

RESEARCH BRIEF



Global Tourism and Travel Distribution - changes, impacts and opportunities for Australian tourism

BACKGROUND

The tourism industry is largely dominated by small and medium sized enterprises (SMEs). To be profitable in an increasingly competitive global environment, tourism enterprises need to maximise distribution of their product, both directly to consumers and through intermediaries.

In recent years, there has been considerable consolidation within, and across, intermediary distribution channels through mergers and acquisitions. International and national distribution businesses have evolved that process larger volumes of consumer bookings.

The rapid expansion of technology and the digital environment as a universal and interactive means of communication, and evolving consumer behaviour and attitudes, has also impacted the traditional tourism and travel distribution channels and expanded opportunities.

The increasingly widespread use of the Internet as a means to deliver product, has created an environment for the emergence of new e-mediaries. These include suppliers (operators) selling direct on the Internet (particularly airlines and hotels), and web-based travel agents (e.g. Lastminute, Quickbeds), allowing consumers direct access to inventory systems and secure on-line booking facilities.

The introduction of advanced communication technologies, such as Interactive Digital TV, the emerging m-commerce through the proliferation of mobile communication devices, has also intensified competition in the travel products distribution arena.

The Federal Government's implementation of its National Broadband Strategy might also impact the way that tourism product is distributed.

PROJECT PURPOSE

The purpose of this project is to provide a comprehensive and detailed analysis of how global tourism and travel distribution is evolving, where it is potentially heading and what the implications for Australian tourism are. This should include emerging opportunities for product distribution both through intermediaries and direct to consumers.

The outcomes should be highly informative to Australian tourism operators, sectoral associations and government agencies, to assist tourism businesses with their product distribution strategies and support sound government policy.



PROJECT OBJECTIVES

The project should meet the following objectives:

- Identify and describe the current and emerging distribution channels and the major players in each type of channel, together with their inter-connectivity to tourism and travel in Australia.
- Distinguish the various types of consumers for each channel including the benefits and preferences of each consumer type.
- Where possible, provide data on the volume of business converted through intermediaries in each channel and by consumer-direct mechanisms and how this is evolving over time.
- Establish the changing trends and buying patterns of consumers generally, and particular impacts for travel purchasing.
- Identify changes that are taking place with consumer-driven mechanisms for gathering and sharing information and how operators can utilise these sources to enhance product development and distribution.
- Classify the potential impacts all of these changes will have on Australian tourism enterprises and distributors.
- Identify any potential impacts on distribution costs, including potential changes to commissions through intermediaries.
- Ascertain potential impacts on operators' product pricing and recommend yield management strategies.
- Determine the form that distribution is increasingly likely to take, including how intermediary players have and might continue to adapt to changing consumer needs.
- Discuss future direction and insights as to how tourism and travel distribution might look in five years and beyond for Australia.
- Provide any further information to enhance the comprehensiveness and applicability of the conclusions, to guide future distribution strategies and systems development and to guide future research.

REQUEST FOR PROPOSALS

The STCRC invites researchers from partner universities to submit a 'Request for Proposal' to complete this STCRC research project. Please complete your Request for Proposal on ResearchMaster¹ via the link on the [STCRC website](#) – refer to "Request for STCRC Research Grant: Guidelines for Application". Each Research Proposal should specify the following:

Research team: detail all participants to be actively involved in the project. The STCRC anticipates a multidisciplinary research team.

Industry reference group (IRG): list industry or technical partners that will contribute to, or provide advice to, the research.

The following tourism and travel organisations have indicated their strong support for this project:

- Tourism Australia (TA)
- Australian Tourism Export Council (ATEC)
- Australian Federation of Travel Agents (AFTA)

¹ ResearchMaster is STCRC's project management system

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Methodology: outline and justify the research plan and methods. Be specific and detailed, and clearly identify the steps involved in achieving the outcomes proposed. List the phases for the project and describe what each phase will achieve.

Budget: detail expected budget including a breakdown of salaries, travel costs, operating costs and other.

Milestones and timeline: describe and detail the major stages/milestones of the project showing the expected completion date for each milestone, and the achievement criteria for verifying that milestones have been reached.

Final reports: the STCRC requires two final reports:

1. The first report is to be a Technical Report and should present all details involved in the project from research design through to recommendations. STCRC supports the publication of research in relation to this project, to further enhance the academic careers of researchers, but permission must first be obtained from the STCRC.
2. The second report is to be a practical guide to tourism and travel distribution in Australia, which presents the complex subject of distribution in a clear and usable manner for various sector users. The guide must articulate the opportunities available to tourism businesses in the next five years and beyond. Particular attention should be given to the impacts, implications and benefits of distribution mechanisms. The STCRC communications team is able to assist researchers in the development of sector focussed reports.

PROJECT TIMING

Requests for Proposals are required by 13 July 2009. It is expected that:

- The successful research team will be appointed by 31 July 2009.
- Progress reports will be required December 2009 and March 2010
- The project is to be completed no later than March 2010.

For further information please contact STCRC Director of Research, Prof David Simmons

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