

# Quarterly Focus: Changes in Domestic Leisure Travel

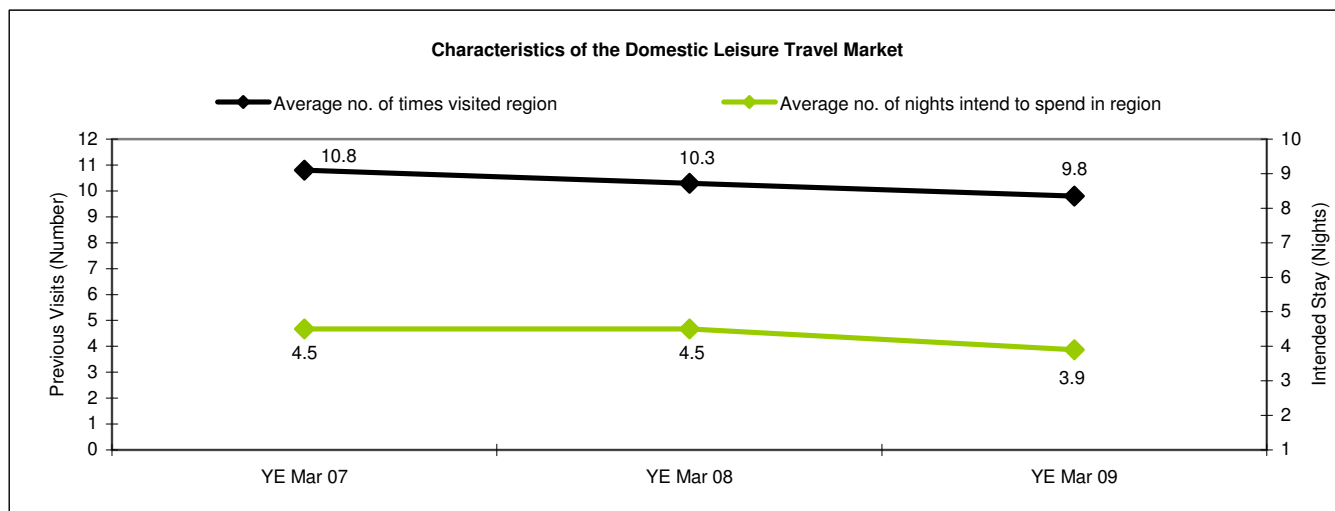
The 'Quarterly Focus' section of the RVM report investigates in detail a topical issue, or examines in depth a specific market or market segment.

With many tourism businesses turning their attention to the domestic market to compensate for a downturn in international visitor arrivals, this Quarterly Focus examines relevant changes occurring in the holiday/VFR (leisure) segment of the domestic travel market. These changes suggest some fundamental shifts may be occurring in domestic travel planning and behaviour: shifts which will, in turn, demand different tactics from those interested in tapping the domestic leisure travel market.

## VISITORS TRAVELLING LESS FREQUENTLY - OR LESS HABITUALLY - AND ON SHORTER VISITS?

RVM results over the three years to March 2009 show a gradual downward trend both in the number of previous visits made by respondents to the region in which they were interviewed, and in their intended length of stay. The former suggests that domestic leisure travellers may be travelling less frequently than they were or, alternatively, that they may be dividing available time across a wider range of destinations. Perhaps related to this is a recent decline in intended length of stay, which has fallen from 4.5 nights in the two years to March 2008 to 3.9 nights in the most recent year.

