Securing the future of visitor information services in Eurobodalla

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Contents / Agenda

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Executive Summary and Recommendations

Executive Summary

No	Insight	Implication	Suggested action
1	The current solution does not meet the best practice standards for use of resources. Currently, two thirds of council investment in tourism supports just 5% of visitors.	Whatever decision council makes standing still is not an option. It needs to move to embrace the digital economy	The recommended model must build on these core insights. We recommend that a greater proportion of budget must be dedicated to a website.
2	At the same time use of digital before and in destination is growing and more travellers are booking in advance. Digital is building demand and diverting travellers to other destinations		
3	Council currently has a rate increase outstanding and there is resistance to increasing fees. As such, it is unlikely that council can increase funding from the tourism industry beyond current levels	Embracing new models must be done within existing funds which means that money must switch between elements of council's programme	
4	The challenges that Eurobodalla faces is global. VICs globally are facing a drop in footfall – and also in bookings as others (including industry) increasingly offer this booking services. As a result revenues will become tighter.	The challenge is going to grow, postponing dealing with it is not an option. Further support for the need to change	

A deeper dive into these findings is provided in section 3 of the report

Executive Summary

No	Insight	Implication	Suggested action
5	The factors that make for a successful visitor information service are clear and well agreed. However the 'Anna Karenina' effect means that visitor centres can all fail to reach these goals in their own way. More detail is provided on these factors in Section 3, page xxx	The solution for each destination will be unique – although it will draw on and should consider these factors. The approach that works for Eurobodalla MUST reflect realities on the ground for council and be tested against these principles	Our suggested approach is outlined on page xxx but includes both digital and tangible presence – albeit in a different form than currently. It supports Council's vision of a move to being an information services provider – as well as being an enabler.
6	One particular critical success factor is that all elements of the visitor information services approach should be aligned and integrated. This includes marketing and promotions, branding etc.	The solution must be holistic. For example if a marketing campaign is in field this should be reflected in any VICs (and staff should be aware of it).	Our solution is an holistic one (see page xxx)
7	We are currently in the 'eye of the storm' on innovation. Whilst we know the theory of what works, the best modes of delivery are still being worked out. For example, mobile websites are now often more important than Apps	The solution Council adopts must have flexibility at its core. Council needs to continue building its evidence based	Design of digital and visitor centre tools should include measurement at its core. Relationships for outsourcing tangible visitor servicing should not include long term commitments and contracts should have flexibility as well as rigour

