



Industry Advice Kit



Government of South Australia
South Australian Tourism Commission

Introduction

Starting up a new tourism business can be daunting. This kit is designed to help you understand what's involved as well as providing detailed information on specific areas such as marketing, the various tourism sectors and market niches. It also provides details on organisations that can assist you further.

Tourism is one of South Australia's most remarkable economic and social drivers of the present eras. The industry now accounts for \$3.4 billion spending in South Australia and 10% of the state's economic growth.

With the right tools and plenty of research and preparation, operating a business in the tourism industry can be an incredibly rewarding experience.

This kit provides a general overview of what you'll need to do before starting your business. It offers practical tips and ideas on how to get started in the tourism industry or take the next step into national and international marketing of your product and business. There are a number of other publications produced by the South Australian Tourism Commission that will also help:

- *Marketing South Australia – An Operator's Guide*

The various units of the SATC are explained in detail, as well as ways operators can become involved with SATC activities.

- *SATC Partnership Opportunities*

Specific deadlines and prices are included for cooperative marketing opportunities with the SATC. If you've ever wondered how to get into consumer guides such as *Shorts*, this publication is a must.

- *Media Guide*

Writing a media release, trying to get media coverage for your business or product or preparing for an interview can be daunting. This guide looks at ways you can work successfully with the media to promote your business.

All guides are available from the South Australian Tourism Commission. Phone (08) 8463 4500.

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Where do I start?

1.1 Tourism Industry Overview

Tourism is a diverse and complex industry. Anyone who deals with visitors to South Australia is part of the tourism industry.

Tourism has emerged as one of South Australia's most remarkable economic and social drivers of the present era.

The industry now accounts for \$3.4 billion spending in South Australia and 10% of the state's economic growth. The tourism industry employs more than 43,000 South Australians and many more through related industries and has a growth rate of 5.5 times the rate of other South Australian industries.

1.2 What do visitors want?

The key to a successful business is tailoring your product to meet the demands of potential customers.

What are our major markets?

- Intrastate – local and country areas
- Interstate – Victoria and New South Wales
- International Primary Markets – Asia (Singapore, Malaysia), Japan, New Zealand, United Kingdom, Continental Europe (Germany, France, Italy and Benelux countries), North America (USA and Canada)
- International Secondary Markets – Taiwan, Hong Kong, China and India (long term)

What experiences do visitors want in South Australia?

- Unspoilt nature
- Good living – wine, food, entertainment and quality of life
- Heritage, culture and arts
- Experiences that they cannot enjoy in their home state or country

Think about these questions as you develop your product:

- What similar product is available in South Australia?
- What are visitors looking for?
- Are visitors needs being met in relation to available product?
- Can you, the operator, provide what visitors are looking for?
- What is your competitive advantage?

It is important to develop your product with your consumer in mind. After all, you are creating the experience or the product for the consumer to enjoy. Customer focus is of prime importance during the planning and implementation stages and will remain so throughout the lifetime of your business.

Not only will research help you tailor your product to meet the demands of the consumer, but it will also give you an insight in how to market to these people. For example, what sort of advertising appeals to the market segment you want to attract? Is it in magazines, newspaper articles, Visitor Information Centres or direct mail? Use this information to help you develop your marketing plan.

It's also a good idea to speak with the people who sell South Australian tourism products (such as travel agents) as they will have a good idea of what consumers are seeking. Regional Marketing Managers are also a great source of information. More information about Regional Marketing Managers and the ways they can help you are contained in *Marketing South Australia – an Operator's Guide*, available from the SA Tourism Commission. Call (08) 8463 4500 for a copy.

Where do I start?

1.3 Business Planning

“Most businesses don't plan to fail but they do fail to plan”.

A business plan is a document that maps out the course for your business over a period of time. It will chart your business from where it is now to how future goals will be achieved. It addresses the vision, marketing, operational and financial aspects of a business.

Why have a Business Plan?

- To establish clear business goals for your tourism operation
- To examine and develop ideas and thoughts – this will help you decide whether the return will justify the time being spent on these ideas
- To anticipate what you want to happen and identify in advance any pitfalls that may arise
- To match your goals and ambitions against resources and performance
- To analyse your activities versus those of competitors and identify subsequent opportunities and threats that exist in the marketplace
- To generate a body of facts that can be followed and monitored
- To provide a benchmark against which you can measure, compare and evaluate business performance
- To present to banks, lenders, shareholders and other parties to evaluate a business in terms of economic viability, investment opportunity and projected growth path

What should a Business Plan do?

- It should give details on the strategic plan for your business
- It should be research based and reflect an understanding of the consumer market you will be targeting

- It should focus on the service you are providing your consumers
- It should give clear direction and act as a co-ordinating instrument of all the elements in your business activities
- It should be directed at maximising returns and minimising risk

For each component you will need to address a range of issues, research relevant information and make informed decisions about your business.

Basic Elements of a Business Plan

Overview / Summary

Business Description

Definition, Mission Statement, Goals and Objectives

Situation Analysis

External/Internal Trends, Competition, SWOT Analysis, Target Markets

Marketing Plan

Details of specific tasks including research, advertising, promotion and distribution

Operational Plan

Details of day to day activities from business plan and recruitment, training etc

Financial Plan

Outlines costs involved including profit/loss statements, cash flows, forecasts

Further information and assistance on the development of business plans please contact a Business Advisor at the Department of Trade and Economic Development on (08) 8303 2182 or www.southaustralia.biz/home_page.htm

For specific tourism information contact an SATC Business Advisor on (08) 8463 4500 or www.tourism.sa.gov.au

Where do I start?

1.4 Glossary of tourism industry terms

The following are terms used throughout this kit:

ABN – Australian Business Number, received when you register a business.

ACN – Australian Company Number, received when you register a company. Partnerships and sole traders will not have an ACN.

Advertising – any paid form of non-personal presentation (eg paper, magazine, television, etc) and promotion of ideas, goods or services by a party in order to increase sales.

Advertorial – when you pay a newspaper, magazine etc, to run a story on your business.

Brand – it can be a name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one or a group of sellers and to differentiate them from those of competitors (eg Coke to Pepsi).

Brand Loyalty – a term used to describe allegiance to a particular name, term, sign, symbol, design or combination of these. (eg prefer Coke to Pepsi).

BTR – an acronym for Bureau of Tourism Research. Their role is to produce figures on tourism trends in Australia.

Business Plan – a structured document that describes what business you're in, who your customers are and what goals you are aiming to achieve.

Commissions – an agreed amount paid to an agent (eg travel agent, wholesaler, inbound operator) for selling your particular tourism product.

Competitive Advantage – an advantage that differentiates you from competitors. It is something that you have that your competitors do not and would find it hard to obtain (eg superior product, cheaper prices, geographic location).

Consumer Benefit – an advantage that a consumer perceives they are receiving by purchasing your product.

Cost – the cost of your product including all fixed, consumable and marketing costs plus a profit margin. This figure is the price before a commission is added.

Customer Driven – a strategy or action that is undertaken as a result of a desire to satisfy customer demand.

Cyberspace – synonymous with Internet. A term used in science fiction before the internet was created.

Distributors – the intermediaries that ensure products or services reach the consumer and is available for sale. eg travel agent

Distribution Channels / Networks – a group of intermediaries involved in ensuring a product or service reaches the consumer and is available for sale. (eg, travel agents or a wholesaler network)

Demand Generators – the thought processes behind the desire that make people purchase – what motivates people to buy.

DTM – an acronym for Domestic Tourism Monitor. A form of providing statistical feedback to the industry on visitor movements (replaced by the National Visitor Survey).

E-Commerce – is the use of information technology to support the conduct of business activity. It is particularly used in reference to commerce undertaken on the internet.

Editorial – articles and columns in magazines and newspapers (excludes advertising).

Email – a fast and relatively inexpensive method of sending and receiving mail electronically using the internet.

Financial Plan – outlines all of the costs involved in running the business. This includes profit and loss statements, balance sheets, cash flow projections, analysis of previous financial statements and forecasts of future financial positions.

Focus Groups – a marketing research technique a trained interviewer conducts personal interviews with 6-10 invited people about a product, service or organisation. The interviewer 'focuses' the group discussion on important issues. This process is often used as a valuable form of feedback by consultants when evaluating products, services or organisations.

Global Access – information stored on the internet that can be accessed by anyone in the world at any time.

Gross / Selling Price – the cost at which products are sold to the consumer, which includes net prices plus distribution costs such as commissions.

GSA – an acronym for General Sales Agent. This agent has sole rights in distribution of a particular product or service.

Homepage – normally the first page of a website that the consumer will reach when visiting that particular website. Also known as an index page.

Hyperlinks – an identified and purpose built link (such as a text or a graphic) that when selected, takes you to another location on the internet.

Inbound Tour Operator (ITO) – coordinates travel arrangements in Australia on behalf of overseas wholesalers and retail travel agents for overseas consumers. This usually involves planning the Australian itinerary, costing the various components (transfers, accommodation, sight seeing), negotiating prices, and arranging payment for the product (gross price less commission). Inbound Tour Operators generally demand commissions of 25-30%.

Where do I start?

Internet – a system of computers networked on a global scale, that use a common language and link together the people and organisations who use it, the various programs used to provide and find information and the information itself.

Internet Service Provider – (ISP) provides the connection between the user and the internet. Also known as a web server.

IVS – an acronym for International Visitor Survey. A method of tracking statistical information on international travellers.

Market – all actual and potential buyers of a product or service.

Marketing Mix – the set of factors such as product, price, promotion and place that the individual company blends to produce the response it wants in the target markets.

Marketing Plan – details of specific strategies and tasks worked out for a business such as how market research, product choice and pricing, advertising, promotion and distribution will be done. Should be strongly linked to business plan.

Marketing Strategies – the marketing logic by which the business hopes to achieve its marketing objectives. A marketing strategy consists of specific initiatives used for targeting appropriate markets and adjusting aspects of the marketing mix.

Market Place – the environment where the consumers and products interact.

Marketing Actions – the specific deeds undertaken in the market place relating to the sale and promotion of products, goods and services.

Market Trends – patterns in the market place that are dictated by consumers behaviour. (eg sales of icecream drop every winter)

Market Segments / Sector – a specific group of consumers that shares common characteristics. (eg age, sex, wealth, interests)

Measurable Target – the degree to which the size and buying power of a market segment can be quantified against a specific volume.

NVS – (National Visitor Survey) involves telephone interviews with around 80,000 Australian residents about their travel patterns and behavior. It includes day trip travel as well as trips where nights are spent away from home. Published quarterly by the Bureau of Tourism Research.

Net Price – a product's promoted price (gross price) less commission.

Operational Plan – details how the functional day-to-day activities of a business plan will be undertaken, as well as issues such as staff recruitment and training.

Package – the combination of two or more components sold at a price more competitive than if the consumer brought the components separately. It may include accommodation, touring components and attractions. (eg restaurants, entrance fees)

Positioning – a process by which a marketer communicates with consumers to establish a distinct place for its product or brand in their minds.

Promotional Activities – techniques that persuasively communicate favorable information about a product to existing and potential buyers. They include advertising, personal selling, sales promotion and public relations.

Product Theme – a common factor between products that runs through a range of products on offer. eg all self drive holiday packages.

Product Driven – refers to a situation whereby the product is the primary factor in a course of action. eg developing a brochure with product for sale because it was needed in the market place.

Product – anything that delivers the tourism experience desired by consumers. It can be a tangible good or a service where a price is attached.

Product Development – a strategy for promoting company growth by offering modified or new products to identified market segments. This also involves developing the concept into a physical product in order to assure that the idea can be turned into a workable product. eg creating a new product or packaging components together so that a different product can be offered.

