Southern NSW Drive Tourism Opportunities Assessment

DRAFT REPORT

Report prepared for Sapphire Coast Destination Marketing

June 2019

EARTHCHECK

DISCLAIMER

1.0 INTRODUCTION

1.1 Project Scope

Earthcheck was commissioned by Sapphire Coast Destination Marketing and regional partners to review opportunities for self-driving and touring in Southern NSW (DSSS and Destination Southern network areas)

Project scope includes:

- A review of existing proposals through a desktop review of existing route development concepts and documentation and telephone consultation with key stakeholders.
- A market review of forecasts and target markets, identifying trends relevant to the identified opportunity. Case study collation will further identify the common elements of leading touring routes.
- Identification of the problem/ opportunity through quantification of the market opportunity available.
- Specification of the touring route opportunities and potential solutions to the problem through desktop audits to identify key themes and experiences.
- Seeking consensus among stakeholders on vision and objectives
- Assessing the potential solutions/ options and agreed on a preferred development option; and
- Preparing a summary report.

1.2 Purpose of the Report

The report presents an objective assessment of opportunities to deliver the potential of the Southern NSW drive tourism market.

2.0 THE CURRENT SITUATION

Whale Watching, Merimbula Destination NSW,
images.destinationnsw.com.au

2.1 Strategy and Policy Alignment

A wide range of current policy and strategy directly supports and encourages the continued development of self-drive and touring activities. Key policies and strategies include:

Visitor Economy Industry Action Plan 2030, NSW Government

The VEIAP provides a high level framework with the ambition of growing the NSW visitor economy to achieve expenditure of $45 billion by 2025 and $55 billion by 2030. Relevant actions for self-driving and touring development include:

- 19. Develop and release a Statewide tourism infrastructure strategy to guide investment in state-owned tourism and nature-based, scientific, education, cultural, inclusive, recreation and entertainment facilities.
- 27. Prepare a tourist drive strategy and supporting marketing campaign to increase regional overnight visitors and expenditure.
- 28. Develop and implement a bypassed towns strategy. Commence pilot program including Berry, Holbrook and Macksville. Within six months of completing implementation, evaluate pilot outcomes and potential expansion.

DNSW are already directly supporting the sector, with significant marketing investment being directed to self-drive and touring propositions.

Statewide Destination Management Plan, NSW Government

Strategic focuses identified in the plan have strong resonance with continued development of drive and touring propositions, particularly:

STRATEGIC FOCUS 1:

Destination NSW will continue to take a leadership role in aligning Government and industry across the state to deliver the 2030 Visitor Economy Industry Action Plan and grow the NSW visitor economy sustainably, and raise the importance of the sector with all levels of Government.

STRATEGIC FOCUS 2:

Position the visitor at the heart of the NSW visitor economy by making best use of data and developing deep customer insights that drive destination development, management and marketing strategy.

STRATEGIC FOCUS 3:

Develop and deliver Statewide experience and product strategies in partnership with the destination networks.

Relevant KPIs include:

- Increasing overnight tourism expenditure in regional NSW
- Maintain/ grow regional NSW's share of domestic overnight visitors.

Tourism And Transport Plan Supporting The Visitor Economy, NSW Government

Four customer outcomes were co-developed with the NSW Tourism and Transport sector that align with the Future Transport 2056 customer outcomes. These outcomes are designed to guide the work of the NSW Transport cluster of agencies over the next decade.

- Enhancing the visitor experience: Meeting the transport needs of customers visiting our cities and regions means ensuring services are accessible, comfortable, easy to use and suitable for people travelling in groups, carrying luggage and travelling outside of peak hours and weekends to popular visitor destinations. New technologies will make planning, booking and paying for travel and wayfinding on transport services easier.
- Greater access to more of NSW: Transport is essential in connecting visitors to our cities and regions. By improving existing connections and expanding connections to new destinations, transport can create new visitor experiences across the state and support new industries and employment in regional communities.
- Making transport the attraction. Transport not only gets visitors to destinations but can also be an attraction in itself. Heritage tours, walking and cycling trails, and iconic journeys by road, rail and sea all contribute to attracting visitors to NSW.
- A seamless experience: When visiting NSW, our customers use a variety of both public and privately operated services to reach and explore their destinations. Seamless connections between airports, cruise ship terminals, mass transit services, on-demand services and car and bike rentals will enhance the experience for visitors. This experience is enabled by planning and coordination with private operators and across government within NSW and interstate.

