

"ABEL TASMAN" MARKETING STUDY

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ABSTRACT: *The introduction of the "ABEL TASMAN" passenger ferry by the Tasmanian Government in June, 1985 represented a significant upgrading of the sea passenger service between Tasmania and Victoria.*

This paper describes some of the market research studies that have been undertaken since the introduction of the new ferry and which have been used in the formulation of appropriate marketing and pricing strategies.

In particular, we will report upon a major questionnaire survey of sea and air passengers designed to determine the respective roles of sea and air in the travel market. The results of this study showed that sea and air travel served rather different sections of the market and that sea travel acted in complement rather than in opposition to air.

ABEL TASMAN MARKETING STUDY

1. INTRODUCTION

In July 1985 the "Abel Tasman" entered service between Devonport and Melbourne. Compared with its predecessor, the "Empress of Australia" operated by ANL (Australian National Line), the ship offered a new concept of travel across Bass Strait. Passengers were all accommodated in cabins, in most cases with full facilities, and the ship offered a wide range of on-board entertainment including a choice of three restaurants.

It was recognised early in the planning stages for the new ship that there would need to be a significant marketing effort aimed at informing potential travellers of the improved standard of on-board facilities that were to be offered. After some six months of operation it was considered appropriate that a market research program be undertaken to determine how the public perceived the new sea passenger service and to identify those factors which encouraged passengers to travel on the ship to Tasmania as opposed to travelling by air.

This paper will deal with one aspect of the study, a survey of sea and air passengers carried out in April 1986 by the Economic Planning and Research Division of Transport Tasmania in conjunction with Ampt Applied Research.

2. SURVEY TECHNIQUE

It was considered that the information required on the choice between sea and air should relate to the time of year when spare capacity was available on the ferry and therefore most saleable. As the ship was at capacity from December to March, this suggested that April would be a convenient time for the survey.

2.1 Group Discussions

The first part of the survey method involved holding group discussions aboard the "Abel Tasman" with passengers travelling both to and from Tasmania. The primary purpose of the interviews was to get a general feel for why people travelled by sea and also of the experiences/problems they had had in booking, check in and the voyage itself. A rough draft of a survey instrument was administered to each participant at the end of the group discussions. These interviews were used as the basis for the design of the passenger survey questionnaires.

It was decided to conduct a survey using a self-administered "on-board" questionnaire - a method shown to be most appropriate if the instrument is designed thoroughly in all respects including questionnaire wording, layout and printing (e.g. Stopher, 1985). Other options such as a telephone or postal survey using details from the passenger booking system were ruled out on privacy grounds. Moreover, it was anticipated that response rates would generally be lower and biases more evident in this type of survey, making them less preferable.

2.2 The Survey

2.2.1 **The pilot survey**

The pilot survey took place in late March and surveyed two ferry crossings (one in each direction) and two plane trips. Since it incorporated follow-up interviews with a sample of respondents, it enabled final wording changes to be made. In addition, piloting allowed testing of all operational procedures associated with the study.

2.2.2 **The questionnaire**

The main survey was conducted in the second week of April, 1986, starting on the 13th and running for seven consecutive days. In all, eight different survey forms were needed. This was found necessary to cater for the two modes - sea and air, the two directions - to and from Tasmania, and for the two domiciles - Tasmanians and visitors to Tasmania. For simplicity, and to encourage a high response rate, the questions were contained on a single A4 card so that questions for residents of Tasmania were printed on one side and questions for visitors on the other. Each questionnaire (with a unique identifying number) was contained in an envelope, together with a pencil. The envelope could then be used by the respondent to return the form to ensure maximum confidentiality.

While most of the questionnaire was highly structured (with categories based on the most frequent responses in the pilot survey), there were always "Other, please write in" spaces to ensure maximum "respondent-friendliness".

2.2.2 The Plane survey

During the pilot survey it was found that if the survey forms were given out too early before the plane was boarded, a significant proportion of passengers would read the questionnaire and discard it immediately. Moreover, there were no collection arrangements at the distribution end of the flight. Accordingly, arrangements were made with the Department of Aviation and the airlines for the questionnaires to be handed out at the departure gate immediately after passengers passed through to their final ticket check. The questionnaires were collected personally at the destination airport by survey staff who were waiting directly in front of the arrival gate.

2.2.4 The ship survey

For travellers on the "Abel Tasman", questionnaires were handed out by the pursers to every passenger who collected a key for their cabin. In this way it was intended to survey one person from every "decision-making group" of passengers. These "groups" ranged in size from one passenger who might have been travelling alone or in a shared cabin, to families of up to four who might have booked a whole

cabin to themselves. In practice, it was found that in many cases two members of the same family obtained keys and hence, questionnaires, which caused some bias to the results.