Quantitative Research – research that utilises statistical data for analysis on trends.

Qualitative Research – research that utilises subjective data. eg interviews, discussions, projective and observation techniques.

Search Engine – the method by which you can search the internet on a given topic.

Travel Agent / Retailer – an intermediary that sells products to consumers for an agreed commission. These commissions are a minimum of 10% of the gross cost.

Unique Selling Point (USP) – the feature of your tourism product or business that makes it different to other similar products.

Value Added Services – services that are added to the price at no extra cost to the buyer where there is a perceived extra benefit in the price. eg free breakfast included with overnight accommodation.

Wholesalers – agents that package product and include it in their own brochures and then on -sell it through retail / travel agency outlets for agreed commission levels. Wholesale agents generally demand a minimum commission of 20%.

Website – a document located on the internet that can consist of a number of pages. These can be created by organisations, individuals and linked to other sites.

Marketing

Marketing is the means by which you match your resources and abilities with the needs of your customers. Therefore, understanding who your customers are and what they need is the key to successfully marketing.

2.1 Introduction

Basic Elements of a Marketing Plan

Overview

Business Description and Mission Statement

SWOT Analysis

Situation Analysis using Strengths, Weaknesses, Opportunities, Threats

Positioning

Consumer Profile and Positioning Statement

Marketing

Mix Product, Place, Promotion, Price, People

Action Plans

What will be done to promote your business, who will do it and when will it be done

Monitoring

Controls and Reviewing Performance

The Four 'P's

The 4 'P's of marketing are a very simple and effective way of addressing the concept of marketing. They are:

- Product
- Price
- Promotion and
- Place (Distribution)

All other principles of marketing (and there are many) tend to fall within these simple categories.

The four 'P's explained in tourism terms

Product

- The service we supply to customers is known as a 'product'
- It must meet the needs of the customer
- It must have these qualities: reliability, quality, meet customer expectations, be clean and hygienic, be regularly available, be unique or at least have a point of difference
- It may be a 'package' or bundle of products

Price

- Must cover costs and make a profit
- Must have commission included (See costing and pricing section)
- Must meet customer expectations (A low price may put people off)
- Must be reliable – not continually changing

Promotion (Communication)

The means by which you communicate your product offering to your potential customers.

It includes:

- Advertising
- Brochures
- Agent relationship
- Internet presence
- Personal selling
- Publicity and promotion
- Direct mail

Marketing

Place (Distribution)

This refers to the places where your product can be purchased and the means by which it gets there.

It could be one or all of the following:

- Direct from your office or your website
- Through a visitor information centre (VIC)
- Through a retail travel agent
- Through a booking agent
- Through a wholesale program
- Through an Inbound Tour Operator (ITO)

(Refer to the fact sheet on National Distribution and International Distribution for further details)

Marketing Plan

Put your sales and communication strategies and your proposed marketing activities in an annual marketing plan, that is linked to your business plan. All subsequent marketing projects should be consistent with this plan or modifications to it. Remember to update your marketing plan as circumstances change and new opportunities arise during the course of the year.

Communication Mix

Identify the mix of advertising, publicity and promotion activities that will most effectively convey the messages that you want to deliver. (Refer to the fact sheet on Advertising page 16 for further details)

Content

You should have documented in your marketing plan what you want to advertise, how you intend to do it, where you are going to advertise, and at what times you are going to advertise and a proposed budget for these activities. You should have also documented what you want to achieve from your advertising (Refer to the Advertising fact sheet page 16 for further details). Be aware that some marketing mediums will require membership and possibly even waiting lists before you can be listed or put on display. It is important to ask as many questions as you can about the marketing mediums that you intend to use to ensure that you understand what is involved.

Identify your Target Markets

Develop very clear ideas about what you want to say to each of your target market segments and tailor your messages so that you develop a rapport with them. Outline how you are going to do this in your marketing plan.

Ownership

Ensure that all those responsible for the implementation of your marketing plan are aware of and committed to its principles and how its individual components are related to their work programs.

Measurable Targets

Produce as many measurable targets as you can for your marketing efforts. These may be expressed in a variety of ways; sales results, coupon responses, telephone enquires, market share, product awareness, sales leads generated and so on.

Monitor

Monitor your marketing performance from your measurable targets and evaluate strengths and weaknesses of your marketing activities. Continue to refine your marketing strategies and plans to improve your future effectiveness.

Commitment

Once you have decided on a pricing structure for your product it is important that it is maintained. Prices quoted must be valid for the shelf life of the brochure. 1 April to 31 March is the standard tourism year. Ensure that you include the time frame when quoting prices. eg. Price is valid to 31 March

Communication

Clients (consumers, travel agents and wholesalers) must be able to contact you and get a prompt answer to their request. Essential communication tools include a phone and answering machine (or voice mail), facsimile and mobile phone. Internet and email is another popular communication tool and if you are going to use this facility then it is a good idea to have another telephone line installed.

There are many short courses available in marketing through TAFE SA and other educational institutions. For tourism specific courses visit www.tobe.com.au

For further assistance please contact the SATC Tourism Development Unit on (08) 8463 4500 or www.tourism.sa.gov.au.

Marketing

2.2 Product packaging

What is a Package?

A package is the combination of several products such as accommodation, transport and sightseeing, sold as a single entity with a price for the whole.

A package often develops around one major component with the other added to enhance the major component's appeal. Packages can create a more attractive and saleable product and include components that otherwise may not have been sold.

The major component may or may not come from your business. You could build a package around a nearby attraction. This gives you the ability to provide packages that are better value for money than normal without necessarily having to discount your rates.

To develop successful tourism packages you need to think creatively, consider your target market and approach businesses in your area that have complimentary products. Then you must work together to create and promote attractive packages that will benefit each stakeholder.

How to Develop a Package

Product Analysis

- Determine the product theme of your proposed package, eg Nature-Based / Ecotourism, Aboriginal Culture or Food and Wine
- Determine the target market segments that best suit your products and the proposed package, eg backpackers, free independent travellers (FIT), Victorian residents, self-drive etc.
- Determine the geographic regions where your package will operate and the time period for which your package will be available.
- Determine the sectors of the industry that can be incorporated in your package, eg transport, attractions, accommodation, tours.
- Discuss and draft a number of activities using the combination of industry sectors identified that will best provide the experience offered to the market/s chosen.
- Create a package using the information and resources gathered keeping the following aspects of business in mind. Is it feasible, profitable, reliable sustainable?

Consider these marketing principles when developing a package

- Include demand generators – a service, attraction, event or program that gives customers their primary reason to buy the package. These may be outside your direct control, for example, the natural beauty of the surrounding area, climate, a festival or a unique culture etc. Make sure that you include at least one demand generator.

- Offer a distinctive consumer benefit – a benefit that they would not receive if they purchased the components of the package separately. This might be a cost saving or the inclusion of a free or special element.
- Plan ahead – Plan your package well in advance to make sure that no important features are overlooked and that it is properly matched to meet the needs of your target markets.
- Provide consistent quality and compatibility – Your customers may judge their entire package experience on the quality of one element or service. Make sure that all your package components are of similar quality or standard.
- Cover all of the details – In many cases it's easy to throw a package together – but it is the attention to detail that makes excellent packages stand out.

Examples of packages for an accommodation provider

- Accommodation only – For example, three nights for the price of two. It is wise not to discount or utilise this method except as a last resort because it has a direct effect on yield.
- Accommodation and meals – For example, bed and breakfast or dinner, bed and breakfast at an all inclusive price. These could be at your establishment, at nearby restaurants or both.
- Attractions, entertainment and accommodation – Packages that include accommodation and meals along with a sightseeing trip or entrance to a local attraction.
- Accommodation and services – Packaged products including special discounts on local facilities and services (eg. car rental, restaurants and wine purchases). Keep in mind that consumers have to spend money in order to obtain these types of package inclusions, so this may not be seen as value to the consumer e.g 20% discount on local crafts, wine purchases, entry to attractions etc.

Pricing your package

The basic steps for calculating the price of a package are the same as pricing individual products. That is, calculate fixed and variable costs and profit margin for your net rate, then including the extras that make up the package. (Refer to 2.3 Pricing your Product on page 10).

The rate that each other operator should give to you for their component of a package should be the net rate. Once you have calculated the total cost of the package then you add the commission component and GST.

Be careful not to over-price a package with too many inclusions. This may make your package too expensive and cause it to be overlooked by customers.

Further information and assistance on the development of business plans can be obtained from the SATC Tourism Development Unit on (08) 8463 4500 or the Department of Trade and Economic Development on (08) 303 2519 or at www.southaustralia.biz/home_page.htm.

Marketing

2.3 Pricing your Product

It is very important that you earn a profit that is sufficient to make your business efforts worthwhile. You need to ensure that you have the right strategies in place to enable this to happen for your business.

There are many things to take into account when pricing your product and packages.

They include:

- Fixed costs
- Variable costs
- Profit margin
- Average commission
- GST

Calculating Fixed and Variable Costs

First, it is important to calculate your fixed and variable costs for your product and to break this down to a per unit basis.

Your fixed costs do not vary according to the amount of business generated. Fixed costs (overheads) may include council rates, vehicle leases, brochure production costs, advertising general office expenses etc. These are generally calculated for a financial year, and in order to find the cost per unit you need to divide your expected fixed costs by the amount of per person or unit sales you expect to make over the course of the year.

Variable costs change according to the amount of business you generate. Variable costs may include fuel, package admission fees or room cleaning. These costs will vary from business to business. You will need to work these out on a per person or unit basis.

Once you have calculated your fixed and variable costs per unit, add the two together and you have the cost of your product per unit. This is your total cost per unit.

Profit Margin

After determining your total costs you need to build a profit margin into your price. The profit margin will vary depending on the particular sector in which your product operates. Profit margin is often subject to market pressures. However, you must ensure that your product generates a profit allowance otherwise your business will not be sustainable.

Commissions

The travel sector of the tourism industry has a range of distribution channels including travel agents, wholesalers and inbound operators. All of these people provide a service for which they expect to receive a commission for promoting and selling your product.

Commissions range from 10% to 30% depending on the market to which your product is being promoted. Commission is only payable on the sale of your product so the risk normally remains with the travel agent or wholesaler.

Average Commission

You need to estimate the cost of distribution (commission) through each of the tiers of agents.

The following tables will guide you through this process.

As a guide, commission levels are generally as follows:

Direct sales through you	no commission
Industry groups and associations	0-10%
Travel retailers / RAA	10%
Travel wholesalers	20%
SA Shorts booked through SA Travel Centre	20%
Inbound Operators	20-30%

It is vital that you do not have different prices for the same product and that the price you promote to the public is the same at every distribution level.

Example calculation of Average Commission

See the SATC's Interactive Pricing Calculator available at www.tourism.sa.gov.au/about/division

Market Breakdown	eg % of sales		Commission payable		
Direct Bookings	60%	x	0	=	0%
Retail Agents	10%	x	10%	=	1%
Wholesale Agents	20%	x	20%	=	4%
Inbound Operators	10%	x	30%	=	3%
	100%				
Average Commission on <i>all sales</i>				=	8%

Marketing

Blank Worksheet

Market Breakdown	eg % of sales		Commission payable		
Direct Bookings		x	0	=	
Retail Agents		x	10%	=	
Wholesale Agents		x	20%	=	
Inbound Operators		x	30%	=	
Average Commission					

GST

The Australian Taxation Office (ATO) has booklets available for accommodation restaurants, cafes, caterers; and registered clubs, pubs and hotels. Copies can be obtained from the ATO:

Internet: www.ato.gov.au

Hotline: 13 24 78

Fax from tax: 13 28 60

Or write to: ATO GPO Box 9935 in your capital city

The example below is for a tour operator operating a simple day tour. All costs are fictitious. Average commission can be calculated using the chart on the previous page.

