Destination Country and Outback NSW

PRODUCT & EXPERIENCE
AUDIT REPORTS 2019

DNCO SUMMARY PRODUCT & EXPERIENCE AUDIT

DNCO PRODUCT & EXPERIENCE AUDIT REPORT

BACKGROUND

Destination Network Country and Outback (DNCO) NSW is one of six Destination Networks established by the NSW Government. The networks are responsible for driving the growth of the visitor economy in each respective region to help achieve the NSW Government's overnight visitor expenditure target of the Visitor Economy Industry Action Plan 2030 (VEIAP).

The VEIAP goal is for the NSW visitor economy to more than triple 2009 overnight visitor expenditure to 2030, by aiming to achieve:

- $45 billion by 2025; and
- $55 billion by 2030.

DNCO is vast, covering 61.2% of the State of NSW. It has an incredible diversity of visitor experiences, precincts and places to attract visitors from across Australia and around the world.

Following the development of DNCO's Destination Management 2018-2020 (DMP), a comprehensive Product & Experience Audit has been undertaken.

The approach was to undertake the project covering the entire DNCO region clustered into 11 hubs, consistent with the DMP, to identify the gaps in what information is available to potential visitors planning a trip (in source markets), including would to see and do as well as what they can book either online or through a phone channel. This has involved:

1. **Online product audit across multiple sources**, including but not limited to the Australian Tourism Data Warehouse (ATDW), key online travel agents (OTA) or aggregators and visitor information services specific to each of the 11 hubs.
2. **Independent ratings and social media review**. Review of the online results by comparing them with *TripAdvisor* and social media channels (such as Facebook) for each hub. This review provides a better understanding of the perceived quality of the products and accommodation across the region and the capability of operators to meet the expectations of the market.
3. **Analysis of the product audit and customer ratings**. This analysis assists in identifying gaps, opportunities, strengths and weaknesses in the DNCO product and experience offering as well as highlighting key areas for capability development. The analysis has been undertaken with reference to the DNCO DMP, its key themes, supporting experiences and game-changer initiatives.

There a number of themes and game-changer initiatives identified within the DMP that shape key priorities for DNCO within the context of this project, in particular the touring routes to support DNSW's drive tourism and food and wine campaigns.

A key next step, which could be led by DNCO in collaboration with Local Tourism Organisations (LTO) and the respective Joint Organisation (JO) of Councils, is:

- **Ground-truth the online product audit**, including with key stakeholders across the region to identify any gaps, including out of date information or omissions.

CURRENT SITUATION

As part of the process, DMS consulted with Destination NSW (DNSW), including on the agreed purpose of the product audit, the relationship with ATDW, DNSW's *Get Connected* program and social media guidelines.

A set of criteria to guide the review process. This included utilising the social media guidelines of DNSW as well as the strategic themes and game-changer initiatives of DNCO's DMP.

The Product Audit Hub Reports have been structured to provide critical insights into the product and experience offering of the hub, outline specific or local strengths, weakness, opportunities and challenges as well as priorities for capability development.

The Hub Reports provide an invaluable tool to DNCO, LTOs and the relevant JO to improve the performance of each Hub and strength the value of the visitor economy. It is strongly recommended that the Hub Reports be utilised as an opportunity for stakeholder engagement and to help inform key priorities, such as capability and experience development, to enable the sustainable growth of the visitor economy.

Summary of key insights, challenges and opportunities

Significant findings across the entire DNCO region included:

- The current product and experience content within ATDW is not consistent with the actual level of products and experiences on offer across the hubs. This is particularly the case for accommodation as well as some key visitor attractions.

- As a result of the significant changes in technology and the way people search and book for accommodation, most accommodation is now listed on Online Travel Agencies (OTAs) or 'aggregator websites', such as *Hotelscombined.com, Booking.com, Home & Away* and *AirBNB*. This trend will continue to strengthen.
  - A key issue is that these global OTAs have significant budgets and market share, which influences Search Engine Optimisation (SEO). This is further enhanced through their Search Engine Marketing (SEM) spend. The impact is that very few (if any) local operators are able to compete for SEO, meaning that 'organic' or generic destination search engine results (for example, through Google) fall well below the first page. Increasingly, tourism operators and accommodation providers will need to offer their product through an OTA to be noticed, let alone convert interest into an actual booking.
  - Coupled with this is the increasing desire of most markets to be able to book online from a range of devices, including smart phones, reinforcing the need to utilise OTA technology and systems. The key implication for DNCO is that duplicating listings or data within ATDW for the accommodation sector is time consuming and of little or no value to the business owner. The most important source of information or data is the OTAs themselves, which is recognised by DNSW's contractual arrangement with hotelscombined.com.
  - There is an opportunity to work with the accommodation sector to understand how to create a direct relationship with a guest who has booked through an OTA to ensure ongoing direct bookings and referrals. As OTAs move into booking experiences online, this will have an impact on local providers of tours, activities and other services, such as transport.

The Hub reports also highlight the lack of experiences on offer within the region, which are either listed on ATDW or promoted through other sources such as TripAdvisor or the LTO, including VICs. However, this doesn't necessarily mean that the experiences or products are not available. A global trend in tourism is the increasing number of people who book experiences online when in the destination. While the pressures of managing a small business means that many operators have limited time, it is essential that this issue is addressed to support the growth of the region's visitor economy.

For DNCO, there is a clear need to assist local experience and activity providers proactively list their experience. It will also be important to work with local tourism organisations to ascertain the value of providing booking options on their websites to increase the opportunity of conversion for the operator and adding value to the regional website by providing a 'one stop shop' for the customer. More and more the market is seeking convenience and less 'friction points' when planning and booking a holiday or short break.

