



**Understanding visitor regional
dispersal in Australia**

Austrade

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Acronyms

ALOS	Average Length of Stay
AR	Augmented Reality
CAGR	Compound Annual Growth Rate
CBD	Central Business District
DRP	Destination Research Program
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GRP	Gross Regional Product
GVA	Gross Value Added
IVS	International Visitor Survey
NVS	National Visitor Survey
QR code	Quick Response code
REX	Regional Expenditure
TRA	Tourism Research Australia
UNEP	United Nations Environment Program
UNWTO	United Nations World Trade Organisation
VFR	Visiting Friends and Relatives
VR	Virtual Reality
WOM	Word-of-Mouth

Executive summary

Encouraging Australians to discover the amazing experiences and destinations in their own backyard and international visitors to explore beyond the capital cities and major centres is a long-held and much discussed goal of the Australian tourism industry. Many policies, programs and strategies have been established with the aim to encourage more visitors to choose regional destinations. And, as the research in this report highlights, these have been successful – more and more visitors are choosing to visit regional destinations across Australia. However, the increasing growth and importance of Asian source markets with lower propensities to venture outside of capital cities has spurred the desire to reconsider the question of how we can ensure that the benefits of a growing tourism industry are extended to destinations in regional Australia.

While the interest in visiting regional areas remains strong across traditional – Western – markets and domestic markets, the new and growing Asian markets are significantly less likely to leave the capital cities. A further consideration is how to spread the demand from the existing regional ‘hot spots’ which are in some cases nearing capacity to regional destinations that are not located in close proximity to major cities but are actively seeking visitors. The temporal nature of tourism (for example, seasonality, weekend peaks, public and school holidays) is also an important consideration as smoothing out the peaks helps tourism businesses manage cash flow. These issues have brought renewed focus to regional dispersal – in how to encourage these new markets to visit destinations in regional Australia, but also how to increase the benefit of established markets to regional Australia (through increased length of stay and expenditure, and return visits).

Tourism is a significant and growing industry in Australia. In 2017-18, there were more than 9.1 million international trips¹ to, and 100.3 million domestic visitor overnight trips within, Australia. There has been strong growth in international visitation from as early as 2005, while after a decade of relatively limited growth, domestic overnight trips have been increasing since 2013. With 200 million domestic day trips adding to the volume of activity in the tourism sector, tourism spending is now at a record high of \$131 billion.²

The strong growth in the sector adds further emphasis to tourism’s important direct contribution to Australia’s economy, representing 3.2% of Gross Domestic Product (GDP) and one in twenty Australian jobs.³ In 2016-17, the tourism industry expanded by 6.1% – the third consecutive year tourism growth outpaced Australia’s national growth rate.

Communities in regional Australia are typically more dependent on tourism than capital cities which have more diversified economies. In 2016-17, tourism contributed an estimated 4.2% of Gross Regional Product (GRP) in regional areas compared to 2.7% in capital cities.⁴ With strong growth expected to continue into the future, there is a strong imperative to ensure that regional Australia also benefits from this growth and that tourism remains a pillar of Australia’s regional economies.

Regional dispersal does more than deliver economic opportunities for regional Australia – with a number of Australia’s current tourism hot spots experiencing some level of capacity constraints during peak periods, dispersing visitors across the Australian landscape can take pressure off stressed tourism assets and destinations. Current patterns of regional visitation highlight that a high proportion of regional travel – by international and domestic visitors alike – is within close proximity to capital cities and coastal centres, meaning that there is more work to be done to spread the benefits of tourism more broadly.

1 Based on Australian Government Department of Home Affairs, Overseas Arrivals and Departures – BP0022 OAD ABS Revised Pivot 2017-18 (30 October 2018)

2 Tourism Research Australia, *International Visitor Survey*, (2018); Tourism Research Australia, *National Visitor Survey*, (2018); Tourism Research Australia, *Regional expenditure model*, (2018)

3 Austrade – TRA State of the Industry (2017)

4 Using capital city definition of Sydney, Melbourne, Brisbane, Gold Coast, Adelaide, Perth, Hobart, Darwin, and Canberra tourism regions. Deloitte Access Economics calculations using Tourism Research Australia, *Regional Tourism Satellite Accounts*, (2018a).

This project

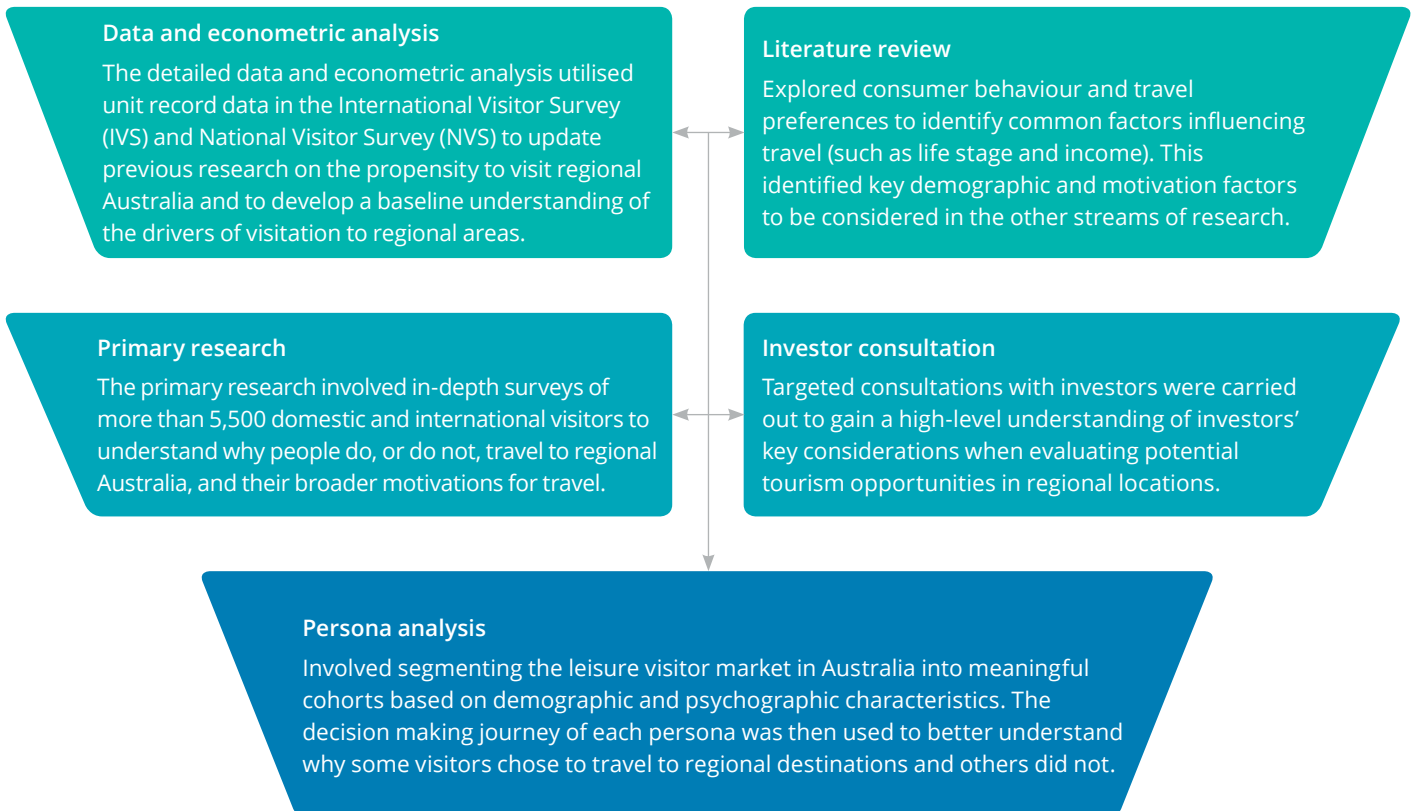
Deloitte was engaged by Austrade-Tourism Research Australia (TRA) to examine the longstanding question of how best to encourage the geographic dispersal of leisure visitors to Australia’s regions outside of capital cities and the Gold Coast.

With each regional destination having a distinct tourism offering, understanding regional dispersal requires tailored strategic insights and research relating to traveller behaviour, patterns, trends and sentiment in order to inform policy development, marketing campaigns, product development and identify the best areas for future investment.

Specifically, the objectives of the regional dispersal research included:

- Better understanding the leisure travel patterns of those who visit regional areas;
- Increasing knowledge and understanding of travellers’ propensity to visit regional Australia;
- Providing insights on the motivators and barriers to travel in regional Australia;
- Improving the understanding of the role planning and information play in influencing travel to regional areas; and
- Informing strategies to attract greater visitation to regional Australia.

This analysis was conducted through five linked research streams



Key messages

- There has been an increase in the number of domestic and international nights in regional Australia over the past decade and this has supported growth in regional visitor expenditure. There are two important stories that emerge from the expenditure data – international leisure visitors have a higher average value per visit, while domestic overnight leisure visitation provides the majority of total expenditure in regional Australia.
- Domestic visitors are most likely to regionally disperse, followed by traditional international source markets while Asian source markets are less likely to. Older visitors have a higher propensity to visit regional destinations across both international and domestic markets. Holiday visitors also have a higher rate of regional dispersal.
- The strong growth in Asian markets – which are currently significantly less likely to leave Australia's capital cities overnight – has resulted in a decrease in the overall propensity for international visitors to regionally disperse. Visitors from traditional markets are still visiting regional destinations, but are accounting for a decreasing share of the overall international market in Australia. At the national level, the share of nights spent in regional destinations has remained relatively stable for traditional markets; at the state level it varies, with strong growth in Victoria and Western Australia, but declines in Queensland.
- Visitation in regional Australia is concentrated in those destinations within close proximity to capital cities and coastal centres, and the Great Barrier Reef for international visitors. More than one-third of domestic and international leisure visitor nights in regional Australia were in just five tourism regions (out of 68 tourism regions located outside capital cities and the Gold Coast).
- International day trips are the primary source of international visitors for some destinations in regional Australia in close proximity to capital cities and major tourism gateways.
- Travelling with friends and family and the opportunity to experience nature-based offerings are the two key motivations for regional travel for both domestic and international markets. Time and money constraints were the most popular reason for both markets to not visit regional destinations.
- There are opportunities to grow both domestic and international visitation in regional Australia. Recommendations for increasing regional visitation focus on:
 - Telling visitors what is on offer in regional Australia to overcome a lack of knowledge;
 - Demystifying time and distance – the two key (real and perceived) barriers; and
 - Putting the pieces of the travel journey together for visitors to make it easier to travel to regional Australia.

What are the patterns of leisure visitation in regional Australia?



There were **178 million overnight and day trips to regional Australia in 2017-18** (58% of all visitors). This included 2.8 million international overnight visitors (31% of total international visitors), 63 million domestic overnight visitors (63% of total domestic overnight visitors) and 122 million domestic day trips (56% of total domestic day trips).⁵



Overnight international and domestic visitors, along with domestic day trip visitors, in regional Australia spent a total of \$51.5 billion in 2017-18, 44% of total tourism expenditure. The domestic share of this expenditure (overnight plus day trips) was 92%. Almost three-quarters of the expenditure in regional Australia was by leisure visitors.



Almost **one in five international leisure visitor nights are spent in regional Australia**, while for **domestic leisure visitors this number is over three in five**.

International and domestic leisure visitor nights spent in a regional destination have been **growing at a five-year average of 4.7% and 3.3% per annum**, respectively.



The average length of stay in regional Australia has been stable for domestic visitors at 3.9 nights per trip for the past 13 years. The average length of stay has **decreased among international visitors** from a peak in 2013 of 18.1 nights per trip to 15.2 nights per trip in 2017

⁵ Where possible 2017-18 data is reported. However, at the time of this project, purpose of visit data was only available until 2017, so all leisure visitor data is reported for 2017.



Focus on leisure visitors

The subsequent analysis in this report focuses on the leisure market – those visitors whose main purpose of visit is either for a holiday or to visit friends and relatives.

Leisure visitor nights

- International leisure visitors spend more nights in capital cities and the Gold Coast (108 million nights) than regional destinations (36 million nights in 2017).
- International leisure visitor nights in capital cities and the Gold Coast have been increasing a faster rate than in regional Australia.
 - Capital cities and the Gold Coast have seen a 6.1% five-year compound annual growth rate (CAGR) in international nights compared to a 4.7% CAGR in regional Australia over the same period.
- Domestic leisure visitors spend more nights in regional destinations (175 million nights) than capital cities and the Gold Coast (87 million nights).

Chart I International leisure visitor nights (millions) in regional Australia relative to capital cities and the Gold Coast, 2005-2017

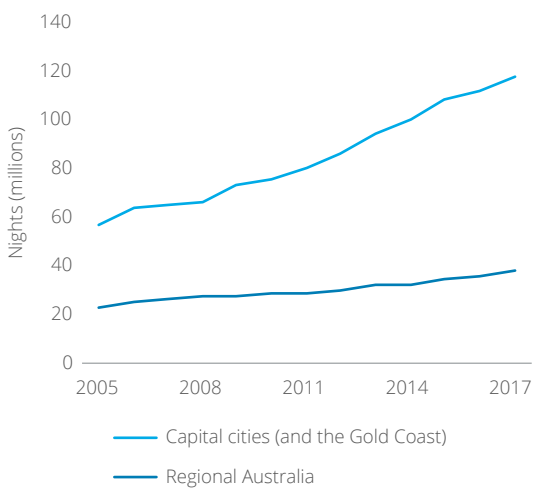
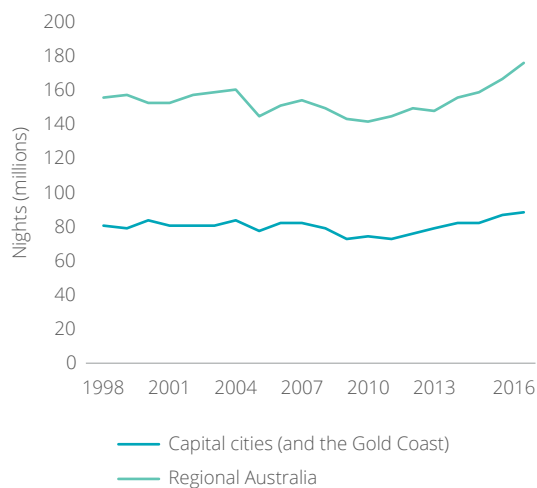


Chart II Domestic leisure visitor nights (millions) in regional Australia relative to capital cities and the Gold Coast, 1998-2017



Source: TRA, IVS and NVS, (2018).

Average length of stay

- There has been a downward trend in trip length for international leisure visitors in regional Australia since 2013, with a 2017 average of 15.2 nights per trip.
- The decline in length of stay has been occurring for a longer time period among Western market visitors; however, length of stay has been falling among Eastern market visitors as well (Eastern markets include all visitors with an Asian country of residence, while Western markets include all visitors from US, Canada, UK, European countries and New Zealand).
- The average length of stay of domestic leisure visitors in regional Australia has remained reasonably stable, although it has dipped slightly in recent years.

Chart III International average length of stay for leisure visitors in regional Australia, 2005-2017

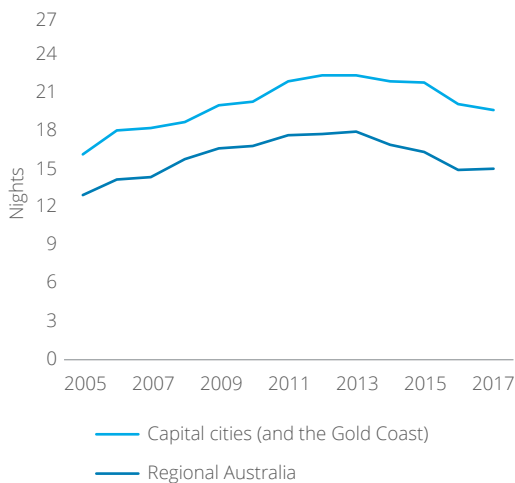
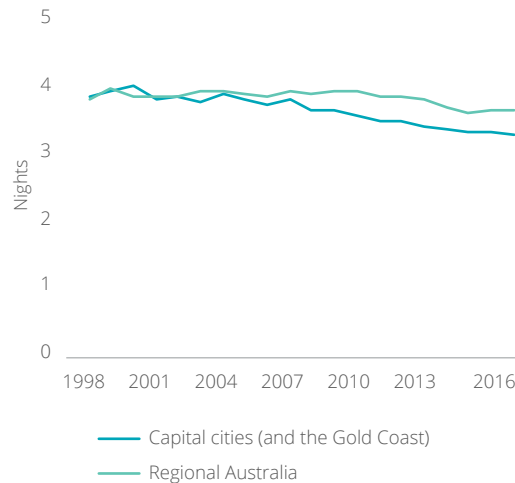


Chart IV Domestic average length of stay for leisure visitors in regional Australia, 1998-2017



Source: TRA, IVS and NVS, (2018).

Leisure day trips

Day trips are extremely important for some destinations in regional Australia, offering regions an additional income stream to overnight visitors. While the average expenditure of a leisure day trip visitor is considerably lower than an international or domestic overnight leisure visitor, there is nevertheless \$11.4 billion of domestic day trip expenditure supporting regional economies; 23% of the domestic regional leisure spend.

Recent years have seen a marked increase in the number of domestic leisure day trips, with regional day trips averaging 3% annual growth between 2004 and 2017, and now totalling approximately 86 million trips per year. Much of the increase in domestic

day trips (35 million since 2004) has occurred in New South Wales and Victoria.

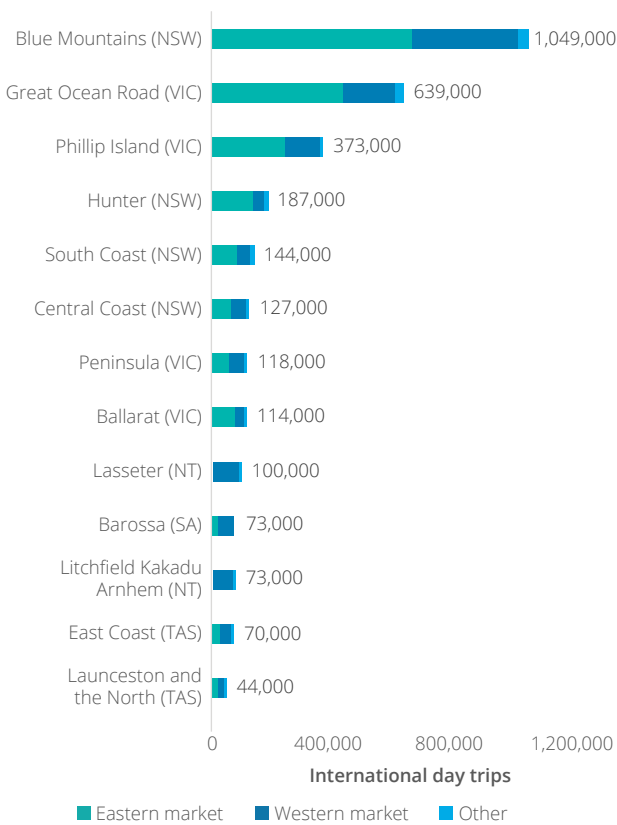
International leisure day trips are an important part of the regional tourism landscape. For some regions, international day trips represent up to 90% of total international visitors (see Figure I) – for example, the Blue Mountains (90%), Phillip Island (89%), Ballarat (85%) and the Barossa (85%).

The importance of international day trips is growing, with some day trip hot spots experiencing strong growth in Asian market visitation, which is the market with the lowest propensity to visit regional destinations overnight.

With time and distance identified as

key barriers to regional dispersal, it is unsurprising that most international day trips in regional Australia are to destinations within close proximity to capital cities. The survey conducted as part of this project revealed that visitors on a day trip often consider that one day was enough time to see and do everything in that region. While day trips provide visitors the opportunity to experience what a region has to offer, there is a drive within the industry to convert day trips into overnight stays to both ensure that more of the economic benefit of international visitors remain in the visited region but also to relieve pressure on transport and other infrastructure.

Figure I. Highlights of international day trip destinations



Day trip share of international visitors	Eastern growth (5 year CAGR)	Western growth (5 year CAGR)
90%	15%	8%
77%	20%	8%
89%	13%	7%
56%	13%	-1%
50%	11%	1%
70%	12%	4%
69%	14%	4%
85%	2%	-4%
40%	9%	1%
85%	10%	7%
68%	8%	-2%
57%	22%	5%
33%	13%	3%

Source: TRA, IVS, (2018).

Note: 'Other' includes Pacific Islands, Indian Ocean Islands, Africa, Middle East, South America. These visitors are defined as travelling for "leisure" by the main purpose for trip, rather than stopover reason. This phenomenon is thought to be more prevalent among visitors whose main purpose in Australia is to have a holiday or visit friends and relatives.

A note on estimating international day trips

The day trip destinations visited by international visitors to Australia are not currently recorded systematically in the International Visitor Survey (IVS). As such, the numbers used here are estimates based on reconciling the stated 'places visited' (e.g. Great Ocean Road) and tourism regions in which respondents have stayed overnight in the IVS. Discrepancies between the total number of visitors and overnight visitors is assumed to be due to day trips. This approach provides a reasonable indication of magnitude for smaller tourism regions (such as in Victoria and New South Wales), but is less relevant for large tourism regions (such as in Queensland and Western Australia). Places visited is not a compulsory question, so these numbers are likely to be an underestimation. This is not an exhaustive list of destinations with international day trips.

Regional leisure hot spots

- International leisure visitor trips are very concentrated in Australia's two biggest cities, Sydney and Melbourne, and in regional Queensland.
- One of the major reasons for Queensland's large international regional visitation is that a large share of the 2.3 million international visitor trips to regional Queensland are to the Great Barrier Reef. This is also the case in the Northern Territory, with many international visitors travelling to Uluru. Conversely, New South Wales and Victoria have relatively low regional visitation shares due to the pulling power of Australia's two largest cities.
- The most popular regional destinations among domestic and international leisure travellers show a very similar geographic pattern: other than the Great Barrier Reef for international tourists, both domestic and international markets are primarily concentrated on regional destinations that are near capital cities.



Figure II. Top regional destinations by visitor nights in the domestic leisure market, 2017

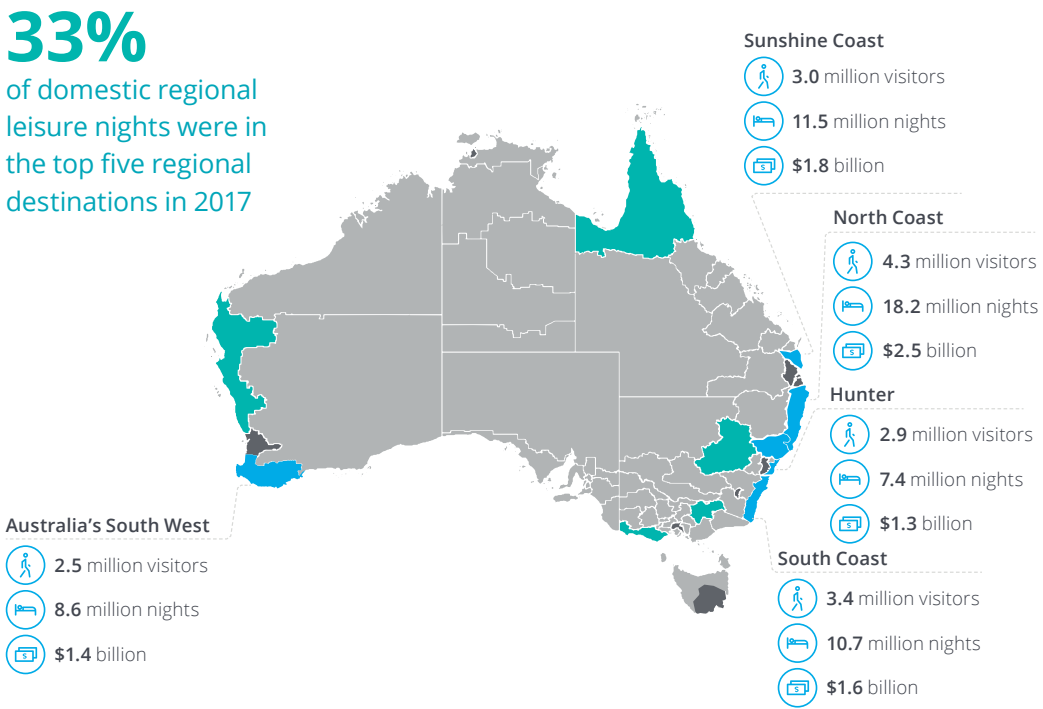
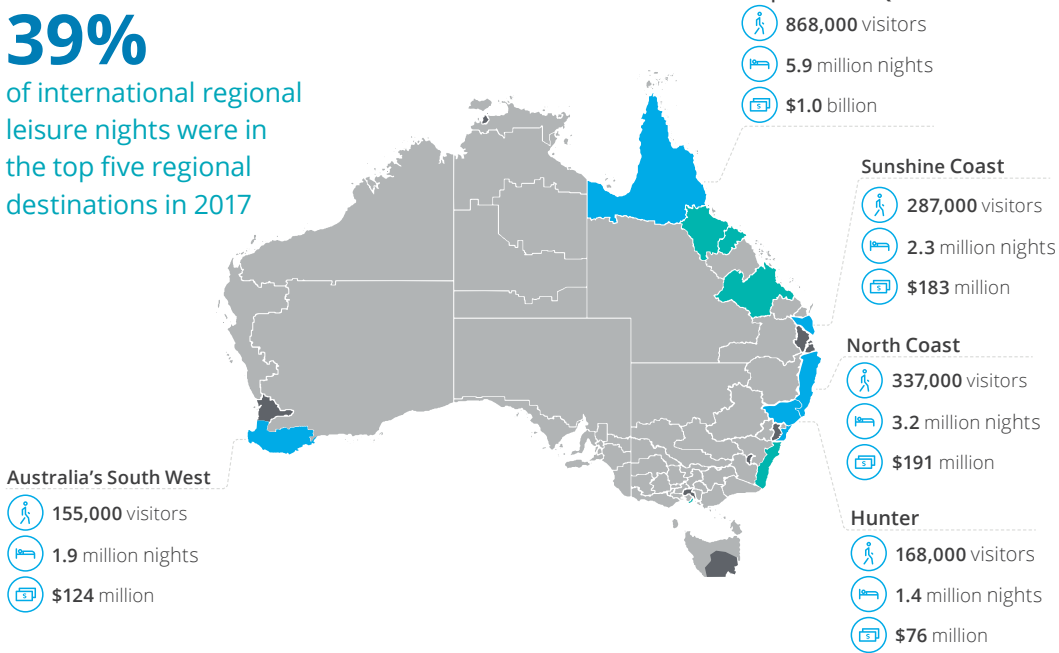


Figure III. Top regional destinations by visitor nights in the international leisure market, 2017



Source: Deloitte Access Economics, using TRA, IVS and NVS, (2018).

Drivers of regional visitation

An econometric analysis was conducted to identify visitor characteristics that are statistically correlated with regional visitation. The analysis identifies groups of visitors that have a high propensity to travel to regional destinations and tend to stay for a relatively longer period in regional Australia.

Table I. Drivers of regional dispersal by international and domestic overnight markets

Driver	International	Domestic
Age	Older visitors are found to have a higher propensity to travel to regional destinations and have a longer stay in regional Australia than younger visitors.	
Purpose of visit	Visitors who travel for employment (3% international visitor share) are found to have a higher propensity to travel to regional destinations and stay longer in regional Australia. This is linked to regional working requirements that are often part of visa conditions. However, holiday visitors (48% of international market) are more likely to travel to regional destinations than visitors who travel to visit friends and relatives (27% of international market) and business travellers (9% of international market).	Holiday visitors (33% of domestic market), business visitors (18% of domestic market) and visitors who travel to participate in a sporting event (2% of domestic market) are found to be important drivers of regional dispersal. Holiday visitors are not only the largest group of visitors in the domestic market, but are also more likely to travel to regional destinations and stay for a relatively longer period.
Travel party	Adult couples (21% of international market) and friends and relative groups (11% of international market) are found to have the highest propensity to travel to regional destinations. However, unaccompanied visitors (52% of international market) are found to have the longest stay in regional Australia, over 30% longer than adult couples and friends and relatives groups.	Business groups (6% of domestic market) and family groups (20% of domestic market) are found to have a relatively high propensity to travel to regional destinations and have a longer length of stay in regional Australia.
Household income	–	Regional Australia provides an affordable holiday option for people on a lower income. Visitors with a household income less than \$100,000 per year (31% of domestic market) are more likely to visit regional destinations and they tend to have a longer stay in regional Australia.

Driver	International	Domestic
Country of origin	Visitors from European⁶ markets (19% of international market) are found to have a higher propensity to travel to regional destinations and have a longer stay in regional Australia than visitors from New Zealand (15% of international market) and Asian markets (49% of international market).	-
Package travellers	While visitors travelling on a package (15% of international market) are slightly more likely to travel to regional destinations, they stay for a significantly shorter period in regional Australia when compared to independent visitors.	-
Previous visits to Australia	Return visitors to Australia are more likely to visit a regional destination, but tend to stay for a shorter period of time than first time visitors.	-

Understanding those most and least likely to visit regional Australia

To better understand the reasons why people do and do not travel to regional destinations, a series of eleven personas were developed based on the relative size and importance of different segments, characteristics identified as having a strong link to the propensity to visit regional destinations (through econometric analysis of IVS and NVS data) and the importance of different markets to Australian tourism (including discussions with industry). The motivations and drivers of these personas, and their travel decision-making patterns, were then explored through a survey of domestic and international visitors.

These eleven personas were identified as being impactful for regional Australia – both in terms of their relative size and contribution today, and expected continuing importance in the future.

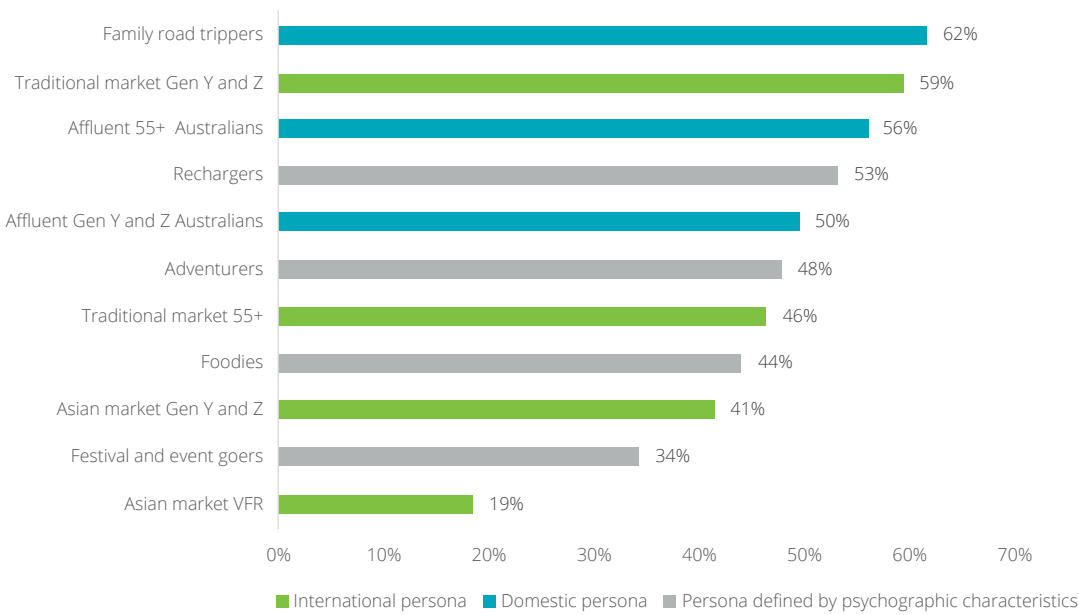
- Of the combined domestic and international sample, 46% of respondents had travelled overnight to regional Australia on their most recent trip.
- On their most recent trip, 43% of international respondents had visited regional Australia overnight.
- On their most recent trip, 50% of domestic respondents had visited regional Australia overnight.⁷

⁶ Including the UK

⁷ It should be noted that this approach to the measurement of propensity to visit regional Australia is different from the IVS and the NVS, partly due to the method of data capture (face-to-face/phone interview compared to an online survey).

Chart V presents the eleven personas in order of the propensity to have travelled to regional Australia on their most recent trip.

Chart V Share of respondents that travelled to regional Australia on their most recent trip, by persona



Source: Deloitte Access Economics Survey on Regional Visitation, (2018).

2018 Survey on Regional Visitation

These findings are based on the 2018 Survey on Regional Visitation. The survey focused exclusively on the leisure market. There were 2,015 domestic respondents (67%) who stated that they had visited regional Australia at least once in the past two years. The primary research identified 999 international respondents (40% of international sample) that visited regional Australia at least once over the past five years, for an overnight trip (37%), for a day trip only (31%) or both (32%). This forms the sample from which the following responses are drawn.

Those who had visited regional Australia were asked to select why they did so. Those who had not visited regional Australia were asked why they did not and what would have influenced them to do so.

Who is most likely to visit regional Australia and who is least likely to visit regional Australia?

Each of the eleven personas revealed different motivations and barriers for visiting regional destinations, providing important insights to support the design of policies and programs to encourage regional visitation – the personas highlight that each visitor is looking for something different from their travel destination.

The top three personas most likely to visit regional Australia and the bottom three least likely to visit regional Australia (out of eleven) are presented below. For some destinations, targeting those personas most likely to visit regional Australia may be the right opportunity – these visitors already have a preference for regional Australia and it may be a case of demonstrating what is on offer to entice these visitors. On the other hand, other

destinations – perhaps looking to grow a new market offering – may prefer to focus on encouraging those personas least likely to visit regional Australia today, but are willing to visit if barriers can be overcome.

Most likely to visit regional Australia

<p>1</p> <p>20% of domestic leisure visitors in 2017</p>	<p>Family road trippers are the most likely to visit regional Australia – 62% of them did on their most recent trip. When making decisions about where to travel, family road trippers are repeat customers – 33% chose the destination based on where they have travelled previously – and they value the recommendations of others – 28% reported word of mouth as a key source of information in deciding on the destination.</p> <p>To family road trippers, taking a holiday means spending quality time with the family, and regional Australia offers an affordable, easy to access option.</p> <p><i>On their most recent trip, defined as: Australian residents; travelled as parents with their children; main mode of transport was a private vehicle.</i></p>
<p>2</p> <p>4% of international leisure visitors in 2017</p>	<p>Traditional market Gen Y and Z on their first trip to Australia, are the next most likely to visit regional Australia – 59% travelled to regional Australia on their most recent trip. These young travellers are more likely to use the internet to decide on where to travel to and what to do when they get there.</p> <p>While regional Australia was part of their ‘bucket list’ itinerary and offered them a chance to learn something new, they are more price-sensitive than other travellers when considering visiting regional Australia.</p> <p><i>On their most recent trip, defined as: US, UK and New Zealand residents; 15-34 years old; first visit to Australia.</i></p>
<p>3</p> <p>10% of domestic leisure visitors in 2017</p>	<p>Affluent 55+ Australians are the third most likely persona group to visit regional Australia (with 56% of the group visiting a regional destination on their most recent trip). They enjoy eating out at restaurants and shopping when they travel and tend to stay longer when visiting regional destinations (6.9 nights on average) than when visiting capital cities (5.8 nights on average).</p> <p>For this group, travel offers the chance to escape day-to-day life and gain knowledge.</p> <p>They are also repeat customers – with 44% choosing the most recent destination because they had travelled there previously.</p> <p><i>On their most recent trip, defined as: Australian residents; 55+ years; household income greater than \$85,000 per year.</i></p>

Source: Visitor numbers sourced from TRA, IVS and NVS, (2018). Response shares sourced from Deloitte Access Economics Survey on Regional Visitation, (2018).

Least likely to visit regional Australia

<p>1</p> <p>4% of international leisure visitors in 2017</p>	<p>The Asian market VFR persona is the least likely among all groups to have been to regional Australia on their most recent trip (19%). They are much more likely than other international visitors to have only visited Australia once in the past five years.</p> <p>They value gaining knowledge, natural attractions and iconic wildlife when choosing a destination and, of those that did visit regional Australia on the last trip, 75% agreed that regional Australia offers great cultural and natural experiences.</p> <p>This group is also more likely than other personas to choose a destination because there was a direct flight, and 81% think that capital cities are easier to get to when visiting Australia.</p> <p>Of those that did not visit regional Australia, 71% agreed that regional Australia would be a good place to visit if time permitted. However, more information on what is on offer is required.</p> <p><i>On their most recent trip, defined as: Chinese and Japanese residents; main purpose of visit to Australia was to visit friends and relatives.</i></p>
<p>2</p> <p>(psychographic persona)</p>	<p>While just 34% of festival and event goers visited regional Australia on their last trip, those that did have a keen preference for regional destinations. Exploring the broader region in which they live was a strong motivator. They were less likely to have chosen a destination based on family and friends.</p> <p>In contrast, festival and event goers that did not visit a regional destination have a particular preference for capital cities, regardless of the purpose of travel. This sub-group identified ease of travel and greater shopping and dining experiences as ways to influence them to travel to regional Australia.</p> <p><i>On their most recent trip, defined as: Australian residents; psychographic-based.</i></p>
<p>3</p> <p>7% of international leisure visitors in 2017</p>	<p>The Asian market Gen Y and Z who have travelled to regional Australia (41% on the most recent trip) are drawn to the natural wonders on offer and the food and wine experiences available in regional destinations. Once they are there, Asian market Gen Y and Z typically stay 9.6 nights in regional Australia.</p> <p>Those who have not travelled to regional Australia could be induced to travel there with better shopping, dining and other similar activities.</p> <p>Social media is a key source of information for both inspiration and planning travel.</p> <p><i>On their most recent trip, defined as: Chinese and Japanese residents; 15-34 years old.</i></p>

Source: Visitor numbers sourced from TRA, IVS and NVS, (2018). Response shares sourced from Deloitte Access Economics Survey on Regional Visitation, (2018).

Common themes of why some travellers visit regional Australia and others do not

Travel decisions can be contingent, complex, and sometimes even spur of the moment – with a significant interaction between the who, what, when, where and why of travel. As the persona analysis highlights, different travellers have a multitude of reasons why they like to travel and what they are looking for in a destination. However, there are a

number of recurring themes across the analysis that warrant highlighting.

The survey asked respondents to identify their main barrier to visiting a regional destination if they had not done so, or identify their main reason for visiting a regional destination if they had recently travelled outside a capital city or the Gold Coast. The key results include the following.



- For international respondents, visiting regional destinations is most likely to be driven by a desire to spend time with **friends and relatives**, as well as an interest in nature-based and outdoor activities and the desire to tick off the bucket list.
- For domestic respondents, visiting regional destinations is most likely to be driven by **convenience and affordability**, as well as the opportunity to spend quality time with friends and family.

Chart VI Why did you visit regional Australia? (international)

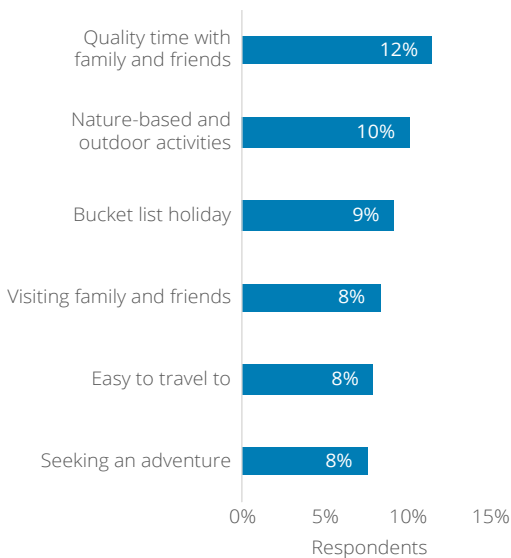
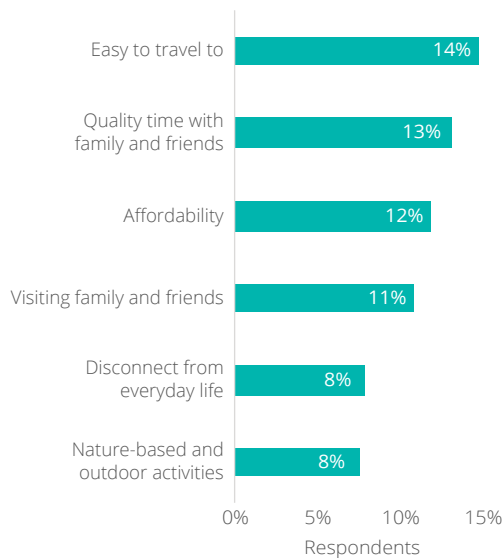


Chart VII Why did you visit regional Australia? (domestic)



Why not regional?

- Over one in five international respondents said that **time constraints** was the most common reason for why they had not left a capital city when visiting Australia. A **lack of knowledge about regional Australia** was the second most prevalent response – the majority of these responses were by Chinese respondents.
- **Time and money** were the top two barriers to dispersal among domestic respondents. Not far behind was a **preference for travelling to capital cities** or overseas destinations (among domestic respondents).

Chart VIII Why did you not visit regional Australia? (international)

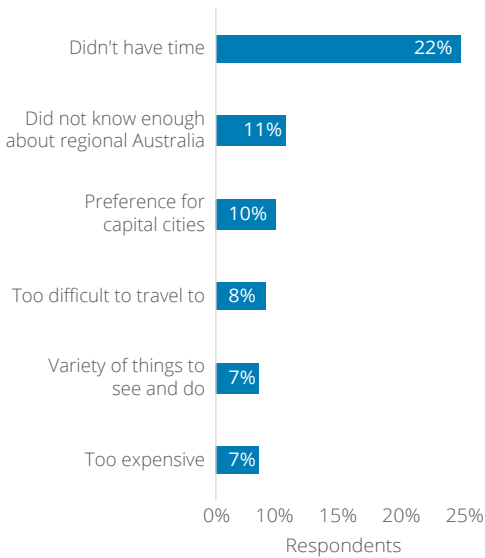
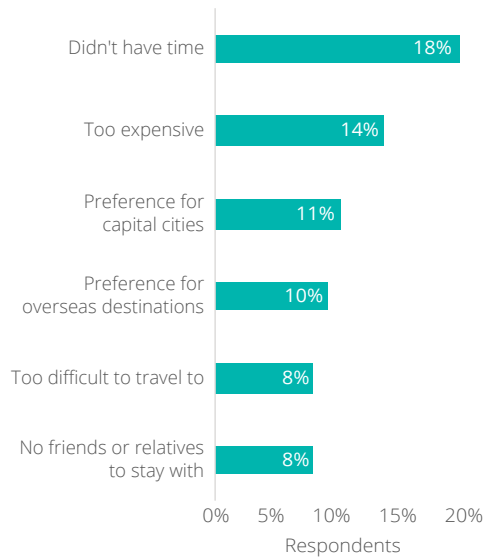


Chart IX Why did you not visit regional Australia? (domestic)



Why would you visit regional Australia?

- More **time and ease of access** were highlighted by international respondents as being major influences on them regionally dispersing in the future. Over half of those who highlighted time constraints were from China. **More information** was a frequent response across source markets; however, those from China, New Zealand, and Japan most strongly identified with this as a potential influence on their behaviour.
- With **more time, less expense and greater convenience**, domestic respondents would consider travelling to regional Australia.

Chart X Why would you visit regional Australia? (international)

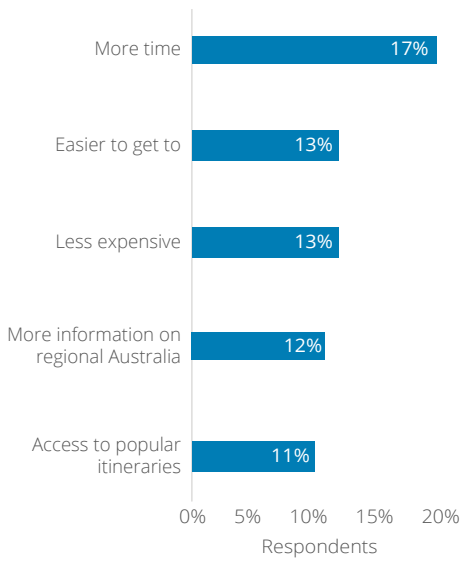


Chart XI Why would you visit regional Australia? (domestic)



Motivators for travel when considering regional destinations



Family and friends are a central motivator for who to travel with

People often go to great lengths to reconnect with their family and friends around the country. For domestic and international visitors alike, the main reasons for travelling to regional Australia are not necessarily associated with place – it is about the people-to-people connections. For example, the top response for why international visitors visited regional Australia was a chance to spend quality time with friends and family.

