

Special Shoalhaven Tourism Advisory Group

Meeting Date: Monday, 09 October, 2017
Location: Jervis Bay Rooms, City Administrative Centre, Bridge Road, Nowra
Time: 5.00pm

Please note: Council's Code of Meeting Practice permits the electronic recording and broadcast of the proceedings of meetings of the Council which are open to the public. Your attendance at this meeting is taken as consent to the possibility that your image and/or voice may be recorded and broadcast to the public.

Agenda

1. **Apologies**
2. **Reports**
 - TA17.45 International Marketing Analysis..... 1
3. **General Business**
 - TA17.46 Presentation by Matt Cross - Discover Jervis Bay - International Marketing Plan for next 12 months
In accordance with the Minutes of the Shoalhaven Tourism Advisory Group Meeting held on 28 August, 2017, Matt Cross from Discover Jervis Bay to be invited to address the extra ordinary meeting to present his international marketing plan for the next 12 months

Membership

Ms Lynn Locke - Chairperson

Clr Findley – Mayor

All Councillors (Clr Alldrick & Gash – voting delegates – Clr Pakes & Kitchener – alternate voting delegates)

Mr David Goodman

Ms Annie Cochrane

Mr Matthew Forbes

Ms Catherine Shields

Ms Jo Thomas

Ms Louise Hallum

Mr Paul McLeod

Mr Rob Crow

Mr Neil Rodgers

Mr Mark Lees/Mr David Duffy – NSW National Parks & Wildlife Service representative

Quorum – 7

Purpose and delegated authority

- Inform the development, implementation and review of council priorities from the Shoalhaven Tourism Master Plan and councils corporate plan
- Represent the tourism industry and advise and make recommendations to Council on matters relating to tourism, the development of tourism and the future of tourism in the Shoalhaven.
- Promote the direct and in-direct value and benefits of tourism within the Shoalhaven and on a regional, state and national basis.
- Make recommendation on the expenditure of the annual Shoalhaven marketing budget as provided by Council.
- Appoint suitable representatives to fill casual vacancies
- Inform and recommend policy for tourism related funding programs, and where required by Council, vote on related matters.

TA17.45 International Marketing Analysis

HPERM Ref: D17/308283

Group: Finance Corporate & Community Services Group
Section: Tourism

- Attachments:
1. Quarterly update June 2017 - PUBLIC VERSION [↓](#)
 2. Confidential Annual Report (Confidential - under separate cover)
 3. Confidential Contract (Confidential - under separate cover)
 4. Research - Trade and Consumer Sediment and the potential of the Chinese Market (Confidential - under separate cover)
 5. Shoalhaven Travel Experience Research - Travel Reviews - Social Listening (Confidential - under separate cover)
 6. 17/18 Partnership Proposal (Confidential - under separate cover)

Purpose / Summary

International Marketing Program for 2017/2018

Recommendation (Item to be determined under delegated authority)

That the Shoalhaven Tourism Advisory Group

1. Commit to 6 months of international marketing with current partner and;
2. Form a working group to further investigate international marketing opportunities and report back to STAG by the end of 2017 on an appropriate international marketing strategy for 2018 and beyond.

Options

1. Commit to 6 months of international marketing with current partner, and, form a working group to further investigate international marketing opportunities and return to STAG with recommendations on strategy for 2018 and beyond.

Implications: Continue in market whilst compiling research and a more in-depth market review, potentially diversify international marketing strategy. Potential to test the market with quotes from other international marketing companies.

2. Leave as is with current international marketing business partner for the next 12 months.

Implications: The existing partner has performed very well to date. However International marketing is a critical growth area and an examination of opportunities should be considered. Not recommended.

3. Do not continue with current partnership and create a new international marketing strategy.

Implications: Diversify international marketing strategy, resourcing is a consideration long term. A review will take time and there will be a period when the region is not being promoted, risk losing traction in a growing market, not recommended.

