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Growing Yield in the City Holiday Market: Finding a Competitive Edge

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With most Australian travellers living in cities, Australian holidays have traditionally been anchored at exploring what is outside of our cities – the beach, the desert, the wilderness. Cities as tourism destinations, in comparison, have taken a 'back-seat' to our natural attractions in terms of exposure and marketing effort domestically, and now internationally in the face of a growing outbound market.

Key events, such as the Sydney 2000 Olympic Games and the 2006 Commonwealth Games, as well as the Meetings, Incentives, Conferences and Exhibitions market, have leveraged Australian cities into the destination limelight. Cheaper domestic airfares have also been an impetus to converting Australians to city-based holidays. Cities are now on Australians' radar as tourism destinations and importantly attract high-yield travellers who spend when on holidays in a city. The challenge however is to increase yield through extending length of stay, and encouraging repeat visits.

Roy Morgan Research, with its leading Single Source survey of 55,000+ Australians per year, reveals the marketing intelligence needed to drive strategy for city-based travel, and create appeal to visit city-based destinations. This paper uses Roy Morgan Single Source to address how major Australian capital cities are viewed and consumed as travel destinations by Australians. Importantly the paper addresses how segmentation can quickly and effectively identify travellers who present the greatest yield opportunities for city-based holidays as well as the triggers required to effectively communicate with them. Roy Morgan Research draws upon their highly respected Roy Morgan Values Segments[1] as a case-study.

[1] Roy Morgan Value Segments developed in conjunction with Colin Benjamin of the Horizons Network

Research Purpose

This paper seeks to explore patterns of Australians' travel intention, behaviour, attitudes and loyalty towards city-based travel versus other geographic holiday clusters; as well as discussing the best approaches to creating brand appeal.

This framework has been developed using the extensive Roy Morgan Single Source Holiday Tracking Survey (discussed further in the Research Methodology), and from this, a definition of 'city-based travel' and its competitive set has been developed:

- Travel to State/Territory capital cities and nowhere else on last holiday – *Capital City Only Holiday*;
- Travel to non-State/Territory capital cities and country areas on last holiday – *Non-Capital City or Country Holiday*;
- A combination of these – *Capital City / Country Combined Holiday; and*
- Travel to international destinations on last holiday – *International Holiday.*

This creates a platform for analysis of travel to different geographic areas, to give insights into the strengths and weaknesses of city holidays versus its competitors.

The Roy Morgan Values Segments[2] have been utilised to illustrate how market segmentation can effectively identify segments of greatest potential yield for city holidays, plus show how each segment differs in terms of their needs when on holiday in a major city. This delivers important information as to how marketers should be positioning cities differently based on the needs of each key segment of focus.

Research Methodology

Roy Morgan Research's Single Source survey of over 55,000 Australians 14+ is used extensively by marketers within Australia and overseas to understand their categories, their customers, and their interconnections to social, economic, political and environmental factors underpinning societal shifts and brand choices. Roy Morgan Research clients use Single Source as a powerful tool for examining factors such as product/service customer profiles, market segmentation, target market opportunities, media usage, societal and recreational interests, and customers' attitudes and opinions. It can present a total picture of the market that looks outside the square of clients' own category parameters. Australian Single Source forms part of the greater global network of Roy Morgan Single Source surveys, operating also in New Zealand, the USA, the UK and Indonesia.

The Holiday Tracking Survey is a subset of Roy Morgan Single Source, and asks questions primarily about Australians' travel behaviours and future holiday intentions. Travel behaviour is

[2] Roy Morgan Value Segments developed in conjunction with Colin Benjamin of the Horizons Network

asked about both long-trips (those of 3+ nights duration) and short-trips (those of 1-2 nights duration). The Holiday Tracking Survey forms the basis for the majority of analysis presented in this paper. The remainder is from the greater Single Source survey.

Roy Morgan Single Source Australia is collected in two stages:

- The Establishment Survey (face-to-face interview); and
- The Product Poll (self-completion questionnaire).

Establishment Survey

The Establishment Survey data comes from face-to-face interviews of approximately 55,000 Australians aged 14+. Information collected on the Establishment Survey includes profiling data such as demographics, some attitudes, media consumption and brand & product usage. The Establishment Survey uses a stratified random sample to select one person per household for interview. For 50 weeks of the year over 1,000 Australians are interviewed face-to-face, accumulating a 12 month sample of more than 50,000 respondents. Respondent quotas are applied against current ABS census statistics (age, sex, location) and weighted back to these quotas against the time period of release (monthly, quarterly, and annually)[3].

Product Poll

Following the face-to-face Establishment Survey interview, all consenting respondents are left the Product Poll self-completion diary and Media Diary. The Product Poll accumulates a sample of approximately 25,000 people aged 14+ per annum (approximately 45% return rate from the Establishment Survey). Results from Product Poll returners are again weighted by age, sex and location against ABS Census statistics. As the self-completion data comes from respondents who participated in the face-to-face interview, the two surveys can be directly integrated into one Single Source database.

Most of the Holiday Tracking Survey data from Roy Morgan Single Source is collected on the Product Poll, as well as general activities, attitudes and lifestyle interests of respondents.

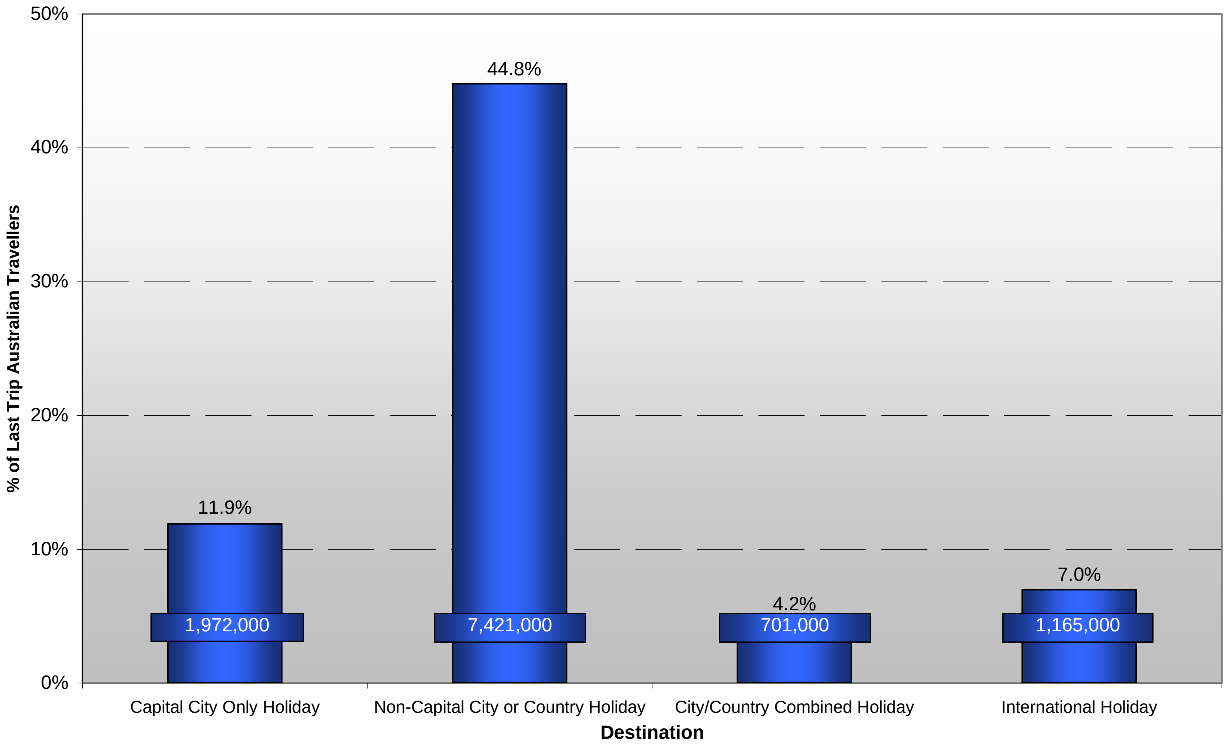
[3] Note: Tasmania is over sampled due to its small population and NT results are for Darwin and Alice Springs only.

Research Findings

City Travel is 'Big Business' for Destination Marketers

City-only holidays represent a significant market for Australian tourism. The Holiday Tracking Survey reveals that almost 12% of Australians 14+, or almost 2 million, had a holiday within an Australian capital city on their last trip, as illustrated in Figure 1. This is **more** than the number of Australians who have travelled outbound (7% or 1.16 million) on their last trip, suggesting the 'city holiday' market certainly holds big business potential for destination marketers.

Figure 1: Australians' last trip travel – Geographic Clusters

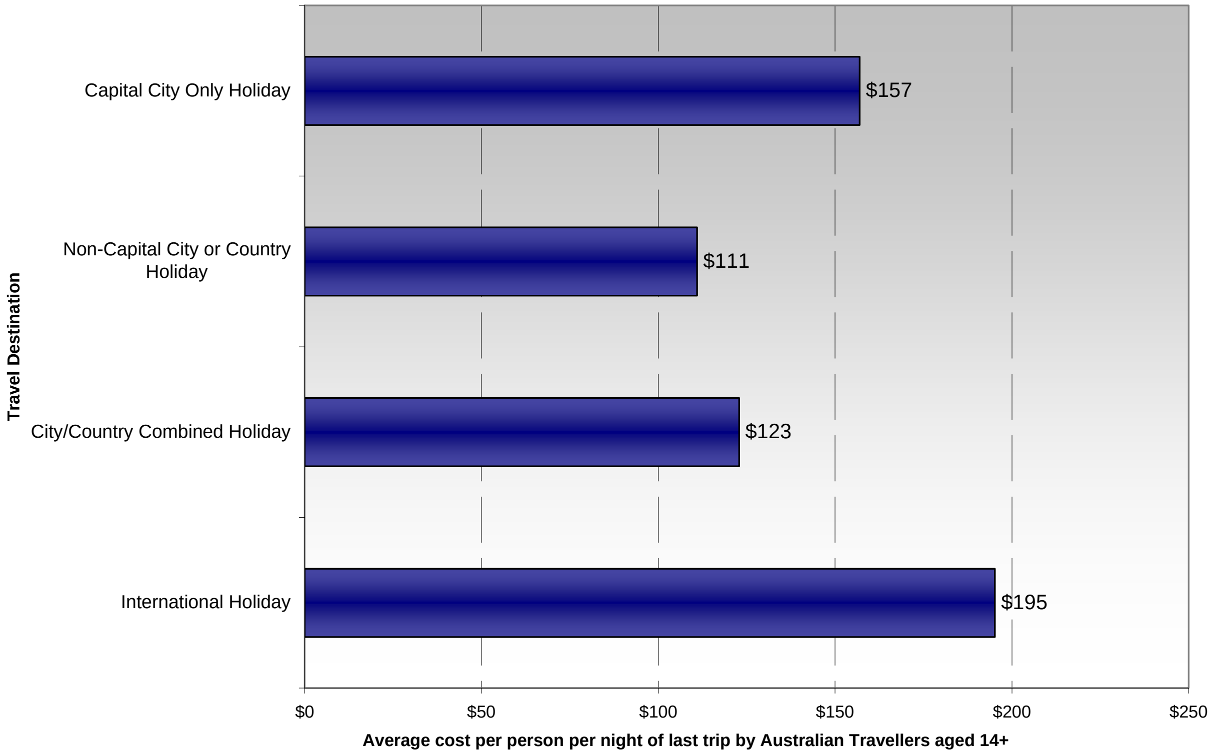


Capital City only holiday – Travel to State/Territory capital cities and nowhere else on last holiday
Non-Capital City or Country holiday – travel to non-State/Territory capital cities and country areas on last holiday
City / Country combined holiday – A combination of these
International holiday – travel to international destinations on last holiday

Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australians 14+, n=22,428

Holidays in cities also mean big business from a yield perspective. As illustrated in Figure 2, travellers who holiday in capital cities spend more on average per night than travellers to non-capital cities or country areas. Travellers who holiday overseas spend the most and international destinations are collecting an extra $38 per night from each Australian traveller versus our capital city destinations for city holidays – a huge yield potential if that spend were to stay in Australian cities.

Figure 2: Average Cost per Person per Night - Holidays to Geographic Clusters



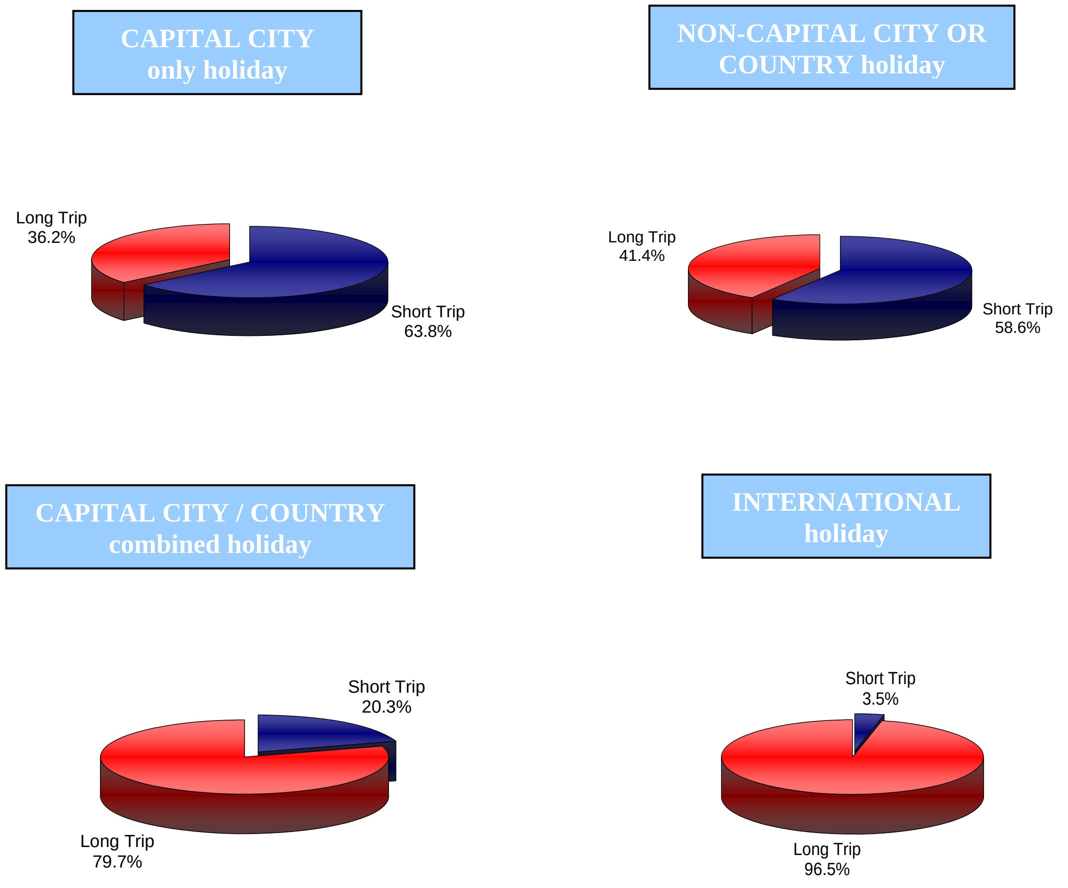
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australians 14+ who have been on a last trip (last 12 months), n=15,782

Appeal of Cities as Holiday Destinations

One challenge for increasing tourism yield in cities is length of stay. Holidays in Australian capital cities are predominantly comprised of short trips of 1-2 nights, and have the highest proportion of short trips compared to non-capital cities or country holidays, city/country combined and international trips. Almost two-thirds of travel to Australia's capital cities is for a short trip of 1-2 nights. It is clear from Figure 3 that Australians are taking longer trips, they are just not taking them to major capital cities at this stage. City marketers need to prove to travellers that they can offer an appealing holiday that extends beyond the short break experience.

Figure 3: Short versus Long Trip Travel – Geographic Clusters

Short trip: travel of 1 – 2 nights
Long trip: travel of 3 or more nights



Capital City only holiday – Travel to State/Territory capital cities and nowhere else on last holiday
Non-Capital City or Country holiday – travel to non-state capital cities and country areas on last holiday
City / Country combined holiday – A combination of these.
International holiday – travel to international destinations, not domestic destinations, on last holiday

Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 –December 2005. Total Australians 14+, who have been on a domestic last trip, not international, and gave number of nights on trip, n=11,961; Capital cities only, n=2,718; Non-capital City or Country only, n=8,149; Capital City / Country, n=953

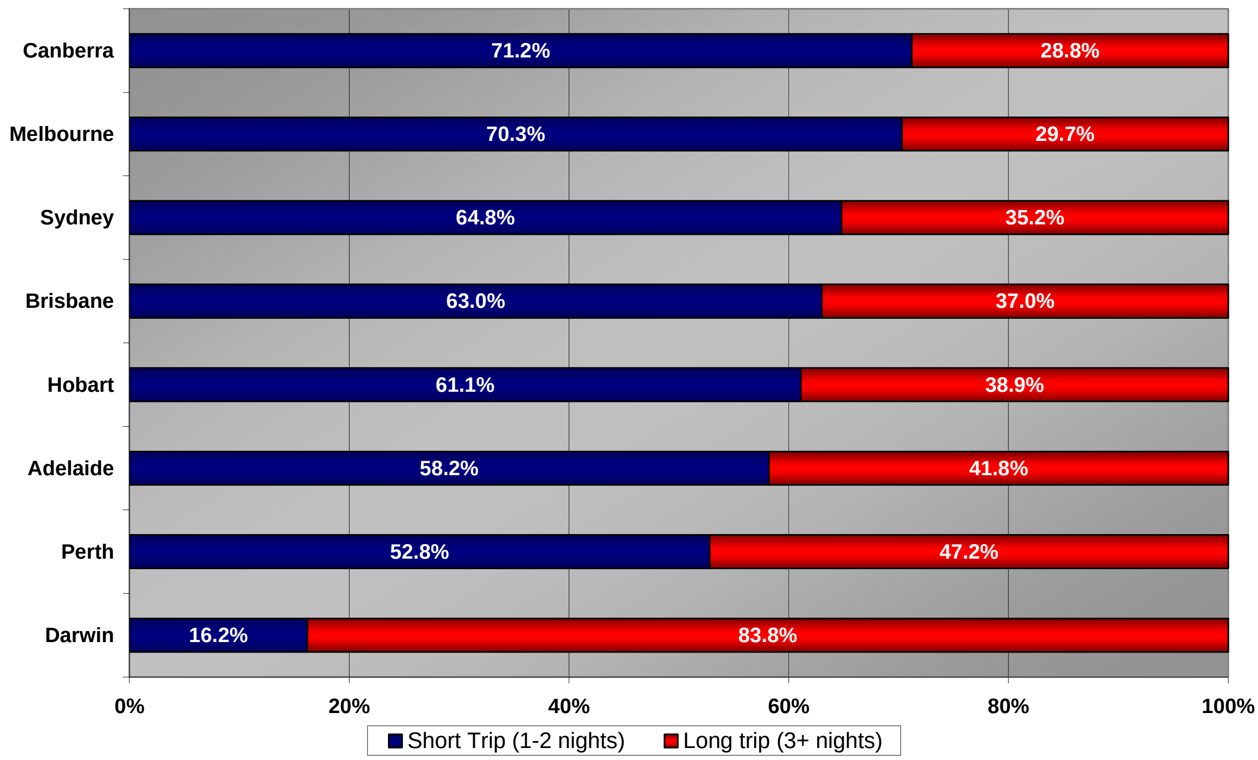
International - Respondents who travelled internationally on their last trip.
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 –December 2005. Total Australians 14+, who have been on an international last trip and gave number of nights on trip, n=1,255

Individual cities are certainly not homogenous in their patterns of travel behaviour, as illustrated in Figure 4 by the share of the short break and long trip market differing by city. A breakdown of the major capitals indicates that Canberra and Melbourne have the highest proportion of short trips, with over 7 out of 10 holiday makers visiting for just 1-2 nights. Sydney is also predominantly a short-break destination.

Darwin which is typically a city that takes longer to travel to from Eastern capitals, and is typically more expensive to travel to, shows the majority of their holiday makers staying for 3 or more nights. Almost half of all visitors to Perth also stay for 3 or more nights. It is likely the holiday maker wants to invest that the experience is 'worth it' having travelled so far for a certain price.

For destinations that are considered closer and easier to travel to, a challenge to marketers is to highlight that a destination of short distance from the source market can also deliver on a longer stay to make the trip 'worth the effort' of the expense and time incurred. With air travel now more accessible and less expensive, the barrier of cost and distance is arguably less than it was several years ago. The mindset of the traveller however may not have adjusted and may still perceive domestic destinations that are further away as much more expensive. Qualitative research would be ideal to investigate this further.

