



DOMESTIC TOURISM INTERNATIONAL BENCHMARKING STUDY

INTERNATIONAL BENCHMARKING REPORT ON BEST PRACTICES IN DOMESTIC TOURISM
SEASONALITY, DISPERSAL & INDUSTRY SUPPORT/STRUCTURES ACROSS 8 COUNTRIES
AND SELECTED STATES/PROVINCES

AUGUST 2019

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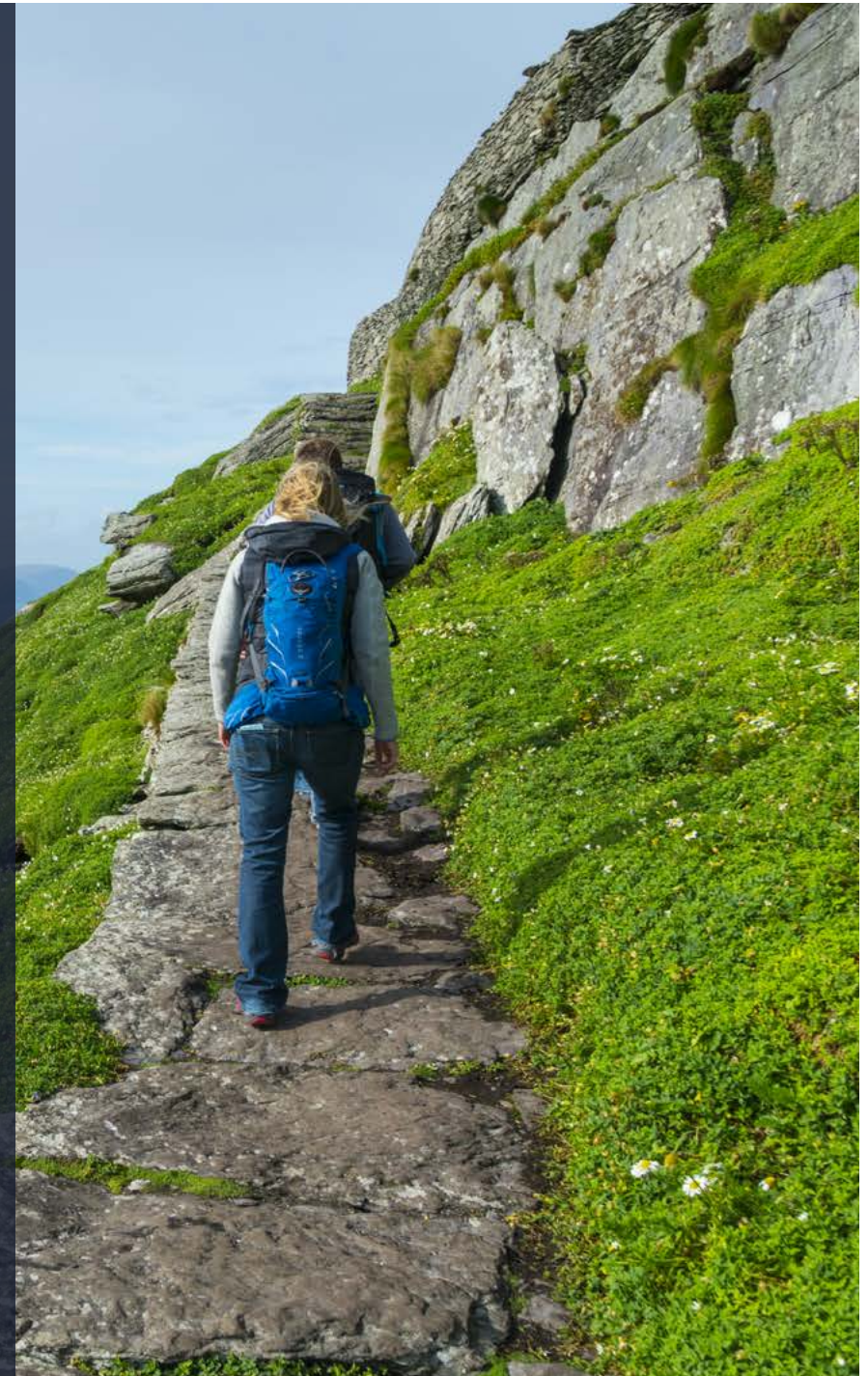
DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

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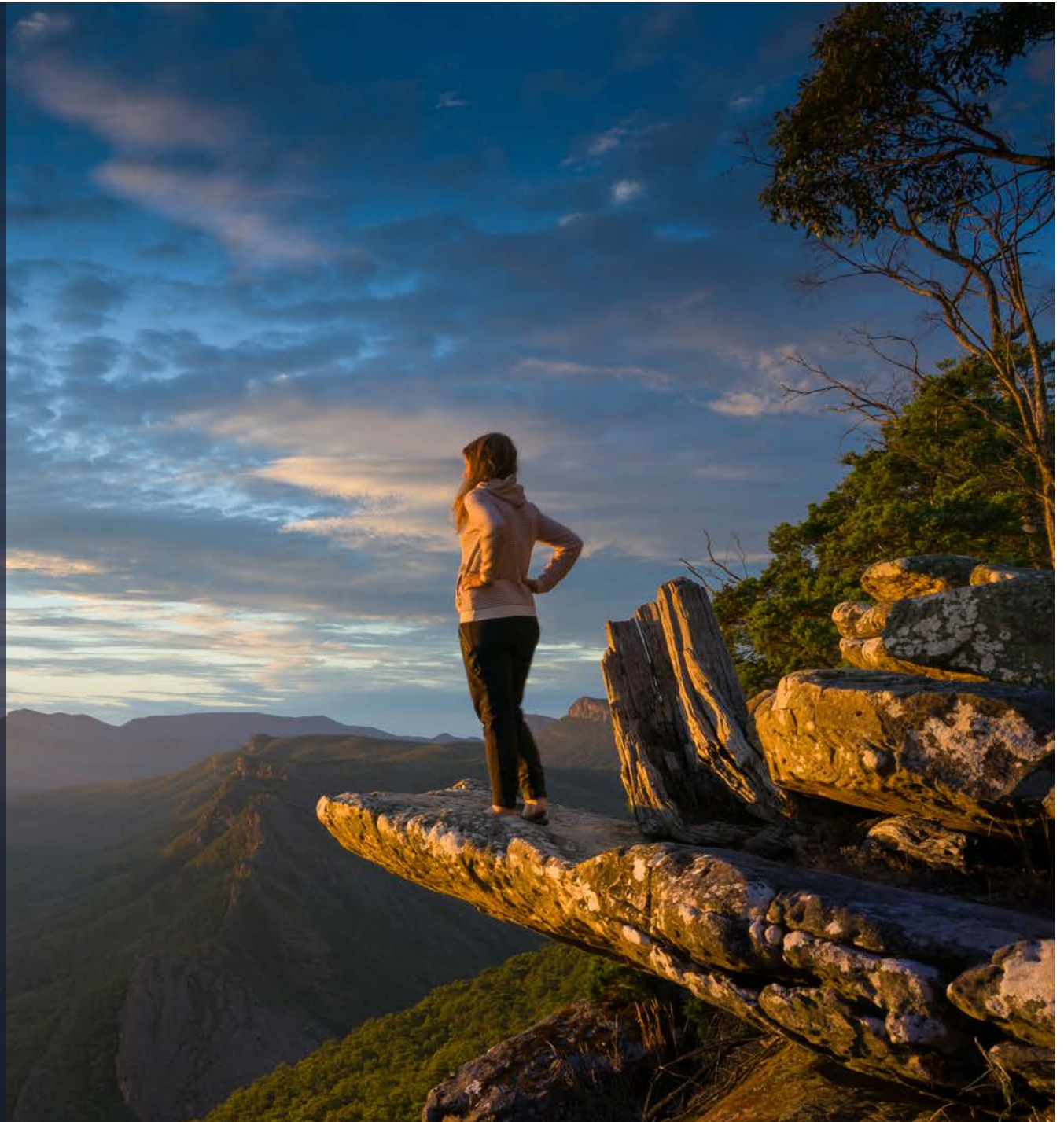


DOMESTIC TOURISM BEST PRACTICES

INTERNATIONAL BENCHMARKING: BACKGROUND & METHODOLOGY

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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PURPOSE OF PROJECT

This international benchmarking project reviews global best practices in dispersal and off-season domestic travel.

In 2018 an initial, top-level review of international examples – the Domestic Dispersal Initiative – was funded by four New Zealand Regional Tourism Organisations (Northland, Bay of Plenty, Ruapehu and Tairāwhiti-Gisborne). This highlighted the value of a more in-depth review of best practices from a group of eight nations, which was funded by the Ministry of Business, Innovation and Employment.

As is the case in the nations reviewed in this international benchmarking study, domestic tourism is the foundation of the visitor economy in New Zealand – especially in

the regions. However, as was noted as far back as 1993: “Domestic tourism in New Zealand has generally been the poor and neglected cousin of international tourism, both in terms of official policy and research.”*

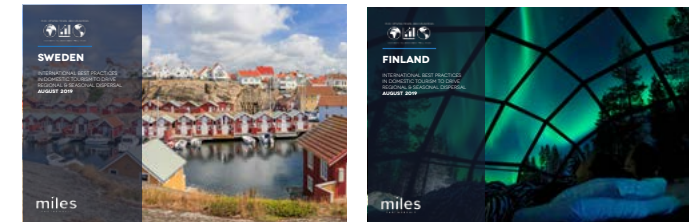
Domestic tourism represents more than two thirds (66%) of visitor spending in non-gateway regions of New Zealand – and an even higher share in most of the ‘surge regions’ being supported by the Provincial Growth Fund. Domestic travel is therefore central to New Zealand regional tourism industry creating significant, widely shared and sustainable economic growth in these regions.

Industry feedback during the development of the Aotearoa Tourism Strategy has highlighted funding and coordination issues in building domestic tourism, particularly in the regions. The initial 2018 high-level review of international 30+ peer countries and states/provinces showed that most countries, states/provinces have fundamentally different models to New Zealand in how they organise, support, fund and coordinate domestic tourism, including in its relationship to international tourism.

The initial list of 30+ countries included in the Domestic Dispersal Initiative was further refined to a target list of 12 nations and states for inclusion in the final report:

1. Victoria – Australia
2. New South Wales – Australia
3. Tasmania – Australia
4. Oregon – USA
5. Colorado – USA
6. Arizona – USA
7. Canada
8. Ireland
9. England & Great Britain
10. Finland
11. Sweden
12. Slovenia

To get a deeper insight and more accurately assess the Scandinavian nations of Sweden and Finland, we contracted Group Nao – Signe Jungersted and Peter Romer Hansen – who are based in Copenhagen, Denmark, and who offered extensive experience working for and with destinations in the region.



METHODOLOGY

This international benchmarking project combined secondary research and qualitative primary research - online, phone and face-to-face interviews. These one-on-one interviews with more than 30 senior executives from Destination Marketing Organisations and related government agencies in eight countries sought to understand their learnings, insights and lessons from domestic tourism. We focused on their experience in programmes and investments that sought to improve the dispersal of visitors to more remote regions – especially in the off season and shoulder seasons. Many of these interviews were conducted on a webinar platform and recorded.



Interview with Humphrey Walwyn, Head of Research & Evaluation, Visit England, reviewing their Tourism Exchange GB solution.



Interview with Mats Svensson, Co-owner and chairman of Holiday Club Hotel and Resort, former chairman of Aare's DMO.

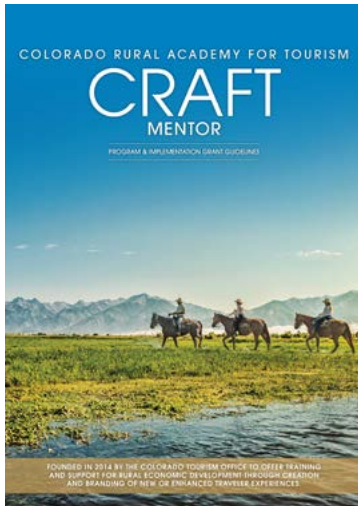
We also reviewed over 100 research reports, strategies and plans from these destinations to provide further background on how domestic tourism is managed including structures, funding, marketing programmes, industry and community engagement. We have highlighted the most important of these resources at the end of each best practice section, and in each national or state section of this report.

'Domestic Dispersal Initiative' Summary Report, August 2018, Miles Partnership & Quality Tourism Ltd.

***'Domestic Tourist Travel Patterns in New Zealand', Douglas G. Pearce, GeoJournal, Vol. 29, No. 3, March 1993*

Specific sources and references are included at the end of each section and summary list shared in the 'List of Sources and Resources' section of this report.

For ease of international comparison we have converted costs and budget figures from local currencies to United States dollars (USD) where possible."



AUTHORS OF THIS REPORT

Primary author: CHRIS ADAMS
Head of Research & Insights, GM - South Pacific, Miles Partnership, Auckland, New Zealand & Denver, Colorado, USA

With design, editing & research assistance from staff at Miles Partnership in New Zealand and the USA. www.MilesPartnership.com

Chris Adams and the Miles team were supported by three expert consultants who looked at specific nations or states:

- **CRAIG WILSON, Quality Tourism Limited, Nelson, New Zealand**
www.QualityTourism.co.nz (led the review of New South Wales and assisted in the final report)
- **SIGNE JUNGERSTED, CEO, Group Nao, Copenhagen, Denmark**
- **PETER ROMER HANSEN, CCO, Group Nao, Copenhagen, Denmark**
www.groupnao.com (led the review of Finland and Sweden)

CHRIS ADAMS

Head of Research & Insights, GM – South Pacific

Miles Partnership

+64 9 974 2452

+1 941 342 2323

Email: Chris.Adams@MilesPartnership.com

www.MilesPartnership.com



EXECUTIVE SUMMARY

INTERNATIONAL BENCHMARKING REPORT ON
BEST PRACTICES IN DOMESTIC TOURISM SEASONALITY,
DISPERSAL & INDUSTRY SUPPORT/STRUCTURES ACROSS
8 COUNTRIES AND SELECTED STATES/PROVINCES

AUGUST 2019

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DMO INTERNATIONAL BENCHMARKING

DOMESTIC TOURISM BEST PRACTICES

EXECUTIVE SUMMARY

An introduction to five international best practices.

This international benchmarking project explores global best practices in how domestic tourism can address two fundamental challenges facing tourism in many destinations: how do destinations improve dispersal and address seasonality? With the dramatic growth in travel and tourism around the world many nations, states or provinces are dealing with tourism 'hot spots'. Conversely with rural communities in many countries struggling with industries in decline and/or the drift of young people to the cities, many rural and remote regions are seeking far greater opportunities from tourism. This study sought to identify the best practices in how destinations can spread the benefits of tourism across their country, state or province and across the year.

The benchmarking specifically researched best practices in these 12 destinations:

1. Victoria – Australia
2. New South Wales – Australia
3. Tasmania – Australia
4. Oregon – USA
5. Colorado – USA
6. Arizona – USA
7. Canada
8. Ireland
9. England & Great Britain
10. Finland
11. Sweden
12. Slovenia

This review combined secondary research and qualitative primary research - online, phone and face-to-face interviews. These one-on-one interviews were with more than 30 senior executives from Destination Marketing Organisations and related government agencies in eight countries including six individual states. We also reviewed over 100 research reports, strategies and plans related to how domestic tourism is managed in these destinations.



DRIVING REGIONAL ECONOMIC DEVELOPMENT FROM TOURISM

BUILDING ECONOMIC OPPORTUNITY IN THE REGIONS IS BASED ON **3 INTERRELATED FACTORS** - EACH CENTRAL TO SUSTAINABLE ECONOMIC GROWTH & QUALITY EMPLOYMENT





THREE DRIVERS OF REGIONAL TOURISM GROWTH

The objective of dispersal is to both reduce pressure on visitor 'hot spots' and, more importantly, create growth in new and emerging visitor regions. This international benchmarking study identified three interrelated 'drivers' creating positive outcomes for these regions (see figure on previous page):

- 1. A commitment to tourism:** In many regions, tourism is one of the most, if not the most, important source of opportunity for business, employment and a more vibrant, healthy community. Regional economic development needs long term attention and a robust public/private partnership to develop travel and tourism.
- 2. A focus on domestic tourism:** In every nation we reviewed, domestic tourism sits at the centre of growing tourism in the regions. Domestic visitors represent the vast majority of tourism in all but one of the eight nations reviewed. They are far simpler and less expensive to reach, have easier access and are usually more comfortable to explore 'off the beaten track'. For this reason, most of the destinations we reviewed have a significant and ongoing commitment to domestic tourism – coordinated nationally or state-wide to support the foundation of domestic travel.
- 3. Dispersal, seasonality and capability:** Achieving widely shared and sustainable tourism benefits from domestic tourism requires meaningful long-term action in three areas; creating and highlighting reasons for visitors to *disperse*, reducing *seasonality* and building the knowledge, resources and *capabilities* of the regional businesses and DMOs.

5 INTERNATIONAL BEST PRACTICES

THIS INTERNATIONAL BENCHMARKING STUDY REVEALED **5 INTER-RELATED BEST PRACTICES** – ALL CRITICAL TO BUILDING STRONG REGIONAL TOURISM OUTCOMES



CAPACITY & CAPABILITY

A proactive, long term commitment to capability building with regional DMOs and tourism businesses is critical. This includes education, training and support in digital marketing, product development and the customer experience.



EVENT OPPORTUNITIES

Events are an important part of stimulating regional and/or off-season travel. They also offer broader community & image benefits. Targeted education, funding and marketing support can create &/or grow regional events.



MARKETING TO MANAGEMENT

Official tourism organisations & tourism industries are undergoing a fundamental shift from a marketing led focus to a far greater emphasis on managing tourism outcomes including the broad-based costs vs. benefits of tourism.



DOMESTIC TOURISM FOUNDATION

Marketing to build dispersal and shoulder or off season travel starts and continues at home. International tourism can build off, but not replace the results generated by domestic tourism.



BALANCED INDUSTRY STRUCTURE

Getting the structure & funding to match the outcomes being targeted from tourism is critical. This includes the roles, responsibilities, funding and measurement framework for both national tourism agencies and regional DMOs.

FIVE INTERNATIONAL BEST PRACTICES

We started our benchmarking review with 30+ nations. We then looked in-depth at eight nations and 12 destinations in total (including individual states). This process identified five international best practices that underpin driving the most successful outcomes from domestic tourism – particularly in improving dispersal and seasonality. These are highlighted below and in the associated infographic. Each is then described in depth on the following pages with specific international examples and references:

- 1. Marketing to management:** After years of sustained growth, tourism is discovering the constraints of communities and the environment – the limits of growth. Success now rests on a deeper commitment to managing tourism and ensuring its benefits are shared.
- 2. Domestic tourism foundation:** New or emerging regions grow on this foundation. That foundation is an engaged, loyal domestic visitor base. International tourism can build off, but not replace, domestic tourism in generating the outcomes that regions seek.
- 3. Capacity and capability:** Solving dispersal and seasonality is the work of many - small businesses, start-ups, small town community leaders and so on. Success is more bottom up than top down. It is critical to focus on the long-term, difficult but rewarding work of building your industry's and community's capability and capacity.
- 4. Event opportunities:** Events – community inspired, authentic and unique, even quirky – offer the opportunity to make a step change in a region's visitor economy. It is important to build expertise in how to identify and support events that can make a difference.
- 5. Balanced industry structure:** If you want widely shared outcomes and if you seek to improve dispersal and seasonality, then your industry's resources, focus and funding need to reflect this.

Review the following five sections for a fuller description on each best practices with case study examples from around the world and summary of the critical areas for action.

COUNTRY AND STATE OUTLINES

In the full report we summarise the results of our research, interviews and review of the 12 international destinations. For each we identify why we selected this destination, then summarise the key parts of their programmes and activities that are impacting dispersal and seasonality, and that illustrate the best practices above.



FIND YOUR OWN WAY

While we identify five overarching best practices and dozens of specific learnings from the 12 destinations it is clear there is no set of solutions that will work for every destination. No single destination is world class in every area. Even the strongest of the destinations have some notable areas for improvement - enhancing the quality of measurement and reporting is a common example. Destinations must embrace learnings and best practices from around the world and customise them to their needs. Look at your community's aspirations, the passions of your visitors and what is practical in your destination. Then adapt, brainstorm and refine with your industry and community partners. Find your own way by creating solutions that are world class in your destination.

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

INTERNATIONAL BENCHMARKING: 5 BEST PRACTICES

INTERNATIONAL BEST PRACTICES
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REGIONAL & SEASONAL DISPERSAL
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HIGHLIGHTS

MAINTAINING THE WELCOME

'Manaakitanga' – the hospitality of the host community is the foundation of successful tourism in every part of the world. Successful regional tourism needs close, effective communication with local communities. Nurturing their active support is central to maintaining the social licence for tourism to operate – regionally and nationally.

QUADRUPLE BOTTOM LINE

Best practice needs business support, community support – and also a commitment to protecting culture and the environment. A balance of business and communication skills with 'kaitiakitanga' – of being good stewards or guardians. Government agencies, DMOs and industry associations need the practical funding, skills and responsibilities that reflect these quadruple bottom line responsibilities.

BROAD-BASED MEASURES

A strong, independent measurement framework is needed across all these four areas. This is the weakest area we found in international best practice – but is critical. A rigorous and objective measurement framework of data and research that reports on progress and holds key organisations accountable is needed.

WHY THIS MATTERS:

- Tourism growth has spurred rising concerns about the impact of tourism on communities & the environment.
- Destination Marketing Organisations around the world are refocusing to also help manage tourism's costs and benefits – rather than simply market to attract visitors.

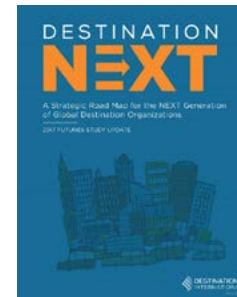
This international benchmarking study takes place at a period of major change for Destination Marketing Organisations (DMOs) and the wider tourism industry. Years of strong growth in travel and tourism have left many destinations with significant challenges, concerns and issues.



Figure 1 The Slovenia Tourism Board has put sustainability at the center of their efforts and is refocusing their resources (1).

Tourism is no longer seen by default as a positive to a community, city or region – and the tourism industry is struggling to adapt.

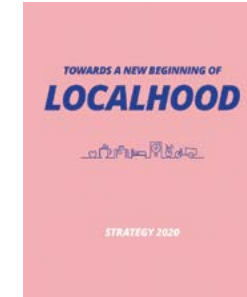
Overtourism was a term coined by Skift, the tourism media company (2) in 2016 and it has been widely used to describe concerns about tourism growth and the negative impacts of poorly managed tourism. Many of these issues have been challenges for decades but have been brought into sharp relief in recent years. These tourism management issues range from immediate, local concerns such as traffic or parking congestion to global challenges including the role of travel in climate change.



