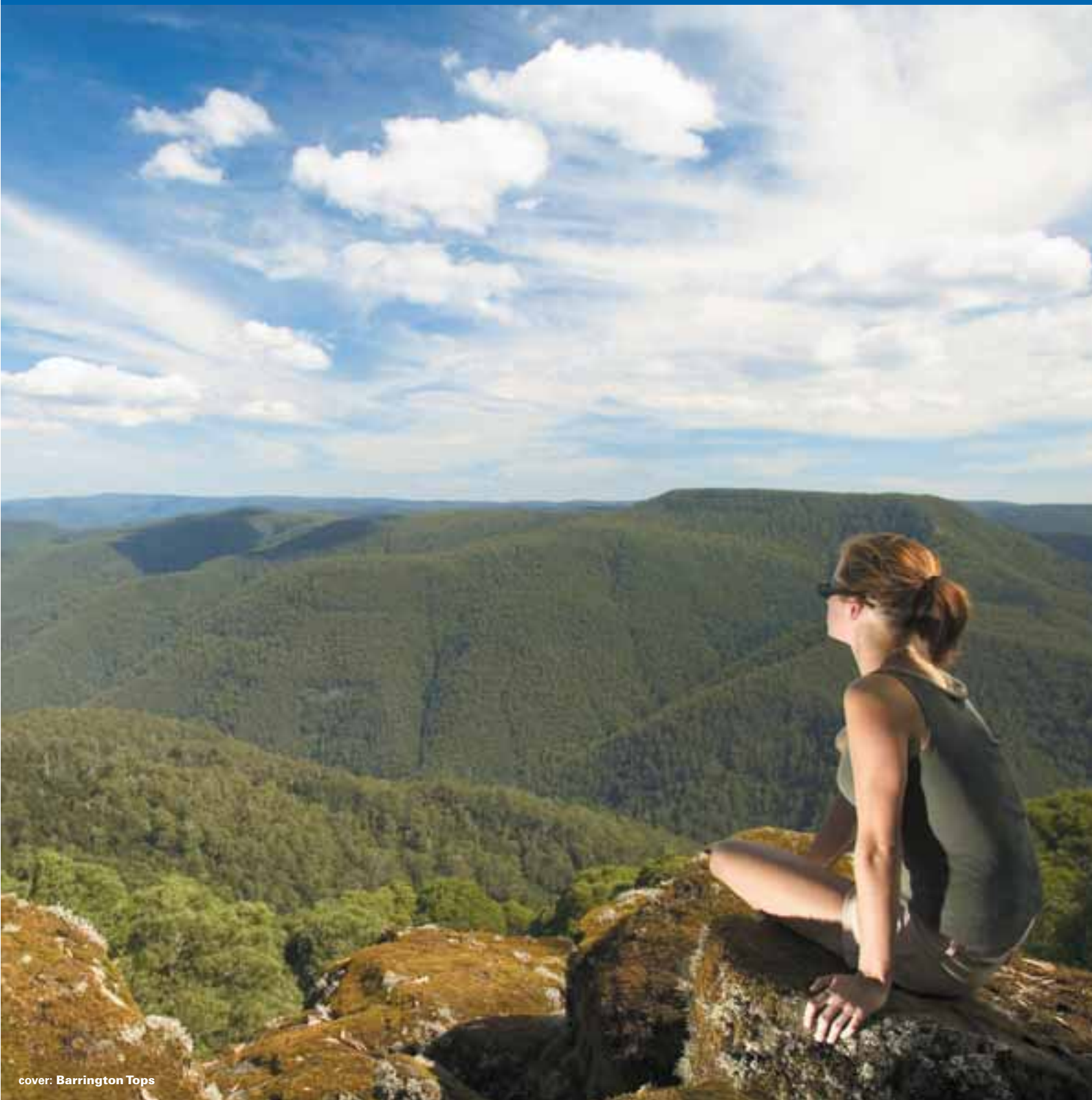


Building Australia's premier tourism region

A vision for tourism development in the Hunter Region 2005 – 2008



cover: Barrington Tops



Tourism in the Hunter Region: The vision

The Hunter is a region with enormous tourism potential. Its close proximity to Sydney, Australia's most populous city and leading gateway for international visitors, makes it accessible to important markets.

Tourism offerings range from modern cities to charming villages, wineries and vineyards to lakes and beaches, and from rural countryside to World Heritage areas, national parks and state forests.

Tourism is a key economic driver for the Hunter region, worth approximately \$1.4 billion in 2003 (Source: Australian Bureau of Statistics).

