

Alpine Resorts Strategic Marketing Plan 2014–2018

MAY 2014



MINISTER'S FOREWORD



Victoria's alpine regions form an invaluable part of our state's unique tourism offering, providing spectacular and unspoilt environments that are also easily accessible from Melbourne and regional centres.

Our ski resorts feature an extensive selection of European style lodges built in the heart of the snow, which provide Australian and international visitors with an immersive winter holiday experience.

Each resort has its own individual proposition, with a broad range of properties catering to visitors' various levels of skiing experience and holiday expectations. Uniquely for Australia, Victorian resorts enable visitors to ski right to their doorstep, making them an even more compelling tourism product offering.

Together, Victoria's alpine resorts represent a major tourism attraction for regional Victoria and are a significant economic contributor for our state, generating \$580 million annually and creating over 5,500 fulltime equivalent jobs in winter alone, in 2013.

Effective marketing of these resorts is a key priority for the Victorian Government, which has developed a coordinated approach that will minimise duplication and maximise potential for visitation growth.

Our vision is for Victorian alpine resorts to be vibrant, growing and sustainable places, delivering alpine recreational and tourism experiences that are available to all.

The marketing support articulated in the *Alpine Resorts Strategic Marketing Plan 2014–2018* (ARSMP) will ensure our resorts build on their position as year-round destinations of choice for visitors from all over Victoria, Australia and the world.

The strategy has four key goals, including: sustaining the winter market; growing the winter market; developing and promoting the green season; and facilitating and encouraging collaboration that creates a seamless visitor experience.

The ARSMP identifies opportunities for the alpine tourism industry, ranging from State Government agencies of Alpine Resorts Co-ordinating Council and Tourism Victoria, to regional and resort partners, and the private sector, and provides a framework for collaboration to deliver the Plan's strategic goals.

It has been developed following extensive consultation with the alpine tourism industry and I look forward to working with all stakeholders to achieve this important vision for our state's \$19.6 billion tourism sector.

A stylized, handwritten signature in black ink, consisting of a large, sweeping 'L' and 'A'.

The Hon Louise Asher

Minister for Tourism and Major Events

MINISTER'S FOREWORD



Victoria's alpine resorts – Mount Baw Baw, Lake Mountain, Mount Hotham, Mount Buller & Mount Stirling and Falls Creek – are significant tourism and recreational assets. The resorts attract over one million visitors each year and, in winter 2013 alone, generated \$580 million in Gross State Product and approximately 5,500 jobs.

The vision of this *Alpine Resorts Strategic Marketing Plan 2014–2018* is to establish Victoria's alpine resorts as 'a year round, destination of choice'.

The plan has been prepared in accordance with the *Alpine Resorts (Management) Act 1997*, which requires the Alpine Resorts Co-ordinating Council to co-ordinate, in conjunction with Tourism Victoria, the overall promotion of the alpine resorts. It is the first joint marketing plan across all the resorts, and has been prepared following an extensive industry and stakeholder consultation period.

The government recognises that Victoria's alpine resorts are truly year round destinations. Many Victorians and visitors to the state have enjoyed a Victorian snow holiday, and summer visitation to the alpine resorts continues to increase each year as the resorts expand their visitor experience offers.

Yet the opportunity exists to better promote and increase visitation to our alpine resorts. The *Alpine Resorts Strategic Marketing Plan 2014–2018* identifies the need to grow the winter market by building awareness of and preference for a snow holiday among both domestic and international visitors, as well as developing and promoting resort activities outside of the snow season.

Cooperative marketing and communications will play a critical role in fostering the long-term growth of the alpine industry. Under this plan, key stakeholders will collaborate to maximise the effectiveness of all marketing activity to promote our alpine resorts.

The development of the *Alpine Resorts Strategic Marketing Plan 2014–2018* also delivers a key action of the *Alpine Resorts Strategic Plan 2012*.

I commend the *Alpine Resorts Strategic Marketing Plan 2014–2018* to you and encourage all Victorians to visit and enjoy our alpine resorts.

A stylized, handwritten signature in dark ink, consisting of several loops and a long horizontal stroke.

The Hon Ryan Smith

Minister for Environment and Climate Change

ABBREVIATIONS USED IN THIS DOCUMENT

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



Published by
Tourism Victoria and the Alpine Resorts Coordinating Council,
Melbourne, Victoria
May 2014.

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Designed by haildesign.com.au

Printed by Bamba Press

Cover Photo: Falls Creek Alpine Resort Management Board

ISBN 978-1-74326-936-7

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



EXECUTIVE SUMMARY

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

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

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

The plan provides government, industry and community with clear direction on how the Victorian alpine industry will work together to market the alpine resorts as a preferred year round travel destination thereby generating tourism growth.

The plan addresses the need for a more strategic, co-ordinated approach to cooperative marketing as identified in the *Alpine Resorts Strategic Plan 2012*. It outlines actions for all industry stakeholders and co-ordinates their marketing efforts to maximise return on investment.

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

Goal 1 of the plan is to **sustain the winter market** by cultivating customer loyalty from existing markets, including skiers/snowboarders and snow play visitors. A great snow experience will turn these visitors into loyal followers who talk about and share their experiences with others.

The plan identifies the need to **grow the winter market** (Goal 2) by building awareness of and preference for a snow holiday among both domestic and international visitors. 'Lifestyle Leaders' have been identified as a key target market with a high propensity to travel. This group represents around 4.1 million people across all socioeconomic groups and makes up 29 per cent of Australia's population.

The plan also outlines the opportunity for the alpine resorts to diversify their visitor base by **developing and promoting the green season** (Goal 3). Further, there is a need for the industry to **collaborate to create a seamless visitor experience** (Goal 4) by improving marketing effectiveness and communication channels at all levels, thereby enhancing the visitor experience and growing the market. This will include streamlining the customer journey in both the online and offline environment and creating a seamless experience.

All four goals are fundamental to visitor growth to the alpine resorts and broader region.

1 INTRODUCTION AND PURPOSE

Victoria's alpine resorts are significant tourism and recreation assets benefiting the local, regional, Victorian and Australian communities and attracting over one million visitors annually. In 2013 it has been estimated that the alpine resorts in economic terms, generated \$580 million in Gross State Product (GSP) and created more than 5,500 jobs in winter alone¹. The alpine ecosystems are also significant for their intrinsic values and nature conservation purposes and they provide the community with an opportunity to interact with the unique alpine environment.

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

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

The plan details actions to be carried out at a state, regional and resort level.

Growth in the alpine industry will not happen without a cohesive and co-ordinated approach by the alpine industry.

The four strategic goals are:

- 1 Sustain the winter market
- 2 Grow the winter market
- 3 Develop and promote the green season
- 4 Collaborate to create a seamless visitor experience.

Six guiding principles

Six guiding principles underpin these goals and are critical to the ongoing growth of the Victorian alpine resorts.

THE GUIDING PRINCIPLES ARE:

- 1 Put the visitor first
- 2 Be results orientated
- 3 Make informed and evidence based decisions
- 4 Innovate for change
- 5 Capitalise on competitive advantages
- 6 Take a collaborative approach.

¹ The National Institute of Economic and Industry Research (NIEIR) undertook an extensive study of the winter season in 2011, *The Economic Significance of the Australian Alpine Resorts Winter Season 2011*, prepared for the ARCC, December 2012, building on an earlier 2005 study, to determine the economic significance of Australian alpine resorts. NIEIR has estimated the economic contribution of the 2013 winter season, taking into account season's visitation and changes in economic conditions.



2 BACKGROUND

2.1 Legislative and strategic framework

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

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

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

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

The ongoing involvement of key industry stakeholders will ensure that marketing of the alpine resorts is integrated and the industry has ownership. The recently established Alpine Resorts Industry Advisory Group (ARIAG)³ will assist here.