A deeper dive into these findings is provided in section 3 of the report

Executive Summary

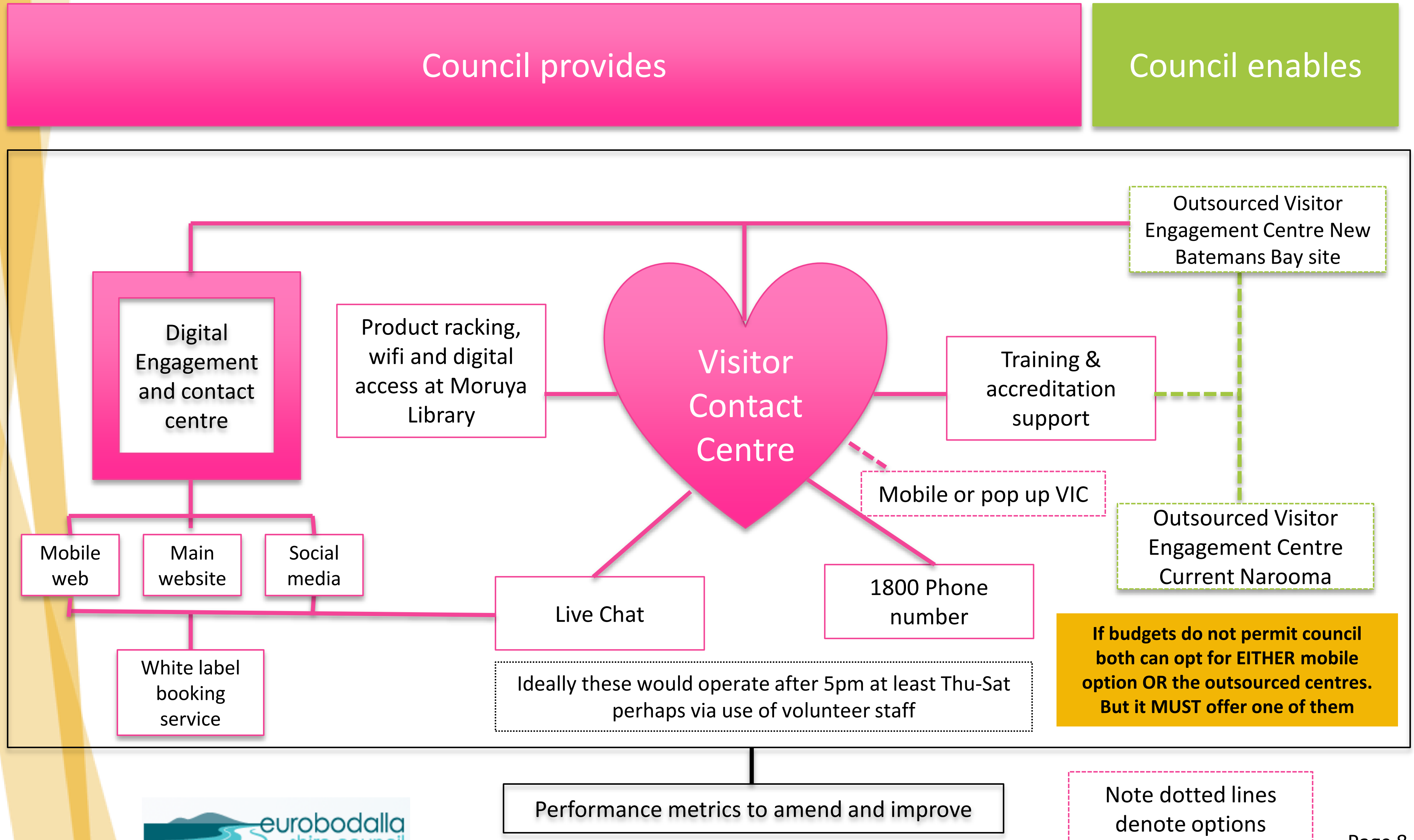
No	Insight	Implication	Suggested action
8	Although the future is largely digital, this changes rather than eliminates the need for personal contact. The need for stories, authenticity and personal connection remains strong. Allied to this is that Eurobodalla's current customer base has strong 'attachment bias' to the presence of visitor centres	The decision to exit visitor information centres completely would make Council an innovator. If successful this would make Council a leader, but it has high risks attached in terms of economic impact and any resulting industry/community backlash.	We recommend that Council move from being a visitor information centre provider to being a visitor information provider. Providing support and training to a service offered by a lessee or local chamber of commerce.
9	Usage of VICs is highly correlated with longer stays and higher spends (although causation has mostly been assumed rather than proven). As a result of this and the trend noted in Insight 9, we have not found firm evidence of any destination wholly exiting a physical presence. Whilst individual visitor centres HAVE closed, these are normally substituted with a physical presence in a different format or location. For example, there has been a shift to mobile VICS/'pop ups' or to new models like sub-contracting, co-locating or virtual services.		

Executive Summary

No	Insight	Implication	Suggested action
13	As noted in Insight 4, booking behaviour is changing. But people still want to book on the first page they land on. Current bookeasy arrangements are up for renewal and costs outweigh revenues. Increasingly, this is being outsourced to sites like Expedia or Booking.com for a fee	Bookable product is vital, but the current mechanism is not 'right sized'	Shift booking to a 'white label' approach with lower revenues, but higher profits to support other activities
14	A critical concern for customers is that advice is neutral. Industry will have concerns around the nature of advice from an outsourced physical presence.	Management of the outsourcing and quality control will be vital	Council must play an enabling role and have strict quality control standards. Monitoring of customer feedback and outcomes (e.g. booking flows) should be undertaken

A deeper dive into these findings is provided in section 3 of the report

Our proposed solution – an ecosystem to attract, engage and inform visitors



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About the project

The Need for Research (1)

