

## What is distribution?

Distribution is the process of utilising a 'third party', known as a 'distribution partner, to reach more of your potential customers.

The travel distribution system is the range of channels through which a customer can discover and purchase your product. It is important to understand this system including the roles of various distribution partners and the recommended rates of commission.

## What are tourism distribution partners?

Tourism distribution partners are businesses that can sell your experience on your behalf. Distribution partners can help you reach more potential customers than you may otherwise be able to reach with your own marketing and conversion activities.

Travel distribution partners that can sell your experience on your behalf include:



### Online Travel Agents (OTAs)

Websites that specialise in the sale of travel products such as accommodation and experiences.



### Visitor Information Centres

Local accredited Visitor Information Centres such as Canberra and Region Visitors Centre.



### Tour Operators

Businesses that organise and operate group tours e.g. private tour charters, bus groups, chauffeur drivers etc.



### Retail Travel Agents

Sell holiday packages, accommodation, transport, flights etc. directly to customers, usually through a shop-front setting.



### Wholesalers

Develop packages and itineraries for travel agents and consumers including transport, accommodation, tours, and attractions.



### Inbound Tour Operators (ITOS)

Provide itinerary planning and ground handling for overseas travel distributors including wholesalers and travel agents.

## Why consider working with a distribution partner?

For a tourism business, working with a distribution partner can be like having an extended sales team, providing you with access to their large customer bases both domestically and around the world.

While customers are increasingly happy to book online directly with a business, it is important to consider working with travel distribution partners to reach customers you would not otherwise have access to, both in Australia and internationally.

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## What is the cost involved in working with a distribution partner?

The cost involved in working with a distribution partner is called commission. Commission is the primary method distribution partners use to generate their own income. As a tourism business, you need to think of commission as one part of your variable running costs. Rates of commission will vary depending on the type of distribution partner and can range from 10% to 30%.





You only pay commission once someone has purchased your product or service. While commission levels can sound high, when you factor in an average commission cost across all your booking channels over 12 months, commission costs can be very reasonable.

Distribution Partner	Average Commission (guide only)
Online Travel Agent	15 - 25%
Visitor Centre	10 - 20%
Commercial Tour Operator	20%
Retail Travel Agent	10 - 15%
Domestic Wholesaler	20%
Inbound Tour Operator	25 - 30%

Learn how to calculate your average commission costs in the [Pricing your experience guide](#).

## Who are the right distribution partners for your business?

There are a variety of distribution partners you can work with to reach both domestic and international customers. To identify which partners may be suited to your business:

-  Use the [Understanding your customers](#) guide to profile your Ideal Customers.
-  Through this process, think about how your Ideal Customer might be booking their travel (e.g. are they using Online Travel Agencies?).
-  Research which distribution partners can then help you reach your Ideal Customers. Find out about their target audiences and which audience segments are booking through them.
-  You may choose to work with a combination of different distribution partners depending on the booking habits of your Ideal Customers.



### Top Tip

Your direct bookings are most important! While working with travel distribution partners can help you reach more customers, having a mix of direct bookings and indirect bookings (made through distribution partners) will ensure you are not paying commission on every booking.

Below is an outline of the various distribution partners and how you can work with them.



## Online Travel Agents

- Online Travel Agents (OTAs) are websites that specialise in the sale of travel products such as accommodation and experiences.
- Customers use OTAs because they can research, compare travel dates, and then confirm a booking online, all without human interaction, at a time that suits them.

Examples of OTAs selling Australian tourism products include:

- Accommodation: AirBnB, Stayz, Luxury Escapes, Expedia, Booking.com, Lastminute.com, Agoda, Trip.com, Wotif.com.
- Tours and Attractions: Expedia, Luxury Escapes, Get Your Guide, TripAdvisor Experiences (Viator), Red Balloon, Klook, Adrenaline, AirBnB Experiences.

### Why work with an Online Travel Agent

- OTAs generally have large online exposure. They can help you to reach more customers than you may be able to reach via your own website.
- Many OTAs invest heavily in their own advertising, online technology and brand experience, meaning they have a strong loyal and repeat customer base.
- Many OTA websites perform well in Google search results (paid and organic), which is the number one starting point for many customers in their travel purchase journey.
- They can help grow brand awareness for your business. Many customers will do their research via an OTA, but then book directly with your business.

### What costs are involved when working with Online Travel Agents?

- Each OTA will negotiate commission rates with you individually. Rates can vary depending on your product type and the OTAs marketing reach (i.e. domestic or international reach).
- As a guide, an OTA may request up to 25% commission.

### Working with an Online Travel Agent

- Research the OTAs that align to your ideal customers and your experience type.
- Choose and set up an Online Booking System with a Channel Manager that can distribute your product to other booking platforms (refer to the [Selling your experience online](#) guide.)
- Set up inventory in your booking system, allowing real time bookings and updated inventory as far in advance as you can provide.
- Ensure you have quality images and engaging copy. Your OTA listings will be compared to other businesses on the same channel.
- Ensure you understand clearly how your product will be presented on an OTA website, as well as the process for updating your product information, prior to entering into a contract with them.
- Individually approach each OTA you would like to work with, to confirm commission rates and the process to work with them. You will need to set up an agreement with an OTA at the negotiated commission rate.

## Top Tip



Visit Canberra partners with OTAs to run campaigns to promote Canberra and its tourism experiences. Having your product available through OTAs can allow you to leverage these marketing activities.



