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TOURISM DISTRIBUTION CHANNELS: THE VISITORS' PERSPECTIVE

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Abstract

This paper extends research on tourism distribution channels, a topic dominated by studies of providers and intermediaries, by addressing the use of multiple channels from the visitors' perspective. The paper reports the results of intercept surveys of international and domestic independent visitors and their use of a range of distribution channels to make travel, accommodation and attractions arrangements at two New Zealand destinations: Rotorua and Wellington. Emphasis is given in turn to the different functions of distribution - information search, booking and payment - and to the factors that influence the channels selected for each of these functions. Similarities and differences are found among the three sectors and between the destinations and segments analysed.

INTRODUCTION

Tourism distribution channels have attracted a growing amount of attention in recent years as their importance has been belatedly recognized by researchers. Distribution can be seen as that part of the marketing mix that "makes the product available" to consumers (Wahab, Crampon, and Rothfield 1976, p.96), as "the link between the producers of tourism services and their customers" (Gartner and Bachri 1994, p.164), the bridge between supply and demand (Alcázar Martínez 2002).

To date, research within the tourism distribution literature has been asymmetrical. As recent books show, studies have largely focussed on issues from a supply-side perspective, the emphasis has been given to the suppliers and intermediaries (travel agents, inbound and outbound tour

operators, tour wholesalers...), relationships between these and their efforts to reach consumers (O'Connor 1999; Buhalis and Laws 2001; Alcázar Martínez 2002). Typically, distribution diagrams depict the links outward from the suppliers to the consumers, directly or via a set of intermediaries: the arrows are almost invariably unidirectional (Wahab, Crampon, and Rothfield 1976; Mill and Morrison 1985; Gee, Makens, and Choy 1989; Middleton and Clarke 2000; Ujma 2001). Bitner and Booms (1982), and later Buhalis (2001), portray two-way relationships between channel members, including consumers, but in their discussion they focus solely on the roles of the intermediaries. Hudson and Lang (2002) produce a model of online distribution originating with the customer but again concentrate on the intermediaries involved in the system.

An interesting exception to this supply-side or intermediated approach is provided by Buckley (1987) who takes the reverse perspective and adopts a transaction chain analysis, arguing (p.7): "An analysis of transactions...proceeds from the main actor - the tourist - and examines all the actor's transactions". There appears to have been no empirical or theoretical development of Buckley's approach and relatively little attention has been given to considering how tourists perceive and use different distribution channels (Öörni 2003; Wolfe, Hsu, and Kang 2004).

What the supply-side research does show is that suppliers frequently use a range of channels to distribute their products and services: direct sales on site or in the market are complemented by the use of a variety of intermediaries, for example travel agents, wholesalers, tour operators, visitor information centres and third-party websites. As Reinders and Baker (1998, p.2) note: "Several channels may be used in conjunction, catering for differences in consumer needs or product requirements, and a combination of both direct and indirect methods is common". Given that providers can use one or more means of distribution from a range of possible channels, greater understanding is needed of the extent to which visitors use particular channels for different types of travel activity and of the factors that influence their selection and use. Better understanding of visitor behaviour and use will enable providers to serve their customers better and to distribute their

products more effectively in an increasingly competitive market place. Research examining what channels suppliers use (Lituchy and Rail 2000) must therefore be complemented by related demand-side studies to examine how different channels are perceived and used by customers.

What is now needed is a more comprehensive approach to tourism distribution, one that considers the issues more fully from the perspective of all channel members, not just the suppliers and intermediaries. Such an approach is being undertaken in a major four-year project in New Zealand (Pearce 2003). Begun in 2002, the project seeks to examine systematically different types of distribution channels, to identify the factors that influence the behaviour and motivations of all channel members (including visitors), to assess the extent to which different channel structures, practices and relationships influence yield, and to recommend best channel management practices for different markets, regions and forms of tourism. Entitled 'Innovation in New Zealand tourism through improved distribution channels', the project is funded by the Public Good Science Fund and comes in large part as a response to marketing issues raised in the New Zealand Tourism Strategy 2010. Recommendation #21 of that strategy highlighted the need to "develop a tourism distribution strategy so New Zealand operators have an increased level of influence in the distribution channel" in order to achieve the goal of marketing and managing a world-class visitor experience (Tourism Strategy Group 2001). This requires an increased understanding of the structure and functioning of existing channels. Incorporating the visitors' perspective alongside that of other channel members had proved very insightful in an earlier study of the New Zealand outbound market to Samoa (Pearce 2002) and thus formed part of the overall research design for the present analysis of distribution to the inbound and domestic markets.

