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PATHWAY 2010 – A MARKETING PLAN

OUTBACK QUEENSLAND TOURISM AUTHORITY

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DISCLAIMER

EXECUTIVE SUMMARY

Of the 185,000 **holiday/leisure** visitors to Outback Queensland in the year ended December 2002, origin statistics identify composition as follows:

- Intrastate 49%
- Interstate 38%
- International 13%.

The OQTA is aiming to increase total visitation for **holiday/leisure** to 215,000 visitors within 3 years (an increase of 10.81%), but at the same time altering market share and segmentation, thus increasing yield. Targets are:

- Intrastate 97,000 (45% market share)
- Interstate 75,000 (35% market share)
- International 43,000 (20% market share).

Ultimately, the OQTA wants to:

- Increase total visitation
- Increase yield to operators
- Expand the range of options for visitors to experience in Queensland's Outback
- Enhance tourism product offerings in all locations.

The OQTA currently has a core funding base of $486,000 provided by Tourism Queensland, Shires and Members. Through Co-operative activities and other means this amount is "leveraged" to $913,000 – approximately double. In addition, Tourism Queensland has allocated an additional $100,000 for campaign activity and there are reasonable prospects of additional co-operative operator funding. A core Marketing Budget of $350k for 2004/05 and $420k for 2005/06 has therefore been determined.

In many respects the Northern Territory, New South Wales and Queensland Outback products are complementary – especially for the drive-market – and co-operative/cross-selling would not be inimical to mutual interests.

Over the period 1998 to 1999, tourism contributed 5.1% to Gross Regional Product (GRP) in the Outback Region ($164m).

Target Markets include:

- Domestic

    - Grand Tour/Big Tour; Families; Short Breaks; Niche/Special Interest
- International
    - Active Adventurers; Backpackers; Niche/Special Interest
    - From U.K., Europe, U.S.A./Canada and New Zealand predominantly

Domestic visitors spent an average of 4.5 nights in the Outback region in the year ending December 2003, down from 4.8 nights in the year ending December 2000.

International visitors spent an average of 3.0 nights in the Outback Queensland Region over the 2 years to December 2003.

Seasonality is quite dramatic in the Outback with room occupancy fluctuating from approximately 31% in the low season to approximately 68% in peak season.

Monthly occupancy levels for commercial accommodation in the Outback region were consistently highest between July and September and lowest between December and January.

Over the two years ended December 2003, the peak season for all domestic visitors and holiday/leisure domestic visitors occurred from July to September (38% and 48% respectively). Domestic visitation was lowest between January and March (10% and 4% of the total domestic and holiday/leisure visitors to the region, respectively).

Over the two years ending December 2003, international visitation to the Outback was lowest between January and June. International visitation was highest between July and September (31% and 33% of the total international and holiday/leisure international visitors respectively).

The 'Grey Nomad'/Big/Grand Tour market remains the core market segment. The requirement is to retain this segment while attracting new, higher yield segments and expanding the high and shoulder season markets.

The planned Marketing Initiatives are set out in the Table at the conclusion of this Plan.

INTRODUCTION

The aim of this report is to deliver a Marketing Plan for the Outback Queensland Tourism Authority that provides a strategic direction for its marketing activities.

In accordance with OQTA's brief, we have addressed the need to prepare a comprehensive Marketing Plan for the OQTA to:

- Provide marketing direction for the 2005 to 2007 tourism seasons with a horizon to 2010.
- Provide an analysis of market performance, share and potential.
- Provide direction in relation to the main marketing activities of the OQTA in achieving set increases in visitation statistics
- Provide detail in relation to the marketing mix and appropriate timelines in achieving set targets.

To this end we have consulted with OQTA's General Manager and the current Destination Manager at Tourism Queensland and:

- Analysed current visitor source markets, booking and travel patterns to date
- Addressed the requirement for overall growth and new market segments – in particular, those delivering higher yield
- Provided an action plan for the current Financial Year, together with timings and costing
- Delivered 'in principle' Plans for 2005 – 2007 and 'horizon' plans to 2010.

Our prior involvement in the development of OQTA's Business Plan was invaluable and enabled us to complete this Plan in a time-effective manner. We have also drawn on our findings in respect of that plan in providing detail for this Marketing Plan.

The Outback Queensland Tourism Authority (OQTA) is the peak body representing tourism within 21 local government areas covering 832,000 sq km of the Outback and 48% of Queensland.

The 21 local government areas represented by the OQTA are Aramac, Barcaldine, Barcoo, Blackall, Booringa, Boulia, Bulloo, Cloncurry, Diamantina, Flinders, Ilfracombe, Isisford, Longreach, McKinlay, Mount Isa City, Murweh, Paroo, Quilpie, Richmond, Tambo, and Winton.

From 1999-2002, there was a 15% drop in total holiday/leisure visitors to Queensland's Outback – from 215,000 to 185,000 visitors with figures believed to have held at around that level since. (Source – Barry Duncan, General Manager OQTA)

Of the 185,000 **holiday/leisure** visitors to Outback Queensland, origin statistics identify composition as follows:

- Intrastate 49%
- Interstate 38%
- International 13%

The OQTA is aiming to increase total visitation for **holiday/leisure** to 215,000 visitors within 3 years (an increase of 10.81%), but at the same time altering market share and segmentation, thus increasing yield. Targets are:

- Intrastate 97,000 (45% market share)
- Interstate 75,000 (35% market share)
- International 43,000 (20% market share).

Ultimately, the OQTA wants to:

- Increase total visitation
- Increase yield to operators
- Expand the range of options for visitors to experience in Queensland's Outback
- Enhance tourism product offerings in all locations.

The current leadership being demonstrated by OQTA has received enthusiastic support from the broad membership. While a conservative approach has been taken in developing this Plan, there is the real prospect of considerable additional co-operative funding being made available. OQTA's challenge is to ensure its co-operative offerings represent the best investment of Stake-holders funds. There is growing evidence that is increasingly the membership's perception.

In addition, (very recent) advice from Tourism Queensland's CEO is that additional Corporate Sponsorship funding is being pursued, suggesting that there are prospects of significantly growing campaigns from 2006 onwards. In our view, the aim should be for a total major campaign value of at least $1m from 2006.

RESEARCH AND OTHER KEY DOCUMENTS

In developing this Plan, we have duly noted the following Research and Reports:

- Outback Marketing Campaign – A Research Report – Prepared for Tourism Queensland by Market & Communications Research circa July/August 2003
- Outback Destination Management Plan – Tourism Queensland, August 2004
- Outback Regional Update – December 2003
- (Draft) Outback Regional Summary 2004 Prepared by Tourism Queensland Research Department.
- OQTA's Business Plan – Pathway 2010
- Northern Territory Tourist Commission – Marketing Plan 2003-2005
- Tourism NSW – Draft Tourism Development Plan – 2004-2008 – Outback NSW

COMPETITOR ANALYSIS

The Northern Territory has successfully positioned itself as 'Outback Australia', both domestically and internationally. Regions – the Red Centre and Top End – have been successfully marketed and the Territory's icons have attracted a broad range of tourism infrastructure and supporting services. At that level, the Northern Territory is well serviced by the major air carriers.