Importantly, tourism and hospitality businesses across the region don't have a comprehensive online and/or social media presence. Further, the quality of content of those who do varies greatly, with few undertaking regular, quality social media postings (in line with DNSW's social media guidelines), maintaining up-to-date online information or responding to customer feedback or comments (User Generated Content (UGC)). Further, a clear gap across the DNCO region is the lack of experientially-led itineraries and content to support more inspirational and engaging promotional activities, particularly for distribution through online and social media channels. This is particularly important for touring routes and the drive markets, although has application to other initiatives, such as the flying tours and private charters game-changer initiative. The implication for DNCO is that this should be addressed as a high priority within a capability development and awareness program, as identified within the DNCO DMP.

The Hub Reports provide the opportunity for DNCO to work with LTOs to encourage local tourism operators and accommodation providers to list their experience or product on ATDW or review their current listing on a regular basis to ensure it is up to date and accurate. Likewise, addressing the issue of online booking capability and ensuring a web/social media presence in line with DNSW's guidelines for best practice should be a priority.

There is also an opportunity to engage the JOs to assist with the capability development program and build awareness of the needs and expectations of contemporary tourism markets (across all demographics).

Benefits of the Product Audit Hub Report format and process

The structure of the product audit has allowed the DNCO to identify what the industry gaps are across the network area to ensure that an effective capability program is developed and implemented to grow the visitor economy and to assist individual businesses.

The audit:

- Provides a useful, consistent and easy format for DNCO to engage with key stakeholders, from tourism businesses through to the LTOs, JOs and DNSW;
- Delivers critical information to support and/or assist in addressing gaps with regard to the DNCO DMP's strategic themes and game-changer initiatives as well as promotional campaigns, such as DNSW's drive tourism and food and wine campaigns;
- Highlights gaps and opportunities within the seasonal offering of the Hub (and across the broader DNCO region) as well as for informing a content strategy; and
- Identifies the relevant strengths, weaknesses and opportunities with regard to the product, experience and accommodation offering of each Hub, which should inform strategic planning and experience development.

The greatest initial 'uplift' in visitor numbers, nights and yield will come from addressing the issues raised in the product audit. That is, to address the basics, such as offering quality experiences that meet the market needs or expectations, removing frustration and 'friction points' when potential visitors are searching online for inspirational information and bookable experiences or accommodation. In essence, a quick win for the Destination Network is to enhance the user experience (UX) across all online platforms, making them easily accessible, logical and convenient.

DNCO Hubs

The following eleven Hubs were identified for the purpose of undertaking the Product Audit across the DNCO region. The list of hubs is outlined below. The hubs are not created for marketing or promotional purposes. It has been based on:

- Geographical location and (wherever possible) in line with the research hubs utilised for the DMP; and
- Secondary influences, including visitor travel patterns, stakeholder views expressed during the DMP consultation process, structure of the JOs and strategic themes and game-changer initiatives from the DMP.

The following tables provide a link between the relevant JO, LGAs and the Hubs created for the purpose of the product audit.

Joint Organisation (JO)	Local Government Areas (LGAs)
Central NSW JO	Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin and Central Tablelands Water.
HUBS	1. Bathurst Hub, including Bathurst, Lithgow, Oberon, Jenolan, and Hill End 2. Orange Hub, including Orange, Cowra, Blayney, Millthorpe and Canowindra 3. Parkes Hub, including Parkes, Grenfell, Forbes, Lake Cargelligo and Condobolin
Namoi Unlimited JO	Gunnedah, Liverpool Plains, Narrabri, Tamworth, Walcha, Uralla.
HUBS	4. Tamworth Hub, including Tamworth, Gunnedah, Narrabri, Barraba, Boggabri, Quirindi and Nundle

Joint Organisation (JO)	Local Government Areas (LGAs)
New England JO	Inverell, Armidale Regional, Glen Innes Severn, Gwydir, Moree Plains, Tenterfield
Border JO	Balonne (QLD), Goondiwindi Regional Council (QLD), Gwydir Shire Council, Inverell Shire Council, Moree Plains Shire Council, Southern Downs Regional Council (QLD), Tenterfield Shire Council
HUBS	5. Armidale Hub, including Armidale, Glen Innes, Tenterfield, Inverell, Uralla, Guyra and Walcha 6. Moree-Lightning Ridge Hub, including Lightning Ridge, Moree Plains, Walgett
Orana JO	Bogan, Bourke, Brewarrina, Cobar, Coonamble, Dubbo Regional, Gilgandra, Mid-Western Regional, Narromine, Walgett, Warren, and Warrumbungle.
HUBS	7. Mudgee Hub, including Mudgee, Rylstone, Kandos and Gulgong 8. Dubbo Hub, including Dubbo, Narromine, Wellington, Warren and Nyngan 9. Warrumbungle Hub, including Warrumbungle, Coonabarabran, Coonamble, Gilgandra, Baradine, Coolah
Western Division Councils of NSW	Balranald Shire Council, Brewarrina Shire Council, Bourke Shire Council, Broken Hill City Council, Cobar Shire Council, Central Darling Shire Council, Carrathool Shire Council, Wentworth Shire Council
HUBS	10. Broken Hill Hub, including Broken Hill, Tibooburra, White Cliffs and Wilcannia, incorporating the Corner Country 11. Bourke Hub, including Bourke, Brewarrina, Nyngan and Cobar

Each Hub Report provides a summary of an audit conducted of a sample of tourism products and experiences contained in ATDW – the national tourism database - as well as products and experiences that have not been uploaded to ATDW.

The intent of the summary is to review the content and link to industry trends to gain a better understanding of the products and experiences through benchmarking key performance indicators such as website presence, use of social media, online reviews, export readiness, online booking capacity and accreditation.