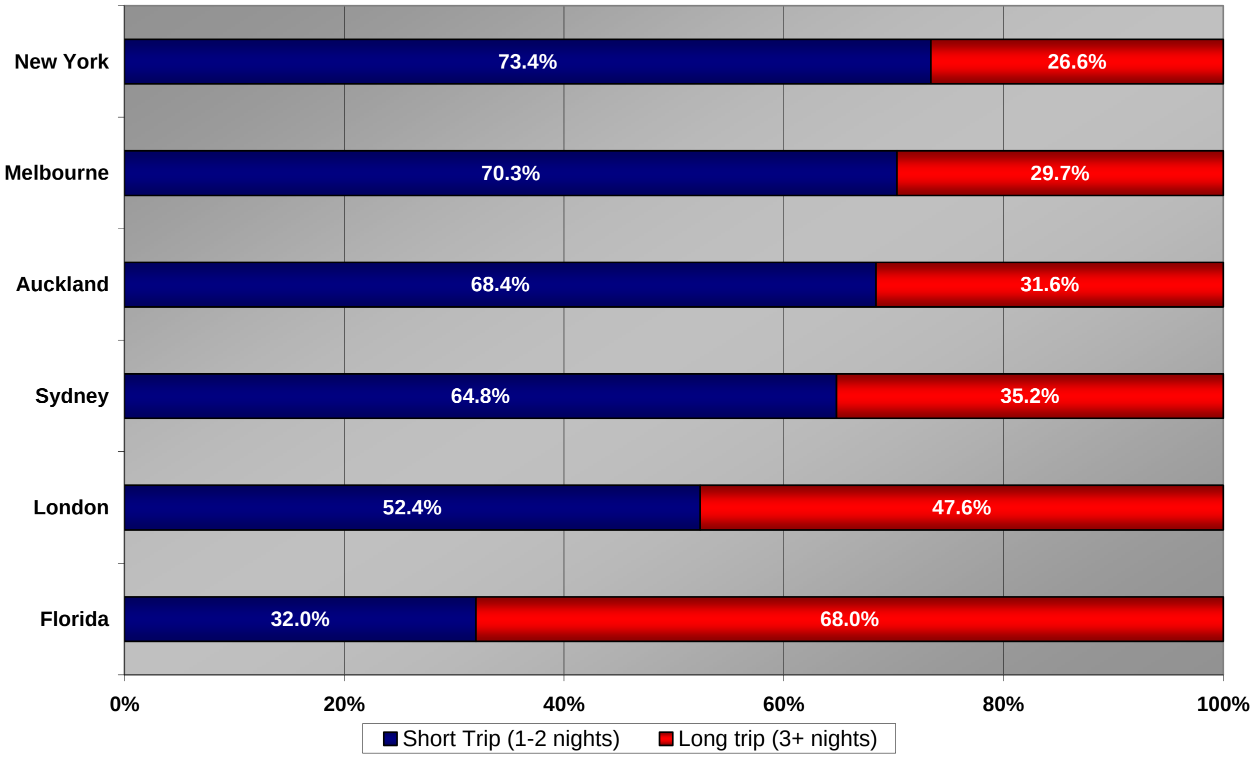
Figure 4: Short versus Long Trip Travel – Australian Capital Cities



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australians 14+ been on a last trip to an Australian capital city only (not non-capital cities, country or international) and gave number of nights away, n=2,718

When comparing this across the world, Roy Morgan Single Source in the UK, New Zealand and the US also reveal different trends across major cities. In the following example, New York and Melbourne have a stronger share of short trips of 1-2 nights, and Florida and London show a stronger share in longer trips of 3+ nights, a clear indication of these destinations offer a longer trip experience. This reveals the potential for Australian cities to offer longer holiday experiences, where the traveller can stay in the city for the full duration of their trip and not need to venture elsewhere to diversify the experience.

Figure 5: Short versus Long Trip Travel - International Cities



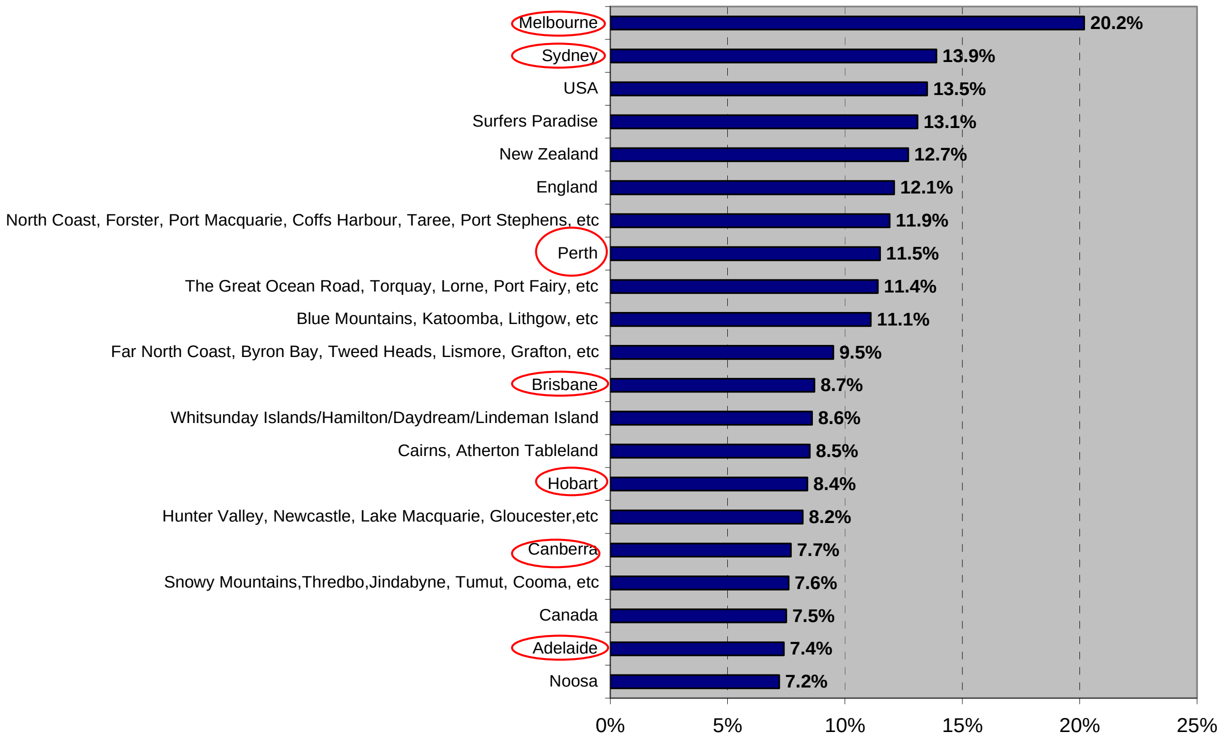
Source: Roy Morgan Single Source
Australian Holiday Tracking Survey: January 2005 – December 2005. Total Australians 14+ been on a last trip to an Australian capital city only, **(not non-capital cities, country or international),** and gave number of nights away, n=2,718
United Kingdom Holiday Tracking Survey: September 2004 – August 2005. Total UK's 14+ been on a last trip and gave number of nights away, n=2,515
USA Holiday Tracking Survey: March 2005 – August 2005. Total Americans 14+ been on a last trip and gave number of nights away, n=1,134
New Zealand Holiday Tracking Survey: January 2005 - December 2005. Total New Zealanders 14+ been on a last trip and gave number of nights away, n=8,910

Appeal of Cities as Holiday Destinations

So, how appealing to Australians are each of our major cities as travel destinations in the hierarchy of destination choice, and who is claiming success in conversion from intended travel to actual travel?

The Roy Morgan Single Source Holiday Tracking Survey investigates the hierarchy of travel from destinations' considering visiting in the next two years (destination 'preference'), to next trip intention (destination 'intention'), to actual visitation for over 125 domestic, and 40 international destinations (destination 'behaviour'). When asked which destinations Australians 14+ are considering travel to in the next 2 years, Australian capital cities make up seven of the top 20 destinations. Preference to visit Melbourne is clearly the highest with 20% of Australians wanting to visit there in the next two years. Sydney is next on the consideration list at 14%, followed by Perth, then Brisbane. In competition with Australian cities are overseas destinations, US, New Zealand and England; and domestic destinations such as Surfers Paradise, as well as coastal and mountainous areas close to Sydney and Melbourne.

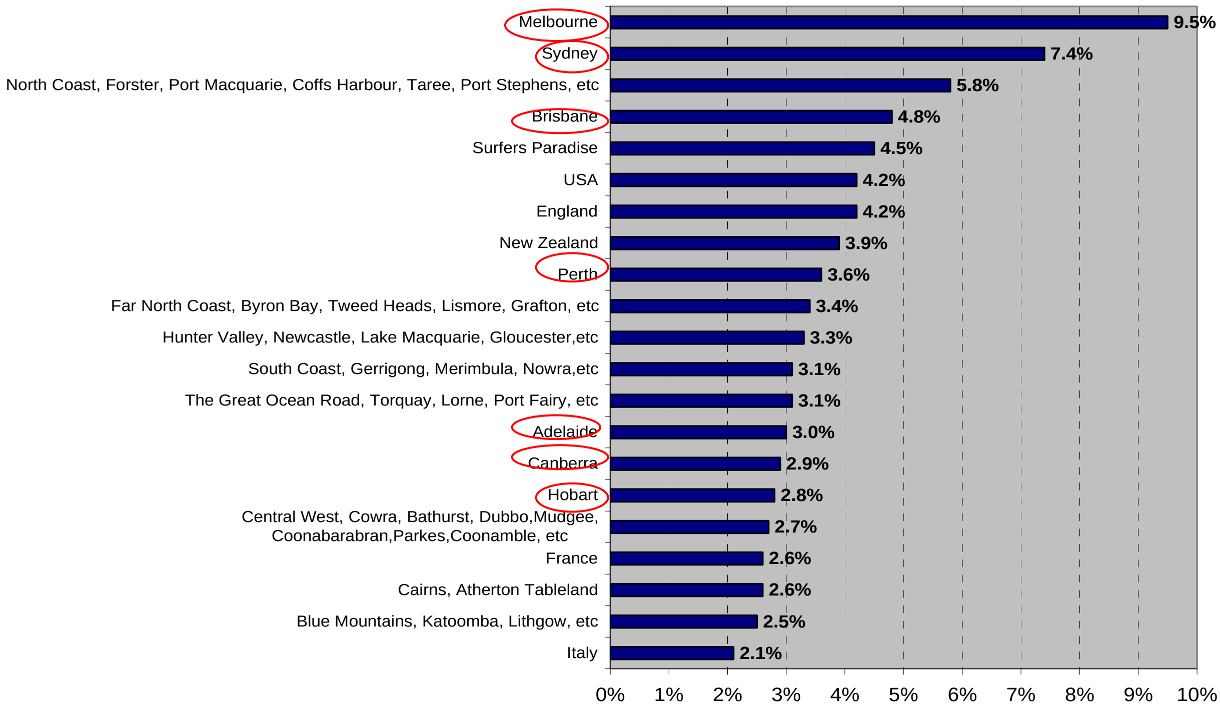
Figure 6: Australian Residents – Places Would Like to Visit in the Next Two Years



Places respondents would like to travel for at least one night (nett trip) in the next two years.
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australian 14+, n=22,428

When investigating where Australians are actually intending to travel on their next trip, Brisbane ranks further up the list than it does at preference, as do Adelaide and Canberra.

