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Destination Marketing and Appeal Branding: Growing Yield in the City Holiday Market

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Growing Yield in the City Holiday Market

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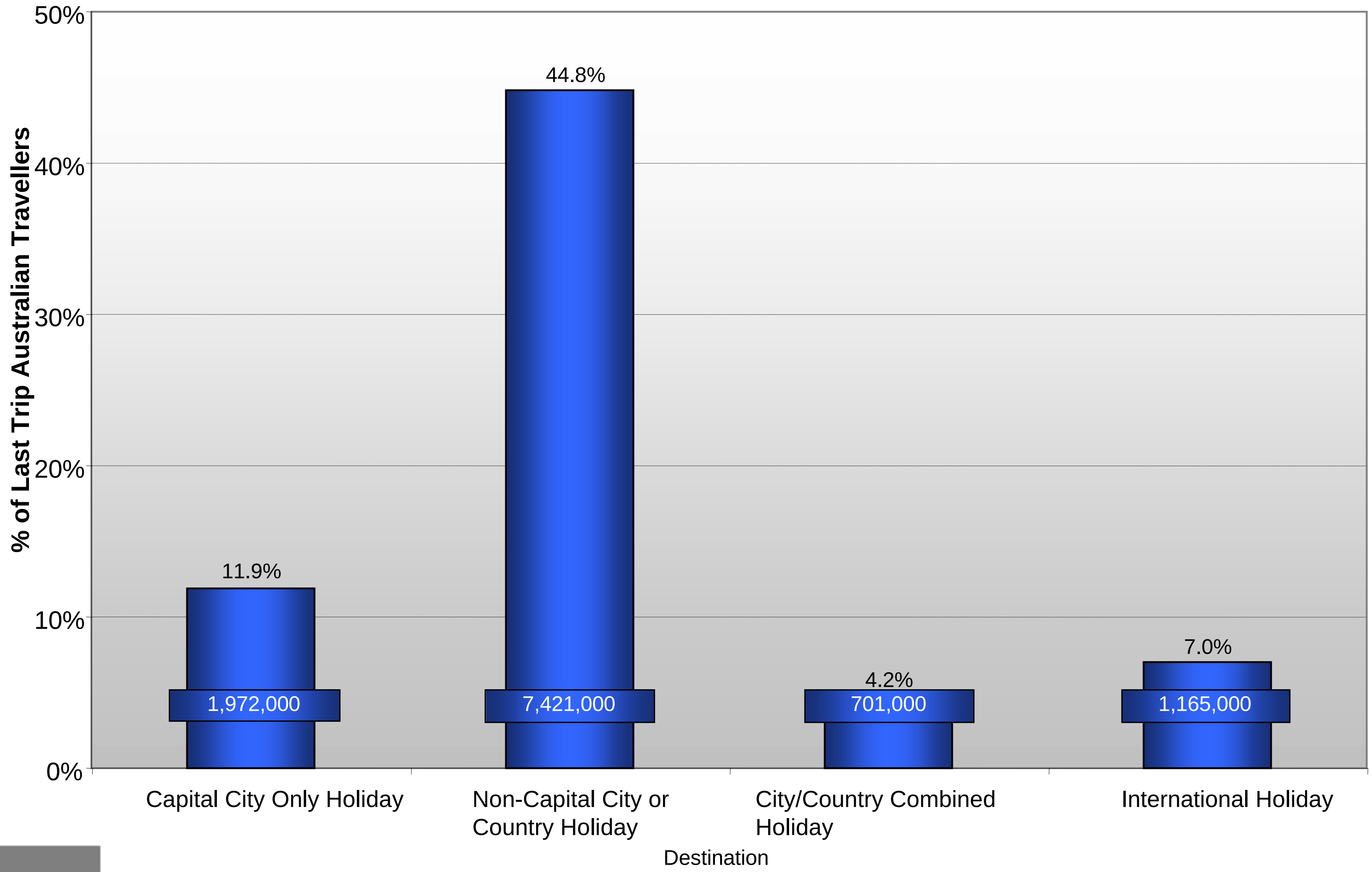
- Australian holidays have traditionally been anchored at exploring what is outside of our cities. Cities as tourism destinations, in comparison, have taken a 'back-seat' to our natural attractions in terms of exposure and marketing effort domestically, and now internationally in the face of a growing outbound market
- Key events, such as the Sydney 2000 Olympic Games and the 2006 Commonwealth Games, have leveraged Australian cities into the destination limelight. Cheaper domestic airfares have also been an impetus to converting Australians to city-based holidays
- Cities are now on Australians' radar as tourism destinations and importantly attract high-yield travellers who spend when on holidays in a city. The challenge now is to increase yield through extending length of stay, and encourage repeat visits.

Australian's Last Holiday



Capital City only holiday – Travel to State/Territory capital cities and nowhere else on last holiday. Non-Capital City or Country holiday – travel to non-State/Territory capital cities and country areas on last holiday . City / Country combined holiday – A combination of these. International holiday – travel to international destinations on last holiday . Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2005 – December 2005. Total Australians 14+, n=22,428

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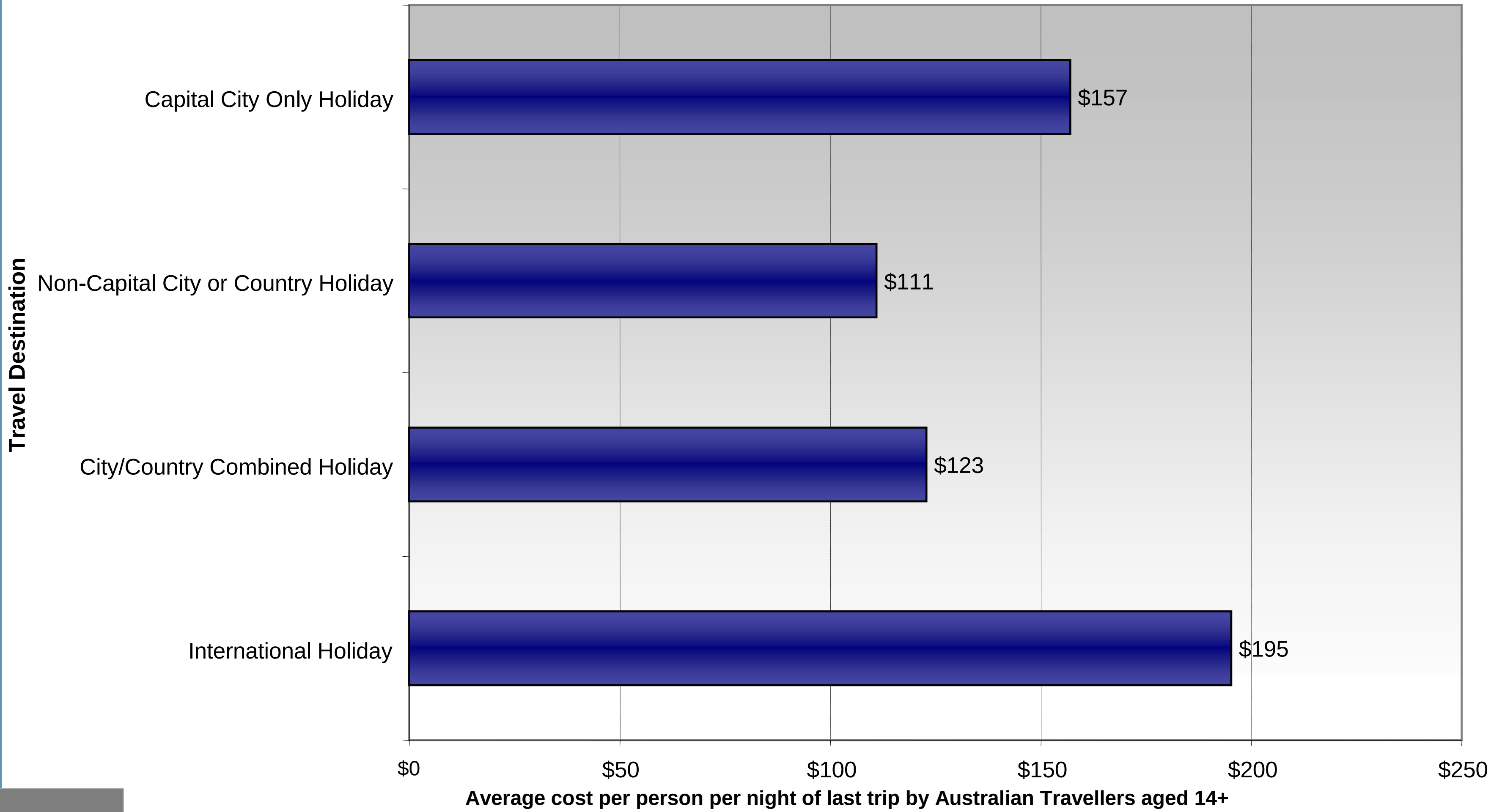
Yield Potential: Average Cost per Person per Night