Background – Current Business Partner relationship

Asia marketing with current business partner

- Shoalhaven Tourism has been working with the one international marketing business partner for several years. This partner promotes the region into primarily Asian countries as 'Jervis Bay'.
- Markets serviced by our partner are China, Korea, Singapore, Malaysia, Indonesia, Vietnam, Taiwan, Hong Kong, Indonesia, India.
- Investment primarily markets up to 40 Shoalhaven products (Mainly Jervis Bay and North) to wholesalers and agencies in international offices and at trade shows.
- The typical traveller has pre-booked a package and is coming to the Shoalhaven ex Sydney for 1-2days maximum. They experience a few products and then return.
- Packages are booked through international agents who take commissions and our business partnership services those agency relationships to continue getting bookings.
- An international bi-lingual website is maintained (inspirational, no booking platform)

Recent Results - Financial year 2016/7

Attachment 1 – Public quarterly partners report

Attachment 2 - CONFIDENTIAL, Commercial in Confidence – Annual wrap up report

Strengths:

- Built strong relationships with wholesalers
- Local business, happy to assist in advocacy across the whole region for international tourism
- Good for awareness and potential return higher yield trips as FIT
- Represents 40 products in region to several Asian markets
- Asian market is growing but off a very low base so figures are still small
- Forecasts are for the Asia market to boom

Weaknesses:

- Low yield and day trip market from Sydney – product is highly discounted
- Low visitor nights' return (average stay is 1.26 nights)
- Need more cheap hotels to continue growing this market and many nights re currently places out of the Shoalhaven
- Difficult to get return on investment figures for FIT efforts.
- Asia is a highly volatile market which requires a high level of active maintenance to grow.

2016 review and research

In 2016, Council undertook a review of consumer sentiment and market potential in the Chinese market. This report involved desktop research, interviews with key stakeholders, an audit of consumer sentiment and recommendations on future opportunities.

Attachment 4 for the full report

Attachment 5 for a summary of consumer sentiment, travel reviews.

Current Situation

Our current business partner has approached Shoalhaven Tourism to partner for another 12 months, with contract deliverables reasonably similar to last year and a decision needs to be made about plans for the next 12 months.

Attachment 3 - CONFIDENTIAL, Commercial in Confidence – last year's contract
Attachment 6 – CONFIDENTIAL, 2017/18 Partnership Proposal

Trends and Research

Marketing Trends – International [excerpt from DMP]

For the **OVERSEAS MARKET**, the Shoalhaven represents the quintessential “Aussie experience” – pristine beaches, natural wonders, aboriginal cultural experiences, iconic Australian wildlife and a fast-growing food and wine scene that has achieved recognition both nationally and internationally. The proximity to Sydney and the growing international focus of Canberra provides an opportunity as key market segments package regional visits with the Aussie City “must Do’s”. There is also an increasing tendency of the international ‘millennial generation’ more likely to travel by themselves outside capital cities than their parents, who often preferred traditional tours.

Traditional Markets

European, UK, USA, New Zealand markets have been drawn to Australia for many years due to a cultural and VFR connection as well as traditional marketing such as TV ads in the 90s. Most are still growing with barely any maintenance and together hold a large share of the market.

Emerging Markets

There has been a recent push and investment into the Asia market which shows high potential for the future and high growth. Research also indicates high forecast growth in Independent travellers from China, Korea and in the longer term, India.

Types of travellers

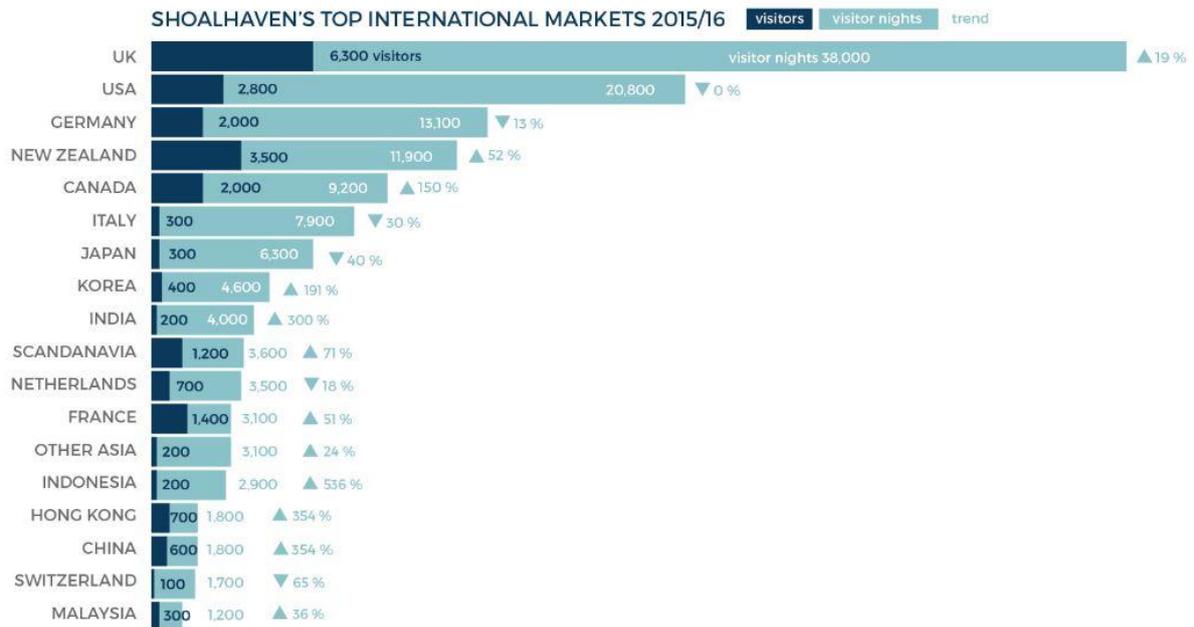
Markets must either be FIT (Free Independent Travellers) or come on organised bus tours (often day trips from Sydney). Bus tourists are relatively low yield but may come back again as FIT (Asia market). FIT can come for anywhere between 2 and 30 nights so more analysis should be done into these higher yield markets. The business market is a potential high yield market from Sydney and Canberra if product development can meet demand potential.

