

Sea to Summit market research

Summary of results



Prepared for: DELWP

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Reference: J3008

20/08/2021



background to the Sea to Summit experience

The Victorian Government has committed \$1.5 million to undertake planning for an iconic *Sea to Summit* hiking trail experience in East Gippsland. While multi-day walking is increasingly popular across Australia, there are more walking products on offer, making the walking market increasingly competitive. To succeed, the *Sea to Summit* experience needs to be designed to meet the needs of the walker market. The Department of Environment, Land, Water and Planning (DELWP) needed market research to understand how to develop the walk as an iconic nature-based tourism experience that will bring economic and social benefits to the East Gippsland region.

The market research has involved a knowledge review of the walker market, extensive qualitative phase involving nine focus groups, a market sizing national survey of walkers (n=2012), an assessment of the current concept (n=1124), and then development of three walking concepts that were 'ground truthed' before testing them for market interest with another national survey of walkers (n=2038). Extensive stakeholder consultation was conducted with the *Sea to Summit* proponents, community and business stakeholders and the local First Nations Peoples.





1

is there a market for a walking experience in East Gippsland?



stakeholder support the concept

There is significant support from both the East Gippsland Shire and Destination Gippsland to grow nature-based tourism and create a range of different products and experiences sufficient to change potential consumer's perceptions of the area and lead to higher levels of visitation.

Stakeholder consultation found strong activity and growth with significant new nature-based tourism projects coming on stream in the next few years in the wider East Gippsland region.

Stakeholder conversations were wide ranging and varied based on the interests of the stakeholder. A key out-take was the strong interest in developing trails and networks, but not all believed the original 10-12 day *Sea to Summit* walk was the highest priority. The lack of current infrastructure (accommodation, telephone coverage etc) along the trail and work underway on trails in other nearby areas (connecting with towns, plus with the coastal walk) were raised as issues.

The proponents provided substantive information on the origin of the walk concept. It was noted that while the desire to connect the sea to summit was still paramount, consideration of Traditional Owner wishes plus the importance of creating local jobs and supporting the communities in the area, meant the early indications from market testing showing interest in shorter walk options needed to be considered.



what do people want from a nature experience?



TO EXPERIENCE 'WILD' NATURE

People increasingly believe in the benefits of time spent interacting with nature as opposed to the heavily human dominated environments most of us live in. In the built environments people are not experiencing the sense of awe in nature that is protected from human domination. Wild places allow us to experience a sense of humility and awe instead of what city-dwellers see daily and that is the evidence of human adaptation gone wrong.



MULTI-DIMENSIONAL EXPERIENCES

Human beings are complex with different experiences, and components/dimensions [i.e. mind, body and soul], integrated into a creature that experiences people, the human self, and the natural environment differently. It appears that all these dimensions seek to be fed by the experiences they have. Adding depth and breadth of nature-based experiences in wilderness enables humans to flourish.



ADVENTURE WITH SOME INDULGENCE AND COMFORT

People want to leave behind the city but are also seeking to indulge their senses with food, wine, smells, sounds, quietness, stillness, exposure to weather. They want local produce and authentic experiences. Some would like to stay in bed and breakfast style accommodation at the start and end.



TO COLLECT MEMORIES (NOT THINGS)

This involves doing things and not passively watching things. Enabling activities such as eBikes, kayaking down stream, 4WD for access (about a quarter own a 4WD). Though the '4WDing' was polarising with some being in favour of it and others fearing it would harm the environment (e.g. petrol fumes, etc).



IT'S A BROAD SPECTRUM OF NEEDS

For some the adventure dials up and the luxury dials down, while at the other end of the spectrum it's the luxury that they want dialled up and the adventure to be very soft.



TO FEEL THEY HAVEN'T HARMED THE PLANET

Even for a few days people want to be in nature and feel they haven't harmed it. This is a crucial factor in understanding luxury - it's luxury that provides comfort (to all senses) but not through wholesale changing and domination of the environment but in sympathy with it.

BACKGROUND

SEA TO SUMMIT WALK
- AN ICONIC MULTIDAY HIKING
NATURE WALK EXPERIENCE
PROPOSED BY VICTORIAN GOVERNMENT BUT APPEAL IS UNKNOWN

LONG DISTANCE WALKING
BECOMING INCREASINGLY
POPULAR

MUST BE DESIGNED TO MEET THE NEEDS OF
EXPANDING & COMPETITIVE
WALK MARKET
BY CREATING AN **ICONIC**
NATURE-BASED
TOURISM EXPERIENCE
that brings economic & social benefits to East Gippsland

OBJECTIVES

ASSIST **DELWP** (THE DEPARTMENT OF ENVIRONMENT
LAND, WATER & PLANNING)
IN PLANNING & POTENTIAL DEVELOPMENT
OF A LONG DISTANCE WALK IN **EAST GIPPSLAND**

To achieve this, **DELWP** needs to first understand:



SIZE OF
THE WALKER
MARKET



CHARACTERISTICS
OF WALKER MARKET
(SEGMENTS)



TYPES OF LONG
DISTANCE WALKS
THAT APPEAL TO
DIFFERENT
SEGMENTS



MOTIVATIONS
TO TRAVEL & WALK
IN EAST GIPPSLAND

METHODOLOGY



QUANTITATIVE
RESEARCH



ONLINE
SURVEY



13
MINUTES



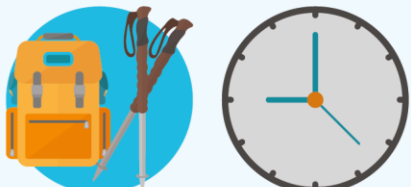
DEC
9TH TO DEC
22ND
13 DAYS IN FIELD

SAMPLE n=2000

	METRO (1430)	REGIONAL (570)	TOTAL (2000)
VICTORIA	450	200	650
NSW	350	100	450
ACT	150	-	150
TASMANIA	100	50	150
SOUTH AUSTRALIA	100	50	150
QUEENSLAND	150	100	250
WESTERN AUSTRALIA	100	50	150
NORTHERN TERRITORY	30	20	50