Those who holiday in capital cities spend more per night than travellers to non-capital cities or country areas. Travellers who holiday overseas spend an extra $40 per night versus those visiting capital city destinations– a huge yield potential



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2005 – December 2005. Total Australians 14+ who have been on a last trip (last 12 months), n=15,782

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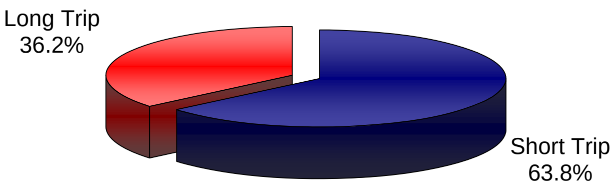
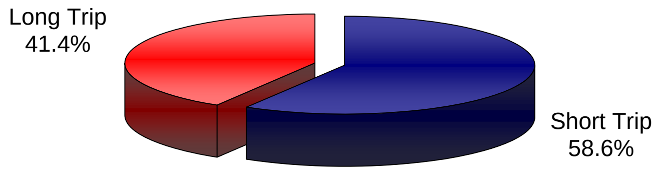
City Travel – a Short Trip Experience

Short trip: travel of 1 – 2 nights   Long trip: travel of 3 or more nights

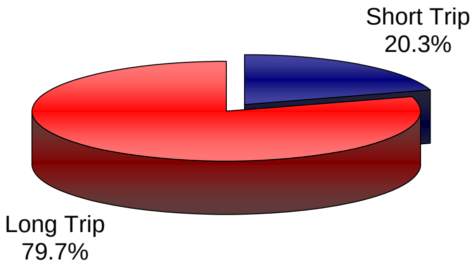
CAPITAL CITY only holiday



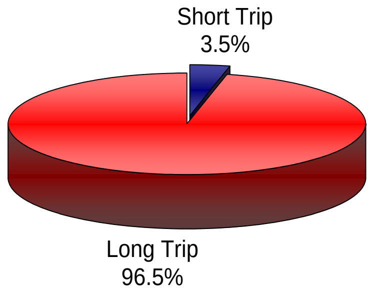
NON-CAPITAL CITY OR COUNTRY holiday



CAPITAL CITY / COUNTRY combined holiday

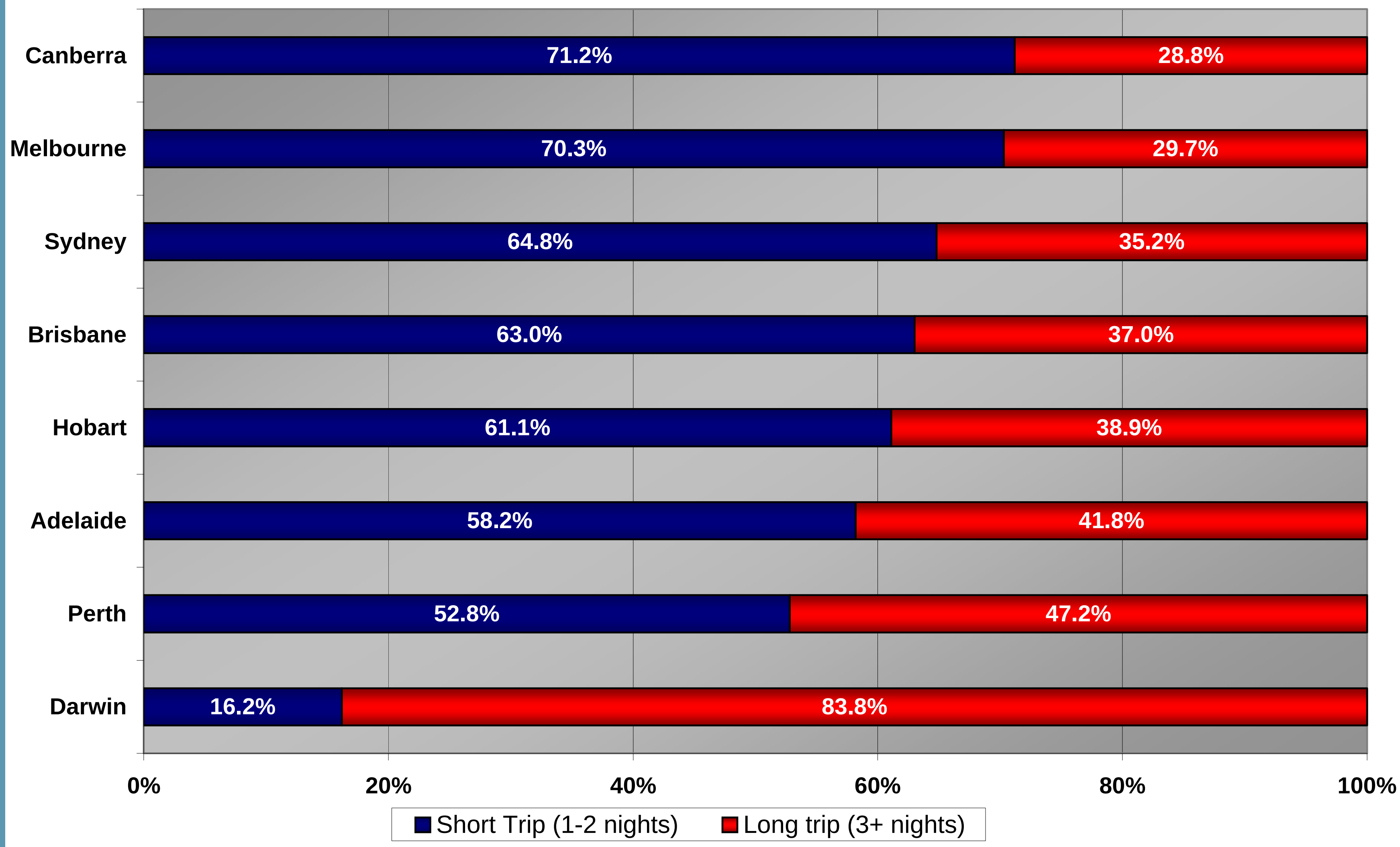


INTERNATIONAL holiday



Capital City only holiday – Travel to State/Territory capital cities and nowhere else on last holiday. Non-Capital City or Country holiday – travel to non-state capital cities and country areas on last holiday . City / Country combined holiday – A combination of these.
International holiday – travel to international destinations, not domestic destinations, on last holiday . Source: Roy Morgan Single Source, Australian Holiday Tracking Survey, January 2005 – December 2005. Total Australians 