All of the destinations included in this benchmarking study and indeed most destinations globally are dealing with one or more of these issues. This was highlighted in the 2019 update to Destinations

International's Destination Next Future Study (3). The study surveyed more than 500 destination leaders in over 50 countries with respondents asked to rank 52 trends and 64 strategies. Three "transformational opportunities" were identified by the study: i. Destination Stewardship, ii. Community Alignment and iii. Digital (especially mobile) Conversion. These themes are central to the best practices that destinations must focus on to have a strong, healthy tourism sector.

QUALITY OVER QUANTITY



All the destinations studied in this report were moving aggressively to target visitors that generate the most benefits - longer stay and higher spending. Some, particularly Scandinavian destinations, are

going a step further and targeting those willing to 'live like a local'. The concept of 'Localhood' was first developed by Wonderful Copenhagen in their 2017 Destination Strategy (4) and describes a strategy of attracting visitors that maximise qualitative benefits, for example travelling to lesser visited neighbourhoods, while at the same time minimising visitors' impact (for example through walking, cycling or using public transport).



This attention to quality over quantity is also extending to the economic outcomes of tourism. For example, Canada's

new tourism strategy puts front and centre the goal of 'Creating Middle Class Jobs' i.e. jobs that are well paid, year-round and sustainable.



VISITOR EDUCATION

An associated trend is the increasing commitment to educating visitors on responsible travel. Amongst a range of destinations which include New Zealand, Iceland and Palau - Colorado has developed a visitor care code – partnering with ‘Leave no Trace’ to communicate important messages to visitors. A key theme of this ‘Colorado Cares’ education programme is like Copenhagen’s - asking visitors to “travel like a local. This has wider benefits. Colorado Tourism Office’s in-state resident survey in 2019 highlighted that awareness of these efforts to educate visitors strengthened community support for tourism (5).



WIDER BENEFITS OF TOURISM

A third global trend was a commitment to tourism outcomes beyond economic and business. Canada and the UK’s domestic marketing programmes have targeted millennials – both to switch travel plans from international to domestic (‘import substitution’) but also in Canada’s case to foster a sense of national identity for millennials – before and after the nation’s 150th anniversary (6). Finland’s domestic tourism campaigns ‘100 Reasons’ and ‘Welcome to Finland – Travel Near’ (7) both



emphasise to Finns (as well as international visitors) the wellness and social benefits of travel and tourism – in a country that celebrates its place as one of the ‘Happiest Countries on Earth’.

Finally, longer term, larger and more fundamental challenges for tourism loom. This includes managing growth in a world with 10 billion inhabitants and moving the tourism industry to a carbon free future. As Andrew Shevachman of Skift put it in July 2019 (8):

“Leaders need to start planning now for a world defined by overcrowding and limited resources.”



Tourism’s skills and responsiveness in helping manage these challenges will be central to not only short-term questions on funding and support but more fundamental questions on its size and role in the society of the future.

Destination Canada’s campaign promoted domestic travel to Canadian millennials for both tourism benefits and to strengthen their sense of national identity.

RESOURCES & NOTES:

1. Strategy for the Sustainable Growth of Slovenian Tourism 2017 to 2021, Slovenia Tourism
2. Skift: “The Genesis of Over Tourism” August 2018: <https://skift.com/2018/08/14/the-genesis-of-overtourism-why-we-came-up-with-the-term-and-whats-happened-since/>
3. Destination Next Futures Study 2014, 2017 and 2019. Destinations International
4. Wonderful Copenhagen Tourism Strategy 2017 and 2020
5. Colorado Tourism Office Research 2019. Discussed by Cathy Ritter, Destinations International Annual Convention July 24th 2019
6. Destination Canada Millennial Travel Program Results 2017
7. Finland 100 Reasons & Welcome to Finland Campaigns – see Finland country section
8. Skift “How Bad Will It Get When Overtourism Meets Climate Change” July 2019 <https://skift.com/2019/07/30/how-bad-will-it-get-when-overtourism-meets-climate-change/>

SEE OUR LIST OF SOURCES & RESOURCES FOR A FULL SUMMARY



HIGHLIGHTS

START LOCAL

Domestic tourism underpins the visitor economy in almost all regions. These visitors are cheaper to reach, have fewer barriers and are more familiar and confident travellers. Domestic visitors also provide a reliable source of business during any economic, security, or health shocks impacting international tourism. The marketing plans of regions should reflect the importance of this market.

BUILD LONG TERM, REPEAT VISITATION

Loyal, regular, repeat visitors are the most valuable type of tourism. These repeat visitors can become life-long 'customers' and often move from simply visiting to invest in the community, in businesses or in some cases, becoming part time or permanent residents.

FUNDING & RESOURCES

In smaller nations without a State or Provincial structure and with large national tourism organisations, specific attention is required. It is important to ensure sound regional funding mechanisms – and facilitate a national or macro regional structure to share resources and coordinate domestic programmes (see Best Practice 5).

WHY THIS MATTERS:

- In all the countries we examine (with the exception of Slovenia) domestic tourism represents 70% or more of visitor spending.
- Domestic visitors are usually far simpler, less complicated and lower cost for DMOs and businesses to reach and convert. This includes the opportunity build loyal, regular, repeat visitors.
- Domestic visitors provide the foundation of regional tourism development – especially for shoulder and off-season travel. International visitation can build off, but not replace, this foundation.

Domestic tourism provides the vast majority of visitor numbers and spend in all but one of the nations we looked at. Even in the small European country of Slovenia with just 2 million residents and over 84 million Europeans living in its neighbouring countries of Italy, Austria, Hungary and Croatia, domestic tourism still accounts for one third of all visitor spending.

In New Zealand, domestic tourism accounts for 60% of all visitor spending* and 70-90% in many of the rural and remote regions most in need of

economic growth. International visitor growth has occurred in most regions of New Zealand but it remains a far smaller part of the total visitor economy and has typically been heavily skewed to summer travel - exaggerating problems with seasonality.*

Therefore, in New Zealand and every country we reviewed, domestic visitation is central to successfully building the tourism economies of rural and remote regions.



Anna Moran of Nova Scotia Tourism outlined it plainly:

"You simply can't do the development of tourism in rural regions without a hyper local focus."



In Nova Scotia's case this means undertaking marketing within the Province, as a starting point for tourism in their least developed regions – even before targeting visitors from the neighbouring Maritime Provinces. Together, visitors from Nova Scotia and the Maritime Provinces of Canada, represent almost half of all tourism spending in the Province.

In the Australian State of Victoria, Visit Victoria dedicates around one third of its budget to Intra- State tourism marketing, complimenting a further one third dedicated to other domestic or Inter- State travel, and one third to international tourism, working with Tourism Australia. Visit Victoria's research and strategy has identified the difficulty of getting residents of other Australian States to travel to rural Victoria – especially in the off-season. Targeting Melbourne residents to make this trip is a far more accessible, low cost and effective market.

The \$2.8 million USD 'Your Happy Space' Campaign provides the foundation of the State's efforts to grow travel to regional Victoria.

Figure 1 Visit Victoria's 'Your Happy Space' is the latest version of their Intra State marketing campaign - activating the Melbourne market to travel to rural Victoria - especially in the shoulder and off season

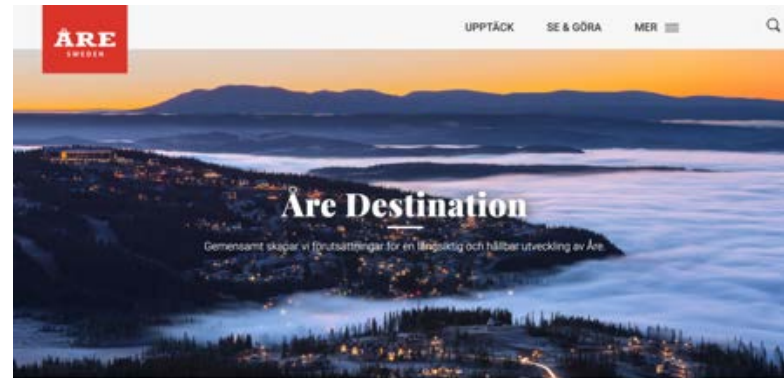
Figure 2 The Slovenia Tourism Board work with over 700 community groups which run visitor centers and events across the country to support regional communities - efforts which are often focused on domestic tourism. This support is provided through a national association; 'Turzistonva Zlvesa Slovenise'

*Analysis of Regional Tourism Estimates for NZ RTOs - Domestic Dispersal Initiative Summary Report August 2018 Miles Partnership & Quality Tourism Ltd.



“We have decided not to aim to be on the bucket list of destinations to visit once... for, us it is important to build strong relations with the visitors - for repeat visits. This is why the domestic and nearby markets are very important for us. We focus on local hospitality and welcoming – not campaigning for long haul tourists. This will pay off in the long run.”

Therese Sjölundh, CEO,
 Destination Åre AB

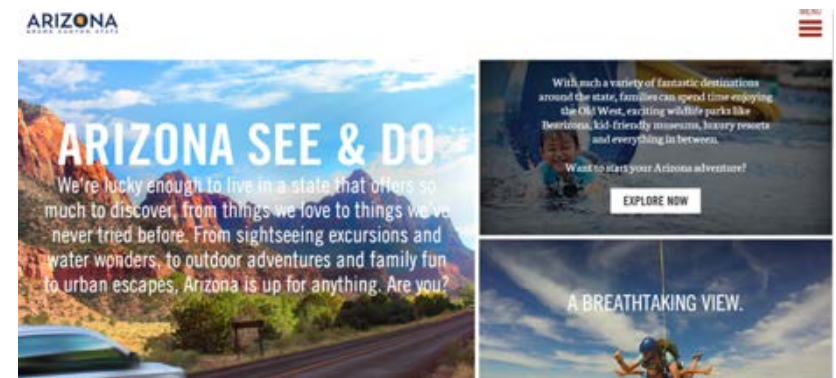


Are (Åre) in Sweden, one of the country’s most successful regions in developing tourism, has focused its efforts on building its domestic visitation, particularly from regular repeat visitors.

Of course the destination of Aare welcomes international visitors, but the destination weighs its marketing investments towards building relations and loyalty in the local markets over opportunities shared by their larger regional tourism board and Visit Sweden’s to join international marketing programs:

The DMO in Aare enjoys solid support and funding from its tourism industry that gives it a high degree of stability and freedom. The destination has a type of private sector Tourism Improvement District that provides funding from a wide range of businesses in the community.

This tension between the goals of a National Tourism Office focused on international visitation and States/Cities or Regions wishing to emphasise markets closer to home is not unusual. It can become a major issue when the funding and resources of individual Destinations is weak – or there is poor understanding and coordination between the NTO and individual Destinations on the region’s specific tourism strengths and weaknesses – and the markets, domestic or international that provide the best opportunity.



Arizona is a hugely popular US visitor destination that dedicates over \$1 million USD per annum to a summer campaign (the State’s off season), to entice Arizona residents to take a road trip to lesser known parts of the State. The US State of Oregon has a similar level of investment in its in-State marketing programme.

In all these examples, the Provincial or State Tourism Organisation take a leadership role in domestic, including in-State tourism. Applying adequate resources to domestic and intra State tourism appears to be a particular challenge in smaller nations without State or Provincial structures e.g. Finland and Sweden.

RESOURCES & NOTES:

1. New Zealand Tourism Satellite Accounts, Stats New Zealand, 2018
2. Nova Scotia Tourism Marketing Resources & Strategies: <https://tourismns.ca/>
3. Visit Victoria – ‘Your Happy Space’ Campaign: <https://www.visitmelbourne.com/Regions/Your-happy-space>
4. Arizona Tourism Office – Summer Campaign: <http://www.summerinaz.com/>

SEE OUR LIST OF SOURCES & RESOURCES FOR A FULL SUMMARY



HIGHLIGHTS

PARTNER WITH COMMUNITIES & BUSINESSES

Given the capacity constraints of most small DMOs and tourism businesses, support should not simply be top-down, it must be based on a partnership with engaged community and business partners.

FOCUS & RESOURCES

Capability building is slow, challenging and complex. It takes a long-term commitment and requires skilled staff and resources to succeed. It is important to set expectations accordingly and have a multi-year time frame to assess results.

CROSS AGENCY & INDUSTRY SUPPORT

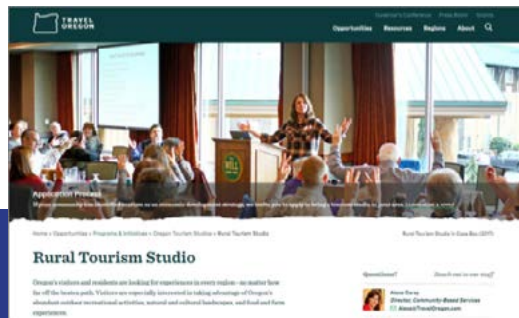
A wide range of public and private organisations need to be involved. This is especially important in tackling challenges like digital capability, regulations (e.g.: to smooth event development) and workforce development issues. Tourism industry commitment and support is also critical as capability building must be a public and private partnership.

WHY THIS MATTERS:

- Many regions do not have businesses or supporting agencies such as DMOs with the necessary skills, capacity or resources to succeed alone in a competitive travel market.
- More fundamentally, many regions lack compelling 'reasons to visit' – visitor experiences that are either appealing to visitors or have the right facilities or customer service.

International best practice is clear. A fundamental part of building dispersal and year round tourism is based on long term, targeted capacity and capability building alongside businesses, DMOs and other local agencies. This training, education and support is difficult, complex and needs to be customised to local conditions, however, it is usually essential. Regional tourism businesses and experiences can organically emerge, but the speed and quality of this growth is greatly enhanced by targeted government and industry support. Our review of international best practice identified the need for support in these 4 primary areas:

Figure 1 Travel Oregon's Rural Tourism Studios is one part of their long-term commitment to developing tourism in regional and rural Oregon. The State Tourism Office has 9 full time staff dedicated to engaging with these communities and their business partners seeking to grow their visitor economy.



DMO SKILL & RESOURCE DEVELOPMENT



Most of the destinations have a range of proactive ways to support the skills, capabilities and resources of the individual Destination Marketing Organisations with whom they work. The Slovenia Tourism Board has one of the more structured approaches with a Digital Academy and Marketing &

Management Academy that the 35 DMOs must participate in and pass, before they can work collaboratively with the National Tourism Board. The education process works within the 4 macro regions the country has developed and lasts over 4-8 months with exams and testing.

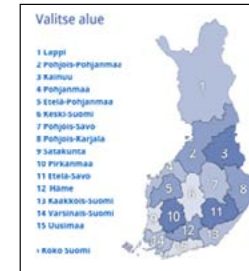
Building DMO Capability is also subject to the industry structure and funding issues outlined in Best Practice 5. In Slovenia – the 35 DMOs are organised into 4 macro region. The country has also just enacted a second bed tax to help pay for these types of programmes.

COMMUNITY ENGAGEMENT

Building regional tourism economies must include the active support and involvement of the local community. The US State of Oregon – a world leader in building tourism capacity in rural communities – engages with rural communities that demonstrate a real interest and commitment to working with the State. This process starts with a community workshop where a wide range of community stakeholders work with the Rural

Tourism specialists to identify opportunities and develop an action plan that plan that has community has community consensus and commitment. A range of funding options are available, but these are coop and partnership based, with the community and local businesses expected to contribute.

BUSINESS TRAINING & EDUCATION



Oregon is just one example of a destination active in business training and education. The State employs 9 full time staff focused on rural tourism support and training – including running

workshops with communities and business. Indeed, most of the destinations reviewed had a proactive national or State approach to building skills and capabilities of tourism businesses. This includes Finland, where a network of 15 Centres for Economic Development, Transport & the Environment (ELY) provide support to tourism businesses. Each of these centres have at least 1 tourism specialist – an example of general business support services provided by a government also offering specialist tourism training. Colorado has a range of impressive rural tourism education programmes – including a mentorship scheme connecting experienced businesspeople to start up or growing tourism businesses for one-on-one advice.



DIGITAL MARKETING SUPPORT

Online marketing and distribution is a critical skill in travel and tourism success – both to reach potential visitors and guests and then convert them – cost effectively. However, large digital platforms such as Google, Facebook and Online Travel Agencies (Expedia and Booking.com) dominate the online landscape, and control a vast majority of tourism online advertising and online bookings. Small to medium enterprises are particularly weak in digital marketing skills – which directly impacts their ability to attract new customers and/or run a profitable business. For example, it has been estimated that Online Travel Agencies control over 80% of all online accommodation bookings in New Zealand – sometimes commanding a 20%+ commission margin.

Almost every destination we reviewed including Tasmania and the other Australian States, Canada, Ireland, the UK, Finland and Slovenia, are all specifically building digital marketing skills or support services to tackle these issues. This includes in Tasmania's case, an extension of the State Government's 'Digital Ready' programme, but with specific resources for tourism operators and specialist 'Digital Mentors' who can provide one-on-one support. In a number of these markets including Australia, the UK and Finland, the Government agencies have invested in specific technology solutions to ease the online distribution of product (especially from SMEs) onto major online booking platforms.

Figure 1. Colorado's rural tourism development efforts include a mentorship programme connecting SME businesses in rural regions to experienced advisors.

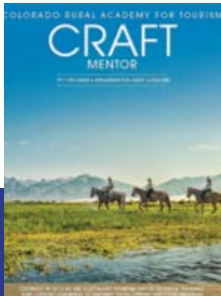
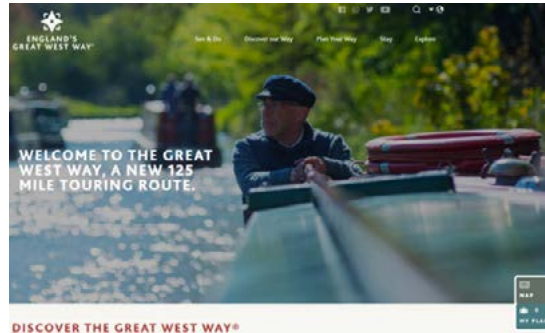


Figure 2 & 3 Tasmania, Australia and the UK are amongst a wide range of destinations to offer targeted digital marketing support to tourism businesses. In the UK's case this includes investment in technology solutions – e.g.: Tourism Exchange GB, to improve the availability of product on online distribution platforms, especially from SMEs.



England has a world class tourism infrastructure and product development fund - the 'Discover England Fund' which supports the development of experiences such as the "Great West Way" touring route.



The programme is based on detailed research – both on visitor interests, target market segments and case study examples from around the world.

REGULATIONS & WORKFORCE ISSUES.

Finally, tourism capability building efforts often extend into other areas of business competitiveness including reviewing regulations and tackling workforce issues, including challenges with seasonal workforce and skills. Finland's 'Tourism 4.0' industry development programme (see the Finland section of this report) is perhaps the most comprehensive version of engagement on these topics.

PRODUCT DEVELOPMENT

Most of the destinations reviewed had active programmes to empower and support the development of new tourism product and experiences. In many cases this was an extension of community or industry education workshops run in rural areas – often with grants or cooperative funding on offer. Amongst these wide range of product development programmes, England and the UK stand out with the Discover England Fund, which targets product development in regional and rural England to drive dispersal, including an emphasis on off season travel (Scotland, Wales and Northern Ireland have similar programmes).

RESOURCES & NOTES:

1. Slovenia Tourism Board 2018/2019 Work Programme: <https://www.slovenia.info>
2. Travel Oregon's Rural Tourism Studios: <https://industry.traveloregon.com/opportunities/programs-initiatives/oregon-tourism-studios/rural-tourism-studio/>
3. Colorado Tourism Office CRAFT Studios <https://industry.colorado.com/colorado-rural-academy-tourism-craft>
4. Tasmania's Digital Ready for Business Programme <https://digitalready.tas.gov.au/>
5. Tourism Exchange GB: <https://trade.visitbritain.com/txgb/>
6. Finland's 'Tourism 4.0' Program: <https://tem.fi/en/tourism-4.0-action-programme>
7. Discover England Fund: <https://www.visitbritain.org/discover-england-fund-overview>

SEE OUR LIST OF SOURCES & RESOURCES FOR A FULL SUMMARY



HIGHLIGHTS

EVENT FOCUS

Events provide compelling reasons for visitors to travel to regional destinations and/or travel in the off season. Destinations need a proactive event strategy at both a regional and state/provincial and/or national level.

PICK WINNERS

The evidence is clear - public funding support can be essential to launch and/or scale an event. However, public support must be targeted, contestable and cooperative – a mix of central and local government funding with private partners. The six-part model outlined in this report (Silverlining Strategy) provides one sound model for picking event winners. (2)

WIDER BENEFITS:

Successful events resonate beyond visitor opportunities. They enrich communities, celebrate unique history, cultures or traditions or empower other parts of the community and economy, for example: local food, artists, music or entrepreneurs. In picking winners be sure to value these wider community, business and cultural benefits.

WHY THIS MATTERS:

- Events can be transformational to regional destinations seeking to create reasons to visit – particularly in the shoulder or off season.
- Events can be influential beyond generating visitor nights and spending – helping shift the perception of a destination as a great place to visit, study, do business or even live.
- There is clear evidence that public agencies (with private partners) have an important role to encourage, empower and actively support regional events.

Events have been an important part of tourism from historic times when religious events brought people together in a special location. Today, around one third of domestic visitors in most Western markets report (1) having travelled in the previous year at least once to an event – whether it be sporting, cultural, food or religious.

In Australia, a world leader in regional events, there has long been a consensus that “Events are important drivers of regional tourism” (see below).

For regional destinations events can be particularly impactful, as a range of the destinations we reviewed illustrate:



Dark MOFO (see image) is a ‘fringe’ music, arts and food festival held in Launceston, Tasmania (3). Dark MOFO spun out of a successful



Figure 1 Dark MOFO, held for a week around the shortest day of the year in Launceston, Tasmania, Australia, has been a transformational event for a city previously seen as unexciting to visit - especially in late June.

summer arts event, with this winter solstice version transformational for this regional city in Australia’s smallest state. Dark MOFO has helped transform the image of Tasmania as an exciting, even ‘edgy’ place to visit – even during the off season. It is now supported by Tourism Tasmania and a wide range of private sponsors, and this support has helped grow the event into one of Australia’s iconic winter festivals.

Australian cities and states have a long track record of creating and/or building successful off-season events.

Sydney’s VIVID arts and ideas festival is perhaps the most striking example. Direct incremental visitor spend has dramatically grown, while public subsidy of the event has sharply declined – highlighting a critical best practice of public support helping create and/or grow an event and then stepping back as it gains attendance and builds commercial opportunity. This focus on off-season events has expanded from major cities to also actively facilitating regional events.

For example, Visit Victoria has moved the popular music and arts festival White Nights to the off season, and, in addition to the Melbourne festival, is partnering with the Victorian community of Ballarat to run a regional version.