Figure 7: Australian Residents – Places Intending to Visit Next Trip

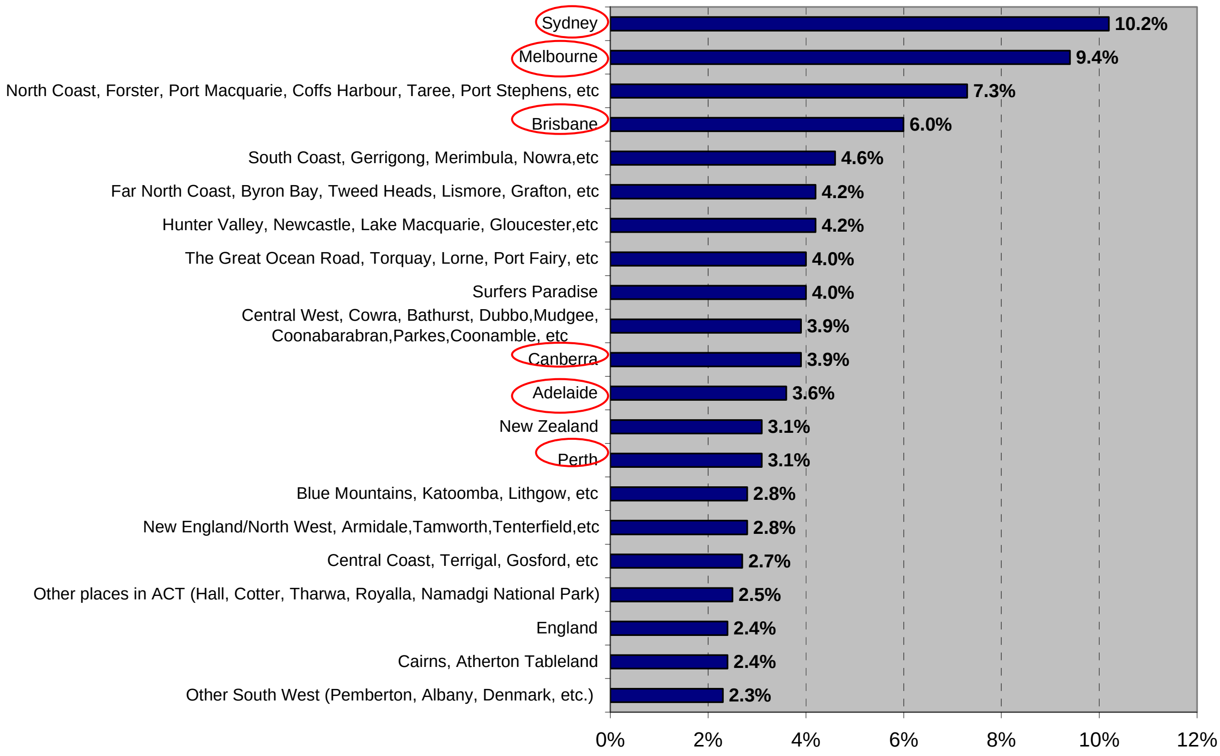


Places respondents intend to stay on their next trip of at least one night (nett trip).
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australian 14+, n=22,428

In terms of where Australians are actually going when they travel, Sydney shifts to first position, with Melbourne close behind. While more Australians have a preference and intention to visit Melbourne, more end up visiting Sydney. Perth, while ranked in the top ten in terms of preference and intention, follows Brisbane, Canberra and Adelaide as cities visited in the last 12 months. Adelaide and Canberra, while not registering strong interest as preferred or intended destinations, are ranked higher as destinations visited. Interestingly, visitation for Brisbane is ranked higher than intention, indicating more Australians end up visiting Brisbane than intend to do so.

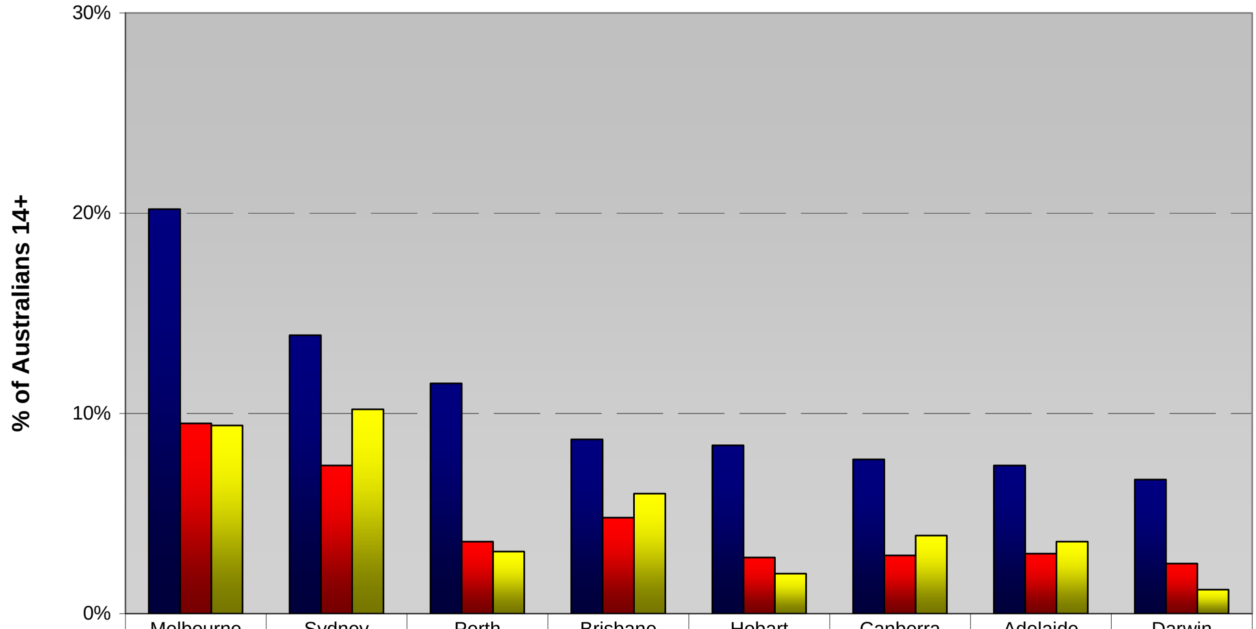
This suggests that although certain capital cities may not be desirable in the planning process, closer or at the time of travel, they can become destinations for holidays. It is likely that the two drivers of travel to cities are desirability and circumstance. The challenge for marketers is to present an appealing message for what their city can offer the holiday maker early in the planning stage of travel, so travellers are given the opportunity to engage with a city destination and plan their city holiday, potentially lengthening the trip and generating greater yield. This can also extend to a desire for the traveller to 'repeat visit' a city, as all the things they wanted to do may not have been achieved, and whilst on their city holiday a suite of new experiences were discovered, but perhaps not achieved on that trip due to time and cost constraints.

Figure 8: Australian Residents – Places Have Visited in the Last 12 Months



Places respondents have stayed for at least one night on their last trip in the last 12 months (nett trip).
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australian 14+, n=22,428

Figure 9: Australian Residents – Summary of Preference/Intention/Behaviour for Australian Capital Cities



	Melbourne	Sydney	Perth	Brisbane	Hobart	Canberra	Adelaide	Darwin
Preference	20.2%	13.9%	11.5%	8.7%	8.4%	7.7%	7.4%	6.7%
Intention	9.5%	7.4%	3.6%	4.8%	2.8%	2.9%	3.0%	2.5%
Behaviour	9.4%	10.2%	3.1%	6.0%	2.0%	3.9%	3.6%	1.2%

Preference: Australian capital cities respondents would like to travel for at least one night (nett trip).
Intention: Australian capital cities respondents intend to stay on their next trip of at least one night in the next 12 months (nett trip).
Behaviour: Australian capital cities respondents have stayed for at least one night on their last trip in the last 12 months (nett trip).
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey

Repeat Visit Appeal – Australian Capital Cities versus Competitors

The desire to repeat visit can create greater yield for travel destinations, as well as reduce the expensive costs of promoting a destination to encourage a first or repeat visit though destination experience and word of mouth promotion.

The ability for capital cities as a group to generate repeat visitation can be measured by the percentage of travellers who have travelled to an Australian capital city on their last holiday, and who wish to return to an Australian capital city for a holiday in the next two years.

Of the 11.9% of Australians who had a capital city only holiday for their last trip, 72.6% of them indicated they would like to revisit a capital city destination for a holiday in the next two years. Most travellers to capital cities would like to travel on a holiday in the future that incorporates both city and non-city areas, or non-capital cities / country in the next two years. This will to some degree be influenced by the number of destinations available to select (i.e. there are less capital city destinations than country and non-capital city destinations), however it does highlight that the idea of having a city holiday is appealing, and considered at the holiday planning stage, more so than for international destinations which is a positive indicator in the current climate of a growing outbound market.

Figure 10: Revisitation Appeal – Geographic Clusters – Capital City only Travellers last trip.

Travel Type	Preference to visit geographic clusters in the next 2 years
Capital City	72.6%
Non-Capital City or Country	86.4%
City/Country Combined	66.2%
International	51.0%

Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total last trip city only travellers 14+, n=2,839

When broken down by individual capital cities, Melbourne has the strongest repeat visit loyalty, with over half of all visitors wishing to revisit in the next two years, followed by Sydney, Brisbane and Canberra. Interestingly, Melbourne is over 8% higher than its closest competitor Sydney, potentially illustrating Melbourne's stronger appeal as a repeat visit destination. It is possible Sydney may be seen by travellers to offer not enough to experience on a repeat holiday versus Melbourne. Darwin and to a degree Hobart, Adelaide and Perth demonstrate comparatively low loyalty in terms of travellers' desire to repeat visit. This would be affected by their distance from the Eastern capitals, however their lower levels of desirability among travellers does present a challenge to engage sufficient interest for visitors to return for a 'second look', and for the destination not to be seen as 'once-off'.