14+, who have been on a domestic last trip, not international, and gave number of nights on trip, n=11,961; Capital cities only, n=2,718; Non-capital City or Country only, n=8,149; Capital City / Country, n=953,; International holiday: n=1,255

Length of Stay as a Yield Opportunity



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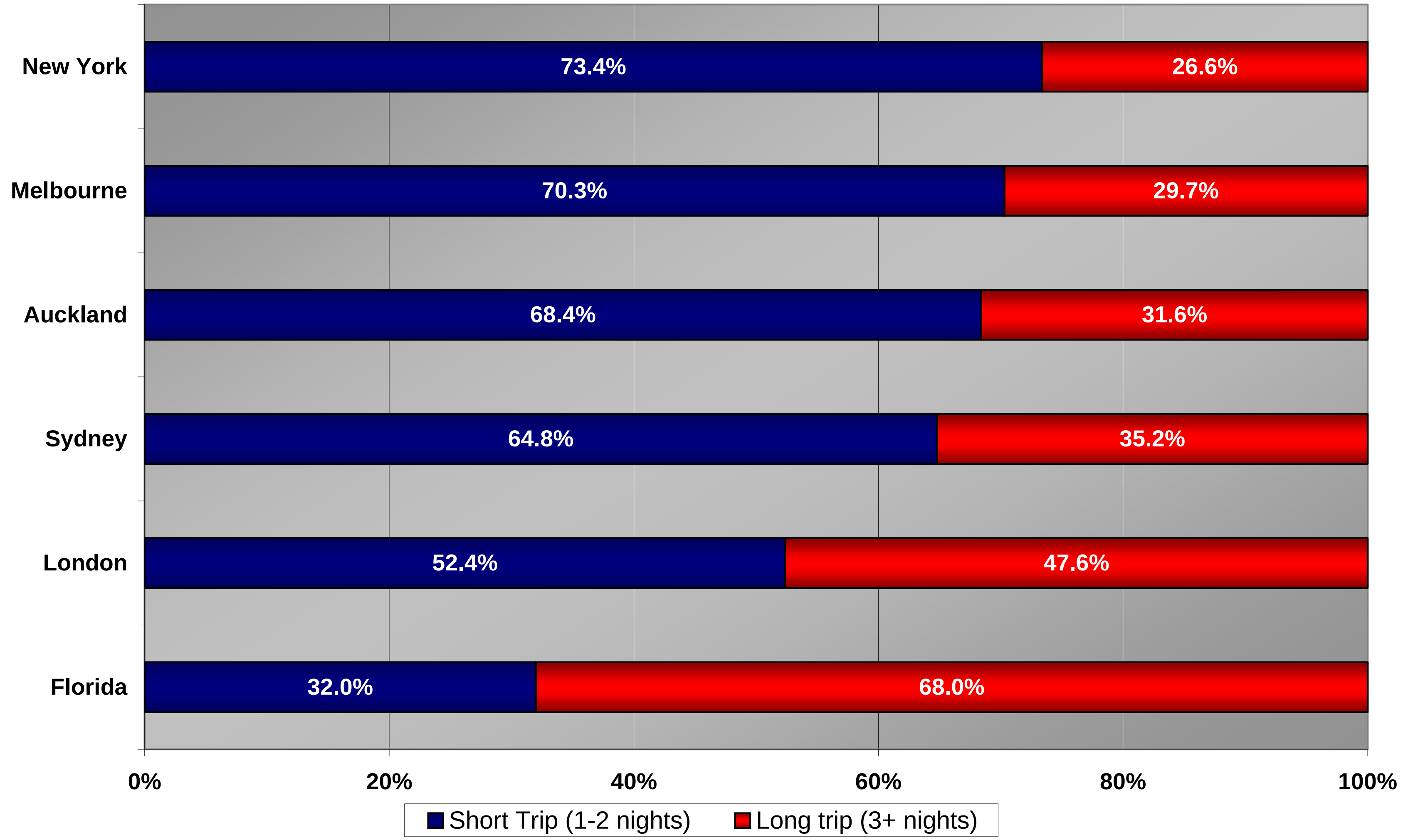
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey January 2005 – December 2005. Total Australians 14+ who have been on a last trip to an Australian capital city only (not non-capital cities, country or international) and gave number of nights away, n=2,718

Short versus Long Trip Travel - Global Trends



Source: Roy Morgan Single Source

Australian Holiday Tracking Survey: January 2005 – December 2005. Total Australians 14+ been on a last trip to an Australian capital city only, (not non-capital cities, country or international), and gave number of nights away, n=2,718. *United Kingdom Holiday Tracking Survey:* September 2004 – August 2005. Total UK's 14+ been on a last trip and gave number of nights away, n=2,515. *USA Holiday Tracking Survey*: March 2005 – Augusts 2005. Total Americans 14+ been on a last trip and gave number of nights away, n=1,134. New Zealand Holiday Tracking Survey: January 2005 - December 2005. Total New Zealanders 14+ been on a last trip and gave number of nights away, n=8,910

