

# **Inspiring All-Seasons Visitation to Seasonal Areas**

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It is a great pleasure to be asked to speak at this conference about my passion for sustainable tourism. Underpinning the title of this address is being sustainable in tourism markets. All-seasons visitation is about aspiring to economic sustainability. That in turn is driven by the willingness and capacity of the business stakeholders in the destination to accept the challenge of being prepared to embrace the possibility of visitation in other than main tourism periods.

I now spend most of my life in pursuing the Holy Grail of successful sustainable and responsible tourism. In my capacity as Chairman of the Alpine Resorts Coordinating Council in Victoria, I oversee the work of the Council and its member boards, being the six alpine resorts in Victoria, to achieve all-seasons visitation. This is a clear responsibility of the resorts under the Victorian Government's recently released Alpine Resorts 2020 Strategy document.

The Vision, set out that in the strategy, is a clear message from Government that it wants to see the development of four season vibrant sustainable resorts.

One of the outcomes that Government seeks in 2020 is: -

*“Resorts will have achieved long term economic, social and environmental sustainability for visitors, residents and business operators. The resorts will provide employment throughout the year”.*

Based on where we are now, the ARCC and all of its constituent supporter bodies have a lot of work to do! The Council took up the challenge and adopted as its vision,

*“To inspire generations of Australians to experience the excitement, energy, splendor and tranquility of Victoria's mountains”.*

You can see from that Vision Statement why today's address is built around inspiration!

When I am not driving between Melbourne and the High Country, I spend my time in Fiji as a Director of Turtle Island Resort. Turtle Island is a five-star resort with just fourteen rooms on a private 500-acre island in the remote Yasawa group. We have established a world reputation for environmentally responsible and socially committed tourism, which celebrates the relationship that we develop between our guests and our 150 indigenous staff.

Our Vision Statement at Turtle Island is: -

*“To provide a genuine and loving Fijian experience for caring people and to be a vital resource to our community”.*

We are an all-seasons destination because we are open and have rooms for sale. However, we also suffer the difficulties of differential demand throughout the year, and thus need to address issues of seasonality.

It is interesting to juxtapose these Vision Statements. Whilst they appear to be quite different in terms of their outcomes, they are in fact built on the same platform - the injection of emotional imagery around an iconic product, to inspire, through both primary and secondary emotions, a commitment to experience the product being offered. Both products have the capacity to be all season destinations through promotion, and branding as emotion inducing experiences.

## **Today's Discussion**

I want to address various aspects of all-seasons visitation in the thirty minutes that I have been given, including the stakeholder challenges, issues surrounding the product, and the counter-intuitive consumer message we are providing.

I will initially speak about what I take seasonality to actually mean.

I then want to look at how the All-Seasons Committee of the ARCC has gone about the process of changing the perception of alpine seasonality, through branding and product development, so that it has initiated the creation of attractions, and the imagery that is liberating entrenched views about alpine seasons.

As part of that, I would like to address the issue of branding, and the role that it plays in the reconstruction of the public perception of seasonal destinations.

I would then like to speak a little about the product development that has taken place and continues, and which has been immensely successful in driving increased visitation to seasonal destinations, using Sun Valley Resort in the United States as an object lesson.

Pricing and research are extraordinarily important in all this. I want to make some comments about value-adding rather than selling on price, and also discuss the fantastic opportunities for operators in Victoria in accessing the research capabilities of Tourism Victoria.

Finally I would like to make a few comments about how we have addressed the process of all-seasons visitation at Turtle Island, through changing the public perception of the product as not just being a beach resort in a remote location, but as offering so much more.

## **1. What is Seasonality?**

Every destination believes that it has a time of the year when it is at its best, from the perspective of a visitor. That is usually measured by when the greatest demand occurs. Usually price differentials reflect that demand.

Ski resorts worldwide have had the winter as their primary focus for many years. They have tried to obtain economic yields on their massive infrastructure and tourism investments, from an annual season spanning between twelve and twenty weeks.

Seasonality for beach resorts is the summer and shoulder seasons. Seasonality for the top-end of Australia is the winter and spring.

Most seasonal destinations only have one product. Beach resorts are desirable in one season but not so desirable in others. They may be cold and bleak and windswept in the off-season, or unbelievably hot and hurricane-prone. Many visitors to the Mornington Peninsula in a Victorian winter tell me that there are only so many beaches that you can walk along in July in the driving rain with a chill wind blowing off the southern oceans.