While the Northern Territory retains its pre-imminence as 'Outback Australia', increasingly, New South Wales and Queensland have gained recognition of their respective Outback experiences and unique features. Supporting infrastructure – including transport – is not of the same level as in Northern Territory and by far the greatest proportion of visitation is self-drive.

Where the Northern Territory has identified its future opportunities as nature-based and cultural tourism experiences, New South Wales has focused on Australiana (social history and identity), Indigenous and Heritage as its key themes.

While the Northern Territory's icons represent the 'must do's' for International tourists with limited time, the Queensland (and New South Wales) offerings are unique and attractive to both domestic and – increasingly – international visitors, particularly from specific markets. The Waltzing Matilda story, Qantas history, legendary tales of cattle rustling, droving, sheep shearing, themed Highway routes etc. provide a rich fabric upon which to grow tourism in the Region.

In many respects the Northern Territory, New South Wales and Queensland Outback products are complementary – especially for the drive-market – and co-operative/cross-selling would not be inimical to mutual interests.

Economic Contribution of Tourism

Over the period 1998 to 1999, tourism contributed 5.1% to Gross Regional Product (GRP) in the Outback Region ($164m).

The Queensland average was 6.4% (or $6,292 million) to Gross State Product (GSP) over the same period..

Market Analysis – Demographics/Segmentation

The following Visitor Analysis has been heavily drawn from Tourism Queensland's research and publications. Based on Tourism Queensland's Destination Management Plan (August 2004), Outback Regional Summary 2004 and Regional up-dates, the following Visitor Profiles emerge:-

Target Markets

The following segments have been identified by Tourism Queensland as being the most desirable domestic target markets for the destination, based on consideration of market attractiveness and competitive capabilities.

Domestic Target Markets

Key Market

Holiday Type	Source Markets	Lifecycle Stages	Transport Type
Big Tour	Intrastate	Mid-life households Older households	Drive Rail Fly / Drive

Secondary Markets

Holiday Type	Source Markets	Lifecycle Stages	Transport Type
Grand Tour	Interstate	Mid-life households Older households	Drive Rail Fly / Drive
Big Tour	Interstate	Mid-life households Older households	Drive Rail Fly / Drive
Big Tour	Intrastate	Young parents Mid-life families	Drive Rail Fly / Drive

International Umbrella Markets

Source Market	Visitor Characteristics
Active Adventurers	Mid-life and older couples on a touring holiday. From UK, Europe, NZ and North America.
Backpacker/Experienced Youthful Traveller	Young independent travellers on Australian working holiday experience from UK, Europe, US and NZ
Niche markets	Includes Paleo-tourism, Astronomy, Agribusiness, Education, Not for Profit Travel, Gap Year. Primarily singles, couples, and friends travelling together on packaged tours from UK, Europe, US, Asia, Japan and NZ.

Total Visitors

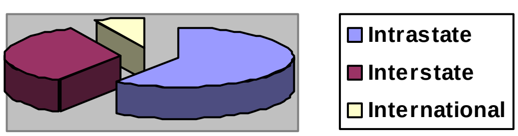
The following tables and charts depict the composition of visitors to Queensland's Outback:

Total Visitors by Origin – Year End December 2003*

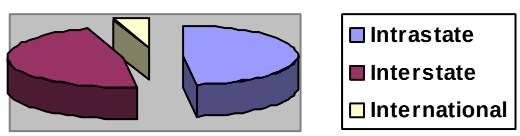
Source Market	Number	%	Visitor Nights	%
Intrastate	266,000	59%	965,000	48%
Interstate	156,000	34%	951,000	47%
International	30,244	7%	108,623	5%
Total	**452,244**	**100%**	**2,024,623**	

**Source: Tourism Queensland Destination Management Plan (August 2004).*

Number of Visitors by Origin



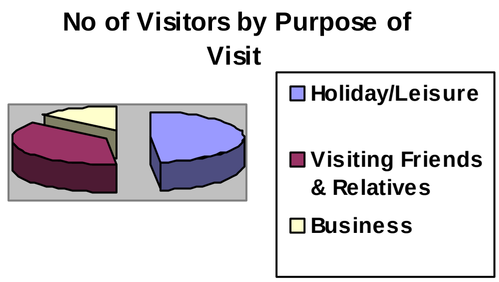
Number of Visitor Nights

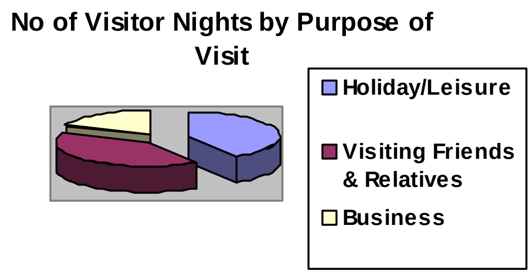


Total Visitors by Purpose of Visit – Year End December 2003*

Market Segment	No of Visitors	%	No of Visitor Nights	%
Holiday/Leisure	184,519	41%	711,614	35%
Visiting Friends & Relatives	142,499	32%	693,902	34%
Business	52,564	12%	325,222	16%
Total	**379,582**	**85%**	**1,730,738**	**85%**

**Source: Tourism Queensland Destination Management Plan (August 2004).*
**Note: Total Visitor Numbers vary from Totally for Origin due to ‘Others’ not listed – Health, Employment travel etc..*



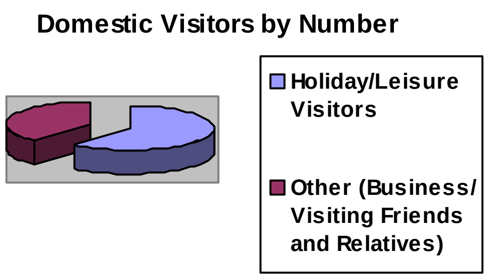


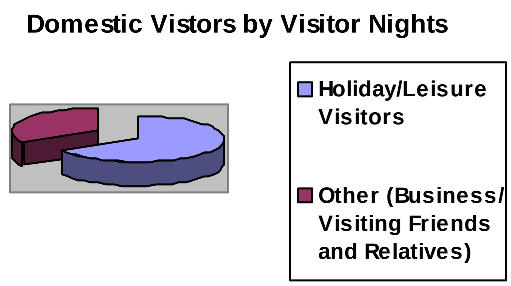
Domestic Visitors by Number and Visitor Nights

The following graph depicts the break-up of Visitor Nights and Visitor Nights by Purpose in the year ended December 2003:-

Domestic Visitors by Number and Visitor Nights – December 2003

Purpose	No of Visitors	%	No of Visitor Nights	%
Holiday/Leisure Visitors	157,000	37%	638,000	33%
Other (Business/ Visiting Friends and Relatives)	365,000	63%	1,278,000	67%
Total	**422,000**	**100%**	**1,916,000**	**100%**





Notes:
1. *The number of domestic overnight visitors to the Outback decreased at an average annual rate of 10.8% between the year ending December 2000 and the year ending December 2003. By comparison, the average annual growth rate for domestic visitors to Queensland was 0.2% over the period.*
2. *The number of domestic holiday/leisure visitors to the Outback decreased at an average annual rate of 4.6% between the year ending December 2000 and the year ending December 2003.*
3. *The Outback experienced a decline in domestic visitor nights between the year ending December 2000 and the year ending December 2003 (average annual decline of 12.2%). By comparison, the number of domestic visitor*

nights spent in Queensland over this period increased, at an average annual rate of 2.1%.