The project takes a comparative, integrated, multi-stage approach (Pearce 2003). This involves, *inter alia*, examining distribution channels across different destinations, sectors and markets and then integrating the results. Systematically comparing distribution issues in this way more readily enables general characteristics to be distinguished from the specific and facilitates the

formulation of subsequent recommendations on best channel management practices (Pearce 1993). To date, papers have been produced taking a destination or sector specific approach, primarily from the perspective of suppliers (Pearce and Tan 2004; Pearce, Tan, and Schott 2004; Stuart, Pearce, and Weaver in press); another considers suppliers' and intermediaries' adoption of the Internet (Tan and Pearce 2004). This research highlights the diversity of distribution channels employed, with multiple channels being common. The present paper complements these studies by examining the use of distribution channels from the visitors' perspective. In particular, it analyses domestic and international visitors' use of a range of distribution channels to make travel, accommodation and attractions arrangements at two New Zealand destinations – Rotorua and Wellington – and analyses the factors that influence this use. Before the results are reported and discussed, the study is set more fully in the relevant literatures and the methodology is outlined.

LITERATURE REVIEW

The purpose of a distribution channel, as Wynne et al. (2001, p.425) note, is: "Quite simply... to make the right quantities of the right product or service available at the right place, at the right time". Following Stern and El-Ansary (1988), Wynne et al. (2001) identify three essential purposes of distribution channels:

- 1) adjusting the discrepancy of assortments and thereby supporting economies of scope;
- 2) routinising transactions to minimise the cost of distribution and
- 3) facilitating the search processes of both producers and customers.

Buhalis (2001, p.8) sees the functions of distribution in these terms: "The primary distribution functions for tourism are *information*, combination and travel arrangement services. Most distribution channels therefore provide information for prospective tourists; bundle tourism products together; and also establish mechanisms that enable consumers to make, confirm and pay for *reservations*".

These purposes and functions have received unequal attention from researchers examining the visitors' perspective and relevant studies are often not set squarely in the literature on distribution channels. This is especially the case with questions of information search where a large discrete body of work has developed as "an enduring interest in consumer behaviour" (Schmidt and Spreng 1996, p.246). Good reviews and syntheses of the information search process are provided by Snepenger and Snepenger (1993), Fodness and Murray (1997), Gursoy and McCleary (2003) and Cai, Feng, and Breiter (2004). These studies demonstrate the complexity of the information search process, illustrate a range of approaches (psychological/motivational and cost/benefit being the most prominent) and emphasize a concern with determinants, information sources, decision-making and segmentation. A few studies relate information search strategies explicitly to different channel members. Woodside and Ronkainen (1980), for example, analysed the attributes and behaviour of self-planners versus the users of motor clubs or travel agents. Snepenger et al. (1990) found that the use or non-use of a travel agent was a key basis for segmenting travellers. More recent research that considers the timing and location of steps in the information search process also offer useful insights as the spatial complexity of distribution channels becomes more evident (Hyde and Lawson 2003; Fesenmaier and Jeng 2004; Bieger and Laesser 2004).

The development of the Internet has also prompted a growing number of studies that consider its role in the information search process (Tjøstheim and Tronvoll 2002; Zins 2002). Particularly interesting studies have considered the use of online information sources relative to more conventional ones. Öörni (2003), for example, evaluates the relative efficiency of product search in current travel markets using an experimental approach and concludes (p.30): "The electronic markets observed were found at best to be as efficient as their conventional counterparts".

