Draft Alpine Resorts Strategic Marketing Plan 2014 – 2018

16 December 2013

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ABBREVIATIONS

ARCC	ALPINE RESORTS CO-ORDINATING COUNCIL
ARIAG	ALPINE RESORTS INDUSTRY ADVISORY GROUP
ARMB	ALPINE RESORT MANAGEMENT BOARD
ARSMP	ALPINE RESORTS STRATEGIC MARKETING PLAN 2014 - 2018
ASAA	AUSTRALIAN SKI AREAS ASSOCIATION
BART	BOARD FOR ALPINE RESORTS TOURISM
DEPI	DEPARTMENT OF ENVIRONMENT AND PRIMARY INDUSTRIES
DGI	DESTINATION GIPPSLAND INCORPORATED
DNSW	DESTINATION NEW SOUTH WALES
GSP	GROSS STATE PRODUCT
HTS	HOLIDAY TRACKING SURVEY
IVS	INTERNATIONAL VISITOR SURVEY
KPI	KEY PERFORMANCE INDICATOR
MTB	MOUNTAIN BIKING
NIEIR	NATIONAL INSTITUTE OF ECONOMIC AND INDUSTRY RESEARCH
NVS	NATIONAL VISITOR SURVEY
PV	PARKS VICTORIA
RTB	REGIONAL TOURISM BOARD
TNE	TOURISM NORTH EAST
TSM	TOURISM SNOWY MOUNTAINS
TV	TOURISM VICTORIA
YRT	YARRA RANGES TOURISM

EXECUTIVE SUMMARY

Victoria's alpine resorts are a major economic pillar for the state, forming a key component of the tourism industry and a valuable recreation resource for the community.

Visitor preferences and expectations are changing and our alpine resorts are experiencing worldwide competition from destinations that have, or are developing, high quality tourism facilities and experiences in spectacular alpine settings.

The *Alpine Resorts Strategic Marketing Plan 2014 - 2018* seeks to enhance the competitive positioning of Victoria's alpine resorts and grow visitation, yield and visitor expenditure over the next five years. It is informed by global, regional and local travel trends and visitor preferences as well as the needs of local industry and communities in the alpine region.

The plan provides government, industry and community with clear direction on how Victoria's alpine resorts can be best marketed to stimulate and generate tourism growth. The plan acts as a tool to co-ordinate the marketing effort of key stakeholders in order to maximise return on investment. It addresses the need for a more strategic, co-ordinated approach to co-operative marketing as identified in the *Alpine Resorts Strategic Plan 2012*.

The vision of the *Alpine Resorts Strategic Marketing Plan 2014 - 2018* is to establish Victoria's alpine resorts as 'a *top of mind, year-round, destination experience'*. To achieve this vision the plan contains four goals that are underpinned by pragmatic strategies and actions.

A key goal of the plan is to protect our winter market by cultivating customer loyalty from our existing markets, including skiers/snowboarders and snow play visitors. A great snow experience will turn these visitors into a tribe of loyal followers who talk about and share their experiences with others. We also need to be able to grow the winter market by building awareness of and preference for a snow holiday experience among international visitors. 'Lifestyle Leaders' are a key target market, have been identified as a market having a high propensity to convert to a snow holiday.

The plan also recognises the opportunity for the alpine resorts to diversify their visitor base by developing new products and experiences for the green season, and the need to improve communication between stakeholders and streamline the online environment to increase winter holiday bookings. Both objectives are fundamental for visitor growth to the alpine resorts and broader region.

The draft plan has been prepared for industry and stakeholder comment, prior to government consideration. Government at this stage has not adopted the views and recommendations contained in the plan. Details on how to provide feedback is contained with Section 7.3.

1. INTRODUCTION AND PURPOSE

Victoria's alpine resorts are significant tourism and recreation assets for the state benefiting the local, regional, Victorian and Australian communities. In economic terms, they generate $647 million in state Gross State Product (GSP) and create 6000 jobs in winter alone[1], and they attract over one million visitors annually. The alpine ecosystems are also significant for their intrinsic values and nature conservation purposes and they provide the community with an opportunity to interact with the unique alpine environment.

In the rich and complex management landscape of the alpine resorts, effective marketing and communications plays a critical role in ensuring long-term growth of the sector.

The purpose of the Alpine Resorts Strategic Marketing Plan 2014 - 2018 (ARSMP) is to set the direction and co-ordinate the marketing for Victoria's alpine resorts at a national, state, regional and resort level. The plan will articulate how the key stakeholders will work together to promote Victoria's alpine industry, maximising effectiveness of all activity to generate growth outcomes.

The four strategic goals are: Protect our winter market; Grow the winter market; Develop and promote the green season; Create a seamless visitor experience through collaboration.

Six guiding principles underpin these goals and are critical to the on-going growth of the Victorian alpine resorts. The guiding principles are: putting the needs of the visitor first; being outcome driven; being focused; making informed decisions; each resort to 'playing to their strengths'; and an effective industry working together.

2. BACKGROUND

2.1. Legislative and Strategic Framework

The Alpine Resorts (Management) Act 1997 (the Act) requires the Alpine Resorts Co-ordinating Council (ARCC) to co-ordinate, in conjunction with Tourism Victoria (TV), the overall promotion of the alpine resorts (Section 18(b)). The Act also requires the Alpine Resorts Management Boards (ARMBs) to contribute, together with TV and the ARCC, to the overall promotion of Alpine Resorts (Section 38(b)) and requires each ARMB to develop a tourism and marketing strategy for their alpine resort.

The Act also requires the preparation of an Alpine Resorts Strategic Plan and its review by the ARCC every five years. Following the review of the previous plan, the Victorian Government endorsed a new Alpine Resorts Strategic Plan 2012 (2012 Plan)[2] in December 2012. The 2012 Plan took a holistic approach to the challenges facing the alpine industry and presented an integrated strategic response.

The 2012 Plan emphasised the importance of winter as the 'economic engine' for the alpine resorts. It identified the need for a more strategic, co-ordinated approach to co-operative marketing that better utilises the resources that the various alpine industry stakeholders are committing to marketing efforts. The development of the ARSMP and an integrated model for overall alpine promotion were outlined as key to achieving this outcome.

The ARCC and TV are responsible for the development and successful implementation of the integrated model and have undertaken extensive stakeholder consultation, including the preparation of a background paper[3], to inform development of the draft ARSMP.

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[1] The Economic Significance of the Australian Alpine Resorts Winter Season 2011, National Institute of Economic and Industry Research (NIEIR), report prepared for the ARCC, December 2012

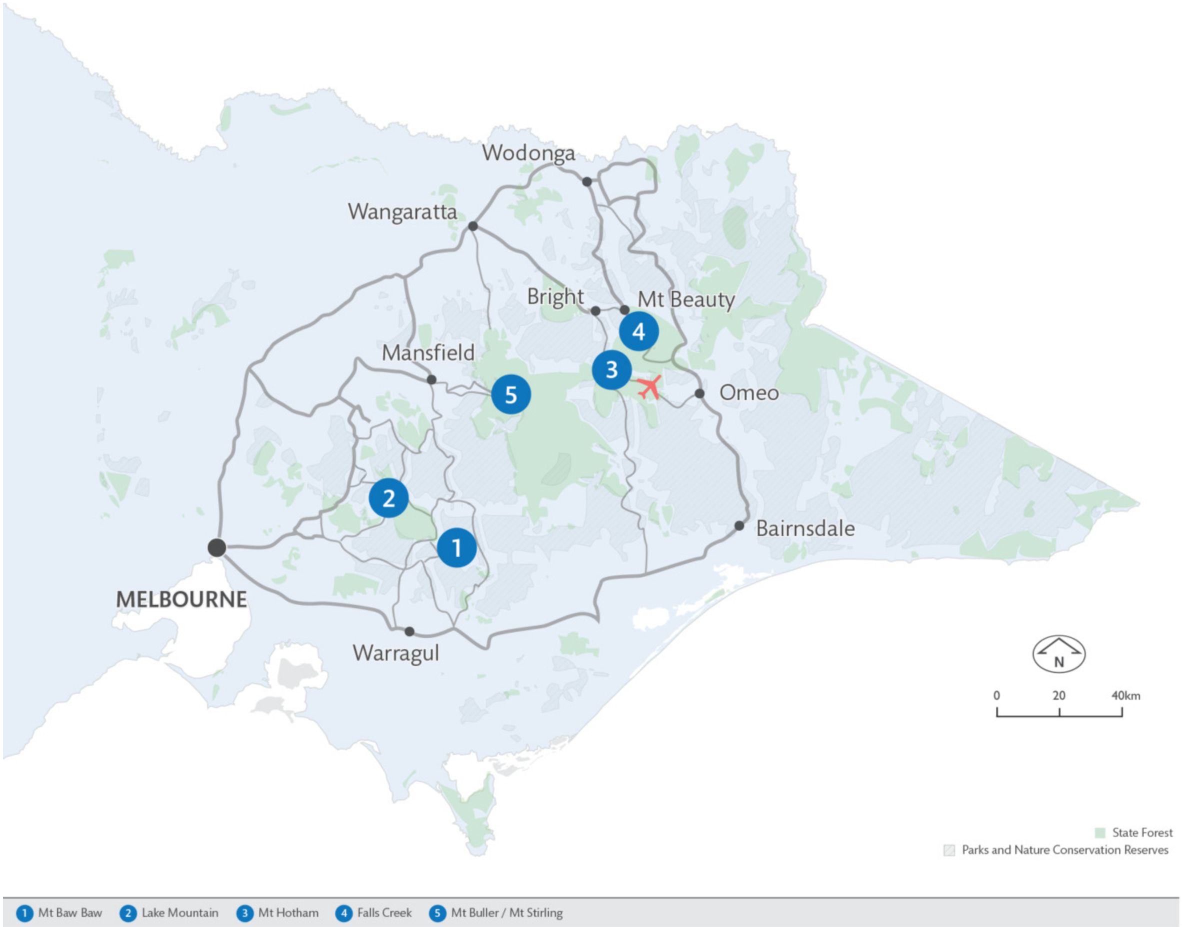
[2] *Alpine Resorts Strategic Plan 2012*, Victorian Government, December 2012

The ongoing involvement of key industry stakeholders will ensure that marketing of the alpine resorts is integrated and the industry has ownership. The recently established Alpine Resorts Industry Advisory Group (ARIAG)[4] will assist here.

