



WINE TOURISM STRATEGIC BUSINESS PLAN 2002 – 2005

EMBRACE THE CHALLENGE

November 2002

EXECUTIVE SUMMARY

This Strategic Business Plan is designed to drive the development of wine tourism in Australia. It originated in the 1996 Australian Wine Industry's Strategy 2025 and Five Year Plan. Strategy 2025 identified the need to better capitalise on the potential economic benefit of wine tourism and outlined broad strategies for doing so. The National Wine Tourism Strategy and Implementation Plan were developed to clearly identify the opportunities for wine tourism and the strategic imperatives for achieving growth and recognition of wine tourism by wineries and tourism operators. This Strategic Business Plan builds on those documents to deliver a three-year program with an underlying emphasis on improving profitability for wineries and tourism operators.

'The wine industry and the tourism industry share a major common goal in capturing and presenting a unique sense of place to consumers, whether they be wine drinkers or tourists.'¹

Participation in wine tourism activities is an area that has the potential to provide greater financial security and growth for businesses that are able to capitalize on the opportunities available. The Victorian Wineries Tourism Council has estimated that two thirds of that State's wineries depend on cellar door sales for survival. Increasingly it is becoming clear that unless many regional winemakers diversify their activities at the winery to develop additional income streams through a commitment to winery tourism, then their chances of growing and even their very survival could well be at risk.

This document has been written to assist Australian winemakers and the Australian tourism industry understand the opportunities presented by their participation in wine tourism and to ensure they have the knowledge to develop the products and services to enable them to maximise returns from tourists and work with the tourism industry to increase visitation and yield.

The ultimate goal for this program is to deliver higher returns for wineries and wine tourism operators through improved products and services and heightened awareness. The emphasis is on both an increase in wine tourist visitation and higher yields from these visitors and therefore higher nett returns.

Delivery of the National Wine Tourism Program is in four key areas:

- Ensuring that the wine industry is aware of the opportunities to increase visitation and yield for their business related to participation in wine tourism.
- Improving the opportunities for interaction and collaboration between the wine and tourism industries resulting in a higher level of understanding and a strategic business commitment to wine tourism.
- Providing tools to assist winemakers and tourism operators to present higher quality wine tourism products and services that will result in innovation in wine tourism, a higher level of consumer appeal for the experiences that are available and ultimately higher visitation and yields.
- Heightened definition, promotion and awareness of the Australian wine tourism experience in both domestic and international markets that will deliver higher visitation and yields.

¹ 'Strategy 2025 The Australian Wine Industry'

A summary of the strategies outlined in this document together with the major projects and key outcomes associated with each is set out below

	STRATEGY	MAJOR PROJECTS	KEY BENEFITS/OUTCOMES
1.	Facilitate Better Coordination & Communication Of Activities	Review AWTA Establish Advisory Committee Establish Wine Tourism section within WFA web site and newsletters Review National Wine Tourism Conference Clarify wine and tourism organisational structure and disseminate information Identify, establish and/or strengthen other key relationships (e.g. food, STOs, AWBC, AWEC, ATC)	Improved collaboration between the wine, tourism and associated industries and improved clarity of industry structures and responsibilities
2.	Improve Wine Industry Knowledge (Training & Accreditation)	Produce and distribute 'how to/best practice' publication and factsheets Conduct audit of available training and disseminate information Monitor progress re accreditation	Greater understanding of the opportunities available through participation in wine tourism Provision of tools to assist in the development of better quality products and services
3.	Improve Wine Tourism Research	Conduct international audit of existing research and disseminate information Undertake project related to identification of key elements that make up a successful winery tourism operation Identify any gaps in current research Identify areas for potential collaboration on research	Identification of the key elements related to a successful winery tourism operation Access to research information to assist in understanding the market and consumers which will assist in the development of targeted products Provision of tools to assist in the development of better quality products and services

	STRATEGY	MAJOR PROJECTS	KEY BENEFITS/OUTCOMES
4.	Improve Supporting Services & Infrastructure	<p>Make wine industry aware of concept and benefits associated with assessment of market/product assessment (refer page 16 for further explanation) and relevant state contacts</p> <p>Produce case studies re successful cellar door fulfillment services and distribute for consideration in other wine regions</p> <p>Make wine industry aware of national signage standards and relevant state contacts</p> <p>Product case studies re successful signage projects and distribute for consideration in future signage projects</p>	<p>Raised understanding and awareness of benefits of assessment process and relevant state contacts</p> <p>Preparation of case studies related to successful cellar door and signage programs and relevant contacts</p>
5.	Improve Consumer & Travel Trade Information Quality & Access	<p>Review wineaustralia.com web site</p> <p>Ensure that key product databases are complete and accurate</p>	<p>More effective dissemination of complete and accurate information to consumers (domestic and international) and travel trade</p>
6.	Domestic Marketing & Promotion	<p>Work with AWBC to review and clarify core values for 'Wine Brand Australia' and develop core values for 'Wine Tourism Brand Australia'</p> <p>Strengthen relationship with STO's</p> <p>Investigate and pursue domestic promotional opportunities</p>	<p>Raised domestic awareness of and desire for a wine tourism experience</p>
7.	International Marketing & Promotion	<p>Work with AWEC to review and clarify core values for 'Wine Brand Australia' and develop core values for 'Wine Tourism Brand Australia'</p> <p>Strengthen relationship with ATC</p> <p>Facilitate improved communication between ATC and AWEC</p>	<p>Raised international awareness of and a desire for a wine tourism experience</p>

Delivery of the strategies outlined in this document will increase the opportunities for winemakers and wine tourism operators to benefit from the predicted future growth in wine tourism. The projects will be undertaken in collaboration with all levels of participating wine and tourism stakeholders and organisations (local, state, national and international) and will focus on delivering tangible opportunities and information that will directly contribute to more informed business decisions.

