



Destination Visitor Survey Strategic Regional Research – South Australia

The role of Visitor Information Centres (VICs) in distributing tourism product in regional South Australia

Introduction

This study was undertaken by Tourism Research Australia (TRA) and the South Australian Tourism Commission (SATC) to examine the role of Visitor Information Centres (VICs) in distributing tourism product in regional areas of South Australia. This summary is extracted from research conducted by Greenhill Research and Planning. For the full Strategic Research Report, please email tourism.research@ret.gov.au.

This study is the second stage of a two-part research project investigating the impact and role of regional VICs to the South Australian tourism industry. The first stage was conducted in 2011 and involved surveys of VIC patrons at three regional VICs in South Australia¹. The first stage of the project identified a potential information gap, with 25% of VIC patrons making an enquiry about potentially bookable product, but only 5% making a booking at the VIC.

Research methodology

A key question to be addressed by the second stage of the research is:

'If visitors attend a visitor information centre and are interested in potentially bookable tourism product, why—in some instances—don't they book the product at the visitor centre?'

To address this issue, a range of research activities were undertaken:

- A program of mystery shopping involving eight VICs participating in the SATC's *Sell SA* pilot program (Clare, Goolwa, Mt Gambier, Penneshaw, Quorn, Tanunda, and Victor Harbor). Each VIC was shopped twice.
- An online survey of regional tourism operators with 492 responses from operators representing hotels/motels, backpackers/hostels, bed and breakfast and self-contained accommodation, tour and transport operators, attractions and winery cellar doors.
- Qualitative research conducted online with 26 VIC patrons.
- Small group discussions and interviews conducted with 26 VIC managers, professional staff and volunteers.

The research was conducted over the period 1 March to 31 May 2012.

¹ Tourism Research Australia, 2011



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Summary of key findings

Perceptions of the role of the VICs

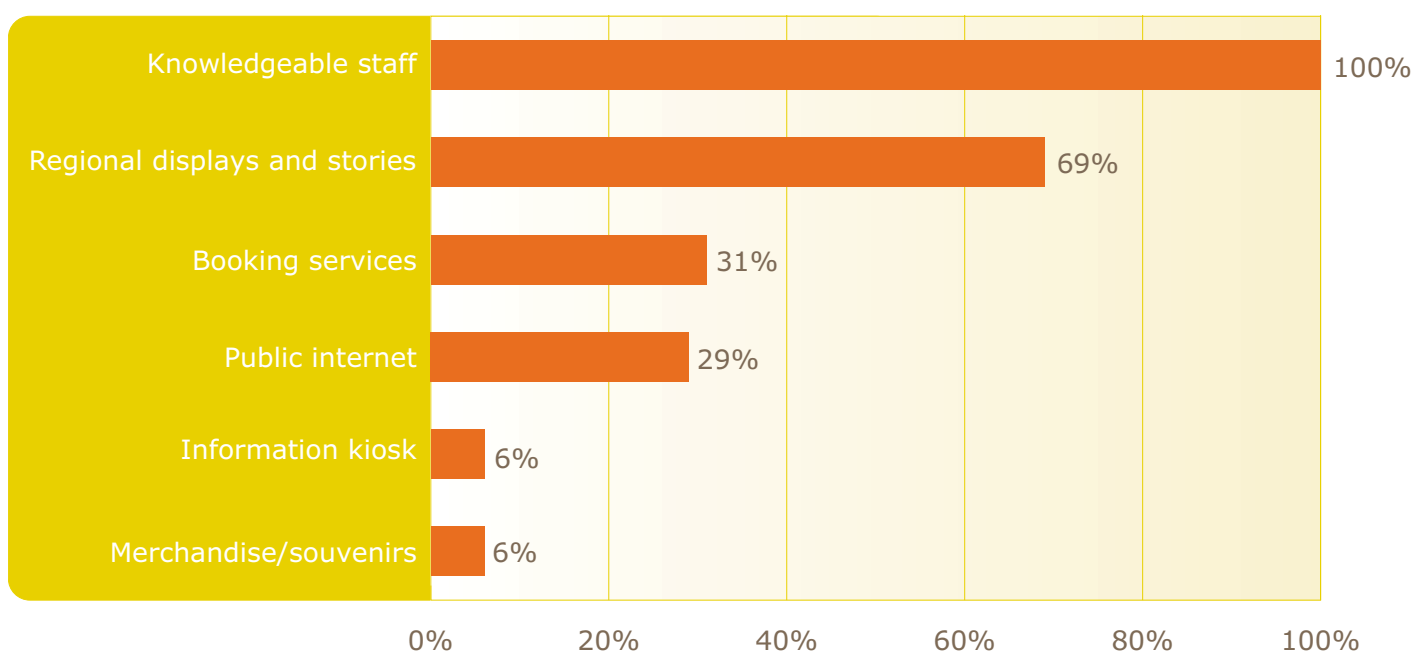
- Staff, volunteers, visitors and some tourism operators suggested that the core business of a VIC was to provide visitors with insights into the region and to distribute information about tourism product.
- In some cases, VIC staff were uncomfortable with the sales process as they regarded it as narrowing down the choices presented to visitors and encouraging them to commit to a particular product option.
- Volunteers interviewed for the research were less interested in being involved in the sales process, they were more interested in talking to visitors, understanding their needs and sharing their knowledge and passion for their region.
- Some VIC staff saw a conflict between visitor servicing and conversion.
- In many instances, operators indicated that a more sales-focused VIC could potentially be biased toward certain products.

