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UNDERSTANDING

# Visitor Needs



# Introduction

**In this guide we'll help you to identify and develop quality visitor experiences that meet and exceed consumer expectations. We'll focus on the importance of researching the marketplace, choosing market segments and meeting customers' expectations.**

Understanding visitor needs is about understanding who your customers are and what they want.

Doing your research is the best way to get to know the marketplace and find out about existing and potential customers. The more you understand the marketplace, the more easily you can identify the market segments that are most suited to your product.

Choosing and understanding your market segments will help you to tailor your product to meet your visitors' needs and deliver the best possible experience.

Using surveys and conducting audits are both great ways to get to know your customers better and assess whether you're meeting their expectations.



# Understanding the marketplace

Whether you're developing a new tourism product or buying an existing business, try to find out:

- if the product meets a real market need and consumer demand
- what competition already exists
- if the product fits with your region's branding and market positioning
- which market segment/s will best respond to your product offer
- if the segment is large enough – and accessible enough – to sustain business for the majority of the year
- what service standards are expected by that market segment/s.

There are plenty of cost effective measurement tools available to provide consumer feedback and to help you understand visitor needs and expectations.

Keeping an eye on wider social and economic trends can also help you to anticipate problems and to capitalise on opportunities.

It's also important to know as much as you can about your customers – both current and potential – as well as your major competitors, in the context of the broader marketplace.



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**Some steps to follow:**

Identify the important knowledge you need for your business

Assess what you know already

Identify what information/research already exists and is accessible to you

Outline your information/research gaps

Determine how you can address the gaps (see [Researching the market](#)).

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Some questions to consider:

- **What do I know about the marketplace I am operating in?**
  - What are the relevant trends that I should be taking into account?
  - What are the trends affecting the tourism industry in Australia?
  - Do these trends differ for Victoria and my region?
  - Who are my direct and indirect competitors, and how are they performing?
- **What do I know about my existing customers?**
  - Who are they?
  - Are they really the type of customers I want or need to be attracting?
  - What are their needs and expectations from a tourism product?
  - What else do I need to know about them? How can I find this out?
- **What are the broader consumer trends?**
  - What are the emerging and changing preferences, motivations and behaviours?
  - How are people now spending their money? What are their priorities?
  - How might this be affecting my business?
  - What don't I know?

# Researching the market

**There is a wealth of free and low-cost data available to help you research the broader market and understand your customers.**

We recommend taking the time to access the data available from:

- council economic development units
- regional tourism associations
- Visitor Information Centre staff and surveys
- local/regional tourism studies/strategies
- [Tourism Australia's research library](#)
- other state/territory tourism organisations' research libraries (online)
- [Tourism Research Australia](#)
- [Australian Bureau of Statistics](#)
- industry associations (you may need to be a member)
- industry and professional journals
- industry conferences and workshops (key presentations are often available online)
- market research companies
- tourism industry consultants
- newspapers (business and travel sections are often good sources for identifying trends and opportunities).





# Choosing your market segments

**As you probably already know, the tourism marketplace comprises small and often niche segments that reflect people's diverse tastes, interests, values and priorities.**

