

Tourism Tasmania
Zone Marketing Evaluation
May 2011 – FINAL

Jan Ross
Director Marketing and Commercial Operations
Tourism Tasmania
Level 2, 22 Elizabeth Street
HOBART TAS 7000

Via email

11 May 2011

Dear Jan

Re: Tourism Tasmania - Zone Marketing Evaluation

Please accept this copy of the above mentioned evaluation as the final deliverable for this project.

We look forward to presenting this report with you to the Project Steering Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Tarte', with a stylized flourish at the end.

Simon Tarte
Director
Deloitte Growth Solutions Pty Limited

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1 Executive Summary

The Zone Marketing program was introduced in July 2009 for an initial three year period to provide interstate visitors and tourism consumers with a greater depth of understanding of Tasmania's destinations and experiences. This evaluation is a component of that initial three year commitment.

Five zones were created to represent the geographic regions of Tasmania and highlight the products and experiences particular to each region. These zones are:

- Hobart and Surrounds
- The East Coast
- Launceston, Tamar and the North
- The North West Coast
- Western Wilderness

Deloitte was engaged by Tourism Tasmania to conduct an evaluation of the establishment and operations of the Zone Marketing program. The project scope was developed by the Zone Marketing Steering Group, which comprised members from the five Zone Marketing groups and Tourism Tasmania. The Steering Group were responsible for determining the scope areas and advising on the project consulting approach and relevant stakeholders.

The scope, as set out by the Steering Group, was to investigate and analyse the operations of the Zone Marketing program and provide recommendations for its future improvement. The evaluation and the observations, insights and recommendations contained in this report have focused on 3 key areas of Zone Marketing, these are its:

- Strategy
- Governance and operations
- Communication processes.

This evaluation involved consultation with a range of stakeholders to Zone Marketing Specifically, these included:

- Members of the Zone Marketing groups from each of the zones
- Tourism industry operators – both Zone Marketing participants and non-participants. 'Participant' was defined as those who have participated or invested in Zone Marketing programs in the last two years. Non participants were those who have had no direct involvement.
- Tourism Tasmania staff members.

The consultation approach involved a mix of one-on-one interviews, group focus sessions, and document evaluation. A number of alternate methods of engagement were utilised to enable a broad range of consultations to take place.

In order to establish the group focus sessions, invitations for registering interest in participation were sent to approximately 2000 industry operators listed in the Tiger Tour database. 92 responses to the invitation expressed an interest in participating. Sessions were held with both participants to the Zone Marketing program and also with non participants. In all, a total of 50 industry members were consulted; in addition to the members of the Zone Marketing Groups and Tourism Tasmania staff.

The most salient findings from this evaluation are:

- Zone Marketing has encouraged and facilitated increased collaboration of industry and government through co-operative marketing and enables greater participation by industry in collective marketing.
- There is general support for the strategy although there is a consensus view that it has been poorly implemented. The strategic intent and target market for the program has become unclear, and not well understood by some industry operators and stakeholders.
- Zone Marketing has given local operators a greater ‘voice’ although there remains limited opportunity to collaborate in strategy and initiative formation as communication flows to the Zone groups have not been timely. The recent introduction of a consistent Tourism Tasmania representation across all Zones; inclusive of more effective communication regarding forward planning; have been perceived as improving the opportunity for Zone Marketing groups to operate more proactively in the future, rather than in a reactive manner as they have had to in the past.
- The initial communications regarding the introduction and operation of the Zone Marketing program did not clearly resonate with industry and the stakeholder community. This, for some, has created an ongoing legacy of misunderstanding regarding the intentions of why the program was established. Multiple contact points and unclear message control by Tourism Tasmania has exacerbated this misunderstanding during the operations of the Zone Marketing program.
- Zone Marketing groups are unsure of the scope and limitations of their roles and responsibilities.
- The process and flow of the ‘matched funding’ is not clear and this creates budgetary uncertainty. This impacts the level of financial, and thus broader value, which can be communicated in the attraction and retention of program participants.
- Multiple barriers to the attraction and retention of participants in the Zone Marketing programs exist and the perceived value of participation is clouded for industry (and thus participation levels impacted) by:
 - The value proposition and differentiation in the market place of Zone Marketing publications from other marketing brochure-ware being unclear
 - A perception that there is an absence of effective use of digital technologies to support the publications developed
 - No clear understanding of how collaborative marketing efforts can contribute to increased business performance
 - Unclear understanding by some in industry regarding the role of government in marketing, with many businesses seeing government initiatives as the key marketing activity to attract visitors/customers to their own operations
 - No clear KPIs communicating Zone Marketing outcomes and any successes.

The most salient of the recommendations of this report are:

- Increased clarity regarding the limits of the roles and responsibilities of Zone Marketing groups should be established within the context of other bodies involved in Regional Tourism. These should be supported by the establishment of consistent, clear and measurable KPIs to enable ongoing assessment of program outcomes.
- This evaluation supports the Destination Management Planning recommendations which have resulted from the Regional Tourism Review project conducted separately to this evaluation.
- Increased clarity regarding the funding process for Zone Marketing should also be enhanced through effective documentation processes within Tourism Tasmania.
- Clarification of the linkage between Zone Marketing and other local and state-wide initiatives in the market place should be made to provide clearer understanding of the initiative's role, and its value. An education process for industry stakeholders should be established to support this and help create increased understanding of how to access the benefits of Zone Marketing.
- A process of external 'communications refresh' should be commenced to clarify stakeholder misconceptions regarding Zone Marketing. This should include clarification of the intention behind the initiative as well as an overview of the roles and expectations in regards of collaborative tourism marketing in general for each of:
 - Tourism Tasmania
 - The Zone Marketing groups
 - The Tourism industry and operators.