4. *The number of domestic holiday/leisure nights spent in the Outback region declined between the year ended December 2000 and the year ended December 2003 (at an average annual rate of 1.0%).*
5. *Source: Tourism Queensland Management Plan – August 2004*

Source Markets

Table A – Source Markets for Total Domestic Visitors and Visitor Nights to Outback Region:

Place of Residence	Visitor Numbers ('000)	% of Total Domestic Visitors to Outback Region	Visitor Nights ('000)	% of Total Domestic Visitor Nights to Outback
QLD (excl. Brisbane)	524	55%	1,821	44%
Brisbane	111	12%	501	12%
Sydney	85	9%	366	9%
NSW (excl. Sydney)	66	7%	456	11%
Melbourne	41	4%	220	5%
Vic (excl. Melbourne)	31	3%	241	6%
Other Australia	87	9%	496	12%
Total	**946**	**100%**	**4,101**	**100%**

Table B – Source Markets for Total Domestic Holiday/Leisure Visitors and Visitor Nights to Outback Region:

Place of Residence	Holiday/Leisure Visitor Numbers ('000)	% of Domestic Holiday/Leisure Visitors to Outback Region	Holiday/Leisure Visitor Nights ('000)	% of Domestic Holiday/Leisure Visitor Nights to Outback
QLD (excl. Brisbane)	115	36%	367	28%
Sydney	46	14%	212	16%
Brisbane	44	14%	191	15%
NSW (excl. Sydney)	35	11%	131	10%
Melbourne	26	8%	103	8%
Vic (excl. Melbourne)	15	5%	150	12%
Other Australia	37	12%	141	11%
Total	**318**	**100%**	**1,296**	**100%**

- Over the two years to December 2003, there were 946,000 domestic visitors to the Outback region. Visitors from Queensland (excluding Brisbane) accounted for the largest proportion of the total overnight domestic visitors to the Outback region (55%), followed by visitors from Brisbane (12%), Sydney (9%) and New South Wales (excluding Sydney, 7%).
- A total of 4,101,000 domestic visitor nights were spent in the Outback region over the two years to December 2003.
- Forty-four percent (44%) of total overnight domestic visitor nights to the Outback were accounted for by visitors from Queensland (excluding Brisbane, 1,821,000 nights). Visitors from Brisbane and New South Wales (excluding Sydney) respectively accounted 12% and 11% of the total domestic visitor nights spent in the region.
- Holiday/leisure visitors accounted for 34% (318,000) of the total domestic overnight visitors to the Outback region over the two years to December 2003 – 161,000 in2002 and 157,000 in 2003.
- Thirty-six percent (36%) of the Outback region's domestic holiday/leisure market was accounted for by visitors from Queensland (excluding Brisbane). The Sydney and Brisbane markets each accounted for 14% of holiday/leisure visitation to the region.
- Visitors from Queensland (excluding Brisbane), accounted for the largest proportion of the total domestic holiday leisure visitor nights spent in the region (28%) over the two years to December 2003. The Sydney and Brisbane markets accounted for 16% and 15% of the total domestic holiday/leisure visitor nights spent in the region, respectively.

Average Length of Stay

- Domestic visitors spent an average of 4.5 nights in the Outback region in the year ending December 2003, down from 4.8 nights in the year ending December 2000.
- Between the year ending December 2000 and the year ending December 2003, the domestic visiting friends and relatives market showed a decline in the average length of stay, while the holiday/leisure and business markets showed an increase in the average length of stay.

International Market

Table C – Top 5 Source Markets for Total International Visitors and Visitor Nights to the Outback Region

Country of Residence	Visitor Numbers	% of Total International Visitors to Outback Region	Visitor Nights	% of Total International Visitor Nights
Europe (excl. UK & Germany)	17,359	30%	54,015	24%
United Kingdom	12,260	21%	29,563	13%
Germany	8,017	14%	22,681	10%
New Zealand	7,374	13%	45,080	20%
USA	4,171	7%	17,437	8%
Total	**57,484**	**-**	**225,384**	**-**

Table D – Top 5 Source Markets for Total International Holiday/Leisure Visitors and Visitor Nights to the Outback Region

Country of Residence	Visitor Numbers	% of Total International Visitors to Outback Region	Holiday/Leisure Visitor Nights	% of Total International Holiday/Leisure Visitor Nights
Europe (excl. UK & Germany)	15,863	31%	44,457	29%
United Kingdom	11,707	23%	23,834	16%
Germany	7,663	15%	20,705	13%
New Zealand	5,870	11%	29,580	19%
USA	3,757	7%	11,261	7%
Total	**51,707**	**-**	**153,589**	**-**

Visitors/Visitor Nights

- Over the two years to December 2003, there were 57,484 international visitors to the Outback region (2% of the total international visitors to Queensland during this period). Spending a total of 225,384 visitor nights in the region (0.5% of the total international visitor nights spent in Queensland during this period).
- Visitors from Europe (excluding the U.K. and Germany) accounted for the largest proportion of the total international visitors to the Outback Region (30%); followed by the U.K. (21%); Germany (14%); New Zealand (13%) and U.S.A. (7%).

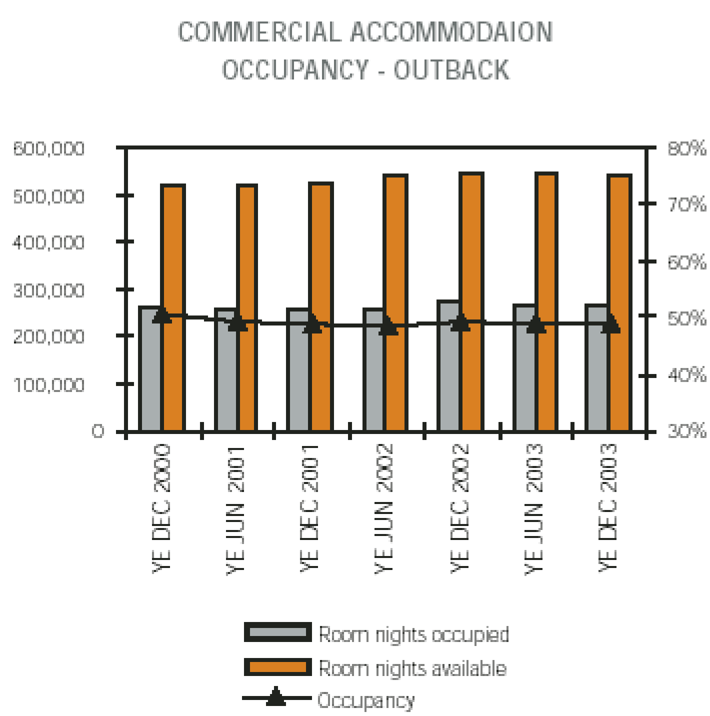
Purpose of Visit/Average Length of Stay

- Holiday/leisure visitors accounted for 90% (51,707) of the total international visitors to the Outback region over the two years to December 2003. They spent an average of 3.0 nights in the Outback Region.
- The composition of Holiday/Leisure travelers closely reflects that of the total.