The fourth highest response among international respondents was to visit family and friends. As a multicultural nation with significant amounts of net overseas migration (which accounted for 60% of population growth over the previous year), visiting friends and relatives (VFR) could drive further numbers of international travellers visiting family and friends in regional Australia.



Nature-based offerings brings visitors from far and wide

There is a strong pattern of international travellers being drawn to nature-based and bucket-list holidays in Australia – these were the second (10% of responses) and third (9%) most popular responses to why the respondent travelled to regional Australia on their most recent trip, respectively. With many of Australia's varied natural landscape and unique fauna and flora best experienced outside of capital cities, this desire for nature-based offerings is and has the potential to be a key driver of regional visitation.



Time and money matters

The constraints of time and money were key factors limiting travel to regional destinations. Domestic travellers who had not travelled to regional Australia in the past two years nominated these as top constraints. This was also the case among international visitors, often having travelled long distances just to visit Australia. International visitors reported that the selection of destinations on their trip are constrained by time and cost.



Preference for capital city destinations over regional Australia

One in ten domestic and international travellers who had not travelled to regional Australia in the past two years said that they had not done so because they prefer to visit capital cities. Popular reasons driving these preferences were the shopping and dining experiences available as well as the ease of getting there. The most popular reason for international travellers was that capital cities offer a greater variety of things to see and do.



Preference for overseas destinations

One in ten domestic travellers prefer visiting overseas destinations rather than regional Australia. This group had higher than average household income and three-quarters are capital city residents.



Lack of awareness of what is on offer in regional Australia – particularly for Chinese travellers

Among international visitors, the second most important reason for not travelling outside of a capital city in the past five years (after not having enough time) was not knowing enough about regional Australia. This was particularly the case among Chinese visitors, with 11% indicating that more information, particularly access to popular itineraries, would influence them to visit regional destinations.



Why didn't you spend the night?

International travellers who had visited regional Australia on a day trip at least once in the past five years were asked why they did not stay overnight. Many visitors were content with a day, were part of a tour or did not have the time.

How can we ensure we have the right product on offer to attract visitors to regional destinations?

Strategies to attract and encourage visitors to travel to regional destinations are likely to include the development of new – or a refresh of existing – offerings and experiences. Attracting the required investment in regional destinations can be challenging. Consultations with investors revealed current and potential actions to support investment in regional tourism assets.

Assets with a broad-based demand profile are preferred

Investment opportunities with multiple sources of demand are viewed as more desirable investments, alleviating risk.

There are mixed views on investments in capital city versus regional locations

There is a perception that volatility in prices can be more acute in capital cities and that outer suburban and regional centres offer attractive alternatives.

Greenfield projects⁸ are generally less attractive to investors and considered high-risk

Investors do not have the risk appetite for greenfield projects, especially in regional locations. 'Developer ready' or 'operator ready' projects are preferred.

Businesses who already have an established regional foothold are more likely to consider new opportunities in regional locations

Operators who are already serving the regional tourism markets are more entrepreneurial in their mindsets to look for new product opportunities to grow their existing regional portfolios.

A lack of knowledge of regional Australia is a barrier, particularly for foreign investors

Attracting foreign investment, especially from offshore Asian investors to regional Australia is considered more difficult due to the lack of understanding of what is on offer in regional destinations. This also has implications for domestic investors seeking foreign capital.

The operating environment in regional locations is more difficult

The higher costs of construction and labour, as well as the challenge of attracting and retaining skilled workers, are operating constraints faced by regional tourism businesses.

There is optimism in the continuing rise of regional tourism

With future travellers increasingly seeking travel experiences that resonate on a deeper emotional level, regional Australia is well placed to develop products that can offer greater personalisation, authenticity and connection with nature.

Government plays an important role in facilitating tourism investment

Alignment and coordination across all levels of government can be further improved to facilitate the process for potential investors. However, there is not a one-size-fits-all model for supporting investors, as each investor has different needs and priorities.

When designing new policies and incentive schemes, government needs to consider the dynamics of supply and demand to promote sustainable development

There is a perspective among investors that incentive schemes need to be designed to promote sustainable development, and not disrupt the balance of supply and demand market forces.

⁸ Greenfield projects refer to those where investors have to build the physical facility for a business in a location where no existing infrastructure are currently present (e.g. power and waste disposal). It is a completely new project to be executed from scratch.

How can we encourage more visitors to regional destinations?

The recommendations presented here are based on the key messages derived from this body of research and the existing knowledge of Australia's tourism industry, and have been specifically designed around two central questions:

- Who is most likely to visit regional Australia today and how can their impact be enhanced; and
- Where is there new potential, and how can the barriers to visiting regional Australia (real and perceived) be overcome?

This report focuses specifically on what has been learned about the eleven personas introduced and discussed in this analysis. It is expected that a material improvement in the propensity to visit regional Australia – or their length of stay and/or expenditure – in one or more of these markets would have a discernible impact on regional Australia.

Looking forward, further investment in **telling visitors what is on offer in regional Australia, demystifying time and distance** and **putting the pieces of the travel journey together for visitors** are expected to support ongoing growth in regional tourism. There are opportunities to be had in the domestic market and in both traditional and Asian markets.

The full report provides recommendations for Asian markets, traditional markets and domestic markets separately. The recommendations below are overarching, reflecting common themes across all markets.

Tell them what's on offer

One of the critical things to overcome barriers to regional visitation focuses on educating visitors about the extensive list of activities, accommodation, attractions, food and drink, and unique experiences that regional Australia has on offer.

The research in this report – and elsewhere – has highlighted that a lack of information and understanding about the tourism offering in regional Australia is impacting visitors' likelihood of visiting regional Australia and/or staying longer and spending more in regional Australia.

Recommendations

- **Play to your region's strengths by leveraging the known competitive advantages** of regional destinations – culture, nature and outdoors, wildlife, beaches and waterways.
 - Use tailored marketing to explain the unique offering of each regional destination and target this marketing to those travellers with a higher propensity to visit destinations with this offering. For example, the Asian market VFR group values gaining knowledge, and natural attractions and iconic wildlife when choosing a destination. Marketing collateral targeting Asian market VFR hosts can emphasise the 'bucket list' and iconic wildlife attractions of the regional destination while making the planning and logistics accessible to those with limited English.
- **Promote 'anchor attractions'** in regional destinations and build out a broader list of things to see and do before or after this attraction. For example, Dubbo leverages the pulling power of Taronga's Western Plains Zoo by capturing potential visitors at the 'inspire' phase of their decision journey. Then, potential visitors are provided further details about the region's Aboriginal history, natural beauty, caves, etc., to encourage them to stay longer in the region.
- Maintain the connection with visitors who have previously travelled to a regional destination as previous travel experiences are a key source of information in the 'inspire' phase of decision-making – **but educate them on what else is on offer in the region.** For example, rechargers (one of the personas examined who sought to disconnect from

everyday life) are more likely to visit a regional destination they have previously been to. Visitor relationship management platforms (as well as social media) can allow regional destinations to promote upcoming festivals and events, as well as new investments and attractions, to build an ongoing relationship with visitors and foster an affinity with the region.

Demystify time and distance

While not an unexpected result, time and distance were repeatedly identified in this analysis as barriers to visiting regional Australia. When choosing where to travel, common sense – and the body of literature – tells us that people are making trade-offs between the value that they will get from visiting a destination (where value is very personal and relates to the motivation for travel) and the time and money they have available.

This is particularly important given the dominance of regional destinations in close proximity to capital cities. For the industry to encourage visitors to travel beyond the regional hot spots and into the wider landscape of regional Australia, demystifying time and distance will be critical.

Recommendations

- **Provide facts and figures about time and distance** so that potential visitors can make informed decisions about regional destinations, rather than having an impression of the vastness of Australia dictate travel decisions. Don't lose people at the 'inspire' phase of the travel journey because they think regional Australia is too far away.
 - For example, Visit Fraser Coast provides details on the flight time from Brisbane and Sydney as well as the train, bus and car times from Brisbane. Visitors are told that a three-hour drive north of Brisbane can have them visiting humpback whales.

- **Break up regional Australia into manageable 'chunks' when marketing,**

particularly to international markets. Australian states are often larger than some countries, making even states a daunting task when planning where and how to travel.

- For example, Ballina Airport is marketed as the gateway to Byron Bay, despite being 30 minutes' drive away from Byron Bay. Visitors recognise Byron Bay as a discrete destination, but through marketing and branding are encouraged to explore the broader Northern Rivers region.

- **Market options for regional travel in conjunction with city stays –**

demonstrate that many outstanding regional destinations are within a short distance from the major tourist centres to remove the uncertainty (and in many cases misconception) that regional destinations are far away. While this does not encourage visitors to explore beyond the oft-visited regional destinations, it does provide visitors with a taste of what regional Australia has on offer.

Put the pieces of the journey together

The old adage that we don't know what we don't know holds true when it comes to

regional travel. How does a potential visitor know that there is a regional trip that satisfies their motivations for travel if they don't know someone that's been there before and there's not a ready-made (and publicly available) itinerary crafted by those in the industry or previous travellers? This is further compounded – indeed, multiplied – by the countless steps required to make a decision about where to travel, how to travel, when to travel and who to travel with.

Behavioural economics – and the marketing literature – tell us that when people are faced with many decisions and many uncertainties they choose the path of least resistance. This means that when visitors are making decisions about whether to travel to regional Australia, we need to put the pieces of the journey together for them – thereby making regional destinations an attractive and accessible solution to their motivation for travel.

Recommendations

- Make choosing regional destinations easy by **developing tailored itineraries for different motivations** for travel.

- For example, Margaret River provides a number of self-drive itineraries for

visitors, including a number of different wine tours, as well as itineraries for nature lovers, dog owners, families, luxury seekers, and special occasions.

- **Encourage neighbouring regions to develop joint marketing strategies and itineraries**

to educate visitors about what is on offer in the wider region and encourage visitors to stay an extra night in regional Australia.

- For example, Australia's Dinosaur Trail is a joint initiative educating visitors about what to do, how long it takes and what can be seen on the journey between three towns in outback Queensland.

- **Use insights from behavioural economics to make the decision process easier.**

For example, provide information on what visitors with a similar profile have done – “did you know that X% of visitors in the 45-60 age bracket followed this link to Region Y?”. This is similar to booking aggregators' use of “you may also like” or “other people are looking at this hotel”.

Deloitte Access Economics

1

Introduction

Tourism is becoming increasingly important to the economic development of regional Australia. Therefore, understanding and addressing the barriers to dispersal and investment beyond the cities is critical in supporting sustainable growth of the industry, taking the pressure of Australia's gateway cities and ensuring the economic benefits of tourism are spread more widely.

1.1 The 2018 Destination Research Program

The Destination Research Program (DRP) provides strategic insights and research to inform policy development, marketing campaigns, product development and identify the best areas for investing future resources. It complements the International Visitor Survey (IVS) and National Visitor Survey (NVS) programs by providing insights relating to traveller behaviour, patterns, trends and sentiment relevant at a national, state and regional level.

Two priority research themes were agreed for 2017–18:

- Regional dispersal; and
- Technology disruptors.

It is in this context that Deloitte Touche Tohmatsu was engaged by Austrade-Tourism Research Australia (TRA) to assist with the 2018 DRP.

This report focuses on the first research theme – regional dispersal – while the second research theme – technology disruptors in tourism – is reported on separately.

Regional Australia

Defined here as all tourism regions outside of: Sydney, Melbourne, Brisbane, Gold Coast, Adelaide, Experience Perth, Hobart and the South, the Australian Capital Territory, and Darwin.

1.2 Economic contribution of tourism

In 2017-18, there were 9.1 million international visitor trips⁹ (up 6% year-on-year) and 100.3 million domestic visitor overnight trips (up 7% year-on-year) within Australia. Domestic overnight visitation has been growing since 2013, while international visitation has seen strong positive trend growth from at least as early as 2005. At the same time, there has also been 200 million domestic day trips (up 7%). Combined, the visitors on these trips spent a total of \$131.4 billion (up 7%) across the country.

Tourism is an important contributor to Australia's economy, representing 3.2% of Gross Domestic

Product (GDP) and one in twenty Australian jobs.¹⁰ Furthermore, the demand for goods and services generated by tourism supports employment and economic activity in other industries that are linked to the tourism sector.

In 2016-17, the tourism industry expanded by 6.1% – this was the third consecutive year tourism growth outpaced Australia's national growth rate.

Many of Australia's key tourism destinations and drawcards are located in regional Australia and the visitor numbers reflect this: data from 2017-18 shows 2.8 million international visitors travelled to destinations in regional Australia and there were 175 million trips made by Australians visitors.¹¹ Visitor expenditure in regional Australia totalled \$51.5 billion, 43% of all visitor expenditure in Australia.¹²

Regional economies are typically more dependent on the tourism industry than capital cities which have more diversified economies. Tourism directly contributed an estimated 4.2% of Gross Regional Product (GRP) in 2016-17 in regional areas compared to 2.7% in capital cities.¹³

In a third of Australia's 68 tourism regions outside of capital cities and the Gold Coast, tourism contributes more than 5% as a share of total Gross Regional Product (GRP).

Given the critical role of the tourism sector to the prosperity of regional Australia, there is a need to gain deeper insights into how to support growth in this area, minimise the barriers to dispersal and drive regional tourism. As the tourism market continues to grow, there is an imperative to ensure that regional Australia also benefits from this growth and that tourism remains a pillar of Australia's regional economies.

¹⁰ Australian Bureau of Statistics, *Australian National Accounts: Tourism Satellite Account, 2016-17*, cat. no. 5249.0 (13 December 2017).

¹¹ Both overnight and day trips

¹² Tourism Research Australia, *Regional Expenditure SuperCROSS database*, (2018d).

¹³ Using capital city definition of Sydney, Melbourne, Brisbane, Gold Coast, Adelaide, Perth, Hobart, Darwin, and Canberra tourism regions. Deloitte Access Economics calculations using Tourism Research Australia, *Regional Tourism Satellite Accounts*, (2018a).

⁹ Based on Australian Government Department of Home Affairs, Overseas Arrivals and Departures – BP0022 OAD ABS Revised Pivot 2017-18 (30 October 2018)

1.3 Purpose of this research

The purpose of the regional dispersal research theme is to understand how to increase regional dispersal from both international and domestic (including interstate and intrastate) visitors. The specific research tasks of the regional dispersal research included:

- Better understanding the leisure travel patterns of those who visit regional areas;
- Increasing knowledge and understanding of travellers' propensity to visit regional Australia;
- Providing insights on the motivators and barriers to travel in regional Australia; and
- Improving the understanding of the role planning and information play in influencing travel to regional areas.

Leisure travel

The subsequent analysis in this report focuses on the tourism leisure market – those whose main purpose of visit is either for a holiday or to visit friends and relatives. The importance of purpose of visit on the propensity to visit regional Australia is explored in Chapter 3. However, for the purposes of this analysis, all other chapters focus on just the leisure market.

Ultimately, the purpose of the research is to inform strategies to attract greater visitation to regional Australia.

1.4 Analytical framework

To this end, this analysis brings a new approach to the longstanding question of how to encourage travel to regional destinations and maximise the benefits of tourism to regional Australia.

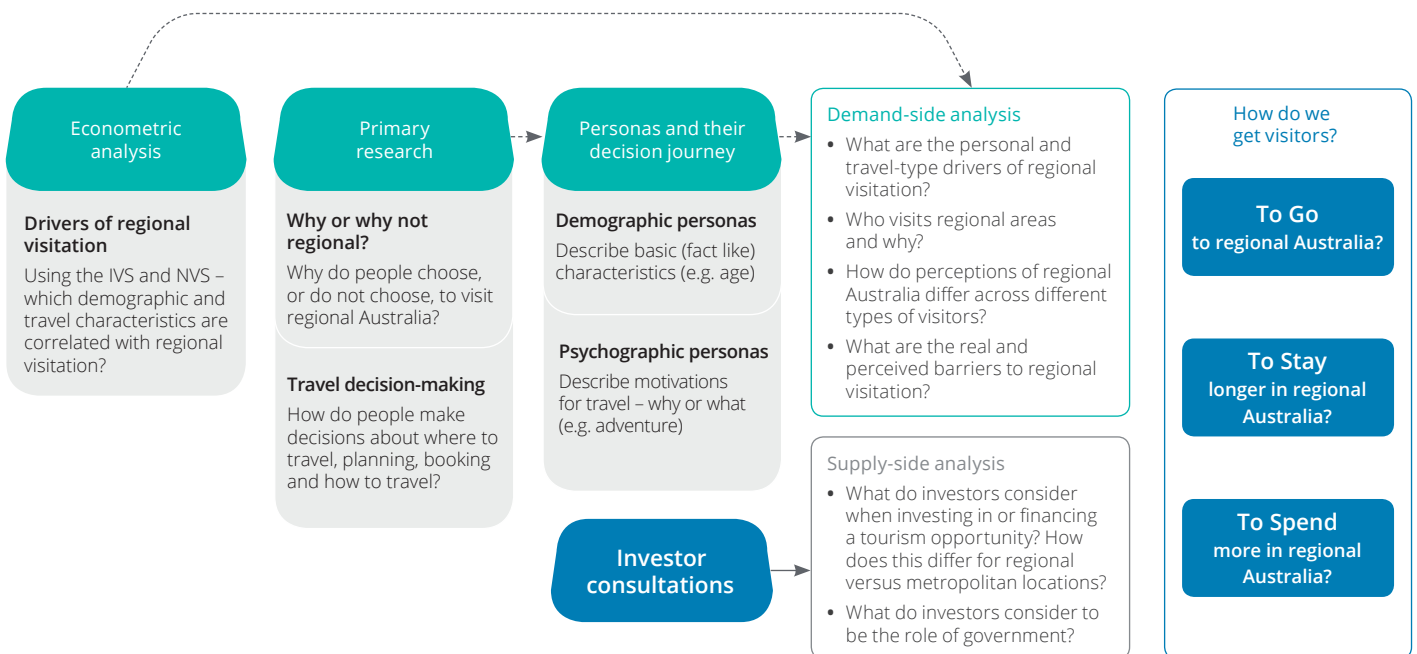
The analytical framework, presented in Figure 1.1, reflects the steps taken in this analysis which culminates in a series of recommendations on how to encourage people to visit regional destinations and, once they're there, to stay longer and spend more.

The **demand-side analysis** focuses on how and why different types of visitors choose or do not choose to travel outside Australia's capital cities. This analysis was conducted through three linked research streams.

- The detailed **data and econometric analysis** utilised unit record data in the International Visitor Survey (IVS) and National Visitor Survey (NVS) to update previous research on the propensity to visit regional Australia and to develop a baseline understanding of the drivers of visitation to regional areas.
- The **primary research** involved an in-depth survey of more than 5,500 domestic and international visitors to understand why people do or do not travel to regional Australia, and their broader motivations for travel (see section 1.5 for further details).
- The primary research supported the development of **personas** to assist with segmenting the total leisure visitor market in Australia into meaningful cohorts based on demographic and psychographic characteristics. The **decision making journey** of each persona was then used to better understand why some visitors chose to travel to regional destinations and others did not (real and perceived barriers, desires and motivations).

However, it is important to note that demand is just one side of the regional tourism story. As such, the demand-side analysis was supported by consultations with investors in Australia's tourism industry to gather insights into the **supply-side** of regional tourism.

Figure 1.1 Analytical framework



1.5 The 2018 Survey on Regional Visitation

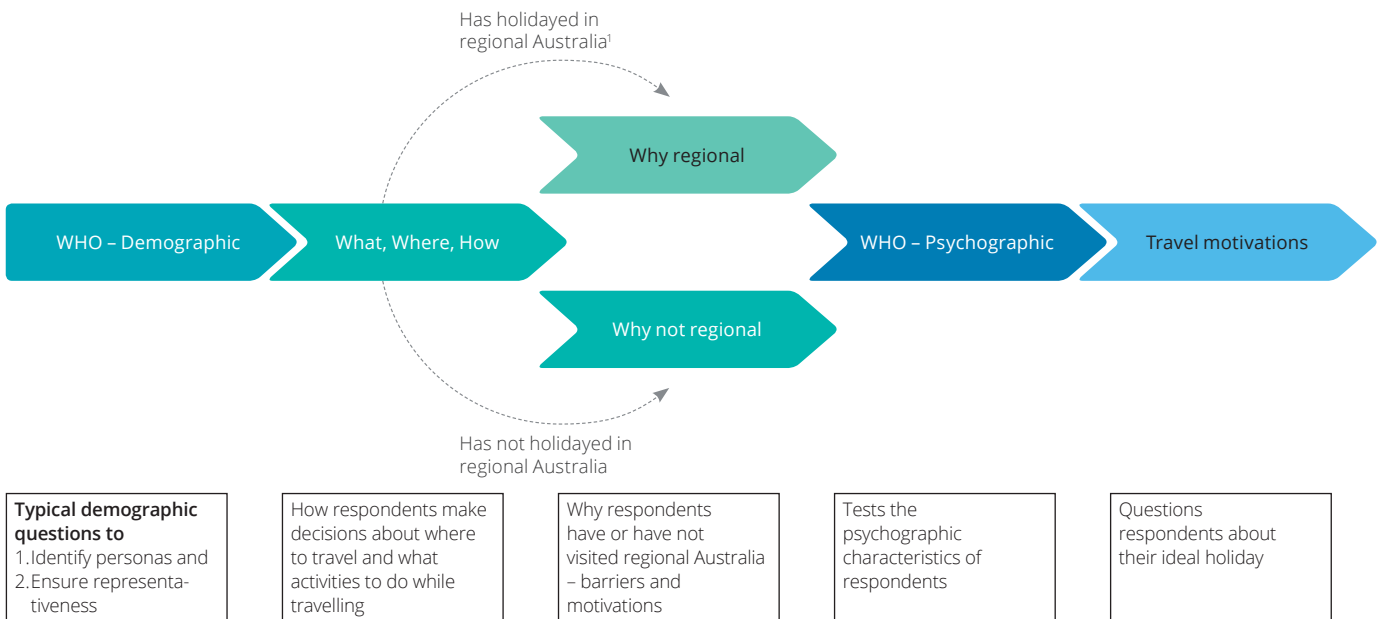
To add a focused perspective on visitor motivations and preferences toward regional visitation, primary research was undertaken. This was implemented through an online survey of 3,000 domestic Australians who had travelled overnight at least once within Australia in the past two years, and 2,520 international visitors who had visited at least once in the past five years. The countries selected in the international sample were determined based on the top five largest market share in 2017 – New Zealand, China, UK, US, and Japan (in that order).

Both the domestic and international surveys were structured in four parts:

- 01. Decision making** – based around the most recent trip that respondents had taken within Australia.
- 02. Why or why not regional Australia** – sought to drill down into the reasoning behind selecting a regional or capital city destination for their most recent trip.
- 03. Psychographic profiling** – determining lifestyle and personality characteristics, which may shape the travel preferences of respondents.
- 04. Demographic profiling** – in order to test and validate hypotheses, a range of demographic characteristics were also captured.

An overview of the structure of the survey is provided in Figure 1.2. Appendix C provides further details on the primary research.

Figure 1.2 Structure of the regional dispersal survey



¹ International survey specified five years as the benchmark for travelling to regional Australia for an overnight stay, rather than two years for the domestic survey

1.6 Structure of the report

The report is structured as follows.

- **Chapter 2** presents an overview of the **patterns of regional visitation** in Australia, including those relating to expenditure in regional Australia, nights in regional Australia and the spatial dimensions of regional visitation as well as a summary of the drivers in regional visitation underlying those patterns.
- **Chapter 3** presents a summary of the findings from the primary research about **why (leisure) visitors do or do not travel to regional Australia**.
- **Chapter 4** discusses the motivations and decision journeys of eleven visitor **personas**.
- **Chapter 5** presents an analysis of the landscape for **investment** in regional Australia.
- **Chapter 6** presents a series of **recommendations** and insights on ways to increase regional visitation, drawing on the findings of the supply and demand side analyses.

This report is part of a suite of material developed to support the 2018 Destination Research Program. Within the regional dispersal research theme, four collateral pieces have been produced:

01. This report, which presents the overall findings of the regional dispersal research;
02. Individual state reports, which present a summary of findings that are relevant to each jurisdiction;
03. Survey on Regional Visitation – Survey questions, which presents the questions and answer sets from the primary research; and
04. Regional dispersal top-line survey results.

2 Patterns of leisure visitation in regional Australia

What does regional visitation in Australia look like? How much do people spend? Where do travellers go? For how long do they stay? What characteristics drive regional visitation? In answering such questions, it is revealed that while international visitation is increasingly concentrated in capital cities, domestic travellers are exploring their backyards in greater numbers – with considerable variation across states and territories.



Leisure visitors to regional Australia spent a total of \$36.6 billion in 2017, which is 32% of national tourism expenditure.



Over two in ten international leisure visitor nights are spent in regional Australia. For domestic leisure visitors this number is almost seven in ten.



International and domestic leisure regional nights have been growing at a five-year average 4.7% and 3.3% per annum respectively to 2017.



Average length of stay in regional Australia has been stable for domestic visitors, but falling for international visitors.



70% of the growth in domestic day trips since 2010 has been seen in NSW and Victoria.



In 2017, the North Coast (NSW), Sunshine Coast (QLD), Australia's South West (WA), and Hunter (NSW) (in no particular order) were in the top five regions by visitor nights for both domestic and international visitors.

2.1 Overview of patterns of regional visitation

An overview of the patterns of regional visitation in Australia is important to contextualise the visitors, their journeys, and the decisions of investors, to support recommendations on how to increase regional visitation, particularly among the leisure market.

For the sake of consistency in the comparison of results across chapters and in light of data quality issues around purpose of visit¹⁴, the most recently reported time period for both time series and cross sectional data is the calendar year 2017.¹⁵

Patterns in regional visitation can be analysed along three main dimensions. These three dimensions are all interlinked, but can be understood separately from one another.

- The value or **expenditure** dimension is a measure of how much visitors spent in regional Australia.
- There is also a **nights** dimension, where the total number of visitor nights and the average length of stay of tourists in regional Australia can be measured.
- There is thirdly a **spatial** dimension, or the extent to which tourists go to regional Australia, both by number of visitors and by distance travelled.

¹⁴ For domestic overnight visitors, purpose of visit is recorded for each *stopover*, while international purpose of visit is recorded for the entire trip (which may include multiple stopovers). It is common practice to compare these statistics between markets, despite the subtle difference in measurement.

¹⁵ Where possible 2017-18 data is reported. However, at the time of this project, purpose of visit data was only available until 2017, so all leisure visitor data is reported for 2017.

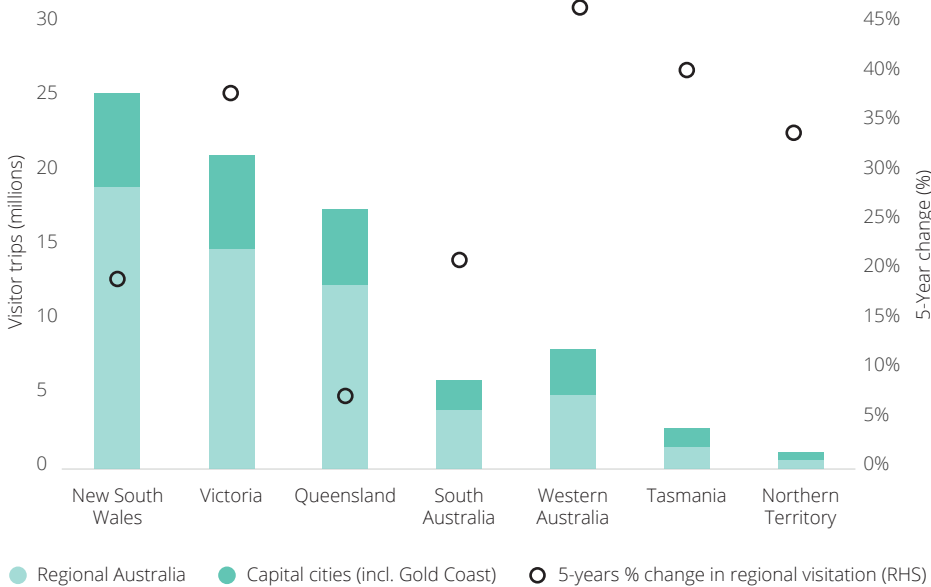
A summary of regional leisure visitation across Australia is provided in Chart 2.1 and Chart 2.2. The distribution of Australia's population, across states and between urban and rural locations, largely accounts for the patterns observed. New South Wales and Victoria have the greatest number of domestic visitor trips to regional destinations of all the states with 19 million and 14 million trips in 2017 respectively. While the greatest number of regional trips take place in these states, the strongest growth over the last five years has been in Western Australia (43%), Tasmania (37%), Victoria (35%) and Northern Territory (32%), all above the national average of 22%.

International leisure visitor trips are very concentrated in Australia's two biggest cities, Sydney and Melbourne, and in regional Queensland (Chart 2.2).

One of the major reasons for Queensland's outsized international regional visitation is that a large share of the 2.3 million international visitor trips to regional Queensland are to the Great Barrier Reef. This is also the case in the Northern Territory, with many international visitors travelling to Uluru. Conversely, New South Wales and Victoria have relatively low regional visitation shares due to the pulling power of Australia's two largest cities.

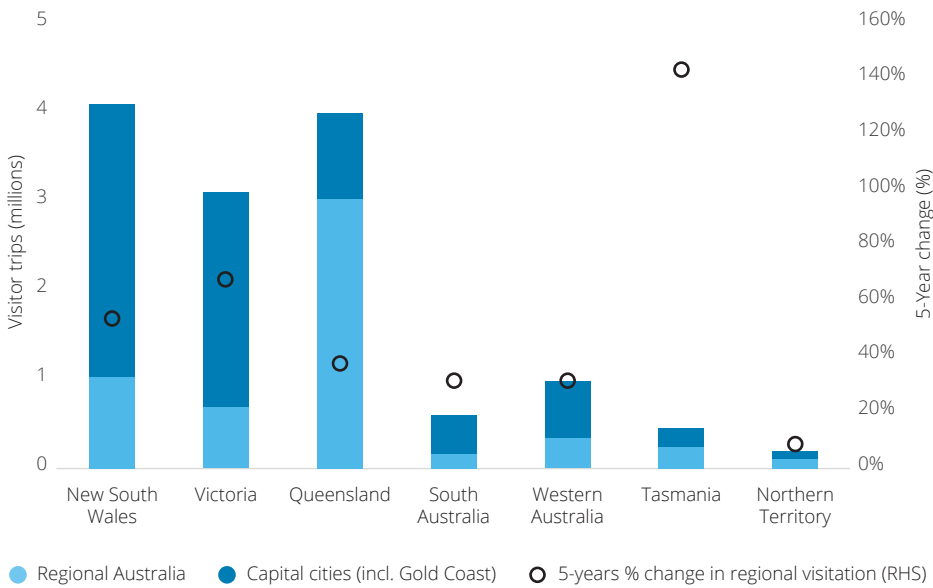
Regional Tasmania has seen rapid growth in international visitation over the past five years, growing 143% between 2012 and 2017. It should be noted that the strong growth in recent years coincides with recoveries in many countries following the Global Financial Crisis. Visitation levels five years ago were relatively low compared to the long-term average.

Chart 2.1 Domestic overnight leisure trips by state, 2017



Source: TRA, NVS, (2018).

Chart 2.2 International overnight leisure trips by state, 2017



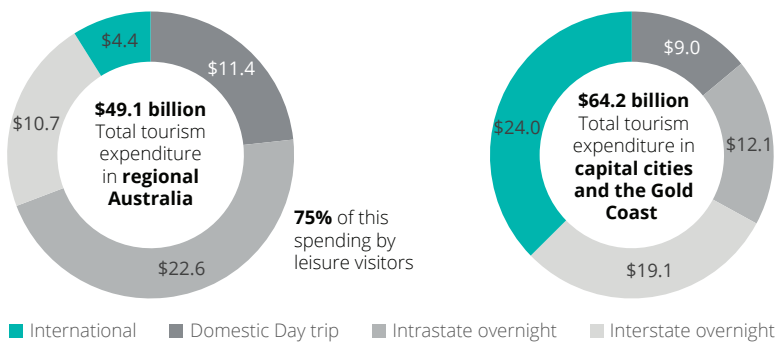
Source: TRA, IVS, (2018).

2.2 Expenditure of visitors to regional Australia

This section begins with total tourism expenditure before discussing leisure tourism expenditure in regional Australia. As noted earlier in this chapter, in order to analyse the patterns of leisure visitation to regional Australia, the subsequent discussion will focus on expenditure in the 2017 period.

Total tourism expenditure (including all purposes of visit, not just leisure) in Australia in 2017 was \$113.3 billion, up 6% on the previous year. Of this, \$49.1 billion (43%) was spent in destinations outside of capital cities (Chart 2.3).

Chart 2.3 Regional tourism expenditure by visitor segment compared to capital city expenditure



Note: The international expenditure figure does not include pre-purchased international airfares or other expenditure that is estimated not to occur in Australia.

Source: TRA, Regional expenditure model, (2018).

The contribution of the various source market segments to expenditure in regional Australia differs considerably to those in capital cities. Notably, while the share of expenditure from international visitors represents only 8% of the total expenditure in regional Australia, their share represents 37% of total expenditure in capital cities. The largest share of expenditure in regional Australia, almost half, came from intrastate overnight travellers.

Considering the leisure market, the focus of this analysis and report, in 2017, there was \$36.6 billion of leisure tourism expenditure in regional Australia, representing 75% of regional tourism expenditure. Almost 80% of the \$49.1 billion of regional expenditure occurred in New South Wales, Victoria and Queensland. Across the states and territories, domestic leisure expenditure represents the majority of spending in regional Australia. For the larger states, a significant share comes from intrastate overnight visitors, while the Northern Territory and Tasmania receive almost half of their regional leisure income

through interstate overnight visitors. The NT (36%), Queensland (17%) and Tasmania (12%), all have somewhat higher international leisure expenditure outside of their capital cities.

It is worth noting that domestic leisure visitors to regional Australia represent a large share of expenditure because there are simply more of them travelling there. On a spend per trip basis, international leisure visitors have a higher average spend in regional Australia: \$1,320 per trip compared to \$512 per domestic overnight visitor. This highlights a potentially higher incremental benefit to regional communities of increasing dispersal among the international cohort.

There are two important stories that emerge from the expenditure data – international leisure visitors have a higher average value per visit, while domestic leisure visitation provides the majority of total expenditure in regional Australia.

Table 2.1 Share of state regional leisure expenditure by source market, 2017

	International	Domestic overnight interstate	Domestic overnight intrastate	Domestic day trip	Total regional leisure expenditure by state (millions)
New South Wales	4%	22%	49%	25%	\$ 12,160
Victoria	4%	14%	48%	34%	\$ 7,832
Queensland	17%	32%	33%	18%	\$ 9,136
South Australia	4%	23%	37%	36%	\$ 2,025
Western Australia	8%	14%	61%	17%	\$ 3,412
Tasmania	12%	50%	16%	23%	\$ 1,218
Northern Territory	36%	47%	9%	9%	\$ 864

Source: TRA, Regional expenditure model, (2018).

2.3 Dispersal ratio and length of stay in regional Australia

There are two key measures to understand how long visitors stay in regional Australia: 1) the dispersal ratio; and 2) the average length of stay.

Visiting regional Australia and spending time outside of major centres are used interchangeably throughout the rest of the report.

Share of nights spent outside of major centres

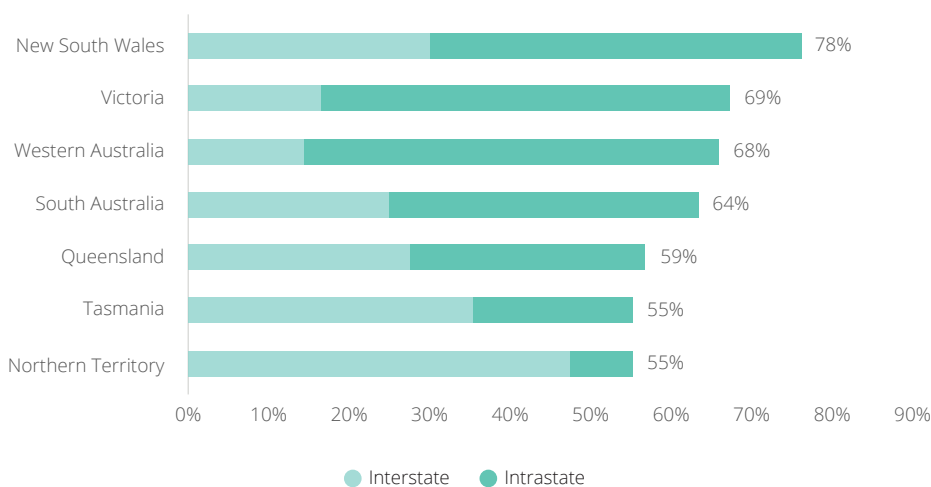
The most widely analysed measure of regional visitation is the **dispersal ratio** – visitor nights spent in regional tourism regions as a share of total visitor nights.¹⁶

The domestic overnight leisure visitor’s propensity to stay in regional areas has remained relatively constant over time, at a 10-year average of 66%. There is significant state and territory-level variation, however, both in the propensity to travel to regional areas and the share of these nights that are driven by interstate and intrastate visitation (Chart 2.4).

For example, the state with the highest share of visitor nights spent outside of major centres is New South Wales with 78% of total domestic visitor nights spent in regional destinations. At the other end of the spectrum, just over half of all domestic visitor nights in Tasmania (56%) and the Northern Territory (55%) are spent outside of their capital cities.

While interstate travellers account for about four in ten nights in regional destinations, this varies considerably across jurisdictions. In New South Wales, Victoria, South Australia and Western Australia, intrastate visitors represent the dominant share of nights spent in regional destinations likely driven by population and geography factors. Queensland’s population combined with its range of popular regional destinations sees it enjoy a more balanced mix of interstate and intrastate visitors. The opposite is true in the Northern Territory where almost all visitor nights come from interstate.

Chart 2.4 Domestic overnight leisure visitor propensity to travel to destinations outside of major centres, by state, 2017



Source: TRA, NVS, (2018).

¹⁶ Tourism Research Australia 2015, 'Dispersal of Chinese Free and Independent Leisure Visitors in Australia', as cited in Koo et al, 'The Geographic Dispersal of Visitors: Insights from the Power law' (2017) Vol. 56(1) *Journal of Travel Research* p108.

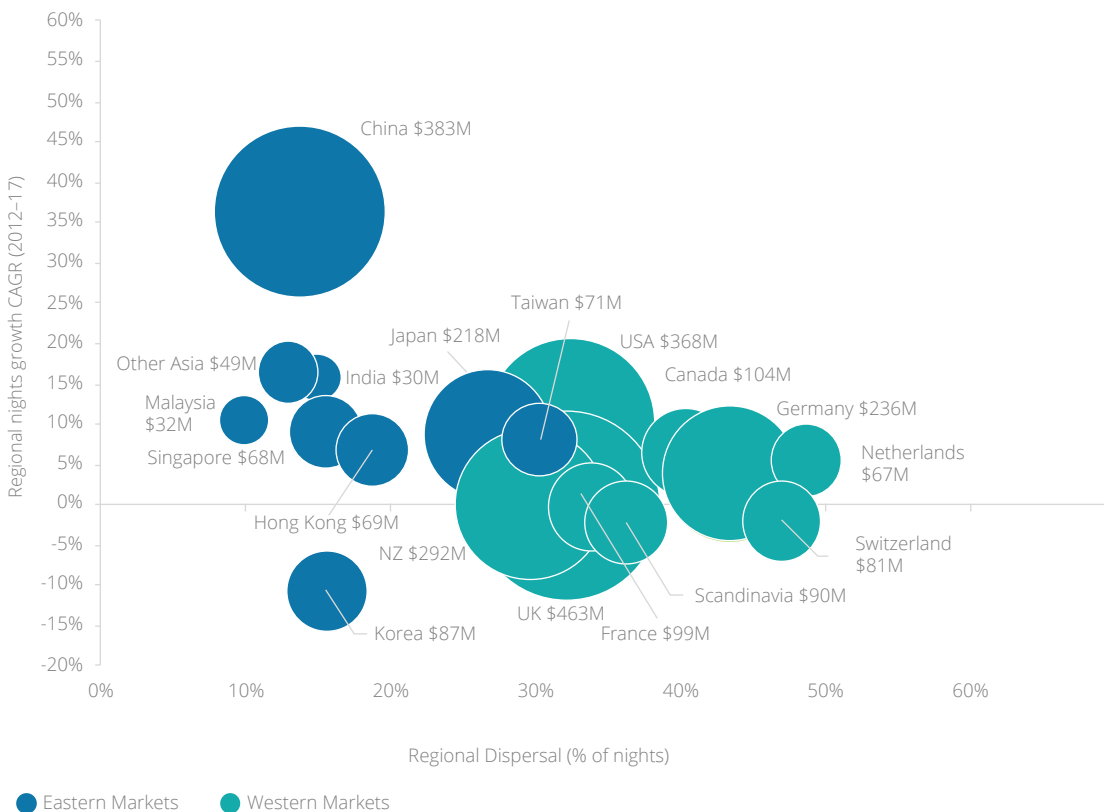
The propensity of international leisure visitors to travel to destinations outside of major centres has seen a much greater change. This ratio has been in steady decline since 2005, from 28% to its current level of 23%. The main driver of this decline has been the marked increase in the share of international visitor nights from Eastern source markets who have a lower propensity to travel to regional destinations compared to Western source markets (Chart 2.5).

While most Eastern markets exhibit similar characteristics of strong growth in visitor nights combined with a low regional dispersal propensity, none have had such a pronounced effect on the overall trend as China. Not only is the average annual percentage change between 2012 and 2017, 37%, over twice as fast as the next most rapid change for a single country, but the absolute number of visitor nights is a significant share of the total, at 7%.

A third dimension, leisure expenditure, is also included in this chart to demonstrate that Western markets remain an important source of tourism expenditure, despite slower growth than Eastern markets.

Chart 2.5 Regional dispersal and expenditure, by international market, 2017

Dispersal ratio (horizontal axis), compound average annual growth rate in regional nights (vertical axis) and total leisure expenditure in regional Australia (bubble size) by country of origin, 2017



Source: TRA, IVS, (2018).

Note: for readability, certain countries have not been shown, including Thailand, Indonesia, and Italy. All are close to average within their respective Eastern and Western markets and have below average expenditure.

In terms of total visitor nights, **international visitors spend more nights in capital cities than regional areas** (Chart 2.6). International leisure visitor nights stayed in capital cities have been increasing at a faster rate than nights stayed in regional Australia – capital cities have seen a 6.1% five-year compound annual growth rate (CAGR) in international nights compared to a 4.7% CAGR in regional Australia over the same period. Domestic leisure visitor nights stayed in regional Australia, in contrast, have seen a 3.3% CAGR, faster than the 3.0% CAGR in capital city nights.

Almost all international travel to Australia begins with a flight into a gateway city, Sydney, Melbourne, Brisbane, or Perth. As such, most trips involve at least some time in capital cities for international visitors. In contrast, given that the majority of Australia’s population lives in capital cities, the most frequent cases of regional visitation are road trips to nearby beaches and the coastline (Chart 2.7).¹⁷

The uptick in regional overnight trips has been driven primarily by increases in visitor nights in regional Victoria (7.2 million night increase between 2013 and 2017), New South Wales (7.0 million night increase), and Western Australia (5.5 million night increase).

