

For nearly half (45%) of consumers, research about tours took place before departing home. Over half waited until they were at the destination (55%) before investigating their tour options more fully, and 11% also planned while in-transit.

Pre-departure channel use for planning tours concentrated on:

- search engines (25%), with provider websites (10%) and official websites (7%) being the main web based information sources
- recommendations by family/friends (20%)
- travel agents (13%)
- guide books (6%)

The most frequently used at-destination channels for planning tour activities were:

- booking desks (44%)
- tourist information centres (39%)

Nearly half (46%) of consumers booked their tour at the gate/sales counter/reception. Four other secondary booking channels were apparent: booking desks (14%), telephone (11%), travel agents (10%) and tourist information centres (8%). Minimal bookings (5%) were actually carried out at the tour provider's website. Less than a third (32%) of consumers pre-paid fully or partly for their tour; those who did were more likely to do so with travel agents, booking desks, at the tour provider's website, by telephone or at the gate/sales counter/reception.

Does supplier behaviour match consumer behaviour?

The tables at the end of this document provide a broad overview of the way that suppliers in the four surveyed tourism sectors use product distribution channels, and the way that consumers use channels when making decisions in relation to each of these sectors.

The following broad observations can be made regarding the match between the marketing communication spends of businesses and the planning behaviour of consumers:

Accommodation sector

- Suppliers displayed a higher at-destination marketing communication spend (28%) than consumers reported in their planning behaviour (17%).

Transport sector (at-destination)

- Suppliers allocated a greater share of their marketing communications spend on at-destination channels, whereas the planning behaviour of consumers was more orientated towards pre-arrival.
- Pre-arrival channels used by businesses align with those channels used by consumers to plan. The dominant ones are websites and travel agents.

Tours

- The mix of suppliers' marketing communications spend almost identically matches the planning behaviour of consumers (i.e. business spend mix was 37% pre-departure, 13% in-transit, 50% at-destination; consumers' planning behaviour mix was 41% pre-departure, 10% in-transit, 49% at-destination).

- The specific pre-departure channels used by suppliers appear to be aligned with consumers, with an emphasis on websites and travel agents.
- At-destination planning is important in this sector and consumers frequently use booking desks and tourist information centres. These are also major channels that suppliers invest in.
- Tour suppliers also invest substantially in at-destination direct marketing, however, consumers do not rely on this medium in their at-destination planning.

Attractions

- While at-destination bookings dominate this sector, the findings show that consumers undertake the majority of their planning pre-departure. This suggests that suppliers have tended to ‘follow the bookings’ and spend too high a component of their budget on at-destination marketing communication channels.
- As consumer planning is more frequently undertaken pre-arrival, it is important to note the dominant channels they use: word-of-mouth recommendations, websites, travel agents, television advertising, tourist information centres and guide books. Suppliers appear to under-spend on travel agents.
- The high spend of attraction suppliers in local advertising is not matched by a high reliance by consumers on this source of information. In contrast, consumers use local booking desks the most, which is not a major channel for the attractions.

Does target market influence supplier behaviour?

Suppliers mainly targeting international consumers

- These suppliers have a higher marketing communication spend on at-destination channels, most notably local booking desks.
- A higher component of their bookings are derived from at-destination channels, and from indirect pre-arrival channels such as wholesalers and travel agencies.

Suppliers mainly targeting intrastate and interstate consumers

- Intrastate targets:
 - have a slightly higher orientation to web related marketing communication channels such as third party travel websites, travel websites without booking engines and government/Tourism Australia/Tourism Queensland/Regional Tourism Organisation websites
 - receive the highest component of their bookings directly, by telephone and through their websites
- Interstate targets:
 - lie between those suppliers who target international and intrastate visitors in their product distribution channel use
 - spend more on, and obtain more bookings from, indirect marketing communication channels such as wholesalers and travel agents than suppliers targeting intrastate consumers
 - spend more than suppliers targeting international consumers on channels that stimulate direct bookings, such as travel websites without booking engines, industry travel guides and non-local direct marketing.

Other key findings

Web usage

The following table compares overall supplier allocation to web related channels against the level of consumer planning undertaken via web related channels. The table indicates that accommodation, transport and attraction suppliers may allocate less marketing communications spend to web related channels than consumer planning behaviour would justify.