For both sea and air, questionnaires were only given to passengers over 14 years of age because it was considered that persons younger than this would be unable to answer the questionnaire satisfactorily and, in any case, would not have been the decision maker.

2.2.5 Sample size and response

In all, 896 passengers on 24 flights from all four carriers serving Tasmania - Ansett, Australian, Air New South Wales and East West - were surveyed. The majority of these flights were between Northern Tasmanian airports and Melbourne. Two thousand and seventeen (2,017) passengers on sailings of the "Abel Tasman" were surveyed. This represented a response rate of 83% for air and 62% for ship.

3. RESULTS

The survey had three main aims:

- to obtain basic socio-economic data on travellers to and from Tasmania;
- to compare the characteristics of sea and air travellers;
- to shed some light on the decision making processes used by travellers to determine the choice of mode.

3.1 Socio-Economic Characteristics

The survey collected the normal sort of information on travellers - age, sex, income and domicile. This information is summarised in Figures 1 - 5 in the form of a comparison between sea and air travellers.

In summary, air travellers are younger, more affluent and more likely to be travelling on business than sea travellers. However, sea travellers are more likely to stay away from home longer and come from country rather than metropolitan areas.

Tables 1, 2, 3 and 4 examine in detail the influence of various factors on trip purpose for air travellers.

Table 1 shows the effect of income on trip purpose by air travellers. As income increases, a decreasing proportion of those travelling do so to visit friends and relatives and more travel to have a holiday. Business travel is primarily undertaken by the more affluent. As income increases, the proportion travelling on business increases markedly.

Table 2 shows that age, too, has an impact on travel, with older people being more likely to visit friends or relatives than younger people. It is particularly noticeable that those between 25 and 45 dominate business travel.