Visitors' perceptions of VICs²

Important VIC attributes

- According to respondents, *knowledgeable staff* and *regional displays and stories* were very important attributes of VICs for visitors (Figure 1). *Booking services* and *public internet access* were very important for around one-third of the focus group participants.

Figure 1 VIC attributes rated 'very important'



- While information is increasingly sourced online, information provided by VICs is regarded as authoritative and unbiased. This type of information may be used to supplement information obtained online that may be perceived as biased, inaccurate or out of date.
- VICs may also transact bookings, however, fewer visitors regard this as an important function, and it may actually detract from what the consumer perceives as the key function of the VIC.

'We have sometimes found, particularly overseas, that selling bookings becomes the main focus for staff, rather than providing information about the region. We found that offices labelled as tourist information centres in these countries were really just booking agencies, with staff only interested in doing a hard sell of tickets. I would be very disappointed if Australian VICs moved in this direction'.

² For the purposes of this report, 'visitor' refers to the survey respondents. The results of this survey have not been weighted.

Reasons for not booking tourism product at VICs

Visitors reported many reasons for not booking product at the VIC, including:

- Lack of awareness that product could be booked at the VIC/didn't perceive that the VIC offered this service.
- Lack of a booking agreement between the product they were interested in and the VIC.
- A preference to book directly with the operator as it was perceived that this would be less expensive (particularly for accommodation).
- Using the VIC for research and then booking directly when they decided on their itinerary.
- Negative experience in the past.

Encouraging bookings

- Visitors were most likely to be interested in booking attractions and tours at a VIC, while accommodation was more likely to be booked prior to arrival.

Attributes that would encourage visitors to book at a VIC were:

- discounts and specials, possibly via a daily specials board
- tickets/pass for a package of attractions
- point-of-sale advertising/promotion, such as posters and videos
- reassurance that product booked through the VIC is of good quality e.g. branding through accreditation/local tourism authority, trip ratings, comments by other visitors.

Tourism operators' relationships with VICs³

Overall, 92% of operators had some relationship with their local VIC:

- For four in five operators (79%), the VIC stocked their brochures, 65% received referrals from a VIC, 42% had received bookings by phone or email, while 16% had received bookings via an online booking system.

More than one-third of the operators (39%) had a relationship with a VIC located outside their local region, with the relationship most likely to involve stocking of brochures (68% of those with a relationship).

- Some operators were frustrated by the variation in racking policy between VICs, as some VICs were less likely to be interested in product that was not geographically located within the immediate vicinity.

Barriers to relationships

Some operators did not have a relationship with their local VIC mainly due to:

- perceived lack of objectivity of staff, or staff favouring certain product
- lack of product knowledge of VIC staff
- their own resistance to paying membership/racking fees
- their own resistance to paying commission
- VIC clients being different to the operator's target market.

Operators indicated that there were barriers to supplying commissionable product to the VIC, including:

- their own resistance to paying commission
- a view that VICs were not professional (from a sales perspective)
- a view that VICs should be primarily responsible for visitor servicing with the selling process best left to the private sector.

³ For the purpose of this report, 'operator' refers to the operator respondents. The results of this survey have not been weighted.

Building relationships with VICs

Operators indicated that increasing VIC staff opportunities for industry familiarisations could help to build product knowledge and awareness, and consequently help build industry relationships⁴.