Less attention has been directed at the purchase phase of tourism behaviour. Woodside and King (2001) provide a useful overview and then propose and test an updated model of a purchase

consumption system (PCS) for travel and tourism. Their key propositions are that consumer decisions may depend on prior purchases of products that trigger these later purchases and that many important product purchase decisions are made once at the destination. These issues are explored with relation to visits to the Big Island of Hawaii but little account is taken of the actual channels by which purchases are made. Other researchers have examined particular aspects of how tourists perceive or use distribution channels for reservations and transactions. Gilbert (1990), for example, discusses variations within Europe in the use of travel agencies versus direct purchases from tour wholesalers and outlines factors such as convenience, time and the external environment that influence how holidays are purchased. Gilbert provided few empirical data but in a more detailed American study Duke and Persia (1993) analysed purchasing factors associated with travellers buying directly through providers compared to those using travel agents. Empirical research on travel agencies has been concerned with the attributes of travel agency users or the factors affecting the users' selection of an agency and their perception of agency attributes (Goldsmith, Reinecke Flynn, and Bonn 1994; Oppermann 1998; Heung and Chu 2000).

Issues of trust and apprehensiveness have emerged as a common concern in the use of the Internet for travel transactions, for booking rather than looking (Susskind, Bonn, and Dev 2003; Fam, Foscht, and Collins 2003). Other aspects of online purchase have also been examined. Card, Chen and Cole (2003) explored the differences between online travel product shoppers and nonshoppers using a modified Engel, Black and Miniard (EBM) consumer decision process model. Their study revealed no significant differences between how online shoppers and nonshoppers viewed Internet and conventional shopping in terms of "store characteristics": time saving, price, convenience, reduced risk, comparative shopping, customer service factors and the variety of goods. Differences did occur in terms of personal characteristics. Differences were also found in the type of product bought online: airline tickets were the most popular, followed by accommodation, with package tours purchased the least. Important sectoral differences were also found by Wolfe,

Hsu and Kang (2003) in the buying behaviour of online travel purchasers and users of travel agents: both groups made more use respectively of online or agency purchases of airline tickets but tended to book accommodation and rental cars directly from suppliers. These authors also explore relationships between information search and booking behaviour, reporting a close association between these two functions. Béliveau and Garwood's (2001) cite a recent PhoCusWright survey (Courtmanche 2000) which concluded that 43% of the US online travellers who looked online also booked online, suggesting the majority were using different channels for each function.

In summary, a large number of studies relate to aspects of visitors' use of distribution channels for particular aspects of the distribution process. These studies generally consider either information search, purchasing or, less commonly, booking, but not each of the functions highlighted by Buhalis (2001) and only rarely the relationships between any two explored. Many of the information search studies consider a range of information sources, but much of this work, especially that involving transactions, tends to focus on a single channel, emphasizes packaged rather than independent travel and commonly deals with destination selection rather than with sectoral decisions (for example information on or purchase of accommodation, transport and activities). Where sectoral behaviour has been explored, differences have been reported between products and user groups. Seen from a distribution channels perspective, which is generally not the specific literature within which these studies are set, this research appears partial and fragmented and above all is rarely related to research on other channel members. Considerable scope exists therefore to take a more integrated and comprehensive approach to distribution from the visitors' perspective by considering the different facets of the process across different sectors and markets. This is the challenge that this paper addresses.

Building on the objectives of the broader project of which it forms a part and responding to the current state of the literature just outlined, the aim of this paper then is to:

- 1) analyse systematically from the visitors' perspective the distribution functions of information search, booking and payment across a range of channels to establish the relative importance of these and identify factors contributing to their selection and use;
- 2) examine how these patterns vary across the three key sectors of transport, accommodation and attractions and activities, between two contrasting destinations (Rotorua and Wellington) and between two major market segments, domestic and international visitors;
- 3) provide a basis for other channel members, especially suppliers, to assess their distribution strategies.

METHOD

The more comprehensive, integrated approach developed to address these aims is summarized in Figure 1. Figure 1 also serves as the analytical framework for the study. In the larger project, the two contrasting destination case study areas of Rotorua and Wellington were chosen so as to extend the range of possible channel structures that might emerge, to examine the impact of destination characteristics on these and to enable some initial comparisons to be made, thereby permitting some general features to be distinguished from the specific. As the North Island's leading resort, Rotorua attracts a wide range of international and domestic visitors, both independent and group, and has a well-established commercial tourism industry (McClure 2004). Wellington, the country's capital, is a major urban centre and gateway that draws a spectrum of visitors, including a large share of business and corporate travellers and those visiting friends and relatives, those enjoying the city's attractions and others making use of its gateway services, particularly the inter-island ferry services (Doorne 2000; Pearce, Tan, and Schott 2004). By focussing the consumer component on Rotorua and Wellington, visitor behaviour can also be analysed with respect to destination specific information search and purchase decisions, rather than

just examined in general terms or under experimental conditions as is often the case in the wider literature.