## Visitor Information Centres

- Visitor Information Centres can be valuable local distribution partners depending on your businesses type.
- They have access to visitors who are planning their stay or who are already in-destination, and can sell them accommodation or experiences via phone, online or in-person. They may also provide a referral service to local tourism businesses if they cannot physically take bookings. They also often support group travel operators travelling to a destination to build and book their itineraries.

### What costs are involved when working with Visitor Information Centres?

- The average commission that Visitor Information Centres expect from the sale of your product is around 10-20%. Commission rates can vary depending on your product type.

### Working with a Visitor Information Centre

- Contact the team at your local accredited Visitor Information Centre to discuss the options and costs of how they can sell your experiences.
- **Canberra and Region Visitors Centre**  
[tourism.act.gov.au/about-us/canberra-regional-visitor-centre/](http://tourism.act.gov.au/about-us/canberra-regional-visitor-centre/)
- **NSW Accredited Visitor Centres**  
[www.visitnsw.com/visitor-information-centres](http://www.visitnsw.com/visitor-information-centres)



## Tour Operators

- Tour Operators are businesses that organise and operate group tours, including large and small groups, for both domestic and international customers.
- Tour Operators specialise in curating unique itineraries for their customers. They look for tourism experiences that can offer their customers some exclusivity or added value.
- An example of a Tour Operator is AAT Kings.

### What costs are involved when working with Commercial Tour Operators?

- Commission levels vary and can be negotiated in accordance with the number of customers they bring to your business. As a guide, a large Tour Operator may expect around 20%, however this can vary.



## Retail Travel Agents - Domestic and International

- Retail Travel Agents sell holiday packages including accommodation, transport, flights and activities, directly to customers.
- They usually have a diverse customer-base (which can be both domestic and international customers) which they attract through shop-front settings and high-traffic websites.
- They often work with wholesalers and airlines to run cooperative marketing campaigns to promote package deals and sales fares.
- Some Australian domestic Retail Travel Agents include Flight Centre and Helloworld.

### What costs are involved when working with Retail Travel Agencies?

- As a guide, Retail Travel Agents may expect around 10-15% commission from the sale of your tourism experience, however this can vary.



## Wholesalers - Domestic and International

- Wholesalers are organisations that provide packages and itineraries. These packages will usually combine transport, accommodation, tours, and activities.
- Wholesalers purchase these packages from Inbound Tour Operators, or they create their own, and on-sell them to travel agents or direct to consumers.
- They generally promote these packages through published brochures which are distributed via retail travel agencies. They may also promote via websites direct to consumers.
- In some markets, Wholesalers also bypass Retail Travel Agents and sell direct to consumers via their websites or other channels. It is important to be aware of how they sell your product to ensure you are offering the right commission.
- Some examples of Wholesalers include Discover Australia Holidays and Viva Holidays.

### What costs are involved when working with Retail Travel Agencies?

- As a guide, Wholesalers may expect around 20% commission from the sale of your tourism experience, however this can vary.



## Inbound Tour Operators

- Inbound Tour Operators (ITOs), also known as Destination Management Companies (DMCs) are part of the international tourism distribution system.
- Working with the international distribution system can take time and developing and maintaining good business relationships is key.
- ITOs are based in Australia and provide itinerary planning, product selection, and ground handling for overseas travel distributors including wholesalers and travel agents.
- Introducing your product to ITOs and offering them commissionable rates can enable the inclusion of your product into their itineraries.
- You may need to tailor your product to suit the needs of international distributors such as ITOs.
- Examples of ITOs and DMCs include Abercrombie & Kent, Bob Wood Travel, Pan Pacific, The Tailor, and Pacific Destinations.

### What costs are involved when working with Inbound Tour Operators?

- As a guide, ITOs may expect around 25-30% commission from the sale of your tourism experience, however this can vary.

## Top Tip



There are many successful tourism businesses that do not work in the international travel distribution system. Like every customer, each business is unique, and you may find that domestic visitors are a better fit for your product offering.

## Connecting with distribution partners

### Domestic distribution partners

- VisitCanberra communicates regularly with domestic distribution partners to keep them updated on tourism offerings in Canberra. This is done through participating in a range of tourism workshops and trade events to meet with distribution partners, as well as sending them updates via a quarterly email newsletter.
- If you are interested in working with distribution partners, you can consider participating in workshops and events alongside VisitCanberra. VisitCanberra can also support by introducing your product to distribution partners and connecting you, or by promoting your offering through the email newsletter.
- To keep up to date on upcoming tourism workshops and trade events, subscribe to [VisitCanberra's IndustryLink newsletter](#).

To find out more about domestic distribution, please email [tourism.industry@act.gov.au](mailto:tourism.industry@act.gov.au).

### International distribution partners

- If you are well established in the domestic market and you can factor a higher commission rate into your pricing, you may be ready to consider international distribution.
- To learn more about working with international distribution partners, including Inbound Tour Operators, take a look at the Tourism Export Toolkit: [www.tourism.australia.com/en/events-and-tools/industry-resources/resources-for-industry/tourism-export-toolkit.html](http://www.tourism.australia.com/en/events-and-tools/industry-resources/resources-for-industry/tourism-export-toolkit.html).
- Consider participation in inbound tourism workshops and trade events alongside VisitCanberra.

To find out more about international distribution, please email [tourism.industry@act.gov.au](mailto:tourism.industry@act.gov.au)