

Ex-Flight Centre eCommerce Chief says commission model dying

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The former chief of Flight Centre's eCommerce division has declared the commission model used by his former company and other travel agencies outdated and unlikely to survive in the medium term.

Paul Fisher, now global marketing manager with totaltravel.com - the number one site for Australian's seeking information about destinations with more than 250,000 page views and approximately 35,000 users logging on to it each day - said suppliers were increasing looking to go directly to the internet to transact with customers.

"You are already seeing commissions being slashed across the tourism industry and in turn agents were adding service fees to supplement decreasing margins," Mr Fisher said.

"With accommodation, providers are looking for ways to take back control of their inventory and identity after losing yield and brand equity due to the whole 'last minute' or standby rates discounting phenomenon.

"And at the smaller end of town, individual properties and B&B's, particularly in regional areas, can't afford to give away their margins to wholesalers and agents with commissions."

Mr Fisher said suppliers were looking for new methods to distribute their products and services that do not add unnecessary cost to the value chain.

"At totaltravel.com, we don't sell products, we don't charge booking fees, we don't take a commission and we don't compete with our suppliers or partners," he said.

"We provide customers with unbiased travel-related information and provide suppliers with customers who are looking for their products or services."

Launched in 2002, totaltravel.com delivers both a travel guide and a place to find accommodation, activities, transport, restaurants and other visitor information.

Users can seek information about a destination and then be directed to a local business in the area.

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