In terms of market segments analysed, the focus on the international/domestic dichotomy was a function of expected differences in the distribution channels for these two key markets, the relative distance between market and destination giving rise to longer and shorter channels and consequently differences in distribution practice. Buhalis (2000), for example, suggests there is a tendency for domestic travellers to make more direct arrangements and for international travellers to employ indirect channels. He provides little empirical support for this but the pattern was borne out to some extent by the supplier practices identified earlier in the project, though use of the same channels to reach both international and domestic independent visitors was also common (Pearce and Tan 2004; Pearce, Tan, and Schott 2004; Stuart, Pearce, and Weaver in press). Systematic examination of the patterns of channel use and behaviour of international and domestic markets was therefore deemed to be important to meet the goals of the broader project as well as contribute to the broader literature where much of the related work has focussed on segments of the domestic market, particularly in the United States.

In keeping with the research design of the larger project, the visitor survey in each destination focuses on three functions of distribution - information search, booking and payment - related to three key sectors: transport, accommodation and attractions and activities. It seeks to establish not only the structure of the different distribution channels being used but also the factors influencing this use. A large-scale visitor survey was considered the most appropriate means of collecting information that would enable comparable patterns to be determined between the destinations, across the different sectors and functions and in terms of both structure and behaviour (Figure 1).

Identical questionnaires were used in the two cases with adaptations for case specific issues (e.g. a ferry can be taken to Wellington but not to Rotorua). Introductory questions concerning the

purpose and nature of the visit to the destination were followed by questions relating to information sources and means of booking and payment for each of the three sectors. The last section included a series of profile questions. To keep the questionnaire to a reasonable length for an intercept survey, particularly given its broad scope, closed format questions were used in much of the questionnaire. Open questions were used for 'why' type questions as there was insufficient basis for establishing categories in advance and for identifying the 'most important source of information used'.

Face-to-face intercept surveys were carried out during January 2003, the peak summer season. The surveys were conducted at each destination's most visited sites, five in Wellington and seven in Rotorua. These offered different appeal and included both paying and non-paying attractions. Interviewers were rotated around the sites during the day and throughout the week. Subjects were intercepted by enlisting the 'first across line approach'. This sampling procedure generated a broad cross-section of respondents.

A total of 1080 questionnaires were completed in Rotorua and 958 in Wellington, representing response rates of 72.5% and 64.7% respectively. However only the results of those respondents who self-identified as 'independent' visitors in response to the question 'Are you visiting Rotorua (Wellington) as part of a package tour or are you travelling independently?', are included in the detailed analysis reported here. The proportion of package tourists in the sample is quite small (8% in Rotorua and 6.5% in Wellington), is unlikely to be representative given the difficulties of sampling such visitors and the scope for further analysis is limited. By travelling on a package such visitors are generally purchasing most of their travel requirements in a single transaction through an intermediary, most commonly a travel agent. In total there were 990 independent respondents in Rotorua and 894 in Wellington. While all of these were considered with regard to attractions and activities, only those using commercial forms of transport or accommodation were included in the analysis of the distribution channels for these sectors. Not included, for instance, are those travelling by private car or staying with friends and relatives (Table

1). This gives rise to sub-samples of varying size as a proportion of those travelling by car, for example, might use commercial accommodation while others staying privately or not staying overnight might have arrived by commercial transport.

The survey data were coded and analysed using SPSS. The raw responses to the open questions were first reviewed by the project leader and then grouped into classes on the basis of like responses and the frequency of these. In order to obtain cells of sufficient size for statistical analysis, this inevitably meant some detail was lost as aggregation occurred. As discussed later, for instance, both positive and negative dimensions of the Internet were seen to influence channel selection but in Table 9 these are categorized into a single class of 'Internet issues'. Where there was a diversity of infrequent responses, these have been grouped into an 'other' category, with examples given in the text of the type of factors involved. The analysis and subsequent presentation of results follows the presumed sequence of distribution activities from the visitors' perspective: information search, booking and purchase (Figure 1). The analysis focuses on establishing patterns of use and behaviour relating to these across the three sectors in the two destinations. Statistical differences in the patterns for international and domestic visitors are tested using chi-square and, where the data did not meet the assumptions of this test (notably there were more than twenty per cent of the cells of the table with expected frequencies less than five), the significance level for the Likelihood Ratio (LR) is reported (Cavana, Delahaye, and Sekaran 2001).