The review also examined key themes and seasonality aligned with the categories and prioritisation as outlined in the DNCO Destination Management Plan (DMP). The review also identifies key touring routes, potential partnerships and transport links that may assist in future product development and inform infrastructure priorities.

Finally, the audit examines strengths and challenges as well as State-based initiatives such as funding, distribution and public relations opportunities linked to the findings of the audit and the strategic direction of the DMP.

THE DATA

A total of 2,307 products are listed on ATDW across DNCO. A further 636 additional products were identified through alternative sources, including *Hotelscombined, TripAdvisor* and the Visitor Centres' and LGAs' websites.

The table below provides a summary of the number of products from across the DNCO region:

	ATDW Accom	ATDW Attns	ATDW Events	ATDW F&D	ATDW Tours & Hire	Dest'n Info	ATDW Total	Non ATDW content	Total
Armidale	152	150	45	13	12	28	400	109	509
Bathurst	101	84	50	9	17	13	274	84	358
Bourke	17	27	6	2	2	7	61	45	106
Broken Hill	92	67	8	8	10	15	200	25	225
Dubbo	76	64	47	22	7	15	231	36	267
Moree-Lightning Ridge	20	38	10	11	6	6	91	30	121
Mudgee	43	26	16	17	12	7	121	118	239
Orange	89	86	48	68	14	11	316	77	393
Parkes	72	47	25	9	2	24	179	30	209
Tamworth	100	98	45	6	14	27	290	73	363
Warrumbungle	68	44	17	3	1	11	144	9	153
TOTAL	830	731	317	168	97	164	2,307	636	2,943
Percentage	36%	32%	14%	7%	4%	7%		22%	

Table key: **Accom:** Accommodation; **Attns**: Attractions; **Events**: Events; **F&D**: Food and drink; **Tours & Hire**: Tours and hire; **Dest'n Info**: Destination information (such as visitor information services).

Outback Beds

Outback Beds is a network of 22 accommodation operators providing farm-stay and boutique accommodation throughout Country and Outback NSW and south-west Queensland. Offering a one stop website presence with both flying and touring route maps this substantial and highly-relevant accommodation cluster delivers both accommodation and experiences that make Country and Outback NSW both accessible and experiential. This offer is both well established in the domestic market and export-ready.

There are 16 accommodation providers listed within Outback Beds, located across five DNCO Hubs. There is a significant opportunity for expansion of this network as well as the introduction of an online booking facility to enhance the customer experience and assist in driving conversion.

Caravan and camping

The caravan and camping sector, including recreational vehicles (RVs), is an important component within the accommodation sector with regional NSW accounting for 90% of overnight stays throughout NSW. Caravan and camping facilities contribute significantly to drive tourism, which has been identified as a major market for the DNCO in the DMP and a strategic initiative for regional tourism of Destination NSW (DNSW).

Across the DNCO region, there is a wide range of caravan and camping facilities, including:

- 36 holiday parks that are members of the Caravan and Camping Industry Association (CCIA) of NSW
- Seven Reflections Holiday Parks (NSW Crown Holiday Parks Trust), all of which are members of CCIA NSW
- Numerous sites catering to camping, caravans and/or RVs within NSW national parks and reserves.

As highlighted in the DNCO DMP, camping and caravanning continues to grow in popularity, including increasing demand of the use of RVs over the last decade. This is not restricted to the 55+ demographic. It is also popular with younger travellers and is often intergenerational.

In 2017, 30 to 54-year-olds made up 47% of the market while visitors aged 55+ represented 30% and those aged 20 to 29, 16%. CCIA Australia recently reported that it was the 20-29 year-olds who showed the strongest growth for year-end September 2018.

Caravan and camping leverages the DNCO region's competitive strength in being close to nature, often providing a more convenient option to include pets in the stay, is economical and supports longer lengths of stay.

As noted above, the caravan and camping industry now encompasses a range of options both commercial and non-commercial; on Crown land, national parks or private property. In some instances, the establishment of RV Friendly Towns and provision of dump points are critical components of the tourism proposition although the markets that predominately utilise such facilities contribute significantly less to the local visitor economy than other market segments.

A balanced approach that encourages those who choose to save on accommodation costs to participate in tours, events or other activities that increase the visitors' average spend is important, particularly to support investment in the infrastructure required by this market. RV Friendly Towns & Destinations and dump sites are located consistently throughout the DNCO region, providing a strong drawcard for the touring market. Often facilities of a temporary nature are set up to support events and festivals and are an effective means to meet peak demand or to supply accommodation stock for niche markets segments.

A summary of the available information on caravan and camping facilities is provided in the table below:

	CARAVAN & CAMPING GROUNDS	RV-FRIENDLY TOWNS	DUMP LOCATIONS
Armidale	36	10	11
Bathurst	17	4	5
Bourke	9	2	4
Broken Hil	13	1	4
Dubbo	12	1	4
Moree-Lightning Ridge	10	3	3
Mudgee	7	1	3
Orange	14	6	6
Parkes	15	7	10
Tamworth	17	8	7
Warrumbungle	16	2	4
TOTAL	166	45	61

Notes to the table above:

- *Caravan and camping grounds do not include NPWS sites unless they have been specifically listed on ATDW*
- *RV-Friendly Towns includes only to those recognised by the Campervan and Motorhome Club of Australia (CMCA)*
- *Dump locations include only those that could be identified through ATDW or visitor centre/LGA tourism websites*

It is important to note that data for this sector is often difficult to quantify nor is it easily accessible for potential visitors. Conducting a further audit to ensure all stock is captured and reflected across visitor information channels is recommended, including temporary facilities that support key events.