“For 57% of first-time visitors to the region, the event was the main reason for visiting; likewise for 69% of repeat visitors. Three-quarters of event attendees would not have gone to the destination on this occasion if not for the event.” Tourism Research Australia “Events – Drivers of Regional Tourism” (5)



Most of the destinations we reviewed have some form of proactive and coordinated national, state or provincial support or funding for events. This includes Oregon, Colorado, Arizona, Ireland and Slovenia and Sweden:

“We work intensely with events as a driver for the destination. It is important to us, because we have limited marketing budgets. Events are always good ‘reasons to go’, but also platforms for visibility.”

Therese Sjölundh, CEO,
Destination Åre AB

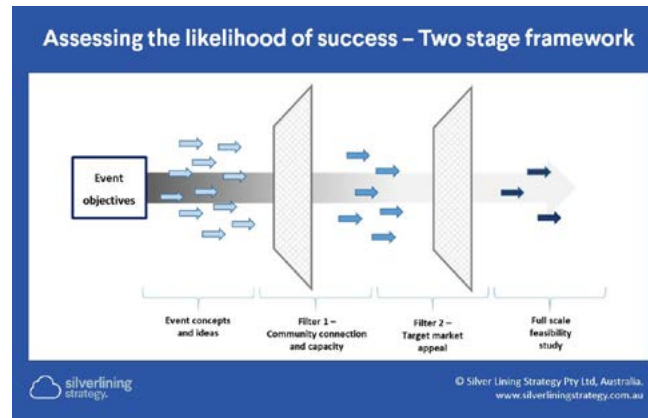
However, Australia stands apart as the most successful destination to support regional events over several decades.

All the Australian states have some form of event incubation and/or support services including, in most cases, an active regional event fund which targets funding to new or existing events with significant opportunity and/or in critical regional locations. (4)



The Boggabri Drivers Campfire is an example of a smaller (but growing) event in New South Wales, Australia with strong community and heritage benefits.

Destination NSW has one of the longest running event funds (since 1996) over which time they have supported 380 separate events, most of them across regional New South Wales. Some, like the Boggabri Drivers Campfire tap into the heritage and history of regional NSW and have slowly built a loyal following. Events of this type are as much an investment in heritage and community as they are in tourism development.



Picking winners is obviously a critical part of success in supporting events. Stu Spiers who worked at Destination NSW (and was involved in the launch of Sydney’s Vivid festival) has developed a robust methodology for assessing events (see below). The model assesses the likelihood of event success against two filters – on both the supply and demand side of the event business. The first, **Community Connection and Capacity** covers three areas of assessment: i. alignment with community values, ii. event delivery capacity and iii. key stakeholder support. The second, **Target Market Profile & Appeal** assesses the event against: i. its unique points of difference, ii. the target audience profile and iii. planning & positioning including the availability of dates.

Measurement of results and event impact needs to be a critical part of event support. Events usually need several years to build support – but also need objective measurement to assess progress, reaffirm viability and guide decision on when and how to reduce government financial support. For example, Visit Victoria requires economic impact studies of all events over a certain size and assesses the overall impact of their regional efforts through visitor perception and conversion studies.

Figure 3 c. Event Feasibility Model. Stu Speirs, Silverlining Strategy, Australia. <https://www.silverliningstrategy.com.au>

RESOURCES & NOTES:

1. Research on event travel from the State of the American Traveler 2009 - 2019. Destination Analysts.
2. Event Feasibility Model. Stu Speirs, Silverlining Strategy, Australia. <https://www.silverliningstrategy.com.au>
3. Dark MOFO website: <https://www.darkmofo.net.au/>
4. Tasmania, Victoria and New South Wales event strategies and/or regional event funds – see individual state report pages.
5. “Events - Drivers of Regional Tourism”, Tourism Research Australia 2014

SEE OUR LIST OF SOURCES & RESOURCES FOR A FULL SUMMARY





HIGHLIGHTS

PUBLIC AND PRIVATE

Successful emerging regions often have both local and central government providing support but always with energetic private business partners. This includes generating a mix of public and private revenue, and offering specific bookable product in every campaign.

COORDINATING AGENCY FOR DOMESTIC OR IN-STATE TOURISM

All but the small nation of Slovenia has some type of coordinating national (or state/provincial) agency for domestic tourism. Such an entity can be largely DMO and industry-led as in Finland, provide an umbrella national campaign to target a specific group (for example, millennials) as in Canada and the UK, or can take more of a leadership role – more directly managing regional DMOs as in the Australian States or Ireland. There is likely no one ‘best practice’ model, but some type of solution is essential to activate the all-important domestic market for dispersal and off-season travel.

NATIONAL AND LOCAL

A wide range of the destinations we reviewed have some type of ‘macro regional’ DMO structure – including the Australian States, Oregon, Ireland and Slovenia. While they present their own challenges – especially in the absence of macro regional funding – they can make real sense for visitors, for tourism partners and for scale and efficiencies.

FOCUSED INTERNATIONAL MARKETING ORGANISATION

From this international review, it is clear a stand-alone marketing organisation largely or entirely focused on international visitor marketing still has merit. Almost all the countries have retained this model.

WHY THIS MATTERS:

- Nations and states or provinces need to match the outcomes they are seeking from domestic tourism with a well aligned industry structure and allocation of resources.
- Few if any of these best practices can be implemented without the right industry structure of public agencies, private sector partners and funding models that support them.

Getting the right outcomes in travel and tourism relies on having the right industry structure – including the right balance of public entity roles, responsibilities, skills and funding.

In reviewing international best practices six areas emerged as being critical to getting this alignment right. We draw on examples from across all the nations, but Finland and Ireland emerged as offering the most comparable examples for New Zealand.



Figure 1 Tourism Ireland is focused 100% on international visitor marketing. Fáilte Ireland – the national tourism development authority has even greater funding to build industry capability and capacity, coordinate regional DMOs & empower domestic tourism marketing

PUBLIC AND PRIVATE PARTNERSHIPS

Successful regional tourism development needs to be a smart balance of central and local government with the private sector.

Government support is usually essential to help fund many of the best practices outlined in this report for regions, but services should typically be co-op based, including contributions from private business. Partnerships should offer value to the business community – and this should be reflected in the co-op funding models they rely on. This is the case in many of the destinations we reviewed from Victoria, Australia to Finland, Oregon, USA to Slovenia. (1)

BALANCED INDUSTRY ORGANISATIONS

Both Ireland and Finland have dedicated international tourism marketing organisations; Tourism Ireland and Visit Finland. Like Tourism New Zealand they are solely focused on marketing to international visitors. Balancing these organisations, both nations also have separate and substantial organisations to tackle the full range of tourism development and management issues facing each nation.

Figure 2. The Slovenia Tourism Board takes a partnership model to many of its programmes asking private businesses to reach a minimum standard and/or invest to participate in programmes



Fáilte Ireland, the National Tourism Development Authority, has wide responsibilities including industry capability building, product and event development, operating the nation’s visitor centres and coordinating domestic tourism. (2) These responsibilities receive a high degree of focus and support - Fáilte Ireland has an annual budget of just under \$90 million USD (80 million euro) vs. Tourism Ireland which receives just over \$50 million USD (45 million euro).

Finland has a similar funding balance, though with smaller amounts. (3) Visit Finland receives dedicated funding of just \$12-15 million USD per annum. Multiple government agencies support tourism development under the leadership of the Ministry of Economic Affairs and Employment, collectively investing \$15-25 million USD in regional tourism development and business capability building, including the ‘Tourism 4.0’ development goals. This includes funding from the EU rural & structural programmes and grants for SME investment and development.

Figure 3. Visit Finland is focused 100% on international marketing - while the Ministry of Economic Affairs & Employment works with industry association Suoma to target the domestic visitor market

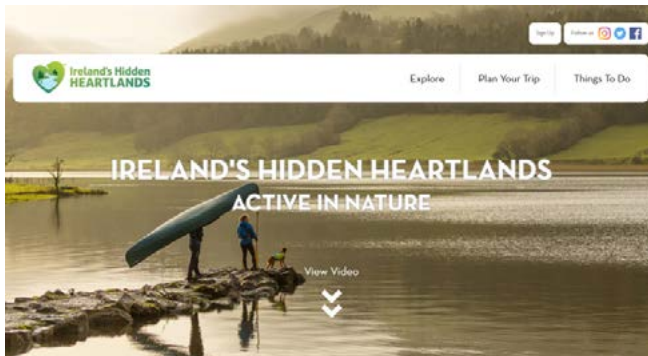


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COORDINATING ENTITY FOR DOMESTIC TOURISM

In larger countries with state or provincial tourism offices, the need for coordinating domestic tourism efforts is limited. These entities have the budget and scale to take the lead in most situations. National investment in domestic programmes tend in these larger nations to be specific and targeted; for example, Destination Canada or Visit England/Britain's millennial campaigns.



However, in smaller countries such as Ireland or Finland this is not the case. In comparison to New Zealand, Ireland and Finland both have single or multiple entities that take the lead at a national level on domestic tourism.

Fàilte Ireland makes this investment through the four macro regional entities – working with local communities and the private sector to market the more remote parts of the country – for example, the 'Hidden Heartlands' region.

In Finland's case the national domestic tourism marketing campaign '100 Reasons' is led by Suoma – the Finland Association of Tourism Industry Associations, combining both DMOs and industry partners. They receive some support from the Ministry of Economic Affairs and Employment, including content readily adapted from international marketing for a domestic audience (for example, the 'Welcome to Finland – Travel Near' influencer video).

Figures 1 & 2: Nationally coordinated campaigns in both Ireland and Finland seek to build domestic travel to lesser known parts of their country - especially in the off season.



THE RIGHT NUMBER AND TYPE OF DMOs

Around the world the number and diversity of DMOs often present challenges, following local political boundaries with little relationship to tourism and with widely varying capabilities and resources. Many of the nations and states we reviewed have taken steps to address this issue by creating larger 'macro' regions to help coordinate and support local DMOs and to generate some efficiencies of scale. All the Australia states, plus Oregon and Colorado in the US, plus Ireland have some form of macro regions, as does Slovenia.

Ireland has the most tightly controlled model with four regions, with a high degree of funding, staffing and management provided from the national level. For example, the macro region 'Wild Atlantic Way' on Ireland's west coast has 20+ Fàilte Ireland staff based in the region. There are clear benefits in such a model – but finding the right balance between national efficiencies and local control and flexibility is important. No one model stood out as 'best practice' and likely the answer is finding the right balance that works for your own country, state or province.



Figure 3 The Slovenia Tourism Board engages with their 35 individual DMOs via 4 macro regions



NATIONAL VS. LOCAL/REGIONAL CONTROL AND MANAGEMENT

The issue of 'macro regions' is one part of the critical issue of local/regional vs. national control of tourism development. Successful tourism development needs to be guided by the local communities but within a national framework. These national policies, and in some cases laws, need to be responsive to the local concerns and needs of regions.

NATIONAL OR STATE/PROVINCE VS. REGIONAL FUNDING

Finally, finding the right balance of national vs. regional capabilities depends in large part to having the right funding sources. A number of the destinations studied have either a bed tax or some form of Tourism Improvement District – often down to local counties or cities. These provide robust, consistent funding to local DMOs. Without such revenue streams, funding of local government and DMOs can be uneven and poorly aligned with the demands of a growing tourism industry. From our review of international best practice there appears to be two possible options:

- i. Responsive, national funding: Developing a bi-partisan commitment from national or state governments to develop a responsive budgeting process to support regional tourism – for example to increase funding as tourism grows.
- ii. Local and/or regional revenue streams: This include options such as bed taxes or Tourism Improvement Districts. These regional and local funding models need a robust framework for gathering revenue and for how funds will be invested in order to avoid money being diverted away from tourism. For example, a major study by US Travel and Civitas Advisors in 2018 highlighted that 50% of bed tax revenue raised by US cities is spent in areas with little or nothing to do with tourism. (5)



Figure 4 A study by US Travel and Civitas in 2018 highlighted that over 50% of bed tax revenue goes into the consolidated fund of City Government

RESOURCES & NOTES:

1. The Slovenia Tourism Board <https://www.slovenia.info/en/business/about-slovenian-tourist-board>
2. Fáilte Ireland <http://www.failteireland.ie> and Tourism Ireland <https://www.tourismireland.com/>
3. Visit Finland <https://www.visitfinland.com/> and Suoma – National Association of Tourism Associations <https://100syyta.fi/>
4. Finland's Ministry of Economic Affairs and Employment - Tourism 4.0 programme: <https://tem.fi/en/tourism-4.0-action-programme>
5. Lodging Tax Review US Travel Civitas Advisors 2018 <https://www.ustravel.org/research/lodging-tax-review-how-assessments-work-your-destination>

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DMO INTERNATIONAL BENCHMARKING

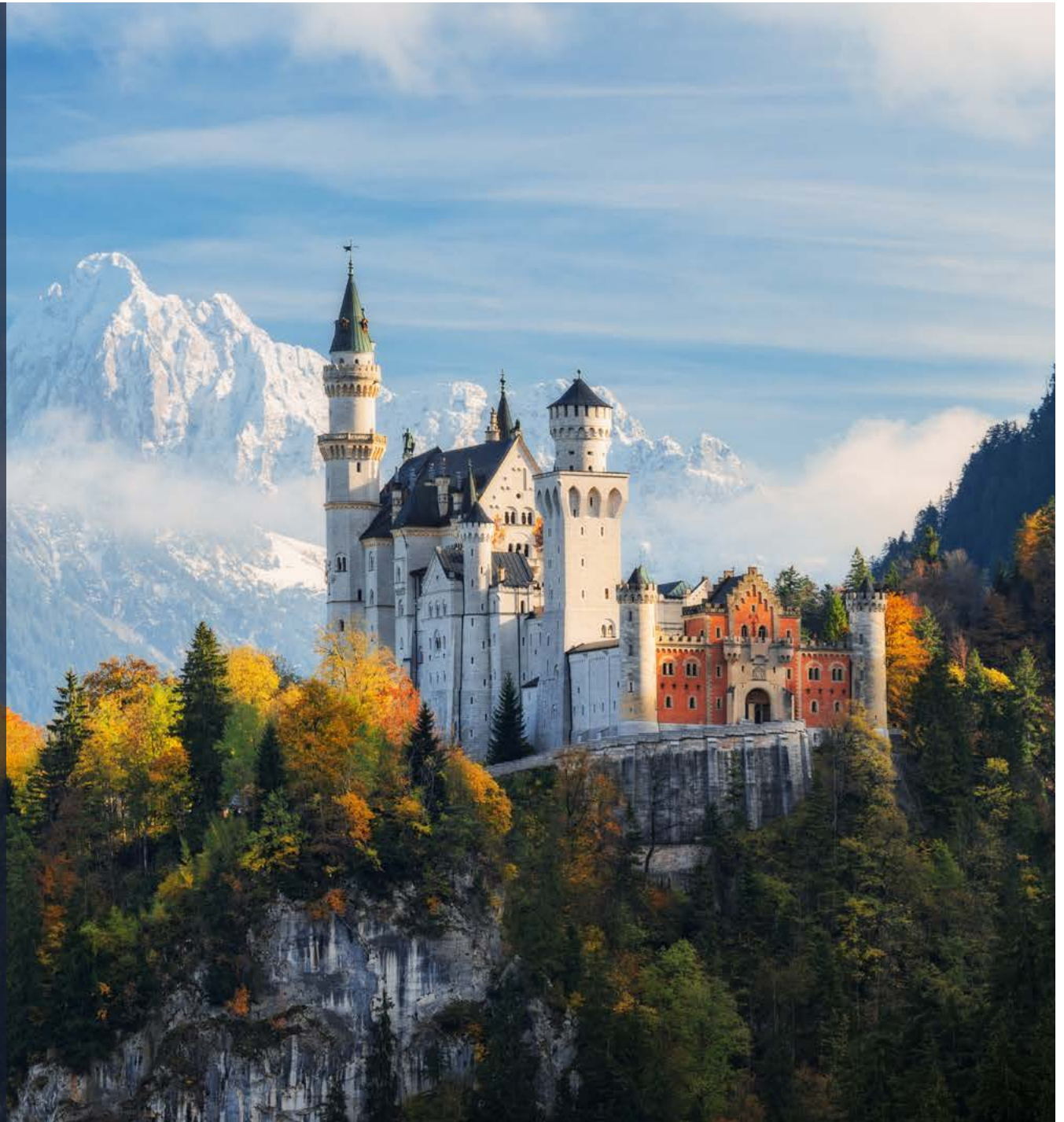


DOMESTIC TOURISM BEST PRACTICES

INTERNATIONAL BENCHMARKING: 12 DESTINATIONS

SUMMARIES OF DESTINATION REVIEWS,
STRATEGIES & PROGRAMMES TO DRIVE
REGIONAL AND SEASONAL DISPERSAL
AUGUST 2019

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DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

AUSTRALIA NEW SOUTH WALES

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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THE HUNTER VALLEY'S "Here's to the Good Life" campaign

REASON FOR INCLUSION

The New South Wales State Government (via Destination NSW) has established six new Destination Networks to facilitate visitor economy growth at a local level by attracting more visitors to experiences and destinations in regional areas across New South Wales.

KEY SUCCESS FACTORS

- Funding is available across three programmes Regional Tourism Co-operative Marketing, Regional Tourism Product Development and Regional Flagship Events.
- 13 different campaigns have already been supported with up to \$105,000 USD in funds (matched locally dollar for dollar) from Destination NSW. Campaigns have been procured centrally to create economies of scale.

STRUCTURE, STRATEGY AND FUNDING

Destination Networks (DNs) were announced in 2017 along with an investment of \$30 million USD for a four year programme. Each DN has a General Manager based in the region and is supported by a Tourism Development Manager in Sydney.

A new Statewide Destination Management Plan was released in February 2019.

HOW SUCCESS IS MEASURED

Destination NSW are targeting 10% annual growth in overnight tourism expenditure in Regional NSW for 2020 / 2021 compared to an 8% state-wide growth target. Campaign / investment targets are agreed separately.

ACTIVITIES/INTERVENTIONS

A NEW REGIONAL PRESENCE

Destination NSW has set up 6 regional offices to support the shires / councils

COOP MARKETING & EVENT FOCUS

A variety of campaigns are being funded and procured centrally. Funding of \$100,000 to \$500,000 (Must be matched dollar for dollar in cash)

Regional Flagship Events Programme offers 3 funds of up to \$50,000 from incubator to development of established events

PRODUCT DEVELOPMENT

Many accommodation projects have been funded to date but the focus is shifting to touring routes and attractions. Funds available from around \$10,000 to \$100,000 USD.

REGIONAL ACTIVITY BUT MANAGED CENTRALLY

The 6 Destination Networks (DNs) each have an independent board and their own General Manager plus administration staff. There is also a regional tourism development manager supporting each DN based in the Sydney office of Destination NSW. Although based in the regions they serve, it appears that there is centralised management of campaign activity to pursue economies of scale even though each campaign is distinctive to each DN.

DNs have funding from Destination NSW to support destination management over four years. The measures of success across the DN's appear to be statewide - in the form of growing visitor expenditure in regional areas of NSW by 10% in 2020/21 compared to the statewide average growth target of only 8%.



INTRA-STATE MARKETING CAMPAIGNS

NSW are funding a series of separate campaigns e.g. 'Unspoilt' for Shoalhaven City Council and others south of Sydney and 'Here's to the good life' for the Hunter Valley Wine and Tourism Association. These are intra-state campaigns primarily targeting Sydney residents.

The campaigns are designed as cooperative between the State and local councils. It appears that local councils are buying in to support the campaign activity of their area but individual businesses are not (yet). Changes to the DN programme are soon to be announced - possibly to extend the duration of the programme.

One smaller region interviewed (Destination Southern Highlands) said that they haven't applied for campaign support because they would struggle to fund the \$70,000 USD in match funding from their local council.

COMPREHENSIVE EVENT SUPPORT

Since it was established in 1996, the Regional Flagship Events Programme has supported 380 separate events across Regional NSW. Now, under the same name, the fund offers 3 types of support:

- The Incubator Event Fund offers one-off annual grants of up to \$14,000 USD to events in Regional NSW to support costs.
- The Flagship Event Fund offers an annual grant of \$14,000 USD or a triennial grant of 20,000 USD per annum.
- The Event Development Fund will offer one-off grants of up to \$35,000 USD to support initiatives to increase overnight visitation to the event. To be eligible, an event must have received triennial funding through the Flagship Event Fund.

SOME REGIONS STILL OUTSIDE THE TENT

There has been a huge capital injection into growing visitation across regional NSW via the DNs. Some limitations to the current approach have been pointed out:

- Campaign thresholds of \$70,000 USD are not suited to smaller councils.
- Some regions are passionate about retaining their own campaign activity to be distinctive.
- Events in traditional peak seasons are not supported however some areas have significant accommodation capacity during their peak months. The form of growing visitor expenditure in regional areas of NSW by 10% in 2020/21 compared to the statewide average growth

SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

- Richie Robertson, General Manager, Destination Riverina Murray (one of the 6 DNs)

- Steve Rosa, Group Manager Tourism & Economic Development, Destination Southern Highlands

KEY PUBLICATIONS INCLUDE:

- Statewide Destination Management Plan (2019)

- NSW Destination Networks Plan (2017)
- Guidelines-Coop-Marketing-2018-19
- Regional Tourism Product Development Programme
- Regional-Flagship-Events-Program-Factsheet



DMO INTERNATIONAL BENCHMARKING



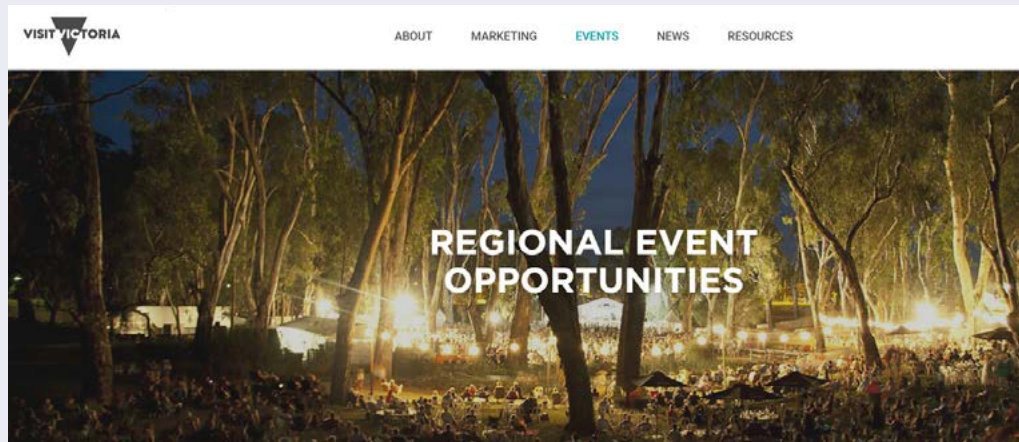
DOMESTIC TOURISM BEST PRACTICES

AUSTRALIA VICTORIA

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

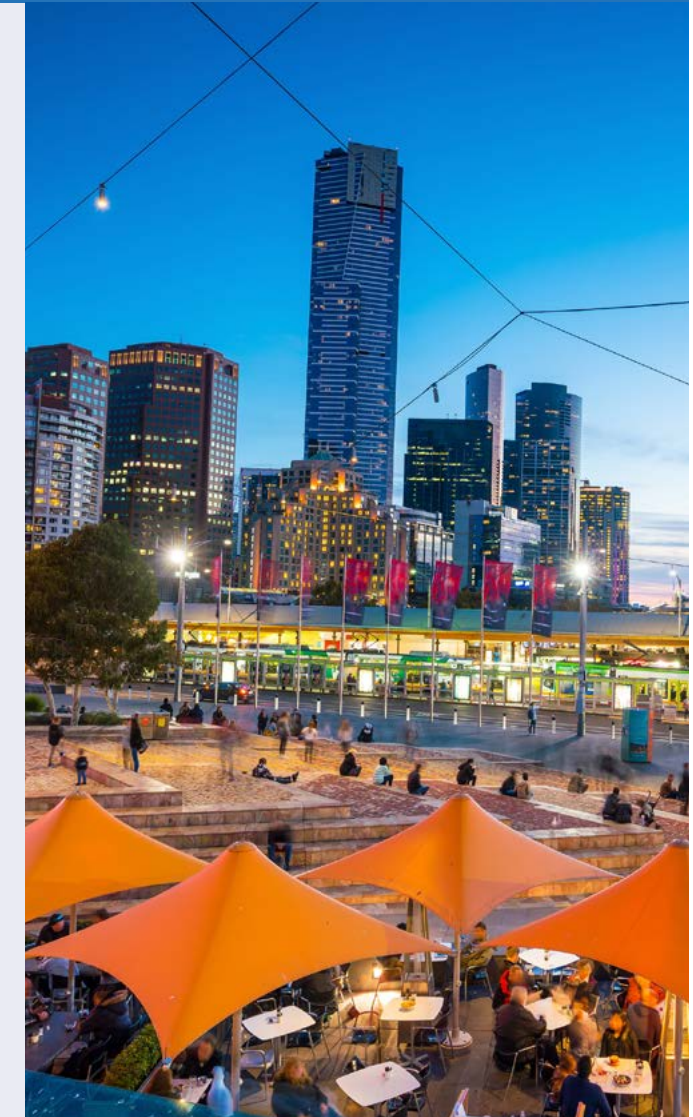
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STRUCTURE, STRATEGY AND FUNDING

Visit Victoria is funded by the State Government (~\$50 million USD budget) and also provides funding to 12 macro-region 'Regional Tourism Boards' to help coordinate the 20+ community tourism entities in the state.