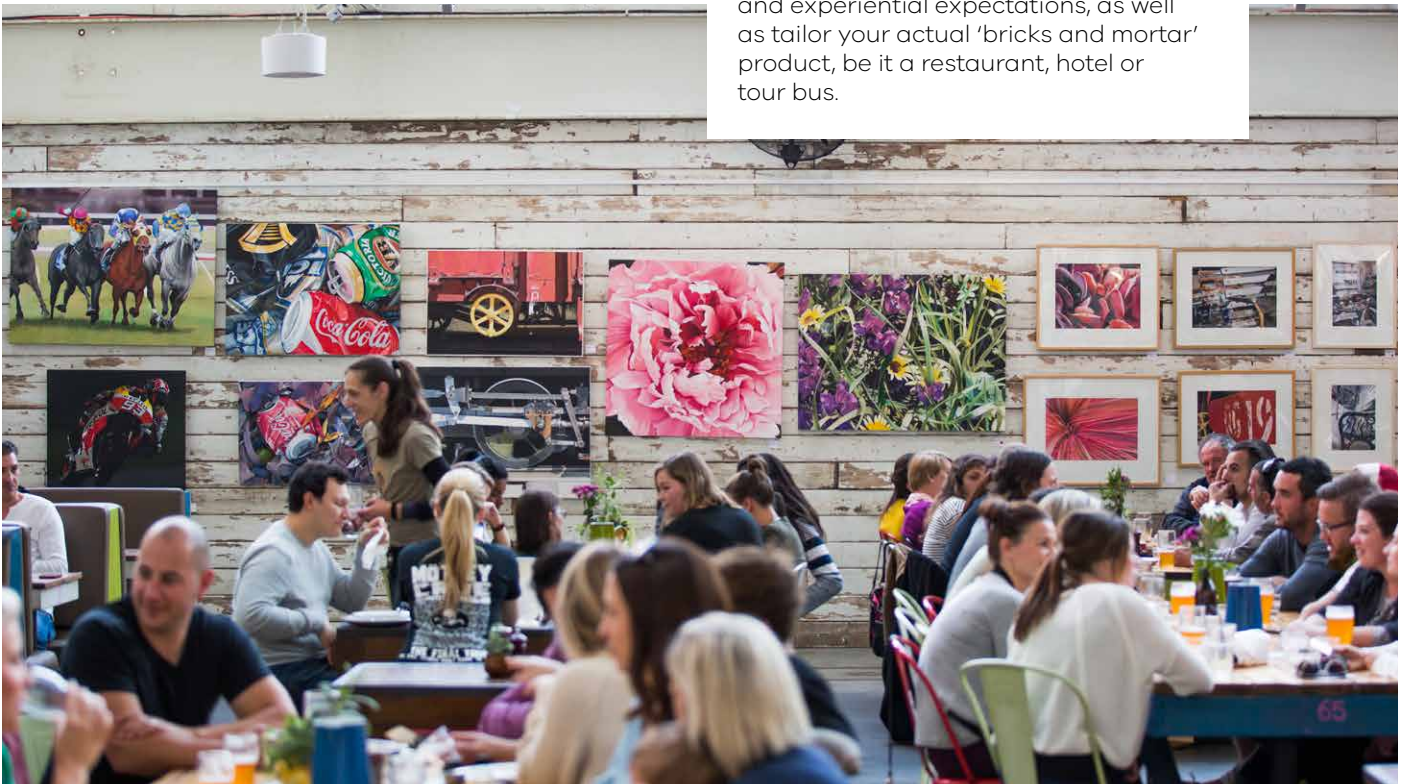
A market segment is a group of people that shares a common characteristic, and is likely to react in a similar way to particular aspects of your tourism offering. Perhaps they love art, or birds, or look especially for luxury experiences (or all three).

Or they might come from a particular geographic location – a farmstay may appeal specifically to the South Asian market, for example, or a walking tour of Melbourne's street art might be ideally suited to interstate markets.

Almost all products have more appeal to some market segments than others. Your challenge as a tourism operator is to discover which segments will produce the best return on your effort and financial investment.

If you're developing a new tourism product, you have an ideal opportunity to carefully plan and tailor your product to satisfy the market segments most suited to your product.

To satisfy your market segments, you'll need to meet and exceed their service and experiential expectations, as well as tailor your actual 'bricks and mortar' product, be it a restaurant, hotel or tour bus.



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**Things you may want to find out about your market segment:**

Where they live

Leisure/recreation interests

Travel patterns

Disposable income

Spending habits and priorities

Values

How they obtain their information

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**How to find out**

Ways you can find out about your market segment:

- ask questions
- pay attention to your customers' comments
- observe other businesses
- consult tourism industry colleagues
- consult relevant industry associations
- conduct surveys
- analyse existing data.

**Review your market segments**

Even if you have a well-established business and clientele, assessing the relevance and cost-benefit of your target market/s can help make sure your business survives in the evolving, competitive tourism environment.