2 Introduction

2.1 Background

The Zone Marketing program was introduced in July 2009 for an initial three year period to provide interstate visitors and tourism consumers with a greater depth of understanding of Tasmania's destinations and experiences. This evaluation is a component of that initial three year commitment.

Five zones were created to represent the geographic regions of Tasmania and highlight the products and experiences particular to each region. These zones are:

- Hobart and Surrounds
- The East Coast
- Launceston, Tamar and the North
- The North West Coast
- Western Wilderness.

Cooperative and collaborative participation by industry is a central element of this strategy. To help facilitate this, Zone Marketing groups have been established for each zone and are representative of the tourism industry within that zone. Funding is provided by Tourism Tasmania, on a dollar for dollar matched basis, to contribute to the programs operations and the production of marketing collateral.

One of the key drivers for the establishment of Zone Marketing was the Perceptions Study which was conducted in 2007 that highlighted there was only minimal consumer knowledge regarding any attractions or activities beyond the major centres of Tasmania. The Zone Marketing concept was designed to promote greater industry and regional participation and influence in encouraging visitor dispersal across Tasmania through a collaborative group. Group chairs were remunerated to both chair the Zone Marketing groups and drive program advocacy through the Zones.

Annual Marketing Plans are used to guide the Zone's promotional activity. It is the responsibility of the Zone Marketing Group to set the plan and structure the activities to promote the Zone. The Zone Marketing groups are also responsible for developing the major outputs of the Zone Marketing initiative - the Holiday Planner and the Visitor Guide. These are designed as distinct publications to attract visitors to, and disperse them through, each zone. Online content is provided in support on the Discover Tasmania website.

2.2 Scope of this report

Deloitte was engaged by Tourism Tasmania to conduct an evaluation of the establishment and operations of the Zone Marketing program. The evaluation was scoped to investigate and analyse the operations of the program and provide recommendations for its future improvement. The evaluation and the observations, insights and recommendations contained in this report have focused on 3 key areas of Zone Marketing, these are its:

- Strategy
- Governance and Operations
- Communications.

This report forms the deliverable from this evaluation.

2.3 Consultation approach

A range of stakeholders to the Zone Marketing program have been consulted during the conduct of this evaluation. Specifically, these are:

- Members of the Zone Marketing groups from each of the zones
- Tourism industry operators – both Zone Marketing participants (those who have advertised in the Zone Marketing brochures in the last 2 years) and non-participants (those who have not advertised)
- Tourism Tasmania staff members. Three sessions were held in total, with a session for staff who have been directly involved in Zone Marketing, one for those with peripheral involvement and one for those with no involvement.

The evaluation was not scoped or required to engage with local or regional tourism authorities or local government, however given the interlinked nature of the tourism industry in Tasmania a number of representatives from these organisations were engaged with during the consultation process if they were also members or participants in Zone Marketing. Separate meetings have been held by Tourism Tasmania outside of the scope of this evaluation with local government. These have covered broader Regional Tourism topics as well as Zone Marketing.

The consultation approach involved a mix of one-on-one interviews, group focus sessions, and document review. A number of alternate methods of engagement were provided to enable a broad range of consultations to take place.

In order to establish the group focus sessions, invitations for registering interest in participation were sent to approximately 2000 industry operators listed in the Tiger Tour database. 92 responses to the invitation expressed an interest in participating. Sessions were held with both participants to the Zone Marketing program and also with non participants. In all, a total of 50 industry members were consulted; in addition to the members of the Zone Marketing Groups and Tourism Tasmania staff.

The scope of the engagement did not require Deloitte to consult with consumers of tourism products and services within the Zones, and thus this evaluation assesses the supply side of Zone Marketing only.

We would like to thank all those who made themselves available during the consultation process and gave freely of their time and thoughts.

2.4 Structure of this report

This report provides an overview of the thematic observations made regarding the three key focus points of this evaluation, namely the:

- Zone Marketing strategy (Section 3 of this report)
- The communication surrounding the initiative (Section 4 of this report)
- The governance and operations of the program (Section 5 of this report)

Resulting from these observations, a number of insights have been drawn and are presented in Section 6.

Section 7 highlights the key recommendations for future improvement opportunities based on both the observations made, and insights applied during this project.

3 Strategy

This section outlines ‘observations’ regarding the Zone Marketing *strategy* made during the conduct of this evaluation.

The different audiences engaged with provided different observations regarding the Zone Marketing strategy and how effectively it has been implemented. The following sections outline the themes of the observations made from:

- Tourism Industry Operators
- Zone Marketing Groups
- Tourism Tasmania staff members

3.1.1 Tourism Industry Operators

For the majority of those consulted, there is a recognised value in the concept and strategy of Zone Marketing. However, the execution of the strategy has created some concerns calling into the question the overall value and return on investment received from participation in the program.

While both participants and non-participants alike identify the potential value that can accrue from Zone Marketing – notably in its capacity to develop regional areas as distinct from visitation icons, and its ability to foster industry collaboration through the region, it was very clear during the conduct of this evaluation that industry in general has difficulty in identifying the direct link between Zone Marketing participation and visitation to their businesses.

Tourism business operators are not able to easily identify a direct return on investment for participation in the program nor are they able to identify a unique value proposition for the Zone Marketing collateral/marketing guides produced when they are compared to other similar offerings in the market. The consensus view was that producing both a Holiday Planner and Visitor’s Guide for each zone made the visitor experience of these documents more cumbersome as they were not able to refer to one consolidated guide for their Tasmanian experience. The view of the industry participants was that while Zone Marketing was useful as a strategy to encourage regionally based tourism, a typical visitation journey would cross multiple zones and therefore require use of multiple guides. Other guides available to the consumer are able to provide a holistic Tasmanian experience within the one guide, thus increasing the ease of use for the visitors to Tasmania.