Commercial Accommodation

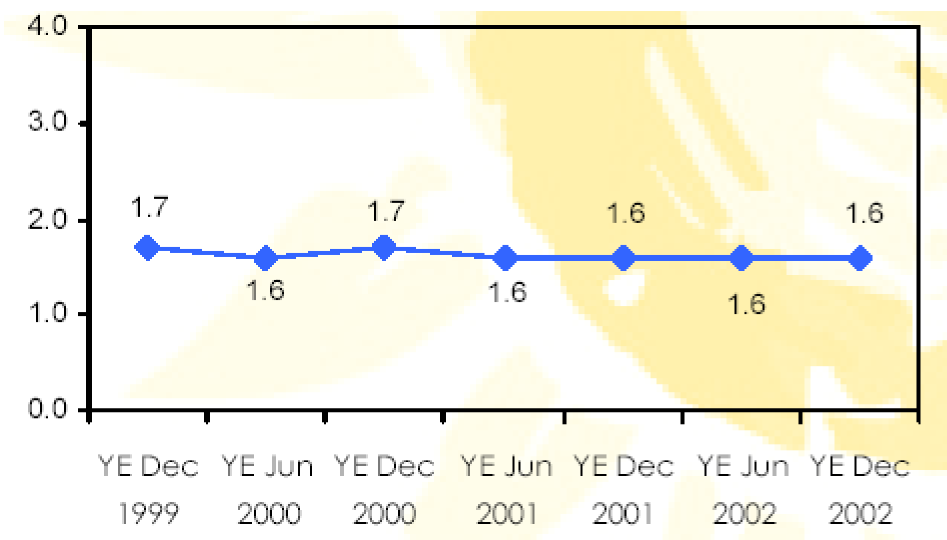
Table E – Commercial Accommodation Occupancy by Establishment Type

	Motel & Guest Houses	Total Establishments
Rooms Available	1,167	1,474
Room Nights Occupied	216,858	264,131
Average Daily Room Rate	$80.40	$77.72
Change in Dollars – Average Daily Room Rate (December 03 vs December 00)	+9.53	+10.14
Occupancy Rate	50.9%	49.0%
Percentage Point Change – Occupancy (December 03 vs December 00)	-1.0	-1.7



Occupancy

- The Outback Region's stock of hotel, motel, guest house and serviced apartment guest rooms totaled 1,474 as at December 2003.
- Room nights sold in Outback commercial accommodation establishments totaled 264,131 in the year ending December 2003.
- The average daily room rate in Outback hotels, motels, guest houses and serviced apartments was $77.72 in the year ending December 2003, $10.14 higher than in the year ending December 2000.
- Room occupancy in Outback establishments averaged 49.0% in the year ending December 2003, $9.53 higher than in the year ending December 2000. Occupancy has been trending downwards since the year ending December 2000.
- The average daily room rate in Outback motels and guest houses was $80.40 in the year ending December 2003, $9.53 higher than in the year ending December 2000. During this period, room occupancy in Outback motels and guest houses declined by 1.0 percentage point.



Average Length of Stay

- The average length of stay in commercial accommodation in the Outback was 1.6 nights in the year ending December 2002. The average length of stay in Outback commercial accommodation has remained relatively stable since the year ending December 1999
- The average length of stay in the Outback in the year ending December 2002 equaled the average length of stay in Bundaberg commercial accommodation.

Seasonality

- Seasonality is quite dramatic in the Outback with room occupancy fluctuating from approximately 31% in the low season to approximately 68% in peak season.
- Monthly occupancy levels for commercial accommodation in the Outback region were consistently highest between July and September and lowest between December and January.
- Over the two years ended December 2003, the peak season for all domestic visitors and holiday/leisure domestic visitors occurred from July to September (38% and 48% respectively). Domestic visitation was lowest between January and March (10% and 4% of the total domestic and holiday/leisure visitors to the region, respectively).
- Over the two years ending December 2003, international visitation to the Outback was lowest between January and June. International visitation was highest between July and September (31% and 33% of the total international and holiday/leisure international visitors respectively).

Current Market/Emerging Opportunities

Tourism Queensland has identified the following Market Segments with varying growth and yield potentials:-

Domestic Markets

Holiday Type	Geographic Source	Demographic Characteristics	Length of Stay	Travel Party	Type of Transport	Special Interest
Grand Tour	Interstate Intrastate	Mid-life households Older households	15 + nights	Couple, Couples travelling together	Self-drive	Culture/Heritage Nature Adventure Social Authentic Experience
Big Tour – Couples Self-drive	Interstate Intrastate	Mid-life households Older households	8 - 14 nights	Couple, Couples travelling together	Self-drive	Culture/Heritage Nature Adventure Social Authentic Experience
Big Tour – Couples Rail	Intrastate	Mid-life households Older households	5 - 10 nights	Couple, Couples travelling together	Rail	Culture/Heritage Nature Adventure Social Authentic Experience
Big Tour – Families Self-drive	Intrastate	Young parents Mid-life families	5 - 10 nights	Family and friends with children	Self-drive	Education Culture/Heritage Nature Adventure Family Experience Real Australia

Queensland's Outback attracts mid-life and older couples from both intrastate and interstate on the self-drive Grand Tour/Big Tour holiday. This market represents a variable level of growth and yield potential for this destination. Indeed anecdotal evidence suggests the latter two groups in the above mentioned Table represent a comparatively small market with limited potential. It would appear there are segments with significantly greater potential for growth, including short-stay 'Coastal Corridor' markets, backpackers and International/Campervan segments.

The 'Grey Nomads' represent an on-going core source of visitation for Outback Queensland – the challenge is to attract new segments.

Potential Domestic Visitor Markets

In addition to the current visitor markets, the following experiences, with further product development, may appeal to special interest, short stay, backpacking, international/campervan and general touring markets in time:

- Paleo-tourism
- Astronomy
- Bird watching
- Education/School group excursions
- Special Events
- Fossicking
- Eco-tourism
- Hunting/Fishing
- Bush Walking

International

While International markets do not currently constitute a significant component of visitation to the Queensland Outback, there is opportunity for international market growth from the self-drive segment and the special interest niche segments from the long-haul source markets. New Zealand also presents a good opportunity for growth.

Queensland Outback is also showing embryonic appeal to the international education markets.

OQTA is committed to:

- Maximising growth opportunities for the Big Tour and Grand Tour markets as its 'core'/Grey Nomad market
- 'Corridor Coastal' marketing to attract short stay/family markets

- Initiatives to tap the backpacker market through employment arrangers, TNT magazine with emphasis in Cairns and Brisbane.
- Co-operative activities with campervan operators, such as Britz.
- Targeted initiatives to attract the special interest segments detailed above.