REASON FOR INCLUSION

Victoria has been an international leader in leveraging events to stimulate travel for both off-season visitation and to drive dispersal

The state is also a global leader in activating intra-state travel from its largest city, Melbourne, to provide the foundation of the visitor economy and tourism growth in regional Victoria.

KEY SUCCESS FACTORS

- Balance of investment in major events – increasingly focused on off-season and targeted regional events.
- A campaign that taps into the yearning of major city residents to relax, revitalise and recharge – in an easy and accessible trip. In short to find 'Your Happy Space'.
- Rigorous selection process of 'picking winners' in events using a systematic process
- Range of assessments and measurements around the effectiveness of campaigns

There is a consensus that 12 is too many, but driving further consolidation has been difficult.

HOW SUCCESS IS MEASURED

Visit Victoria has a wide commitment to research and data collection across both marketing campaigns and event investment. Measurement and reporting on events includes full economic impact assessments for all events over a certain size. Visit Victoria also invests in campaign-specific perception and intention studies for most major campaigns including 'Your Happy Space' and close tracking of visitor numbers and spend in regional Victoria. This shows an 8% annual lift in visitor nights in regional Victoria – above the state average.



VISIT VICTORIA TOURISM STRUCTURE & FOCUS

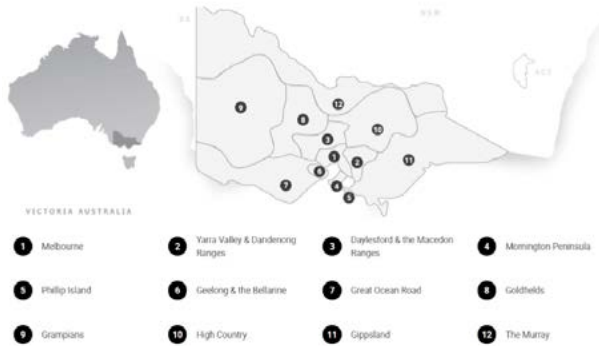


FIGURE 1: Victoria is divided into 12 macro regions - Regional Tourism Boards in part supported by Visit Victoria

Visit Victoria is the State Tourism Organisation which includes Melbourne and regional tourism marketing & event support. They describe these marketing related functions separately as ‘Demand side’ and ‘Supply side’.

Visit Victoria has an approximately \$50million USD budget with additional money from Events & Regional Development Victoria funding. A significant state commitment to tourism infrastructure is separate.

There are 21 local government (council) tourism marketing entities in the state which are aggregated into 12 Regional Tourism Boards with state & local government funding.

Even with this smaller number of tourism boards, there is broad consensus that there are too many regions, but it has proven to be difficult to consolidate this number further.

To support local government funding for tourism, Visit Victoria does make a major effort to upskill and educate local government on the value of tourism and best practice (see right).



FIGURE 2: Visit Victoria makes a major commitment to educate local government on the role and importance of tourism

VISIT VICTORIA'S MARKETING PRIORITIES

Visit Victoria's marketing efforts are equally weighted in resources and commitment to three markets covering local to international. Intra-state, inter-state and international marketing each receives around one third of budget and resources.

The relative importance of the intra-state marketing highlights the lower cost of accessing and building local, domestic visitation first for regions.

Research has highlighted the difficulty of getting inter-state travellers to visit rural Victoria; hence, to-date inter-state domestic tourism marketing has focused primarily on attracting Australians to Melbourne. Getting better inter-state dispersal of visitors is a longer-term challenge. Visit Victoria sees the development of regional product and regional events as opportunities to make progress in this area.

INTRA-STATE MARKETING

Initiated in 2014 as ‘Wander Victoria’, the intra-state campaign is now themed, ‘Your Happy Space’. This shift is based on research that showed the most compelling message for Melbourne residents was to step out of their busy, ever-frantic lives and recharge, relax and reconnect with friends and family

in rural Victoria by finding ‘Your Happy Space’. This major state marketing campaign concentrates on building visitation from Melbourne to the regions in shoulder and off-season. The current annual investment is around a \$2.7 million USD (\$4 million AUD) commitment by the state marketing and advertising programme – complemented in part by regional DMOs and business partners.

Visit Victoria invests heavily in studying the impact of the campaign including advertising effectiveness studies and consumer tracking studies to track awareness, intent and actual travel to regional Victoria.

“It [Melbourne] is the most important market we can readily influence for positive outcomes in regional Victoria”
“[The research] really does show the impact that our campaigns have on interest in visiting regional Victoria”

Julian Major, Visit Victoria

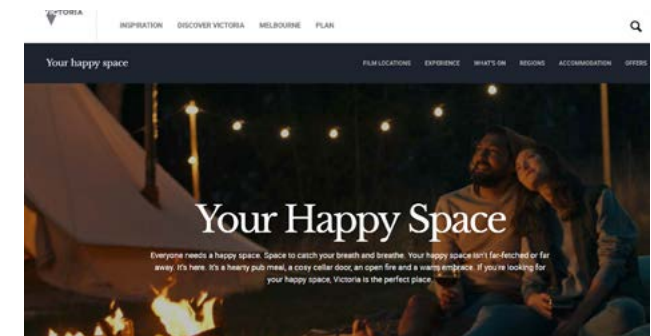


FIGURE 3: Your Happy Space is Visit Victoria's campaign to promote Melbourne residents to travel in their own state - especially in the off season



EVENT OPPORTUNITIES

The city of Melbourne and the state of Victoria have long been pioneers in using major events to drive visitation. Starting 40+ years ago, Melbourne attracted major shows in order to stimulate inter-state and international travel (initially targeting trans-Tasman visitors from New Zealand).

Visit Victoria’s recent efforts have seen an expansion and refinement of their long-term commitment to events. This has included a more balanced approach between major events (mainly in Melbourne) and regional events and a redoubling their efforts to build compelling reasons for off-season travel.

For example, some major events such as Melbourne’s White Night have been shifted to off-season months (August) and also launched as a regional version of the event in Ballarat, Victoria (September).

The state has long invested significantly in its Regional Events Fund – a fund that has supported hundreds of events across the state.

Visit Victoria see events as critical drivers of off-season and shoulder travel but acknowledge it can be challenging to identify the right events to invest in. In short, ‘picking winners’ is tricky. They have responded by including in their Regional Events Fund a rigorous selection process; a long-term commitment to working

with events; and, finally, a careful event impact evaluation process to assess results. Indeed, this is an independent economic impact assessment of all events over a certain size.

The six-part review and selection process is similar to one developed by Silver Lining consultants (who have worked across Australia on event development).



FIGURE 4: The popular ‘White Night music, food and arts festivals has moved to August in Melbourne and is also run in regional Victoria



FIGURE 5: Visit Victoria has long had a Regional Event Fund but acknowledge that ‘picking winners’ is tricky.

SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

Julian Major, Head of Consumer Insights, Visit Victoria
 Stu Spiers, Silver Lining Event Strategists, Australia

KEY PUBLICATIONS INCLUDE:

- Visit Victoria Visitor Strategy 2016 -2020
- Your Happy Space Campaign Industry Resources
- Regional Events Fund Guidelines
- Regional Events Application Form

- More information on: **Melbourne and Ballarat’s White Night.**
- Event Feasibility Model. Stu Speirs, Silverlining Strategy, Australia.
<https://www.silverliningstrategy.com.au>

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

AUSTRALIA TASMANIA

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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REASON FOR INCLUSION

Tasmania has significant challenges in flight connectivity but has generated strong growth in recent years including some remarkable event success and commitment to industry education.

KEY SUCCESS FACTORS

- Iconic regional events including Dark MOFO – the arts, music and food festival held in Launceston at the start of winter.
- A focus on digital marketing education – in collaboration with other government agencies.
- Tight coordination and management of regional tourism including a new macro regional structure of 4 macro DMOs.

STRUCTURE, STRATEGY AND FUNDING

Tourism Tasmania is the state tourism organisation which provides funding and oversight over four macro regional tourism organisations covering the Island State.

Events Tasmania is a sister organisation focusing on major events, meetings and conventions.

Tourism Tasmania also works closely with other agencies on capability including the Digital Ready programme for Tasmania business from the Tasmania Government.

HOW SUCCESS IS MEASURED

Tourism Tasmania has state-wide and regional tourism measurements including specific measurements for visitor volume, visitor expenditure, tourism related employment and visitor satisfaction. They have specific measures based on dispersal targeting 68% of all visitor nights to the state being spent outside Hobart by 2020 (up from 66% currently). Major events are subject to targeted economic impact assessments.



Image: Events are an important part of Tasmania's strategy to drive off season travel & dispersal

TASMANIA TOURISM STRUCTURE & FOCUS

Tourism Tasmania is the State Tourism Organisation for Tasmania and operates with a budget of approximately \$22 million USD per annum with some additional support and monies for specialist projects from other State agencies.

Tasmania has developed and refined a partnership model with four Regional Tourism Boards (RTBs) – macro regions covering the East Coast (including Hobart), North, North West/ West Coast and South of Tasmania. Funding is a joint state government–local government model with the Tourism Tasmania contributing at least 50% under the new agreement. Though these RTBs retain some degree of autonomy, Tourism Tasmania's oversight and direct management of these DMOs has strengthened (along with this increased funding support) in recent years.



The new Tourism Tasmania Corporate Plan published in July 2019* strengthens their commitment to a range of broader responsibilities including destination development and industry capability building and proactively engaging with communities:

“apply a destination management mindset to all its work and clearly demonstrate [tourism’s] value to the Tasmanian community”

The focus on dispersal & addressing seasonality was also strengthened.

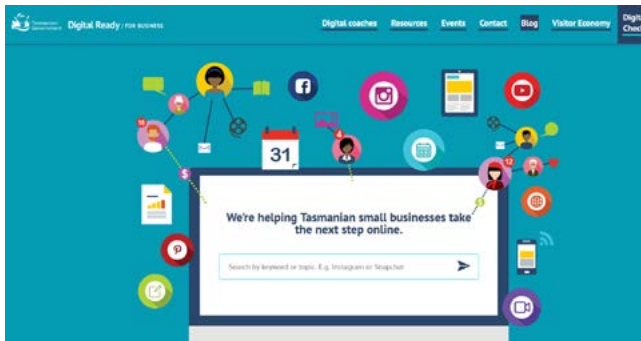


FIGURE 1: Tourism Tasmania works with the State Government to customise the State's 'Digital Ready' programme for the tourism industry

DESTINATION DEVELOPMENT

Tasmania's tourism strategy 'T21', first launched in 2015, has increasingly emphasised both qualitative factors in tourism and broader destination management goals as critical to the growth of tourism in the state. The initial strategy identified increasing yield and also dispersal across the state as priority. Recent updates have identified other critical priorities:

BUILDING CAPABILITY, CAPACITY AND COMMUNITY

including expanded investment in industry training programmes such as a 'Great Customer Experience' training programme and delivering the state's 'Digital Ready' workshops to over 600 industry participants around the state.

INVESTMENT IN QUALITY VISITOR INFRASTRUCTURE

as in many destinations, Tourism Tasmania is working with the State Government on an expanded investment programme focused on tourism. This includes both 'hard' infrastructure investments, for example, a \$50+ million USD investment in tourist focused roading projects and 'soft' infrastructure including new national parks master plans.



FIGURE 2: Dark MOFO is a music, arts and food festival held at the start of winter each year in Launceston, Tasmania

EVENT STRATEGY

Tasmania has long recognised the opportunity of events to generate real tourism growth and change perceptions about the State. This is an important part of their targets of reaching 1.5 million visitors by 2021 – and more importantly growing spend above this level of growth. Currently just 70,000 travellers (out of 1.3 million in total) to the state are travelling specifically for events.

Tasmania's event ambition has been constrained by limited airline connectivity from the mainland and the cost of this air travel. Addressing this issue is a major area of focus for the new 2019–2022 Tourism Tasmania Corporate Plan, working with the airport, business community and other government agencies.

Reflecting on these constraints, and the modest sizes of its event facilities, Tasmania's goal is to be 'the boutique events capital of Australia'.

To this end it has created some innovative and nationally, if not internationally, recognised events.

Of these Dark MOFO is one of the most remarkable. Dark MOFO was a spin off a successful summertime event; 'MONA FOMA' – an acronym for Museum of Old and New Art: Festival of Music and Art – which was further shortened to MOFO. This summer event dates back to 2006 and is an important arts event for the state.

Dark MOFO emerged in 2013 and despite its June (early winter) dates, rapidly generated buzz and growing attendance based on its 'edgy' content. The event combines an eclectic mix of arts, music and winter food/feasting which *'due to its pagan influence and darker theme . . . has been aligned with the Tasmanian Gothic aesthetic in literature and art'*.*.

This 'fringe' music, arts and food festival has been transformational for this regional city in Australia's smallest state. Dark MOFO has helped transform the image of Tasmania to an exciting, even 'edgy' place to visit, even during the cool, wet, winter months. It is an example of how existing events can spawn other even more interesting opportunities. Now supported by Tourism Tasmania and a wide range of private sponsors, this support has helped grow the event into one of Australia's most interesting and successful winter festivals.

SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

Alison Anderson, Manager Research & Insights, Tourism Tasmania

KEY PUBLICATIONS INCLUDE:

- Tourism Tasmania T21 Growth Strategy 2015 - 2021
- Tourism Tasmania T21 Progress Report to May 2019
- Tourism Tasmania 2019 to 2022 Corporate Plan
- Tourism Tasmania Events Strategy 2015
- Description of MOFO & Dark MOFO – Wikipedia https://en.wikipedia.org/wiki/MONA_FOMA
- Tourism Tasman Regional Tourism Structure <https://www.tourismtasmania.com.au/industry/regional-tourism>

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

USA ARIZONA

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
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REASON FOR INCLUSION

Arizona have a successful intra-state marketing commitment that seeks to lessen the impact of seasonality and facilitate visitor dispersal.

The state has a long-term commitment to working closely with DMO and other key stakeholder groups including Native American nations.

KEY SUCCESS FACTORS

The Arizona Tourism Office collaborates successfully with a range of partners including a non-profit organisation, 'Local First', which seeks to build a diversified economy by supporting locally-owned businesses and promoting 'buy (and travel) local' messaging.

STRUCTURE, STRATEGY AND FUNDING

The Arizona Office of Tourism is a State Agency funded from State revenues collected from the tax on Native American Casino operations. The Office of Tourism focuses on intra State travel (to help with seasonality and dispersal), domestic tourism and international visitor marketing (with Brand USA).

HOW SUCCESS IS MEASURED

The Arizona Office of Tourism invests in a range of state-wide tourism research on visitor spending and volume. Campaign-specific measurement solutions include advertising-perception studies and working with 'big data' provider, Adara, to drill down to data that indicates actual bookings generated by campaigns. In addition, Arizona works closely with its partners including surveying them on their specific needs for the year ahead.

ARIZONA OFFICE OF TOURISM STRUCTURE AND FOCUS

The Arizona Office of Tourism is a state agency funded by a portion of hotel taxes, car rental surcharges, and contributions paid to the state by Native American nations from casino revenues. The Office's 2018/19 budget was approximately \$US26 million.

The Arizona Office of Tourism has a long-term commitment to driving off-season travel and dispersal to lesser known parts of the state. The 2019 travel spending data highlights the heavy concentration of spending in the Phoenix metro area and significantly smaller spend in many rural parts of the state. Spreading out the \$24 billion in direct visitor spending (2018)* is therefore an important consideration in their marketing.

ARIZONA
GRAND CANYON STATE



FIGURE 1: *Despite being a heavily visited US State by both domestic and international visitors, Arizona has long invested in marketing intra-state travel during the summer (off season) to improve seasonality and drive dispersal*



FIGURE 2: *THE PHOENIX METRO AREA DOMINATES THE \$23 BILLION VISITOR ECONOMY IN ARIZONA. Arizona Office of Tourism 2019 Industry Update.*

INTRA-STATE MARKETING

The Arizona Office of Tourism has had a long-term Summer campaign aimed at in-state residents; currently 'Summer in Arizona'. This campaign runs over a slower period for travel in Arizona – the summer school holidays (June to August). The Office invests around \$US1 million to promote travel to Arizona residents through campaigns, targeted content (for example, family travel itineraries) and special deals.

Highlighting the ease of activating the local market, in-state campaign results have been strong. The Arizona Office of Tourism tracks bookings in conjunction with data provider Adara (which aggregates hotel, OTA and airline booking data) for all their campaigns – both in-state and domestic. Arizona residents are easily the largest source of bookings over this period – outstripping travel from California and 12 to 20 times the bookings of the third and fourth-placed states Texas and New Mexico, respectively.

The opportunities to stimulate intra-state travel is boosted by the significant proportion of Visiting Friends and Relatives travel in the state with 43% of visitors reporting visiting friends/relatives



on their Arizona vacation; friends and relatives who, in turn, may choose to travel with them. This number peaks in Summer and the holiday periods of Thanksgiving and Christmas. Both in Arizona and in the other states we reviewed, VFR is an important component of leisure travel and offers the opportunity to drive off-season travel as well as travel to more rural and remote regions.

Intra-state marketing is also undertaken in collaboration with partner organisations including the Local First Arizona ‘not for profit’. This organisation promotes ‘buy local’ – and ‘travel local’ and its message of supporting local businesses – including local goods and food – aligns well with efforts to boost in-state tourism particularly to smaller, rural communities.

This hyper-local method of developing regional tourism and

“Local First Arizona is a non-profit organization that celebrates independent, locally owned businesses. Local businesses contribute to a sustainable economy for Arizona and build vibrant communities we’re all proud to call home”

Local First Arizona

generating visitor spend is also exemplified in our country review of Canada - and feedback from Nova Scotia.

INDUSTRY SUPPORT – CO-OP AND INDUSTRY EDUCATION

Like many state tourism offices, the Arizona Office of Tourism has a wide range of grant and co-op programmes. These include co-op programmes specifically designed to cater to smaller and



FIGURE 3 The Arizona’s intra State marketing targets families over the summer months

more remote parts of the State. The Arizona Rural Marketing Co-operative provides support for up to \$US15,000 per marketing or advertising opportunity.

In addition, dedicated funding and support is available to support Native American communities. The Office’s Tribal Liaison Officer works with Native American communities and nations to develop co-operative marketing opportunities or identify areas in which the Office of Tourism can assist.