RESULTS

Information search

Table 2 reveals that visitors use a wide variety of different sources to find out about transport, accommodation and what the two destinations have to offer, with statistically significant differences, at $p < 0.05$, occurring between the behaviour of international and domestic visitors.

International visitors use a range of different sources to find out about transport to Rotorua, with travel agents and the Internet being the most important, followed by word of mouth, guidebooks and information centres. Interpretation of the pattern for domestic visitors is limited by the small number using commercial transport (Table 2); the phone book (classified under 'other' as it only features in the survey in this instance) is the single most important source, followed by the Internet. The pattern in Wellington is more concentrated. Approximately a third of the international visitors to the capital used a travel agent and a quarter the Internet whereas 40% of domestic visitors used the Internet or contacted the provider directly (13.4%), with a similar share using a travel agent.

In terms of finding a place to stay, guidebooks and accommodation directories (e.g. the Automobile Association directory) are the single most important source of information in Rotorua and Wellington for both domestic and international visitors, being used by a third of these segments. The relative importance of the other sources varies by origin and destination. The Internet is less important in this sector, accounting for around 10% of responses in Rotorua, comparable to word of mouth. 'Looking by oneself' is also important there- this appears to take the form of driving around once in town to see what is available, much of the accommodation being located in a strip along Fenton Street. International visitors to Wellington make more use of travel agents while the Internet is the second ranked information source for domestic visitors.

Guidebooks are the most important source of information for international visitors in terms of finding out about what there is to see and do in Rotorua and Wellington. Brochures, word of mouth and the visitor information office come next, achieving a similar ranking in both destinations. Domestic visitors make little use of either guidebooks or the Internet and depend more heavily on brochures, word of mouth, the visitor information centre and previous experience/personal knowledge to find out about attractions and activities, the relative ranking of these varying from one destination to another.

Booking and purchase

Considerable sectoral variation occurs in the extent to which visitors book and purchase their transport, accommodation and attractions directly with the provider or indirectly via an intermediary, and indeed whether or not any reservation is made at all (Table 3). Virtually none of the visitors to Wellington had booked any attractions or activities and the proportion doing so in Rotorua was also not very high (international 15%, domestic 6.5%). At the other extreme, none of the respondents reported not booking transport. Three quarters of the domestic visitors in both destinations made their bookings and payments directly with the transport provider whereas international visitors were more evenly divided between dealing directly with the provider and using an intermediary. Accommodation constitutes an intermediate case; around ten per cent of all respondents to Wellington had not booked any accommodation but only a few per cent did not do so in Rotorua. Domestic visitors were more likely to go directly to the accommodation provider, especially in Rotorua where the vast majority did so. The majority of international visitors also went directly to the provider but to a lesser extent in Wellington. A small share of the visitors at both destinations had their accommodation bookings made by someone else.

Direct bookings are made by phone, the Internet or in person (for example, going to a ticket sales outlet or terminal or turning up at a hostel or motel). Table 4 shows significant differences occur between the booking patterns of domestic and international visitors, except in the case of transport to Rotorua. Amongst international visitors to Wellington, the use of the three means of booking is spread reasonably evenly in terms of transport. Domestic visitors make much greater use of the Internet for booking travel to Wellington. The majority of domestic visitors to Wellington and Rotorua booked their accommodation by phone compared to about half of the international travellers. In Rotorua the second most important category for international visitors was booking their accommodation in person (44%); in Wellington it was the Internet (25%).

Payment is generally made in person, the most noticeable exception being the use of the Internet for paying for travel to Wellington (Table 5). What this means is that for many visitors making direct arrangements booking and payment constitute a two-step process; most commonly, bookings are made by phone and payment is made in person. Two thirds of the Wellington and half of the Rotorua respondents arranged their accommodation in two steps (Table 6). For transport, on the other hand, booking and payment are more often done in the same way (and presumably at the same time) – 78.9% of Wellington respondents and 57.1% of Rotorua respondents used the same means for both activities.