Figure 11: Revisitation Appeal - Australian Capital Cities

Capital city	Capital City only holiday to… on last trip*	Preference to revisit city in the next 2 years
Melbourne	3.0%	54.7%
Sydney	3.3%	46.4%
Brisbane	1.6%	44.7%
Canberra	0.9%	42.1%
Perth	0.9%	43.0%
Hobart	0.4%	43.6%
Adelaide	1.0%	41.0%
Darwin	0.2%	39.1%

*Total Australians 14+ who have stayed in an Australian capital city only, (**not non-capital cities, country or international)**, on their last trip (in the last 12 months.
Total Australians 14+ who have stayed in an Australian capital city only , (**not non-capital cities, country or international)**, on their last trip and would like to holiday for at least one night in an Australian capital city on their next trip (nett trip preference).
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2004 – December 2005, *Total Australians 14+, n=46,944

Segmenting the City Traveller with the Roy Morgan Values Segments[4]

It is clear already that capital cities differ in terms of their length of stay, appeal as holiday destinations and desire to return for another visit.

So, who is the target market that:

1. Wants to visit cities for holidays; and
2. Offers the yield potential to spend when on holidays?

How does a city marketer determine the right people to engage with to ultimately increase length of stay and yield, or satisfaction levels to ensure a repeat experience?

The Roy Morgan Values Segments[4] have been used by marketers for many years as a powerful tool to quickly identify who is the likely group that will be attracted to a particular product or service. Marketers need to focus on the right customer segments to ensure the optimal product is created that produces the best return. The right message, to the right customer, at the right time.

About the Roy Morgan Values Segments[4]

Work has been carried out for more than 15 years at Roy Morgan Research to gain a better understanding of what are the prime motivations of choice and change. This work was pioneered by Colin Benjamin of the Horizons Network and Michele Levine, CEO of Roy Morgan Research, building on global studies including cross-cultural studies by Geert Hofstede, one of the most well published and respected social, cultural and anthropological professors and researchers of our time.

[4] Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network

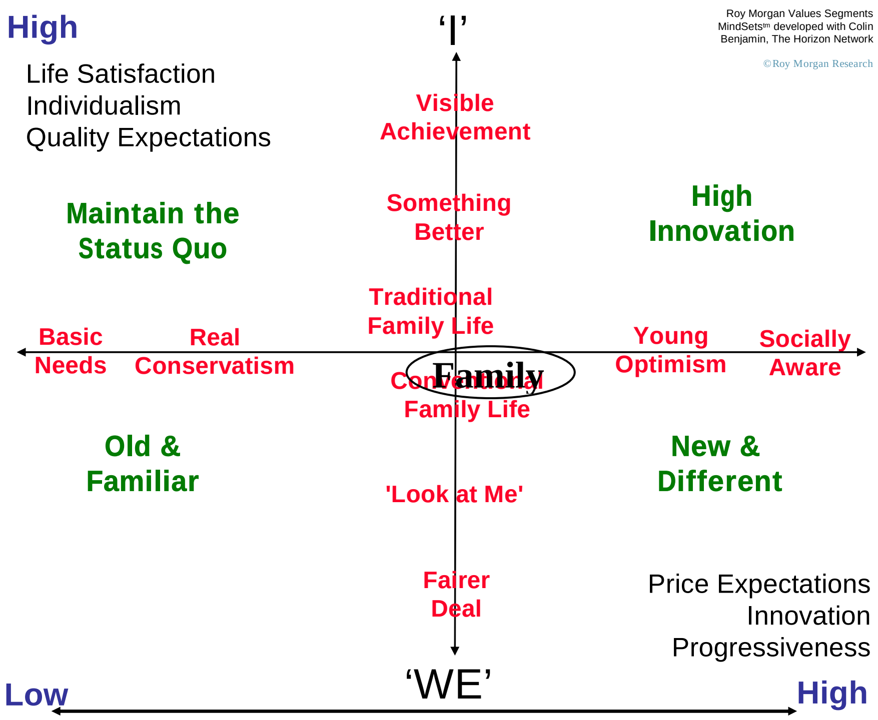
Unlike other segmentations derived mainly by statistical techniques, the Roy Morgan Values Segments[5] begin with a theoretical foundation. There are four human social dimensions (Individualism, Life Satisfaction, Conservatism and Innovation) and two dimensions that ground the Values Segments[5] in marketplace reality (Quality Expectations and Price Expectations). These six dimensions form the vertical and horizontal axes of a multi-dimensional "Values Cross", with the family unit at the centre of society:

1.	Individualism:	How much emphasis on "I" vs "We"
2.	Life Satisfaction:	High or low levels of satisfaction with life
3.	Conservatism:	Traditional vs progressive social attitudes
4.	Innovation:	Level of attraction to new things and ideas
5.	Quality:	How high or low are the expectations of quality
6.	Price:	Willingness to pay high or low prices per unit

From the six dimensions, ten mindset segments were developed based on the deeper drivers of choice and change - our values and fundamental ways of approaching the world. Importantly the Roy Morgan Values Segments[5] have been tested and found robust internationally.

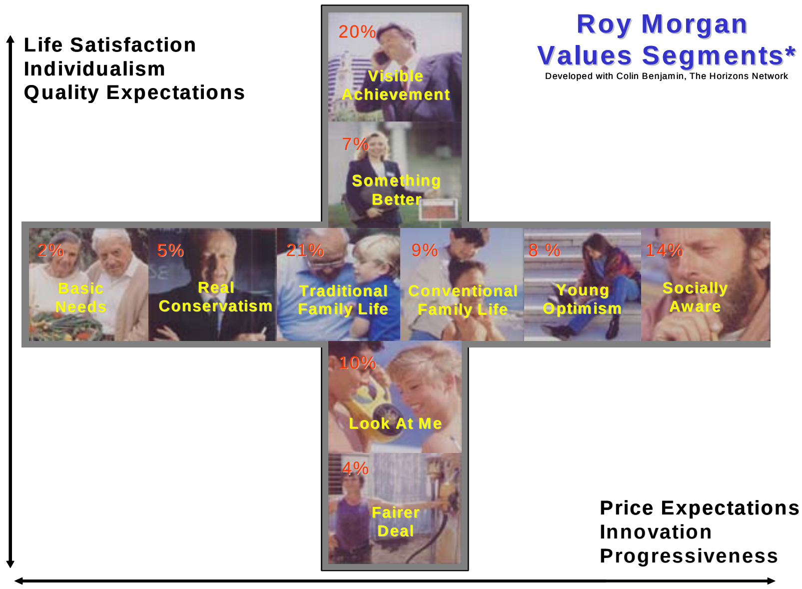
Figures 12 and 13 illustrate the alignment of the Roy Morgan Values Segments[5] against the six underlying dimensions:

Figure 12: Roy Morgan Values Segmentation[5] by Primary Dimensions



[5] Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network

Figure 13: Roy Morgan Values Segmentation[6] of Australians 14+

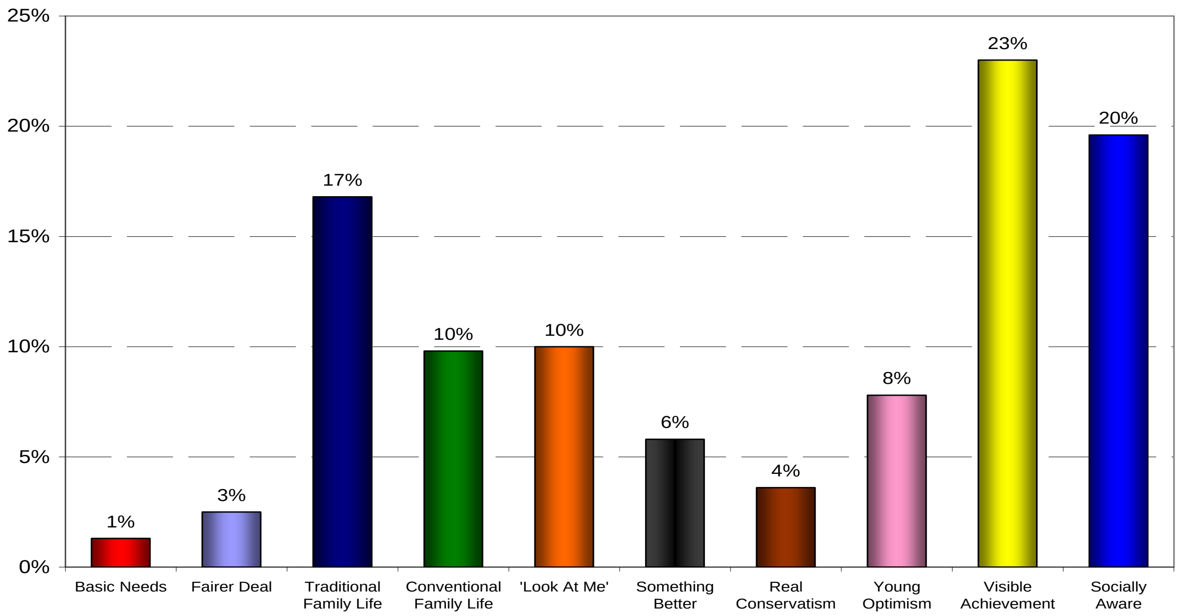


Source: Roy Morgan Single Source January 2005 – December 2005
Base: Total Australians 14+, n=22,428

Using the Roy Morgan Values Segments[6] as a basis for segmenting city travellers, it is clear marketers can harness desirability for travel to their city by focussing on specific Values Segments.

The first step is to understand which Values Segments are travelling to cities for holidays. Figure 14 illustrates Visible Achievement, followed by Socially Aware and Traditional Family Life are the primary segments making up 60% of travellers to capital cities in Australia in the last 12 months.

Figure 14: Roy Morgan Values Segments[7] - Share of Travel for Australian Capital City-only Holidays



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey

[6] Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network

Base: January 2005 – December 2005, Total Australians 14+ had an Australian capital city only holiday on last trip, n=2,839

But which cities are currently showing the greatest appeal for the target segments of Visible Achievement, Socially Aware and Traditional Family Life? We have already identified that certain cities typically receive more visitors than others. So, of the three primary Values Segments[7] of target for city travel, which segments are more likely to travel to which cities?