SCREENING CRITERIA

ALL PARTICIPANTS SAID THEY
WOULD DO A



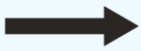
BUSHWALK OF AT LEAST
1 HOUR IN DURATION



AUSTRALIANS ARE OPEN TO A NATURE EXPERIENCE

IN
DEC
2020

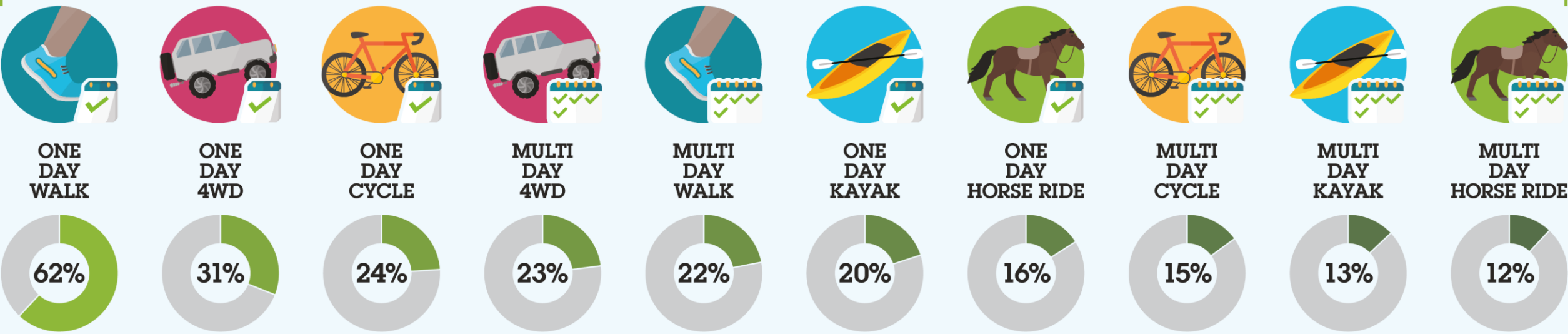
70% OF ADULT AUSTRALIANS



WANT TO HAVE A NATURE EXPERIENCE
(OF AT LEAST 1 HOUR WALKING IN NATURE)



THEY WANT TO...



MOST WALKERS HAVE WALKED AT LEAST ONCE WITH A COMMERCIAL OPERATOR

62% HAVE DONE A ONE DAY WALK & WANT TO AGAIN



15% HAVEN'T DONE A ONE DAY WALK BUT WANT TO

22% HAVE DONE A MULTI DAY WALK & WANT TO AGAIN



26% HAVEN'T DONE A MULTI DAY WALK BUT WANT TO

MORE WANT TO DO A MULTI DAY WALK THAN ARE

CURRENTLY DOING THEM

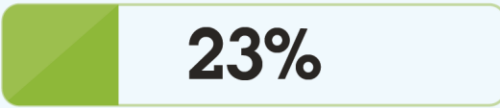


NOT MANY AUSTRALIANS KNOW ABOUT EAST GIPPSLAND



BUT

25% **EXTREMELY OR VERY LIKELY TO VISIT** IN THE NEXT 12 MONTHS **TO**



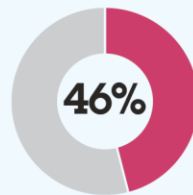
 **KNOW OF IT & HAVE VISITED**



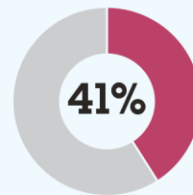
 **KNOW OF IT & HAVE NOT VISITED**



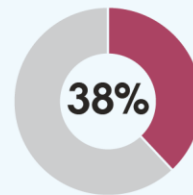
COASTAL WALK



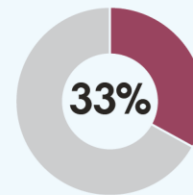
EXPLORE NATIONAL PARK



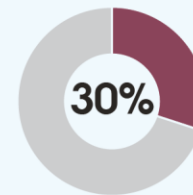
SEE WILDLIFE



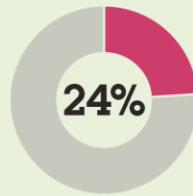
BUSHWALK



EAT GOURMET FOOD



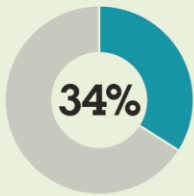
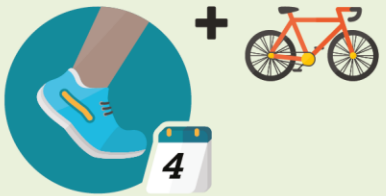
PRELIMINARY NATURE PRODUCT IDEAS TESTED



NATURE-BASED HUB WITH DAY ACTIVITIES

\$200 PP PER DAY

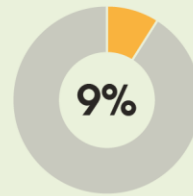
STAYING IN POD WITH OWN AMENITIES



4 DAY WALK + CYCLE DAY

\$200 PP PER DAY

STAYING IN POD WITH OWN AMENITIES



10 DAY SEA TO SUMMIT WALK

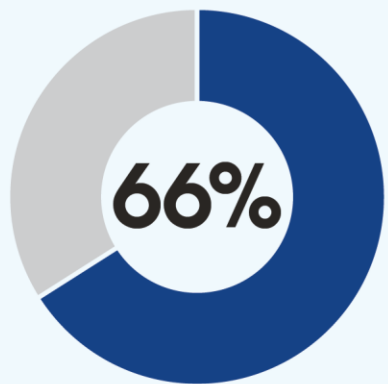
\$25 PER DAY



2 what walking product is the market interested in?



SEA TO SUMMIT



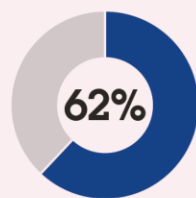
OF
AUSSIES

WANT
TO WALK



(AT LEAST  A DAY)

BUT EAST GIPPSLAND IS A MYSTERY



OF AUSSIES
WHO
WALK



ONLY HAVE A **VAGUE IDEA** & HAVE **NEVER VISITED**

WHY?



1. TIME



5 HOURS FROM
MELBOURNE
7 HOURS FROM
SYDNEY

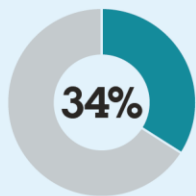


2. NO
REASON
TO GO

IF EAST GIPPSLAND HAD...



3-5 DAY
WALK
/CYCLE

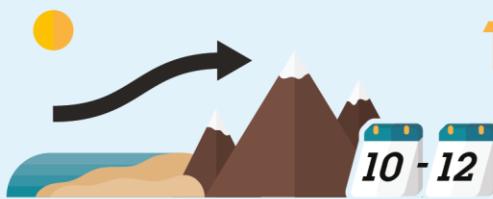


OF WALKERS WOULD
WANT TO DO IT

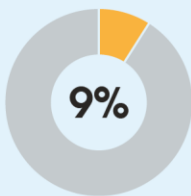
64%

OF BUSY
NATURE SEEKERS

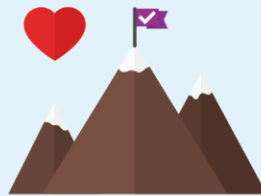
THE #1
TARGET



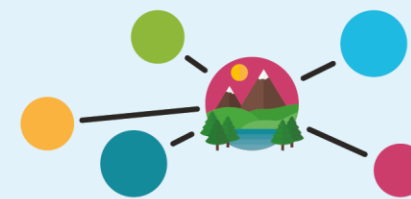
10-12 DAY
SEA TO
SUMMIT



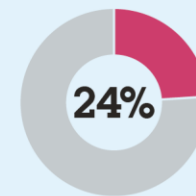
WOULD DO IT
-
MANY LOVE
CHALLENGE



FEW WILL ACTUALLY DO IT?