2.2. Victoria's Alpine Resorts

Victoria's six alpine resorts are significant recreational and tourism attractions for Victoria, located in the nationally significant Australian Alps landscape, between two and five hours drive from Melbourne (see Figure 2.1).

Figure 2.1: Victoria's Alpine Resorts



<u>The individual strengths of the alpine resorts:</u>

Each resort has its own unique proposition and attracts different types of visitors. Within co-operative marketing programs it is imperative that the strengths of each resort are well identified, aligned to target markets, and clearly communicated.

The competitive strengths identified by each alpine resorts are:

- **Mount Baw Baw:** entry-level skiing and snowboarding facilities and a relatively low-cost snow experience; family-friendly; a growing nature-based/outdoor

[4] ARIAG was formed to provide an ongoing mechanism for discussion of industry driven issues, including marketing, and the following groups have senior representation: on-mountain businesses, lift companies, alpine industry associations, local government and Tourism North East (TNE).

education role; proximity to Gippsland and the growing outer eastern suburbs of Melbourne; access to Baw Baw Plateau

- **Lake Mountain:** close to Melbourne; offers snow and green season nature based adventure activities, including excellent cross country ski trails, toboggan slopes and areas for snow playing families with tubing, laser skirmish and tree based activities on offer in both seasons, with mountain biking and walking trails popular during the green season; a low cost entry level snow experience with very easy vehicle access to and from Marysville, which offers an array of complimentary visitor experiences.

- **Mount Hotham:** steep alpine slopes; advanced remote terrain and reliable snow cover with relatively good resilience to climate variability; air access to Sydney; Unique location (on top of the ridge) providing 360 degree views; door-to-door and dual village access; Dinner Plain village; the Falls to Hotham Alpine Crossing icon walk; '4 wheel drive' touring and High Country Road to Great Alpine Road; gold history.

- **Falls Creek:** intimate village atmosphere with ski-in/ski-out accommodation, a broad range of snow sport options supported by even distribution of terrain. National home of cross-country skiing, Unlimited snow-making capacity. Rocky Valley Lake also provides water-based green season activities, the Falls to Hotham Alpine Crossing icon walk, proposed world class altitude training and health facilities to augment unique natural training environment.

- **Mount Buller & Mount Stirling:** has strengths in both winter and green season;, beginner to advanced terrain; good access and proximity to Melbourne; respected mountain biking positioning; good village amenities (almost a town); 'raw' natural appeal of Mount Stirling.

2.3. General Tourism Trends

The number of Australians travelling overseas has grown steadily over recent years[5]. This has come at a cost to the domestic tourism sector, where growth has flattened over the past decade[6].

The major drivers affecting travel behaviour are:

- **The high Australian dollar** continues to reduce the competitiveness of Australia as a destination, and makes outbound travel more attractive to the domestic market

- **Increased outbound travel** fuelled by growth in the number of low-cost carriers, increases in airline seat capacity and holiday deals which have made travelling overseas easier and more affordable

- **Domestic tourism's share of household consumption has declined** with a shift towards other categories (entertainment systems, renovations and so on)

- **Visitors seeking unique experiences:** as international travel becomes more accessible, travellers are becoming more discerning and seeking unique and authentic experiences

- **Growth in Asian markets** such as China and India: there has been more than an eightfold increase in visitors from China to Victoria from the year ending June 2000 to

[5] Overseas Arrivals and Departures Data, Australian Bureau of Statistics, June 2013
[6] National Visitor Survey, Tourism Research Australia, year ending June 2013

June 2013[7]. In the year ending June 2013, Victoria attracted 307,100 Chinese visitors

- **Low regional dispersal of the growing Asian markets:** forecasts show regional dispersal of international overnight visitors is set to decline further with the growth markets of China, India and Indonesia to Victoria, that have lower rates of regional dispersal than some of the more traditional Western markets

- **Rise of the internet:** for the year ending June 2013, 71 per cent of international overnight visitors used the internet as an information source either prior to and/or during their trip and 52 per cent booked at least one component of the trip online[8]

- **Technology** is also playing a critical role in the changing travel patterns of Australians; in 2012, Australia had over 19.5 million internet users, representing 89 per cent of the population[9]. Technology is shifting the way people plan and book their travel: nearly 40 per cent of all consumers in Australia purchased travel online in 2012[10]. Australians' technology requirements are also increasing, as they require access to travel information pre, during and post their travel purchase decisions

- **Competitive market snow trends:**
  Australia – Over the last 10 years the number of ski visits to the Australia alpine resorts has been relatively stable
  New Zealand – Since 2004 more than a million people per annum have visited the New Zealand snowfields
  Japan – The popularity of skiing in Japan peaked in the 1990s, since then the number of skiers declined.. Japan is now targeting the international market, in particular, Australia.

2.4. Research – Fast Facts

This plan has been developed on research relevant to the alpine resorts and general tourism trends. A detailed analysis of the research is available in Appendix 1. A snapshot of this data is outlined below:

- The Victorian alpine resorts attract more than one million visitors per year.

Winter

- In 2012 there were 771,000 visitors and visitation has increased by 1.4 per cent per annum since 1998
- Overall, Victoria is the most important day trip market for the alpine resorts (73 per cent of total visitation)
- For overnight visitation, NSW is the key market (50 per cent)
- International visitation represents 3 per cent of the overall market with a majority of visitors coming from eastern hemisphere markets (73 per cent).

Summer

- In 2012-13, there were 345,000 visitors and visitation has increased by 1.2 per cent per annum since 2007/08
- Overall, Victoria is the most important market (76 per cent)
- International visitation represents two per cent of the overall market with the majority of visitors coming from western hemisphere markets (54 per cent).

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7 International Visitor Survey, Tourism Research Australia, year ending June 2013
8 Tourism Research Australia, International Visitor Survey, year ending June 2013
9 http://www.newmediatrendwatch.com/markets-by-country/11-long-haul/40-australia
10 http://www.newmediatrendwatch.com/news/1195-travel-leads-b2c-ecommerce-sales-in-australia

Consumer perceptions

- In 2012, 89 per cent of visitors to the Victorian alpine resorts rated their experience as excellent or good.

2.5. Key Insights

Based on the available research the following key insights have informed the development of this plan:

- Short break stays are on the increase in domestic markets
- Visitors from Southeast Asian markets have the highest propensity to visit the alpine resorts as an add-on to their winter in Melbourne holiday
- NSW continues to be an important market for overnight visitation
- Aviation access provides shorter travel times for key markets
- Skiing in Australia is perceived as a high cost, low value proposition
- The use of technology to research and book travel continues to increase
- Unique and authentic experiences will drive visitation
- Snow security will continue to be a key challenge for the alpine resorts.

3. CONTEXT

3.1. Overview

The Victorian Government has undertaken co-operative marketing activities for the alpine resorts for over twenty years. From 1999 to 2013, these activities were co-ordinated by the Board for Alpine Resorts Tourism (BART).

BART was established in 1999 to fulfil legislative requirements set out in the Act. Tourism Victoria, the ARMBs and the ARCC were all represented on BART. Over the course of 15 years, BART's activity evolved from its original format; interstate brand marketing campaign, targeting NSW, SA and QLD, to a more diversified role. With each version of its strategic plan, BART attempted to diversify and grow its program and, as such, resulted in a much broader winter and green season program. A review of BART's activities was undertaken during development of this draft ARSMP (Appendix 2).

As directed by the Minister for Environment and Climate Change, BART was disbanded on 31 October 2013. This followed a recommendation in the 2012 Plan to develop an integrated model for marketing the alpine resorts to better utilise the resources alpine industry stakeholders are committing to marketing efforts. This new model includes:

- Development of a state-wide marketing strategy based on broader industry consultation and input;
- Creation of a simpler, more streamlined process;
- A longer-term strategic approach to marketing the sector;
- Alignment of marketing activities at all levels (international, national, state, regional and resort-level) with the state-wide plan, but allowing for flexibility to respond to industry needs and market forces; and
- Two-way transparency and accountability.

The 2012 Plan also highlighted the importance of winter as the 'economic engine' for the alpine resorts. The majority of current marketing activities are focused on the winter season. In 2011, the Victorian alpine industry spent an estimated $7 million on domestic and international marketing activities, taking into account both the public and private sector budgets. This included ARMB and BART annual statements suggesting that they spent a total of approximately $4.5 million.

3.2. Marketing at a national, state, regional and resort-level

Since the inception of BART, organisations co-operate to varying degrees at a national, state, regional and individual resort level:

<u>National level:</u>

In 2011, the Australian Ski Areas Association (ASAA) secured funding from both BART and the Tourism Snowy Mountains (TSM) to fund a national snow marketing campaign titled Snow Australia. This national campaign was originally earmarked to combat the growing competition from the New Zealand ski resorts. It now addresses the slowing new skier market, by encouraging new skiers who have 'never, ever' been, or considered going to the snow before. Tourism Australia contributed an in-kind media buy in 2011 and 2012.

<u>State level:</u>

As outlined above, from 1999 BART operated at a state-wide level, promoting Victoria's alpine resorts in the international, interstate, and intrastate markets. BART was disbanded on 31 October 2013.

Regional level:

Between 2009 and 2010, TV established three Regional Tourism Boards (RTBs) who are chartered to service the needs of the regional tourism industry for all of Victoria's regional areas, including Victoria's High Country, Yarra Valley and Gippsland. The six alpine resorts and other alpine destinations sit across three different RTBs, including:

- Tourism North East (TNE): Falls Creek, Mount Hotham, Mount Buller & Mount Stirling
- Destination Gippsland (DGI): Mount Baw Baw
- Yarra Ranges Tourism (YRT): Lake Mountain

Each RTB has an individual strategy that is aligned with the state-wide strategy for growth in visitation and expenditure in regional Victoria. While each region focuses on different activities, their broader strategic drivers relate to industry and product development, marketing and investment attraction.

Resort level:

Each ARMB works differently in the way they market their respective resort and run co-operative marketing activities. Some have a co-operative partnership with their lift company and on-mountain businesses for marketing and branding of the resort, while others maintain separate resort branding and marketing efforts. ARMBs typically undertake marketing for both the winter and green seasons. This is in contrast to lift companies and most on-mountain businesses that have a stronger focus on winter marketing activities.