The most successful seasonal resorts are those which have different products which are non-competing in different seasons. These different offerings are constructed on platforms of nature forces and product development.

In the High Country, we believe we have three seasons, two of which are pretty sexy. The 'white' season runs from June through to October, and that is unashamedly a snow experience. There is

obviously a lot of product built around that, to augment its attractiveness, and 2004 was the best ever recorded visitation to our six Victorian resorts.

There is then the short period when the snow is melting, when the High Country is probably at its least attractive - the 'mud and slush' season, and that will be a tough sell.

However, that soon transitions into springtime, beautiful wild flowers, natural beauty and outstanding vistas, which is our next visitor experience – quite different and non-competitive with the first. And springtime is followed by crystalline, warm days of summer and autumn, with clear cool nights.

In this sense, seasonality means different things to different destinations, so there is no 'one size fits all' answer to how to build multi-season visits.

## **2. Changing the Public Perception**

Until relatively recently, the habits of holiday-makers in Australia, and particularly visitors to the snow, have been very seasonally structured. The beach is the place to go in the summer. Winter means the snow, whilst the September summer holidays means back to the sun, with Queensland being a particularly strong destination.

Let me make some comments about visitation “protocols” for snow seasons in Victoria.

We commence on the Queens Birthday weekend, and people start to visit the High Country and their lodges then, even if the snow isn't there. When it does arrive, they visit in droves until the football finals start to get serious. Then, even when the spring snow is outstanding in September, the skiers traditionally aren't there, because they have moved on. As one of the lift company executives in Victoria said to me recently,

*“In September we can’t give it away – our visitors have run out of turns or run out of money”.*

The snow sports crowd is at the footy finals, the races, or the seaside.

In order to change perceptions about when to visit the High Country, we need to use a number of different tools. Firstly we have to reinvigorate or reposition the brand in the mind of the consumer, to accept the fact that there is something else on offer. Secondly, we need to ensure that we have product available to augment the natural experiences that are abundant. Thirdly, we need to ensure that we can present the destination, in its off-season, in a manner which strikes an emotional response to the potential traveler, which removes the imperative of seasonality. Finally, we need to be sure that we are pricing the product (at least in its initial stages), to be attractive to the market.

Let me say more about these issues: -

#### (a) Branding

Our resorts have traditionally seen themselves as winter products. Not surprisingly, that is how the public see us and how we have been branded.

Increasingly, as the public embraces the desirability of emotional experiences, values ecological integrity, celebrates a sense of place, and craves experiences which are pristine and natural, where they can truly relax and explore the other part of themselves, we have identified that we have a very desirable brand. In conjunction with Tourism Victoria and the Board of Alpine Regional Tourism (BART), we have been re-branding the High Country at some resorts and under the Legends Wide and High Country campaign.

There are many publications about branding and the way in which it is best achieved. A book which addressed brands and the future beyond brands which has impacted me significantly is called *Lovemarks*, written by Kevin Roberts, the former CEO of Saatchi and Saatchi.

In discussing why some brands are so powerful that they move to “lovemarks”, he identifies the strength of emotion in a brand. Having identified that individuals want to have an engagement with a product, a successful brand will build the product’s imagery around it.

*“The essential difference between emotion and reason is that emotion leads to action, while reason leads to conclusions”.*

We believe our alpine product lends itself spectacularly to this.

#### (b) Product Development

Victoria’s Alpine Resorts represent an area of 500,000 acres, or 0.5% of this country. There is much sub-alpine country at lower altitudes, but this is the extent of the truly Alpine section. Within this area, the bio-diversity is mostly intact, and thus of great interest to a broad range of visitor demographics and psychographics.

The Alpine Resorts 2020 Strategy articulated many of the wilderness values which other research has identified. It acknowledges the iconic status of the High Country, and thus its attractiveness as: -

- a different climate from that which most city residents experience;
- rich bio-diversity including fabulous summer wildflowers;
- a fascinating cultural history, both indigenous and non-indigenous;
- access to solitude and remote landscapes;

- an opportunity to experience peace, tranquility, restoration, and escape from a complex world;
- providing capacity to participate in active recreation, including high-altitude training; and
- a chance to experience rugged and remote landscapes through adventure activities.