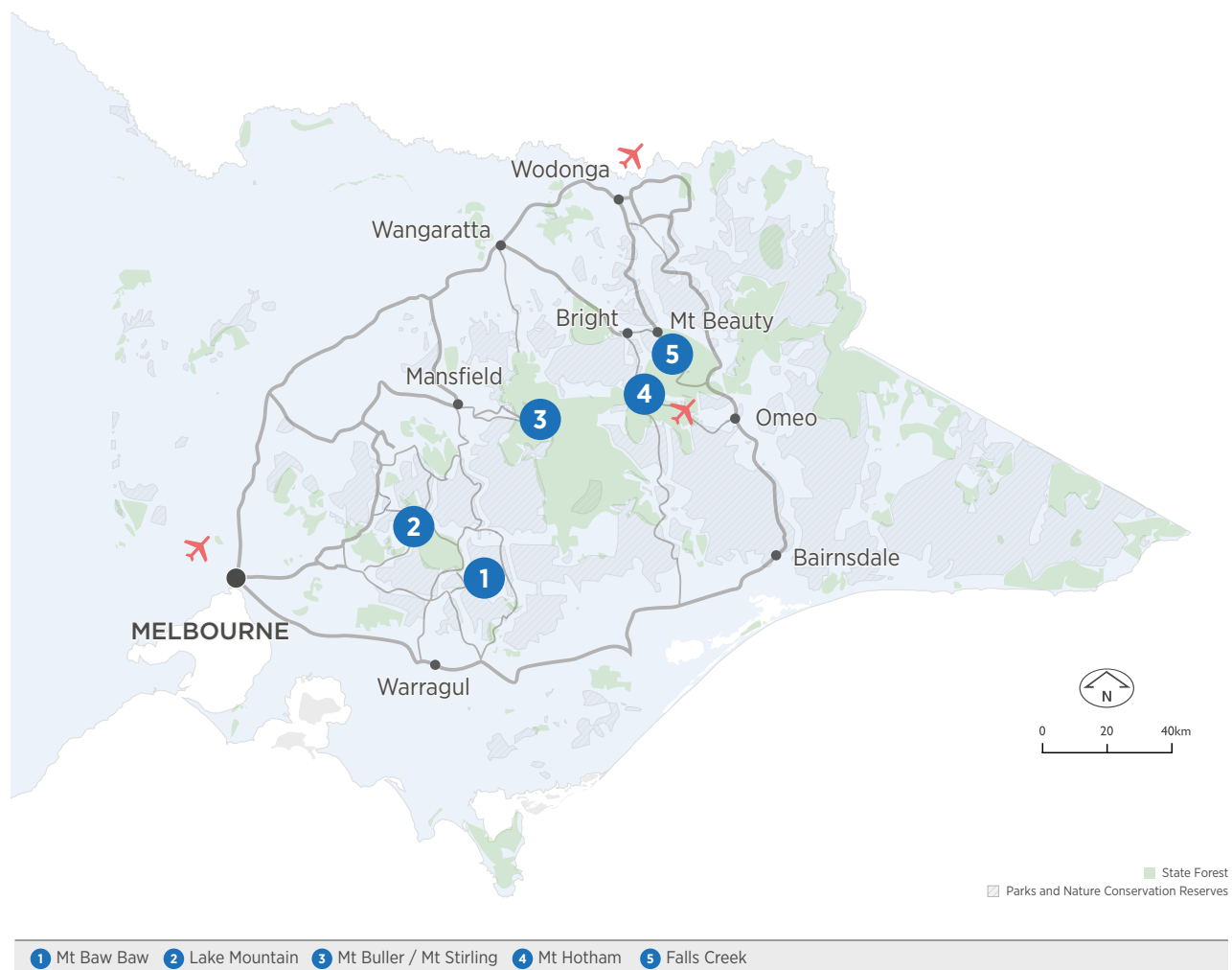
² *Alpine Resorts Strategic Plan 2012*, Victorian Government, December 2012.

³ ARIAG was formed to provide an ongoing mechanism for discussion of industry driven issues, including marketing, and the following groups have senior representation: on-mountain businesses, lift companies, alpine industry associations, local government and Tourism North East (TNE).

2.2 Victoria's alpine resorts

Victoria's six alpine resorts are significant recreational and tourism attractions for Victoria, located in the nationally significant Australian Alps landscape, between two and five hours drive from Melbourne (see Figure 1).

Figure 1: Victoria's alpine resorts



THE INDIVIDUAL STRENGTHS OF THE ALPINE RESORTS

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

The competitive strengths identified by each alpine resort, are:

Mount Baw Baw

Entry-level skiing and snowboarding facilities; a relatively low-cost snow experience; family-friendly; a growing nature-based/outdoor education role; proximity to Gippsland and the growing outer eastern suburbs of Melbourne; access to Baw Baw Plateau.

Lake Mountain

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

Mount Hotham

Known as the 'skiers' mountain' due its steep alpine slopes, advanced remote terrain and reliable snow cover with relatively good resilience to climate variability; an airport which provides easy access to both domestic and international visitors; unique location (on top of the ridge) providing 360 degree panoramic views; door-to-door and dual village access; an extensive and diverse range of iconic walks including the Falls to Hotham Alpine Crossing, which caters to all levels and highlights the rich history of the region; four-wheel drive touring and the High Country Road to Great Alpine Road.

Falls Creek

Intimate village atmosphere with ski-in/ski-out accommodation; a broad range of snow sport options supported by even distribution of terrain. It is the national home of cross-country skiing and has snowmaking capacity. Rocky Valley Lake also provides water-based green season activities; the Falls to Hotham Alpine Crossing icon walk and proposed world-class altitude training and health facilities to augment unique natural training environment.

Mount Buller & Mount Stirling

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

2.3 General tourism trends

The number of Australians travelling overseas has grown steadily over recent years. This has come at a cost to the domestic tourism sector, which has remained relatively static over the past decade.

The major factors affecting travel and tourism behaviour are:

- **The relatively strong Australian dollar** continues to reduce the competitiveness of Australia as a destination, and makes outbound travel more attractive to the domestic market
- **The growth in the number of low-cost carriers**, increases in airline seat capacity and holiday deals continue to make travelling overseas easier and more affordable, leading to increased outbound travel
- **The changing nature of household consumption has impacted domestic tourism's share**, with a shift towards other categories for example, home entertainment systems, renovations
- **Visitors seeking unique experiences** as international travel becomes more accessible, travellers are becoming more discerning
- **Growth in Asian markets** has seen Chinese visitors to Victoria more than double from the year ending December 2005 to December 2013⁴. In the year ending December 2013, Victoria attracted 322,500 Chinese visitors
- **Low regional dispersal of the growing Asian markets** compared to some of the more traditional western markets
- **Rise of the internet** in the year ending December 2013, 61 per cent of international overnight visitors used the internet as an information source either prior to and/or during their trip and 47 per cent booked at least one component of the trip online⁵
- **Technology** is also playing a critical role in the changing travel patterns of Australians. In 2012, Australia had over 19.5 million internet users, representing 89 per cent of the population⁶. Technology is shifting the way people plan and book their travel: nearly 40 per cent of all consumers in Australia purchased travel online in 2012⁷. Australians' technology requirements are also increasing, as they require access to travel information pre, during and post their travel purchase decisions.

Competitive market snow trends:

Australia – Over the last 10 years the number of ski visits to the Australian alpine resorts has been relatively stable

New Zealand – Since 2004 visitation to the New Zealand snowfields has grown to more than a million people per year

Japan – The popularity of skiing in Japan peaked in the 1990s, since then the number of skiers has declined. Japan is now targeting the international market, in particular Australia.



4 International Visitor Survey, Tourism Research Australia, year ending December 2013.

5 International Visitor Survey, Tourism Research Australia, year ending December 2013.

6 www.newmediatrendwatch.com/markets-by-country/11-long-haul/40-australia

7 <http://www.newmediatrendwatch.com/news/1195-travel-leads-b2c-ecommerce-sales-in-australia>



3 VISITATION STATISTICS – FAST FACTS

This plan has been developed on visitation statistics and research relevant to the alpine resorts and general tourism trends. A detailed analysis of the research is available in Appendix 1. The Victorian alpine resorts attract more than one million visitors per year. A snapshot of this data is outlined below:

Winter

- In 2012 there were 771,000 visitors and in 2013 there were 588,000 visitors
- Long term trend data shows that, on average, visitation has increased by 0.9% per annum in the period 1998–2013
- 73 per cent of day trip visitors to the alpine resorts come from Victoria
- 50 per cent of overnight visitors come from NSW
- International visitation represents less than 3 per cent of the overall market with a majority of these visitors coming from eastern hemisphere markets (73 per cent).