Representatives from businesses who operate a niche or experience focussed operation communicated they did not believe that Zone Marketing was an effective mechanism to promote this type of business, as it focussed collateral to a broad audience rather than a specific segment. More generally, industry communicated a lack of understanding regarding how the Zone Marketing strategy integrates into experience based strategies or existing marketing constructs such as touring routes.

Table 3.1 below, lists the broad themes communicated by industry regarding the Zone Marketing strategy and implementation.

Table 3.1: Industry observations regarding the Zone Marketing strategy

Strategy and Value Proposition	<ul style="list-style-type: none"> • There is a recognised value in the zone concept which is illustrated by the further development of regional and collaborative marketing efforts. • The main purpose of Zone Marketing as perceived by operators is to market Tasmania and attract and disperse visitors to the state. • The execution of the strategy has created significant concerns and questions regarding the value of participation. • The number of marketing initiatives accessible creates confusion over where Zone Marketing fits with other programs such as Touring Routes or sector based programs. • Zone Marketing is seen to have removed funds from alternative marketing initiatives to the detriment of these initiatives. These include marketing initiatives such as touring routes, eco-tourism and sector marketing. • The Zone Marketing consumer audience is generally perceived by industry to be short-trip and luxury style travellers. • Many industry members hold the view that Zone Marketing was developed as a like-for-like replacement for Tas Temptations Holidays wholesale program. This perception clouds their assessment of Zone Marketing and its value. • There is some misunderstanding of the role government should play in marketing initiatives with many in industry seeing government programs as their primary marketing activity and driver of visitation to their business. • A lack of industry involvement in the development of the Zone Marketing strategy has resulted in industry feeling that it has been imposed upon them and remains unlinked to other industry-based programs. • The advertising cost for Zone Marketing participation is seen as being too large for many small operators especially when a return on that investment is not readily identifiable. • The number of zones can create a duplicity of marketing spend for some businesses – mainly those whose operations straddle or are close to the border of multiple zones.
Product	<ul style="list-style-type: none"> • There is a lack of clarity regarding the purpose and value of having a separate Visitor Guide and Holiday Planner. • The unique value proposition of Zone Marketing publications against other publications such as ‘Travelways’ is not recognised. The production quality and professionalism of the Zone Marketing documents is however well recognised. • There is broad industry support for a more comprehensive and consolidated Visitor Guide and Holiday Planner augmented by a simple, easy to navigate and informative website.

Consumer Reach

- Zones have created increased opportunity for awareness of Tourism Tasmania's marketing initiatives amongst regional Tasmania.
- The industry has difficulty recognising the return on investment attributable to Zone Marketing as it does not directly translate into customers/visitors for their individual businesses. This was communicated by non-participants as the greatest barrier to their involvement in the program.
- The 'branding' of zones, for some businesses, is not seen to be connected to visitation drivers or trends in their visitor behaviour. Some issues raised include:
 - Flinders Island and King Island do not logically fit into respective zones
 - 'Hobart and Surrounds' Zone name and branding is too Hobart centric and is a barrier to visitor dispersal beyond Hobart
 - The distinction between the North West Coast and Western Wilderness zones is unclear.
- The timing of the Zone Marketing 'product' release is not seen to be consistent with the broader timings of the 'travel season'.
- There is clear concern that the distribution strategy of the marketing documents produced has not been effective, which has resulted in considerable amounts of the printed collateral being warehoused with only limited consumer reach.
- The digital reach of the Zone Marketing program is not understood or perceived to be effective.

3.1.2 Zone Marketing Groups

There was a clear distinction made during the consultations held with the Zone Marketing Groups between the strategy of zone marketing, and its implementation.

Broadly, the Zone Marketing Groups support the Zone Marketing strategy as it has provided a mechanism with which industry can more effectively engage in local collaborative marketing and input into the messaging disseminated. Similar to the industry participants engaged with, the Zone Marketing Groups expressed significant concern regarding the implementation of the program.

It was consistently communicated from all Zone Marketing groups that they are unsure as to the role and responsibility of the group and that this can impact effective operations.

There was some confusion communicated regarding where Zone Marketing fits into the hierarchy of tourism marketing and development initiatives, and where any interdependencies or linkages may lie with them. Clarification of this may serve to benefit future program effectiveness and should be inclusive of the Destination Management planning and approach as well as other Tourism Tasmania opportunities.

Table 3.2 below, lists broad observations from the Zone Marketing group consultations

Table 3.2 Zone Marketing Group observations regarding the Zone Marketing strategy

Engagement with the Zone Marketing strategy

- The Zone Marketing strategy has enabled greater involvement and participation by local industry in the broader marketing of Tasmania.
- Communication of the strategy has not been clearly understood by all in the industry. For a number it was seen as a like for like replacement for for Tas Temptations Holidays wholesale program.
- As it currently stands, there is a lack of clarity of how Zone Marketing supports other marketing initiatives such as Touring Routes.
- The strategy and ‘matched’ funding structure favours the more densely populated zones as they have greater capacity to access advertisers.
- ‘Matched funding’ can create funding uncertainty as it does not afford clarity regarding the total funds available. This can make it difficult to communicate and demonstrate value in the ‘sales’ process to participants and potential participants.
- Program participation and the outputs produced have typically been reactive to Tourism Tasmania direction rather as a result of proactive participation and collaboration in planning at a Zone level. This may have impacted value creation through the Zone Marketing initiatives and little product differentiation across the regions.
- The implementation of the strategy has been confusing as Zone Marketing Groups feel that the ‘goal posts’ have been frequently shifted and they are not sure of the bounds regarding their responsibilities.
- Assessing the outcomes of the strategy is difficult as there are no clear KPIs.
- The recent change to enable a single dedicated Tourism Tasmania presence – with decision making capability - across all of the Zone Marketing groups has been viewed positively and recognised as a commitment to change to make the implementation of the ongoing strategy more successful.