The importance of the sharing economy is as equally relevant to this category of accommodation as it is to hard-roofed accommodation. Over recent years, specialist online enterprises have emerged, such as *Youcamp*, which offer private property sites as an alternative to the traditional commercial tourist parks. *Youcamp* (www.youcamp.com) has nearly 250 sites in NSW alone with 10% of those in the DNCO region and growing strongly.

A more recent entrant to the Australian sharing economy is *Camptoo*, www.camptoo.com.au, which facilitates the renting of motorhomes, campervans or caravans. This is likely to be of increasing interest to Millennials as well as some international market segments.

User generated content (UGC) is again critical for this sector, especially with online forums for touring markets, including more traditional 'grey nomads', creating 'word of mouth' promotion that strongly influences choice and travel patterns.

As demand for caravan and camping continues to grow and campers become more discerning, it is recommended that Hubs across the DNCO region enhance accessibility of visitor information, including on the types of facilities available within the region. In addition, encouraging investment in facilities that are family-friendly or enable the upgrading of existing infrastructure to support events will be increasingly essential to meet the evolving expectations of this market.

Further considerations include:

- Ensuring a range of supporting infrastructure is provided, including the use of pop-up or temporary facilities;
- Improving access and navigation to camping and caravan sites; and
- Delivering diversity in accommodation options offered, such as the increasingly popular family-friendly safari-style tents as provided at Taronga Western Plains Zoo in Dubbo or for higher-yield markets, pop-up glamping at Mayfield and the luxury safari-style tents at Sierra Escape near Mudgee.

WEBSITES

Websites were assessed on the following criteria:

- Inspirational
- Quality images
- Easy to navigate
- Online booking available
- User Generated Content
- Video
- Search function
- Google search rating

The relative lack of business websites may be attributed to a lesser need to maintain a website with the increased reliance on aggregated sites for bookings. This is particularly relevant for cottages and Bed & Breakfast style accommodation. Importantly, links to Social Media sites such as Facebook and Instagram were often missing from the website.

However, the lack of websites and social media presence and/or engagement means that it is difficult for any operator to build a relationship directly with their visitor. This also relates to the regional or local government tourism websites and their level of engagement through social media platforms. Major disadvantages are:

- Lack of a coordinated and collaborative approach to building awareness of and appeal for the destination,
- Limited opportunity to take advantage of word of mouth recommendations through the advocacy of visitors, and
- Lower capability to encourage repeat visitation.

Training to address this challenge should be a high priority for the DNCO. It would require working with local government, tourism organisations and businesses to implement best practice when it comes to developing and creating destination websites, social media platforms and digital assets. This would include the appropriate use of Google analytics (and analytics packages of other platforms such as Facebook) in a meaningful way to measure success and make informed decisions to improve return on investment and marketing efforts.

Single product offerings no longer have the capacity to achieve search optimisation. In searching based of geographic location/accommodation/things to do, virtually no operators appear on the first page of a Google search. In fact, even when searching by property name the search produces a result well down the listing. Accommodation aggregators such as *AirBNB, booking.com, Trivago, visitnsw* and *wotif* now dominate searches for geographic locations everywhere. It is not surprising then that operators appear to rely less on their own websites and instead rely on third party distributers or OTAs.

SOCIAL MEDIA

Facebook presence was used in reviewing Social Media.

Strict criteria were applied to assess the quality of pages. The criteria examined and sought at least one of the first three criteria:

1. Posts per week (4)
2. Engagements (20)
3. Consistent use
4. Meeting the DNSW standards for image and video.

As mentioned above, there is a need to improve the overall effectiveness and understanding of how to best use social media when it comes to promoting and creating shareable content for use across those platforms.

A key observation from undertaking this product audit is that there are only a few LGAs that have implemented an effective approach in line with the basic criteria outlined above. This has a direct impact on destination marketing and content development and distribution, including syndication through third-party websites such as DNSW. Another area for improved performance and transparency relates to measuring and reporting on return on investment (ROI) of promotional activities through these channels.

The absence of video was a consistent omission on social media pages, limiting the opportunity to more effectively tell the story of the destination and build an emotional connection with visitors. As video becomes more and more popular, including for the 55+ market, the ability to deliver video on Social Media (eg FB, YouTube, etc) is a key consideration in enhancing capacity across the network.

Videos are also increasingly driving conversion. However, in developing content generally (including for video) there needs to be clear objectives relating to the purpose and desired outcomes. There is knowledge gap across the network on how to create meaningful and inspiring content.

ONLINE REFERRAL

Trip Advisor was used to assess online referral. The criteria included:

- the number of reviews;
- if the review(s) was/were positive; and
- timely response management.

Online reviews are dominated by the accommodation sector with very little review activity for other categories. The number of reviews was low - often below 30 - and the response management was patchy. Overall, reviews were positive. To place this in context, this is a numbers game. Five years ago, it is likely that any Hub would have had minimal online review activity. However, it is growing exponentially and operators need to be aware of the impact of User Generated Content (see also comments under Accreditation as well as The Data - Caravan and Camping).

Linking TripAdvisor to websites is considered 'best practice' and some accommodation providers and other operators are already doing this, although its inconsistent across the Network.

There were around 432 "Things to do" listed on TripAdvisor for DNCO. The top attractions mentioned included Taronga Western Plain Zoo, Cowra Japanese Gardens, Mayfield (formerly Mayfield Gardens), Waterfall Way, Back of Bourke Exhibition Centre, Sculpture and Living Desert Sanctuary and Artisan Baths, among others. After the significant attractions, the number of reviews were mostly quite low.

Many of the top attractions listed on TripAdvisor have free entry. While adding to the story and the desirability of a destination, it is also important to ensure that there are more bookable operators listed on TripAdvisor outside of the accommodation category. This is important as TripAdvisor, AirBnB and the OTAs make the move to profile and increase bookings of experiences, tours and products as part of a 'destination package.'

