

# DESTINATION MARKETING ON THE INTERNET

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## *A Guide for Australia's Regional Tourism Authorities*

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## *A Guide for Australia's Regional Tourism Authorities.*

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## EXECUTIVE SUMMARY

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Several commentators have suggested that the Internet is the most significant development in communications since the invention of the telephone. The tourism industry, with its intangible products and services, is intrinsically suited to Internet marketing. The growing range of travel markets, products, and destinations, as well as the increasingly difficult task of finding and communicating with distinct market segments indicates that the Internet offers a potentially valuable tool for marketing tourism.

The study develops a detailed overview of the Internet as a marketing medium and investigates its applicability to the tourism industry and to destination marketing in particular. The report focuses on Australian Regional Tourism Authorities (RTAs) and their current and future use and perceptions of the Internet. The primary aim of the study was to evaluate current RTA use of the Internet as an effective regional destination marketing tool. The report is divided into nine concise sections as outlined below:

- **Chapter 1** – provides a brief overview of the Internet and its origins and identifies some key characteristics and trends. The chapter also examines the role of the Internet as a marketing tool for the tourism industry. Lastly, this chapter briefly identifies the aims and methods of the study.
- **Chapter 2** – reports findings of RTA perceptions regarding the Internet by examining factors such as RTA use of the Internet as a marketing tool; RTA attitudes about key issues; RTA perceptions of a number of Internet functions; and the present and future role of the Internet in destination marketing.
- **Chapter 3** – presents twelve elements of successful Internet sites grouped into four broad categories. The first category explores *planning* elements consisting of RTA marketing objectives and target markets. The second category investigates three web site *design* elements consisting of interactivity, navigation and functionality. *Content* elements such as readability, integrity, value-adding and marketing mix variables are included in the third category. The fourth category evaluates *management* elements consisting of site maintenance, promotion and resources. From these twelve elements an Integrated model for successful Internet marketing is developed. The model provides a framework for presenting the findings for the remainder of the study and also acts as a guide for RTAs planning to establish or revise a sites.
- **Chapter 4** – examines the two site planning elements (objectives and target audience) by profiling RTA use of these elements and by suggesting ways of improving this area.
- **Chapter 5** – examines the site design elements of interactivity, navigation and functionality by profiling RTA use of these elements and by suggesting ways of improving site design.
- **Chapter 6** – examines the site content elements (readability, integrity, value-adding and the marketing mix) by profiling RTA use of these elements and by suggesting ways of enriching site content.
- **Chapter 7** – examines the management elements of maintenance, promotion and resources by profiling RTA use of these elements and by suggesting ways of enhancing site management.
- **Chapter 8** – introduces the concepts of internal marketing and market intelligence and explains how the Internet can be used for these two marketing applications.
- **Chapter 9** – provides some key recommendations along with some insights into the future of destination marketing on the Internet.

The report also includes a number of tips related to the main elements discussed in each chapter. These tips are presented in boxes throughout the report. They are designed to act as a summary and guide by providing readers with a easy way to identify key points and Internet marketing strategies.

# INTRODUCTION AND BACKGROUND INFORMATION 1

## 1.1 AN INTERNATIONAL NETWORK

In just under thirty years the **Internet** has evolved into what Brown (1997) describes as the most significant development in communications since the invention of the telephone. From its humble foray into the commercial world in 1992, the Internet has revolutionised the way in which we communicate. The term 'Internet' is an acronym for **International Network** but it is most commonly described as a **network of networks**.

It is estimated that the Internet may be comprised of over 36 million networked host computers connecting possibly 34 million users (at any one time) out of a potential 159 million who have access (Network Wizards, 1998; Nua, 1999). The number of users connecting to the Internet worldwide is growing at a phenomenal rate. In fact, the Internet is the fastest growing communications medium ever. It's rate of adoption is faster than radio in the '20s, television in the '50s and mobile phones in the '80s (Ballantyne, 1999). Most observers agree that over 200 million users will be connected to the Internet by the year 2000. *Figure 1-1* shows the growth in the number of users who have access to the Internet world wide. The chart is based on a number of estimates provided by online research institutes. A trend-line provides an indication of estimated levels of use up to the end of 1999.

In Australia, Telstra has found that its Internet traffic is growing by 11% per month (Cisco Systems, 1997). In addition, the Australian Bureau of Statistics (1998) has reported that three million Australians over the age of 18 had accessed the Internet between February 1997 and February 1998. The number of Australians accessing the Internet from home has doubled every year since 1996 (Australian Bureau of Statistics, 1998).

According to these figures, Australia has the highest proportion of Internet users in the Asia Pacific Region (Nua, 1999). Market research firm IDC Australia has predicted that total Internet commerce revenue in Australia will grow from A\$127.3 million in 1997 to more than A\$16 billion in 2002 (Munro, 1998).

The phenomenal growth of the Internet in the 1990s can be attributed to the development of the **World Wide Web (WWW)**. Contrary to prevailing opinion the Internet and the WWW are not interchangeable terms. The Internet is an umbrella term that encompasses a number of online applications such as the WWW, e-mail, chat, Usenet and so forth (Foxworthy, 1997). The WWW was first developed in a Switzerland physics lab in 1986 (Harris, 1996). The WWW provides structure to the Internet by allowing information to be manipulated through a graphical user interface (Harris, 1996).

The emergence of the Internet as a vehicle for economic growth has been recognised by the Australian Commonwealth Government. The Australian Government has established the **National Office for the Information Economy (NOIE)**, which operates as a separate agency within the Department of Communications, the Information Economy and the Arts (Alston, 1998).

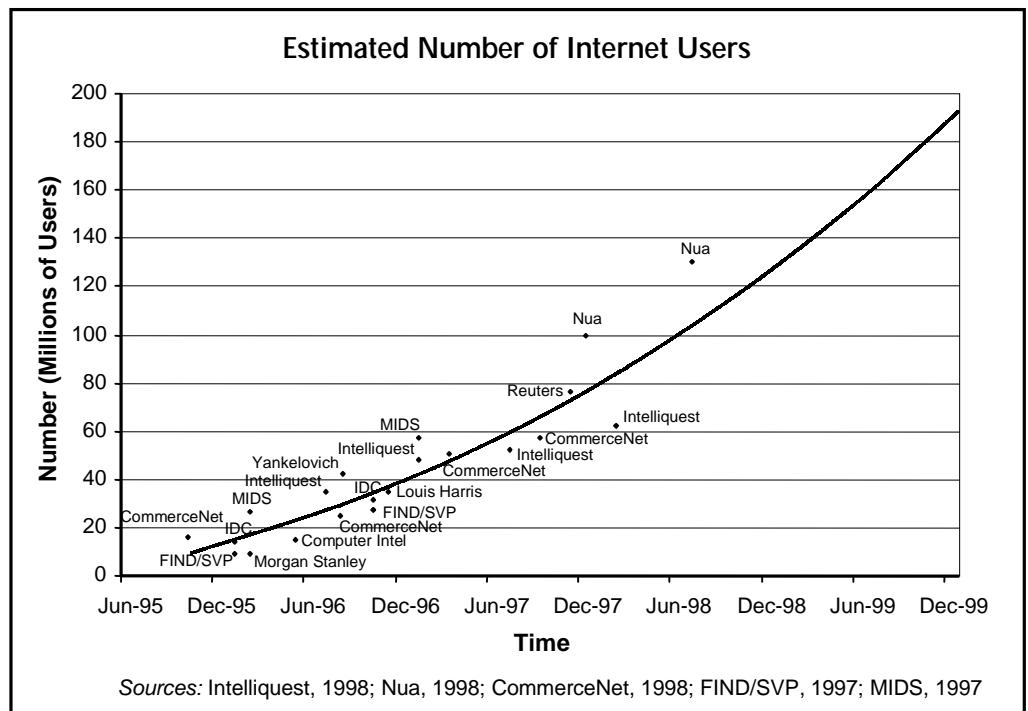


FIGURE 1-1 Estimated number of Internet users worldwide.

## 1.2 THE INTERNET AS A MARKETING TOOL

The versatility of the WWW has meant that it has been described by some marketers as the **Holy Grail of marketing** (Foxworthy, 1997). The interactive nature of the WWW provides a much better means of communication with the customer than conventional media because the effort required by the customer to respond is much lower. Unlike television or radio, the WWW allows users to control the delivery of information by selecting only that data which is most valuable to them.

The true marketing potential of the WWW becomes apparent when it is combined with other parts of the Internet, such as **electronic mail** (e-mail). The marriage of the WWW and e-mail creates a system which, for the first time, supports real time **one-to-one** and **one-to-many** communications (Eastman, 1996). The Internet makes it possible to cost-effectively market to as many or as few people as is deemed appropriate.

## 1.3 THE INTERNET & THE TOURISM INDUSTRY

The growing range of travel markets, products, and destinations, as well as the increasingly difficult task of finding and communicating with distinct market segments would suggest that the Internet offers a potentially valuable tool for marketing travel and tourism (Pollock, 1995). In fact, recent research suggests that travel information is the third most sought after item on the Internet after computer products and books (Georgia Tech Research Corporation, 1997). According to the Travel Industry Association of America (1997) an increasing percentage of travellers are shifting their method of making travel reservations from travel agents to online travel services. This is supported by Datamonitor (1998), who claim that the travel industry will account for 35 percent of all online sales by the year 2002. This will represent the largest single category of products sold over the Internet.

The Internet offers a number of benefits that are especially relevant to the marketing of tourism. Travel is a sensory experience, it is sold on images and dreams (Pollock, 1995). Travellers are not simply buying bed spaces, airline seats or food and beverages, they are fulfilling fantasies (Archdale, 1995). The Internet, with its proliferation of text and multimedia has the

power to provide a range of stimuli that encourage consumers to purchase a travel product or service.

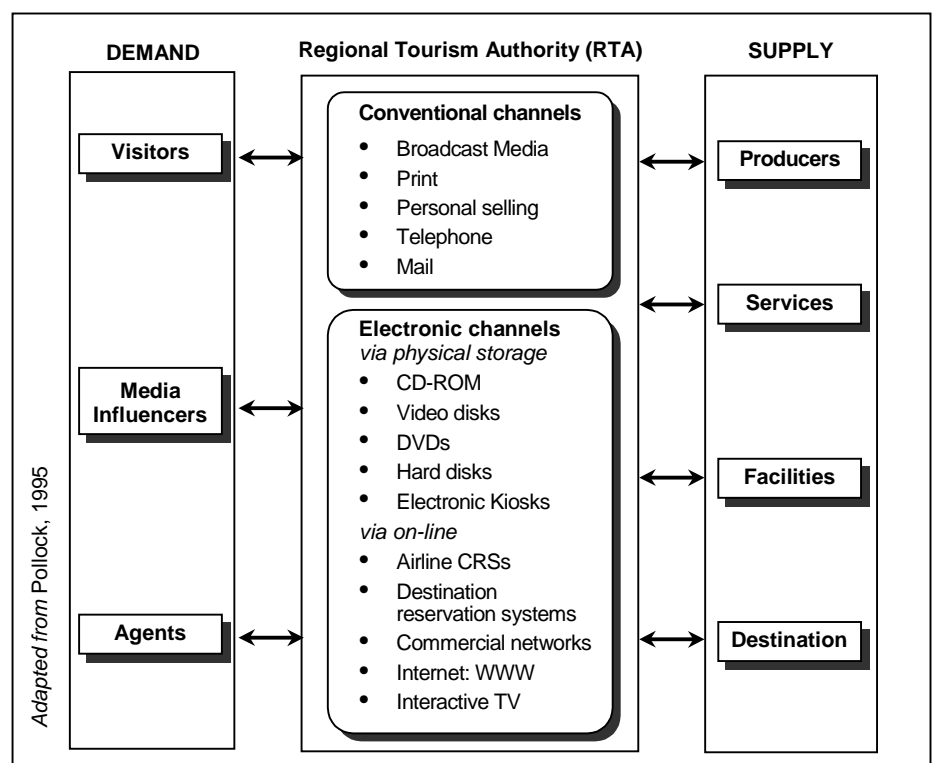
Archdale (1995) also notes that the profile of Internet users is characterised by some very desirable demographic characteristics. Pollock (1995; p.76) suggests that Internet users tend to be "affluent, well educated, frequent travellers who spend above average on travel, recreation and entertainment."