3.1.3 Tourism Tasmania Staff

The observations provided by Tourism Tasmania staff members regarding the strategy of Zone Marketing varied. With the exception of the more senior staff members and those closely involved with the Zone Marketing initiative, many of those consulted with only possessed a high level understanding of the broad parameters of the strategy and thus the observations made tended to be more operational in nature.

This however, provides some insight into the extent to which the strategy behind Zone Marketing has been broadly communicated throughout Tourism Tasmania.

While there is internal acceptance that the strategy has the potential to create longer term buy-in from the industry and increase collaboration, it was apparent there is not total buy-in and collaboration within Tourism Tasmania towards the Zone Marketing initiative. This appears to limit the effectiveness of the program as it impacts staff sentiment and requisite communication flows.

Table 3.2 Tourism Tasmania staff members understanding of the Zone Marketing Strategy

Engagement with Zone Marketing Strategy

- The Zone Marketing strategy is acknowledged as being a mechanism to promote regional dispersal and increase industry collaboration through a consistent 'de-layered' state-wide approach.
- While there is general acceptance of the need to more effectively create buy-in from industry and create regional dispersal, there appears to be mixed levels of support for the Zone Marketing Strategy throughout Tourism Tasmania. It was apparent during the conduct of this evaluation that this impacts the internal environment and the broader acceptance of, and enthusiasm directed towards, the initiative. This may impact its overall effectiveness.
- Zone Marketing has provided a strong framework for partnership marketing (ie: with Hawthorn Football Club) with all zones represented.
- The Zone Marketing strategy could be effectively enhanced through better clarification for the consumer regarding the linkages of how the Zones work in a holistic manner.
- Despite the number of staff involved, the perception has been that the Zone Marketing strategy has not been effectively resourced throughout its operational lifespan with unclear internal 'ownership' and accountability for the program.
- The extent of the understanding of the focus and intent of the strategy varied depending on the level of the staff member and the extent to which they were required to liaise with the Zone Marketing initiative as a component of their 'day job'.
- There is broad acknowledgement that Zone Marketing was not well communicated or executed and this has created challenge for broader acceptance of the program.

4 Communications

There are multiple layers of communication requisite to the ongoing operations of the Zone Marketing initiative, with strong interdependencies being evident between them. Broadly these communication loops are:

- Tourism Tasmania communicates a broad annual plan to the Zone Marketing groups
- Zone Marketing groups establish project plans to be implemented by Project Managers and promote the program to local industry operators and stakeholders. Zone Marketing groups feed communication regarding industry requirements into Tourism Tasmania.

Distinct from these ongoing operational communication requirements, there were also some observations made about the communication of Zone Marketing at the time of program roll out in July 2008.

4.1.1 Tourism Industry

While many industry stakeholders understood the Zone Marketing strategy, there are a number of industry participants and non-participants to the program who demonstrated a level of misunderstanding of the intent behind the strategy. For many, the Zone Marketing program was viewed as being a replacement for the wholesale Tas Temptations program. This misconception – which a number have attributed to initial program communications – has created an environment where Zone Marketing was unable to achieve expectations, as the expectations did not align with the Zone Marketing intent.

This evaluation is unable to make detailed assessment of the initial communications rollout that supported the establishment of the Zone Marketing program however there does appear to be some conflicting viewpoints. As a part of this evaluation, we have sighted some of the initial communications support material for Zone Marketing and this seems aligned with the broad intent and strategy of Zone Marketing. However, the frequency with which industry stakeholders from across all Zones have indicated at least an initial misunderstanding of the intention of the Zone Marketing program does suggest there may have been some mixed messages conveyed at program roll out.

On an ongoing basis, the varied levels of awareness of the intent behind Zone Marketing initiatives and their value appear to have inhibited greater participation by Industry in the program. This is demonstrated by many operators not understanding the purpose of the two Zone Marketing publications for each zone -The Holiday Planner and The Visitor Guide. Having two separate publications for each zone has been seen to restrict accessibility and ease of use for consumers. This contributes to operators not recognising value in Zone Marketing products and not understanding the intent and linkage between the separate publications. Additionally, there was a lack of apparent understanding by some operators on consumer's perceptions of Tasmania and this contributed to misunderstanding of the Zone Marketing program.

Table 4.1 below, lists the broad themes observed by industry regarding the Zone Marketing communications.

Table 4.1 Industry Observations regarding Zone Marketing communication

Communication on program establishment	<ul style="list-style-type: none"> • There is a commonly held perception amongst industry participants that the Zone Marketing program was intended to be a replacement for wholesale Tas Temptations and would perform a similar function. • This created a misconception of the Zone Marketing program and a set of expectations for program outcomes which were never able to be achieved.
Product communication	<ul style="list-style-type: none"> • The aesthetic element and communication of Zone Marketing publications is appealing and professional. • The two distinct documents produced through Zone Marketing, split across the different Zones does not engender ease of use for consumers as there are multiple documents. There is a strong preference for consolidation of publications to enable greater ease of use. • A number of industry stakeholders to the program believe the mix of editorial content versus advertising content could be better balanced in the publications, and the publications may be enhanced by increased editorial content on elements such as places to go, where to stop, and how to get there. • The supporting messages to Zone Marketing conveyed through the Discover Tasmania website are confusing as content is embedded and the site is not simple to navigate. • The marketing material produced is not reflective of current technology or communication approaches. • There is general lack of understanding on how Zone Marketing products seek to enhance consumer’s perception of Tasmania as a travel destination.
Communication between Zone Marketing groups and industry	<ul style="list-style-type: none"> • The communication to operators for involvement in the program has been inconsistent in the past and not always of a timely manner. • Some operators do not feel engaged with the program due to email communications which do not lend themselves to high levels of interaction with the program. • Some operators believe some Zone Marketing group members are only involved in the program to produce beneficial outcomes for their own businesses and not the zone as a whole. • There is a strong perception that Zone Marketing products were not widely distributed as distribution numbers and plans were not communicated. There is also an ongoing belief that many printed copies have been thrown away or not distributed at all.