Yet tourism in the Hunter is at a cross roads. Visitor numbers are either flat or declining and market share is low compared with neighbouring regions.

This plan has been developed not just to reverse that trend but to help the Hunter achieve its goal of becoming the premier tourism region in Australia.

This is an ambitious undertaking as the Hunter is currently only the fifth most visited region outside Sydney for domestic overnight visitors. To build tourism in the Hunter, a new approach is required – one that focuses on the needs of the consumer. This plan sets out that approach.

The Hunter Tourism Plan: An overview

The Hunter Tourism Plan is based on in-depth research and extensive consultation. It is a three year plan and focuses on tasks that can be undertaken from 2005–2008.

It calls for a new approach to promoting the growth of tourism.

This approach will help those involved in tourism in the Hunter:

- identify and provide what consumers want
- tap into new and growing markets
- effectively communicate to consumers

- make it quick and easy for consumers to find out about and purchase tourism offerings.

The plan is divided into four key areas: marketing, development, sales and management structures. An overview of the plan below lists the key recommendations in each area and the rationale behind them.

Marketing the Hunter region: a consumer-focused approach

Marketing the Hunter region effectively is crucial to building visitor numbers. Adopting a consumer-focused approach to marketing means thinking about

- who tourism consumers are
- how they think about a holiday destination
- developing tourism product to match consumer desires
- how to attract consumers from growing markets

This plan addresses each of these issues.

DIFFERENTIATING TOURISM CONSUMERS

Extensive research sponsored by the Federal government (the "See Australia Segmentation" study) has shown that tourism consumers can be divided into five groups defined by what sort of a holiday they want and how much they are likely to spend.

The table opposite sets out the five main tourism consumer groups but it is important to remember that these groups are not rigidly defined. Consumers may look for different kinds of holidays depending on who they are travelling with, the purpose of their travel and their budget.

opposite page: **Hunter Valley**

Overview of plan

Strategic Area	Objectives	Key Recommendations	Rationale
Marketing	<ul style="list-style-type: none"> To effectively target and communicate to consumers To develop tourism product in line with consumer desires To attract visitors from growing markets including interstate, international, business, cruise and events 	<ul style="list-style-type: none"> Establish five product zones to identify and develop complementary experiences Use a strategic framework to match consumer groups to experiences 	<ul style="list-style-type: none"> Research shows that consumers travel to destinations, not regions Product zones allow the region to be divided into bite-sized destinations
Supporting tourism development	<ul style="list-style-type: none"> To support key tourism developments to increase visitor numbers 	<ul style="list-style-type: none"> Focus on Newcastle Airport as a key opportunity to build interstate visitors 	<ul style="list-style-type: none"> Virgin Blue and Jetstar commenced flights to Newcastle Airport from Brisbane and Melbourne in May 2004, representing a significant opportunity
Distribution and sales	<ul style="list-style-type: none"> To convert consumer interest into the purchase of a holiday by making it possible to get information about a holiday and immediately purchase it at Visitor Information Centres 	<ul style="list-style-type: none"> Adopt a regional approach to sales through the Hunter Tourism Exchange Link the eleven Visitor Information Centres of the region to enable cross-selling 	<ul style="list-style-type: none"> This provides greater choice to consumers, leading to increased sales and customer satisfaction Operators will increase revenues by accessing consumers through a wider range of channels
Management structures	<ul style="list-style-type: none"> To ensure that the right structures are in place to deliver the plan's new business model 	<ul style="list-style-type: none"> Increase industry representation on the HRTO board Review the HRTO operational structure to support the plan's strategic directions 	<ul style="list-style-type: none"> The product zone approach calls for greater industry representation without neglecting local government HRTO partnerships with its stakeholders require core competencies in a number of areas