Past Focus/Activity

Over the past five years, joint Tourism Queensland/OQTA marketing efforts have focused on the following activities:

- Developing a distinctive destination image and positioning for Outback Queensland in the domestic marketplace
- In 1998 TQ, the Outback Queensland Tourism Authority (OQTA) and the Outback Queensland Marketing Committee engaged an agency to design a marketing image to reflect the destination's unique tangible and intangible features and distinguish it from competitor destinations, resulting in the development of the "Queensland's Outback – Larger than Life" brand Destination brand awareness advertising under the "Larger than Life" theme.
- Development of a comprehensive Outback website
- Populating data for the Australian Tourism Data Warehouse
- Development of the Regional Tourism Network (RTN) website
- Cooperative marketing activity
- Media and public relations
- Industry and Government liaison
- Research
- In 2003 a "review and refresh" of the Outback brand was undertaken, resulting in an updated logo and new tagline "Queensland's Outback, Adventure out There."
- In addition to incorporating the features of the destination and the different outback experiences that potential holidaymakers are seeking, campaign activity has focused on addressing consumer misconceptions about the Outback.
- Acceptance of the destination brand by key stakeholders has been positive, with OQTA, several Shires and a cross-section of industry and other stakeholders adopting the brand in their programs. In the last twelve months there has been an increase in the level of industry cooperative involvement, including Shire participation coordinated by the OQTA.

Strategy and Implementation Summary

Marketing Strategies

1. **Consolidate support from existing markets.**
2. **Increase emphasis on proximate/doorstep markets.**
3. **Broaden the number of ways for members to participate in marketing initiatives, while maintaining the elements of the umbrella campaign.**
4. **Expand efforts to generate niche markets.**

To this point, the 'Grey Nomad'/Big/Grand Tour market has been the core market segment. Henceforth, it is proposed that emphasis be placed on new markets and segments – in particular, families with children 6 – 12 years, International Backpackers and International Groups - while retaining the important 45+ segment. Through this change in focus, it is intended to provide higher average yield, while expanding the high and shoulder season markets.

Key activities identified in the Pathway 2010 Business Plan, together with their principal market focus (Generic/In-Region//Domestic/International etc.) are as follows:-

Destination Branding/Sub Branding (Generic)

OQTA currently adopts the Regional Branding "Queensland's Outback - Adventure Out There'. This is currently being expanded to ensure its effectiveness for current and additional potential market segments. In addition, Redsuit Advertising has been commissioned by OQTA to prepare new campaign creative, which is expected to have a life of 3 years minimum and will be the cornerstone of all marketing activity.

The sheer size of the Outback Region supports the case for Sub Regions – and Sub Regional branding. At least one Sub Region – Central West – has recognised this opportunity and is, we understand, in the course of registering 'Legendary Outback' as its Sub Regional brand.

We understand OQTA is planning to add marketing value by fostering the development of sub-brands for the other Sub Regions – and where appropriate, other 'product areas' such as 'Dinosaur Territory', 'Australia's Star Gazing Capital' etc.

These will be progressively introduced into all marketing initiatives. An allowance has been made in the Budget.

Requirement For New Images (Generic)

The need has been identified to develop new images to attract the family and other niche markets. This presents an opportunity to both obtain the required new images and involve members by way of a photographic competition which could be promoted in the regular Members newsletter. An alternate would be to obtain iconic images and digitally impose talent reflecting the particular target segment.

An allowance has been made in the proposed budget.

Product and Package Development (Domestic and International)

There is a requirement for an on-going series of Focus Groups to better understand motivators for travel and the reasons some do not travel. OQTA is taking a leadership role in seeking to understand these issues. Appropriate marketing messages relevant to particular segments can then be developed and incorporated. For the 2005 tourist season, the emphasis is proposed to be on the Intra-State market – focusing on Rockhampton, Townsville, Brisbane and Toowoomba – and Northern New South Wales. The Interstate market is intended to be given increased priority in 2006/07.

We have allowed a budget of $ 10,000 for this purpose, based on 5 Focus Groups at a cost of around $4,000 each and Tourism Queensland matching. Co-ordination of this activity by Tourism Queensland's Research Department would both potentially save OQTA's resources and ensure best pricing is achieved.

Major Campaigns

There is recent commitment to developing an over-arching, major integrated campaign for successive calendar years embracing TV, print and out-door advertising. This can effectively integrate the following key elements which can also be selectively extended to meet particular partners' target audiences where additional co-operative funding allows.

For the January–June 2005 period, a budget provision of $310k has been incorporated, an OQTA/TQ total funding of $450k has been allocated for the 2005 calendar year. The 'first draft' Media Plan is at Attachment A. Enthusiastic acceptance of OQTA's new creative may allow additional co-operative income to June 2005 and will almost assuredly attract an additional $100-200k p.a. thereafter. In addition we are advised TQ's CEO is committed to the pursuit of supplementary Corporate Sponsorship funding which could potentially see the total pool double. These very recent developments have been conservatively provided for the budget table but we suggest the goal should be for $1m. campaigns from calendar year 2006 and forward..

The following elements identified in the Pathway 2010 Business Plan have been incorporated into the campaign:

Coastal Corridor Campaigns (Domestic/Intra-State)

There is an increasing trend towards multiple short stay holidays – especially among the employed/non-retirees and families. In the absence of low cost carriers throughout the Region, short stay visitors will logically be 'neighbours' within reasonable self drive distances. Logic suggests therefore, that repeated, coop funded campaigns in 'corridors to the coast' (Mt Isa – Townsville/Cairns/Mackay; Longreach – Rockhampton/Mackay/Gladstone and Charleville/Cunnamulla/Quilpie – Toowoomba/Brisbane/Gold Coast/Sunshine Coast) should have greatest potential for such campaigns.

There is a need for 'consistency of presence', a 'drip – drip' recognition of Outback Queensland and its Sub Regions. Given limited availability of financial resources, we recommend a focus on targeted, lower cost regional/local press and/or TV (e.g. Brisbane News or Quest Newspapers in Brisbane).

Low Season Campaigns (Domestic/International)

There appears to be a locally held perception that the low/hot season affords no opportunity to generate business. Indeed it was disturbing to learn at lease some products/attractions are contemplating closure over the extreme months.

Successful campaigns such as the NT's 'green' season and TNQ's attraction of greater numbers into international guests in the wet season suggests opportunities do exist. Campaigns highlighting the air-conditioned attraction/accommodation/restaurants etc., might offer attractive discounted packages to generate at least sufficient patronage to avoid closures – thus justifying retention of staff and avoiding re-training costs.

Certain segments of the backpacker market are also apparently happy to experience Australia's legendary heat. Germans, British and Scandinavians are among them.

That said, there remains significant opportunity to see capacity in the peak season.

Direct Mail/Database Campaigns (Domestic)

In 'Coastal Corridor' areas, letterbox drop, low cost flyers offer an opportunity to be trialed. More broadly, co-operative campaigns to potential repeat tourists could be pursued with partners who have either generated target lists or have access to commercially available target groups. Possible partners could include Queensland Rail, Greyhound Australia Qantaslink, Macair and Alliance Airlines.