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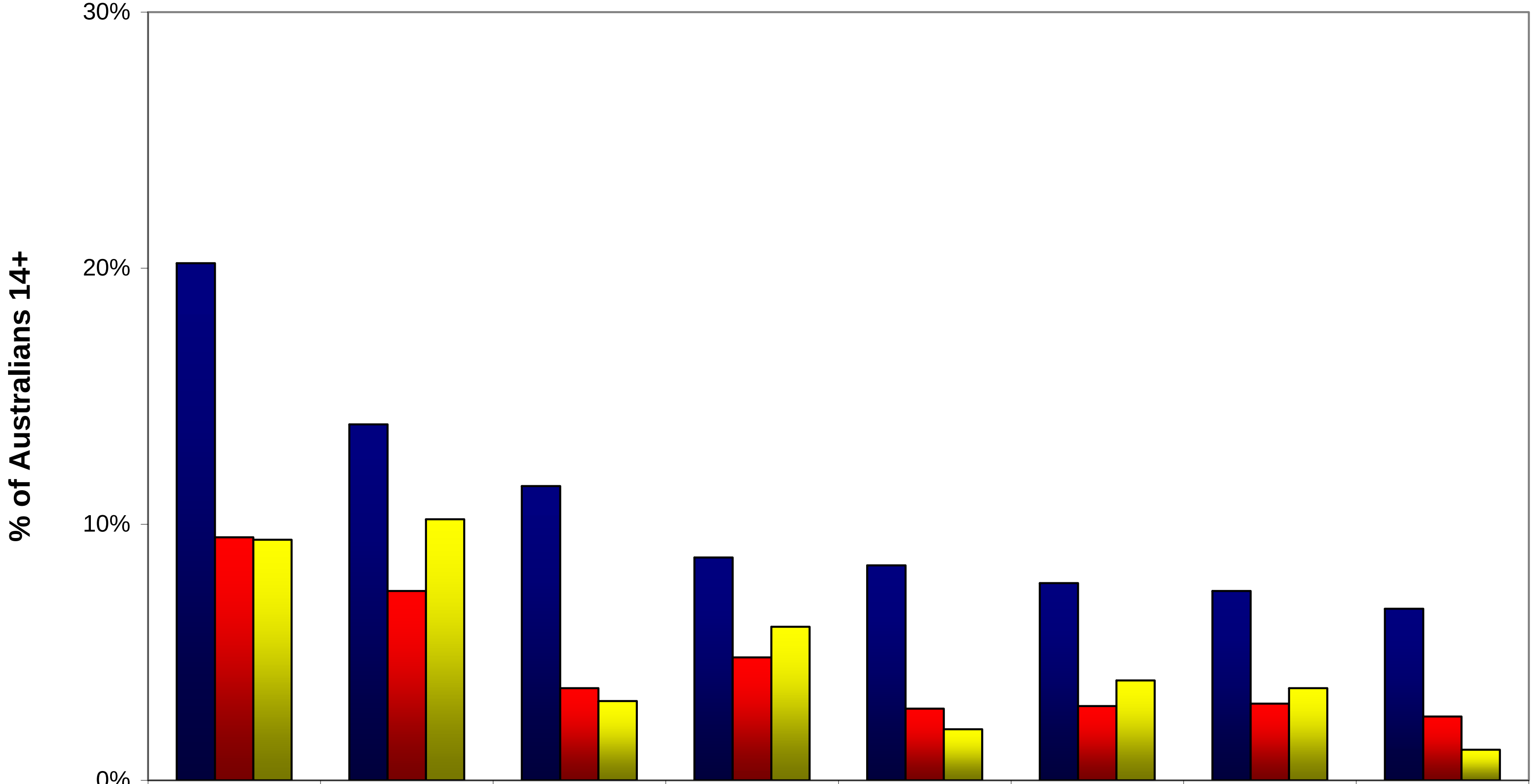
Australian Residents – Summary of Preference/ Intention/Behaviour for Australian Capital Cities



	Melbourne	Sydney	Perth	Brisbane	Hobart	Canberra	Adelaide	Darwin
Preference	20.2%	13.9%	11.5%	8.7%	8.4%	7.7%	7.4%	6.7%
Intention	9.5%	7.4%	3.6%	4.8%	2.8%	2.9%	3.0%	2.5%
Behaviour	9.4%	10.2%	3.1%	6.0%	2.0%	3.9%	3.6%	1.2%

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Preference: Australian capital cities respondents would like to travel for at least one night (nett trip). Intention: Australian capital cities respondents intend to stay on their next trip of at least one night in the next 12 months (nett trip). Behaviour: Australian capital cities respondents have stayed for at least one night on their last trip in the last 12 months (nett trip). Source: Roy Morgan Single Source, Australian Holiday Tracking Survey January 2005 – December 2005. Total Australians 14+

Revisitation Appeal - Australian Capital Cities versus competitors

The ability for capital cities as a group to generate repeat visitation can be measured by the percentage of travellers who have travelled to an Australian capital city on their last holiday, and who wish to return to an Australian capital city for a holiday in the next two years.

Travel Type (Last Trip)	Preference to visit geographic clusters in the next 2 years
Capital City	72.6%
Non-Capital City or Country	86.4%
City/Country Combined	66.2%
International	51.0%

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Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2005 – December 2005. *Total Australians 14+

Revisitation Appeal
- Australian Capital Cities

The desire to repeat visit can create greater yield for travel destinations, as well as reduce the expensive costs of promoting a destination to encourage a first or repeat visit though destination experience and word of mouth promotion.

Capital city	Capital City only holiday to… on last trip*	Preference to revisit city in the next 2 years
Melbourne	3.0%	54.7%
Sydney	3.3%	46.4%
Brisbane	1.6%	44.7%
Canberra	0.9%	42.1%
Perth	0.9%	43.0%
Hobart	0.4%	43.6%
Adelaide	1.0%	41.0%
Darwin	0.2%	39.1%

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*Total Australians 14+ who have stayed in an Australian capital city only, (not non-capital cities, country or international), on their last trip (in the last 12 months. # Total Australians 14+ who have stayed in an Australian capital city only , (not non-capital cities, country or international), on their last trip and would like to holiday for at least one night in an Australian capital city on their next trip (nett trip preference).
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey Base: January 2004 – December 2005, *Total Australians 14+, n=46,944

*About the Roy Morgan Values Segments**

- Work has been carried out for more than 15 years at Roy Morgan Research to gain a better understanding of what are the prime motivations of choice and change. This work was pioneered by Colin Benjamin of the Horizons Network and Michele Levine, CEO of Roy Morgan Research.

- Unlike other segmentations derived mainly by statistical techniques, the Roy Morgan Values Segments* begin with a theoretical foundation. There are four human social dimensions (Individualism, Life Satisfaction, Conservatism and Innovation) and two dimensions that ground the Values Segments5 in marketplace reality (Quality Expectations and Price Expectations). These six dimensions form the vertical and horizontal axes of a multi-dimensional "Values Cross", with the family unit at the centre of society:

• Individualism:	How much emphasis on "I" vs "We"
• Life Satisfaction:	High or low levels of satisfaction with life
• Conservatism:	Traditional vs progressive social attitudes
• Innovation:	Level of attraction to new things and ideas
• Quality:	How high or low are the expectations of quality
• Price:	Willingness to pay high or low prices per unit.

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** Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network*

Roy Morgan Values Segmentation* of Australians

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VALUES SEGMENTS*

*Devised by Michele Levine of Roy Morgan Research and Colin Benjamin of the Horizons Network.