That is our embedded product. What we then need is to complement this with quality accommodation, great food and wine, adventure activities, hiking and solitude places, spa and wellness experiences and sufficient diversity to attract families.

### *Transition from “white” season*

Operators in our resorts work very hard for sixteen weeks - it is seven days a week, often fourteen or fifteen hours a day. By early October, they are ready to head off for a well earned break, and many shut up their premises until next winter. Some return to live on mountain for the summer, and others put in caretakers.

Over recent years, a number of Victorian resorts have made serious attempts to encourage businesses to remain open – particularly accommodation providers and restaurants. They have also attempted to develop products, which are available for visitors on weekends such as horse riding, mountain-biking, fishing, organised hiking and special events, to drive and then service summer demand.

Unlike Thredbo, which has certain minimal requirements for opening times in their operator leases, there is no obligation for businesses in Victorian resorts to remain open, and thus until recently, most haven't.

One resort reported that a couple of years ago, a number of operators decided that they would remain open, but few of the visitors came in the numbers that the operators wanted. The issue is one of 'the cart and the horse'. If the visitors come, there are limited places for them to go and things to

do. You thus have disappointed visitors. If the operators are open and the visitors don't come, then you have disappointed stakeholders. Other resorts are very actively encouraging and supporting businesses to operate all year.

The ARCC All-Seasons Committee has spearheaded a formal process of product identification for each resort. We are compiling a list of the assets and products for each mountain, with a view to then focusing our energy on those which have a commitment and the capacity to excite and inspire. We are developing and benefiting from the partnerships we are building with key players such as Parks Victoria and Tourism Victoria.

The challenge that we have in the High Country is to work on a bottom-up basis with stakeholders and our marketing departments, to harness the interest that is clearly out there in High Country visitation, and to package it in a way that is attractive. This involves consistent proactive consultation with the resorts and operators, and product providers.

### *Specific Initiatives*

This last summer season has given some insights into what is possible.

Mt Buller undertook several initiatives this summer, two of which were outstanding. One weekend they had the Porsche Mt Buller Sprint, which held a race on the Mt Buller road. The hill was obviously closed during the event, but open before and after to enable visitors to embed themselves in the best viewing positions.

Extensive marketing took place of the event in both the region, and in Melbourne, and over 4,000 people visited the High Country for that event.

Peace and tranquility were not high on the agenda that weekend. However, it exposed the area to visitation that quite probably was a very different group from the norm and thus achieves one of our objectives.

Mt Buller also conducted the Australian Junior Chess Championships over a long weekend in January. The accommodation was full on the mountain, as contestants and supporters took over the Chalet Hotel.

Anecdotally, the weekend was a huge success. Not only were the businesses that were open on Mt Buller extremely happy with the outcome, so were the visitors – two or three of my friends told me how much they had enjoyed going out hiking, while their children were checkmating their competitors, and how they would not have gone up to the mountains if it hadn't been for that event.

Over the March long weekend, Falls Creek hosted its first dragon-boat racing event on Rocky Valley Lake, the first dragon-boat festival held outside Melbourne. Teams shared four boats, with each dragon-boat powered by up to 20 paddlers, as well as a drummer and sweep, and there were eight teams competing in total. The weekend included a black-tie night and an artist's camp.

The car-counter for that weekend recorded over 3000 trips to Falls Creek, with many businesses open and recording a very busy weekend from the family and friends who came along to support the competitors. If you can excite the emotion and competitive spirit, and the offering is sufficiently different to engage the adventurous, then you will drive product visitation.

### (c) The Sun Valley Experience

Earlier this year, I had the great privilege to spend some time skiing at Sun Valley, Idaho. The Resort was established in the late 1930's as a ski resort adjacent to an old mining town. It was unashamedly then a winter destination. During the 1950's, the operators identified that if they were going to put the

level of infrastructure in place that was necessary to become a world class ski resort, they needed to have a season which was longer than twenty weeks.

They set about a process of building their summer visitation using Hollywood film stars and a year-round ice rink. Clark Gable, Errol Flynn and Ernest Hemmingway were regulars at Sun Valley, and it has retained some of its icon status, with even Arnold Schwarzenegger now having a house in the area.

However, summer business was still slower than winter. The owner of the Resort then committed to a strategy of products, including business meetings, to augment the meager summer offering. That has led to Sun Valley now being a truly all-seasons resort.