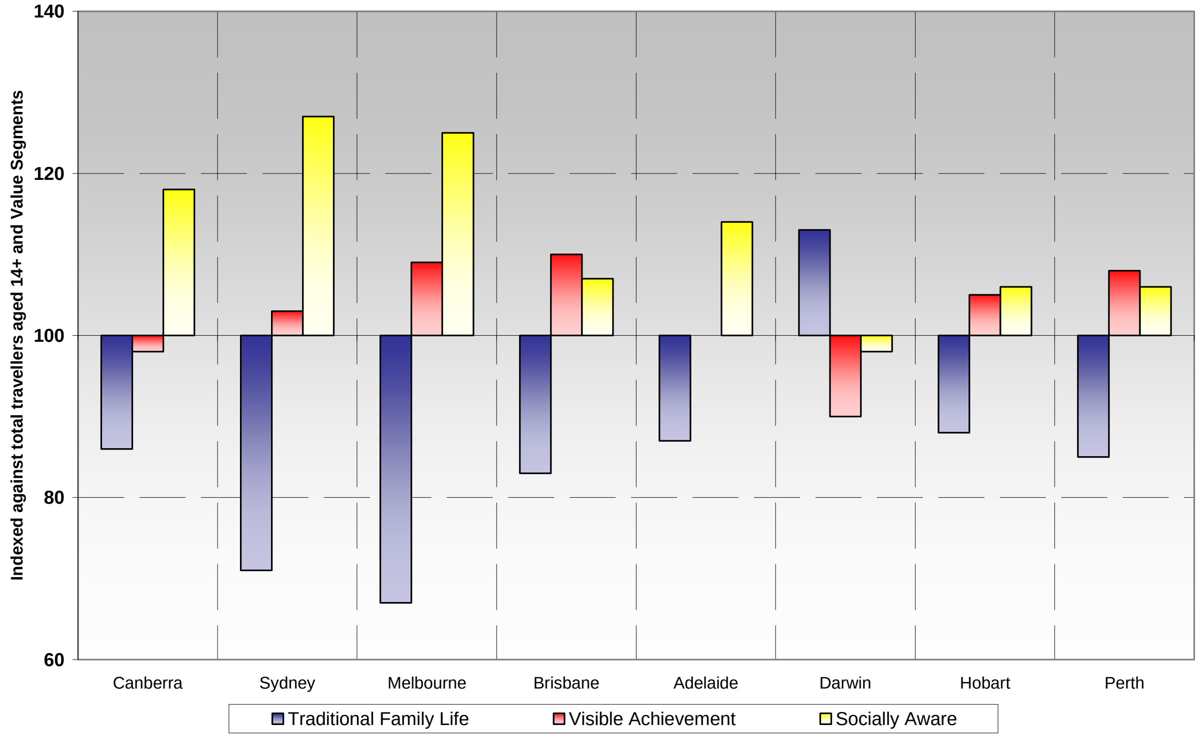
As illustrated in Figure 15, Visible Achievement are more likely than other target Values Segments[7] to indicate a preference to visit Brisbane and Perth in the next two years, and are less likely prefer Darwin. Their preference for Adelaide is average.

Socially Aware are more likely versus other target Values Segments[7] to indicate a preference to visit Sydney, Melbourne, Canberra and Adelaide, and show a stronger preference to visit most cities.

The Traditional Family Life segment reveals a different opportunity again, indicating a greater likelihood to prefer Darwin as a destination in the next two years versus other target Values Segments[8]. This segment generally has the lowest level of preference for all other capital cities.

This simply illustrates an example that could be tested with any group of destinations collected on Roy Morgan Single Source. The key point is through segmentation, destination marketers can harness the desirability for their destination by channelling focus to a specific, targeted group of travellers, who are more likely to respond positively to marketing action.

Figure 15: Target Roy Morgan Values Segments[7] by Preference to Visit an Australian Capital City in the Next 2 Years



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey

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[7] Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network

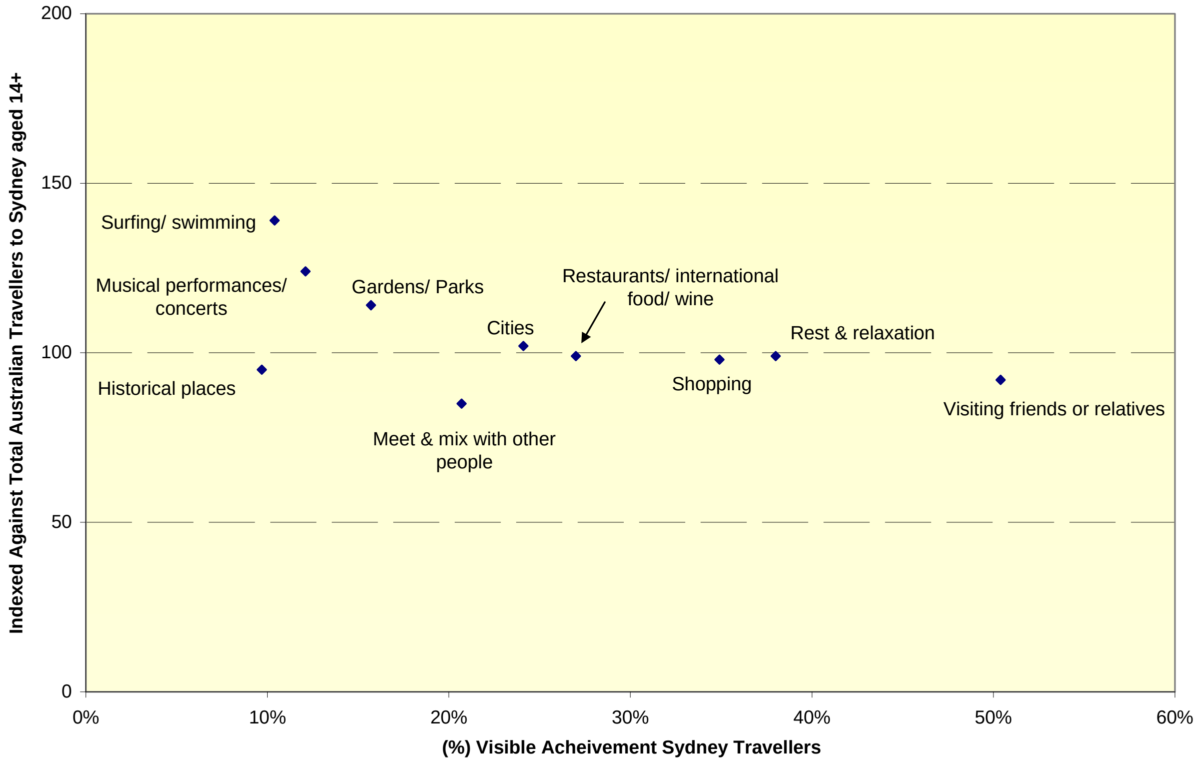
Base: October 2001 – September 2005. Total Australians 14+ last trip travellers (last 12 months) and of Values Segments – Traditional Family Life, Socially Aware & Visible Achievement, n=42,936

Let us take Sydney as an example. Marketers can start to drill down even further to specific appeals for one unique city among each of the three target segments. Figures 16-18 illustrate how the Visible Achievement, Traditional Family Life and Socially Aware Value Segments undertake different activities whilst on holidays in Sydney, indicating the importance of marketing different experiences for each group.

In summary, Visible Achievement visit Sydney to see friends and relatives, to surf/swim, rest and relax, and shop. They also like to visit the city, dine out and visit gardens and parks. Traditional Family Travellers have similar interests, but they are more likely to take part in social activities, such as visiting friends and relatives and meeting other people. But they also like to relax, shop, and sightsee. Socially Aware travellers tend to do the most on holiday – they enjoy visiting friends and family, relaxing and shopping, and are much more likely than other target segments to visit art galleries, museums and historical places while in Sydney. They are also more likely to seek out food and wine experiences.

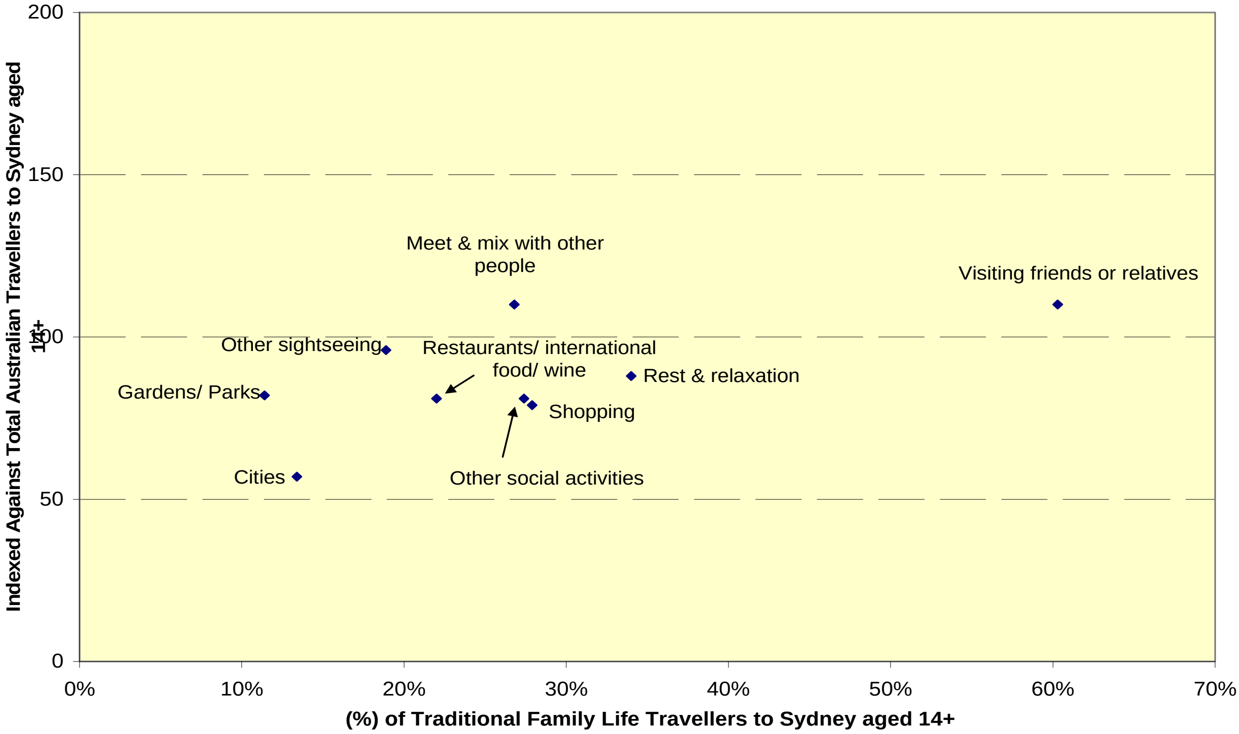
This proves that visitors to the same city destination are definitely not homogenous, and investigation needs to probe further than simply who is travelling to cities versus other destinations.