Source: Roy Morgan Single Source January 2005 – December 2005. Base: Total Australians 14+, n=22,428

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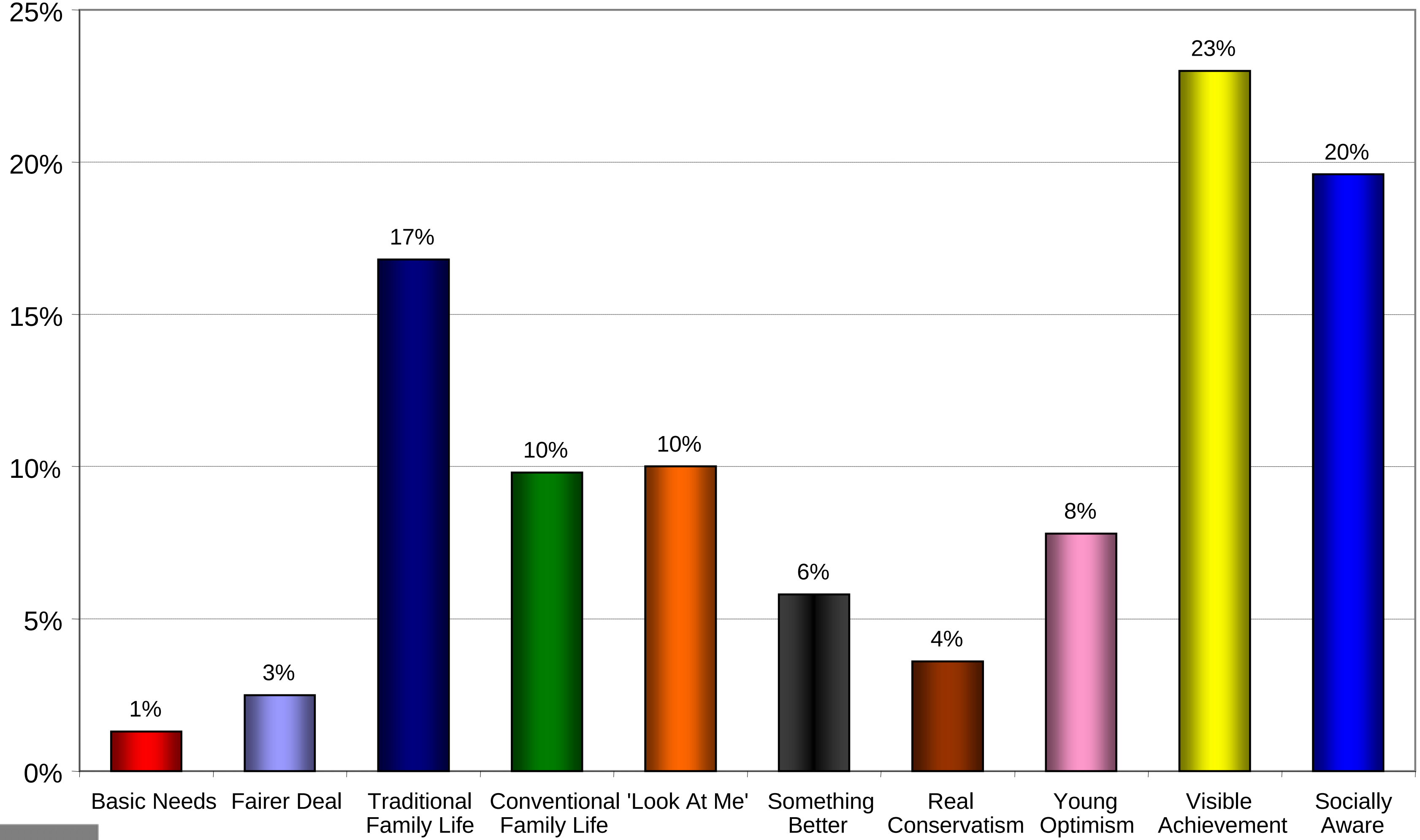
Roy Morgan Values Segments* - Share of Travel for Australian Capital City-only Holidays

The first step is to understand which Values Segments are travelling to cities for holidays



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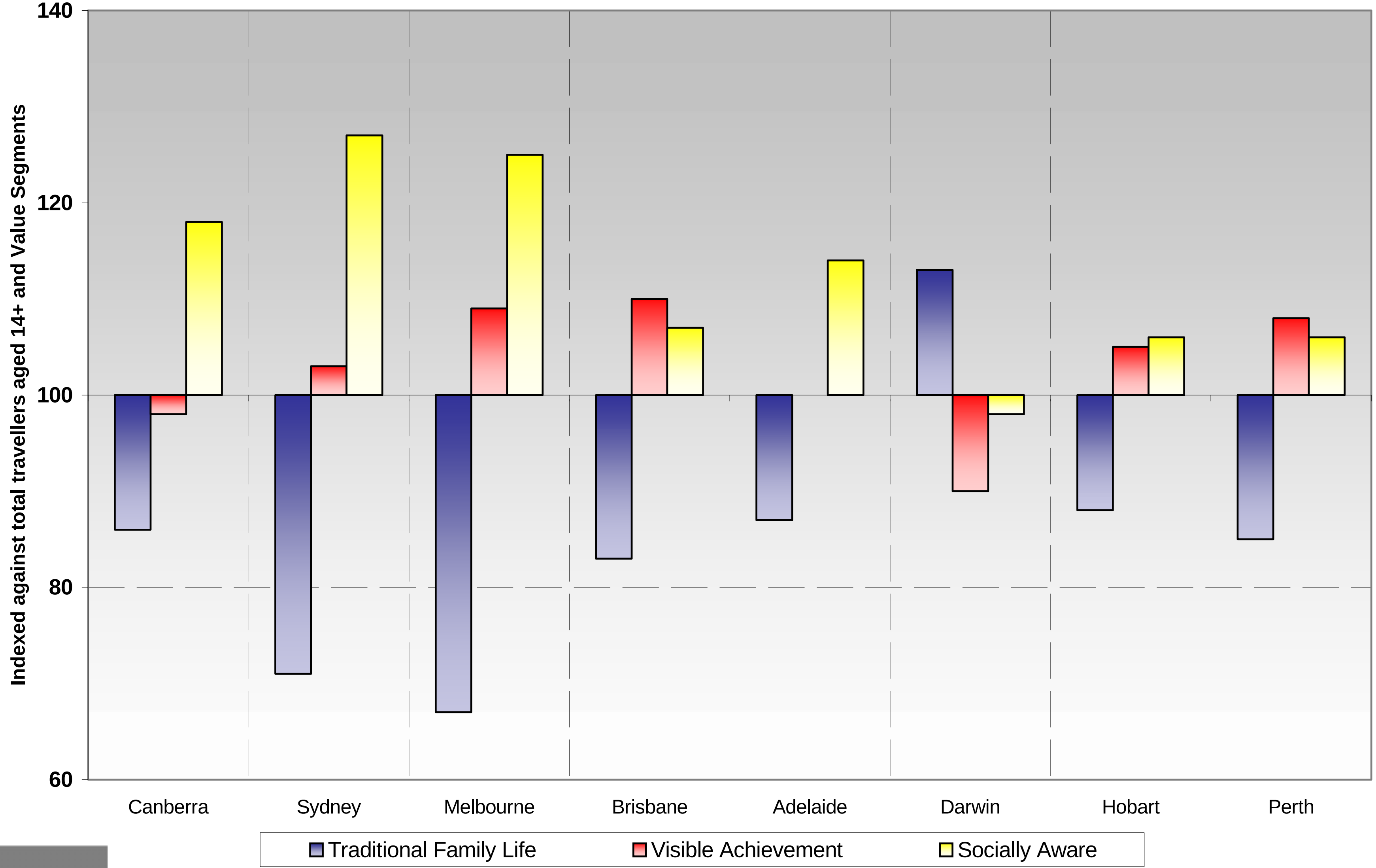
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. January 2005 – December 2005, Total Australians 14+ had an Australian capital city only holiday on last trip, n=2,839

** Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network*

Target Roy Morgan Values Segments* by Preference to Visit an Australian Capital City in the Next 2 Years



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Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2002 – December 2005. Total Australians 14+ last trip travellers (last 12 months) and of Values Segments – Traditional Family Life, Socially Aware & Visible Achievement,)

** Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network*

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Activities undertaken by Visible Achievers on a Holiday in Sydney

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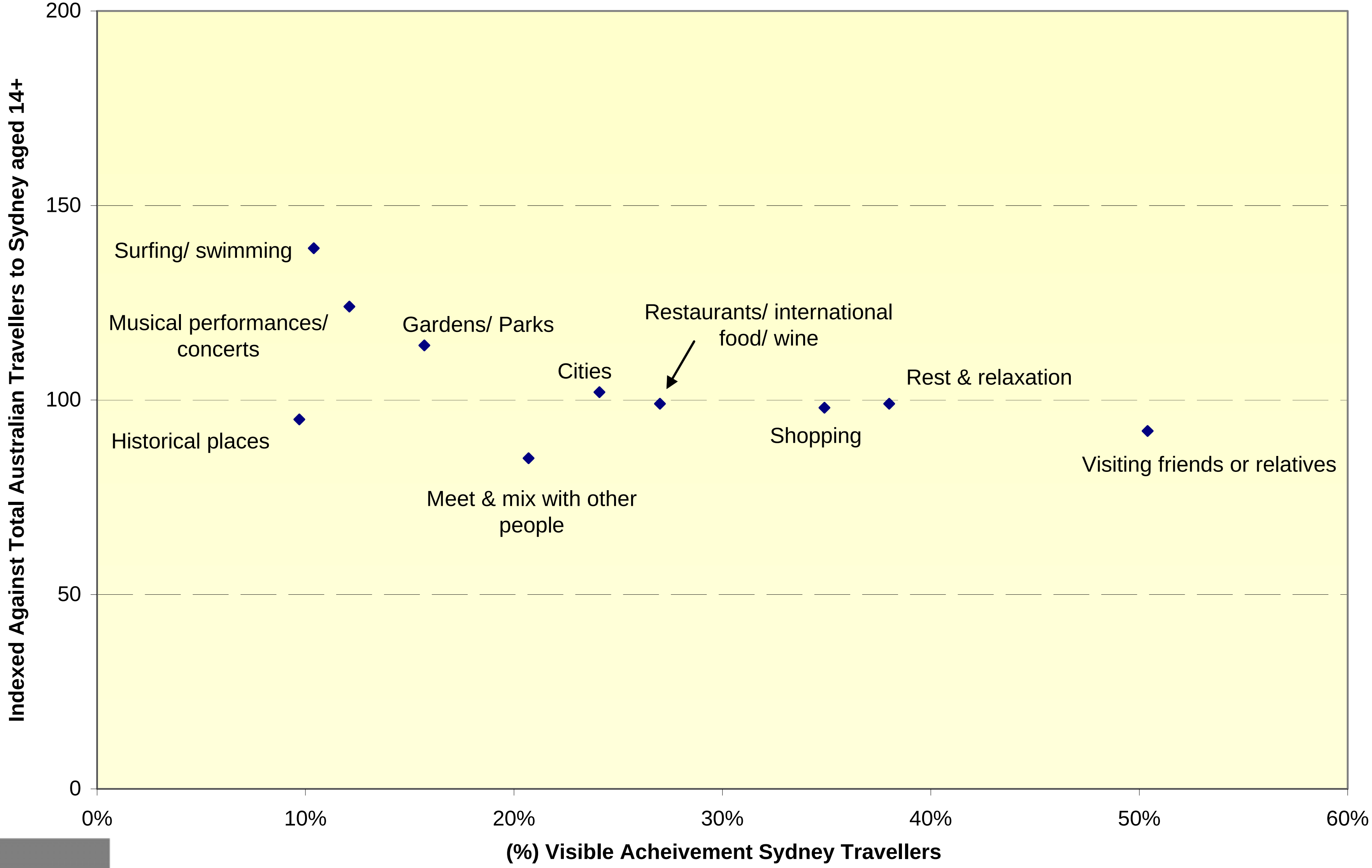
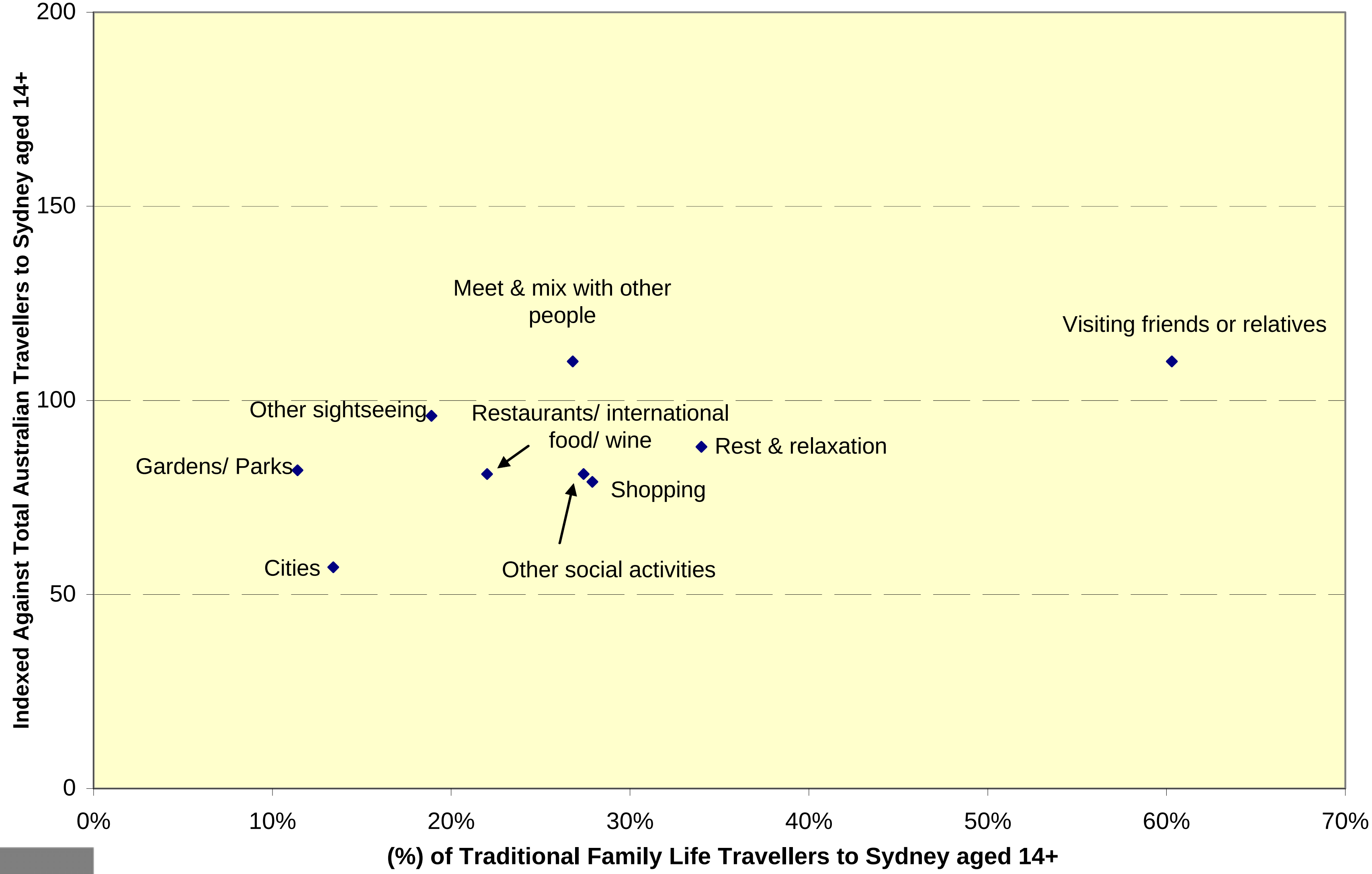


Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2004– December 2005. Total Australians 14+ who travelled to Sydney only on their last trip (last 12 months), n=326.