NATURE
BASE



WANT
1/2 TO 1 DAY
EXPERIENCES
BASED IN 1 PLACE



(33% WOULD DO NONE OF THEM)



THE 3-5 DAY WALK-CYCLE-4WD



WALK 15km/day / CYCLE 60km/day



**NEAR SUMMIT OF
MT ELLERY TO THE COAST**



BASIC FITNESS NEEDED



LOCAL FOOD HAMPERS NIGHTLY



COFFEE & LOCAL SNACKS



**ABORIGINAL
CULTURAL EXPERIENCES**



**NATURAL HUTS, COOKING, HEATED,
LOCAL WINES & BEVERAGES**



INTERPRETATION BY LOCALS

ECONOMIC IMPACT:

\$299_m

&

254

JOBS!

COMPLIMENTARY BUSINESSES

KEY...



**INDIGENOUS
CULTURAL
EDUCATION**



**OTHER
INTERPRETATION
TOOLS**



**FOOD,
BEVERAGE,
COFFEE, SNACKS**



**PACK
TRANSFER
SERVICES**



**HELICOPTER/
4WD
SERVICES**



**BUILDING/
MAINTAINING
60km TRACK & HUTS**



**BUSY
NATURE
WALKERS**

**WILL
STAY**



**DAYS!
AND...**



**GO TO
SURFING
SCHOOL**



**TAKE
HELICOPTER
RIDES
OVER REGION**



**DO
SHORTER
WALKS**



**TAKE
WILDLIFE/
WILDERNESS
TOURS**



**HAVE AN
OFFSHORE
FISHING
EXPERIENCE**



**GO WATER
RAFTING
ON SNOWY
RIVER**

AND A LOT MORE!



3 who wants to come and so the Sea to Summit walk



market segments and who they are

What is at the heart of the segments?

Busy imminents - 14%	Busy aspirationals - 7%	Limited imminents - 17%	Limited aspirationals - 17%	Inactive imminents - 13%	Inactive aspirationals - 32%
Young males, well educated and slightly more prominent in Sydney. They have and intend to do multi-day walks, kayaks, 4WD adventures, horse ride. They aren't going to East Gippsland for the national parks they are going for the adventure activities and challenges on offer.	More often aged 18-24 and 25-34 years with a reasonable skew towards males as well. They are national park visitors and have done and intend to do multi day walks, kayaks, 4WD trips. In East Gippsland they want to surf, kayak, eat traditional aboriginal foods. They want a more balanced nature experience in East Gippsland.	There is a stronger skew towards Melbourne and Victorian residents in this group. They are locals who are national park visitors and who are likely to spend the most on an East Gippsland experience. They do want to explore national parks and it is the nature they want.	They have a younger skew and likely to be single , living alone. They are looking for experiences in nature and are yet to have had them. East Gippsland offers them a 4WD experience and a kayaking experience which appeals to them more than the average.	This segment is older with a skew to over 65s & also to couples with older children. There is a skew to being Melbourne & Victorian residents. They are locals who have East Gippsland on their radar & are looking for a reason to visit. Coastal walks, gourmet food - all priced well is what matters.	This group is virtually disinterested in the East Gippsland nature-based offer. They have little intention to engage with East Gippsland; are older and likely to spend much less than other segments if they did visit. They don't visit national parks and are unlikely to go to East Gippsland.



segment profiles

1. BUSY NATURE SEEKERS IMMINENTS - 14%

This is the prime target segment for East Gippsland

This segment do everything more than anyone else – cinema, the arts and nature and we suspect life in general is richer. They are male dominated, strong skew to 18-24 year old's; better educated. There is also a strong skew towards being a young family with children under 13 years. They are more aware of East Gippsland, would spend more than the average if they were to holiday in East Gippsland and want an experience there that includes 4WDing, Horse riding, cycling, MTB riding, rafting, surfing.

LIMITED NATURE SEEKERS IMMINENTS - 17%

This is a key secondary audience - potentially large that needs education on East Gippsland and on a nature-based product that introduces them to the product

This group has a sizable skew towards being Melbourne and Victorian based and towards being well educated. They are already national park visitors and would spend the most if they were to holiday in East Gippsland. They are not as nature focused in their East Gippsland holiday needs. They want to be able to explore national parks, do independent bushwalks, have a romantic getaway, engage in fishing. They want to MTB, cycle, horse ride and do day walks and a multiday walk.



2. BUSY NATURE SEEKERS ASPIRATIONALS - 7%

This is a key secondary audience needing an awareness raising campaign and stand out product

This segment has a skew to males as well (although not as strong), strong skew to 18-24 and 25-34 year old's.. They are not that aware of East Gippsland. But if they were to go to East Gippsland they want an experience there that includes a multi-day walk, surfing, cycling, MTB riding and experiencing the eating of traditional aboriginal foods.. They aspire to doing multi day cycles, MTB rides, horse ride, kayaking bit would spend less than the average on a holiday in East Gippsland than the average.

LIMITED NATURE SEEKERS ASPIRATIONALS - 17%

This is a key tertiary audience - potentially large that needs education on East Gippsland and on a nature-based product that introduces them to the product

