?

Consider the available time and present your product as the customer would experience it;

Brief staff, making sure all staff are aware of the group; and

Prepare information for each participant tailored to their needs.

DURING

Make sure that participants are welcomed - introduce yourself and exchange business cards;

Outline the program while at your property or on your tour;

Escort the group during the famil and be a gracious host;

Give time and attention to questions and make a note to follow up any requests;

Present an information kit and offer to post information to participants; and

Ask the group for feedback on your product

AFTER

Add the participants to your contact data base;

Send a thank you email and follow up any requests for additional information;

Follow any sales lead opportunities presented by the famil; and

Keep participants informed of any relevant changes or updates on your product.



Key Points

- 📌 *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.*
- 📌 *Generally support for famils 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.*

SALES CALLS TO INBOUND TOUR OPERATORS AND OFF SHORE TRADE

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.

Plan a call schedule – the number of times you visit will depend on how much business, current and potential, they generate for you. You will also have an opportunity to meet with distribution partners at trade shows and workshops that you attend.

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 TNZ rep as they can assist with planning and introductions to key wholesalers and travel agents on your first sales visits.

DO

- Make sure you have something new and interesting to discuss or feedback to give;
- Make an appointment and turn up on time;
- 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 New Zealand 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;
- Reconfirm your appointment; and
- Follow up and honour everything committed.

DON'T

- 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; and
- Don't commit to rates or services without keeping a written record.

SALES MISSIONS

Tourism New Zealand, ITO's and some RTO's 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. 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.

Key Point

- 📌 *The golden rule for international sales missions is to "do your homework first". The more preparation you do, the greater the return on your investment.*

SALES MISSIONS

The guiding principle in a successful sales mission is not the number of meetings held. It is in seeing the right people from the right organisation that have an interest in seeing you and the potential to sell your product. As with all types of sales activity, follow up is vital. Don't forget to send a follow up thanking them for their time any information requested.

Certain countries have customs not usual to New Zealand; observing local courtesies and morals will be highly appreciated by your hosts and significantly enhances your chances of success.

Key Points

- 📌 *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*

WORKING WITH ONLINE TRAVEL AGENTS

Online travel agents (OTAs) specialise in online distribution and have no intermediaries – they 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.

Note: online travel agents generally do not promote the country, region or your product. It is a pricing portal and they have little or no relationship with the customer.

How to distribute your product through an Online Travel Agent

Before establishing a distribution deal with any online partners, it is important to research the site, how it operates and how it will promote your product, as well as how information is loaded and updated. 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.

One of the disadvantages of working with an OTA as a consumer is that you are often not eligible for any refund should your travel plans change or not able to participate or utilise the product. Check the fine print!

Quicklinks

New Zealand Tourism Export Council
www.tourismexportcouncil.org.nz

Experian Hitwise New Zealand
www.experian.co.nz/marketing-services

Travel Trends
www.traveltrends.biz

Rate Parity and Integrity

When distributing online, rate parity is critical. Rate parity exists when the same rate structure for a product exists across “all its distribution partners”. 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 consider 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.

TOP TIPS FOR WORKING WITH OTA'S

- 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? And;
- How is the site promoted? Is it targeted at the trade or consumers? Are there any distribution agreements in place?
- Many OTA's do not promote the country, region or your product. They are a vehicle for rate search only.
- Check the fine print for their refund policy.



Tongariro Crater. Photo by theplanetd.com. Courtesy of Flying Kiwi Tours.

WORKING WITH 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 New Zealand 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 in the traditional sense and travel agents perform both roles.

Traditionally, travel packages are published in brochures and promoted and distributed via retail travel networks. Wholesalers may operate their own retail outlets 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.

How to distribute your product through a Wholesaler

Many wholesalers rely on an ITO to identify and recommend ‘new’ New Zealand products to include in their programs. It is

essential that you establish good relationships with ITOs, who specialise in your target markets.

Building a relationship with a wholesaler is critical. This can be achieved by conducting in market sales calls to meet with the Product Manager or by participating in trade events such as the TRENZ (Tourism Rendezvous New Zealand) to meet with key wholesale travel decision makers. TRENZ is an annual event for major international wholesalers who brochure and promote New Zealand tourism experiences to meet with New Zealand tourism products.