The Arizona Office of Tourism invests in industry training through its own events including the Arizona Governors Conference on Tourism and also collaborates with DMOs, Local First Arizona and the Arizona Lodging and Tourism Association on a range of industry education programmes



FIGURE 4: VFR visitors make up over 4 out of 10 of all travellers to the State. Source 2019 Arizona Office of Tourism Industry Update



FIND JOIN MEMBERS NEWS & EVENTS INITIATIVES ABOUT TAKE ACTION REGIONS

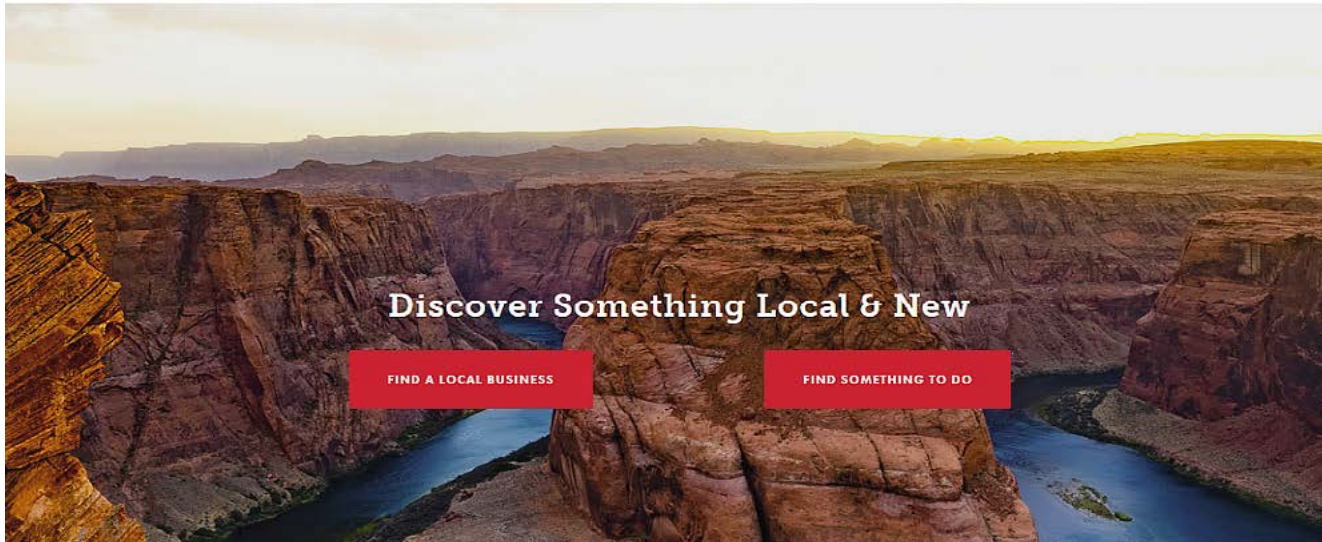


FIGURE 5 Local First Arizona is a not for profit promoting and supporting local Arizona business and in-state travel

SOURCES & RESOURCES

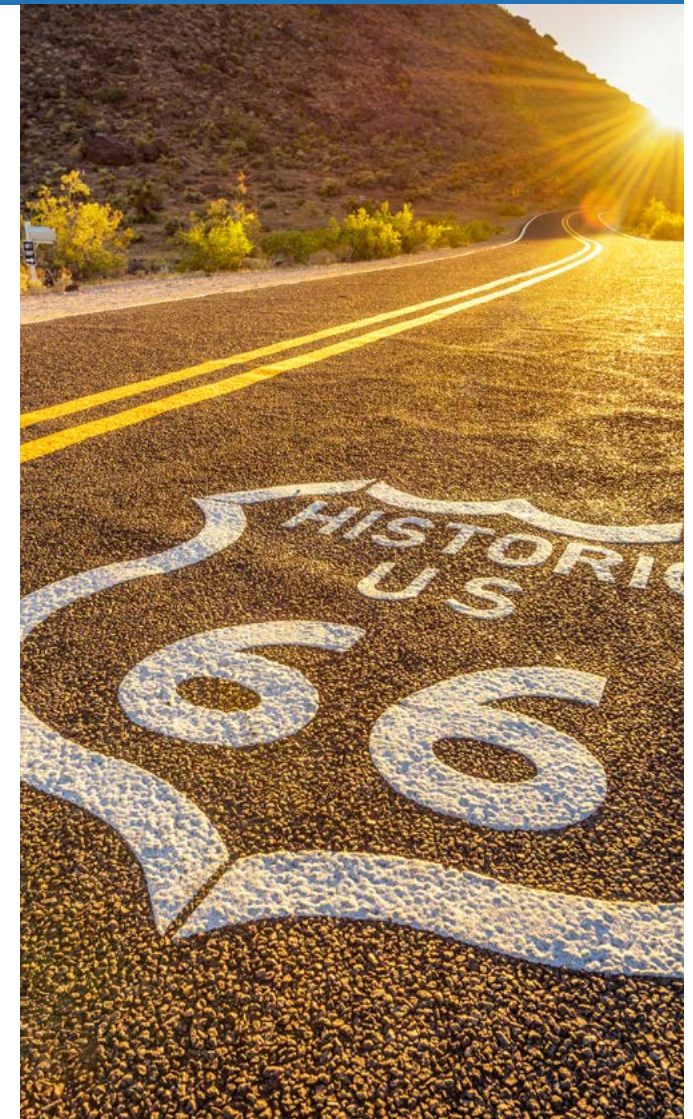
Disclaimer: The Arizona Office of Tourism works with Miles Partnership in some specific areas of marketing including the publication of its Official State Tourism Guide

INTERVIEWS & INFORMATION FROM:

Colleen Floyd, Arizona Office of Tourism, Director of Research
 Jamie Daer, Arizona Office of Tourism, Director of Advertising
 Becky Blaine, Arizona Office of Tourism, Deputy Director

KEY PUBLICATIONS INCLUDE:

- Arizona Industry Update Arizona Office of Tourism 2019 <https://tourism.az.gov/wp-content/uploads/2019/07/2019-GCOT-Research-Presentation.pdf>
- Arizona Office of Tourism Summer Campaign www.summerinaz.com
- Arizona Office of Tourism – Marketing Cooperative Summary 2019
- Local First Arizona: <https://www.localfirstaz.com/>
- Arizona Office of Tourism Indian Outreach: <https://tourism.az.gov/american-indian-outreach/>



DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

USA COLORADO

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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CAPTION: The Colorado Tourism Office has a range of support programmes for destinations, industry and not for profits to help build opportunities for rural and more remote parts of the State.

REASON FOR INCLUSION

The US State of Colorado – along with Oregon, are the clear leaders State Tourism Offices for supporting the development of regional tourism economies and sustainable travel.

They have a range of support programmes ranging from their CRAFT educational workshops targeting rural communities to an innovative mentorship programme, or educating visitors through Colorado Cares.

KEY SUCCESS FACTORS

- A range of marketing grants and coop opportunities that are well suited to support rural and remote communities.
- A long term involvement in, and support of, Agri Tourism – essential for developing tourism in rural regions such as the State’s Eastern Plains.

- A long-term focus on industry education through CRAFT educational workshops and the CRAFT Mentor programme targeting rural regions.
- Colorado Cares visitor responsibility messaging offers a fun, engaging and humorous approach– often missing from visitor education programmes.
- A relatively small, adaptive and responsive staff who are tightly connected with industry and community feedback.

STRUCTURE, STRATEGY AND FUNDING

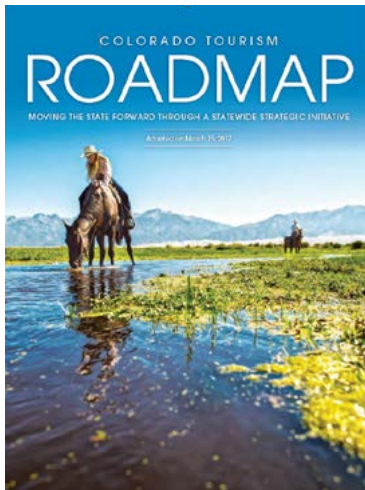
- The Colorado Tourism Office is directly funded by the Colorado legislature with a budget of approximately \$19 million USD.
- The CTO works hard to build and maintain bipartisan support for its funding after it lost most of its public funding for a over a decade from 1994.
- The CTO operates under a Tourism Strategy Roadmap that emphasizes a ‘triple bottom line’ approach.
- \$3-\$5 million USD per annum is committed to the State’s efforts to build and support widely dispersed tourism benefits.

HOW SUCCESS IS MEASURED

- The Colorado Tourism Office has a primary board to which it must report– and then specialist boards covering specific areas of responsibility, including a Destination Development Committee focused on the issues of regional tourism development.
- A Tourism Strategy Road Map ‘Tracker’ that reports quarterly on progress against the goals outlined in the Tourism Strategy.
- A range of program specific measures including online audience and engagement for the Colorado Field Guide, as well as attendance and/or feedback from CRAFT education programmes.



COLORADO TOURISM MARKETING & MANAGEMENT



The Colorado Tourism Office is well connected to the States’ legislature and key industry, community and stakeholder groups and it’s highly responsive to their needs. This is a product of the State’s history and the long term ambivalence from many residents about the speed and nature of growth – including the impact of tourism.

Denver and the State of Colorado are famously the only destination

in the world to ever turn down the Winter Olympics. The City rejected the 1976 event based on concerns from business and residents about the event’s cost and environmental impact. In 1994 the Colorado Tourism Office failed to reauthorize its State Sales tax revenue after losing the ballot measure at the 1994 elections. It took over a decade to restore significant and consistent funding for the Office, and during this time research highlighted it lost 40% of its market share of leisure travel in the US*

During these years with little or no funding, tourism industry rallied to create a “Tourism Ambassadors” programme – where tourism professionals would talk to community groups of all types, as well as politicians, about the benefits of tourism. The legacy of this industry, community and bipartisan efforts persist.

In 2017, the Colorado Tourism Office launched its strategy – the “ Colorado Tourism Road Map”* with a strong commitment to sustainable tourism, and broadly-based outcomes for all communities in the State.

REGIONAL TOURISM DEVELOPMENT STRATEGIES

The Colorado Tourism Office has long term commitment to building tourism in rural and more remote parts of the State, efforts which have been expanded in recent years.

REGIONAL DISPERSAL MARKETING. The Colorado Tourism Office has dedicated increasing parts of its marketing efforts to highlight lesser known parts of the State, as well as opportunities to travel in the shoulder or off seasons. Two examples include: i. the Colorado Field Guide – a set of trip suggestions and itineraries to lesser known parts of the State (which is sourced from the industry). With a focus on highlighting this resource via organic and paid marketing, usage of this resource has surged over the last 12 months. ii. the CTO developed a new regional approach to marketing the State – more clearly defining the “Place DNA” of the State and the unique experiences available in each of its 8 regions. This regional branding initiative seeks to build a collective consensus on how to market different parts of the State to target traveller groups and how each region can complement each other – to drive increased length of stay and spend across the State.

AGRITOURISM. A wide range of US States have made efforts to support tourism development in agricultural communities. Colorado’s efforts date back to the 1980s and in 2013 it updated these plans with an Agritourism strategy. More recently it has focused key parts of the training and resources towards Agritourism in its education and training efforts below.



FIGURE 1: The Colorado Regional Branding Initiative is another investment in more clearly highlighting the unique characteristics of different regions within the State



FIGURE 2: The Colorado Field Guide provides visitors with a range of trip ideas to less visited parts of the State



COLORADO RURAL ACADEMY FOR TOURISM (CRAFT).

CRAFT is a centre piece of the State’s expanded efforts to build the capacity and capability of rural and more remote parts of the State. CRAFT training covers broad industry training (CRAFT 101) through to customized, more advanced workshops for communities or industry groups (CRAFT 201) and even more intensive workshops to advance a community, region or industry group (CRAFT Workshop).



MENTORSHIP, LEADERSHIP PROGRAMME & SCHOLARSHIPS.

The CTO provides a range of professional development opportunities for tourism professionals – including targeting those in rural regions of the State. The CRAFT mentorship programme connects experienced tourism professionals or retirees with small business operators or tourism start ups for one-on-one advice. The Colorado Leadership Journey provides educational opportunities for approximately 20 aspiring leaders through a subsidised, tuition based yearly programme. Finally, Tourism Scholarships reimburse education at third party tourism events or specialist training for tourism related skills.

GRANTS, COOPS AND OTHER FUNDING. The CTO administers a range of grants and funds to help DMOs, communities and not for profits - including their business partners- develop tourism opportunities in their destination. See the Industry section of the Colorado Tourism website (see Sources & Resources) for an outline of these programmes.

VISITOR EDUCATION EFFORTS

As with many other destinations, Colorado has experienced congestion and crowding issues – creating frustration for locals and visitor alike and increasing impact on its natural environment.

Visitor spots such as the Hanging Lake that go viral on Instagram have accelerated the speed and size of this problem. These stories tend to get significant coverage in the media and impact public perceptions of tourism.

In response, the Colorado Tourism Office collaborated with a leading not for profit – Leave No Trace- on customising its messaging to Colorado visitors. The resulting Colorado Cares, educates visitors on the 7 ‘Leave no Trace’ principles, while delivering its message in a fun, engaging manner customized to the brand and audience of the Colorado Tourism Office. The programme has had benefits beyond visitor education. In the 2019 Colorado resident survey on tourism just completed*, the Colorado Tourism Office discovered that its efforts to educate visitors made residents more positive about the benefits of tourism for the State.



FIGURE 3A: fun, engaging video explaining Colorado Cares Visitor Responsibility Code: <https://www.youtube.com/watch?v=JcY73nUhaQs>

SOURCES & RESOURCES

Disclaimer: The Colorado Tourism Office is a long term client of Miles Partnership and has worked with the CTO on some of the programmes or projects outlined.

INTERVIEWS & INFORMATION FROM:

Cathy Ritter – Director, Colorado Tourism Office

Other CTO Staff at industry events including the 2018 Colorado Tourism Conference.

Laura Libby – Senior Vice President, Miles Partnership (formerly with the CTO)

KEY PUBLICATIONS INCLUDE:

- Colorado Tourism RoadMap 2017, Colorado Tourism Office https://www.colorado.com/sites/default/master/files/2017CTORoadmap_FINAL.pdf
- Colorado Regional Branding Initiative 2018 – Destination Think and the Colorado Tourism Office https://industry.colorado.com/sites/default/files/Colorado_Identity_MainReport_v12.pdf
- The Industry Section of the Colorado Tourism Office website with additional information on educational programs and grant opportunities <https://industry.colorado.com>
- Colorado Cares website, brochure, video and guidelines for industry use: <https://www.colorado.com/articles/leave-no-trace-care-colorado>

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

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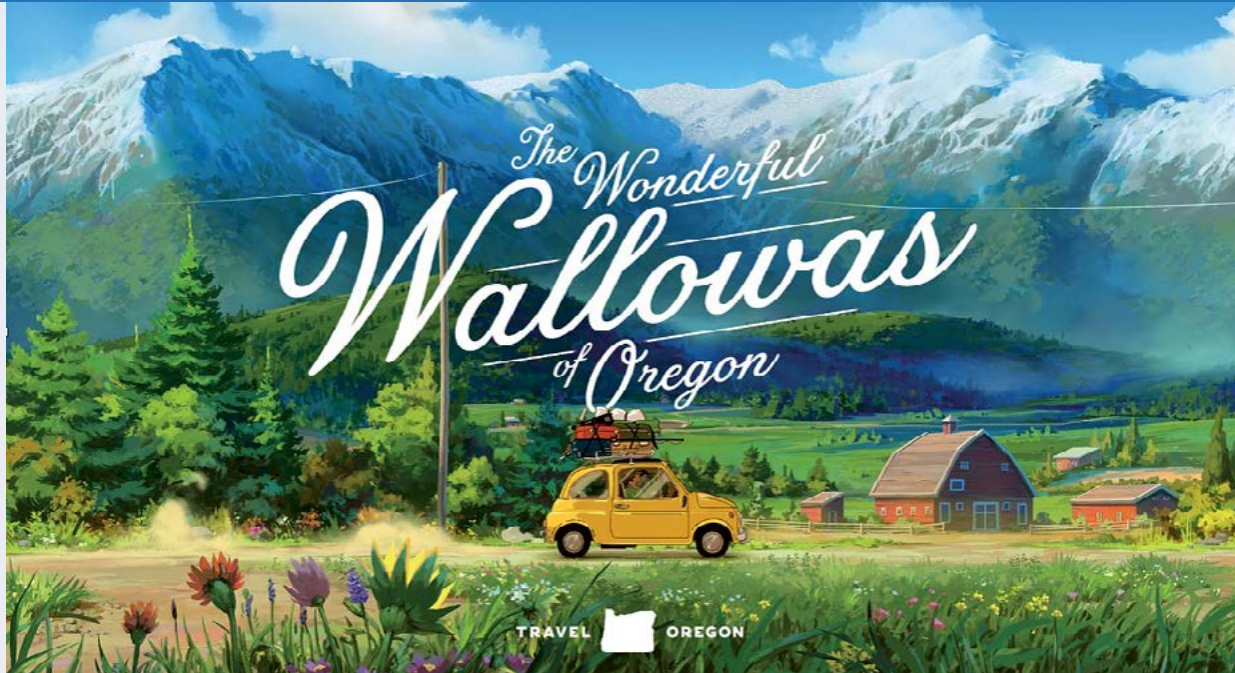


FIGURE 1: Willows County and associated Mountain Range and Lake is one example of a rural and more remote part of Oregon where Travel Oregon is supporting the development of the tourism economy

REASON FOR INCLUSION

Oregon, USA is a global leader in developing the visitor economy of rural and remote regions of the state. Their ‘Rural Tourism Studios’ programme has been studied and copied in destinations across the US and beyond.

The state also illustrates a number of other best practices including how they work with regional DMOs, emphasising co-operative funding models and a commitment to sustainability

KEY SUCCESS FACTORS

- A long-term, major commitment to developing the capacity and capability of regional Oregon; Travel Oregon’s Rural Studio team has nine dedicated staff who are able to work with communities and their business partners over multiple years.
- Support through a mix of community workshops, education and co-op funding. This community engagement establishes specific plans, and works to help turn the plans into action through funding support.

- Tight co-ordination and management of regional tourism including a macro regional structure of seven macro DMOs.

STRUCTURE, STRATEGY AND FUNDING

Travel Oregon is the State Tourism Organisation for Oregon. It is funded by a 1.8% hotel (bed) tax which generates the bulk of the agency’s \$37.5 million USD annual budget.

It delivers its range of marketing and capability building programmes to communities and 40+ individual convention and visitor bureaus and chambers of commerce in the State through seven macro regional tourism organisations

It employs a public-private and state-local co-op model in its support programmes. The Rural Tourism Studios and other support programmes are typically jointly funded by the state and local community and business partners.

HOW SUCCESS IS MEASURED

Travel Oregon has a full range of campaign related metrics to determine the impact and success of its marketing campaigns. This includes advertising awareness and perception studies. To measure the impact of its Rural Tourism support programmes, it uses participant feedback, observed impact (for example, additional businesses or success in attracting funding for new facilities) plus periodic economic impact studies. A more In-depth set of metrics will be implemented in the future to compare the results in these communities against a control group (see following page).



FIGURE 2: Travel Oregon works with the industry and DMOs typically through 7 macro regions created to cover the State

TRAVEL OREGON STRUCTURE & FOCUS

Travel Oregon is the State Tourism Office for the US State of Oregon. It has successfully expanded its budget in recent years – partly in response to an expanded range of services and support it provides.

In addition to its role marketing the State to domestic and international visitors, Travel Oregon has long had a focus on developing regional areas of its State. This dates back to the 1990s when extractive industries such as forestry in ‘old growth’ forests of the state were winding down. Since 2009, it has been actively running what its terms ‘Rural Tourism Studios’ – one part of a series of services to support the growth of tourism in rural communities.

Staff in these support services have grown to nine full-time employees in 2019. These staff are based on the seven macro regions of the state and can build long-term relationships with the communities and businesses with whom they work.

COMMUNITY ENGAGEMENT

Clusters of communities are targeted for support in the Rural Tourism programme and are invited to apply to participate. The interest and engagement of the community is an important factor for success, so the process tests for widespread community support and is part-funded by these communities themselves.

Support such as community workshops to develop specific plans, as well as industry training and education is further supported by a range of funding options to help communities activate these strategies. The typical engagement is five months with multiple workshops starting with a community vision for tourism, followed by specific planning sessions with themes such as transportation, outdoor recreation and agritourism. The final workshop is an ‘Action Planning’ workshop distilling the community’s decision in specific plan of action – tied to co-op funding (typically \$10–\$20,00) provided by Travel Oregon – and matched by the local community.

DESTINATION MANAGEMENT & PRODUCT DEVELOPMENT

With the growth of tourism, Travel Oregon has refined its support programmes to include two additional types of support programmes. Firstly, Destination Management Workshops were introduced to help some destinations better manage

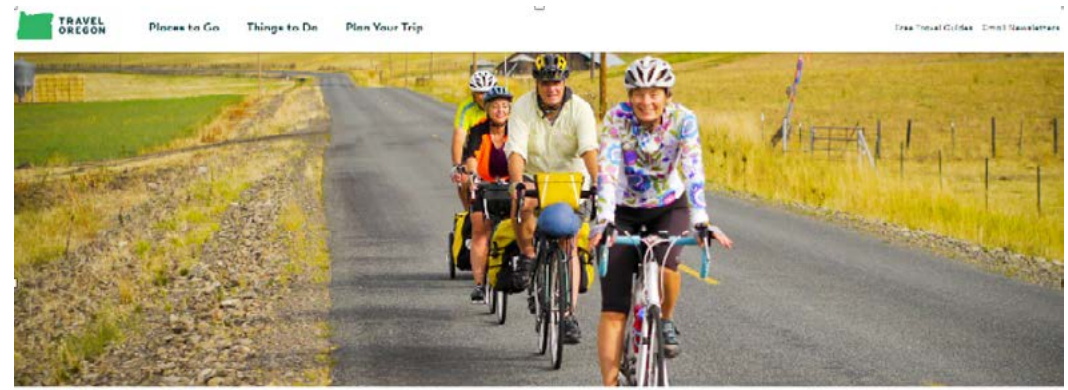


FIGURE 2: Travel Oregon works with the industry and DMOs typically through 7 macro regions created to cover the State

tourism growth and, in some cases, deal with emerging signs of ‘overtourism’. Secondly, the Tourism Experiences workshop is designed to empower the development of a destination in a specific area; for example, cycle tourism or agritourism and associated cuisine opportunities (see below).

PRODUCT DEVELOPMENT INCLUDING CYCLING TOURISM

Travel Oregon has typically focused its work with rural communities in a few types of product where it has identified that Oregon has key competitive advantages: outdoor adventure, culinary, and agritourism. These are defined as ‘signature products’ and are heavily emphasised in product development work with communities. This includes templated programmes that are ready to quickly implement with communities: Oregon Scenic Bikeways Programme, Oregon Cycle Ambassadors Programme, Oregon Food Trail Programmes, Oregon Local Ambassadors Programme.



In these areas, Travel Oregon works with local communities to create new infrastructure where needed, such as investment in new cycling trails, but also a heavy emphasis on creating product and experiences around this infrastructure, and a plan for marketing this with the state.

To add to these templated products, Travel Oregon is also available to work on customised solutions for specific regions. For example, working with a region of the state on getting a 'Dark Sky' designation.

Though all these programmes emphasise year-round visitor experiences, Travel Oregon acknowledge it still has more work to do in building out compelling off-season visitor activities and experiences. One area of progress has been creating year-round cycling experiences; for example, celebrating the wild weather of the Oregon Coast and the Fat Biking' opportunities it presents ('Fat Bikes' are cycles with oversized tires for cycling in sand, gravel, mud or snow).

MEASUREMENT & REPORTING

Travel Oregon has had a long-term commitment to reviewing the results of Rural Tourism Studios through independent regional economic impact studies (conducted by independent research agency, Dean Runyon & Associates).

Travel Oregon have developed detailed case studies of the activated rural communities, specifically, first-person interviews and summaries of the results and impact. See these case studies on their [YouTube channel here](#).

As noted, Travel Oregon is now introducing a more in-depth set of measurements to determine the impact of Rural Tourism and other support services. This will compare these communities against a control group across a range of metrics including: percentage change in tax revenue generated, percentage change in lodging demand (STR & AirDNA), percentage change in supply (lodging, number of businesses, etc), percentage change in employment and earnings.

As part of this measurement, Travel Oregon have a new 'Seasonality KPI' – an important indicator on progress around travel dispersal throughout the year. It combines visitor spending and occupancy data from both traditional hotel data providers (STR) and also Airbnb analytics from AirDNA.

For domestic and intra-state campaigns including those focused on off-season and dispersal, Travel Oregon use a combination ad awareness/perception studies and 'arrival lift' from the campaign using Arrivalist.

