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Consumer Research on Glamping in Western Australia

KEY FINDINGS

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Tourism WESTERN AUSTRALIA

Department of Jobs, Tourism, Science and Innovation

GOVERNMENT OF WESTERN AUSTRALIA

Key Findings

Introduction

- The term ‘glamping’ encompasses a range of perceptions, expectations and definitions by consumers with no clear understanding of its potential in a WA context having been previously determined.
- The Grand View Research (2020) estimates that growth in the global glamping and unique accommodation market is exponential as people look for immersive accommodation and engaging experiences on their travels.
- In recognition of its growing popularity, Tourism WA funded desktop and consumer research to determine the opportunity and scope for the development of glamping accommodation and associated experiences in Western Australia.
- This includes an understanding of consumer preferences, and recommendations on potential product mix, market expectations, and suitable localities in Western Australia.
- The findings of this research will be used by Tourism WA, other government agencies, tourism operators and developers to inform decision making processes associated with marketing and developing glamping and unique accommodation experiences in WA to support the growth of visitor accommodation.

Methodology

- In **March 2021**, Tina Smitherman Consultants and My Travel Research was commissioned by Tourism WA to undertake glamping research. The methodology is as below:

1. *Literary Review and Desktop research*
2. *Qualitative research*
   - 4 online focus groups were conducted across key English-language markets (Intrastate, Interstate, UK, and US). Each group lasted 100 minutes and comprised 8 people.
   - Industry interviews with 19 stakeholders from various industry sectors (accommodation provider, wholesale retailer, booking website etc.)
3. *Quantitative research*
   - n = 470 surveys were conducted with a mix of past and intending glamping consumers in the period between the 6th and 10th July, 2021.
   - Included markets: Australia (intrastate and interstate separately), UK and US.
   - Quotas: median income threshold, ages 25-44 (25% quota),ages 45-59 (25% quota), ages 60-99 (20% quota) , soft quotas for gender (min: 30%/30%)

Desktop Research: Key Findings

- Grand View Research is a market research and consulting company that provides syndicated research reports and produced the document: *Glamping Market - Market Analysis Report 2020.*
- This research report indicated that the global glamping market is expected to experience continued growth in the future, at a rate of 14.1% Compound Annual Growth Rate (CAGR).
- This growth is driven by consumer willingness to spend on modern amenities while camping, high disposable income among consumers, a rising need for getaways from the stresses of daily life , an increasing desire to unwind in healthy ways and a desire for eco-friendly vacations.
- It was found that <u>Cabins and pods</u> style accommodation in 2020 held the largest market share. In 2021 it is estimated that these types of accommodation will be the most desirable and attract the highest market demand – this type of structure falls into the unique accommodation market.
- Following behind <u>cabins and pods</u> in popularity are the categories: <u>tents</u>, <u>yurts</u>, <u>treehouses</u> and <u>other</u>.
- It is estimated that in 2020 the Western Australia glamping industry was worth AUD$25.9 Million, it is expected to grow to AUD$77.2 Million by 2028.
- The desire to experience glamping in WA will be driven by the <u>18 to 50</u> years age groups, these brackets are expected to hold more than 44% of the glamping market share by 2028.
- The growth in this age bracket is mainly driven by the rising trend of camping, influenced by social media and a desire among this age group to experience glamping.

Quantitative and Qualitative Research: Key findings

What is glamping?

Glamping covers a diverse offering ranging from a more comfortable version of camping to a unique and luxurious experience that sits harmoniously within the environment in a deeply engaging way to connect with place and people.

The Consumer

<u>Age bracket:</u> In Australia, interest is stronger among younger age groups, whilst in the UK and US it skews older. Overall, it appeals most broadly to millennials, but high end glamping experiences tend to skew older.

<u>Frequency of engagement :</u>

- Around 30% of the population across the three countries had either experience of, or intention to, undertake glamping.
- Those who have glamped before had done so 2.3 times in the last 5 years, and 1.7 times prior to that.
- US and wealthy travelers are the most frequent glampers.

<u>Length of stay:</u> Median length of stay was 3 nights.

<u>Motivation:</u> Relative to motivations seen in other research, those interested in glamping are more highly motivated by immersion, unique or novel experiences and pampering.

<u>Segmentation</u>:

Immersion segment:

- Those most interested in immersion skew older and more affluent and show higher interest in the most high-value and all-inclusive experiences (within this adventure or challenge presented strongly as motivating factors).