Figure 4: Web usage: business vs consumer comparison

	Accommodation	Transport to destination	Transport at-destination	Tours	Attraction
% of supplier marketing communication spend on web related channels	33%	Not surveyed	31%	22%	11%
% of consumer planning using web related channels	51%	58%	50%	21%	31%

Base: all suppliers and consumers, filtered to the respective industry

- Suppliers report that web channels account for 26% of all bookings received and 27% of their total marketing communications spend.
- Web channels are frequently used in consumer planning and are highly influential, especially for accommodation and transport decisions. In contrast, consumers tend to book using other (non-web) channels.
- The results for consumer accommodation planning and booking are a good example: while just over half (51%) of consumer accommodation planning involved web related channels, only 24% made bookings via a web related channel.
- When planning accommodation pre-departure:
 - 50% of consumers used a search engine
 - 28% visited the accommodation provider's website
 - 20% visited another website that listed accommodation options
 - 14% visited an official government or regional website
 - 12% visited a last minute accommodation website
- Suppliers believe their own websites are important and effective sources of information for consumers, and most suppliers have a website (94%). Over half (57%) indicated they currently provide bookings capability* on their website and this figure is projected to increase to 81% over the next 5 years (also varies depending on industry sector). (* Please note the term 'bookings capability' may have been interpreted by some suppliers to include options like phone/fax numbers to facilitate booking, therefore potentially overestimating these figures in terms of booking engine capacity).
- Suppliers are optimistic about the future of web based product distribution channels and are confident in their own planning and strategies related to it. The following attitudes are held by the majority of suppliers:
 - 'The internet is important now'
 - 'We have an effective web strategy'

- 'We are not holding back on direct web selling to protect our sales agent relationships'
- 'There are no hidden or unexpected costs with internet marketing'
- 'Web sales agent commissions are too high'

However, there is evidence to suggest (with the exception of tour operators) that suppliers have a disproportionately higher spend on at-destination channels and non-web related pre-arrival channels, than the consumer planning behaviour would justify.

Trends

- Suppliers expect that the dominance of web based/internet related channels will continue for some time, at the expense of traditional indirect distribution channels.
- Suppliers have experienced fewer bookings through travel agency and wholesale channels in recent years, although travel agencies are still important channels for consumer planning.
- In the next five years suppliers expect three specific web channels to display the largest booking increases:
 - the supplier's website (both pre-arrival and at-destination)
 - third party travel websites with booking engines
 - emails.
- Suppliers expect to respond to this by increasing their spend on four marketing communication channels:
 - their own websites
 - co-operative advertising with tourism organisations
 - third party travel websites
 - tourism organisation websites

Future strategies

Areas most commonly identified as likely to receive significant investment over the next 5 years:

- website - design and functionality (especially by tour operators)
- website - search optimisation
- co-operative advertising with local suppliers (especially attractions, suppliers focused on self-drive visitors and those dominated by at-destination bookings)
- brand awareness and image advertising (especially attractions and tour operators)
- providing secure pre-arrival sales/bookings (but less so for attractions)
- direct marketing (especially for transport, but not accommodation providers)
- online/digital advertising (especially for transport providers)
- co-operative web marketing with affiliates (especially transport providers)

Survey methodology

The research was conducted in 2 stages:

- Stage 1: Exploratory research – provided a qualitative perspective of the product distribution channel landscape
- Stage 2: Quantitative research – quantified the results via 2 surveys: Tourism suppliers and Tourism consumers
 - Tourism Supplier Survey - online survey with 660 Queensland tourism businesses (61% accommodation; 14% attractions; 20% tour operators; 5% transport operators)
 - Tourism Consumer Survey - face-to-face interviews with 652 leisure visitors to Queensland destinations (Tropical North Queensland; Gold Coast; Sunshine Coast; Capricorn; Bundaberg/Fraser Coast; Mackay/Whitsundays)

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Table 1: Product distribution channel sector summary: Accommodation