In summary, whilst the reviews are generally positive, the Network would benefit from enhanced capacity in capturing reviews through encouraging visitors to provide feedback/endorsement. Understanding the importance of online reviews and actively increasing User Generated Content is an area identified for future capacity building.

EXPORT READY

Export Ready is deemed as any bookable product that includes a commission rate that can be sold through export channels, for example, Inbound Tourism Operators or Travel Wholesalers.

The assessment Export Readiness was undertaken by Destination NSW (DNSW) on a State-wide basis and includes those properties that have already started to engage with DNSW for inbound development.

Across all eleven Hubs in the Network, there are 55 products that have been identified as Export-Ready. This is very low considering the vast area of DNCO and growth in Inbound on the eastern seaboard and throughout Australia. With growing levels of Free & Independent Travellers (FIT), including from Asian markets, the potential to disperse international markets throughout NSW is an emerging opportunity for DNCO. The DMP's game changer initiatives are increasingly appealing to international markets. Agritourism, regional produce markets, food trails and the power of provenance are all real opportunities for the DNCO to pursue along with Aboriginal cultural tourism, Night Skies and flying tours and private charters experience development initiatives.

The following criteria are recommended to further identify and develop Export-Ready Product:

- Market ready and established in the domestic market (at least 1 year)
- Same day booking system available to inbound market
- Apply commissions and understand rate structures
- Established distribution partners and understand channels
- Appropriate collateral for distribution to partners and customers
- Able to guarantee rates 12-18 months in advance
- Quality Assurance program in place eg Eco accreditation

A vast number of the product that are identified as Export Ready are accommodation places and many are Export Ready because they are in a motel chain group e.g Quality Inn. Having Export Ready accommodation will not be a core driver for an international visitor to choose a destination (unless that accommodation is an experience in and of itself). There needs to be a greater number of packages created to include transport, experiences and accommodation.

There are also other opportunities to sell directly to the international market without utilising the traditional channels. The OTAs are moving towards booking experiences as well as accommodation. They are also seeking to find unique and authentic experiences that may be delivered by people outside of the tourism sector. For example, a local may run a painting workshop for three hours each week and sell that workshop through *AirBnB*.

ONLINE BOOKING

No more than 50% of products have an online booking facility in any Hub across DNCO. In the Bourke Hub only 20% of the operators had online booking. Hubs such as Tamworth had 25% of operators with booking capabilities and Orange Hub only had 30%. The accommodation listing on *Hotelscombined* was much more extensive than ATDW as these distribution points dominate as the preferred booking mechanism throughout the industry.

An increasing trend to link property websites directly to OTAs such as *booking.com*, rather than providing an operator booking system was also evident.

The 55+ market is the largest global and domestic travel market and are highly engaged with destinations and tourism offerings in the online environment. Increasingly, they expect to be able to plan and book online, in line with the expectations of other markets such as the Millennials. As a result, there is a need to improve the online booking capabilities across DNCO.

The industry (especially accommodation) is experiencing the impact of OTAs on their net rates, providing significant motivation to encourage visitors to book directly with them. At the time of this report, the Accommodation Association of Australia (AAA) had undertaken a campaign with Dick Smith to encourage people to book directly with accommodation providers. This is difficult if operators do not provide online booking facilities. While research has found that the 55+ market would rather book directly with a local operator, this is only the case where the operator provides an easy to access, simply and reliable booking facility of their own (New Young Consultant Seniors Travel market 2019).

Outback Beds, as noted above, provides a locally-relevant platform, which would be significantly enhanced through the integration of an online booking facility.

ACCREDITATION

There is very little evidence of accreditation although increasingly property websites are displaying a rating system provided by *Booking.com, Trip Advisor* and *Trivago*, which reflect customer satisfaction levels.

Online reviews have led to the demise of AAA Tourism and with the cessation of the star rating system in June 2017 there are virtually no accommodation listings that use the star system – although a few have left the 'stars' on their site. This has meant it is now vitally important to regard User Generated Content (UGC) as the new mechanism by which consumers measure quality. It is a total game changer that not only impacts on the way consumers find product but determines conversion based on the quality of the review.

Aggregated sites such as *hotelscombined* use their own 'star' (now dots) rating system, which is via self-assessment by the property based on price, service and amenities.

TripAdvisor is also changing the way it delivers and presents reviews. While TripAdvisor will still deliver review as it always has, it will now also identify and share reviews from within a person's social media peers or 'friends' that are relevant to an actual search being made by that person.

THIRD PARTY BOOKING

Hotelscombined was used to assess Third Party Bookings. *Hotelscombined* was recently purchased by Booking Holdings (previously known as Priceline Group).

These OTAs of product aggregators are another game changer. See an excerpt from Choice below[1]. With the duopoly of only two aggregators, Expedia and Priceline Group (now Booking Holdings), the competition in the market is diminished and any price variation that may have encouraged the consumer to shop around has leveled out.

Not only has a reduction of competition in the marketplace impacted on the ability to 'find a bargain' but the inability for hotels to offer a lower price if the consumer books direct means operators become 'price takers' rather than 'price makers.' The opportunity lies in being able to value add to encourage direct bookings. For example, drink voucher, upgrade, local produce gift. It also reinforces the importance of customer engagement to build loyalty and assist in driving direct sales, especially for repeat visitation, over which the operator has greater control and may receive a higher financial return.

There were about 780 accommodation listings on Hotelscombined across the DNCO. However, there is a large amount of stock that is either self-catered cottage style accommodation or B&Bs less likely to appear on the *hotelscombined* listing.