NSW South Coast Marine Tourism Strategy 2019, NSW Government

The Strategy has been developed by the NSW Government, in partnership with the Illawarra Shoalhaven Joint Organisation and the local governments of Wollongong, Shellharbour, Kiama, Shoalhaven, Eurobodalla and Bega Valley. The Strategy is intended to be a connecting document that provides guidance for local, regional, state and Commonwealth governments; helping them together, to fulfil the potential of the regional's marine environment over 20 years.

The plan recognises that coastal experiences are consumed in large part by self-drive and touring visitors. Strategic directions set out in the document include:

- Strongly position the NSW South Coast's coastline and complementary culture and heritage, nature-based, food and drink experiences.
- Establish a network approach to delivering on the economic potential of the NSW South Coast.

Strong self-drive and touring propositions can make leading contributions to delivery of the Strategy's objectives.

Regional Destination Management Plans (Destination Networks)

The destination management strategies published by Destination Southern and Destination Sydney Surrounds South both prioritise the development of drive and touring opportunities. There is recognition in underpinning research that both regions are strongly dependent on self-drive as a key sector. Day visits are an important component of self-drive visitation for destinations such as Wollongong, Kiama and Shellharbour, with overnight trips growing in importance for most other destinations.

Local Governments

The region's local governments have a range of destination management, marketing and economic development plans in place. There is widespread recognition of self-drive and touring as development and marketing priorities.

Implications for the Future

If partners are able to reach consensus on a way forward to grow self-drive visitation and expenditure, a coherent Southern NSW/ South Coast self-drive proposition will directly deliver on a number policy agendas, aligning with funding opportunities.

2.2 Current Visitor Market

Current NSW Road Tripper Market

Road trippers are defined as fully independent overnight holiday visitors who had at least 2 stopovers on their trip. They travel by private vehicle, company car, rental car, self-drive motorhome or campervan. All statistics in this section of the report relate to this definition unless otherwise noted.

NSW received nearly 2.1 million international and domestic road trippers. They spent over 15.1 million nights in the State up by 5.9% on YE Dec 16. Road trippers spent an estimated $3.9 billion in NSW. If this definition is expanded to extend to self-drive in a broader sense, market size grows significantly.

Southern NSW received 467,700 international road trippers, equating to 11.0% of visitors and 6.2% of nights in NSW. The UK, China, NZ and Germany are the largest markets. South Coast NSW captured 17.5% of international visits and 4.6% of nights - a smaller proportion of the market than captured by the North Coast (34% of visits and 15%) of visits.

Domestic visitors dominate the market. NSW received over 1.6 million domestic road trippers. They spent nearly 9.3 million nights in the State. Over 14.5% of nights in the State by domestic road trippers were spent by those who returned home from the trip in January. September (12.0%) had the 2nd highest proportion, followed by October (11.9%) and April (10.3%).

The north of the region's proximity to Sydney means that day trips and short trips are proportionately more important than is the case for central and southern parts of the region where longer multistop trips and overnight visitors grow in volume.

Greater Sydney is the key source market for the majority of the region – for day trips, short self-drive journeys, and as the entry point to the region for the majority of international visitors. Canberra and the ACT region are of growing importance as a source market for trips to central and southern parts of the region

For destinations bordering and closer to Victoria, both Melbourne and regional Victoria also need to factored in as key source markets.

Length of Stay and Type of Trips

Based on DSNW's definition of a road tripper, international road trippers stayed an average of 12.5 nights in NSW, and domestic road trippers stayed an average of 5.7 nights in the State. '4 to 7 nights' (35.4%) was the most common length of trip amongst domestic road trippers who had been to the State. '8 to 14 nights' (31.6%) was the 2nd most common, followed by '2 to 3 nights' (17.0%). The South Coast captures 17.9% of visits and 14.1% of nights, compared with 34.3% of visits and 32.6% of nights.

The attractiveness of Melbourne and Sydney as leading global city destinations means that even without a coherent single touring proposition there are a proportion of visitors who choose to take a touring trip between the two cities as part of the overall trip experience.

For this market (those already travelling), we can seek to extend length of stay in the region, and through building overall awareness and appeal, make it a trip of choice for a larger proportion of the market. However, the reality is that the vast majority of the market take shorter trips, and if returning to and from the destination, triangular routes are the key to building attractiveness and appeal (rather than returning on the same route).