3.3. Initial Consultation to Inform the Draft ARSMP

Challenges

Initial consultation highlighted a range of challenges, including:

- A significant degree of industry fragmentation and duplication of activities;
- Lack of research to inform and co-ordinate marketing activities;
- Visitation leakage to overseas – a perception that New Zealand is cheaper;
- Negative value proposition and undifferentiated products;
- Insufficient infrastructure to cater for the changing market, in particular broader product to target a snow holiday/snow play visitors;
- Insufficient co-operation, limited trust and collaboration between key organisations and stakeholders, particularly at a regional and resort-level (ARMBs, lift companies, chambers of commerce and RTBs); and
- Lack of longer-term funding commitment from all stakeholders for Snow Australia.

3.4. Recommendations

Issues generally create opportunities for improvement. The following recommendations were identified from the initial consultation sessions:

- Review our national brand and test its market effectiveness;
- Each alpine resort to clearly differentiate and position their winter and green season experiences;
- The industry speaks with a clear and consistent voice;
- Match products and infrastructure to market demands;
- Alpine resorts to work collaboratively with regional communities through the RTBs, in particular TNE;
- Build effective industry structures at all levels;
- Improve stakeholder engagement and communications on marketing activities at all levels;
- Use research to inform and measure the effectiveness of activities;
- Harness technology to communicate to and understand our markets;

- Understand the different product and marketing needs of the winter and green season;
- Leverage partnerships to maximise opportunities; and
- Capitalise on the growing short break stay market, including opportunities associated with our aviation access.

3.5. Way Forward

To ensure that the Victorian alpine resorts stay attractive and competitive destinations, the alpine marketing activities require long-term commitments to ensure they are effective and have time to make a difference.

As described earlier in Chapter 2, the alpine industry has an opportunity to harness the broader changes occurring in tourism trends and travel behaviour. Existing and previously successful products and marketing activities require a refresh in order to be aligned according to current consumer preferences. The key component of this is for the industry to market snow holiday experiences rather than skiing holiday packages. Research and market intelligence are essential to understanding the new markets and their respective preferences.

The key to a successful, sustainable and most importantly financially viable future for the alpine resorts is to maintain an integrated approach towards marketing. All key industry stakeholders need to be involved in the implementation of this marketing plan to ensure its success.

A more strategic, co-ordinated approach will better utilise the resources that the various stakeholders are committing to marketing efforts. New arrangements will provide more effective and co-operative marketing solutions for Victoria to grow visitation, yield and expenditure across alpine resorts, regions, the state and national program areas.

3.6. Target Markets

Recent research has helped TV identify Victoria's broad target market nationally, termed 'Lifestyle Leaders'. Lifestyle Leaders represent around 4.1 million people, cross all socio economic groups and make up 29 per cent of Australia's population.[11]

Lifestyle Leaders are based on a mindset and they cut across all regions, ages and lifecycle groups. The key dimension that differentiates the market is life stage. Where people are at in their lives, their roles and responsibilities and their goals and ambitions, are key drivers in how they view travel and breaks and the various options on offer.

Younger singles and couples are more likely to be motivated by events. For these people events will bring relevance to a destination perhaps not otherwise considered, and help build positive perceptions as they move through their lives and into core target groups for intrastate travel.

Lifestyle Leaders can also be targeted through their motivational drivers, specific passions and interests. The Lifestyle Leader population can be segmented into four broad categories, Creative Opinion Leaders, Food and Wine Lifestylers, Enriched Wellbeing, and Inspired by Nature, in line with what most interests them.

Lifestyle Leaders:

- Are progressive, curious, socially and technologically active through a broad range of platforms, adhere to and seek status, and follow and propagate trends.
- Have more discretionary spending that allows them to travel more frequently (taking an average of 4.1 trips annually, greater than the Australian average of 3.9 trips), with a 21 per cent greater spend on travel per year (approximately $4,058).

[11] Holiday Tracking Survey, Roy Morgan Research, December 2011. Base: Australians aged 18 and above

- Are more likely than the average Australian to prefer holidaying in Victoria.
- Are forward thinking, interested in discovering new experiences through travel, and are more likely to share those experiences with and seek to influence their family and friends[12].

Target markets specific to the alpine industry, and referenced within this plan include:

- Existing skiers and snowboarders
- Lapsed skiers and snowboarders
- Snow play visitors
- Green season visitors

[12] Victoria's *Regional Tourism Strategy* 2013 – 2016, Tourism Victoria, November 2013

4. NEW STRATEGIC DIRECTION

This plan provides a five-year strategic framework for marketing Victoria's alpine resorts. The following section outlines the vision, goals and marketing strategies of Victoria's alpine resorts. A number of strategies and actions are recommended to achieve each of the four goals and enable the resorts to realise their vision.

The plan is informed by global, regional and local travel trends and visitor preferences as well as the needs of local industry and communities in the surrounding the alpine resorts region. It provides a clear pathway for the continued growth and sustainability of the visitor economy within the region.in the regions.

4.1. Vision

The vision of the plan is:

> *'The Victorian alpine resorts will be a top of mind, year round, destination experience'*

4.2. Overarching Principles

Six overarching 'principles' underpin the development and delivery of this plan and have been applied to all goals, strategies and actions. These principles will be the foundation for the ongoing growth of the alpine resorts. These are:

1) *Put the visitor first*
2) *Be outcome driven*
3) *Be focused*
4) *Make informed decisions*
5) *Play to strengths*
6) *Work together*

4.3. Goals

Four goals have been identified as critical to the delivery of this plan:

1. Protect our winter market
2. Grow the winter market
3. Develop and promote the green season
4. Create a seamless visitor experience through collaboration

4.4. Delivering the Plan

To deliver this plan many partnerships need to exist, and collaboration is needed at a national, state, regional and resort level.

Level	**Stakeholders**
National partners	Destination NSW & Tourism Snowy Mountains Australian Ski Areas Association Tourism Australia*
State partners	Tourism Victoria Alpine Resorts Co-ordinating Council
Regional partners	Regional Tourism Boards • Tourism North East • Destination Gippsland • Yarra Ranges Tourism
Resort partners	Alpine Resort Management Boards Lift companies Chambers of commerce

**Leverage opportunities where possible*

<u>Roles and responsibilities</u>

Clarification around the roles of all stakeholders is critical to marketing the alpine resorts effectively and contributing to long-term growth. This plan redefines and clarifies the roles and responsibilities for Victoria at a state, regional and resort level, as outlined below:

State

- To partner with our national partners, Destination NSW (DNSW), TSM and ASAA, to develop a national brand that raises the profile of a winter holiday and creates a platform to deliver leads to individual resorts
- To provide a holistic approach to grow the winter and green seasons, including assisting with marketing, product and industry development.

Regional

RTBs have been, or are being established across the state, and are responsible for holistic tourism development and advocacy for the region, including:

- Consolidating the strategic direction of the region
- Regional marketing
- Industry development
- Product development
- Skills training, mentoring and networking

Resort

- To deliver a consolidated approach to product development and marketing of the destination
- To leverage the regional, state and national strategies, programs and brands
- To sell and deliver a quality visitor experience.

4.5. Goal 1: Protect our Winter Market

There is a need to cultivate customer loyalty from our markets; including skiers/ snowboarders and snow play visitors. A great snow experience will turn these visitors into a tribe of loyal followers who talk about and share their experiences. The strategies for this goal are to:

1. Understand and meet the needs of existing winter visitors
2. Develop new skiers by transitioning snow play visitors to skiing/snowboarding
3. Market to lapsed skiers; make them reconsider a snow holiday

1. <u>Understand and meet the needs of the existing market</u>

Developing and delivering quality visitor experiences and marketing them to the existing market will ensure that Victoria's alpine resorts remain the snow destination of choice. It is critical that the needs and wants of existing visitors are understood and that their experiences match their expectations.

2. <u>Develop new skiers by transitioning snow play visitors to skiing/snowboarding</u>

The snow play market is defined as visitors who travel to the snow but do not actively participate in skiing and snowboarding. This strategy aims to build a lifetime of repeat visitation by transitioning existing snow play visitors into skiers and snowboarders.

3. <u>Market to lapsed skiers; make them reconsider a snow holiday</u>

There is a significant market of lapsed skiers who have not skied in the last two years, and have the potential to be re-engaged. This strategy is about understanding the barriers and drivers to participation and using these findings to reposition the snow holiday as a top-of-mind experience for lapsed skiers.

GOAL 1: PROTECT OUR WINTER MARKET				
Strategy 1 – Understand and meet the needs of the existing market				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	1	Ensure market research findings inform the national campaign.	TV, ARCC	Short-term (1 – 2 years)
	2	Undertake market research to better understand: - The size of the different segments within the existing market; and - What product offerings meet the needs of the existing markets, for both skiing/snowboarding and snow play markets.	TV, ARCC	Short-term (1 – 2 years)
	3	State-led marketing programs will include the alpine resorts as a key part of Victoria's product offering.	TV	Ongoing
Regional:	4	Utilise market research findings to develop marketing, product development and industry development activities for the alpine resorts. Assist each resort in developing these products and experiences.	RTBs	Medium-term (3 - 5 years)
	5	Lead and develop tactical cooperative marketing programs, as required, in both brand and tactical capacity.	RTBs	Ongoing
	6	Work with TV, ARCC and the resorts to take advantage of 'good news' opportunities	RTBs	Ongoing
Resort:	7	Work with the RTB to develop products and experiences that deliver on the needs of the existing markets and are informed by research.	ARMBs, lift companies, chambers of commerce	Medium-term (3 - 5 years)
	8	Provide market intelligence to the RTB on the uptake of products and the preferences of the existing market.	ARMBs	Ongoing
	9	Undertake customer satisfaction surveys, using a consistent and robust methodology to ensure on-mountain customer service is of a high standard for all visitors. Report back on findings.	ARMBs, lift companies, chambers of commerce	Ongoing
	10	Use new technologies such as radio frequency identification data to develop products that are well suited to the existing market's needs.	lift companies	Medium-term (3 - 5 years)
	11	Consolidate marketing efforts at each resort – one resort, one brand.	ARMBs, lift companies, chambers of commerce	Short-term (1 – 2 years)
	12	Utilise one strong, differentiated brand to communicate the offering of the resort – matched to the existing market needs.	ARMBs, lift companies, chambers of	Short-term (1 – 2 years)

			commerce	
	13	Develop snow play products and infrastructure to increase yield and drive repeat visitation.	ARMBs	Short-term (1 – 2 years)
	14	Capitalise on aviation access for short break stays.	ARMBs, lift companies, chambers of commerce	Ongoing
	15	Work cooperatively with the travel trade on packages and tactical marketing campaigns.	ARMBs, lift companies	Ongoing

