



September 2010

Engaging with the domestic VFR market

Tourism NSW has recently analysed the domestic *visiting friends and relatives* (VFR) market to examine the potential for the tourism industry to increase business from this segment.

The market – key statistics (year ended December 2009)

- NSW received 7.8 million domestic overnight visitors who came to the State for the purpose of VFR
- VFR visitors spent 25 million nights in the State
- VFR travel represented 34.6% of visitors and 32.5% of nights in NSW
- VFR visitors spent \$2.2 billion in NSW. On average they spent \$89 per night.

Visiting friends or visiting relatives?

There is a distinct difference between the *visiting friends* and the *visiting relatives* markets. As well as age and gender differences, they also differ in terms of the activities they undertake, their travel motivations and spending patterns.

People visiting relatives:

- Tend to be older people
- Spend 83% of nights in the homes of friends or relatives
- Tend to be friends and family groups travelling with children
- Are more likely to go shopping
- Are more likely to spend money on transport, souvenirs, gifts and other shopping.

People visiting friends:

- Tend to be younger
- Spend 25% of nights in commercial accommodation
- Tend to travel alone or in groups without children
- Tend to spend more on food and drinks and pubs and nightclubs.



Friends enjoying lunch and drinks on Fort Denison, Sydney Harbour (Mark Pokorny)



Feeding the kangaroos at Murramarang Resort, South Durras (James Pipino)

Engaging with the domestic VFR market cont'd

Value to the economy

The domestic VFR travel market is an important contributor to the NSW economy.

A study by Southern Cross University found that when accommodation costs are left out, VFR visitors spent more overall. Areas where VFR visitors spend more than regular visitors are shopping, attractions, entertainment and activities (Backer 2007).

Interestingly, a proportion of VFR visitors do in fact use commercial accommodation. The *National Visitor Survey* for the year ending December 2009 found that around 18% of VFR visitor nights in NSW were spent in commercial accommodation.

Backer (2008) said there is an "increasing trend towards VFRs using commercial accommodation as people find themselves going away on trips less often and making the trip as stress-free and independent as possible while still enjoying social connections."

More than just visiting friends and relatives

The *National Visitor Survey* also indicates that many visitors combine *visiting friends and relatives* with wider travel and touring. In the year ended December 2009, 202,000 domestic overnight VFR visitors to NSW stopped overnight in more than three places throughout their entire trip.

VFR hosts

The added benefit from the VFR market, which is not counted in the figures, is expenditure by hosts. Tourism NSW believes that VFR hosts play a highly influential role regarding the destinations visited and the activities undertaken by VFR travellers.

According to the *National Visitor Survey* for the year ending December 2009, those visitors who selected VFR as their purpose of visit for their domestic trip to NSW relied more than other visitors on information from their friends or relatives. Other visitors relied more than VFR visitors on traditional forms of marketing such as the internet and travel guides.

Marketing to VFR groups

To grow the VFR segment, tourism destinations or businesses could consider marketing to VFR visitors and hosts. Given the role of hosts, opportunities exist to market to local communities who influence visitor activities. Accommodation providers, attraction owners and events managers would benefit from an increased level of awareness of their business among local residents.

Strategies could include encouraging local residents to invite their family and friends to the destination. Special offers could be given to hosts to encourage them to visit attractions and restaurants.



Sailing Sydney Harbour (Hamilton Lund)



Kosciuszko National Park (Mike Gebicki)

Engaging with the domestic VFR market cont'd

Some organisations are actively involved in marketing to VFR groups. In April 2010 Tourism Wollongong launched a campaign called *We Love the Gong* which gives local people a platform to discuss what they love about their city. Tourism Wollongong has produced *We Love the Gong* pages on major social networking sites such as *Facebook*, *Twitter* and *Flickr*. Residents and visitors can contribute comments, photographs and videos to these sites. The campaign website <http://welovethegong.com.au> contains a blog and aggregates all of the social networking channels.

Tourism Wollongong also provides a *Tourism Passport* which gives residents and visitors access to special offers from local businesses.

Tourism Southern Highlands runs an *Ambassador Rewards Program* called *MySouthernHighlands* for Wingecarribee Shire local residents. The program rewards local residents and their friends and relatives with special offers and discounts at participating businesses when they present a *MySouthernHighlands* card. More information is available at www.mysouthernhighlands.net.au

Many of Tourism NSW's Sydney marketing campaigns include components that appeal to VFR hosts. Advertising about Sydney is regularly placed in media outlets that are distributed in Sydney. Tourism NSW also runs card promotions such as the *Viva Sydney* card. The *Viva Sydney* card gives visitors and Sydneysiders the opportunity to take a friend for free to Sydney restaurants, hotels, attractions, events and spas. For more information go to www.sydney.com/viva

More information on VFR travel

For more information and statistics about VFR travel to NSW see the Tourism NSW snapshots covering VFR, Sydney and NSW regions, international markets and sectors such as nature and food and wine. The snapshots are available under *Facts & Figures* on the Tourism NSW Corporate website at www.tourism.nsw.gov.au

References:

Tourism Research Australia, the *National Visitor Survey*, June 2009 and December 2009.

Backer, E. (2007). *VFR Travel: An examination of the Expenditures of VFR Travellers and their Hosts*. *Current Issues in Tourism*, Vol.10, No.4.

Backer, E. (2008). *VFR Travel – The Forgotten Tourism Marketing Opportunity*, University of Ballarat, Victoria.