## 1.4 THE INTERNET & DESTINATION MARKETING

Pollock (1995) claims that the Internet will have a fundamental and far reaching impact on the way destinations are marketed, distributed, sold and delivered because the real business behind travel is information. The Internet's ability to provide low cost global communications combined with effective information distribution could produce exciting opportunities for destination marketers (Archdale, 1995).

The role of the Internet in disseminating information is especially applicable to Australia's Regional Tourism Authorities. The primary role of a RTA is to develop and market tourism for the economic benefit of the region (Cameron 1993). To achieve this the RTA must match buyers with sellers, demand with supply and producers with consumers by positioning and promoting the region as a destination (Pollock, 1995).

Local operators provide much of the local tourism product, facilities and services that collectively attract the visitor to their destination. *Figure 1-2* illustrates how RTAs interact with operators to compile and provide information about products, producers and places to potential travellers.



**FIGURE 1-2** The role of Regional Tourism Authorities as information brokers.

Figure 1-2 also shows how RTAs collect information about consumers and provide feedback to tourism suppliers. As illustrated, information about demand and supply can flow through conventional channels or through electronic channels, such as the Internet. (Pollock, 1995). In fact, Pollock (1995) argues that both conventional and emerging electronic channels are necessary to successfully create an *integrated* marketing strategy.

According to Tonge and Myott (1989, p32), the RTA “has the responsibility to assist in the management and development of tourism in the region and to encourage increased visitation through external marketing.” Before the Internet, it was assumed that small RTAs could not market on a globally cost effective basis. The Internet has made that assumption invalid and has made it possible for RTAs to market globally. Realistically, however, the Internet has been adopted and applied slowly and hesitantly by many Regional Tourism Authorities. Generic advertising campaigns are still developed using traditional broadcast media, brochures and regional guides (Pollock, 1995).

As travel continues to become increasingly global, the competitive pressure on individual destinations will increase (Pollock, 1995). If the Australian tourism industry is to be economically sustainable and internationally competitive then RTAs must begin to realise the importance of the Internet and must develop strategies and ideas to harness its marketing potential.

Consequently, the following study focuses on Australian RTAs and their current and future use and perceptions of the Internet. In doing a number of opportunities for improvement are identified. The research also highlights issues that should be considered by RTAs when formulating Internet marketing strategies.

**AIMS OF THE STUDY**

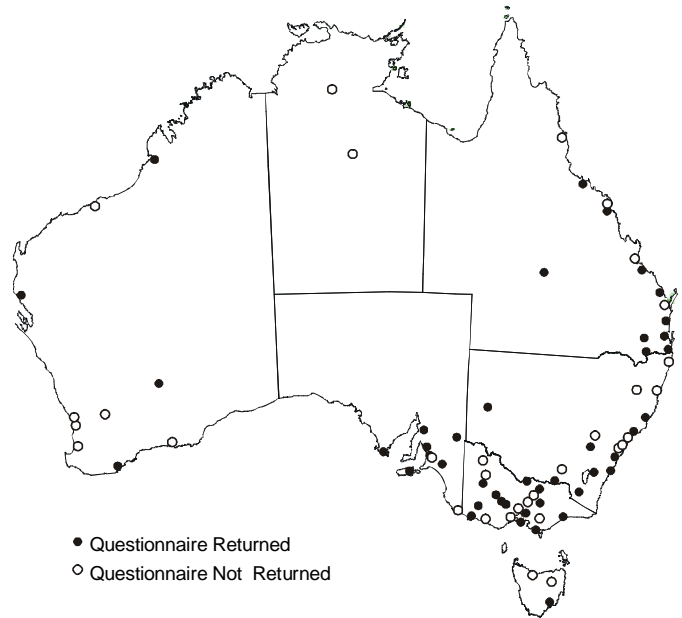
**Primary Aim:** To evaluate current RTA use of the Internet as an *effective* regional destination marketing tool.

**Sub-Aims:** The primary aim was satisfied by the following sub-aims:

- i. to develop a profile of the current *level of involvement* by RTAs in using the Internet as a marketing tool;
- ii. to assess the *perceptions* of RTAs toward the marketing role of the Internet both now and in the future;
- iii. to assess how RTAs can optimise the use of the Internet as a channel for destination marketing.

## 1.5 METHOD OF STUDY

The research was essentially split into two stages. The first stage consisted of a mail survey completed by RTAs around Australia while the second stage involved a content analysis of existing RTA web sites.



**FIGURE 1-3** Regional Tourism Authority participation in the survey (based on postal address).

### 1.4.1 THE RTA QUESTIONNAIRE

A three page self-administered questionnaire consisting of 18 questions was used to collect information about specific RTAs. The study targeted the entire population of official Regional Tourism Authorities. A breakdown of responses by state is provided in Figure 1-3. Black points represent RTAs who responded to the questionnaire, while white points show those who did not respond. A total of 45 out of 75 RTAs (60.0%) responded to the questionnaire, which was mailed in mid-March 1998.

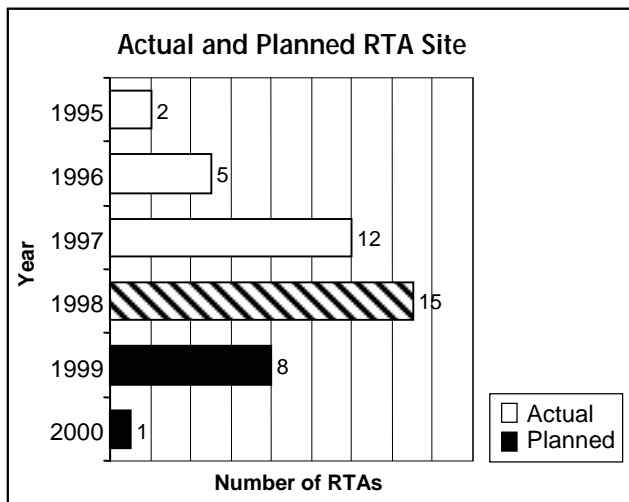
### 1.4.2 CONTENT ANALYSIS

A structured assessment sheet and a personal computer were used to assess the content of individual sites. The study in this instance focussed on all Regional Tourism Authorities who had a WWW site. Nineteen of the 45 respondents (42.2%) indicated that they had an Internet site. Only 16 sites (35.5%) were assessed as two sites were still being constructed, while one was not accessible.

# RTA PERCEPTIONS OF THE INTERNET 2

## 2.1 INTERNET USE

The study suggests a positive outlook for Australian destination marketing on the Internet. Although less than half (42.2%) of the 45 RTAs who responded to the study had an Internet site, this proportion was set to increase to 75% by the end of 1998 (see *Figure 2-1*). 95.6% of RTAs who took part in the study will have an Internet presence by the year 2000. This information clearly indicates that most RTAs have realised the need for Internet promotion. Only 2 RTAs (4.4%) indicated that they had no plans to launch a site.



**FIGURE 2-1** Actual and planned launches of Regional Tourism Authority web sites.

Those RTAs which were not currently on the Internet cited 'lack of expertise' (38.1%) as the major reason for not launching a site. This was closely followed by 'lack of time' (33.3%) and 'too costly' (28.6%). Whilst other categories were listed on the questionnaire, they were not selected by respondents.

## 2.2 ATTITUDES

In order to investigate RTA attitudes toward the Internet a five point rating scale was used to measure the level of agreement to four statements. The results are presented in *Table 2-1*.

The most interesting results from *Table 2-3* show that 84.4% of RTAs either agree or strongly agree that the Internet is an effective destination marketing tool. Furthermore, over half of the RTAs surveyed did not feel that the importance of the Internet as a destination marketing tool had been exaggerated.

## 2.3 PERCEIVED UTILITY OF THE INTERNET

A three point rating scale was used to evaluate the perceived usefulness of the Internet on ten attributes. As the results in *Figure 2-2* indicate:

- the top 3 responses in the very useful category were *building visitor awareness, providing customer service, and public relations and education*.
- the top two responses in the somewhat useful category were *encouraging repeat visitation and building mailing lists and databases*. The third highest response for this category was tied between three attributes: *attracting new visitors, maintaining contact with past visitors, and as a market research tool*.
- the top three responses for not useful were *maintaining contact with past visitors, as a market research tool, and communication channels with other regional tourism authorities, organisations and individuals*.

Notably building visitor awareness, attracting new visitors, public relations and education, and competing with other destinations received the lowest negative (not useful) response.

**TABLE 2-1** RTA attitudes toward the Internet

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
The Internet will have 200 million users by the year 2000		1 2.3%	19 43.2%	19 43.2%	5 11.4%
The Internet is an effective tool for marketing a destination		1 2.2%	6 13.3%	28 62.2%	10 22.2%
The importance of the Internet as a marketing tool has been exaggerated	1 2.2%	24 53.3%	9 20.0%	10 22.2%	1 2.2%
The Internet is an effective tool for online reservations		3 6.7%	20 44.4%	20 44.4%	2 4.4%

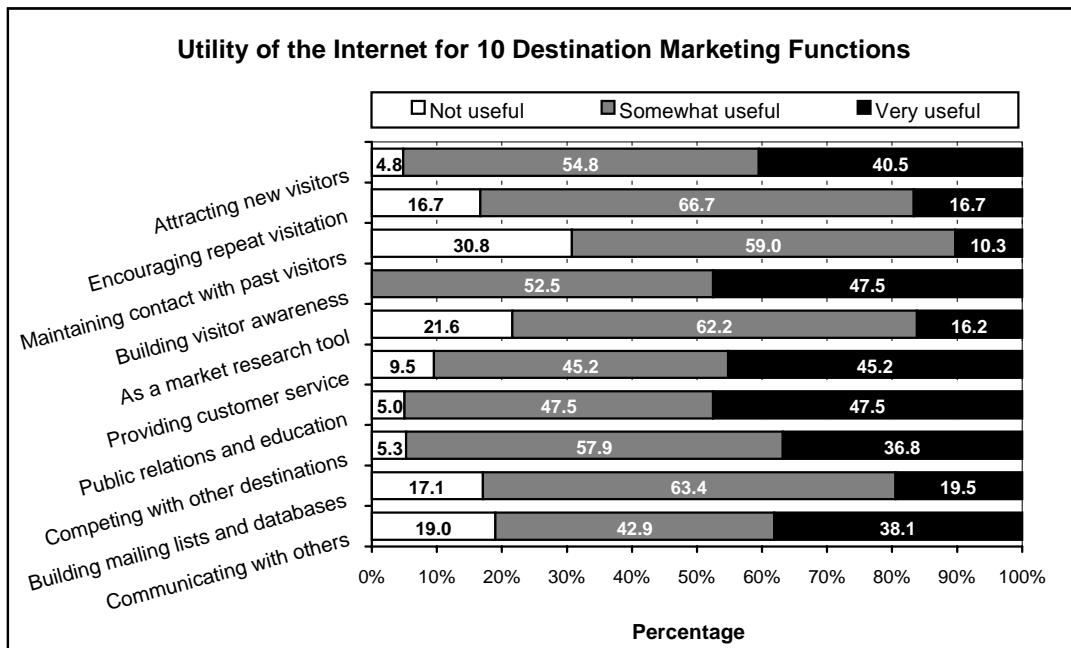


FIGURE 2-2 Utility of the Internet for 10 destination marketing functions

## 2.4 PRESENT & FUTURE LEVELS OF IMPORTANCE

In order to investigate how the Internet ranked against other information sources, both now (1998) and in five years' time (2003) RTAs were asked to assign a score of one (least important) to ten (most important) to each source.

Figure 2-3 shows a number of box-and-whisker plots representing RTA attitudes regarding the importance of selected information sources to destination marketing. The blue plots indicate present levels of importance while the green plots indicate the level of importance in five years' time.