The Profit Margin is adjusted once the Gross Rate Including Tax has been determined from marketing assumptions. For example these rates may have to be rounded up or down depending on how the rest of the market is priced. These changes will affect the profit margin and you must remember when changing the profit margin that Commissions and GST will change accordingly.

The South Australian Tourism Commission has developed an Interactive Pricing Calculator to assist with these calculations. This Excel spreadsheet will assist you to model all costs of your business.

Find it on the SATC Corporate Website:
www.tourism.sa.gov.au/about/division

If you require further assistance with costing and pricing issues speak to your accountant or contact the Tourism Development Unit on (08) 8463 4500.

Pricing Chart

Pricing Steps	Formula	Example	Totals
Fixed costs (Overheads such as electricity, wages, marketing expenses etc)	= total fixed costs/number of unit sales p.a.	\$15 000 / 1000	\$15.00
Variable Costs (Cost of meals, admissions)	= variable cost per person (GST excluded)	\$25.00 per person	\$25.00
TOTAL COST	Variable Costs + Fixed Costs	\$15.00 + \$25.00	\$40.00
Profit Margin	Profit margin per unit		\$20.00
COST + PROFIT	Total net cost before commission and GST	\$40.00 + \$20.00	\$60.00
Commission (Average commission paid to agents)	Assumes average commission of 8% Net rate / (1-(Average Commission / 100)) – Net rate	\$60.00 / (1 – (8/100)) – \$60.00	\$5.21
GROSS RATE – Before tax	Net rate + Commission	\$60.00 + \$5.21	\$85.21
GST	10% to be added for GST	\$65.21 x \$10%	\$6.52
GROSS RATE – Including tax (Rack rate)	Gross rate + tax	\$65.21 + \$6.52	\$71.73

Marketing

2.4 Tourism Brochures

A brochure is one of the most useful promotional tools for operators of tourism businesses. It is an effective way to tell people about your product or activities when you are not there to personally explain the benefits.

The purpose of your brochure should be to arouse interest, provide information that will stimulate demand and will help your customers to understand booking procedures. It will cost very little to do your own research by looking at a selection of other tourism brochures.

Be clear about your business objectives.

Before design work begins, you should think very carefully about your business objectives. What is the objective of producing the brochure? Obviously your brochure should bring you more business, however brochures can have different purposes. A brochure could:

- Highlight a new product feature
- Promote packages
- Target new market segments
- Feature a special offer in co-operation with another operator

Think about your target markets. What are their special interests? For example, if you are intending to win new business from honeymooners and couples celebrating anniversaries then information about fishing or lawn bowls may not be appropriate editorial content for the brochure.

Think customer, think customer, think customer

Successful brochures show empathy for customers' needs and concentrate on providing information that will help the customer decide to buy. Too often operators are more concerned about what they want to say and not what their customer may like to read.

Consider words that motivate

Customers of tourism products and services are usually seeking a special experience of some kind. They may be looking for enjoyment, excitement, relaxation, adventure, romance or comfort. Text should demonstrate an understanding of your customers desires and needs. The text needs to be emotive wherever possible.

Be careful as there is a real difference between text that is intended to arouse an emotional response and text that is littered with too many unnecessary adjectives and superlatives. Their use should be discreet. Clean text that is accompanied by high quality images will do much more to motivate a potential customer.

Highlight the Unique Selling Features (USF)

Before designing any brochure determine what your USFs are. The USF is a feature that set you apart from other products. Other features should also be highlighted. Remember that too much detail can be counter-productive.

Think carefully about the brochure's format and design

No matter whether your brochure is a one-page leaflet or multiple pages, certain fundamentals need to be followed for success. The information needs to be presented in an order consistent with the principals of AIDA:

A – Attention

I – Interest

D – Desire

A – Action

Information should be shown in such a way that travel consultants and customers can scan it easily and quickly.

Proof read. Proof read. Proof read.

Proof read. Proof read. Proof read.

Check all spelling and grammar is correct. If you refer to another product or attraction, double check you are using the correct name. Check the spelling of all place names.

Then get two or three other capable people to proof read for you.

Brochure Design Brief

In an age when computers, scanners and printers allow do-it-yourself publishing, it is unlikely that many tourism business operators have the graphic design skills or sophisticated software necessary to deliver a high quality brochure. Engaging a professional graphic designer is a worthwhile investment.

It is a valuable exercise to have a checklist or brochure design brief when you are putting together a brochure. If you are producing the brochure yourself, a checklist will help you to stay focused on what you want to achieve from the brochure.

If you are using a graphic designer (recommended) prepare a written brief so that the designer is clear and accountable to the outcomes you require from the brochure.

It will also enable you to get several design quotes that compare 'apples with apples'.

Marketing

The checklist below is a guide to help you prepare a written brief for your brochure:

- What is the key product/service?
- Who will be the target audience?
- What are your objectives for the brochure?
- Who are your business competitors? Attach some of their brochures.
- What is the image that you wish to convey?
- What will be the product benefit to your customer?
- Should there be any mandatory inclusions? – logo, website, telephone numbers, address etc.
- What tone and manner (text and images) will most suit your target audience?
- Do you have a web site that must complement the brochure?
- What size will the brochure need to be?
- How many brochures will be printed?
- Will text be supplied on disk? (This will save money)
- Do your images need scanning? You will need high resolution format.
- What is the delivery deadline? When do you want the printed brochures in your hands?
- What are the payment terms for the designer?
- What are the additional costs of product – scanning? separations and film? client alterations after the first-draft is supplied.
- What is your budget? (Be general as it may be necessary to negotiate a price after the designer has addressed your brief)

After the designer has been selected, supply ALL text on disk. Make sure that it is complete and final otherwise extra expense will be incurred each time you get the designer to amend for you. Please also note it is NOT the designer's job to check facts and spelling. They will use exactly what you give them.

Consider these elements of your brochure:

Size

Be practical about the size. Brochures often have to sit in racks alongside many other tourism business brochures so it is to your advantage if they are of the standard size: 100mm x 210mm (DL). This could be folded down into four or six panels. A4-sized brochures are also often in demand so try to determine where your brochure is going to be distributed and find out what the distribution outlets require. In addition to this, if you are going to distribute your brochure by mail, you should consider the size of your brochure and how it will fit into a standard size envelope (such as DL envelopes). Having the correct sized brochure can save you money on postage.

Graphics

Photographs look great but ensure that they are of a high standard. Line drawings can be as effective and easier to reproduce. The South Australian Tourism Commission has a media gallery that might have images you could use (www.media.southaustralia.com). Do not forget to credit graphics and text obtained from external sources.

Having a professional photographer shoot your product is another worthwhile investment.

Colour

Colour is eye-catching especially when your brochure is competing in a crowded rack. Full colour printing is more expensive but good results can be achieved with a good choice of paper stock colour and one or two ink colours. This will also depend on good graphic design.

Maps

A good map showing location and access routes could be included. Remember that if you are marketing to overseas tourists they may not know the location of South Australia so don't expect them to know the location of your town or distances and time required to get there.

Simplicity

Do not overcrowd your brochure. Use well-spaced, easy to read text with appropriate headlines. Your aim should be to make your brochure readable so make the type style large enough to be comfortably read by older eyes (especially if the retired domestic market is appropriate to your business). Allocate sufficient room on the back for all of your company's contact details, and where relevant, appropriate space for a travel agents stamp.

Marketing

Consider any legal aspects that you need to include in your brochure.

Booking and cancellations policies – it is vital that you include these conditions on your brochure. Having this information available on your brochure makes this information easily accessible both to you and your customer. Consider using a disclaimer to limit your liability. Consult a lawyer to ensure that you are fully protected.

Pricing

If you include prices in your brochure it is essential that you also provide a price validity date. The tourism calendar year is from 1 April to 31 March the following year. It is essential that you also include any “black out” dates for that price eg. during Easter or school holidays.

Recommended insurance

If relevant, you may wish to consider recommending travel insurance. Customers should be aware of this or take it out prior to participating in your activities. This will cover them for any unforeseen mishaps that may effect their holiday.

Only promise what you can deliver – it is essential that you only promote what you can provide to your customer. This includes both text and images.

You may also want to consider the following:

- Late bookings
- Amendment fees
- Currency waiver
- Child, concession policy
- Smoking policy
- Dietary policy
- Exclusions including airport taxes, excess luggage, personal expenditure, meals not included in the itinerary, laundry, gratuities
- Luggage limitations
- Conditions including pets, minimum nights, steep stairs, minimum booking numbers, rough terrain, etc
- Rights of the tour operator (if applicable)
- Rights of the airline (if applicable)
- Personal care: suitable clothing, voltage and pins
- GST

For further assistance in putting together your brochure please contact the SATC Tourism Development Unit on (08) 8463 4500.

2.5 The Internet

The Internet is another medium through which you can promote your product. Similar to a brochure it is important that you undertake some market research so that you understand the medium and can tailor your presentation so that it is appropriate for your business.

The Internet as a promotional tool

An internet site is like a billboard. It promotes your product to anyone that happens to ‘drive past’. The key is to get people to notice it.

This can be done by:

- Promoting your web site on your brochure, business card, advertising and any other location you can.

- Linking it to other web sites

A hyperlink is a predefined linkage that takes you from one web page to another and can be displayed either as text or as an icon.

Hyperlinks play important role in the way consumers locate product. As a tourism operator located in a specific region, consider hyperlinking your website to other websites.

Websites that you could consider hyperlinking to:

- A regional website (such as the Tourism Marketing Board or local council)
- Another tourist operator
- A wholesaler
- South Australian Tourism Commission (see 2.9)
- Tourism Australia

Some associations may require membership before they will allow you to hyperlink with their website.

- Registering with search engines.

A search engine is basically a search facility that web users use to find what they are looking for among the millions of pages of information that are displayed on the Internet. You type in key words that you are looking for and the search engine points to the web sites that have that information.

Marketing

The Internet as a communication medium

The internet provides a cheap and easy medium to communicate with others – both business and customers. Email is the transfer of information electronically from one computer to another. It has become an industry standard form of communication and modern businesses cannot afford not to have email access. People generally expect an email address.

Everyone who has access to the internet has access to email.

Email enables data transfer, bulk (broadcast) communication, quick, personal and cheap communication with anyone around the world.

The Internet as an operational tool

The Internet can also be used as an operational tool. It can be used for the following purposes and many new uses are continually being created:

- To order or book a service
- To check the status of a personal contract
- To provide last-minute/up-to-date information

Tips on using the Internet as a promotional tool

As part of your market research you should determine whether your target markets are likely to be Internet users. If they are, you may want to consider using the Internet as a promotional tool for your business. Here we have listed a few tips to get you started.

E-Commerce

E-Commerce is the use of information technology to support the conduct of business activity. Do you intend to sell your product via the Internet or use your website as a motivational marketing tool? If you intend to sell your product over the Internet there are a range of issues that you need to look at:

- Details of your ACN (Australian Company Number)
- Security for client credit card details
- Your liability in regard to the use of stolen credit cards
- Be aware that sale of goods or services over the Internet holds the same weight as goods or services purchased by other means in a court of law
- Ensure you comply with the laws that apply to website development
- Make sure that internet information is regularly updated to avoid legal prosecution.

Further information on E-Commerce can be obtained from the Department of Trade and Economic Development on (08) 8303 2519 or your local Business Enterprise Centre on 131 891.