A Definition

'Wine tourism is visitation to wineries and wine regions to experience the unique qualities of contemporary Australian lifestyle associated with the enjoyment of wine at its source – including wine & food, landscape and cultural activities.'²

The Vision

By 2010, wine tourism in Australia will:

- increase the profitability for winemakers' through increased yield at cellar door and other associated activities.
- increase visitation for Australian wine regions through improved products and services available for wine tourism operators.

and

- be an integral part of the Australian tourism image and experiences through the enjoyment of wine, food and other associated activities.

The Mission

'To develop wine tourism by facilitating the creation of a diverse range of quality visitor experiences, built around visitation to wineries and wine regions.'³

² National Wine Tourism Strategy (1998)

³ National Wine Tourism Strategy (1998)

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Introduction

While both wine and tourism have existed for many hundreds of years, wine tourism as a concept is still relatively new and as such is undergoing constant development and evolution. There is still a great deal that the two key partner industries (i.e. wine and tourism) can learn about how they can make a positive contribution to each other and the areas of Australia that they cover.

Over the past decade or so Australia's wine and tourism industries have both developed strong and positive images around the world to the point where those images are now at the forefront of the world's perception of Australia. The image of wine has developed into one of a lifestyle product while desirable tourism activities are also now more focused on lifestyle, personal development and experiential activities.

The overall value of wine tourism has been estimated at nearly \$1 billion annually, of which over \$400 million is spent at wineries and another \$550 million spent elsewhere by winery visitors.⁴ The potential for wine tourism is likely to grow with more experiential travel and "short breaks," due to the difficulty of synchronising periods of time away from employment where both partners in a household are working.

Wine tourism has now been identified by virtually every state and territory tourism organization as an important element of the range of experiences being sought by the visitors of today. Tourists are looking for a more participatory style of holiday experience, one that offers them the opportunity to do more than be a spectator. There is a shift from 'look and see' towards 'touch and feel'. Winery visitation can offer these sorts of experiences.

Furthermore the exposure that the wine industry is currently achieving both nationally and internationally as a result of the quality of the wine being produced in Australia is attracting the wine lifestyle press from throughout the world to explore the people behind this product and the regions from which the wine is produced.

In a business environment characterised by increasing supply of product, shrinking numbers of distributors and retailers, high levels of taxation and overall intense competition for retail shelf space for bottles of wine, some winemakers, but far from all have identified the prospect of wine tourism as a potential viability lifeline. Wine tourism offers winemakers an opportunity to become more involved in an area of growth, add value to their existing business activities and develop and reinforce image and brand awareness that will assist in building longer-term customer loyalty.

Increased cellar door sales are directly linked to greater visitation. Tourism strategies and programs designed to increase overnight visitors and day-trippers are critical initiatives and the challenge for winemakers is to capture greater yield from the visitors to their cellar door.

⁴ ACIL Consulting - 'Economic Contribution to Australia of the Australian Wine Industry' (September 2001)

The two industries (wine and tourism) working more closely together will gain more economic benefits from the symbiotic relationship than working in isolation. From the winemakers perspective the key is to capture a greater yield at the cellar door. From the tourism operators point of view there is an opportunity to increase tourism overall by further developing the concept of wine tourism and offering unique experiences. And from the broad perspective, a successful wine tourism industry will generate a wider base of better educated and aware Australian and international consumers with greater customer loyalty developed through a stronger affinity with Australian wine at its source.

Now is an opportune time for the wine and tourism industries to cooperatively drive wine tourism through enhancing the product available and increasing awareness in Australia and overseas.

The latest Wine Industry Directory lists 1465 wineries in Australia with 1165 of those having cellar door facilities. Australia is well on the way to becoming one of the premium wine tourism destinations in the world, but in order to take full advantage of this opportunity we must embrace the challenge.

Background

This Three Year Strategic Business Plan brings together elements of the National Wine Tourism Strategy and Implementation Plan and while the strategies detailed reflect the work previously done they also take into account changes that have occurred in both the wine and tourism industries over the past three or so years, together with initiatives from the original Strategy and Implementation Plan that have been started or completed.

In addition to utilizing existing documentation a process of industry consultation was undertaken via individual discussions with representatives from the wine and tourism industries to ascertain their thoughts on wine tourism in Australia and where the priorities should now be.⁵

This is a dynamic document and it will be reviewed annually to ensure its ongoing relevance and to allow for any changes to be incorporated in the Yearly Work Plans.

The strategies detailed in this document cover the four key objectives outlined in the 1998 National Wine Tourism Strategy:

- Develop a Wine Tourism Industry
- Build Wine Tourism Products & Services
- Implement Wine Tourism Marketing Initiatives
- Generate Regional Development Benefits

⁵ Appendix 1 provides a list of the organizations and individuals who were consulted

Strategy 1 - Facilitate Better Coordination & Communication Of Activities⁶

Current Situation

Australian Wine Tourism Alliance

The Australian Wine Tourism Alliance (AWTA) was established in mid 2001 to coordinate wine tourism nationally and drive key elements of the original Strategy. It was formed by Winemakers' Federation of Australia (WFA) and the members were drawn from the WFA consultative group that delivered the National Wine Tourism Strategy (1998) and Wine Tourism Implementation Plan (1999). The Alliance was established to provide a partnership approach to wine tourism between State and National wine and tourism organisations with a key goal being to add value to activities undertaken at International, National, State and Regional levels through greater co-ordination and communication.