The most notable contrast between the present and future outlook is an **increase in the importance of the Internet**. A box-and-whisker plot indicates an increase in the median from four to seven, while the upper and lower quartiles show similar increases.

With the increase in expected demand for the Internet, it was expected that demand for other information sources might decrease. An examination of Figure 2-3 indicates that RTAs expect **the importance of brochures to decrease slightly**. The median declines from eight to seven while the upper and lower quartiles show similar changes. The upper quartiles for radio, trade journals and travel agents also decrease.

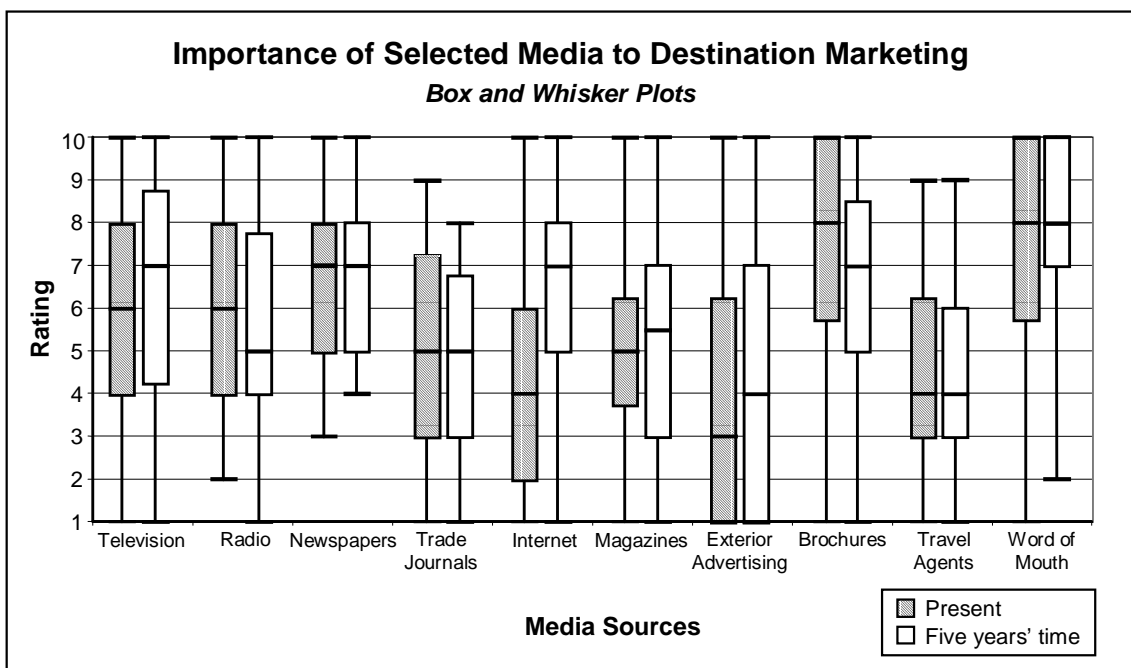


FIGURE 2-3 Importance of selected media to destination marketing.



# AN INTEGRATED MODEL FOR 3 SUCCESSFUL INTERNET MARKETING

## 3.1 ELEMENTS OF SUCCESSFUL INTERNET SITES

A summary of information from a number of practitioners and researchers identified 12 elements that are essential to the development of a successful web site. These elements were grouped according to four broad Internet marketing considerations. For easy reference the elements are summarised in *Table 3-1*.

**TABLE 3-1** Elements of Web Site Development

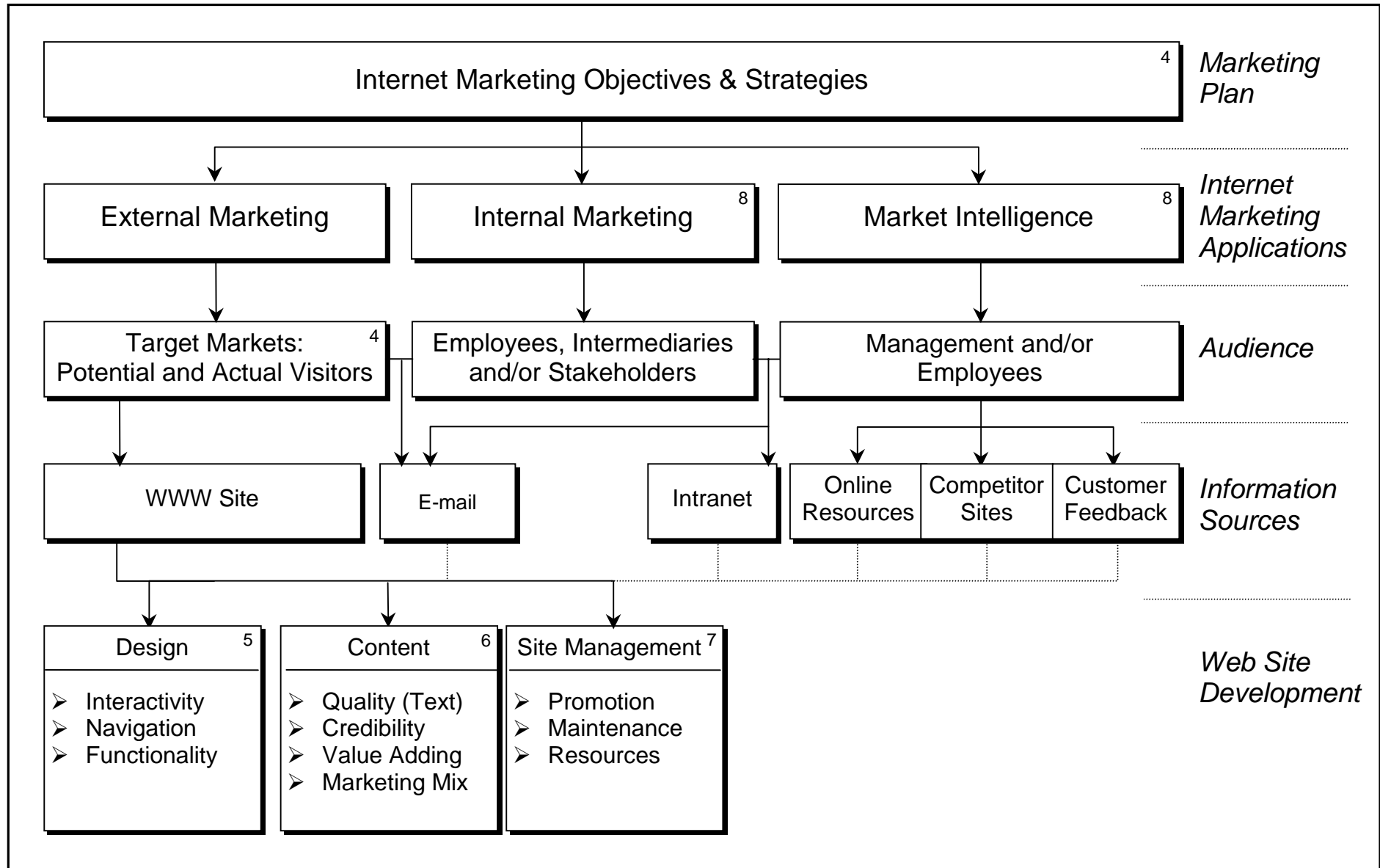
<b>Planning</b>	<ul style="list-style-type: none"> <li>i. Strategies and <b>objectives</b> must be formulated and formalised in a marketing or business plan.</li> <li>ii. The <b>target audience</b> must be identified and the site must meet the needs of market segments.</li> </ul>
<b>Design</b>	<ul style="list-style-type: none"> <li>iii. The design of the site must include features that facilitate <b>interaction</b> between the user and the organisation. (eg. e-mail, forms, hyperlinks)</li> <li>iv. The site should have a hierarchical structure which is supported by <b>navigation</b> aids that create a sense of place and allow users to move around in the context of the site (eg: menus, icons, site maps and search engines)</li> <li>v. Other essential features that add <b>functionality</b> and aesthetic appeal must also be included (eg: multimedia, multilingual support, timely information, corporate identity)</li> </ul>
<b>Content</b>	<ul style="list-style-type: none"> <li>vi. The textual content on the site must be <b>readable</b>.</li> <li>vii. The site must have <b>integrity</b> in terms of the credibility, relevance and accuracy of the information presented.</li> <li>viii. The site should make use of <b>value-added</b> content to encourage users to explore further and to return to the site.</li> <li>ix. Evidence of the <b>marketing mix</b> variables should be present as a framework for developing site content.</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>x. The site needs regular <b>maintenance</b> to add, revise or remove content.</li> <li>xi. <b>Promotion</b> of the site must take place using online resources and an integrated approach that incorporates traditional media.</li> <li>xii. The financial, human and physical <b>resources</b> required for the Internet marketing effort must be considered.</li> </ul>

From the twelve elements presented in *Table 3-1* it is possible to develop an integrated model for successful Internet marketing (presented in *Figure 3-1*). The first stage of the model is concerned with the need for a marketing plan that outlines the **Internet marketing objectives and strategies**. The Internet marketing objectives of the RTA will be met by the selection of some or all of the three Internet marketing applications (**external marketing, internal marketing and market intelligence**). Each Internet marketing application is intended for a different audience. External marketing is targeted predominantly at **potential and actual clients**, whilst internal marketing is aimed at **employees, intermediaries or stakeholders** who are associated with the internal operations of the RTA. Market Intelligence provides information for the decision-makers in the organisation, including **managers and employees**.

The model indicates that the various audiences in the Internet marketing arena can share information with each other by using e-mail or a corporate Intranet. **E-mail** facilitates communications both within and outside the RTA. The **Intranet**, on the other hand, acts solely as a communications medium for those involved in the internal operations of the RTA. In addition, those within the organisation can gather market intelligence from a number of online information sources, including **customer feedback, competitor sites and online resources**.

The most visible and resource intensive part of the Internet marketing effort involves the development of the web site. The model shows the various **design, content and management** elements identified by the research. Broken lines indicate that there may be linkages between these elements and other parts of the model. For example, the presence of e-mail will impact on design and maintenance elements of the web site. The Intranet may be linked to the RTA web site and may be influenced by the design, content and management elements. Conversely, market intelligence will influence the development of the web site by providing data, ideas and inspiration through **online resources, competitor sites and customer feedback**.

The following chapters apply the model presented in *Figure 3-1* to provide a useful step-by-step guide to establishing and maintaining a successful Internet site.



**FIGURE 3-1** An Integrated model for successful Internet marketing (Numbers indicate corresponding chapters in report).

# SITE PLANNING ELEMENTS 4

## 4.1 INTERNET MARKETING OBJECTIVES

Sargan (1998) suggests that the entire structure and content of the web site will depend on the Internet marketing objectives. These objectives are usually formalised in a marketing strategy or plan. Marketing strategies identify how the organisation will meet its objectives using its strengths while at the same time reducing weaknesses (Adam and Westberg, 1998).

Of the 19 RTAs on the Internet 14 (73.6%) indicated that they had a strategy or plan for Internet marketing. Three RTAs, however, did not have an Internet marketing strategy, which suggests that a fundamental part of the market planning process has been neglected by these agencies.

## 4.2 IDENTIFYING THE TARGET AUDIENCE

As with traditional advertising, an effective site must be designed around the needs and motivations of the target market (Web Magnet, 1998; Apple, 1996). Target markets need to be identified in the planning stages of the Internet marketing effort because the information provided by the web site must be tailored to the needs of these users.

When asked what markets individual RTA sites targeted, the responses were somewhat generic. Based on responses, the most common market segments were 'travellers'/tourists' (36.8%) and 'domestic' (31.6%). This was followed by 'industry'/members' (21.1%), 'international' (15.8%), 'residents' (5.3%) and 'MICE' (5.3%). The 'international' market identified by some RTAs was inarguably very broad, particularly when most of the World's Internet users reside in North America or Europe. Further, within the international market there are likely to be target markets such as adventure travellers, luxury travellers, families, couples, independent travellers, tour groups and so forth. Most Australian regions have unique product strengths that appeal to certain target markets. For example, North Queensland offers a strong nature based tourism experience, while Melbourne provides a metropolitan and cultural experience. These product strengths will in part determine what online markets the site will target.