Figure QF1: Characteristics of the Domestic Leisure Travel Market (Domestic Holiday/VFR Visitors)



Note: The calculation of averages excludes respondents who had travelled to the region 100+ times and/or who indicated they intended staying in the region for 3 or more months

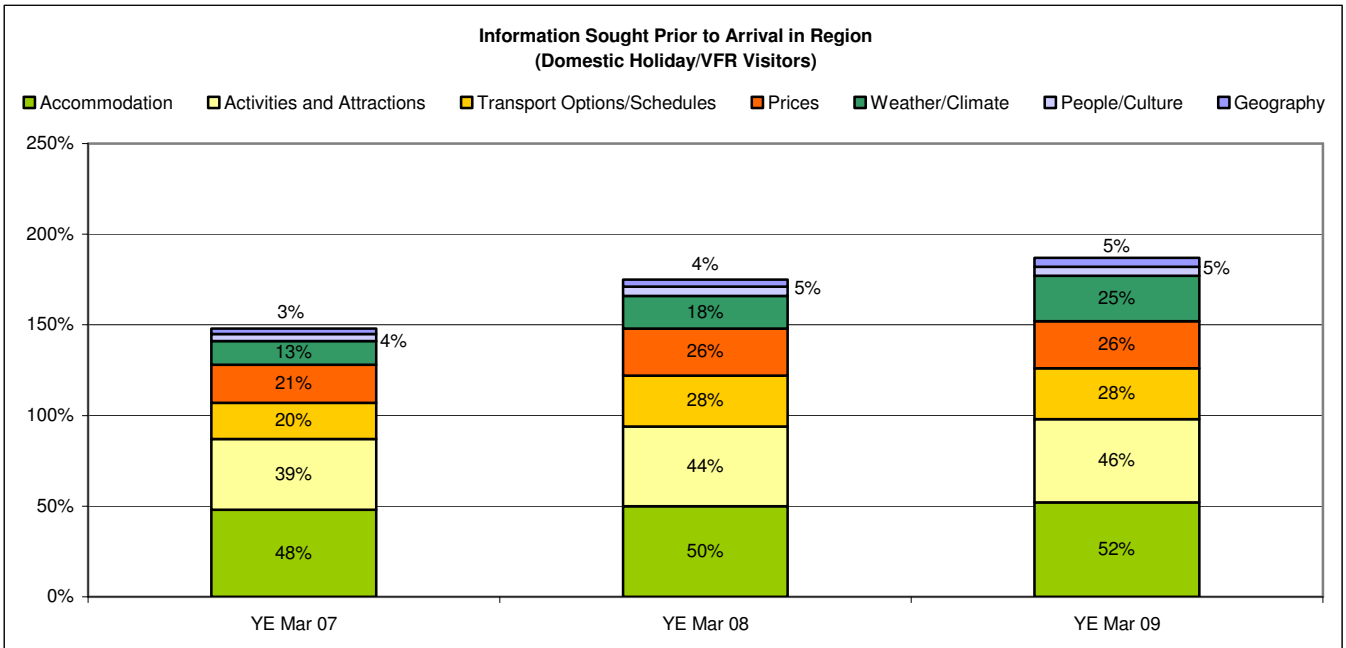
## GROWING DEMAND FOR PRE-TRIP INFORMATION

Over the last three years, there has been an increase in demand for information about the RVM regions (pre-trip). This growth has occurred across most subject areas measured, but particularly for information about accommodation, activities and attractions, transport options/schedules, pricing and weather/climate.

Such growing demand may relate to previous findings concerning number of prior visits and/or intended length of stay. Visitors are both less familiar with the regions they are visiting and more intent on preparing themselves to make the most of an increasingly short visit.

Refer to Figure QF2 overleaf.