The initial proposal was for the Alliance to be made up of equal representation from the wine and tourism sectors with an independent chair. The current representation is as follows:

- Independent chair - 1
- Australian Regional Winemakers Forum – 1*
- Australian States - 6 (WA, SA, Tas, Vic, NSW, Qld)*
- National Wine Centre – 1*
- Australian Tourist Commission – 1*
- Tourism Task Force - 1
- Australian Wine Export Council - 1
- Wine Australia - 1

The Alliance meets on an ad hoc basis and under the current structure, each of the members marked * contributes funds to be used in the implementation of agreed national initiatives. Additional funds are sought on a project-by-project basis.

Tourism Development Director

The position of Tourism Development Director (TDD) has now been established within the structure of the Winemakers' Federation of Australia (WFA) to project manage the wine tourism portfolio (including driving the National Wine Tourism Strategy and Implementation Plan), undertaking and coordinating a range of activities that facilitate industry stakeholders capitalising on wine tourism opportunities.

General Communication

There is a gap in the knowledge of both the wine and tourism industries regarding how each operates and there is a need to better understand and appreciate these cultural and operational differences. Through a mutual understanding of each industry a more effective process of market development can be undertaken. There is a need for better networking and communication within the wine tourism industry, between the tourism and wine industries and with other associated industries (e.g. food). The benefits include more experienced operators passing on their skills and knowledge to others and the ability to develop cooperative marketing and cross-promotional initiatives.

⁶ Refer 1999 Implementation Plan Strategies 1 and 6

There does not appear to be any forum for the consolidated dissemination of information regarding opportunities such as financial grants, conferences, promotional opportunities and the like to the wine industry.

Future Direction

Australian Wine Tourism Alliance

It is now time to review the representation on the AWTA to ensure that the most appropriate organizations and individuals are included. Associated with this there is a need to review the aims of the Alliance and 'tighten up' the meeting schedule and follow-up to improve the effectiveness of the group. Clear terms of reference (including measurable objectives) need to be created for representation on the Alliance. This group will act as a 'think tank' and assist the TDD to implement and drive the key strategies contained in this document and lift the profile of wine tourism.

Tourism Development Director

The TDD to establish and maintain ongoing contact with the key wine and tourism organisations and individuals, plus other sectors as required, regarding the development and implementation of wine tourism activities. There is also the need to ensure that the position of TDD is established as one of the key contacts for both wine and tourism industries in relation to wine tourism in Australia.

WFA Wine Tourism Advisory Committee

A Wine Tourism Advisory Committee has been established as a sub-committee of the WFA Executive Council. This group will provide the TDD with a forum to obtain direct wine industry advice, feedback and support for activities.

General Communication

One of the keys is to identify the most effective means for communicating messages to the wine and tourism industries and ensuring that the information provided is accurate and relevant. Areas for immediate development include:

- *Internet* - Establish a section within the existing WFA site dedicated to Wine Tourism. Would provide research data, market intelligence, relevant links, update on current activities, cooperative marketing/networking opportunities, hints and tips on developing wine tourism product, etc. This would be a public access area.
- *Newsletters* - Include a Wine Tourism section within the WFA six monthly industry newsletter (Winescope) with the aims of improving industry communication and cooperation. This would contain a snapshot of selected stories and would refer people to the appropriate section of the WFA site for further details. Develop a monthly electronic newsletter for all WFA members. This would feature snapshots of current stories with a link back to appropriate section on WFA web site or other site as appropriate for full story. Need to also identify other associated industry publications (e.g. tourism and food) and ensure that stories are submitted with update on activities and cooperative opportunities.

Australian Wine Tourism Conference

While it is acknowledged that a National Wine Tourism Conference would be valuable to both the wine and tourism industries, with the number of conferences now available there is a need to review and establish answers to questions like what are the key objectives, who is the target audience, what does the target audience want from a conference of this type to ensure ongoing relevance.

Need to work towards greater synergy in conference activities to minimize any potential duplication.

Need to review the annual program of existing conferences (wine and tourism) and contact organizers regarding including wine tourism on agenda.

Industry Structure

The key organizations and contacts involved in the wine and tourism industries should be identified and this information made available to all with a short explanation as to their role. Contact should also be made by the TDD with these key organizations with the aim being to ensure minimum duplication of effort and maximum collaboration.

Other relationships

Food is a key component of wine tourism and, along with art, music and heritage can act as a force multiplier to attract visitors. There is an opportunity to develop stronger linkages between many of these areas in some regional areas and also at state and national level. The establishment of the National Food Industry Council and a National Food Industry Strategy, as identified in the 2002/03 Commonwealth Budget, should provide a focal point for establishing these links. There should also be a connection established with the Australian Regional Food Wine Tourism Council to ensure synergy in activity and to identify cooperative opportunities.

Opportunities to work more closely with organizations such as See Australia, the Australian Wine & Brandy Corporation, Grape and Wine Research & Development Corporation, the Australian Tourism Commission and the Australian Wine Export Council, on domestic and international promotions should be investigated and pursued.

Strategy 2 - Improve Wine Industry Knowledge (Training & Accreditation)⁷

Current Situation

Training

The skills required to operate a cellar door are essentially those of the tourism industry not the wine industry. In order to take full advantage of the wine tourism sector it is important that winemakers and their staff have the specific skills required to successfully operate a tourism business and a broad understanding of the tourism industry. As a result there is an increased need for a range of training and information options and the associated skills recognition. Formal and on-the-job training as well as a 'self-help' style of publication are required to provide the wine industry with a range of choices regarding the training of their staff.

While training in many of the areas required is not covered within all of the current Wine Industry training options these areas are covered within most of the Tourism and Hospitality courses available. In a joint project WINETAC and Tourism Training Australia (TTA) have established a National Wine Tourism Industry Training Steering Committee to expand on the range and quality of training available through Registered Training Organisations (e.g. TAFE) and to ensure that industry specific modules are available within a range of qualifications.