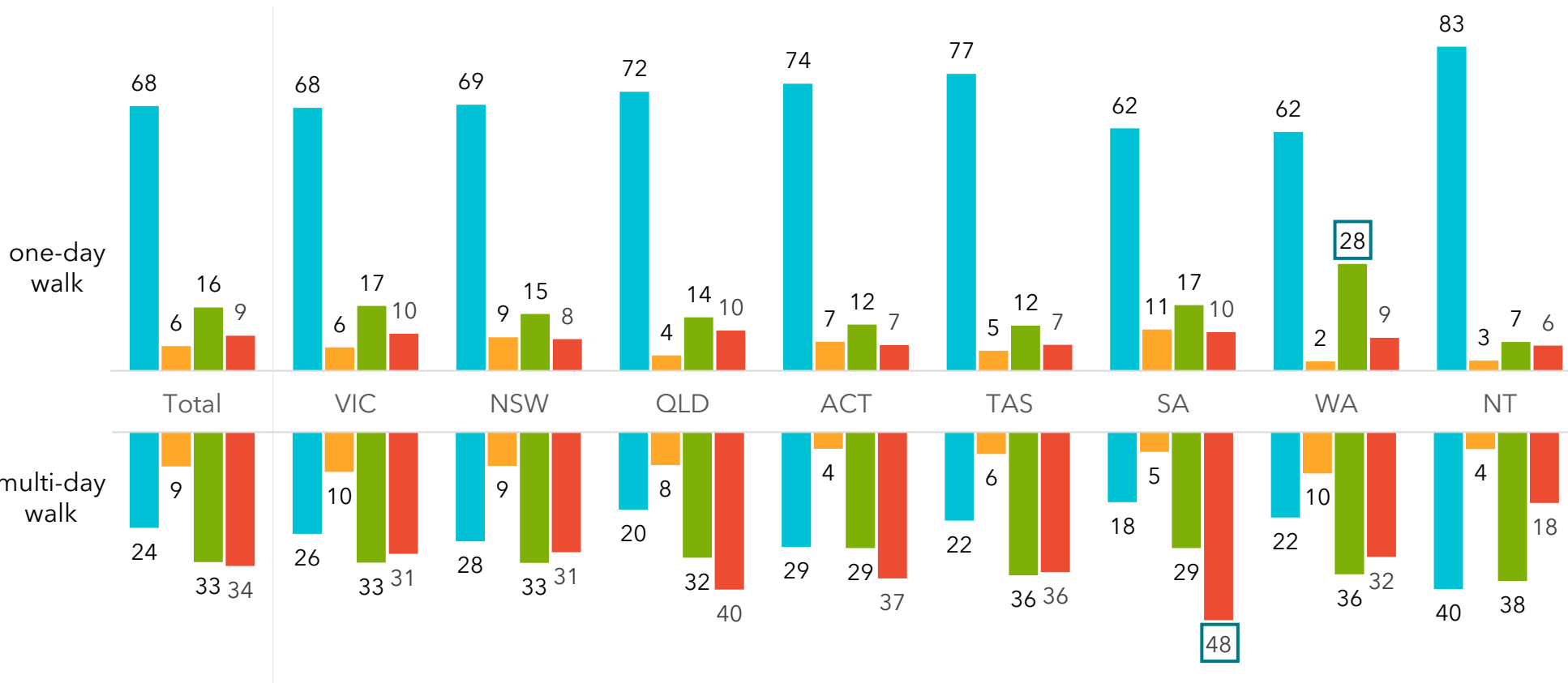
They also have a younger less experienced skew. They are more likely to be single and living alone and their focus would be being able to do a 4WD experience in east Gippsland or a Kayaking experience in the region.



how many have experienced or intend to walk?

by state

%



84% of the walking population in Australia intend to do a one-day walk in the next 3 years; 68% already have, and 16% would like to.

When it comes to multi-day walks, a third of all walkers in the country have undertaken one (33%), and 33% would like to in the future but are yet to ever do a multi-day walk.

There are as many walkers in Australia who want to do a multi-day walk than have ever done one. All that is needed are walks that are accessible to them and interest them.

■ Yes, have done and intend to ■ Yes, have done but not intend to ■ No, have not done but intend to ■ No, have not done and do not intend to

QB1a,b. Have you done a day/multi-day walk in the last three years, or do you intend to in the next three years? [S/R]
Base: Total n=2,038 (VIC n=665, NSW n=470, QLD n=251, ACT n=151, TAS n=151, SA n=150, WA n=150, NT n=50)

Significance two tailed test of difference [○/□ significantly less/more than the total sample] 16

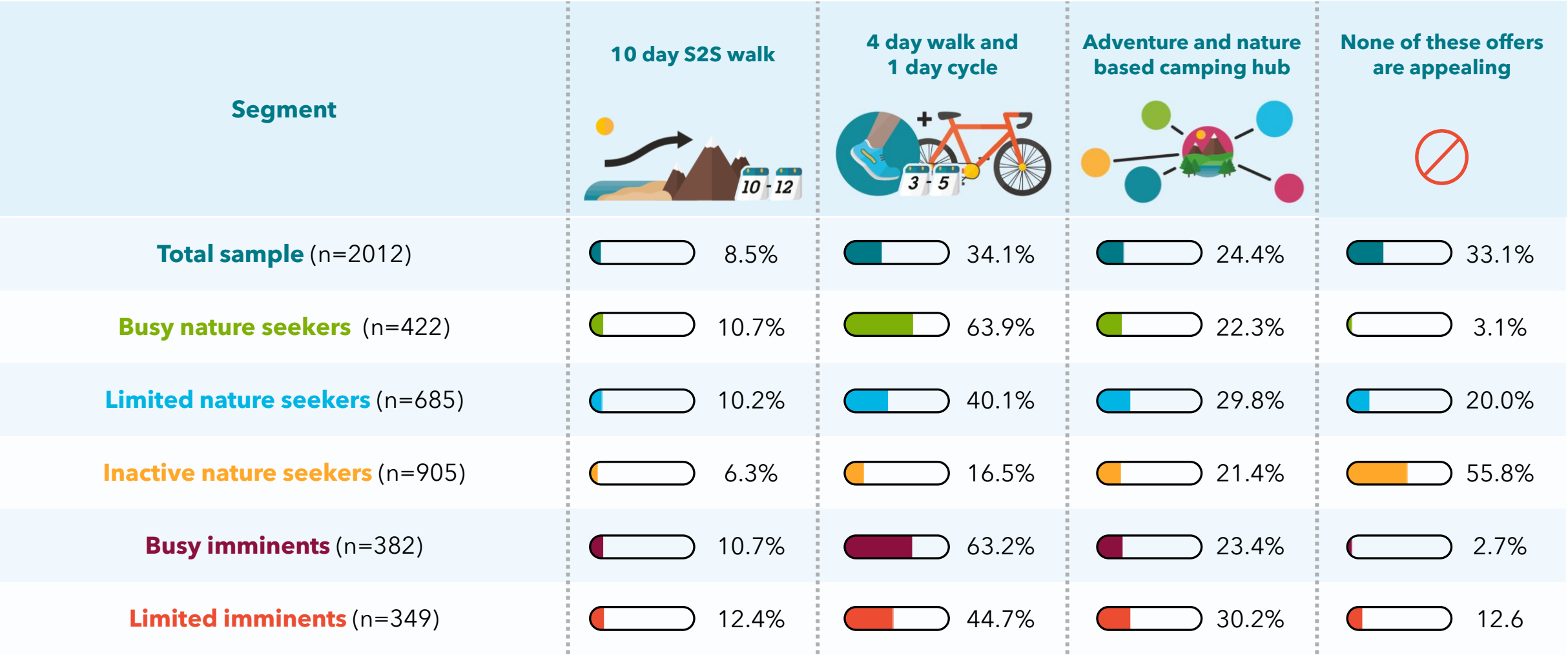


4 the ideal 4 day walk 1 day cycle

interest in the three core nature experiences that emerged from the discovery stage