Awareness and Preference for Drive Experiences

TA and DSNW's consumer demand research tested interest and preference by international visitors on a range of leading Australian visitor experiences (including Grand Pacific Drive) comparing them with a selection of international experiences. Grand Pacific Drive performed strongly with factors such as spectacular coastline, great beaches, and enjoying seafood/local villages all being rated highly. Levels of appeal were strong in both Eastern and Western markets, with the ranking by Chinese visitors being particularly strong.

Future Trends and Demand Drivers to Consider

Considerations include:

- Continued development and evolution of ride sharing – affordable tour guiding services are already available.
- The Government's policy commitment to introducing electric vehicles is a reality. Although 2040 is someway off, car manufacturing technology is advancing quickly, and there will be growing numbers of electric vehicles on the roads over the next decade. This presents challenges and opportunities for longer distance touring routes - without increased car battery life and provision of charging points, long distance touring will not be an option. If looked at as an opportunity, if the region was able to develop a triangular touring route as electric vehicle friendly, this has potential to create an interesting niche. However the reality is that the investment in charging infrastructure would need to be driven by community priorities as the primary rationale with tourism usage supporting the investment.
- Driverless vehicles will be a reality on Australian roads – trials are already beginning. It is not difficult to foresee how adoption of this type of technology could be developed to include tailored or self-developed touring itineraries.
- Continued growth in traffic volumes, with growth in congestion likely - quality of visitor experience has the potential to suffer.
- Continued RV sales growth with increasing size of vehicles and growing in technology/self-sufficiency.
- A rapidly maturing Asian visitor market with journeying outside the must-see destinations expected to grow. DNSW and TA's focus will increasingly be on high value traveller segments.
- Unless the view from the road is genuinely spectacular - the motivation to get travellers off the highway or choose a journey will continue to be great experiences.

Implications for the Future

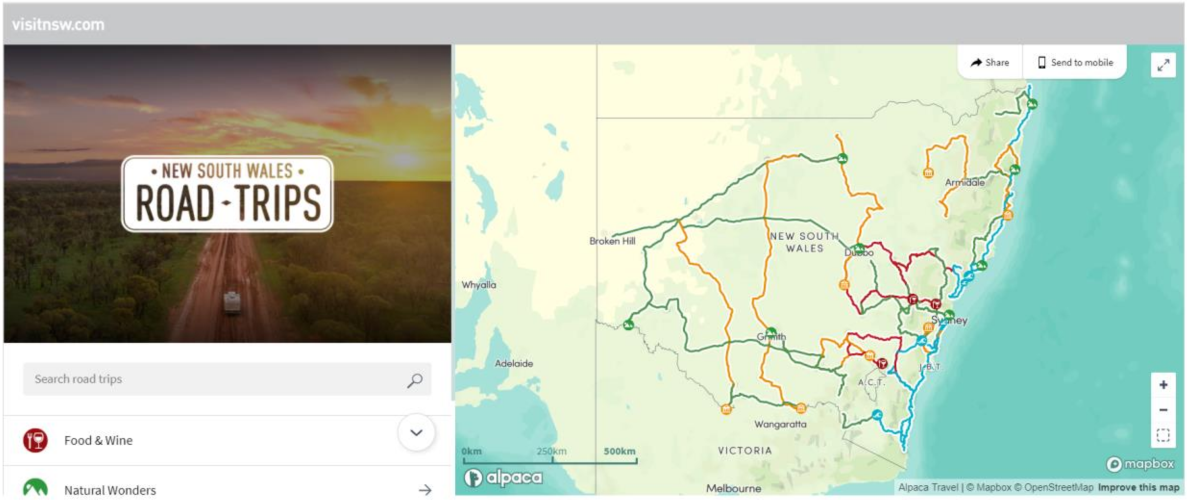
The region already captures a significant proportion of the State's international and domestic road trippers, but lags behind North Coast's market share. There is potential for the region to capture a greater proportion of the State's road trip visits and nights, as well as generate new inbound trips. The international market offers opportunities; however, most regional destinations initial priority is likely to be in growing domestic markets.

Grand Pacific Drive has the benefit of previous investment and a long-established presence in the market, with research showing strong preference levels among international visitor, and the region is a part of the Sydney-Melbourne journey. The investment that has gone into these initiatives provides a great starting point for continued development.

2.3 Touring and Self-Drive Propositions Currently Available to Visitors

The region has a range of drive and touring options in place, including:

- Grand Pacific Drive (managed by Destination Wollongong including content on coastal destinations from Wollongong to the NSW border)
- Sydney-Melbourne Touring – coastal and heritage routes
- DNSW Tourist Drives (Grand Pacific Drive, Tablelands Food and Wine Trail, High Country to Cruising Coast, Sydney to Melbourne Coastal Drive, Heritage Highlights).