Find out if your existing target market/s still responds to your product offer. If it doesn't, all is not lost: you may simply need to see if you can find a new target segment or re-work your product to suit your market.



# Understanding what your customers want

In the tourism industry, the 'products' we sell are 'experiences'.

Your motel room, tour bus, fishing boat, cafe or, in fact, any piece of infrastructure is not the 'product' in itself, but simply the tool needed to help deliver the visitor 'experience'. As the host, you are in the special position of being the primary creator and deliverer of that experience to your guests.

Keep in mind that tourism experiences are mainly created through service and, in particular, through the people who deliver that service: you, and your staff. Long after the holiday photos have faded, it is the service, the experiences – and the people who helped to create them — that visitors remember.

It's also important to remember that the total visitor experience relies on quality delivery from many suppliers. If you're able to work with trusted complementary products, you can add to your customers' enjoyment.

Consistently delivering what your customers want should result in:

- increased loyalty
- repeat visitation
- word of mouth endorsement
- greater tolerance of price increases
- enhanced reputation
- cheap/no cost customer acquisition
- improved staff morale and workplace satisfaction.





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So, how do you assess what your customers want, and whether you're delivering?

### **Customer surveys**

One of the most simple and cost-effective ways to collect personalised customer data is to conduct your own survey. This can be done when:

- you receive enquiries by telephone
- customers are checking in and checking out
- customers are enjoying your product
- you conduct a post-visit follow-up.

When you're conducting your own surveys, remember to:

- format the questions for ease of data processing
- minimise the number of questions and keep them brief
- make the questions meaningful to your business
- consider offering an incentive (especially for written surveys)
- make the time to regularly analyse the results
- share the results with your staff.

Constructed and conducted correctly, the results of surveys will tell you about your customers, as well as reveal your business's strengths and weaknesses.

Regular analysis will help you to correct problems and react to new trends, particularly those that could adversely affect your business.

By thoroughly understanding your key market segments you'll be able to identify key selling points and determine product offers and marketing messages that may appeal to them.

Also, knowing how your market segments consume media can help you to be more strategic when choosing which media you use to reach them.

Need help? There are lots of companies who can help with constructing and conducting effective surveys.

For post-visit surveys, it's worth considering the many online survey options available, some of which are free, and many are low cost.

### **Customer auditing**

'Customer auditing' is an independent assessment of how well you meet your customer needs and expectations.

An audit can provide a snapshot of how your business is performing, and identify ways to close the gap between what your customers expect from your product and what your business is actually delivering to them.

Engaging an external organisation to undertake a professional, objective assessment of your business involves what you may know as 'mystery shoppers'.

Independent auditors ('mystery shoppers') sample your product as an ordinary customer would experience it. The mystery shopper pays the normal price for all services, and while they may look and act like any other customer, they are there to carefully observe, objectively assess, and systematically record. You and your staff do not know when the audit will take place.

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**An audit may cover areas such as:**

The customer planning process and their initial contact with you

Their first impressions of your product

The presentation of your product

The quality of key facilities and services, such as food and beverage, accommodation etc.

The quality of general amenities

Final impressions and whether the customer will be recommending your product to others.

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The first audit will establish a 'benchmark'. Subsequent audits will then be able to determine how your business is performing against the original results, as well as identify any changes in customer needs and expectations.

Customer auditing can highlight areas where investing extra effort and resources could improve your business, identify things that may not be particularly important or relevant to your customers, and show you where your resources can be most cost-effectively allocated to maximise profit.

For example, an audit of a cafe may show that while customers are happy with the quality of the coffee and food, the menu options do not meet their needs or expectations (perhaps they want more vegetarian or gluten-free options). If this is your business and you had been thinking of investing in a new coffee machine, you might choose instead to use the money to develop new menu items.

Companies that specialise in customer auditing are available to tourism and hospitality businesses as well as whole tourism regions.

To find a service, see companies such as [Edge Insights](#) and [Hotel Evaluations](#).