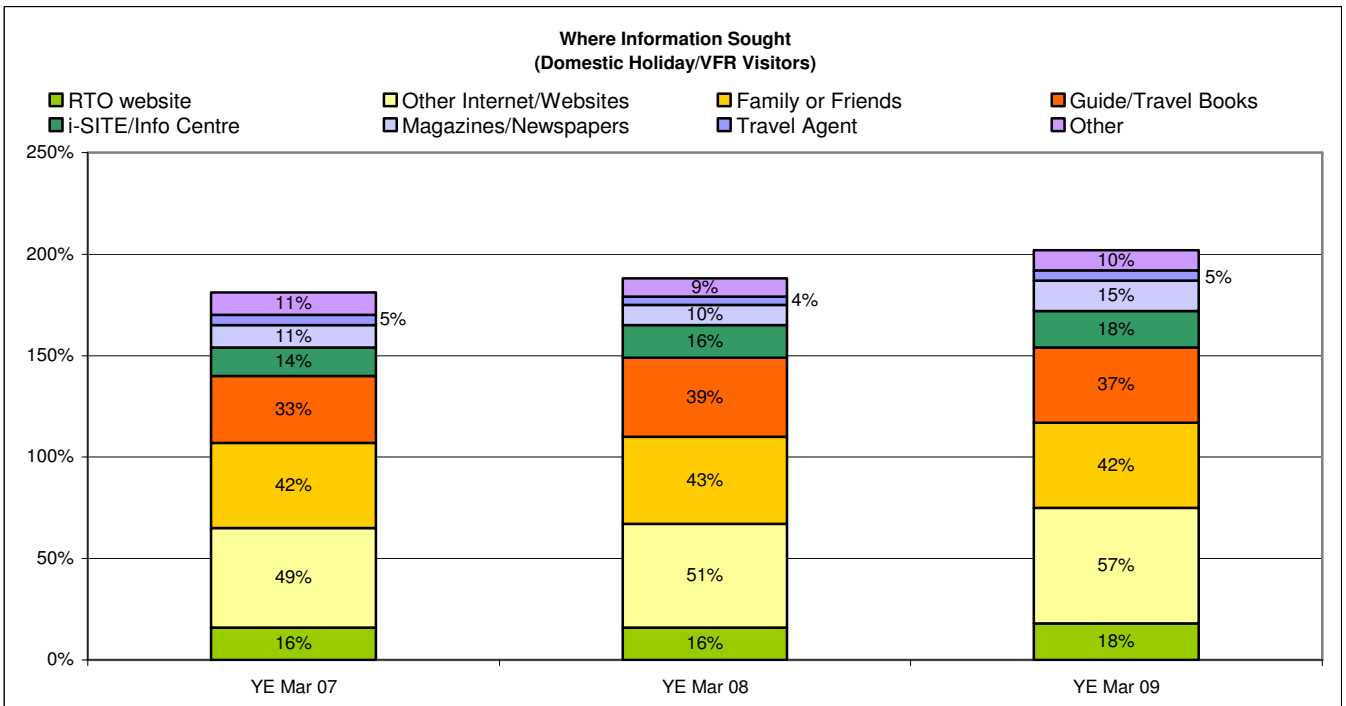
Figure QF2: Information Sought Prior to Arrival in Region (Domestic Holiday/VFR Visitors)



PRE-VISIT RESEARCH TAKING IN A WIDER RANGE OF RESOURCES

RVM results suggest that visitors are also using a greater range of resources in their search for information about the regions prior to their visit. A substantial increase in the proportion of visitors going online for information is particularly apparent (see 'RTO website' and 'Other Internet/Websites' in Figure QF3 below).