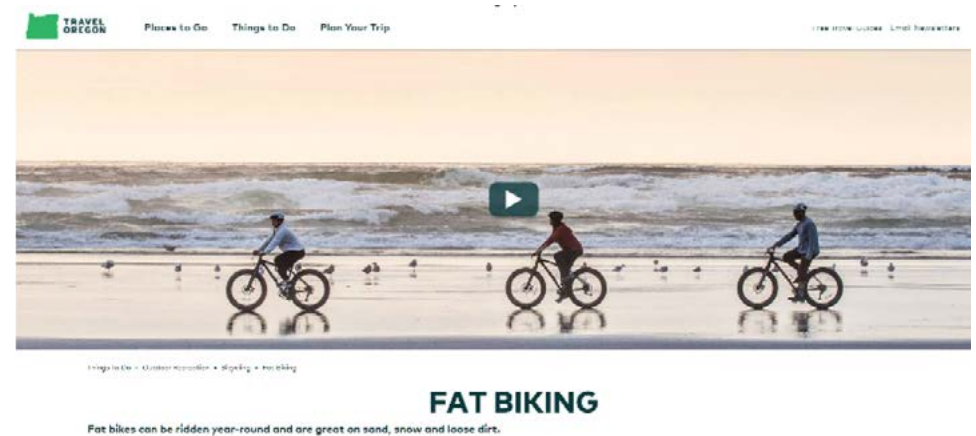


FIGURE 3: Travel Oregon have been an international leader in building cycle tourism including Fat Biking - cycles with oversized tires that make cycling in mud, sand and snow easier.

SOURCES & RESOURCES

Disclaimer: Travel Oregon is a client of Miles Partnership in a couple of specific service areas – SEO and support for its implementation of the Google DMO Partnership Programme.

INTERVIEWS & INFORMATION FROM:

Michael Sturdevant – Travel Oregon, Director, Marketing Insights & Visitor Services

Andrew Grossman – Travel Oregon, Specialist - Rural Tourism Studios

Ladan Ghahramani – Travel Oregon, Research Manager, Global Marketing Services

KEY PUBLICATIONS INCLUDE:

- Travel Oregon 2019–2021 Strategic Plan
- Travel Oregon Rural Tourism Studios Overview Brochure:
- Travel Oregon Rural Tourism Case Study Videos (~7 minute case study videos)
- Visit Travel Oregon's YouTube Channel & view "Communities Powered by Travel": www.youtube.com/user/oregontourism/playlists
- Travel Oregon Rural Tourism Application Process: <https://industry.traveloregon.com/opportunities/programs-initiatives/oregon-tourism-studios/application-process/>
- Travel Oregon Competitive Grant Programme: <https://industry.traveloregon.com/opportunities/grants/competitive-grants-program/>

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

CANADA

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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REASON FOR INCLUSION

Canada is enjoying strong international visitor growth which, like New Zealand, has highlighted issues of dispersal and seasonality that need to be addressed.

Destination Canada has taken the lead with a national domestic tourism campaign aimed at millennials. It's one of the strongest examples of a campaign directly based on reported results.

KEY SUCCESS FACTORS

- A targeted campaign aimed at millennials was based on an impressive public private partnership with strong deals and calls to action
- A new Experiences Fund is investing in both 'hard' and 'soft' tourism infrastructure

STRUCTURE, STRATEGY AND FUNDING

Destination Canada is enjoying expanded funding in recent years, and renewed commitment to growing tourism. A new Tourism Strategy in May 2019 identified the critical importance of addressing dispersal and seasonality – plus generating 'good middle-class jobs' at the centre of the industry's strategies. Every level of DMO in Canada has a role in activating the domestic market, which is seen as critical to addressing the dispersal and seasonality challenges.

HOW SUCCESS IS MEASURED

Destination Canada has full range of industry research including an impressive depth of campaign measurements around its millennials campaigns. This includes specific metrics such as leads and bookings through to estimates of reach, impact and influence – including perception studies on the likelihood of millennials traveling in Canada. There are also a set of specific measures against which the Experience Fund investments will be assessed. However, measurements around other key objectives, such as middle-class jobs, are more general – with tracking of FTE employment in tourism by region but with little additional information on the quality of these jobs.



FIGURE 1: Canada is marketing itself based its strength as a multi-cultural, diverse and inclusive society that welcomes all types of visitors

CANADA TOURISM STRUCTURE & FOCUS

Canada has a National Tourism Organisation (NTO), Destination Canada, which is primarily focused on international tourism marketing. In 2019 their budget was around \$75 million USD – including a special \$4 million budget for the domestic tourism programme outlined below. Destination Canada is supported by the 10 Provincial Tourism Boards who in turn work with a large number of CVBs (Convention Visitor Bureaus) and Regional Tourism Entities (more than 150 across the country).

The Provincial Tourism Organisations take the lead on domestic tourism marketing in leisure, working with the major city CVBs in the meetings and convention market. Despite the recent growth of international tourism, domestic visitor spending still dominates the overall Canadian tourism economy – particularly in regional Canada.



Destination Canada is primarily focused on international visitor market, but was funded by the Government to undertake a domestic campaign in 2017 (the 150th anniversary of the nation) and more recently in 2019 (see below). The NTO is back actively engaged in marketing to the US, as well as other international markets after several years in which it exited the US market, leaving it to Provincial and City DMOs to focus on. This exacerbated a long-term problem faced by Canada – a tourism spending deficit (or negative 'balance of travel'), caused by strong and repeat visitation of Canadians to the US – and relatively weaker north-bound travel by Americans,

This issue was one problem reviewed by a major analysis of the performance of the Canadian Tourism industry in late 2018. This McKinsey Report 'Unlocking the Potential of Canada's Visitor Economy' (December 2018), challenged Canada to lift its performance particularly in international marketing.

Canada has enjoyed strong growth in international visitor arrivals of over 10% per annum – well above the global



FIGURE 2: 80% of all international visitors visit at least one of three major cities - highlighting the dispersal challenge the nation has with international visitors



average and the performance of the USA. However, this has amplified a long-term issue in the industry – that of dispersal. Three major cities – those with major international airports – attract the vast majority of international visitors. This has highlighted the importance of improving dispersal in the industry – which is seen as starting with action in the domestic market.

Domestic tourism has always been seen as the foundation of opportunities to grow tourism in regional Canada where

international visitor growth has yet to reach. Anna Moran of Nova Scotia Tourism outlined it plainly:

“You simply can’t do the development of tourism in rural regions without a hyper local focus”

In Nova Scotia’s case, this means undertaking marketing within the province as a starting point for tourism in their least developed regions, even before targeting visitors from the neighbouring Maritime Provinces. Together, visitors from Nova Scotia and the Maritime Provinces of Canada, represent almost half of all tourism spending in the province.

CANADIAN TOURISM STRATEGY MAY 2019

The Canadian Tourism Strategy was published in May 2019 and was in development almost in parallel with New Zealand’s new National Tourism Strategy. The two strategies share a range of similarities including emphasising the importance of building dispersal and focusing on sustainability. Canada’s strategy has additional emphasis in two areas: inclusive tourism and job creation. The strategy seeks to leverage off Canada’s image as an inclusive, tolerant and welcoming destination – including focusing on markets such as LGBTQ visitors, There is also a focus on creating good ‘middle-class’ jobs – particularly in regional Canada.



DOMESTIC CAMPAIGNS

Most domestic marketing activity is undertaken by the Provincial Tourism Organisations – some of which have significant funding. However, over the last several years, the Canadian government has funded several domestic campaigns. The most significant was the 2017 campaign aimed at millennials in conjunction with the 150th anniversary of the nation. As in the UK, research had highlighted that younger Canadians were the least likely to travel domestically (and the most likely to head overseas), hence a campaign was launched to reconnect younger Canadians with their country. The campaign had ‘softer’ targets including improving young Canadians’ knowledge of, and pride in their country.

The campaign was based on an impressive public–private partnership including a wide range of travel industry partners who contributed to the campaign. It included special, actionable deals – and leveraged a wide range of media types and channels. An in-depth review of the results of the campaign was undertaken by Destination Canada – which highlighted that the campaign reached 89% of its target audience (18–34) and generated 300,000 leads and 30,000 bookings through partners. This translated to an additional 16 million trips over 430 days during and around the campaign and \$38 million in incremental spending. As with the Visit England campaign assessment, however, the research did not define how much of this travel may have been ‘import substitution’.





Based on the success of this programme, the new Tourism Strategy identified the need for an ongoing commitment to a nationally coordinated domestic campaign. \$5 million CAD (~\$3.8 million USD) was allocated to Destination Canada to undertake the campaign in 2019–2020. The focus of this campaign will be driving shoulder and off-season travel to regional Canada, with younger Canadians likely to be the target audience.

CANADIAN EXPERIENCES FUND & BUSINESS CAPABILITY

The Experiences Fund – Canada was one of the recommendations of the December 2018 report – reinforced in the Tourism Strategy. This fund has an initial two-year programme with around \$45 million USD. The investments are focused on five areas: indigenous tourism, inclusive tourism, culinary tourism, rural & remote tourism, winter & shoulder tourism.

The Experiences Fund is being assessed and administered by Canada's six large Regional Development Agencies (RDA). The RDAs are a Government agency focused on regional economic development. RDAs have a wide range of investment and grant programmes that businesses can access including research, development and innovation funding.



As with Investment programmes in the UK and Ireland, the investments are a mixture of 'hard' infrastructure eg: new facilities and 'soft' infrastructure such as new product or experiences.

Projects from the Experiences fund will be assessed by Economic Impact studies.

SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

Chantz Strong, Executive Director, Strategy, Data & Analysis Destination Canada

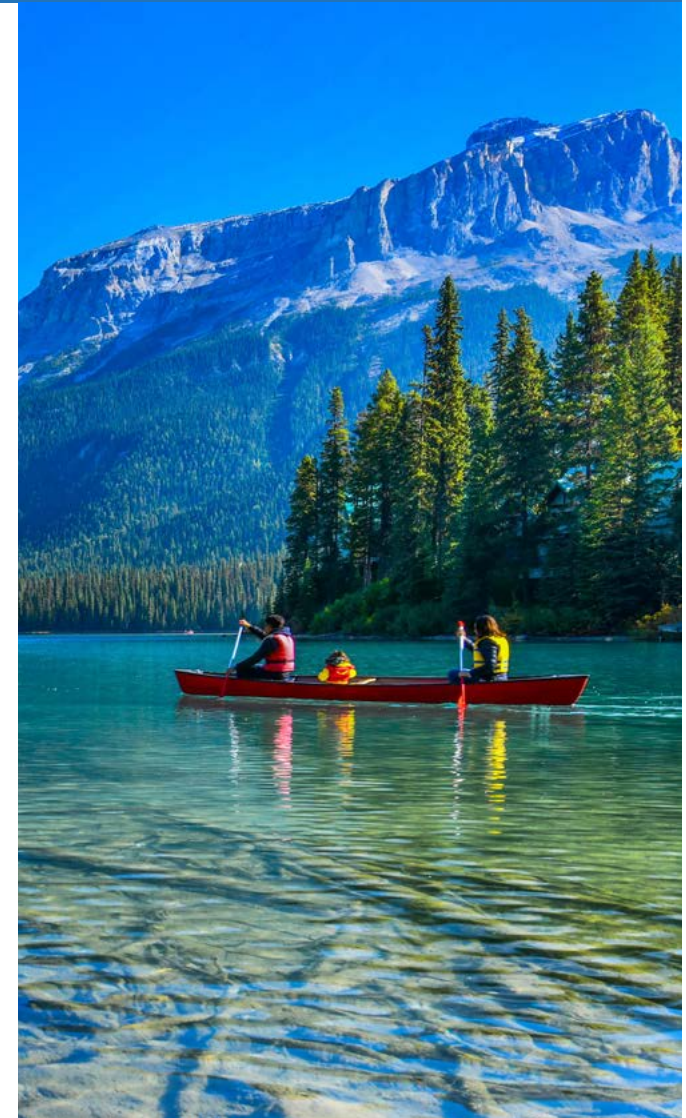
Yarko Petryshyn, Senior Policy Advisor to the Minister of Tourism, Canada

Paul Arvanitidis, Senior Director, Tourism Branch at Innovation, Science & Economic Development

Paul Nursey, President & CEO of Destination Greater Victoria, BC, Canada

KEY PUBLICATIONS INCLUDE:

- Unlocking the Potential of the Canada Visitor Economy, McKinsey, Dec, 2018
- Canadian Tourism Strategy, May 2019
- Canadian Experience Fund, Success Measurements to June 2019
- Destination Canada Millennial Travel Program – Results & Case Study 2017
- Nova Scotia Tourism Strategy 2017 – 202



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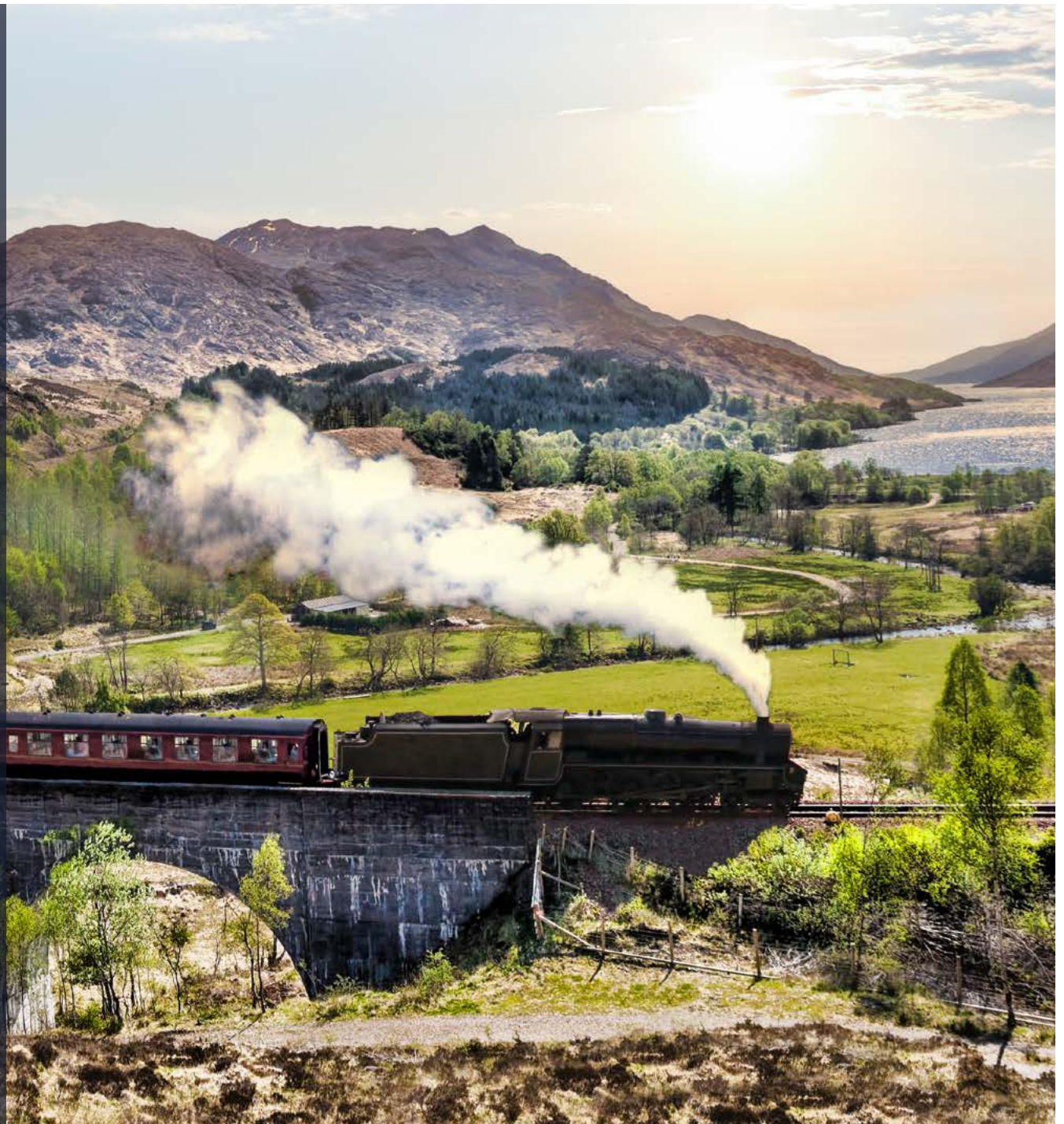


DOMESTIC TOURISM BEST PRACTICES

ENGLAND & GREAT BRITAIN

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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REASON FOR INCLUSION

Visit England and its parent organisation, Visit Britain have seen substantial budget cuts and are having to drive efficiencies and limit investment to critical areas for action. This has created a real sense of focus.

KEY SUCCESS FACTORS

- A real commitment to drive efficiencies and focus on results
- The Discover England and Discover Britain funds are a clear international leader in the quality of investment process in new product and infrastructure
- England’s domestic campaign activity – though far more modest in scale than in past years – is tightly targeted and innovative

STRUCTURE, STRATEGY AND FUNDING

Visit England – formerly a separate organisation focused on domestic tourism marketing in England and industry support – has been merged into Visit Britain – the international tourism marketing agency for the UK.

HOW SUCCESS IS MEASURED

Despite austerity limiting marketing and other opportunities, Visit England/Visit Britain have retained a strong commitment to research. The small research team of the combined organisation generate a range of economic impact studies on investment in new experiences, and run awareness and perception research on their domestic campaign. These studies don’t measure the substitution effect of the campaign but show a strongly positive impact on travel intent for the target audience: Generation Z and Y.

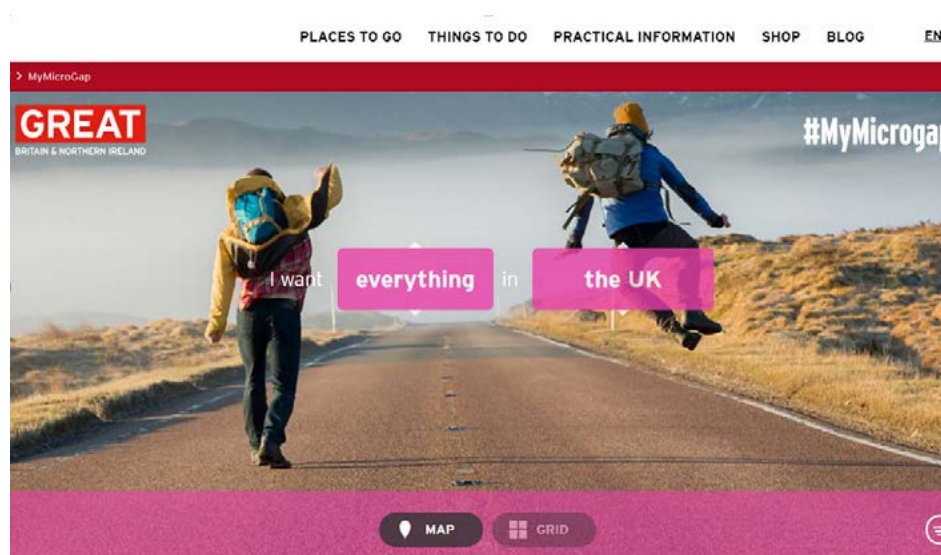


Image: The current domestic campaign in England is targeting Generation Z to take a ‘Micro Gap’ holiday at home. Take a short gap break to explore England rather than a full gap year to travel the world.

England’s tourism industry, like all the other nations we reviewed (with the exception of Slovenia), is dominated by domestic tourism. This represents 80% of all visitor spending.

The combined organisation has a mandate to focus primarily on international visitor marketing but has retained a role in domestic tourism – albeit a secondary focus. Their mission remains to encourage:

“British residents to experience the best that Britain has to offer across all its nations and regions”

VISIT ENGLAND & VISIT BRITAIN STRUCTURE & FOCUS

Visit England & Visit Britain are an integrated ‘non-departmental’ public body funded by the UK’s Department of Culture Media and Sport. Visit England was previously the domestic tourism and industry development entity – similar to the separate organisations in Ireland and Finland. However, due to a series of austerity budgets in the UK and cuts in funding, the two organisations are now integrated.

Visit Britain also works with the ‘National’ Tourism Offices of Scotland, Wales & Northern Ireland on international visitor marketing.

As in other countries, Visit England and other government agencies created nine macro regions to coordinate support out to individual DMOs and industry partners and to measure performance. With the budget cuts, the coordination and support has largely disappeared but these regions are still used to measure regional performance. The regional map represented in Figure 2 highlights a long-term challenge in the UK: the concentration of economic activity and wealth in the South East. London and South East England generate almost half of all visitor spending in England.

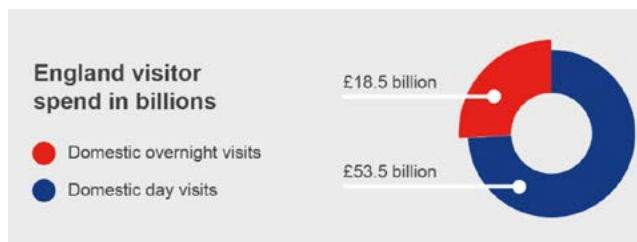


FIGURE 1: Visit England/Visit Britain seeks to stimulate overnight domestic holidays



FIGURE 2: England regional breakdown of visitor spending highlights the opportunity to improve dispersal

DOMESTIC CAMPAIGN

The latest commitment to domestic tourism marketing started in 2012. Visit England (with support from Visit Britain and ‘Britain is Great’ programme) expanded their domestic tourism commitment after the Great Financial Crisis with their ‘Holidays at Home are Great’ campaign. This was replaced by an ‘Amazing Moments’ campaign in 2014–2015 in which Visit England also worked with Wales, Scotland and Northern Island.

Recent funding limitations have meant a scaled-back investment in the English domestic market and the latest campaign is England-specific. This is a more tightly targeted campaign marketing to younger residents to travel in England. The current ‘Micro Gap Year’ campaign encourages younger UK residents to take a micro gap break in the UK rather than travel internationally for the traditional ‘gap year’ between high school and university. This campaign is supported by in-depth research of this market that shows they are the least-likely of any age group to travel domestically.

Despite limitations on the campaign budget, Visit England/Visit Britain have continued their investment on campaign effectiveness. An awareness, perception and travel intention study shows a strongly positive impact – with the related economic impact indicating a strong boost in travel related expenditure.