Global Access

Any information you place on the Internet can be accessed by anyone anywhere in the world and you need to be aware of the implications this has on the designs and content of your website.

- Decide if you want to quote product prices and remember that any prices quoted will need to have commissions in-built for the international market. For further information on how to price your product, refer to the international marketing, pricing and packaging sheets contained in this kit
- If your website is designed to encourage direct contact, consider including a clock on your website that shows the current time in Australia and your business hours. This will assist in the prevention of receiving phone calls at 3am (especially if you are running your business from home)
- Any phone or facsimile numbers should be listed with full international code. For example The Tourism Development Unit of the SATC would be listed as +61 8 8463 4500.

Courses

Courses are available on designing websites check your local newspapers computer section, visit www.tobe.com.au or contact the SATC Information Technology Group on 08 8463 4500 for details.

Prototyping

If you are having a web site developed by a consultant, you may want to consider asking for a prototype before the finished product is delivered.

Maintenance

An out-of-date site is off putting and can be misleading to consumers. Misleading information could make you open to prosecution for false advertising. How often is your site going to be updated? Who will update it? Do you have the technical knowledge and skill to do this, or will you need to hire a consultant?

Content

Think carefully about what information will fit strategically into your marketing activities. For example you may want to use brochures for motivational information (don't forget to include your website address) and the website for factual information. Remember that graphics, sound and animation will slow your website down.

Marketing

Consultants

Many people feel it is important that their website be designed professionally. If you decide to hire a consultant, choose one that has experience designing websites for your industry. Ensure you enter a formal contractual agreement that includes such details as : specifications, delivery, timelines, a prototype, method and frequency of payment, intellectual property, warranties and indemnities in regard to defamation and third party rights and a dispute resolution clause. Write a design brief detailing the outcomes you wish to achieve. Use the Brochure Design Brief as a starting point.

Misleading and Deceptive Conduct

Be aware that much of the legislation regarding misleading and deceptive information applies to the Internet the same as it applies to other mediums. Some of the areas you may want to consider include:

- Check that your chosen domain name (the name you use to identify your website) is not already a registered business name for another business.
- Do not make misleading or deceptive statements about the service you provide.
- If you have an interactive website, consider your level of control over editorial. Be aware of legislation in regard to defamatory statements. You will want to be able to remove any offensive material at will.

For more information about the Internet and on-line marketing strategies contact the SATC Information Technology group on (08) 8463 4500.

2.6 Advertising

Advertising is one means of telling your customers that you exist and what products you can offer them. It is also how you tell them why they should purchase your product instead of one of your competitors.

Well planned advertising can:

- Attract the potential customer to the point of sale
 - Create a demand for your product or service
 - Inform the customer and communicate essential information
- Advertising should not be confused with 'marketing' (your overall product design and promotional activities) or 'selling' (ensuring the sale of your product).

How much should I spend on advertising?

A percentage of your annual turnover should be set aside for advertising. For an ongoing business, a general rule of thumb is approximately 5-10%. However, in the initial start up phase of a business it is probably wise to budget for up to twice this amount i.e. 10-15%.

How much of your marketing budget you allocate to advertising is up to you and varies from business to business. Choose an amount that works for you and remember to relate it to your projected and actual cash flow.

Where should I advertise?

Your marketing plan should include your identified target markets and their basic characteristics.

You can describe your target market in terms of:

- Demographics (such as sex, age, occupation, income, marital and household status)
- Geography (specific places or regions of origin)
- Customer segments (i.e. lifestyle)
- What they would like to experience
- Competition within and outside your local area
- Value added services you can offer
- The price people are willing to pay and are already paying for similar products
- Positioning where you want your product to be in the marketplace
- How you intend to advertise

By understanding who your target markets are, you can determine where you should advertise, at what times you should advertise and what methods of advertising you should use to reach your target audience.

Marketing

To get the best value for your advertising dollar it is important to focus your advertising to reach your identified target market through the most appropriate advertising medium and not make ad hoc decisions.

Different forms of advertising:

- Brochures and flyers
- Wholesaler brochures – produced by the wholesaler
- Yellow Pages
- Direct Mail
- Newspapers and Magazines
- Internet – own website or presence on others
- Radio and Television
- Sponsorship of community events
- Newsletters
- Signage
- Vehicle decals (stickers)

The content and style of your advertisement may vary to match the objectives of the advertising and the media that you are using. Drafting your advertising can be difficult, especially the first time. You should give yourself plenty of time to think about how you are going to advertise and discuss it with other people if appropriate.

When advertising there are crucial elements to tell your potential customer. The most important element is to consider what you are trying to achieve from the advertisements. Once you have determined this, then you will need to ensure that you convey the following points:

- Here I am
- This is what I sell
- This is what is special about me
- This is how much it costs (in some cases)
- This is where / how you can find me and book

Assessing Media Opportunities

Advertising opportunities through the media (such as press/magazines, radio and television) need to be assessed to ensure their value to your business. Here are some hints on several forms of media to help you:

- Ask that all media proposals be in writing before you do any work on it. This ensures there are no misunderstandings about media performance or cost.
- Also ask for a sample of the media (copy of mag, compile tape of the radio station) so you can assess it for relevant environment and fit.

Press/Magazines

Written proposals should include:

- Circulation (that is, the number printed and distributed)
- Readership (how many readers per copy)
- Targeted Readership (this is the number of people that you have identified as your target audience. Most media will be able to advise these numbers and you will need them to properly analyse their cost efficiency).
- Are the readership figures audited? That is, has an independent body audited the figures to ensure they are accurate and accountable. There are two audit companies:

Circulation Audit Bureau

- Audits trade, business and free press – such as street magazines or suburban papers. If they are not audited, we must rely on publishers claims may be guesses. Ask how they get to the level claimed.
- How is it distributed (what markets and where – e.g. newsagents / community centres / subscription only)
- How often is it published – daily, weekly, bi-monthly, quarterly or annually
- Rate cards (as well as the special deal if there is one). These are base rates that advertisers pay for various sizes.

Radio

Proposals should include:

- Number of listeners and share of audience of your target audience (compared to other available radio stations in the same market).
- AC Nielsen collect the radio audience data (ensure the data is properly sourced) Regional data may not be available.
- Rates – radio rates are based on the different time 'sessions' during a day. There are 6 (times may vary by station)
 - » Breakfast 6-9am
 - » Morning 9-12 noon
 - » Afternoon 12 noon-4pm
 - » Drive 4-7pm
 - » Evening 7-12 midnight
 - » Late Night 12-6am

ROS is 'Run of Station'. That means if you buy radio ROS – the number of commercials you buy will be evenly placed across the week – Sunday – Saturday (usually), throughout the various sessions. The more tightly defined the timing (e.g. Breakfast only), the more expensive it is.

Marketing

Television

A highly complex and (can be) an expensive media, in which access to syndicated media research tools (AC Nielsen) is vital for its proper assessment. It is advisable to contact the SATC for assistance in this area. Once you have all of the relevant facts you can review and compare your opportunities by doing a media analysis, i.e. and evaluation of the following:

- **Reach**

(the number of people you wish to talk to)

- **Cost efficiency**

(Comparative measure. Cost per 1000 people of the above target group reached) Calculate this by dividing the cost of the ad proposed (e.g. full page) by the number of 1000 people reached

	Target Audience	Cost 1 Full Page	Equation	Cost per '000
Media	225,000	4,000	$\frac{\$4000}{225}$	\$17.77

- **Environmental / Fit**

Does the media fit with your message and who are you talking to?

- **Opportunities for more exposure / editorial**

Is it possible to gain additional exposure by providing story lines for example at no cost to you? How else can you use the media to promote your region?

- **Performance Estimate**

Ask for a performance estimate particularly for television and radio. That means the number of people reached (in the target audience group that you specify), and the number of times they are likely to see/hear your commercial. Performance estimates are available for all major media.

- **Value**

Does it represent what you believe to be good value overall?

Cost of production

Whether advertising through print or electronic media, making ads costs money. Do not forget to include production costs in your budget.

Cooperative advertising

You can promote your message to a much larger market if you work in conjunction with other operators, your local tourism marketing board, industry association or wholesalers. By using these avenues you will be able to reach a larger market and make cost savings.

When becoming involved in cooperative advertising it is important to remember that you are basically buying advertising and again you need to ask yourself what you are trying to achieve by this advertising.

The South Australian Tourism Commission offers a number of cooperative advertising opportunities. These can be found in the SATC Partnership Opportunities guide, available from SATC.

Buying advertising

Many operators find themselves bombarded with offers for advertising on a weekly basis. It is easy to fall into the trap of buying advertising without actually researching whether or not it will match what you are trying to do. Below are some tips to keep in mind when considering buying advertising. They should help you to make an informed decision.

- Never say 'yes' to an advertising offer over the telephone
- Ask for the offer in writing
- Ask for a copy of the publication, or at least a sample
- Ask for proof of the circulation and the number of copies published
- Ask about advertisers (past and present) who offer a similar product to you
- Ask for information relating to success received from other advertisers
- Call a selection of past advertisers and see what they have to say about the publication, and the results they achieved from using this medium
- Check the publications target market and whether it matches your target market

Is your advertising working?

It is vital to track your advertising in order to determine whether your dollars have been well spent. There are a range of ways you can track advertising effectiveness, you can ask your customers direct questions either at point of sale or during their stay, use vouchers or offers that they must present upon booking (this needs to be carefully monitored and date recorded).

More information about advertising is available through bookstores, local libraries, various marketing institutions, the Department of Trade and Economic Development and the South Australian Tourism Commission.

Remember that the best way to promote your business is through word of mouth. A satisfied customer will tell their friends about you and bring new and repeat business.

For further assistance please contact the SATC Tourism Development Unit on (08) 8463 4500.

Marketing

2.7 Media Relations

Dealing with the media

Whether you're a small bed and breakfast operator or a 300 bed hotel, dealing with the media is an important part of your business. However, even the most savvy chief executive can find dealing with the media daunting.

The SATC has developed a media guide which covers topics such as what is news, different needs of different media, stories that interest media, how to sell your story, write a press release and prepare for interviews. It also includes information on crisis management and defamation. For more information contact the Public Relations Unit on 8463 4500.

Editorial vs advertorial

Editorial is the content of a magazine or newspaper that is written by its journalists, writers and /or editors. It excludes advertising.

Advertorial is when you pay a publication, such as a newspaper or magazine, to run a story on you (the word advertising often appears at the top of advertorials). You can look at having either editorial or advertorial in general consumer publications or travel trade publications that are read by travel agents, wholesalers etc. A list below outlines some of the major magazines in Australia.

Some consumer magazines with travel pages include

- Travel Away – a magazine focusing on travel
- Gourmet Traveller
- Vogue Entertaining and Travel
- Marie Claire Lifestyle
- Women's magazines, including Elle, Vogue, Cleo, New Women
- Seniors lifestyle publications
- Motoring magazines – RAA, NRMA, RACV
- Specialist magazines – On the Road (4WD), caravan and camping magazines

Travel trade magazines

- Traveltrade
- Travel Australia
- Travel Week

All of these magazines have paid advertising. If you are spending a considerable amount of money you may also be able to negotiate free editorial space as well. If you are just looking for editorial space there are several options:

1. Pay for it (in effect, advertising). This is known as advertorial.
2. Write a media release about the product and send it to the magazine. To get coverage it has to be newsworthy, i.e. A new operator, something different or quirky, a new development, etc (more information is available in the SATC's media guide).
3. Operators can also offer the magazine a free of charge stay or visit (a familiarisation visit, or famil) and this may encourage some free editorial coverage.