- Eurobodalla Shire is located on the south coast of New South Wales, 280 kilometres south of the Sydney and 150 kilometres south-east of Canberra. The Council's boundaries stretch from South Durras in the north to Wagonga Inlet in the south and Nerrigundah in the west. It encompasses three major towns, (Batemans Bay, Moruya and Narooma) and numerous smaller villages.
- Its 110 kilometres of coastline includes 83 beaches and the Batemans Marine Park. Of its 3,400 square kilometres of land more than 80 percent of the land is either national park or state forest. As a result of these natural assets tourism is a vital industry. The Shire is part of the South Coast Destination Management Zone and in the year to June 2013, tourism was worth $367m to the local economy, supporting 3500 jobs (25% of all jobs in the Shire).
- The Council reflects this by investing approximately $1.1m in tourism including 3 Visitor Centres in Batemans Bay, Narooma and Moruya. The first two are level 2 AVIC accredited Visitor Information Centres whilst the last is not accredited. Currently the two accredited visitor centres absorb two thirds of this budget (estimate for 2014-15 is $669k). This is only partially offset by revenues from bookings, membership fees and retail sales within the visitor centres. Furthermore, these revenues are flat or declining.
- However, the ROI on this is under review based on two different but aligned pressures:
- The NSW Integrated Planning and Reporting (IPR) framework lays down that councils should ensure that all services continue to improve productivity and ensure value for money. The NSW Independent Local Government Review Panel "Revitalising Local Government" highlighted a need for Councils to conduct regular service reviews. Visitor Services in Eurobodalla was one of the first services to be reviewed under this process.
- Traveller behaviour is changing. As digital tools become available the traditional visitor centre model is under pressure. More travellers are researching their needs online. This was reflected in the service review conducted within the Shire. Currently only 5% of visitors use the Visitor Information Centres and an increasing proportion are contacting Council via phone or website.
- Clearly a service which consumes two thirds of Council's tourism budget to service 5% of visitors does not meet the IPR framework requirements. Even more importantly, investment in these services is at the expense of services that would better meet a wider range of visitor needs such as a new website, or which would further grow visitor demand like digital marketing campaigns.

The Need for Research (2)

- Accordingly, Council has taken a decision to exit its current Visitor Information Services Model and is considering a number of other models.
- As part of its Destination Management Plan, the Council has created a Tourism Advisory Board (formerly there was an Executive Board). Although its role is advisory, the view of the Board was that there is a need to ensure that whatever replaces this is a robust alternative that supports the industry.
- As such, the Advisory Board suggested that there was a need to investigate the proposed models and alternatives further.
- MyTravelResearch.com , a specialist tourism consultancy helped facilitate the Board meeting where the options were considered. It was then commissioned to review the alternative models and the consumer evidence base and to consider what model best suits Eurobodalla's needs

Research rationale

- The over-arching purpose of the project was defined as

To develop an evidence-based approach to selecting the most appropriate means of delivering visitor information services for Eurobodalla Shire in terms of value for money for the Shire's ratepayers and optimal outcomes for its tourism industry in achieving the goals in its destination management plan.

To meet this over-arching objective we agreed the following questions need to be answered

To develop an evidence-based approach to selecting the most appropriate means of delivering visitor information services for Eurobodalla Shire in terms of value for money for the Shire's ratepayers and optimal outcomes for its tourism industry in achieving the goals in its destination management plan.

- What are the needs of customers coming to Eurobodalla Shire in terms of visitor information?
- What means of delivering these needs in destination best offers ROI for ratepayers whilst delivering the maximum value to the local economy?
- What is emerging best practice in visitor information servicing? How relevant is this to Eurobodalla's needs in terms of the structure of its industry and its guest profile?
- How well do the proposed approaches to visitor servicing align with this best practice? Is there an alternative model that may better deliver?
- What actions and approaches should Eurobodalla take to optimize outcomes for tourism whilst meeting its obligations to ratepayers?