Chart 2.6 International visitor nights (millions) in regional Australia relative to capital cities, 2005-2017

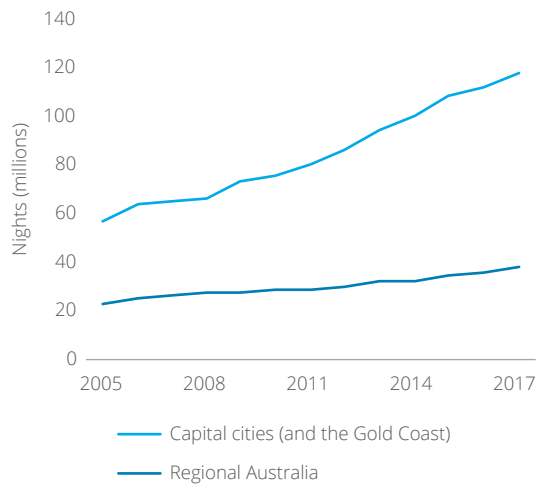
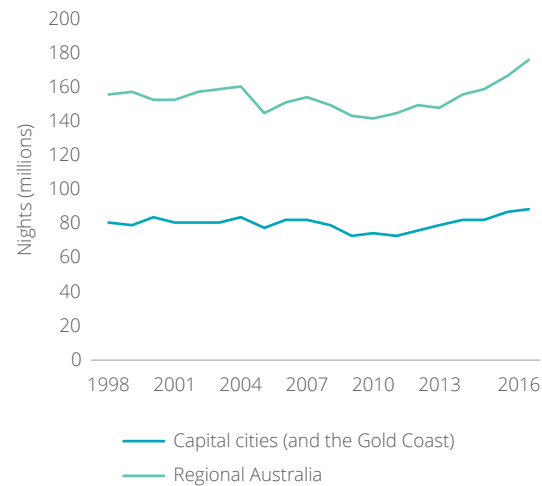


Chart 2.7 Domestic visitor nights (millions) in regional Australia relative to capital cities, 1998-2017



Source: TRA, IVS and NVS, (2018).

¹⁷ See section 2.4

Average length of stay

For policy makers, investors and regional tourism operators, another important measure of regional dispersal is how long tourists stay on in regional destinations, or the average length of stay (ALOS). This, along with visitor numbers, impact on the changes observed in Chart 2.6 and Chart 2.7.

After a period of increasing trip lengths to 2013 **there has been a downward trend in trip lengths for international leisure visitors in regional Australia** since that time (Chart 2.8), with a 2017 national average of 15.2 nights per trip. Trip lengths in capital cities mirror these regional trip length trends. The decline in length of stay has been more prolonged among Western market visitors, however, since 2013, length of stay has been falling among Eastern market visitors as well.

Domestic leisure average length of stay in regional Australia remained reasonably stable for almost 13 years, at around 3.9 nights per trip. Since 2010, however, regional average trip lengths have declined slightly to 3.7 nights in 2017. This has been driven by declines in all states and territories except for South Australia. Trip lengths in capital cities have been declining over a long period, from 3.9 nights in 1998 to 3.2 in 2017. The expansion of low cost domestic airlines in the Australian market since 2004 is thought to have contributed to leisure travellers opting for more frequent trips with shorter city stays.

Chart 2.8 International average length of stay for leisure visitors in regional Australia, 2005-2017

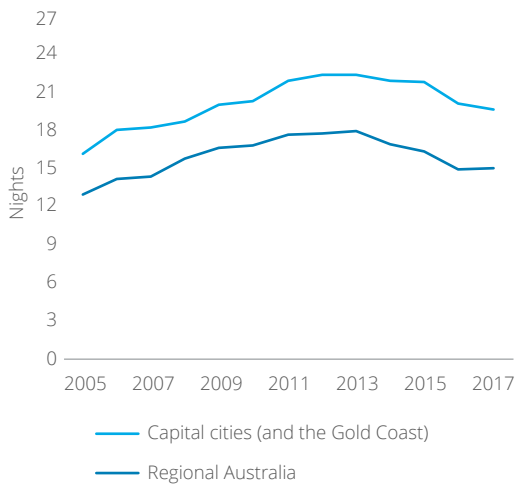
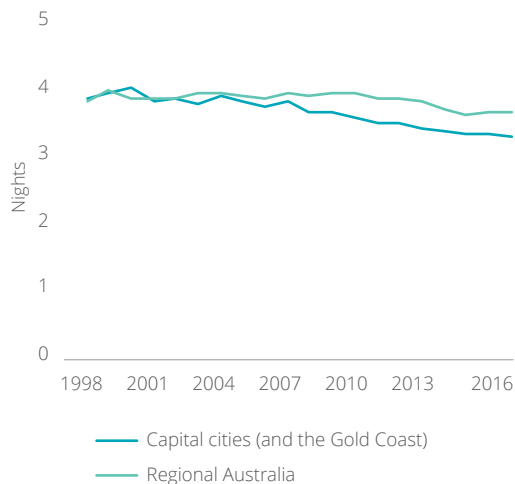


Chart 2.9 Domestic average length of stay for leisure visitors in regional Australia, 1998-2017



Source: TRA, IVS and NVS, (2018).

Importance of day trips

Among domestic and international cohorts, day trip visitors (with a leisure purpose of visit) are a large share of total visitors to regional Australia.

Domestic day trips

While their average expenditure is considerably lower than international or domestic overnight leisure visitors, there is nevertheless \$11.4 billion of domestic day trip expenditure supporting regional economies, 23% of the regional leisure spend.

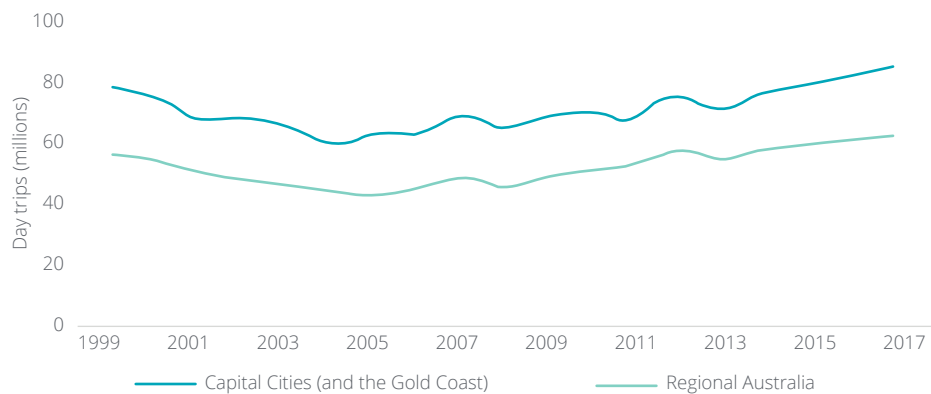
After a marked decline in domestic regional and capital city day trips across Australia at the turn of

the century (Chart 2.10), there have been strong increases in recent years.

For regional day trips, 2004 saw a low point of just under 60 million day trips in the year. Since that time, regional day trips have seen a positive trend, growing at a 3% CAGR to 2017. Over this period, capital city day trips have moved almost in lockstep with regional day trips.

Notably, day trips grew strongly through the post-GFC period, despite small cyclical fluctuations. This compares favourably to overnight domestic trips, which saw a more protracted decline and subsequent stagnation during the years following the GFC.

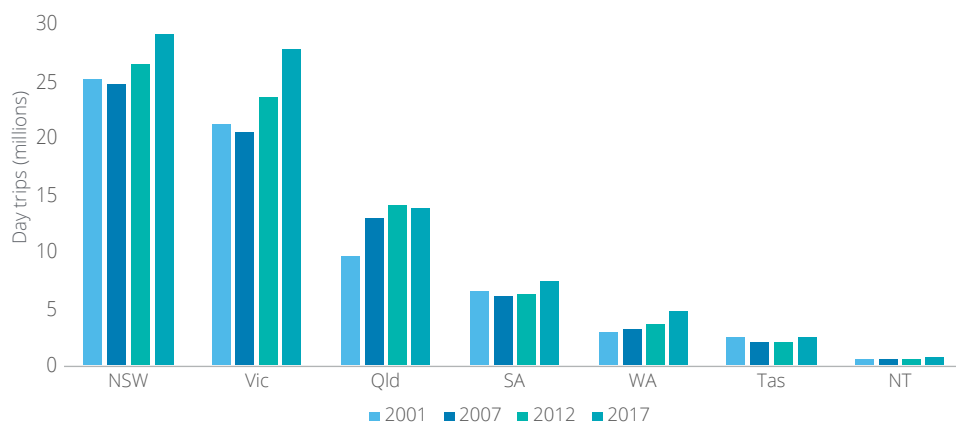
Chart 2.10 Domestic day trips (millions) to regional Australia relative to capital cities, 1998-2017



Source: TRA, NVS, (2018).

Of the approximately 35 million increase in regional domestic day trips seen since 2004, 36% of this increase has been in Victoria, while 33% has been in New South Wales. Queensland has also seen an increase in domestic day trips. Most of this increase in day trips has been driven by strong population growth in these states.

Chart 2.11 Domestic day trips (millions) to regional Australia



Source: TRA, NVS, (2018).

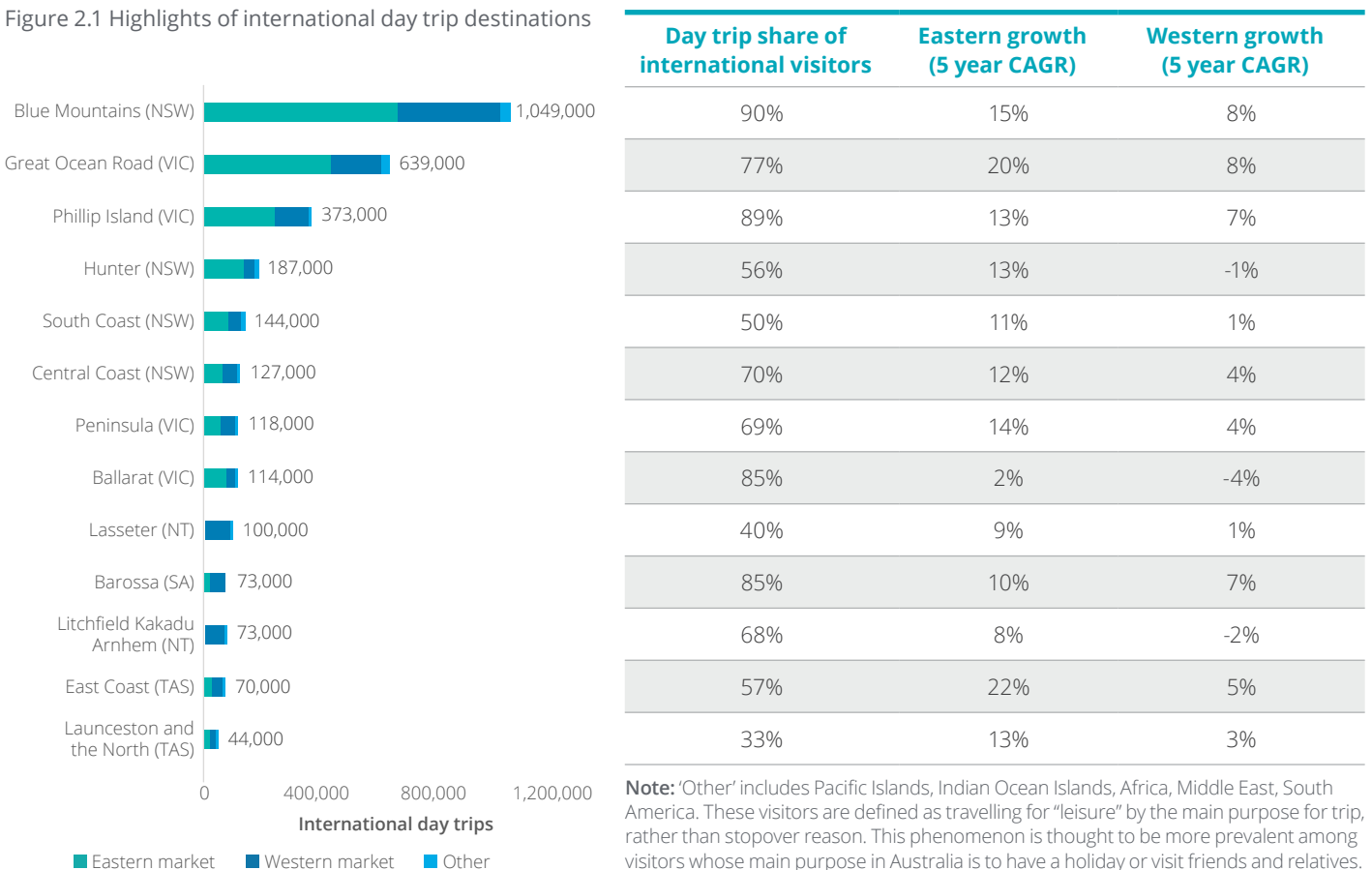
International day trips

International leisure day trips are an important part of the regional tourism landscape, according to estimates from a range of popular day trip destinations.¹⁸ For some regions, international leisure day trips¹⁹ represent up to 90% of total international visitors (see Figure 2.1) – for example, the Blue Mountains (90%), Phillip Island (89%), Ballarat (85%) and the Barossa (85%).

Estimated international leisure day trips are highest among Eastern source markets, which not only have higher numbers of day trip visitors, but these are also growing at much faster rates. Among the destinations examined, this phenomenon is concentrated in New South Wales and Victoria.

While day trips provide visitors the opportunity to experience what a region has to offer, there is a drive within the industry to convert day trips into overnight stays to both ensure that more of the economic benefit of international visitors remain in the visited region but also to relieve pressure on transport and other infrastructure.

Figure 2.1 Highlights of international day trip destinations



Source: TRA, IVS, (2018).

These visitors are defined as travelling for “leisure” by the main purpose for trip, rather than stopover reason. This phenomenon is thought to be more prevalent among visitors whose main purpose in Australia is to have a holiday or visit friends and relatives.

¹⁸ The day trip destinations visited by international visitors to Australia are not currently recorded systematically in the International Visitor Survey (IVS). As such, the numbers used here are estimates based on reconciling the stated ‘places visited’ (e.g. Great Ocean Road) and tourism regions in which respondents have stayed overnight in the IVS. Discrepancies between the total number of visitors and overnight visitors is assumed to be due to day trips. This approach provides a reasonable indication of magnitude for smaller tourism regions (such as in Victoria and NSW), but is less relevant for large tourism regions (such as in Queensland and WA). Places visited is not a compulsory question, so these numbers are likely to be an underestimation.

¹⁹ Leisure has been defined in the international day trips section as those whose main reason for a trip to Australia was for a holiday or to visit friends and relatives.

2.4 Hot spots for regional visitors

The top five and ten regional tourism hot spots are ranked according to the number of visitor nights. **Regional destinations most visited by domestic overnight travellers are typically located close to capital cities.** Four regions among the top five regional hot spots share their boundaries with a capital city.

The location of the top ten regional hot spots and their proximity to capital cities are provided in Figure 2.2.

The top five regional destinations are located along the coast and are famous for their beautiful beaches. The top five regions are:

- North Coast (NSW) popular tourist destinations of Byron Bay, Port Macquarie, and the Tweed;
- Sunshine Coast (Qld) which includes beaches and hinterland from Caloundra to Noosa;
- South Coast (NSW) which includes Jervis Bay and Batemans Bay;

- Australia's South West (WA) with its wine region and coastal destinations including the Margaret River Region; and
- Hunter (NSW) with award-winning wineries and restaurants.

Other regional hotspots among domestic visitors include Tropical North Queensland, Central NSW, Great Ocean Road (Vic.), Australia's Coral Coast (WA), and High Country (Vic.).

Regional hot spots among international overnight visitors are located either near capital cities or along the Great Barrier Reef (Figure 2.3). The top five regional hot spots among international overnight visitors are:

- Tropical North Queensland;
- North Coast;
- Sunshine Coast;
- Australia's South West; and
- Hunter.

Other regional hotspots among international visitors include Townsville (Qld.), Whitsundays (Qld.), Central Queensland, South Coast, and Mornington Peninsula (Vic.).

The most popular regional destinations among domestic and international travellers show a very similar geographic pattern – other than the Great Barrier Reef for international tourists. Both domestic and international markets are primarily concentrated on regional destinations that are near major capital cities. For international visitors, these gateway cities are home to Australia's major international airports. The high rates of international visitation to Tropical North Queensland can be partly attributable to the number of direct international flights connecting several major international source markets to Cairns Airport.

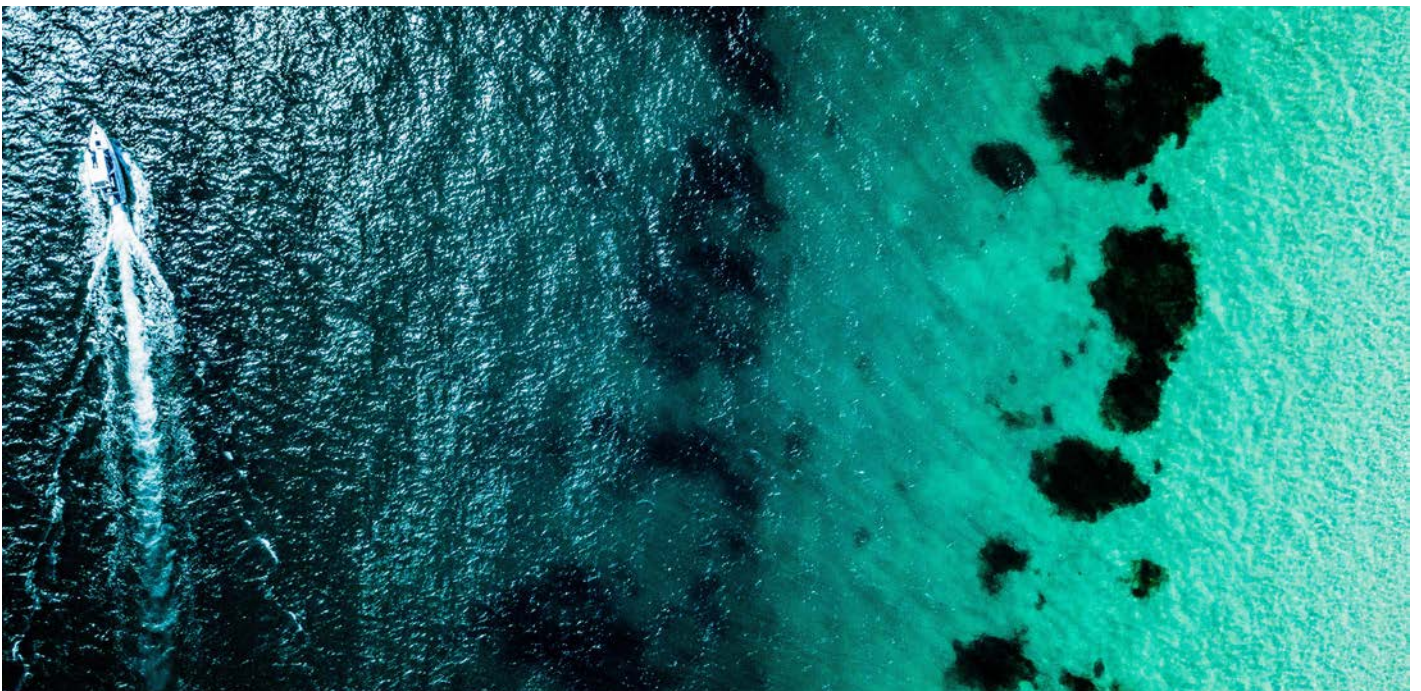
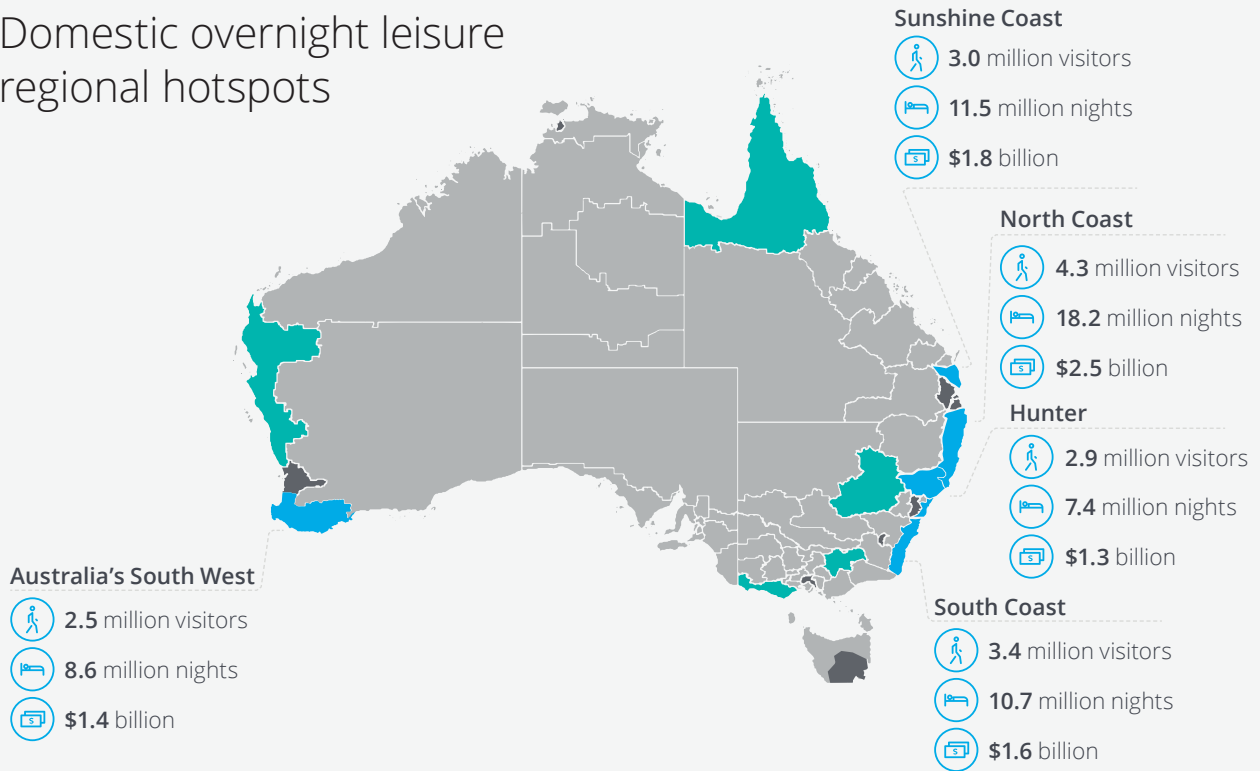


Figure 2.2 Top regional destinations by visitor nights in the domestic market, 2017

Domestic overnight leisure regional hotspots



Top 5 regional hotspots

Top 6-10 regional hotspots

Other regional TRs

Capital cities

International overnight leisure regional hotspots

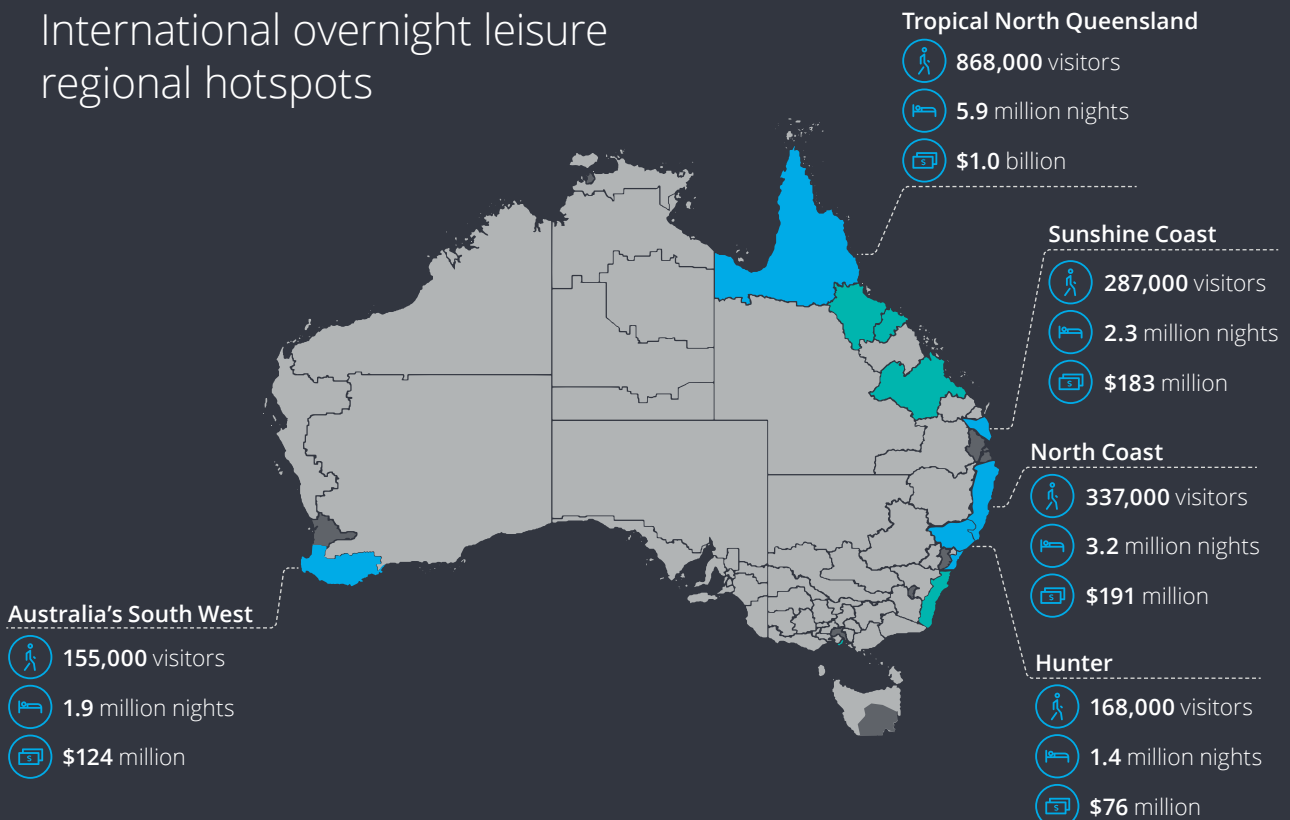


Figure 2.3 Top regional destinations by visitor nights in the international market, 2017

2.5 Drivers of regional visitation

Understanding why people travel to regional destinations is a broad question that encompasses a wide range of factors, including but not exclusively visitors' socio-demographics, travel motivations, personal preferences, and the overall macroeconomic environment. That said, tourism dispersal patterns are not random but rather can be understood systematically according to these visitor characteristics and motivations.²⁰

An econometric analysis was conducted to identify visitor characteristics that are statistically correlated with regional visitation. The analysis aims to identify visitor characteristics and behaviours that are associated with higher propensities to travel to regional destinations and have relatively longer stays in regional Australia. This information is important when considering how to increase the impact tourism has on regional economies.

The econometric analysis involved the use of three models, each with a different perspective on the drivers of regional visitation.

- **Model 1** provides a comparison between a group of visitors and the corresponding base group based on their **propensity to travel to regional areas**.²¹
- **Model 2** provides a comparison between a group of visitors and the corresponding base group based on their **length of stay in regional areas**.
- **Model 3** provides an overall ranking across groups of visitors. This ranking **takes into account both visitors' propensity to disperse and their length of stay in regional areas**.

Details on the methodology used to derive these results can be found in Appendix B.

The results of this analysis have been used as an input in constructing the personas discussed in the following chapter.

Summary of key findings across all groups of drivers

The results of the econometric analysis are discussed in the tables below, with further details provided in the Appendix.

Table 2.2 Drivers of regional dispersal in the **domestic** overnight market

Groups of drivers	Key drivers of regional dispersal
Life cycle	Older visitors are found to have a higher propensity to travel to regional areas and have a longer stay in regional areas than younger visitors. Particularly, older non-working married visitors (12% domestic visitor share) are identified as the number one driver of regional dispersal. These visitors are 3 percentage points more likely to travel to regional areas and stay for 70% longer than visitors with the youngest child under 15. This shapes as being a significant opportunity for regional Australia as Australia's significant baby boomer generation moves towards retirement.
Household income	Regional Australia provides an affordable holiday option for people on a lower income. Visitors with a household income less than \$100,000 per year (31% domestic visitor share) are more likely to visit regional Australia and they tend to have a longer stay in regional areas.

²⁰ Bowden, J, 'A cross-national analysis of international tourist flows in China' (2003) 5(3) Tourism Geographies p257.

²¹ The models used in the econometric analysis necessitate the use of a 'base group'. The results of all other factors are in relation to this base group. See Appendix B for more details on the econometric analysis.

Groups of drivers	Key drivers of regional dispersal
Purpose of visit	Holiday visitors (33% domestic visitor share), business visitors (18%) and visitors who travel to participate in a sporting event (2%) are found to be important drivers of regional dispersal. Holiday visitors are not only the largest groups of visitors, but are also more likely to travel to regional areas and stay for a relatively longer period. Relative to holiday visitors, business visitors are 9 percentage points less likely to travel to regional areas; however, when they do travel, they spend a slightly longer time (1%) in regional areas.
Interstate/intrastate	Intrastate visitors are found to be a relatively more important driver of regional dispersal. The propensity to travel to regional areas is 35 percentage points higher for intrastate visitors than for interstate visitors.
Travel party type	Business groups (6% domestic visitor share) and family groups (20%) are found to have a relatively high propensity to travel to regional areas and have a longer length of stay in regional areas. For example, in comparison with adult couples (25%), family groups are 4 percentage points more likely to travel to regional areas and stay for 27% longer in regional areas. Business groups are 6 percentage points more likely to travel to regional areas and stay for 52% longer in regional areas.
Home state	Visitors from Queensland (21% domestic visitor share), South Australia (6%), and Western Australia (10%) are identified as having a relatively high propensity to travel to regional areas and a longer length of stay in regional areas.
Home in regional area	Visitors living in capital cities are found to be 11 percentage points more likely to visit regional Australia than visitors from regional areas are.
Number of activities done on trip²²	An increase in the number of activities done on the trip by one activity is found to increase the propensity to travel to regional areas by 3 percentage points and increase the length of stay by 10%.

²² This finding is consistent with the broader literature. Variety-seeking behaviour has been found to be associated with multi-destination travel and regional visitation (see A.1.4). Koo et al, in particular, identified a similar empirical link between number of activities and regional visitation using Australian IVS data. The direction of causality, however, is not necessarily conclusive – does the number of activities cause regional visitation or does regional visitation result in a higher number of activities being undertaken on a trip? While, this is not able to be determined through this model, it is a question that warrants further research.

Table 2.3 Drivers of regional dispersal in the **international** overnight market

Groups of drivers	Key drivers of regional dispersal
Age	Older visitors are found to have a higher propensity to travel to regional areas and have a longer stay in regional areas than younger visitors. Particularly, visitors who are 70 years or older (5% international visitor share) are 7 percentage points more likely to travel to regional areas and stay 15% longer than visitors between 15 and 34.
Country of origin	Visitors from European markets ²³ (19% international visitor share) are found to have a higher propensity to travel to regional areas and have a longer stay in regional areas than visitors from New Zealand (15%) and Asian markets (49%). For example, visitors from the Netherlands (1%), Germany (2%), and France (1%) are 23, 21, and 14 percentage points more likely to travel to regional areas than New Zealand visitors are. On the other hand, visitors from China (15%), India (3%), and Japan (5%) are 8, 11, and 9 percentage points less likely to travel to regional areas than New Zealand visitors are.
Purpose of visit	Visitors who travel for employment (3% international visitor share) are found to have a higher propensity to travel to regional areas and stay longer in regional areas than holiday visitors. This is linked to regional working requirements that are often part of visa conditions. However, holiday visitors (48%) are 4 and 8 percentage points more likely to travel to regional areas than visitors who travel to visit friends and relatives (27%) and business travellers (9%).
Travelling on a package	While visitors travelling on a package (15% international visitor share) are slightly more likely to travel to regional areas, they stay for a significantly shorter period in regional areas when compared to visitors not on a package.
Travel party type	Adult couples (21% international visitor share) and friends and relative groups (11%) are found to have the highest propensity to travel to regional areas. However, unaccompanied visitors (52%) are found to have the longest stay in regional areas, over 30% longer than adult couples and friends and relative groups.
City of arrival	Among airports in capital cities, visitors arriving through Darwin (1% international visitor share) and Brisbane (13%) are found to be more likely to travel to regional areas than visitors arriving through the Melbourne airport (26%) and Sydney airport (42%).
Number of activities done on trip	An increase in the number of activities done on a trip by one activity is found to increase the propensity to travel to regional areas by 2 percentage points and increase the length of stay by 4%.

23 Including the UK

3 Why do some travellers visit regional destinations and others do not?

Time, money, family and friends. These are some of the major influences on whether people travel to regional Australia. There are also more subtle reasons – some travel to regional Australia because it is a bucket list trip and others because it was simply easy and in their backyard. This chapter goes behind the observable demographic characteristics to explore motivations, aspirations, desires, and barriers for/to regional travel.

3.1 Introduction

Travel decisions can be contingent, complex, and sometimes even casual – with a significant interaction between the who, what, when, where and why of travel. Supplementing the findings of the econometric analysis and the trends in the data, the underlying reasons for regional dispersal are explored in this chapter. This analysis focusses on the high-level patterns in reasons and motivations. Further detail on the associations between demographic and psychographic characteristics and the why and why not of regional visitation is discussed in Chapter 4 via the personas framework.

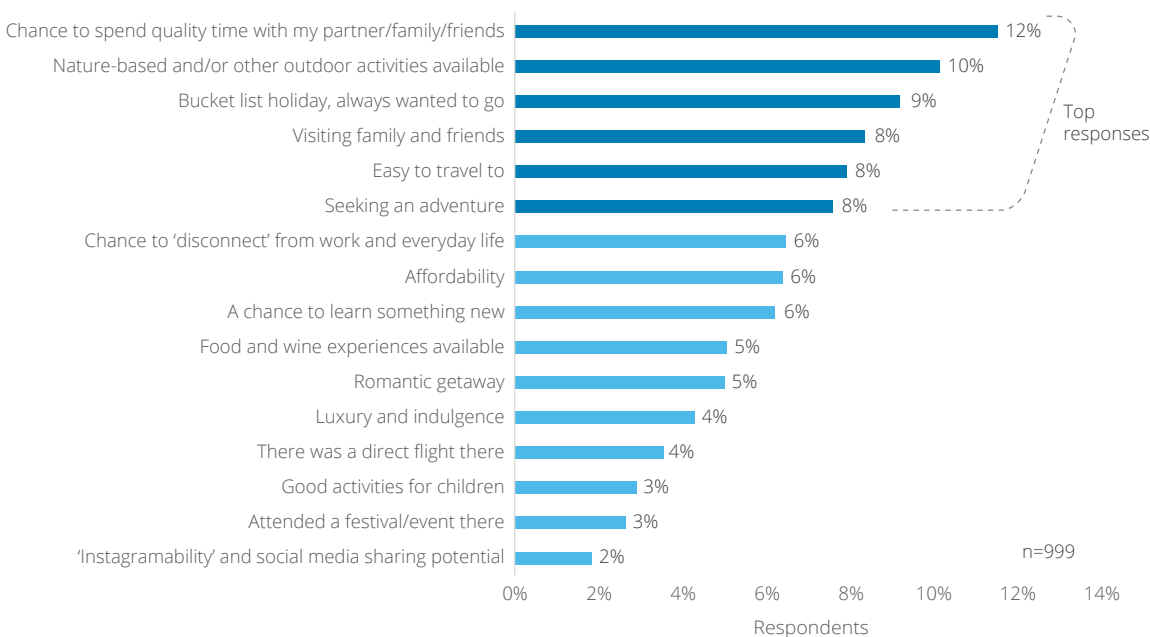
The findings of this chapter are based on the 2018 Survey on Regional Visitation. The survey focused exclusively on the leisure market.²⁴ There were 67% of domestic respondents (n = 3,000) who stated that they had visited regional Australia overnight at least once in the past two years. The primary research identified 40% of international respondents (n = 2,520) who visited regional Australia at least once over the past five years, for an overnight trip only (37%), for a day trip only (31%) or both (32%).²⁵ This forms the sample from which the following responses are drawn.

Those who had visited regional Australia were asked to select why they did so. Those who had not visited regional Australia were asked why they did not and what would have influenced them to do so.

3.2 Overview of international visitors

For international respondents, visiting regional destinations is strongly driven by friends and relatives, either travelling with them or visiting them at their destination (Chart 3.1). For those from the US and the UK in particular, who have to travel great distances to reach Australia, travelling to destinations like the Great Barrier Reef and Uluru are bucket list trips. This ties into the nature-based attractions that Australia has to offer. Though only a small share of responses, it is notable that direct flights were highlighted as a reason that 4% of international visitors travelled to regional Australia. There are differences in reasons between countries of residence. These will be discussed further in section 3.4.7.

Chart 3.1 International visitors – Why did you visit regional Australia?

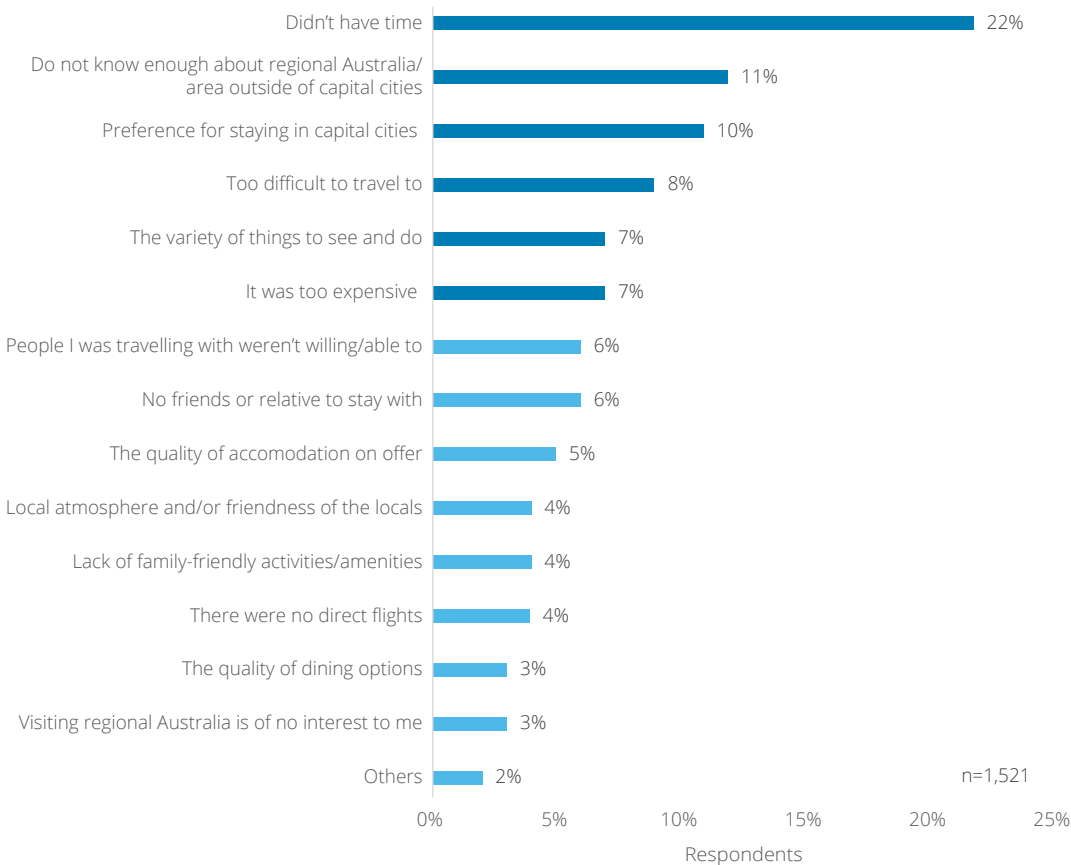


²⁴ Those whose main purpose of visit was a holiday or to visit friends and relatives.

²⁵ The international cohort included nationally representative samples from New Zealand, US, UK, Japan, and China. All respondents had visited Australia before.

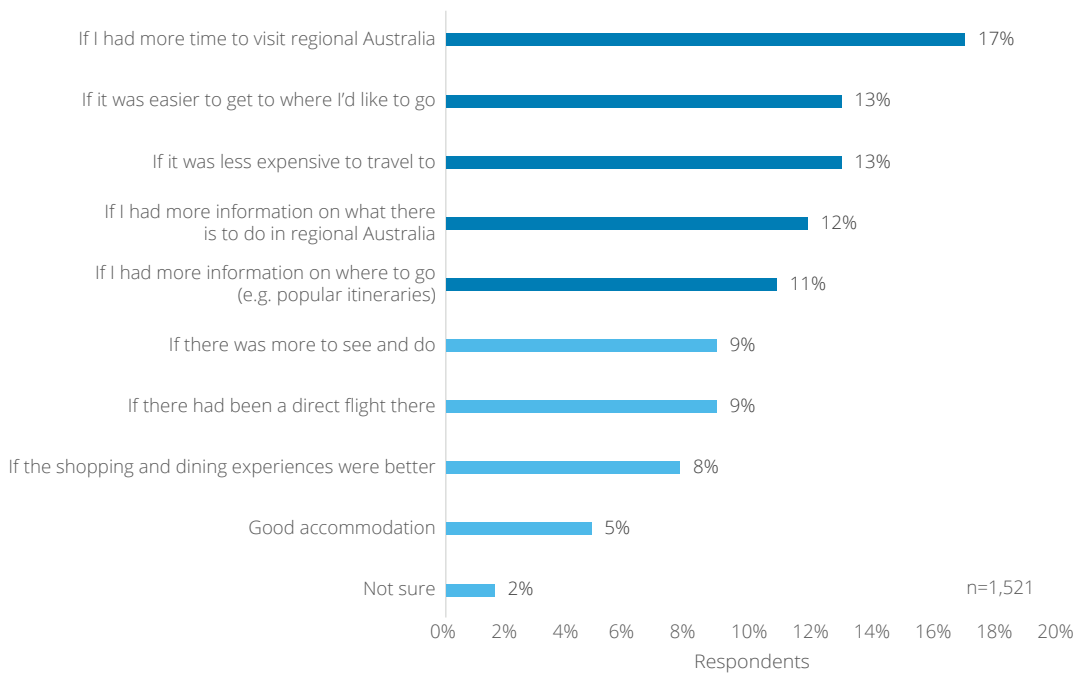
Almost all international leisure trips to Australia begin and end with a flight into and out of a capital city. Over one in five international respondents said that **time constraints was a reason for why they had not left a capital city when visiting Australia** (Chart 3.2). A **lack of knowledge about regional Australia** was the second most prevalent response – the majority of these responses were by Chinese respondents. The difficulty of travelling there, the **quality of accommodation and dining options on offer, and the lack of direct flights to regional Australia** can be seen as a range of supply-side barriers. Ameliorating these barriers could support increased dispersal rates among international travellers.

Chart 3.2 International visitors – Why did you not visit regional Australia?



More time and ease of access is highlighted by international respondents as being major influences on them regionally dispersing in the future (Chart 3.3). Over half of those who highlighted time constraints were from China. Those who would be influenced by a **better price point** are mostly from New Zealand. **More information** was a popular selection across source markets, however, those from China, New Zealand, and Japan most strongly identify with this as a potential influence on their behaviour. Travellers from China and Japan are most likely to be influenced to regionally disperse by the availability of direct flights. Greater investment in accommodation, retail, food and beverage, attractions and activities could also spur increased regional visitation by international travellers.