Working with the SATC

The SATC has excellent relationships with local, national and international media and pitches story ideas to media on a daily basis. If you would like the SATC to include your product in newsletters such as The Word Around (which goes out to thousands of media outlets nationally) or in What's Happening in SA (specifically targeting magazines), contact the Public Relations Unit on 8463 4500.

More information on the Public Relations Unit, National Media Office and Media and Trade Familiarisations Unit can be found in the SATC's *Marketing South Australia – an Operator's Guide*.

For further assistance please contact the SATC's Public Relations Unit on (08) 8463 4500.

Marketing

2.8 Visitor Information Centres

The South Australian Visitor Information Centre (VIC) network plays an important role in servicing visitors' needs for information of local and regional areas. As a tourism operator it would be beneficial that your local visitor information centre is aware of the services and products you provide.

Four steps to maintain your business visibility through VICs

1. Call into your nearest visitor information centre and introduce yourself to the officers in charge, staff and volunteers, informing them of your business operation and the products/services you provide.
2. Leave sufficient supplies of your brochure at the visitor information centre to cater for visitor demands. Most visitor information centres have limited display areas available and it may not be possible for them to display all brochures, however, they usually have adequate storage facilities where such information can be readily found when required.
3. Invite your local Visitor Information Officer to your establishment to familiarise them with your product and/or services.
4. Include them in your regular sales call pattern.

Most visitor information centres operate on a limited budget and have minimum staff resources, so it is almost impossible to get staff to leave the office during normal working hours. You will therefore need to be flexible as to when they can visit your establishment, attraction or tour as the visit may well be in the staff's own time.

You must be prepared to offer them a free of charge visit ensuring they are aware of all product and services available.

There are two levels of visitor information centres in South Australia

1. Accredited visitor information centres that have undertaken the Visitor Information Centre Accreditation Program and have met specified standards. These centres are identified by an italic yellow *i* on a blue background sign.
2. Non-accredited visitor information centres that generally offer a basic local information service.

For a list of recognised Visitor Information Centres visit www.tourism.sa.gov.au/about/division or contact the SATC Tourism Development Unit on (08) 8463 4500.

2.9 SATC Online Marketing

The South Australian Tourism Data Warehouse (SAATDW) enables South Australian Tourism operators to have a presence in the global online marketing environment and allows international distribution of South Australian tourism information. By registering on the SAATDW, tourism operators are able to have their tourism products to appear on:

- SATC flagship website www.southaustralia.com
- Tourism Australia's www.australia.com
- some regional websites
- IOL Reservations system within the South Australian Visitor & Travel Centre and
- SATC Corporate Database

Listing on the SAATDW also allows operators to participate in marketing programs such as:

- Connect SA
- *Shorts* holiday program
- Media and Trade Familiarisations program
- International Travel Planner and
- South Australian Tourism Awards

New and established operators are encouraged to register on the SAATDW in the following categories:

- Accommodation
- Houseboats
- Tour operators
- Hire cars
- Tourist attractions
- Festivals and Events
- Town information

Tourism operators who wish to be registered on the SAATDW in the categories of Accommodation, Tour and Hire, must complete an SATC Operator Agreement. For more information regarding this agreement and other registration forms, please contact:

Online Services

South Australian Tourism Commission

GPO Box 1972, Adelaide 5001

Phone: 08 8463 4560

Email: online@saugov.sa.gov.au

On receipt of the completed registration form and the SATC Operator Agreement your establishment will be given a full listing on the database.

Operators will also need to advise the SATC in writing of any changes to tariffs, facilities, business name or closure of business.

Marketing

Houseboats, Hire Services, Tour Operators

On receipt of the registration form and the SATC Operator Agreement details of your current operation you will be entered into the database. Houseboat operators must submit proof that they possess a current DMH survey certificate and tour operators must have the appropriate licenses, insurances and comply with the Commission's criteria for listing.

SATC Registration Forms and Operator Agreements are available on request from the Online Services unit of the South Australian Tourism Commission. For copies please contact (08) 8463 4560.

2.10 National Marketing Distribution

Sales and Distribution Networks

It is important to understand the sales and distribution system that will work best for your business. Make sure that you consider the opportunities offered by retail agents, wholesalers, tour operators, motoring organisations and visitor information centres as intermediaries in selling and promoting your business.

Avenues that you can use in order to promote your business on a national level include:

- Wholesale programs interstate and within South Australia
- South Australian Travel Centres (Perth, Brisbane, Sydney, Melbourne and Auckland)
- Cooperative marketing opportunities with the South Australian Tourism Commission
- RAA and interstate motoring organisations
- Trade and consumer travel shows around Australia
- Visitor information centres (in South Australia and interstate)
- Other operators via wholesalers to travel agents
- Direct mail campaigns
- Industry associations
- Internet

Interstate Wholesale Programs

Wholesalers are companies that will sell your product through established retail distribution channels on your behalf. They also select individual product elements and link them to form packages. Through a wholesale program you have the opportunity to reach potential customers who would not otherwise hear about your product. These packages are then brochured and distributed throughout the travel agency network.

For this service wholesalers expect to be paid a commission that can vary from 20% to 25% domestically. Out of the commission they receive, the wholesaler then pays a commission to the retailer (normally 10%) who is selling the product to the consumer.

There are usually costs involved with entering the wholesale programs to help offset any brochure production and marketing expenses. These will vary from wholesaler to wholesaler. The wholesaler will make the final selection on the content in their brochure.

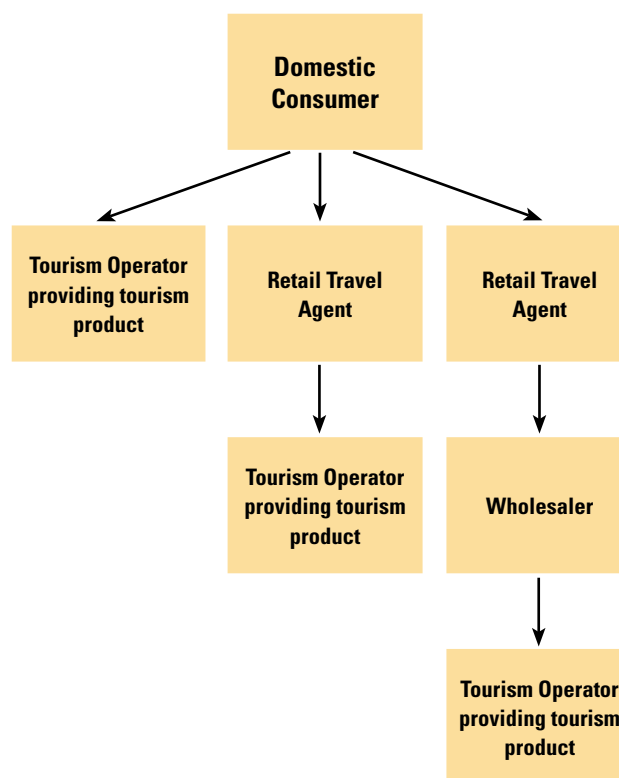
It is important to structure the pricing of your product carefully to allow for various commissions.

(Refer to our Pricing and Packaging fact sheet on page 10)

More information about cooperative marketing opportunities, trade shows and national marketing distribution with the South Australian Tourism Commission can be found in the Marketing South Australia – an Operator's Guide and SATC's Partnership Opportunities guide. Details: 8463 4500.

For more information on national distribution please contact the SATC Tourism Development Unit on (08) 8463 4500.

How can consumers buy my product?



Marketing

2.11 International distribution

Three key points about the international distribution chain

1. Inbound tour operators coordinate travel arrangements in Australia on behalf of overseas wholesalers and retail travel agents. This usually involves planning the Australian itinerary, costing the various components (for example, transfers, accommodation, and sightseeing), negotiating prices and arranging payment for the product (nett prices). Inbound Tour operators' commission rates are usually 30% – please refer to our pricing and packaging fact sheet on page 10 for further information.
2. Overseas wholesalers are the next link in the distribution chain. They are located within the international market and with the product packages supplied to them by the inbound operators, they prepare the brochures that are distributed to consumers either through advertising or travel agents. Their commission for this is usually 20%.
3. Travel agents are the front-line people. They sell the packages from the brochures to customers, usually out of shops or other retail outlets. Their commission is usually 10%.

Six tips to help you tap into the international market

1. **Target two different links in the distribution chain**
 - » The inbound tour operator based in Adelaide or interstate;
 - » The wholesaler based overseas
2. **Identify the international markets most appropriate for your product eg New Zealand, Europe**
3. **Prepare your product to meet the needs of the international market by:**
 - » Understanding and adopting the appropriate commission structure;
 - » Adopting a high level of service
 - » Always promptly answering and responding to requests from the travel trade (whether by email, phone or facsimile);
 - » Being able to accept a voucher as a receipt and to invoice later;
 - » Understanding the needs of the international market being targeted.
 - » Arrange meetings with inbound tour operators to ensure they are familiar with your product
 - » Creating relationships with inbound tour operators is very important and it may take years to gain their trust and their business.
4. **Attend trade shows to meet the international wholesalers.**
 - » There is a range of trade shows in which you can participate. One of the biggest and best trade shows is the Australian Tourism Exchange (ATE), held every year in May/June. It is organised by Tourism Australia. You must be registered on

Tourism Australia's database to receive a prospectus for this show as well as any other international trade shows.

» Most international trade shows are run on an appointment system, in which you meet buyers one to one according to a predetermined schedule. Appointments can be anything from 10-15 minutes. They allow you to find out what the wholesaler or retail buyer's main interest is, for example group vs. individual travel, adventure tours etc and allow you to provide a pitch about your business.

5. Participate in the South Australian Tourism Commission familiarisation program.

Because SATC targets all sectors of the international distribution system for familiarisations, contact the SATC's International and Familiarisation Departments to ensure that they are familiar with your product. Familiarisations are a great way for the wholesaler, retailer and inbound tour operator to experience your product and provides them with more confidence in both packaging and selling. Media 'famils' are also a possibility and potentially can provide exposure for your product in overseas media. Be prepared to offer a discount in return for this opportunity.

6. Work with other operators who are already tapping into the international market by creating packages or including your product into their package. They can in turn promote your product if it is part of theirs.

International bookings – how it works and who gets what?

A customer goes into a travel agent in Germany because they want to travel to South Australia. The agent gives them a brochure that a wholesaler has packaged and produced by obtaining costings from the inbound tour operator – who in turn deals with you.

The customer then books the product, let's say it's \$120.

The travel agent keeps 10% (\$12) and passes on \$108 to the wholesaler. The wholesaler contacts the inbound tour operator and forwards the money owing (the wholesaler also keeps 10% of the original price the consumer paid or \$12). The inbound tour operator contacts the business and books the product. For his or her services the inbound tour operator keeps 10% (or \$12). This means that the product or business will receive \$84 for the provision of the service.

Therefore, when you are working out your costs, it is vital to have the right pricing structure in place. Please refer to our Pricing and Packaging fact sheets on pages 10 & 11 for further information or contact the SATC Tourism Development Unit on (08) 8463 4500.

If you would like more information on international tourism marketing and details on how SATC can help you enter this market or expand your international business please contact the SATC Tourism Development Unit on (08) 8463 4500.

Tourism Sectors

3.1 Accommodation

There is a diverse range of accommodation styles that can be developed as tourism business, including:

Hotel, Motel, Bed and Breakfast, Self Catering, Tourist/Caravan Park, Apartment, Farm Stay, Park accommodation and Backpacker Hostel.

An overview of accommodation demand in South Australia

It is estimated that in 2003 South Australia attracted over 5.7 million overnight visitors that stayed a total of 25.6 million nights in the state.