As a starting point to identifying potential target markets for external marketing, RTAs need to have an understanding of the demographics of current WWW users. *Appendix 1* provides a summary of current demographics and trends for users who access the WWW for travel information.

Rather than identifying generic target markets such as 'tourists' or 'international', RTAs can use available demographic data to identify more specific and accurate target markets. RTAs must take the time to accurately identify the characteristics of clients who access travel information on the Internet in order to provide relevant information. It should also be recognised that some regions will be better suited to online marketing due to a better match between the product base and the inherent demographics of online travel seekers.



### SITE PLANNING TIPS

#### Objectives

1. Before you embark on an Internet marketing effort make sure that you identify what you wish to achieve (your objectives).

*For example, a key objective may be: "to provide 24 hour access to information about our region."*

2. Formalise your Internet marketing objectives and strategies in a marketing plan.

#### Target Audience

3. Specify your target market(s) according to age, income, marital status, gender, education and so forth.
4. Match your target markets with the activities/attractions available in your region.

*For example, travellers aged between 18 and 25 may enjoy activities such as bungy jumping, skydiving or hiking.*

5. Design the site based on identified target markets to ensure that you offer something for each market segment.

*For example, your site may have a conventions section, a family section, an adventure section and so forth.*

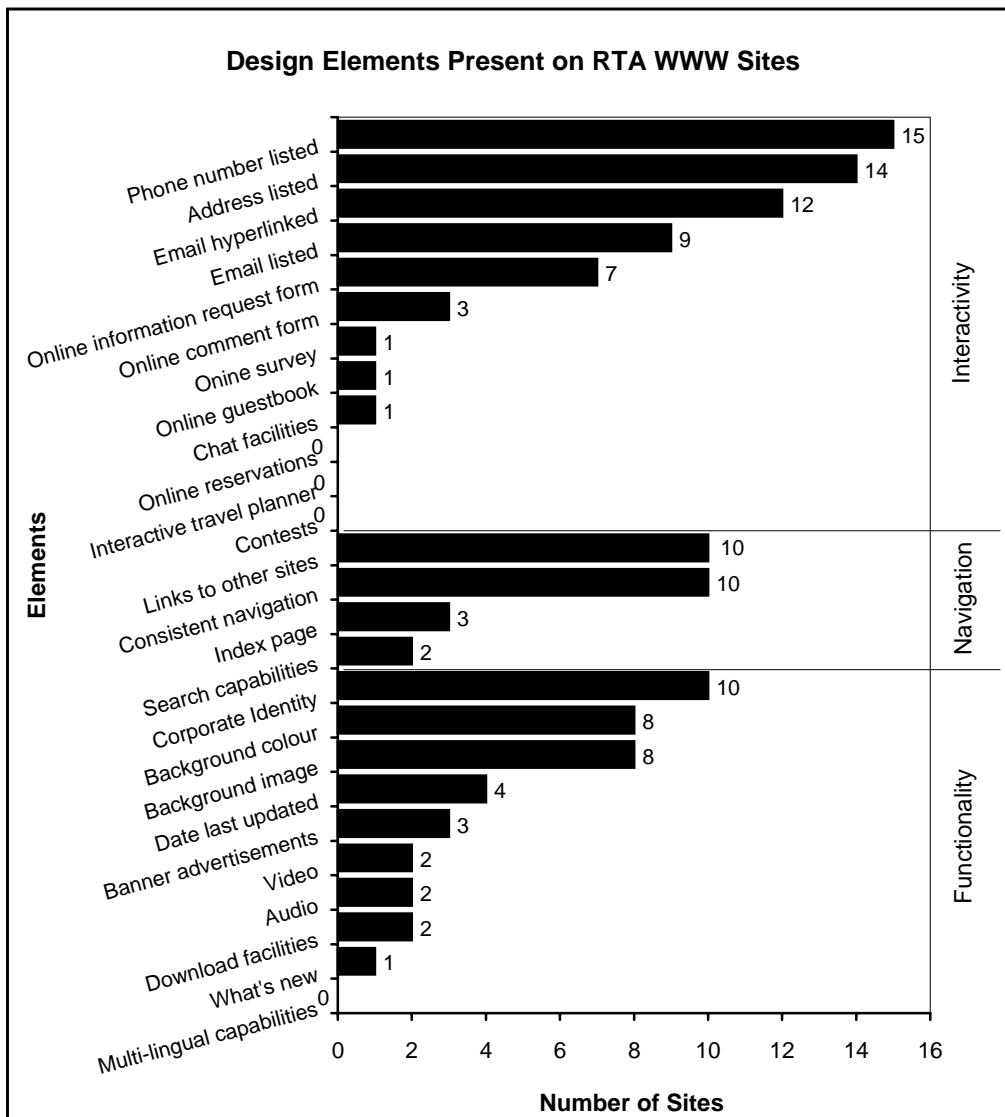
# SITE DESIGN ELEMENTS 5

## 5.1 BACKGROUND

The design of the site plays an important role in determining whether visitors explore the site beyond the homepage and whether they leave the site satisfied (Apple, 1996). The model presented in *Figure 3-1* identifies three key elements of site design: **interactivity**, **navigation** and **functionality**.

## 5.2 INTERACTIVITY

Interactivity is the key to encouraging the multilateral flow of information between the organisation and the consumer (Sterne, 1995). It allows the user to respond to stimulus on the web site in order to receive further benefits. Such benefits are most commonly in the form of more information.



**Listing a phone number, fax or address** on the web site provides the most basic of interactive features. While the listing of contact details is essential, they should not be the only means for visitors to provide feedback. The exclusive use of these techniques renders the web site no different to a brochure or business card carrying the same information and does not provide interaction across the same medium. This was the case for some RTAs, with at least two only listing an address and phone number and one listing only a phone number.

**E-mail** is the most obvious example of increasing interactivity between the organisation and customers, and as such it is an essential component in web site design. In addition to providing e-mail services, organisations must be prepared to respond to incoming messages swiftly. Most RTAs had an e-mail account, with the address either listed (9) or hyperlinked (11). The

**FIGURE 5-1** Design elements present on RTA WWW sites

*Figure 5-1* shows the design elements present on RTA WWW sites. The chart is broken up into the categories of interactivity, navigation and functionality to facilitate further discussion. The three categories are not mutually exclusive. For example, links to other sites provides interactivity, but are also integral to site navigation.

response time to an e-mail request for more information was measured to assess how effectively RTAs were using this feature. Time was measured in terms of the number of business hours taken by RTAs to respond to a message. For the purposes of the study business hours were defined as being between 9.00am and 5.00pm, Monday to Friday. The mean response time was found to be 7 hours 12 minutes, with a maximum of 17 hours 35

minutes and a minimum of 3 hours 35 minutes. Two RTAs did not respond to enquiries for further information.

**Forms** can add interactivity to a site in the same way as e-mail by allowing the user to easily respond to the content displayed on the WWW site. Examples of forms include online information requests, online comments forms, online guest books, and online surveys. As *Figure 5-1* suggests, with the exception of online information requests, RTAs did not make good use of forms.

While **hyperlinks** are often overlooked due to the fact that they are essentially the means for travelling from one page to another, they do provide interactivity (Sun Microsystems, 1995). Hyperlinks allow the user to interact with the site by clicking on a highlighted keyword, icon, image map or navigation bar. Hyperlinks were present on all RTA sites and a number of sites also provided links to other sites.

If used innovatively **contests** can attract visitors to a site while adding interactivity. Examples include the concept of a treasure hunt where users move from page to page collecting clues to complete a puzzle, or a quiz that asks questions related to information on the site (Adam and Westberg, 1998). While contests are a good idea in theory they clearly require a commitment of resources for prizes. In addition, prizes may have to be distributed to overseas winners if the competition is not limited only to Australian users. As the results in *Figure 5-1* suggest, the design benefits of this feature may be transcended by the costs of providing prizes. Consequently RTAs may have been reluctant to use this feature.

**Online reservations** can add a high level of interactivity to a site by allowing the visitor to inspect and purchase a product or service through the same medium. Successful online shopping and reservations sites such as *Amazon.com* and *Microsoft Expedia/Getaway Travel* have recently emerged. While this presently accounts for only 0.8 percent of the market, global online travel is expected to account for 8 percent by 2002. In economic terms this translates into a A\$12.6 billion industry. While many RTAs do not traditionally handle reservations, an online reservations service can provide some distinct advantages. Firstly, it provides a central service for people wishing to visit the region. Secondly, it adds value to the site, and thirdly, it provides yet another avenue for converting potential visitors to actual visitors. However, online reservations may not be viable at present. Many people are still reluctant to purchase products and services over the Internet but continual improvements to data encryption has meant that many Internet users are becoming more comfortable with the practise.

Consequently, while many RTAs agreed that the Internet was an effective tool for online reservations (see *Table 2-1*), none had actually adopted the technology. The inclusion of an online reservations service may be an option for the future.

A number of RTAs made use of **interactive maps**, with the average being one per site. Interactive maps are essentially image maps. An image map is a graphic that contains 'hot zones'. When a hot zone is clicked it acts as a hyperlink by taking the user to another area of the site. Interactive maps can allow the user to click on a town or region to obtain more detailed information. This technology clearly provides opportunities for destination marketing sites. The average number of interactive maps per site was one, however, a number of sites had no interactive maps.

The **interactive travel planner**, first used by the Singapore national tourism site, has been recognised as an innovative, travel-specific method of adding interactivity and customisation to a site. An interactive travel planner essentially uses an electronic form to ask the client a few simple questions before displaying a page listing the attractions that are best suited to the individual. The Singapore site goes a step further by displaying these attractions in an itinerary format, however this may not be necessary. While an interactive travel planner requires a certain level of expertise to create it is not beyond the scope of many RTA sites, and it offers real benefits in terms of matching user needs with the region's resource base.



## SITE DESIGN TIPS

### Interactivity

1. Ensure that your address, phone and fax details are easily accessible from the homepage.
2. Add features such as e-mail, forms, hyperlinks, contests, interactive maps and interactive travel planners to enhance the interactivity of your site.
3. Give one person the responsibility for checking e-mail at least once a day to ensure a prompt response to queries. This task is best suited to the promotions, marketing or public relations officer/manager.
4. Consider adding an online reservations facility on behalf of your industry members.

## 5.3 NAVIGATION

The Georgia Tech Research Corporation (1998) claims that one of the most important issues facing the Internet at present is overcoming the problem of user being 'lost' in the virtual information space provided by the WWW. To combat this problem WWW pages must be arranged in a logical structure or hierarchy that allows the user to develop a mental model of the site and its contents (Sargan, 1998; Apple, 1996). This structure must be supported by navigational aids which allow the user to move from one page to another (Hamill, 1997). The study investigated two aspects of navigation: *site structure* and the use of *navigational aids*.

**Navigational aids**, such as icons, hyperlinks and menus, are commonly displayed on the homepage of the site. Benjamin (1996) suggests that the optimum number of menu items on the homepage should be between three and seven. More than seven items can confuse or handicap the user's ability to cope with the information. These items can then be broken down into more detailed headings at the next level. A number of RTAs displayed hyperlinks, icons or menus on their homepages. On average RTA sites had 9 menu items or links leading from their homepages.

Navigation is required on all pages so that users know where they are and where they can go in the context of the site. This can be achieved by displaying a **consistent menu** or collection of icons on all pages (Apple, 1996). Ensuring that page titles reflect the titles presented in menus can further reinforce a sense of place (Sun Microsystems, 1995). The use of these features will ensure that a user can move between the main areas of the site without returning to the homepage.

For complex sites a **site map** or **site index** can be a useful tool for presenting the site in full detail (Sun Microsystems, 1995). A good index page presents every page on the site in a hierarchical structure. Complex sites can also benefit from **search engines** that scan the site for keywords entered by the user (Apple, 1996).