Figure 16: Activities undertaken by Visible Achievement on a Holiday in Sydney



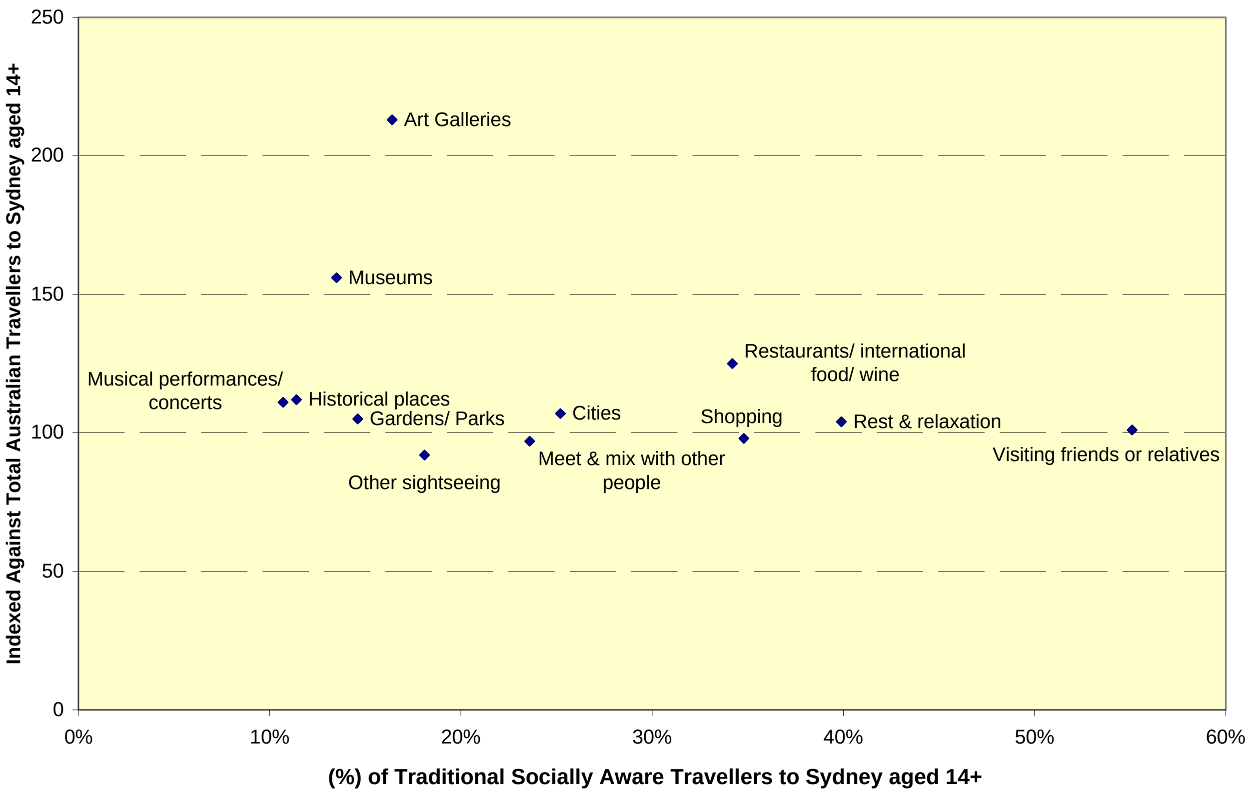
Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2004 – December 2005. Total Australians 14+ who travelled to Sydney only on their last trip (last 12 months), n=326

Figure 17: Activities undertaken by Traditional Family Travellers on a Holiday to Sydney



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2004 – December 2005. Total Australians 14+ who travelled to Melbourne only on their last trip (last 12 months), n=392.

Figure 18: Activities undertaken by Socially Aware on a Holiday in Sydney



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2004 – December 2005. Total 'Socially Aware' Australians 14+ who travelled to Sydney only on their last trip (last 12 months), n=297.

Another important consideration to ensure effective communication to the target market is tapping into the mindset of our target segments, to determine how they think – not just how they behave. An investigation of attitudes by the target Values Segments[8] Socially Aware, Visible Achievement and Traditional Family Life reveal important differences in terms of attitudes held not only regarding holidays and travel, but also society in general.

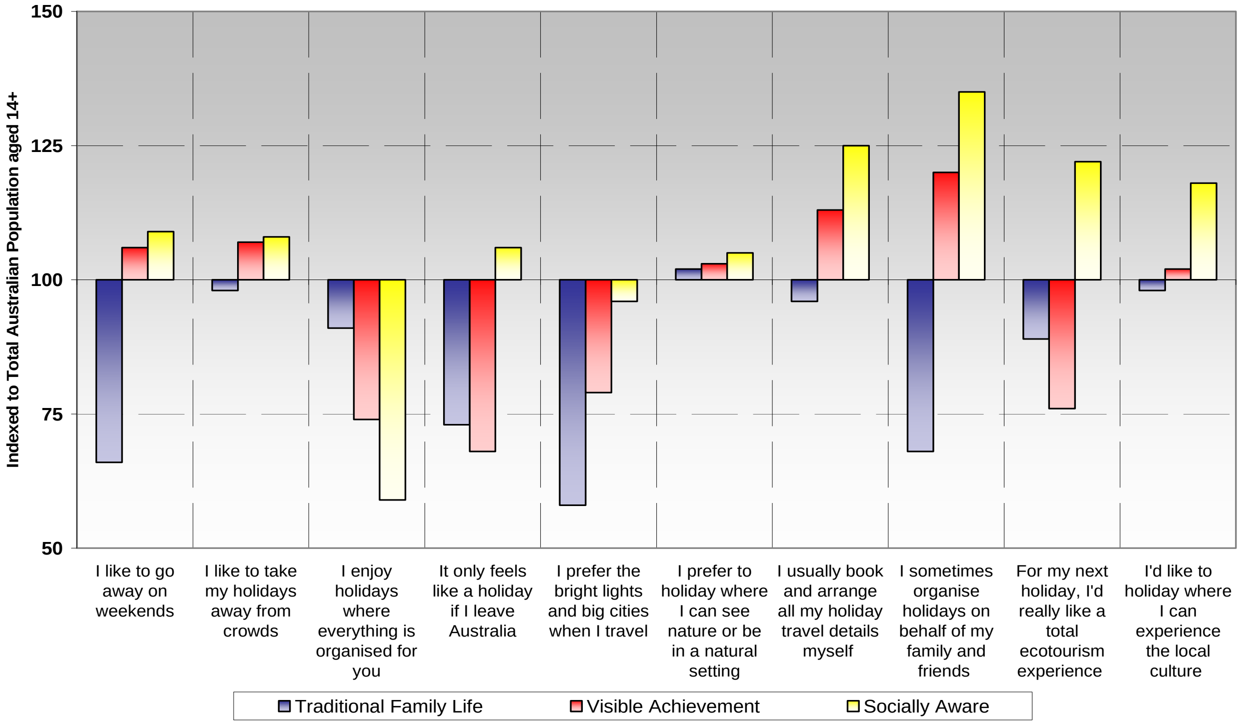
The Socially Aware segment is attracted to organising holidays, ecotourism experiences, and holidays where they can experience the local culture when compared with the Visible Achievement and Traditional Family Life. They also consider themselves intellectuals more than other target segments.

Visible Achievement also like organising holidays on behalf of family and friends, and are less likely to agree they enjoy holidays where everything is organised for them. Visible Achievement find it more important to have job security than other target Values Segments[9] and are less likely to wear clothes that will get them noticed, or think it important to have a full and busy social life when compared to Socially Aware.

Traditional Family Life is similar to Visible Achievement in that they are less likely to agree that that it only feels like a holiday if they leave Australia. They are not organisers, and are less likely to agree that they sometimes organise holidays on behalf of family and friends. Traditional Family Life is less likely to enjoy going away on weekends, or find importance in having a full social life. Traditional Family Life, as shown in Figure 20, tend to be more conservative, like things to stay the same, and don't enjoy taking risks compared to other target segments. They also are less likely to wear clothes that will get them noticed.

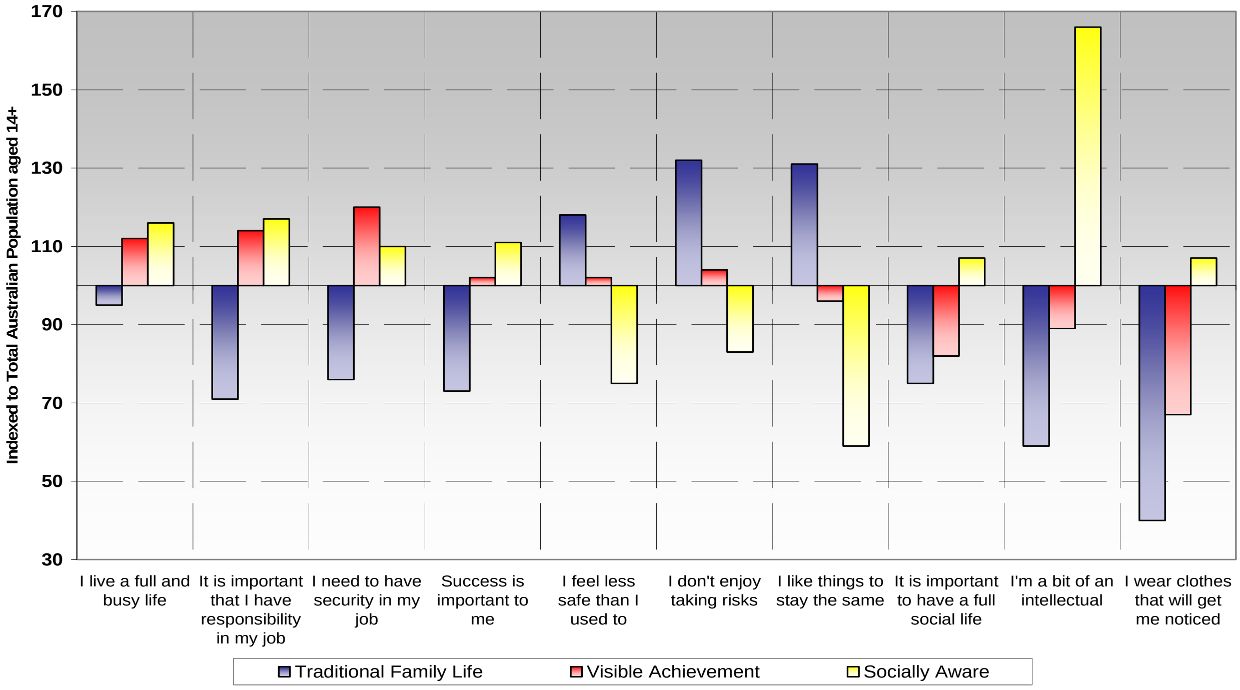
[8] Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network

Figure 19: Likelihood to Agree with Holiday Attitudes – Target Values Segments[9]



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australians 14, n=22,428.