% take up





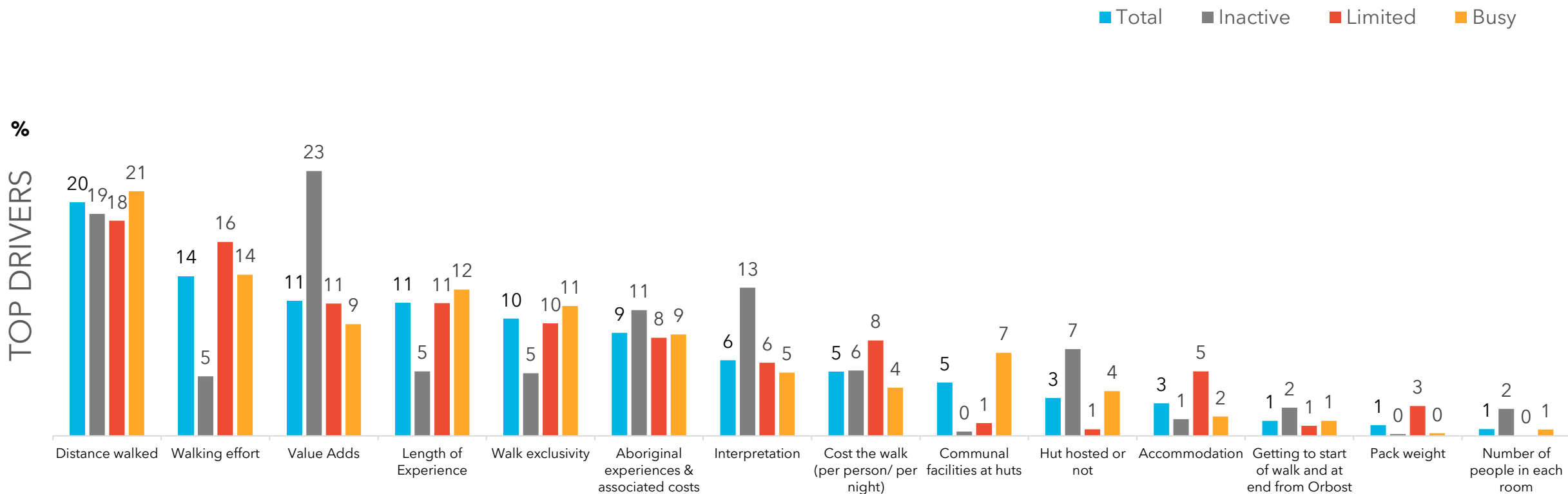
optimising the appeal of the Sea to Summit 3-5 days walk/cycle

A base case was designed to test market appeal for a 4-5 day experience involving 3-4 days walking, walking 12.5km or for 5 hours per day, suitable for those with above average levels of fitness, and a day cycling or four-wheel driving. The concept providing basic huts, shared amenities, no hut hosting, and pack transfer from hut to hut being the only value-add provided. The modelling shows that the appeal of the walk can be considerably improved above this base case offer for the primary *busy nature seekers* target segment by including the following features, in priority order according to the role the attribute plays in choice of whether to do the walk or not:

1. **Distance walked** - 15km daily walk or six hours walking (+12.3% to appeal over base case)
2. **Walking effort** - Requiring a basic level of fitness (adds +15.1% to appeal)
3. **Length of experience** - 3 days of walking and 1 day of cycling or mountain biking, or a 4WD experience (adds +11.7% to appeal). 4 days of walking and 1 day cycling is marginally less preferred
4. **Walk exclusivity** - walk has day walkers present but only on the first and last day of the trail (+3.1%)
5. **Value adds** - Fresh coffee and snacks at huts (+9.1%) and food hampers provided at huts made from local food, fruit and drinks (+8.5%)
6. **Aboriginal cultural experiences** - fully immersive session with local Aboriginal people who explain culture, bush medicine and allow them to sample bush tucker (+4.5%).
7. **Communal facilities at huts** - needs cooking, shower facilities and heated communal areas, library, wine and craft beer cellar (+9.8%)
8. **Interpretation** - In situ and signage and booklet and guide lectures (+4.3%)
9. **Hut hosted** - Guides reside at huts, accompanying walkers on part of the walk and providing commentary on points of interest (+7.2%)
10. **Cost** - \$200 per person per night is an acceptable cost for the walk plus charges for value add services
11. **Accommodation** - a relatively basic hut is acceptable if the facilities and value adds are provided. It is more important to blend into nature as long as the creature comforts are provided. By providing a luxury wilderness cottage only 2.5% is added to consideration for the *busy nature seekers*.