Activities undertaken by Traditional Family Life on a Holiday in Sydney



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Source: Roy Morgan Single Source, Australian Holiday Tracking Survey January 2004 – December 2005. Total Australians 14+ who travelled to Sydney only on their last trip (last 12 months), n=392

Activities undertaken by Socially Aware on a Holiday in Sydney

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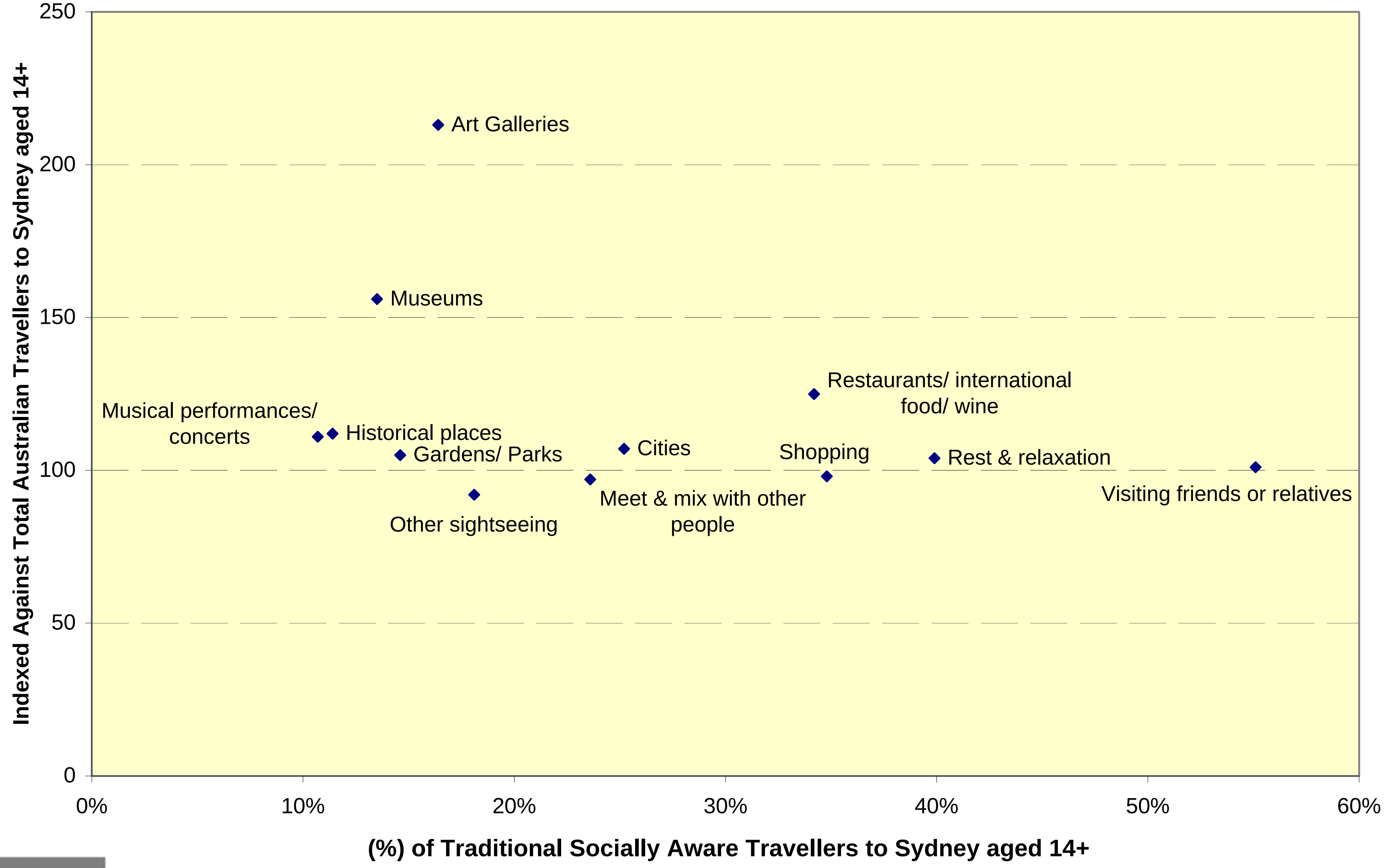

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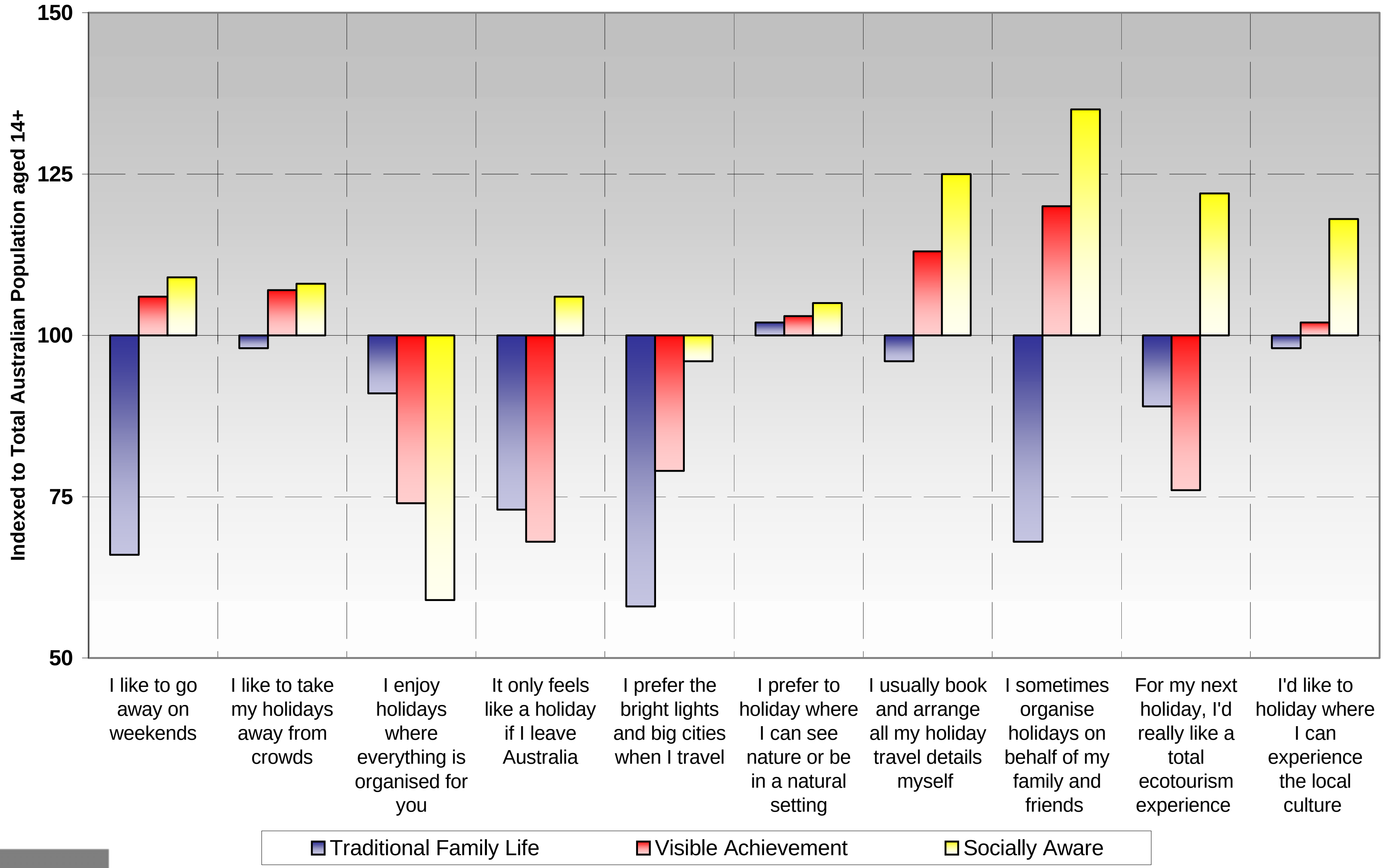
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2004 – December 2005. Total Australians 14+ who travelled to Sydney only on their last trip (last 12 months), n=297