While wineries can be a key attraction in a region, often the winery is not the major beneficiary of an increase in visitor numbers. There are opportunities for the wineries to increase yield from visitors to the cellar door rather than having a "profitless volume" of visitors. These relate to maximizing the expenditure of visitors at the winery and leveraging the cellar door experience to build the brand and to establish a relationship with visitors through direct marketing. There is a place for a 'self-help' style of publication to provide the wine industry with general information on how the tourism industry operates, how they can develop profitable wine tourism product and the benefits that could be obtained through diversification into this area. 'The Winemakers Practical Guide to Tourism' was developed to provide this information.

Accreditation

The National Tourism Accreditation Program is aimed at improving business performance and reassuring consumers of a commitment to the highest quality business practices. The distinctive 'tick on star' logo displayed by accredited operators signifies compliance with the program. The program managed by the Australian Tourism Accreditation Authority (ATAA), which is being used in most Australian states and territories. There is a push for this to become a truly national scheme and with the inclusion of the cellar door module developed in Victoria this could evolve into a program with the potential for broad application across the wine industry.

⁷ Refer 1999 Implementation Plan Strategies 7 and 8

Future Direction

Training

The TDD is a member of the National Wine Tourism Industry Training Steering Committee and this role will continue. In addition information should be collected regarding the range of courses (both TAFE and private providers) available and that information then disseminated to the wine industry for their consideration. Requires ongoing contact with training providers and monitoring of developments. As part of the process of collecting information regarding the range of training options that are available any gaps in the training will be identified and can then be addressed by the training providers.

The possibility of WINETAC expanding their role to include providing advice, information and resources related to the training of cellar door staff should be investigated. This would then enable WINETAC to become more of a 'one stop shop' for wine industry training requirements and would cover not just the technical aspects of grapegrowing and winemaking, but also basic training in operating a supporting cellar door and restaurant facility.

A 'self-help' document and factsheets should be developed using the 'Winemakers Practical Guide to Tourism' as a basis. It needs to be reviewed and developed into a more concise document, possibly with associated fact sheets, and then distributed to the industry. The information should also be made available in electronic form.

Accreditation

Ensure that wine industry is aware of tourism accreditation program so they can make an informed decision as to their participation or not. If the current tourism accreditation program is to gain wider acceptance and ultimately become national there is a need for ATAA to develop a range of tangible national benefits for accredited operators. Need to maintain contact with ATAA and monitor progress of development of national program and possible inclusion of Victorian cellar door module on a national basis.

Strategy 3 - Improve Wine Tourism Research⁸

Current Situation

One of the main aims of research is to present a more complete picture of a particular market which will improve business planning and investment decisions by the industry. Whilst considerable work has done in this area the wine tourism industry still needs to improve its research capability and its ability to collaborate and share research findings if it is to maximise the benefits of tourism and grow in a sustainable manner. An increased emphasis on research will help improve the professionalism of the industry by enhancing understanding of consumers' needs and expectations and how to best communicate with them. It will also help establish benchmarks as a basis for improvement and improve the lobbying ability of the wine tourism sector within the tourism industry and government.

There are a number of organisations that undertake or have an interest in wine tourism research including the Bureau of Tourism Research (BTR), state and territory tourism commissions, state winery tourism bodies, Cooperative Research Centre for Sustainable Tourism, other universities and private research organisations. Existing research on wine tourism includes:

- Data from the International (IVS) and National (NVS) Visitor Surveys that profiles international visitors and domestic visitors (respectively) to wineries
- Data from private research companies (e.g. Roy Morgan) that will generally profile visitors to wineries in terms of things such as media usage.
- Ad hoc studies undertaken by wineries, state bodies and universities

While there is research data available on winery tourism, much of the data is backward looking and not particularly useful in driving day-to-day business decision-making. What is needed is more predictive research that is geared towards the needs of the industry. Priority areas of research include:

- Motivation for visiting and information sources used
- Potential growth markets
- Satisfaction with the experience
- Size and value of the total wine tourism market in Australia
- How to attract more visitors to the regional winemaking areas

Future Direction

Need to analyse the existing research and determine what extra is required and then source funds and commission. Need to convene a meeting of representatives from each state to determine research being planned and/or undertaken over next 12-24 months. This will be used to identify areas of collaboration and any gaps in the work being undertaken.

Need to work towards greater collaboration with other organizations (e.g. Australian Regional Tourism Network) and complimentary industry sectors (e.g. regional food groups) related to their research to pool limited resources and avoid duplication.

Should also investigate possibility of developing a set of standard questions that are used in all wine tourism research projects to develop a base of data that is common across all states and territories of Australia.

⁸ Refer 1999 Implementation Plan Strategy 10

Should also investigate the inclusion of supplementary questions to the IVS and the NVS. The additional questions, aimed at both domestic and international visitors, need to address motivation, information sources used, expenditure and satisfaction. The improved base data will help in forecasting future trends and will improve the efficiency of marketing spend. It will also enable a more accurate estimate of the total value of wine tourism, which will improve the lobbying efforts of the wine tourism sector.

Research needs to be presented in a way that is relevant and easily accessible to the industry. Results should be provided on a quarterly basis. The dissemination of existing research should be via wineaustralia.com and WFA web sites in addition to inclusion of 'top line' results in industry newsletters.

Once have a more complete picture of the wine tourism industry and improved base data need to establish comprehensive targets and benchmarks to enable more effective ongoing monitoring. This should include areas such as:

- Number of international and domestic visitors to wineries
- Total value of the market
- Yield per visitor
- Satisfaction level

Should also conduct a research project designed to identify the key elements that make up a successful winery tourism business. This should take the form of a workshop(s) involving selected tourism and cellar door operators and would consider such things as the cellar door environment/services (e.g. staff training, merchandise sales, design), regional environment (e.g. other attractions, access, accommodation) and promotional activities in determining what makes a cellar door successful.