Channels used by suppliers (Supplier Survey Results)		Channels used by consumers (Tourism Consumer Survey Results)	
Marketing Communications	Bookings	Planning	Bookings
Spends	Sources	Pre-departure	Sources
<ul style="list-style-type: none"> • 72% pre-arrival - 58% pre-departure - 14% in-transit • 28% at-destination 	<ul style="list-style-type: none"> • 83% pre-arrival • 17% at-destination • 66% direct to supplier • 34% indirect 	<p><i>72% planned, 68% of all planning</i></p> <ul style="list-style-type: none"> • 50% search engine • 29% recommendation • 28% provider website • 20% other website • 18% travel agent • 14% direct telephone call 	<ul style="list-style-type: none"> • 68% pre-departure • 10% in-transit • 23% at-destination
Pre-arrival	Pre-arrival	In-transit	Main consumer channels
<p><i>72% of spend</i></p> <ul style="list-style-type: none"> • 11% website • 4% third party website • 3% wholesalers, not online • 3% official websites • 3% co-op with TQ/RTO/LTO • 3% magazines • 3% web advertising • 3% motoring association directories 	<p><i>83% of bookings</i></p> <ul style="list-style-type: none"> • 26% telephone • 13% direct to website • 11% email • 10% third party website • 13% wholesalers/travel agent 	<p><i>16% planned, 15% of all planning</i></p> <ul style="list-style-type: none"> • 32% search engine • 30% guide book • 23% tourist information centres • 18% provider website 	<ul style="list-style-type: none"> • 39% telephone • 20% reception • 12% travel agent • 12% provider website
At-destination	At-destination	At-destination	
<p><i>28% of spend</i></p> <ul style="list-style-type: none"> • 4% co-op with TQ/RTO/LTO • 3% signs • 3% tourist information centres 	<p><i>17% of bookings</i></p> <ul style="list-style-type: none"> • 6% reception • 4% telephone • 2% tourist information centres 	<p><i>18% planned, 17% of all planning</i></p> <ul style="list-style-type: none"> • 31% tourist information centres • 20% recommendation • 15% booking desks • 12% guide books 	

Table 2: Product distribution channel sector summary: Attractions

Channels used by suppliers (Supplier Survey Results)		Channels used by consumers (Tourism Consumer Survey Results)	
Marketing Communications	Bookings	Planning	Bookings
Spends	Sources	Pre-departure	Sources
<ul style="list-style-type: none"> • 37% pre-arrival - 23% pre-departure - 14% in-transit • 63% at-destination 	<ul style="list-style-type: none"> • 40% pre-arrival • 60% at-destination • 71% direct to supplier • 29% indirect 	<p><i>70% planned, 59% of all planning</i></p> <ul style="list-style-type: none"> • 45% recommendation • 40% search engine • 25% provider website • 21% travel agent • 13% television • 11% other travel website • 9% tourist information centres • 9% guide books 	<ul style="list-style-type: none"> • 29% pre-departure • 2% in-transit • 69% at-destination
Pre-arrival	Pre-arrival	In-transit	Main consumer channels
<p><i>37% of spend</i></p> <ul style="list-style-type: none"> • 4% provider website • 3% tourist information centres • 3% co-op with TQ/RTO/LTO 	<p><i>40% of bookings</i></p> <ul style="list-style-type: none"> • 9% telephone • 4% direct to website • 7% at gate • 4% email • 3% tourist information centres 	<p>4% planned, 3% of all planning</p> <ul style="list-style-type: none"> • 38% booking desks • 25% outdoor advertising • 13% newspaper advertising • 13% magazine advertising • 13% tourist information centres • 13% other travel website 	<ul style="list-style-type: none"> • 49% at gate • 14% other third party method (e.g. motoring association) • 11% booking desks • 7% travel agent • 6% tourist information centres
At-destination	At-destination	At-destination	
<p><i>63% of spend</i></p> <ul style="list-style-type: none"> • 9% direct marketing • 8% tourist information centres • 6% television advertising • 5% newspaper advertising • 5% magazine advertising • 4% billboards • 4% other local advertising 	<p><i>60% of bookings</i></p> <ul style="list-style-type: none"> • 39% at gate • 6% tourist information centres • 5% telephone 	<p><i>45% planned, 38% of all planning</i></p> <ul style="list-style-type: none"> • 42% booking desks • 30% recommendation • 23% tourist information centres • 11% other third parties 	