They built a golf course, instituted an orchestral week with a symphony orchestra, and also initiated a writer's conference which sells out six months in advance. They have an annual CEO Conference in the Resort, attended by business luminaries from around the world who fly in on their private Gulf Stream jets.

The Marketing Director of Sun Valley, Jack Sibbach, advised me that their room nights through July, August and September have almost doubled over the last five years, and they have greater occupancy in summer now than in winter, and at a higher rate. They have effectively turned into a Convention Centre in the summer, whilst also offering hiking, mountain-biking, trekking, fly-fishing and other activities consistent with the High Country.

Sun Valley is clearly different from our resorts, because of the land tenure arrangements. However, what is similar is that it is a long way from a major feeder city. It represents a greater example of what we could achieve, in a micro-sense, from the expansion of our product range, and the more successful branding of our icon experiences.

This would be our Holy Grail in Victoria, but clearly we are going to be approaching developments in our resorts from a somewhat different perspective.

#### (d) Pricing

Accommodation costs during the snow season are at a premium. Operators have a very desirable product with strong demand, and elastic pricing possibilities. Alas, our other 36 weeks are currently at rock-bottom pricing.

If we can create desirable events and product, then weekend tariffs will escalate. Current pricing across mountains in those resorts that remain open is varied, and reflects incredibly good value room rates.

My inclination however, is never to sell on price but rather create a demand at a reasonable cost and then value-add.

#### (e) Research

Tourism Vic has a great research unit which has within it a Regional Research Reference Group. These people assist in planning, prioritizing and communicating regional research activities.

Tourism Vic also has a new research facility called Decipher which provides operators with significant background data and enables specific information to be accessed.

From the High Country perspective, we believe the information provided in the Roy Morgan Single Source Data is critically important, because it is measuring future behaviour and intention rather than being a snapshot of the past. In looking at likely value segments for High Country visitation, activity and product design must reflect what the potential consumer tells us he or she is wanting.

### **3. Turtle Island and Seasonality**

I want to make a couple of comments about the way in which we, at Turtle Island, have coped with the heat and perceived wet season in Fiji in November through March, which, at least in perception terms, makes Fiji a less desirable destination during that time. We have approached it from a number of perspectives, and it is still a work in progress. However, I think we have made some solid gains.

#### (a) Price

We used to have a different price for high season and low season, thus acknowledging that one of our seasons was less desirable than the other. We don't do that any more.

Differential pricing is not popular with wholesalers or agents because of the complexity of feeding in all the different rates to their database, and keeping their consultants up to date. Our experience is that too many permutations and combinations on rates means that agents simply sell away from us to other resorts.

From time to time, when we have excess inventory, we will offer a value-added option, but it will never be giving away free nights. We believe in retaining rate integrity, and instead give away free airfares as part of the package, burying those costs in the package price.

#### (b) Branding

The most important change that we have made to overcome the perception that our destination is seasonal, is to brand holistically as a resort that has a lot more than just the traditional sun, sand, sea and smiles offering. If one looks at our website or reviews any of our collateral, it is evident that we

have a strong commitment to a quadruple bottom-line approach to tourism, and that we deliver benefits directly to the community in which we operate.

Our investment in the environment and our natural resources are fundamental to our values. We manifest this through using renewable energy, recycling, tree planting and Green Globe Benchmarking.

We undertake Environmental Audits and Cultural Audits every 5 years.

We work positively to benefit the 3,500 people who live in the seven villages in our community. We have built a secondary school on Turtle Island, which 52 young people attend at our cost. We have held medical clinics over the last 15 years. We have created over 150 new jobs through being a social entrepreneur in our community.

Our guests have an opportunity at Turtle Island to come to know and understand more about the living Fijian culture and heritage, and we proactively wear that on our sleeve. It adds huge value to our guests' time with us, and overlays the normal holiday experience with the emotional understanding and commitment to a beautiful people whose heritage honours guests to their society.

By highlighting the values that underpin our experience, we believe that there is a much greater concentration on the essence of our product, rather than the potential weather attributes that might have previously been seen as disadvantageous.

## **Conclusion**

Delivering all seasons visitation is challenging stuff. There aren't any rule books on the protocols of how to do it – we believe it's a mixture of product differentiation, common sense, research and divine intervention.

2005 summer taught us a great deal about what's possible by thinking outside the square, and we propose to continue our commitment towards long term sustainability through this type of innovation and inspiration.