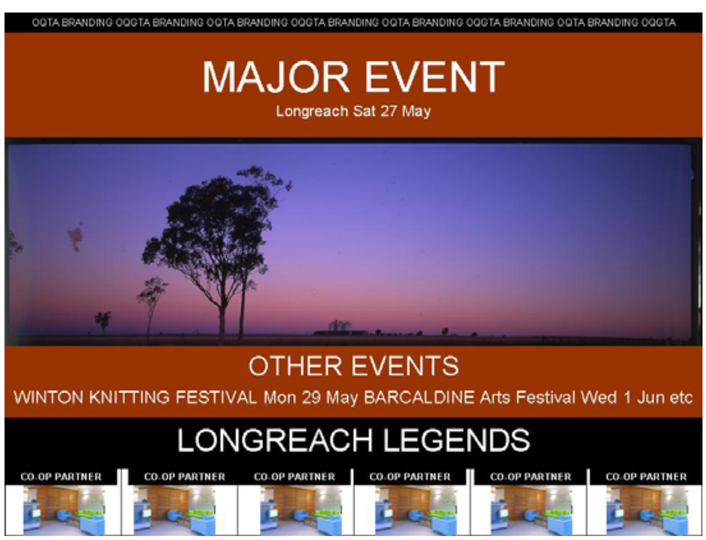
We have provided a budget of $5k to trial this approach in 2004/2005.

Events (Domestic/International)

OQTA currently publishes a Calendar of Events on an annually listed basis. It appears to be completed from input by Members/Shires/VIC's with OQTA acting as 'leader/coordinator'. It does not list by Sub-Region.

We consider there is an opportunity to increase length of stay (and total spend) by enhancing this important initiative:

- There are a number of 'cornerstone' events for which the region/a sub-region is renowned (Mt Isa Rodeo; Easter-in-the-Outback; Birdsville Races etc). Generally their dates are "locked in" for significant reasons.
- If OQTA were to facilitate changes in dates of geographically nearby other events to have them 'cluster' around the 'cornerstone' event, those visiting the 'principal' core event could well be induced to stay for the 'non-core' happenings.
- Similarly, these 'core' and 'non-core' events could be co-operatively marketed. For instance, we understand the Mt Isa Rodeo has traditionally undertaken advertising campaigns. By incorporating the 'non-core' events in larger advertisements and including products (accommodation, attractions etc) on a co-operative basis, the size and 'reach' of the campaign could be extended (see the ad composite below). OQTA could consider making a co-operative contribution in respect of the 'non-core' events space and an amount of $5k has been included.



Natural Attractions and Wildlife (Domestic/International/In-Region)

Recent developments with high quality man-made tourist attractions have added an extra dimension to the type and quality of holiday experience in most Outback Centres. These major attractions are leading the way with marketing efforts and resources providing a boost to the mass of tourism marketing activity for the Region. The OQTA needs to maintain a continuing focus on working closely with the major attractions and allowing them input to the marketing direction of the organisation.

Also, it should not be forgotten that it is the awesome natural attractions that really underpin the existing tourism industry and by far represents the bulk of unrealized potential for tourism growth. During the course of our discussions with Shires it was consistently clear that they are looking for OQTA input and guidance to support the marketing of these natural attractions together with key associated activities such as fishing, hunting and bird watching etc.

It would be ideal if the OQTA had the benefit of a full inventory of Natural Attractions and Wildlife so that, with expert assistance, the unique selling points of these untapped resources could be assessed, and marketing images etc modified to progressively reach niche markets.

As a starting point, an amount of $5k has been provided to arrange the Inventory and produce suitable Fact Sheets/Fliers.

Education Tourism (Domestic/International)

OQTA has enjoyed embryonic success in attracting U.S. students under the 'People to People Scheme'. Potential for significant growth is suggested.

Growth in Domestic Educational Tourism is also being experienced.

The Region has significant infrastructure well suited to the requirements of this market – notably at Barcaldine.

A low cost approach by direct mail, e-mail and co-operatively utilising members collateral would seem appropriate. An allocation of $5,000 has been provided in the first instance.

Trade and Consumer Shows (Domestic/International)

The bulk of traditional promotional activity for Members has involved Trade and Consumer Shows. OQTA currently attends approximately 12 shows annually.

A provision of $37k has been made.

Uniforms (In Region)

Product specific uniforms represent a significant cost item that many smaller operators cannot justify. OQTA has produced a range of Outback-branded items that could be readily utilised by smaller operators cost-effectively; their name badges (or over-sewn logo) representing the product-specific brand. Mutual benefits would result – the operator improves image and appearance; OQTA extends its brand and the consumer identifies he/she is still 'in Outback Queensland'. We commend this approach and its potential revenue stream.

No budget provision has been made as this is seen to be a 'break-even' initiative that may generate a revenue stream in future years. (There may, however, be a cash flow implication in the short term). Nominal contributions in future years have been provided – above target performance could be directed to additional campaigns.

Newsletter / News Column (In Region)

The Pathway 2010 Business Plan identified that the OQTA's Member Newsletter has successfully fostered closer ties with members and good relations. The initiative is relevant to the Marketing Plan in the context of informing members of up-coming opportunities and attracting incremental co-operative funds in order to expand and/or extend campaigns.

- In this context, content should include feedback concerning such issues as:-
  - Strategies for the future directions
  - 'Highline' 3 year overviews
  - Priorities over the coming 6-12 months and associated campaigns
  - Demographic profiles of media typically or potentially used by members and the particular 'niches' for which they are suited.
  - Feedback on campaign outcomes
  - Key industry statistics – visitor numbers, spends etc. (This aspect to both reinforce tourism's worth and value to the Region and provide statistics of relevance to case justification for facilities etc.)

Resources are provided within the labour and administrative budgets for this purpose.

Web (Domestic/International)

OQTA's web is consistent with a template established for all RTO's by Tourism Queensland. We understand this is currently being updated and enhanced. Utilisation of the new format should be at minimal – if any – cost to OQTA.

However careful review of the final version would be especially appropriate in OQTA's circumstances – specifically that a far lower ratio of business is sold through traditional distribution channels. (Wholesalers, retail travel agents etc). To the extent that OQTA's site can be further enhanced to incorporate userfriendly itinerary-planning, niche/special interest information etc, the investment would be well worthwhile.

A ‘contingency’ provision of $5k has been allowed.

(See also Electronic Travel Planner below)

Fulfillment Piece/Travel Planner

Print Version (Domestic)

OQTA’s Travellers’ Guide is currently a key marketing platform, being produced in a print-run of 80,000 for distribution to consumers through promotional trade and consumer events as well as in response to direct enquiries. Production is generally self-funding.

Format and layout is currently by Sub-Region and Shire, featuring attractions/motivational information on the left-hand page and supporting advertising on the right-hand (and in some cases following) page.

Pathway 2010 – Business has proposed an alternate format with potential to both generate initial visitation in greater numbers and prompt increased repeat visits.

Development of this concept will take considerable time and local consultation but potentially utilize only internal resources. For budget purposes, it has been left at ‘break-even’. Any surplus could (again) be directed to additional co-operative ‘Corridor’ campaigns.