Summer

- In 2012–13, there were 345,000 visitors to Victoria's alpine resorts
- Visitation has increased by 1.2 per cent per annum since 2007/08
- Overall, Victorians are the most important market (76 per cent)
- International visitation represents 2 per cent of the overall market with the majority of these visitors coming from western hemisphere markets (54 per cent).

3.1 Key visitation insights

The following key research insights have informed the development of this plan:

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

4 CONTEXT

4.1 Overview

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

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

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

This new model includes:

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

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

The key to a successful, sustainable and, most importantly, financially viable future for the alpine resorts is to maintain an integrated approach towards marketing.

4.2 Consultation to inform the Alpine Resorts Strategic Marketing Plan

Challenges

The consultation highlighted a range of challenges, including:

- A significant degree of industry fragmentation and duplication of activities
- Lack of research to inform and co-ordinate marketing activities
- Visitation leakage to overseas – a perception that New Zealand is cheaper
- Negative value proposition and undifferentiated products
- Insufficient infrastructure to cater for the changing market, in particular broader products to target snow holiday/snow play visitors
- Insufficient cooperation, limited trust and collaboration between key organisations and stakeholders, particularly at a regional and resort level (Alpine Resorts Management Boards (ARMBs), lift companies, Chambers of commerce and Regional Tourism Boards (RTBs))
- The strong partnership formed between Destination New South Wales (DNSW) and the NSW snow resorts in 2014 will create significant competition.



4.3 Recommendations

The following recommendations and opportunities for improvement were identified from the consultation sessions:

- Interrogate the existing brands, and test their market effectiveness
- The Victorian alpine industry needs to speak with a clear and consistent voice against competitive markets
- Each alpine resort should clearly differentiate and position their winter and green season experiences to attract visitors in line with their product strengths
- Match products and infrastructure to market demands
- Alpine resorts need to work collaboratively with regional communities through the RTBs
- Build effective industry structures at all levels
- Improve stakeholder engagement and communications on marketing activities at all levels
- Use research to inform and measure the effectiveness of activities
- Harness technology to understand and communicate to visitor markets
- Understand the different product and marketing needs of the winter and green seasons
- Leverage partnerships to maximise opportunities
- Capitalise on the growing short break stay market, including opportunities associated with aviation access
- Continue to work with ski clubs and lodges to offer a wider range of accommodation options

4.4 Way forward

To ensure that the Victorian alpine resorts remain attractive and competitive destinations, the alpine marketing activities require long-term commitments.

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

The key to a successful, sustainable and, most importantly, financially viable future for the alpine resorts is to maintain an integrated approach towards marketing. All industry stakeholders need to be involved in the implementation of this marketing plan in order to increase visitation, yield and expenditure across the alpine resorts, regions, and state.



The 2012 Plan also highlighted the importance of winter as the ‘economic engine’ for the alpine resorts, well recognizing the importance and opportunity to grow the green season market.



5 NEW STRATEGIC DIRECTION

This plan provides a five-year strategic framework for marketing Victoria's alpine resorts. The following section outlines the vision, goals and marketing strategies of the resorts.

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

5.1 Vision

The vision of the plan is:

'The Victorian alpine resorts will be a year round destination of choice'.

5.2 Goals

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

- 1 Sustain the winter market
- 2 Grow the winter market
- 3 Develop and promote the green season
- 4 Collaborate to create a seamless visitor experience.

5.3 Overarching principles

Six overarching principles underpin the development and delivery of this plan and have been applied to all goals, strategies and actions. These are:

- 1 Put the visitor first
- 2 Be results orientated
- 3 Make informed and evidence-based decisions
- 4 Innovate for change
- 5 Capitalise on competitive advantages
- 6 Take a collaborative approach.

5.4 Delivering the plan

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

Level	Stakeholders
National partners	Tourism Australia*
State partners	Tourism Victoria Alpine Resorts Co-ordinating Council Australian Ski Areas Association (Victorian members)
Regional partners	Regional Tourism Boards, including: Tourism North East Destination Gippsland Yarra Ranges Tourism
Resort partners	Alpine Resort Management Boards Lift companies Chambers of commerce Ski Clubs and Lodges

**Leverage opportunities where possible*

Roles and responsibilities

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

National partners

- To continue to work cooperatively
- To keep communication channels open and leverage opportunities
- To consult as required

State partners

To develop the framework for growing both the winter and green seasons, leading in areas of strategy, policy, research and evaluation, including:

- To co-ordinate in areas of marketing, product and industry development
- To ensure coordinated marketing programs are undertaken to raise the profile of the snow holiday and increase visitation to the resorts
- To provide assistance, advice and state-wide context to all partners on an annual basis, including feedback on reports, activities and outcomes of marketing programs.

Regional partners

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

- To consolidate the strategic direction of the region
- To undertake regional marketing
- To lead industry development
- To lead in product development
- To provide skills training, mentoring and networking opportunities.

Individual resorts and RTBs also partner with local tourism associations (LTAs). LTAs are not leading any actions in the plan, and should continue to work with resorts and RTBs.

Resort partners

To deliver a consolidated approach to product development and marketing of the resort, including:

- To leverage the regional, state and national strategies, programs and brands
- To sell and deliver a quality visitor experience.



5.5 Target markets

Recent research has helped Tourism Victoria to identify the State's broad target market nationally, termed 'Lifestyle Leaders'. Lifestyle Leaders represent around 4.1 million people, cross all socioeconomic groups and make up 29 per cent of Australia's population.⁸

Lifestyle Leaders:

- Are progressive, curious, socially and technologically active through a broad range of platforms, adhere to and seek status, and follow and propagate trends
- Have more discretionary spending that allows them to travel more frequently (taking an average of 4.1 trips annually, greater than the Australian average of 3.9 trips), with a 21 per cent greater spend on travel per year (approximately \$4,058)
- Are more likely than the average Australian to prefer holidaying in Victoria
- Are forward thinking, interested in discovering new experiences through travel, and are more likely to share those experiences with and seek to influence their family and friends⁹.

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

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

Other markets specific to the alpine industry, and targeted by this plan include:

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

⁸ Holiday Tracking Survey, Roy Morgan Research, December 2011. Base: Australians aged 18 and above.

⁹ Victoria's Regional Tourism Strategy 2013 – 2016, Tourism Victoria, November 2013.

5.6

Goal 1: Sustain the winter market

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

1. Understand and meet the needs of the existing market

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

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

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

3. Market to priority growth markets including lapsed skiers; make them reconsider a snow holiday

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

Strategy 1 – Understand and meet the needs of the existing market

Level	Action	Description	Lead	Timeframe
State	1	Undertake a research program with existing ski, snowboard and snow play visitors in order to understand: <ul style="list-style-type: none"> The size of the different segments within the existing market; and The product offerings that meet the needs of the existing skiing/snowboarding and snow play markets. 	TV, ARCC	Short term (1–2 years)
	2	State-led marketing programs will include the alpine resorts as a key part of Victoria's product offering.	TV	Ongoing
Regional	3	Utilise market research findings for marketing, product and industry development activities for the alpine resorts. Assist each resort in developing these products and experiences. Focus on pricing sustainability across shoulder seasons.	RTBs	Medium term (3–5 years)
	4	Lead and develop cooperative marketing programs, as required, in both brand and tactical capacity.	RTBs	Ongoing
	5	Develop a proactive communication plan with all partners to manage industry-wide key media messages.	RTBs, ARCC	Ongoing
Resort	6	Work with the RTBs to develop products and experiences that deliver on the needs of the existing markets and are informed by research.	ARMBs, lift companies, Chambers of commerce	Medium term (3–5 years)
	7	Provide market intelligence to the RTB on the uptake of products and the preferences of the existing market.	ARMBs	Ongoing
	8	Undertake customer satisfaction surveys, using a consistent across the ARMBs and robust methodology to ensure on-mountain customer service is of a high standard for all visitors. Report back on findings.	ARMBs, lift companies, Chambers of commerce	Ongoing

Strategy 1 – Understand and meet the needs of the existing market (continued)