Comfort segment:

- Within the comfort sectors, the UK and Australia tend to focus more on the physical elements of comfort, whereas in the US it is more strongly driven by freedom from mundane tasks and more free time.

<u>Reach:</u>

- Content marketing such as TV programs were influential at generating the desire to try specific glamping or unique accommodation experiences before conscious planning begins.
- Personal recommendations had a low influence on the consumer in the decision making process relative to more general travel planning.

Key Findings *(continued)*

Market expectations

- <u>Comfort:</u> There was universal agreement that glamping required a level comfort over and above what would be expected for camping. This should include climatic considerations and whether heating or cooling is required.

- <u>Unique design:</u> Design for accommodation and other facilities should be complimentary to their surrounds and take into consideration visual impact, colour and location in context with other accommodation units and other structures on the site. Interesting design and features were found to attract a higher price point.

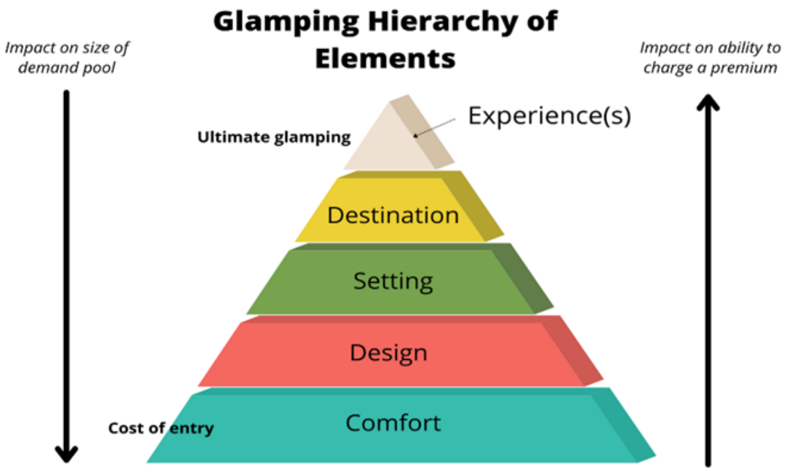
- <u>Setting:</u> 40% of respondents said that the location of a glamping operation didn't need to be in a remote area, however remote and rural settings were more popular than urban or semi-urban settings. Solitude and isolation also rated highly when considering the ideal setting.

- <u>Destination:</u> Locating the operation within or accessible to an amazing destination will have an impact on the size of the market and the premium that can be charged on the rate charged.

- <u>Experiences:</u> It is evident from the research results that for glamping (and unique accommodation in natural areas) that the experiences available to visitors is very important. Experience not property was a recurrent theme in the research results. While glamping is often thought to provide developers with a good return on investment because the capital outlay for accommodation, utilities and other structures can be lower than a bricks-and-mortar development, consideration needs to be given to investment in providing the experience, i.e. well trained staff providing a high level of service and experiences.

Hierarchy of key elements for glamping and unique accommodation

- Consideration of the hierarchy of elements (image below) can assist in determining what the target market is and the price premium that might be applied.



Price points

- As the hierarchy reflects, in order to charge a price premium on a glamping or unique accommodation product, it needs to be able to offer all five elements as described in the market expectations findings.
- Optimal average price points were in the $200 to $300 range for low to mid end products. A price premium was identified as approximately $800+ per night, with those experiences that can offer all five elements to a high-standard able to attract $1000+ per night (e.g. Sal Salis at Ningaloo Reef).
- When setting the price of an experience it is important to include a full understanding (prices and appropriate description) of what the consumer will receive in their glamping experience, which will make a premium price point more appealing to the market.

Suitable localities for WA

- This research tested the most appealing destinations in WA for a glamping/unique accommodation experience. See the results below:

<u>Most popular WA locations for a glamping experience:</u>

1. Karijini National Park (Pilbara region)
2. Ningaloo Reef (Gascoyne region)
3. Nullarbor Plain (Goldfields-Esperance region)
4. Kununurra (Kimberley region)
5. Pemberton/Denmark (Great Southern region)
6. Perth Metropolitan
7. Margaret River (South West region)
8. Menzies - Lake Ballard area (Goldfields-Esperance region)

- The research showed that Karijini's gorges and sites and Ningaloo Reef were the most broadly appealing to consumers as a destination for a glamping experience.
- Both locations have existing glamping options in a close proximity (i.e Sal Salis and Karijini Eco Retreat), however this high demand indicates that there is room in the market for further development of unique accommodation in these locations.
- The level of appeal of the different locations did not vary greatly among audiences or subgroups. Older travellers and Australians were even more likely to prefer the remote gorge experience than other age groups or nationalities.
- The forest and wine region options were more appealing to the median-income audience , rather than the highest-income earners.