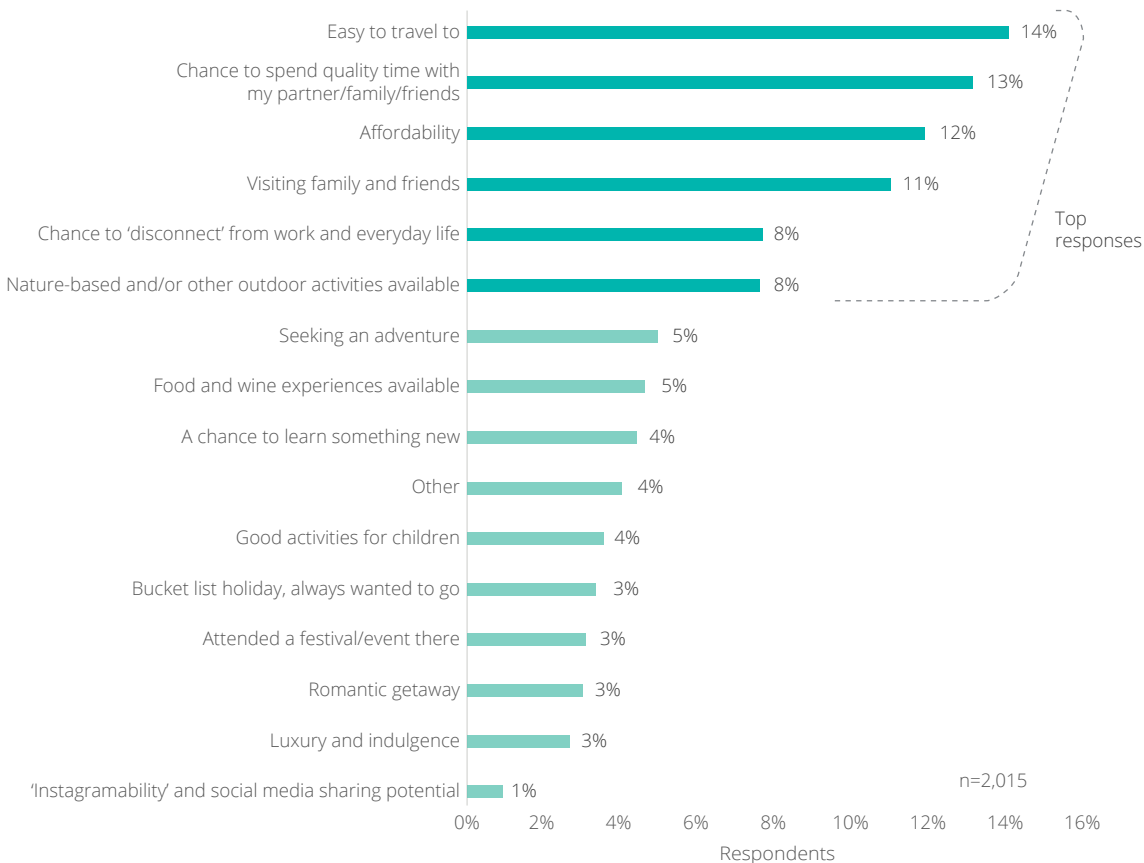
Chart 3.3 International visitors – Why *would* you visit regional Australia?



3.3 Overview of domestic visitors

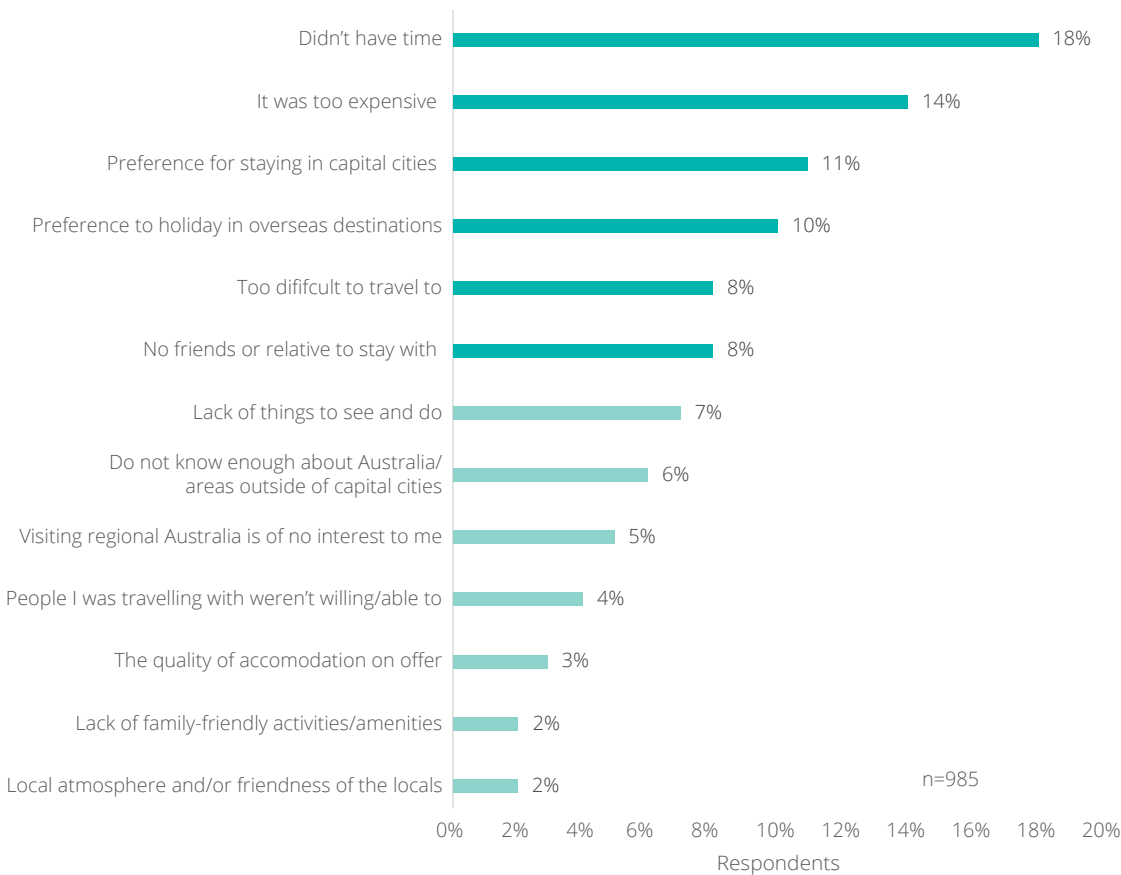
Among domestic respondents, visiting regional destinations is strongly driven **by convenience and affordability** (Chart 3.4). **Friends and family** remain a central driver, either as part of the travel party or to visit at their destination. The specific activities that drive regional visitation, be they **food and wine, adventure-seeking or festival and events**, among others, are explored in greater detail in the personas. Interestingly, despite widespread discussion of its tourism disrupting potential, **social media** and the potential of a destination to be shared online, **does not feature prominently** as a reason that people choose to travel to regional Australia at an aggregate level. For younger cohorts, however, social media is recognised as an important source of inspiration and planning (see section 4.2.3), while it might not be highlighted as specifically motivating their most recent visit to regional Australia.

Chart 3.4 Domestic visitors – Why did you visit regional Australia?



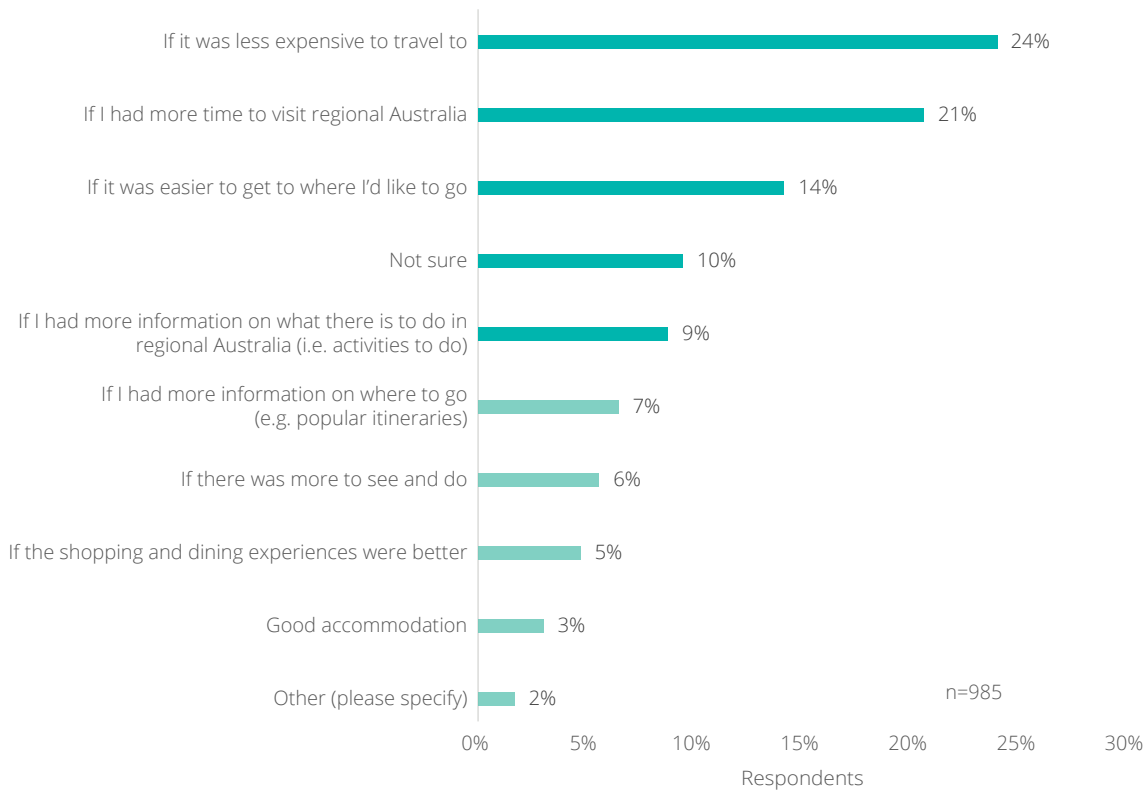
Time and money are the top two barriers to dispersal among domestic respondents (Chart 3.5). Not far behind is a preference for travelling to capital cities and overseas destinations (domestic respondents) – a preference shared by 10% of international respondents. The preference for capital cities among these travellers is motivated by the variety of things to see and do, the shopping and dining experiences available and the ease of getting there. Furthermore, there are at least 10% of domestic respondents that prefer to spend their holiday time and discretionary income on overseas trips. The 6% who say that they **don't know enough about regional Australia are younger on average and are almost all based in capital cities**. Those with no interest in regional Australia are younger and wealthier on average – and 20% of them live in regional Australia.

Chart 3.5 Domestic visitors – Why did you not visit regional Australia?



With **more time, money and greater convenience**, domestic respondents would consider travelling to regional Australia (Chart 3.6). With **better information about what there is to see and do in regional Australia**, 9% of respondents would consider visiting regional Australia. Young people in particular highlight readily available and popular itineraries as a major influence on their future likelihood of travelling to regional areas. **Improved accommodation and attractions are not as likely to induce greater domestic visitation to regional Australia** compared to the international cohort according to this survey.

Chart 3.6 Domestic visitors – Why *would* you visit regional Australia?



3.4 Key findings from the primary research

The central findings of the 2018 Survey on Regional Visitation across domestic and international visitors are explored in the following sections. A summary of the key messages is as follows:

- Spending quality time with and visiting friends and relatives are key reasons given for regional visitation
- Time and money are always going to be important factors – improving perceptions and making it as easy as possible to travel to regional Australia from a convenience and cost perspective is highlighted as a major potential driver of dispersal
- Better information and improving awareness among certain target groups, for example among Chinese visitors and younger domestic travellers, could increase regional visitation
- Natural attractions and bucket list trips are popular reasons for regional dispersal
- The view that a day was enough time to see and do everything that international visitors wanted, is a potential opportunity to convert a sizeable share of international day trippers to overnight stays through further marketing and promotion of a compelling regional offering
- Japanese and Chinese travellers are most likely to be influenced by direct flights to regional Australia
- Costs are a bigger constraint on regional visitation for regional residents than metropolitan residents (16% vs 13%), while time constraints are more important for metropolitan residents than regional residents (18% vs 15%).



3.4.1 Family and friends are a central motivator – to travel with or to visit

In a nation such as Australia, which is marked by considerable distances between major urban hubs and between us and the rest of the world, people often go to great lengths to reconnect with their family and friends.

For domestic and international visitors alike, the main reasons for travelling to regional Australia are not necessarily associated with place – it was about the people-to-people connections.

Since 2005, international VFR visitor nights to regional Australia have been growing at over twice the trend rate of holiday visitor growth. As a multicultural nation with significant amounts of net overseas migration (which accounted for 60% of population growth over the previous year), VFR is likely to drive further numbers of international travellers travelling to visit family and friends in regional Australia.²⁶

Furthermore, as has been found in previous studies, hosts of visiting friends and relatives play an extremely influential role in where these visitors end up travelling.²⁷ In the rapidly growing Chinese and Indian VFR visitation to Victoria, for example, hosts prefer to choose proven tourism experiences for their visitors. Most often the host has been there before and experienced it personally, or it was recommended to them by someone they trust.

Chart 3.7 International visitors who did visit regional Australia – top six reasons

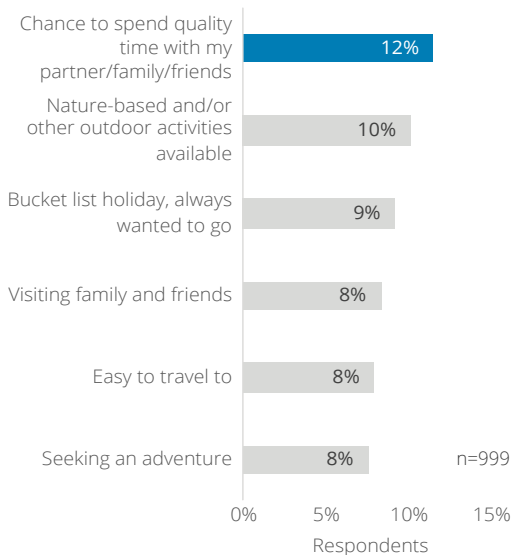
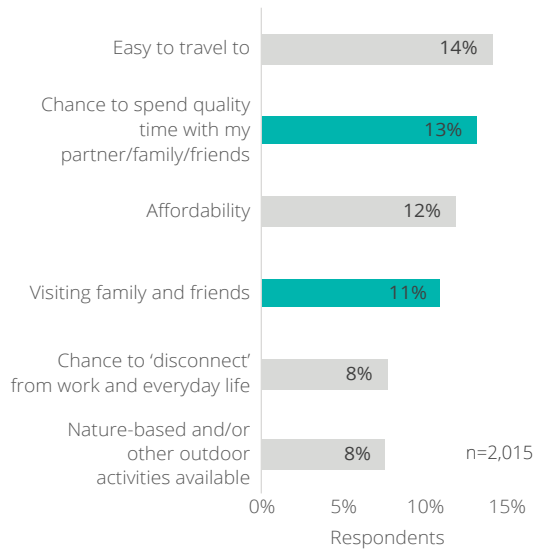


Chart 3.8 Domestic visitors who did visit regional Australia – top six reasons



Source: Deloitte Access Economics Survey on Regional Visitation, (2018).

²⁶ Source for overseas net migration: Australian Bureau of Statistics, *Australian Demographic Statistics, Mar 2018*, cat. no. 3101.0 (19 September 2018).

²⁷ Tourism Research Australia, 2017b

3.4.2 Time and money matters

When push comes to shove, many travellers, both domestic and international, cite the constraints of time and money as the main reason that they do not visit regional Australia.

Chart 3.9 International visitors who did not travel to regional Australia – top six reasons

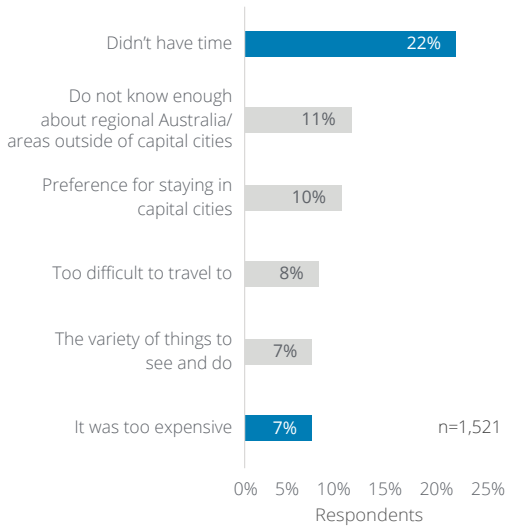
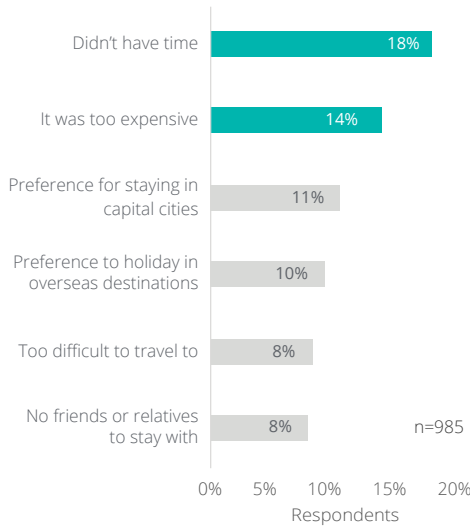


Chart 3.10 Domestic visitors who did not travel to regional Australia – top six reasons



Source: Deloitte Access Economics Survey on Regional Visitation, (2018).

The typical constraints of time and money, coupled with a range of tourism substitute destinations (overseas destinations and Australia's capital cities), were the most popular responses among domestic travellers for why they had not travelled to a destination in regional Australia on their most recent trip.

Those who had not travelled to regional Australia were asked what would influence them to travel there in the future. **For the largest share of domestic respondents, 24%, who had not travelled to regional Australia, a reduction in the cost of travel to regional Australia was highlighted as the strongest potential influence on them travelling to regional Australia in the future (see Chart XI in the Executive Summary).**

Compared to domestic travellers, international travellers have less flexibility in the timing of their regional Australian travel. International visitors, particularly those from China, Japan and NZ, cited time constraints as the main reason for them not having travelled to regional Australia in the past five years. On average, these visitors had the shortest most recent trips (approximately 7, 6, and 8 nights, respectively). **There were 17% of international respondents who said that more time would influence them to travel to regional Australia (see Chart X in the Executive Summary).** This was the most common of all possible influences.

3.4.3 Transport access and ease of use are very important

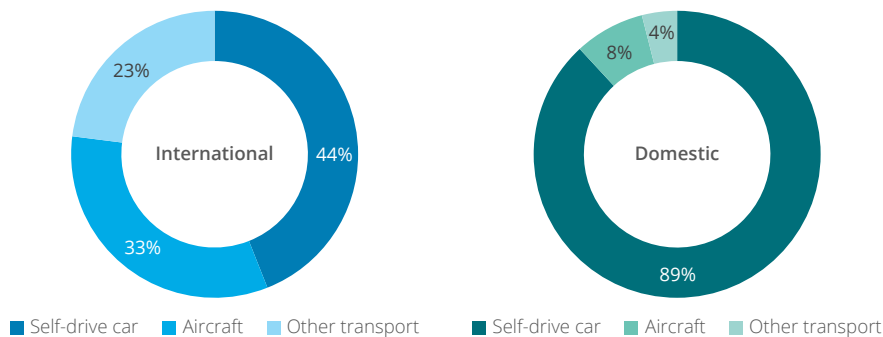
The availability of transport and its ease of use are major reasons for people deciding whether or not to visit regional Australia. The extent to which transport modes influence a traveller’s motivation to visit regional Australia varies significantly depending on the destination – for international visitors driving along the Great Ocean Road, to the Perth-based family flying to Uluru, the mode type is typically a given and has little bearing on the decision.

On aggregate, however, 8% of both domestic and international respondents said that they did not travel to regional Australia because it was difficult to travel to.

While domestic respondents indicated that ease of travel was the most important reason they visited a regional destination (14%) – the majority of these trips were completed using private vehicles and would often be to the nearest beach. Given that 89% of domestic leisure visitors travelled to regional Australia by car (Chart 3.11), distance plays a significant role in regional dispersal.

Ease of travel to regional Australia is a greater concern for international visitors. A lack of direct flights prevented 4% of international travellers from visiting regional Australia, and 9% indicated that a direct flight would have influenced them to travel to regional Australia. Furthermore, a significant number of international leisure visitors travel by aircraft within Australia – 41% of trips to regional Australia are by aircraft, which is higher than the 32% mode share to capital cities (Chart 3.11).

Chart 3.11 Share of leisure visitor transport modes to regional Australia, 2017



Source: TRA, IVS and NVS, (2018).

Note: For international travellers, these transport modes correspond to travel within Australia after arriving from overseas.

3.4.4 Increasing awareness of regional Australia could spur regional travel

The second most popular reason for international visitors not travelling outside of a capital city in the past five years was stated to be not knowing enough about regional Australia (11%) (Chart 3.9). Interestingly, almost half of these respondents were from China. The majority of this Chinese cohort also highlighted that more information, particularly access to popular itineraries for regional Australia, would influence them to visit there in the future.

Compared to international respondents, a lack of understanding of what is on offer in regional Australia did not necessarily rank highly as a major reason that domestic respondents had not travelled to regional Australia in the past two years. Only 6% of domestic respondents did not travel to regional Australia due to a lack of understanding. A further 5% said that regional Australia is simply of no interest to them. Almost all of these respondents are residents of Australia’s capital cities.

Of the international respondents who had not been to regional Australia, 47%

agreed that they do not have a good understanding of what there is to see and do in regional Australia. On the other hand, 60% of those who had been to regional Australia agreed that they did have a good understanding of regional Australia. We cannot necessarily determine the direction of cause and effect – whether a better understanding caused international travellers to visit regional Australia or whether those who have visited regional Australia now report having a good understanding of what there is to see and do. There is certainly some association.

The ideal holiday

While **59% of domestic travellers** said that time and money were the greatest barrier to their ideal holiday, the next most popular response, at 15%, was – “instead of my ideal holiday I chose somewhere that was easier to travel to”.

3.4.5 Nature-based offerings bring visitors from far and wide

There is a strong pattern of international travellers being drawn to nature-based and bucket-list holidays in Australia, with many of the country's varied natural landscape and unique fauna and flora best experienced outside of capital cities (Chart 3.12). Of those who had visited regional Australia in the past five years, 10% did so because of the nature-based and/or other outdoor activities available. This reason was not as popular among domestic

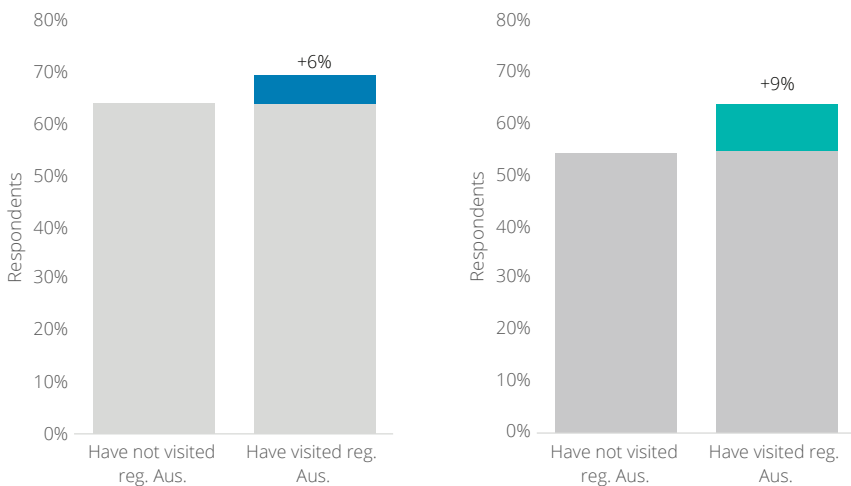
visitors – perhaps, to some extent, domestic visitors take the natural wonder of their own backyard for granted.

Among both international and domestic visitors, those who have been to regional Australia recently, were more likely to agree with the statement that regional Australia offers great cultural and natural experiences (Chart 3.12). It is well known from the Consumer Demand Project that the perception of visitors becomes more favourable after they have been to

Australia, and this holds among visitors to regional destinations in Australia. The uplift in perceptions about regional Australia's cultural and natural offering among those visitors who have travelled to regional destinations points to a need for further information to overcome stated barriers but also deepen understanding about experiences on offer.

Chart 3.12 Comparison of views on cultural and natural experiences

International (LHS) and domestic (RHS) visitors agree that regional Australia offers great cultural and natural experiences – comparing those who have and have not visited regional Australia recently



Source: Deloitte Access Economics Survey on Regional Visitation, (2018).

The ideal holiday

When asked about their "ideal holiday", **32% of domestic travellers** said that they would mainly like to experience wildlife, nature and beautiful scenery on such a trip. The most popular "ideal holidays" were to Tropical North Queensland and the Whitsundays (popular access points for the Great Barrier Reef), North West in Western Australia, and Kakadu in the Northern Territory. All are renowned for their nature-based offerings.

42% of international travellers said that on an ideal holiday to Australia, experiences that involved natural attractions, coastline and beaches or relaxation and rejuvenation were in their top three most desired experiences.

There is also evidence that certain source markets, namely China, Japan and the US, particularly highlight nature-based offerings as a major reason for having visited regional Australia.

3.4.6 Why day trip? Why not overnight?

Across the international respondents, 25% had visited regional Australia for a day trip in the past five years. A subset of this group, 12% of the total international sample, had only visited regional Australia on a day trip in the past five years and had not had an overnight trip to regional Australia.

Those who had only visited regional Australia for a day trip in the past five years exhibited demographic characteristics and travel behaviour that were different from the aggregate international sample. A higher share of these international day

trip only visitors:

- Were visiting from the US or UK, rather than other source markets (27% each versus 18% in the aggregate sample);
- Were aged between 34-54 years (43% versus 39%); and
- Had visited Australia two to three times in the past five years (59% versus 41%).

Their top three reasons for having visited regional Australia were:

01. Visiting friends and relatives (14% of those who had only been to regional Australia on a day trip in the past five years, not overnight);
02. Bucket list trip/always wanted to go (10%); and
03. Nature-based/outdoor activities (9%).

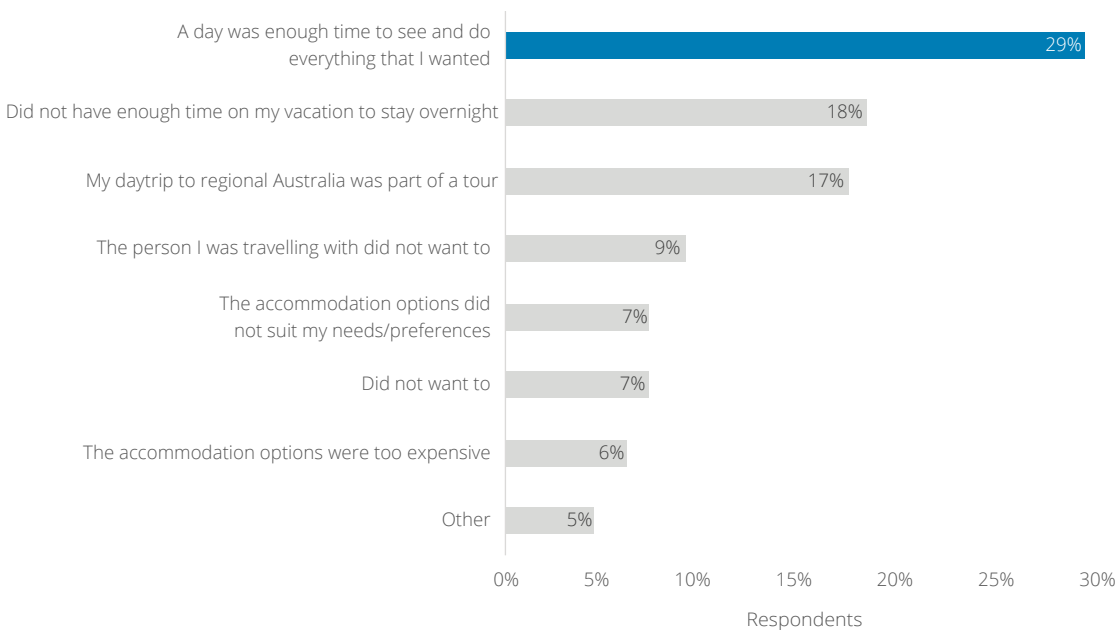
With many major regional tourism destinations receiving high shares of

international visitors who only stay for a day, it is of interest to understand whether and how these visitors could be encouraged to stay overnight. The top three reasons why these visitors did not stay overnight include:

- They were content with a day;
- They did not have time; or
- They were part of a tour.

The view that a day was enough time to see and do everything that they wanted (Chart 3.13) presents the potential opportunity to shift perceptions and convert a sizeable share of day trippers to overnight visitors by communicating the range of opportunities and experiences on offer in regional destinations.

Chart 3.13 Reasons for not staying overnight, international visitors



Source: Deloitte Access Economics Survey on Regional Visitation, (2018).

Given that the fastest growing segment of the leisure visitor market are those from Asian countries, such as China and Japan, a closer inspection of their reasons for not staying longer than a day in regional Australia is warranted. There were three main findings that arose from this analysis.

- In comparing these responses across country of origin, there are many similarities in responses between traditional markets (US, UK, and NZ) and Eastern markets (China and Japan).
- Eastern market visitors are more likely to say that a lack of time (22%) or being part of a tour (21%) was the reason they did not stay overnight than Western markets (17% and 16% respectively).
- The top response of the Eastern market respondents was that a day was enough time to see and do everything that they wanted (27%).

The most frequent reason for not staying overnight among those who a) were first time visitors to Australia and b) had not been on any overnight trips to regional Australia in the past five years was that their day trip was part of a tour (23% of this group). This can be considered evidence that tours provide an important conduit for first time visitor dispersal. The majority of this group (69%) were from the UK and the US.

3.4.7 How do reasons vary by country of origin?

Digging into the underlying motivations behind regional visitation for international visitors, some interesting patterns emerge. The top five reasons for visiting regional Australia vary significantly with country of origin. Those who haven't visited regional Australia, in contrast, are remarkably consistent. in the top five barriers to them not having visited regional Australia.

For those who have visited regional Australia at least once in the past five years, there are a number of common reasons given by groups of countries, including:

- Nature-based attractions in regional Australia was a major driver of regional visitation among Chinese (17%), Japanese (16%) and, to a lesser extent, US markets (8%)
- People-to-people connections between Australians and New Zealanders is evident in visiting friends and relatives being the most popular reason for New Zealanders (16%)
- The most popular reason for the UK (12%) and US (13%) was for a bucket list holiday. It also features prominently for Chinese and Japanese respondents at 9%.

Table 3.1 Why did you visit regional Australia?

	China (n = 622)	New Zealand (n = 618)	US (n = 411)	UK (n = 430)	Japan (n = 281)
1	Nature-based and/or other outdoor activities (17%)	Visiting friends and relatives (16%)	Bucket list holiday (13%)	Bucket list holiday (12%)	Nature-based and/or other outdoor activities (16%)
2	Quality time with family (13%)	Quality time with family (14%)	Seeking an adventure (10%)	Visiting friends and relatives (12%)	Chance to 'disconnect' (11%)
3	Food and wine experiences (10%)	Easy to travel to (13%)	A chance to learn something new (9%)	Quality time with family (12%)	Easy to travel to (9%)
4	Romantic getaway (10%)	Affordability (9%)	Nature-based and/or other outdoor activities (8%)	Seeking an adventure (10%)	Bucket list holiday (9%)
5	Bucket list holiday (9%)	Chance to 'disconnect' (7%)	Quality time with family (7%)	A chance to learn something new (8%)	Quality time with family (9%)

While there was a variety of reasons for different international markets to visit regional Australia, there is much greater consistency in the barriers, real or perceived, to regional visitation. Not having time was consistently the most common response across source markets. The second most popular was a preference for capital cities. An interesting point to note that this preference for capital cities does not feature in the top five for the Chinese market as a reason for not visiting regional Australia.

Table 3.2 Why did you not visit regional Australia?

	China (n = 34)	New Zealand (n = 36)	US (n = 41)	UK (n = 24)	Japan (n = 23)
1	Didn't have time (20%)	Didn't have time (27%)	Didn't have time (16%)	Didn't have time (19%)	Didn't have time (26%)
2	Did not know enough about regional Australia (16%)	Preference for capital cities (12%)	Preference for capital cities (10%)	Preference for capital cities (13%)	Preference for capital cities (13%)
3	Too difficult to travel to (10%)	No friends or relatives to stay with (10%)	Did not know enough about regional Australia (9%)	It was too expensive (10%)	Too difficult to travel to (11%)
4	The quality of the accommodation (7%)	Did not know enough about regional Australia (9%)	It was too expensive (9%)	No friends or relatives to stay with (9%)	Did not know enough about regional Australia (10%)
5	Travel party wasn't willing or able to (7%)	It was too expensive (7%)	Lack of variety of things to see and do (9%)	Lack of variety of things to see and do (8%)	Lack of variety of things to see and do (8%)

Respondents that had not visited regional Australia were asked what would influence them to do so in the future (Table 3.3). For almost all countries, it would appear as though increasing the length of stay in Australia overall could have a marked impact on helping those who haven't dispersed previously to do so.

The next strongest influence on international visitors potentially deciding to visit regional Australia in the future was either related to improving the ease of getting there or to access improved information. Making it easier or less expensive to get to regional Australia would appear to have the strongest influence over UK, Japanese and/or New Zealand travellers. For Japanese travellers in particular, lowering the cost of getting to regional Australia was the most popular potential influence. It also featured as

a major influence among Chinese and US visitors, but it was not as popular a response as other influences. For US visitors, better information on activities and itineraries made up 25% of responses for influencing future regional visitation.

Other potentially policy-relevant results include:

- According to 12% of respondents, direct flights to regional Australia might influence Japanese visitors to travel there. Currently, however, few regional airports in Australia are capable of handling international traffic.
- The availability of better shopping and dining experiences was an important influence for 11% of Chinese respondents. A recent study by Tourism Research Australia found Chinese satisfaction with shopping facilities

in regional Australia was low relative to other components of the regional offering.²⁸ This represents a potential area for improvement.

- More time, lower travel costs and convenience, and better information were the only other influences that made up the top five for all countries. With time and convenience recognised as significant barriers, reversing the recent decline in average length of stay among international visitors (see section 2.3) could be influential in increasing regional dispersal.

²⁸ Tourism Research Australia 2019, Chinese Free and Independent Travellers – their potential for regional Australia

Table 3.3 Why would you visit regional Australia?

	China (n = 34)	New Zealand (n = 36)	US (n = 41)	UK (n = 24)	Japan (n = 23)
1	If they had more time (16%)	If they had more time (16%)	If they had more time (20%)	If they had more time (20%)	If it was less expensive to travel to (16%)
2	If there was more to see and do (14%)	If it was less expensive to travel to (17%)	If there was more information on what there is to do in regional Australia (13%)	If it was easier to get to where they would like to go (14%)	If it was easier to get to where they would like to go (15%)
3	If it was easier to get to where they would like to go (13%)	If there was more information on what there is to do in regional Australia (14%)	If there was more information on popular itineraries in regional Australia (12%)	If it was less expensive to travel to (14%)	If they had more time (14%)
4	If the shopping and dining experiences were better (11%)	If there was more information on popular itineraries in regional Australia (13%)	If it was easier to get to where they would like to go (11%)	If there was more information on popular itineraries in regional Australia (11%)	If there had been a direct flight there (12%)
5	If there was more information on what there is to do in regional Australia (11%)	If it was easier to get to where they would like to go (12%)	If it was less expensive to travel to (10%)	If there was more information on what there is to do in regional Australia (10%)	If there was more information on what there is to do in regional Australia (10%)

3.4.8 Does where you live in Australia affect your motivations for travelling regionally?

Examining the difference in responses for residents of regional Australia versus those of metropolitan areas reveals that the why and why not reasons and motivations are, in the main, consistent across respondents.

There are, however, points of difference which provide insight into how approaches in encouraging regional dispersal from cities might differ from encouraging greater visitation in the backyards of regional residents.

These include:

- **Costs** are a larger constraint on regional visitation for regional residents than metropolitan residents (16% vs 13%),

while **time** constraints are more important for metropolitan residents than regional residents (18% vs 15%). On costs, this can be partly explained by the fact that, in 2017, average incomes in Australian cities tended to be higher than in regional Australia.²⁹ Time constraints can be affected by life cycle, employment rates as well as cultural factors, all of which might underpin the survey result in different ways.

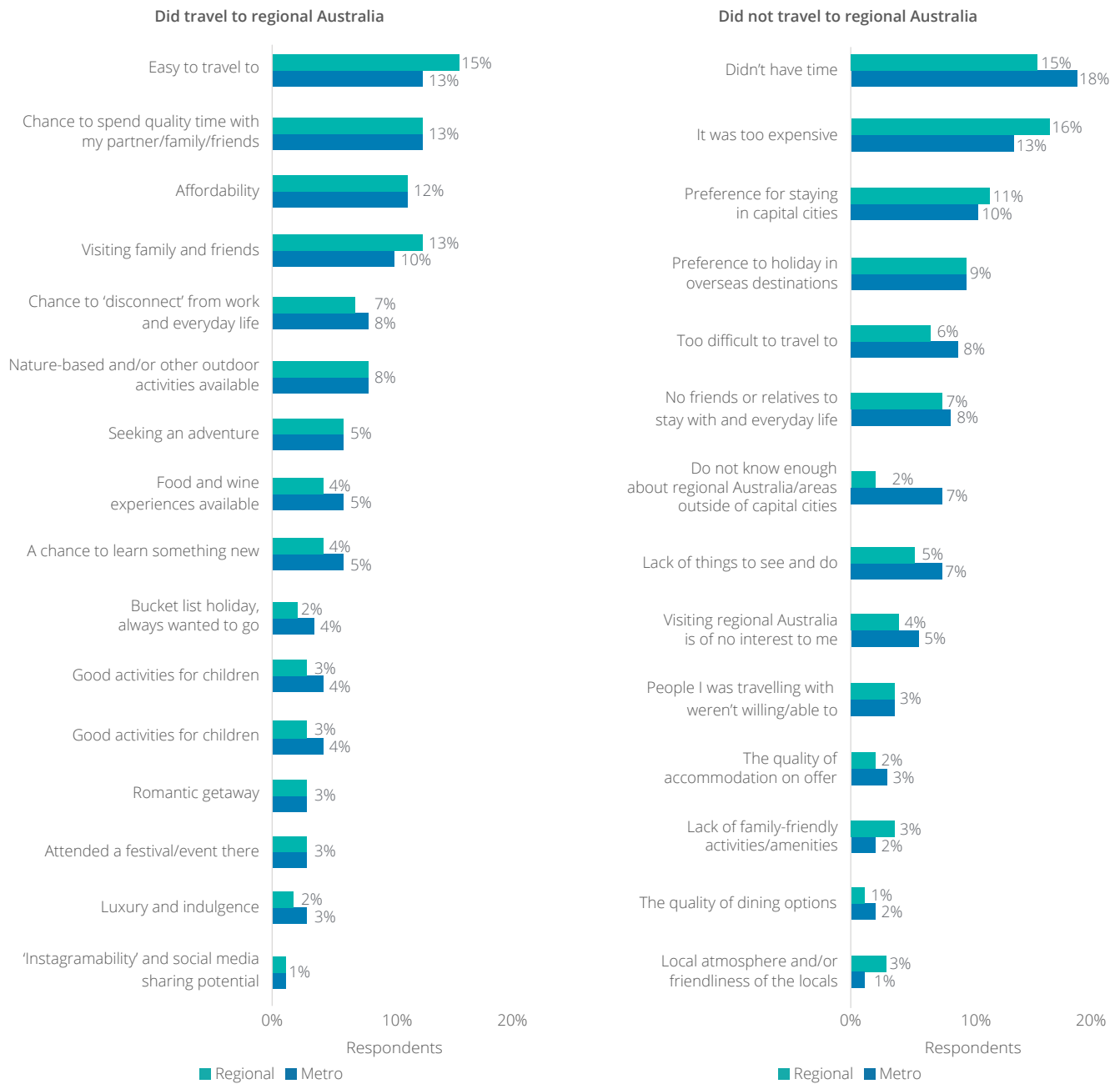
- Regional Australian residents are, understandably, **more likely to have friends and relatives to visit closer to home** (13% vs 10%).
- Almost 50% of regional Australian

residents who had not visited regional Australia are not sure what would influence them to do so.

- Information on what there is to see and do (8%) as well as popular itineraries (8%) are more likely to influence metropolitan residents to visit regional Australia among those who have not visited recently compared to regional residents.

²⁹ Daley, Wood and Chivers, 2017, Regional patterns of Australia's economy and population, Grattan Institute

Chart 3.14 Metropolitan vs regional residents who a) did travel to regional Australia and b) did not travel to regional Australia



Source: Deloitte Access Economics Survey of Regional Visitation, (2018).

4 Meet the personas

Personas provide an alternative way to look at the longstanding question of how to get visitors to travel beyond the capital cities and major tourism gateways. The decision journeys of eleven personas provide a detailed insight into the motivations and drivers of regional travel by important market segments. Consistent with the findings of the econometric analysis, family road trippers have the highest propensities to visit regional destinations, while Asian market VFR had the lowest.

4.1 Introduction

A deep understanding of the visitors who do, and do not, travel outside of capital cities is important when identifying sustainable solutions to increasing regional dispersal. The use of personas provides an instructive way of looking at the longstanding question of how to get visitors to travel beyond the capital cities and major gateways.

A persona is a “character” developed to represent a shared interest group or segment. It is an amalgamation of attributes derived from stakeholder research, and embodies people’s real-world perceptions, likes, dislikes, wants, needs and desires.

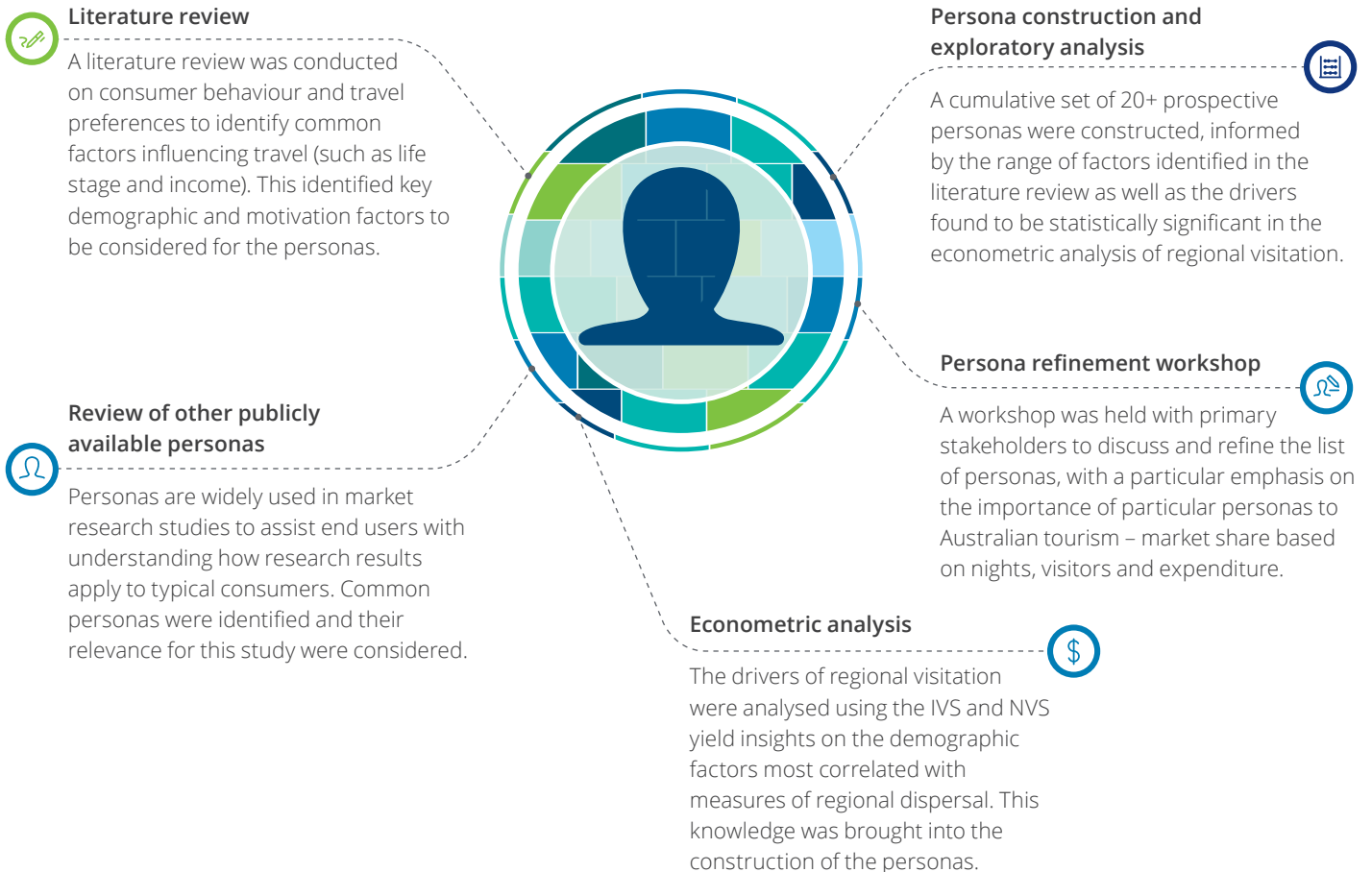
For the purposes of this project, personas are archetypal representations of visitors – both who do visit regional areas and who do not. The personas are designed to capture visitors’ identity, demographics, travel motivations, disposable income, information sources, reported barriers to dispersal and travel experience type.

as age and income – yet have different attitudes, behaviours and motivations around travel. The process outlined in Figure 4.1 informed the construction of the personas.