The **structure** of the RTA sites was examined by classifying sites into four categories: flat, bookmark, single layer and multi-layer nested. With the exception of one site (bookmark) all RTA sites had either single layer or multi-layer structures. These types of sites require information to be arranged hierarchically, with information flowing from general to more specific. During the course of reviewing Australian RTA sites four types of hierarchies were identified (see *Appendix 2*). The first hierarchy is based on an *industry sector* approach which presents the elements of the tourism system at the top of the hierarchy. The second approach displays the *towns or regions* of the destination at the top of the hierarchy. The next level of the hierarchy then provides sector specific information on each town or region. The third

hierarchy provides a *segmented* approach that focuses on specifically on the information needs of market segments. Sector specific information is provided at the next level of the hierarchy. The fourth approach involves a *hybrid* hierarchy which incorporates elements of the first three hierarchies. Anecdotal evidence would suggest that the segmented approach is most desirable due to its intrinsic function of categorising the site according to the needs of target markets. More detailed research is, however, required to determine which hierarchy is most user friendly in terms of providing easy access to information.



### SITE DESIGN TIPS

#### Navigation

1. Ensure visitors can find their way around your site by providing *navigational aids* such as menus, icons and a site index.
2. Display a consistent set of menu items on each page so that users do not have to return to the homepage in order to get to other parts of your site.
3. Consider arranging your site in a hierarchy based on your target markets rather than using an approach based on industry sectors or regions/towns.

## 5.4 FUNCTIONALITY

Additional features which add functionality, aesthetic appeal and diversity to the site are also important (Hamill, 1997). Consequently site features such as multimedia, language support and currency of information will also need to be considered in the design process.

### 5.4.1 Multimedia

While **pictures** can be very effectively integrated into the design of the site, **photographs** have traditionally been used to entice travellers to visit a destination. This was reflected in the designs of RTA sites, with photographs appearing to be a lot more popular than pictures.

Effective use of **colour** can often take the place of graphics to provide a vibrant, creative site that entices the user to explore further. Furthermore site colours can be integrated with corporate colours and graphics to achieve a professional, aesthetically pleasing result. The study investigated the colours used by RTAs for three features: text colour, background colour and link colour. The most popular colour schemes follow those of traditional media – black text on a white background. Research by the Georgia Tech Research Corporation (1998) also indicates that WWW users show a preference for this colour combination. The distribution of colours for hyperlinks was more uniform, with green (5 sites) being the most common. Blue was used by four sites, followed by red (2 sites) and yellow (2 sites).

**Audio** and **video** are an interesting tool for RTA sites in terms of providing 'live' visual and auditory stimulus of the destination. Two RTA sites made effective use of promotional video clips while the same number used audio. One site provided background narrative on pages describing the various regions within the RTAs boundaries. This is a very effective and creative method of adding functionality to the site and has the added benefit of assisting users with visual impairments.

Due to current problems with **low bandwidth** multimedia should be used sparingly. One of the benefits of the Internet is its ability to provide information quickly. This convenience is dampened when a site takes several minutes to download. RTA sites did not rate well on this dimension, with the average loading time being 18.67 seconds. This is almost double the optimum time of 10 seconds suggested by Nielsen (1996), but below the 30 seconds suggested by Webmagnet (1998). It is also worth noting that all sites examined by the study were accessed in Australia and that North American and European visitors may experience a much longer download time.

Some RTAs used innovative methods to decrease download time. For example, one RTA made use of **thumbnail** graphics. Thumbnails display a smaller version of the graphic which is hyperlinked to another page containing a larger image. This provides the user with an option to select any graphic they wish to see in greater detail. Another technique used by one RTA involved repeating the same photographs across a number of pages. Using the same image on multiple pages improves performance because the image has already been downloaded to the user's computer (Apple, 1996).

#### 5.4.2 Cross-cultural support

It has been predicted that 1998/99 will see the internationalisation of the Internet (Nielsen, 1998). To fully utilise the Internet as an international marketing medium, RTAs must develop strategies to deal with cross-cultural differences. This can be most easily achieved by incorporating **multi-lingual capabilities** into the site. No RTA sites offered multi-lingual capabilities. With a number of European and Canadian users accessing the Internet it may be beneficial to provide information in German and French. While the Internet has not yet penetrated the Asian market, analysts suggest that more Asian countries are embracing the technology.

#### 5.4.3 Corporate identity

A corporate identity (logo and/or name of the organisation) provides a consistent link between all pages, and reminds the visitor of the information source. The use of a corporate identity can also assist in brand recognition (Apple, 1996). In some instances the corporate logo can also double as a hyperlink to the home page.

#### 5.4.4 Currency of information

A '*Last Updated*' feature lists the date of the last page update. This feature is useful in providing visitors with an idea of the currency of information (Apple, 1996). Ideally pages should be dated individually. A '*What's New*' link to a list of recent changes and additions to the site provides regular visitors with an easy method of receiving the most current information. When this feature is updated regularly it can add an element of 'freshness' to the site (Web Magnet, 1998; Murphy et al., 1996).

#### 5.4.5 Banner advertising

Banner advertisements usually consist of small static or animated graphics. Banner advertisements can be an important source of revenue for maintaining the Internet marketing effort, yet only three RTAs used this feature.

#### 5.4.6 Download facilities

RTAs can make their brochures available online in PDF (portable document file) format that can be downloaded, viewed and printed by visitors in their original form. This benefits users by allowing them to download brochures and maps that can be used to plan a vacation to the destination. This feature also provides an important strategic advantage. The use of download facilities can reduce the costs associated with producing and mailing brochures to prospective visitors. While no RTAs offered PDF files, two did provide download facilities which allowed the user to access photographs and other graphics.



### SITE DESIGN TIPS

#### Functionality

1. Utilise multimedia such as colour, graphics, sound and video to enhance your site but be aware that these features can prolong download time.
2. Optimise download time by:
  - reducing the size and colours of images
  - using 'thumbnails' (see text)
  - using the same images on multiple pages
3. Consider adding information in other languages to assist potential international visitors (eg. German, French, Japanese).
4. Enhance brand recognition by displaying a consistent corporate identity (such as a logo) throughout your site.
5. Use features such as a 'last revised' date and a 'what's new' section to give users an idea of the currency of your pages.
6. Consider adding downloadable versions of key brochures in portable document format (PDF).

# SITE CONTENT ELEMENTS 6

## 6.1 BACKGROUND

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Ellsworth and Ellsworth (1995) propose that information-rich content is another major characteristic of successful web sites. This is supported by a number of commentators who claim that credible content is the most important trait of a well-designed site (Sun Microsystems, 1995). Wilson (1996a) proposes that web content plays three key roles: attracting users to the site, convincing them that the information is credible, and promoting the organisation's products or services. As the model in *Figure 3-1* shows, content considerations encapsulate four elements that are essential to a successful web site: **readability, integrity, value-added information** and the **marketing mix**.

## 6.2 READABILITY

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A key element of textual content involves the readability of information (Nielsen, 1997b). A recent study by Nielsen and Morkes (1997) suggests that users **scan** web pages rather than reading them. Web sites can take advantage of this behaviour by using highlighted keywords, meaningful subheadings, bulleted lists and simple paragraphs (Nielsen and Morkes, 1997). Furthermore, Nielsen (1996) suggests the use of an **inverted pyramid model**, such as that used by journalists, when writing for the web. Because people do not take the time to read web pages in detail important information should be presented close to the top of the text. This essentially means that the conclusion or summary is presented first, followed by the most important supporting information, and ending with background information.

Nielsen and Morkes (1997) also found that users find web content more acceptable if it is **concise** and **objective**. They suggest that one method of achieving these guidelines is to reduce textual information to half the word count of conventional writing. This suggestion is supported Sun Microsystems (1995), who found that users have low tolerance for scrolling. Research suggests that users can scroll through about four screenfuls of text before being frustrated with the scrolling mechanism, or becoming disorientated within the context of the site.

Benjamin (1996) suggests that each web page should contain about 200 to 500 words of text. While the study did not directly investigate the number of words per page a generalisation can be drawn from the fact that the average number of words per site was 14 316 while the average number of

pages was 30. A quick calculation suggests that RTA sites contained on average 477 words per page. This appears to be within the parameters of 200 to 500 words suggested above. Some individual sites did, however, exceeded these guidelines.

A subset of readability is the provision for easy printing of information (Apple 1996). If the site is arranged in a number of window sized pages the user may end up with a cue-card style printout. It is therefore useful to provide a link to a **printable copy** of relevant information that is designed for off-screen viewing. Only one RTA site provided specific printable versions of important information. In the absence of downloadable brochures, as discussed above, the printable versions of site content may be very beneficial to the visitor.

## 6.3 INTEGRITY

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The integrity of the site refers to the credibility, relevance and accuracy of the information. Credibility can be established by identifying the RTA as an **official** source of information on the destination. Web Magnet (1998) advises that the inclusion of an "**About Us**" section on the web site will also enhance the credibility of the organisation. The organisation can use this section to provide information such as the organisation's mission, vision, services, members and contact details. Another section may provide **quotes from satisfied travellers**. In addition, the RTA can enhance its credibility by referring to **awards** or commendations which it may have received. Examples include state and national tourism awards or web site awards. Credibility is further enhanced by ensuring that textual content is free from spelling and grammatical errors (Apple, 1996).

Information will also be more credible if it is relevant to the target audience. In a situation where resources are limited an exploration of competitor sites can provide inspiration for the presentation of relevant information. An examination of menu items used by RTA Internet sites was undertaken to examine the type of destination marketing information most commonly displayed. To provide a benchmark for further discussion a similar analysis was conducted on approximately 460 North American CVB sites. The North American sites provided a broader, more diverse level of information catering for some unique market segments. Some CVB sites provided detailed information for target market segments such as the media, children, travel writers, school students and film scouts. A few CVB also sites also provided extensive resource directories, which would be most helpful for those planning a convention or meeting at the destination.



## 6.4 VALUE-ADDED FEATURES

Value-added marketing is essentially based around the principle of offering something of value free to enrich the reputation of the organisation (Sterne, 1995). In the context of destination marketing on the Internet value-added marketing means providing additional information services to enhance the reputation of the region being promoted. *Virtual postcards, give-aways and links to other sites* can be used as a means of adding value to a site (Briggs, 1997).

**Virtual postcards** are electronic photographs that can be sent to another Internet user. Like a real postcard, a message is commonly attached to the photograph. Virtual postcards of the destination have the same benefit as their traditional counterparts – they promote the region depicted by the photograph. It was disappointing to find that no RTAs provided virtual postcards.

**Give-aways** are an alternative to competitions but rather than adding interactivity, they can support other interactive methods such as survey forms. Sites can provide screen savers or wallpaper bitmaps that can be downloaded after completing an online survey or comment form (Briggs, 1997). Bitmaps and screensavers can include scenes from the region. No RTA site made use of give-aways.

**Links to other sites** add value by providing a pathway to relevant information that the organisation may not be able to provide through its own resources. The study assessed the presence of links to other sites such as weather information, currency converters and the Australian Tourist Commission's promotional site. It is not difficult for sites to link into the Bureau of Meteorology's site to provide weather information on a specific region, yet only two sites took advantage of this resource. The Internet also offers a number of currency conversion sites that can convert virtually any currency in the world into Australian dollars. This resource is untapped by RTAs.

It was surprising to find that RTA sites provided few linkages to state or national travel resources such as the Australian Tourism Commission. International travellers tend to travel to several destinations within Australia. It is therefore beneficial to provide a link to the sites of neighbouring RTAs. Ideally linkages to other sites can lead to online partnerships.

## 6.5 THE MARKETING MIX

The role of the marketing mix in the presentation of content should also be considered. According to Adam and Westberg (1998, p20) it is the marketing mix that "leads to meeting the needs of the target market consisting of those who want information or online solutions via the Internet." Traditional marketing theory has postulated the existence of four

P's in the marketing mix. These are *product, promotion placement and price*. (Kotler et al., 1998).