Resort (continued)	9	Use new technologies such as radio frequency identification data to develop products that are well suited to the existing market's needs.	Lift companies	Medium term (3–5 years)
	10	Consolidate marketing efforts at each resort – one resort, one brand.	ARMBs, lift companies, Chambers of commerce	Short term (1–2 years)
	11	Utilise one strong, differentiated brand to communicate the offering of the resort – one brand, one resort.	ARMBs, lift companies, Chambers of commerce	Short term (1–2 years)
	12	Develop snow play products and infrastructure to increase yield and drive repeat visitation.	ARMBs	Short term (1–2 years)
	13	Capitalise on aviation access for short break stays.	ARMBs, lift companies, Chambers of commerce	Ongoing
	14	Work cooperatively with the travel trade industry on packages and tactical marketing campaigns.	ARMBs, lift companies	Ongoing

Strategy 2 – Develop new skiers; transfer snow play visitors to skiing/snowboarding

Level	Action	Description	Lead	Timeframe
State	15	Develop a campaign that promotes and makes it easy to experience skiing and snowboarding (<i>leveraging action item 23</i>)	TV, ARCC	Ongoing
Regional	16	With the alpine resorts, develop lead-in products that transition the existing snow play market to try skiing and snowboarding.	RTBs	Medium term (3–5 years)
Resort	17	Make it easy to transition to skiing and snowboarding and ensure products and packages are matched to this market's requirements.	Lift companies, ARMBs	Medium term (3–5 years)

Strategy 3 – Market to priority growth markets including lapsed skiers; make them reconsider and book a snow holiday

Level	Action	Description	Lead	Timeframe
State	18	Undertake extensive research to better understand priority growth markets, including lapsed skiers and the barriers to their continued participation and motivational factors.	TV, ARCC	Medium term (3–5 years)
	19	Develop a cooperative marketing campaign to raise the profile of snow, to re-engage priority markets and inspire a snow holiday. (<i>Leveraging action item 23</i>)	TV, ARCC	Medium term (3–5 years)
Regional	20	Work with each alpine resort to disseminate and interpret research findings into their activities.	RTBs	Medium term (3–5 years)
Resort	21	Work with the RTB to utilise the research to inform marketing activities and develop products and experiences for lapsed skiers.	ARMBs, lift companies, Chambers of commerce	Medium term (3–5 years)

Goal 2: Grow the winter market

There is a need to increase visitor acquisition by building awareness of and preference for a snow holiday experience to a broader market. 'Lifestyle Leaders' have been identified as a market having a high propensity to convert to a snow holiday and will be targeted.

The strategies are to:

1. Raise awareness of and preference for a Victorian snow holiday experience

Stakeholders identified through the plan will work collaboratively to increase awareness of and visitor preference for a snow holiday experience. Research findings will inform our marketing activities. As a guiding principle, the Victorian alpine industry should 'play to its strengths', both collectively and individually. Capitalising on competitive advantages, the alpine industry will reach new markets and engage new visitors.

This means each resort should have a strong, consolidated voice that will build depth to the co-ordinated marketing program.

2. Target international growth markets

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

Strategy 1 – Raise awareness of and preference for a Victorian snow holiday experience

Level	Action	Description	Lead	Timeframe
State	22	Undertake research to understand brand awareness and snow holiday preference, including benchmarking and measuring over five years.	TV, ARCC	Short term (1–2 years)
	23	Develop a Victorian snow proposition that competes with other holiday options, and appeals to the Lifestyle Leader market.	TV, ARCC	Ongoing
	24	Support the delivery of a cooperative snow marketing program.	TV, ARCC	Ongoing
	25	Review campaign results and return on investment to inform the next years' campaign; disseminate results to the alpine industry and key partners annually.	TV, ARCC	Ongoing
	26	Develop a consistent suite of campaign measurement tools that will be used to refine and inform the following years' campaign.	TV, ARCC	Short term (1–2 years)
	27	In partnership with the RTBs, take a leadership role in providing opportunities for each alpine resort to refine and interrogate their brand positioning and product offerings. This will build stronger brands overall.	TV	Short term (1–2 years)
Regional	28	RTBs play a critical role in developing products appropriate for a first-time snow experience market. Working with ARMBs and lift companies the RTBs can develop the experiences that are the heroes of a cooperative marketing program.	TV, RTBs	Ongoing

Strategy 1 – Raise awareness of and preference for a Victorian snow holiday experience (continued)

Resort	29	Undertake tactical marketing activities to leverage and capitalise on a cooperative marketing campaign.	ARMBs, lift companies, Chambers of commerce	Ongoing
	30	Make the on-mountain experience easier for first timers.	ARMBs, lift companies, Chambers of commerce	Ongoing
	31	Work with the RTB to improve the value proposition by tailoring products and packages appropriate for Lifestyle Leaders, including extending experiences beyond snow play, skiing and snowboarding (food and wine, retail, health and wellness, dining in the snow/igloo experiences).	RTBs, ARMBs, lift companies, Chambers of commerce, SCL	Medium term (3–5 years)
	32	SCL to work with RTB to develop commissionable accommodation packages available through third party booking agents.	SCL	Short term (1–2 years)

Strategy 2 – Target international growth markets

Level	Action	Description	Lead	Timeframe
State	33	Work with the Tourism Australia to position snow as one of Australia's key experiences under the 'National Landscapes' and 'There's nothing like Australia' campaigns.	TV	Short term (1–2 years)
	34	Position the snow holiday experience as a viable add-on to Melbourne in key international markets.	TV	Ongoing
	35	Develop and implement annual international marketing program, including tools to measure return on investment.	TV, TNE, lift companies, ARMBs	Ongoing
	36	In consultation with the International Mentoring Program, assist the alpine resorts (ARMBs and lift companies) in developing product offerings and packages that are tailored to key international markets and visitor travel behaviours and patterns.	TV, TNE, lift companies, ARMBs	Short term (1–2 years)
	37	Leverage aviation access to alpine resorts for key inbound markets.	TV	Medium term (3–5 years)
Resort	38	Work with RTBs to develop and deliver commissionable product offerings that better match the market's needs.	RTBs, ARMBs, lift companies, SCL	(Ongoing)
	39	Continue to build and foster relationships with travel industry trade partners.	ARMBs, lift companies	(Ongoing)
	40	Establish effective and robust reporting mechanisms that demonstrate return on investment.	ARMBs, lift companies	Short term (1–2 years)

Goal 3: Develop and promote the green season

It is imperative to continue to increase visitation to Victoria's alpine resorts during the green season, as this visitation adds \$94 million to GSP and almost 1,000 jobs¹⁰. To do this, the industry will develop products based on the resorts' core strengths, while providing an opportunity for the resorts to diversify their visitor base and work closely with the broader region. The strategies for this goal are to:

1. Green season product development

The green season is still in its infancy, so delivering a variety of experiences across the alpine region is critical for its growth. Whilst the resorts have made significant progress in building their product base in recent years, the opportunities lie in the resorts focusing in on their strengths and expanding the current experiences available. Each resort can also develop add-on and new products that further leverage the key strengths of the region during the green season.

2. Green season promotions

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

Strategy 1 – Product led development for green season experiences				
Level	Action	Description	Lead	Timeframe
State	41	Work with Tourism Australia to ensure hero experiences are included within the National Landscapes Program.	TV	Ongoing
Regional	42	With the ARMBs, lead and facilitate the development of green season experiences, including commercial products associated with the Falls to Hotham Alpine Crossing and the International Mountain Biking Association Epic ride at Mt Buller.	ARMBs, RTBs	Short term (1–2 years)
	43	Work collaboratively with the alpine resorts to develop products and experiences that deliver on the individual resort strengths and regional positioning, including the '7 Peaks campaign'.	ARMBs, RTBs	Ongoing
Resort	44	Each alpine resort to identify the core green season strength that will differentiate it and has the greatest capacity to grow visitation.	ARMBs, RTBs	Short term (1–2 years)
	45	Work with the RTB to better understand the green season market and identify products and experiences that meet market needs.	ARMBs, RTBs	Short term (1–2 years)
	46	Engage with and assist on and off mountain businesses to operate and develop products for the green season. This includes participation in RTB and product development initiatives.	ARMBs, RTBs	Ongoing

¹⁰ The Economic Significance of the Victorian Alpine Resorts Summer Season 2011, report prepared for the ARCC, National Institute of Economic and Industry Research (NIEIR), June 2013.



