

Gulf Countries

How Consumers Purchase Travel

Consumer Booking Patterns

- Consumers generally have a very short booking lead-time and it is common for a travel decision to be made less than one week prior to departure.
- Due to visa processing requirements the short lead-time on bookings creates significant issues in the ability to be able to issue appropriate visas in time for departure.
- The peak travel planning and booking period is from May through to July, for the peak travel period from July to mid-September.

When buying travel there are a number of distribution channels available to consumers. They may research and book their trip using a combination of traditional distribution partners and online options. The structure and function of distribution channels in this market are as follows:

Online Environment

- Many GCC wholesalers and large retailers are developing their own websites, but very few currently feature Australian holidays. Tourism Australia is targeting these agents to include Australian packages in addition to a link to the TA's consumer website.
- Consumers are only just starting to use the Internet for both sourcing travel information and booking short haul travel. However, for complex and long haul itinerary planning, consumers still prefer to consult a travel agent.
- TA's consumer website, www.australia.com, delivered over 79,000 pages to users in the Gulf Countries in 2005.

Retail Agents

Commission Level: 10 – 15%

- The travel trade in the GCC is not structured in the traditional manner, with large agents often creating their own packages to sell through their own agency and associated networks.
- Travel agencies are generally one arm of a large group of diverse companies owned by a single family including interests in insurance, transportation, construction and other retail operations, collectively employing thousands of people. The travel agency as well as providing the family with some prestige, also serves to sell travel to their employees and to obtain discounts for the company's corporate travel requirements.
- The majority of travel agencies are privately owned and are well established. Travel companies generally operate only in their own country, rather than across the region. All though there are exceptions with some of the bigger agencies such as, Kanoo Travel, Al Tayar, DOTW, Emirates Holidays, Dnata.
- Retail agencies create packages to sell through their own network. Although these are generally lead-in priced packages Arab travellers rarely book package tours, preferring tailor made itineraries.
- Travel agents must be licensed in most of the Arab Gulf states but regulation of the industry is not always strict.

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- Some travel agencies open just to cater for summer traffic and it is quite common to offer considerably lower prices than competitor organisations. It is important that Australian operators establish the bona fides of these operators prior to establishing a business relationship.
- From time to time new travel agencies are established, often as specialist agencies for specific destinations and/or special interest activities.
- There is generally a low level of knowledge of long-haul destinations within the travel agency community in Saudi Arabia. Agents in Dubai and Kuwait are more familiar with Australia.

Aussie Specialists

- The Aussie Specialist Program has not been established in the Gulf Countries.
- The Aussie Enthusiast program, which has been designed for the GCC countries officially, went online in May 2006.
- Tourism Queensland has established a 'Queensland Specialist' program for the Gulf Countries industry, reflecting the popularity of the Gold Coast as the primary destination for Arab travellers.

Wholesalers/Large Agents

Commission Level: 20%

- In the GCC there is no clear demarcation between wholesalers and retailers. There are only a couple of wholesalers and they also operate as retail travel agencies.
- Kanoo Holidays, the wholesale arm of the Kanoo Leisure Group of Saudi Arabia, is one of the largest in the region, producing a dedicated Australia and New Zealand brochure. With branches in Saudi Arabia, Bahrain Qatar and the UAE, they are one of the few travel groups that operate across more than one country.
- Destinations of the World, a Jordan based wholesaler has offices in Dubai, Qatar, Saudi Arabia, Kuwait, and also covers much of the region.
- The airlines also operate as wholesalers in the region. The biggest is Emirates Holidays, with Qatar Airways Holidays and Gulf Air Holidays both including Australia in their brochures to support the Australian market. Ethihad Holidays - the wholesale arm of the Abu Dhabi based National Airline, is in talks with TA but will not develop Australian packages until the 2007 season.
- Inbound tour operators and suppliers are advised to establish the bona fides of a new wholesaler or agent in the market prior to establishing a business relationship.

Inbound Tour Operators

Commission Level: Up to 30%

- The travel trade in the GCC almost invariably uses inbound tour operators (ITO's). There are several ITO's actively servicing the market.
- Unlicensed ITO's have been a feature in the past, establishing operations in Australia for a short period of time or for a single 'season'. Suppliers are encouraged to establish the bona fides of any ITO prior to establishing a business relationship.