**Product** is concerned with mix of tangible and intangible goods and services offered by the destination. Product elements are the basis of the content being presented on destination marketing sites. As *Figure 6-1* indicates, product elements were inherently present on all sites.

**Promotion** relates to the activities that communicate the merits of the destination and convince consumers to visit it. Since promotion of the destination is the primary aim of the web site it is not surprising that all sites included this element in some form. The Internet's utility to provide public relations and education was rated very highly by RTAs (see *Figure 2-2*), however, few sites incorporated this style of promotion. Opportunities exist for RTAs to deliver public relations services through the provision of media statements, weekly newsletters, and other information about the organisation.

The **price** element deals with the cost of tourism products and services at the destination. Despite providing a valuable insight into the appeal of a region, pricing information was often lacking on RTA sites. Pricing provides some visitors with the opportunity to budget more accurately before they embark on their journey. Categories that lend themselves to pricing information include accommodation, transport, attractions and dining. As with programming information, pricing information needs to be evaluated and updated frequently, so it may not be an option for a low maintenance site.

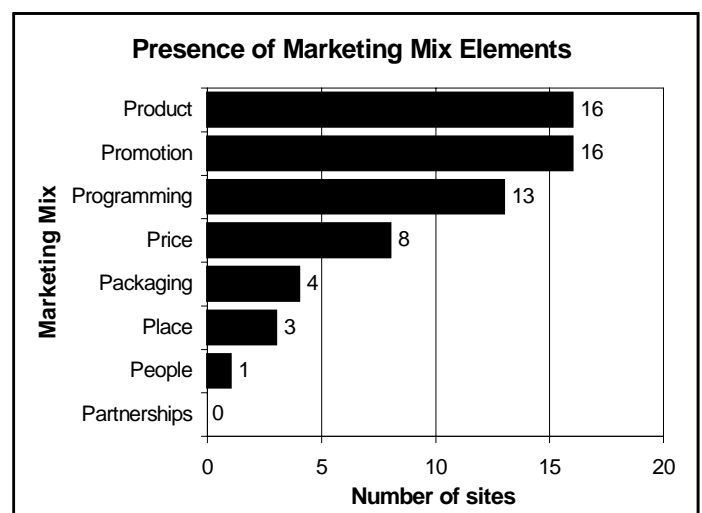


FIGURE 6-1 Marketing mix elements present on RTA sites

**Placement** involves the activities that make the product available to consumers. The place element of the marketing mix is primarily concerned with the distribution of the region's product. This element was very poorly used by RTAs. RTAs can improve the place element of the Internet marketing mix by providing linkages or contact information to tour operators and travel agents that carry the destination's tourism products. Furthermore, distribution can be enhanced by developing an online reservations system.

Morrison (1996) suggests that the unique characteristics of travel products mean that four additional marketing mix elements can be introduced. These include *people, packaging, programming* and *partnership*.

The **people** element is concerned with the ways in which human resources are involved in the delivery of the product. Few sites were successful at presenting the people aspect of the marketing mix. The provision of customised services such as interactive itineraries, or electronic newsletters can provide a personalised service that enhances the long-term relationship with individuals. Another method of personalising the Internet marketing effort is to 'put a face behind the site'. This can be achieved by providing a page containing photos, names, job titles, e-mail addresses and short descriptions of each staff member.

**Packaging** involves the assembly of various services into one product that meets the needs of a target market while **programming** is concerned with presenting special activities and events that give added appeal to a package or travel service.

Packaging suggests that RTAs are able to consolidate some of the region's services into a single product that can be offered to visitors. This is often beyond the scope of many RTAs. However, RTAs do have access to information about packages developed by tour operators. A 'tours' or 'special offers' section on the WWW site can provide information about such packages while forging partnerships with RTA members and other local operators.

Many RTAs provided some element of programming on their site. The most common way in which this was accomplished was to provide a calendar of events for the region. Another less common method of providing programming elements involves the provision of sample itineraries. Sample itineraries were used by a few sites and were aimed particularly at the short-stay and self-drive markets.

**Partnership** involves cooperative promotions and other cooperative marketing efforts with other organisations. The partnership element is more challenging to include on the web site. RTAs can add this element by displaying logos or links to partner sites.



## SITE CONTENT TIPS

### Readability

1. Use an inverted pyramid model when writing for the web (see *text*).
2. Present text in small paragraphs broken up by headings or highlighted keywords to make it easy for users to find and read the information they need.
3. Limit the amount of text per page to between 200 – 500 words.
4. Provide printable versions of web pages containing key information such as prices, contact details, events, maps and so forth.

### Integrity

5. Enhance the integrity of your site by:
  - identifying the site as the 'official' source
  - adding an 'about us' section
  - including quotes from satisfied visitors
  - listing awards or commendations
6. Consider adding information for non-travel markets such as the media, children, travel writers, school students and film scouts.

### Value added features

7. Make use of features such as virtual postcards and giveaways (such as screensavers and wallpaper images) to add value to your site.
8. Include links to relevant information that you cannot provide on your own site.

*Examples include the Australian Tourist Commission sites, the Australian bureau of Meteorology and state tourism sites.*

### Marketing Mix

9. Use the eight P's of tourism marketing (see *text*) as a framework for presenting a more complete range of content.

# SITE MANAGEMENT ELEMENTS 7

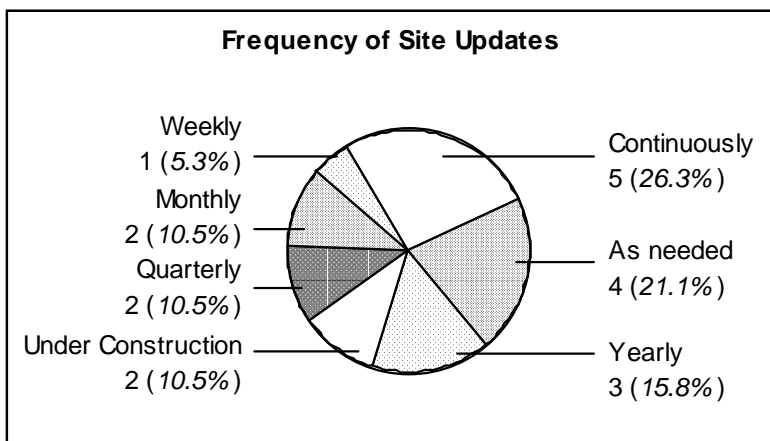
## 7.1 BACKGROUND

Managerial issues are often overlooked, but are a necessary part of the Internet marketing effort (Nielsen, 1997a). Changes in user demographics and technology means that the web site requires a constant flow of **resources** to facilitate **promotion** and **maintenance**.

## 7.2 MAINTENANCE

The maintenance of the site involves the **removal** of outdated information and links ('linkrot') and the **addition** of new information. Content concerning prices, products and events must be **revised** regularly (Web Magnet, 1998; Wilson, 1996a). Sites that do not update their content frequently are not taking advantage of the ability for the Internet to provide timely information at a low cost.

An examination of the update schedules for existing sites indicates that five (26.3%) RTAs updated their sites 'continuously' while another four (21.1%) updated their sites 'as needed'. Three sites (15.8%) were updated 'yearly'. *Figure 7-1* shows a more detailed breakdown of these results.



**FIGURE 7-1** Frequency of RTA site updates

An investigation of the update schedules of RTAs would suggest that most sites are updated reasonably frequently, although it is somewhat disappointing to note that three sites only update their material once a year. In the absence of clear benchmarks, it is suggested that the site should be renewed at least once a month with fresh material.

## 7.3 PROMOTION

One of the most difficult aspects of web site management involves the attraction of visitors once the site has been built. Unlike traditional media the WWW is a 'pull' technology, which means that the organisation must attract visitors to its site. Research suggests that the top three resources used to find Internet sites are other WWW sites, search engines and online directories (Georgia Tech Research Corporation, 1998).

Promotion of the site through **links** on other sites and online directories requires a never-ending commitment. It is important for RTAs to continually search for new opportunities that allow them to submit (or resubmit) their site (Web Magnet, 1998). **Search engines** provide an easy, convenient method for finding sites on the Internet. Once the site has been submitted to a search engine, however, the listing must be monitored. According to Fleishman (1998) a number of sites have found that listings periodically get 'dropped' by search engines and may need to be re-submitted.

The proportion of RTAs using search engines to promote their sites (57.9%) is reasonable, but can be improved. One dilemma faced by organisations when using search engines is the selection of keywords (Wilson, 1996b). The correct **keywords** will differentiate the RTAs site from hundreds or possibly thousands of others. It is suggested that RTAs avoid generic keywords such as *travel, holiday* or *vacation*. Specific keywords need to be used to provide detailed information about the destination. For example, the site can use keywords based on specific product strengths (eg. *rainforest, outback, reef, tropical* and so forth). Keywords can also refer to specific activities offered by the destination (eg. *adventure, bungy jumping, white-water rafting* and so forth). Possibly the most specific method for selecting keywords is on a geographic basis (eg. *Australia, Northern Territory, Alice Springs, Ayers Rock* and so forth). A combination of these three methods could also be used to promote the WWW site. If the content of the sites changes, keywords may need to be re-evaluated.

Apple (1996) suggests that many search engines rank sites based on the frequency of keywords in each document the find. Therefore, using the same keyword in different parts of a web page will increase the likelihood of the page being found by visitors searching for that keyword. Many search engines also index web sites according to their use of META tags. META tags allow keywords to be incorporated into the source code of the web page without actually displaying them.

The web site can also be promoted using more traditional means. **Print media** is the fourth most common source for finding Internet sites (Georgia Tech Research Corporation, 1998). The Internet site can be promoted through print media (brochures, business cards, newspapers and magazines) and other traditional sources (television and radio) by adopting an integrated marketing approach.

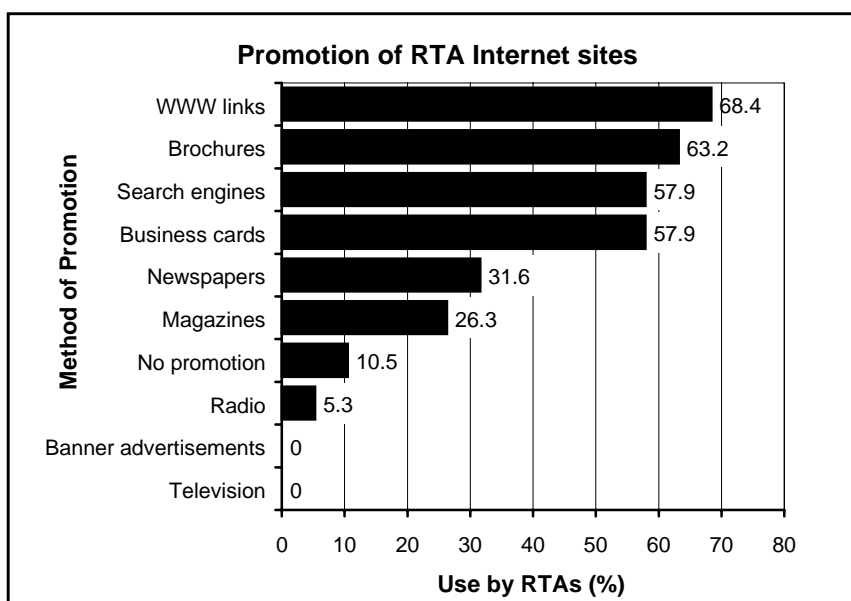


FIGURE 7-2 Sources used by RTAs to promote their web sites.

Despite the importance of promoting an Internet site, two RTAs had not done so. The remainder used a variety of methods to promote their sites (see Figure 7-2).

A majority (63.2%) of RTAs promoted their site in brochures, while 57.9% listed the URL on business cards. The URL should also be listed on other business stationary such as letterheads and envelopes. There is scope for some RTAs to improve the promotion of their site using these media. Radio (5.9%) and Television (0%) did not rate highly in the promotion of the WWW site. This may be attributed to the fact that many RTAs do not use these media frequently due to cost limitations.