However, much of this accommodation appears on *AirBnB* with over 1,700 listings for DNCO. AirBnB also applies an 'aggregator business model,' promoting the opportunity for travellers to 'live like a local.' A high percentage of the stock listed on *AirBnB* is also be listed on *Hotelscombined* and other OTAs. As a contributor to the shared economy, *AirBnB* differentiates itself from other aggregators by offering to connect travellers to local hosts providing the platform for homestays. *AirBnB* also relies on a consumer review system but in this case the traveller is also reviewed by the host building loyalty, trust and credibility as a two-way review.

Although *AirBnB* stock was considered as additional stock, not listed on either ATDW or other OTA platforms such as *Hotelscombined*, the audit has seen evidence that traditional B&B style and self-contained accommodation is also utilising AirBnB as a distributor and even some commercial motels are starting to appear on *AirBnB.*

In addition, the larger centres or those that are closer to a key source market such as Sydney, the higher the percentage of properties listed on *AirBnB.* It was also evident that some destinations within the DNCO see a significant increase in the number of properties listed on *AirBnB* during peak periods, such as major events.

The impact of *AirBnB* appears to be twofold. Firstly, it has attracted new stock promoting home hosting, made attractive through the opportunity for hosts to create an additional income stream. Secondly, as more non-homestay product starts to appear on *AirBnB*, it becomes less likely to offer a point of difference resulting in content becoming indistinguishable from other aggregators and thus more likely to be a direct competitor of OTAs such as *Hotelscombined.*

This topic requires further investigation.

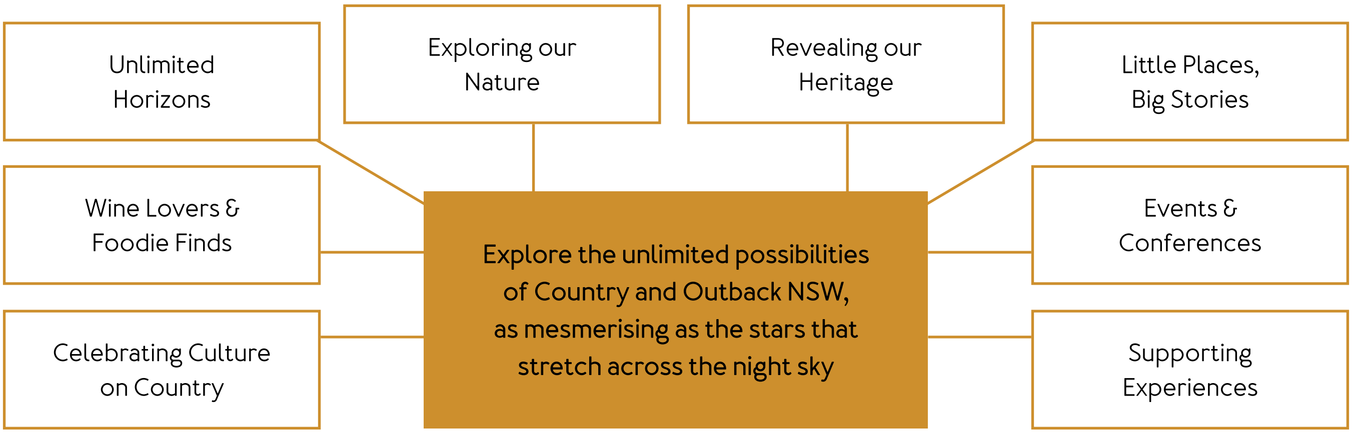
NOTE 1: CHOICE

"Expedia and Priceline Group have come to dominate online accommodation bookings. Expedia Inc. swallowed trivago, Wotif Group, Travelocity, Orbitz and HomeAway, while Priceline Group bought Kayak and grew its existing brands booking.com and Agoda."

"The dominance of the two big players also affects the rates the hotels offer on their own sites. An Australian Competition and Consumer Commission (ACCC) investigation found Expedia and booking.com had parity clauses in their contracts with Australian hotels. These clauses bind the hotels to offer the best price and availability to the online travel agencies - the hotels can't offer better rates on their own site."

THEMES & SIGNATURE EXPERIENCES

The DNCO DMP identified a positioning framework and strategic themes, as outlined in the diagram below.



To provide an inspiring and effective approach to grow the visitor economy of Country and Outback NSW and create meaningful connection between place, its communities and businesses with visitors of the region.

The DMP also identified a number of game changer initiatives and supporting experiences that would add value to the DNCO's visitor economy.

The Hub Reports provide a high-level assessment of the Hub's strengths and opportunities to determine the most appropriate and relevant themes and other opportunities, utilising the DMP's framework. Specifically, each Hub Report identifies:

- Primary themes
- Secondary themes
- Emerging opportunities
- Key supporting experiences
- Game-changer initiatives

It is important to note that given the diversity of the DNCO region, there is significant variation across the eleven Hubs, relating to each Hub's point of difference, while collectively still delivering on the DNCO's positioning statement.

SEASONALITY

Given the expanse of the DNCO region, there are significant differences between the way each season is experienced. As highlighted in the DMP, seasonality is an important consideration for both experience development as well as marketing. It can encourage repeat visitation.

One of the key insights from the Hub Reports is that events are already being used effectively in some destinations to create reasons to travel outside of peak seasons, thereby enhancing the year-round offer and supporting the viability of local businesses. There is an opportunity for other areas across the DNCO to consider events to activate low season visitation.

Across DNCO, there is a relatively poor performance with regard to the experience offer as well as inspirational visitor information and content that motivates travel. A significant opportunity lies in developing both experiences that leverage the seasons, such as regional produce or changing landscapes, as well as utilising this content to enhance promotional activities and visitor information.

Video provides the ideal forum in optimising seasonality and is an important driver for conversion, especially through the opportunity for sharing and syndication through visitnsw.com and other third-party channels.