Differentiating tourism consumers

Mindset	Spend per day	Description	Accommodation	Transport	Desired Services and Activities
Luxury travellers (Pampadours)	\$172	Up-market; indulgent; female skew; professional skew; use o/s travel as frame of reference, travel in adult couples	5-star, separate from kids, suites, B&B	Air, limo, own car	Pools, retail, fine dining, views, wine choice, spas, salons, 24 hr services, personal guides, casinos, golf, yachts, cruisers, good coffee, patisseries
Family travellers (Compatriots)	\$111	Middle market; female skew; family-focused; role driven; activities-focused; budget conscious; aspire to resorts	3-star Self-contained cabins, cottages, burés, villas, apartments, motels	Own car, public transport	Water sports, kids clubs, theme parks, takeaway/ fast food, beer gardens, cinemas, picnic grounds, BBQs, group tours, outdoor activities, walking trails, RSLs
Touring travellers (Wanderers)	\$132	Older skew; adult couples; empty nesters; frequent tourists; off-peak market; keen observers	3-4 star, self-contained, B&B	Own car, mobile homes, coach, fly/drive	Information centres, maps & guide books, local markets, short walking trails with lookouts, souvenirs, libraries
Adventure travellers (True travellers)	\$126	Experimental; adventurous; trail-blazing; want an in-depth experience; active	Camp sites, motels, B&B	Own car, 4WD, mobile home	Maps and information, trail food, backpacks, guide books, local history and food, bush tucker, general stores
Peer group travellers (Groupies)	\$123	Younger male skew; peak period travel; strong repeat visitation; shared activities and reunions	Shared apartments, camp sites, hostels	Car, train, coach, economy air	Pubs and clubs, night clubs, beaches, fast food, laundromats, big fridges, eskies, cafes



HOW TOURISM CONSUMERS THINK ABOUT A HOLIDAY DESTINATION

The Hunter is divided into nine Local Government Areas – Newcastle, Lake Macquarie, Cessnock, Singleton, Muswellbrook, Upper Hunter, Gloucester, Dungog and Maitland.

However consumers don't plan a holiday to a local government area. They think about the kind of holiday they want and a place or an area where they can enjoy that sort of holiday.

The Plan recommends considering the region as five product zones, for the purpose of identifying experiences and to more effectively adopt a consumer-focused approach. Product zones do not supersede Local Tourism Associations (LTAs) or Local Government Areas (LGAs).

Through a series of workshops, each product zone will bring together key industry players and tourism managers who form a network of product specialists. This network can pool resources to increase visitor numbers to their product zone.

The product zone process:

- uses a consumer focus to identify marketing and development opportunities
- facilitates the more effective use of private sector and local government resources
- establishes business and marketing alliances

The plan recommends five product zones in the Hunter region shown on the map opposite: Upper Hunter Country, Barrington Tops, Australia's Hunter Valley, Newcastle and Lake Macquarie. The boundaries indicated are intended to be fluid and overlapping.

HUNTER REGION PRODUCT ZONES



below: Lake Macquarie area
 opposite page above: Upper Hunter Country
 opposite page below: Newcastle





DEVELOPING TOURISM PRODUCT TO MATCH CONSUMER DESIRES

Tourism product needs to be developed in line with consumer desires. The table below identifies the tourism product that matches each type of holiday in the Hunter region in order to appeal to a specific consumer group.

HOW TO ATTRACT CONSUMERS FROM GROWING MARKETS

The plan recommends that the Hunter region focus on increasing the number of visitors from the following key markets by adopting a specific strategy for each market.

Interstate

Issue: The Brisbane and Melbourne drive market and fly/drive markets into Newcastle Airport present an opportunity which needs to be tapped to increase interstate visitors.

Recommendation: A business partnership with the airport and airlines needs to be developed to maximise opportunities to build the interstate market.

International

Issue: International visitor numbers are low largely due to a lack of awareness of the Hunter as a tourism destination.

Recommendation: A brand strategy needs to be developed and awareness needs to be raised in priority markets.

Business tourism

Issue: There are competing organisations within the Hunter targeting business tourism.

Recommendation: A regional approach will help to reduce duplication of effort by freeing up more resources.

Cruise tourism

Issue: The Cruise Hunter project has been successful in attracting cruise ships, navy vessels and super yachts but its funding is not guaranteed.

Recommendation: Funding for the Cruise Hunter project needs to be continued.

Events

Issue: The Hunter organises some 95 events each year, ten of them hallmark events with more than 6,000 visitors but not enough is done to cross-promote events.

Recommendation: The region needs to develop a Hallmark Events Strategy to maximise return on investment.

Supporting tourism development

The Hunter region has been very successful in attracting more than \$1 billion of investment in tourism in recent years. The plan identifies three developments that have the potential to significantly increase visitor numbers over the course of the plan with support from Hunter Tourism.

Newcastle Airport

Issue: The key development is Newcastle Airport which will receive over 500,000 passengers in 2005. Of particular significance are the new Jetstar and Virgin Blue flights from Melbourne and Brisbane.

Recommendation: A business partnership with the Airport and airlines could maximise market development opportunities across Australia by creating attractive fly and fly/drive packages.

Australia's Hunter Valley Wine Centre

Issue: Consumer awareness of the Hunter Valley Wine Region as a premium wine-growing area is high but the quality and diversity of its wine needs greater promotion.

