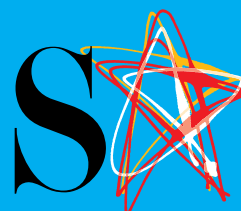


Your guide to developing Tourism Products & Experiences

SOUTH AUSTRALIA



South Australia.
A brilliant blend.



SECTION ONE

An overview of tourism in South Australia

Tourism is a major economic generator for South Australia, responsible for more than 53,000 direct and indirect jobs state-wide, as well as for pumping \$4.6 billion in direct visitor expenditure into our State's economy annually. It is also an exciting sector experiencing healthy growth, which offers excellent opportunities for the right investors to work with the South Australian Tourism Commission (SATC) in order to ensure long-term gains for both the investors and the State as a whole.

Domestic visitors spent \$3 billion in South Australia in 2009 – a year-on-year rise of four per cent, compared to an Australia-wide decline of five per cent in expenditure for the same period. Similarly, expenditure by international visitors jumped 23 per cent for South Australia in 2009, compared to a rise of just three per cent for Australia as a whole.

The success of the SATC's multi-year domestic tourism marketing campaign – the biggest in the State's history, is underlined by research which shows that for every dollar we have spent on this campaign, our target market has spent \$8 travelling in our State.

Tourism growth is evident, as well, in the growth of international passenger traffic at Adelaide Airport, which

has more than doubled since 2003, and the 450 per cent increase in South Australian cruise ship arrivals since 2004-05.

South Australia's brand strategy is based on the consumer perspective. It identifies the state's core attributes, the rational benefits delivered to visitors and the emotive responses derived from a South Australian holiday experience.

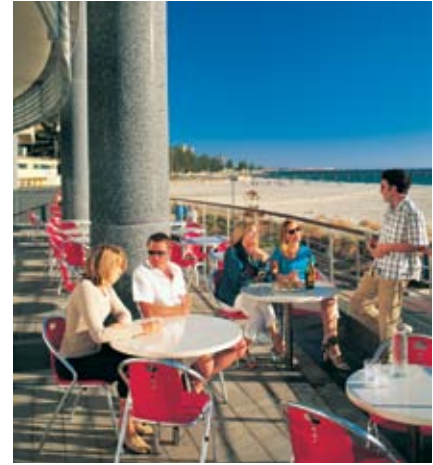
The core attributes of South Australia upon which the brand is being built are:

- Its enterprising tradition of creativity and innovation;
- Being the home of exceptional wine and produce;
- Its beautiful city and a festive spirit; and
- Experiences of unspoilt nature at close proximity.

These attributes can deliver both rational and emotive benefits to the visitor.

Based on these core attributes and benefits, South Australia seeks to establish a brand position in the national and global marketplace as "a vibrant and welcoming place that celebrates the good things in life." It is important to note that this is not a tagline or advertising campaign, but a core promise that is reflected in our communication messages.

The SATC's activities, developments and innovations are guided by *The South Australian Tourism Plan 2009-2014*, which clearly maps out how we will bring about tourism growth to reach our \$6.3 billion tourism target, and we look forward to working with like-minded investors to create new, sustainable tourism developments which will assist us to reach our goal.



SECTION TWO

Defining the tourism development concept

There are many factors that contribute to a successful tourism development. These factors include having a concept that meets market demand, uniqueness of the place, nature of the experience, access to finance, feasibility analysis, environmental responsibility, community support, cultural sensitivity, control of construction costs and so on.

While all are important considerations, there are three factors that are fundamental to achieving a successful tourism development concept:

1. Understanding your market
2. Developing desired experiences that will appeal to your target market
3. Connecting with the location

Each of these three elements is interrelated, and they all need to be aligned to create a successful sustainable tourist development. Creating a tourism development can start with any of these. One might have a special site in mind, or want to offer a unique experience, or see an opportunity to satisfy a particular market. The beginning point is not important. What is important is to make sure these three critical factors are aligned.

1. Understanding your market

The success of new tourism developments depends on supplying people with experiences they want. Different people want different experiences, and are prepared to pay different amounts. To succeed, a new tourism development needs to be targeted at a group of people with similar desires. It cannot be all things to all people.

The target market needs to be well defined. The better the target market is understood, the more likely the product will meet customers' needs and be more cost effective to promote the product to them.

It is important to understand the market that currently visits the state, region and locality within which the development is to be located.

