

Your guide to **Wine Tourism**

Understanding the Tourism Industry 1

Activities, expertise and commissions

Who's in the Tourism Industry?

The tourism industry is made up of many sectors:

- Accommodation – hotels, motels, bed & breakfast, caravan parks, etc
- Attractions – wineries, theme parks, natural areas, etc
- Tour Operators – day and overnight
- Transport Providers – airlines, coaches, trains, hire cars, etc
- Local Retail Services – visitor information services, shops, food and beverage, etc
- Promotion and Distribution – travel agents, wholesalers, inbound tour operators, etc
- Coordinating Agencies – industry associations (wine and tourism at the regional state and national levels), government departments (state and federal)

It is imperative that all the sectors cooperate and work efficiently to create the ultimate product - an enjoyable holiday.

Visitor Information Centres

These should be one of the first places to look in relation to promoting your product and facilities. Visitor centres are focal points for information dissemination and are the start and end point for wine tours in many regions.

The visitor centre staff can describe the value of the outlying areas and provide information to ensure visitors to the region have the confidence in travelling all around the district. The centres can also add significant value to the region's economy, by booking accommodation, suggesting packages, stringing activities together and extending the length of stay.

The key to generating increased visitation to your cellar door from the local visitor centre is to establish and maintain a relationship with its staff:

- Make sure you visit your local visitor centre and introduce yourself and your products to the staff.
- Leave information on your cellar door and products with them.
- Invite the local visitor centre staff to your cellar door and educate them first hand on what you can offer visitors.

Travel Agents, Wholesalers and Inbound Tour Operators

Retail Travel Agents

These agents are the shop front of the travel industry and an important distribution outlet. They book air travel, packaged holidays and other holiday options. Travel agents sell mainly product contained in wholesale brochures. Some may make bookings direct with tourism operators on behalf of their clients. However, this is a decreasing activity.

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Increasingly they have preferred relationships with wholesalers and have little flexibility to sell product not in programs. For example, Harvey World Travel is a Qantas Holidays preferred agency network and their agents predominantly sell Qantas Holidays products, hence the importance of being in a wholesaler's brochure. Some travel agents work with a number of wholesalers.

Retail travel agents are paid a commission for all bookings (see information on [Commissions](#)).

[Domestic and International Tour Wholesalers](#)

Wholesalers are companies that will promote and on-sell your product through their own retail outlets, or established retail distribution channels with which they have an association.

Traditionally, tour wholesalers do not own any product or services themselves. However, they seek out product and services (such as accommodation, transport, tours and attractions) which they then on-sell, to consumers via the travel agency network. As part of this, they negotiate a wholesale price rate and produce a brochure as the main sales tool.

Wholesalers also select individual products, link them with other complementary products to form packages, present them in a brochure and then distribute in the same way. Packages today need to be far more flexible and able to be tailored to specific customer requests. For this service, wholesalers will expect to be paid a commission (see [Commissions](#)).

Almost all wholesalers charge a participation fee for the product to be loaded on their Central Reservation Service and to be included in their brochure. This fee varies from wholesaler to wholesaler

[Inbound Tour Operators](#)

As retailers and wholesalers overseas do not have easy access to product, or sufficient product and destination knowledge to put an Australian holiday package together, they will use an Australian-based "Inbound" operator who will advise and select the Australian tourism product for them

In this case the wholesaler, the retailer and the inbound operator will each be seeking commission for providing their services.

The inbound tour operators' job is to firstly select and price the product, supply the details to the wholesaler who prints and distributes brochures containing the Australian product. When a customer in Frankfurt buys a holiday, the wholesaler contacts the inbound operator in Australia, who will make the necessary reservations and confirm with the wholesaler.

Commissions-what are they and who pays them?

Retail agents, inbound tour operators and wholesalers provide a vital link in the distribution and sale of travel product. In return for the promotion and sale of a product, they require a commission. This payment needs to be viewed as a cost of marketing and distributing your product - as the wholesaler and travel agent or inbound operator are selling your product on your behalf.

In general, commission levels of between 10% (retail agent or booking service) and 30% (for inbound tour operator working on behalf of the international travel trade) are charged. For further information on commissions, please contact your local state or territory tourism organisation.

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Tourism industry groups, support and funding

Industry Associations and Government Departments

Regional Tourism Association/Organisations

Each State is divided into regional boundaries, based on product strengths, access and road/highways, geographic features, national park touring routes or municipal boundaries.

While their role may vary slightly, they generally focus on developing their own distinctive product strengths and subsequent brand. They are funded by a mix of local government, key stakeholders, revenue from services, and from state tourism authorities.

Tourism regions are a natural "clearing house" for ideas at a local level. They play a vital role in forging links between operators, developing new packaging and promotional opportunities and getting the local operators to work together cohesively. This includes networking opportunities between operators, the community and government departments and councils.

Local Tourism Associations

These bodies are only limited by the imagination of the operators that can see advantages of working together.

Activities include advising and lobbying on local issues, including infrastructure (roads, amenities, signs etc) and integrating with the regions and formulating tourism plans.

State Tourism Organisations

These government organisations have a charter to market their state or territory both domestically and internationally. Much of the international promotional activity is undertaken cooperatively with other states and/or territories and the Australian Tourist Commission.

Australian Tourist Commission

This Federal Government statutory authority was established in 1967 and is responsible for winning Australia a greater share of the global tourism market. The Commission is funded by the Federal Government and works with the private sector and State and Territory tourism organisations on a range of activities. These are focussed on promoting Australia as a desirable tourism destination in the international marketplace.

The principal objectives under the [Australian Tourist Commission Act 1987](#) are to:

- increase the number of visitors to Australia from overseas;
- maximise the benefits to Australia from overseas visitors; and
- in meeting these objectives, work with other relevant agencies to promote the principles of ecologically sustainable development and raise awareness of the social and cultural impacts of international tourism in Australia.

The Commission recognises food and wine tourism as a key segment and the many opportunities to develop this segment and is supporting the industry's efforts to boost Australia's profile as a food and wine tourism destination.

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Commonwealth Department of Industry, Tourism and Resources

This Department develops, implements and administers the Federal Government's tourism policy and programs. Its work is focussed on developing a sustainable, internationally competitive and innovative tourism industry. Through AusIndustry, it administers the Regional Tourism Program - which provides grants of between \$25 - \$75,000 for the development of tourism attractions, facilities, special interest markets and cultural and heritage attractions that will develop regional tourism.

Australian Trade Commission (Austrade)

Austrade is the Federal Government agency which helps Australian companies, especially small to medium enterprises, win overseas business for their products and services. Austrade offers practical advice, market intelligence and ongoing support to Australian businesses looking to develop international markets. They also help put Australian businesses in contact with potential overseas partners and buyers through their global network of representatives in 105 locations in 60 countries.

Austrade also administers the Export Market Development Grants scheme. This is the Commonwealth Government's principal financial assistance program for businesses seeking to develop export markets. The scheme assists small and medium exporters to seek out and develop export markets by partially reimbursing their expenditure on export promotion.

The Commonwealth Government has extended the \$150.4 million per annum Export Market Development Grants scheme to 2005/06. In 2001/02 around 3100 Australian businesses received an grant, with the tourism sector receiving 470 grants worth around \$20 million.

The scheme is open to any Australian business that meets the eligibility criteria, and in the first year of claim, satisfies grants entry requirements. More information on the scheme is available at www.austrade.gov.au/exportgrants. This website also features an [eligibility questionnaire](#) designed to help you understand whether you should consider applying for an Export Market Development Grant.



Winemakers' Federation of Australia

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