4.1.1 Approach to constructing the personas

The personas were constructed on the basis of demographic anchors and psychographic anchors. Demographic characteristics provide a solid basis for constructing personas, but they do not tell the full story. Two visitors could have the same demographic characteristics – such







Figure 4.1 Approach to constructing the personas



4.2 Introducing the eleven personas






The evidence described above was then compiled and synthesised into the eleven personas presented in Table 4.1. This table lists the criteria, or anchors, that determined the classification of respondents into each persona group. These personas are not necessarily mutually exclusive in their classification, however the overlap between certain individuals did not significantly influence the results. Further details can be found in Appendix C.

Table 4.1 Eleven personas of visitors in Australia

Name	Icons	N	Criteria	Market share of leisure visitors in 2017 (%) ³⁰
Affluent 55+ Australians (AA55+)		320	<ul style="list-style-type: none"> Australian residents 55+ years old Household income greater than \$85,000 per annum³¹ Demographic-based 	9.9
Affluent Gen Y and Z Australians (AAYZ)		212	<ul style="list-style-type: none"> Australian residents 15-34 years old Household income greater than \$85,000 per annum Demographic-based 	15.2
Family road trippers (FR)		454	<ul style="list-style-type: none"> Australian residents Travelled as parents with their children Main mode of transport was a private vehicle/rental car/caravan Demographic-based 	19.5
Rechargers (RE)		372	<ul style="list-style-type: none"> Australian residents Determined by responses to survey questions around motivations for travel based on 'why' and personal views on travel Psychographic-based 	-
Foodies (FD)		279	<ul style="list-style-type: none"> Australian residents Determined by responses to survey questions around motivations for travel based on 'what' and personal views on travel Psychographic-based 	-
Adventurers (AD)		117	<ul style="list-style-type: none"> Australian residents Determined by responses to survey questions around motivations for travel based on 'why' and personal views on travel Psychographic-based 	-

³⁰ The market share for each of the personas reflect their proportion of total domestic or international market based on the IVS and NVS using the criteria in Table 4.1.

³¹ According to the ABS Household Income and Wealth, Australia, 2015-16, this group has a higher gross annual household income than approximately 50% of other Australian households.

Name	Icons	N	Criteria	Market share of leisure visitors in 2017 (%) ³⁰
Festival and event goers (FE)		201	<ul style="list-style-type: none"> • Australian residents • Determined by responses to survey questions around motivations for travel based on 'what' and personal views on travel • Psychographic-based 	–
Asian market Gen Y and Z (AMYZ)		422	<ul style="list-style-type: none"> • Chinese and Japanese residents • 15-34 years old • Demographic-based 	6.9
Asian market VFR³² (AMVFR)		54	<ul style="list-style-type: none"> • Chinese and Japanese residents • Main purpose of visit to Australia was to visit friends and relatives • Demographic-based 	4.4
Traditional market Gen Y and Z (TMYZ)		212	<ul style="list-style-type: none"> • US, UK and NZ residents • 15-34 years old • First time visitors to Australia • Demographic-based 	4.1
Traditional market 55+ (TM55+)		209	<ul style="list-style-type: none"> • US, UK and NZ residents • 55+ years old • Repeat visitors to Australia • Demographic-based 	10.8

There were key themes that emerged through a comparison of the personas as well as a range of travel characteristics and preferences that were unique to each persona. Certain themes such as information sources, repeat visitation, and popular itineraries, among others, have a greater influence for certain groups of personas than for others. Analysing the responses of each persona individually reveals that each have unique travel preferences and regional visitation motivations (Appendix A). These are explored in detail later in the Chapter.

³² The Asian market VFR group was substantially smaller than the other personas. The subsequent analysis is conducted with a word of caution as to the external validity of the results for this group. Checks on responses to every question by this group were conducted to verify whether there could be any single bias in observed characteristics, which may skew the results. There were no major deviations in characteristics found within this group.

Figure 4.2 What makes each persona unique?



Affluent 55+ Australians enjoy eating out at restaurants and shopping when they travel. The affluent 55+ group had the third highest rate of regional visitation (56%) of all personas behind family road trippers and traditional market Gen Y and Z.



Festival and event goers are more likely to be men, and a higher share live in regional Australia than the rest of the sample. Their decision-journey is one of minimal research and point-to-point-travel.

Affluent Gen Y and Z Australians often travel with family and friends (50%) or significant others (37%) and their most popular destinations are coastal tourism regions. Almost 90% of them are working full-time, part-time, are self-employed or studying.



Of the **Asian market Gen Y and Z** who have travelled to regional Australia, they are drawn to the natural wonders and for the food and wine experiences. Those who have not travelled to regional Australia could be induced to travel there with better shopping, dining and other similar activities.



While **Family road trippers** are the most likely to disperse, they spend the shortest amount of time on average in regional areas and are much more likely than other travellers to say that they are motivated to travel to regional Australia because it is not far to travel.

Asian market VFR are much more likely than other international visitors to have only visited Australia once before in the past five years. They have the lowest share of respondents who have been to regional Australia on their most recent trip.



Rechargers are often travelling on quick getaways or long weekends. Their top five most popular destinations to travel to are all coastal tourism regions. Not having enough time is a major barrier to this group visiting regional Australia.



Trad. market Gen Y and Z have some similarities to the adventurers in that they are drawn to outdoor activities, often involving the beach. They are more price-sensitive than other travellers when considering visiting regional Australia.



Foodies are primarily based in capital cities and identified that they seek out luxury and indulgence when they travel. They are much more likely than other visitors to travel by plane. They are also more likely than other travellers to say that regional Australia is of no interest to them.

Trad. market 55+ are more likely to have visited Australia more than once in the past five years, and are more likely to be visiting friends and relatives.



Adventurers are much younger on average and appeared to be very open-minded in their ideas of what travel should mainly be about (e.g. relaxation, learning something new etc.). They have a middle-of-the-pack propensity to visit regional Australia.



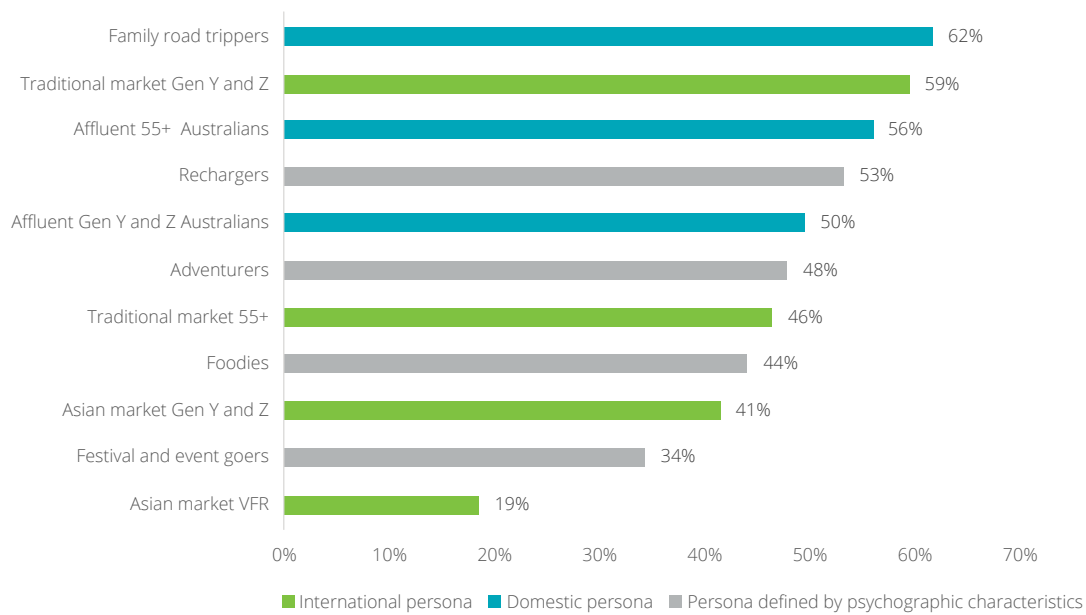
4.2.2 Relative propensity to travel to regional destinations

Of the combined domestic and international sample, 46% of respondents had travelled to regional Australia on their most recent trip. Among international respondents the aggregate share was 43%, while the domestic share was 50%.^{33,34}

Consistent with the econometric results on the IVS and NVS, people travelling with families are more likely to disperse than average. In this sample, Australian family road trippers had the highest propensity to visit regional Australia (62%). The second and third highest propensities were traditional market Gen Y and Z (59%) and the affluent 55+ Australians (56%) respectively.

Also consistent with the wider literature and the econometric results, the Asian market personas had the lowest (Asian market VFR, 19%) and third lowest propensity to visit regional Australia (Asian market Gen Y and Z, 41%).

Chart 4.1 Share of respondents that travelled to regional Australia on their most recent trip, by persona



Source: Deloitte Access Economics Survey on Regional Visitation, (2018).

33 It should be noted that this approach to the measurement of propensity to visit regional Australia is different from the IVS and the NVS, partly due to the method of data capture (face-to-face/phone interview compared to an online survey).

34 It is worth noting that the majority of domestic visitors in this survey stated that their most recent trip was interstate – this is significantly higher than the proportion recorded in the 2017 NVS. However, survey responses on regional travel are not impacted by this.

4.2.3 Summary of the personas and persona profiles

Pages 68 and 69 summarise the decision journeys and reasons why each persona had or had not visited regional Australia. A more detailed set of persona-specific profiles is then provided. Full survey results can be found in Attachment 2.

The two-page summary pays particular attention to how the responses of each persona compared to each other. Specifically, for the decision journey and the reasons for regional visitation, each persona is placed on a scale of the highest and lowest response shares for selected response options. For readability, only the top three and bottom three personas are identified for each metric presented.

For example, consider comparing personas by who most frequently selected “word of mouth” as the main source of inspiration on their decision journey. The summary shows that traditional market 55+ had the greatest share selecting this option and that this share was greater than rechargers, who came in second. The lowest response share for this option was by affluent 55+ Australians. Those with middle-of-the-pack responses are not explicitly shown. For these responses, and more detailed information on each persona’s characteristics, decision journey, and reasons for regional visitation, refer to the persona-specific profiles.

These summaries are followed by eleven detailed persona profiles on their decision journeys and reasons for visiting regional

Australia. In understanding the results there were two questions of particular interest:

- Which aspects of regional travel are most important to each persona?
- What makes each persona most different from other travellers?

The results in these profiles are presented as “top three responses”, which answers the first question and “more or less likely than other travellers to say...”, which answers the second question. The top three responses are those responses ranked from highest to lowest response share for each persona. The more or less likely measure is the largest difference in response share between the persona’s responses to a particular option as compared to other travellers.



What does the decision journey look like for each of the personas?

Each persona is placed on a scale of the highest (right) to lowest (left) response shares for selected response options. The upper and lower bound of the response shares are shown at each end of the scale. For readability, only the top three and bottom three personas are explicitly presented. All of these questions were in the context of the respondent's most recent trip in Australia. Asian market VFR are excluded from this comparison due to small sample size.

Where did you first become aware of this destination for your holiday (inspire)?		Top three (Highest)			Bottom three (Lowest)			Range
		1	2	3	9	10	11	
	Word of mouth (friends and family)	FR	TM YZ	AD	AM YZ	AA 55+	FE	15%-32%
	Travelled there previously	RE	AA 55+	TM 55+	AM YZ	TM YZ	AA YZ	5%-20%
	Saw it on social media	AD	AA YZ	AM YZ	RE	AA 55+	TM 55+	1%-17%
	Tourism body website	AA 55+	TM YZ	AM YZ	FR	AD	FD	1%-22%

When researching your holiday, what were your top sources of information (plan)?		Top three (Highest)			Bottom three (Lowest)			Range
		1	2	3	9	10	11	
	Word of mouth (friends and family)	AA 55+	TM 55+	FR	AM YZ	AA YZ	AD	10%-22%
	Online reviews	TM YZ	FD	AM YZ	AA 55+	TM 55+	FR	10%-18%
	Saw it on social media	AD	AM YZ	AA YZ	TM 55+	AA 55+	RE	3%-13%
	Tourism body website	TM YZ	TM 55+	AM YZ	AA 55+	FE	AD	3%-12%

How did you book your accommodation		Top three (Highest)			Bottom three (Lowest)			Range
		1	2	3	9	10	11	
	Did not book (stayed with friends and relatives)	AM YZ	TM YZ	AA YZ	AM YZ	TM YZ	AA YZ	2%-44%
	Booked online	TM YZ	AA YZ	AM YZ	TM 55+	AA 55+	FE	11%-29%
	Booked directly through provider	AD	RE	AA 55+	AM YZ	TM YZ	AA YZ	10%-39%
	Travel agent	TM 55+	AM YZ	TM YZ	FR	RE	FD	3%-19%

What was the main form of accommodation/transport on your most recent trip?		Top three (Highest)			Bottom three (Lowest)			Range
		1	2	3	9	10	11	
	Hotel	TM 55+	TM YZ	AM YZ	FR	RE	AD	35%-46%
	Friends or family property	FD	AA 55+	TM 55+	AM YZ	AA YZ	AD	2%-41%
	Private car	AD	RE	FR	AM YZ	TM YZ	TM 55+	4%-87%
	Plane	FD	FE	AM YZ	FR	TM 55+	AD	0%-20%

AA55+	AA YZ	FR	RE	FD	AD
Affluent 55+ Australians	Affluent Gen Y and Z Australians	Family Road Trippers	Rechargers	Foodies	Adventurers

Why did the personas choose to visit a regional destination? Why didn't they?

Each persona is placed on a scale of the highest (right) to lowest (left) response shares for selected response options. The upper and lower bound of the response shares are shown at each end of the scale. For readability, only the top three and bottom three personas are explicitly presented. All of these questions were in the context of any recent trip they had made to regional Australia (or not). Asian market VFR are excluded from this comparison due to small sample size.

Why did you visit regional Australia?	Top three (Highest)			Bottom three (Lowest)			Range
	1	2	3	9	10	11	
Friends and family	AA 55+	RE	TM 55+	AA YZ	TM YZ	AM YZ	16%-30%
Nature-based activities	AA YZ	AA 55+	AM YZ	FE	AD	TM YZ	4%-15%
Easy to travel to	RE	FR	AA 55+	TM YZ	TM 55+	AM YZ	4%-18%
Seeking an adventure	AM YZ	AA YZ	AD	AA 55+	RE	FD	3%-12%
Affordability	AD	RE	FR	AM YZ	TM YZ	TM 55+	4%-13%
A chance to "disconnect"	AA YZ	FR	RE	TM YZ	TM 55+	FE	2%-9%

Why did you not visit regional Australia?	Top three (Highest)			Bottom three (Lowest)			Range
	1	2	3	9	10	11	
Time	RE	TM 55+	AA 55+	AA YZ	TM YZ	AM YZ	24%-18%
Lack of knowledge	AA YZ	AA 55+	AM YZ	RE	FE	AD	16%-3%
Preference for capital cities	TM 55+	FE	AD	AM YZ	FD	RE	15%-6%
Difficult to travel to	FD	AD	AM YZ	TM 55+	TM YZ	AA YZ	12%-2%
Too expensive	RE	FR	AD	AM YZ	AA YZ	AA 55+	17%-3%
Lack of friends or family to stay with	AA 55+	RE	TM YZ	AD	FR	AA YZ	9%-2%

Why would you visit regional Australia?	Top three (Highest)			Bottom three (Lowest)			Range
	1	2	3	9	10	11	
If I had more time	AA 55+	FD	RE	AD	FE	AM YZ	27%-12%
If it was easier to get there	FR	AA 55+	FE	FD	AA YZ	AD	28%-2%
If it was less expensive	AD	FR	AA 55+	AM YZ	TM YZ	FE	28%-10%
If I had more information	TM 55+	AA YZ	AD	AA 55+	FR	RE	16%-3%
If there was more to see and do	AM YZ	FE	AA YZ	TM 55+	AA 55+	TM YZ	16%-3%
If the accommodation was better	FD	AM YZ	AD	TM 55+	RE	AA YZ	8%-1%

FE	AM YZ	AM VFR	TM YZ	TM 55+
Festival and Event Goers	Asian Market Gen Y and Z	Asian Market VFR*	Trad. Market Gen Y and Z	Trad. Market 55+



AFFLUENT 55+ AUSTRALIANS (AA55+)



Criteria

- Over **55** years old
- Annual household income is over \$85,000 per annum



Typical characteristics

- 34% live in regional Australia
- 45% are retired or receive a pension and 29% are working full-time

Their top five regional destinations on their most recent trip include:

1. Sunshine Coast, Qld
2. North Coast, NSW
3. South Coast, NSW
4. Mornington Peninsula, Vic
5. South West, WA

n = 320

56%

of affluent 55+ Australians travelled to regional Australia on their most recent trip.

Stayed a day longer when visiting regional destinations, with an average length of stay of 6.9 nights in regional Australia compared to 5.8 nights in capital cities

The top two most frequently cited activities that they did on their most recent trip were eating out at restaurants (**14%**) and shopping (**14%**).

68% agreed that travel is about enriching knowledge and escaping day to day life. They avoid risky or dangerous activities (**14%** agree that they enjoy taking risks more than others do).

55% Often travel as couples

A 4% greater share have travelled overseas in the past two years compared to other travellers (**58%** of affluent 55+ Australians vs **54%** other travellers).



Inspire

Top three sources of inspiration

1. Travelling there previously (44%)
2. Word of mouth (17%)
3. General internet browsing (6%)



Plan

Top three sources for planning:

1. Talking to family and friends (20%)
2. General internet browsing (18%)
3. Online reviews (12%)



Book

Top booking methods:

- **Accommodation:** Directly through accommodation provider (39%)
- **Transport:** Drove own car so not applicable (41%)
- **Activities:** Direct through activity provider while on holiday (20%)



Travel

Top accommodation and transport options:

- Hotel/motel/serviced apartment (38%)
- Private car (49%)

More or less likely than other travellers...

+ To have travelled there previously

+ To go to the visitor information centre

+ To book directly from providers

+ To travel by plane and car

- To use social media for inspiration

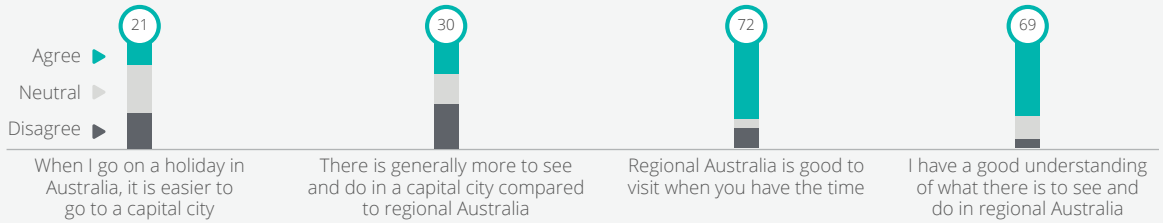
- To plan using social media

- To use online comparison websites

- To stay in rented apartment

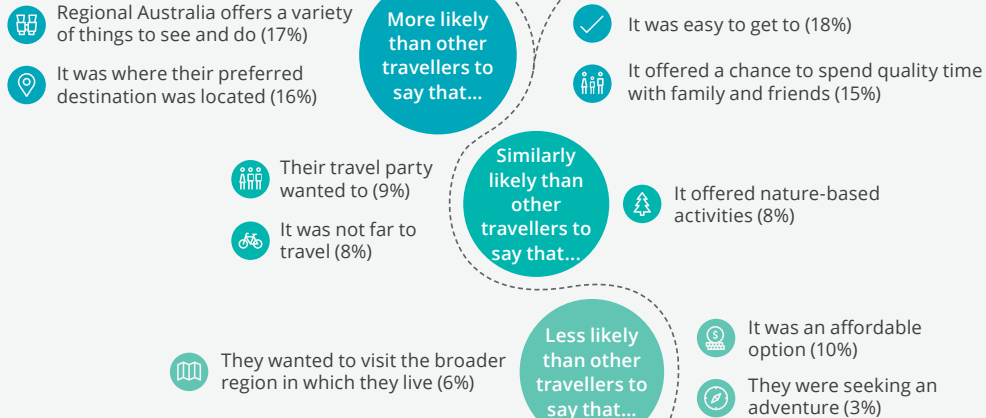
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

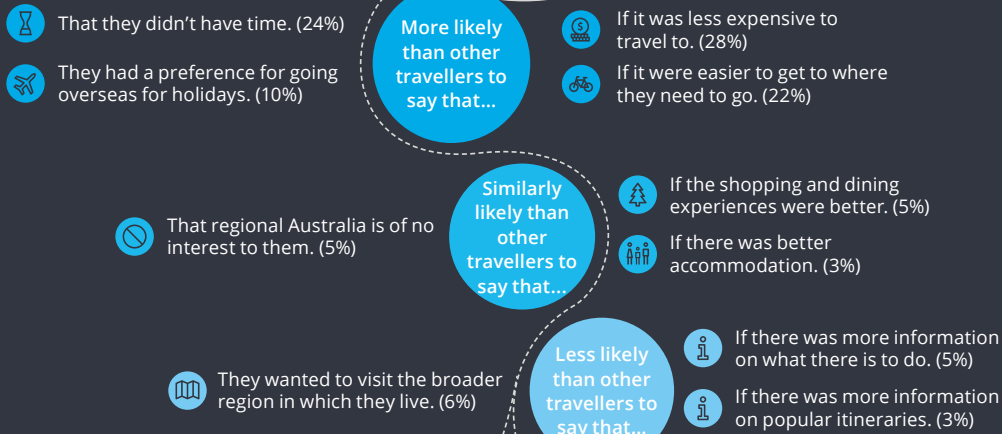
Reasons for choosing their particular regional holiday destination



Why do some visit regional Australia...



...And others do not?



Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

To what extent do they agree with the following?

Values in percentages





AFFLUENT GEN Y AND Z AUSTRALIANS (AAYZ)



Criteria

- Between 15 and 34 years old
- Annual household income is over \$85,000 per annum



Typical characteristics

- 24% live in regional Australia
- 87% are working full-time, part-time, are self-employed or are studying

Their top five regional destinations on their most recent trip include:

1. North Coast, NSW
2. Great Ocean Road, Vic.
3. Sunshine Coast, Qld
4. South Coast, NSW
5. Tropical North Queensland

n = 420

50%

of affluent Gen Y and Z travelled to regional Australia on their most recent trip.

Stayed longer when visiting regional destinations with an average length of stay of **7.8 nights in regional Australia** compared to 7.2 in capital cities.

They have a **diverse set of interests** when travelling – from shopping (14%), to food tasting and markets (7%), and visiting national parks (8%), among others.

58% agree that they enjoy trying new dishes when travelling.

Rarely travel alone – either with family, friends, or significant others (90%).

Are more likely for their most recent trip to have been a quick getaway/long weekend (22%) or a romantic trip/honeymoon (9%).



Inspire

Top three sources of inspiration

1. Travelling there previously (24%)
2. Word of mouth (23%)
3. General internet browsing (9%)



Plan

Top three sources for planning:

1. General internet browsing (22%)
2. Talking to family and friends (18%)
3. Online reviews (11%)



Book

Top booking methods:

- **Accommodation:** Online comparison websites (e.g. Wotif) (25%)
- **Transport:** Drove own car so not applicable (30%)
- **Activities:** Did not make any activity bookings (23%)



Travel

Top accommodation and transport options:

- Hotel/motel/serviced apartment (33%)
- Private car (41%)

More or less likely than other travellers...



To use social media for inspiration



To plan using social media



To use online comparison websites



To stay in a backpackers



To have travelled there previously



To go to the visitor information centre



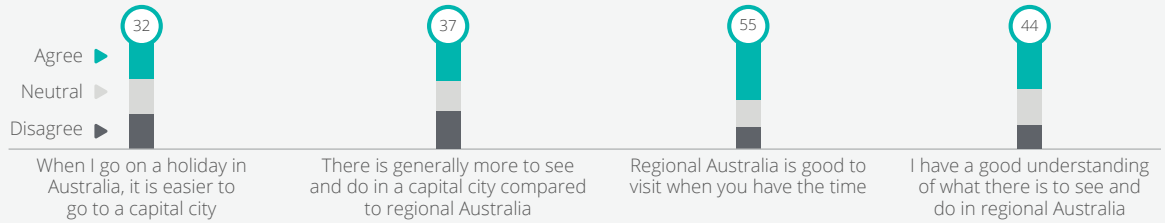
To book directly from providers



To travel by campervan

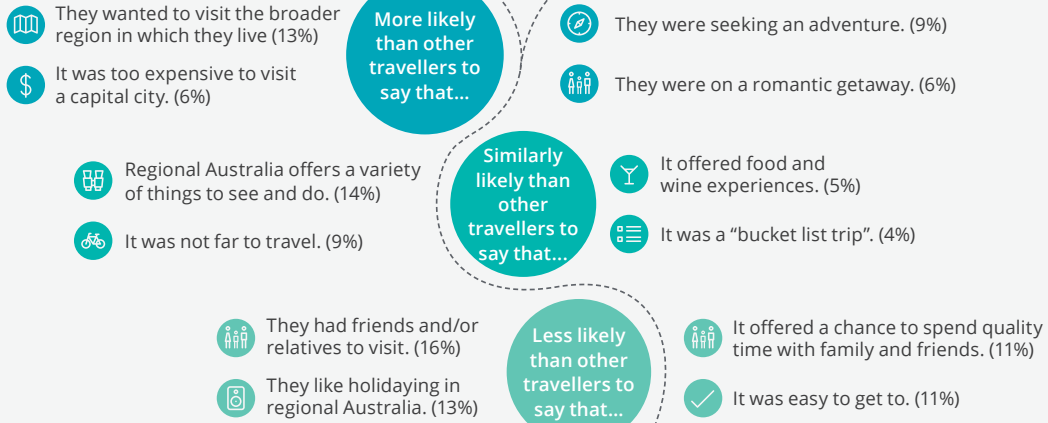
To what extent do they agree with the following?

Values in percentages



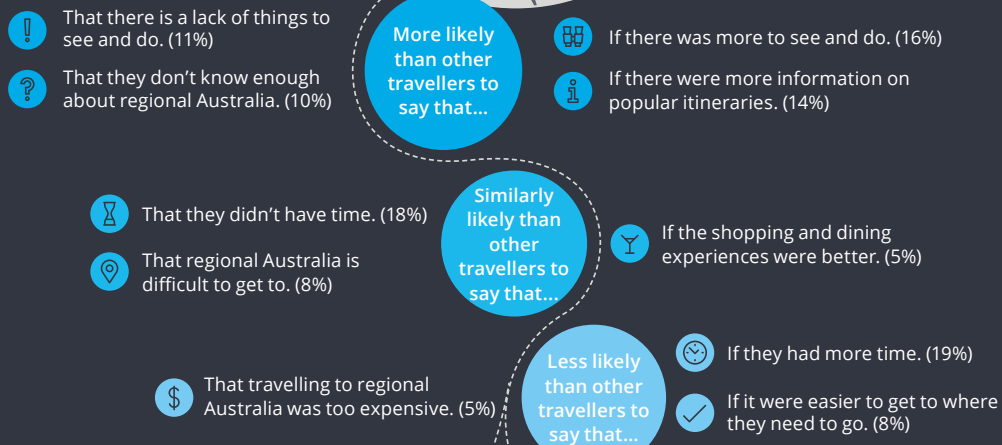
Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination



Why do some visit regional Australia...

...And others do not?



Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

To what extent do they agree with the following?

Values in percentages





FAMILY ROAD TRIPPERS (FR)



Criteria

- Travelled with children on their most recent trip and used a private/hire car/campervan as their main mode of transport on this trip



Typical characteristics

- 33% live in regional Australia
- Their median age is between 35 and 54 years old
- Their median household income is between \$85,000 and \$129,999 per annum

Their top five regional destinations on their most recent trip include:

1. North Coast, NSW
2. South Coast, NSW
3. Sunshine Coast, Qld
4. Great Ocean Road, Vic
5. South West, WA.

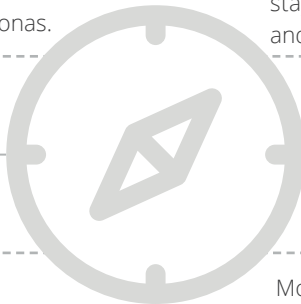
n = 454

62%

of family road trippers **travelled to regional Australia** on their most recent trip – the highest of all personas.

Stayed longer in capital cities with an average length of stay of **5.6 nights in regional Australia** vs 6.3 in capital cities. The length of stay was influenced by work commitments and money in 46% of respondents.

Over half of their trips (52%) were either for the **school holidays** or to visit friends and relatives.



67% agree that traveling is mainly about having a holiday and relaxing.

Their ideal future holiday is more likely to be going to a regional destination.

More likely to participate in nearby outdoor or nature-based activities, such as visiting the beach (15%) or going bush walking (9%) than other travellers.



Inspire

Top three sources of inspiration

1. Travelling there previously (33%)
2. Word of mouth (26%)
3. General internet browsing (10%)



Plan

Top three sources for planning:

1. General internet browsing (23%)
2. Talking to family and friends (22%)
3. Online reviews (10%)



Book

Top booking methods:

- **Accommodation:** Directly through accommodation provider (30%)
- **Transport:** Drove own car so not applicable (58%)
- **Activities:** Did not make any activity bookings (35%)



Travel

Top accommodation and transport options:

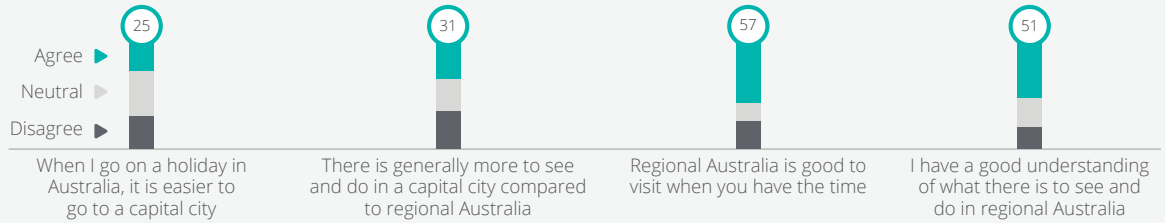
- Hotel/motel/serviced apartment (35%)
- Private car (87%)

More or less likely than other travellers...

- | | | | |
|--------------------------------------|----------------------------|-----------------------------------|--|
| To use word of mouth for inspiration | To plan using social media | To use online comparison websites | To stay at a camping ground/caravan park |
| To have used Tourism body websites | To plan using airlines | To use a travel agent | To stay at a luxury hotel or resort |

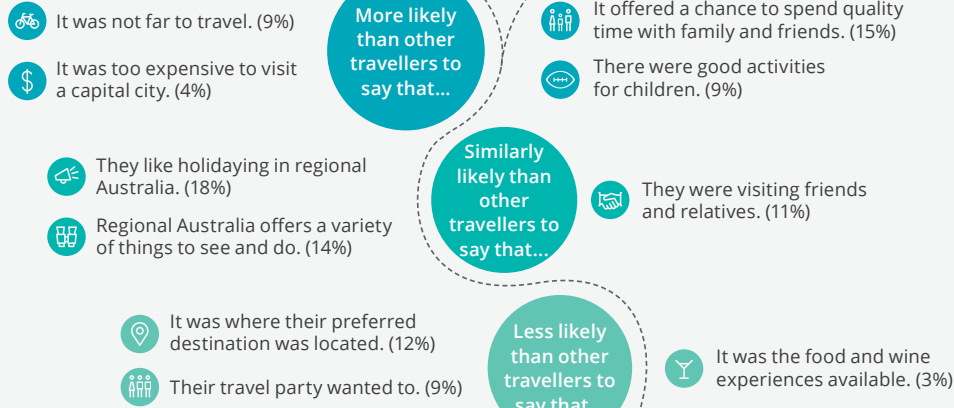
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination



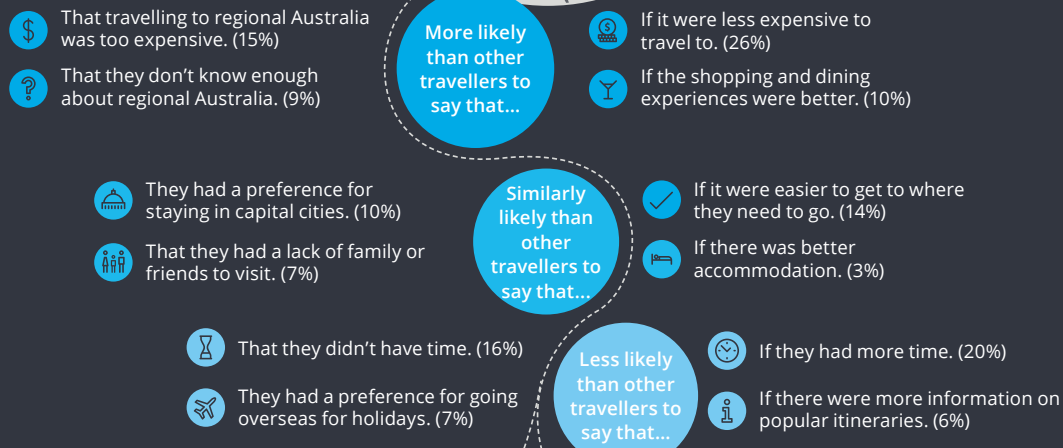
Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 344).



...And others do not?

Note: Brackets represent the proportion of responses (n = 110).



To what extent do they agree with the following?

Values in percentages





RECHARGERS (RE)



Criteria

Classified as respondents who state that they enjoy escaping day-to-day life and believe that travelling is mainly about relaxing



Typical characteristics

- 37% live in regional Australia

Their top five regional destinations on their most recent trip include:

1. North Coast, NSW
2. Sunshine Coast, Qld
3. South Coast, NSW
4. South West, WA
5. Central Coast, NSW.

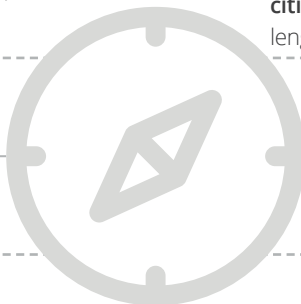
n = 372

53%

of rechargers **travelled to regional Australia** on their most recent trip.

Stayed longer in capital cities than regional Australia with an average length of stay 5.9 nights in regional Australia vs **6.4 in capital cities**. The most popular reason for this length of stay was “no particular reason”.

45% of their most recent trips were to visit friends and relatives and for a quick getaway/long weekend.



68% agree that they enjoy escaping day-to-day life when they travel.

Their top three activities on their most recent holidays were eating out at restaurants (15%), going to the beach/river/lake (15%) and shopping (14%).



Inspire

Top three sources of inspiration

1. Travelling there previously (38%)
2. Word of mouth (21%)
3. General internet browsing (9%)



Plan

Top three sources for planning:

1. Talking to family and friends (23%)
2. General internet browsing (21%)
3. Online reviews (11%)



Book

Top booking methods:

- **Accommodation:** Directly through accommodation provider (32%)
- **Transport:** Drove own car so not applicable (47%)
- **Activities:** Did not make any activity bookings (35%)



Travel

Top accommodation and transport options:

- Hotel/motel/serviced apartment (35%)
- Private car (51%)

More or less likely than other travellers...



To have travelled there previously



To plan using Tourism body website



To book directly from providers



To travel by campervan



To have used social media for inspiration



To plan using airlines



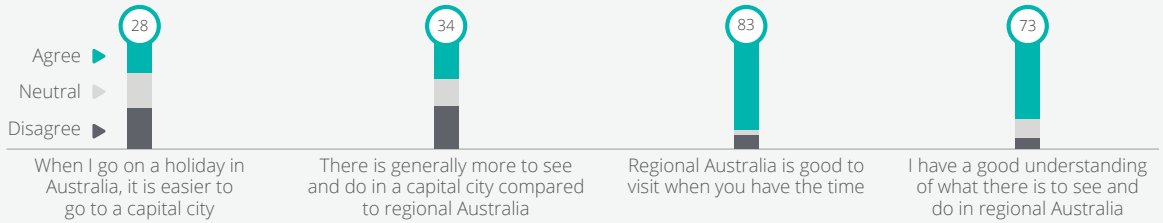
To use online comparison websites



To stay at a friend or relatives property

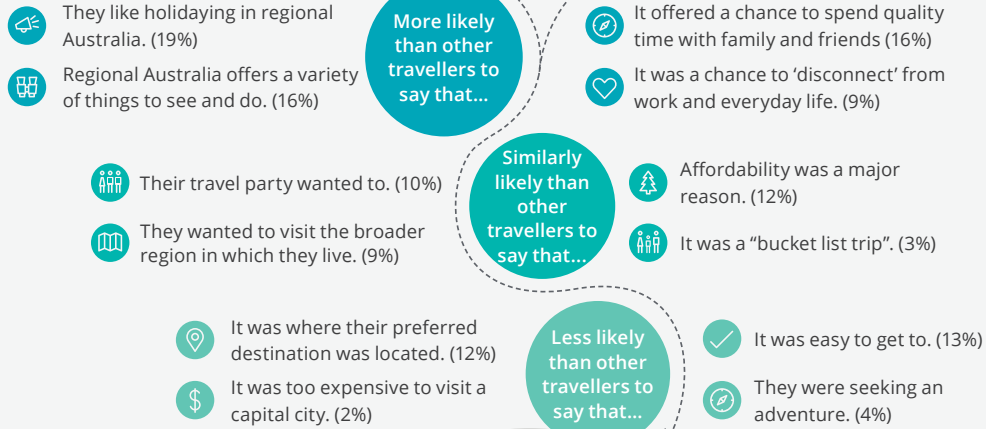
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination

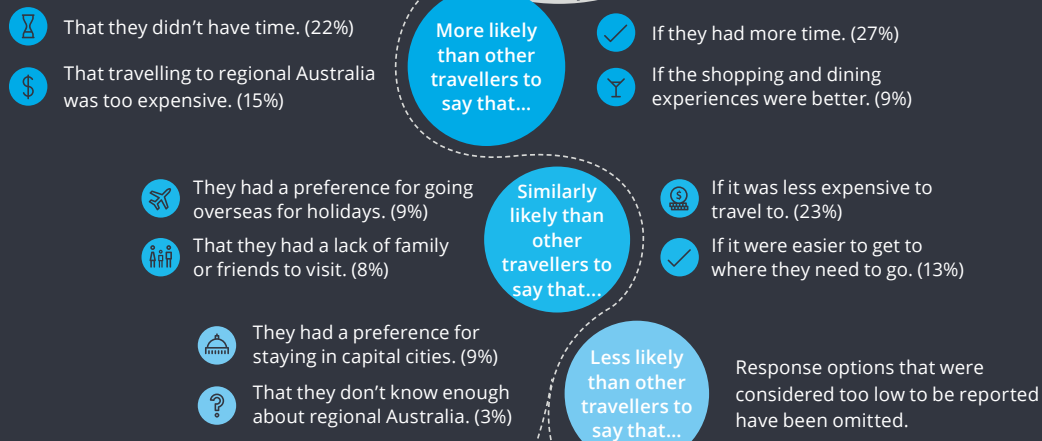


Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 246)

...And others do not?

Note: Brackets represent the proportion of responses (n = 126)



Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

To what extent do they agree with the following?

Values in percentages





ADVENTURERS (AD)



Criteria

Classified as respondents who state that they enjoy testing their abilities outdoors in nature and who say that an adrenaline rush helps them to unwind from the pressures of daily life.



Typical characteristics

- 25% live in regional Australia
- Are younger than the rest of the sample – 56% are between 15 and 34 years old

Their top five regional destinations on their most recent trip include:

1. Tropical North Queensland, Qld
2. South Coast, NSW
3. North Coast, NSW
4. Hunter Valley, NSW
5. Sunshine Coast, Qld.

n = 117

48%

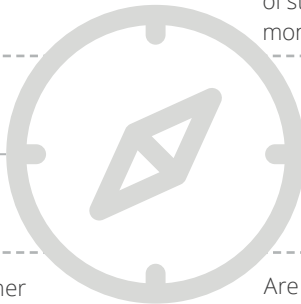
of adventurers **travelled to regional Australia** on their most recent trip.

Stayed longer when visiting regional Australia

with an average length of stay of **6.9 nights in regional Australia** vs 6.6 in capital cities. The length of stay was influenced by work commitments and money in 46% of respondents.

Enjoy a range of outdoor activities

including visiting national parks and attractions (11%), bushwalking (9%), and snorkelling/scuba diving (16%).



They have an open mind when it comes to travel

– over 60% of respondents agree with all 13 psychographic dimensions measured.

Less likely to travel alone – either with family, as a couple, or a group of friends (90%).

Are more likely to seek out budget accommodation than the rest of the sample (7% more than other travellers).



Inspire

Top three sources of inspiration

1. Word of mouth (32%)
2. Travelling there previously (28%)
3. General internet browsing (7%)



Plan

Top three sources for planning:

1. General internet browsing (21%)
2. Talking to family and friends (17%)
3. Online reviews (11%)



Book

Top booking methods:

- **Accommodation:** Directly through accommodation provider (32%)
- **Transport:** Drove own car so not applicable (41%)
- **Activities:** Did not make any activity bookings (20%)



Travel

Top accommodation and transport options:

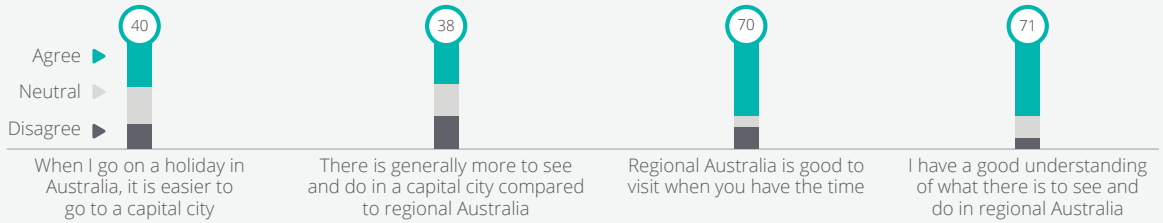
- Hotel/motel/serviced apartment (32%)
- Private car (49%)

More or less likely than other travellers...

- | | | | |
|--------------------------------------|--|-----------------------------------|-------------------------------------|
| To use word of mouth for inspiration | To plan using TV/ cinema/radio program | To book through a travel agent | To stay in a rented house/apartment |
| To use social media for inspiration | To research using newspapers/magazines | To use online comparison websites | To travel by plane |

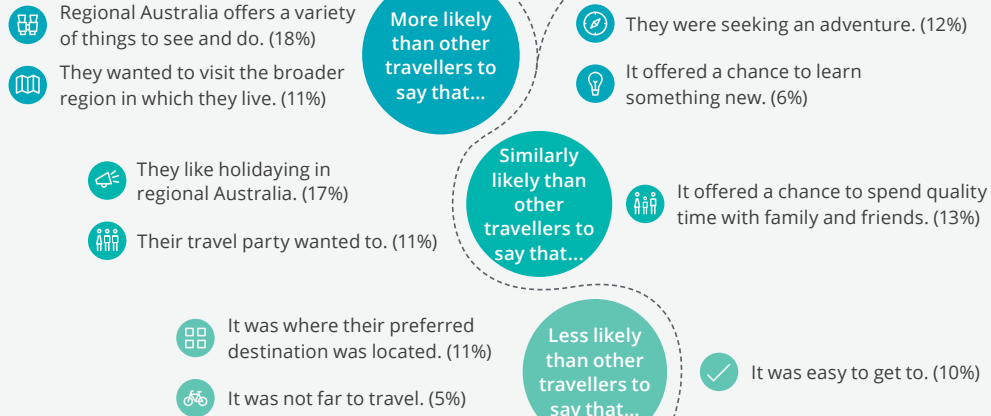
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination



Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 246)



...And others do not?