The site can also be promoted as part of a **public relations** exercise. This would most commonly involve the release of a media statement to relevant newspapers and magazines noting the launch, success or

refurbishment of the site and espousing its features. While a local newspaper may be interested in this information, opportunities also exist in national publications such as trade journals (eg. *Travel trade*); community magazines (eg. *The Bulletin*); and motoring association publications (eg. the RACQ's *Road Ahead*). Few sites promoted their sites using magazines or newspapers.

## 7.4 RESOURCES

Bygrave (1997) proposes that before embarking on the Internet marketing effort organisations should evaluate what resources are realistically available. The roles of financial, human and physical resources are often forgotten by organisations when they develop a web site.

**Financial resources** must be allocated for both the *development* and *maintenance* of the Internet marketing

effort. **Human resources** must be considered in terms of expertise in dealing with various Internet technologies. It is important for organisations to ensure that individuals in the organisation receive appropriate training to develop skills and knowledge in dealing with the Internet. The availability of **physical resources** such as computer hardware and software to support the Internet marketing effort is also a key consideration.

Table 7-1 outlines some of the major costs associated with launching and maintaining a web site. The actual costs are based on figures provided by 14 RTAs who currently have web sites, while the estimated costs are based on the 21 RTAs who did not have web sites.

The results suggest that the actual costs of establishing a web site were significantly lower than estimates. The maximum amount spent on developing a RTA site was \$18 000, which is well below the \$50 000 maximum estimate. This may suggest why some RTAs have been reluctant to establish their own site and why a number of RTAs cited "too costly" as the major reason for not currently having a web site. The research shows that RTAs can expect to spend an average of about \$3 450 on developing a site. While the costs of establishing the site are obvious, the organisation must also budget for maintenance and promotion of the site. The average amount required for maintenance each year was just over a third of the initial development cost.

TABLE 7-1 Actual and estimated RTA site costs (Australian Dollars).

		Std.				
		Mean	Median	Deviation	Min.	Max.
<b>Launch Costs</b>	<i>Actual</i>	3 453.85	1000	5 865.66	0	18 000
	<i>Estimated</i>	9 244.05	4000	14 703.59	400	50 000
<b>Maintenance Costs</b>	<i>Actual</i>	1 304.67	510	2 764.46	0	10 000
	<i>Estimated</i>	1 907.14	1 000	1 888.40	0	5 000

Note: 1998 costs.

Some RTAs have developed unique methods of avoiding many of the costs associated with creating a web site. Two RTAs indicated that contra deals were in place between the organisation and its Internet Service Provider (ISPs). Another RTA raised the necessary financial resources by asking members to contribute \$50. In return the tourism product of these members were promoted more heavily on the web site.

Of the 26 RTAs who were not on the Internet, 38.1% cited lack of expertise as the major reason for not establishing a site. Clearly the level of expertise is considered to be important to the Internet marketing effort. Expertise can be viewed as a human resources issue. Steps should be taken to ensure that at least one employee within the organisation has the necessary skills to manage the technology. Furthermore, these skills must be maintained and updated according to changes in technology.



## SITE MANAGEMENT TIPS

### Maintenance

1. Revise and update your site at least once a month to provide a feeling of 'freshness' and to remove outdated information and links.

### Promotion

2. Use an integrated approach that utilises both traditional and online promotional media to help visitors find your site.
3. When submitting your site to a search engine, use a combination of keywords based on specific:
  - product strengths (eg. *rainforest, reef, outback, tropical*);
  - activities (eg. *white-water rafting, bungy jumping adventure*); and
  - geographic terms (eg. *Australia, Alice Springs, Northern Territory, Ayers Rock*)
4. Generate media releases highlighting the launch, success or refurbishment of your site and promoting its features.

### Resources

5. Ensure that you are able to commit sufficient financial resources for both the creation and maintenance of the web site. As a rule of thumb, you should expect annual maintenance costs to be about 1/3 of the initial outlay.
6. Ensure that individuals in your organisation receive appropriate training to develop basic skills and knowledge in dealing with the Internet.
7. Ensure that you have access to appropriate physical resources such as computers and software to maintain your site and to respond to e-mail.

Ideally relevant state or federal government agencies should take responsibility for the provision of human and financial resources. In order to increase Australia's competitiveness as a destination, government agencies should be prepared to provide funding or support for hardware and web site development. In terms of human resources, government departments can continue to provide training programs and seminars specifically devoted to the marketing of tourism on the Internet.

# INTERNAL MARKETING AND MARKET INTELLIGENCE 8

## 8.1 THE INTERNET & INTERNAL MARKETING

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Internal marketing suggests that organisations should view employees as consumers and jobs as products (Bell and Winters 1993). When this view is adopted it becomes immediately apparent that marketing can support a number of management functions. If the concept of internal marketing is extended to suppliers and agents then the potential of the web as a communications tool becomes apparent. Internal marketing, in the context of destination marketing, is intended to provide employees, intermediaries and stakeholders with information about the RTA and the destination. Often this information is not in an appropriate form for viewing by visitors. The Internet provides two useful tools for internal marketing: the **Intranet** and **e-mail**.

### 8.1.1 The Intranet

The use of an Intranet, a web site with access restricted to a company's employees, agents, suppliers or the news media, has the potential to radically change the way in which organisations communicate (Archdale, 1996). The use of an Intranet can allow employees to access and comment on information such as the RTA's mission, vision, business plan, marketing plan, draft reports, project progress reports, human resource information, destination information, financial records, proposals, contacts, newsletters and other detailed information.

The results (*Figure 2-2*) indicate that the utility of the Internet as a *communications channel* was not rated highly. In addition, a review of RTA sites found no evidence of any Intranets. This does not mean, however, that some RTAs do not have Intranets. An Intranet may exist without links from the main Internet site and as a result may not have been detected. In this instance, however, the research would suggest that all or most RTAs do not have an Intranet.

### 8.1.2 E-mail

E-mail has much the same purpose as the Intranet. It is intended to provide a medium through which management and employees can communicate with each other and with intermediaries and other stakeholders. Unlike the Intranet, e-mail facilitates a faster, more convenient method of response. For this purpose it is essential that all employees in the

organisation have an e-mail account, and that they use it. An examination of the utility of the Internet in communicating with others (*see Figure 2-2*) suggests that most RTAs were positive about this function. Only 19 percent of RTAs felt that the Internet was not useful for communications between employees and other organisations.

## 8.2 MARKET INTELLIGENCE

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Market intelligence provides management with accurate and timely information concerning the marketing environment (Kotler et al., 1998). Sound marketing decisions cannot be made unless all relevant information about the market, the needs of consumers and the approaches used by competitors are assessed.

Specifically the Internet can be used to gather market intelligence by:

- obtaining customer feedback through electronic means,
- analysing the online marketing efforts of competitors, and
- using online resources.

A good Internet site should invite the customer to provide **feedback**. Services such as e-mail or a guestbook, comments area or information request form can provide feedback about the site or its product offerings. RTAs can also gather market intelligence by noting what types of information is most commonly requested by users. The use of online surveys provides an even better opportunity for the organisation to gather information about its customers. Such information will assist in more accurately identifying the needs of market segments using the Internet and modifying the site accordingly.

An example of an information request form is presented in *Appendix 3*. It will be obvious from the example that the use of an information request form allows the RTA to acquire information such as a name, address and e-mail of the customer. The request form may also have an option asking the visitor whether they wish to receive other information in the future. This information can be provided in the shape of an electronic newsletter that is sent periodically to the user's e-mail address.

The use of feedback facilities such as an online comments area, survey, chat facilities and guest book can provide the RTA with direct feedback about the holiday destination or the Internet site. Visitor comments can be examined in the same way as an operator may examine a physical guest book signed by visitors at an attraction.

Survey forms can be used on the Internet in the same way as traditional destination surveys. Survey forms can clearly be a formidable tool for gathering detailed information, but users may need an incentive to complete the survey. As discussed previously, examples of incentives may include give-aways such as a screensaver depicting scenes from the destination, or entry into an online sweepstakes.

The **online marketing efforts of competitors** can be easily examined simply by visiting their sites. An analysis of competitor sites will identify strengths, weaknesses and opportunities on which the organisation can capitalise (Wilson, 1996a).

**Online resources** can also be a valuable source of information for organisations. Sources of relevant marketing information on the Internet include online newspapers and periodicals, country and industry market research reports, Internet market statistics, directories and listings, and government contacts and resources (Hamill, 1997).

An examination of the utility of the Internet for various destination marketing functions (*Figure 2-2*) reveals that RTAs did not generally consider the Internet as being useful as a market research tool. As we have seen, the Internet can be very useful for gathering certain types of information. Customer feedback was the only aspect of market intelligence that was investigated by the research and consequently the other two will not be discussed further.



## INTERNAL MARKETING AND MARKET INTELLIGENCE TIPS

### Internal marketing

1. Encourage the use of e-mail as a communications tool amongst employees and between organisations.
2. Consider establishing an Intranet to share internal information such as draft reports, project progress reports, human resource information, financial records, destination database information, proposals, contacts and newsletters.

### Market Intelligence

3. Use the Internet to gather marketing information by:
  - obtaining customer feedback through electronic means,
  - analysing the online marketing efforts of competitors, and
  - using online resources

# KEY RECOMMENDATIONS AND CONCLUSIONS 9

## 9.1 RECOMMENDATIONS

As already indicated, a number of steps can be taken to improve the various elements for successful Internet marketing. There are key actions, however, that will have a holistic impact on the success of the Internet marketing effort. The following key recommendations are most important in the context of the weaknesses identified by the research.



### KEY RECOMMENDATIONS

#### It is recommended that:

1. the model for successful Internet marketing be used as a framework for developing or revising Internet marketing efforts;
2. specific target markets and their needs be identified by RTAs through the collection and/or interpretation of demographic and psychographic data;
3. research be continually updated and disseminated to RTAs to ensure that they receive timely, pertinent information about market changes and technological developments;
4. the benefits, current developments, operational issues and elements for successful Internet marketing be integrated into existing and future education and training programs for RTA personnel;
5. RTAs develop partnerships with regional tourism industry members, stakeholders and government agencies to facilitate the sharing of physical and intellectual resources; and
6. an incentive or award be offered as a part of the existing local, state and national tourism awards to encourage RTAs to develop high quality web sites.

## 9.2 THE FUTURE

The development of an Internet site is subject to changes in demographics and technological developments in the marketing environment. Changing Internet user demographics may provide new opportunities not identified in this study. Similarly, a more detailed analysis of the demographics of travel seekers on the Internet may uncover more specific information needs. The introduction of new technology such as an 'Internet appliance' which is connected to a television in much the same way as a VCR will make the Internet more accessible to a number of new markets (Hof, 1997). Changes in technology may introduce an array of new multimedia features which can be successfully incorporated on destination marketing sites. Advancements in technology may also eliminate current constraints in bandwidth, which could see the introduction of more active 'live' components on the web site.

The many contentious issues, developments and phenomenal growth surrounding the emergence of the Internet as a marketing medium are dominated by one certainty: the Internet is no longer just a novelty, it is developing as a marketing medium in its own right. To be successful in the future RTAs must use the Internet to deliver world class information services. Because the Internet inherently operates at a global level, Australian RTAs will find themselves in direct competition with destinations in other countries. Australian RTAs have the potential to lead the world in regional destination marketing on the Internet. A failure to harness this potential may decrease the competitiveness or appeal of certain destinations. Dissatisfaction and frustration will result from the absence of site features and facilities that will be expected by Internet users. Similarly, a lack of relevant information may cause information gatherers to explore other sites that are better suited to their needs.

The tourism industry, with its intangible products and services, is intrinsically suited to Internet marketing. Tourism organisations which do not capitalise on this new opportunity will find themselves at a disadvantage in the very near future.