Strategy 2 - Develop new skiers; transfer snow play visitors to skiing/snowboarding.				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	16	Support a national campaign that promotes and makes it easy to experience skiing and snowboarding.	TV, ARCC	Ongoing
Regional:	17	Work with each alpine resort to develop lead-in products that transition the existing snow play market and children of existing skiers, to become a dedicated tribe of skiers and snowboarders.	RTBs	Medium-term (3 - 5 years)
Resort:	18	Make it easy to transition to skiing and snowboarding and ensure products and packages are matched to this market's requirements.	Lift companies	Medium-term (3 - 5 years)

Strategy 3 - Market to lapsed skiers; make them reconsider a snow holiday.				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	19	Undertake extensive research to better understand lapsed skiers, the barriers to their continued participation and motivational factors for them to participate.	TV, ARCC, ASAA	Short-term (1 – 2 years)
	20	National campaign to raise awareness of a snow holiday to reengage and inspire lapsed skiers.	TV, DNSW, ASAA	Medium-term (3 - 5 years)
Regional:	21	Work with each alpine resort to disseminate and interpret research findings into their activities.	RTBs	Medium-term (3 - 5 years)
Resort:	22	Work with the RTB to utilise the research to inform marketing activities and develop products and experiences that deliver on the lapsed skier's needs.	ARMBs, lift companies, chambers of commerce	Medium-term (3 - 5 years)

4.6. Goal 2: Grow the Winter Market

We need to increase visitor acquisition by building awareness of and preference for a snow holiday experience to a broader market. 'Lifestyle Leaders' have been identified as a market having a high propensity to convert to a snow holiday and will be targeted. The strategies for this goal are to:

1. Raise awareness of and preference for the Australian snow holiday experience
2. Clear and differentiated brand positioning
3. Target international growth markets

1. <u>Raise awareness of and preference for the Australian snow holiday experience</u>

We will work collaboratively to increase awareness and visitor preference for a snow holiday experience. In order to make a snow holiday experience top of mind, the industry must work together at a national level. Research will drive our activities and experiences.

2. <u>Clear and diferentiated brand positioning</u>

We will grow the winter market by creating an inspiring national snow brand. We will build depth in this national brand through the development of clear and differentiated positioning of each alpine resort.

3. <u>Target the International Growth Market</u>

We will target international visitors by promoting the alpine resorts as an add-on to a visit to Melbourne. We will promote the alpine resorts' proximity to Melbourne and easy aviation access to the resorts. This will capitalise on the existing strength of Melbourne in key international markets.

GOAL 2: GROW THE WINTER MARKET				
Strategy 1 – Raise awareness and preference of the snow holiday experience within Australia.				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	24	Support the delivery of a co-operative national snow brand campaign in partnership with NSW.	TV, ARCC	Ongoing
	25	Undertake research to understand brand awareness and snow holiday preference, including benchmarking and measuring over five years.	TV, ARCC	Short term (1 – 2 years)
	26	Review national campaign results and return on investment to inform the next years' campaign; disseminate results to the alpine industry and key partners annually.	TV, ARCC	Ongoing
	27	Develop a consistent suite of campaign measurement tools that will be used to refine and inform the following years' campaign.	TV	Short term (1 – 2 years)
Regional:	28	Provide support via tactical marketing activities for the national campaign.	RTBs	Ongoing
Resort:	29	Undertake tactical marketing activities to leverage and capitalise on the national campaign.	ARMBs, lift companies, chambers of commerce	Ongoing
	30	Make the on-mountain experience easy for first timers.	ARMBs, lift companies, chambers of commerce	Ongoing
	31	Tailor products and packages appropriate for 'Lifestyle Leaders', including extending experiences beyond snow play, skiing and snowboarding (including food and wine, retail, health and wellness, dining in the snow/igloo experiences)	ARMBs, lift companies, chambers of commerce	Medium term (3 – 5 years)
	32	Use suite of campaign measuring tools and report back annually.	ARMBs, lift companies, chambers of commerce	Ongoing

Strategy 2 – Clear and differentiated brand positioning				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	33	Create an inspiring national brand that positions the snow holiday experience.	TV	Short term (1 – 2 years)
	34	In partnership with the RTBs, take a leadership role in assisting each alpine resort to refine their brand positioning and product offerings.	TV	Short term (1 – 2 years)
Resort:	35	Refine the brand positioning of each alpine resort, to demonstrate competitive strengths and deliver new	ARMBs, lift companies, chambers	Short term (1 – 2 years)

		product opportunities, building depth to the national brand.	of commerce	

Strategy 3 – Target international growth markets				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	36	Work with the Tourism Australia to position snow as one of Australia's key experiences under the 'National Landscapes' and 'There's nothing like Australia' campaigns.	TV	Short term (1 – 2 years)
	37	Position the snow holiday experience to the alpine resorts as a viable add-on to Melbourne in key international markets.	TV	Ongoing
	38	Develop and implement annual international marketing programs, including tools to measure return on investment.	TV	Ongoing
	39	Assist the alpine resorts in developing product offerings and packages that are tailored to key international markets and visitor travel behaviours/patterns.	TV	Short term (1 – 2 years)
	40	Leverage aviation access to alpine resorts for key inbound markets.	TV	Medium term (3 – 5 years)
Resort:	41	Develop and deliver commissionable product offerings that better match the market's needs.	ARMBs, lift companies	(Ongoing)
	42	Continue to build and foster relationships with travel trade partners	ARMBs, lift companies	(Ongoing)
	43	Establish effective and robust reporting mechanisms that demonstrate return on investment.	ARMBs, lift companies	Short term (1 – 2 years)

4.7. Goal 3: Develop and Promote the Green Season

It is imperative to continue to increase visitation to Victoria's Alpine Resorts during the green season, as it is worth $94 million to GSP and provides 1,000 jobs[13]. To do this, we will develop products based on the resorts' core strengths, while providing an opportunity for the resorts to diversify their visitor base and work closely with the broader region. The strategies for this goal are to:

1. Develop products for green season experiences
2. Undertake specific green season promotions

1. Green season product development

Getting product on the ground is critical for green season growth, as it is still in its infancy. Whilst the resorts have taken giant steps in building their product base in recent years, there are opportunities lie in focusing to focus on their strengths, and expanding the current experiences available. Each resort can also develop products that leverage the key strengths of the region during the green season.

2. Green season promotions

Promoting the alpine resorts as a key part of the regional offering will ensure that they are making the most of the high volume of regional visitors during green season months. The connection of individual resort activities to regional strengths and target markets is critical to driving long-term sustainable growth.

[13] The Economic Significance of the Victorian Alpine Resorts Summer Season 2011, report prepared for the ARCC, National Institute of Economic and Industry Research (NIEIR), June 2013

GOAL 3: DEVELOP AND PROMOTE THE GREEN SEASON				
Strategy 1 - Product led development for green season experiences				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	44	Work with Tourism Australia to ensure hero experiences are included within the National Landscapes Program.	TV	Ongoing
Regional:	45	Lead and facilitate the development of green season experiences, including commercial products associated with the Falls to Hotham Alpine Crossing and the International Mountain Biking Association Epic ride at Mt Buller.	RTBs	Short term (1 – 2 years)
	46	Work collaboratively with the alpine resorts to develop products and experiences that deliver on the individual resort strengths and regional positioning, including the '7 Peaks campaign'.	RTBs	Ongoing
Resort:	47	Each alpine resort to identify the core green season strength that will differentiate it and has the greatest capacity to grow visitation.	ARMBs	Short term (1 – 2 years)
	48	Work with the RTB to better understand the green season market and identify products and experiences that meet the market needs.	ARMBs	Short term (1 – 2 years)
	49	Engage and assist on-mountain businesses to operate and develop products for the green season, including participation in RTB and product development initiatives.	ARMBs	Ongoing

Strategy 2 - Undertake specific green season promotions				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	50	Leverage state-led marketing programs.	TV	Ongoing
Regional:	51	Lead and facilitate co-ordinated promotions across the alpine region, connecting the resorts and region as a seamless proposition in autumn, summer and spring, including the '7 Peaks' campaign.	RTBs	Ongoing
	52	Develop a consolidated campaign measurement system.	RTBs	Short term (1 – 2 years)
Resort:	53	Undertake a resort-specific green season campaign that is matched to market trends and the needs of the broader region.	ARMBs	Ongoing

4.8. Goal 4: Create a Seamless Visitor Experience Through Collaboration

Victoria's alpine industry has a complex structure. We need to improve the communication between stakeholders in order to deliver a seamless visitor journey online and offline. With the increase in online bookings, streamlining the online environment across the alpine resorts will increase winter holiday bookings. The strategies for this goal are:

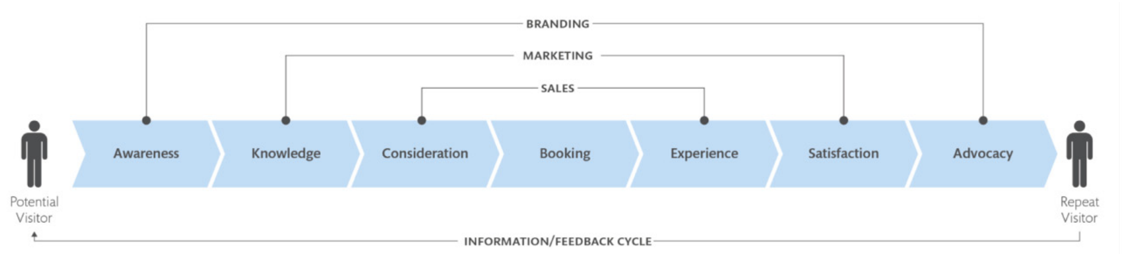
1. To streamline the visitor journey online and offline
2. That partnerships and strategic alliances across all levels will lead to long-term growth

1. Streamline the visitor journey

We need to improve the visitor's ability to research and book a snow holiday to the alpine resorts by providing an easy, streamlined journey or path to purchase. Reaching visitors at the moment that most influences their purchasing decision is paramount to success. These moments of influence occur at each point along the purchasing pathway. However the easier it is for the visitor to access information at the moment of consideration and booking, the great the chance of achieving a sale. This provides an opportunity for the alpine resorts to improve and streamline the visitor's access to information and also making it easy for the visitor to book a snow holiday. Evaluation and a feedback mechanisms on the effectiveness of activities is also critical.