On average, overnight visitors to South Australia stay 4.5 nights in the state. Length of stay varies from 3 nights for South Australians, 5.6 nights for interstate visitors and 15.1 nights for international visitors. Extended visits by education purpose visits contribute to the long average of stay for international visitors.

For detailed information on demand for accommodation types, length of stay and regional volume contact the SATC research unit on 08 8463 4500 or visit www.tourism.sa.gov.au/publication for a copy of our regional profiles.

What licences do you need?

Every business is unique and provides different services and therefore will have different licencing requirements. Visit www.bli.net.au or phone the Department of Trade and Economic Development to find out what you need for your business.

Summary of Accommodation supply for Hotel/Motel/ Serviced Apartments, Caravan Parks in 2003

Hotel/Motel/Serviced Apartments		Caravan Parks	
Number of Establishments	246	Number of Establishments	152
Capacity	11,644 rooms	Capacity	20,248 sites/cabins
Nights sold	2,363,000 room nights	Nights sold	2,944,500 site nights
Average occupancy rate	55.6%	Average occupancy rate	39.7%

Contact the Department of Trade and Economic Development to discuss such issues as council, building, health and other regulations. Even if you wish to let out a room in your house on a bed and breakfast basis, it will change the use of the property and council approval is required. Ignorance or failure to comply with these regulations may incur heavy penalties.

AAA Tourism

AAA Tourism is the national tourism body of the Australian Auto Clubs and manages the STARS Accommodation Classification Schemes, publishing the popular Accommodation Guide, Tourist Park Guide and Experience State Guides and manages the National Special Rates program.

For more information on the star rating system visit www.aaatourism.com.au

Useful Industry Contacts

- SA Bed and Breakfast & Farmstay Association
- Hotel, Motel and Accommodation Association of Australia

Tourism Sectors

3.2 Tour Operation

A tour operation can cater for a variety of experiences in different types of vehicles.

Examples of Experiences	Examples of Vehicles
Adventure	4WD
Cultural	Air Transport
Entertainment	Animal
Heritage	Bicycle
Luxury/Indulgence	Car/Limousine
Nature Based	Coach/Mini Coach
Self Drive	Rail
Water	Walking
Wine and Food	Water vessel/Boat

What licences do you need?

Every tour business is unique and will have different licencing requirements. Visit www.bli.net.au or phone the Department of Trade and Economic Development to find out what you need for your business.

How to conduct a tour

There are many courses available to assist you in conducting a tour. Visit www.tobe.com.au or local educational institution to find a suitable course to meet your needs.

Common operational issues for a tour operator

To ensure professionalism in your business who will take the bookings while you are on tour?

You will need to undertake regular checks and inspection of vehicles by government garages.

How often do operational /vehicle licences need to be reviewed?

Other considerations

- Determine the position you wish to hold in the market place eg 5 star or budget touring.
- What information will customers find interesting? Information must be accurate, relevant and interesting.
- Have you thought about packaging your product with some else to establish an experienced based package eg Tour, accommodation and meals package.
- Keep your product customer focused, if your customers' needs change then your product may need to be updated.
- Encourage repeat business by keeping your product innovative and new.

Industry Associations that can be contacted for information on specific tour operations include:

- Bus and Coach Association
- Tour Guide Association
- Regional Marketing Committees

For more information please contact the SATC Tourism Development Unit on (08) 8463 4500.

Tourism Sectors

3.3 Attractions

An attraction is a place where activity is provided for customers to participate. It may be passive participation (museum or art gallery) or active participation (theme park or winery).

Examples of attraction themes you may be considering

Aboriginal cultural	Museum
Arts and Craft	Natural resource
Children / Family	Nursery
Ecotourism	Parks
Farm	Produce
Historical	Retail
Markets	

The following points should be considered when thinking about operating an attraction:

Test your idea. Does it meet the needs and desires of the market? Draw on existing consumer motivational research, or compile your own data. Are there similar attractions in other states, how popular are they and how long have they been operating?

Consider very carefully your choice of site. Locating your attraction where there are a variety of competitors can provide the critical mass necessary to bring more people. It is easier to be successful in a location that has an established tourism appeal and visitation, compared to an untried, unknown area.

Determine what licences and other legal requirements are required for your business. Ignorance or failure to comply is no defence and heavy penalties may apply. Visit www.bli.net.au or phone the Department of Trade and Economic Development to find out what you need for your business.

Consider the most appropriate way to tell your customers the experience they will have when visiting your attraction. Do the images and words you portray in your promotional material compliment this experience?

Assess the possibility of generating repeat business for your establishment and how you would do this.

Consider the potential for additional value-added services to your business as admission fees alone may not financially support your business. You could include such options as merchandise and souvenirs, refreshments, meals and other impulse offers.

Regularly assess potential trends in the marketplace, ensuring your attraction remains up to date and meets the demands of your future target market.

For further assistance, please contact the SATC Tourism Development Unit on (08) 8463 4500.

Tourism Sectors

3.4 Aboriginal Tourism

Aboriginal Tourism can be defined as a tourism product or experience that is Aboriginal owned or part owned, employs Aboriginal people or provides contact with Aboriginal people, culture or land.

It can encompass all tourism product opportunities, cultural heritage, nature, adventure, rural, leisure, educational, production of art /craft and provision of services that amalgamate aspects of the aforementioned with accommodation, transport or hospitality. (*SATC Aboriginal Tourism Strategy* August 1995)

The highest levels of interest in Aboriginal tourism comes from international markets.

You need to be aware that long delays in receiving bookings between when you start to promote a product to when a flow of booking occurs. Domestic markets should be identified until the international trade and/or consumer discovers your product.

Credibility

Visitors place a high level of importance on authenticity and credibility this adds significant value to the experience.

Some ideas that need to be considered:

- Will you need interpreters, visual aids, brochures or other written material to explain your product?
- Do you have examples of handicrafts, weapons, bush tucker, art, dance or story telling that may need some explanation for non-English speaking visitors?
- What are your clients going to find most interesting?
- Experiencing the culture or buying artifacts?

As an Aboriginal tourism operator within the tourism industry your invitation to visitors to participate in Aboriginal culture, heritage and history is extremely important. Your visitors are here to experience Aboriginal culture and to learn about the Aboriginal people, diversity and history. Be mindful not to make political statements and raise issues which visitors not understand and always use professional guides for any interpretation.

- Profile of key markets interested in Aboriginal Tourism
- International holiday visitors predominately from Europe and North America
- International backpackers
- Educated
- Frequent travellers
- Predominantly more women than men

Key experiences sought

- Traditional culture
- Interactive displays, participation and 'hands on' experience
- Opportunity to buy authentic artifacts from different regional cultures
- Traditional knowledge and use of native plants for food and medicine (links with nature-based tourism)

Additional Resources

Aboriginal Tourism Australia
www.aboriginaltourism.com.au

National Native Title Tribunal
www.nntt.gov.au

The Australian Aboriginal Cultures Gallery at the South Australian Museum has general information on Aboriginal Tourism - visit www.samuseum.sa.gov.au

In addition, reading material is available from the South Australian Tourism Commission. Please contact the SATC Tourism Development Unit on (08) 8463 4500 for further discussion.

Tourism Sectors

3.5 Cultural Tourism

Cultural tourism encompasses a diverse range of activities that provide visitors to South Australia with the opportunity to understand and appreciate the character of our state and culture. It is the experience of places, traditions, art forms, celebrations and events that reflects a society and its people. Cultural Tourism includes the arts, architecture, food, wine, local produce, natural environment, landscape, festivals, special events, history, archaeology, cultural diversity, people and their lifestyles.

Research your market

- What type of cultural tourism most interests your target market and how will you represent this?

Your product

- Have an understanding of what constitutes cultural tourism.
- Be specific about which aspect of cultural tourism you are going to explore.
- Have an understanding of the culture and background of your customers, as it will assist you in explaining Australian culture in a way they can understand and relate to. For example, are there similarities to their culture or history?

Sustainability, authenticity and integrity

These philosophies are central to developing cultural tourism product.

Sustainability – To be successful, you will need to ensure that your business can maintain sufficient revenue in the early stages, while continuously promoting yourself. Clients will usually come from domestic and international markets. It takes time to reach these people and so you must have sufficient financial backing to support yourself until your business is established.

Authenticity – It is important to ensure that your product and tour components are genuine. Interpretation of the experience is an essential part of cultural tourism and must be concise, factual and sufficiently motivating and entertaining for the listener/reader to want to see more.

Remember, most cultural tourists are highly educated and may often know more about the subject matter than you expect.

Integrity – Always ensure that you deliver the product and service that you advertise or promise. This is of extreme importance in the international market and in particular when dealing with the European market.

When developing cultural tourism product

- Visitors can experience cultural tourism through storytelling and imagination as well as through physical landscapes.
- Cultural tourism is predominately about interpretation, either with the arts or the landscapes.
- Try to use as many of the senses as possible to create a total experience. Do not rely on solely talking to your customers. Consider grouping several cultural tourism products together to create a complete experience-based package. This can be by yourself or in conjunction with other operators who already have an existing cultural tourism product available. Always remember that a cultural tourism experience can vary between regions and can include numerous cultural tourism opportunities. For example, a tour of the wineries in McLaren Vale can include interpretation of the architectural aspects of the region with lunch of local produce at a café.

Work in collaboration with other tourism operators to create an ongoing and profitable relationship. Identify potential partnership opportunities that will deal with providing customers with a fulfilling cultural tourism experience. This could be achieved by combining the following:

- transport
- accommodation
- cultural institutions
- restaurant or cafés

You need to be able to sell your product to wholesalers, retailers and the general public, while remaining clear and focused on the exact type of experience you are going to offer your clients.

You cannot be everything to everybody. Focus on what you want to do and be the best at it.

Profile of people interested in culture and heritage:

- Above average education
- Higher than average income earners
- Frequent travellers
- Spend more money and are likely to shop
- Prefer a more 'up-market' accommodation style
- Predominately more women than men
- Mature audience
- Up to 85 % of visitors are interested in experiencing some level of cultural tourism while they are travelling
- Research shows that Europe and North America are South Australia's largest market for cultural tourism

For further assistance please contact the SATC Tourism Development Unit on (08) 8463 4500.

Tourism Sectors

3.6 Nature-Based Tourism and Ecotourism

Nature Based Tourism is defined by the Responsible Nature Based Tourism Strategy 2004-2009 as any sustainable tourism activity or experience that relates to the natural environment, whether for relaxation, discovery or adventure.

Nature-based Tourism activities include experiences associated with national parks and protected areas, wildlife, bush walking, bird-watching, the coast or the outback.

Ecotourism is defined by Ecotourism Australia as “ecologically sustainable tourism with a primary focus on experiencing natural areas that foster environmental and cultural understanding, appreciation and conversation”.

Ecotourism activities are more than just visiting a national park or travelling to unspoilt areas. Ecotourism’s key motivation is learning, appreciation and conservation. It is specialized, low-capacity, discrete, educational and conversation-minded and it returns tangible benefits to the local community and natural resources.

2004-2009 Responsible Nature Based Tourism Strategy

One of the key goals of the South Australian Tourism Plan 2003-2008 is to improve South Australia’s appeal to the visitor by enhancing and linking authentic experiences. Our aim is to position South Australia as an authentic and diverse nature based destination of choice by achieving the following the goals:

1. Develop great nature experiences
2. Letting the market know about SA’s great nature Secrets
3. Strategically aligning policies to make things happen
4. Building nature based industry capacity

Your product

Have a good understanding of your product, what nature based tourism or ecotourism is and what it means to the environment.