- A wide range of local drives, loops and itineraries are presented by individual destination management organisations and local governments

A review of destination websites suggests that published drive itineraries are based on the following experiences and characteristics:

- Nature, natural beauty, wilderness
- Beaches, picture-perfect beaches
- Picture perfect stops,
- Laid back and interesting towns, relaxed seaside towns,
- National Parks, waterfalls, coastal scenery
- Sea Cliff Bridge
- Scenic lookouts, breathtaking views
- spectacular coastline
- Great food and wine
- Surfing

Many of these characteristics and themes are shared as the basis of experiences featured in the #Unspoilt marketing initiative.

Implications for the Future

The region is largely accessed as a self-drive our touring destination – most destinations are already engaged to varying extents in promoting self-drive and touring propositions. A wide range of touring options are already available to visitors, albeit they are largely delivered individually without coordinated management.

Grand Pacific Drive is the proposition with greatest market recognition.

Albeit most visitors take shorter touring trips, the region benefits from being part of the Sydney to Melbourne journey.

2.4 Coordination and Governance

At present, co-ordination of a region-wide approach for drive and touring is absent. Co-ordination and involvement is fractured.

Key stakeholders involved include:

- NSW Government
- DSNW
- DSSS and Destination Southern Networks
- Destination Wollongong
- Individual local governments
- Sapphire Coast Destination Marketing
- Sydney Melbourne Touring
- Individual businesses – larger enterprises and SMEs.

Along they are not directly involved in drive tourism at the moment, co-ordinating bodies such as the region's joint organisations (JOs) are also potential future stakeholders should the region decide to work together to develop the sector's potential.

Feedback from stakeholders showed strong interest in developing the potential of touring and self-drive. There is recognition that whether its self-drive day visitors or multi-night touring trips, self-drive is how must visitors consume and access visitor experiences throughout the region. There is also recognition that lack of a collective vision and collaboration means that opportunities to grow visitation and expenditure are being missed.

Considerations include:

- Grand Pacific Drive is the touring proposition with the highest profile and market recognition, benefitting from major previous investment. TA/DNSW's consumer demand research shows strong interest and preference levels from some international market
- The 'product' is owed by Destination Wollongong who continue to invest however active collaboration has ceased.

What is stopping more effective co-ordination?

- Multiple stakeholders and jurisdictions over linear touring routes create political and logistical challenges
- Difficulties in quantifying the economic benefits to individual regions, stakeholders or businesses
- Varying resource availability among stakeholders
- Self-drive and touring activity is on tourism management and marketing agendas across the region, but the level of local priority varies. Drivers such as growing overall demand, focusing on shoulder and off-peak periods vary across destinations.

Implications for the Future

Pre-requisites for delivering the potential of self-drive and touring on the South Coast/ southern part of the State are a clear vision and objectives for delivering untapped potential – by necessity, this needs to include consensus on roles and responsibilities and agreed management and co-ordination mechanisms.

The visitation and expenditure potential of touring opportunities will not be delivered without agreement on a pan-region approach.

Initially, a priority should be for NSW partners to build a strong collaborative approach, prior to investigating cross-border Sydney-Melbourne touring opportunities.

2.5 Best Practice in Leading Drive Destinations

Common themes in top driving routes

An Integrated Approach

- Successful touring routes such as the Great Ocean Road and now the Wild Atlantic Way have one thing in common - they take on a life of their own. They are more than just signs on the road or a marketing brochure, they are embraced by visitors, communities and businesses.
- Routes where the gazetted name of the road and the touring route are the same have higher consumer recognition, e.g. Great Ocean Road and New England Highway.

Stories & Themes

- Marketing research has shown that consumers need between 7-11 touch points to recall a message or brand. The best journeys have an inspiring story that connects the route and the people who live along it. The Great Ocean Road uses its history to draw together the 'story' of the journey and deliver it at iconic locations gives visitors (and journalists) something to share post-trip.
- An example of a touring route that failed to create a unique selling point is 'Australia's Country Way' linking Sydney and Rockhampton via the New England Highway. The theming has not been embraced by the customer, and the name New England Highway remains the better known brand.