Where indirect channels are used, booking and payment are almost invariably a single transaction, that is, both actions occur within the same channel. Indirect bookings and payments tend to be made through three channels: travel agents, visitor information centres and ‘other providers’ (Table 7). Of these three, travel agents are generally the most important (the patterns for domestic travel must be treated with caution given the small cell sizes).

Behavioural aspects

In addition to establishing patterns of channel use, the study also sought to explore why visitors behave in the way they do. Two aspects of visitor behaviour are examined here: why there is little booking and advance purchase of attractions and activities and what factors influence visitors’ channel choice with respect to making transport and accommodation arrangements, both directly and indirectly.

Supply-side research on attractions carried out as part of the larger project suggested few advance bookings were made by independent travellers (Pearce and Tan 2004), a pattern confirmed in the visitor survey (Table 3). The results of the open-ended question included in the questionnaire to examine this issue from the visitor’s perspective are presented in Table 8. Variations occur between Rotorua and Wellington and significant differences are found between domestic and

international visitors, but in general the various sets of factors identified reflect the nature of independent travel and the characteristics of the attractions available. International visitors to Rotorua stress the value they place on flexibility, being able to decide upon arrival what to see and do depending on how they feel or what the weather is like, being able to change their mind, 'go with the flow' and so forth. Others simply said they did not have any plans, were not organized enough or gave a variety of time related reasons of why they did not book ahead, for example some had plenty of time at the destination and could visit whatever they wanted, others did not have much time and did not want to commit themselves in advance. A similar range of reasons was given by domestic visitors to Rotorua but a sizeable proportion of this group also noted that activities and sightseeing were secondary to other activities such as relaxing or visiting friends and relatives. The single largest reason for not booking given by the Wellington respondents, especially the domestic visitors, was that there simply was no need to. This may reflect the character of the city's attractions, many of which have no entry fees and capacity constraints, such as the heavily visited Museum of New Zealand Te Papa Tongarewa, or various city viewpoints. Lack of need was also cited to a lesser extent in the case of Rotorua where there are many more commercial attractions. Bookings in the latter were generally for either evening cultural performances or adventure-based activities – both require advance arrangements or have capacity constraints - but were most commonly made in Rotorua itself (63%). Flexibility, a lack of plans and organization, and time related issues also contributed to Wellington's visitors not booking attractions. At each destination a small percentage also indicated they did not know what there was to see and do.

Visitors gave a wide variety of reasons for why they booked and paid for their transport and accommodation in the way they did (Tables 9 and 10). While differences occur from one sector and destination to the other, ease and simplicity is the most dominant factor; the majority of visitors decide on the means of making their booking or choosing their channel on the basis of what they perceive to be the easiest way of arranging their travel. Here the category 'ease and simplicity'

embraces a range of different dimensions; many just indicated 'it was the easiest', others answered in various ways: 'can arrange everything from home', 'mobile phone makes it easy when travelling'... Thus what is perceived to be the simplest varies from person to person and, consequently, some find it easiest to make their arrangements directly by phone, others by the Internet, in person or by using a two-step process (Table 6).

The secondary factors vary more from sector to sector. Several factors explain the extent of use of the Internet for directly arranging transport; price and payment related factors are particularly significant in this sector as often the cheapest fares are only available online, in other instances it may offer a ready means of payment in advance. Bookings on the Internet can be made at any time and confirmation readily obtained; more information may be available and so forth. Negative Internet factors may also contribute to the use of the phone or booking in person, for example lack of access to the Internet or unwillingness to make payments in this way for security reasons. In other instances transport is arranged in person because of payment issues (e.g. they may not have a credit card) or a desire for personal contact. The personal nature of decision-making is also reflected by the diversity of 'other' factors, responses which individually are few in number but collectively may be quite sizeable (e.g. 'it's the usual way', 'somebody else made the arrangements', 'was there in person', 'there was no other option'...).