International Visitor Survey results 2015/6

Our research consultant utilised Tourism Research Australia results from 2015/6 to ascertain the visitors, visitor nights (and therefore yield) and the growth on previous biannual period.

Key insights:

- Traditional markets are still our largest visitor groups
- Traditional markets stay longer and therefore spend more
- Asia markets have strong growth but off low bases
- Current Asia market stay for very short periods of time in region



International Product Analysis

Based on this same International Visitors Survey as above, we have created a growth-share matrix, also known as a product portfolio mix. This business model helps us to identify opportunities and analyse the businesses opportunities. Based on market size and growth, the following matrix has been collated.

Key insights:

- All of our international funds are placed in high risk markets with high growth (traditionally called 'question marks')
- Traditional markets make up the most favourable for growth and market share but we don't invest anything into maintaining these markets. (traditionally called 'stars')
- Overall we invest all of our international our marketing funds into high risk markets and don't market at all to our 'established and growing stars'.

Risky with high potential

(low market share and high growth)

- Korea (191% growth, 4K/yr.)
- India (300% growth, 2K/yr.)
- Indonesia (536% growth, 2K/yr.)
- Hong Kong (354% growth, 7K/yr.)
- China (354% growth, 6.2K/yr.)
- Malaysia (36% growth,

Established and growing

(High market share and high growth)

- New Zealand (52% growth, 35K/yr.)
- Canada (150% growth, 20K/yr.)
- United Kingdom (19% growth, 63K/yr.)
- Scandinavia (71% growth, 12K/yr.)
- France (51% growth, 14K/yr.)

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3.3K/yr.)		
<p>Not likely to profit (low market share and low growth)</p> <ul style="list-style-type: none"> Italy (30% decrease, 3k/yr.) Japan (40% decrease, 3k/yr.) Netherlands (18% decrease, 7K/yr.) Switzerland (65% decrease, 1.3K/yr.) 	<p>Established but in downturn (high market share and low growth)</p> <ul style="list-style-type: none"> USA (0% growth, 28K/yr.) Germany (-13% decrease, 20K/yr.) 	<p>Future thinking</p> <p><u>International Marketing Opportunities:</u></p> <p>- New flights to Canberra</p>

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International Airport provide a new Singapore-Canberra-Wellington flight route, just 2 hours from the Shoalhaven.

- The new Badgery's Creek airport will provide a closer connection to International travellers and will be open by 2030.
- China is one of the largest inbound markets to Sydney but the vast majority don't travel regionally.
- The Western Sydney market makes up 10% of Australia's population and the diversity of these communities is broad and vast, offering access to an international VFR market.
- Our largest opportunity remains international travellers ex Sydney and Grand Pacific Drive is marketed internationally.
- The Sydney – Melbourne Touring Route is currently marketed to an international FIT drive market and we are a participant but at a very low investment level.
- The Capital to Coast touring route markets internationally and Visit Canberra, Sapphire Coast and Eurobodalla invest well. We currently do not.
- There is also a growing number of agencies that can be contracted for international marketing and social media marketing.