Strategy 4 – Improve Supporting Services & Infrastructure⁹

Current Situation

Market/Product Assessment

A structured assessment process involving the evaluation of a wine region's potential from a tourism perspective, identification of the needs of visitors, audit of existing product and identification of gaps in product, infrastructure and facilities is a vital stage in the development of long term strategic plans and can also assist in attracting additional investment. Many of the State Tourism Organisations and several private companies have developed programs and established structures to enable them to undertake this process and formulate long term strategic development plans in relation to any additional product and infrastructure required. The extent to which this has evolved varies from state to state and many states are still handling this more from a reactive as opposed to proactive position.

Cellar Door Fulfillment Service

One of the barriers to wineries capitalizing on the growth in international tourism is the difficulty in overseas tourists sending wine home that has been purchased at the cellar door. The National Wine Centre commenced work on developing a cellar door fulfillment service (working with Federal Express and CommerceNet Australia), however the cost for implementing and maintaining such a service on a national basis was prohibitive and it was not progressed. Regionally based services are currently operating in a couple of the Australian wine regions.

Infrastructure and regulations

Wineries have specific needs in terms of signage, as they are often located in regional areas away from major roads. The preference is for signage in wine regions to have some national consistency and improved visibility. There is a tourism signage sub-committee of the Australian Standing Committee On Tourism (ASCOT), which includes representation from each state and territory. Each state is encouraged to embrace the national signage standards and reports back via this sub-committee. The revised national tourism signage standards have recently been completed and they include recommendations regarding wine region signage. There is a nationally recognized grape symbol that can be used on wine region signage.

Wine tourism signage programs have recently been completed in the Hunter Valley and Coonawarra and a pilot is currently underway in the McLaren Vale region to develop recommendations on signage standards for the South Australian wine regions.

The standards of the roads in many wine regions is such that they are not conducive to visitation by tourists and this has been identified in the recent ACIL Consulting review into wine tourism and wine exports.

Local Government Planning Regulations have been acknowledged by several of the State Tourism Organisations as major impediments to the development of new tourism operations. Work is being undertaken in several states on reviewing the current planning requirements with the ultimate aim being a planning environment that is more conducive to the establishment of new tourism operations both in the regional and metropolitan areas of Australia.

⁹ Refer 1999 Implementation Plan Strategies 4, 5 (part) and 9

Future Direction

Market/Product Assessment

Need to make wine regions and winemakers aware of the concept a Market/Product Assessment process and the associated benefits of committing to this process. It would then be a case of assisting to identify the appropriate State Tourism Organisation and/or private company contacts to discuss in more detail.

Cellar Door Fulfillment Service

The concept of cellar door fulfillment services should be revisited as two of the major benefits in offering a service such as this in terms of consumer satisfaction and the potential to increase cellar door sales have the potential to drive additional future sales and establish a higher level of brand awareness. Any existing programs (e.g. Hunter Valley) should be reviewed in the first instance with the aim of developing case studies that other regions could follow in developing similar services. They should also be investigated with the aim of determining if there is the ability to expand into other regions.

Infrastructure and Regulations

While it will not be possible, in most cases, to have any direct influence in relation to infrastructure and planning regulations there is a role to play in ensuring that winemakers have access to the appropriate people and information at local, state and commonwealth government level to facilitate a smoother process.

As the national tourism signage standards have recently been revised (including wine tourism signage) and agreed to by ASCOT this requires communication to wine regions for consideration when developing/updating signage strategies. The appropriate contacts within each state government should be sourced to enable the winemakers and wine regions to access the information available.

Similarly details of any successfully implemented signage programs should be presented to all wine regions as case studies for consideration when developing their own programs.

There appears to be little consistency, or in some cases even logic, regarding the liquor licensing regulations across the states and territories of Australia. This should be investigated to determine if a review is required.

Strategy 5 – Improve Consumer & Travel Trade Information Quality & Access¹⁰

Current Situation

The ability to access the information required to plan a trip to the Australian wine regions is an important part of the process for many travellers. Difficulties with this process will act as constraints to growing the level of visitation and yield to wineries. Similarly the travel trade will find it difficult to develop and promote new wine tourism products if they do not have ready access to accurate information. If it becomes too hard they will shift their focus into another area. While the amount and quality of the information available regarding the Australian wine regions has improved and is continuing to do so there are still further improvements to be made in this area.

Internet

The Internet is continuing to grow in importance both as an information source and as a tool to plan and book holidays (although the growth in bookings is largely in relation basic airfares and city based accommodation). Already over a third of Australian households use the Internet on a regular basis and this number is expected to continue rising steadily. In the US, amongst travellers who use the Internet, 80% have viewed Internet travel sites, 58% have checked prices and 18% have booked online. Wine Internet sites, like tourism sites, are proving very popular, both as a way to learn about wine and to purchase wine.

It is crucial that the wine tourism sector keeps up with trends and the developments in information technology, as the Internet will become an increasingly important tool for promotion, sales, establishing and maintaining customer loyalty and business-to-business transactions. A survey of wineries in South Australia found that while 75% had Internet connections, very few wineries had the capability for online transactions. Of those that did not, approximately only half were considering it.

The wineaustralia.com web site was created to provide consumers with a complete picture of the Australian wine industry. This site includes information on wine tourism events, industry information, wine sales and tourism information. Other relevant sites which feature wineries/wine regions include the state tourism organizations and the Australian Tourist Commission.

The establishment of AAA Tourism (and its product database) as the umbrella organisation for each of the state based motoring organisations, and the Australian Tourism Data Warehouse (ATDW) as the source data for several key web sites, presents a means to update two databases and cover many web sites. It is imperative that the data regarding wine tourism and wineries (e.g. cellar door facilities, on-site restaurants and accommodation, wine events) being held within these databases is as complete and accurate as possible. The data maintained by AAA Tourism is accessed by all the Australian motoring organizations and the ATDW currently feeds both the Australian Tourist Commission and See Australia consumer web sites.