FIG 1A AGE OF AIR TRAVELLERS

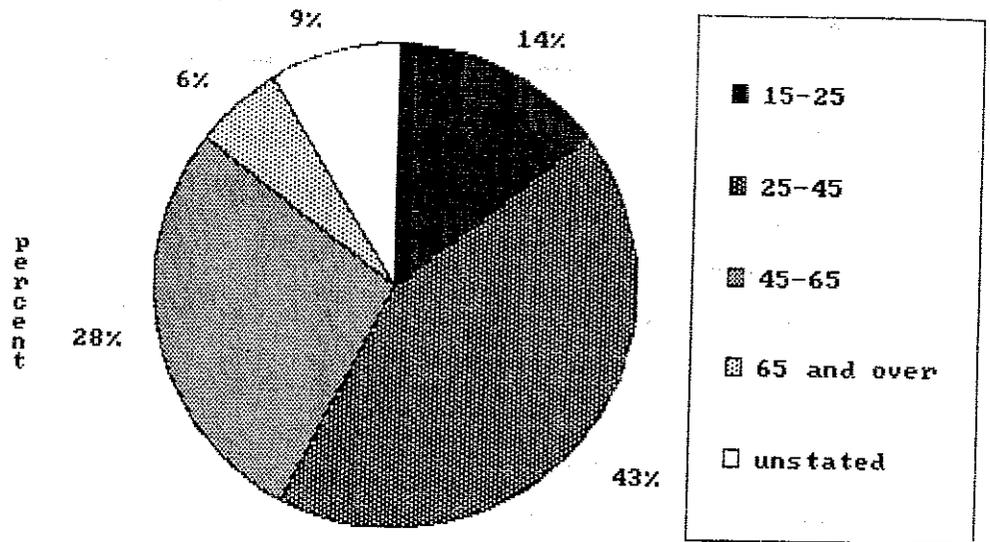


FIG 1B AGE OF SEA TRAVELLERS

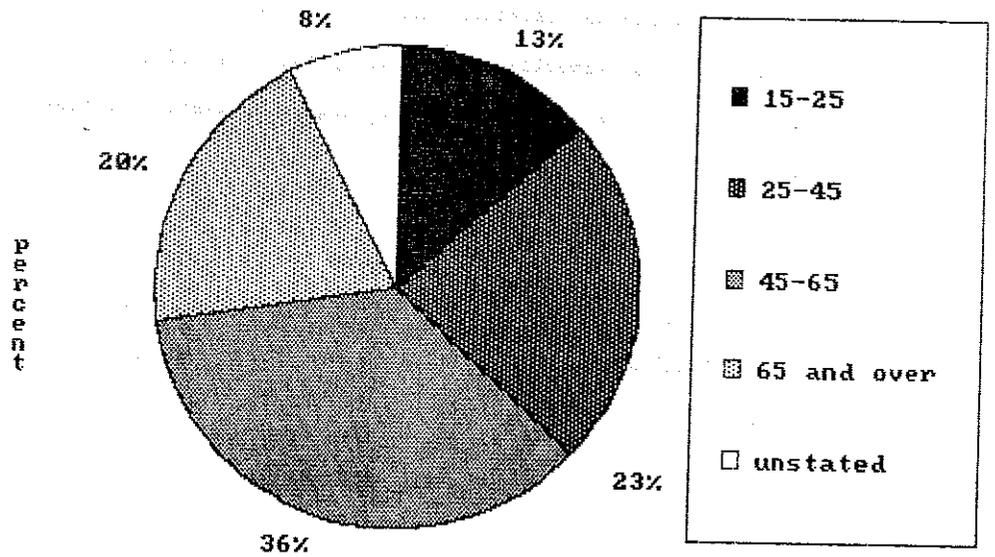


FIG 2 COMPARISON OF INCOME OF SEA AND AIR TRAVELLERS

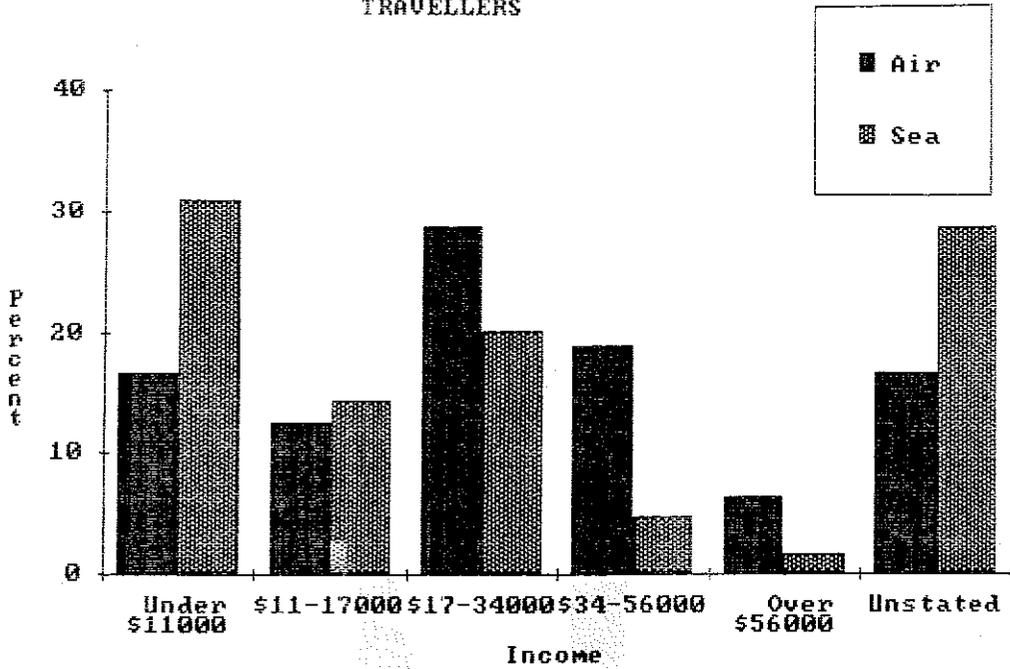