TOURING ROUTES

The following touring routes have been identified as part of the Audit process:

- Darling River Run
- Fossickers Way
- Kamilaroi Highway
- Newell Highway
- NSW Food & Wine Trail
- Waterfall Way

Each Hub Report specifically identifies which touring routes are relevant to that Hub and the significance of drive tourism to that part of the DNCO region. As highlighted in the DMP, the development of experientially-led touring routes and trails as well as packaging and bundling of experiences, including integrating arts and culture and local produce, among other things, would enhance DNCO's ability to increase market share in drive tourism.

TRANSPORT LINKS

The Hub Reports provide a comprehensive overview of the primary ways to access the Hub, via road, rail and air. Importantly, each report also refers to the general location of private runways, which could potentially be activated through the flying tour and private charters initiative.

Overall, there are limitations on accessibility to many, if not most parts of the DNCO region, as outlined in the DMP. The key barriers include limited or high cost flights, poor road infrastructure and low connectivity between towns and centres within and beyond the region. For example, one Hub has no airport for commercial airlines while another iconic Outback city is only serviced by one commercial airline at a very high cost.

PARTNERSHIPS

Across DNCO, there is potential to expand regional product representation through Online Travel Agency (OTA) channels, airline websites etc where aggregation of content is increasingly the 'go to' point for consumers, including the 55+ market.

Other significant potential or existing partner organisations identified within most Hubs included:

- NSW National Parks and Wildlife Service
- Local and regional tourism organisations
- Local Government, including Joint Organisation (JO) of Councils
- Destination NSW
- Local Aboriginal Land Councils and NATOC
- Commercial enterprises such as NRMA and Outback Beds
- Peak bodies such as the CCIA, CMCA and Accommodation Association of Australia

Collaboration and cooperation within the local industry is critical, especially to build awareness of and preference for the destination.

STRENGTHS AND OPPORTUNITIES

The key strengths and opportunities identified across all Hubs included:

- The DNCO region, as identified in the DMP, has a diversity of outstanding natural assets.
- Many Hubs are able to contribute to the Unearth our Fossils initiative, which by linking remarkable museum and on-the-ground experiences, is a game changer for the DNCO. Likewise, the Night Skies experience development initiative is also a game changer, connecting observatories and other astronomy facilities and unites them under a spell-binding night sky with clear views of the Milky Way. This initiative has international appeal, especially when strengthened through experiences development involving other strategic themes and supporting experiences.
- Some Hubs have sporting facilities and/or access to nature and water-based recreation activities, which assist in attracting events, including high profile nature or water-based sporting events such as an MTB mountain biking series as well as adding value to attract regional conferences or business events
- Across the DNCO, there is an outstanding selection of food and drink options. While the quality or access in some destinations requires attention, there are many opportunities to strengthen the perception of the DNCO as a food and drink destination, with specific opportunities to leverage success in domestic wine tourism through export-ready product development for international markets
- The DNCO region offers a diversity of opportunities to explore heritage or enjoy art and culture, including a large number of impressive galleries and heritage sites as well as open air art and sculpture trails and reserves. In 2017, the fastest growing experience category for TripAdvisor globally was historical and heritage tours. It is clear that this will become an increasingly important element of the visitor experience and should be more consistently integrated into experientially-led itineraries, touring routes and trails.

GAPS AND CHALLENGES

The key gaps and challenges identified across all Hubs included:

- A general lack of experiences and commercial product and poor promotion of existing products.
- Generally low presence of agritourism product or effective cross-promotion between industry sectors. Products and experiences that leverage or focus on local produce, wines and agricultural experiences (from farm stays to produce markets and salesyards) would deliver on key global and domestic trends in travel.
- Inconsistent use, poor implementation of best practice standards and lack of understanding of the importance of social media and online channels to market, including meaningful and inspiring content (including video and images) as well as integrating or leveraging User Generated Content (UGC).
- Operating within a rapidly changing industry, where OTAs aggregate content and dominate the search engines, provides a significant challenge for regional operators. Better understanding of how to take advantage of the immense reach of OTAs whilst also exploring opportunities for direct bookings and building customer loyalty could deliver significant rewards.
- Limited supply of Aboriginal Cultural Tourism products and experiences. This requires genuine engagement with local Aboriginal communities as well as product, experience and capability development
- Major challenges for the Flying tours and private charters initiative include the need to develop effective networks of on-ground operators, accommodation and service providers as well as connecting to the charter flight companies based in key source markets or that have access to them.

STATE BASED TOURISM INITIATIVES

REGIONAL TOURISM FUNDING (RTF)

The NSW Government through DNSW has committed $13 million in regional tourism funding, between 2016 and 2019, to support the regional tourism industry in NSW. The funding is available through two streams:

- Regional Cooperative Tourism Marketing Program
- Regional Tourism Product Development Program

With matched cash from DNSW, total marketing program budgets will be between $200,000 and $1 million. Expressions of interest are assessed against the following criteria:

1. Partners capacity to support the project
2. Economic need and opportunity
3. Strategic and marketing impacts

Proposals for funding under the Regional Cooperative Tourism Marketing program must align with the NSW State-wide Destination Management Plan (when released) and the DNCO Destination Management Plan 2018-2020 (DMP) to be competitive.

Critical to success is the demonstration of how the activity supports/underpins the relevant marketing strategies and plans already in place for NSW. The DNCO Hub Reports provide clear identification of the product / experience gaps to assist RTF applicants to identify tourism needs and ensure the project strongly aligns with the DMP.

DIGITAL DISTRIBUTION

The Australian Tourism Data Warehouse (ATDW) is the national platform for digital tourism information in Australia, supplying NSW product to 70 plus websites, including australia.com and *visitnsw.com* (third-party distribution model).

In NSW, operators can access a free listing on ATDW though the *Get Connected* program; DNSW's website membership program.