key drivers for a multi day nature experience



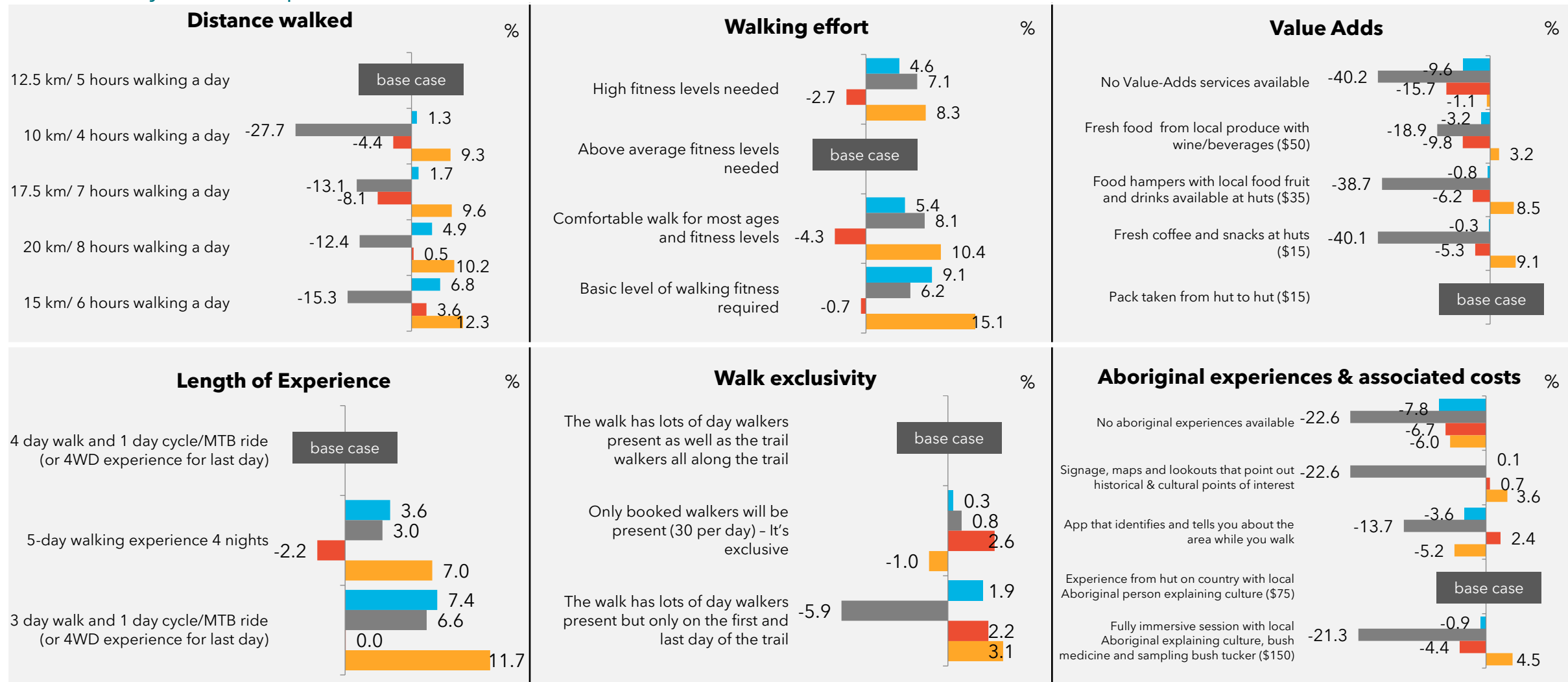
Considerers of a multi-day nature experience, including a walk and cycle or 4WD trip, want it to be doable!. Making the distance walked per day reasonable, not overly strenuous (so that it precludes themselves or others they want to walk with), and then only 3-5 days (not 12) in length. In addition to this, value-adds to make the walk an experience were particularly important. The cost of the trip and accommodation stayed in did not influence the decision to walk as much as these other factors. People are will to pay for an accessible nature experience in 2021.



how can the appeal of the 3-5 day walk/cycle be enhanced?(1)

multi-day nature experience...

■ Total ■ Busy ■ Limited ■ Inactive



NB: The base case represents the base level scenario. This is needed for the analysis to determine likely engagement if we modify one of the settings within each factor/attribute.

This slide shows the setting within each factor that has the most influence.

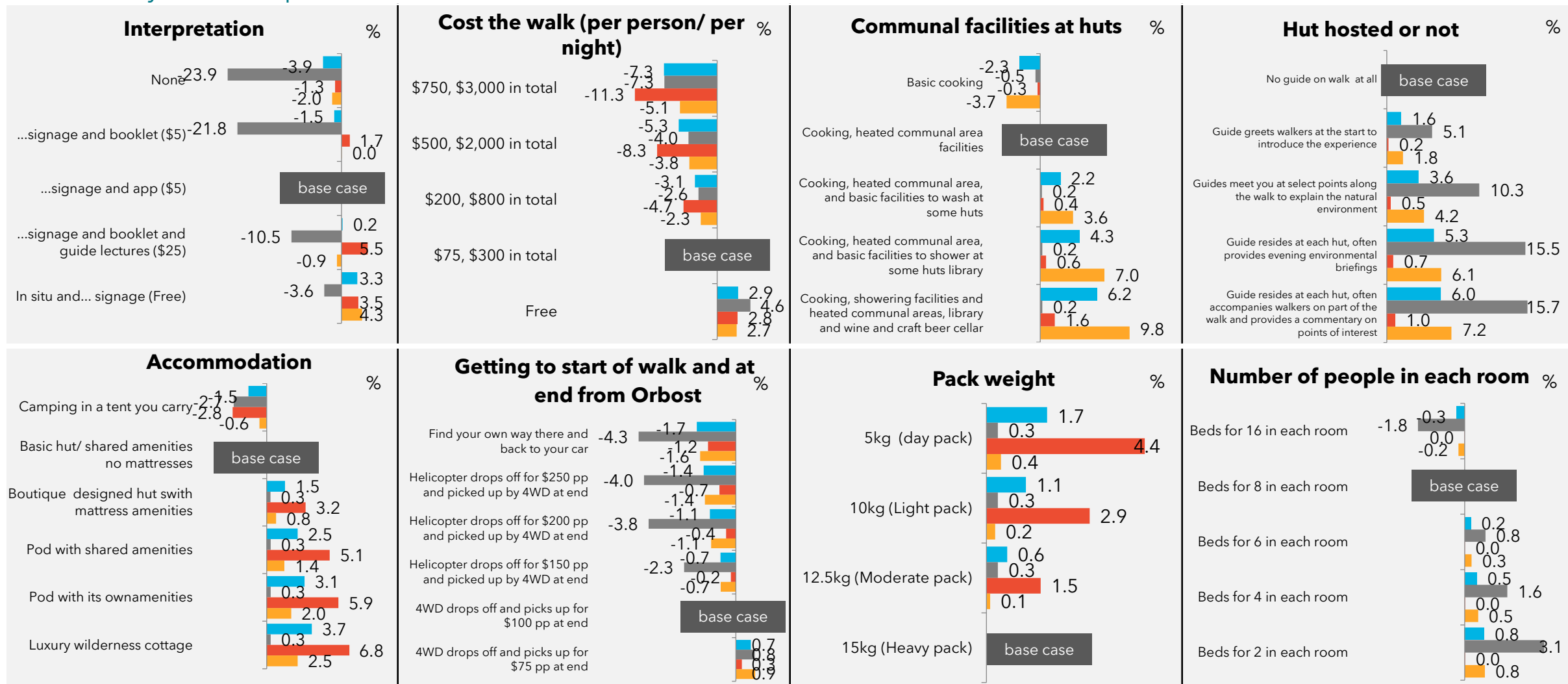
Base: Total n=605 (Busy n=361, Limited n=190, Inactive n=54)



how can the appeal of the 3-5 day walk/cycle be enhanced? (2)

multi-day nature experience...

Total Busy Limited Inactive



NB: The base case represents the base level scenario. This is needed for the analysis to determine likely engagement if we modify one of the settings within each factor/attribute.

This slide shows the setting within each factor that has the most influence.