Don’t be surprised if it takes several years of contact before a wholesaler begins to use your 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

- Research – find out which markets and market segments the wholesaler targets, the type of experience they sell and who their distribution partners are;
- 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 wholesalers updated on any new developments or changes to your product; and
- Keep in mind consumer protection laws that the wholesaler must adhere to. Europe and Japan have strict consumer laws that required companies to deliver the promised standard of holiday experience.



Tohora and Tail. Photo by Whale Watch.

WORKING WITH RETAIL TRAVEL AGENTS

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

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.

How to distribute your product through 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's 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 100% Pure New Zealand 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.

WORKING WITH GENERAL SALES AGENTS

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.

Product Representation Company (PRC's) can:

- Make sales calls to wholesalers and retail agents;
- Train wholesale and retail agency staff;
- Provide representation at trade and consumer shows in market; and
- 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 New Zealand 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.



Photo provided by New Zealand Tourism Export Council.

TOURISM ACRONYMS AND ORGANISATIONS

APEC	Asia Pacific Economic Community
B&B	Bed and Breakfast Association
BARNZ	Board Airline Representatives
BCA	Bus & Coach Association
BYATA	Backpacker Youth and Adventure Tourism Association
CAA	Civil Aviation Authority
CAM	Commercial Accommodation Monitor
CCO	Council Controlled Organisation
CMS	Content Management System
CNI	Central North Island
CINZ	Conventions & Incentives NZ
CRM	Customer Relations Management
CRS	Computerised Reservations System
Cruise	Cruise New Zealand Organisation
DDO	Daily Deal Operator
DMC	Destination Management Company
DMO	Destination Management Organisation
DMS	Destination Management System
DOC	Department of Conservation
F&B	Food & Beverage
FIYTO	Federation of International Youth Travel Organisation
FTE	Full time equivalent (staff)
GDP	Gross Domestic Product
GSA	General Sales Agent
GST	Goods and Services Tax
HANZ	Hospitality Association New Zealand
HPANZ	Holiday Parks Industry Association of New Zealand
IATA	International Air Transport Association
IBO	Inbound Operator
i-Site	NZ's official visitor information network
IRD	Inland Revenue Department
ISP	Internet Service Provider
ITB	International Travel Bourse held in Berlin annually
IVS	International Visitor Survey

MBIE	Ministry of Business, Innovation and Employment
MICE	Meetings, Incentive Travel, Conventions and Exhibitions
MRTO	Maori Regional Tourism Organisation
NZGLTA	NZ Gay Lesbian Tourism Association
NTO	National Tourism Office
NZLA	NZ Luxury Lodges
NZMT	New Zealand Maori Tourism
NZTA	NZ Transport Authority
NZTE	New Zealand Trade & Enterprise
OECD	Organisation for Economic Co-operation and Development
ONZ	Outdoor New Zealand
OTA	Online Travel Agents
PATA	Pacific Asia Travel Association
PAX	Short hand for passengers
PR	Public Relations
PWT	Positively Wellington Tourism
Qualmark	NZ Quality Assurance System
RTO	Regional Tourism Organisation
RTONZ	Regional Tourism Organisations NZ
RTI's	Regional Tourism Indicators
RTE's	Regional Tourism Estimates
Service IQ	Industry Training Organisation
Skills Active	Sport Fitness & Recreation Industry
SAA	Ski Areas Association
SME	Small and Medium Enterprise
Stats NZ	Statistics New Zealand
TAANZ	Travel Agents Association of NZ
TECNZ	Tourism Export Council of NZ
TIANZ	Tourism Industry Association of NZ
TNZ	Tourism New Zealand
TRENZ	Tourism Rendezvous Event NZ
TSA	Tourism Satellite Account
UNWTO or WTO	United Nations or World Tourism Organisation
USP	Unique Selling Proposition