The following figure demonstrates the visitor's pathway to purchasing a snow holiday.

Figure 4.1: Pathway to Purchase



2. Partnerships and Strategic Alliances will lead to long-term growth

This strategy seeks to improve communication, trust and co-operation between the stakeholder groups to build a cohesive alpine industry and deliver more effective marketing programs. Working effectively together will minimise duplication of marketing efforts and improve the return on investment.

GOAL 4: CREATE A SEAMLESS VISITOR EXPERIENCE THROUGH COLLABORATION				
Strategy 1 – Streamline the visitor journey online and offline				
Level	**Action**	**Action**	**Lead**	**Timeframe**
State:	54	Ensure the national campaign includes a digital platform that drives increased traffic to all resort channels.	TV, ARCC	Ongoing
	55	Ensure the visitor journey and booking of products and packages provided in the national campaign are fast, easy and measurable.	TV, ARCC	Ongoing
	56	Work with the alpine resorts, RTBs and other partners to provide insights into how a visitor researches and books a holiday.	TV	Short term (1 – 2 years)
Regional:	57	Facilitate capacity building for resorts on using different online and offline channels.	RTBs	Short term (1 – 2 years)
	58	Work with each resort to ensure high participation by on-mountain businesses in the regional digital platform, and increased online bookings.	RTBs	Ongoing
Resort:	59	Deliver sales and marketing programs that drive conversion.	ARMBs, lift companies, chambers of commerce	Ongoing
	60	Refine all communication channels to ensure delivery of one brand, one voice including: - One website - Social media voice - Effective and co-operative measurement	ARMBs, lift companies, chambers of commerce	Short term (1 – 2 years)
Strategy 2 – Partnerships and strategic alliances across all levels will lead to long-term growth				
Level	**Action**	**Action**	**Lead**	**Timeframe**
National:	61	Host a national industry conference to increase engagement and information sharing by the industry.	ASAA	Ongoing
	62	Employ a marketing specialist to oversee activities across all levels.	TV, ARCC	Ongoing
	63	Provide opportunities for the broader alpine industry to leverage the national brand campaign.	To be confirmed	Ongoing

State:	64	Assist the RTB with industry engagement; communications and alignment; and lead marketing efforts to deliver growth.	TV, ARCC	Ongoing
	65	Host an annual forum on the implementation of the ARSMP, at which partners at a national, state, regional and resort-level report back on their activities.	TV, ARCC	Ongoing
	65	Review current industry research programs.	TV, ARCC	Short term (1 – 2 years)
Regional:	66	Employ and manage the individual in the role of the 'industry liaison' who will: - Increase industry engagement in tourism programs - Improve industry alignment with state priorities - Ensure resorts are delivering on actions within the ARSMP.	RTBs	Ongoing
Resort:	67	Resorts to engage with, support and utilise the 'industry liaison', with the primary roles in order to: - Protect our winter market - Grow the winter market.	ARMBs, lift companies, chambers of commerce	Ongoing
	68	Increase on-mountain business participation in product and industry development and marketing initiatives.	ARMBs, lift companies, chambers of commerce	Ongoing
	69	Implement industry market research programs at each resort.	ARMBs, lift companies, chambers of commerce	Short term (1 – 2 years)

5. IMPLEMENTATION, REPORTING AND FUNDING

The Minister for Environment and Climate Change, who is the responsible Minister for the ARMBs and ARCC, has, consistent with the 2012 Plan, agreed that the key implementation mechanisms for the ARSMP are:

- Funding levels for co-operative programs will be set for five years, with ARMB and industry funding to be managed by the ARCC,
- Funded programs will be implemented by delivery agencies against key performance indicators (KPIs),
- All agencies delivering against the overall strategy will report back yearly on implementation to feed into a review of the plan.

5.1. Implementation and Reporting

The alpine industry's participation in the delivery of this plan is critical, as is the reporting back of activities at a national, state, regional and resort-level to ensure an integrated approach to marketing the alpine resorts. The ARSMP provides the strategic framework for the overall promotion of the sector. It calls for greater accountability in reporting on delivery of marketing activities at all-levels.

The ARCC and TV will host an annual forum involving the ARMBs, key stakeholder groups through ARIAG and the RTBs.

The forum will provide an opportunity for the alpine industry to participate and provide input into the implementation of this plan, including a review of marketing activities undertaken by service delivery agencies14 at a national, state, regional and resort-level.

A key element of the reporting framework is that the ARMBs and RTBs will provide the ARCC and TV with an annual overview on the implementation of their individual marketing strategies. All service delivery agencies will also be required to report back on implementation of this plan. These actions will contribute to meeting the KPIs set in this report.

5.2. Funding

Funding levels for national and state-level marketing activities within this plan will be set for five years, with $3.75 million[15] being the base level of funding over the five years. Funding provided by the Victorian alpine industry will be managed by the ARCC. Funding levels will be set during finalisation of the plan with TV and the ARCC consulting with the ARMBs on their contributions, prior to submitting the final ARSMP to Victorian Government for approval.

Funding for marketing activities at a national, regional and resort level will be set separately to this plan.

[14] Service delivery agencies In previous years have included Snow Australia for the national co-operative winter program; TNE for the green season co-operative program; TV's international program; resort level marketing by ARMBs, lift companies and on-mountain businesses; and industry research programs by TV and/or ARCC.

[15] The Minister for Environment and Climate Change has determined that the contributions from the ARMBs in total will be no less than 1999 historical figures of $500,000 per annum provided by these organisations to BART. This amount will be indexed, in future years, at the Treasurer's 'Annual Rate'. In addition, TV has committed $250,000 per annum.

Funding	
Level	**Indicative Amount**
National	Set by national partners* **Previously Destination New South Wales/Tourism Snowy Mountains, BART and ASAA committed $250,000 per annum each.*
State	$750,000 (minimum)
Regional	RTB available funds are based on Regional Tourism Partnership Program funding from TV, local government and ARMB contributions. *Mt Hotham, Falls Creek and Mount Buller & Mount Stirling pay an annual membership fee of $35,000 to TNE. This is recognised as part of the minimum $500,000 coordinated marketing spend requirement from the Minister for Environment and Climate Change.*
Resort	Individual alpine resorts determine their marketing budgets, including co-operative budgets by ARMBs, lift companies and chambers of commerce.

6. KEY PERFORMANCE INDICATORS

GOAL	DESCRIPTION	KEY PERFORMANCE INDICATORS (KPIs)	MEASUREMENT TOOL
Protect our winter market	Maintain an exceptional visitor experience for current snow visitors to build loyalty and repeat visitation.	• An increase of 5 per cent in visitor satisfaction over five years Increase the mean ratings out of 5 for all resorts for the following satisfaction measures by 2018: • Increase the overall experience rating from 3.8 to 4.0 • Increase the overall value for price paid rating from 3.1 to 3.3. • Increase the customer service rating from 3.8 to 4.0. • Increase the overall skiing / snowboarding experience rating from 4.0 to 4.2. • Increase access to and within the resorts rating from 3.9 to 4.1. • Increase visitor facilities rating from 3.8 to 4.0. • Increase overall accommodation rating from 3.9 to 4.1. • Increase alternative activities and entertainment available in-resort from 3.6 to 3.8.	Alpine resorts annual winter visitor satisfaction survey
		Increase the average number of snow trips taken each year by regular visitors (those that visit every year).	Alpine resorts season pass holder surveys and annual winter visitor satisfaction survey
Grow the winter market	Grow the market share of snow holiday experiences in Victoria.	Increase the number of first-time snow visitors to the Alpine Resorts by 1 per cent per annum (5 per cent over 5 years).	Alpine resort annual winter visitor satisfaction survey
		Increase per cent of visitors who visit every winter by 7 per cent over five years.	Alpine resort annual winter visitor satisfaction survey

Develop and promote green season opportunities	Increase the number of visitors and visitor expenditure over the green season to diversify the alpine offering and increase resilience of the region.	Increase in the number of visitors during the green season by 3 per cent over five years. Increase visitor expenditure during the green season by 5 per cent over five years.	Economic Significance of the Alpine Resorts (Five-yearly survey both winter and green season).
		Three hero green season experiences are delivered, including joint products developed with commercial operators that are associated with these experiences.	ARMB report on products developed
Collaborate to create a seamless visitor experience	Achieve collaboration with industry stakeholders to deliver streamlined, cost-effective marketing campaigns.	Snow Australia is incorporated by December 2014. Destination NSW, TV, Tourism Snowy Mountains, all Victorian alpine resorts and ARCC agree funding commitment for five years.	Incorporation funding committed
		RTB involvement with on-mountain operators is significantly increased in regards to industry development, product development and marketing activities.	RTB report on activities

7. PROCESS FOR FINALISATION AND FEEDBACK FORM

7.1. Strategic Plan Development

This plan was prepared following extensive research and consultation, and a review of current and previous strategies. The consultation process involved a series of fourteen meetings with key alpine industry stakeholders, including ARMBs, ARIAG, lift companies, ASAA and RTBs.

The timelines for the development and finalisation of the plan are set out in table 9.1 below.

Table 7.1: Timelines for development of the Alpine Resorts Strategic Marketing Plan 2014 – 2018

Initial consultation meetings to inform development of draft ARSMP.	July and August 2013
Develop draft ARSMP – key recommendations, structure and commence writing	September and October 2013
Finalise draft ARSMP, including incorporation of initial feedback	November 2013
Alpine industry workshop on draft ARSMP	16 December 2013
Brief Minister/s on proposed key recommendations	31 December 2013
Feedback and consultation on draft ARSMP	16 December 2013 to 31 January 2014
• Brief Minister/s on proposed key recommendations	31 December 2013
• Final date for written submissions on draft Plan to be received	31 January 2014
Finalise plan	February 2014
Submit final plan to portfolio Ministers for endorsement	7 March 2014
Potential industry launch during the 2014 winter season opening weekend	7 to 9 June 2014

7.2. Audience

This plan will set the direction for marketing Victoria's alpine resorts for the next five years, so the involvement of the alpine industry in the development and subsequent implementation of the plan is vital. The ARCC and TV welcome your feedback.

7.3. Making a Submission

In providing feedback, it is important to be aware that the draft ARSMP incorporates a synthesis of extensive research and feedback already gained from the alpine industry and the directions set by the Victorian Government in the 2012 Plan.