4.1.2 Zone Marketing Groups

All Zone Marketing Groups expressed a consistent set of views regarding the effectiveness of the initial and ongoing communications of Zone Marketing.

The core theme to the commentary and criticism was that the communications process was generally one way and as such it was not always possible for effective collaboration and cooperation.

It was described that at times, Zone Marketing groups felt like a Tourism Tasmania ‘mouthpiece’ to industry rather than as partners to a collaborative marketing initiative. The information flow to the Zone groups – most notably in regards to broader Tourism Tasmania initiatives and programs - was not of a timely nature and thus generally only reactive response and input from the Zone groups was possible. There was a clear expression of the desire for more timely communications to enable more proactive planning. It was acknowledged that the recent changes demonstrating a consistent Tourism Tasmania presence across all Zones were beneficial and likely to enable more effective facilitation of proactive planning.

Zone Marketing groups feel that the communications on the establishment of the Zone Marketing program were not clearly understood at project commencement and this has created an ongoing legacy of misunderstanding amongst many

Table 4.2 below, lists the broad themes communicated by Zone Marketing groups regarding the Zone Marketing communications.

Table 4.2 Zone Marketing group observations regarding communications

<p>Communication on program establishment</p>	<ul style="list-style-type: none"> • The initial communications of Zone Marketing were not clearly understood by the industry and this has created an ongoing legacy of misunderstanding. • Many industry participants saw Zone Marketing as a like for like replacement for Tas Temptations and this inaccurate expectation has created criticism of the program and contributed to misunderstanding of the role of the Zone Marketing groups.
<p>Product communication</p>	<ul style="list-style-type: none"> • The marketing material is perceived as not being sufficiently flexible to change as required – most notably in the light of technology change and the changes to visitor environment • There is a perception that the Zone Marketing documents produced were not widely distributed. • The timeliness of information flow to Zone Marketing groups regarding broader Tourism Tasmania initiatives did not enable effective coordination of messaging with the specific zone publications for Zone Marketing.
<p>Ongoing program communication</p>	<ul style="list-style-type: none"> • The timeliness of the ongoing communications regarding Zone Marketing have not enabled the Zone Marketing Groups to have any more than a reactive response to the programs. This has resulted in an across the board sentiment that there is insufficient collaboration and cooperation between the Zone Marketing groups and Tourism Tasmania • There is strong recognition that recent changes from the Tourism Tasmania perspective in regards to Zone Marketing have been positive and beneficial to the ongoing operations of the program - most notably the commitment to consistent Tourism Tasmania liaison and representation at Zone Marketing meetings. • It was communicated there are some members of the tourism industry who lack marketing sophistication and understanding and criticise

- government funded marketing initiatives from an ill-informed position.
- It was further conveyed that some communication to industry “falls upon deaf ears” with some industry members unwilling or unable to accept the messaging attached to the communication.

4.1.3 Tourism Tasmania Staff

There were a range of views expressed by Tourism Tasmania staff regarding the communications process as it relates to Zone Marketing initiatives. Internal and external communication flows were explored.

The internal communications process regarding information flows were communicated as being ad-hoc and not clearly understood. The outcome of this resulted in delays to the external communication process with broader stakeholders and in particular the Zone Marketing groups.

There was a strong prevailing view that given the broad nature of the tourism industry in Tasmania, there was no single or easy method to communicate with industry, and thus more clear and consistent processes were required. An absence of effective message control had created situations in the past where contradictory messages had been flowing to the Zone Marketing groups and industry from Tourism Tasmania.

Table 4.3 below, lists the broad themes observed by Tourism Tasmania staff regarding the Zone Marketing communications.

Table 4.3 Tourism Tasmania observations regarding Zone Marketing communications

Internal Communications	<ul style="list-style-type: none"> • The internal communications regarding dissemination of information concerning Zone Marketing is infrequent and ad-hoc. • This can result in difficulty in maintaining effective external communications to the Zones as the internal decision making timelines and communication process of Tourism Tasmania do not support effective distribution of information to Zone groups. • A number of staff who have had limited involvement with the program were not able to identify who had operational carriage of the Zone Marketing program within Tourism Tasmania.
External Communications	<ul style="list-style-type: none"> • There is no single ideal way of communicating to industry given the breadth and diversity of its composition. • Message control has been an issue in the past, with multiple contact points creating capacity for contradictory communication to industry thus increasing uncertainty. This can reduce the effectiveness of communications from Tourism Tasmania • The objectives of Zone Marketing may need clarification/refresh with industry stakeholders. • Industry should be encouraged to take broader responsibility for their business marketing and understand that the role of Tourism Tasmania is to partner with the broader industry rather than market for specific businesses.

5 Governance & Operations

5.1.1 Industry

It was clear from the consultations with industry – both participants and non-participants - that they perceive the governance and operational implementation of the Zone Marketing program has been a barrier to the success of the initiative.

While the public and private funding model is viewed positively in the development of collaborative marketing, developing broader involvement by industry is viewed as a potential opportunity for enhancement of Zone Marketing. This evaluation supports the Destination Management approach currently being pursued by Tourism Tasmania as a mechanism which may encourage both increased industry participation and representation as well as increased participation of the requisite skills.