¹⁰ Refer 1999 Implementation Plan Strategy 5 (part)

Brochures

For the domestic marketplace most states and territories have either a brochure dedicated specifically to visitation to wine regions or a strong focus within one of their other motivational brochures. In addition most regions (wine and/or tourism) produce regional specific brochures. In relation to collateral aimed at the international markets, the ATC has recently produced several publications specifically for the international travel trade and consumers (refer page 20 for more details).

Regional Visitor Information and Wine Interpretation Centres

Regional visitor information centres have an important role to play in exposing consumers to experiences once they are within a particular region or in a neighbouring area. Given appropriate training and access to information they have the potential to encourage a visitor to explore an area in more detail, perhaps visit cellar doors that they had not previously considered and either extend their stay or plan another trip.

Future Direction

Internet

The wineaustralia.com web site needs a review of its wine tourism information to ensure that it is as complete and accurate as possible. The web links between this site and other wine sites should be reviewed to ensure it is as comprehensive as possible. Also need to work with key people regarding data contained within the AAA Tourism and ATDW databases to ensure completeness and accuracy. An initial focus on these key areas will ensure broad distribution of accurate and appropriate information. Key contacts in relation to updating of wine tourism information on the web will be collated and made available to the wine industry for their own follow-up.

Also need to raise awareness of the potential opportunities associated with business-to-business links between winemaker's web sites and others, e.g. a link to the sites of local B&Bs and other accommodation could work well in directed visitors to particular cellar doors.

Brochures

While it appears that the publications that presently exist (both domestic and international) are in the most part adequate for the current needs of consumers, travel trade and media need to check this through audit, identification of any gaps and then encouraging states to consider production, e.g. need to encourage all states to develop Wine and Food Trail brochures for consumer markets. The key will be to ensure that they are distributed to the markets and organizations with the potential to provide the most profitable return and are updated as required. In addition the need for any additional publications should be monitored and assessed on a case-by-case basis.

Visitor Information Centres (VICs)

Need to ensure that stakeholders are aware of the potential for VICs to assist with dispersion of visitors within a region and provide the staff with the information and tools to ensure that visitor queries are answered.

Strategy 6 - Domestic Marketing & Promotion¹¹

Current Situation

The domestic market is the mainstay of both the wine and the tourism industries, accounting for approximately 65% of wine sales and 70% of tourism expenditure. As with most industries, export success starts in Australia

Regional tourism and more specifically wine tourism have been identified in many recent reviews as being significant to regional economies and it is important to build on this growing momentum.

With the marketing of the wine tourism experience domestically, it is important that a national approach does not overlap with what is already being done by regional, state and territory tourism organizations and existing wine tourism organisations. There are, however a couple of key areas/organizations that already exist where there is the potential to investigate the development of a national approach.

See Australia

See Australia is a joint initiative between the states, the Federal Government and industry. The first stage was a \$17m (Commonwealth, state and tourism industry funded) program designed to stimulate Australians to travel more in their own country. The Initiative was developed in response to a stagnant domestic market over the previous decade. A board, including two representatives from the state and territory tourism commissions, industry organizations, the Federal Government and an independent chair, was established. There is a small team based in Sydney who is responsible for the coordination of the various campaign activities with the many commercial partners involved, e.g. Qantas, Mastercard, and Accor.

An additional \$8 million has now been committed over the period 2002-03 to 2005-06 (\$1.5 million in 2002-03) to continue the work of See Australia. State and Territory governments and industry contributions to the initiative will again be sought.

A national approach to wine tourism will enable the industry to more readily align itself with See Australia. As one of the focuses of the See Australia campaign is regional tourism, all of the proposed elements of the Initiative are of relevance to the Australian wine tourism industry.

AAA Tourism / Motoring Organisations

AAA Tourism is the national tourism body of the Australian motoring organisations, managing the STARS Accommodation Classification Schemes, publishing the Accommodation Guide, Tourist Park Guide and Experience State guides and managing the National Special Rates program. In conjunction with the individual state based motoring organizations this offers a potential avenue for undertaking a national campaign.

Wine Australia

Wine Australia provides an opportunity every two years for winemakers and wine regions to showcase their product to the domestic market. It is an excellent example of how regional winemakers, regional development authorities and tourism bodies can work together to achieve individual and collective success.

¹¹ Refer 1999 Implementation Plan Strategy 3

Future Direction

See Australia

Hold discussions with the See Australia management regarding proposed activity for next stage of campaign and determine areas of potential opportunity and collaboration. Investigate options in relation to developing and undertaking national campaign activity (possibly under See Australia banner). Examples include a campaign with MasterCard involving cellar door purchases and rewards, or direct mail to See Australia travel club members.

AAA Tourism

Hold negotiations with AAA Tourism and the individual motoring organizations on developing a national self-drive promotion related to wine tourism, including tours, accommodation and linkages with food experiences, events, etc.

Wine Australia

There is the opportunity to increase the consumer benefits and appeal related to Wine Australia through an enhancement of the wine tourism elements with more regions taking advantage of the tourism promotional opportunities it provides. Need to encourage more wine regions to participate to develop a higher level of consumer exposure and awareness of the regional environment that surrounds the vineyards and to ultimately consider visitation. Should also consider establishing a 'wine tourism' booth as an integral part of the event with tourism information on all wine regions.

General Marketing Campaigns

In Australia, the use of Consumer Relationship Marketing (CRM) style campaigns (e.g. direct mail) in the tourism area is limited compared to other industry sectors or international benchmarks, however this is an area of significant growth potential. This style of activity is often more effective than other forms of communication due to it being highly targeted. In addition, the results of a campaign are measurable and valuable customer information is obtained. Investigate options for a potential for a national CRM campaign activity involving appropriate partner(s).