Strategy 2 – Undertake specific green season promotions

Level	Action	Description	Lead	Timeframe
State	47	Leverage state-led marketing programs.	TV	Ongoing
Regional	48	Lead and facilitate coordinated promotions across the alpine region, connecting the resorts and region as a seamless proposition in autumn, summer and spring, including the '7 Peaks' campaign.	RTBs	Ongoing
	49	Develop a consolidated campaign measurement system.	RTBs	Short term (1–2 years)
Resort	50	Undertake a resort-specific green season campaign that is matched to market trends and leverages the region's positioning.	ARMBs	Ongoing

Goal 4: Collaborate to create a seamless visitor experience

Victoria's alpine industry has a complex structure and can often create a disjointed and difficult visitor experience. As an industry we need to improve the communication between stakeholders in order to deliver a seamless visitor journey online and offline. With the increase in online bookings, streamlining the online and offline environment across the industry will increase winter holiday bookings. The strategies are to:

1. Streamline the visitor journey

This goal sets priorities and identifies opportunities for industry partners to prioritise streamlining the visitor journey. It is a goal that has implications for the whole industry and is key to improving the quality of experience for visitors.

As an industry, we need to improve the visitor's ability to research and book a snow holiday to the alpine resorts by providing an easy, streamlined visitor path to purchase. Reaching visitors at the moment that most influences their purchasing decision is paramount to success. These moments of influence occur at each point along the purchasing pathway.

However the easier it is for the visitor to access information at the moment of consideration and booking, the greater the chance of achieving a sale. This provides an opportunity for the alpine resorts to improve and streamline the visitor's access to information, making it easy for them to book a snow holiday. Evaluation and feedback on the effectiveness of activities is also critical.

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

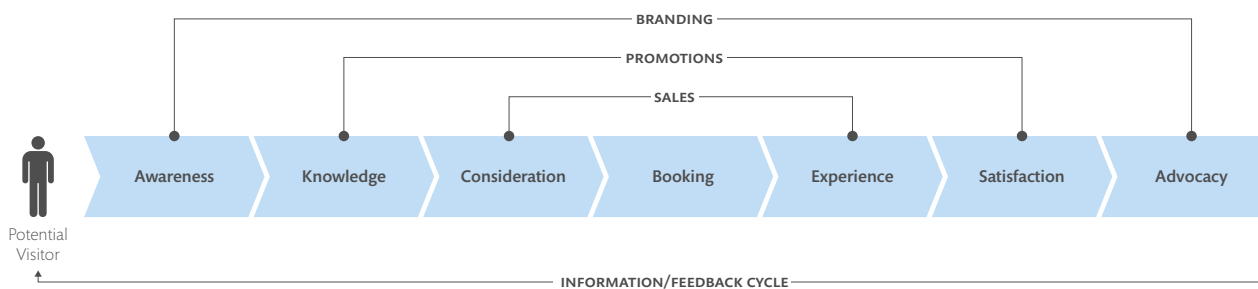


Figure 2: Pathway to purchase

2. Form partnerships and strategic alliances that will lead to long-term growth

Improving communication, trust and cooperation between the stakeholder groups will build a cohesive alpine industry and deliver more effective marketing programs. Working effectively together at a state, regional and resort level will minimise duplication of marketing efforts and improve the return on investment.



Strategy 1 – Streamline the visitor journey online and offline

Level	Action	Description	Lead	Timeframe
State	51	Digitally enable cooperative marketing programs to drive increased traffic to all resort channels.	TV, ARCC	Ongoing
	52	Undertake an audit and map the visitor's path to purchase across all platforms, to visually demonstrate where barriers to purchase exist.	TV, ARCC RTBs, ARMBs	Long term (Year 5 +)
Regional	53	Work with each resort to ensure alpine businesses have online booking capacity and work effectively with offline channels.	RTBs	Ongoing
Resort	54	Deliver sales and marketing programs that drive conversion, including: <ul style="list-style-type: none"> • Talking to existing markets • 'New Skier' markets • Victorian snow reporting • Intrastate marketing. 	ARMBs, lift companies, Chambers of commerce	Ongoing
	55	Refine all communication channels to ensure delivery of one brand, one voice including: <ul style="list-style-type: none"> • One website • One social media voice • Effective and cooperative measurement. 	ARMBs, lift companies, Chambers of commerce	Short term (1–2 years)

Strategy 2 – Partnerships and strategic alliances will lead to long-term growth

Level	Action	Description	Lead	Timeframe
State	56	Host a biennial industry conference to increase engagement and information sharing by the industry.	ARCC	Ongoing
	57	Assist the RTBs with industry engagement, communications and alignment and coordinate marketing to deliver growth.	TV, ARCC	Ongoing
	58	Host an annual industry forum on the implementation of the ARSMP, at which partners at a national, state, regional and resort level report back on their activities.	TV, ARCC	Ongoing
	59	Review current industry research programs.	All stakeholders	Short term (1–2 years)
Regional	60	Lead and manage industry liaison for the entire alpine industry, crossing the winter and green seasons, marketing, and product and industry development.	RTBs	Ongoing
Resort	61	Support and utilise the RTB as a conduit to Victorian Government tourism resources, including marketing, product and industry development programs.	ARMBs, lift companies, Chambers of commerce, SCL	Ongoing
	62	Increase on-mountain business participation in marketing, product and industry development initiatives.	ARMBs, lift companies, Chambers of commerce	Ongoing
	63	Play a key role in the implementation of market research programs on behalf of the ARCC, including visitor satisfaction surveys and gate entry research.	ARMBs, lift companies, Chambers of commerce	Ongoing

6 IMPLEMENTATION, REPORTING AND FUNDING

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

- Funding levels for cooperative programs will be set for five years
- Funded programs will be implemented by delivery agencies against key performance indicators (KPIs)
- All agencies delivering against the overall strategy will report back yearly on implementation to feed into a review of the plan.



6.1 Implementation and reporting

The whole alpine industry's participation in the delivery of this plan is critical, as is the reporting back on activities at a national, state, regional and resort-level to ensure an integrated approach.

The ARSMP provides the strategic framework for the overall promotion of the sector. It calls for greater accountability in reporting on delivery of marketing activities at all levels. RTBs will take a holistic approach to promoting their regions. They will have a greater role in strategy development, implementation and evaluation of activity relating to the alpine resorts, in both winter and green seasons.

Annual Forum

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

The forum will provide an opportunity for the alpine industry to participate and provide input into the implementation of this plan, including a review of marketing activities undertaken by service delivery agencies¹¹ at a national, state, regional and resort level.

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

6.2 Funding

Funding levels for implementing this plan at the state level are set for five years, with \$3.75 million¹² being the base level of funding over the five years. Funding provided by the Victorian alpine industry will be managed by the ARCC. Any additional funding requirements will be subject to Ministerial approval.

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

¹¹ Service delivery agencies in previous years have included Snow Australia for the national cooperative winter program; TNE for the green season cooperative program; TV's international program; resort level marketing by ARMBs, lift companies and on-mountain businesses; and industry research programs by TV and/or ARCC.

¹² The Minister for Environment and Climate Change has determined that the contributions from the ARMBs in total will be no less than 1999 historical figures of \$500,000 per annum provided by these organisations to BART. This amount will be indexed, in future years, at the Treasurer's 'Annual Rate'. In addition, TV has committed \$250,000 per annum.