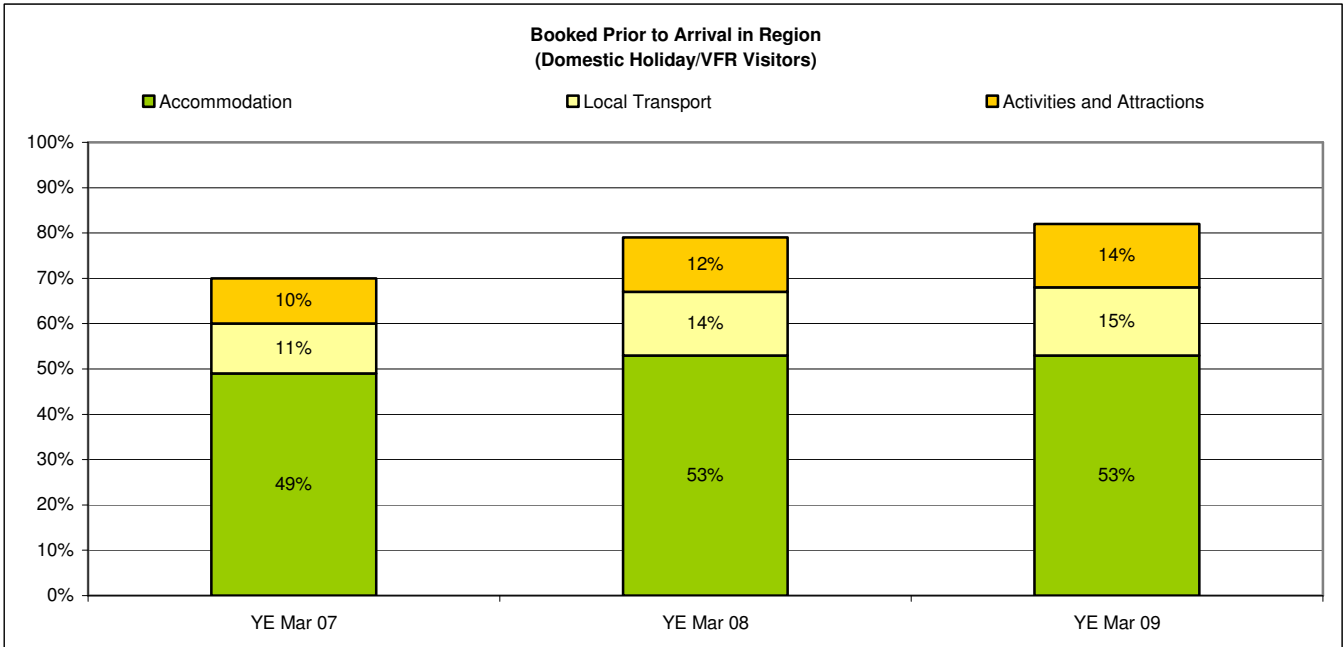
Figure QF3: Sources of Information Sought Prior to Arrival (Domestic Holiday/VFR Visitors)



## PURCHASE DECISIONS ARE INCREASINGLY BEING MADE PRE-VISIT

Over the last three years, there has also been a steady increase in the proportion of RVM respondents booking key products/services ahead of their visit to the region in which they were interviewed. Alongside patterns of more frequent and more extensive information searching, this indicates a growing propensity to **plan** visits before they take place.

Figure QF4: Products/Services Booked Prior to Arrival (Domestic Holiday/VFR Visitors)



## PURCHASES INCREASINGLY MADE ONLINE

Just as domestic leisure visitors are turning online in the search for information, so too are they moving to online channels for the booking of tourism products and services. A rapid increase in online booking is most evident in regard to accommodation and, more recently, activities and attractions. This growth in online booking is at the expense of phone bookings, particularly for accommodation. Refer to Figure QF5 below and Figures QF6 and QF7 overleaf.

Figure QF5: Booking Channel - Accommodation (Domestic Holiday/VFR Visitors)