FIG 3 COMPARISON OF REASONS FOR TRAVEL BY AIR AND SEA PASSENGERS

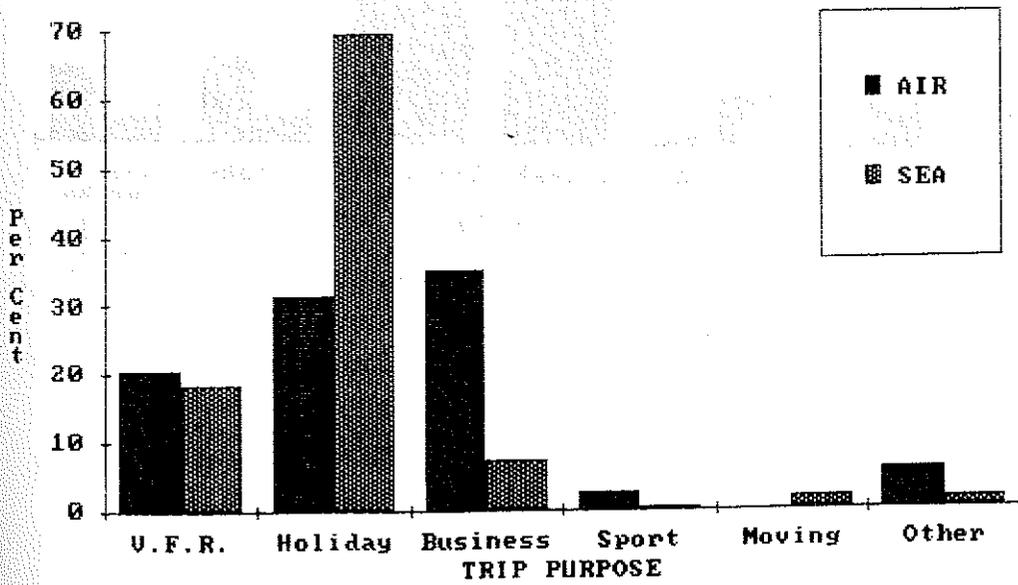


FIG 4 COMPARISON OF LENGTH OF STAY BY SEA AND AIR PASSENGERS

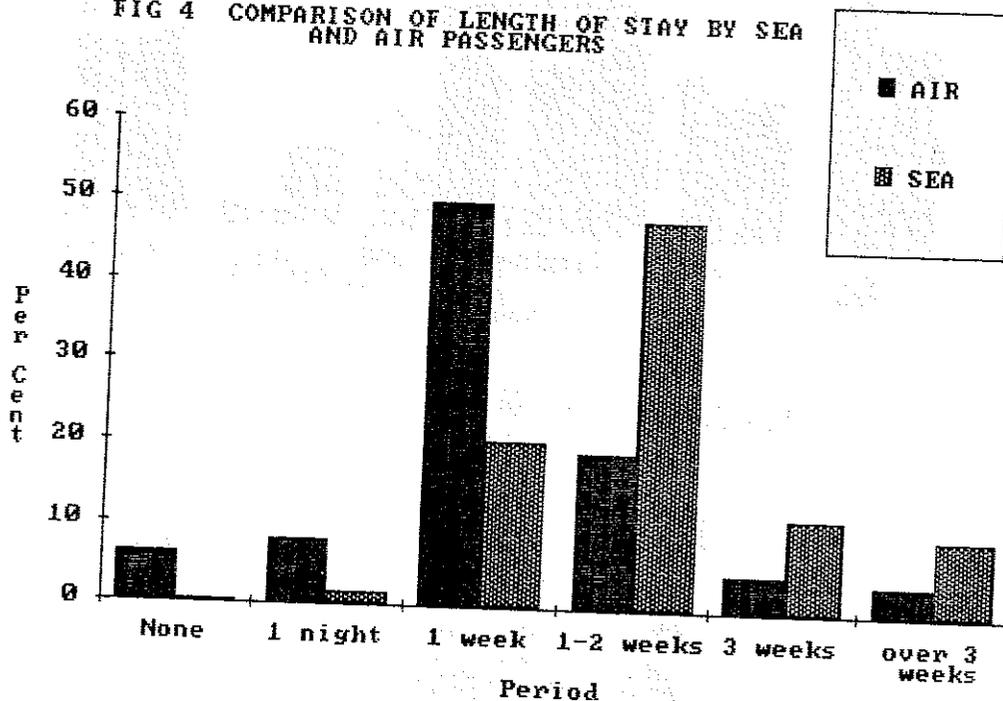
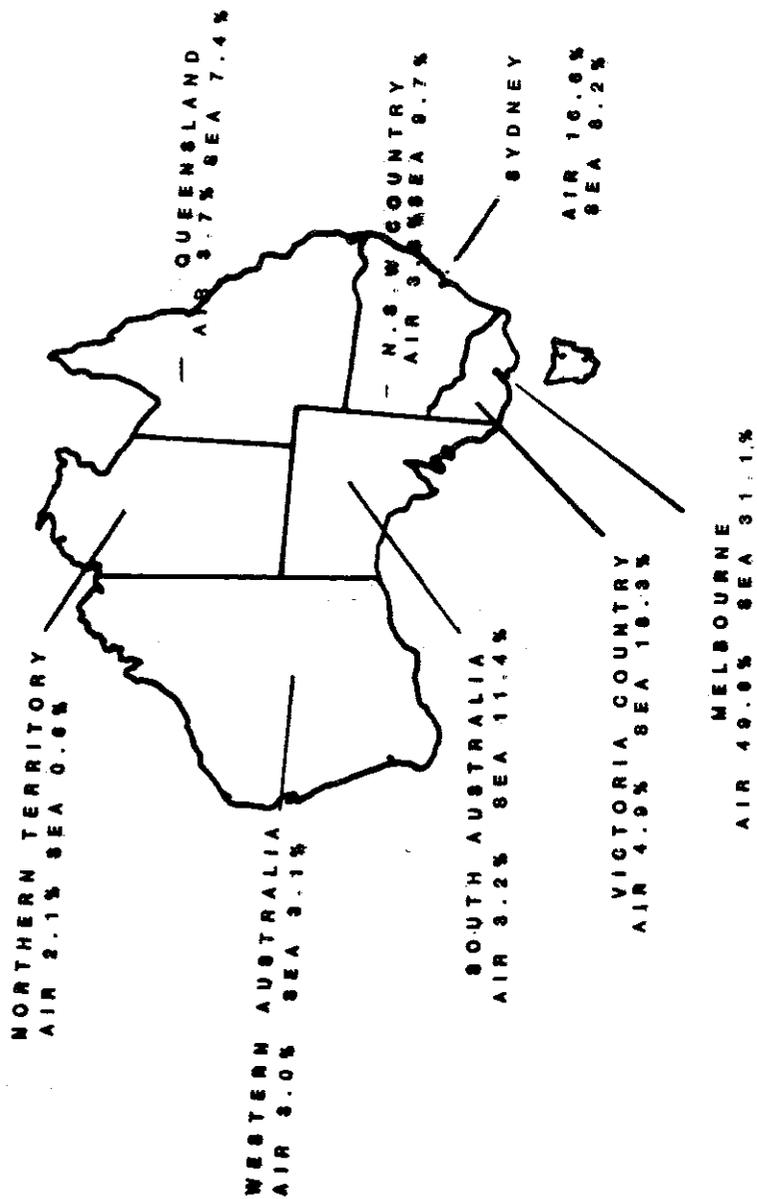