Table 3: Product distribution channel sector summary: Tours

Channels used by suppliers (Supplier Survey Results)		Channels used by consumers (Tourism Consumer Survey Results)	
Marketing Communications	Bookings	Planning	Bookings
Spends	Sources	Pre-departure	Sources
<ul style="list-style-type: none"> • 50% pre-arrival - 37% pre-departure - 13% in-transit • 50% at-destination 	<ul style="list-style-type: none"> • 59% pre-arrival • 41% at-destination • 52% direct to supplier • 48% indirect 	<p><i>45% planned, 41% of all planning</i></p> <ul style="list-style-type: none"> • 25% search engine • 23% recommendation • 13% travel agent • 10% provider website • 7% official government website • 6% guide books 	<ul style="list-style-type: none"> • 21% pre-departure • 5% in-transit • 73% at-destination
Pre-arrival	Pre-arrival	In-transit	Main consumer channels
<p><i>50% of spend</i></p> <ul style="list-style-type: none"> • 10% website • 8% wholesalers/travel agencies (including on-line) 	<p><i>59% of bookings</i></p> <ul style="list-style-type: none"> • 13% telephone • 13% wholesalers/travel agent • 10% direct to website • 8% email • 5% booking desks 	<p><i>11% planned, 10% of all planning</i></p> <ul style="list-style-type: none"> • 44% recommendations • 43% guide book • 22% booking desks • 17% travel agent • 9% search engine • 9% provider website 	<ul style="list-style-type: none"> • 46% at gate • 14% booking desk • 11% telephone • 10% travel agent • 8% tourist information centres • 5% provider website
At-destination	At-destination	At-destination	
<p><i>50% of spend</i></p> <ul style="list-style-type: none"> • 9% booking desks • 8% direct marketing • 7% tourist information centres • 4% travel agencies • 4% co-op with TQ/RTO/LTO 	<p><i>41% of bookings</i></p> <ul style="list-style-type: none"> • 12% booking desks • 10% telephone • 6% at gate • 4% tourist information centres 	<p><i>54% planned, 49% of all planning</i></p> <ul style="list-style-type: none"> • 44% booking desks • 39% tourist information centres • 25% recommendation • 8% on street contact • 5% travel agent • 5% guide books • 5% outdoor advertising 	

Table 4: Product distribution channel sector summary: Transport at destination

Channels used by suppliers (Supplier Survey Results)		Channels used by consumers (Tourism Consumer Survey Results)	
Marketing Communications	Bookings	Planning	Bookings
Spends	Sources	Pre-departure	Sources
<ul style="list-style-type: none"> • 53% pre-arrival - 48% pre-departure - 5% in-transit • 47% at-destination 	<ul style="list-style-type: none"> • 73% pre-arrival • 27% at-destination • 60% direct to supplier • 40% indirect 	<p><i>71% planned, 66% of all planning</i></p> <ul style="list-style-type: none"> • 42% search engine • 38% provider website • 20% travel agent • 13% recommendation • 12% other website • 9% direct telephone call • 7% airline site 	<ul style="list-style-type: none"> • 55% pre-departure • 1% in-transit • 44% at-destination
Pre-arrival	Pre-arrival	In-transit	Main consumer channels
<p><i>53% of spend</i></p> <ul style="list-style-type: none"> • 11% website • 4% wholesalers, not online • 3% travel website, no booking engine, fee • 3% email direct marketing • 3% web advertising • 3% yellow pages, hard copy 	<p><i>73% of bookings</i></p> <ul style="list-style-type: none"> • 17% telephone • 16% wholesalers/travel agent • 10% direct to website • 8% email • 7% other 	<p><i>2% planned, 2% of all planning</i></p>	<ul style="list-style-type: none"> • 25% provider website • 19% telephone • 16% at gate • 13% travel agent • 11% other direct methods (e.g. 'hailing')
At-destination	At-destination	At-destination	
<p><i>47% of spend</i></p> <ul style="list-style-type: none"> • 4% travel agents • 4% booking desks • 4% newspaper advertising • 4% direct marketing 	<p><i>27% of bookings</i></p> <ul style="list-style-type: none"> • 10% telephone • 7% reception • 3% third party website 	<p><i>34% planned, 32% of all planning</i></p> <ul style="list-style-type: none"> • 49% booking desks • 14% telephone • 13% recommendation • 9% street signs • 7% tourist information centres 	

Table 5: Product distribution channel sector summary: Transport to destination

Channels used by consumers (Tourism Consumer Survey Results)	
Planning	Bookings
Pre-departure 87% planned, 84% of all planning <ul style="list-style-type: none"> • 63% provider/airline website • 47% search engine • 32% travel agent • 24% recommendation 	Sources <ul style="list-style-type: none"> • 81% pre-departure • 19% in-transit
In-transit 17% planned, 16% of all planning <ul style="list-style-type: none"> • 41% recommendation • 35% provider website • 24% search engine • 27% guide book • 24% booking desk • 16% travel agent 	Main consumer channels <ul style="list-style-type: none"> • 38% provider website • 26% travel agent • 9% at gate • 8% telephone • 6% travel agency website
At-destination	
(N/A)	

Explanatory notes

- Pre-departure, in-transit and at-destination consumer planning results are presented in two ways:
 - % planned: represents the percentage of respondents who did any planning at that time
 - % of all planning: represents the proportion of all planning done
- Consumer estimates for bookings do not necessarily match supplier estimates of bookings (due to survey design)
- Supplier channels not surveyed for Transport to destination