The ability to be able to readily check the availability of rooms is a significant factor in arranging accommodation, especially when visitors are arriving late or at a busy time. Here the phone is preferred as a means of making direct bookings as many properties do not have Internet facilities enabling an immediate response. Others prefer to make their accommodation bookings in person, often so as to see what it is like beforehand. Time related factors may also play a role in booking accommodation, some using the phone or Internet or doing it in person depending on what was quickest for them.

In terms of indirect channels, ease and simplicity is again the key factor whether the visitor uses a travel agent, information centre or other provider: ‘it was the easiest way as the information centre does everything for you’, ‘they arranged it all for me’, ‘easiest way to book from abroad’... (Table 10). The knowledge and reputation of the travel agent or information centre staff were also important factors, expressed in such terms as: ‘prefer to have expert organize our trip’, ‘prefer to have it arranged properly’, ‘because they were helpful and professional’, ‘friend is a travel agent – gave best advice’. Payment related issues were also cited, particularly with regard to transport, and questions of availability were again listed with regard to accommodation. The personal contact offered by travel agents and information centre staff was also a consideration for some visitors while others just considered the channels they used as the usual or normal way to do things.

DISCUSSION, IMPLICATIONS AND CONCLUSIONS

The preceding analysis has revealed both inter-sectoral differences and similarities in the visitors’ use of distribution channels when arranging their travel to Rotorua and Wellington. Table 2 has highlighted differences in the information sources used in each sector while Table 3 underlines major variations in the extent of booking, especially between transport and attractions. Some sectoral differences are found in the means by which direct bookings and payments are made (Tables 4 and 5) and the use of a two-step process for transactions (Table 6). Travel agents are the most common intermediary for indirect arrangements of both accommodation and transport in Wellington but in Rotorua this depends on the sector (Table 7). Ease and simplicity was the single most important factor influencing how visitors book their transport and accommodation but of the secondary factors the use of the Internet and price and payment related factors were more important for the former and availability related factors for the latter (Tables 9 and 10).

Some of these differences might be explained in terms of the differing time and place utilities associated with distribution in each of these sectors (Alcázar Martínez 2002). In the case of

transport, and to a lesser extent accommodation, visitors perceive the need to book in advance to acquire a seat or vehicle and/or ensure a room was available upon arrival (remembering here the analysis is of the use of commercial modes of transport and means of accommodation). In contrast, this is not seen to be necessary for activities and attractions where access and capacity constraints are not generally an issue at these two destinations. Moreover, the 'independent' nature of these travellers is most revealed in their desire for flexibility in what they see and do and the unplanned nature of their activities, with the patterns shown in Table 8 supporting many of the qualitative findings of Hyde and Lawson (2003).

Statistically significant differences also occur between domestic and international visitors in terms of several facets of their distribution behaviour: sources of information used, the extent of direct and indirect booking (except attractions in Wellington) and reasons for not booking activities in advance (Tables 2, 3 and 8). For instance, international visitors rely more heavily on external sources such as guidebooks to find out about what the destinations have to offer while internal sources (e.g. word of mouth and previous experience) are more commonly used by domestic visitors (Table 2). International visitors are also more likely to use an intermediary (Table 3) than domestic visitors who have a greater propensity to book directly. This may in part be associated with the domestic visitors' greater familiarity with the destinations; 90% of domestic visitors to Rotorua and 81% to Wellington were making a repeat visit compared with 20% and 39% respectively of international visitors. However, with the use of indirect channels, domestic and international visitors to Rotorua and Wellington exhibited comparable patterns, both favouring travel agents. In other instances differences between the two segments occur in one sector in one destination and in another at the second (Table 5); this may be due to differences in the structure of tourism in Rotorua and Wellington but further investigation is needed.

The patterns revealed in these tables have a number of implications for providers and intermediaries. While some similarities have been found, the sectoral, domestic/international and

destination differences suggest that providers need to carefully consider the nature of their own product or service, markets and broader destination characteristics in developing a distribution strategy. Particular attention needs to be given, for instance, to where and how information is being distributed. Transport arrangements clearly have to be made elsewhere in order to reach the destination in question and many visitors also require advance knowledge of accommodation given their propensity to book ahead. Specific decisions about what to see and do, on the other hand, are generally being made by independent visitors once at the destination.