Visit England’s research manager was quick to acknowledge that this was an overall visitor spend figure that may have

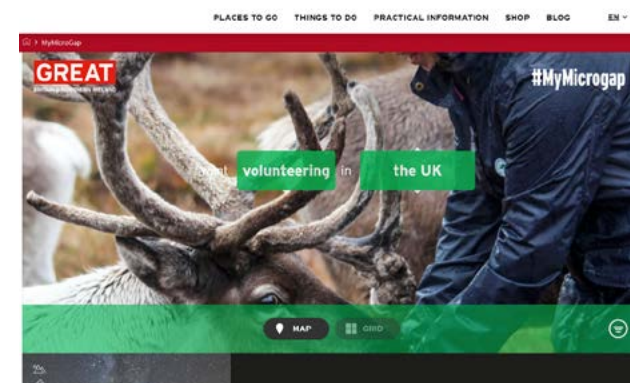


FIGURE 3: The Micro Gap Campaign highlights opportunities to volunteer in England with not for profit and community organisations

pulled money from other parts of the economy. Though the intention was to encourage ‘import substitution’ (switching an international gap year to a domestic ‘micro gap’), there was no estimate on the net benefits to the English economy.

BUSINESS CAPABILITY - DIGITAL CONNECTIVITY

Visit England and Visit Britain have just launched (June 2019) the Tourism Exchange GB – a significant investment to boost the online booking connectivity of important sectors of the tourism industry. Small and medium sized businesses, particularly in activities, attractions and tours are often poorly connected with real time pricing and availability to the major distribution platforms that are increasingly dominating the travel landscape. Tourism Exchange GB mimics a similar industry investment in Australia – TXA (Tourism Exchange Australia) part of the Australian Tourism Data Warehouse (ATDW). ATDW is owned by the State Tourism Organisations and is focused on building the digital capability of the Australian tourism industry.

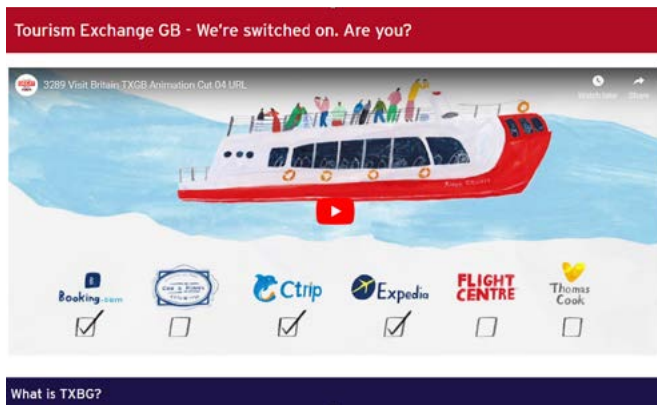


FIGURE 4: Tourism Exchange GB is designed to connect tourism businesses into major online booking platforms to enable electronic distribution. It is based on a similar industry solution in Australia – TXA: Tourism Exchange Australia.

Finland and Slovenia are also active in the same area – exploring technology solutions to ease online booking and distribution problems for tourism businesses.

Tourism Exchange GB is part of a broader investment in England and more widely in Great Britain to boost the digital marketing capability of their tourism industry.

INVESTMENT IN EXPERIENCES AND INFRASTRUCTURE

Despite budget cutbacks, Visit England/Visit Britain have retained a significant commitment to their experiences and infrastructure funds.

Though tourism infrastructure funds are now common, the Discover England and Discover Britain Funds are amongst

the most carefully researched and managed in the world. This starts with careful research and a clear strategy providing guidance on what visitor experience and facilities are sought by visitors – and what is aligned with England and Great Britain’s competitive advantages. The funding covers both ‘hard’ Infrastructure and ‘soft’ assets such as creating marketing groups, touring routes and special experiences. Touring routes and regional groupings of DMOs have been emphasised to create scale to more successfully market internationally. Examples include the Great West Way (a touring route corridor



FIGURE 5: The Great West Way is a touring route and marketing cooperative of DMOs - a number of these have been supported by the Discover England Fund



FIGURE 6: Manchester and Cheshire have developed pre- and post- science conference experiences aimed at attendees.

SOURCES & RESOURCES INTERVIEWS & INFORMATION FROM:

Humphrey Walwyn, Head of Research & Evaluation, Visit England

Richard Nicolls, Head of Research & Forecasting, Visit Britain

KEY PUBLICATIONS INCLUDE:

- Visit Britain & Visit England Business Plan 2017 2018
- Visit England Research Overview 2016-2017
- Discover England & Discover Britain Fund Guidelines
- Micro Gap Campaign Industry Update 2018
- Micro Gap Customer Journey Research summary Visit England

DMO INTERNATIONAL BENCHMARKING

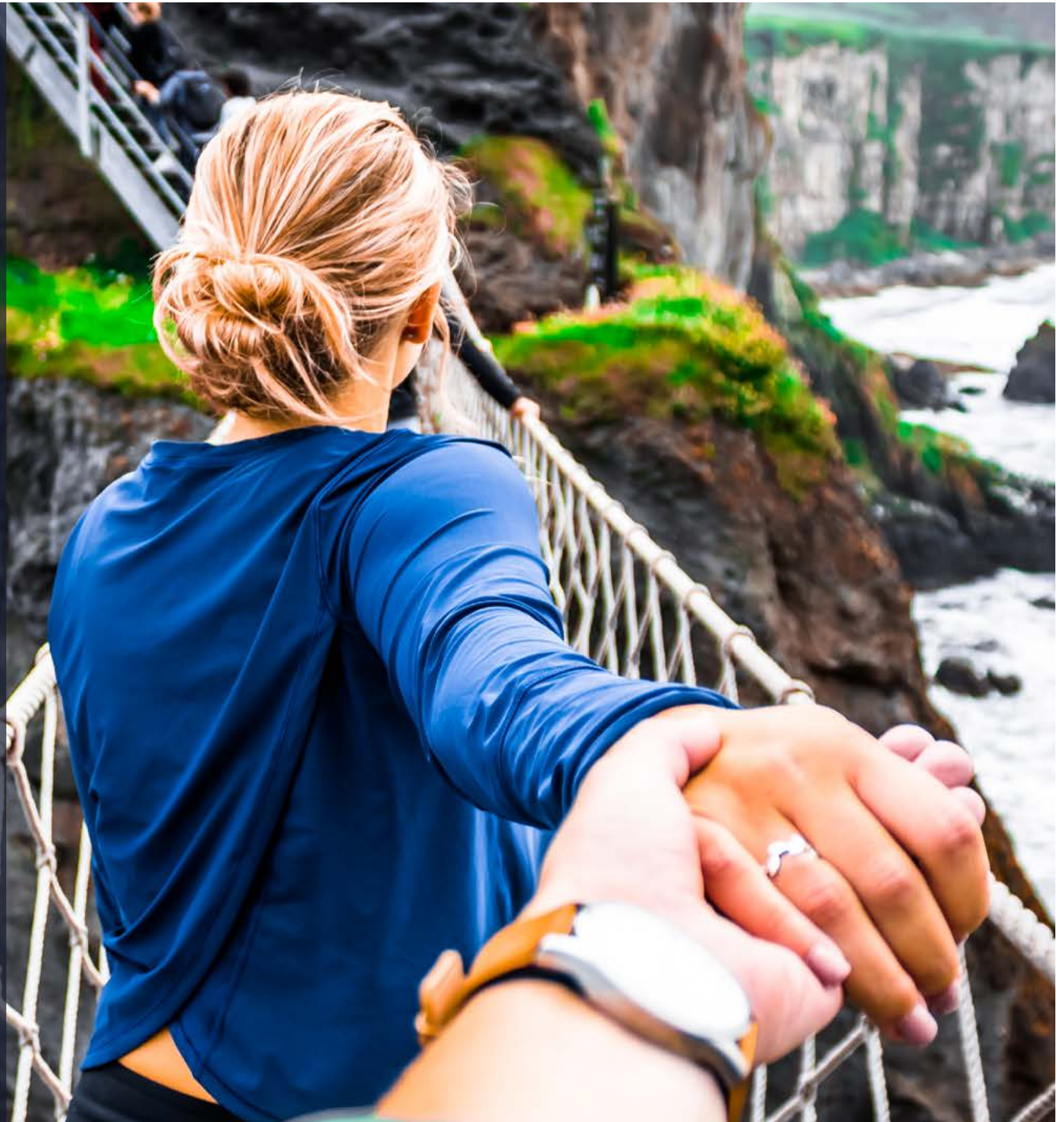


DOMESTIC TOURISM BEST PRACTICES

IRELAND

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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REASON FOR INCLUSION

Ireland has an ambitious and tightly coordinated national model for tourism industry development. The focus on driving dispersal and seasonality is central to their tourism strategy.

KEY SUCCESS FACTORS

- Far-reaching support from the national government to support and help directly manage tourism in the region.
- Strong national and industry consensus on the benefits of this model.
- Significant resources – the National Tourism Development Authority (Fàilte Ireland) has a budget of \$90 million USD - almost twice that of Tourism Ireland, the internationally focused NTO.

STRUCTURE, STRATEGY AND FUNDING

Regionality (dispersal) and seasonality is at the centre of Ireland’s tourism strategy. Ireland has two key organisations – Tourism Ireland, focused 100% on international tourism marketing and Fàilte Ireland – the National Tourism Development Authority. Fàilte Ireland directly manages visitor information centres and provides funding and staffing into macro regions – including working with local communities, developing new product and leading domestic tourism efforts.

HOW SUCCESS IS MEASURED

Fàilte Ireland has expanded its investment in measurement with a four-part reporting model to reflect progress around the nation’s new Tourism Action Plan. This measurement framework; V.I.C.E covers:

1. Visitor – with a focus on visitor spend (quality over quantity)
2. Industry – tracking key business and employment numbers
3. Community - including resident sentiment surveys – but still in development
4. Environment – measurements on the environmental quality (for example, water quality) and softer metrics such as the ‘character’ of an area as identified by locals and visitors.



FIGURE 1: Visit Ireland, the National Tourism Office focused solely on international visitor marketing is complimented by Fàilte Ireland - the National Tourism Development Authority, which has a budget almost twice as large

IRELAND TOURISM STRUCTURE AND FOCUS

Tourism Ireland, like Tourism New Zealand, is solely focused on marketing to international visitors. Balancing this organisation, Ireland has invested in a separate and substantial industry organisation to tackle the full range of tourism development and management issues facing the country.

Fàilte Ireland, the National Tourism Development Authority,

has wide responsibilities including industry capability building, product and event development, operating the nation’s visitor centres and coordinating domestic tourism.* These responsibilities receive a high degree of focus and support - Fàilte Ireland has an annual budget of just under \$90 million USD (80 million euro) versus Tourism Ireland which receives just over \$50 million USD (45 million euro). Long areas of concern and attention, the organisation has now centered around dispersal and seasonality as their two primary objectives.



“Ireland has two driving strategies in our development of tourism – regionality and seasonality”

Paddy Matthew, Fáilte Ireland Head of Hidden Heartlands

This top down model of tourism development, support and regional marketing seems to have broad industry and political support. Those interviewed stressed that there was broad national and regional support for the approach and an Irish Times investigation into the subject in 2018 named the story: ‘Calls for review of Fáilte Ireland get a cool reception’.

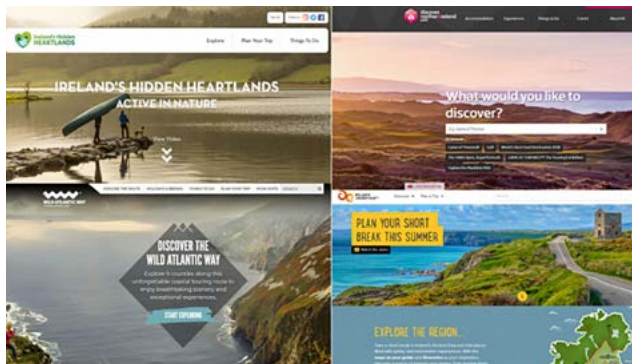


FIGURE 2: Ireland has 3 macro regions to coordinate development and support with local communities/regions and also collaborates with Northern Ireland under the terms of the Good Friday Agreement

DESTINATION DEVELOPMENT

Ireland has a strong, nationally coordinated approach to developing and supporting regional tourism development. Fáilte Ireland has created three major macro regions in the country (the whole of Ireland is around one third of the land area of New Zealand or the US State of Colorado) and in conjunction

with Tourism Ireland also works with Northern Ireland under the terms of Good Friday agreement.

This macro regional approach was to directly intervene to make a step change in the speed and scale of tourism development in these regions. The three regions in Ireland are funded and staffed by Fáilte Ireland who then work collaboratively with Tourism Officers in local communities and counties, plus Heritage Officers and Parks & Trails Officers from other public agencies. In each macro region there is a Regional Coordination Group which includes county representation, national park staff, public transport, Waterways Irelands and private industry partners such as the Hotels Federation. These are typically 15-20 members and they meet 3-4 times per year to provide advice and strategic direction. This high degree of consultation is one reason for the broad industry and community support of this national model.

The Wild Atlantic Way was the first of these macro regions created – combining Ireland’s west coast. This region now has 20 Fáilte Ireland staff located in this part of the country – supported by a multimillion-dollar budget for working with industry and communities on training and education, product and event development and for domestic tourism campaigns. Hidden Heartlands is the most recent macro region – integrating the central sections of the country (fully one quarter of its land area) – but which has the least developed tourism sector with only 4% of all bed nights in the country.

DISPERSAL AND DOMESTIC TOURISM

Like many of the nations studied, Ireland has a significant challenge with dispersal. Just five counties in the country (Dublin, Kerry, Cork, Kenny and Claire) receive 80% of all international visitor nights.

To address this, Ireland has invested heavily to activate the domestic market as the foundation for driving tourism development in the regions – which the international market can then take advantage of.



FIGURE 3: Hidden Heartlands seeks to drive visitor dispersal - led by the domestic market into the centre of Ireland

‘We stimulate domestic visitors in the first instance,’ notes Paddy Matthews, Head of the Hidden Heartland region at Fáilte Ireland. Each of these regions have an active domestic tourism strategy to inspire Irish residents to explore their own country. Fáilte Ireland’s domestic tourism marketing investment has totalled around \$4-5 million USD in the last year including a recent nine-week Hidden Heartlands Campaign of approximately \$610,000 USD. That focused on driving short 2–3-day visits from Irish residents to the ‘Heartlands’ of their country.

INVESTMENT FUNDING

Ireland like many other nations has launched a national tourism investment strategy – Platforms for Growth. Initially around \$50 million USD, this is like other similar programmes



in Canada, Australia and the UK focused on both ‘hard’ and ‘soft’ infrastructure including development of tourism product, marketing cooperatives etc. The investment fund is focused on heritage and culture attractions in the first instance – a sector which is being used to pilot the programme and refine its implementation.

As part of the V.I.C.E measurement framework for Fáilte Ireland the impact of these investments will be measured and reported upon.

INDUSTRY TRAINING AND EDUCATION

Fáilte Ireland has a major commitment to industry training and education – with a strategy of targeting parts of their support to specific groups of businesses. For example, the current \$1.1 million USD website improvement and digital optimisation programme is limited to 40-50 activity/attraction businesses.

It includes three educational workshops and also subsidies improvements to their website. The objective is to target 40-50 businesses most able to take advantage of this support to lift their digital marketing experience

In the macro regions, Fáilte Ireland has identified 150 businesses in the Wild Atlantic Way and 40 businesses in Hidden

Heartlands to provide more intensive support. This industry group meets with Fáilte Ireland managers, trainers and support staff 3–4 times a year and assess performance, collect key metrics and provide customised training.

Fáilte Ireland is focused at the moment on the impact of Brexit (the UK leaving the EU) with an emphasis on becoming less reliant on the UK market. Past industry education and support programmes have included Chinese Readiness Programmes, and Revenue Management.

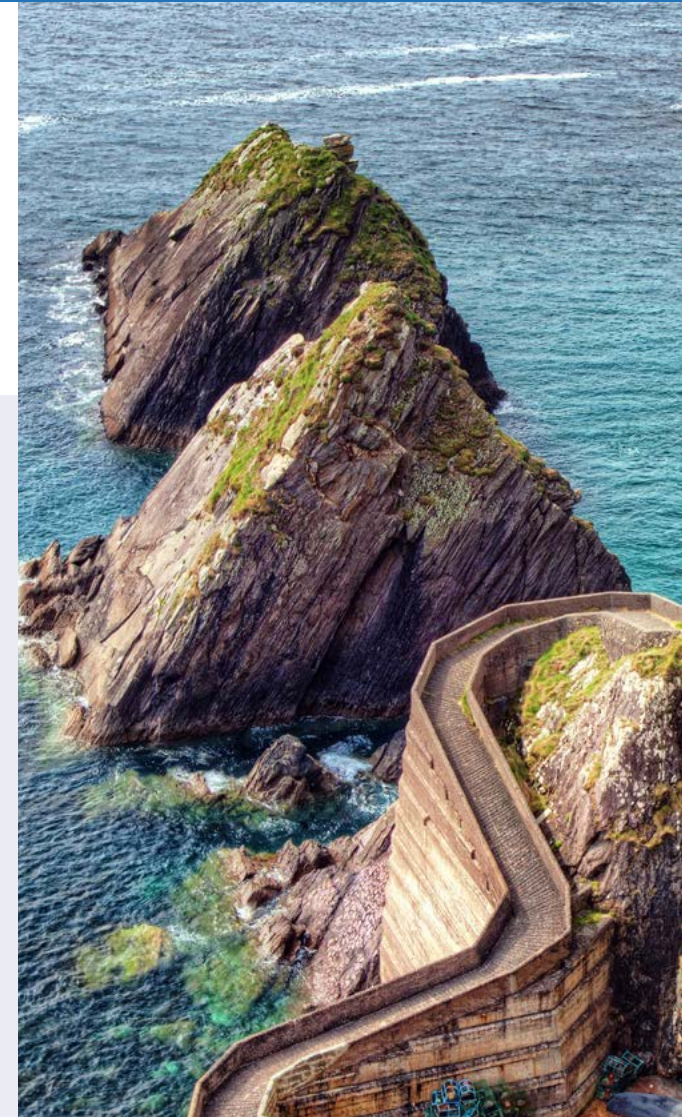
SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

Gary Breen, Head of Consumer Engagement, Fáilte Ireland
Paddy Matthews, Head of Hidden Heartlands, Fáilte Ireland

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- Calls for Review of Fáilte Ireland get a cool reception – Irish Times, May 1 2018: <https://www.irishtimes.com/business/transport-and-tourism/calls-for-review-off%C3%A1ilte-ireland-get-a-cool-reception-1.3483488>



DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

SLOVENIA

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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FIGURE 1: The Slovenia Tourism Board focuses a range of efforts on developing tourism in balanced, sustainable manner

REASON FOR INCLUSION

Slovenia, a small nation of just 2 million people is just 27 years old. It has emerged, however, as a leading, widely respected destination in the development of its tourism industry. This development includes a national programme focused on sustainability, event development and dispersal strategies.

KEY SUCCESS FACTORS

- Small nation with a high degree of cooperation and collaboration.
- Strong political support for tourism as a critical opportunity for growth and community development.

- A holistic view on the areas important to developing a tourism industry with widely shared benefits.
- Ability to leverage its strategic location neighbouring Austria, Italy, Hungary and Croatia.

STRUCTURE, STRATEGY AND FUNDING

The Slovenia Tourism Board works with 35 DMOs in four macro regions to deliver a wide range of programmes and services. It engages with 700 other community related groups through a national organisation. The Slovenia Tourism Board has a budget of approximately \$15 million USD with some additional funding for specific projects. It has just enacted an increase in a national bed tax to provide a further \$4-5 million USD per annum - a directly sourced revenue stream from visitor activity.

HOW SUCCESS IS MEASURED

The Slovenia Tourism Board has a wide range of measures, including standard visitor volume and spending data from each of the destinations across the country. This has helped highlight destinations (for example, Bled in the country's north west) with issues managing growth. These metrics are complimented by a range of new research projects and measures including a national carrying capacity study and improved measures to understand visitor dispersal – by place and time.



SLOVENIA TOURISM STRUCTURE AND FOCUS

The Slovenia Tourism Board is the national tourism organisation for the nation of Slovenia. Formed in 1991 after the breakup of the former Yugoslavia, Slovenia has emerged as perhaps the most successful of these new nations. With just 2 million people it has long had a diverse economy of manufacturing, agriculture and tourism. Like many parts of Europe, it has seen dramatic growth in visitor numbers in recent years - reaching 3 million visitor arrivals in 2016.

The Slovenia Tourism Board has a total budget of around \$15 million USD – with a considerable proportion invested in wide range of non-marketing programmes and activity including DMO and industry education, sustainability programmes and more.

Slovenia has a large number of community groups that are



involved in tourism in some capacity. Many of these are volunteers working for smaller rural towns or villages to welcome and host visitors, run events etc, and have very modest resources. An association of this group, Turztionva Zlvesa Slovenise, represents these 700 member groups and has four full time staff to help coordinate and support their activities. The Slovenia Tourism Board engages with these groups through this organisation.

In addition, once a year, the Slovenia Tourism Board hosts a meeting of mayors from across the country to review and discuss issues connected with tourism.

In addition, the Slovenia Tourism Board has developed a programme to work with and support a smaller, carefully selected group of 35 DMOs who have greater resources and the ability to be upskilled. These are in turn divided into four macro regions covering the country allowing key educational events and marketing programmes to be delivered at some scale. There is strong alignment between the Slovenia Tourism Board and the 35 DMOs:

This is our competitive advantage – we are on the same page between the National Tourism Office and the destinations

Nataša Hočevar, Head of Department, Research, Slovenia Tourism Board.

SUSTAINABILITY

The Slovenia Tourism Board has made a major commitment to managing the impacts of tourism’s growth and to ensuring the benefits are widely shared. This includes its position as a leader in sustainability amongst European Destination Marketing Organisations. This is enabled by a comprehensive approach to sustainability – both at the individual business level, for example, supporting them to adapt their business practices like minimising energy or water, at the destination level, and finally with parks and natural areas. The scheme is linked to the international

Global Destination Sustainability Index which takes a holistic view of all parts of the tourism industry, and associated areas of the economy and community to determine the overall sustainability of the destination. This includes the overall sustainability of water supplies, rubbish collection and recycling, and habitat protection beyond that impact just by tourism – but with the





understanding that all parts of the economy and community are interconnected. Based on this business, destination and public agency commitment there is a national certification and branding process.

The Slovenia Tourism Board is also active in a range of research studies determining dispersal and carrying capacity issues in the country. This is a university led, national study with the results expected to inform an updated work plan from 2020.

DMO AND BUSINESS EDUCATION AND RATING PROGRAMME

The Slovenia Tourism Board makes a major commitment to educating and upskilling the individual DMOs and their business partners.

As an example, the 35 DMOs have recently participated in a Digital Academy and Marketing and Management Academy – both with a rigorous approach to educating and skill development. The Marketing and Management Academy is eight months long with classes once a week. The Digital Academy is also a once a week commitment; four months for the beginner programme, followed by a further four months for the advanced curriculum – concluding with a test that the participants need to pass. The DMOs pay a contribution towards the cost of the programme (~\$900 USD for the eight months).

More broadly, the Slovenia Tourism Board works through the four macro regions on business education programmes. In June this year they ran a digital marketing education road show around these four regions delivering the content in conjunction with partners such as Google, Viator and TripAdvisor.

