

Southgate, Melbourne **Sheridan Salmon & Fran Hutcheson, Marketing**

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Melbourne's tourism renaissance began in the early 1990s and a major player in its rejuvenation was Southgate, on the south bank of the Yarra.



It was the City's first dining-retail-tourism complex and it kick-started the transformation of Southbank from an unloved strip of factories and car yards into the vibrant tourism and recreation hub it is today.

The \$600 million complex, built by Jennings Corporation, took Melburnians by storm, providing them with a modern, attractive and exciting meeting place. The construction of the Southbank promenade gave Melburnians a place to stroll and be seen.

During the past fifteen years Southgate Management's marketing has moved from an "all things to all people" approach to carefully planned, strategic communication with target markets.

For many years the complex enjoyed the novelty factor of being the first of its type in Melbourne. A large marketing budget allowed for exposure in a wide variety of publications, as well as a program of public entertainment and hefty sponsorships of major events, such as the Melbourne International Festival of the Arts, Melbourne Fringe Festival, Melbourne Jazz Festival and the Comedy Festival.

The opening of Crown in 1997 provided Southgate with its first major competition. Crown drew higher numbers to Southbank, which benefited Southgate, but it meant that the management needed to differentiate and find a distinct market position for the complex. During the past decade a steady increase in Melbourne's tourism and leisure opportunities - including Federation Square - has further increased the need for Southgate to be more focused and strategic.

Southgate's marketing team made two fundamental changes to its approach. They expanded their reach into the greater Melbourne market – as opposed to the previous focus on inner Melbourne – but, at the same time, they became much more specific in their choice of demographic markets.

Southgate's ongoing market research clearly identified their key clientele as white collar professionals, who are primarily seeking a sophisticated dining experience. Southgate's business comes from: Melbourne residents (60%), Melbourne visitors (24%) and Southbank workers (17%), but it is the key demographic profile in each of those markets that generates most of the business.

Consequently, Southgate has been able to considerably reduce tourism marketing expenditure by concentrating on just two print publications, without any loss of tourism trade. Although

Southgate's marketing budget has been significantly reduced over the years, strategic concentration on key markets has enabled it to cost-effectively pin-point advertising media to reach their higher yielding markets.

Marketing Manager Sheridan Salmon said the style of early Southgate marketing was very promotions-driven. Its advertising was of a very generic, 'here we are' style, which positioned the complex as a mix of dining and retail experiences.

She says the current advertising is now very dining and leisure focussed, reflecting where 80% of income is derived. Retail is now promoted as a complementary activity. The previously extensive public entertainment program has been rationalised to just Sundays, because research has shown that Sunday is the major 'browsing' day for customers and is the time they are most likely to enjoy music.

Even though the complex is now in its 'mature' phase, the new marketing focus has maintained positive sales growth for tenants. Sheridan Salmon says that even though many of their restaurants have been trading for 15 years, they are still experiencing sales growth, while the revamped food court is 'trading through the roof'.

Key lessons:

- Tourism products need to be differentiated in today's competitive marketplace
- Carefully match your product offer and delivery to suit the needs and wants of your key market/s, as revealed through market research
- Poor understanding of your market will cost you money, through wasted marketing effort and shotgun advertising
- Targeted marketing will allow you to reach your highest yielding clientele as cost-effectively as possible

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