Market Profile

South Australia has many ideal areas for nature-based tourism or ecotourism development, however you must be aware of the difficulty in promoting a destination and your product. Consider working in conjunction with marketing groups such as your Regional Tourism Marketing Board, an industry association or other relevant associations. People looking for ecotourism experiences vary in their travelling habits. They travel alone or in academic or affinity groups with a particular interest eg Earthwatch. Consider how you can target your marketing to reach these people.

- Socially Aware psychographic segment – 35 to 54 years old, families and couples
- Discerning, rejects commercialism, is not fooled by marketing hype and expects value for money
- Tertiary educated, of higher income brackets;
- Independent travellers (backpackers) and can be any age.

NEAP Accreditation

Ecotourism Australia has developed an Eco Certification Program that aims to identify genuine ecotourism and nature tourism operators in Australia. The program offers three levels of product certification:

1. Nature Tourism
2. Ecotourism
3. Advanced Ecotourism

The certification provides industry, protected area managers, local communities and travellers with an assurance that a certified product is backed by a commitment to best practice ecological sustainability, natural area management and the provision of quality nature or ecotourism experience.

For further information on Ecotourism Australia or Eco Certification visit www.ecotourism.org.au and for more information on the nature based or ecotourism in South Australia contact the SATC Tourism Development Unit on (08) 8463 4500.

Tourism Sectors

3.8 Wine and Food Tourism

Food and wine tourism is a broad field in which to develop tourism product. It can entail any aspect of providing a wine and food experience to the customer. It may include wine tasting, dining, food and wine festivals, food and wine education, the combination of food and wine from a specific region, or simply experiencing the cultural and lifestyle activities available in wine regions.

When developing and planning your tourism product, consider the following points in recognising the potential and economic value of this market.

- 955,000 visitors (daytrip and overnight) included a cellar door visit as part of their trip to South Australia in 2003.
- Wine tourists in South Australia visit an average of 4.4 cellar doors per regional visit.

- The Barossa attracts 51% of winery visitors followed by McLaren Vale (24%), Coonawarra (10%), Clare Valley (9%), Riverland (3%) and Adelaide Hills (2%).
- In most cases, wine is an important, but not the sole trip motivator to visit a wine region. Visitors are seeking an opportunity to relax and unwind, spend quality time with their partners and experience the countryside, local foods, and produce.

Cellar Door Visitor Research

The South Australian Tourism Commission has conducted extensive research with visitors to cellar doors in 2000 and 2003. For a copy of the report contact the research unit at SATC or download it from www.winetourism.com.au.

Wine Visitors

	Wine Focused (14%)	Indulgers (19%)	Browsers (22%)	Visiting Friends & Relatives (22%)	Discoverers (23%)
Motivation	Visitors with a strong interest in tasting, learning about and purchasing wine. It also includes small groups with an interest in celebration and socializing. Mid life age skew 31-50 yrs.	Predominately couples focused on rest and relaxation, eating and drinking and spending quality time together. Often escaping for a short break from a busy lifestyle. They may be interested in high standard of service in unique accommodation. Mid life age skew 41-50 yrs.	Interested in a range of experiences that will stimulate the senses – eating, drinking, art, leisure shopping, nature and wildlife. Also interested in history and heritage of the region. Older age skew 50+ yrs.	Driven by SA residents with an interest in entertaining visiting friends and relatives.	May not have visited the wine region before but they may have heard about it. Word of mouth is an important driver for this group. They are interested in finding out about and experiencing the attributes of a destination that make it special. 'Iconic' brands will be important.
Activity interests	Wine tasting at cellar doors, purchasing wine, meeting winemakers	Wine tasting at cellar doors, restaurants, regional cuisine, quality specialized accommodation (incl. Resorts), health retreats/spas.	Wine tasting at cellar doors, art galleries, museums, craft shops, farmers markets, food and wine trails, cycling, bushwalking.	Wine tasting at cellar doors, cafes and restaurants.	Wine tasting at cellar doors, iconic wine regions and brands.
Origin	75% from SA (21% staying overnight in region)	78% from SA (32% staying overnight in region)	73% from SA (28% staying overnight in region)	73% from SA (11% staying overnight in region)	39% from SA (28% staying overnight in region) 35% interstate 26% overseas (Largest proportion of out-of-state overnight visitors)
Transport	Hire vehicle	Self-drive, usually in their own car	Self-drive, usually in their own car	Own car/hire bus	Book a tour, or hire vehicle
Accommodation	Guesthouse, bed and breakfast	Bed and breakfast, guesthouse	Caravan parks	Hotel/Motel	Hotel/motel or caravan parks
Average stay in wine region by overnight wine visitors	3 nights (7 nights overall)	2 nights (8 nights overall)	4 nights (10 nights overall)	2 nights (8 nights overall)	2 nights (longest holiday overall at 19 nights)

Source: SATC Cellar Door Survey 2003

Tourism Sectors

Legal requirements

Licensing and other legal requirements may be necessary for your business. Failure to comply, or ignorance about regulations, is no defence and heavy penalties apply. The sorts of things you may need to consider include:

- Do you have the appropriate liquor licence?
- Do you have or need local council planning approval?
- Have you complied with all health and building regulations?
- Do you understand the regulations regarding the storage, handling, preparation and presentation of food?
- Do you have appropriate public liability and/or professional indemnity insurance?

For information on State, Federal and local licences, contact Department of Trade and Economic Development
178 North Terrace, Adelaide
Ph: (08) 8303 2400.

Responsible management of alcohol

Consider how you will manage over-indulgence (either of food or wine) through the structuring of your tour and the management of people. In particular note that the legislation regarding serving liquor to customers is the same if you run a licensed premises or a licensed vehicle.

- Research, initiatives and contacts for wine and food tourism stakeholders are available on the SATC's dedicated website www.winetourism.com.au.
- The Winemakers Federation of Australia have produced several information sheets on wine tourism. Refer to their website www.wfa.org.au.
- Tourism Australia also has information regarding this sector on www.atc.australia.com.

For further assistance please contact the SATC Tourism Development Unit on (08) 8463 4500.



Market Niches

4.1 Backpacker Tourism

A backpacker is defined as a visitor who spends at least one night of their trip in hostel type accommodation (TRA, 2005). Among backpackers there are a wide range of different traveller types and needs.

Market Profile

- 488,000 international backpackers visited Australia in 2004/05 (TRA, 2005)
- Of these, 91,000 or around 19% visited South Australia
- The average expenditure of international backpackers in Australia in 2004/05 was over \$4,700 or \$73 per night
- International backpackers spent over 1.4 million nights in South Australia in 2004/05
- Backpacker's accounts for 27% of all nights spent in South Australia in 2004/05 by international visitors (TRA, 2004/05)

More information on the backpacker market to South Australia is available at www.tourism.sa.gov.au/publications/pubs.asp?archieve=O&PubCatID=2

The following tips are offered with the backpacker industry in mind:

Backpacker profile

- Prefer budget accommodation (would rather spend money on activities than accommodation)
- Seek travel that is unstructured and spontaneous
- Eager to mix with other travellers and locals
- Travel for longer periods and more widely
- More inclined to travel off the beaten track and seek diverse experiences
- Often on a working holiday
- Can be of any age, from any country. In 2004/05 9% of backpackers who visited South Australia were aged 50 years and over

- UK, Germany, Netherlands and North America are the main source of international backpackers that visit South Australia. In 2004/05 Europe as a whole (including UK) made up approximately 73 % of all backpacker visits to South Australia
- Generally well-educated
- More likely to use the Internet for information.

Determine the position that your product/service will occupy in the marketplace. Backpackers may require budget accommodation but are prepared to pay for quality service if this offers value for money.

This is very much a “word of mouth” industry and future business can be generated by positive feedback. Remember to keep your business fresh and customer-focused.

Determine the marketing strategies and actions that need to be taken to reach your customers and achieve targets. This will include selecting and servicing distribution channels in addition to advertising and promotional activities. Free postcards are a cost effective example as they are generally posted overseas giving you international exposure.

Do not limit yourself to the ‘backpacker’ stereotype. Consider your position carefully as seniors and domestic travellers may also find your product suitable to their needs.

Undertake a continuous program of market research to assess the movement patterns of backpackers in South Australia, in particular your region. Some questions to consider might be where are they from? What other regions and States have they been to? Where do they intend to go next? How are they travelling?

If you are new to the industry base your decision-making process on business not lifestyle objectives. Remember that a backpacker business will involve a lot of planning and hard work.

For further information with the backpacker market, please contact the SATC Tourism Development Unit on (08) 8463 4500 or the SA Backpackers Industry Association (SABIA).

Market Niches

4.2 Tourism for people with disabilities

Disability can be defined as 'limitations in the ability to perform an activity, as the result of impairment'. This impacts on the ability of an individual to participate fully with his or her environment. This definition is based on dimensions provided by the International Classification of Impairment, Disabilities and Handicaps (ICIDH).

Market Profile

When developing and planning your tourism product, consider the following points in recognising the potential and economic value of this market.

- In 1981 there were 15% of Australians with a disability. In 1998 19.5% of the Australian population or 381,500 people had a disability
- 3.7 million trips per year taken by individuals with a physical disability totaling 29.8 million visitor nights per year (Darcy, 1997).
- The average size of travel groups for people with a disability is 4.1 people.
- The major group types are: with friends/relatives (29%), with partner (28%), parents and children (19%) and individually (9%).
- Group dynamic data increases the visitor nights to 122.5 million nights per year for people who travel with them.
- The total spent by all people with a disability on their last holiday totals approximately \$472 million Australia-wide.

(Information sourced from Tourism Queensland, 2002)

Resources

Room 206 – Accommodating Travellers with Disabilities.

The South Australian Tourism Commission in cooperation with ACROD has revised the information booklet *Room 206* which provides detailed information about requirements for disabled access. Copies are available from the South Australian Tourism Commission Tourism Development Unit on (08) 8463 4500.

Guestability – Signposts to Accommodating People of all Ages with Disabilities

This publication has been compiled by the Independent Living Centre of WA (Inc) and is designed to guide the reader and raise awareness of access and customer service issues. For a copy of this publication contact Independent Living Centre of WA (Inc) on (08) 9381 0600 or visit www.ilc.com.au.

ACROD Ltd. SA Division – Access and Mobility Committee can assist in referral to accredited Access Audit Specialists.

Although there are a variety of checklists available, it is highly recommended that any auditing be done by a specialist.

ACROD can be contacted on (08) 8244 5529.

A list of Australian Standards for people with disabilities are available from Standards Australia. Phone (08) 8373 4140.

It is important to note anti-discrimination legislation exists, and it is your responsibility to ensure that you do not breach this legislation. For more information on anti-discrimination legislation and other issues, contact

Disability Information Resource Centre (DIRC)

195 Gilles Street Adelaide SA 5000.

Phone: (08) 8223 7522

Fax : (08)8223 5082

Country Callers : 1800 182 179

www.dircsa.org.au.

Action Plan

An Action Plan can be lodged with the Human Rights and Equal Opportunities Commission under the Disability Discrimination Act 1992. Action Plans lodged with the Commission can act as defense against complaints, however action plans have to be acted upon. For further information on Action Plans, please contact Disability Action on (08) 8352 8599.

Further information on human rights and legal obligations contact

Human Rights and Equal Opportunity Commission

GPO Box 5218, Sydney NSW 1042

Phone: 1300 369 711

TY : 1800 620 241

www.hreoc.gov.au

For further assistance please contact the SATC Tourism Development Unit on (08) 8463 4500.



Further Assistance

5.1 Tourism Industry Associations

Tourism Industry Associations are non-profit organisations that provide an industry voice on issues affecting a particular tourism industry sector.

Associations play an important role in the establishment and maintenance of minimum industry standards for the quality of product and customer service. This serves to provide the industry sector with a benchmark upon which to measure and maintain the quality of its product.