In addition, they have launched a '5 Star Experiences' rating system to identify, rate and market world-class experiences. The experiences are rated against 40 criteria – to date only 12 experiences have qualified. This is a long-term

commitment by the Slovenian Tourism Board to drive quality experiences that command a premium price.

- In the Work Plan & Strategy documents below there is a summary of Slovenia Tourism Board's commitment to product and event development plus a brief of current marketing programmes.

FIGURE 2: *The Slovenia Unique Experiences are part of the new '5 Star' experience rating system for the Slovenia Tourism Board to identify and help market unique and quality experiences. The businesses are scored on 40 criteria.*



SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

Maja Pak, CEO, Slovenia Tourism Board

Nataša Hočevar, Head of Department, Research, Development, Innovation and EU Project

Aleksandra Jerebic Topolovec, Web Manager, Slovenia Tourism Board

KEY PUBLICATIONS INCLUDE:

- Slovenia Tourism Board Work Plan 2018 – 2019
- Strategy for the Sustainable Growth of Slovenia Tourism 2017 - 2021

- Slovenia Tourism Board Presentation from Maja Pak at 2018 European Tourism Conference
- Slovenia Tourism Board Sustainability Program Short Overview 2018
- Slovenia Tourism Board Innovation and Product Development competitions 'Snovalec' and 'Sejalec' <https://www.slovenia.info/en/business/innovative-projects/sejalec-snovalec>
- Global Destination Sustainability Index: <https://www.gds-index.com/>

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

FINLAND

INTERNATIONAL BEST PRACTICES
IN DOMESTIC TOURISM TO DRIVE
REGIONAL & SEASONAL DISPERSAL
AUGUST 2019

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REASON FOR INCLUSION

Finland's national domestic tourism programmes target both hardnosed economic growth as well as a range of softer social and wellness goals.

Finland demonstrates the value of a public agency – private industry partnership model for its domestic tourism programmes.

KEY SUCCESS FACTORS

- A successful public – private partnership made possible by Suoma – the National Association of Tourism Associations in Finland.
- Visit Finland retains its sole focus on generating international tourism.
- The domestic campaigns look beyond just economic outcomes to drive dispersal, seasonality and sustainability but also supports broader social and wellness goals for Finland.
- Business capability is supported by wide range of expert training, education and support. This includes a network of 15 Economic & Business Development Centres (ELY) across Finland, all with dedicated tourism experts and Visit Finland training academies – part of an industry Tourism 4.0 growth initiative.

STRUCTURE, STRATEGY AND FUNDING

- The Finnish Ministry of Economic Affairs & Employment initially ran the domestic campaign directly but passed control to Suoma in 2018. It provides some modest funding support but focuses primarily on other strategic goals including industry development, dispersal and sustainability.

- Suoma now runs the national domestic programme with modest grants from the Ministry – they combine both regional Destination Marketing Organisations and major tourism businesses.
- Suoma and its domestic programmes are primarily funded by private sector contributions through an industry co-op programme.

HOW SUCCESS IS MEASURED

Finland has performance measurements in place tracking a wide range of activities from different organisations. As part of its 'Tourism 4.0' growth strategy, the Ministry of Economic Affairs and Employment and Visit Finland are tracking specific metrics in airline connectivity, international and domestic visitor growth and tourism business capability. Suoma tracks performance measures related to its domestic tourism campaign '100 Reasons' – but focuses narrowly around online interactions.

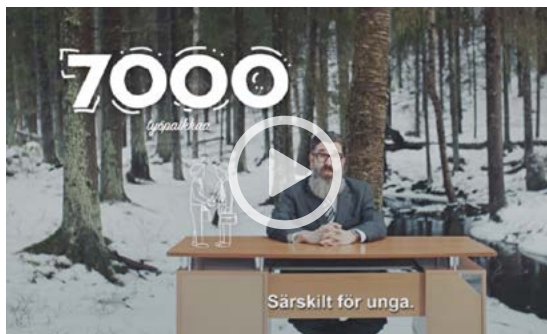


FINLAND'S '100 REASONS' DOMESTIC TOURISM CAMPAIGN is based on both economic and social objectives for the country.

TOURISM INDUSTRY STRUCTURE IN FINLAND

A NEW REGIONAL PRESENCE

- Finland's Ministry of Economic Affairs and Employment is responsible for the nation's overall tourism strategy, currently outlined in its 'Road map for tourism growth and renewal in Finland 2015 – 2025' document. This will shortly be updated. Stimulating domestic tourism, travel from neighbouring markets and climate friendly travel are all major issues in discussion as part of this update (see the 'Rise of Climate Friendly Travel' in the Sweden section).
- Visit Finland is the national tourism organisation and remains focused on foreign markets and international tourism. They also have a wide range of commitments to supporting tourism business capacity and capability, including their Visit Finland Academies and efforts to support digital marketing and distribution.
- There are six regional state administrative agencies in the country with a network of 15 centres for economic development, transport and the environment (ELY). These take the lead in industry capability and capacity building with dedicated tourism experts in all ELY centres around the county. With the ministry they are focused on building the digital capability of the tourism industry – especially in online marketing and distribution.
- Thirty regional tourism organisations work with the regional agencies and local communities and have a mix of funding, ownership and capability. They are members of Suoma (see below) and active participants in the domestic tourism campaign.



A VIDEO EXPLAINING THE ECONOMIC BENEFITS of the Finnish domestic tourism campaign:

- Suoma (the National Association of Tourism Associations in Finland) has 120 members across all levels of tourism in Finland – local, regional and a few national cooperation partners. Suoma’s focus is promoting domestic tourism through marketing, training and lobbying. It is the organising entity for the 100 Reasons domestic tourism campaign. Suoma also owns the green ‘i’ trademark in Finland (the official tourist information sign) and grants licenses to tourist offices.
- Economic Objectives. Suoma and the Ministry have specific economic development goals for their domestic campaigns. They are encouraging Finns to take one more domestic trip in a year. In this case they estimate ‘... total tourism demand will increase with a value equivalent to 800 million euro ... which can create up to 7000 new jobs – especially for young people’. Obviously, these benefits are even more pronounced if there is a switch of travel from international to domestic (‘import substitution’).



DOMESTIC CAMPAIGNS – 100 REASONS AND WELCOME TO FINLAND – TRAVEL NEAR:

- The 100 Reasons campaign concept was first launched in 2017 by Suoma – taking over domestic campaigns previously led by the Ministry of Economic Affairs & Employment.
- The domestic campaign was based on demand from Suoma members, wanting to ‘modernise’ the image of Finland as a domestic destination.
- In 2018, the Ministry of Economic Affairs and Employment supported Suoma and the 100 reasons campaign with a modest grant of EUR 30,000. In 2019, the state grant increased to EUR 35,000.
- The total campaign budget in 2019 is approx. \$500,000 USD. Partners can buy into packages of different sizes ranging from round \$4,000 USD to \$55,000 USD. Larger organisations can sponsor smaller products or destinations.
- The 100 Reasons campaign is built around ‘product cards’ that can be opened from the website. In 2018, the campaign saw nearly 900,000 card openings. The target for 2019 is one million.
- In 2019, the campaign period has been prolonged to inspire shoulder and off-season travel in Finland.
- In addition, the ministry and Suoma collaborate on a domestic version of the ‘Welcome to Finland’ influencer campaign – called ‘Travel Near’ This video series and supporting content is adapted to inspire younger Finns to travel domestically.



WELLNESS & SOCIAL GOALS:

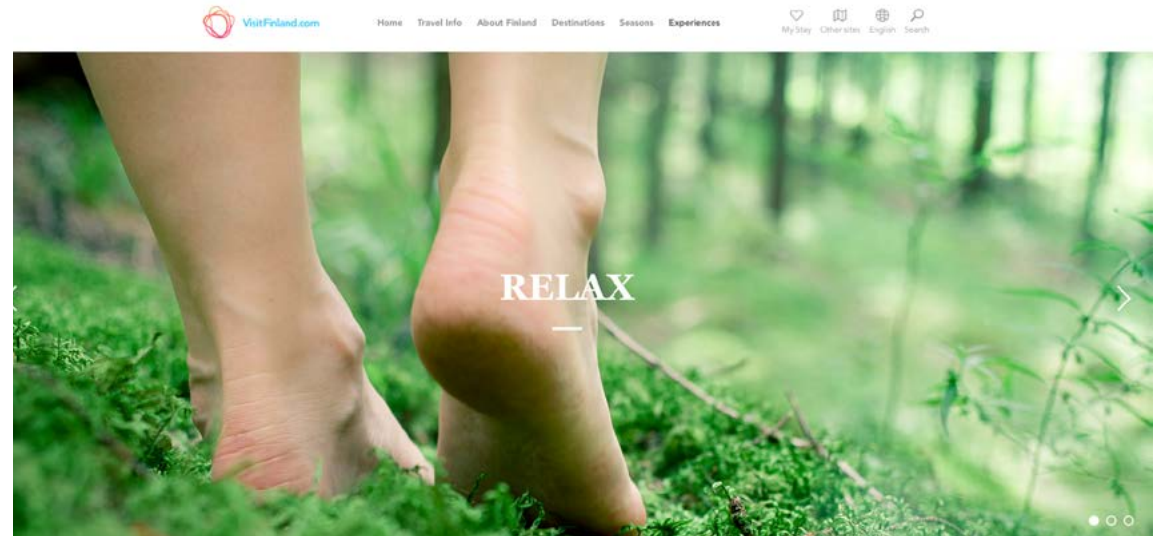
Finland’s domestic campaigns all have broader sustainability, wellness and social objectives. This includes those seeking health benefits, to ‘slow down’ and minimise their environmental impact and, importantly, to improve social connections. This is an important objective of recent campaigns especially for younger Finns. As the Travel Near campaign notes ‘in times of social media it is important to meet people face to face, in times of political turmoil it is important to talk face to face’.

These efforts are part of an ongoing focus by Finland on wellness – which dates back a number of years with a national commitment to ‘FinRelax’ – turning Finland into a leader in wellbeing tourism; both domestic and international. This is founded on Finland’s unique and strong tradition of sauna – both a health and social experience, plus Finland’s place in a range of surveys as one of the ‘Happiest Countries on Earth’.

FIGURE 1: A VIDEO EXPLAINING THE ECONOMIC BENEFITS OF THE FINNISH DOMESTIC TOURISM CAMPAIGN:



FIGURE 2: FINLAND HAS A LONG COMMITMENT TO WELLNESS TOURISM - FinRelax: <https://www.visitfinland.com/finrelax/>



SOURCES & RESOURCES

INTERVIEWS & INFORMATION FROM:

- Ida Müller, Tourism Specialist, Finland Ministry of Economic Affairs and Employment
- Hannu Komu, Managing Director, Suoma (the National Association of Tourism Associations in Finland)

KEY PUBLICATIONS INCLUDE:

- Road map for tourism growth and renewal in Finland 2015–2025 (OECD summary in English and Swedish summary).
- Ministry of Economic Affairs and Employment – press releases, domestic campaign materials plus a summary of the above strategy available at: <https://tem.fi/en/roadmap-for-growth-and-renewal-in-finnish-tourism-in-2015-2025>
- Visit Finland resources on boosting tourism (in English & Finnish): <https://www.businessfinland.fi/en/for-finnish-customers/services/travel/travel/> including their Tourism 4.0 ‘Fast Tourism’ programmes: <https://tem.fi/en/tourism-4.0-action-programme>
- Suoma research and trend resources on domestic tourism ‘100 Reasons to Travel in Finland’ campaign resources
- Training programme ‘Matkailudiili’ resources

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

SWEDEN

INTERNATIONAL BEST PRACTICES
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AUGUST 2019

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REASON FOR INCLUSION

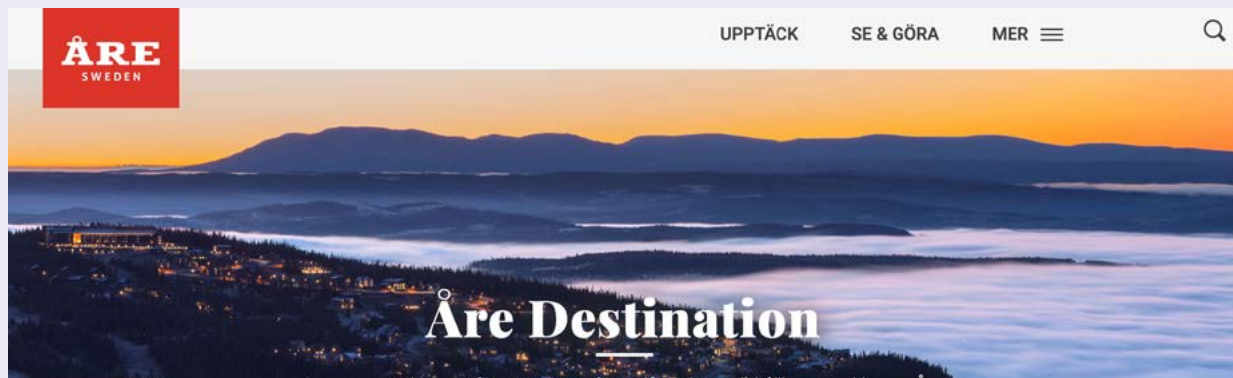
The Swedish Agency for Economic and Regional Growth (Tillväxtverket) launched a programme in 2012 to develop regional destinations – improving dispersal and building year-round visitation to these destinations. Five initial regional destinations were selected from a bid process.

The programme supported a wide range of critical best-practices including capacity and capability building with local business, infrastructure investment, event development and building off-season travel by focusing principally on domestic visitors.

Åre (or, Aare), an alpine region close to the Norwegian border, has emerged as the most successful of these regional destinations. The initial programme was built upon and extended to include product and event development, and infrastructure improvements, which thereby built long-term, repeat domestic visitation as Åre’s core market.

KEY SUCCESS FACTORS

- The regional destinations could access a robust range of funding sources – including contestable funding from the Swedish Agency for Economic and Regional Growth, matched by their own contributions based on industry funding from a Tourism Improvement District.
- The regional tourism development programme creates community involvement and builds destination partnerships at local, regional and national level
- The programme included a wide range of investments to improve dispersal and seasonality. Over the initial three years, Åre invested in 50 initiatives consisting of business capability building, product and event development and infrastructure investments including improved public transport.
- Success is built principally on domestic tourism – by building, frequent, repeat visitation from domestic and its neighbouring international market (Norway).



CAPTION: Åre, Sweden was one of five regional destinations to participate in a national tourism development programme 50%-funded by the government to drive dispersal and off-season travel.

STRUCTURE, STRATEGY AND FUNDING

- The programme was administrated by Tillväxtverket, the Swedish Agency for Economic and Regional Growth, a government agency under the Ministry of Enterprise and Innovation.
- A bid process was held, with Bohuslän, Kiruna, Stockholm’s skärgård (archipelago), Vimmerby and Åre selected as the five regional destinations.
- Government funding totalled 60 million SEK (approx. \$6 million USD) for the overall programme. In addition, each of the five targeted destinations received 10 million SEK (\$1 million USD) as co-op funding - to be matched by their own investment (a total of ~\$2 million USD per destination).
- After the first 3 year programme ended, a second 3 year set of activities with Government support continued to 2019. This included a shift in emphasis to product development within nature & culture tourism.

HOW SUCCESS IS MEASURED

Tillväxtverket, the Swedish Agency for Economic and Regional Growth, measured top-line changes in visitor numbers, visitor nights and visitor spend.

Åre focused in particular on improvements in seasonality – moving from a destination almost 100% focused on winter. The initial target was to build summer specific tourism to 15% of visitor nights.

Other measures including specific reporting on event attendance, customer service ratings and infrastructure improvements such as rail passenger numbers



REGIONAL TOURISM DEVELOPMENT IN SWEDEN:

In 2012, the **Swedish government** announced a programme to strengthen and develop regional tourism destinations across the country including improving the capacity, quality and competitiveness for small and medium-sized tourism businesses.



FIGURE 1 IMAGE: Sweden's regional tourism development strategy, 2012

- **Tillväxtverket** was commissioned to develop and implement the programme. They held a contestable process with regional DMOs to select a total of **five destinations** to be part of the programme.
- Government funding totalled 60 million SEK, approximately, \$6 million USD for the overall programme. In addition, each of the five destination received 10 million SEK (\$1 million USD) to be matched by a further 10 million SEK from the destination.
- The five selected destinations from the contestable process were: Bohuslän, Kiruna, Stockholm's skärgård (archipelago), Vimmerby and Åre
- Åre was (and still is) a very popular winter destination for skiing. The focus of the programme was to develop a more year-round destination.
- Over the initial three-year programme period, Åre has carried out 50 different initiatives within five different focus areas and totalling almost 200 different investments with a total budget of 21.5 million SEK (\$2.1 million USD).

THE RISE OF CLIMATE FRIENDLY TRAVEL IN SWEDEN & EUROPE

Sweden has been an important part of the recent rise in global concern around the threat of Climate Change. It is the home of student activist Greta Thunberg and the 'flygskam', or 'flight-shame' movement – which discourages air travel. In Sweden, Swedish Rail (SJ) has reported an 8% lift in train travel in 2019 – which they linked to concerns about climate friendly travel

(1) France **recently announced environmental taxes on air travel** to help combat climate change. (2) In Finland, Climate Friendly travel will be an important part of the new tourism strategy – where domestic and 'nearby' travel is likely to see additional attention (see Finland section). Though in its early stages, these concerns have the potential to strengthen government and industry commitment to domestic and short haul (eg: train) visitor markets.

The Swedish schoolgirl climate activist Greta Thunberg has helped promote the flight shaming movement Photograph: Anders Hellberg/Shutterstock



ÅRE'S STRATEGY & ACTIVITIES:

1. Tight co-ordination and funding from the business community: 'Developing network, cooperation & investment – everyone is involved!'
2. Infrastructure & Investment – specially to promote off-season travel. This includes recent projects such as a new cable car, multi-sport arena and water park resort. The DMO has also worked with national and regional agencies to improve rail service:
3. Events as reason-to-go & platform for visibility:

"We have fought long and hard to change the train schedule from Stockholm and the cities on the West Coast (Göteborg and Malmö). It has been a long fight, but we were recently rewarded in our efforts. In a SEK100M investment [~\$10 million USD] by the state and regional railroad company's accessibility & scheduling has now been improved."

Therese Sjölundh, CEO, Destination Åre AB



- Business Capability & Customer Service Training. Åre has a core focus on developing local hospitality to build strong visitor relations, generate repeat visitors and ensure the best possible welcome all-year-round. As part of the programme, the destination has now ran a total of 500 courses aimed at businesses – managers and front-line staff. Guest ratings improved during a two-year period from 4.8 to 5.0 on a 6-point scale.
- A Focus on Repeat Domestic Visitors. Åre is focused primarily on building loyalty and repeat visitation from the domestic market plus neighbouring Norway and Denmark and to a lesser degree the UK.

We have decided not to aim to be on the bucket list of destinations to visit once... for, us it is important to build strong relations with the visitors - for repeat visits. This is why the domestic and nearby markets are very important for us. We focus on local hospitality and welcoming – not campaigning for long haul tourists. This will pay off in the long run

Therese Sjölundh, CEO

ÅRE'S FUNDING STRUCTURE

Åre's Destination Marketing Organisation is funded by a type of private sector Tourism Improvement District – one of the reasons for its success. The organisation has tight collaboration with, and support from, its wider business community including not only hotels but activities, restaurants and even grocery stores, building companies and electricians.

Within the DMO structure, we have different sections for restaurants, retail, accommodation etc. (...) The financial contribution of the partners is based on a mixed calculation. We take into account both turnover and margin – the supermarket pays a smaller percentage due to low margin; the hotels pay a higher percentage due to high margin. This is a key issue – to contract all parties of the town. It is very important to police the community often and effectively – everyone has to be a member and we have to minimize free-riding."

Mats Svensson, Co-owner and chairman of Holiday Club Hotel and Resort, former chairman of Aare's DMO.



SOURCES & RESOURCES

Disclaimer: Travel Oregon is a client of Miles Partnership in a couple of specific service areas – SEO and support for its implementation of the Google DMO Partnership Programme.

INTERVIEWS & INFORMATION FROM:

Therese Sjölundh, CEO, Destination Åre AB

Mats Svensson, Chairman of Board and private investor – among others Holiday Club resorts and Ice Hotel

Ulrika Nisser, Project Manager, Tillväxtverket, Swedish Agency for Economic and Regional Growth

NOTES: (1) Swedes turn to Trains amongst Climate Flight Shame – The Guardian June 4th 2019 and Survey by Swedish Railways: <https://www.theguardian.com/world/2019/jun/04/stayonthe ground-swedes-turn-to-trains-amid-climate-flight-shame>

(2) Washington Post, July 9th 2019 France moves to tackle Climate Change by Making Flights More Expensive: https://www.washingtonpost.com/world/2019/07/09/france-moves-combat-climate-change-by-making-flights-more-expensive/?noredirect=on&utm_term=.d6054c77ad5e

KEY PUBLICATIONS INCLUDE:

- Report on results of the Sustainable Destination Development programme – “Hur utvecklar vi hållbara turistdestinationer”
- Destination Åre’s own project website, reporting all initiatives and results as part of the government programme
- Tillväxtverket, the website of the Swedish Agency for Economic and Regional Growth including reports in both Swedish and English: <https://tillvaxtverket.se/english.html>
- Slides by Mats Svensson from conference presentation given in Denmark, Jan 2019

DMO INTERNATIONAL BENCHMARKING



DOMESTIC TOURISM BEST PRACTICES

INTERNATIONAL BENCHMARKING: LIST OF SOURCES & RESOURCES

INTERNATIONAL BEST PRACTICES
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List of Sources & Resources

LIST OF SOURCES: INTERVIEWS

We have created an online folder below with copies of the interviews:

https://milespartnership.gallery/benchmarking_DMO_interviews

This folder includes copies of the interview recordings (where this was possible & permission of the interview subject was given). Recordings include both webinar (video & audio) & audio only copies. Where a recording as not possible then notes of the interviews were kept

List of Sources: DMO Plans, Strategies, Research & More

https://milespartnership.gallery/benchmarking_DMO_plans

We have saved copies of key Destination resources that helped guide their management of domestic tourism. This includes relevant strategic &/or marketing plans, event strategies, related research, major industry presentations & more

Scoring Sheet for the 12 Destinations

https://milespartnership.gallery/benchmarking_DMO_scoring

As an additional resource we scored each of the destinations against a range of 16 factors under the four areas below to assess whether they represent international best practice. Destinations were scored out of 5 for each factor – giving a total out of 80. Destinations were then ranked 1st, 2nd etc:

- Clear Objectives (i.e. S.M.A.R.T) in National &/or State Strategy
- Appropriate Structure and Scale of Investment
- Industry Support Offered
- Proven Results

Please note: these are scores are subjective estimates only based on the interviews and resources that the authors had access to.

