Destination North Coast NSW

MAXIMISING YOUR DISTRIBUTION PLAN

Presented by Naomi Farrelly

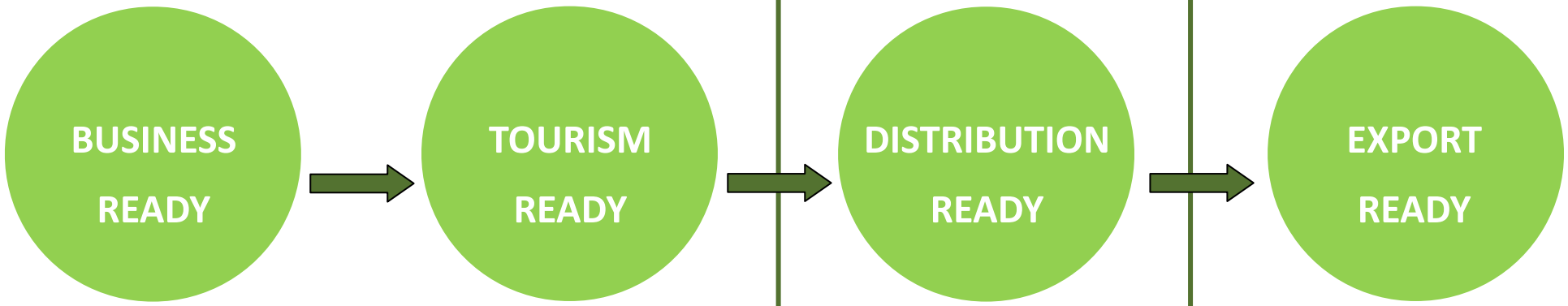
LET’S BREAK IT DOWN

Today we will discuss:

1. What is distribution?
2. Why working with distribution partners is important?
3. Commissions and why you should pay them.
4. How to work with distribution partners.
5. Choosing the right distribution partners.

Destination North Coast NSW

THE TOURISM BUSINESS JOURNEY



Getting the fundamentals in place

- Basic business plan
- Basic business budget
- Licensing, insurance (public liability, workers comp, property damage loss of income)

Developing the tourism experience

- Understanding your customer and visitors to your destination
- Creating your bookable experience
- Traveller trends
- Bookable direct online

Working with distribution partners

- Pricing strategy
- Understanding commissions and why they should pay them
- Understanding of who the distribution partner are and how they operate
- Gather feedback

Entering the inbound distribution system

- Understanding international markets
- Working with global travel distribution system

Destination North Coast NSW

DISTRIBUTION

OUR DEFINITION

“All the channels through which a customer can buy your product”

Destination North Coast NSW

DOMESTIC BOOKINGS AND DISTRIBUTION

Direct Bookings
via your website

Social Media and Online Listings

- Google Reserve
- Facebook
- ATDW
- TripAdvisor

Specialist Distributors

- Weddings
- Conference Organisers
- Coach Tour Operators
- Accessible Travel
- Online Classes
- Event Sites
- Food Delivery Sites

Booking Agents

- Visitor Information Centre
- Local Accommodation
- Booking Centres
- Retail Travel Agents
- - Flight Centre, Helloworld

Online Travel Agents

- Expedia
- AirBnB and AirBnB Experiences
- Booking.com
- Viator
- Get Your Guide
- Red Balloon
- Adrenalin.com
- The Fork

WHY WORKING WITH

DISTRIBUTION PARTNERS

IS IMPORTANT

Destination
North Coast NSW

DISTRIBUTION EXTENDS YOUR SALES and MARKETING REACH

WHY DOES DISTRIBUTION MATTER?

1. Allows you to reach new customers and markets.
2. Provides regular business from a broader market base
3. Can give you feedback on your product offering and how to tailor it for particular markets
4. Expands your sales team
5. Creates a ***billboard effect***

Destination North Coast NSW

COMMISSION - IT'S NOT A DIRTY WORD

UNDERSTAND COMMISSIONS

Commissions are the fee paid to the distribution partner (inbound tour operator, wholesaler, retail agent) to market, distribute and sell your product.