- For operators, this is important for improving the capacity of VIC staff to understand the product in the region and talk about it with visitors.
- It is also an important element in the VIC's capacity to add value, especially as information is increasingly distributed online. As VICs distribute less printed information, staff will need to fill this gap by providing more verbal advice on tourism product in the region.

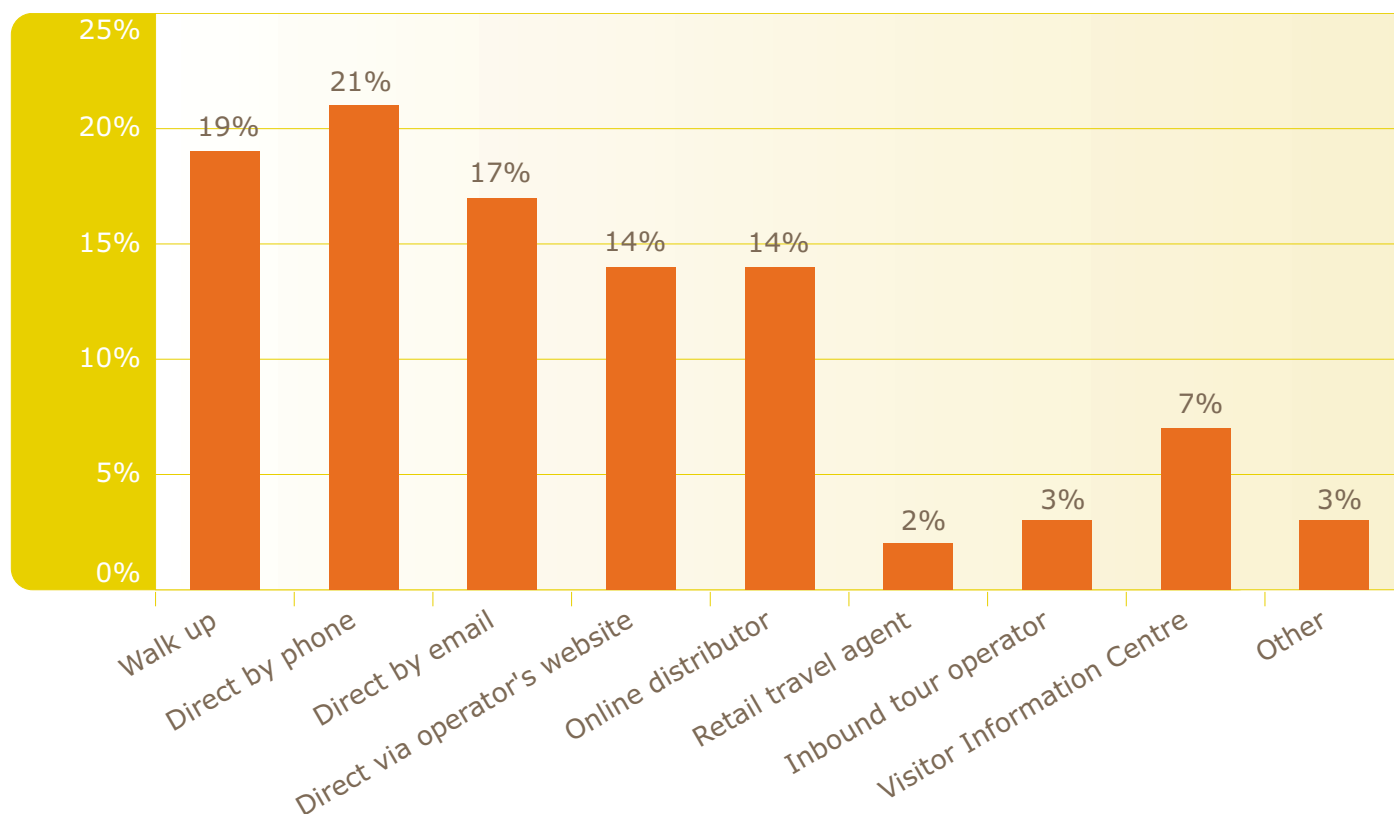
Commissions and sales revenue

- Although there was some resistance to payment of commissions to VICs, two-thirds (66%) of operators stated that they would be prepared to pay commission to a VIC. This was greatest for *B&B/self-contained* accommodation (82%), followed by *hotel/motel/backpacker* accommodation (79%) and *transport/tour operators* (72%).
- Operators were most comfortable with a commission rate of around 10%.

For operators:

- nearly three quarters (72%) of sales turnover, on average, was received directly from the visitor via walk up, telephone, email or internet
- one-fifth (19%) of sales were received through online and offline agents
- 7% of sales turnover was attributable to VICs.