A number of tourism industry associations use minimum industry standards as a valuable marketing tool and consumers doing business with a member of a recognised industry association can be assured they will receive a recognised standard of service.

Why become a member?

Tourism Industry Associations offer a range of benefits to members. While benefits will vary across industry associations, they will generally include:

- A united industry voice
- Industry networking through newsletters, training seminars, membership directories and company referrals
- Minimum standards of quality and service of members and associated marketing benefits
- Discounts for members on a variety of goods and services
- Voting rights at the annual general meeting and an opportunity to have your say on issues concerning the industry sector in which you are operating

For many new operators it has proven invaluable to approach their industry association before starting a business, as industry associations can provide key advice that can prevent costly mistakes. Most industry associations are more than happy to assist people thinking about starting up a business and especially to assist new members.

Other Tourism Associations

In addition to the sector specific industry associations, there are industry associations who provide an overall service to the tourism industry.

RAA – Royal Automobile Association

As well as offering traditional roadside service, maps and general tourist advice, the RAA operates an efficient Australia wide accommodation and product booking service. Their traveller's shop is recognised as one of Adelaide's best for commercial maps, travel, Australiana and overseas publications.

For more information visit www.raa.net

AAA Tourism

The AAA is jointly owned by the RAA and all the other State motoring associations and is responsible for assessing hotel, motel, caravan parks, bed and breakfast, host-farm, and holiday unit accommodation in Australia.

For more information visit www.aaatourism.com.au

ATEC – Australian Tourism Export Council

ATEC is a national membership-based tourism organisation that concentrates on industry members who work in the inbound (international) market. Their aims include to advance professionalism, growth and recognition of the Australian inbound tourism industry through representation at the federal government level.

Member benefits include networking, newsletters and direct access to inbound tour operators. ATEC also assist their members with following up on international creditors and run the Australian Guide Qualification Program.

For more information visit www.atec.net.au

For further assistance please contact the SATC Tourism Development Unit on (08) 8463 4500 .

Further Assistance

5.2 National Tourism Accreditation Program

If the South Australian tourism industry is to achieve success in the increasingly competitive national and international markets all sectors of the industry must develop quality product and services that will meet the expectations of their customers and lead to a positive tourism experience.

The development and implementation of a Tourism Industry Accreditation Program, based on Quality Assurance principles, that establishes a benchmark for tourism industry operators is a significant step in the process.

The National Tourism Accreditation Program provides operators with a self-assessment means resulting in higher levels of efficiency, consistency in business practices, sustainability and consequently resulting in an increase in consumer confidence.

The Accreditation Program is based on Quality Assurance principles and is aligned to the Australian and International Standards for Quality Management Systems - ISO 9002.

These principles are aimed at achieving customer satisfaction and gaining repeat business. The Program allows a business to:

- Plan what is to be done (Quality Planning)
- Check that customer expectations are being met (Quality Control)
- Ensure that customers changing expectations are fulfilled economically at the right time (Quality Improvement)

This is achieved by the documentation of management systems that will lead to improved business knowledge, competence and management, as well as add value and direction to your business.

Branding

The distinctive 'tick on a star' logo displayed by accredited operators signifies their compliance with the program and offers consumers assurance that they are dealing with an operator committed to quality practices and professionalism. The accreditation logo is included in South Australian Tourism Commission brochures and other major industry publications, resulting in an increase in consumer recognition of tourism excellence.



Become Accredited – Just four easy steps

Step 1

Contact the Tourism Accreditation Manager or attend a Tourism Accreditation seminar where the program will be explained to you. Details of these information seminars are available at www.tourismaccreditation.com.au.

Step 2

To become accredited you need to complete the registration form and pay the appropriate fee. At this point you are registered for the program and will receive an Accreditation manual that contains all criteria required to become accredited. The manual has been designed for you to work through progressively and contains a number of templates that can be modified to suit your businesses needs.

'Destination - Accreditation' Workshops are available for registered operators who need assistance through the program. Alternatively, you are welcome to arrange a personalised one-on-one meeting at the Tourism Accreditation Office.

Step 3

Operators have six months to complete the Accreditation process, and once the necessary documentation is completed, this is forwarded to the Accreditation Office for a desktop audit. You may be contacted for further information or clarification and all requirements will be explained in writing.

Step 4

Congratulations - you are Accredited!!!

On successful completion of desktop audit, you will be issued Accreditation status and receive your certificate and accreditation logo for use in marketing activities. Your details will be added to the search facility on the SATC database. In addition, the South Australian Tourism Commission will be notified that you have become accredited.

On-site verification audits will be conducted bi-annually, or as practicable, to ensure that the documentation is in place, and that you are implementing the documented processes and practices.

Benefits

Accredited Tourism Businesses have access to a range of benefits including discounts for participation in tourism publications and trade and consumer shows. Operators will also receive a complimentary listing on the tourism accreditation website and many operators have reported a saving on public liability insurance.

For more information please contact the National Tourism Accreditation Program on (08) 8463 4580 or visit the website at www.tourismaccreditation.com.au.

Further Assistance

5.3 Training Courses & Education Opportunities

Tourism Operator Business Education (TOBE)

Developed by the SATC in partnership with training providers, TOBE is a website that helps South Australian tourism operators build and develop skills and knowledge to grow their business.

The site details more than 50 courses and workshops that have been created specifically for the tourism industry catering for everyone from start-up through to highly successful established businesses and employers and employees.

With video conferencing, online materials and self-paced learning as options, you can expand your skills and knowledge wherever you are in South Australia. Various course lengths and commencement dates also allow to you schedule your training to suit your needs.

Visit www.tobe.com.au

South Australian Tourism Commission

The South Australian Tourism Commission provides training workshops and seminars on specific tourism matters when the need arises. To ensure you are advised of upcoming opportunities, please register with the SATC database and look out for the SATC newsletter *Opportunity Knocks* which lists these and other opportunities.

TAFE SA

TAFE SA operates across 54 campuses and learning centres, spread throughout South Australia. There are 4,300 full time equivalent staff, providing vocational education and training services to over 80,000 clients. TAFE SA has 3 major objectives:

- Create wealth for individuals and the State
 - Change individuals lives for the better
 - Liberate people through learning
- Many of the regional campuses have tourism courses or the option to study externally or online. For more information about course options visit www.tafe.sa.gov.au

Department of Trade & Economic Development Office of Small Business

The Office of Small Business works in partnership with the small business sector to promote the sector's growth and profitability. The Office provides support to the Small Business Development Council to help grow small business and to maintain a close and effective working relationship between the Council and the South Australian Government. The Office also acts as an advocate and a key contact point for small business within the State Government.

Department of Trade and Economic Development Business Development Services

The Business Development Services Division works in partnership with industry, industry associations and advisory bodies to identify industry development needs that are addressed through government supported business information, training and advisory services.

The Division works collaboratively with local government, Business Enterprise Centres, Regional Development Boards, education providers and industry associations on design, delivery and evaluation of business development services and provides a conduit between the needs of South Australian industry and relevant delivery providers.

Services include:

Business Planning
Free Business & Training Workshops
Free Business Advice Hotline

Small Business enquiries:

Tel: 08 8303 2177 or 1800 240 489
Email: OoSB@state.sa.gov.au

Tourism Training SA

This government-funded organisation assesses the various needs for training in different tourism and hospitality sectors. It makes recommendations and endeavours to fill training gaps in the industry. For more information phone 08 8362 4088.

Further Assistance

5.4 Resources, Readings and Links

There is a wide range of resources, readings and links available to assist you to plan your business and get started in the tourism industry. Listed below are some that we recommend.

Tourism Specific

- *The Law of Travel and Tourism*, Pengilly
- *Australian Travel & Tourism Law*, Anthony J Cordato
- *How to Advertise and Promote Your Tourist Business*, Rob Tonge (Gull Publishing)
- *Hospitality and Travel Marketing*, Alistair M. Morrison
- www.tourism.sa.gov.au

General

- *The E-Myth*, Michael Gerber
- *A Women's Guide to Starting a Small Business in Australia*, Ro Saxon and Clare Allan-Kamil
- *How to Organise and Operate a Small Business in Australia*, J.W.English
- *Managing the Small Business* series, AGPS Press.
- www.grants.ord.sa.gov.au
- www.grantslink.gov.au
- www.southaustralia.biz

Business Planning

- *Preparing A Business Plan*, AusIndustry
- Practical Business Planning, KPMG
- *A Commonsense Approach to Business Planning*, Australian Bankers and Commonwealth Department of Tourism
- *Business Planning – The Timesaving Guide to Business and Marketing Planning*, Peter Hickley, MAUS Business Systems
- www.southaustralia.biz

Marketing

- *Marketing – Making the Future Happen*, Corkindale, Balan, Rowe
- *Marketing in Travel and Tourism*, Victor Middleton
- *Tourism Marketing in Australia*, Brian King & Geoff Hyde
- *Marketing Your Tourism Business* (video / manual kit), Tourism Training South Australia
- www.southaustralia.biz

Financial

- *Manage Your Financial Planning*, Margaret Christie
- *MIND YOUR OWN BUSINESS* (MYOB) (software package)
- www.tourism.sa.gov.au (Industry Development Pricing Calculator)

Further Assistance

5.5 Tourism Publications

Shorts

Shorts is the SATC's intrastate marketing publication for accommodation and is produced annually. The book features holiday packages with accommodation properties, tour operators and attractions.

SA Holidays

This guide taps into interstate retail distribution and promotes accommodation and tours.

Wine & Food Touring Guide

The guide to South Australian wine regions, wineries and gourmet dining experiences is distributed within the state, interstate and internationally.

Great Driving Holidays – Melbourne to Adelaide

Jointly produced by the South Australian Tourism Commission and Tourism Victoria, this guide details self-drive routes between Victoria and Adelaide.

Regional Visitor Guides

Visitor Guides are produced for each tourism region in the State by their respective Regional Marketing Committees. These publications provide information on activities, attractions and services available to visitors within that particular region. Advertising opportunities are available.

Bed & Breakfast Accommodation

Produced by the SA Bed & Breakfast Town & Country Association, this guide features details of members properties available for accommodation bookings. Contact South Australian Bed & Breakfast Town & Country Association on (08) 8342 1033.

Houseboat Holidays

This publication contains information on South Australian houseboat holidays and includes floor plans for the houseboats in their respective associations. Contact the Houseboat Hirers Association on (08) 395 0999 or Boating Industry Association of South Australia on (08) 8373 0511.

Caravan & Camping Guide

Produced by the Caravan Parks Association of South Australia featuring details of member parks available for accommodation bookings across the state. Contact Caravan Parks Association of SA on (08) 8443 9144.

Industry and Media Publications

Marketing South Australia – An Operator's Guide

Produced annually by the South Australian Tourism Commission and distributed to all Atlas data listed operators, Regional Marketing Boards and Industry Associations. Contact the Advertising and Production Co-ordinator on (08) 8463 4500.

Fast Track

A weekly guide of upcoming events throughout South Australia distributed to all SA media. Contact the SATC Public Relations Unit on (08) 8463 4500.

The Word Around (TWA)

A monthly tourism news and events update featuring new products and events. TWA is distributed to over 1000 international, national and local media, tourism operators and travel industry representatives. Contact the SATC Public Relations Unit on (08) 8463 4500.

Industry Brief

The SATC's quarterly corporate newsletter, filled with newsworthy tourism stories – tourism results, success stories, the latest research and marketing campaigns. Industry Brief is distributed to over 2000 tourism industry representatives and media both within SA and interstate. Contact the SATC Public Relations Unit on (08) 8463 4500.