You may use this form or submit a separate detailed submission (if you require more space than provided in our form).

- Only submissions sent directly to the ARCC will be treated as submissions
- There is no required format for submissions except that you must provide your name and contact details, including an email address if you have one
- All submissions will be treated as public documents
- Material that the ARCC or TV considers to be potentially defamatory or could impact on the privacy of individuals will not be made publicly available
- Submissions may be stored and used by the ARCC and TV
- Confidential submissions are discouraged. If there are exceptional circumstances that require confidentiality please contact the ARCC to discuss before making your submission.

Please return your comments by 5pm Friday 31 January 2014 to:

> Alpine Resorts Co-ordinating Council
> *Draft Alpine Resorts Strategic Marketing Plan 2014 - 2018*
> PO Box 500
> East Melbourne
> VIC 3002
> Fax: 03 9637 8024
> Email: enquiries@arcc.vic.gov.au

7.4. Feedback Form

The questions below are to guide and assist your feedback on the plan.

1. After reading the draft *Alpine Resorts Strategic Marketing Plan 2014 – 2018* (ARSMP) do you think the vision statement is appropriate, relevant and achievable?

2. Do you think the draft ARSMP has adequately captured the key challenges and opportunities?

3. The draft ARSMP outlines six guiding principles for marketing Victoria's alpine resorts. Do these adequately outline the way forward?

4. The draft ARSMP outlines four goals for marketing Victoria's alpine resorts. Do these goals adequately outline the way forward?

5. Could you provide comments on the strategies and actions contained in the draft ARSMP, including any gaps or missing actions?

Goal 1: Protect our winter market

Goal 2: Grow the winter market

Goal 3: Develop and promote green season opportunities

Goal 4: Create a seamless visitor experience through collaboration

6. The draft ARSMP identifies roles and responsibilities for marketing the alpine resorts at a national, state, regional and resort-level. Do you agree with these roles and responsibilities and/or would you make any changes, if so what changes?

7. The draft ARSMP outlines the funding, method of implementation, Key Performance Indicators (KPIs) and outcomes of the marketing plan. Do you have any feedback on this?

8. Tick the box indicating which part of the industry or community you represent:

- ☐ Alpine Resort Management Board
- ☐ Alpine resort business
- ☐ Lift company
- ☐ Ski club
- ☐ Industry body or association
- ☐ Land manager
- ☐ Tourism industry association
- ☐ Regional Tourism Board
- ☐ Policy maker
- ☐ Local community
- ☐ User group

- Environmental advocacy group
- Local government
- State government
- Australian Government
- Other

9. Your contact details

- Name
- Organisation
- Position
- Street address
- Postal address (if different from the above)
- Phone
- Fax
- Email

APPENDIX 1 - RESEARCH

Victoria's Tourism Trends

The general longer term flattening in domestic overnight travel has impacted regional areas that are more reliant on income from domestic overnight visitation. Figure A1.1 shows the trend in visitation to Melbourne and regional Victoria over the last five years for domestic overnight visitors, international overnight visitors and domestic day visitors. It highlights:

Domestic overnight visitation:

- Average annual growth in visitation to Melbourne was 1.1 per cent, but visitation to regional Victoria has been relatively flat with an average annual growth was -0.2%).

International overnight visitation

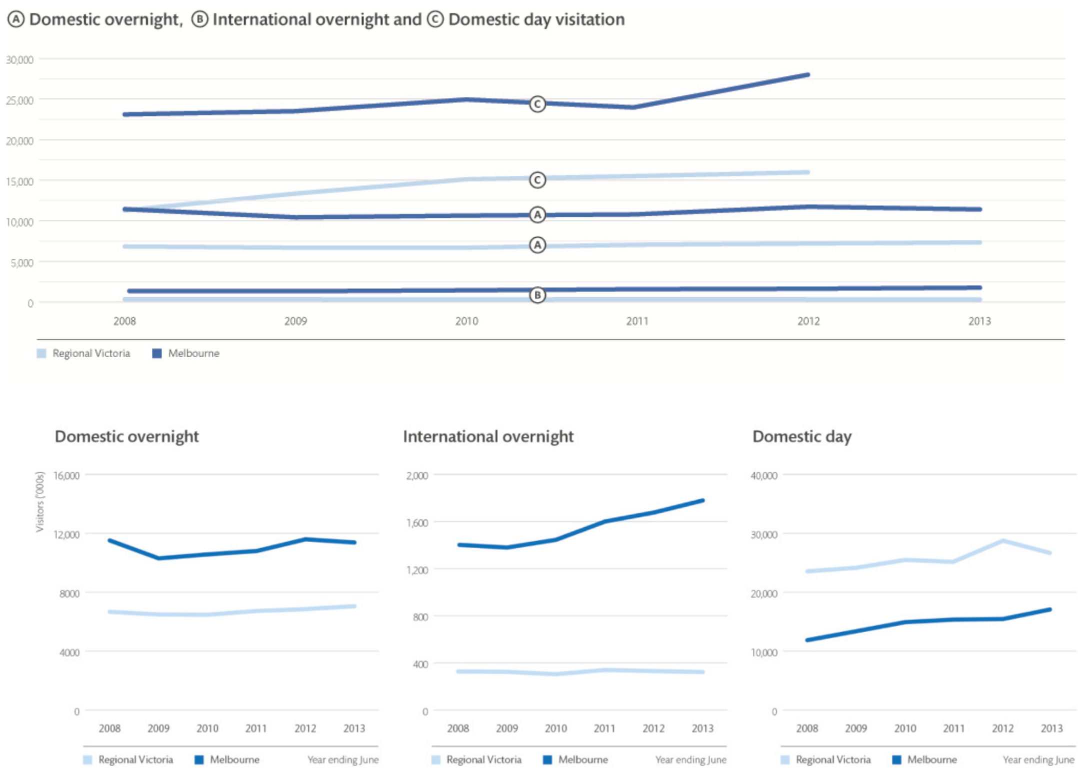
- No growth in international visitation in regional Victoria
- Strong growth in international visitation to Melbourne

Domestic day visitation

- Steady growth in day visitation to both Melbourne and regional Victoria.

High yielding international and domestic visitors are important to Victoria's tourism industry. International and interstate overnight visitors to Victoria account for approximately 40 per cent of visitors but generate over two-thirds of overnight visitor expenditure (new money into the state).[16]

Figure A1.1: Visitation in Regional Victoria and Melbourne over the last five years

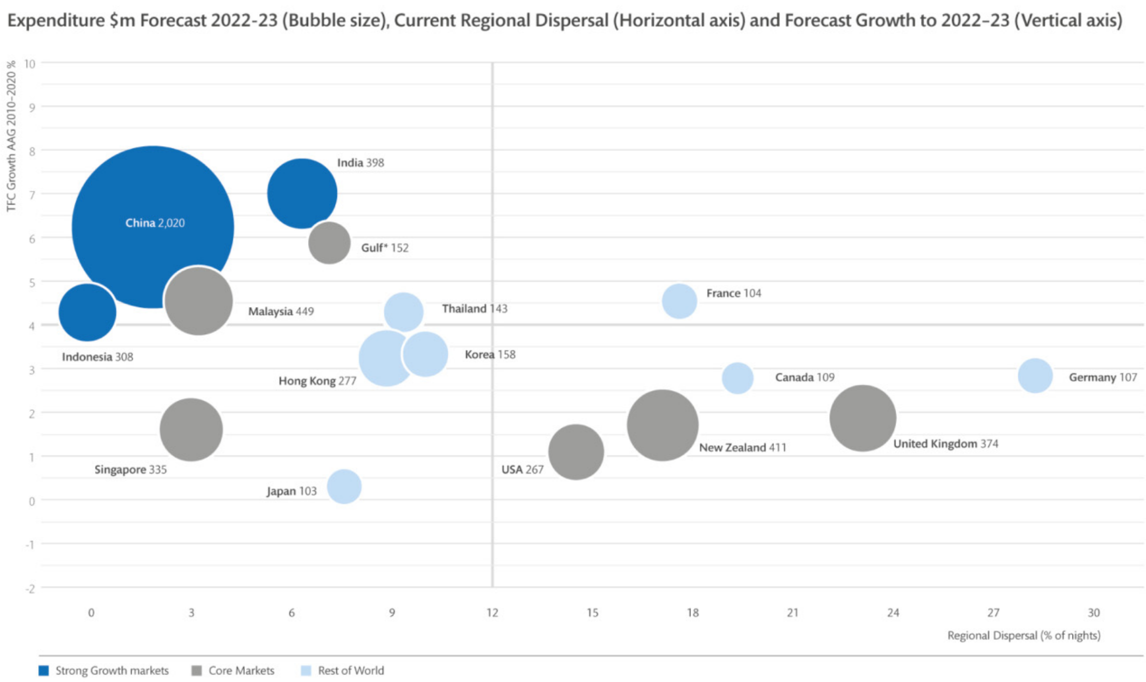


Source: Tourism Research Australia, 2013 - statistics from the International Visitor Survey and National Visitor Survey.

[16] International and National Visitor Surveys, Tourism Research Australia, year ending June 2013.

While traditional Western markets remain a priority for Victoria due to their preference for regional dispersal, the emerging Southeast Asian markets are a key priority for the Victorian alpine resorts, as they are more inclined to visit the alpine region. High-yielding visitors from China and India are considered a lower priority, as at present they are less likely to venture into regional Victoria (see Figure A1.2)

Figure A1.2: Expenditure, Current Regional Dispersal and Visitor Growth



Source: International Visitor Survey, Tourism Research Australia, et al. [17]

Victoria's Regional Tourism Strategy 2013 – 2016[18] recognises that Melburnians have demonstrated an increasing preference to travel overseas rather than to destinations in regional Victoria. This has led to regional Victorian destinations becoming more attractive as a short-break prospect.

Changing domestic landscape

Victoria is one of the most culturally diverse and harmonious societies in the world. Victorians come from more than 230 countries, speak more than 200 languages and dialects and follow more than 120 religious faiths[19].

Since the year ending June 2005, the number of Indian born residents aged 14 years and older in Victoria has increased more than fourfold from an estimated 35,000 to 156,000 in the year ending June 2013. Victoria's Chinese born resident population has also grown from 24,000 in the year ending June 2005 to 74,000 in the year ending June 2013.