Should also consider other campaign activities to stimulate interest in target markets. For example could develop an insert for targeted magazine (e.g. Gourmet Traveller) in cooperation with Mitsubishi Motors that would promote Mitsubishi vehicles on one side and have a map of Australia with wine regions marked and call to action being web site for more information. Could also consider national loyalty style campaign with points collected for wine purchases at cellar door and selected wine region based restaurants.

Wine Brand Australia

There is a need to clarify the key elements of 'Wine Brand Australia' to ensure that the connection between wine and the wider lifestyle and tourism experiences associated with it are strengthened and reinforced. Investigate the development of an Australian wine brand for use in generic national campaign activity (see also International Marketing). The concept involves the development of a brand related to the Australian wine experience that would also incorporate an application relating to the Australian wine tourism experience.

The process of developing a brand involves asking questions such as: What distinguishes Australian wine from all others? What is the 'personality' of Australian wine? What are the consumer benefits associated with Australian wine? What are the sorts of experiences associated with Australian wine? What are the consumer benefits associated with Australian wine? What makes us better and different to our competition? Who are the target markets for our communication and what form(s) of communication do they prefer.

It would involve a strategic planning process that would progress through the following stages and involve the key stakeholders and consumers at various stages:

- Situation analysis that involves current brand status and marketing mix. .
- Identify the essential elements or core values that make up the identity that is Australian wine.
- Analyse the current market place – challenge and disrupt the current situation to determine a future strategy and develop this into a vision to stimulate growth, results and provide a competitive edge.
- Conduct consumer research to identify and test the one core selling benefit associated with Australian wine to identify the core communication message for any future campaigns.
- Commence the creative process using that one core selling benefit as the focus. This might not result in traditional forms of creative execution (e.g. press ads, television) but may result in anything from PR to special packaging.

The development of a brand for Australian wine would become the essence of all activities promoting Australian wine to consumers. It would guide the tone, design and imagery used in all communications to consumers regarding Australian wine. It would appeal to the emotions and ultimately increase the appeal of the product in question, i.e. Australian wine. It would ensure that a consistent message is being delivered to consumers (both overseas and within Australia) regarding Australian wine.

Strategy 7 - International Marketing & Promotion¹²

Current Situation

The international marketing effort of the wine and tourism industries must be coordinated at a national level to better leverage cross-promotional opportunities. This can be achieved with a closer alliance between the Australian Tourist Commission, the Australian Wine & Brandy Corporation via its export promotion arm the Australian Wine Export Council, state tourism organizations and wine tourism bodies.

Australian Tourist Commission (ATC)

The Australian Tourist Commission is a federal government statutory authority primarily focused on increasing the number of international visitors to Australia. The ATC promotes Australia as a desirable tourism destination to key international markets. The ATC undertake a range of activities aimed at the travel trade and consumers in key markets around the world. This includes the production of collateral, web sites, training and direct mail activities. Since December 2001, food and wine tourism has been a focus within the Segment Development Division.

The ATC recently launched the following food and wine tourism collateral. All collateral was developed in consultation with the Australian Wine Tourism Alliance. The collateral includes:

1. 'Food & Wine Australia' – a generic motivational brochure aimed at international and Australian trade, consumers and media
2. A 'Wine Regions of Australia' map which is available both in hard copy (poster and A4) and electronically
3. 'Wine Tourism Itineraries' – sample itineraries brochure for ITO's
4. 'Essential Tourism Industry Information for Australia's Wine Industry' booklet

All of the above collateral are loaded onto both ATC Online and www.australia.com.

The ATC's consumer website, www.australia.com presents an opportunity to increase food and wine tourism product through working with the individual states and territories (covered in earlier section).

Brand Australia – the ATC has developed a successful brand for the destination. The ATC is the only organisation building an international brand image for Australia as a travel destination. It is called 'Brand Australia' and it aims to highlight the elements of our country that distinguish us from the rest of the world and promotes the personality of Australia as a free spirited, optimistic, fun and liberating destination offering a range of experiences. Brand Australia is the essence of all ATC activities. It guides the tone, design and imagery used in all ATC communications to consumers, the travel trade and tourism industry. It forms the basis of all television, cinema, print and online advertising as well as PR, direct mail, travel guides, Internet and trade marketing activities. Brand Australia is about strengthening the emotional bonds that people overseas have with this country and increase the strong appeal of a holiday in Australia.

Food and wine tourism is a key message within Brand Australia.

¹² Refer 1999 Implementation Plan Strategy 2

Australian Wine Export Council (AWEC)

AWEC conducts promotional programs in the UK, Ireland, Netherlands, Germany, Switzerland, Sweden, Denmark, Norway, Finland, Japan, Asia, USA, and Canada on a cooperative basis with Australian wine exporters. Through these programs, the awareness and image of Australian wine is enhanced significantly through participation in trade fairs, consumer and trade tastings, and sponsored visits of key journalists and trade personnel to Australia. AWEC provides supplementary export advice, statistical information and promotional material.

The Australian Wine Export Council works closely with Austrade offices in many other locations throughout the world and this assists the entire Australian wine industry by presenting a collective and collaborative image development via its promotional programs in key export markets. AWEC also supports promotional programs for Australian wine, which are delivered through Wine Importer Committees in Singapore, Malaysia and Hong Kong.

As Australian winemakers continually seek to expand their horizons into the global economy, the services provided by AWEC become critical to the short, medium and long-term success of this vision

Future Direction

Need to further develop relationship and work closely with ATC, including Wine & Food Project Manager, Segment Development and Partnership Marketing Manager in relation to international promotional opportunities.