Traveller.com.au – Top 10 Routes

1. Route des Grandes Alpes, France
2. Stelvio Pass, Italy
3. Route 66, USA
4. Pacific Coast Highway, USA
5. Icefields Parkway, Canada
6. Hidden Highway, UK
7. The Garden Route, South Africa
8. The Ring Road, Iceland
9. Southern Scenic Route, NZ
10. Great ocean road, Australia

Top Routes – Frequently mentioned…

- Wild Atlantic Way, Ireland
- North Coast 500, Scotland
- Seven Mile Bridge, Florida Keys
- The Atlantic Road, Norway
- Karakoram Highway, China/Pakistan
- Amalfi Coast, Italy
- Ruta 40, Argentina

Consistent Signing And Collateral

- Some touring loops and routes exist without the use of signage at all; however the use of signage and branding reinforces the brand message and improves brand awareness. Research by Tourism and Events Queensland (2009) tracked the brand recognition of a range of Queensland touring routes. Those routes where the gazetted road name was used had the highest recognition, followed by those with fully integrated route signage with road direction signage.
- While the ultimate purpose of road signing is traffic management and safety, a well-managed tourist signing system can effectively communicate regional brand messages to visitors, meet commercial needs of tourism operators, and help to create a unified visitor experience.

- Most routes use traditional signing but options include road printing – Route 66, and billboards (visuals).
- Effective wayfinding and reasons to get off the highway. The Wild Atlantic Way is both well-signed and easy to navigate to build visitor confidence to explore the more than 157 discovery points.

Integration Of Visitor Information

- Tasmania's East Coast drive has integrated VICs into the strategic provision of information - VICs sell the entire route.

Interpretative Information

Ireland's Wild Atlantic Way includes 157 'discovery points' (which include visitor centres), where drivers can stop and learn more about the must-sees and lesser-known diversions of this fascinating area. The best 15 signature discovery points give the visitors an indication of must see places they should plan their trip around. A further list of 150 hidden gems includes "secrets shared by locals" that reveal the culture, creativity, music and food inspired by a life along the coast.

What makes the very best road trips iconic?

Reviewing the world's best/most popular touring routes, a number of common themes are apparent:

- A thrilling drive on challenging roads – mountain passes and coastal roads that cling to the cliffs
- Wow factor – great landscapes and views
- Must see experiences on route
- Rites of passage
- A means of doing destinations – linear routes with obvious start and endpoints
- The very best have brand values and recognition attached

2.6 Funding Opportunities for Development of Self-Drive and Touring Propositions

Sector development could potentially require investment in a number of areas including:

- Co-ordination, partnership and management
- Marketing
- Business development
- Digital platforms
- Visitor information and interpretation
- Product and experience development
- Hard infrastructure i.e. wayfinding, signage, interpretative materials, rest areas/ parking,
- New experience development etc.

Sources of support could include:

Mainstream tourism marketing and development funding from DNSW and the NSW Government including:

- Regional Cooperative Tourism Marketing Program
- Regional Tourism Fund
- Regional Growth – Environment and Tourism Fund

Regional Development Funds

- Building Better Regions Fund

Dependent on how initiatives are develop, there is also the potential to seek co-funding for specialist areas such as charging infrastructure for electric vehicles (https://future.transport.nsw.gov.au/sites/default/files/media/documents/2019/Future%20Transport%20NSW%20Electric%20%26%20Hybrid%20vehicle%20plan.pdf) etc.

Implications for the Future

At its most straightforward, there are short term opportunities to work with DSNW on co-operative marketing initiatives, and mainstream tourism state funding sources have the potential to support incremental development (ideally within an agreed overall framework).

There are opportunities for business case development to be based around initiatives which contribute to delivery of DNSW targets on visitation, expenditure, and profile and awareness.

For larger scale or implementation involving infrastructure across a number of local governments, larger economic development grants such as BBRF will be better suited – in this case, business cases would need to be based around KPIs such as new expenditure and support for employment.