Table 2 provides data about the patterns of information search against which individual providers can match their own marketing activities. For example, the supply-side research shows many accommodation providers rely heavily on advertising in accommodation directories and taking direct bookings by phone – this is consistent with much visitor behaviour (Pearce, Tan, and Schott 2004). Many of the attraction providers, especially the smaller ones, depend on generating local awareness through the information centre, the dissemination of brochures and fostering links with other providers (Pearce and Tan 2004); again this is consistent with much visitor behaviour but Table 2 also indicates the most influential source of information being used by international visitors – guidebooks - is one over which the attractions provider has no direct control. In this respect critical differences occur between the accommodation and attractions sectors; in the former, providers pay to advertise or be listed in commercial directories; in the latter they have little input other than through offering a quality product or service, being proactive in providing publishers with updated product information and perhaps their willingness to host travel writers. Many accommodation providers, especially in Rotorua, also rely on sales through visitor information centres: Table 7 suggests this is an appropriate strategy for reaching visitors indirectly although there is clearly still a place for distribution via travel agents. Providers, in both the attractions/activities and accommodation sectors, who depend on an ‘at destination’ distribution strategy also need to recognize that visitors have to be attracted to the destination in the first place

and should acknowledge and support the efforts of those whose efforts foster such visitation, notably regional and national tourism organizations.

In developing a distribution strategy, particular attention also needs to be given to the ease with which visitors can book and make payments (Tables 9 and 10). While the Internet appears to be fulfilling this function effectively in terms of transport, it is not yet as well adapted and adopted in the accommodation sector where room availability is less readily confirmed online at present and the phone remains the dominant means of communication in this sector. It must be remembered, however, that ease and simplicity mean different things to different people and that a single means or channel is unlikely to cater to everyone. Unless they target a single or dominant segment, providers must therefore decide on an appropriate 'distribution mix'. The results reported in this study provide suppliers with a basis and insights for doing this, for example, a more differentiated distribution strategy for international and domestic visitors may be required in some cases. When presented to Rotorua and Wellington providers, the results certainly attracted much interest as few of the businesses systemically collect distribution-related data of their own and had no means of benchmarking or otherwise evaluating their own practices.

The results here also contribute to the wider literature, both by confirming factors found to be important in earlier studies and by identifying additional ones. If "ease and simplicity" in Tables 9 and 10 equates to "convenience" then this appears to apply to all the channels mentioned, not just the travel agents indicated in the earlier work of Gilbert (1990) and Duke and Persia (1993); as such these results are more in line with the later study of Card, Chen and Cole (2003). While most of the "store characteristics" included in that study also emerged from the open-ended questions used here, some did not. Little mention of "comparative shopping" and the "variety of goods" was made by the Rotorua and Wellington respondents, except in terms of the "there in person" dimension of booking accommodation (Table 9). The "price" component was also found here to be less simple than just price levels, being also associated with how the payment was made. The ability to check

availability also emerged as a key factor in channel choice, especially with regard to booking accommodation by phone. The multiple sector approach emphasizes differences between transport and accommodation in the use of the Internet, supporting the recent research of Card, Chen and Cole (2003) and Wolfe, Hsu and Kang (2004) that shows online distribution has not yet become the all-round channel of choice. The data on attractions presented in Tables 2, 3 and 8 also add to our understanding of distribution in a key sector that has been largely neglected to date, further underlining the need to adopt differentiated approaches to the distribution of tourism products.

Finally, this research has demonstrated the need to extend work on consumer behaviour in tourism beyond the information search process to include more detailed analysis of booking and purchase behaviour in order to develop a more complete understanding of the distribution process from the visitor's perspective, thereby complementing the existing distribution channels literature that has focused on providers and intermediaries. The paper has demonstrated the importance of matching supply-side studies of distribution with an analysis of the visitors' use of different channels, so as to validate the distribution strategies being practised or to suggest means of improving these. More work along these lines in other settings is clearly needed in order to better understand these processes as they relate to different sectors, markets and destinations and so that a more generalized distribution model might be developed.

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Figure 1: An Analytical Framework for Examining the Visitors' Perspective on Tourism Distribution Channels.

Distribution Function (multiple channels)	Sector	Destination			
		Rotorua Market		Wellington Market	
		International	Domestic	International	Domestic
Information Search	Transport Accommodation Attractions				
Booking	Transport Accommodation Attractions				
Payment	Transport Accommodation				