Support ATC and AWEC's ongoing alignment and relationship to work closely together and ensure that they are constantly reviewing the opportunities available to them and actively looking for areas offering potential for closer collaboration.

Investigate the development of an Australian wine brand to be used in selected international promotional activities. The concept involves the development of a brand related to the Australian wine experience that would also incorporate an application relating to the Australian wine tourism experience. If such a brand existed it could be used in overseas markets in a similar way and in conjunction with the Australian Tourist Commission's Australia brand and for promotions within Australia.

The process of developing a brand involves asking questions such as: What distinguishes Australian wine from all others? What is the 'personality' of Australian wine? What are the consumer benefits associated with Australian wine? What are the sorts of experiences associated with Australian wine? What are the consumer benefits associated with Australian wine? What makes us better and different to our competition? Who are the target markets for our communication and what form(s) of communication do they prefer.

It would involve a strategic planning process that would progress through the following stages and involve the key stakeholders and consumers at various stages:

- Situation analysis that involves current brand status and marketing mix. .
- Identify the essential elements or core values that make up the identity that is Australian wine.
- Analyse the current market place – challenge and disrupt the current situation to determine a future strategy and develop this into a vision to stimulate growth, results and provide a competitive edge.
- Conduct consumer research to identify and test the one core selling benefit associated with Australian wine to identify the core communication message for any future campaigns.
- Commence the creative process using that one core selling benefit as the focus. This might not result in traditional forms of creative execution (e.g. press ads, television) but may result in anything from PR to special packaging.

The development of a brand for Australian wine would become the essence of all activities promoting Australian wine to consumers. It would guide the tone, design and imagery used in all communications to consumers regarding Australian wine. It would appeal to the emotions and ultimately increase the appeal of the product in question, i.e. Australian wine. It would ensure that a consistent message is being delivered to consumers (both overseas and within Australia) regarding Australian wine.

There is a need for a national wine tourism presence at the Australian Tourism Exchange, which is held in May/June each year. This could either be done in conjunction with the Marketing Manager of the National Wine Centre (NWC) or independently.

Appendix 1: Consultation

The following people and organizations were consulted during the process of developing this document.

Chris Barnes - New South Wales Wine Industry Association
Bill Bostock - Expanding Horizons
Linda Bowes - SA Wine & Brandy Association / SA Wine Tourism Advisory Board
Ross Brown - Brown Brothers Milawa Vineyards Pty Ltd
Stuart Bryce - Providence Vineyards
Colin Campbell - Campbell's Wines
Fiona Cartwright - South Australian Tourism Commission / member AWTA
Paul Chambers - Staughton Vale Vineyard / President ARWF
Steve Crawford - Western Australian Tourism Commission
Claire Dalton - National Wine Centre / member AWTA
David Dean - Australian Wine Export Council / member AWTA
Caroline Densley - Diverse Travel Australia / Venture Wine Tours
Sarah Dent - Wine Industry Association of Western Australia / member AWTA
Bruce Dickson - Tourism New South Wales / member AWTA
Caroline Evans - Domaine Chandon
Phil Harman - Harman Consulting (ACIL Consulting review)
Diana Harrison - Tourism Tasmania / member AWTA
Robert Hill-Smith - Yalumba Wines
Ian Hollick - Hollick Wines / Chair AWTA
Denis Horgan - Leeuwin Estate
Gerald Keatinge - Clovelly Estate / Queensland Wine & Grape Producers Association
Jessica Keen - Australian Tourist Commission
Deb Lewis - Tourism Tasmania
Fernando Lonigan - Tourism New South Wales / member AWTA
David Madew - Madew Wines
Richard Mitchell - La Trobe University
Dominic Nolan - Australian Regional Winemakers' Forum
Jack Rasterhoff - Victorian Wineries Tourism Council / member AWTA
Craig Rutledge - Queensland State Development Centre / member AWTA
Kim Seagram - Vineyards Association of Tasmania Inc / member AWTA
Joanne Sheridan - Tourism Victoria
Alasdair & Patricia Sutherland - Capercaillie Wine Company
Ian Sutton - Winemakers' Federation of Australia
David Trebeck - ACIL Consulting (ACIL Consulting review)
Richard Trembath - South Australian Tourism Commission
Paula Turner - Western Australian Tourism Commission
Bruce Tyrrell - Tyrrell's Wines
Francis Wong - Encounter Australia

Appendix 2: Glossary

AAA Tourism - Australian Automobile Associations Tourism
ASCOT - Australian Standing Committee on Tourism
ATAA - Australian Tourism Accreditation Authority
ATC - Australian Tourist Commission
ATDW - Australian Tourism Data Warehouse
AWEC - Australian Wine Export Council
AWTA - Australian Wine Tourism Alliance
BTR - Bureau of Tourism Research
CRC Tourism - Cooperative Research Centre for Sustainable Tourism
IVS - International Visitor Survey
NVS - National Visitor Survey
NWC - National Wine Centre
STOs - State Tourism Organisations
TDD - Winemakers' Federation of Australia, Tourism Development Director
TTA - Tourism Training Australia
WFA - Winemakers' Federation of Australia
WINETAC - Wine Industry National Education & Training Advisory Council

Appendix 3: Key Organisations

In addition to the lead role of the Winemakers' Federation of Australia in driving the strategies contained in this document the following organizations are critically important to successful implementation of the specific projects and initiatives.

Australian Regional Tourism Network
Australian Standing Committee on Tourism
Australian Tourism Accreditation Authority
Australian Tourist Commission
Australian Wine Export Council
Bureau of Tourism Research
Cooperative Research Centre for Sustainable Tourism
Regional Tourism Associations
Regional Wine Associations
State and Territory Tourism Organisations
State Wine Associations
Wine Industry National Education and Training Council
Wine Tourism Bodies