Recommendation: Enhance the wine attraction at the Hunter Valley Wine Country Visitor Information Centre to be a focal point promoting the high quality and diversity of Hunter wines.

Developing tourism product to match consumer desires

Holiday	Consumer group	Tourism product
Nature	Luxury traveller	Seclusion, romance, views, pampering, walks, accessible wilderness, World Heritage areas, countryside
	Family traveller	Easy walking trails, World Heritage areas, fossicking, seeing wildlife
	Touring traveller	Natural and cultural heritage, driving routes, walking trails, lookouts, waterfalls, fishing, picnicking, bird watching, events
	Adventure traveller	Treks, 4WD, going bush, physical/mental challenge
	Peer group traveller	Group activities – kayaking, bushwalking
Water – beach or lake	Luxury traveller	Exclusive beaches, quality dining, boat tours
	Family traveller	Safe swimming beaches, rock pools, flora/fauna, whales/dolphins, water activities, built attractions
	Touring traveller	Coastal touring routes, coastal walks, rivers, fishing, flora/fauna
	Adventure traveller	Remote beaches and hinterland, accessible flora and fauna
	Peer group traveller	Water-based activities
Food and wine	Luxury traveller	Short breaks, indulgence, romance, boutique wineries, hot air ballooning
	Family traveller	Family restaurants, take away food, familiar wines
	Touring traveller	Wine and food education, boutique cellar doors, new experiences
	Adventure traveller	Undiscovered wineries, meeting the winemaker/chef, local cuisine, fresh produce
	Peer group traveller	Wine/beer tasting coach tours, eat, drink and be merry
Arts/culture/heritage	Luxury traveller	Quality local artefacts, art galleries
	Family traveller	Interactive historical sites
	Touring traveller	Heritage buildings, antiques, craft stores
	Adventure traveller	Local artefacts, historical sites, cultural tours
	Peer group traveller	Tours

Customer Service Skills Development

Issue: The high level of investment in tourism infrastructure needs to be matched by investment in labour market skills-based training.

Recommendation: Benchmarking of customer service performance against competitors is required across the region and region-wide training needs to be available. A mentoring system for owners would assist them in improving customer service.

Distribution and Sales

A key opportunity in the Hunter region is to make it easier for consumers to convert interest in a holiday in the Hunter into the purchase of a holiday. Two initiatives will help to maximise the return on marketing dollars in the region.

Maximising the use of Visitor Information Centres (VICs)

Issue: The eleven accredited Visitor Information Centres (VICs) are not being used to full commercial advantage.

Recommendation: As strategically located shopfronts for the tourism industry and destinations, their focus could be realigned to selling tourism products and local produce. To do this, these centres could review their internal layouts, investigate revenue generating opportunities and train staff to maximise sales of tourism products.

Hunter Tourism Exchange – integrated sales system

Issue: Consumers want choice and immediacy to purchase their holidays. If the customer cannot purchase immediately, it is likely the sale will be lost to another operator or destination.

Recommendation: The proposed solution is the creation of the Hunter Tourism Exchange which would link information, inventory and booking options for consumers, VICs and operators. It would allow consumers to book through a number of different channels and would be coordinated across the region.

Management Structure

Issue: It is critical that the right management structures are in place to ensure the implementation of a new business model and delivery of the plan.

Recommendation: A new management structure is proposed. This aims to align the Hunter Tourism Board with the plan's strategies, underpinned by the principles of being industry driven, accountable and adopting open communication with operators, Local Government and Tourism New South Wales.

Hunter Tourism Board members can enhance transparency and accountability by holding open meetings at the five product zones once a year and have a six monthly review and reporting system.

Making It Happen

Issue: The Hunter region has enormous tourism potential but to unlock that potential it needs to take a new approach to tourism as set out in this plan. This document sets out the broad issues but the Hunter Tourism Board needs to develop detailed business plans for funding and implementing the plan.

Recommendation: To assist in this process Key Performance Indicators (KPIs) have been developed for marketing, development, distribution and sales and management. KPIs have also been identified for the Hunter Tourism organisation and the CEO of Hunter Tourism.

below left: Newcastle

below: Lake Macquarie

bottom: Barrington Tops





For Further Information

To find out more information, or to obtain a copy of the Hunter Regional Plan, please contact:

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above: Hunter Valley
below: Upper Hunter Country

To find out more information about New South Wales' Regional Tourism Plans, please contact:

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Tourism New South Wales

The Hunter Regional Tourism Plan was prepared by Calais Consultants and Globe Consulting. The full plan is available at www.huntertourism.com.au/plan.pdf