Figure 2 Distribution of sales revenue by channel



- *Attractions* relied the most on VICs for bookings (13% of turnover on average), while *hotels/motel/backpackers* and *caravan parks* received the fewest bookings (2% and 3% respectively).
- One-third of the operators (35%) did not pay commission to any channel.
- *Attractions* were least likely to pay commission through any channel (80%), followed by *cellar doors* (64%)⁵ and *caravan parks* (44%).

⁴ Familiarisations represent an integral component of the *Sell SA* program.

⁵ Cellar doors in some instances may have included commission paid for wine sales through other outlets.

The VICs' perceptions of engaging volunteers

- Of the *Sell SA* VICs included in this project, Victor Harbor transacted the greatest volume of bookings. While still using a manual system, Victor Harbor VIC has a large pool of volunteers from which to draw.
- Volunteers at Victor Harbor VIC generally handle initial contact with the visitor. If the visitor is interested in booking product, they are referred to professional booking staff.
- Separating the information servicing and booking functions within the VIC means that only professional staff deal with actual bookings, and the two functions are able to coexist in a complementary manner.
- Other VICs, in some instances, were less enthusiastic about using volunteers. They were concerned about projecting a professional image and also maintaining skill levels.
- Some VICs felt that they were unable to direct volunteers in the same way as professional staff in that volunteers may need more flexibility than paid staff.

Bookings at VICs

- In the past, VICs that transacted bookings did so manually, which was a time consuming process that generally involved calling operators.
- The introduction of online booking systems has made the booking process less of a burden for VICs.
- All of the *Sell SA* VICs were interested in developing capacity to generate booking revenue, and these VICs are at various stages of development in the process.
- A key driver of bookings is a good relationship between VICs and providers of bookable product.
- The VICs generally had limited resources to engage with the operators and were reliant on other bodies such as the SATC or the regional tourism organisations (RTOs) to undertake this role.
- In some cases, where the industry body was perceived to be dominated by one or more interest groups, the relationship between the VIC and operators may be poor.
- A further issue for VICs to consider as they generate booking revenue concerns the requirement for licensing, licence fees and contributing to the Travel Compensation Fund.

Service delivery by VICs

The service delivery and other aspects of VIC presentation was examined through a program of mystery shopping.

Key findings from the mystery shop revealed:

- In some cases, the signage for the VICs on approach could have been more prominent, particularly where the VIC is not located in the centre of the town or the tourism precinct.
- The amount of interpretive material displayed was related to the physical size of the VIC, however, there were opportunities for the VICs to do more in this regard.
- One relatively modest sized VIC had a significant proportion of its display space dedicated to merchandise.
- There were also opportunities to do more with respect to information about daily activities and tours.
- In some cases, brochure racks were empty – an issue of the brochure racks not being replenished during busy periods rather than VICs not having sufficient stocks.
- The performance of VIC staff was generally evaluated positively.
- Staff in most cases offered to book product in the local region. However, the provision of information, and offers to book product for neighbouring regions, was more variable.

Promotion of VICs

VIC staff, operators and focus group participants provided a number of suggestions for raising awareness of VICs to travellers:

- improve road signage in some instances
- develop stronger links with VICs in neighbouring regions
- feature location and contact details prominently on regional web sites
- feature regional VICs on operator websites
- link to Google maps, GPS navigation systems /sites, tourism 'apps' (social media such as Facebook and Twitter were less important for the focus group participants)

- provide reliable, up-to-date, detailed information online regarding attractions, events and things to do that is clearly associated with a regional VIC
- provide discounts and specials for product distributed through the VICs (also as a coupon or sticker for brochures distributed via the VIC).

The promotion of VICs as a state-wide booking network was also suggested by VIC managers, however, it was also recognised that this is constrained by the variation in the booking capacity of VICs at present.

A number of VIC managers felt that the SATC's visitor marketing campaigns should include VIC websites and regional websites as a component of the call-to-action.

Conclusion and recommendations

This research has identified a range of issues that can affect the future of VICs in regional South Australia and their capacity to distribute tourism product.

Governance

As responsibility for visitor servicing becomes more regionalised, the successful operation of the VIC will depend upon the attitude of the regional council and the regional tourism organisation (RTO). If support for tourism is weak, or the industry is fragmented, this will affect the performance of the VIC through its resourcing, its relationship with operators and consequently its capacity to sell tourism product.