Note: Brackets represent the proportion of responses (n = 126)



Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

To what extent do they agree with the following?

Values in percentages





FOODIES (FD)



Criteria

Classified as respondents who say they prioritise food and wine when they travel.



Typical characteristics

- 26% live in regional Australia
- Have a higher household income than the rest of the sample and are more likely to be working full-time

Their top five regional destinations on their most recent trip include:

1. Sunshine Coast, Qld
2. South West, WA
3. North Coast, NSW
4. South Coast, NSW
5. Tropical North Queensland, Qld

n = 279

44%

of foodies travelled to regional Australia on their most recent trip.

Stayed longer when visiting regional Australia

with an average length of stay of **7.5 nights in regional Australia** vs 6.8 in capital cities.

The length of stay was influenced by work commitments and money in 44% of respondents.

Seek out food tasting/markets (11%), wineries, breweries, distilleries (7%) and fine dining restaurants (17%) when they travel.

More likely to travel as a couple

(39%). Just as likely to travel alone as non-foodies (16%).

51% actively seek new experiences when they travel.

More likely to have gone on an overseas trip in the last two years.



Inspire

Top three sources of inspiration

1. Travelling there previously (38%)
2. Word of mouth (20%)
3. General internet browsing (7%)



Plan

Top three sources for planning:

1. Talking to family and friends (20%)
2. General internet browsing (20%)
3. Online reviews (15%)



Book

Top booking methods:

- **Accommodation:** Directly through accommodation provider (30%)
- **Transport:** Drove own car so not applicable (31%)
- **Activities:** Did not make any activity bookings (29%)



Travel

Top accommodation and transport options:

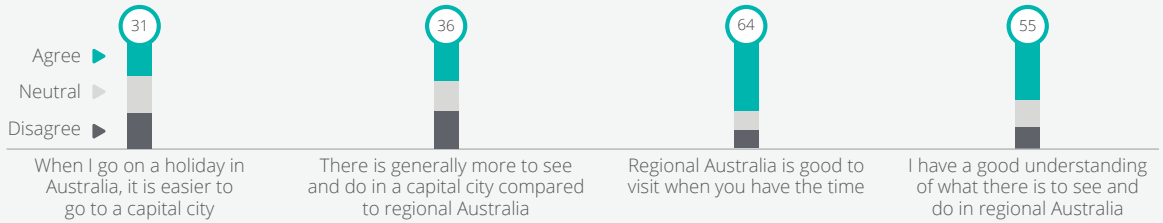
- Hotel/motel/serviced apartment (35%)
- Private car (41%)

More or less likely than other travellers...

- | | | | |
|--|---|-----------------------------------|------------------------------|
| To have read about it in print media | To plan using online reviews | To use online comparison websites | To stay at a guest house/B&B |
| To use general internet browsing for inspiration | To go to the visitor information centre | To not make any bookings | To travel by plane |

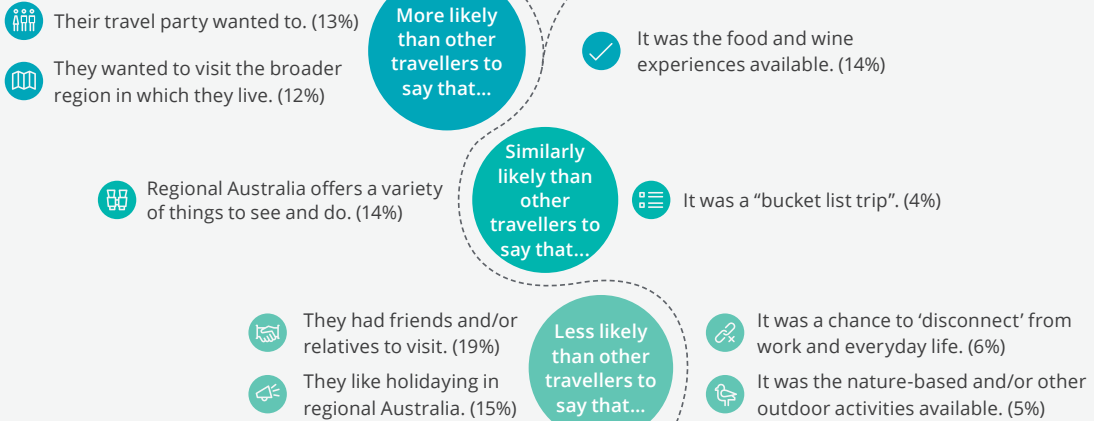
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination



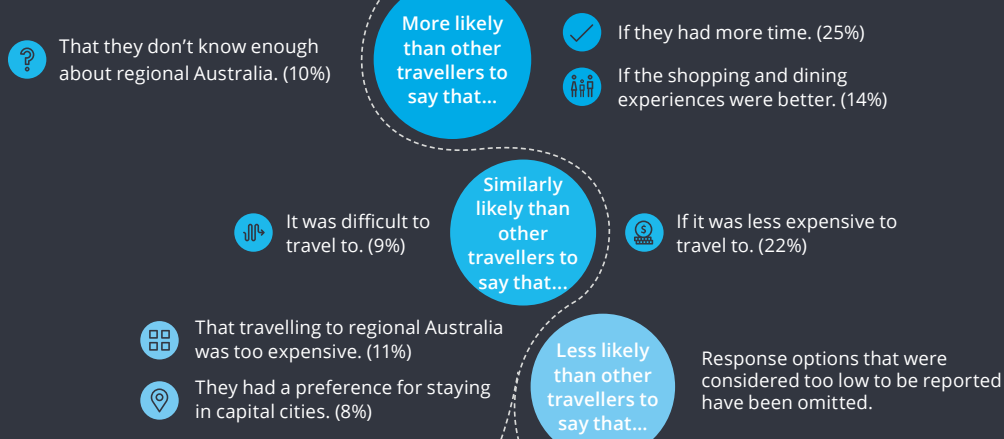
Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 185)



...And others do not?

Note: Brackets represent the proportion of responses (n = 94)



To what extent do they agree with the following?

Values in percentages





FESTIVAL AND EVENT GOERS (FE)



Criteria

Classified as respondents who say that they prioritise festivals, events and sports when they travel



Typical characteristics

- 38% live in regional Australia
- 61% of this group are male and the average household income is between \$50,000 and \$84,999 per annum

Their top five regional destinations on their most recent trip include:

1. Central Coast, NSW
2. Great Ocean Road, Vic.
3. South West, WA
4. Sunshine Coast, Qld
5. Hunter Valley, NSW

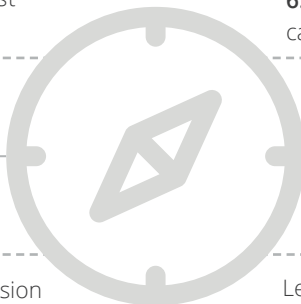
n = 201

34%

of festival and event goer **travelled to regional Australia** on their most recent trip.

Stayed longer when visiting regional Australia with an average length of stay of **6.7 nights in regional Australia** vs 6.1 in capital cities.

The most popular form of event attended on their most recent trip was a sporting event.



The strongest influence on this length of stay was **money** (23%). The next most prevalent responses were travel party (20%), and that it was the amount of time needed to experience the area (18%).

24% do not enjoy cultural immersion when they travel.

Less likely to have gone on an overseas trip in the last two years. More likely to have travelled on a cruise liner in the past two years.



Inspire

Top three sources of inspiration

1. Travelling there previously (30%)
2. Word of mouth (22%)
3. General internet browsing (8%)



Plan

Top three sources for planning:

1. General internet browsing (21%)
2. Talking to family and friends (18%)
3. Online reviews (12%)



Book

Top booking methods:

- **Accommodation:** Directly through accommodation provider (28%)
- **Transport:** Drove own car so not applicable (31%)
- **Activities:** Direct through activity provider prior to holiday (22%)



Travel

Top accommodation and transport options:

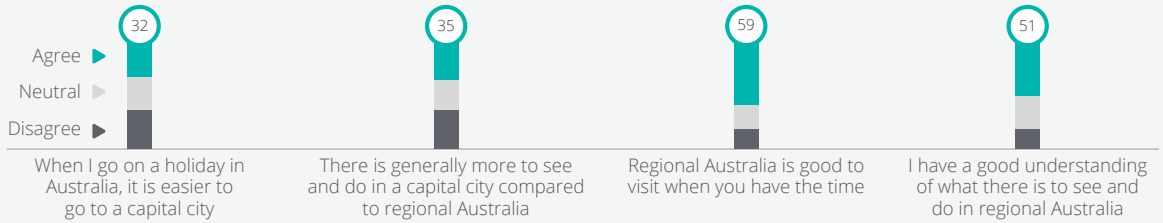
- Hotel/motel/serviced apartment (43%)
- Private car (42%)

More or less likely than other travellers...

- | | | | |
|--|-----------------------------------|---|------------------------------|
| To use social media for inspiration | To plan by social media | To book activities in advance | To stay at a guest house/B&B |
| To use general internet browsing for inspiration | To plan using travel guides/books | To go to the visitor information centre | To travel by plane |

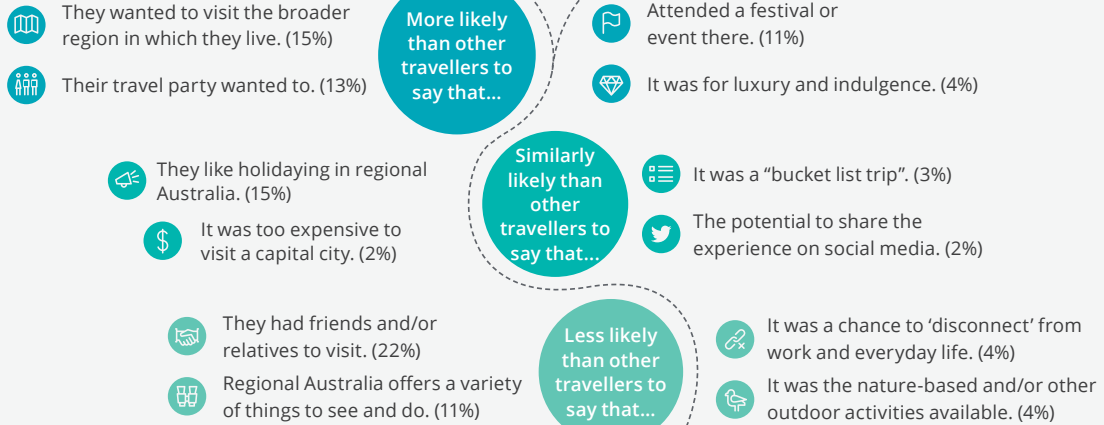
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination



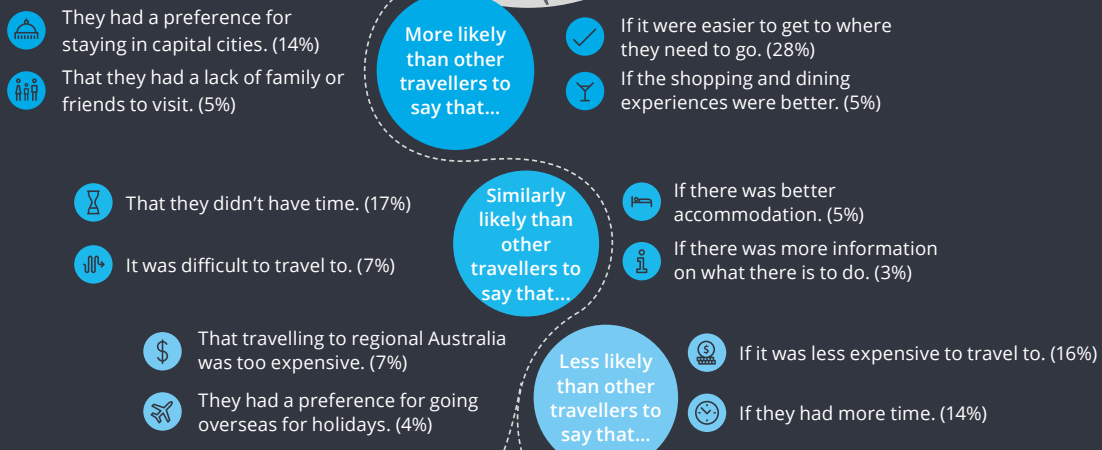
Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 80)



...And others do not?

Note: Brackets represent the proportion of responses (n = 37)



Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

To what extent do they agree with the following?

Values in percentages





ASIAN MARKET GEN Y AND Z (AMYZ)



Criteria

Chinese (78%) and Japanese (22%) travellers between 15 and 34 years old



Typical characteristics

- The majority (83%) are working full-time
- Household income is lower on average compared to the rest of the sample

Their top five regional destinations on their most recent trip include:

1. Tropical North Queensland, Qld
2. Fleurieu Peninsula, SA
3. Kangaroo Island, SA
4. Mornington Peninsula, Vic.
5. Sunshine Coast, Qld

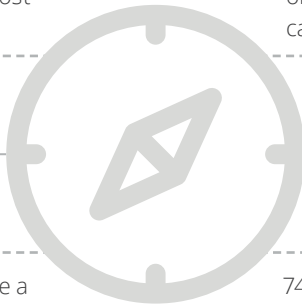
n = 422

41%

of Asian market Gen Y and Z travelled to regional Australia on their most recent trip.

Stayed almost three nights longer per visit to regional Australia with an average length of stay **9.6 nights in regional Australia** vs 6.9 in capital cities.

They are **more likely to have visited Australia more than once (58%)** than other international travellers (49%). Their trips often involve more than one stopover.



The strongest influence on this length of stay was **work commitments** (43%). The next most prevalent responses were money (21%) and travel party (15%).

Family groups with children are a significant share of this persona at **23%**. Another **10%** travel as part of **group tours**.

74% enjoy cultural immersion when they travel.



Inspire

Top three sources of inspiration

1. Tourism body websites (22%)
2. Saw it on social media (17%)
3. Word of mouth (15%)



Plan

Top three sources for planning:

1. Online reviews (18%)
2. General internet browsing (15%)
3. Tourism body websites (12%)



Book

Top booking methods:

- **Accommodation:** Online platforms (e.g. AirBnB) (29%)
- **Transport:** Online comparison websites for transport (49%)
- **Activities:** Online comparison website (31%)



Travel

Top accommodation and transport options:

- Hotel/motel/serviced apartment (46%)
- Hire car (21%)

More or less likely than other travellers...

+ To use social media for inspiration

+ To plan using social media

+ To book activities in advance

+ To stay at a guest house/B&B

- To have travelled there previously

- To plan using travel guides/books

- To go to the visitor information centre

- To travel with a group tour

To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

- It was the nature-based and/or other outdoor activities available. (15%)
- They were on a romantic getaway. (9%)

- There were good activities for children. (3%)
- They attended a festival/event there. (3%)

- They had friends and/or relatives to visit. (3%)
- Affordability was a major reason. (4%)

More likely than other travellers to say that...

Similarly likely than other travellers to say that...

Less likely than other travellers to say that...

- It was the food and wine experiences available. (9%)
- The potential to share the experience on social media. (4%)

- It was a chance to learn something new. (5%)
- That they were seeking an adventure. (9%)

- It offered a chance to spend quality time with family and friends. (9%)
- It was a chance to 'disconnect' from work and everyday life. (4%)

Why do some visit regional Australia...



Note: Brackets represent the proportion of responses (n = 81)

...And others do not?

- That they don't know enough about regional Australia. (16%)
- It was difficult to travel to. (12%)

- That there is a lack of variety of things to see and do. (7%)
- That their travel party didn't want to. (6%)

- They had a preference for staying in capital cities. (6%)
- That travelling to regional Australia was too expensive. (3%)

More likely than other travellers to say that...

Similarly likely than other travellers to say that...

Less likely than other travellers to say that...

- If there was more to see and do. (13%)
- If the shopping and dining experiences were better. (11%)

- If it were easier to get to where they need to go. (13%)
- If there had been a direct flight there. (10%)

- If it was less expensive to travel to. (10%)
- If they had more time. (15%)

Note: Brackets represent the proportion of responses (n = 341)

Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

To what extent do they agree with the following?

Values in percentages





ASIAN MARKET VFR¹



Criteria

Chinese (56%) and Japanese (44%) travellers whose main purpose of visit to Australia was to visit friends and relatives



Typical characteristics

- There are even proportions of representation across the main age groups
- Their top five regional destinations on their most recent trip include:
1. Flinders Ranges and Outback, SA
 2. Central Coast, NSW
 3. Tropical North Queensland, Qld
 4. Golden Outback, WA
 5. Wilderness West, Tas.

n = 54

19%

of Asian market VFR travelled to regional Australia on their most recent trip.

Stayed longer when visiting capital cities, with an average length of stay 6.7 nights in regional Australia vs 7.7 in capital cities.

They are more likely to have only visited Australia once in the past five years (67%). They are more likely than other international travellers to have more than one stop over.

The strongest influence on this length of stay was work commitments (43%). The next most prevalent responses were travel party (24%) and no particular reason (13%).

In 50% of cases, their travel party was made up of friends and relatives. 26% travelled as adult couples.

On their most recent trip they were more likely to visit national parks and natural attractions, go to the beach, river or lake, or visit zoos and wildlife parks than the rest of the sample.



Inspire

Top three sources of inspiration

1. Word of mouth (41%)
2. Tourism body websites (11%)
3. Travelling there previously (9%)



Plan

Top three sources for planning:

1. Talking to family and friends (24%)
2. Travel book/guide (16%)
3. General internet browsing (14%)



Book

Top booking methods:

- **Accommodation:** Not applicable – stayed with friends and relatives (43%)
- **Transport:** Online comparison websites for transport (28%)
- **Activities:** Online comparison website (31%)



Travel

Top accommodation and transport options:

- Friend or relative's property (57%)
- Private car (22%)

More or less likely than other travellers...

- | | | | |
|---|---|---|--|
| To use word of mouth as inspiration | To plan by talking to friends and relatives | For someone else to book the activities | To stay at a friend or relative's property |
| To be inspired by general internet browsing | To plan by general internet browsing | Directly book through activity provider | To travel with a group tour |

¹ visiting friends and relatives

To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

- They had friends and/or relatives to visit. (45%)
- It was the nature-based and/or other outdoor activities available. (27%)

- It was the food and wine experiences available. (9%)
- They were on a romantic getaway. (9%)

Responses are not reported due to low sample size

More likely than other travellers to say that...

Similar to other travellers in saying that...

Less likely than other travellers to say that...

Reasons for choosing their particular regional holiday destination

- It was a chance to 'disconnect' from work and everyday life. (18%)
- There was a direct flight there. (9%)

- It was a chance to learn something new. (9%)
- It was easy to travel to. (9%)

Responses are not reported due to low sample size

Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 11)



...And others do not?

Note: Brackets represent the proportion of responses (n = 43)

- That they didn't have friends and relatives to stay with. (16%)
- That their travel party didn't want to. (13%)

- It was difficult to travel to. (9%)

Responses are not reported due to low sample size

More likely than other travellers to say that...

Similar to other travellers in saying that...

Less likely than other travellers to say that...

- If they had more time. (20%)
- If it were easier to get to where they needed to go. (15%)

- If it was less expensive to travel to. (12%)
- If there had been a direct flight there. (9%)

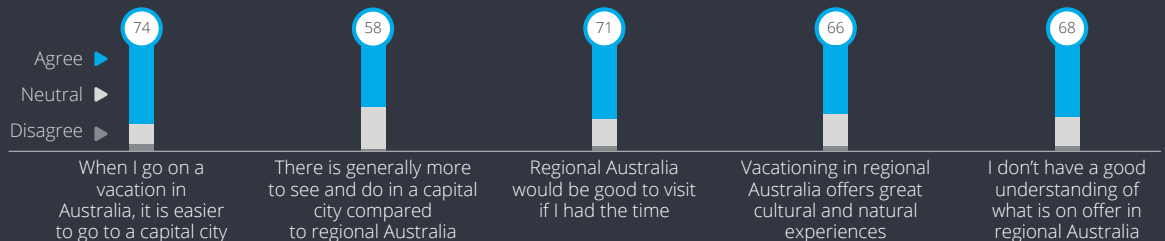
- If there was more information on popular itineraries. (9%)

Reasons for NOT choosing regional Australia as a holiday destination

What would influence them to travel to regional Australia

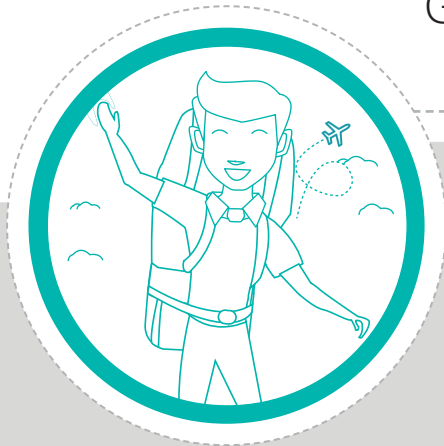
To what extent do they agree with the following?

Values in percentages





TRADITIONAL MARKET GEN Y AND Z (TMYZ)



Criteria

- US (30%), UK (37%), and New Zealand (33%) travellers between 15 and 34 years old
- Are first time visitors to Australia



Typical characteristics

- Household income is lower on average compared to the rest of the sample

Their top five regional destinations on their most recent trip include:

1. Sunshine Coast, Qld
2. Central Coast, NSW
3. Tropical North Queensland, Qld
4. Kangaroo Island, SA
5. South Coast, NSW

n = 212

59%

of traditional market Gen Y and Z travelled to regional Australia on their most recent trip.

Stayed longer in regional Australia with an average length of stay of 11.4 nights in regional Australia vs 9.1 in capital cities.

They are more likely than other international travellers to have 1-2 stop overs on their most recent trip (77%)

The strongest influence on this length of stay was **money (35%)**. The next most prevalent responses were work commitments (26%) and travel party (17%).

73% say that they enjoy escaping day-to-day life when they travel. They are more likely to prioritise seeking an adventure when considering a holiday.

On their most recent trip they were more likely to visit national parks and natural attractions (8%), go to the beach, river or lake (11%), or visit zoos and wildlife parks (10%) than the rest of the sample.



Inspire

Top three sources of inspiration

1. Word of mouth (28%)
2. General internet browsing (17%)
3. Airlines (9%)



Plan

Top three sources for planning:

1. Talking to family and friends (19%)
2. General internet browsing (19%)
3. Online reviews (13%)



Book

Top booking methods:

- **Accommodation:** Directly through activity providers
- **Transport:** Online comparison websites for both transport and activities



Travel

Top accommodation and transport options:

- Hotel/motel/serviced apartment
- Hire car

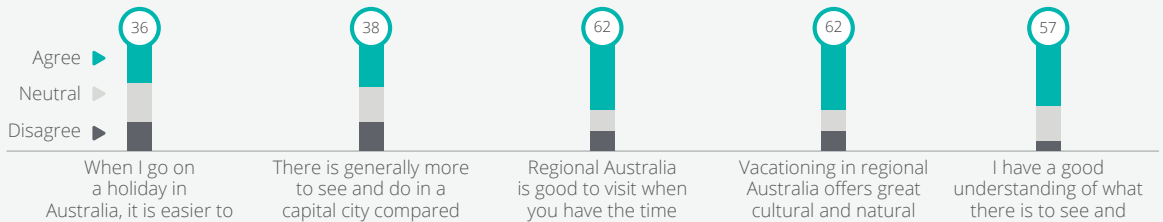
More or less likely than other travellers...

- | | | | |
|--|-----------------------------------|---------------------------------------|-------------------------------------|
| To be inspired through general internet browsing | To use social media when planning | To use an online comparison website | To stay at a luxury hotel or resort |
| To have travelled there previously | To use Tourism body websites | To use online platforms (e.g. AirBnB) | To travel as part of a group tour |

¹ visiting friends and relatives

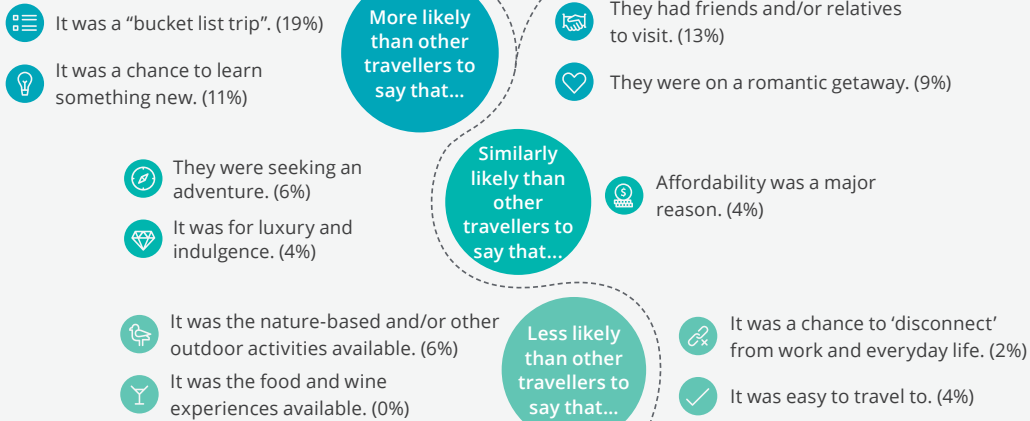
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination

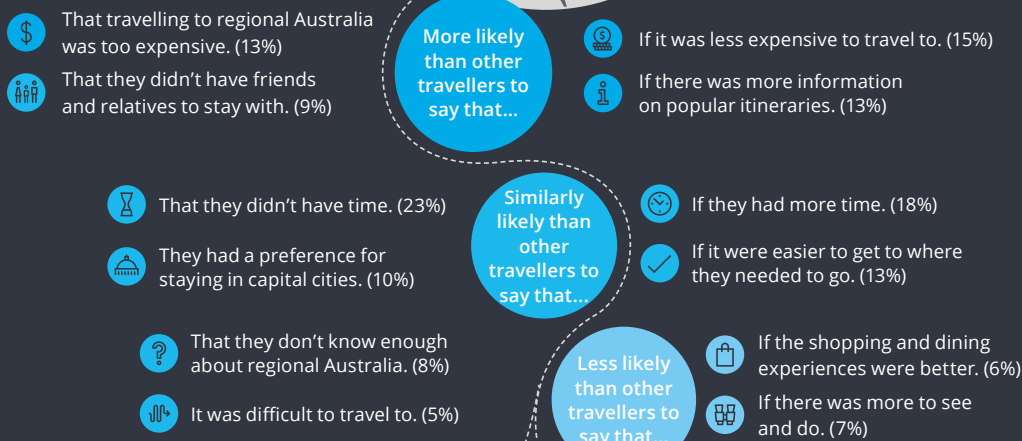


Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 31)

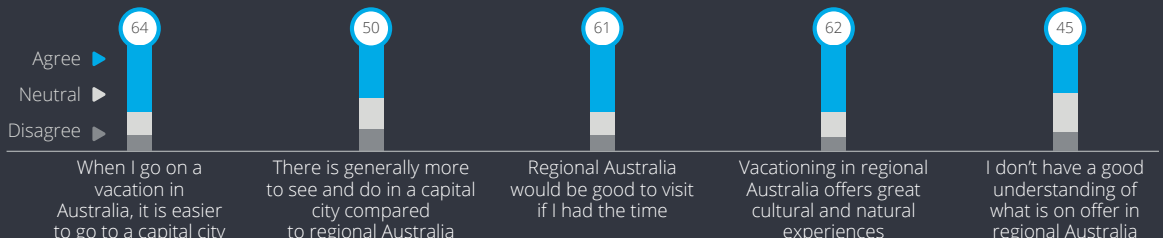
...And others do not?

Note: Brackets represent the proportion of responses (n = 181)



To what extent do they agree with the following?

Values in percentages





TRADITIONAL MARKET 55+ (TM 55+)



Criteria

US (8%), UK (19%), and New Zealand (73%) travellers who are older than 55 years old



Typical characteristics

- The US and UK subgroups have a much higher average household income than the New Zealand subgroup

Their top five regional destinations on their most recent trip include:

- Sunshine Coast, Qld
- Tropical North Queensland, Qld
- South West, WA
- South Coast, NSW
- Central Coast, NSW

n = 212

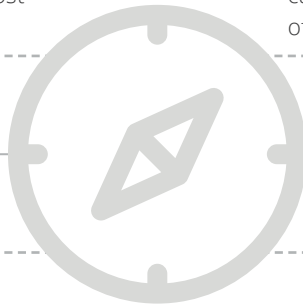
46%

of traditional market 55+ travelled to regional Australia on their most recent trip.

Stayed longer when visiting regional Australia

with an average length of stay of **14.6 nights in regional Australia** vs 12.6 in capital cities. This is the highest regional ALOS of any persona.

They are more likely to prioritise **relaxation and rejuvenation** when considering a holiday. Only 15% say that they seek an adrenaline rush when they travel.



There was no particular reason for this length of stay for 41% of this group.

The next two most cited reasons was the people that they were travelling with (20%) and work commitments (19%).

On their most recent trip they were **more likely to go to the beach, river, or lake (12%), go shopping (15%), eat out at restaurants (14%),** than the rest of the sample.



Inspire

Top three sources of inspiration

- Travelling there previously (44%)
- Word of mouth (21%)
- General internet browsing (4%)



Plan

Top three sources for planning:

- Talking to family and friends (22%)
- General internet browsing (21%)
- Online reviews (10%)



Book

Top booking methods:

- Accommodation:** Stayed with friends and relatives so not applicable
- Transport:** Directly through transport provider
- Activities:** Directly through activity providers



Travel

Top accommodation and transport options:

- Friend or relative's property
- Private car

More or less likely than other travellers...

- | | | | |
|--|-----------------------------------|---------------------------------------|-------------------------------------|
| To be inspired through general internet browsing | To use social media when planning | To use an online comparison website | To stay at a luxury hotel or resort |
| To have travelled there previously | To use Tourism body websites | To use online platforms (e.g. AirBnB) | To travel as part of a group tour |

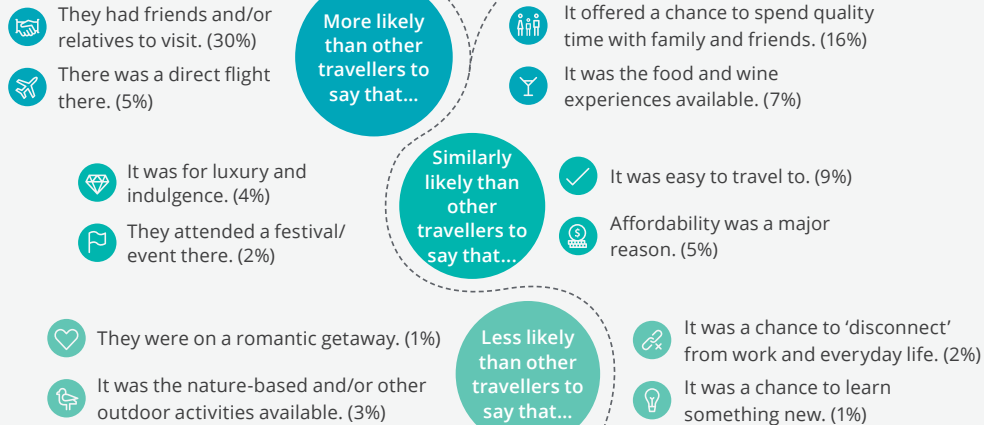
To what extent do they agree with the following?

Values in percentages



Reasons for choosing regional Australia as a holiday destination

Reasons for choosing their particular regional holiday destination



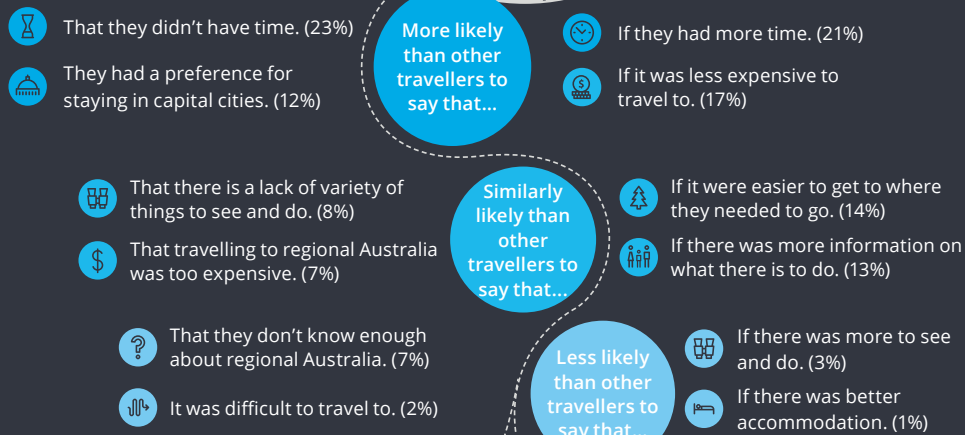
Why do some visit regional Australia...

Note: Brackets represent the proportion of responses (n = 89)



...And others do not?

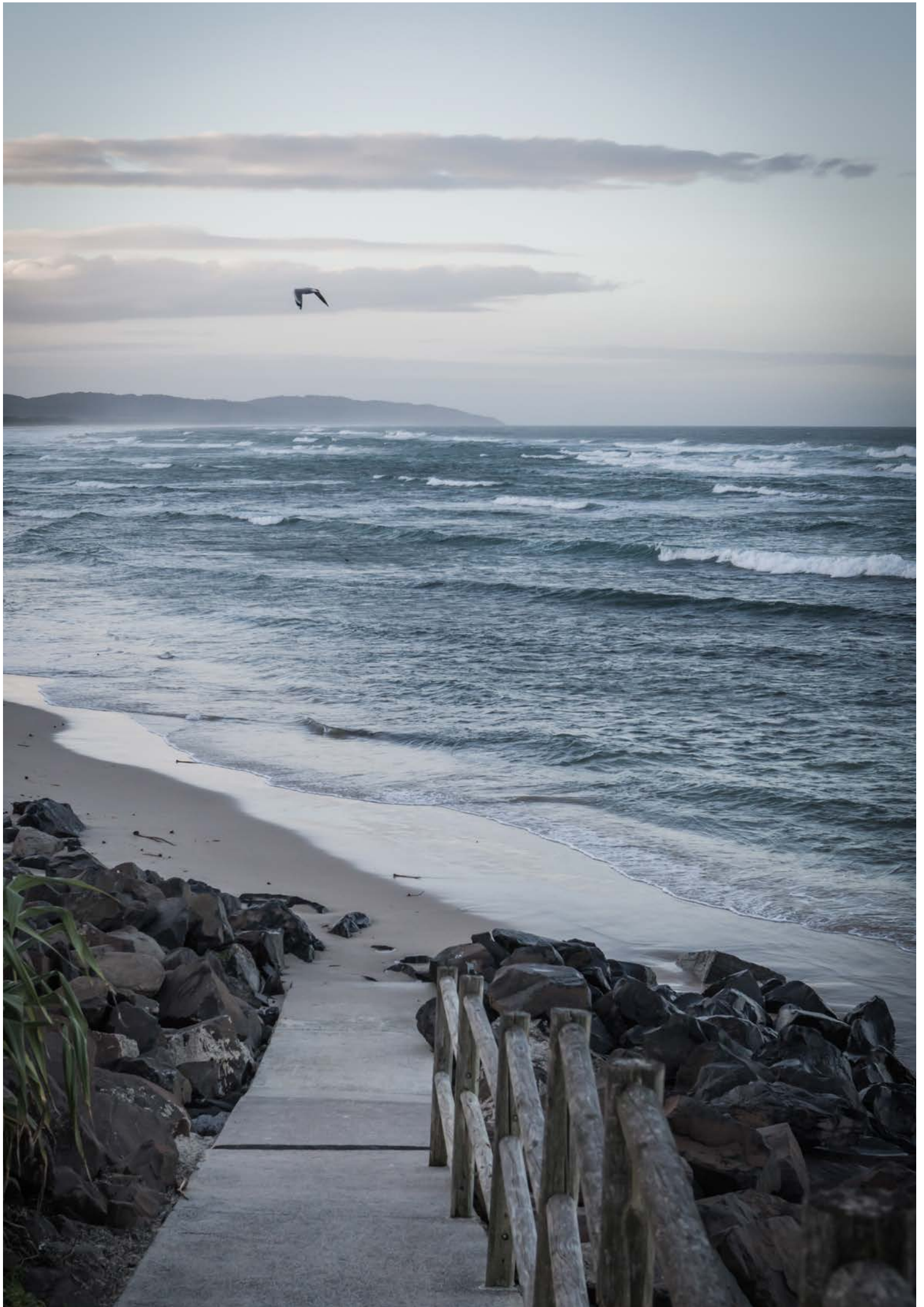
Note: Brackets represent the proportion of responses (n = 120)



To what extent do they agree with the following?

Values in percentages





5

Understanding the barriers to investment in regional Australia

Regional tourism investment is considered relatively high risk as compared to a standard commercial investment. Investors look for long-term sustainable growth and prefer assets with a broad-based demand profile beyond just leisure tourism. There is a clear role for government, government agencies and industry to generate greater awareness of regional tourism experiences for both consumers and potential investors.

5.1 Introduction

In addition to the need to increase our understanding of visitors who are more likely or less likely to visit regional destinations, it is also important to be aware of the perspectives considered by businesses who have invested or are considering investing in regional assets.

With this in mind, targeted consultations with investors were carried out to gain a high-level understanding of investors' key considerations when evaluating potential tourism assets and the underlying enablers that need to exist to generate investment interest to support tourism product development in regional locations.

Tourism investment in Australia

To support the demand goals set out in the national long-term tourism strategy Tourism 2020, a Partnership was established between Austrade and Tourism Australia in 2012 to market Australia as an attractive investment destination for tourism infrastructure and to work with state and territory governments to facilitate foreign direct investment.

The initial focus of this Partnership was to encourage investment of hotels in capital cities. Recently, a five-year Regional Tourism Infrastructure Investment Attraction Strategy was established, reflecting a new mandate to support investment in regional Australia.

This coordinated approach between federal, state and local governments will first target eight iconic tourism regions that are experiencing lower levels of investment despite signs of growth in the visitor economy. The insights gained from the investor analysis of this project will complement the pilot phase of the regional strategy in better understanding the impediments faced by potential investors who may be holding back interest in regional opportunities.

5.2 Approach to the investor analysis

Figure 5.1 provides an outline of the approach used for the investor analysis. This first stage involved a market scan to collate information of known investors, international tourism drivers and trends and examples of tourism developments/projects. The information helped inform and frame the discussions with investors.

Figure 5.1 Investor analysis framework



Investors consulted

Consultations were conducted to ensure a mix of foreign and domestic investors, including both publicly listed and private companies. These included representatives from investment funds, multinational conglomerates, property developers and travel business operator.

5.3 What we found

Findings from the consultations have been combined with a market scan of existing research into regional tourism investment. These findings are summarised in Table 5.1.

Table 5.1 Summary table of findings from investor consultations

Asset preference	Key considerations	Enabling conditions
<ul style="list-style-type: none"> Greenfield projects³⁵ in regional locations are generally less preferred given the associated uncertainties and risk involved Opportunities that present greater upfront certainty such as being 'developer ready' or 'operator ready' are more investable 	<ul style="list-style-type: none"> Long term sustainable demand growth is important for regional assets, especially in minor regional centres Opportunities that enable investors to cross-sell and repackage assets within their current portfolio help to address upfront perceived risk Investment proposals that promote non-commercial values such as promoting nature or preserving community can provide added interest especially to private investors who have invested previously in regional areas Alignment with cultural values and norms are important considerations for private Chinese investors. This provides a platform to showcase their investment to the Chinese investor community. Quick cash flow is preferred to demonstrate performance to shareholders. Publicly listed investors in particular will tend to lean towards investments that already have a solid demand base. Scalability of the potential business is important to achieve critical mass Additionally, a high degree of prestige and esteem associated with the investment is very much regarded, particularly by Chinese investors. 	<ul style="list-style-type: none"> A unique value proposition or a competitive advantage position that presents a strong differentiated market growth strategy is an attractive proposal A diversified demand base beyond leisure tourism is required to underpin the feasibility of the opportunity Availability of concessionary debt or grant assistance to facilitate initial investment of regional assets are welcomed by investors For significant and purposeful tourism investment, collaboration between governments and banks will provide a greater level of comfort around the viability of the tourism opportunity An investor's past experience working in the tourism market and ability to demonstrate a deep understanding of the sector will be highly regarded by financiers Investors will tend to take a 'holistic' view of potential opportunities in their assessment. Accessibility and connectivity, either existing or in development are fundamental infrastructure that need to be in place to present a complete proposition Support by the broader industry and government are appreciated. This is especially valued by Chinese investors who placed significant importance on relationships and meaningful engagement

³⁵ Greenfield projects refer to those where investors have to build the physical facility for a business in a location where no existing infrastructure are currently present. It is a completely new project to be executed from scratch.

5.3.1 Perspectives from investor consultations

Insights gathered from the consultations have been distilled to the following key findings.

Assets with a broad-based demand profile are preferred

- Tourism businesses are frequently considered a specialised investment asset, where returns can be impacted by seasonality, changing consumer preferences and limited flexibility in the use of the asset.
- These risks, real or perceived, impact the attractiveness of single-use tourism investments. Opportunities with multiple sources of demand are generally viewed as more desirable investment to better manage risk.
- Unless investors are receiving or have the expectations of achieving materially higher yield, they will prefer assets with a long-term sustainable demand outlook. This is a key consideration as regional assets are generally regarded as having higher liquidity risk.

Regional greenfield projects are generally not attractive to investors and considered high-risk. It is more difficult to balance the risk and reward trade-off

- While greenfield projects do have advantages in areas such as design flexibility, likely less maintenance cost given they are new facilities, the perceived risk of investing in a regional greenfield tourism asset is considered high. Unproven consumer demand, and the potential lack of connectivity and supporting infrastructure such as transport linkages add to the risk burden. The longer period required to earn returns is not ideal especially for superannuation investment funds which want to seek quick returns for their investors.
- Despite the potential benefits that greenfield projects can provide, the risks adds to the complexity in investing in tourism assets, especially so in more remote regions. As a result, most tourism investment in regional locations tend to lean towards existing, or brownfield projects, where immediate project economics from existing infrastructure are expected to benefit the development process.

Information asymmetry in regional investment is a barrier

- A lack of understanding about the experiences on offer outside of major centres increases the perceived level of complexity and risk for foreign investors. As highlighted earlier in the report, visitors from Asia are less likely to travel to regional destinations compared to visitors from Western markets. Chinese visitors in particular have indicated that their lack of information about what experiences are on offer in regional destinations is a key reason for not travelling outside of capital cities.
- This lack of awareness and low visitation levels in regional destinations are closely tied to Chinese investors' limited appetite to consider investment opportunities outside of capital cities. Investors need sufficient reliable information in a number of important areas to inform their decisions. There is a clear role for governments to address the information imbalances about Australia's regional tourism products and the associated investment opportunities. This is being addressed as part of the Regional Tourism Infrastructure Investment Attraction Strategy.

There are mixed views on investments in capital city versus regional locations

- Contrary to perceptions that investments in capital city locations are considered more attractive given the lower risk associated with having an established market and supporting infrastructure, the consultation presented a mixed view on this topic
- Supply and demand conditions dictate the market balance and the reactionary actions (e.g. hotels lowering room rates when there is a new market entrant) tend to be more acute in capital cities, which can create even greater volatility as compared to a regional operating environment.

Businesses which already have an established regional foothold are more likely to consider new opportunities in regional locations

- Operators who are already serving the regional tourism markets are more entrepreneurial in their mindsets to look for new product opportunities to grow their existing regional portfolios. Supportive policies need to be in place to enable these businesses to continue developing new growth paths.

