DIFFERENT TRAVEL MARKETS

The Travel Experiences Continuum

Group — Partially Packaged — FIT — Special Interest — Backpacker

‘Tourist’ ◄────────────────────────► ‘Traveller’

Look & See — Touch & Feel — Participate — Involve — Being There

As a market develops and travellers become more mature (in terms of outbound travel) and familiar with a destination, they move along the continuum of ‘travel experiences’.

A group traveller who visits the ‘icons’ during their first trip to Australia and stays in the country for a short period of time is at the ‘Look/See’ end of the continuum.

A backpacker who is more adventurous by nature, travels beyond the gateway cities, immerses themselves in Australian culture and stays for a longer period of time is at the ‘Being There’ end of the continuum.

A traveller’s place on the continuum will influence the destinations they visit and the experiences they seek in Australia. The further along the continuum, the greater the need for interactive, informative and enriching experiences.

Understanding where your target market lies within the experiences continuum will help you develop the right product for your target market.

Long Haul and Short Haul Travel Markets – What’s the difference?

Tourist perceptions are influenced by their knowledge of the destination, the distance they need to travel to the destination, their available holiday time and whether it is a first or repeat visit.

Perceptions and expectations of Australia are influenced by many factors, including Tourism Australia’s advertising and media coverage of Australian exports such as fashion, food and wine.

Markets such as New Zealand, South East Asia and the UK receive high levels of exposure to Australia in the media across a wide spectrum of topics. Others markets such as Continental Europe and the USA see very little day-to-day coverage of Australia in the media.

In short haul markets, Australia is a highly achievable destination. Short haul visitors often travel to Australia more than once and purchase shorter, more frequent trips. With familiarity comes the confidence to plan their own trip, travel to destinations beyond the gateways or travel in a less structured, more independent style.

In long haul travel markets, Australia is seen as a destination that requires a large commitment of both time and money. There is much greater pressure on first time visitors to see as much as possible or to see the key ‘icons’. In many instances, long haul travellers believe Australia is the ‘trip of a lifetime’ and see it as a single visit destination.

Many long haul travellers visiting Australia for the first time feel they must see Sydney, Uluru (Ayers Rock) and the Great Barrier Reef during their short stay. Destinations beyond the major gateways or icons such as Tasmania or South Australia are often saved for a second trip.

How do Cultural Backgrounds Influence Travel Choices?

Cultural background greatly influences Australia's appeal in different international markets, as well as a tourist's requirements during their stay in Australia.

The way in which an international tourist experiences Australia's key natural and cultural attractions may differ markedly between countries. International tourists often visit the same attractions but they may each take something completely different out of the experience. For example, an Asian visitor may visit the Opera House to see the building and have their picture taken but an American visitor may want to experience a performance. You may need to vary your product presentation in each market to appeal to different consumers.

Cultural background also drives the types of tours, activities, food and accommodation requested by international tourists during their stay in Australia. A German tourist may want to hire a campervan and visit remote, unpopulated locations. An American couple may request a twin room with two double beds. A Chinese group may express a desire for certain foods during a tour.

Tourism Australia's Market Fact Sheets provide specific details on key consumer segments in every international market in which Tourism Australia operates. Tourism Australia has also conducted Product Experience Research in several markets to identify the key experiences that appeal to consumers from those markets. Your STO can provide more information on how to apply this research to your product.

The International Visitor Survey (IVS) identifies the top locations visited by international tourists and the types of activities they prefer during their stay. You can find top line details in Tourism Australia's Visitor Analysis fact sheets.

What are the different styles of travel?

Tourists can choose from a range of different travel styles based on whether their trip is for leisure, business, a special interest or family reasons.

A tourist's travel style will influence their choice of tours and activities, style of accommodation, transport and the location of their product purchases. The maturity of the outbound travel market from the tourist's home country and their location on the 'Travel Continuum' will also influence their preferred style of travel.

The following section outlines several loosely defined travel styles. As with everything in the tourism industry, travel styles are constantly evolving and definitions vary from market to market.

Group Inclusive Tour or Travellers (GIT)

Group or package travellers pre-purchase the bulk of their holiday from a wholesale brochure through their travel agent, or through specialist operators who may deal directly with consumers, before leaving home.

Agents, wholesalers or ITOs plan structured itineraries for package travellers and their tour arrangements are highly organised. Generally, all accommodation, transfers, tours and many meals are pre-booked. Arrangements are made using the preferred product of the agent or wholesaler concerned or the ITO they deal with.

Group travel is common in less mature Asian markets such as China, or with particular consumer segments in Western Hemisphere markets, such as the over 50's coach tour market or educational groups.