[17] International Visitor Survey, Tourism Research Australia, June 2013; Visitor Expenditure June 2013. Base: population aged 15 years+. Gulf figures are estimates based on Overseas Arrivals and Departures data, aged 15+. Australian Bureau of Statistics, TRA Spring Forecast, 2013, Issue 2, October 2013

[18] Regional Tourism Strategy 2013 – 2016, Tourism Victoria, December 2013

[19] http://www.liveinvictoria.vic.gov.au/living-in-victoria/about-victoria/facts-about-victoria#people

Another notable increase has occurred within the population of Victorian residents that were born in the Middle East, which has more than doubled from an estimated 19,000 in the year ending June 2005 to 37,000 in the year ending June 2013[20].

The GCC is a relatively small market for Victoria however with strong forecast growth in arrivals, good aviation access and a peak travel period that coincides with Australia's winter, there are opportunities to promote snow experiences in this market.

The Visiting Friends and Relatives (VFR) segment is likely to be an important source of international visitors, particularly from South East Asia, however more research is required to further understand this segment and the broader international visitation trends.

Alpine Tourism Trends

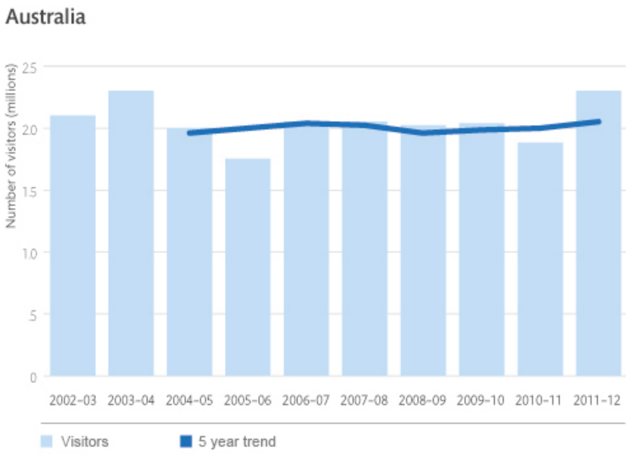
<u>Global snow tourism industry trends</u>

The 2013 International Report on Snow & Mountain Tourism[21] found that worldwide, the industry is facing the challenge of generating long-term participation growth. In many places, the market has reached maturity as baby-boomers represent the majority of participants. The current generation of skiers and snowboarders will progressively exit without being adequately replaced by future generations with the same enthusiasm for skiing. As well, to be competitive into the future, investment into quality infrastructure, equipment and services across the resort is vital.

The trend in visitation to ski resorts varies across the globe. A snapshot of the trend in skier visits for Australia, and two of its competitors, New Zealand and Japan are outlined below (Figures A1.3 to A1.5 – all sourced from Vanat, 2013).

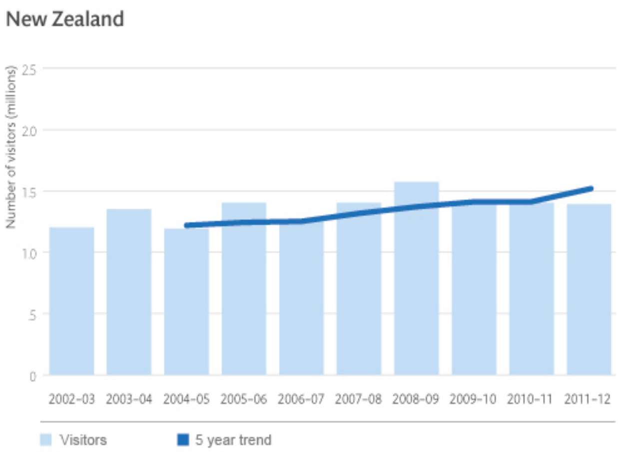
[20] Roy Morgan Product Poll, Roy Morgan Research, June 2013, Base: Australians aged 14+
[21] 2013 International Report on Snow & Mountain Tourism, Vanat, Laurent, April 2013.

Figure A1.3: Skier visits in Australia



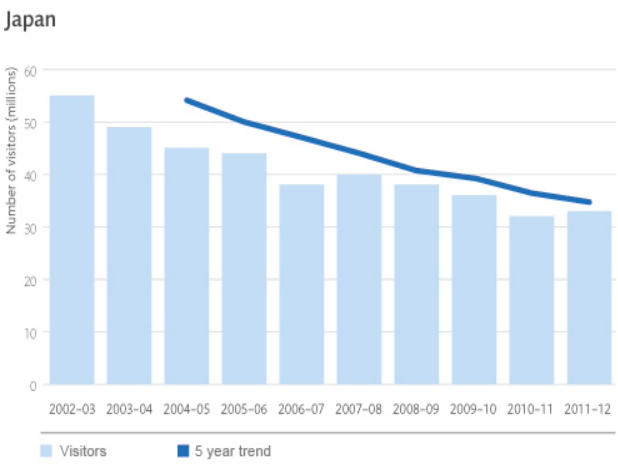
Australia
Skier visits over the last ten years across Australian resorts have been relatively stable, with occasional good years, alternating with average and poor years. Visitation to the alpine resorts no longer fluctuates when there is a lack of snow, due to snow making facilities.
The primary market of the Australian resorts is the domestic market, with international visitors representing less than two per cent of total skier visits.

Figure A1.4: Skier visits in New Zealand



New Zealand
New Zealand is a major destination in the Southern Hemisphere for skiing, snowboarding and heli-skiing. The resorts are well equipped and snow conditions are good.
Prior to the 2000's, only in exceptional seasons did more than one million skiers visit the slopes in New Zealand. However, since the early 2000's skier visits have been well in excess of the one million mark.

Figure A1.5: Skier visits in Japan



Japan
Japan has one of the highest numbers of ski areas of any country in the world. Resorts are located all along the Japanese islands, with significant proportion of the population living a few hours drive from a ski field. This provides the resorts with a significant market base.
There was, however, a boom in development of ski resorts in Japan between 1970 and 1990, and with popularity of skiing currently on the decline in Japan, there is excess capacity within the industry. In light of this, there has been much effort in attracting new international markets, including Australians. Some ski areas have diversified and now offer many other activities that also appeal to non-skiers.

Domestic trends in snow tourism

Since 2004, the number of Australians travelling to New Zealand during the ski season (June – September) has almost doubled from 149,000 to 286,000 in 2012, representing average annual growth of 8.6 per cent over the period. The number of Victorians visiting New Zealand during the ski season increased from 32,000 to 62,000[22].

Perception of skiing in Australia

Victorians' preference to travel to the Victorian alpine resorts has steadily decreased over time – from 14.6 per cent for the year ending December 2004 to 10.7 per cent for the year ending December 2011[23].

According to a study undertaken by Newspoll[24], one in two adult Australians have been skiing once in their life (40 per cent of these have been skiing in Australia). In terms of past visitation, Thredbo, Perisher and Mt Buller are the most popular ski resorts in Australia. In terms of future intention, more Australians are considering a ski trip in Australia (16 per cent) than in New Zealand (6 per cent). However, this study also found that the current perception among Australians is that it is about the same or cheaper to go skiing in New Zealand compared to Australia.

Climate Change

According to the 2012 CSIRO report, Climate Change Impacts on Snow in Victoria[25], the duration of the snow season is likely to be shorter in the future, have a slightly later start, and lower maximum depths. These trends will be superimposed on large natural year-to-year variability. The number of good snow seasons is likely to decline while the number of poor seasons is likely to increase. The earlier end of the snow season is clearly dependent on changes in temperature.

Visitation Statistics

Victoria's Alpine Resorts

More than one million people visit the Victorian alpine resorts annually. The winter 2012 season alone generated $647 million in GSP and approximately 6,000 jobs[26]. In summer, it is estimated that the alpine resorts generate $94 million in GSP and approximately 960 jobs[27].

TV research on total Victorian domestic visitor nights shows a slightly positive average annual rate of growth from the year ending June 2000 to year ending June 2013 (0.8 per cent per annum).[28] However, the winter visitor day performance of the alpine resorts has been stronger than tourism in the state as a whole, in regional Victoria and in the High Country more broadly over this period.[29] This underlines the importance of the industry to the state and regional economies.

[22] National Visitor Survey (outbound travel database), Tourism Research Australia, Canberra, Dec 2012
[23] Roy Morgan Holiday Tracking Survey, December 2004 to 2011, Roy Morgan Research Base: Australians aged 14+ (latest estimates available due to break in series/ question change).
[24] Newspoll, National Sample of 1218 people aged 18-64, 18-21 Apr 2013
[25] CSIRO, Climate Change Impacts on Snow in Victoria, Dec 2012
[26] The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012, http://www.arcc.vic.gov.au/documents/2011_EconomicSignificanceStudy_FullReport.pdf
[27] The Economic Significance of the Victorian Alpine Resorts Summer Season 2011, report prepared for the ARCC, NIEIR, June 2013, http://www.arcc.vic.gov.au/documents/EconomicSignificanceStudy_Summer_FINAL.pdf
[28] National Visitor Survey, Tourism Research Australia, year ending June 2013
[29] *Alpine Resorts Strategic Plan 2012*, Victorian Government, December 2012

Winter Visitation

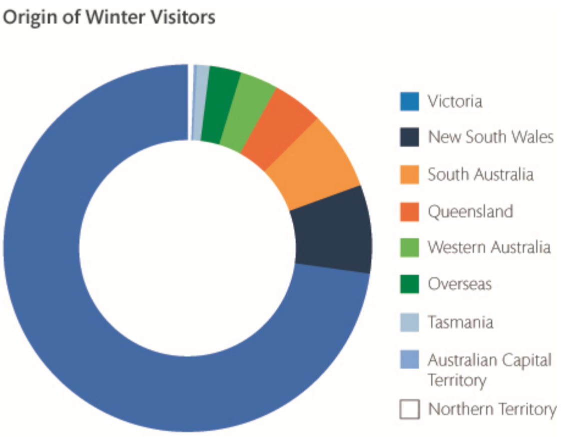
In 2012, the number of visitors to the Victorian alpine resorts was 771,000. The average annual growth rate in winter visitor numbers was 1.4 per cent per annum over the 1998–2012 period.[30]

A longer-term perspective on winter visitor numbers, however, is less optimistic given the Victorian population growth of about 40 per cent over the past three decades. This indicates a declining market share in the face of increasingly competitive visitor markets.[31]

Domestic winter visitation

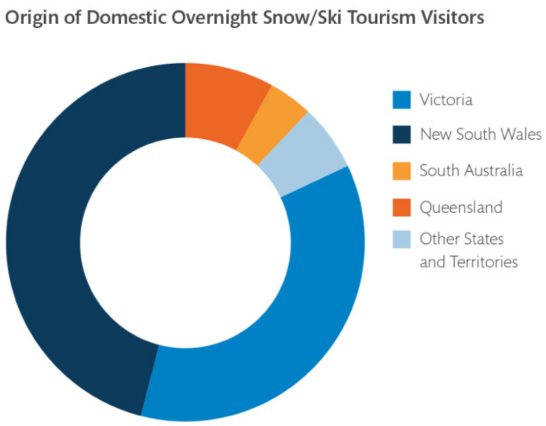
Visitors to Victoria's alpine region consist of mostly Victorians (73 per cent), and visitors from New South Wales (8 per cent) (Figure A1.6).[32] The majority of domestic overnight snow/ski visitors within Australia for the last three years ending December 2012 came from NSW (43 per cent) and Victoria (36 per cent) (Figure A1.7).[33]

Figure A1.6: Origin of Total Winter Visitors.



