

## Update on Destination Marketing Activities Encouraging City Visitation

1 June 2021

**Presenter:** Ange Hann, Acting Director City Marketing**Purpose and background**

1. The purpose of this report is to share insights and outcomes of recent destination marketing activities encouraging city visitation, and to seek Future Melbourne Committee endorsement of the focus and direction of future campaign activity.
2. Destination marketing has been key in supporting city businesses and third party events throughout COVID and during recovery as the city has reopened. Key industries affected by the pandemic such as hospitality, retail, tourism, events and accommodation have been supported as the city is promoted as the destination of choice through the promotion of unique offerings and experiences in a COVID-safe context.
3. The critical need to continue to actively and strategically market the city to encourage visitation, remains ever present. A recent study by National Australia Bank shows that 27 per cent of consumers have stopped visiting the city with a further 41 per cent visiting less frequently<sup>1</sup>. This is further reinforced by research which shows that 45 per cent of people are spending 80 per cent of their time within 5km of their home compared to 28 per cent pre-COVID<sup>2</sup>. And although the return to the office of the city's usual worker population saw an increase to 41 per cent in April, up from 35 per cent in March, there is still a long way to go for this segment.<sup>3</sup>
4. While Australian borders remain closed, and tourist and international student numbers continue to be severely reduced as a result, initiatives to encourage the return of city workers and local tourism remain critical to city recovery and revitalisation efforts.

**Key issues**

5. Launched on 28 February shortly after Victoria's five-day snap lockdown, the city's major reactivation campaign, FOMO, built on the momentum of a newly reopened city.
6. Supported by a significant television and radio campaign, FOMO has delivered a number of associated promotions and activations to encourage a return to the city, including FOMO hotel experiences, unique third party deals and special city offers, and the recent Melbourne-Must Eats and FOMO Fridays campaigns.
  - 6.1. FOMO hotel experiences: a 'Book one night get one free' accommodation promotion in collaboration with 10 luxury hotels facilitated by the Accommodation Association of Australia. Packages included valet parking, breakfast for two, late checkout and other attractive inclusions. 1018 bookings which is equivalent to 2036 room nights provided an additional \$206,000 revenue to participating hotels for the month of April. Approximately 50 per cent of bookings were from interstate or regional visitors. Given the success of this promotion, this has been extended as part of FOMO Fridays and will feature new hotels as part of the updated offer.
  - 6.2. FOMO Specials; promoted via dedicated FOMO Alert emails, exclusive deals and presale opportunities have been offered by city based events and venues. Featuring Malthouse Theatre's 'Because the Night', Rising Festival and 'Buy one, get one free' hotel promotion offers, collectively to date the promotion of these offers have already directly generated \$379,000 in sales.
  - 6.3. Melbourne Must Eats: between Monday 12 April to Sunday 9 May, FOMO media partner, Broadsheet invited 53 city restaurants and cafes to offer \$30 lunch deals to support the city's hospitality industry, encouraging city workers to re-explore the city's culinary scene over a workday lunch between Monday and Friday.

<sup>1</sup> [NAB consumer insight report](#), page 2, NAB Behavioural and Industry Economics, April 2021

<sup>2</sup> [Adapting to the New Normal Study](#), Wave 21 report, Bastion Insights, March 3-9 2021

<sup>3</sup> Big step in CBD office occupancy, 6 May 2021, [www.research.propertycouncil.com.au/blog](http://www.research.propertycouncil.com.au/blog)

- 6.4. FOMO Fridays: from Friday 14 May to Friday 4 June, an initiative to encourage city workers to visit the city and work in the office on Fridays. Actively supporting the retail, hospitality, entertainment and accommodation sectors, FOMO Fridays features free giveaways, special offers and unique activations from city businesses, major retail centres and hotels.
7. The City of Melbourne's What's On website and What's On social media channels are important campaign tools directing audiences to these sites in order to access unique FOMO offers. Since its 28 February launch the FOMO campaign has delivered over 1 million visits to the What's On website from digital advertising alone. This represents 47 per cent of total site traffic and demonstrates a high level of audience engagement with FOMO initiatives. Pre-COVID, What's On Melbourne attracted approximately 4 million users annually. What's On has also gained more than 16,000 new social followers throughout the campaign period, and over 11,000 new newsletter subscribers.
8. Targeted research via online surveys to a sample of metropolitan Melburnians and regional Victorians, and conducted prior to campaign launch in February, indicated drivers for visitation at that time were dining, shopping, and visiting parks and markets, with regional visitors interested in retail and family friendly events. The main barriers to visitation were apathy and COVID-19 safety concerns. Approximately one month after launch and during delivery late March, further research was undertaken. This reinforced dining, shopping, parks and gardens as key drivers of visitation, and demonstrated an increased interest in family-friendly events and attractions as well as staycations.
9. Campaign insights and outcomes, along with stakeholder feedback, has informed the identification of future opportunities for the focus and direction of destination marketing campaign activity, such as the value in continuing to build on the positive momentum generated by the FOMO campaign in the first half of 2021-22, and the need to maintain an explicit focus on retail and hospitality alongside featured events and accommodation packages, given their demonstrated strength as key drivers of visitation.

#### **Recommendation from management**

10. That the Future Melbourne Committee:
  - 10.1. Notes the critical role destination marketing has played in stimulating tourism and encouraging the return of city workers, at a time when travel restrictions remain in place and international tourist and student numbers continue to be severely impacted.
  - 10.2. Endorses management's intention to build on the positive momentum generated by the FOMO campaign; delivering further FOMO campaign activities in the second half of 2021 focused on city businesses, including the city's significantly impacted and vital retail, tourism, events, hospitality and accommodation sectors.

#### **Attachments:**

1. Supporting Attachment (Page 3 of 3)

## Supporting Attachment

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### Legal

1. No direct legal implications arise from the recommendation in this report.

### Finance

2. Destination marketing activities have been delivered within Council's 2020-21 budget, supported by a contribution from the Victorian Government as part of the Melbourne City Recovery Fund.

### Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

### Health and Safety

4. Delivery of destination marketing activities has been consistent with the Victorian Government's health advice regarding COVID-19.

### Stakeholder consultation

5. Engagement with external stakeholders is regular and ongoing, and includes industry bodies, businesses and precinct associations. Feedback from stakeholders supports the critical need for continued investment in destination marketing activities.

### Relation to Council policy

6. Destination marketing is aligned to Council Plan 2017-21; the draft Council Plan 2021-25 and draft Economic Strategy.

### Environmental sustainability

7. No direct environmental sustainability issues or opportunities have been identified in the development of this report.