Fully Independent Travellers (FIT)
Fully Independent Travellers or Free Independent Travellers (FIT) tend to be more experienced and like the freedom of planning their own arrangements. They often arrange core holiday components such as flights and some initial ground arrangements with a travel agent but organise the bulk of their itinerary independently, often after their arrival. Some products, such as key experiences or events, are often pre-purchased.

The ’pre-packaged modules’ offered by travel wholesalers suit the FIT style as it allows them to make some arrangements in advance and be independent in other sections of the trip.

FITs rely heavily on word of mouth, the Internet and guidebooks when planning their holiday arrangements, and often refer to tourist brochures found in hotel foyers or follow recommendations from a hotel concierge.

A good example of the FIT style is the self drive segment where arrangements are organised on a day-by-day basis, depending on the whim of the driver.

Partially Packaged Travellers
A growing trend, particularly in Asia, is the ‘partially-packaged segment’. These include a ‘skeleton package’ of airfares, airport transfers and accommodation, and are pre-booked as a package prior to the visitor’s arrival.

Partially-packaged segments enable very competitive rates to be advertised in-market to the price conscious consumer. The consumer may be offered optional extras such as car hire, tours and additional accommodation at the point of sale. These extras are often themed to appeal to different consumer segments including families, couples, self drive and adventure.

Consumers in more mature Asian markets such as Singapore and Malaysia – including those who have already visited Australia – also show a growing trend towards purchasing air and accommodation packages prior to their arrival and making other purchase decisions on arrival in Australia.

Visiting friends and relatives (VFR)
Approximately 19 per cent of visitors to Australia cite friends and relatives as the primary reason for travel. While these visitors may spend a lot of time with relatives and friends, they are a lucrative market and often travel beyond the family base to other destinations. Travel arrangements are usually made independently by relying on the recommendations and advice of their Australian-based friends and relatives when planning their trip.

Backpackers
The ultimate FIT traveller is the backpacker, which is defined for statistical purposes as a traveller who spends at least one night in a backpacker hotel or youth hostel during their stay in Australia. This segment traditionally covers 18- to 25-year-olds but there is an increasing trend for people aged 30 and beyond to travel in this way.

This segment prefers a highly independent and unstructured approach towards travel. They are more likely to travel off the beaten path and purchase adventurous or different experiences. Word of mouth recommendations are highly important and they rely heavily on the Internet, guidebooks and locally sourced tourist information.

Business Travellers
Conferences are generally regarded as one of the highest yielding inbound tourism segments because of the high per-delegate spend. The typical convention engages a vast range of venues, services and facilities. Delegates and their spouses often choose from a detailed travel program organised by a professional conference organiser or meeting planner.

Business travellers attending meetings are often less organised and may seek short trips that depart and return to their meeting destination.

The incentive travel market is a specialised business segment which rewards performance with travel experiences. In contrast to other forms of business travel, leisure is the main focus of incentive travel. Typically the participants are members of a company and will travel together, or as a series of group movements over a period of time if the group is especially large. They are generally shorter trips, however the per-head spend is often very high due to the specialised, reward based style of travel.

Education Travellers
Australia' high quality institutions and colleges are recognised around the world. With thousands of international students studying in Australian schools, colleges and universities, educational tourism a growing sector in the Australian tourism industry. The sector covers everything from short course participants studying a special interest or language to long term university students and those participating in school excursions and exchanges.
While study is the main purpose of visit for education travellers, there may also be a tourism component to the trip School excursions often incorporate eduction tours into their itinerary and long stay students often have additional time to travel throughout the country. In addition to the students, there are also their families who may visit throughout the course of study. One long term student often generates a number of additional visitors to Australia annually as parents, family and friends come to visit. Student groups and school exchanges often require specialised arrangements. They can have specific requirements for accommodation and other operators in the segment. These requirements may change depending on the age of the children in the groups, and could be anything from no mini-bars and IDD telephone access in the rooms, to assigning an exclusive floor in a hotel (for security).

Special interest study tours often require specialised arrangements, with guides who have detailed knowledge of a particular subject matter. This may include 'behind the scenes' touring, expert lectures, or visits to obscure locations.

Special interest travellers
Increasingly, people travel for reasons associated with their personal interests including lifestyle, hobbies, culture and charities. Technical tours of agriculture and manufacturing businesses are becoming increasingly popular in markets such as China and Latin America.

Special interest travel is often booked though agents or operators that are not part of the normal travel distribution network. Several companies in Australia specialise in these types of itineraries. While volume for particular special interest categories may be low, the yield is often very high if the agent can meet the high expectations of this segment.

Special interest and technical groups often require specialised tours and guides with detailed knowledge about a particular subject matter, expert lectures and visits to obscure locations and facilities that are not part of the traditional tourism infrastructure.