The answers to the following questions can be found in the State or Regional Tourism Profiles available from the SATC's corporate website:

www.tourism.sa.com/publications

South Australia is divided into twelve tourism regions; Adelaide, Adelaide Hills, Barossa, Clare Valley, Eyre Peninsula, Fleurieu Peninsula, Flinders Ranges and Outback SA, Kangaroo Island, Limestone Coast, Murraylands, Riverland and Yorke Peninsula.



Q: How many people visit SA?

Look at this question from a regional perspective and then break it down to a more specific town or area if the data is available.

Q: Why do visitors come to SA?

What are the broad visitor preferences, expectations, or needs? Most might come to holiday, but do they come to escape and unwind, or are they on a sightseeing tour? Are they dropping in on their way to somewhere else or visiting friends and relatives?

Q: Where do they come from?

Of those who visit SA, what proportion comes from a specific region, city, interstate, or overseas?

Q: Who are they?

The types of visitors can be understood in a number of different ways. For example:

- *By place of origin*
- *Demographic profile (age, life cycle stage or travel group)*
- *Psychographic profiles (values, attitudes and lifestyles that determine consumption patterns)*
- *Holiday typology (travel behaviour e.g. short break, getaway, touring).*

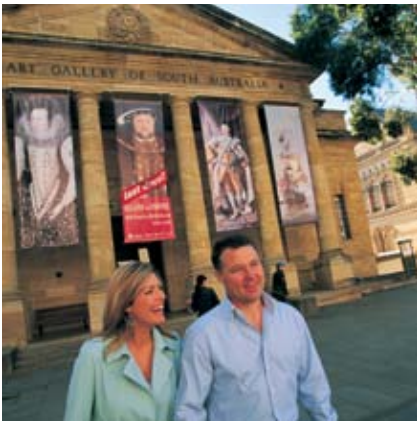
Q: Where do they stay?

Do they tend to stay in caravan parks and camp grounds, hotels, bed and breakfasts, or with friends and relatives? In addition to understanding the current market, it is also important to examine what 'competition' there will be for the proposed development within this market and how it can differentiate itself from this competition. These analyses seek largely to establish what share of the existing market the development can achieve and how, through collaboration with other products, it can help grow the regional/local demand at the same time.

Once the market is understood, a market segment can be chosen as the target market. In essence, the target market is a clear description of the customer. The target market needs to be well-defined and there are many ways to do this, including the demographic profile, the psychographic profile and the holiday typology.

Identifying a target market in this way does not limit the market. If the development appeals to a core market others will also come so it's important to identify other potential markets also.

Though the marketing, promotion and distribution to the target market is not discussed within this publication, it is important to remember that a tourism development's most powerful marketing weapon is word-of-mouth and the memories that the visitor takes away with them and shares with others.



The SATC's Target Market

Tourism Australia has identified the Australian Experience Seeker as their primary target group of Australian travellers. Australian Experience Seekers enjoy travelling both interstate and overseas. They tend to spend more on holidays – on average more than \$3,000 per person per trip. They represent 18% of those who have a preference for both interstate and overseas holidays but contribute about 70% of spend by this group¹.

The South Australian Tourism Commission's domestic marketing is aimed at a core group of Australian Experience Seekers, referred to as "Greg & Helen".

What we know about Greg & Helen:

- They are aged 35-64
- There are over 550,000 in Australia
- Most are empty nesters or retirees
- Most are university-educated
- Most come from capital cities – predominately Melbourne and Sydney
- They are exceptionally computer savvy & like to keep up with technology

How do Greg & Helen live?

- They are financially stable and savvy
- They enjoy food from around the world and are drinkers of premium beer & wine
- They are intelligent with their finances and live an active lifestyle
- They enjoy galleries, theatres, department stores and luxury cars
- They value quality but aren't pretentious

How Greg & Helen are likely to holiday:

- They have travelled extensively and have done the "flashy stuff" (Europe etc)
- They search for active, immersing experiences
- They are stimulated by new sights & sounds and touch, not stand and look
- They are after new things to do
- They are after unique and emotional rewards
- South Australia is one of the many experiences on their list

¹ Tourism Australia: Domestic Experiences Seekers 2010



2. Developing desired experiences that will appeal to your target market

In tourism, the key to what you have to sell (the product) is the experience.

Visitors are seeking experiences that are different, authentic and compelling, and that evoke emotional responses. They travel to gain an experience they cannot get at home.

Visitors may seek adventure, enlightenment, relaxation or all three. They may want something to brag about when they get home and to provide pleasant memories thereafter.

It therefore makes sense that creating the 'experience' should underpin all aspects of the development's brand philosophy and delivery.

A successful development is more than the sum of the buildings, facilities, activities and services provided. It is about giving the consumer benefits at an emotional level.