FIG 5 MAINLAND ORIGIN/DESTINATION



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TABLE 1 : TRIP PURPOSE BY INCOME

Trip Purpose	Under \$11,000	\$11,000 - \$17,000	\$17,000 - \$34,000	\$34,000 - \$56,000	Over \$56,000	Total %
vfr	7.5	4.1	5.0	1.6	0.8	21.9
holiday	6.8	5.8	8.6	2.7	0.9	32.3
business	1.8	1.6	11.3	14.4	4.6	32.3
sport	0.7	0.4	1.1	.1		2.3
moving			0.1			0.1
other	1.1	.6	1.5	1.1	.2	-

TABLE 2 : TRIP PURPOSE BY AGE

Trip Purpose	Under 15	15-25	25-45	45-65	65 & over
vfr	0.1	3.5	6.8	7.1	2.9
holiday	0.7	5.8	11.0	10.3	4.5
business	0.2	2.7	22.3	9.0	.2
sport	.2	1.1	.5	0.7	
moving		0.1			
other	1.5	1.1	2.7	0.7	

Note: Persons under 14 were not included in the survey.

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TABLE 3 : TRIP PURPOSE BY SEX

Trip Purpose	Male	Female	Total
vfr	7.6	11.3	18.9
holiday	14.4	16.0	30.4
business	26.9	4.4	31.3
sport	1.8	0.9	2.7
moving	.1		.1
other	2.3	3.5	5.8

TABLE 4 : PURPOSE OF TRAVEL

Purpose	Visitors %	Tasmanian %	Total	Total %
vfr	18.5	24.1	183	20.4
Holiday	36.5	21.2	280	31.3
Business	31.1	42.0	312	34.8
Sport	3.1	1.6	23	2.6
Moving	0.2	0.3	1	.1
Other	7.3	3.3	53	5.9

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Women are more likely to visit friends and relatives, while men are more likely to travel on business (Table 3).

Table 4 shows that a greater proportion of Tasmanians in the survey were travelling on business and significantly fewer were travelling on holiday compared to visitors. This may be a consequence of the time of year at which the survey took place.

These same factors have a similar influence on the purpose of travel by sea passengers. However, as the proportion of business travellers is much smaller, the effects are less marked. These are shown in Tables 5, 6, 7 and 8. One particular feature is the high proportion of holiday travellers over 65 years old. These accounted for about 15% of all passengers on "Abel Tasman".