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.
Buyer	A travel term for a wholesaler or agent who purchases product on behalf of a consumer or customer
Commission	The fee paid to agents for them to market, distribute and sell your product. I.e. An agent may book a travellers fare/accommodation/tour activity with a service provider, and receive commission from the service provider (on behalf of the traveller)
Consumer	The customer or traveller who purchases the product or service
Cruise New Zealand	Organisation representing the cruise companies and product suppliers at port
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.
Earthcheck	A global sustainable tourism organisation
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
Export Tourism	International tourist traffic coming into a country, with foreign dollars contributing to the export economy.
Famil – Familiarisation visit	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 Traveller (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 (ITO)	A New Zealand based agent that specialises in developing programs and itineraries for distributors. Also known as ground operators and destination
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
Margin	Income earned by buying travel products (usually at bulk discount) and selling to travellers at a higher rate, thereby earning a margin.
Meeting & Incentive s	Organise and manage all aspects of meetings, incentives and events.
Net 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
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
Qualmark	Official tourism quality agency licensing professional and trustworthy New Zealand businesses use Qualmark
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 a supplier
Sales Calls	Face to face meetings with agents. Purposes may include: to update and educate them on your product, negotiate inclusion in their programmes, negotiate rates
Semi Independent Traveller (SIT)	A consumer who may package airfare, accommodation and rental vehicle but makes on the ground decisions in regards to itinerary
Short Haul Travel	International travel to a destination, generally less than 5 hours from the point of origin, ie. New Zealand is a short haul destination for travellers from Australia
Tourist	Definitions vary but, in general a tourist is someone who leaves their place of residence and stays overnight – usually a minimum 50-100kms away
Trade Shows	Events held both in New Zealand 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 book and travel
Travel Tour Wholesaler	An individual or company that develops its own packages and itineraries to make travel planning and advice easier for travel agents and consumers. Packages usually offer transport, accommodation, activities and attractions.
Travel Trade	A collective term for the agents that make up the distribution system, including ITIO's, wholesalers, retail and online agents
Visiting Friends & Relatives	Visitors who main purpose is to visit with friends and relatives
Western Markets	All non Asian countries, including Australia, the Americas, UK & Europe, the Middle East and Africa
Wholesaler	Located in overseas markets wholesalers are the link between international travel agents and ITO's and suppliers



“Your tourism business to business network”

Connecting Inbound Tour Operators with New Zealand tourism suppliers.

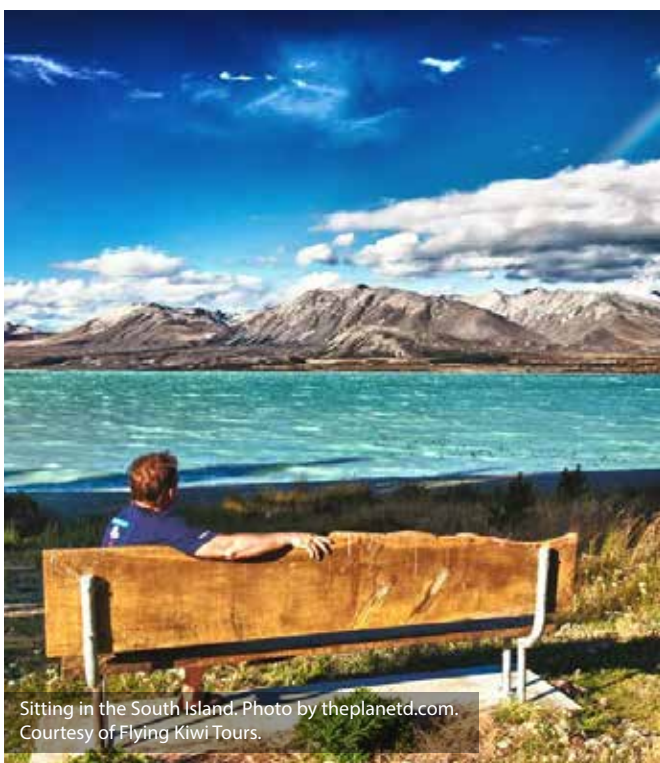
ATTRACTIONS • ACTIVITIES • ACCOMMODATION
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www.tourismexportcouncil.org.nz



INTERACTION



Sitting in the South Island. Photo by theplanetd.com.
Courtesy of Flying Kiwi Tours.

INSPIRATION



EDUCATION



young TEC provides networking and mentoring opportunities to young people in the tourism industry to develop industry knowledge and skills. *young* TEC is aimed at those under the age of 36 years and the company they work for is a Tourism Export Council of New Zealand member.

young TEC offers its members regular networking events, educational workshops and a mentoring and development program, providing up-to-date tourism information and tips to take into their own workplace.

young TEC will help to create a highly skilled tourism sector with operators who are encouraged to grow and develop, and invest in the future of New Zealand Tourism.

Visit

www.tourismexportcouncil.org.nz/ytec to find out more information and to register your interest in joining.



Room with a view. Photo by Julian Apse.

PLANNING FOR INBOUND SUCCESS

A GUIDE TO WORKING WITH NEW ZEALAND INBOUND TOUR OPERATORS

Produced by the Tourism Export Council of New Zealand.

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