The broad array of marketing initiatives and structures in place though-out Tasmania creates confusion at an operator level as operators communicated they can become frustrated by the multitude of initiatives in which to invest their marketing budget.

Table 5.1 below, lists the broad themes communicated by tourism operators regarding the Zone Marketing governance and operations.

Table 5.1 Tourism Operator observations regarding Zone Marketing governance and operations

Governance	<ul style="list-style-type: none"> • There is a perceived lack of dedicated skill based resources within Zone Marketing groups which inhibits the effectiveness of the initiative. • Zone Marketing has worked well where there has been strong leadership with RTA and Local Government support. • The role of Zone Marketing groups is not clearly understood by industry. • Some operators feel there is a lack of industry engagement due to limited representation and leadership. • There is a perceived lack of consistent revenue contribution from LTAs, Local Government and RTAs. • Better accountability for the program would be provided through measurement against clear KPIs.
Operations	<ul style="list-style-type: none"> • Reasons for visitation and average number of nights stayed are important indicators for operators. The linkage between Zone Marketing participation and these indicators is not apparent to many operators and therefore the value of the program is questioned. • Zone Marketing products don't rate in operator customer surveys as reasons why visitors/customers are making their visitation decisions. • The marketing approaches should be more innovative and interactive. For instance interactive maps that improve the holiday planning function or social marketing that reaches target audience could be provided.

5.1.2 Zone Marketing Groups

Effective governance of Zone Marketing groups is constrained by insufficient clarity regarding the bounds of their roles and the responsibilities.

It was apparent the prevailing viewpoint amongst the groups was the reality of the Zone Marketing group governance and operating experience has been significantly different to the expectations they collectively held on program and Zone group establishment.

Many members of the groups believed that they have been forced to become far more operational in the sales and development process for the Zone Marketing publications when compared to the expectations which had been set at the establishment of the group and/or when they agreed to participate. It was further apparent that the timeliness and consistency of the communications from Tourism Tasmania – enabling only reactive response – and the nature of the ‘matched funding’ process are key drivers to this increased operational focus as they both contribute to reactive rather than proactive activity and operation.

The ‘matched funding’ model and process does not enable easy understanding of, or communication regarding, the value of program participation. The Zone groups believe that the process of funding is confusing, and it does not enable them to easily understand the level which they will receive as the ‘matched’ component.

The absence of a formal entity construct for the Zone Marketing Groups is viewed as a barrier to more effective governance of the program and this contributes to the lack of clarity regarding the roles and responsibilities of the Zone groups. However, the majority of Zone group members also communicated that the establishment of more formal entity structures may become a disincentive for their ongoing involvement in the program – most notably as it relates the ownership of any potential legal risk.

It was acknowledged that the recent changes facilitating a more consistent presence from Tourism Tasmania representatives at the Zone meetings was seen as an action which may enable clearer communication and understanding of roles and responsibilities for the group. This may then further enable a more proactive and strategic, rather than reactive and operational focus.

Table 5.2 below, lists the broad themes observed from tourism operators regarding the Zone Marketing governance and operations.

Table 5.2 Zone Marketing Group observations regarding Zone Marketing governance and operations

Governance	<ul style="list-style-type: none"> • Zone Marketing groups have not been provided with sufficient clarity regarding their role and the expectations of them. • The process and flow of matched funding is not easily understood and does not enable clear transparency of program funding. • The flow of funding to the groups and the nature of how it is matched does not provide high levels of budgetary certainty and does not enable effective financial governance. The distinction between the allocation for matched funding and that for project management was also deemed as being confusing. • This impacts the ‘value’ which can be ‘sold’ to potential participants. • There are no clear KPIs by which to measure the outcomes of Zone Marketing programs. • There has been inconsistent effectiveness of the Zone group Chairs as advocates for the Zone Marketing programs. • As such, it is difficult to attach ‘outcomes’ to the zone marketing activities and therefore hard to demonstrate and communicate success and value to industry. • Zone group operations are more effective when supported by a strong RTA and project management structure for the publication sales and development process. • There is a greater requirement for hands on involvement in Zone Marketing initiatives by group members, than was first thought would be required, most notably where there is not strong project management in place. • Zone Marketing groups may benefit from a more skills based composition in addition to their representative nature. • The absence of a formal entity structure for Zone Marketing groups is a barrier to more effective governance principal and practice • While a change to the entity structure of the Zone Marketing Groups may engender more effective governance, it may also be a disincentive to participation in these groups.
Operations	<ul style="list-style-type: none"> • There is limited operational capacity for Zone Marketing Groups to impact Zone Marketing strategy. • Zone Marketing groups have become a quasi sales force to sell advertising space in the publications • Less densely populated zones are at a comparative and competitive disadvantage as they need to acquire more funds per operator, from a smaller base of operators, than the more densely populated zones. • The recent changes aimed to create a more consistent presence of Tourism Tasmanian staff have been well received as a mechanism to enable more effective and proactive contribution from the Zone Marketing groups.

5.1.3 Tourism Tasmania Staff

Zone Marketing was established as a program at a point in time when Tourism Tasmania was undergoing significant change and embarking on downsizing and exiting a number of pre-existing programs and initiatives. As a consequence, a consistent theme communicated that Zone Marketing did not receive the level of internal resourcing and carriage that was requisite for implementation success and ongoing operational effectiveness. This is seen as causal factor for many of the issues which cloud Zone Marketing presently.

Tourism Tasmania staff communicated that they, and as such the organisation, does not have a strong understanding of the marketing plans for each of the Zones and that a number of the Zones appear to have not prepared or submitted one. It was also apparent that the Zone groups themselves may not be adequately resourced to prepare and maintain these documents as they are staffed by volunteers. While Tourism Tasmania staff agreed there is an absence of clarity regarding roles and responsibilities for the Zone groups, a contributing factor towards this was the absence of effective planning process and documentation by the Zone groups.