TABLE 5 : PURPOSE OF TRAVEL BY INCOME

Purpose	Under	\$11,000	\$17,000	\$34,000	Over	Total
	\$11,000	- \$17,000	- \$34,000	- \$56,000	\$56,000	
vfr	6.3	2.7	4.1	0.7	0.2	18.4
Holiday	22.2	9.7	12.6	3.0	1.1	69.2
Business	0.9	1.0	2.1	1.0	0.1	7.1
Sport	0.1	0.1	0.1			0.4
Moving	0.5	0.4	0.6	0.1	0.1	1.7
Other	0.5	0.4	0.5	0.1	0.1	2.0

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TABLE 6 : PURPOSE OF TRAVEL BY AGE

Purpose	Under 15	15-25	25-45	45-65	65+	Total
	(X of total travellers)					
vfr	0.1	2.7	4.3	6.6	3.8	17.5
Holiday	0.4	8.4	13.8	26.2	14.8	63.7
Business	0.1	1.1	3.4	1.8	0.2	6.7
Sport		0.3	0.4	0.1	0.1	1.3
Moving	0.1	0.5	0.5	0.4		0.7
Other	0.1	0.4	0.6	0.2	0.3	1.9

Note: Persons under 14 were not surveyed.

TABLE 7 : PURPOSE OF TRAVEL BY SEX

	Female	Male	Total
	(X of total travellers)		
vfr	10.0	8.1	18.4
Holiday	36.6	30.4	69.2
Business	1.7	5.1	7.1
Sport	0.1	0.2	0.4
Moving	0.9	0.9	1.8
Other	0.9	1.0	2.0

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TABLE 8 : PURPOSE OF TRAVEL

Purpose	Visitors %	Tasmanians %	Total Responses	Total %
vfr	15.5	30.7	389	18.4
Holiday	75.8	40.6	1465	69.2
Business	4.4	18.9	151	7.1
Sport	0.3	1.0	9	0.4
Moving	1.0	5.0	37	1.7
Other	1.9	2.8	33	1.6

3.2 Travel Characteristics

Both sea and air travellers were asked a number of specific questions about their travel arrangements. These included details of booking period, the reason for travelling by ship or, in the case of air travellers, whether they had considered using the "Abel Tasman".

As Table 9 shows, most air travellers book within one week of travel. This holds fairly well for all classes of travel, including, perhaps surprisingly, VFR. The notable exception is holiday travel where a substantial proportion books 1 - 2 months before travel, possibly taking advantage of Apex fares.

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TABLE 9 : BOOKING PERIOD BY PURPOSE OF TRAVEL; AIR

Booking	v.f.r.	Holiday	Business	Sport	Moving	Other	Total
1 week	8.0	7.5	23.1	0.2	0.1	2.5	41.5
1 - 2 weeks	5.6	3.7	5.7	0.2		0.4	15.6
3 - 4 weeks	3.9	4.7	3.7	0.8		0.8	13.8
1 - 2 months	2.5	9.5	1.6	0.2		0.4	15.1
2 - 3 months	0.7	3.1	0.3	0.1		0.2	4.4
+ 3 months	0.8	2.6	0.7	0.1		0.2	3.8

Total No.

Surveyed	193	279	314	143	1	40	
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TABLE 10 : BOOKING PERIOD BY PURPOSE OF TRAVEL; SEA

	v.f.r.	Holiday	Business	Sport	Moving	Other	Total
	(% of total travellers)						
Under 1 week							
1 - 1 weeks	2.7	6.2	2.1	0.2	0.3	0.2	11.8
3 - 4 weeks	2.4	9.3	1.8	0.2	0.7	0.1	14.4
1 - 2 months	6.0	18.6	1.6		0.5	0.7	27.4
2 - 3 months	2.7	10.2	0.4	0.1	0.1	0.1	14.1
+ 3 months	4.2	18.8	0.8			0.8	24.6

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The booking period for sea travel was longer (Table 10) with most VFR and leisure travellers booking at least one month prior to sailing. With both sea and air travellers, there was a tendency for the booking period to increase with length of stay and to decrease with increasing income.