3.0 ISSUES AND OPPORTUNITIES

3.1 SWOT Summary

Strengths

- Large source visitor markets (Greater Sydney and Canberra)
- Large-scale existing self-drive and touring activity - with a broad definition of self-drive, it forms the bulk of existing visitor markets. Most destinations promote drive and touring propositions to varying extents
- Forecast visitor market growth – international and domestic. In international markets, Asian growth markets are expected to expand visitation beyond capital cities
- The region is part of a well-established touring proposition (Sydney – Melbourne)
- State regional and local tourism policy and strategy is supportive of developing drive tourism propositions that fit with visitor demand
- DNSW have a renewed long-term priority for drive tourism
- Network of existing drive and touring routes are in place
- Lead stakeholders are seeking opportunities to move forward on the issue
- Grand Pacific Drive is the most well-established touring proposition – benefitting from previous investment, infrastructure which is in place and strong preference and interest levels in international markets.
- Tourism Australia profiles Grand Pacific Drive at international level
- Strong commonality and recurring experience themes throughout the region - coast (surfing, beaches), landscape, adventure and activities, heritage, food and drink, arts and culture.
- The Sea Cliff bridge and destinations such as Jervis Bay provide particularly strong iconic imagery which drives interest and recognition - companies such as BP and Qantas have readily been using imagery in their own promotions and marketing.

Weaknesses

- Debate is largely being driven by public sector agencies, with limited input from businesses
- Multi-jurisdiction linear routes present partnership challenges - individual ownership of products, experiences and destinations
- No formal region-wide collaboration on development, management and marketing of drive and touring
- No single unifying vision for self-drive and touring in the region at present
- The region is a large geographic area – although it is accepted that 'a rising tide floats all boats', the level of perceived benefits from investment in regional touring initiatives varies - evidence is required to make the case for investment
- Varying priorities and resources at local level presents challenges in committing to a regional initiative
- A challenge for all touring routes is securing 'fair buy-in'- freeloading by non-participants is a concern
- Piecemeal investment in drive propositions and marketing at present
- Relatively small marketing budgets available at local level with competing demands for investment
- Limited interstate collaboration at present outside Sydney Melbourne Touring (including its business and local government partners)
- With regard to coastal routes – the main route does not always follow the coast - the great driving routes of the world often thrive on spectacular coastal driving experiences
- Unless the view from the road is genuinely spectacular - the motivation to get travellers off the highway is great experiences. Sea Cliff Bridge, Jervis Bay, Batemans Marine Park, whale watching etc have strong recognition however new products and experiences are required to drive demand
- A limited range of commissionable and international-ready products in Southern NSW - presents challenges for DSNW and TA
- Data suggests that most trips tend to be relatively short - looped/ triangular itinerary options are required
- Limited understanding of consumer perceptions, motivations and behaviours – TRA data only tells us so much about drive/touring activity, especially at local level.

Opportunities

- Major national and international airport gateways are on our doorstep – a great opportunity to entice visitors to turn south
- Market trends are positive - drive and touring visitation are set for continued growth
- Potential funding opportunities are available to support marketing and product development if positive business cases can be made
- Growing self-drive and touring visitation can contribute directly to the NSW Government's high-level tourism KPIs
  - Grow the South Coast/Southern NSW's market share of visits and nights
  - Attract new visits and nights to NSW
- Sydney Melbourne Touring largely has a trade focus at present – working with partners, there may be potential to investigate development of a customer-focused proposition
- As a region, there is clearly a need for more effective collaboration i.e. a consumer centric approach to investment and management
- Potential for greater cross-border collaboration where clear demand/ ROI business cases are presented - local, regional and state destination management and marketing bodies in Victoria, NSW and ACT are all active in promoting and developing drive and touring propositions. Cross-border commissioners have a role in play in addressing challenges and opportunities
- Organisations such as the Joint Organisations and Destination Networks are well placed to help drive strategic change in terms of more effective collaboration
- The increasing ability for consumers to choose their own journey - making content available across platforms and distributors is essential
- There is an opportunity to build an evidence base as the basis of developing business cases and securing business buy-in – development of Ireland's Wild Atlantic Way started with market testing to identify the proposition that had greatest international cut-through
- The need and opportunity for an experience development-based approach – some self-drive activity is driven by consistently great landscapes; however, visitation and demand will largely be driven by great experiences. Building on the priorities identified in network and local destination management plans – future development should be based on a clear-sighted approach to growing the quality, depth and range of experiences as key demand drivers
- Building on existing success should be the basis for moving forward – in the short term, there seems to be little appetite for developing a completely new regional driving route proposition. Existing propositions which have resonance in the market such as Grand Pacific Drive should be at the heart of coordinated efforts going forward. However, to be confidence for partners to buy-in, an overarching umbrella approach may be required. For instance, Victoria's Great Southern Touring Route includes the Great Ocean Road as a hero experience, and similarly Ireland's Wild Atlantic Way has the Ring of Kerry as a hero touring route.