Summary

There are many international marketing opportunities available to the Shoalhaven, so many more than several years ago when the channels for direct marketing such as online, didn't exist. There is also cultural move toward FIT travellers in Australia with a new more adventurous generation that can feel confident researching and planning their own trips online. These FIT travellers are higher yield than the bus day-trippers or overnighters and have less impact on the capacity of our small towns.

In short, the marketing team recommend an investment of some time in a complete review of the international marketing opportunities available and what new ideas for international markets currently not utilised by Shoalhaven Tourism could be uncovered. A review considering the new Sustainable Tourism Model outcomes could be timely considering potential additional measures of success.

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE



DISCOVER JERVIS BAY



"the trusted voice of international tourism for the South Coast"



TA17.45 - Attachment 1

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE

INTRODUCTION

HIGHLIGHTS

The previous DJB March quarter report showed record numbers of International visitors, especially overnight, across what is known as International High Season. It should be noted the April, May, June period is considered Asian low season yet our ability to attract International visitors continues to flourish and especially attracting high growth in overnight visitation.

During the quarter DJB attended Australian Tourism Exchange (ATE) in Sydney and invited partners of DJB to attend under day passes to feel the scope of competition and the size of the inbound arena we compete in every day.

Key highlights (June quarter 16 verses June 17)

Total Room Nights + 115%

Archer Resort Accomodation +254%

Jamberoo Resort + 198 %

Bigfoot 4WD Tours +104%

Coolangatta Winery +43%

Dolphin Watch +4.97%

Summation – The more overnight stays created, the more opportunity for more product attraction inclusion.

Matt Cross

General Manager

Discover Jervis Bay

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE

PERFORMANCE

	<u>June Quarter 2017</u>	<u>% chg from June Qtr 2016</u>
<i>Accommodation</i>		
- Actual rooms placed	2441	+211%
- Rooms not placed	364	-29.4%
Total room nights	2805	
<i>Products</i>		
- Archer Resort	1608	+254%
- Marketview WG	Contract is only Dec to Mid Feb	
- Jamberoo Resort Kiama	235	+46%
- Dolphin Watch Cruises	8086	+4.97%
- Bigfoot 4WD Tours	1271	+104%
- Coolangatta Wines	1664	+43%
- Sage Hotel WG	346	New Partner
<i>Catering/Restaurants</i>		
- Total Meals Served	9370	+16%
- Eastern Tiger Buffet	4078	+16 %
- House of Guanzhou	380	New Partner
- Club Jervis Bay	2501	+1.7%

TRADE SHOWS ATTENDED & INTERNATIONAL SALES MISONS

Australian Tourism Exchange- ATE – May 2017

DNSW in partnership with Tourism Australia hosted ATE in Sydney over 14-19 May. The planning and hosting of famils (details below) lasts the best part of 5 weeks, with DJB officers scheduling meetings, pre communication of the proposed meeting, attendance at actual event, Pre and Post Famils and the all important follow up with each agent after the event.

With direct and indirect meetings over the period DJB met with well over 100 wholesale agencies.

Attendance at such event is financially costly and draining on time and resources. To showcase the scope of competition and the position and respect of DJB in the marketplace, DJB invited product partners to attend under a very cost effective day pass visitation.

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE

In attendance was:

Coralie Bell - Shoalhaven Tourism Manager

Louise Hallum - STAGG member

Stuart King - Director
Discover Jervis Bay

Blair Briggs -
Mowbray Farm



FAMILS

02/4/17 AUS China, Director and guest wholesaler destination inspection.

05/4/17 Korean ITO 20 year anniversary dinner.

16/4/17 China ITO Shoalhaven Zoo, Nowra Tree Adventure, Eastern Tiger Buffet.

16/4/17 China SIC Day tour company, DWC, Bigfoot and Coolangatta Winery.

16/4/17 China VVIP Shopping inspection Faml Visit Overnight hosting.

29/4/17 China FIT- Online agency meeting DJB looking at API and website direct connection.

03/5/17 Euro 4.0 star + high-end inspection Jervis Bay and Sth Highlands products.

07/5/17 DNSW pre ATE Coolangatta Winery, Bigfoot, DWC and Huskisson Hotel Lunch.

11/5/17 Vietnamese Airlines Famil.

13/5/17 Shanghai China wholesaler over night famil- all destinations.

13/5/17 DNSW pre ATE Euro Sing Malay Famil.

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE

13/5/17 Indian Wholesaler Famil.