Methodology

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Three broad approaches used

Desktop research

Australian Published Papers
Global Internet Search with reports from New Zealand, UK, ireland, Korea, US, Canada, Norway, Netherlands, South Africa
Journal of Travel Research
Proceedings of International Conferences
Macro Trends
Existing Published and MTR Visitor Study (e..g VFR, Destination Profiles)

Eurobodalla Visitor Review

Online Survey to databases of contacts
Also on visitor and Council Websites
15-20 minute online questionnaire via Surveymonkey
2 chases
N = 492 responses
Around 5% response rate (typical to above average for these type of surveys)

Consultation

Consulted the LISTSERV of destination managers and Consultants of Travel and Tourism Research Association: Replies received from New Zealand, Canada and 8 US States, plus City of Chicago
Discussions with Mackay Tourism and Queensland (Brisbane Airport and CBD)

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Bibliography

Bibliography/Sources (1)

- Copies of all the materials collected have been provided to Council in a technical appendix
- In total, we have studied at least 1,000 pages of documents to produce this report
- Key published sources (focuses on those since 2010 due to technology changes – older sources were reviewed as well):

  - Eurobodalla Destination Management Plan 2011
  - Future of Visitor Centres in WA – Full Report, Haeberlin Consulting 2014
  - Tourism WA Response to the Haeberin Consulting Report
  - Australia's Accredited VICs: A strategic directions paper, October 2014
  - A way forward for Queensland VICs, January 2014
  - MyTravelResearch.com Seniors Research June 2012
  - MyTravelResearch.com VFR Research June 2014
  - DNSW LGSA-Conference-2013-Visitor-Information-Centres presentation
  - Strategic options for TICs Tourism East of England 2011
  - TRA/Tourism NT, DVS Tourism Touchpoints Study, 2014
  - Visit England, E-Tourism in England: A strategy, 2011
  - Northern Ireland Visitor Information Plan, 2010
  - i-site Research, Tourism New Zealand, 2010
  - Alberta Tourism Action Framework, 2010
  - Regional Visitors Strategy, Northern Rivers 2011
  - Tourism Australia, Distribution Strategy Situation Analysis, PWC/TNS, 2012
  - Tourism Victoria, Visitor Information, Futures Project, 2013
  - Blue Skies Vision for Queensland VICs, SQTIC, 2012
  - TTRA Marketing Outlook Forum Papers 2013
  - VICs in 2013, Can Technology Replace Them? Dr. Ulrike Gretzel, University of Wollongong

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- Survey of Visitors and Locals in the Eurobodalla Shire Council Database
- Personal consultation with:
  - Mark Greaves, CEO, Visit Queensland
  - Stephen Schwer, Manager, Mackay, Queensland
  - Leah Chandler, CDME Chief Marketing Officer Branson/Lakes Area CVB, USA
  - AnnDrea Boe , Director of Brand Strategy Wyoming Office of Tourism
  - David Czechowski, Director/Senior Economist-Research & Analysis, Choose Chicago
  - Lauren Hansen-Flaschen, Manager of Research & Policy, VISIT PHILADELPHIA™
  - Jessica Bennett, Director of Market Research, Florida Keys
  - Karen Radcliff, Deputy Director, Hamilton County Tourism, Inc.,Indiana, USA
  - Denise Miller, Executive Vice President, Strategic Marketing & Research Insights
  - LuAnn Reinders, State and Provincial Insights Network
  - Donna and Mike Larsen, DataPath Systems
- Selected Internet Search pages
  - http://www.pc.gc.ca/docs/pc/rpts/rve-par/78/index_e.asp Parks Canada VIC evaluation
  - http://www.slideshare.net/mpsarros/tourist-information-centres-the-cases-of-athens-cape-town-manchester
  - http://www.slideshare.net/tthompson/the-dmo-visitor-center-of-the-future?related=1
  - http://teq.queensland.com/VIC-Portal
  - http://www.mckinsey.com/Insights/Consumer_And_Retail/Busting_mobile_shopping_myths?cid=other-eml-alt-mip-mck-oth-1412
  - http://skift.com/2013/05/15/the-new-generation-of-mobile-visitor-centers-road-tripping-the-u-s/#/0
  - http://partners.visitnc.com/partner-opportunities/visitor-services.html
  - http://www.futuretravelexperience.com/passenger-services-and-wayfinding/page/3/

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