7 KEY PERFORMANCE INDICATORS

Goal	Description	Key Performance Indicators (KPIs)	Measurement tool
Sustain the winter market	Maintain an exceptional visitor experience for current snow visitors to build loyalty and repeat visitation.	<ul style="list-style-type: none"> An increase of 5 per cent in visitor satisfaction over five years Increase the mean ratings out of 5 for all resorts for the following satisfaction measures by 2018: <ul style="list-style-type: none"> Increase the overall experience rating from 3.8 to 4.0 Increase the overall value for price paid rating from 3.1 to 3.3 Increase the customer service rating from 3.8 to 4.0 Increase the overall skiing/snowboarding experience rating from 4.0 to 4.2 Increase access to and within the resorts rating from 3.9 to 4.1 Increase visitor facilities rating from 3.8 to 4.0 Increase overall accommodation rating from 3.9 to 4.1 Increase alternative activities and entertainment available in-resort from 3.6 to 3.8 	Alpine resorts annual winter visitor satisfaction survey
		<ul style="list-style-type: none"> Increase the average number of snow trips taken each year by regular visitors (those that visit every year). 	Alpine resorts season pass holder surveys and annual winter visitor satisfaction survey
Grow the Winter market	Grow the market share of snow holiday experiences in Victoria.	Increase the number of first-time snow visitors to the alpine resorts by 1 per cent per annum (5 per cent over 5 years).	Alpine resort annual winter visitor satisfaction survey
		Increase the number of visitors who visit every winter by 7 per cent over five years.	Alpine resort annual winter visitor satisfaction survey
Develop and promote green season	Increase the number of visitors and visitor expenditure over the green season to diversify the alpine offering and increase regional resilience.	Increase in the number of visitors during the green season by 3 per cent over five years. Increase visitor expenditure during the green season by 5 per cent over five years.	Economic Significance of the Alpine Resorts report (Five-yearly survey both winter and green season).
		Three hero green season experiences are delivered, including joint products developed with commercial operators that are associated with these experiences.	ARMB report on products developed
Collaborate to create a seamless visitor experience	Achieve collaboration with industry stakeholders to deliver streamlined, cost-effective marketing campaigns.	RTB involvement with on-mountain operators is significantly increased in regards to industry development, product development and marketing activities.	RTB report on activities

APPENDIX 1 – RESEARCH

Victoria's tourism trends

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

Domestic overnight visitation:

Average annual growth in visitation to Melbourne was 1.3 per cent, with visitation to regional Victoria also experiencing annual growth of 1.3 per cent per annum.

International overnight visitation:

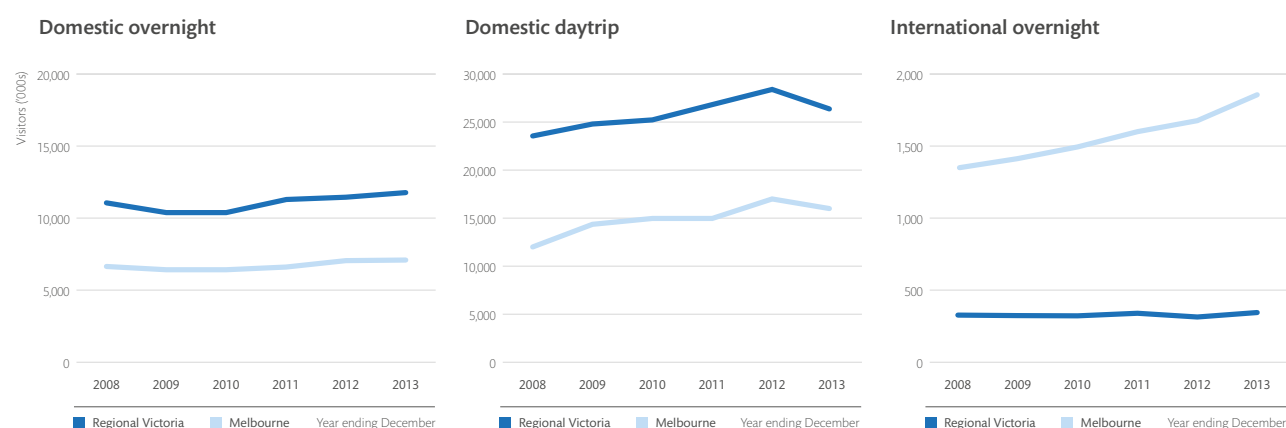
- Growth in international visitation to regional Victoria of 1.6 per cent per annum
- Strong growth in international visitation to Melbourne of 6.6 per cent per annum.

Domestic day visitation:

- Growth in day visitation to both Melbourne and regional Victoria (6.1 per cent per annum and 2.3 per cent per annum respectively).

High yielding international and interstate visitors are important to Victoria's tourism industry. Overall, international and interstate overnight visitors to Victoria account for 39 per cent of total overnight visitors but generate two-thirds of overnight visitor expenditure (new money into the state).

Figure A1.1: Visitation to regional Victoria and Melbourne over the last five years

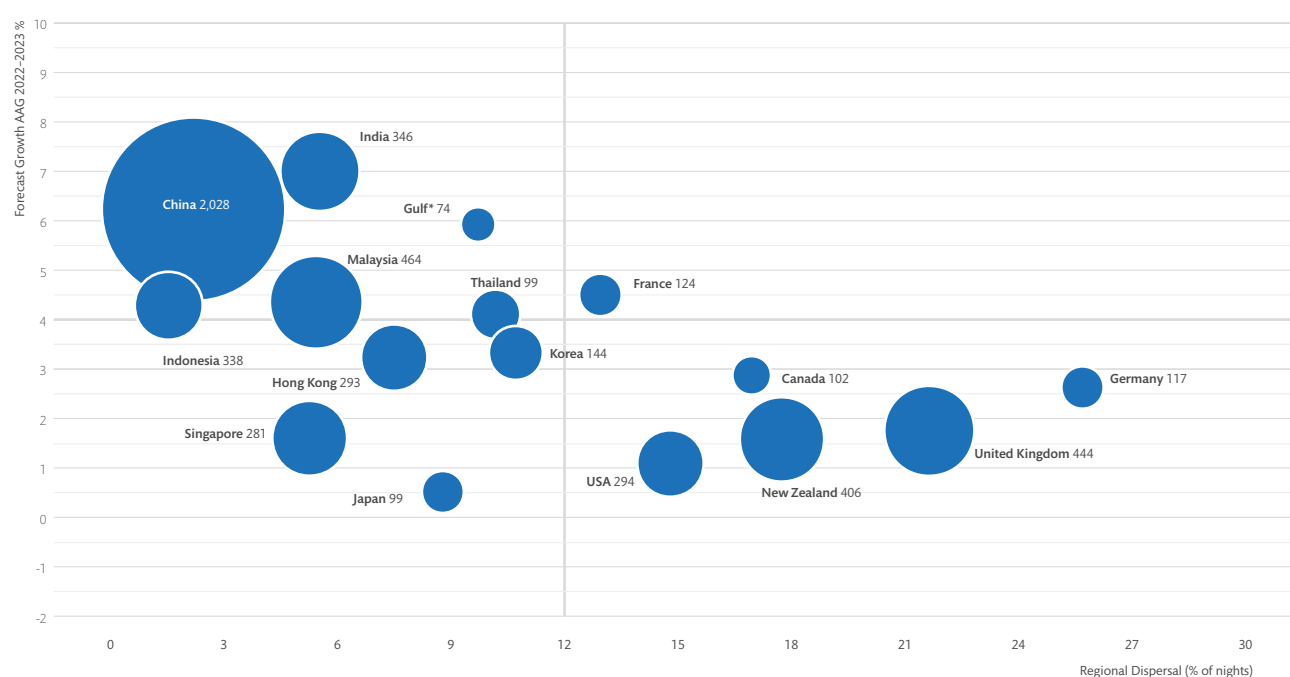


Source: International and National Visitor Surveys, Tourism Research Australia, year ending December 2013.

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

Figure A1.2: Expenditure, Current regional dispersal and visitor growth

Expenditure \$m Forecast 2022-23 (Bubble size), Current Regional Dispersal (Horizontal axis) and Forecast Growth to 2022-23 (Vertical axis)



Source: International Visitor Survey, Tourism Research Australia, et al. ¹³

Victoria's *Regional Tourism Strategy 2013–2016*¹⁴ recognises that Melburnians have demonstrated an increasing preference to travel overseas rather than to destinations in regional Victoria. This has led to regional Victorian destinations becoming more attractive as a short-break prospect.

¹³ International Visitor Survey, Tourism Research Australia, December 2013; Visitor Expenditure December 2013. Base: population aged 15 years+. Gulf figures are estimates based on Overseas Arrivals and Departures data, aged 15+. Australian Bureau of Statistics, TRA Spring Forecast, 2013, Issue 2, October 2013.

¹⁴ Regional Tourism Strategy 2013 – 2016, Tourism Victoria, December 2013.

Changing domestic landscape

Victoria is one of the most culturally diverse and harmonious societies in the world. Victorians come from more than 230 countries, speak more than 200 languages and dialects and follow more than 120 religious faiths¹⁵.

Since the year ending December 2005, the number of Indian born residents aged 14 years and older in Victoria has tripled from an estimated 59,000 to 177,000 in the year ending December 2013. Victoria's Chinese born resident population has also grown from 38,000 in the year ending December 2005 to 67,000 in the year ending December 2013.