It was unclear to Tourism Tasmania staff how the process of matched funding works as there appears to be limited documentation of the process. It is thought this process can benefit from simplification.

Table 5.3 below lists the broad themes observed from Tourism Tasmania staff regarding the Zone Marketing governance and operations.

Table 5.3 Tourism Tasmania observations regarding Zone Marketing governance and operations

Internal within Tourism Tasmania	<ul style="list-style-type: none"> • Tourism Tasmania does not have a strong understanding of each Zones marketing plans – with some Zones not having developed one. • The Zone Marketing program did not receive sufficient focus and resourcing from Tourism Tasmania as other operational imperatives such as downsizing and exiting the call centre and mainland retail operations. • It is difficult to understand the ‘matched funding’ payment process and this needs simplification. There appear to be no clear process guidelines for payment with considerable knowledge communicated to be undocumented. • The consistent presence of Tourism Tasmania representation across all Zones will assist in building more effective and timely information flows.
Zone Marketing Groups	<ul style="list-style-type: none"> • The guidelines surrounding the responsibilities of the Zone Marketing groups are unclear as there is no formal constitution. Some Zones appear to have made judgement calls and this can create inconsistency across zones. • Clearer definition of the role and responsibilities of the Zone Marketing groups is required however more effective planning on behalf of the Zones will enable greater clarity regarding both their role and responsibilities. • There is difficulty in setting KPIs for the Zone Marketing Groups and the outcomes produced in the absence of clear understanding regarding the roles and responsibilities of the groups. • Where a Zone Marketing group has a functioning and effective RTA in support, there appears to be more cohesive zone outcomes. • Attendance levels at Zone Marketing meetings by group members is not consistent, with some members appearing to not to be fully engaged in the initiative. • The marketing plans of the Zones are generally not strong, however, the Zones are not well resourced to develop effective plans.

- For Zone Marketing Groups to be effective, they require a mix of industry representation and the appropriate skills.

6 Findings

This section of the report outlines the findings made during the conduct of this project. They are drawn from both our review of the available documentation and the consultations held with the Zone Marketing groups, industry and staff members from Tourism Tasmania.

Due to the interconnected nature of the observations, the findings are integrated and inclusive of both information and consultation audience and theme (Strategy, Governance and Operations and Communication)

These findings are:

- Zone Marketing has encouraged and facilitated increased collaboration of industry and government through co-operative marketing and enables greater participation by industry in collective marketing.
- There is general support for the strategy although there is a consensus view that it has been poorly implemented. The strategic intent and target market for the program is unclear to, and not well understood by some industry operators and stakeholders.
- There appears greater external acceptance (Industry and Zone Marketing groups) of the strategy, than there is internally within Tourism Tasmania where appropriate resourcing and a consistent point of carriage do not seem to have been directed towards the program from its commencement.
- Negative industry sentiment appears ‘loudest’ at the margins of Zone Marketing; ie: for those businesses who operate within a niche focus or near the borders of multiple zones and thus don’t fit neatly within the zone concept.
- Zone Marketing has given local operators a greater ‘voice’ although there remains limited opportunity to collaborate in strategy and initiative formation as communication flows to the Zone groups has not been of a timely nature. The recent introduction of a consistent Tourism Tasmania representation across all Zones; inclusive of more effective communication regarding forward planning; have been perceived as improving the opportunity for Zone Marketing groups to operate more proactively in the future, rather than in a reactive manner as they have had to in the past.
- The initial communications regarding the introduction and operation of the Zone Marketing program did not clearly resonate with industry and the stakeholder community. This, for some, has created an ongoing legacy of misunderstanding regarding the intentions of why the program was established. Multiple contact point and unclear message control by Tourism Tasmania has exacerbated this misunderstanding during the operations of the Zone Marketing program.
- There is uncertainty regarding the linkage between the Zone Marketing strategy and other regional and state-wide tourism strategies which are currently in place or have been in place in the past. This uncertainty creates confusion and the perception of duplication, and contributes to a negative sentiment being directed towards the broader operations of Tourism Tasmania.
- Zone Marketing groups are unsure of the scope of their role and responsibilities.
- Not all Zone Marketing groups have completed effective marketing planning documents and this contributes to the lack of clarity regarding their role and responsibility level. While it is acknowledged that the Zone Marketing groups comprise a volunteer membership, this should not be a barrier to marketing plan completion. Distribution of funds to the Zone groups has occurred despite marketing plans not being completed.