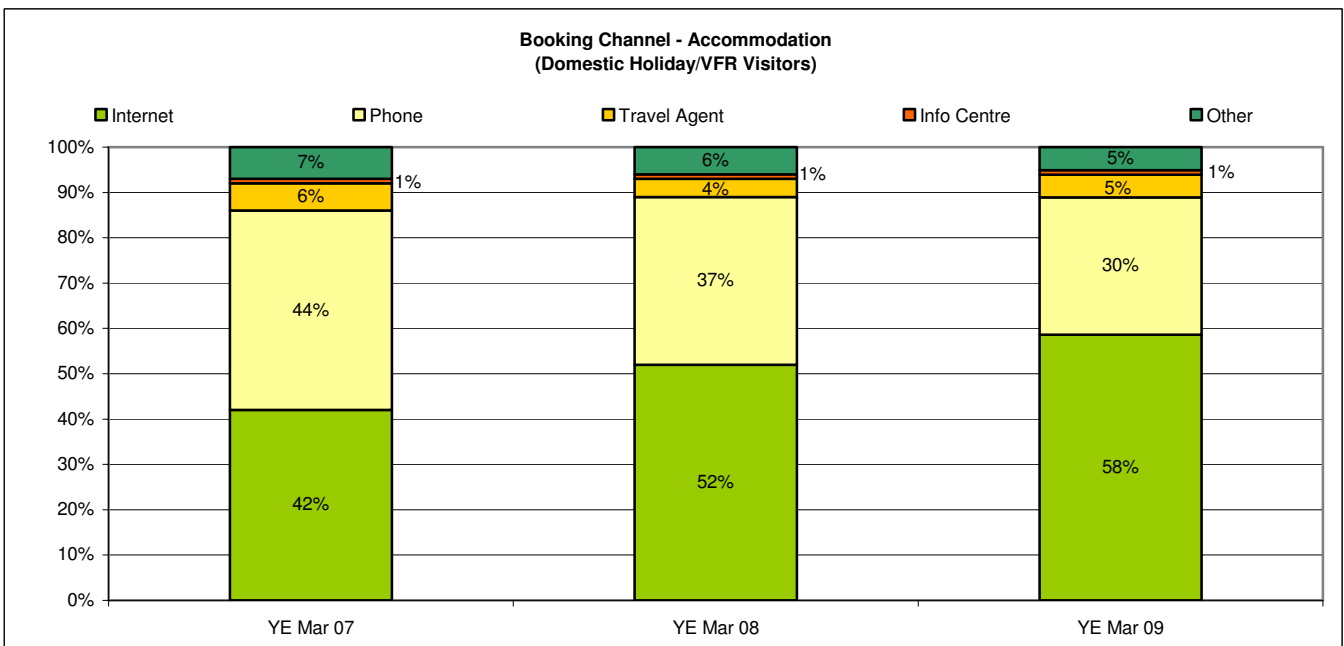


Figure QF6: Booking Channel – Local Transport (Domestic Holiday/VFR Visitors)