Another notable increase is the number of Victorian residents that were born in the Middle East, which has increased from an estimated 35,000 in the year ending December 2005 to 41,000 in the year ending December 2013¹⁶.

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

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

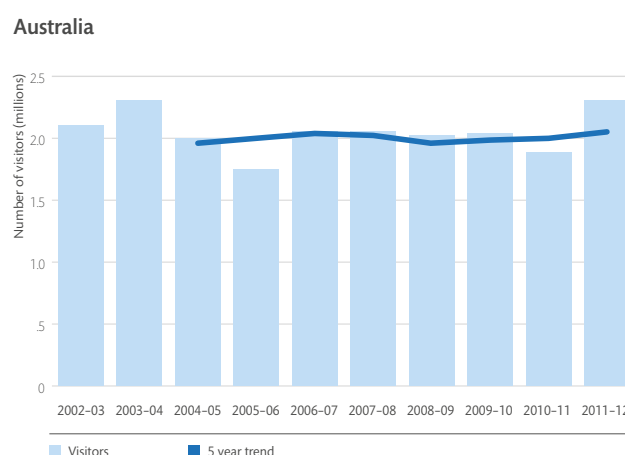
Alpine tourism trends

Global snow tourism industry trends

The 2013 *International Report on Snow & Mountain Tourism*¹⁷ found that worldwide, the industry is facing the challenge of generating long-term participation growth. In many places, the market has reached maturity as baby-boomers represent the majority of participants. The current generation of skiers and snowboarders will progressively exit without being adequately replaced by future generations with the same enthusiasm for skiing. As well, to be competitive into the future, investment into quality infrastructure, equipment and services across the resort is vital.

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

Figure A1.3: Skier visits in Australia



Australia

Skier visits over the last ten years across Australian resorts have been relatively stable, with occasional good years alternating with average and poor years. Visitation to the alpine resorts no longer fluctuates as much when there is a lack of snow, due to snow making facilities.

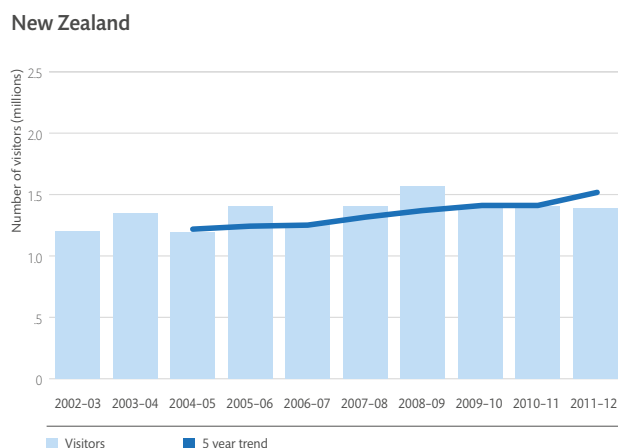
The primary market of the Australian resorts is the domestic market, with international visitors representing less than two per cent of total skier visits.

¹⁵ <http://www.liveinvictoria.vic.gov.au/living-in-victoria/about-victoria/facts-about-victoria#people>

¹⁶ Roy Morgan Product Poll, Roy Morgan Research, December 2013, Base: Australians aged 14+.

¹⁷ 2013 *International Report on Snow & Mountain Tourism*, Vanat, Laurent, April 2013.

Figure A1.4: Skier visits in New Zealand

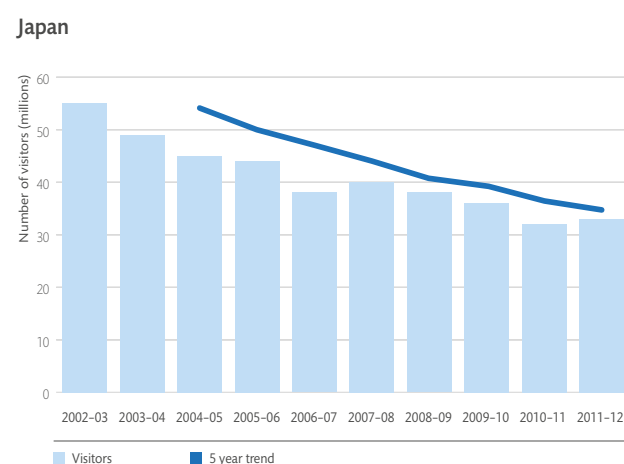


New Zealand

New Zealand is a major destination in the Southern Hemisphere for skiing, snowboarding and heli-skiing. The resorts are well equipped and snow conditions are good.

Prior to the 2000's, only in exceptional seasons did more than one million skiers visit the slopes in New Zealand. However, since the early 2000's skier visits have been well in excess of the one million mark annually.

Figure A1.5: Skier visits in Japan



Japan

Japan has one of the highest numbers of ski areas of any country in the world. Resorts are located all along the Japanese islands, with a significant proportion of the population living just a few hours drive from a ski field. This provides the resorts with a significant market base.

There was, however, a boom in development of ski resorts in Japan between 1970 and 1990, and with popularity of skiing currently on the decline in Japan, there is excess capacity within the industry. In light of this, there has been much effort put into attracting new international markets, including Australia. Some ski resorts have diversified and now offer many other activities that also appeal to non-skiers.

Domestic trends in snow tourism

Since 2004, the number of Australians travelling to New Zealand during the ski season (June – September) has almost doubled from 149,000 to 279,000 in 2013. This represents an average annual growth of 7.2 per cent over the period. Over this time, the number of Victorians visiting New Zealand during the ski season increased from 32,000 to 57,000¹⁸.

Perception of skiing in Australia

Victorians' preference to travel to the Victorian alpine resorts has steadily decreased over time – from 14.6 per cent for the year ending December 2004 to 10.7 per cent for the year ending December 2011¹⁹.

According to a study undertaken by Newspoll²⁰, one in two adult Australians have been skiing once in their life (40 per cent of these have been skiing in Australia). In terms of past visitation, Thredbo, Perisher and Mt Buller are the most popular ski resorts in Australia. In terms of future intention, more Australians are considering a ski trip in Australia (16 per cent) than in New Zealand (6 per cent). However, this study also found that the current perception among Australians is that it is about the same or cheaper to go skiing in New Zealand compared to Australia.

Climate change

According to the 2012 CSIRO report, *Climate Change Impacts on Snow in Victoria*²¹, the duration of the snow season is likely to be shorter in the future, have a slightly later start, and lower maximum depths. These trends will be superimposed on large natural year-to-year variability. The number of good snow seasons is likely to decline while the number of poor seasons is likely to increase. The earlier end of the snow season is clearly dependent on changes in temperature.

18 National Visitor Survey (outbound travel database), Tourism Research Australia, Canberra, December 2013.

19 Roy Morgan Holiday Tracking Survey, December 2004 to 2011, Roy Morgan Research Base: Australians aged 14+ (latest estimates available due to break in series/ question change).

20 Newspoll, National Sample of 1218 people aged 18-64, 18-21 Apr 2013.

21 CSIRO, *Climate Change Impacts on Snow in Victoria*, Dec 2012.

Visitation statistics

Victoria's alpine resorts

Approximately one million people visit the Victorian alpine resorts annually. The winter 2013 season alone generated \$580 million in GSP and over 5,500 jobs²². In summer, it is estimated that the alpine resorts generate \$94 million in GSP and almost 1000 jobs²³.

The winter visitor day performance of the alpine resorts has been stronger than tourism in the state as a whole, in regional Victoria and in the High Country more broadly over this period²⁴. This underlines the importance of the alpine industry to the state and regional economies.

Winter visitation

Winter visitation to Victoria's alpine resorts is variable and dependent on the quality of snow and the length of the snow season. In 2013, a comparatively poor snow season, the number of visitors to the Victorian alpine resorts was 580,000. In 2012, where snow conditions were ideal, there were 771,000 visitors to the resorts.

While growth in visitation to the resorts has been lower than the overall growth in the Victorian population in the past two decades, visitation to Victoria's alpine resorts has remained steady, despite increasingly competitive visitor markets, and the increasing choices people have to use their discretionary time and income.