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**APPENDIX 1 - SUMMARY OF WWW DEMOGRAPHIC DATA FOR 'TRAVEL SEEKERS'**

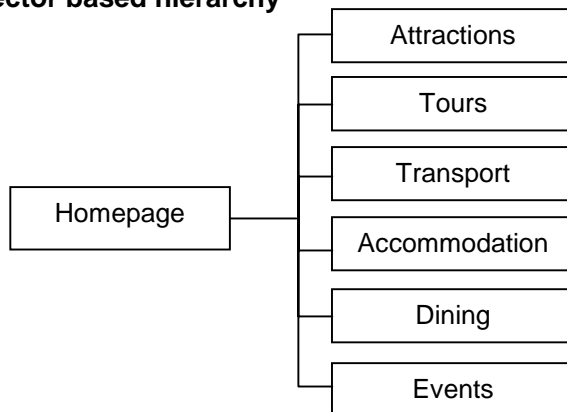
	<b>Most prominent groups</b>	<b>Comparison to Internet users world-wide</b>	<b>Trends for travel seekers</b>
<b>Age</b>	21-30 (30.7%) 31-40(24.9%) 41-50(22.9%)	Travel seekers are older. Average age for travel seekers was 37.48, while mean for world users was 35.12	The 51-60 age bracket shows an increase while the 31-40 bracket shows a decrease. This indicates that travel seekers are getting older.
<b>Gender</b>	Males (58.1%) Females (41.8%)	Travel seekers were more gender neutral than Internet users world wide.	The distribution of gender is becoming more neutral. Trends suggest that the number of males and females will be equal by the end of 1999.
<b>Education Attainment</b>	University (33.9%) Some university (28.9%) Masters degree (18.4%)	Travel seekers were better educated than users world-wide. The proportion of travel seekers who have at least one university qualification was 59.9% versus 50.1% for users world-wide.	Increases in proportion who have completed some university, while there were decreases in the proportion of those attaining masters and doctoral degrees. This suggests that the level of education attainment is decreasing.
<b>Occupation</b>	Computer related (31.4%) Professionals (22.2%) Others (18.4%)	More computer related and less educational occupations than world wide users.	A decrease in computer related occupations and an increase in the 'other' category suggests the emergence of a more diverse market.
<b>Household Income (\$US '000)</b>	50-74 (25.1%) Over 100 (18.1%) 75-99 (13.9%)	Generally higher than world-wide users. 57.1% of travel seekers earned more than 50 000, while only 48.4% of users world wide earn over this amount.	Trends may suggest a decrease in lower income brackets and an increase in upper income brackets, but the distinction is subtle.
<b>Marital status</b>	Married (47.8%) Single (31.3%)	Higher proportion of travel seekers were married while a lower proportion are single in comparison to World figures.	No distinct trends
<b>Years on the Internet</b>	1-3 years (40.2%) 4-6 years (33.1%) Over 6 years (18.8%)	Higher proportion of travel seekers over four years, less under 12 months.	Trends show a marked decrease in new users looking for travel information.

*Source: Georgia Tech Research Corporation, 1998*

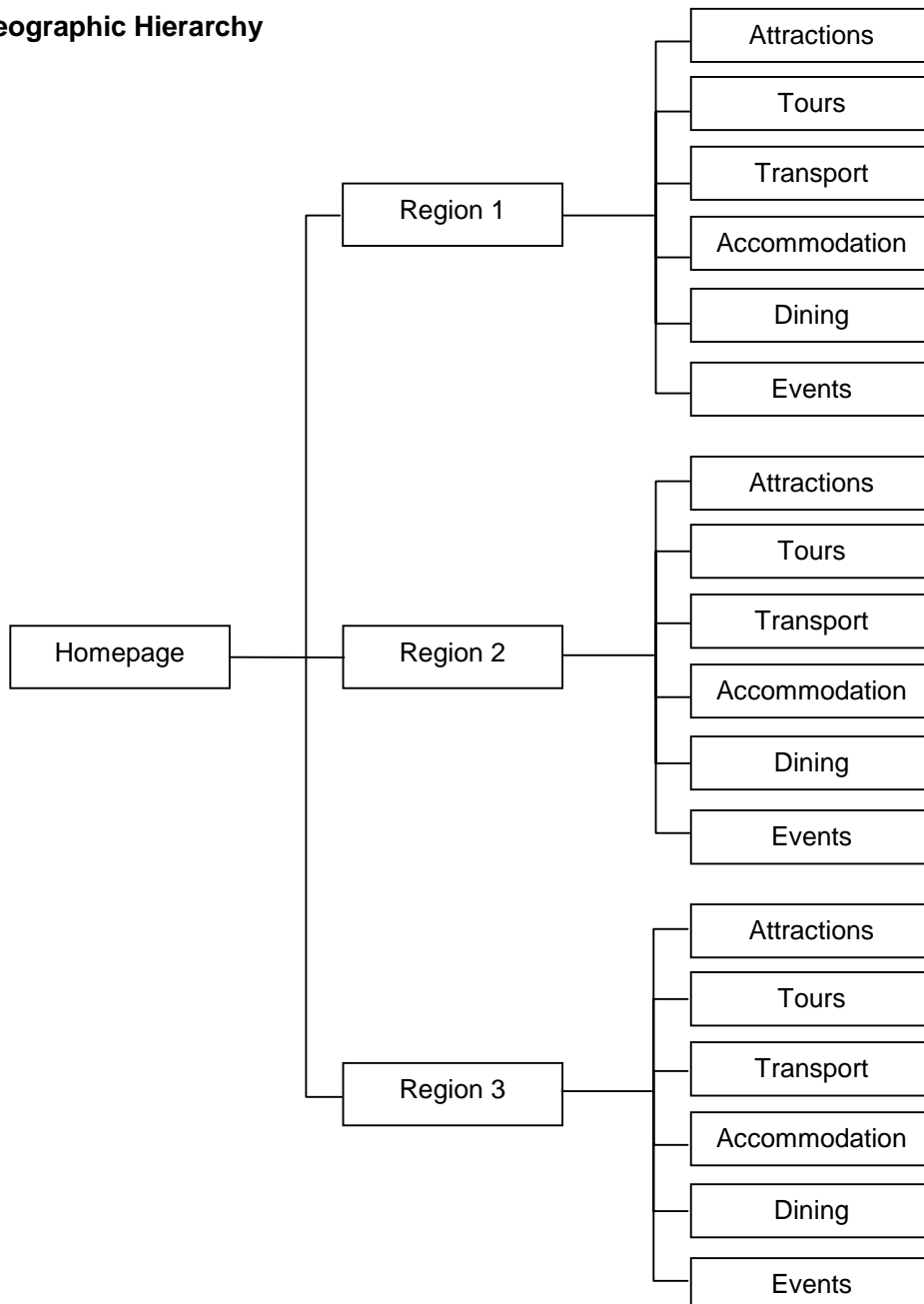
## APPENDIX 2 – RTA SITE HIERARCHIES

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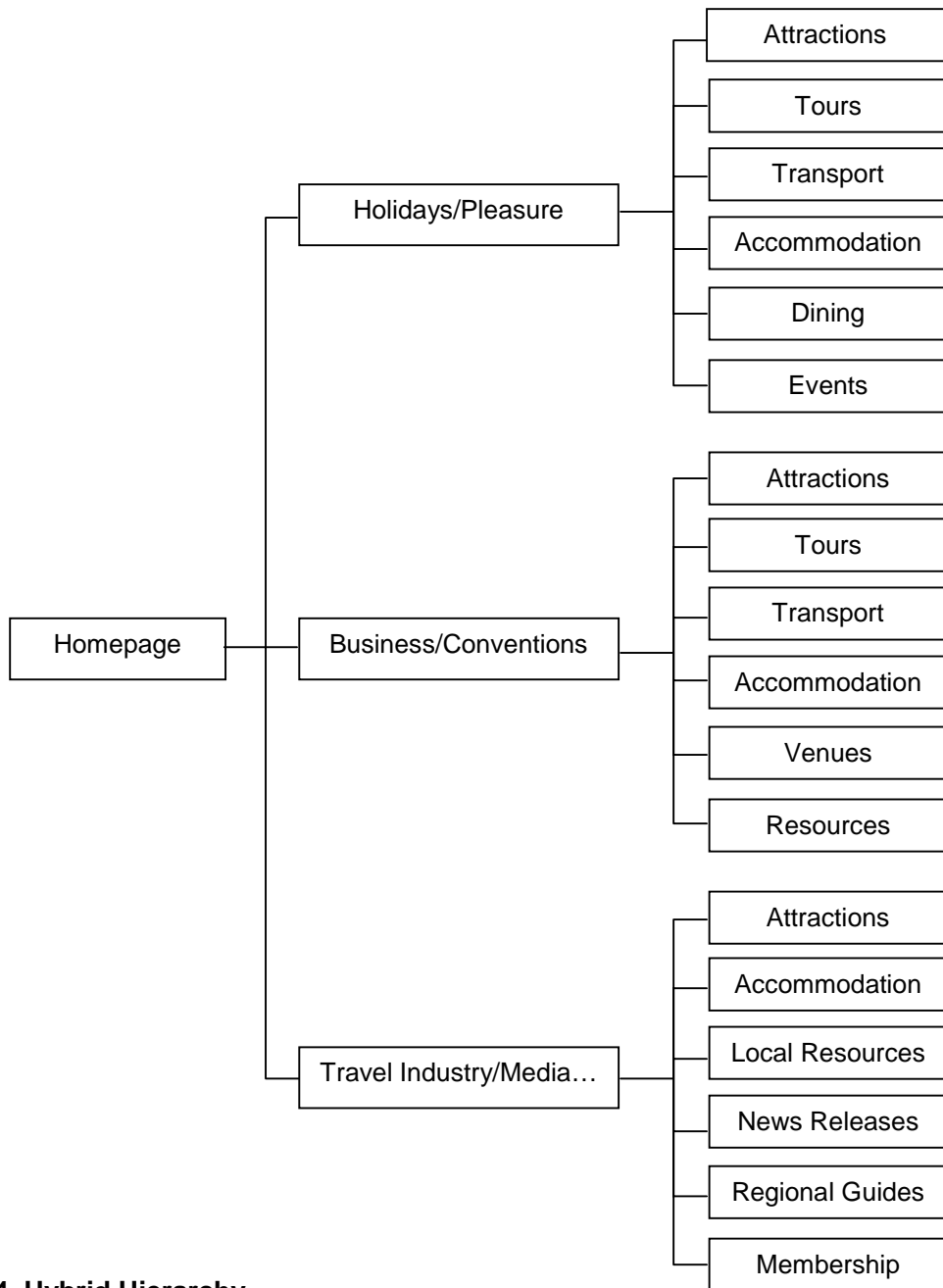
### 1. Sector based hierarchy



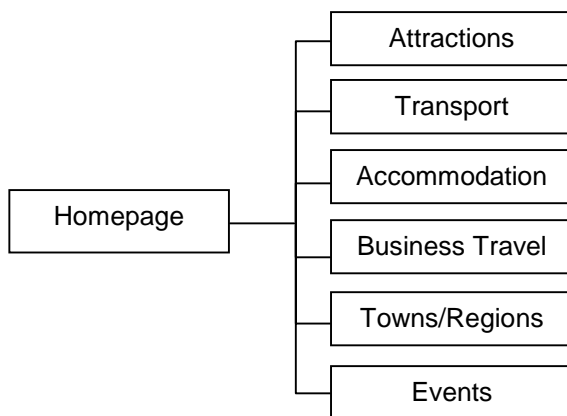
### 2. Geographic Hierarchy



### 3. Market based hierarchy



### 4. Hybrid Hierarchy



*Note:* Menu items are not necessarily mutually exclusive.

## APPENDIX 3 – EXAMPLE OF AN INFORMATION REQUEST FORM

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If you have not found the information you were seeking, or if perhaps you require more detailed information please [email](#) us or register below. You can choose to receive regular tourism news if you wish.

**Name**

**Email**

**Address/Country**

**Comments/Questions**

**Please**

**email**

**send hardcopy**

**sell me a copy of Australia's Heart of Golden Video**

Holiday Planner

Calendar of events

More information about:

Source: Kalgoorlie-Boulder Tourism, 1998