Figure 20: Likelihood to Agree with General Attitudes – Target Values Segments[10]



Source: Roy Morgan Single Source, Australian Holiday Tracking Survey
Base: January 2005 – December 2005. Total Australians 14+, n=22,428

[9] Roy Morgan Values Segments developed in conjunction with Colin Benjamin of the Horizons Network

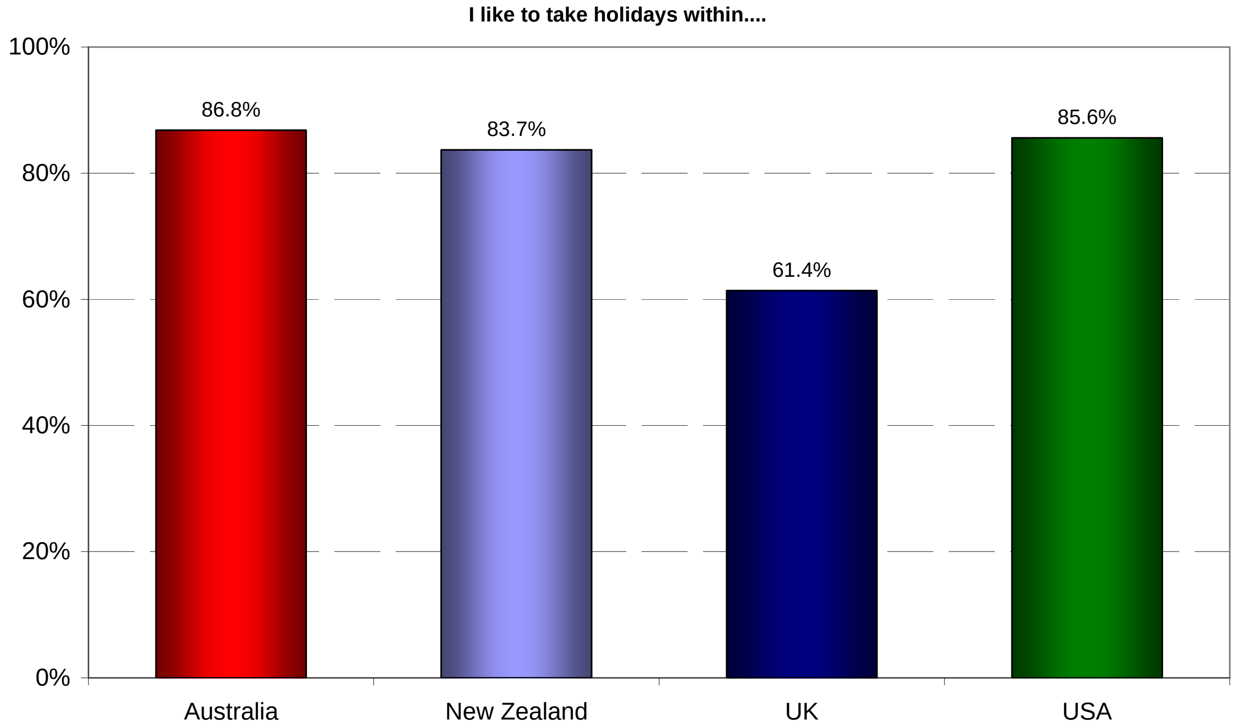
Finally, we shouldn't ignore the differences in Australians' attitudes to travel at the macro level. An investigation of Roy Morgan Single Source across countries reveals attitudes of travellers are again different across countries and in need of consideration by destination marketers.

As illustrated in Figure 21, travellers from Australia, the USA and New Zealand are more likely to want to travel within their own countries than UK travellers. This is good news for city marketers, as the majority of Australian travel comes from the domestic market.

Figure 22 illustrates Australian travellers are more likely to take their holidays away from crowds than travellers from New Zealand, the UK or the USA. This is a potential barrier for city marketers, as cities are likely to be more crowded than competing non-capital city and country areas.

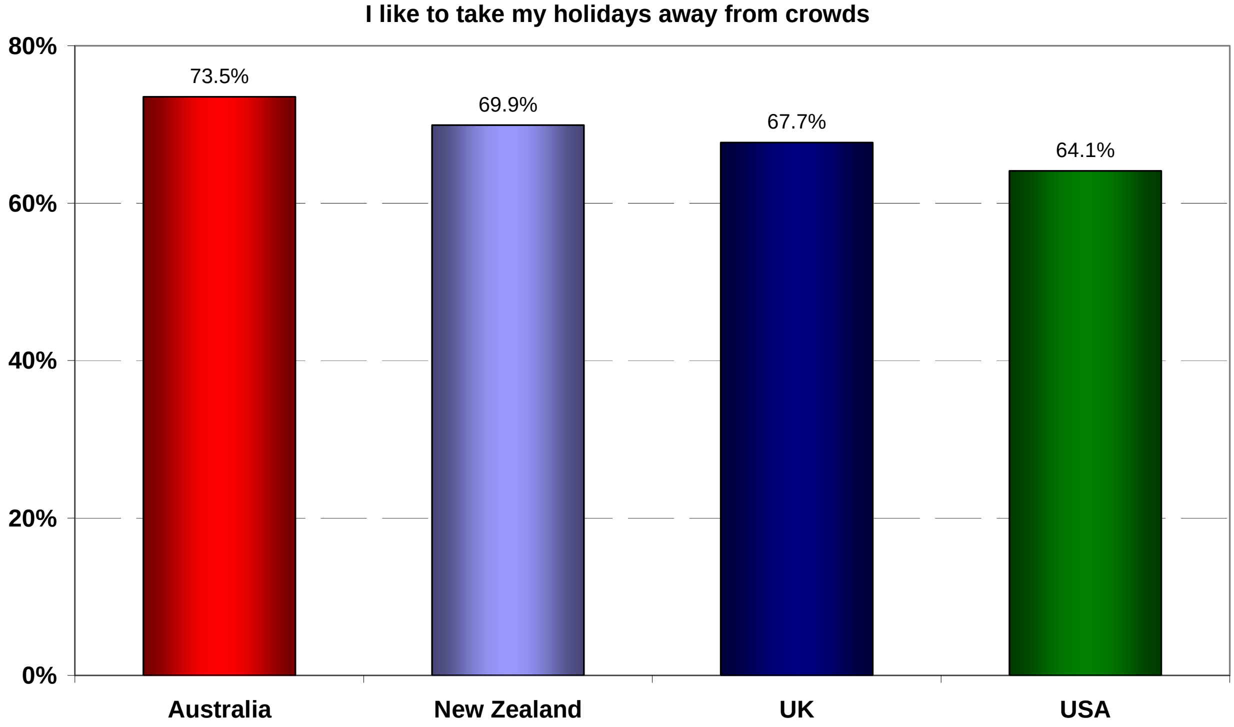
Roy Morgan Single Source measures over 200 attitudes to travel, brands media and society, and further investigation would reveal further differences important for input into brand planning and communication.

Figure 21: Percentage across Countries who Agree with Attitude 'I like to take holidays within Australia/New Zealand/UK/USA



Base: Total travellers 14+, nett trip travellers 14+ (last 12 months).
Australia: Roy Morgan Single Source, January 2005 – December 2005, n=15,782
New Zealand: Roy Morgan Single Source, January 2005 – December 2005, n=9,595
United Kingdom: Roy Morgan Single Source, September 2004 – August 2005, n=2,732
USA: Roy Morgan Single Source, March 2005 - August 2005, 1,232

Figure 22: Percentage across Countries who agree with Attitude 'I like to take my holidays away from crowds'



Base: Total travellers 14+, nett trip travellers 14+ (last 12 months).
Australia: Roy Morgan Single Source, April 2004 – March 2005, n=17,024
New Zealand: Roy Morgan Single Source, May 2004 – April 2005, n=9,721
United Kingdom: Roy Morgan Single Source, October 2003 – February 2005, n=2,992
USA: Roy Morgan Single Source, October 2003 - February 2005, 2,250

Conclusions

As a country, Australia is challenged in its efforts to promote city-based holidays as Australians tend to favour holidaying away from crowds, and are spoilt for choice domestically due in part to Australia being such a large country.

Australian city destinations, while attracting travellers, need to work hard to illustrate that they are destinations that are worth visiting for more than a short break, and for more than one visit. Competition is obviously strong against country and overseas destinations, however city holidays do indicate high levels of expenditure per night, hence high yield potential, versus other destinations in Australia.

The key is determining who the travellers are that offer the greatest opportunity for growing yield in the city holiday market. Segmenting travellers to determine who is visiting cities, and what experiences are sought from a city holiday is an essential step for marketers who want to identify and influence target customers.

The Roy Morgan Values Segmentation[10] has identified three Values Segments[11] from a possible ten that make up 59% of holidays to Australia's major capitals; Socially Aware, Visible Achievement and Traditional Family Life.

By focussing on these segments, city marketers can concentrate on the majority of the city-travel market, and define the product offer that is going to appeal to each group. Importantly, these are likely to be **different** for each group as was the case for holidaying in Melbourne, used as an example in this paper. Importantly, travel behaviour is only one part of the picture. Investigation into attitudes of target segments will further refine and shape the product offer to move the customer to action, by understanding how attitudes are motivating and influencing life choices and travel decisions.

So what does your city hold for Socially Aware, Visible Achievement or Traditional Family Life? This paper is the tip of the iceberg in terms of what Roy Morgan Single Source can create for marketers needing to understand their customers. Importantly, while not addressed in this paper, Roy Morgan Single Source can also link segmentation outcomes to determine what media each target segment is consuming, so that all the hard work done by marketers and advertisers can cut through the clutter to influence customers, and grow that much desired yield for their product or destination.

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[10] Roy Morgan Value Segments developed in conjunction with Colin Benjamin of the Horizons Network