Base: Total n=605 (Busy n=361, Limited n=190, Inactive n=54)

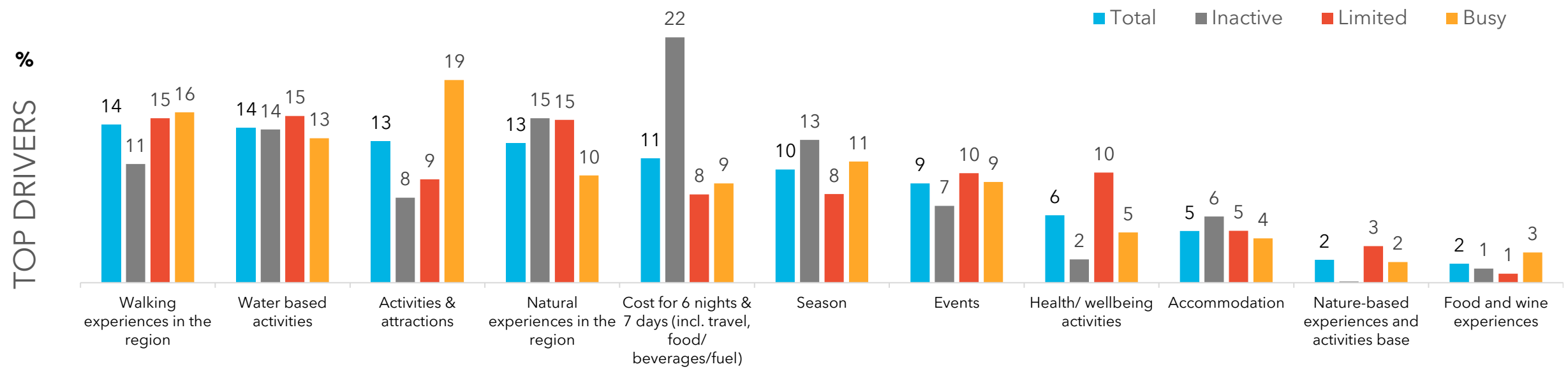


5 triggering interest in East Gippsland



what triggers interest in East Gippsland?

The 4-5 day Sea to Summit walk produces a major lift in consideration for East Gippsland



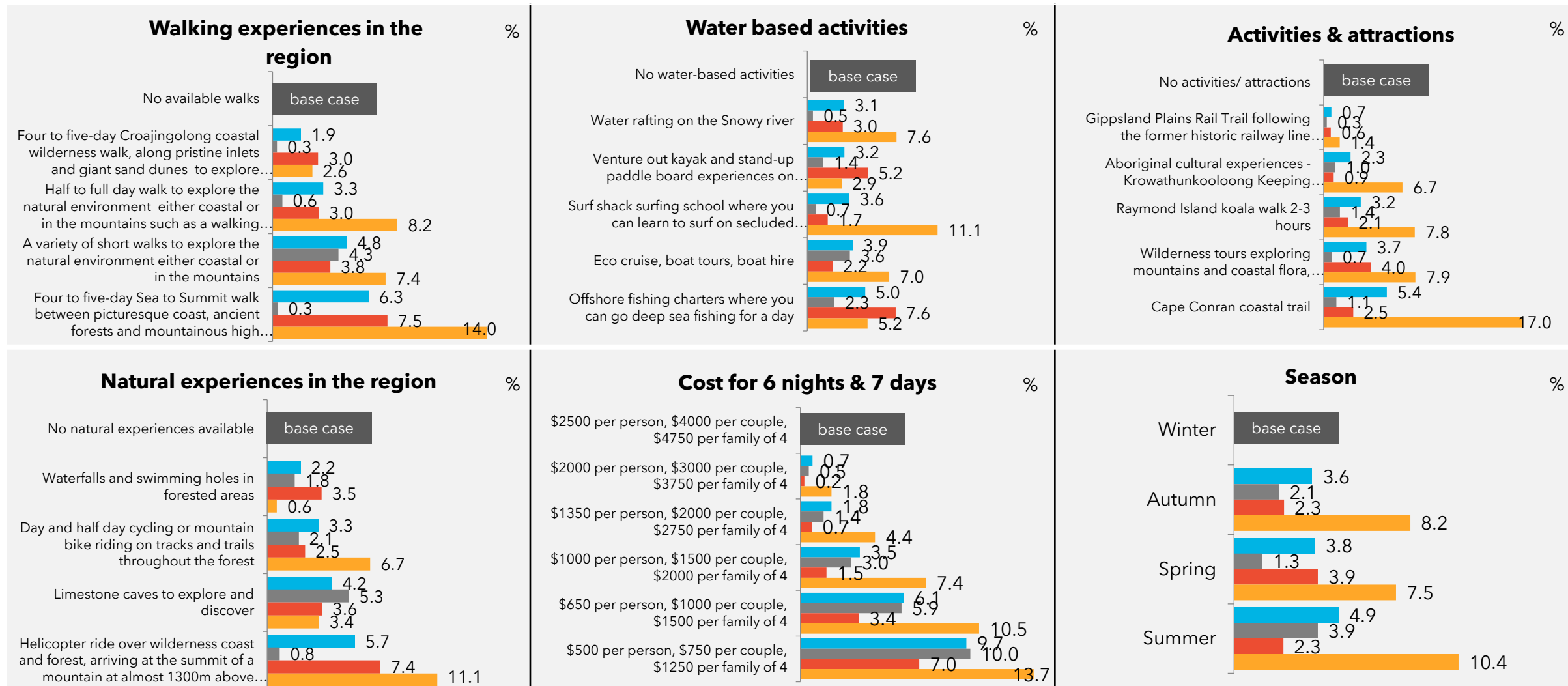
The research revealed that the 3-5 day sea to summit walk will be a major driver of visitation to the East Gippsland region. Walking experiences, along with water-based activities are the principal triggers of visitation to the area with walking experiences accounting for 14% of the reason anyone would come to East Gippsland. This was just slightly more than water-based experiences, also accounting for 14% of the reason someone would visit East Gippsland.



how can the appeal of East Gippsland be enhanced? (1)

new trail to attract visitation...

■ Total ■ Busy ■ Limited ■ Inactive



NB: The base case represents the worst-case scenario with no activity. This is needed for the analysis to determine likely engagement if we modify one of the settings within each factor/attribute.

This slide shows the setting within each factor that has the most influence.