The operating environment in regional locations is more difficult

- The consultations confirmed the difficulties faced by businesses in regional locations. While land acquisition cost is often lower than in capital cities, the higher cost of construction and labour result in regional opportunities appearing less feasible. The challenge of attracting and retaining skilled workers in regional areas adds to the operating constraints.

There is optimism in the continuing rise of regional tourism

- Investors recognise the importance of tourism for regional economies. With millennials being the next wave of global travel consumers, destinations will need to meet their increasing demand for travel experiences that resonate on a deeper emotional level.³⁶
- Many of Australia's visitor drawcards are located in regional Australia. The natural settings are in place to develop regional tourism products to meet rising demand from consumers who are looking for more personalised, authentic travel experiences, which allow them to immerse into local cultures and surrounds.

Government role is important in facilitating tourism investment

- Governments have limited influence over factors such as geography. However, they have more influence over approaches to regulation and processes. There is consensus that government has a clear role to improve the investment environment and facilitation process. Greater alignment of goals and objectives is still required between the various levels of government from local to state and commonwealth.
- A coordinated approach both in promoting regional experiences and business opportunities will make it easier for investors to assess the business case, and can have a catalytic effect in stimulating both tourism supply and demand growth in the long term.

When designing new policies and incentive schemes, government needs to consider the dynamics of supply and demand to promote sustainable development

- Government policies have microeconomic effects whenever their implementation changes the consideration for business decisions. These policies manipulate the costs and benefits, sometimes intentionally to address particular society issues, while unintentionally can lead to undesirable outcomes for other parts of the economy.
 - In addition to non-monetary assistance such as investment facilitation service, governments also provide monetary incentives in the form of grants or discounted development fees to encourage investments.
 - There is a perspective among investors that incentive schemes need to be designed to a level to promote sustainable development, and not disrupt the balance of supply and demand market forces.
 - Encouraging unsustainable supply growth can have a detrimental impact in the long run when the bulk of supply comes online at the same time, pushing down rates.

³⁶ Skift Team + Peak Adventure Travel Group, *The Rise of Experiential Travel* (June 2014) <<https://skift.com/wp-content/uploads/2014/06/skift-peak-experiential-traveler-report1.pdf>>.

6

Recommendations for increasing visitation in regional Australia

This chapter presents a series of recommendations – a blueprint – for increasing visitation to regional Australia. Many actions have already been taken by the industry, and this has delivered strong growth in regional tourism. Looking forward, further investment in telling visitors what is on offer in regional Australia, demystifying time and distance and putting the pieces of the travel journey together for visitors are expected to support ongoing growth in regional tourism. There are opportunities to be had in the domestic market and in traditional (Western) and Asian (Eastern) markets.

Increasing visitation to regional Australia is a long-held and much discussed goal for the tourism industry and regional Australia alike. As such, many policies, investments and strategies have already been established and acted upon to encourage more visitors to choose regional destinations. And, as the research in this report highlights, these have been successful – more and more visitors are choosing to visit regional destinations across Australia. Indeed, there have never been as many people visiting regional Australia as there are today.

However, the increasing importance of new – Asian – markets to the landscape of tourism in Australia has spurred the desire to reinvigorate the question of how the benefits of a growing tourism industry are spread to destinations in regional Australia. While regional visitation is strong across traditional – western – markets and domestic markets, the new, less mature Asian markets are significantly less likely to leave the capital cities and stay overnight in regional areas. This brings renewed focus on regional visitation – both in terms of how to encourage these new markets to visit regional Australia, but also how to increase the impact of existing markets on regional Australia (through increased length of stay and expenditure, and return visits).

As such, the recommendations proposed are designed around two central questions:

- Who is most likely to visit regional Australia today and how can their impact be enhanced; and
- Where is there new potential, and how can the barriers to visiting regional Australia (real and perceived) be overcome?

These are two critical, but extremely broad, questions with many lines of enquiry. As such, this report focuses specifically on what has been learned about a range of visitor groups introduced and discussed in this analysis. These personas were identified as being impactful for regional Australia – both in terms of their relative size and contribution today, and expected continuing importance in the future. Consequently, it is expected that a material improvement in the propensity to visit regional Australia – or their length of stay and/or expenditure – in one or more of these markets would have a discernible impact on regional Australia.

It is also expected that based on the anticipated success of attracting visitors, we will also need to ensure that regional destinations have the right products on offer. While not the focus of these recommendations, investment in compelling new experiences will also have a material impact on regional visitation.

6.1 Overarching recommendations

The analysis in this report identified different motivations and barriers across different markets and personas. While these differences are essential for responses and recommendations targeted at specific markets and personas, it is important to also look for commonalities across the broad spectrum of visitors. This allows us to frame a series of overarching recommendations that provide the industry with areas for change that can affect all (or at least, most) visitors.

6.1.1 Tell them what's on offer

One of the critical things to overcome barriers to regional visitation focuses on educating visitors about the extensive list of activities, accommodation, attractions, food and drink, and unique experiences that regional Australia has on offer.

The research in this report – and elsewhere – has highlighted that a lack of information and understanding about the tourism offering in regional Australia is impacting visitors' likelihood of visiting regional Australia and/or staying longer and spending more in regional Australia.

These findings reinforce those from Tourism Australia's Consumer Demand Project that show that once travellers have been to Australia, they are more likely to associate the country as being strongly associated with their stated key drivers of choice of destination. If visitors do not have a good understanding of the products and experiences on offer in regional destinations, this will limit their interest in visiting. We also know that Australia, and regional destinations which are home to many of the country's unique landscapes and icons, can deliver on visitor expectations but we must first convince them to go there.

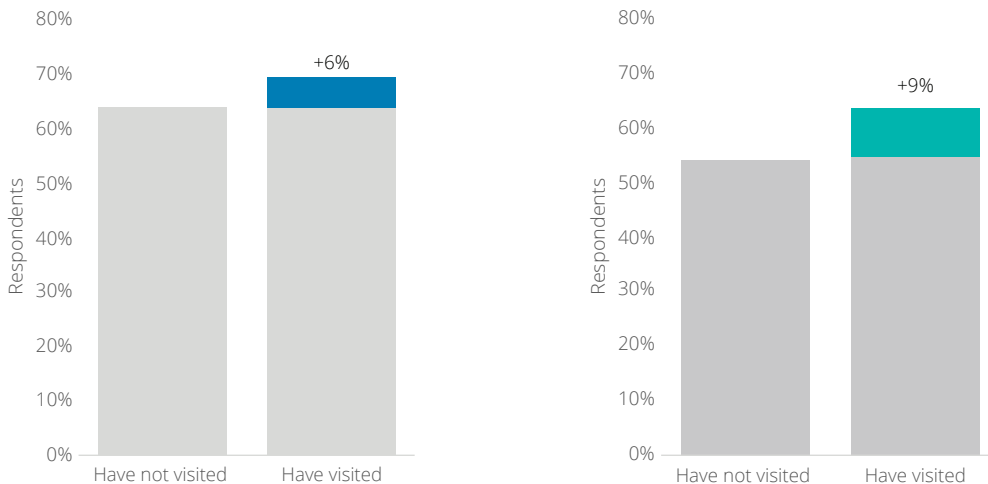
For example:

- 68% of Asian market VFR said that they don't have a good understanding of what is on offer in regional Australia – this is the persona with the lowest propensity to visit regional Australia;
- 54% of rechargers also said they don't have a good understanding;
- Affluent Gen Y and Z Australians were more likely than other travellers to say that there is a lack of things to see and do in regional Australia as a reason for not visiting (11%); and
- Traditional market Gen Y and Z were more likely to say that they could be influenced to travel to regional Australia if there was more information on popular itineraries (13%).

A comparison of respondents' answers in the primary research question about the attributes of regional Australia, specifically the cultural and natural experiences on offer, demonstrates the effect of better information and understanding on perceptions of regional Australia. Those respondents that had not visited regional Australia were less likely to agree that regional Australia offers great natural and cultural experiences, when compared with the responses of those that had visited regional Australia. This result held true for both the international and domestic markets.

Chart 6.1 Comparison of views on cultural and natural experiences

International (LHS) and domestic (RHS) visitors agree that regional Australia offers great cultural and natural experiences – comparing those who have and have not visited regional Australia recently



Source: Deloitte Access Economics Survey on Regional Visitation, 2018

Overarching

Recommendations for 'Tell them what's on offer'

1. **Overcome the homogenous view of regional Australia** to show that there are regional destinations that provide for just about every travel motivation. Use tailored marketing to explain the unique offering of each regional destination and target this marketing to those travellers with a higher propensity to visit destinations with this offering. There is no one-size-fits-all solution.
2. **Use regional Australia's known competitive advantages** – culture, nature, outdoors, wildlife, beaches and waterways – to encourage new and repeat visitation, particularly for Asian markets. Exploit the broader 'brand' of regional Australia to pique interest at the 'inspire' phase of the decision journey and follow-up with detail on the variety of nature-based offerings available during the 'plan' phase. There are many more options for interacting with nature than those presented in capital cities, and regional destinations are best placed to meet this demand.
 - A. For example, the Asian market VFR group values gaining knowledge, and natural attractions and iconic wildlife when choosing a destination. Marketing collateral targeting Asian market VFR hosts can emphasise the 'bucket list' and iconic wildlife attractions of the regional destination while making the planning and logistics accessible to those with limited English.
3. **Leverage the strong role of word of mouth and local friends and family in the decision journey** – educate the wider community about what regional Australia can offer, not just the targeted traveller. 'Tell them what's on offer' applies to more than just the visitor – broad marketing strategies targeting the general population can result in general awareness of what regional destinations can offer.
4. **Maintain the connection with visitors who have previously travelled to a regional destination** as previous travel experiences are a key source of information in the 'inspire' phase of decision-making – but educate them on what else is on offer in the region. Demonstrate the new and unique offerings of the region to encourage repeat visitation.
 - A. For example, rechargers (one of the personas examined who sought to disconnect from everyday life) are more likely to visit a regional destination they have previously been to.
5. **Ensure that businesses in regional destinations are discoverable online.** Visitors predominantly plan and book before they travel, meaning that the local offerings are not considered in the decision-making process unless they are prominent in online searches. Once in a destination, visitors that are new to the area are also likely to use the internet to search for unique experiences and reasons to spend their money in the local economy. Provide support to local businesses that do not have an online presence.
6. **Help promote 'anchor attractions' in regional destinations** and build out a broader list of things to see and do before or after this attraction. The anchor attraction will encourage visitors during the 'inspire' phase of the decision journey, but it is the broader list that will keep visitors in the region longer.
 - A. For example, Dubbo leverages the pulling power of Taronga's Western Plains Zoo by capturing potential visitors at the 'inspire' phase of their decision journey. Then, potential visitors are provided further details about the region's Aboriginal history, natural beauty, caves, etc., to encourage them to stay longer in the region.
7. **Play to your strengths** – each region does not need to be the most attractive destination for all visitors. Identify each region's comparative advantages and match this to particular markets, motivations for travel and personas. Then, focus the collective effort on building on these strengths and developing more offerings to satisfy this group of visitors. Identify adjacent groups – and their needs – to diversify. This is particularly important for regional destinations with limited resources.

6.1.2 Demystify time and distance

While not an unexpected result, time and distance were repeatedly identified in this analysis as barriers to visiting regional Australia. When choosing where to travel, common sense – and the body of literature – tells us that people are making trade-offs between the value that they will get from visiting a destination (where value is very personal and relates to the motivation for travel) and the time and money they have available.

Perhaps it is the vastness of regional Australia, or broader misconceptions about how far away regional Australia is, but regional Australia is typically seen as a remote location many hours travel from where people are, when in fact many of the most frequented regional destinations are within easy distance of major airports in capital cities.

Specific examples of this barrier in the research include:

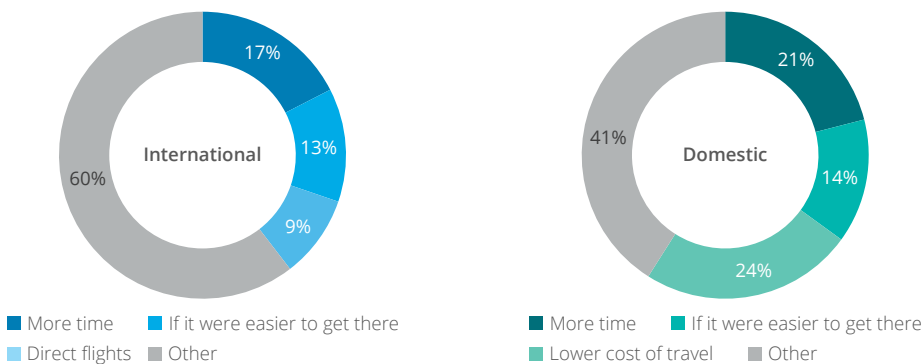
- Time and ease of access were cited by all but two personas as a reason why they chose not to visit regional Australia on their last trip (affluent Gen Y and Z Australians and family road trippers);

- 64% of traditional market Gen Y and Z that did not visit regional Australia said that it is easier to go to a capital city;
- 74% of Asian market VFR that did not visit regional Australia said that it is easier to go to a capital city; and
- 70% Asian market Gen Y and Z that did not visit regional Australia said that it is easier to go to a capital city.

The potential opportunity in addressing this barrier is reinforced in the responses about what would make visitors who had not visited regional Australia do so in the future. The analysis shows that time and distance feature prominently in respondents' choices, among both domestic and international visitors.

Chart 6.2 Why would you visit regional Australia?

Influences on future regional visitation among those who did not go to regional Australia



Source: Deloitte Access Economics Survey of Regional Visitation, 2018

Overarching

Recommendations for 'Demystify time and distance'

1. **Market options for regional travel in conjunction with city stays** – demonstrate that many outstanding regional destinations are within a short distance from the major tourist centres to remove the uncertainty (and in many cases misconception) that regional destinations are far away by showing that it is an easy addition to the city experience.
2. **Highlight the transport options available to get visitors from the city to nearby regional destinations.** Make it clear that it is not always the case that you must drive. Highlight transport packages for key routes and ensure these can be accessed online in the early phases of trip planning.
3. **Overcome misconceptions and myths about time and distance by publishing travel times between major tourist centres and regional destinations** – don't lose people at the 'inspire' phase of the travel journey because they think regional Australia is too far away.
 - A. For example, Visit Fraser Coast provides details on the flight time from Brisbane and Sydney as well as the train, bus and car times from Brisbane. Visitors are told that a three-hour drive north of Brisbane can have them visiting humpback whales.
4. **Invest in technology platforms that propose travel options within a specified travel time or distance from the visitor's location.** This explicitly overcomes misconceptions about time and distance.
5. **In some cases, time and distance really is a barrier. Understand who is motivated to visit these destinations and what their time constraints are.** For some visitors, time may not be the issue, but for others that are attracted to remote regions' offerings, time may be a considerable barrier. Consideration should be given to the cost benefit trade-off of investing in time saving transport infrastructure, keeping in mind this infrastructure is used by more than just the tourism industry.
6. **Break up regional Australia into manageable 'chunks' when marketing,** particularly to international markets. Australian states are often larger than some countries, making even states a daunting task when planning where and how to travel.
 - A. For example, Ballina Airport is marketed as the gateway to Byron Bay, despite being 30 minutes' drive away from Byron Bay. Visitors recognise Byron Bay as a discrete destination, but through marketing and branding are encouraged to explore the broader Northern Rivers region.

6.1.3 Put the pieces of the journey together

The old adage that we don't know what we don't know holds true when it comes to regional travel. How does a potential visitor know that there is a regional trip that satisfies their motivations for travel if they don't know someone that's been there before and there's not a ready-made (and publicly available) itinerary crafted by those in the

industry or previous travellers? This is further compounded – indeed, multiplied – by the countless steps required to make a decision about where to travel, how to travel, when to travel and who to travel with.

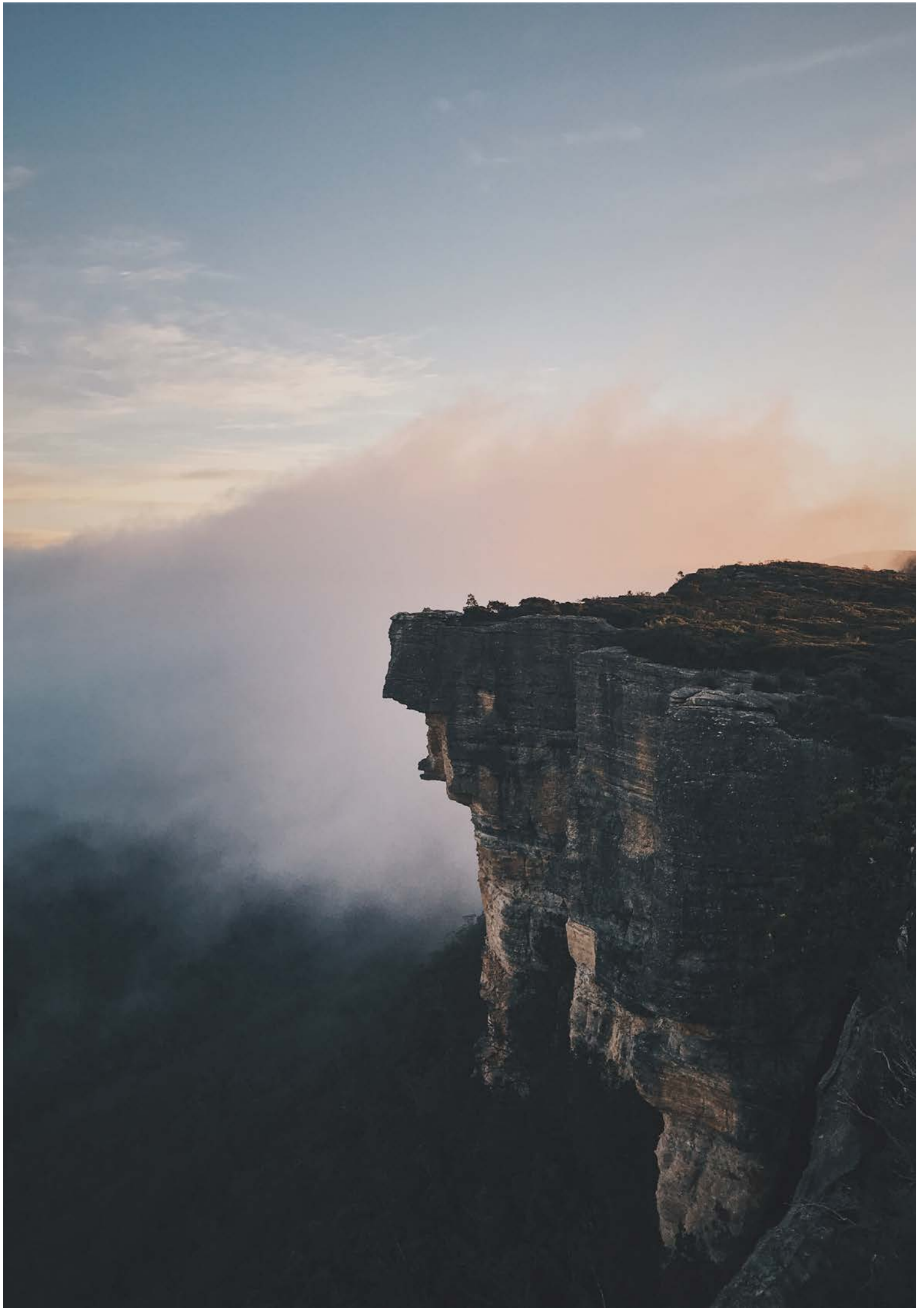
Behavioural economics – and the marketing literature – tell us that when people are faced with many decisions and

many uncertainties they choose the path of least resistance. This means that when visitors are making decisions about whether to travel to regional Australia, we need to put the pieces of the journey together for them – thereby making regional destinations an attractive and accessible solution to their motivation for travel.

Overarching

Recommendations for 'Put the pieces of the journey together'

1. **Make choosing regional destinations easy by developing tailored itineraries for different motivations for travel.** For example, a wine map, a beaches map, a free camping map, a family-friendly activities map. These itineraries need to be easily discoverable online.
 - A. For example, Margaret River provides a number of self-drive itineraries for visitors, including a number of different wine tours, as well as itineraries for nature lovers, dog owners, families, luxury seekers, and special occasions.
2. **Monitor travel forums for frequently asked questions about where to travel and common itineraries between two major tourism destinations.** These insights reveal where further information is required and provide an opportunity to address knowledge gaps. Post answers in these forums to assist future visitors.
3. **Encourage neighbouring regions to develop joint marketing strategies and itineraries** to educate visitors about what is on offer in the wider region and encourage visitors to stay an extra night in regional Australia.
 - A. For example, Australia's Dinosaur Trail is a joint initiative educating visitors about what to do, how long it takes and what can be seen on the journey between three towns in outback Queensland.
4. **Leverage the existing networks of regional accommodation groups with multiple locations** across Australia to market multi-stopover trips. For example, if a visitor books in region X they are also told about what's on offer in region Y (a reasonable travel distance away).
5. **Use technology platforms to market regional itineraries of interest to particular cohorts.** For example, use social media channels to distribute itineraries based on food and wine and advertise family itineraries on parenting websites and blogs.
6. **Build on the strengths of existing regional hot spots by providing information on what's on offer in the broader region** that might be comparable or "undiscovered". Encourage repeat visitors to explore a wider area, showing them that what attracts them to the hot spot is also available in the region. This spreads out demand for hot spots – reducing congestion and peak demand – and shares the benefits of tourism.
7. **Use insights from behavioural economics to make the decision process easier.** For example, provide information on what visitors with a similar profile have done – "did you know that X% of visitors in the 45-60 age bracket followed this link to Region Y". Or, using knowledge about loss aversion, say "did you know that X% of visitors to our region visit Attraction Z".
 - A. This is similar to booking aggregators' use of "you may also like" or "other people are looking at this hotel".



6.2 Persona-specific recommendations

Travel is an intensely personal decision about how to spend one's time, subject to constraints about time-off from work (or study, etc.), money and motivations. As such, it is necessary to identify the specific personal (or persona-based) barriers to travel when considering recommendations to increase regional visitation.

The following recommendations are based on the persona-specific findings introduced in chapter 4. In particular, the recommendations reflect particular distinctions in decision-making processes,

motivations for travel and/or perceptions about regional Australia across the personas that can be leveraged to encourage travel to regional destinations.

The personas are discussed below in reverse order of their propensity to visit regional Australia – in other words, in order of their potential for growth.

6.2.1 Asian markets

The persona analysis, as well as analysis of the International Visitor Survey, highlighted that Asian markets are the least likely to visit regional Australia.

For example:

- The Asian market VFR persona had the lowest share of respondents that travelled to regional Australia on their most recent trip (19%); and
- The Asian market Gen Y and Z persona had the third lowest share of respondents that travelled to regional Australia on their most recent trip (41%).



Asian markets

Recommendations

Asian market VFR: the main trip destination of Asian market VFR is attached to the person(s) they are visiting; however, there are opportunities to increase their propensity to visit regional destinations while in Australia.

1. Asian market VFR are not frequent travellers to Australia and, as such, they are not familiar with regional Australia – what is on offer and how to get there. The role of the family or friends they are visiting is critical in increasing regional visitation (the top source for planning is talking to family and friends). Strategies and marketing activities targeting the host family and friends are necessary.
2. Asian market VFR predominantly stay with friends and relatives when visiting Australia, which means that marketing activities through accommodation providers are much less relevant. Alternative means of targeting this group are required (like recommendation A.1 above).
3. Connect regional experiences to the cities as this is where Asian market VFR feel comfortable – they understand cities. This could include awareness raising activities for what there is to see and do in regional Australia within a reasonable radius of the city and how to get there from identifiable locations in the city (noting that international students are less likely to have their own transport to lend to visitors).

4. Leverage 'brand Australia' and 'brand regional Australia', particularly nature and culture based experiences and bucket list destinations when marketing to this group. Asian market VFR are interested in where their friend or relative is living, but do not think that they have a good understanding of regional Australia. Despite this, Asian market VFR think that regional Australia ticks the boxes on offering great cultural and natural experiences.
5. Direct flights are relatively important for Asian market VFR. Strategies to increase this group's propensity to visit regional Australia need to take into consideration time and distance constraints.

Asian market Gen Y and Z: are already more likely to visit regional Australia than Asian market VFR. However, there are still opportunities to increase regional visitation, as less than half of this persona visited a regional destination on their last trip.

1. Asian market Gen Y and Z are motivated to see and do things that are unique to Australia (culture and nature), as well as specific activities (food, wine, shopping, for example). Strategies to attract this group need to focus on the underlying purpose of travel – food experiences, nature experiences, the great outdoors, etc.

2. Asian market Gen Y and Z are digitally savvy and are more likely to use social media for inspiration and planning where to travel. They also prefer to book through online platforms and make use of online comparison sites. Targeting this group at the inspiration and planning phase requires an emphasis on digital marketing channels.
3. Nature based activities are a key driver for this segment and this can be used to encourage Asian market Gen Y and Z that have not ventured beyond the city. This sub-group think that there is generally more to see and do in capital cities and that cities are easier to get to, therefore strategies are needed to identify ways to make regional destinations offering nature based activities an easy option, or alternatively, within easy reach of cities.
4. Connecting cities with regional destinations offering food and wine experiences could encourage more Asian market Gen Y and Z to visit regional Australia. Target marketing activities through commercial accommodation providers and tourism body websites (which are the top source of information for inspiration and planning for this group).

6.2.2 Traditional markets

Traditional markets have a slightly lower propensity to visit regional Australia than domestic travellers, although it does vary by age. The propensity to visit regional Australia does rise for repeat visitors.

For example:

- The traditional market Gen Y and Z persona had the second highest share of respondents that travelled to regional Australia on their most recent trip (59%); and
- The traditional market 55+ persona had an average share of respondents that travelled to regional Australia on their most recent trip (46%).

Traditional markets

Recommendations

Traditional market 55+: are return visitors to Australia, but under half visited regional Australia on their last trip. However, once this persona gets to regional Australia, they stay there longer than any other persona examined here.

1. Traditional market 55+ frequently stay with friends and family, making word of mouth and talking to friends and family very important sources of information when planning a trip. Strategies to attract this group to regional destinations need to factor in the awareness of the broader community about what's on offer in regional Australia.
2. Time is an oft-cited barrier to visiting regional Australia. Making regional destinations more attractive requires greater information on what can be seen and done in relatively close proximity to cities. This group is more likely to book directly through a provider, so marketing of regional experiences can be pushed through these channels.

3. Of those that did visit a regional destination, access to a direct flight was highlighted as an enabler. The top five regional destinations on their most recent trip have good transport links with capital cities.
4. Cultural and natural experiences hold great appeal for traditional market 55+ and they think that regional Australia has a lot to offer on that front. However, there is a large difference in views about regional Australia's cultural and natural experiences between those that did and did not visit regional Australia on their last trip (72% agreed there were great experiences on offer in regional Australia if they had been there versus 57% if they had not). This is an opportunity to increase awareness of what is on offer in regional Australia.

Traditional market Gen Y and Z: on their first trip to Australia are already predisposed to visiting regional destinations. There are opportunities to encourage more traditional market Gen Y and Z visitors to regional Australia and to attract them back to regional Australia on their next trip to Australia.

1. Traditional market Gen Y and Z have many years of travel in front of them. This presents an opportunity to encourage repeat visitation in the future and, given their desire to visit regional destinations, increase their regional visitation on the next trip. This requires ongoing awareness of the things to see and do in regional Australia.
2. Escaping day-to-day life is a key motivator for traditional market Gen Y and Z. Regional Australia offers the chance to tick off items on the bucket list and learn new things. Strategies to attract this group to regional destinations should focus on novel experiences and what is unique about each region.
3. The key barriers to visiting regional destinations for this group – cost and time – can be overcome through strategies to make regional travel accessible. Short trips from capital cities do not have to be expensive and communicating this to traditional market Gen Y and Z through marketing and awareness raising can increase the propensity to visit regional destinations.



6.2.3 Domestic markets

Domestic visitors are critical to regional tourism, and already place regional locations high on the list of preferred travel destinations. However, there is still a lot of potential to increase the impact of this market on regional Australia by increasing the length of time spent in regional destinations and/or increasing expenditure in regional destinations. Further, there is scope to encourage certain types of travellers which may currently have a lower than average propensity to visit regional Australia.

For example:

- The persona with the highest share of respondents that travelled to regional Australia on their most recent trip was the family road trippers (62%);
- The third highest share of respondents was the affluent 55+ Australians (56%); but
- The second lowest share of respondents was the festival and event goers (34%) and the fourth lowest was the foodies (44%).

Domestic markets

Recommendations

Family road trippers: the focus of the family road trip is, as the name would suggest, all about spending quality time as a family. Regional destinations offer safe, affordable locations with many family-friendly activities and this is captured by this persona's highest propensity to visit regional Australia.

1. Activities need to cater to different age groups (young children to teenagers) and be affordable. When building itineraries, families look for appropriate accommodation and a variety of activities to keep children occupied for the duration of the trip. Once a destination is found that meets this criteria, families are likely to become repeat visitors. Tailored marketing activities focusing on the family-friendly things to see and do in a regional destination can be directed through many channels as this is a large cohort of the Australian population.
2. For the family road trippers that do not visit regional destinations, the perception is that regional Australia is expensive. This means greater awareness about the variety of offerings across regions is required – yes, some regional destinations may focus on luxury, but many more focus on catering to the family market.

Affluent 55+: this persona is all about family and familiarity.

1. The top source of inspiration for affluent 55+ is travelling there previously, which means that for those that have not visited regional Australia, the focus is on enticing them with what regional destinations can offer. This group has a strong preference for eating out at restaurants and shopping when on holidays – both of which can be catered for in regional Australia. Increasing

awareness of regional destinations that offer the more luxury experiences sought by the affluent 55+ is required.

2. Time is an oft-cited barrier for affluent 55+ visiting regional destinations. The expectation is that capital cities can offer the escape from day-to-day life and fine experiences, whereas the locations in regional Australia that meet these requirements are hard to get to. Marketing of short breaks near cities could encourage this group to try the regional experience.

Affluent Gen Y and Z: are young, have good jobs, are keen to try new things and want to expand their horizons.

1. Focus on the exploration aspect of regional travel – encourage affluent Gen Y and Z to get out and explore the regions through the provision of enough information to entice them, but not too much to think there's nothing left to explore. They rarely travel alone, so focus on the enjoyment that comes from new experiences shared with friends and loved ones.
2. Affluent Gen Y and Z are more likely than other groups to say that regional Australia does not have enough things to see and do. Strategies to encourage regional visitation should focus on raising awareness about what makes each region unique and targeting this at city dwellers in reasonable proximity of the destination.

Rechargers: escaping day-to-day life and relaxing are the motivations for travel for the rechargers, and visiting friends and relatives and quick getaways are frequently the way they do this.

1. For rechargers, booking directly with accommodation providers in regions which they have previously visited is a well-

travelled path. For more than half of this group's recent trips, this was in a regional destination – they like holidaying in regional Australia and enjoy the variety of things to see and do. The question then becomes how do we encourage rechargers to stay longer, travel more frequently and/or try a new region. Beyond talking with family and friends, this group uses general internet browsing and online reviews to plan travel. Raising the awareness about new and exciting regions and regional offerings can be achieved through digital channels.

2. Not all rechargers choose regional locations – 47% of rechargers said their last trip was to a capital city. The key barriers of time and money can be overcome through marketing of quick getaways in close proximity to capital cities, focusing on the relaxation afforded by regional destinations.

Foodies: as the name suggests, foodies prioritise food and wine when they travel. This is a well-recognised travel group in certain regional destinations, but foodies are typically less likely to leave capital cities than other personas.

1. Raise awareness about the fresh produce on offer in regional destinations, particularly those in reasonable proximity to a capital city (not enough time is a key barrier for this group). Advertising of regional markets, food festivals, wine and beer tasting (food focused getaways), as

well as the broader unique offerings of the region can attract foodies to regional destinations. Providing a longer lead time to food events allows the foodies time to research what else is on offer in the region, overcoming the barrier that they don't know enough about regional Australia.

2. Foodies typically travel in their own car to reach a destination. This means that there are a lot of opportunities for regional destinations within a reasonable car ride from major population centres (including capital cities).

Adventurers: enjoy testing their abilities outdoors in nature and an adrenaline rush helps them to unwind from the pressures of daily life.

1. Strategies targeting adventurers should be highly place based, focusing on the specific natural assets sought by this group, but highlighting the broader offerings of the region (they can't always be on the rock face or bushwalking). Word of mouth is the most popular source of inspiration for travel, with adventurers seeking out recommendations from others in their interest area (rock climbing, kayaking, etc.), which means that strategies need to emphasise investment in maintenance of these critical natural assets.
2. For many adventurers, regional Australia is seen as an expensive destination, which is particularly

important for this budget conscious group. Overcoming the perception that all of regional Australia is expensive – when in fact regional Australia offers a myriad of pricing options – requires awareness raising. General internet browsing is a popular source for planning, meaning that digital marketing and information channels are appropriate.

Festival and event goers: have a specific reason for traveling to a particular destination.

1. Festival and event goers have a clear preference for regional destinations – and are repeat customers – but their ultimate destination is dictated by the festival or event they are attending. This explains the low propensity to visit regional destinations despite the keen desire to, in conjunction with a strong preference for capital cities from some in this group. For the former group, the focus should be on giving them more reasons to go through supporting and investing in regional events.
2. Like most groups, ease and cost are important barriers to festival and event goers visiting regional destinations. When identifying locations for regional events, consideration should be given to the willingness of the target audience to travel.

7

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Appendix A – Literature review

This literature review supported the development of the analytical framework, primary research design and analysis, and the development of the personas. This Appendix provides three separate literature reviews: 1) the drivers of regional dispersal, 2) barriers to regional dispersal and 3) consumer behaviour.

A.1 Drivers of regional dispersal

The factors identified in literature below interact to produce individual regional dispersal behaviours.

A.1.1 Purpose of visit

Purpose of travel typically affects both where visitors travel, and what activities they engage in.³⁷

Within the ‘holiday’ purpose of visit group, the Productivity Commission found that backpackers are more likely to travel to regional areas than other tourists are.³⁸ This could be due to their desire for experiential travel and cultural knowledge.³⁹ This is consistent among the literature with Loker-Murphy finding that the most important travel motives for backpackers were to seek exciting, active and adventurous things to do.⁴⁰ The majority of tourists who are considered backpackers are also youth travellers and they tend to spend less per night, than those staying in city centres.⁴¹

A key factor that influences regional dispersal in leisure travellers was the motivation of re-connecting with friends and relatives. In these visits, friends and relatives were more likely to assist in the planning of the trips to regional locations, providing information on experiences and providing recommendations.⁴² A study by the New Zealand Ministry of Business, Innovation and Employment also found that those visiting friends and relatives disperse more widely than other visitors

do.⁴³ Koo stated that certain regions become more attractive if inbound visitors have friends and relatives in those regions, encouraging dispersal into more areas.⁴⁴ NSW Tourism has recommended that VFR can play an important mediating role in information dissemination.

A.1.2 Country/state of residence

General research indicates that domestic tourists are less likely to disperse regionally than those who visit Australia from overseas.⁴⁵

Visitors from different countries tend to, on average, have different preferences for the type of travel they engage in. These differences could be explained by a range of factors, including the proximity of the destination, language barriers, and a diversity in annual leave arrangements.^{46,47} There may be direct relationships between country of origin and international travel costs, and the relative prices coupled with cultural differences in the context of ‘uncertainty avoidance’. The impact of the country of origin on the propensity for regional dispersal has been well-studied, however these effects may change over time.

In Australia, the change in composition of a tourists country of origin (a greater proportion from Asia) means the propensity to visit regional areas is lower, and number of nights stayed in regional areas is lower (see section 2.3). TRA has conducted detailed analysis of the descriptive statistics that highlight the characteristics of Chinese tourist’s regional dispersal propensities.⁴⁸ This study found that targeting the Chinese VFR market could increase the dispersal propensity of this market segment.

37 O’Leary, J et al, ‘Segmenting the visiting friends and relatives market by holiday activity participation’ (1995) 6(1), *The Journal of Tourism Studies*, p48.

38 Productivity Commission, *Australia’s International Tourism Industry: Productivity Commission Research Paper* (2015)

39 Paris, C and Teye, V, *Backpacker Motivations: A Travel Career Approach*, Journal of Hospitality Marketing & Management (2010)

40 Loker-Murphy, L, *Backpackers in Australia*, Journal of Travel & Tourism Marketing (1997)

41 Productivity Commission, *Australia’s International Tourism Industry: Productivity Commission Research Paper* (2015)

42 Tourism Research Australia, *Destination Visitor Survey: Strategic Regional Research – New South Wales* (November 2012).

43 New Zealand Ministry of Business, Innovation and Employment, *NZ Regional and seasonal dispersal of international tourists* (2016)

44 Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

45 Ibid.

46 Cho, V, ‘A study of the non-economic determinants in tourism demand’ (2010) 12(4) International Journal of Tourism Research, p307.

47 Jonsson, C and Devonish, D, ‘Does nationality, gender and age affect travel motivation? A case of visitors to the Caribbean island of Barbados’ (2008) 25(3-4), Journal of Travel and Tourism Marketing, p398.

48 Tourism Research Australia, *Dispersal of Chinese Free and Independent Leisure Visitors In Australia* (March 2015) <https://www.tra.gov.au/ArticleDocuments/185/Dispersal_of_Chinese_Free_and_Independent_Leisure_Visitors_in_Australia_FINAL_17032015.pdf.aspx?Embed=Y>.

Other jurisdictions have a similar experience, with the New Zealand Ministry of Business, Innovation and Employment identifying that country of origin makes a significant difference to whether visitors regionally disperse. Certain nationalities are more likely to travel to regional areas compared to others.⁴⁹

There has not been an extensive amount of empirical research on the marginal effect of state of resident on regional dispersal in the domestic Australian tourism context, controlling for other characteristics of travellers. The Destination NSW Destination Visitor Survey found that visitors from the Northern Territory were more likely to disperse than visitors from other states and territories.⁵⁰

A.1.3 Age and gender

Millennials are a prized consumer segment across many industries, and it is no different when it comes to the dispersal of tourists to regional areas. Research has identified that those in the 15 to 29 year old age bracket are, on average, more likely to travel to regional New South Wales. They did however lack awareness on what to see in regional areas and do not consider holidaying within Australia particularly 'unique'.⁵¹

Vogt found that young people are particularly motivated to travel to maintain contact with friends and relatives in scattered areas and by experiences that offer personal growth.⁵² Koo found that younger travellers have greater motivations and purpose for undertaking a variety of new experiences, resulting in them being more likely to disperse from city centres.⁵³

The over-55s demographic is also becoming increasingly important.⁵⁴ This could, for example, increase demand for caravanning and camping, particularly among domestic visitors.⁵⁵ Boksberger and Laesser stated that senior's (defined as over 65 year olds) motivations could be categorised into four areas; these include, education and learning, rest and relaxation, physical exercise and fitness and visiting friends and relatives.⁵⁶

Jang found that seniors (defined as over 65 years old) are motivated by factors including relaxation, socialising and spending time with family members.⁵⁷ This study surveyed Taiwanese senior travellers and found that 35.6 per cent travelled for rest and relaxation, followed by 20.1 per cent travelling to visit friends and relatives⁵⁸. Lieux also found that older tourists placed a high priority on travelling to see friends and relatives and travelling for health reasons.⁵⁹

A study looking at Australian travel in the US found that Australian female travellers pay more importance to cultural experiences, reconnecting with family and prestige factors. This is compared to the Australian male population that rated sports and adventure factors as more important when deciding a travel destination.⁶⁰ Other than males and females having different propensities to participate in certain activities more than others, there is not strong evidence in the literature that gender plays a significant role in regional dispersal propensity.

49 New Zealand Ministry of Business, Innovation and Employment, *NZ Regional and seasonal dispersal of international tourists* (2016)

50 Tourism Research Australia, *Destination Visitor Survey: Strategic Regional Research – New South Wales* (November 2012).

51 Tourism Research Australia, *Attracting Millennials to Regional NSW* (23 November 2017) <<https://www.tra.gov.au/Archive-TRA-Old-site/Research/View-all-publications/All-Publications/Destination-Visitor-Survey-results/Strategic-regional-research-reports/millennials-regional-nsw>>.

52 Vogt, J, 'Wandering: Youth and Travel Behaviour' (1976) 4(1) *Annals of Tourism Research* p25.

53 Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

54 UNWTO, 'Special Report: Demographic Change and Tourism' (2012) Issue 26, *Asia-Pacific Newsletter* p30.

55 Productivity Commission, *Australia's International Tourism Industry: Productivity Commission Research Paper* (2015)

56 Boksberger, P and Laesser, C, 'Segmentation of the senior travel market by the means of travel motivations' (2009) 15(4) *Journal of Travel Marketing* p311.

57 Jang, S, 'Affect, Travel Motivation and Travel Intention: A Senior Market' (2009) 33(1) *Journal of Hospitality & Tourism Research* p51.

58 Ibid.

59 Lieux, E et al, 'Lodging Preferences of the Senior Tourism Market' (1994) 21(4) *Annals of Tourism Research* p712.

60 Uysal, M et al, 'The Australian International Pleasure Travel Market: Motivations from a gendered perspective' (1996) 7(1) *The Journal of Tourism Studies* p45.

A.1.4 Variety-seeking behaviour

Variety-seeking behaviour is a specific psychographic characteristic, which has been found to influence the propensity of individuals to travel to regional Australia.

One hypothesis behind this behaviour is that there may be a need to explore multiple-destinations to undertake a variety of activities.⁶¹

A significant study using the American Traveller Survey found that the psychographic concept of “venturesomeness” was a stronger predictor of total trips taken than household income.⁶²

It has been found that greater level of allocentricism is related to spatially expansive behaviour.⁶³

The New South Wales Destination Visitor Survey identified discovery and adventure as a further motivation for regional travel. Regional areas provide different experiences to large cities; tourists choose to disperse if they are seeking new adventures⁶⁴. Koo et al. found empirical evidence that those seeking a variety of activities from a single location are more likely to travel to regional destinations using IVS data.⁶⁵

A.1.5 Length of stay

Fennell (1996) captures the overall relationship between length of stay and dispersal – “when time is short, space is conserved”.⁶⁶ This observation has been observed from an early point in the history of this literature.⁶⁷ An alternative argument from Mansfeld is that a shorter length of stay may induce visitors to try to see as much as possible, thereby increasing dispersal.

Koo et al. reconciles this finding in the Australian context by arguing that high inter-regional travel costs will mean that limited length of stay is more frequently associated with low dispersal, contrary to Mansfeld’s hypothesis.⁶⁸

A.1.6 Packaged and guided tour

In the context of dispersal, it can be hypothesised that packaged and guided tours will have positive effects on dispersal, but the positive effects may be limited to destinations with well-established tour-operator preferred sectors, which are often the large regional centres. This hypothesis is empirically verified in Koo et al.⁶⁹ Another study found a negative relationship between multi-destination trip itineraries and guided holiday travel, which may impact the extent of dispersal⁷⁰.

A.1.7 Transport

Travel mobility is a key factor in tourists being “spatially adventurous”.⁷¹ The most flexible form of transport is self-drive hire or privately-owned vehicles. The geographically large regions of Australia mean that air travel and long-distance coaches and trains are important for international tourists in particular.

A seminal piece of work by Graham, Papatheodorou, and Forsyth contains a comprehensive review of the complex role of aviation in regional tourism demand.⁷² Analysis of the IVS in 2007 found that domestic air travel significantly increases the probability of dispersal. It is, however, negatively related to the extent of dispersal. It was also found that Chinese and Japanese dispersal is more strongly associated with air transport relative to other forms of transport.⁷³

Koo et al identified that the car is the most common travel mode used for visiting regions; this is because it allows for more flexibility. The University of New South

61 Lue, C-C et al, ‘Conceptualization of multi-destination pleasure trips’ (1993) 20(2) *Annals of Tourism Research*, p289.

62 Plog, S, ‘The power of psychographics and the concept of venturesomeness’ (2002) 40(3) *Journal of Travel Research*, p244.

