



Regional Tourism faring better than expected in the face of economic slowdown

March 2009

A recent survey of 900 regional tourism businesses by Australia's most comprehensive food, wine and travel site - **VisitVineyards.com** – has revealed that regional tourism is faring better than expected in the early stages of the reported economic downturn.

The survey was conducted during January/February 2009, leading up to the catastrophic bush fires that ravaged parts of regional Victoria and the extreme floods in northern Australia. Obviously there are a new set of challenges for those businesses affected; these are not addressed specifically in this survey but the results may provide a baseline for measuring their impact.

The sample group includes a mixture of food, wine, accommodation and tourism lifestyle providers across every Australian wine and food region – from Margaret River in Western Australia to Tasmania, the Granite Belt in southern Queensland right up to Far North Queensland and the Northern Territory.

40% of regional tourism businesses surveyed reported their business is doing better or much better than this time last year, with 22% stating it was about the same. 43% of business also indicated a growth in sales from the DECEMBER quarter (Oct – Dec) in 2008 from to the same period in 2007.

Visitor numbers also appear to be on the rise for the DECEMBER quarter with 43% of respondents reporting higher visitor numbers and 19% the same amount of visitors compared to the same period in 2007.

However when asked what was the biggest challenge facing their industry in 2009, the standout response was 'the global financial crisis (GFC)' and/or 'negative reporting of the GFC' indicating there is widespread concern in the industry that the real or perceived effects of the GFC are still to come.

Founder and CEO of VisitVineyards.com Robyn Lewis says "It is understandable there is some anxiety about the year ahead given the impact the GFC has had on the financial industry, which now is spreading to some other sectors, together with the much more immediate impact of the bushfires in regional Victoria. However the results of our survey indicate the regional tourism industry is well-placed to endure these challenges. Petrol prices have dropped making regional weekend trips more affordable, particularly in comparison to overseas or interstate trips.

Now more than ever, it is important that people travel to regional areas and support local businesses to help those affected by the bushfires, floods and prolonged drought get back on their feet and maintain the viability of others in this uncertain economic climate. It seems that people have in fact already taken this message on board, no doubt influenced by the low Australian dollar."

Other key findings include:

- 37% of respondents predicted their business would fare better in 2009 than the year before, with 31% anticipating it will be worse; 18% the same and 10% considering it was too early to tell
- 32% of respondents predicted their visitor numbers in the CURRENT quarter (Jan - Mar 09) would be higher than the previous quarter (Oct – Dec 08); 17% thought they would be the same and 45% lower (partly due to Christmas being peak time for many).
- Of the businesses that sell or take bookings on-line (78% of the total surveyed, including 90% of accommodations) over half reported their online bookings/sales remained the same or had significantly increased since October 2008. Only 54% of responding restaurants take online bookings.
- 38% of respondents noted the majority of their domestic customers come from their capital city as opposed to 22% from interstate cities and 16% from their local region
- When questioned whether they thought visitors to their businesses in the current quarter (Jan 09 – March 09) would be higher or lower than the same period last year (Jan – Mar 08), 34% anticipated they would be higher, 19% the same and 37% lower
- 40% of businesses reported their customers were spending about the same as they had previously, with 26% reporting it was a little more and the same percentage a little less
- Although the majority (61%) of respondents believe their customers to be of 'average income and wealth' only 11% thought their customers were 'very price conscious'
- When asked what was the biggest challenge facing the industry in 2009, the issue most commonly stated was the GFC and/or negative reporting of the GFC, followed by environmental/climate change, oversupply of wine, marketing/awareness of their region and issues with infrastructure.

Opened in June 2008, VisitVineyards.com has brought together more than 30,000 wine, food and travel providers across every Australian region and is connecting them to more than 20,000 subscribers.

Visitors to the site can search free of charge, subscribe to the newsletter and gain access to exclusive content and recommendations (also free) or join the new national Membership program. For only A\$99 for a full year of benefits (from March 1st), the Membership program provides today's food and wine traveller with unique, behind-the-scenes experiences at a diverse range of food, wine and related lifestyle travel providers.

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