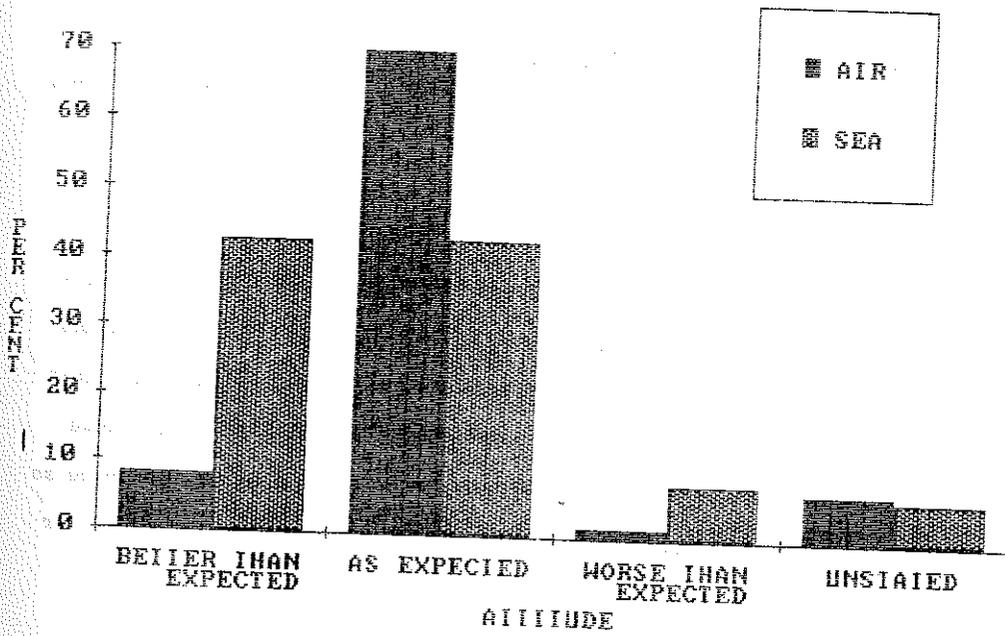
One of the most important questions from the point of view of marketing "Abel Tasman" was the reasons passengers had for travelling by ship. As expected, Table 11 shows that the main reason for travelling by sea was found to be to travel with the passenger's own vehicle. This was particularly important for those travelling to visit friends or relatives, on business, or moving house.

It is interesting that almost a quarter of those travelling were seeking a sea experience. As passengers were asked to write in their reasons for travel, rather than tick an answer, it is possible to examine this category in some detail.

The survey forms recorded a wide range of responses for this category that can be grouped under the following headings:

- "a change from other forms of travel";
- "a relaxation";
- "dislike of air travel";
- "like sea experience";
- "new experience".

FIG 6 COMPARISON OF ATTITUDE OF SEA AND AIR TRAVELLERS



Air travellers were asked if they had ever considered using the ship rather than the plane. Sea travel was considered an option by less than a quarter of air travellers. As Table 12 shows, there was a significant variation, depending upon the purpose of travel. About one-third of holiday travellers and those visiting friends or relatives considered sea travel, while only one-seventh of business travellers had considered sea travel.

4. IMPLICATIONS FOR MARKETING STRATEGY

While some of the survey results confirmed views that were previously held, two interesting features emerged from the study.

Firstly, a higher proportion (about 70%) of travellers by "Abel Tasman" were either travelling with their own vehicles or seeking a sea experience. The extra capacity and facilities of "Abel Tasman" have allowed those who wish to travel in their own vehicles to visit Tasmania. It has also increased visitation to the State by those who had wanted to travel by sea but who were formerly unable to do so because of the capacity restraints of the "Empress of Australia", or who were unwilling to do so because of the limited facilities.

The second significant result was the importance of "Abel Tasman" to tourism in Tasmania. Not only do sea travellers stay in Tasmania about twice as long as air passengers, but, because a far higher proportion of passengers travel on holiday, the ship has a much greater impact on tourism than the relative numbers of sea and air passengers would imply.

These two features of the survey, in particular, have important implications for the marketing of the ship. As a significant proportion of sea travellers want to use the ship, either because of the desire to bring their own vehicles with them or from a liking for sea travel, future mainland marketing effort should concentrate on the ship and its features, rather than on the destination. This approach is reinforced by the favourable attitude of passengers to the ship. Clearly, if "Abel Tasman" is found to be better than expected by the majority of travellers, then it means that the perception of the ship is worse than it is. This suggests that the ship should be at the centre of the promotional effort.

The survey also helped decide the market at which the ship should be aimed. It has been suggested by some travel researchers that it is possible to draw up a hierarchial decision tree of those factors that lead travellers to choose a particular mode (Brog and Erl 1983). Using the results of the marketing study, a decision tree was drawn up reproduced as Figure 7). This can be used to identify target markets.