63 Debbage, K, ‘Spatial behavior in a Bahamian resort’ (1991) 18(2) *Annals of Tourism Research* p251.

64 Tourism Research Australia, *Destination Visitor Survey – NSW* (2011)

65 Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

66 Fennell, D, ‘A tourist space-time budget in the Shetland Islands’ (1996) 23(4) *Annals of Tourism Research* p811.

67 Landau, U et al, ‘The Effect of Temporal Constraints on Household Travel Behavior’ (1981) 13(4) *Environment and Planning*, p435.

68 Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

69 Ibid.

70 Tideswell, C, ‘The road more travelled: multi-destination itineraries of international visitors to Australia’ (2004) 35 *Bureau of Tourism Research*.

71 Graham, A et al, *Aviation and Tourism: Implications for Leisure Travel* (Ashgate Publishing Limited, 2010).

72 Graham, A et al, *Aviation and Tourism: Implications for Leisure Travel* (Ashgate Publishing Limited, 2010).

73 Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

Wales has also stated that the majority of those who travel to regional South Australia are 'self-drive' tourists and good transport infrastructure increases tourist dispersal in regional areas.

Literature also stated that a common factor for regional dispersal is the availability of good transport access. Koo found good transport access particularly included air travel and long distance trains and buses.⁷⁴ This was also stated in the NZ Regional and Seasonal Dispersal of International Tourists study done by the New Zealand Government.⁷⁵

Although Australia does not have a high-speed rail network, there have been several studies from other jurisdictions which are informative. The massive expansion of China's high-speed rail network has dramatically reshaped regional tourism in that country.⁷⁶ Earlier research on the Shinkansen found that a denser Shinkansen network did not necessarily translate into greater regional dispersion.⁷⁷

A study using choice modelling methods, found that tourists in Northern NSW were more likely to travel via plane if airfares were lowered, which may have adverse effects on regional dispersal at destinations where visitors would normally travel by car.⁷⁸

A.1.8 Destination familiarity

First time and repeat visitation is a major area of interest to tourism research more broadly, but also has implications for the propensity of tourists to disperse to regional areas. First time visitors have been found to contribute more to regional dispersal than repeat visitors.⁷⁹

⁷⁴ Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

⁷⁵ New Zealand Ministry of Business, Innovation and Employment, *NZ Regional and seasonal dispersal of international tourists* (2016)

⁷⁶ Wang, X et al, 'Effects of the high speed rail network on China's regional tourism development' (2012) 1(1) *Tourism Management Perspectives* p34.

⁷⁷ Sasaki, K et al, 'High-speed rail transit impact on regional systems: does the Shinkansen contribute to dispersion?' (1997) 31(1) *The Annals of Regional Science* p77.

⁷⁸ Koo, T et al, 'Transport and Regional Dispersal of Tourists: Is Travel Modal Substitution a Source of Conflict between Low-Fare Air Services and Regional Dispersal?' (2010) 49(1) *Journal of Travel Research* p106.

⁷⁹ Oppermann, M, 'First-time and repeat visitors to New Zealand' (1997) 18(3) *Tourism Management* p177.

Koo found that a factor to regional dispersal was destination familiarity. The study found that first time visitors to a country were more likely to visit a larger number of areas and disperse from city centres. First time visitors were more active and explorative. First time visitors to NZ listed an average of 6.4 activities or attractions compared with 3.6 destinations by repeat visitors.⁸⁰

A.1.9 Group travel

The tendency for visitors to travel in groups is a further factor that shapes the likelihood of regional dispersal. Heterogeneity in preferences in groups of individuals who travel together may influence the propensity to travel to regional destinations. The composition of the group has implications for how diverse these preferences may be. There is no clear hypothesis as to the positive or negative relationship that group travel might have on propensity to travel to regional areas.

The NZ regional and seasonal dispersal of international tourists study found that people who travel as couples or as groups travel more widely than single travellers do.⁸¹ This is supported by further literature; Koo found that as the number of people in a travel group increases, this increases the likelihood of dispersal.⁸²

⁸⁰ Koo, T et al, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

⁸¹ New Zealand Ministry of Business, Innovation and Employment, *NZ Regional and seasonal dispersal of international tourists* (2016)

⁸² Koo, T, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

A.1.10 Social/demographic factors

Other factors, such as greater work pressures increasing the demand for shorter, more flexible breaks⁸³, the quality of the healthcare system within a country affecting demand for medical tourism⁸⁴, visitors' preferences for different types of sporting events, the climate and seasonality of the destination⁸⁵, and perceptions of the tourism assets and amenities of a destination⁸⁶.

There is an observed tendency for people in advanced economies to have smaller families later in life, or not to have children at all, meaning that there is an increasing number of younger people travelling who have fewer constraints on their time and household income.

A related social trend is that more people are living in single-person households. There is a hypothesis that these individuals may have a desire for more authentic social interaction with local people and cultures⁸⁷.

A.1.11 Other factors

Growing environmental awareness is driving an increase in environmentally focused tourism ('ecotourism'). The United Nations World Trade Organisation reports that more than one-third of travellers favour environmentally friendly tourism and are willing to pay between 2 and 40 per cent more for it.⁸⁸

Consumers are also increasingly seeking experiences that have a positive benefit to their health and wellbeing.⁸⁹ This has led to an increase in wellbeing-related activities, such as spas and yoga.⁹⁰

A.2 Barriers to regional dispersal

Travelling, similar to the purchase of tangible goods, aims to satisfy wants and needs under certain constraints. Usually the holiday taken represents a compromise between the consumers' multiple motives. Either one motivation becomes dominant or the holiday is purchased so that all of the motives are partly satisfied. Certain barriers and/or constraints may limit the ability of travellers to satisfy their motives in travelling to regional areas.

The most common barrier mentioned was the availability and quality of transport access.⁹¹ Prideaux and Carson highlighted that remote destinations are constrained by a lack of transport infrastructure.⁹² Individuals were more likely to travel to regional areas if they were easily accessible or if they could self-drive. There are diverse geographies across Australia's states and territories, which cause transport to be a more significant barrier to dispersion than in others.

Linked closely to transport access are time constraints as a barrier to regional dispersal. Studies have shown that when a tourist's time is limited, visitors tend not to travel to regional areas.⁹³ In a large country with low population density like Australia, substantial transport costs are required to travel between destinations, which could negatively affect dispersal.⁹⁴

Economists would broadly categorise the two barriers above as higher real costs associated with travelling to regional locations. These travel costs often spill over into other dimensions of travel, with average costs of accommodation, food and beverage services typically being higher in regional areas, adding to the overall cost of regional travel.

83 Graham, A., Papatheodorou, A. and Forsyth, P. 2010, *Aviation and Tourism: Implications for Leisure Travel*, Ashgate Publishing Limited, United Kingdom.

84 Deloitte Access Economics, *Medical Tourism Within Australia: a Scoping Study* (report commissioned by Department of Resources, Energy and Tourism, 2011) <<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-medical-tourism-australia-150811.pdf>>.

85 Cho, V. 2010, 'A study of the non-economic determinants in tourism demand', *International Journal of Tourism Research*, vol. 12, pp. 307–320.

86 Lohmann, M. and Beer, H. 'Fundamentals of tourism: What makes a person a potential tourist and a region a potential tourism destination?' (2013) 13(4) *The Poznan University of Economics Review* p83.

87 Jonsson, C. and Devonish, D. 2008, 'Does nationality, gender and age affect travel motivation? A case of visitors to the Caribbean island of Barbados', *Journal of Travel and Tourism Marketing*, vol. 25, no. 3–4, pp. 398–408.

88 UNEP and UNWTO 2012

89 Service Skills Australia, comm. 13

90 Tourism Victoria nd

91 New Zealand Ministry of Business, Innovation and Employment, *NZ Regional and seasonal dispersal of international tourists* (2016).

92 Prideaux, B and Carson, D, *Drive Tourism: Trends and Emerging Markets* (Routledge, 2011).

93 Koo, Tay, Wu, C and Dwyer, L, *Dispersal of visitors within destinations: Descriptive measures and underlying drivers*, Tourism Management (2010)

94 Ibid.

The lack of awareness of regional locations was also identified as a barrier to regional dispersal in literature.⁹⁵ Individuals who travelled to South Australia and the Northern Territory highlighted their lack of knowledge of these locations as the main reason for not travelling to regional locations in these states or territories.⁹⁶ Wong and Yeh also highlighted that once tourists believe they understand a certain destination they are more likely to travel here.⁹⁷

A.3 Consumer behaviour

The decision to travel to regional areas is shaped by an interaction between demographic variables, psychographic profiles, and a range of barriers and constraints. These determinants of consumer behaviour lead naturally to how these translate in to decision-making: from dreaming, to exploring, to booking.

Consumer behaviour

Consumer behaviour is one of the key factors to take into account in understanding regional dispersal. It is a crucial component in understanding why people choose a certain destination and product.⁹⁸

Consumer preferences change continuously and are affected by dynamic interaction between demographic and psychographic variables.

In this context, demographic variables are considered to be “states of nature” including age, gender, income, country/state of origin, employment status, and travel companions, among others. Psychographic variables are the attitudes, behaviours, and motivations around travel that arise from the individual internally, combined with the individual seeking to project these internal identities and perceptions into the external world.

People travel to regional areas both because they are “pushed” into making travel decisions by their own internal motivators and determinants as well

95 Tourism Research Australia, *Driving dispersal of international visitors to South Australia and the Northern Territory* (05 March 2014) < <https://www.tra.gov.au/Archive-TRA-Old-site/Research/View-all-publications/All-Publications/driving-dispersal-of-international-visitors-to-south-australia-and-northern-territory>>.

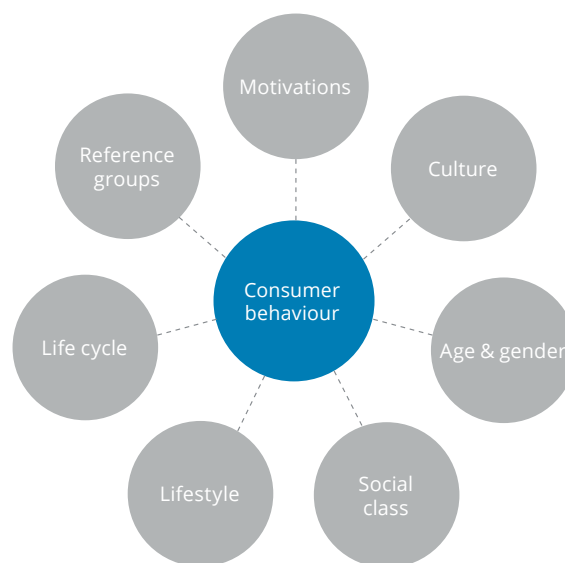
96 Ibid.

97 Wong, J and Yeh, C, ‘Tourist hesitation in destination decision making’ (2009) 36(1) *Annals of Tourism Research* p6.

98 Cohen, S et al, ‘Consumer behaviour in tourism: Concepts, influences and opportunities’ (2014) 17(10) *Current Issues in Tourism* p872.

as “pulled” by the external forces of the destination attributes.^{99,100} A simple model of consumer behaviour is able to capture these concepts (Figure A.1).

Figure A.1 Model of consumer behaviour



Motivations – Inner drives that people have that cause them to take action to satisfy their needs.

Culture – Defined as the norms, beliefs and rituals that are unique to each person.

Age & gender – can include other characteristics such as ethnicity and sexuality.

Social class – is determined by factors like income, wealth, education, occupation, family prestige, value of home and neighbourhood.

Lifestyle – Captures the way people allocate time, energy and money.

Life cycle – as distinct from age, life cycle captures the different living arrangements such as the number of people in a household and dependency ratios.

Reference groups – including family, role models etc.

Source: Hudson, 2008¹⁰¹

99 Crompton, J, ‘Motivations for pleasure vacation’ (1979) 6(4) *Annals of Tourism Research* p408.

100 Dann, G, ‘Anomie, ego-enhancement and tourism’ (1977) 4(4) *Annals of Tourism Research* p184.

101 Hudson, S, *Tourism and Hospitality Marketing: A Global Perspective* (SAGE Publications Ltd, 2008).

Consumer motivations, in general, are not fully understood but they are regarded as one of the most important variables in explaining consumer and tourist behaviour. An individual's personality, lifestyle, past experiences, demographic characteristics and perceptions all influence their motivations.

Despite the range of variables and determinants and the complex interaction that occurs within each person, there are observable patterns in the way certain individuals behave. Demographic patterns have been more widely studied in tourism research, partly because they are easier to measure. A more complete picture of regional dispersal can be determined from further research into the psychographic characteristics of tourists. The 2018 Survey on Regional Visitation was therefore conducted to verify several hypotheses about the behaviour of individuals with certain psychographic characteristics.¹⁰²

Psychographic factors and personas

Tourism Australia has explicitly referred to the strategic imperative to transition targeting from purely demographically defined customers to behaviourally and attitudinally defined customers. This includes the segmentation and the development of customer personas.¹⁰³ Personas are technically defined as an individual's construction of their public self – an interaction between an individual's demographic and psychographic characteristics that is then translated into the public-external realm.

Adopting a personas framework also enables:

- An understanding of visitors and their travel experience to assist the industry with walking in the shoes of visitors.
- The driving, designing and validating of solutions, being a reference point through the design process to ensure the needs and motivations of the prototypical visitors are being considered.
- The conveyance of key messages back to the tourism industry – personas are easier to relate to than charts and tables.

¹⁰² Swarbrooke, J and Horner, S, *Consumer Behaviour in Tourism* (2007), ProQuest Ebook Central <<https://ebookcentral-proquest-com.ezproxy.library.uq.edu.au/lib/uql/detail.action?docID=281990>>.

¹⁰³ Tourism Australia, *Annual Report 2016/17* (14 October 2017) <<http://www.tourism.australia.com/content/dam/assets/document/1/6/z/6/s/2005156.pdf>>.

Psychographic analysis and consumer profiling have become increasingly common tools applied in tourism research¹⁰⁴. Large tourism service providers, including Flight Centre, are rethinking their approach to understanding their customers' experiences through customer journey mapping.¹⁰⁵ Becken et al. (2008) created visitor profiles to discern differences in travel patterns of key inbound countries in New Zealand using a similar set of factors. Psychographic research is particularly prominent in market research around wine tourism, as demographic patterns alone are no longer sufficient to understand an increasingly diverse range of consumers.¹⁰⁶

In this sense, demographic and psychographic characteristics have the potential to be strongly linked in certain circumstances, for example, among young families and backpackers – but this does not always hold. Adventure travellers might be an example of a psychographic profile that cuts across demographic characteristics – one study found that a “venturesome” psychographic profile was a stronger predictor of total trips taken than household income.¹⁰⁷ Nevertheless, an in-depth investigation into both sets of characteristics, demographic and psychographic, is necessary to inform an understanding of the decision-making process.

The decision-making process: from behaviour to search to selection

Choosing the holiday destination and planning the trip can be a high-risk and complex set of decisions due to the intangible nature of the service offering. Travellers often commit large sums of money on a product they cannot see which causes them to be highly interested and involved in the decision-making process.

¹⁰⁴ Plog, Stanley C. "The power of psychographics and the concept of venturesomeness." *Journal of travel research* 40.3 (2002): 244-251.

¹⁰⁵ <<https://www.cmo.com.au/article/563967/how-flight-centre-mapping-new-kind-customer-journey/>>

¹⁰⁶ Charters, S, and Ali-Knight, J, 'Who is the wine tourist?' (2002) 23(3) *Tourism Management* p311.

¹⁰⁷ Plog, Stanley C. "The power of psychographics and the concept of venturesomeness." *Journal of travel research* 40.3 (2002): 244-251.

Complexity arises from the fact that travel decision-making involves multiple decisions about the various elements of the vacation itinerary^{108,109}, some of which are made prior to the arrival, while others are made while at the destination.¹¹⁰ Moreover, there is a demonstrated prevalence of dyadic or group decisions in a tourism context.¹¹¹ Finally, complexity is also heightened by the fact that many travel decisions are highly influenced by situational factors.¹¹²

Compared to, for example, purchasing a package of breakfast cereal from among a discrete, readily identified range of options, the choices involved in putting together a travel itinerary, including quantity and quality, can be a more varied choice decision.¹¹³

To understand the decision-making process in a simplified way, it is necessary to begin with the need or a desire to travel. This is followed by a range of decisions across dimensions such as the destination, time of travel, transport, accommodation and other services. Information search and decision-making can continue while on holiday when travellers need to for example decide on activities and where to eat (Figure A.2).

Figure A.2 Travel decision-making process schematic



Source: Deloitte Access Economics

108 Decrop, A, and Snelders, H, 'Planning the summer vacation: An adaptable process' (2004) 31(4) *Annals of Tourism Research* p1008.
 109 Hyde, K, and Lawson, R, 'The nature of independent travel' (2003) 42(1) *Journal of Travel Research* p13.
 110 Choi et al, 'Structure of travel planning processes and information use patterns' (2012) 51(1) *Journal of Travel Research*, p26.
 111 Bronner, F, and de Hoog, R, 'Agreement and disagreement in family vacation decision-making' (2008) 29(5) *Tourism Management* p967.; Kang, S, and Hsu, C, 'Dyadic consensus on family vacation destination selection' (2005) 26(4) *Tourism Management*, p571.; Litvin, S et al, 'Spousal vacation-buying decision making revisited across time and place' (2004) 43(2) *Journal of Travel Research* p193.
 112 Decrop & Snelders, 2004 Decrop, A., & Snelders, H. (2004). Planning the summer vacation: An adaptable process. *Annals of Tourism Research*, 31(4), 1008–1030. March, R, and Woodside, A, 'Testing theory of planned versus realized behaviour' (2005) 32(4) *Annals of Tourism Research* p905.
 113 Crouch, G, and Louviere J, A review of choice modelling research in tourism, hospitality and leisure in *Consumer psychology of Tourism, Hospitality and Leisure* (CABI Publishing, Volume 2, 2001).

Across a range of alternatives, a consumer forms preferences on destinations and products. Upon a holiday's completion, the consumer evaluates and reflects on the trip, which in turn affects the first phases of the next travel planning process and determines whether or not the consumer will come back or recommend the destination to others.

Exploring: the information search process

A crucial aspect of the decision-making process in tourism, more so than in the consumption of most other goods and services, is the information search process. In recent years, this process has fundamentally changed – and is continuing to evolve.

The internet and user-generated media have become important tools that travellers use to try and reduce the risks in buying an intangible product. These new modes of media and communication represent opportunities for regional destinations to reach new audiences. The authenticity, credibility and trustworthiness of the information provided through these formats are essential to their ability to shape travellers' decision-making.

Tourism Australia is one of the world's most widely followed Instagram accounts.

One method that has remained the same – word-of-mouth (WOM) is one of the most influential information sources consumers can turn to in a fundamentally intangible product purchase.¹¹⁴ People often rely on advice from friends, family and other peers when planning a holiday.¹¹⁵ The significance of word-of-mouth lies in the fact that the information and recommendations come from the consumers themselves.

The internet has enabled consumers to engage in electronic word of mouth communication. Specific, user-generated content about products, services or companies is having a huge effect on regional tourism (Wang & Rodgers 2011, 212).

Instagram has become one of the most prominent platforms through which regional destinations are able to amplify their “pull” factor.¹¹⁶ Research among millennial travellers¹¹⁷ in the UK has shown that the “Instagrammability” of a holiday destination is their most important factor in their choice.¹¹⁸

“Now you're less than 10 clicks away from seeing an image on Instagram to purchasing a ticket to go there.”

– Chris Burkard, social influencer

114 Litvin, S et al, 'Electronic word-of-mouth in hospitality and tourism management' (2008) 29(3) *Tourism Management* p458.

115 Dahl, S, *Social Media Marketing* (SAGE Publications Ltd, 2015).

116 Arnold, A, *Here's how Much Instagram Likes Influence Millennials' Choice of Travel Destinations* (24 January 2018) Forbes <<https://www.forbes.com/sites/andrewarnold/2018/01/24/heres-how-much-instagram-likes-influence-millennials-choice-of-travel-destinations/#75a9e6e74eba>>.

117 Those aged 18-33 years old.

118 Hayhurst, L, *Survey highlights Instagram as key factor in destination choice among millennials* (24 March 2017) Travolution <<http://www.travolution.com/articles/102216/survey-highlights-instagram-as-key-factor-in-destination-choice-among-millennials>>.

Appendix B – Methodology and results on drivers of regional visitation

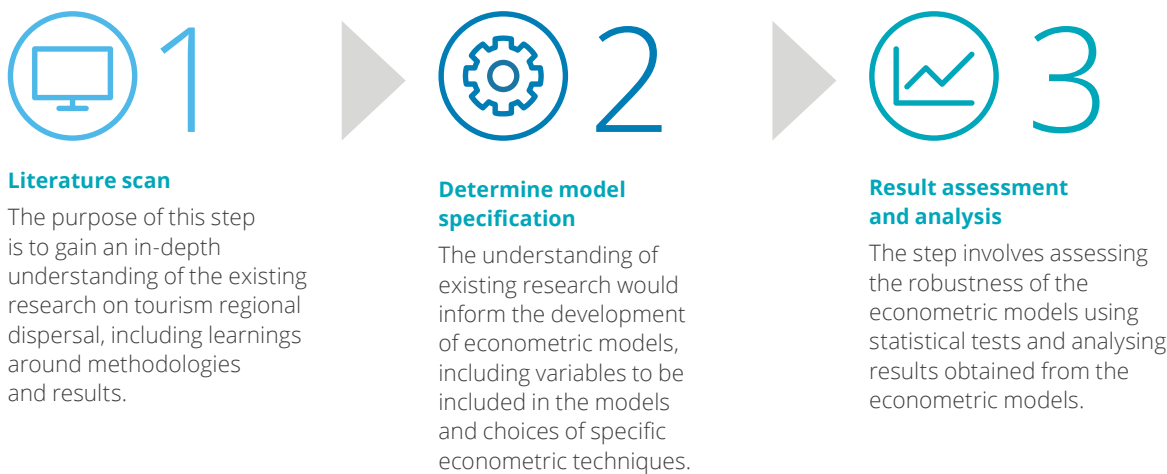
B.1 Methodology

The econometric methodology involved three steps (Figure B.1). The first step was a literature scan of existing research, recognising that regional visitation in tourism is a research area that has been studied extensively in Australia and overseas. Acknowledging the value of existing research, the literature scan aimed to gain an in-depth understanding of learnings from this body of research.

Findings from the literature scan have informed the choice of methodologies to analyse and compare the impacts of visitor characteristics on regional visitation. While there are several statistical measures that allow for comparisons of regional visitation across different groups of visitors, an econometric approach has been adopted in this analysis to isolate the impacts of certain visitor characteristics.

Once the econometric models were established, the quality of these models was assessed using appropriate statistical tests. The results of these econometric models were then analysed and discussed in the third step.

Figure B.1 Overview of the econometric analysis



Source: Deloitte Access Economics

Step 1: Literature scan

Regional dispersal in tourism is a research area that has been studied extensively in Australia, as well as overseas. Acknowledging the value of existing research, the literature scan aims to gain an in-depth understanding of learnings that research has found. Overall, the existing literature on regional visitation suggests that both socio-demographic factors (e.g. age) and trip-related factors (e.g. purpose of visit) are important to understand regional dispersal.

Details of the literature scan are provided in Appendix A.

Step 2: Choice of modelling techniques

The literature scan not only provides information on what has been found to be important to

regional visitation but also offers insights into the methodologies that have been adopted in previous research. These insights are used to inform the choice of modelling techniques.

The econometric modelling technique is adopted to analyse drivers of regional visitation because it is able to separate the impacts of inter-related factors and reveal causal relationships between these factors on regional visitation. For example, senior visitors may be more likely to travel for a holiday than younger visitors are. As a result, while a comparison of the propensity to travel across age groups would reveal whether senior visitors are more likely to travel to regional areas than other age groups, the comparison could not reveal whether they travel more because of their ages or their tendency to have a holiday travel. On the other hand,

the econometric analysis is able to separate the impact of age and holiday travel, and so, would be able to give conclusions such as given other factors staying the same, senior visitors are more likely to travel to regional destinations than other age groups are.

There are two key decisions to be made in designing the econometric analysis:

- Choosing the variables to be included in the analysis; and
- Choosing the statistical techniques used to run the regression models.

Since the literature scan suggests that both socio-demographic factors and trip-related factors are important to understand regional dispersal, these factors are considered in the regression models. Time variables for years and quarters are included in the regressions to control for the any abnormal event that only occurs in a particular year and any seasonality in regional dispersal.

Table B.1 Overview of the data used in the econometric analysis

	Domestic data	International data
Data level	Visitor level	Visitor level
Time period	From Q1 2000 to Q4 2017	From Q1 2005 to Q4 2017
Number of observations	432,831 visitors	510,241 visitors
Data fields	Socio-demographic factors: <ul style="list-style-type: none"> • Life cycle • State of origin • Home in regional areas • Household income Trip factors: <ul style="list-style-type: none"> • Trip purpose • Interstate/Intrastate • Travel party type • Number of activities undertaken during a trip Time factors: <ul style="list-style-type: none"> • Year • Quarter 	Socio-demographic factors: <ul style="list-style-type: none"> • Age • Country of origin Trip factors: <ul style="list-style-type: none"> • Trip purpose • Travel party type • Package travellers • Return visitors • Airport of arrival • Number of states visited • Number of activities undertaken during a trip Time factors: <ul style="list-style-type: none"> • Year • Quarter

Source: Deloitte Access Economics

The second aspect of designing regression models involves the choice of econometric techniques to run the regression models, which in return is largely dependent on the purpose of the models. Table B.2 provides an overview of the regression models examined to understand drivers of regional dispersal.

Overall, the extent to which a visitor disperses regionally could be measured by the propensity to disperse and the duration of their stay in regional areas. The propensity to disperse is examined in Model 1, which aims to determine groups of visitors that are more likely to travel to regional areas. The length of stay in regional areas of travellers is examined in Model 2, which aims to identify groups of visitors who tend to stay longer in regional areas. Model 3 combines the impacts of visitor characteristics on propensity to disperse and length of stay and provides an overall ranking for a particular group of visitors.

Table B.2 Overview of regression models

	Model 1 (Propensity)	Model 2 (Length of stay of dispersers)	Model 3 (Length of stay of all visitors)
Purpose of the model	Model 1 evaluates the impacts of explanatory variables to the propensity to disperse regionally	Model 2 investigates the length of stay in regional areas for visitors among visitors who disperse to regional areas .	Model 3 investigates the length of stay in regional areas for visitors among all visitors .
Dependent variables	A binary variable that takes the value of 1 if the visitor regionally disperse and 0 otherwise.	The number of night that a visitor spends in regional areas . Only visitors who disperse are included in the model (i.e. number of regional night > 0).	The number of nights that a visitor spends in regional areas . All visitors are included in the model (i.e. the number of regional night takes the value of 0 if a visitor does not disperse).
Explanatory variables	Socio-demographic factors, trip factors, and time factors	Socio-demographic factors, trip factors, and time factors	Socio-demographic factors, trip factors, and time factors
Econometric techniques used	Logit model to account for the binary nature of the dependent variable.	Negative binomial model to account for the discrete nature of the dependent variable (as opposed to the continuous nature of the domestic regional night)	Negative binomial model to account for the discrete nature of the dependent variable.

Source: Deloitte Access Economics

Step 3: Result assessment and analysis

Once the econometric models are run, the robustness of results is tested using appropriate statistical techniques. The results are then analysed and discussed.

B2. Regression results

The results of the regression models (Table B.3 and Table B.4) provide comparisons between drivers of regional dispersal:

- Model 1 provides a comparison between a group of visitor and the corresponding base group based on their propensity to travel to regional areas;
- Model 2 provides a comparison between a group of visitor and the corresponding base group based on their length of stay in regional areas; and
- Model 3 provides an overall ranking across groups of visitors. This ranking takes into account both visitors' propensity to disperse and their length of stay in regional areas.

Examples on the interpretation of the econometric results

Example 1: Impact of travelling on a package on regional dispersal in the international market

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)
Travelling on a package			
Non-package tour		Base group	1
Package tour	0.4 pp.	-57%	2

This table shows that:

- In comparison with a visitor who does not travel on a package (the base group), a visitor who travels on a package is 0.4 percentage point more likely to travel to regional areas, assuming other factors (e.g. household income, purpose of visits, etc.) are the same (Model 1);
- Among visitors who travel to regional areas, a visitor who travels on a package stays on average 57% shorter than a visitor who does not travel on a package (the base group) (Model 2);

Model 3 investigates the length of stay in regional areas taking into account visitor's propensity to travel to regional areas. Consequently, the result from model 3 provides an overall ranking across factors. In this example, visitors who do not travel in a package are ranked higher than visitors travelling on a package are.

Example 2: Impact of the number of previous visit on regional dispersal in the international market

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)
Number of previous visit	0.2 pp.	-0.1%	

The interpretation of the regression results is slightly different for the number of previous visit variable (and the number of activity to do on trip variable) due to their continuous nature. In particular, the result from Model 1 shows that if a visitor had undertook one more trip to Australia, the likelihood that they travel to regional areas increases by 0.2 percentage point, however, their length of stay in regional area decreases by 0.1%.

Table B.3 Drivers of regional dispersal in the domestic market

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)	Market share of visitors (total in 2017) % ¹
Life cycle				
<i>Parent with youngest child aged under 15</i>		Base group	10	25
Young single living at home	-4 pp.	20%	5	7
Young single living alone or in shared accommodation	2 pp.	8%	4	3
Midlife single	-0.1 pp.	-2%	9	8
Young/midlife couple, no kids	1 pp.	-3%	8	14
Parent with youngest child aged 15+ still living at home	2 pp.	4%	6	9
Older working single	2 pp.	-0.3%	7	5
Older non-working single	1 pp.	67%	2	5
Older working married person	3 pp.	9%	3	13
Older non-working married person	3 pp.	70%	1	12
Household income				
<i>0-54,000</i>		Base group	1	14
54-100,000	-1 pp.	-12%	2	17
100-150,000	-3 pp.	-13%	3	17
150,000+	-5 pp.	-15%	4	27
Purpose of visit				
<i>Holiday</i>		Base group	1	33
Sport – participating	4 pp.	-25%	2	2
Sport – watching	-24 pp.	-46%	10	1
To attend an event, sport or cultural or festival	-25 pp.	-45%	9	3
Accompanying convention/conference/seminar/trade fair/exhibition	-26 pp.	No significant difference from the base group	8	0
Visiting relatives	-10 pp.	-20%	4	23
Visiting friends	-11 pp.	-47%	6	10
Business	-9 pp.	1%	3	18
Convention/conference/seminar/trade fair/exhibition	-22 pp.	-40%	7	1

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)	Market share of visitors (total in 2017) % ¹
Other	-13 pp.	-23%	5	4
Medical reasons	-37 pp.	-5%	11	2
Interstate/Intrastate				
<i>Intrastate</i>		Base group	1	67
Interstate	-35 pp.	78%	2	33
Travel party type				
<i>Adult couple</i>		Base group	6	25
Travelling alone	-4 pp.	27%	4	31
Family group – parents and children	4 pp.	28%	2	16
Other	7 pp.	3%	3	0
Family and friends travelling together	4 pp.	0.4%	5	20
Business associates travelling together	6 pp.	52%	1	6
Home state				
<i>NSW</i>		Base group		32
ACT	6 pp.	-35%	4	2
NT	-0.04 pp.	19%	7	1
QLD	-3 pp.	9%	1	21
SA	-2 pp.	-6%	2	6
TAS	-13 pp.	-14%	6	2
VIC	4 pp.	-14%	8	25
WA	-16 pp.	35%	3	10
Home in regional area				
<i>Home not in regional area</i>		Base group	1	55
Home in regional area	-11 pp.	2%	2	45
Number of activity to do on trip				
	3 pp.	10%		

Note: Base group is the group that accounts for the largest proportion of visitors. All other results are in reference to the base group. In Model 1, “pp.” is shorthand for percentage points.

¹ These groups do not necessarily sum to 100% as not all categories are included in the model. For example, those who refuse to report their household income represent 9% of the national visitor market and these individuals are not included in the model.

Source: Deloitte Access Economics

Table B.4 Drivers of regional dispersal in the international market

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)	Market Share of visitors (total in 2017) % ¹
Age				
15-34		Base group	2	38
35-49	1 pp.	-36%	4	25
50-69	4 pp.	-17%	3	32
70+	7 pp.	15%	1	5
Country of origin				
New Zealand		Base group	17	15
Other Countries	-4 pp.	51%	13	6
Canada	12 pp.	47%	8	2
China	-8 pp.	-6%	20	15
France	14 pp.	91%	3	1
Germany	21 pp.	91%	2	2
Hong Kong	-8 pp.	27%	18	3
India	-11 pp.	No significant difference from the base group	16	3
Indonesia	-14 pp.	No significant difference from the base group	19	2
Italy	10 pp.	73%	5	1
Japan	-9 pp.	-18%	21	5
Korea	-16 pp.	123%	15	3
Malaysia	-14 pp.	3%	22	4
Netherlands	23 pp.	96%	1	1
Other Asia	-8 pp.	192%	10	4
Other Europe	8 pp.	55%	9	3
Scandinavia	15 pp.	63%	6	1
Singapore	-10 pp.	-34%	23	5
Switzerland	22 pp.	56%	4	1

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)	Market Share of visitors (total in 2017) % ¹
Taiwan	-12 pp.	220%	7	2
Thailand	-8 pp.	136%	12	1
United Kingdom	10 pp.	45%	11	8
United States of America	7 pp.	-9%	14	9
Purpose of visit				
Holiday		Base group	5	48
Visiting friends and relatives	-4 pp.	-4%	6	27
Business	-8 pp.	12%	7	9
Convention/conference	-11 pp.	-59%	8	2
Employment	3 pp.	289%	1	3
Education	-11 pp.	209%	2	7
Other reason	-5 pp.	98%	3	3
Exhibition	-6 pp.	No significant difference from the base group	4	0
Travel party type				
Unaccompanied traveller		Base group	1	52
Adult couple	4 pp.	-35%	3	21
Family group – parent(s) and children	-0.2 pp.	-43%	6	13
Friends and/or relatives travelling together	2 pp.	-31%	2	11
Business associates travelling together with or without spouses	1 pp.	-39%	4	3
School tour group	1 pp.	No significant difference from the base group	5	0
Travelling on a package				
Non-package tour			1	85
Package tour	0.4 pp.	-57%	2	15

	Model 1 (Propensity to disperse relative to the base group)	Model 2 (Length of stay of dispersers relative to the base group)	Model 3 (Overall ranking based on length of stay of all visitors relative to the base group)	Market Share of visitors (total in 2017) % ¹
City of arrival				
Sydney			5	42
Melbourne	2 pp.	-8%	7	26
Brisbane	7 pp.	12%	3	13
Perth	1 pp.	1%	4	9
Adelaide	0.05 pp.	-2%	6	2
Darwin	7 pp.	27%	2	1
Cairns	63 pp.	-5%	1	3
Gold Coast	-5 pp.	11%	8	4
Number of previous visits				
	0.2 pp.	-0.1%		
Number of activities done on trip				
	2 pp.	4%		

Note: Base group is the group that accounts for the largest proportion of visitors. All other results are in reference to the base group. In Model 1, "pp." is shorthand for percentage points.

¹These groups do not necessarily sum to 100% as not all categories are included in the model. For example, those who refuse to report their household income represent 9% of the national visitor market and these individuals are not included in the model.

Source: Deloitte Access Economics

Important drivers of regional visitation in both the domestic and the international market

Among both domestic and international visitors, older visitors and holiday visitors are found to be important drivers of regional visitation.

Older visitors have been found to have a higher propensity to travel to regional destinations than the base group, which represents a younger group of visitors. In the domestic market:

- Older non-working married visitors are 3 percentage points more likely to travel to regional destinations (Model 1); and
- Stay for 70% longer than visitors with the youngest child under 15 do (Model 2).

The total older group¹¹⁹ represents up to 30% domestic visitors nationally.

In the international market:

- Overall, 70+ year old visitors are ranked number one in their importance to regional visitation (Model 3). This group represents 5% of international visitors.
- A further 32% of international visitors fall between the ages of 50 and 69. This group is 4 percentage points more likely to travel to regional destinations, but stay for 17% shorter lengths of stay than 15-34 year olds.

Holiday visitors are not only the largest groups of visitors (33% and 48% of domestic and international markets respectively), but are also more likely to travel to regional areas and stay for a relatively longer period.

Among domestic visitors, business (18% market share) and VFR visitors (33% market share) are between 9 and 11 percentage points less likely to travel to regional destinations compared to holiday visitors (Model 1). Among domestic visitors who travel to regional destinations, those travelling to visit relatives and friends are found to stay 20% and 47% shorter than holiday visitors do (Model 2).

Overall, holiday visitors are ranked number one in their importance to regional visitation (Model 3).

For international visitors, employment travellers are more likely to visit regional Australia than holiday visitors, but only represent 3% of the market. Of leisure visitors, VFR visitors are less likely to visit regional Australia than holiday visitors and spend less time in regional Australia than this group. Holiday visitors represent the largest share of international visitors to regional Australia by purpose of visit, at 57%, but VFR visitors are growing at a faster rate (4.8% average since 2005 vs 2.1% for holiday visitors) (Model 3).

¹¹⁹ In the domestic market, older refers to 45 years and older.

Appendix C – Primary research

This Appendix should be read in conjunction with Attachment 1, which provides the full list of questions and answer sets in the survey.

C.1 Sample sizes

The primary research was designed to capture information relating to leisure travel that potential respondents may have recently taken in/to Australia. Leisure travel was defined as travel for recreational purposes: including holidays and visiting friends and/or relatives. The sample was across domestic and international respondents.

- **Domestic survey:** Nationally representative by state coverage with a sample size of n=3,000.
- **International survey:** Representative weightings of the sample across the top five visitor markets with a sample size of n=2,520

Table C.1 Sample group summary

Sample group	Details
Domestic travellers	Australia wide with a representative split across states and territories and gender
International travellers	New Zealand, China, UK and USA, Japan – broadly based on visitor market share weighting: <ul style="list-style-type: none"> • China (15%) • Japan (5%) • USA (9%) • NZ (15%) • UK (8%)

Table C.2 Final sample sizes for domestic and international surveys

Country	Frequency (n=)	Regional residents
Australia	3,000	33%
NSW	980	37%
VIC	745	24%
QLD	613	48%
SA	232	24%
WA	276	16%
TAS	79	63%
ACT	50	N/A
NT	25	36%

Country	Frequency (n=)	Regional residents
International	2,520	
New Zealand	654	N/A
United States	452	N/A
United Kingdom	454	N/A
China	656	N/A
Japan	304	N/A

C.2 Definitions used in survey

Certain words were defined for use in the primary research. When certain words appeared in the survey, the definitions were available as a ‘hover’ option to ensure respondents has a consistent understanding and definition.

Figure C.1 Definitions used in survey

Holiday	Instagrammability	Glamping
A holiday or short break could include travelling to visit family and friends, or having a vacation. Must spend at least one night away from home.	Ability of holiday location to be photographed and shared on social media platforms such as Instagram for ‘likes’.	A form of camping involving accommodation and facilities more luxurious than those associated with traditional camping.

Australian resident	Vacation	Stopovers	Regional Australia
An Australian resident is a person who resides in Australia and has permission to remain permanently—either because they are: an Australian citizen; the holder of a permanent visa; or a protected Special Category Visa holder.	A vacation could include travelling to visit family and friends, or travelling for leisure. Must spend at least one night away from home.	A stopover is a stay at a destination for at least one night.	Outside of capital cities including Sydney, Melbourne, Brisbane, Perth, Adelaide, Hobart, Darwin, Canberra, and the Gold Coast.

C.3 Timing of research

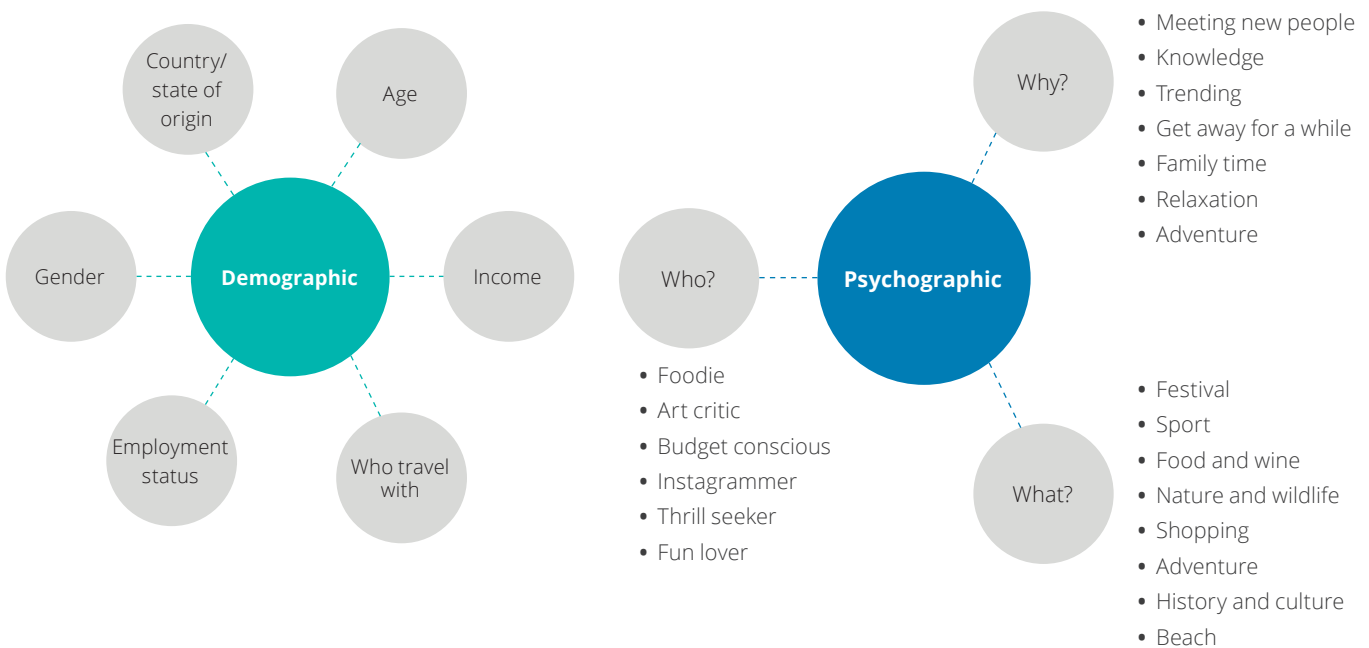
The survey was fielded in early September 2018, with results received in late September 2018. Survey respondents were answering questions related to their ‘most recent trip’ to Australia and/or regional Australia in the past two years for domestic travellers and five years for international travellers.

C.4 Personas

The use of personas allows for the comparison of different types of visitors across the following characteristics:

- **WHO** are they – disposable income, country of origin, age, household composition, travel experience, repeat/new visitor;
- **WHAT** do they do – experience type (e.g. relaxation, adventure, bucket list, culture, nature), length (e.g. once in a lifetime trip, working holiday, quick break), price (e.g. budget, quality matters);
- **WHERE** do they go – capitals only, major tourist destinations, regional destinations;
- **HOW** do they plan their trip – information (e.g. online, travel agent, tourist information centres, trade offices), experience (e.g. repeat visitor), friends and family, popular/trending; and
- **WHY** do they visit outside the capitals, or **WHY NOT** – motivations (e.g. seeking an adventure, Instagram), decision points (e.g. price, availability), real and perceived barriers (e.g. transport).

Figure C.2 Demographic and psychographic determinants of personas



The international personas were all mutually exclusive in their classification. The domestic persona definitions were not necessarily mutually exclusive. The extent of the overlap between domestic personas can be found in Table C.3.

Table C.3 Overlap between domestic personnas

	Affluent 55+ Australians	Affluent Gen Y and Z Australians	Family road trippers	Rechargers	Foodies	Adventurers	Festival and event goers
Affluent 55+ Australians	320						
Affluent Gen Y and Z Australians	0	420					
Family road trippers	17	73	454				
Rechargers	38	35	57	372			
Foodies	27	55	32	39	279		
Adventurers	7	26	24	19	3	117	
Festival and event goers	19	36	20	11	16	7	201

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