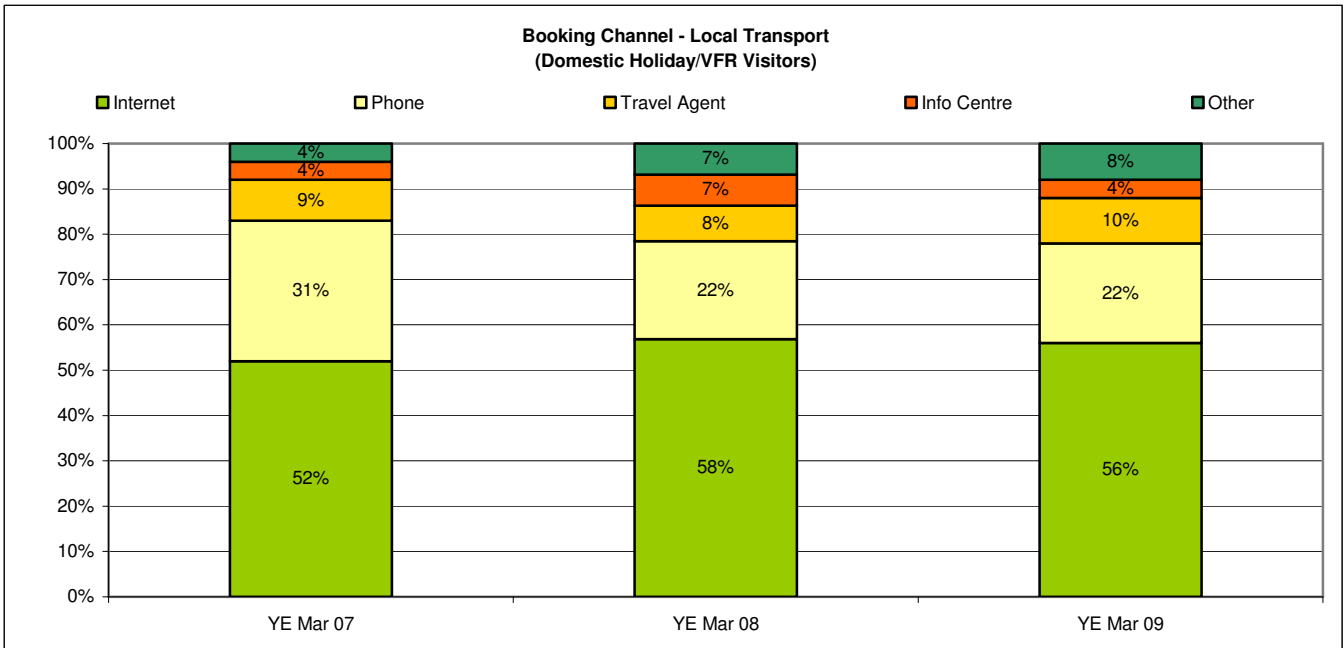
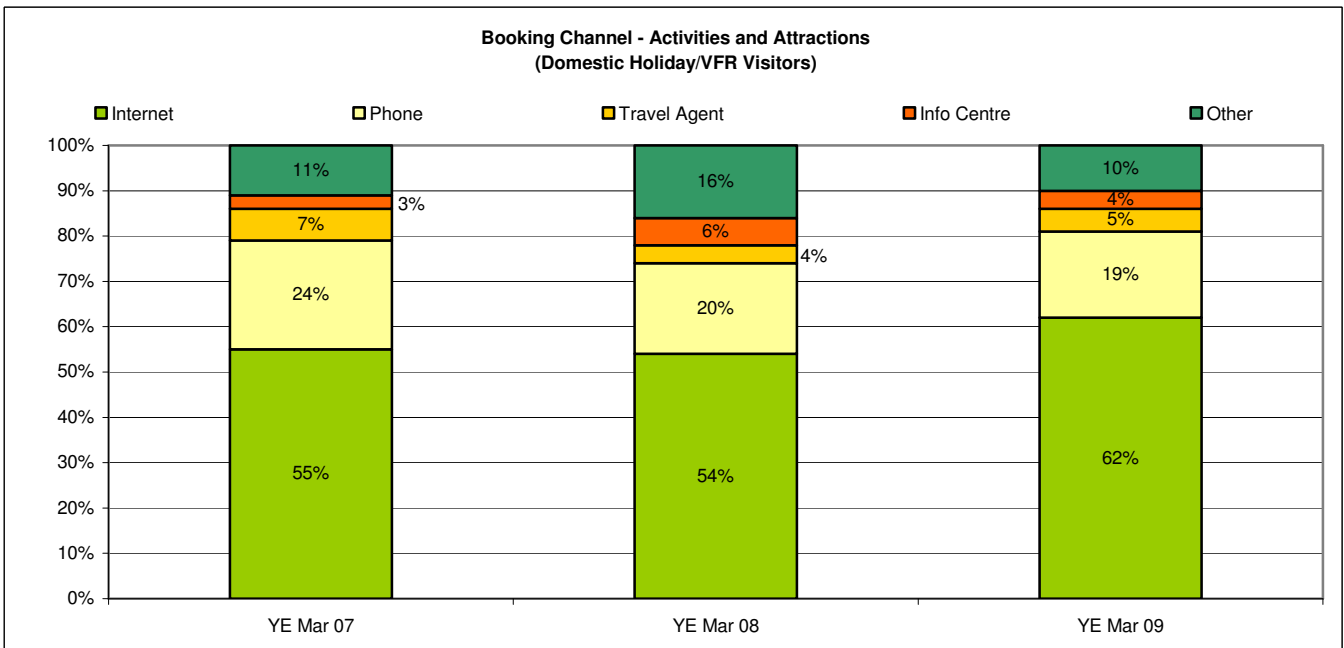


Figure QF7: Booking Channel – Activities and Attractions (Domestic Holiday/VFR Visitors)



In summary, RVM results indicate that domestic consumers are now researching and planning their travel activity in greater detail than has been evident in the past. Much of this research is taking place online, and many more purchase decisions are being made before visitors arrive at their destination.

An effective and well-targeted online presence is now vital for those wishing to tap the domestic market, as is an effective online sales capability.