- It's their income and pays for their operation and the services they provide
- Consider commissions as part of your overall marketing mix
- They are a marketing cost, but unlike advertising, ***you only pay when you receive a booking***

Destination North Coast NSW

STANDARD COMMISSION LEVELS

Retail Travel Agent Local Booking Agent	**10%**
Tour Wholesaler Specialist Distributor	**20%**
Online Travel Agent	**20%**
Inbound Tour Operator (International Markets Only)	**25 -30%**

Gross/ Retail Rate = Nett Rate + Agent's Commission

Nett Rate = Gross Rate – Agent's Commission

Destination
North Coast NSW

COMMISSION AS PART OF YOUR BUSINESS MIX

Booking Channel	Commission	Percentage of Business	Gross Rate	Nett Rate	Nett Revenue	Commission Paid
Direct	Nil	50	$100	$100	$5000	Nil
Retail Booking Agent	10%	10	$100	$90	$900	$100
Wholesale Specialists	20%	20	$100	$80	$1600	$400
Online Travel Agent	20%	20	$100	$80	$1600	$400
Total					$9100	$900

AVERAGE COMMISSION = 10%

CONSIDER THE OPPORTUNITY COST OF NOT WORKING WITH DISTRIBUTION PARTNERS

Destination North Coast NSW

HOW TO WORK WITH

DISTRIBUTION PARTNERS

Destination
North Coast NSW

BE A GOOD PARTNER

- Deliver quality products and experiences
- Be reliable and efficient
- Provide a high level of customer service
- Have consistent pricing policies
- Make communication seamless
- Educate your team about the distribution partners that you are working with
- Be responsive to feedback and reviews

Destination
North Coast NSW

BE DISTRIBUTION READY

- Understand commission structures and the concept of nett and gross rates
- Structure your rates to allow for travel distributor commissions
- Have a consistent rate across all booking channels - this is called rate parity
- Understand the different types of distribution channels
- Have systems and processes in place to work with distribution partners and manage your inventory
- When working with OTAs:
    - Have an **Online booking platform** which integrates with both your website and partners
    - An inventory management system or channel manager is essential
- Develop a trade toolkit with rate sheets, terms and conditions, product fact sheets and imagery

Destination North Coast NSW

WHAT

DISTRIBUTION PARTNERS

SHOULD YOU WORK WITH

Destination
North Coast NSW

CHANNELS THAT CONNECT WITH YOUR CUSTOMERS

ASK YOURSELF

1. Who are your ideal customers?
2. Where do they come from?
3. How do they research travel?
4. How do they book trips and experiences?
5. What platforms are they are using?

Destination North Coast NSW

CREATE A TARGETED PLAN

LESS IS MORE

- Take a staged approach
- Start with a few distribution partners that speak to your ideal customers
- Build relationships and trust - it’s a long game
- Keep them up to date with current information and rates
- Track and monitor bookings - know where your bookings are coming from
- Ask for feedback

Destination North Coast NSW

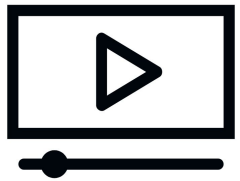
LET’S RECAP

- Distribution extends your marketing reach, working with a range of distribution partners creates a ‘***billboard’*** effect and provides exposure for your business
- Commissions are the fee you pay when a distribution partner books your product or experience - think of them as a marketing expense
- Build commissions into your pricing
- Like marketing, there is no one size fits all approach to distribution
- Choose partners that are right for your business
- Don’t set and forget - test, track and learn

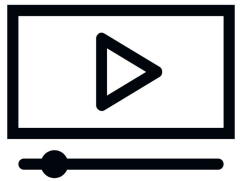
Destination
North Coast NSW

RESOURCES AND TOOLS

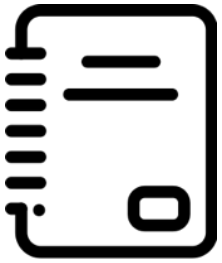
PRESENTATION SLIDES



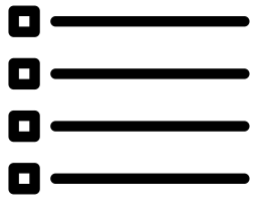
VIDEO RECORDING



NSW FIRST SELL YOUR TOURISM EXPERIENCE



TOURISM EXPORT TOOLKIT



BOOKING AND DISTRIBUTION PARTNER FACT SHEET

HOW TO CHOOSE A BOOKING PLATFORM

Destination North Coast NSW

QUESTIONS

Destination
North Coast NSW

Destination North Coast NSW

THANK YOU!

If you have any questions regarding this webinar or the mentoring program, please email the Sparrowly Group mentoring team - mentoring@sparrowly.com