- Completion of an appropriate marketing plan will assist in developing an increased understanding regarding the roles and responsibilities of the Zone Marketing groups.
- Marketing plans can be used as a mechanism to help establish clear and measurable KPIs for Zone Marketing outcomes.
- Clear and measurable KPIs for Zone Marketing outcomes will contribute to a foundation which can be used to communicate program value to participants (and potential participants) in order that they can make informed decisions regarding the return on their investment for participation.
- The Zone groups are currently too operational in focus. This appears due to:
 - the timeliness of communications to the groups not being of a nature which enables proactive strategic participation and planning
 - the ‘product approach’ prescribed by Tourism Tasmania can stifle responsiveness to changes in marketing approaches and limit the capacity of the Zone Marketing group to effectively and strategically contribute.
- In combination, the development by the Zone groups of a marketing plan and its submission to Tourism Tasmania, more timely information flows from Tourism Tasmania, and the addition of some key skills to the Zone groups will help support increased strategic activity by the Zone groups.
- Effective project management of the Zone marketing publications is difficult and potentially uncommercial for project managers in the absence of scale.
- The process and flow of the ‘matched funding’ is not clear and this creates budgetary uncertainty. This impacts the level of financial, and thus broader value, which can be communicated in the recruitment and retention of program participants.
- A barrier to the recruitment and retention of participants in the Zone Marketing programs is the value of program is clouded for industry (and thus participation levels impacted) by:
 - The value proposition and differentiation in the market place of Zone Marketing publications from other marketing brochure-ware being unclear
 - Not all of industry understanding the Australian mainland focus of Zone Marketing
 - An apparent absence of effective use of digital technologies to support the publications developed
 - No clear understanding of how collaborative marketing efforts can contribute to increasing business performance
 - Unclear understanding by some in industry regarding the role of government in marketing their business with many businesses seeing government initiatives as the key marketing activity to attract visitors/customers
 - No clear KPIs communicating Zone Marketing outcomes and any successes.
- This is compounded by the uncertain nature of the ‘value’ of which can be communicated to incentivise participation as the total monetary value of each zones matched funding does not become apparent until after total business contribution is known.
- The combined outcomes of the two points above determine that it is a difficult sales process for the Zone Marketing groups to recruit and retain local business involvement, and it is difficult for business to recognise the return on investment (or value received) from their involvement.

- The industry perception of an absence of a fair return on investment from Zone Marketing is further impacted by:
 - the lack of clear understanding regarding the intent of Zone Marketing with many in the industry believing it was a 'like-for-like' replacement of Tas Temptations
 - perceived concerns over the limited extent of distribution of the collateral and publications produced
 - under-delivery of outcomes against commitments made during the sales stage (eg: poorly accessible website content).
- The publications produced by Zone Marketing are professional and appealing, however the fact that each of the five zones requires both a Visitor's Guide and Holiday Planner does not support ease of use by the consumer. Publishing one single marketing guide / planner split into five zones could create an easier user experience and eliminate the need to carry multiple documents.
- This evaluation supports the Destination Management approach to regional tourism currently being developed by Tourism Tasmania.

7 Recommendations

The recommendations contained in this report are based on the observations made and insights applied during the conduct of this project. They are premised in the continued operation of the Zone Marketing program.

Recommendation One

The commitment to a consistent Tourism Tasmania representation at the Zone Marketing group meetings should be maintained as this has been well received by the groups as signal of commitment to improving operational effectiveness of the program and the timeliness of information flow.

Recommendation Two

Increased clarity regarding the limits of the roles and responsibilities of Zone Marketing groups should be established. These should be supported by the establishment of consistent, clear and measurable KPIs to enable ongoing assessment of program outcomes. To support this, Zone Marketing groups should be required to develop and submit three year rolling marketing plans which guide future activity. This should help increase strategic contribution from the Zone Marketing groups.

This evaluation supports the Destination Management Planning recommendations which have resulted from the Regional Tourism Review project conducted separate to this evaluation and encourages requisite changes to the governance and funding of Zone Marketing consistent with the Destination Management Planning approach and structure.

Recommendation Three

That project management for the production of the publications be co-ordinated and contracted centrally to free capacity of the Zone Marketing groups to enable focus on the strategic rather than the operational elements of the program. It should also enable better scale and operational efficiencies at project management level.

Recommendation Four

Increased clarity regarding the funding process for Zone Marketing should be enhanced through effective documentation processes within Tourism Tasmania and clearer communication and enforcement of funding disciplines to the Zone Groups.

Recommendation Five

The basis for the composition for Zone Marketing Groups should be reinforced through the stakeholder community and include an appropriate mix of skills and representation.

Recommendation Six

Clarification of the linkage between Zone Marketing and other local and state-wide initiatives in the market place should be made to provide clearer understanding of the initiative's role, and its value.

An education process should be established to help members of the tourism industry (such as niche operators and those on the boundaries of multiple zones, or in remote locations) who feel marginalised by Zone Marketing better understand how they can access the benefits of collaborative marketing.

Recommendation Seven

A process of external 'communications refresh' should be commenced to clarify stakeholder misconceptions regarding Zone Marketing. This should include clarification of the intention behind the initiative as well as an overview of the roles and expectations in regards of collaborative tourism marketing in general for each of:

- Tourism Tasmania
- The Zone Marketing groups
- The Tourism industry and operators

8 References

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Terms of Reference

CCA	Cradle Coast Authority
KPI	Key Performance Indicator
LG	Local Government
LTA	Local Tourism Association
RTA	Regional Tourism Association
TT	Tourism Tasmania
ZM	Zone Marketing
ZMG	Zone Marketing Groups

Glossary

Term	Definition
Discover Tasmania	Tourism Tasmania's official website for potential visitors. Zone Marketing content available on this site.
Holiday Planner	Zone Marketing publications distributed interstate to attract visitation to Tasmania. Five Holiday Planners are produced for each of the Zones.
Non-Participants	Tourism operators who have not participated in a Zone Marketing program
Operators	Tourism operators in Tasmania who run a business that leverages off tourism as a source of income such as accommodation operators, tour guide operators, food and wine businesses. These operators may or may not participate in Zone Marketing activity.
Participants	Tourism operators who participate in Zone Marketing programs
Tas Temptations	Tourism Tasmania's commercial wholesale travel operation (ceased in September 2009). Operators in the wholesale program were able to advertise in the Tas Temptations book distributed via travel agents and Tourism Tasmania contact centre.
Tasmanian TravelWays	Current monthly tourism newspaper publication produced by The Examiner with listings and advertisements by tourism operators. Widely distributed across the state and interstate by Fairfax publications..
Visitor Guide	Zone Marketing publication used to guide visitors around state once they arrive in Tasmania. Five Visitor Guides are published for each Zone.