Recommendation

The economic benefit that VICs provide to the tourism industry should be reinforced to councils and RTOs. The information collected from the first stage of this project should be used for this purpose.

A further issue relating to regionalisation is that variation in the booking capabilities of VICs limits the opportunity to market the VICs as a state-wide booking network.

Recommendation

To improve state-level marketing and enhance VICs as a state-wide booking network, VIC accreditation should include standards relating to booking procedures.

Relationship with operators

- The capacity of a VIC to book product is dependent on its relationship with operators, both within its own region and elsewhere. VICs should understand the touring routes they service and how to represent significant product along the touring route where possible.
- VICs can identify cost effective mechanisms for building relationships with operators through activities such as familiarisations and workshops.
- Where membership or racking fees apply, the return on investment should be clearly demonstrated to operators.
- The case for the payment of commission to the VIC should also be clearly developed and argued. The RTO (and where possible the SATC) should facilitate this process.

Recommendation

RTOs to endorse the payment of commission by operators to VICs for bookings made.

In a more sales orientated environment, operators may be more likely to view VICs as biased toward product that is commissionable or more easily sold. Accreditation procedures for protecting competitive neutrality should be communicated to operators.

Recommendation

Accreditation process to provide clear guidelines for booking procedures that will protect competitive neutrality, and as part of this accreditation, operators are made aware of these guidelines.

Staffing

VIC staff resources are limited and booking processes may be time consuming. While VICs use volunteers to varying extents, the Victor Harbor VIC demonstrates that a successful booking operation can be developed where volunteers are used to provide reception and brochure fulfilment services, while bookings are managed by professional staff. The potential to develop this model relies on the availability of volunteers with service skills and experience which may not be the case in all regions.

Recommendation

Subject to resources, VICs to utilise volunteers as front line staff and release professional staff to focus on bookings and product development.

While volunteers are primarily interested in visitor servicing, some professional staff may also view sales as less important. In a more sales-orientated environment, staff should be encouraged to view product sales as consistent with the role of the VIC and should be provided with specific procedures in this regard that are consistent with accreditation standards. Examples of good and bad practice should be provided in this context.

Sales training should include appropriate strategies to ensure that opportunities to sell higher yielding product are recognised, and more opportunities for staff familiarisations should also be included.

Recommendation

- Sales training for professional staff to incorporate booking procedures that are consistent with accreditation standards.
- Training for volunteers and front line staff to include familiarisations with local product, facilitated by RTOs where possible.

Online distribution

VICs are developing online booking systems that will allow them to book regional product in real time. This process will reduce staff resources required to undertake bookings. The booking of VIC-enabled product via regional websites also provides an opportunity for VICs to generate revenue with no direct costs to the VIC.

For the potential of online bookings to be fully realised, an agreement can be developed through the RTO to ensure that a single website is promoted as the portal for the region.

This would be further enhanced by SATC marketing campaigns, including the regional website, as a call-to-action.

Recommendation

- VICs to become booking-enabled via regional websites.
- Where appropriate, state marketing campaigns adopt regional websites as a call-to-action.

Travel agent registration

As sales revenue approaches the \$50,000 threshold, VICs will need to consider becoming a licensed travel agent. The financial and staff resources required to achieve this may represent a disincentive for councils. It may be the case that the unique contribution of VICs can be recognised and a market failure argument put forward for dispensations for council or industry VICs under the relevant legislation.

Recommendation

SATC to investigate the development of a case for dispensation of travel agency licensing requirements for council/industry funded VICs.

The VIC of the future

Information is increasingly being distributed online. The role of the VIC will continue to be important as a place where visitors can talk to a local and confirm information they may have obtained via the internet, through social media or information sharing websites. The VIC can also contribute to destination branding by providing a window to the region and, in some instances, become an attraction in its own right.

In the future, it will be important that VICs are represented through regional websites, and digital navigation and planning tools, in addition to brochures and maps.

It is likely that travellers will increasingly use smart phones and tablets as they travel. Provision of free Wi-Fi in a relaxing environment could further entice travellers to stop at a VIC to relax, check their email and to plan and book their activities in the region.

Cafes and other amenities such as gardens can also lengthen the visitor's stay at the VIC or entice them to return, increasing the likelihood they will transact bookings at the VIC.

References

Tourism Research Australia, 2011, Destination Visitor Survey – South Australia: The Impacts of Regional Visitor Information Centres on Visitor Behaviour in South Australia, Tourism Research Australia, Canberra, [available: www.ret.gov.au/tra]

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