Likelihood to Agree with Holiday Attitudes – Target Values Segments*



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey Base: January 2005 – December 2005. Total Australians 14, n=22,428.

** Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network*

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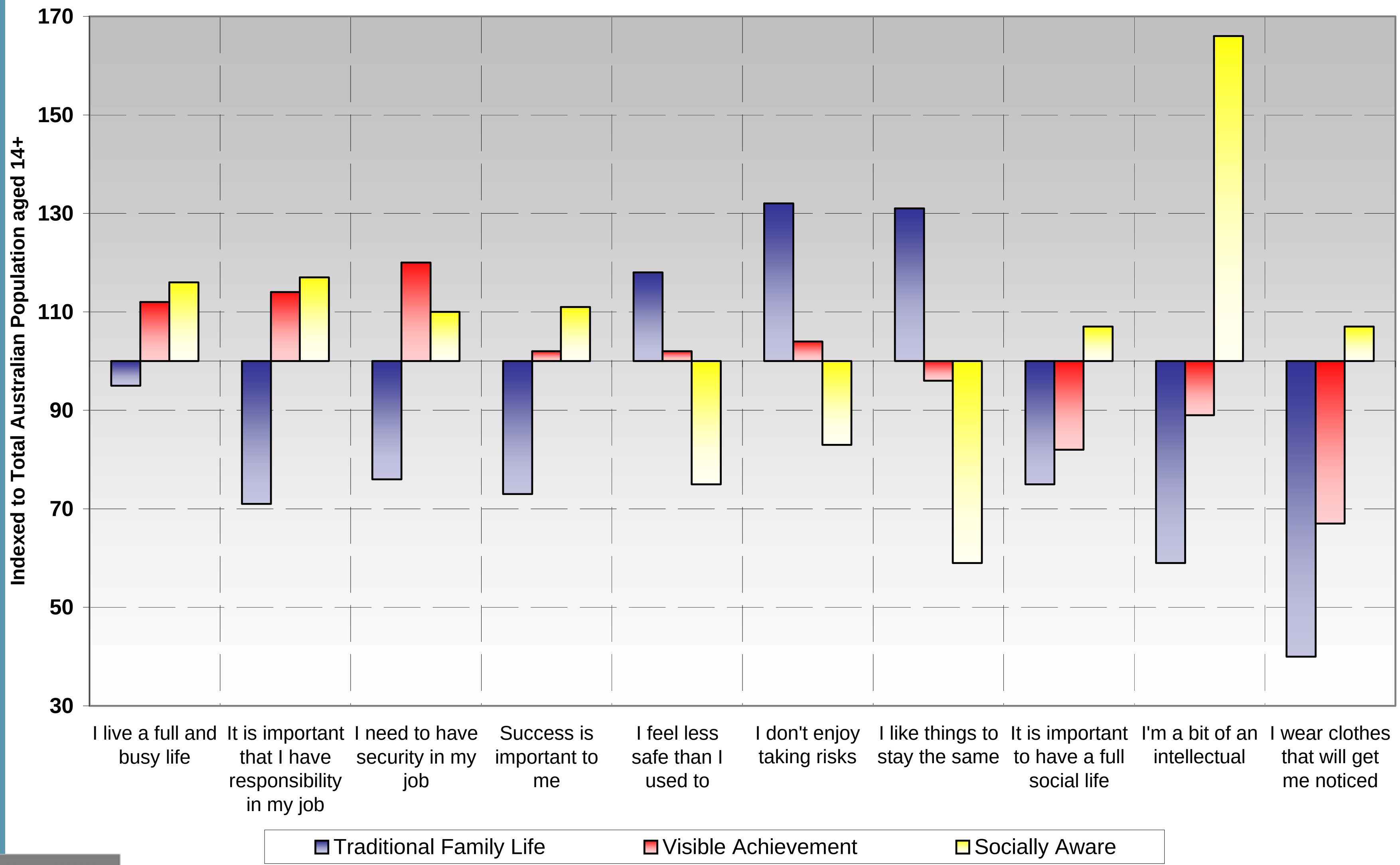
Likelihood to Agree with General Attitudes – Target Values Segments*



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Source: Roy Morgan Single Source, Australian Holiday Tracking Survey. Base: January 2005 – December 2005. Total Australians 14+, n=22,428

** Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network*

Percentage across Countries who agree with Attitudes ....

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Base: Total travellers 14+, nett trip travellers 14+ (last 12 months). Australia: Roy Morgan Single Source, January 200 – December 2005, n=15,782; New Zealand: Roy Morgan Single Source, January 2005 – December 2005, n=9,595; United Kingdom: Roy Morgan Single Source, September 2004 – August 2005, n=2,732; USA: Roy Morgan Single Source, March 2005 - Augusts 2005, n=1,232

In Conclusion…

- **Roy Morgan Single Source measures over 200 attitudes to travel, brands media and society, and further investigation would reveal further differences important for input into brand planning and communication.**
- **This paper is the tip of the iceberg in terms of what Roy Morgan Single Source can create for marketers needing to understand their customers. Importantly, while not addressed in this paper, Roy Morgan Single Source can also link segmentation outcomes to determine what media each target segment is consuming, so that all the hard work done by marketers and advertisers can cut through the clutter to influence customers, and grow that much desired yield for their product or destination**

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