Source: National Institute of Economic and Industry Research, Economic Significance Study Surveys, February 2012.

Figure A1.7: Origin of Domestic Overnight Snow/Ski Tourism Visitors



Source: National Visitor Survey, Tourism Research Australia, year ending Dec 2012.

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[30] *Victorian Alpine Resorts End of Season Report Winter 2012*, ARCC, March 2013
[31] *Alpine Resorts Strategic Plan 2012*, Victorian Government, December 2012.
[32] The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012
[33] National Visitor Survey, Tourism Research Australia, year ending December 2012

International winter visitation

International visitation is forecast to grow at an average annual rate of 4.0 per cent over the next ten years.[34]

Nearly 3 per cent of all visitors to the alpine resorts are international visitors, up from just over 1 per cent in 2005. In 2011, overseas visitors came mainly from Malaysia, Singapore, Hong Kong, Indonesia and the United Kingdom. Visitors from Asia made up nearly 73 per cent of international visitors, and European visitors nearly 17 per cent.[35] A similar survey in 2005 showed that the majority of overseas visitors came from New Zealand, the United Kingdom, Ireland, the United States and Canada.[36]

With 73 per cent international visitors to Victoria's alpine resorts coming from Asian countries, it is understood that visitors from South East Asia have the highest propensity to travel to Victoria's alpine resorts. The marketing program over the last 5 – 10 years has positioned the alpine resorts as a viable add on to Melbourne, from which the alpine resorts now have recognition in markets such as Singapore and Malaysia.

SUMMER

Domestic and international

In 2012/13 there were 345,000 summer visitors to the Victorian alpine resorts. The average growth rate in summer visitor numbers since the introduction of consistent measurement across resorts in 2007/08 has been 1.2 per cent per annum.[37]

The NIEIR Summer Economic Significance Study demonstrates that approximately 76 per cent of summer visitors came from Victoria and approximately 12 per cent came from NSW. A little over 2 per cent were international visitors, with the United Kingdom, Austria, Ireland and the Netherlands comprising approximately 54 per cent of visitors, while Asia and North American each comprised approximately 21 per cent of visitors. This is distinctly different to winter where international visitors from Asia predominate. [38]

Understanding our visitors

Visitor satisfaction with the alpine resorts is measured by an annual Winter Visitor Satisfaction Survey undertaken by the ARCC, in conjunction with the ARMBs and lift companies. This information is used to provide the industry with visitor satisfaction levels and benchmarking annual data.

In addition, the National Institute of Economic and Industry Research (NIEIR) conducts a study every five years that measures the economic significance of the Australian alpine industry. The 2012 study reports that 89 per cent of winter visitors to Victorian alpine resorts rated their experience as excellent or good and there was a high level of return visits. The 2012 Winter Visitor Satisfaction Survey[39] (undertaken for the ARCC, lift companies and ARMBs) showed an average satisfaction rating of 3.8 out of a possible 5.

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[34] TRA Spring Forecast, 2013, Issue 2, October 2013
[35] The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012
[36] The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012,
[37] Victorian Alpine Resorts Visitation Survey Report Summer 2012/13, ARCC, July 2013
[38] The Economic Significance of the Victorian Alpine Resorts, NIEIR, June 2013
[39] Victorian Alpine Resorts Visitor Satisfaction Report, ARCC, Winter 2012
http://www.arcc.vic.gov.au/documents/FINAL_2012_Winter_Visitor_Satisfaction_Report.pdf

APPENDIX 2 – BOARD OF ALPINE RESORTS TOURISM (BART)

Review of marketing activities undertaken by BART

Over the course of 15 years, BART's activity evolved from its original format, an interstate brand marketing campaign, targeting NSW, SA and QLD. With each version of its strategic plan, BART attempted to diversify and grow its program and this resulted in a much broader winter and green season program.

Tourism Victoria managed all of BART's activities, including the cooperative marketing funds.. BART held annual negotiations on funding levels, a review of its three-year plan and funding agreements. The lack of secure, ongoing funding impacted its ability to plan for the long-term.

Over time, a greater range of service delivery partners took on BART activities. In more recent times this included Snow Australia (national winter marketing activities under the national brand) and TNE (green season activities).

In 2011, BART determined that there was no longer a requirement to undertake a Victoria Snowfields brand marketing campaign at a state level, in light of the national brand marketing campaign being undertaken by Snow Australia. This was a direction that was strongly supported by the industry. Since 2011, activities that BART directly managed included an international marketing program; trade marketing activities and a 'grow the snow market' initiative Victorian Grade 5 Ski Free.

Table A2.1 highlights the evolution of BART activities over this 15 year time period.

Table A2.1 - Evolution of the Board of Alpine Resorts Tourism and its activities

1999: Key Activities	• Primarily activities around a Ski Victoria brand campaign targeting NSW, SA and QLD - "Victoria A Whole Lot Moreski".
2003 – 2006: Strategic Plan Key Activities	• Marketing activities focused on winter but green season now recognised. • Ski Victoria brand targeting interstate skiers in NSW, SA and QLD. • Green season - Legends, Wine and High Country brand marketing undertaken by North East Victoria Tourism (NEVT). • Commenced targeting school-aged markets through the Schools SnowSports Development Foundation.
2006 – 2009: Strategic Plan Key Activities	• Ran a core brand marketing campaign: "Victoria's Snowfields Never Come Down". • Provided the Alpine Junior Rangers Program curriculum for teachers. • Commissioned research – 2006 Snow Segmentation Study. • Commenced green season marketing of the alpine resorts • Developed an international marketing plan
2009 – 2011: Strategic Plan rolled over	Changes and additions to key activities: • International marketing activities targeting Eastern Hemisphere markets. • Alpine Junior Rangers curriculum evolved to *Victorian Grade 5 Ski Free* program • North East Victorian Tourism Inc developed a green season marketing program. • Product development initiatives for the green season included two feasibility studies for commercial mountain bike and icon walking products. • Small resorts participated in campaigns targeting Melbourne. • Establishment of Snow Australia. • No research activities commissioned.

2012: BART in review	• Brand marketing activity undertaken within the Snow Australia brand campaign. • Co-operative activities under the Snow Australia brand.

The last iteration of BART's Strategic Plan included three goals:

1. *Grow the snow market for the Victorian alpine resorts* with key strategies to grow the 'new skier' and Australasian market and retain existing domestic and international markets

2. *Raise awareness and recognition of Victorian Alpine Resorts as desirable year round destination experiences* with key strategies to develop and implement tactical co-operative campaigns, including trade activities, and promote the green season alpine experience.

3. *Maintain a research program that drives our work* with key strategies to measure and report the effectiveness of campaigns, disseminate key research findings to the industry and analyse existing research relevant for the Alpine Resorts.

Over the 15 years of BART's operation, the level of funding contributed by the ARMBs and Tourism Victoria decreased. The direct contribution by the ARMBs reduced from a total of $500,000 in 1999–2000 to $350,000 in 2012–2013. Mount Hotham, Falls Creek and Mount Buller and Mount Stirling ARMBs redirected a total of $90,000 from their BART contributions to the RTB, TNE, for membership fees. Tourism Victoria's contribution dropped slightly since BART's inception from $265,000 per year plus $45,000 of in-kind support, to $250,000 per annum plus the continuation of in-kind support.

Over the years, BART had some great successes and also challenges:

<u>Key successes</u>

- The promotion of the *Victoria's Snowfields* brand in international markets as a viable add-on to Melbourne holidays;
- There was on-going community support for the Grade 5 Ski Free program;
- There was unified support from Victoria's alpine resorts for a national snow-marketing brand, *Snow Australia; and*
- The co-operative marketing campaign *7 Peaks* during the green season.

<u>Key challenges</u>

- Tracking the effectiveness of campaign performance has been hindered due to a lack of information sharing;
- Research was undertaken inconsistently and not able to inform marketing activities; the last major study was completed in 2006;
- There was a significant degree of fragmentation and duplication of marketing activities at resort, regional, state and national marketing levels; and
- There was a lack of engagement and communication with the broader tourism industry

APPENDIX 3 – GLOSSARY OF MARKETING TERMS

- **Branding** – The practice of creating a unique name for a product or service and giving it marketing support. Selecting and blending tangible and intangible attributes to differentiate the product, service or corporation in an attractive, meaningful and compelling way.

- **Experience** – Refers to an activity offered by the alpine resorts, and undertaken by a visitor that provides physical, emotional and spiritual engagement.

- **Key Performance Indicators (KPIs)** – KPIs are quantitative measurements that help an organisation measure progress towards goals and identify areas for improvement.

- **Mindset** – State of mind affecting an individual's attitude to events and ability to make decisions.

- **Motivation** – Psychological stimulus behind the acts or courses of action adopted by individuals or groups of individuals.

- **Needs** – Object, service or resource that is necessary for a person’s survival, wellbeing or comfort.

- **Positioning** – A visitor’s perception of a product/service value and benefit compared to other competing products.

- **Product** – Refers to an offering from the alpine resorts that a visitor pays for. The product may be experiential in its nature as well as an actual tangible object.

- **Segmentation** – The breakdown of a market into discrete and identifiable elements, each of which may have its own special requirements and require a different marketing approach.

- **Target segment (also called target market)** – A homogenous group of visitors to whom a company wishes to appeal and therefore aims its marketing activities.