Key Findings *(continued)*

Developing accommodation in WA

- The research showed that there are multiple destinations within WA that can support glamping experiences but the degree to which they rely on design and built specifications would vary for each.
- Qualitative findings indicated that the less 'wow' the destination, the more important the design and uniqueness of the accommodation infrastructure needs to be.
- By aligning the development of new glamping and other unique accommodation options with the destination itself, multiple locations would offer unique and appealing glamping experiences.
- Understanding of WA's tourism offering is limited, even within Australia. As such, a remarkable setting or destination is most important in determining it's glamping appeal, and the location does not necessarily need to be aligned with an existing WA major tourism destination.

Experience development

- The research revealed that, overall, current and potential glampers are very strongly driven by a desire for unique or novel immersive experiences when they travel. These are their highest rated travel motivations.
- The research also indicates that it is often more about the experience than simply the property. In other words, you can have the best physical structures, but if the associated experiences, either natural or services provided are not enough to motivate consumers to holiday at that operation, then it will not be attractive to glampers.
- The experiences and activities provided or aligned with the development of new accommodation should be in fitting with the area and identified options include:

- Stargazing in dark sky areas
- Aboriginal cultural interpretation
- Wellness activities
- Agritourism (farm and station stays with associated activities)
- Long distance walks
- Other night activities i.e. sitting around a campfire (when appropriate)

Marketing a Glamping Experience

- Marketing a glamping or unique accommodation experience needs to give a detailed and rich understanding of the nature of the experience if it is to drive desire with the audience and attract high yield customers.
- There was a marked increase in the price points when this greater understanding was introduced into the process of consumers evaluating glamping accommodations.
- High quality images are critical to driving engagement.
- A high-quality and well-organised website is a key tool at the planning and booking stages of the customer journey. Imagery should provide a clear sense of both the practical (comfort elements) and the more immersive elements of the experience to drive deeper engagement and yield a higher rate.
- This is particularly important as glamping and unique accommodation is an emerging sector and so the customer needs to be well informed of what to expect in their glamping experience
- Ensuring that the experience is well optimised for search, has a compelling web presence, both on its own and on key distribution websites, is important.
- Review and comparison sites are important especially in the planning stage.

Industry Interviews: Key findings

Positioning

- The term glamping was used at the lower/middle end of the market and the higher end tended to refer to it as "safari tents" or used the term "Luxury" to position their accommodation.
- All industry respondents considered that glamping should include a canvas, or similar, and believed that there should be an element of natural areas involved in the location, together with facilities that would not normally be provided in basic camping.
- Operators recognized that the ROI from glamping is far greater than that of traditional built accommodation
- This has led to a growth in glamping (and unique accommodation) equipment suppliers offering a broader range of easily installed tent/pods/cabins/tiny houses.

Identified Markets

- *Low-to-mid end products*: caters mainly to the self drive intrastate market and is generally busiest during school holidays.
- *High end products*: caters mainly to the interstate and international market, however, COVID has seen an increase in higher end product use by the intrastate market.

- *Average length of stay*: 2 to 3 nights.
- *Market demographics:*

- Couples between 40 and 70 years old.
- Younger, more affluent people, looking at soft adventure options are beginning to increase in numbers.

- *Price point:*

- *Lower end*: $150 per tent per night (two people)
- *Mid end*: $300 to $350 per tent per night
- *High end* - $1,000 per person per night (generally all inclusive in a beautiful destination).

Planning and development barriers

- From a planning and development perspective, there are significant challenges for governments at all levels in facilitating glamping developments, particularly in nature-based or remote locations.
- Universally, operators and developers cited the development application process and the fire and emergency requirements that apply as a barrier to nature-based development.
- It was recognised that many of the desirable locations for glamping present higher risks to people and property from fire or destructive weather events, which has resulted in development barriers where bushfire management plans are required to protect property that costs less than the management plan itself.