Overall, the long term trend data shows that, on average, there has been modest growth in visitation of 0.9% per annum for the period 1998–2013.²⁵

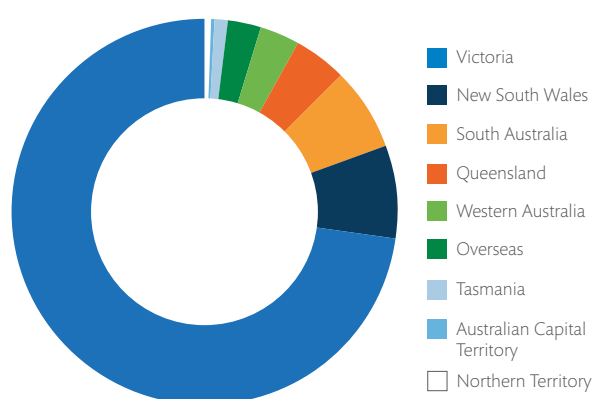
In recent years, the stability in visitation has been maintained through improved snow making capabilities at the alpine resorts.²⁶

Domestic winter visitation

Overall, Visitors to Victoria's alpine region consist of mostly Victorians (73 per cent), and visitors from NSW (8 per cent) (Figure A1.6).²⁷ The majority of domestic overnight snow/ski visitors within Australia for the last three years ending December 2013 came from NSW (46 per cent) and Victoria (32 per cent) (Figure A1.7).²⁸

Figure A1.6: Origin of Total Winter Visitors.

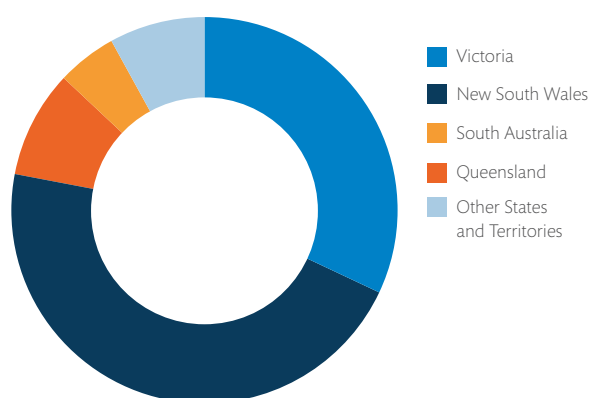
Origin of Winter Visitors



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

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

Origin of Domestic Overnight Snow/Ski Tourism Visitors



Source: National Visitor Survey, Tourism Research Australia, year ending Dec 2013.

22 Fact Sheet Winter 2013 <http://www.arcc.vic.gov.au/assets/Uploads/Fact-Sheet-Winter-2013-ARCC-Final-1304.pdf>

23 The Economic Significance of the Victorian Alpine Resorts Summer Season 2011, report prepared for the ARCC, NIEIR, June 2013, http://www.arcc.vic.gov.au/documents/EconomicSignificanceStudy_Summer_FINAL.pdf

24 Alpine Resorts Strategic Plan 2012, Victorian Government, December 2012

25 Annual Winter Visitation Statistic <http://www.arcc.vic.gov.au/news/winter-weekly-visitor-statistics/getassests/5900910>

26 Alpine Resorts Strategic Plan 2012, Victorian Government, December 2012.

27 The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012.

28 National Visitor Survey, Tourism Research Australia, year ending December 2013.

International winter visitation

International visitation is forecast to grow at an average annual rate of 4.0 per cent over the next ten years.²⁹

Nearly 3 per cent of all winter visitors to the alpine resorts are international visitors, up from just over 1 per cent in 2005. In 2011, overseas visitors came mainly from Malaysia, Singapore, Hong Kong, Indonesia and the United Kingdom. Visitors from Asia made up nearly 73 per cent of international visitors, and European visitors nearly 17 per cent.³⁰ A similar survey in 2005 showed that the majority of overseas visitors came from New Zealand, the United Kingdom, Ireland, the United States and Canada.³¹

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

Summer

Domestic and international

In 2012/13 there were 345,000 summer visitors to the Victorian alpine resorts. The average growth rate in summer visitor numbers since the introduction of consistent measurement across resorts in 2007/08 has been 1.2 per cent per annum.³²

The National Institute of Economic and Industry Research (NIEIR) *Summer Economic Significance Study* demonstrates that approximately 76 per cent of summer visitors came from Victoria and approximately 12 per cent came from NSW. A little over 2 per cent were international visitors, with the United Kingdom, Austria, Ireland and the Netherlands comprising approximately 54 per cent of these visitors, while Asia and North American each comprised approximately 21 per cent of international visitors. This is distinctly different to winter where international visitors from Asia predominate.³³

Understanding our visitors

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

In addition, the NIEIR conducts a study every five years that measures the economic significance of the Australian alpine industry. The 2012 study reports that 89 per cent of winter visitors to Victorian alpine resorts rated their experience as excellent or good and there was a high level of return visits. The 2012 Winter Visitor Satisfaction Survey³⁴ showed an average satisfaction rating of 3.8 out of a possible 5.

29 TRA Spring Forecast, 2013, Issue 2, October 2013.

30 The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012.

31 The Economic Significance of the Australian Alpine Resorts Winter Season 2011, report prepared for the ARCC, NIEIR, December 2012.

32 Victorian Alpine Resorts Visitation Survey Report Summer 2012/13, ARCC, July 2013.

33 Fact Sheet Winter 2013 http://www.arcc.vic.gov.au/documents/2011_EconomicSignificanceStudy_FullReport.pdf

34 Victorian Alpine Resorts Visitor Satisfaction Report, ARCC, Winter 2012 http://www.arcc.vic.gov.au/documents/FINAL_2012_Winter_Visitor_Satisfaction_Report.pdf

APPENDIX 2 – BOARD OF ALPINE RESORTS TOURISM (BART)

Review of marketing activities undertaken by BART

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

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

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

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

Table A2.1 highlights the evolution of BART activities.

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

1999: Key activities	<ul style="list-style-type: none"> Primarily activities around a Ski Victoria brand campaign targeting NSW, SA and QLD – "Victoria A Whole Lot Moreski".
2003–2006: Strategic Plan key activities	<ul style="list-style-type: none"> Marketing activities focused on winter but green season now recognised Ski Victoria brand targeting interstate skiers in NSW, SA and QLD Green season–Legends, Wine and High Country brand marketing undertaken by North East Victoria Tourism (NEVT) Commenced targeting school-aged markets through the Schools SnowSports Development Foundation.
2006–2009: Strategic Plan key activities	<ul style="list-style-type: none"> Ran a core brand marketing campaign: "Victoria's Snowfields Never Come Down" Provided the Alpine Junior Rangers Program curriculum for teachers. Commissioned research – 2006 Snow Segmentation Study Commenced green season marketing of the alpine resorts Developed an international marketing plan.
2009–2011: Strategic Plan rolled over	<ul style="list-style-type: none"> Changes and additions to key activities: International marketing activities targeting Eastern Hemisphere markets Alpine Junior Rangers curriculum evolved to Victorian Grade 5 Ski Free program North East Victorian Tourism Inc developed a green season marketing program Product development initiatives for the green season included two feasibility studies for commercial mountain bike and icon walking products Small resorts participated in campaigns targeting Melbourne Establishment of Snow Australia No research activities commissioned.
2012: BART in review	<ul style="list-style-type: none"> Brand marketing activity undertaken within the Snow Australia brand campaign Co-operative activities under the Snow Australia brand.
2013: BART disbanded	<ul style="list-style-type: none"> Ceases activities on 31 October 2013.

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

- 1 *Grow the snow market for the Victorian alpine resorts* with key strategies to grow the 'new skier' and Australasian market and retain existing domestic and international markets.
- 2 *Raise awareness and recognition of Victorian alpine resorts as desirable year round destination experiences* with key strategies to develop and implement tactical cooperative campaigns, including trade activities, and promote the green season alpine experience.
- 3 *Maintain a research program that drives our work* with key strategies to measure and report the effectiveness of campaigns, disseminate key research findings to the industry and analyse existing research relevant for the alpine resorts.

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

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

Key successes

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

Key challenges

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



APPENDIX 3 – GLOSSARY OF MARKETING TERMS

Branding – The practice of creating a unique name for a product or service and providing marketing support. It involves selecting and blending tangible and intangible attributes to differentiate the product, service or corporation in an attractive, meaningful and compelling way.

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

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

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

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

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

Positioning – A visitor's perception of a product or service value and benefit compared to other competing products.

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

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

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