Threats

- Failing to make the most of the region's collective investment and lower ROI - all agencies (DNSW, destination management organisations and local governments) are investing in the promotion and marketing of self-drive and touring to varying degrees)
- Lack of collective action will mean unfulfilled potential
    - Failing to capture the region's potential market share of existing self-drive and touring visitors in the State
    - Failing to grow average length of stay in the region from longer touring trips
    - Failing to contribute fully to NSW's objectives to attract new interstate and international visitations and expenditure
- Dropping market share for interstate and international visitation - other states are making renewed efforts to build drive propositions I.e. Great Eastern Drive in Tasmania, new funding support for Great Ocean Road experiences (City Deal)
- Increased traffic congestion is a reality - mitigating plans will be required if visitor experience is to be maintained. Tools such as dispersal (different routes, timing etc) will be required
- A gradual move to electric vehicles presents a threat to longer touring propositions if investment in charging infrastructure does not take place

4.0 Recommendations

Tathra Hotel: Destination NSW,
images.destinationnsw.com.au

4.1 Recommendations

Analysis of stakeholder feedback and market research has informed a series of recommendations based around maximising growth opportunities for self-drive and touring visitation in the region.

Recommendations relate directly to the region contributing to Statewide Destination Management Plan Objectives:

- Increasing overnight tourism expenditure in regional NSW
- Maintain/ grow regional NSW's share of domestic overnight visitors.

1. Stakeholder Consensus on Building the Economic Value of Self-Drive and Touring Propositions

There has been broad consensus from stakeholders consulted during preparation of this report that simply maintaining the status quo will result in the region and state as a whole, missing out on economic opportunities arising from visitor activities and expenditure. All destinations have self-drive and touring as part of their visitor markets to varying degrees, and through working together based on a common set of objectives, we can improve return on investment:

- In the short term: taking advantage of existing initiatives and investment to generate improved return on collective investment. Regional partners should seek as an initial step to develop a co-operative marketing program based on an agreed outcomes framework
- In the medium to longer terms: investigating development of a larger scale initiative which has the potential to establish a major new experience for the region and NSW.

2. Vision and Rationale

The recommended vision is straightforward - collective action which delivers the economic potential from self-drive and touring visitor markets in the region

The rationale for collective action is based on economic growth and contributing to local, regional and State tourism KPIs:

Tourism Visitation and Economic Value

- Increasing overnight tourism expenditure in the region
- Maintain/ grow the region's share of NSW's domestic overnight visitors.

Targets can be placed in the context of the ambitions expressed at State level and in the destination network plans. It is recognised that individual parts of the region have their own KPIs and strategic directions, therefore it is anticipated that a broader suite of targets and measures will be required, based around:

- Growing average length of stay
- Growing day visitor visitation where appropriate to destinations
- Growing yield/ spend per customer
- Growing shoulder and off-peak visitation where appropriate to destinations
- Visitor satisfaction

Targets can be applied to existing visitors (growing spend and ALOS) and new visitors.

Clear economic targets are essential for partners and external funders to determine the value of investment. Further investigation is necessary to determine exact targets but if DSNW's definition of road trippers is adopted, it should be possible to express targets in terms of market share, new visitors and expenditure. For instance, growing the region's share of international and domestic road trippers from 11% and 14.% in 2016 to 15% and 20% by 2025.

If a broader definition of self-drive is considered to better reflect how visitors consume visitor experiences throughout the region, similar types of measures and KPIs can be established.

3. Co-ordination and Leadership

Lack of coherent leadership is one of the issues which is currently preventing opportunities from being progressed. A wide range of jurisdictions are covered, presenting challenges in terms of:

- Existing initiatives and commitments being in place
- Varying local destination management priorities, KPIs, and local stakeholder expectations
- Recognition that potential economic benefits will vary from destination to destination
- Limited resource availability to contribute time to developing tourism initiatives outside individual local government boundaries
- The conversation is largely contained to the public sector at present, with business inputs being minimal.

A recommended way forward is proposed:

I. Form a small project steering group consisting of the two destination networks and representation from a maximum of three local governments and destination marketing organisations. The group would be charged with
    a. Developing an outline business plan and potential external funding opportunities to realise the tourism growth opportunities
    b. Creating the evidence base which demonstrates the opportunities available in terms of ROI and market growth

II. If scope to take the opportunity forward within existing local government and destination network resources is not available (individual LGAs undertaking to provide officer time to lead identified tasks), investigate the opportunity for the Destination Networks and the region's Joint Organisations to work together to develop the initiative further. This type of approach offers benefits in terms of:
    a. The ability to take decisions and commit new resources if necessary
    b. The ability to take a strategic, region-wide view
    c. The opportunity to scale up the project and shape implementation support to suitable funding opportunities.