With a substantial level of product across the network not appearing on ATDW, there is a significant opportunity for key tourism stakeholders such as Local Tourism Organisations (LTOs), Local Government Authorities (LGAs) and Joint Organisations (JOs) to work in collaboration with DNCO to assist in building awareness of ATDW, improving the quality and quantity of data within ATDW, ensuring the syndication of content through *Get Connected* and thereby tapping into over 1.95 million potential customers a month, both domestic and international - that's 23.4 million people a year who are looking for tourism products.

DNSW operate over 25 Social Media outlets. All the Hubs can tap into this promotional tool by creating quality social media content, including official hashtags such a #NewSouthWales when posting and following and engaging with DNSW channels such as *Facebook* and *Instagram* .

CONTENT AND EDITORIAL

Content and quality imagery are key in cultivating publicity for the Network. DNSW has a team of in-house publicists who coordinate activities to engage a range of different media. Programs include hosting visiting media; managing media relationships; conducting global outreach activities to pitch stories to media; implementing promotional events; and developing media resources. With an image library collection of over 15,000 photographs and videos, DNSW provides a significant resource for promotion.

Further opportunity exists for operators and event coordinators to increase the quality and volume of content for the Network through the provision of stories to pitch to the media, quality images and video footage in collaboration with DNCO. This was a key activity identified within the DNCO DMP.

TRADE / INDUSTRY DEVELOPMENT

The recommendations for Trade/Industry Development are largely impacted by the changing dynamics of an industry that is undergoing rapid change in terms of both planning and conversion.

The customer journey is undertaken in a much more personal way where engagement stems from online and digital touchpoints and where the effectiveness of marketing is defined by the quality of UGC and conversion expectations that occur in real time.

Access, online management and the syndication of content all contribute to maximising opportunities and enhancing the customer journey. Increase awareness and development of "bookable" product and packaging benefits are key to growth across all hubs.

DNCO PRODUCT & EXPERIENCE AUDIT REPORT

The first step in building capacity is to increase awareness, demand and participation in NSW First Industry workshops around the state.

A summary of industry development needs for the DNCO is outlined below.

CATEGORY	TITLE	LEVEL	DESCRIPTION	HUB
PROMOTE	Digital Marketing	1	Social Media, website, online reviews	Armidale, Bourke, Dubbo, Moree-Lightning Ridge, Mudgee, Parkes, Tamworth, Warrumbungle, Bathurst
PROMOTE	Digital Marketing	2	Making the most of your assets through Social Media (video, images and syndication)	Bathurst, Broken Hill, Orange, Dubbo
PROMOTE	Online Content	2	Images, video, and managing UGC	Armidale, Bourke, Moree-Lightning Ridge, Mudgee, Parkes Tamworth, Warrumbungle, Bathurst
PROMOTE	Regional Events	1	Leveraging and building on existing events	Armidale, Bathurst, Orange, Tamworth
PROMOTE	Regional Events	1	Leveraging and building on sporting events	Dubbo
PROMOTE	Regional Events	1	Attracting events, conferencing, weddings and functions	Mudgee Orange
SELL	Online Booking	1	Working with product aggregators, value adding to the experience and exceeding expectations	Armidale, Bathurst, Bourke, Dubbo, Moree-Lightning Ridge, Mudgee, Orange, Parkes, Tamworth, Warrumbungle
DEVELOP	Tourism Business Fundamentals	1	Understanding your customer, visitor trends, customer service	Armidale, Bourke, Broken Hill, Dubbo, Moree-Lightning Ridge, Mudgee, Parkes, Tamworth
DEVELOP	Tourism Business Fundamentals	1	Tourism Business Fundamentals. Industry trends, customer demand, creating a tourism experience, working with niche markets	Warrumbungle
DEVELOP	Creating bookable Product	2	Pricing, bundling/packaging, itineraries, touring routes, storytelling	Armidale, Bourke, Moree-Lightning Ridge, Parkes, Tamworth
DEVELOP	Creating bookable Product	2	Drive tourism - bundling/ packaging, itineraries, touring routes	Broken Hill, Dubbo, Warrumbungle
DEVELOP	Creating bookable Product	3	Drive tourism - bundling/ packaging, itineraries, touring routes	Bathurst, Orange, Warrumbungle

CATEGORY	TITLE	LEVEL	DESCRIPTION	HUB
DEVELOP	Local Produce	2	Building Agritourism and value adding to the experience through local food and drink	Armidale, Mudgee
DEVELOP	Local Produce	2	Building Agritourism and farm gate opportunities	Parkes
DEVELOP	Local Produce	2	Stand out from the crowd - creating quality Food & Drink experiences	Dubbo, Bathurst, Orange
DEVELOP	Regional Events	3	Leveraging the power of events	Bathurst, Orange
DEVELOP	Business Development	1	Creating your Aboriginal tourism product (delivered through mentoring)	Bourke, Broken Hill, Dubbo, Moree-Lightning Ridge, Warrumbungle
INBOUND	Export Ready	1	Steps to achieve export readiness	Armidale, Bathurst, Bourke, Broken Hill, Dubbo, Moree-Lightning Ridge, Orange, Mudgee Parkes, Tamworth, Warrumbungle
INBOUND	Export Ready	2	Inbound Strategy	Mudgee

Disclaimer: The data and content included in this DNCO Product Audit Hub Report are based on the best available information at the time of preparing the reports. Any omissions or outdated information may relate to the lack of accessibility to the data or delays to updating information through online channels, which is the most relevant source of information for those planning or taking a trip. The authors of this report recommend that the data be checked locally or in collaboration with DNCO. The primary purpose of this report is to highlight gaps, opportunities and challenges relating to the product and experience offering of the Hub.