Electronic Brochure (Domestic/International)

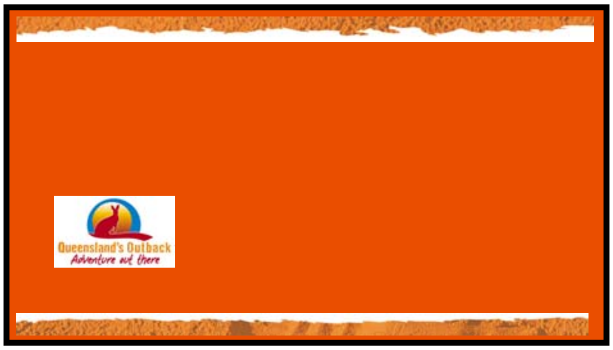
With the rapid increase in web-usage for holiday information gathering and itinerary planning, OQTA has committed to pursue progressive transfer to electronic brochuring over the coming years, particularly in conjunction with integration of a low-cost booking system.

We understand TQ is developing suitable templates in the first instance which OQTA can consider and – if thought necessary – enhance An allocation of $5k has been allowed.

Road signage (In Region)

There is an opportunity for OQTA to provide additional branding of Outback Queensland through provision of a ‘shell’ for road-side advertising by product/attractions.

The following ‘mock up’ provides insight:-



We believe OQTA should subsidise usage to encourage its rapid adoption and suggest $100 per unit. To allow for 100 signs in the first budget period, a provision of $10k has been provided (inclusive of design-work).

Backpackers (Predominantly International)

To cover initiatives to attract backpackers to both travel and work in the Region, an initial 'seed' allocation of $5k has been provided to cover:-

- Co-operative ads in TNT magazine
- Any costs to be incurred in having work-placements arranged through 'Job Club' at the Palace Backpackers (Brisbane) and Worldwide Workers (Sydney).

Successful attraction of this market segment would not only diversify the current market focus of 'Grey Nomads' but also potentially provide a valuable labour resource for the local industry.

Campervans (International)

An amount of $5k has been provided to ensure Outback Queensland is included in Campervan operators (such as Britz) recommended itineraries.

Special Interest/Niche Clubs etc (Domestic)

$10k has been provided to:-

- Initiate Fact Sheets for such interest groups as:-
    - Bird Watching Clubs
    - Fishing Clubs
    - Hunting Clubs
    - Aero Clubs etc.

These markets could be covered by a combination of direct mail and where appropriate advertising – preferably on a co-operative basis.

Booking System (Domestic/International)

Low-cost web-based booking systems are offering small operators (i.e. predominantly those in OQTA's membership) access to the consumer-distribution chain, where previously it was not possible to access wholesalers and/or retail travel agents on competitive terms.

Given the immediate range of priority demands on OQTA, and in particular the need to develop the new print and Web based travelers guides, we believe it appropriate that this project be progressively developed over the next two years, by which time the systems will be 'firmed up' and respective benefits and costs fully known. The benefits for OQTA members appear significant, while providing an additional revenue stream for the organisation. Establishment of any Call Centre capability should be progressively undertaken after the basic system is proven and revenue streams established. This may well be as far away as year 5. The cost of labour in the absence of a minimum critical revenue stream could be crippling.

An initial budget/$100k has been allowed but we understand Grant Funding may be available.

Familiarisations/PR Domestic/International)

"Famils" – both for journalists and travel agents – are generally widely regarded as key influencers of consumer travel patterns. Current restructuring within Tourism Queensland, combined with changing priorities of emphasis from time-to-time (e.g. Year of the Outback) has at least the potential to see Outback Queensland's public relations needs addressed to varying extents and priorities over time. This is a role through which OQTA could significantly enhance and consistently deliver for its stakeholders, especially as an integrated component within co-operative advertising campaigns. Supporting press editorial coverage and, perhaps, competitions for holidays (to be taken shoulder off-season) could significantly enhance overall effectiveness and results. We believe OQTA should appoint a PR resource to further this initiative.

The industry has reported frustrations arising from negative media reports when poor weather conditions affect a particular small part of the Region. Typically such reports are magnified in the media and give the impression that the entire Region is affected, even though quite obviously weather conditions can vary dramatically across the expanse of the Outback. Media initiatives including factual releases about the state of road conditions, weather etc (perhaps in co-operations with the RACQ) may assist in reducing the negative and wider impact of travel cancellations.

An allowance of $10k has been made to meet incidental costs for Famil activities.

Regional press is often supportive of key industries – such as tourism – in their area. The delivery of a regular (? monthly) tourism column might achieve the joint objectives of informing the wider population and delivering interesting factual information for members. Similarly, Shires might include an OQTA information leaflet on tourism's positive impacts with Rates notices.

Horizon Initiatives (Generic)

Within the horizon to 2010 but beyond 2007 a number of key possible developments may influence the nature and mix of marketing activities. In particular:-

- New aircraft technology. There is reason to believe significantly reduced seat-costs may offer opportunities for the 'Weekend Escape' Market, opening additional co-operated campaign opportunities.
- Increasing emphasis on international opportunities. While a 'flood' is unlikely, it is reasonable to believe that the initial moves to attract international visitors contained in the plans to 2007 should open further opportunities for growth. Where complemented by subsidy assistance to facilitate operators entry into new (to them) international markets, and progressively increasing emphasis could be appropriate – especially as this is generally a high-yield market segment.
- Closer cooperation with Northern Territory and New South Wales 'Outback's' should produce improving numbers of visitors and results especially where Themes/Highway naming etc add synergies (eg. Overlander's Way etc).

QR Shopping Centre Promotions (Domestic)

Queensland Rail has proposed an Outback promotion at Shopping Centres to coincide with elements of the joint TQ campaign. An amount of $10k has been allowed.

1.5 Marketing/Sales Budget

Initiative	2004/05 $	2005/06 $	2006/07 $
Destination Campaign/Sub-Branding	OQTA $70k	$10k	$10k
New Images	OQTA $10k	$10k	$10k
Product/Package Development – Focus Groups	OQTA $10k	$10k	$10k
Major Campaign – Coastal Corridors/Northern NSW, Motoring Mags/Billboards (See Media Sched – Attachment 1)	OQTA $250k TQ $60k Total $310k	OQTA $250 TQ $100 Total $350k	OQTA/Co-op $320k TQ $100k Total $420k
Low Season Campaign	OQTA $10k Co-op $10k Total $20k	$10k $10k $20k	$10k $10k $20k
Direct Mail/Database Campaign	$5k	$5k	$5k
Famils	$10k	$10k	$10k
Events Co-op Marketing	$5k	$5k	$5k
Fact Sheets-Fishing Hunting Natural Attractions	$5k	$5k	$5k
Education/Schools campaign	$5k	$5k	$5k
Trade/Consumer Shows	$37k	$40k	$40k
Uniforms	$6k	$4k	$4k
Newsletter/News Column	Internal Resources	Internal Resources	Internal Resources
Web up-grade/Electronic brochure	TQ Template/$5k	TQ Template/$5k	TQ Template/$5k
Traveller's Guide	$120k	$120k	$120k
Road Signage Template	$10k	$10k	$10k
International • Backpacker / TNT Magazine/Job Club/Worldwide Workers • Britz/Campervans	$5K $5k	$5K $5k	$5K $5k
Clubs - Direct Mail/Fact Sheets • Aero Clubs • Birdwatching • Fishing • Hunting etc.	$10k	$10k	$10k
QR Shopping Centre Promotion	$10k	$10k	$10k
Booking System			$100K

Note: Co-op and/or 'Fee-for-Service' revenue (e.g. Traveller's Guide/Uniforms) are projected to leave nett OQTA contributions of $350k and $420k in 2004/05 and 2005/06 respectively.