Without action in this area, it is unlikely that significant progress can be made.

4. Determining the lead touring proposition

At present, the region does not have a single unifying proposition. Grand Pacific Drive has benefitted from previous investment and has the strongest market recognition and preference levels, however, south of Nowra, affinity with GPD decreases Partners to the south of the region continue to work with Sydney Melbourne Touring, and look towards ACT as an increasingly important source market.

Stakeholders consulted during preparation of this report did not have a single unified view on the most appropriate consumer facing messages to lead with. Customer sentiment and lessons from successful touring routes elsewhere should be taken on board. This leads to a recommendation that as part of business planning:

I. In the short term, Grand Pacific Drive has the best current market traction and messaging and would seem to be best placed to be a hero proposition, from which other touring opportunities can be built around
II. The region is part of a touring proposition between Sydney and Melbourne, and should continue to take advantage of being part of this journey
III. Ideally the region would have one unifying touring proposition which offers a clean solution for stakeholders to buy into, and importantly, resonates with customers in target markets. Options to consider in business planning include;
    a. Extending Grand Pacific Drive to areas south of Nowra
    b. Embracing a consumer-focused version of Sydney-Melbourne Touring
    c. Determining a new overarching touring proposition - the example of the Great Southern Touring Route with Great Ocean Road as its hero experience is perhaps a good example of the type of solution which could be developed. This would allow the existing hero route to continue to be developed while providing an umbrella for coastal and inland touring propositions and themes.

    As a rule of thumb, customer sentiment should be the key decision making factor, rather than an administrative boundaries.

5. Taking an Experience-based Approach

Great experiences are at the heart of driving demand for touring and road trip experiences. The need to invest in existing experiences and attract investmetn in new experiences is noted in the region's Destination Management Plans and in State Strategies. Alongside investing in development and marketing of a touring proposition that resonates with markets, attracting new and improved experiences is likely to be the most important demand driver.

Building on the priorities identified in the region's destination management strategies, it is recommended that an experience development framework be established as a core element of overall business planning.

6. Target Markets and Development Activity

Analysis indicates that there is growth available from international and domestic markets, albeit with their relative importance varying between destinations. Domestic markets are proportionately more important to most destinations – a strong inference as to where marketing investment should initially be directed. Activity which helps develop the short term potential of existing touring propositions includes:

- Agreement on hero propositions and how supporting routes and experiences are promoted.
- Content is king - if visitors are to be given the opportunities to pick their own experiences, content needs to be made available to them - an appropriate platform is necessary

- Targeting marketing to identified domestic and international markets
- Trade focus to support growth in awareness and distribution
- Focusing on growing international business-readiness as an enabler where the marketing focus is on target international segments
- Proactive distribution of content and imagery - companies such as Qantas and BP have shown readiness to feature Grand Pacific Drive in their promotional activities
- Data and intelligence which demonstrates the benefits to businesses and public sector partners.

7. Longer term development opportunities

Subject to full feasibility analysis there may be opportunities for larger scale development opportunities in the medium and longer terms, in a similar style to Ireland's Wild Atlantic Way. In this example the Irish Government determined that individual destinations were not generating the necessary cut through in international markets, and that a new approach was necessary. Wild Atlantic Way was a major new program, built on a new brand (that was backed up with market demand evidence) and delivering via comprehensive signing, new interpretative experiences, brand collateral and experience development planning.

- The ambition for a major touring operation between Sydney and Melbourne which incorporates:
    - Brand development supported by appropriate consumer feedback
    - Signage and supporting interpretative collateral
    - Trade and consumer marketing focus
    - Focus on generating buy-in from businesses.

8. Opportunities for Innovation

Driverless vehicles and growth in electric vehicles will be a reality in the short to medium term. As part of business planning, there may be opportunities to explore developing a competitive edge for the region:

- As part of a broader community or economic development focused program, investigate the feasibility of establishing charging infrastructure which enables a triangular or touring loop to be accessible by electric vehicles. While the business case for this type of investment is likely to be driven primarily be other policy objectives, there is potentially an opportunity to provide a tourism experience in the region which is at the leading edge of implementation of this type of infrastructure. It may offer potential from a PR perspective as well as offering a competitive edge, particularly if packaged with hire car companies (when they include electric vehicles as part of their range), and other sustainable experiences.