Figure 7

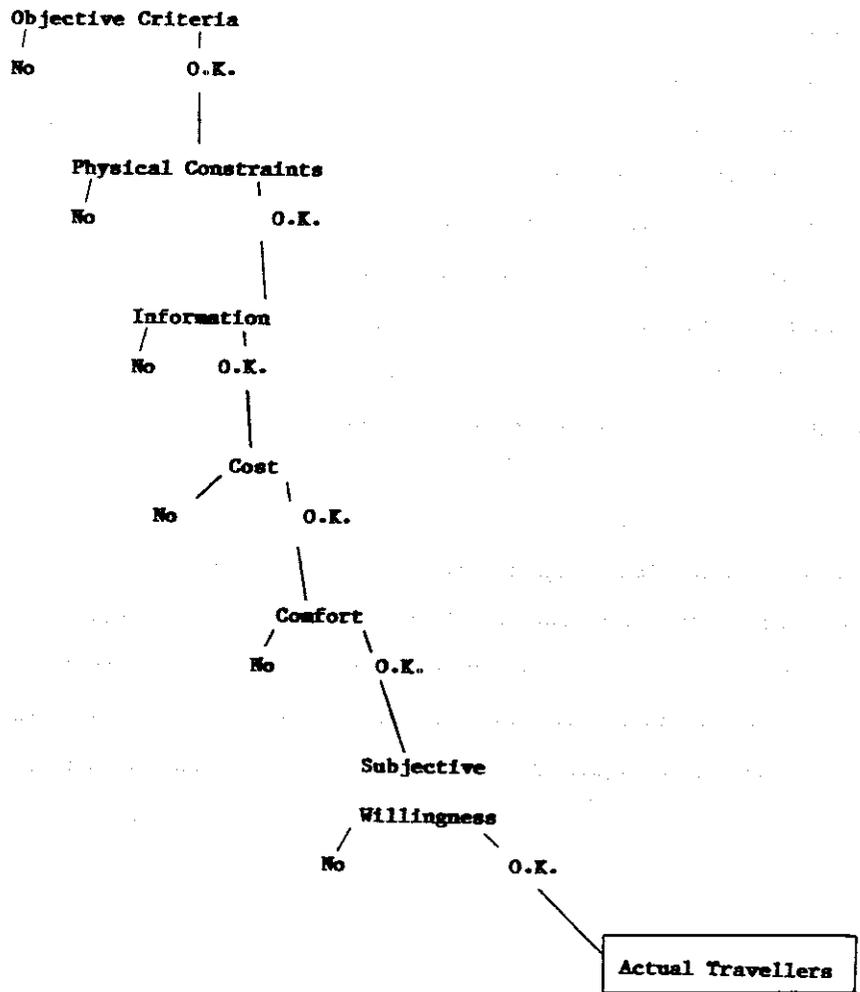


Figure 8
Decision Tree Determining Mode Choice

Air		Sea
- More difficult to use from country areas	Objective criteria	+ Easier to use from country Victoria or NSW
+ Easier to use from more distant States		- Timetable and travel time encourage stay of more than 3 days
Cannot take own vehicle	Physical constraints	+ Can take own vehicle
+ Very good	Information	- Poorer than air
+ Fly drive packages convenient to sell		- Not enough known about ship
+ Many discounts available (especially from NW Coast of Tasmania)	Cost	: About comparable + Discount pensioner fares
Quick	Comfort	- Seasickness
		+ Perceived as more pleasant
		+ Food and service
- Fear of flying	Subjective willingness	+ Sea experience

It should be recognised that, in reality, the decision process is solved simultaneously. Accordingly, each of the criteria may be viewed as a filter that restricts choice. By assessing the performance of sea travel against each measure, the strengths and weaknesses of "Abel Tasman" in each segment of the travel market may be determined. This is shown in Fig. 8.

For example, from an examination of Figure 8, a business traveller is unlikely to use "Abel Tasman", particularly those visiting Tasmania, because the timetable precludes him from staying in Tasmania long enough to take advantage of taking his own vehicle. However, those living in country areas and contemplating a holiday to Tasmania, may be influenced by travel by ship rather than use a hire car.

Of course this approach merely shows the potential markets for the "Abel Tasman" service. To translate this potential into passengers requires a strong marketing effort. Other parts of this marketing study had showed that there was a relatively low level of awareness of the new service among travel agents even in Melbourne.

The results of the study supported the belief of the tt-line management that the continuing emphasis of marketing should be on the high standard of facilities available on board the "Abel Tasman" and for the travel industry on the ease of booking onto the ship compared to the previous service operated by ANL.

References

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