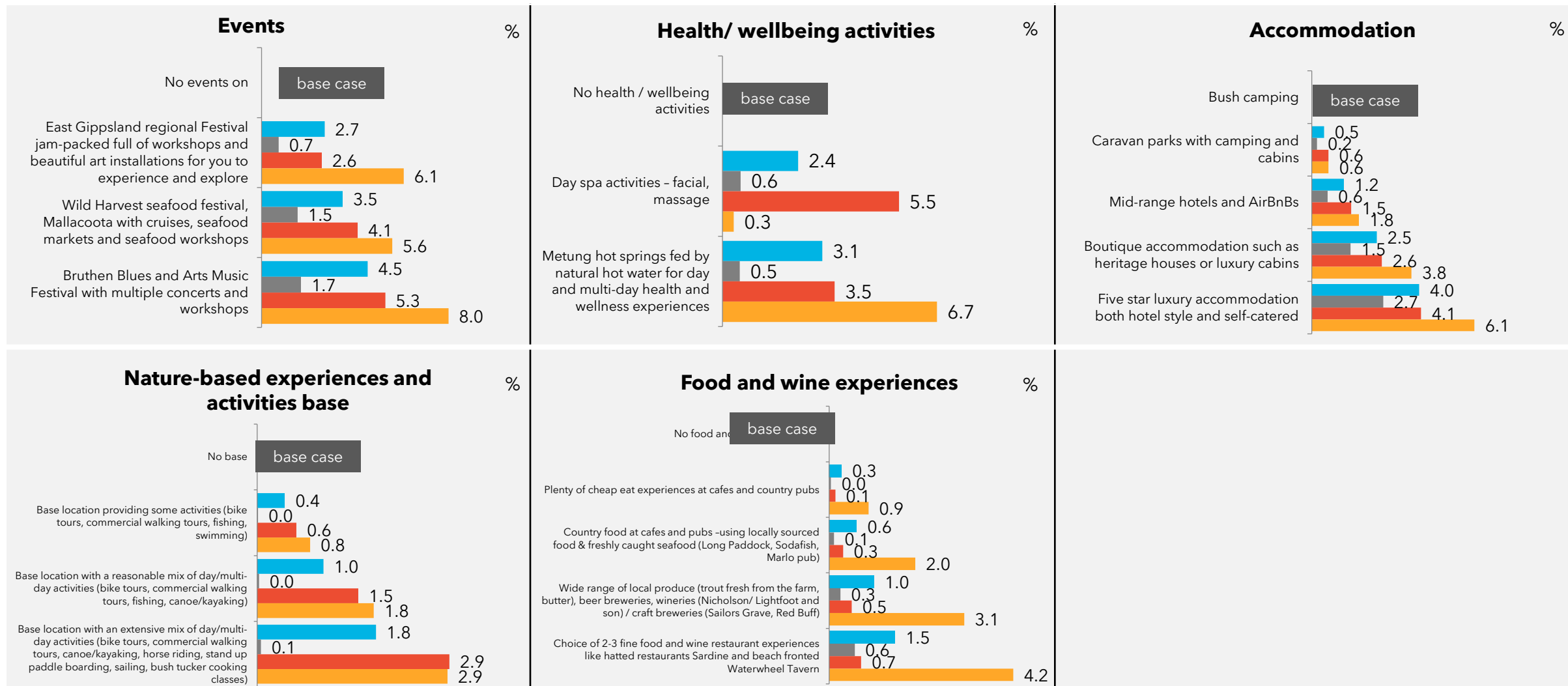
Base: Total n=2038 (Busy n=517, Limited n=780, Inactive n=741)



how can the appeal of East Gippsland be enhanced? (2)

new trail to attract visitation...

■ Total ■ Busy ■ Limited ■ Inactive



NB: The base case represents the worst-case scenario with no activity. This is needed for the analysis to determine likely engagement if we modify one of the settings within each factor/attribute.

This slide shows the setting within each factor that has the most influence.

Base: Total n=2038 (Busy n=517, Limited n=780, Inactive n=741)



6 economic benefits to the region

how can the development optimise economic benefit to the East Gippsland region?



The economic benefits are substantial in the case of a 4-5 day walk and the development of a base/hub concept, but are extremely low for the 10-12 day original *Sea to Summit walk* concept.

These outcomes are based on 32 walkers per night (128 on the trail at any one time), 12,000 hub visitors per annum and 2,000 walkers on the 10-12 day walk per annum and applying a 70% occupancy rate estimated by the project team given weather limitations of the walk (i.e. wet winters and hot dry summers).

The demand analysis shows these numbers to be conservative with an appropriate investment in marketing the concept and the region.



net economic benefit

Outcomes for East Gippsland

The net economic contribution of the project option to Australia is appropriately measured by cost benefit analysis where the impacts of project options are compared against a Base Case option to determine the incremental impact of interventions. Economic costs relate to the capital and maintenance costs of the project options, economic benefits are the inflow of tourism dollars. The incremental impact of the options, compared to the Base Case of doing nothing, are shown below:

	Year 1 visitation	Average spend per visitor	Present Value Costs	Present Value Benefits	Net Present value NPV	Benefit to Cost ration BCR	PV Economic impact	Jobs created in operation phase
	Persons p.a.	\$	\$m	\$m	\$m		\$m	Persons p.a.
4-day walk, 1-day cycle	8,176	2,219	69.9	182.3	112.3	2.6	298.9	254
Activity/Nature hub	12,263	2,472	5.1	304.6	299.4	59.2	367.0	374
10-12 day walk	2,044	784	14.0	16.1	2.1	1.2	35.7	26



complementary business opportunities

The key complementary business opportunities include:

- Indigenous interpretation and cultural education ranging from welcome to country conversations, explanations of culture and storytelling in huts, to fully immersive on country experiences explaining bush medicine and food. There are many opportunities for the local first nations people to share and charge for providing education to walkers.
- There are other interpretation products to be developed, maintained and expanded over time. These range from signage, through to apps, to lectures provided in the huts that cover the geology, flora, fauna and heritage of the region.
- Local food, fruit and beverages are also desired in all the huts along with coffee and snacks. The servicing of four huts for up to 128 people per day is a significant business opportunity.
- Pack transfer will be a daily requirement for many of the walkers.
- Path and hut construction and maintenance will be substantial requirements, with approximately 60 km of path to be built and maintained, and four huts needed.
- Ideally, a helicopter offer to start the walk will likely lead to a daily service for a portion of the 32 daily walkers depending on the ability to get a permit for helicopter operations in a wilderness setting.
- Electric bicycle/MTB hire is needed to extend the 3-4 day walk to a 4-5 day experience, riding from the end of walk to the coast.
- Similarly a 4WD service is needed to deliver walkers to the start of the trail and collect the walkers choosing to 4WD out as opposed to cycling to the coast. There will be the need to collect cyclists (and e-bikes/MTBs) at the end of the trail.
- Building a car park may enable walkers to leave their car at the end of the experience.

Additionally, the walk will bring walkers to the East Gippsland region, and many will want to fill their preferred 7-9 day break with other adventure activities.

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