To deliver these crucial emotional benefits, the designer must go beyond the technical or 'scientific' aspects of development, dealing with buildings, facilities and services; he or she must create a setting for experiences.

"Truly authentic experiences distinguish a destination from its competitors and the perceived opportunity for such experiences can attract visitors to a destination. Experiences are the drivers and motivators of our target audience, which will generate greater conversion and involvement with the destination and lead to increased dispersal and spend.

Tourism experiences are generated by the people met, places visited, activities participated in and memories created from travel, particularly through watching, tasting, smelling, touching, listening to and being part of the culture or lifestyle that is distinctly different from everyday life.

For the Experience Seeker it extends beyond a single activity and is a combination of experiences that reach an individual's deeper needs and desires"²

² Australian Experiences Industry Toolkit V1, Tourism Australia 2006



3. Connecting with the location

Tourism is an industry that is reliant on a strong sense of place. The natural or cultural values of a place are the primary resource that provides visitors with a reason to visit.

The tourism experience of a place occurs in three related settings:

- The locality (city or regional)
- The site
- The facilities on the site

Collectively these three related settings contribute to the tourism experience and overall 'sense of place'.

A good example of these three related settings contributing to the tourism experience is Southern Ocean Lodge, Australia's first true luxury lodge, offering a unique and exclusive travel experience on Kangaroo Island. Floating atop a secluded cliff on a rugged stretch of coast, the lodge commands peerless views of the wild Southern Ocean and pristine Kangaroo Island wilderness. Its location, stunning views, contemporary environmental design, locally sourced food and beverages, personalised interpretative activities and modern wellness spa ensures its status as a South Australian icon.

www.southernoceanlodge.com.au

Another good example is McLaren Vale Studio Apartments, located in the main street of McLaren Vale on the Fleurieu Peninsula. These six modern apartments are linked to local wineries through a 'sponsorship' arrangement by distinguished McLaren Vale winery partners that provide a complimentary premium bottle of their wine in each apartment. This is a great example of how an accommodation provider can offer a value-added experience, linking the guests to the local wine region.

www.mvsa.com.au

Having found the right setting, it's important to create facilities that enhance and build on the 'sense of place' that already exists. In other words, try and capture the essence of the place in design. There are many ways to do this – whether it's creating a special sense of arrival, making the most of an outstanding view or using local building materials.

In providing facilities and activities for visitors, special care must be taken not to have an impact on the resources or qualities that the visitor comes to experience. Adopting a sustainable approach to design is important. Sustainable design starts by preserving the qualities that make a place special.



SECTION THREE

Key Questions to be asked

Before proceeding with development of a tourism venture, there are some key questions that need to be asked (and answered).

Understanding your market

- Q:** How does this project fill a gap in the market – can you demonstrate if there is proven (or researched) demand from consumers which is currently not being met?
- Q:** Who are your target markets and how will the tourism development appeal to them?
- Q:** What are the competitive advantages of your development?

Developing desired experiences that will appeal to your target market

- Q:** What exactly is the tourism component of the development and what tourism experiences will be offered?
- Q:** Has anyone tried to develop a similar project in the region, if so, were they successful?

Connecting with the location

- Q:** How will the tourism development enhance the visitor experience to the chosen location/region?
- Q:** How will visitors access the site? Will there be a need to upgrade existing infrastructure to improve access, such as road networks, airports or boat/ferry terminals?
- Q:** What added value does your development bring to enrich the tourism experience?

In Summary

Does the proposed tourist development provide a target market with a desired experience in the right place? If it does, the development is a long way along the path to success.



Master Planning

A master plan is a document that describes, in narrative and with maps, an overall development concept. The master plan is used to coordinate the preparation of more detailed plans or may be a collection of detailed plans. The plan may be prepared by local government to guide private and public development or by a developer on a specific project³.

The master plan aids in the understanding of how all parts of a development are interrelated and can be a useful tool in the prioritising and planning of resources and effort.

The master planning process is a collaborative, integrative and consultative process and the SATC can participate in this process by providing representation on project reference groups.

The SATC also has specialists in various areas that can assist with economic analyses and feasibility studies by providing input from a tourism perspective.

³ Dictionary of Real Estate Terms 2004

Master planning considerations:

- Undertake extensive consultation with the local community, councils, State Government and key stakeholders
- Establish objectives and a clear vision for the project
- Form project reference group/s to help steer the project
- Conduct a thorough feasibility study including market demand assessment, environmental impact, research and financial analysis
- Consider forming an independent design review panel

FURTHER INFORMATION AND ASSISTANCE

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