APPENDICES

Appendix A

MEDIA PLAN

MEDIA PLAN

CLIENT: Tourism Queensland
PRODUCT: Outback
PERIOD: Jan 2005 - Dec 2005
DATE: # 1 13/10/04

SCHEDULING DETAILS	MEDIA COST	#	TOTAL COST w/c Sunday	Schedule (w/c Sunday, 2005)
School Holidays QLD / NSW / VIC				
Regional Queensland				
TV				
people 40+				
60% Peak				
30" Townsville	$17.50	180	$3,150.00	February 13: 100; February 27: 80
15" Townsville	$10.50	250	$2,625.00	February 13: 150; February 27: 100
30" Rockhampton	$14.30	180	$2,574.00	February 13: 100; February 27: 80
15" Rockhampton	$8.58	250	$2,145.00	February 13: 150; February 27: 100
30" Townsville	$17.80	160	$2,848.00	May 1: 80; May 15: 80
15" Townsville	$10.68	200	$2,136.00	May 1: 100; May 15: 100
30" Rockhamptonh	$13.42	160	$2,147.20	May 1: 80; May 15: 80
15" Rockhampton	$8.05	200	$1,610.00	May 1: 100; May 15: 100
30" Townsville	$13.75	160	$2,200.00	August 31: 80; August 14: 80
15" Townsville	$8.25	200	$1,650.00	August 31: 100; August 14: 100
30" Rockhampton	$12.21	160	$1,953.60	August 31: 80; August 14: 80
15" Rockhampton	$7.33	200	$1,466.00	August 31: 100; August 14: 100
Print				
Cairns Post				
FPFC Travel Sat	$2,788.10	2	$5,576.20	February 20: 1; May 15: 1
(estimated 2005/2006 rate)	$3,066.91	1	$3,066.91	August 14: 1
10 x 2 spot colour	$307.00	3	$921.00	February 27: 1; March 13: 1; May 29: 1
(estimated 2005/2006 rate)	$337.70	2	$675.40	August 21: 1; August 28: 1
Rockhampton Bulletin				
FPFC Travel Sat	$2,476.50	2	$4,953.00	March 6: 1; May 15: 1
(estimated 2005/2006 rate)	$2,724.15	1	$2,724.15	August 14: 1
10 x 2 spot colour	$260.00	3	$780.00	March 13: 1; March 20: 1; May 29: 1
(estimated 2005/2006 rate)	$286.00	2	$572.00	August 21: 1; August 28: 1
Townsville Bulletin				
FPFC Travel Sat	$2,867.90	2	$5,735.80	March 6: 1; May 15: 1
(estimated 2005/2006 rate)	$3,154.69	1	$3,154.69	August 14: 1
10 x 2 Spot	$353.00	3	$1,059.00	March 13: 1; March 20: 1; May 29: 1
(estimated 2005/2006 rate)	$388.30	2	$776.60	August 21: 1; August 28: 1
	Total Reg QLD:		**$56,499.55**	
Metro Queensalnd:				
Print				
Sunday Mail (Sun)				
FPFC Advertorial - Escape	$11,681.12	2	$23,362.24	February 6: 1; May 8: 1
(estimated 2005/2006 rate)	$12,849.23	1	$12,849.23	August 14: 1
10 x 7 FC Travel	$5,123.30	4	$20,493.20	October 9: 1; October 16: 1; November 30: 1; November 6: 1
TV				
30" Brisbane	$237.00	180	$42,660.00	February 6: 100; February 20: 80
15" Brisbane	$142.20	250	$35,550.00	February 6: 150; February 20: 100
30" Toowoomba	$15.40	180	$2,772.00	February 6: 100; February 20: 80
15" Toowoomba	$9.24	250	$2,310.00	February 6: 150; February 20: 100
30" NNSW	$120.45	180	$21,681.00	February 6: 100; February 20: 80
15" NNSW	$72.27	250	$18,067.50	February 6: 150; February 20: 100
30" Brisbane	$197.60	160	$31,616.00	May 1: 80; May 15: 80
15" Brisbane	$118.56	200	$23,712.00	May 1: 100; May 15: 100
30" Toowoomba	$14.96	160	$2,393.60	May 1: 80; May 15: 80
15" Toowoomba	$8.98	200	$1,795.20	May 1: 100; May 15: 100
30" NNSW	$118.36	160	$18,937.60	May 1: 80; May 15: 80
15" NNSW	$71.02	200	$14,203.20	May 1: 100; May 15: 100
30" Brisbane	$189.90	0	$0.00	
15" Brisbane	$113.94	0	$0.00	
30" Toowoomba	$12.87	0	$0.00	
15" Toowoomba	$7.72	0	$0.00	
30" NNSW	$110.00	0	$0.00	
15" NNSW	$66.00	0	$0.00	
	Total Metro QLD:		**$272,402.77**	
Interstate TV:				
30" Imparja	$46.20	80	$3,696.00	February 13: 80; February 27: 80
15" Imparja	$27.72	100	$2,772.00	February 13: 100; February 27: 100
Interstate Magazines				
RACV - Royal Auto				
5 x 2 FC Travel Classifieds	$1,572.70	4	$6,290.80	February; March; April; May
(estimated 2005/2006 rate)	$1,729.97	1	$1,729.97	October
RACQ Road Ahead				
5 x 2 FC Classifieds	$1,065.00	5	$5,325.00	February; March; April; May; June
(estimated 2005/2006 rate)	$1,171.50	4	$4,686.00	July; August; September; October
NRMA Open Road				
5 x 2 FC Classifieds	$1,811.00	3	$5,433.00	Feb / Mar; Aptr/ May
(estimated 2005/2006 rate)	$1,992.10	1	$1,992.10	Oct / Nov
Caravan World				
FPFC	$2,000.00	2	$4,000.00	February; March
	Total Interstate/National:		**$35,924.87**	
OUTDOOR				
Northbound Townsville				
Northbound Rockhampton				
Central Cairns				
Cairns Airport				
Bourke				
NNSW (Dubbo)				
	Total Outdoor:		**$51,000.00**	
INTERNET				
	$5,000.00	5	**$25,000.00**	February – June
	MEDIA TOTAL		**$440,827.19**	Jan - Jun spend; July - December Spend
	10% GST		$44,082.72	
	GRAND TOTAL		**$484,909.91**	

Appendix B

MARKETING PLAN MANAGER