19/5/17 BJ Wholesaler and 2 Korean wholesaler combined famil Overnight all attractions.

20/5/17 TA Indonesia and 3 wholesaler, new opportunity, new market - full destination Overnight.

29/5/17 Southern China SZ Major wholesaler family famil and key staff Mowbray Farm.

03/6/17 Vivid GZ HK Famil overnight.

05/6/17 Vivid BJ wholesaler overnight.



ITO SALES CALLS

18-21 June - Melbourne - 15 agencies, mix of Vietnam, Chinese and Sth East Asian, full update across entire destination. This coincides with our new office, representative based in Malaysia, two pronged approach to market.

22 June - Sydney ITO x 5 meetings.

UPDATE ON DJB PARTNERS

NEW PARTNER : PARKHAVEN RESORT NOWRA

BACKGROUND: Formally know as Parkhaven Motel, this 30 room, 4.0 star hotel located in Nowra will have new owners from 12 July.

DJB was approached on how to upgrade and modify the existing property to allow the introduction of International business.

PRODUCT DEVELOPMENT : The current rooms feature a queen and a single bed, DJB offered advice to capture the International markets, needing at least 1 King bed, with option of splitting into two equal size king singles. As the hotel requires, they can add a king split and a king single to make a family or triple room. All new bedding with arrive on 12 July!

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE

Additionally the previous name of 'Motel', is not acceptable to International markets, hence the new owner has been working for the property to be rebranded into Parkhaven 'Resort', this will be reflected across all websites and signage throughout the hotel.

OUTCOME : First booking has been placed to hotel, pending all the above being finalised. DJB will undertake hotel inspection and photography session after 12 July and will be a mass social media release to our agencies.

ISSUES

NEED TO ATTRACT INVESTORS

Council staff meeting with Gareth Ward, Lord Mayor and relevant planning staff.

DJB briefed Council on the underlying growth and International hotel demand.

Lord Mayor and relevant Council staff spoke of their understanding and also the work done already behind the scenes within Council to open the door for consortiums or developers to approach Council with appropriate Tourism Infrastructure, namely hotel accommodation applications.

No major projects are on the table as yet.

There was discussion about the "Gateway" site immediately to the north of Council and to the east of the Shoalhaven Conference Centre. Most agreed this site has great synergies with tourism infrastructure and would be a natural backbone to the existing Entertainment Centre.

There was discussion on Council possibly doing their own initial DA to offer an easier road for a possible developer, this idea had mixed feelings.

Gareth tabled that this site would need feedback from RMS as they may need land for road widening due to Nowra Bridge redevelopments.

Knowing this is likely the best, key site within the Nowra CBD, DJB is in regular contact to Garth Ward seeking responses from RMS- no further information to date.

DJB PRODUCT PARTNER WORKSHOPS

Planned for mid 2017.

DISCOVER JERVIS BAY – 2017 JUNE QUARTER UPDATE

ONLINE BOOKING SYSTEM

INTERNATIONAL- FIT ONLINE BOOKING CHINA

Ongoing - DJB has successfully listed key destination attractions on 5 major Chinese wholesalers websites and booking engines. Some new agencies noted at ATE and the proposed Aug/Sept sales missions will provide deeper feedback. DJB will retain resources our Chinese staff member and proposes to continue this growth and finding new agencies to connect.

INTERNATIONAL- FIT ONLINE BOOKING KOREA

Ongoing - Look for appropriate staff member. DJB proposes to hire a Korean staff member to facilitate a similar start to connecting to Korean online agencies.

OUTLOOK

FORECAST OF COMING EVENTS

1. High season planning has commenced .
2. DJB planning International sales calls to cover China, Vietnam, Korea and additionally DNSW Missions (as appropriate) and FIT Wholesaler Trade Shows.
3. Planning DJB Workshop - discussion on DJB hosting events in Sydney, bringing our clients all together for destination update and product representation.

CONTACT DETAILS

50 Owen Street Huskisson NSW Australia 2540

bookings@discoverjervisbay.com.au

www.discoverjervisbay.com.au

www.discoverjervisbay.com.au/zh/

www.discoverjervisbay.com.au/ko/



General Manager - Mr Matt Cross +61 410 418 216

Operations Manager - Ms Nickie Balding +61 403 063 944

Operations Team - Ms Sharon Shipley

Mrs Amie Barmin

Miss Madeline Kennedy +61 24441 6320

Online Ms Evi Gao (China)