

Untapped & Uncapped

Regional audience exploration delivers marketing value for Flight Centre



Product nuance and the value of local retail touch are key to how Flight Centre wins over regional audiences.

Clinton Hearne, Global Head of Marketing



Up to 90 per cent of Australians exhibit an appetite to travel. Which makes regional audience engagement and advertising a no-brainer for Flight Centre's Global Head of Marketing, Clinton Hearne, and his team.

"Regional advertising has always been very important to us for a number of reasons. One, we're a mass market brand," Hearne says. "People who travel come from everywhere. It's making sure we are in contact and constant touch with them where they are, in places that they listen and pay attention to from a marketing perspective."

Having a physical retail footprint plays a part too, with many of Flight Centre's stores situated in regional or semi-regional hubs. More substantial regional areas

are also frequented by people coming in from remote regional towns, arguably making these locations more critical commercially than metro ones.

"These consumers are accessing our retail services, especially when they're planning and validating their holiday choices and have already been researching online," Hearne says. "We're still seeing consumers come to the website first. But I do think they want the personal touch a little more in regional areas."

"So it's about how we give those stores support and local support across the board. Going out to audiences in regional Victoria for example, is therefore extremely important to us."

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The regional versus metro media view

From a media perspective, Flight Centre's regional marketing approach depends on the campaign or product put into market. Given the brand's mass market appeal, channel mix extends from press advertising to radio and local billboards, and straddles both targeted and mainstream advertising.

Thanks to ever-more granular media targeting, there's increased focus on consumers demonstrating intent rather than discriminating by geographic location. This proved particularly important during the pandemic, when Flight Centre needed to identify consumers with an early willingness to travel domestically.

"At that time, you didn't know what you didn't know, so the only way to do it was to test and trial different areas, looking at local media options that allowed us to do this," he recalls.

Yet the countermigration movement away from metro areas into regional areas, which accelerated over the pandemic, is something Flight Centre has specifically factored into media decision-making.

"When we looked at billboard selection previously, we would potentially have just gone for giant hubs or highways we knew were the larger ones. But now we know we need to push out further into places like regional New South Wales, because that's where people have moved to," Hearne says. "It became a lot smarter for us to have a presence out there."

When it comes to creative and messaging, Flight Centre will then tailor creative and calls to action to regional audiences. The first way is by highlighting local store locations.

"Showcasing you are local, and that you have local staff living out there, is really important to people living within the regions," Hearne comments. "Also, a great cruise deal departing from Sydney is going to be a great cruise deal, but how we call out that local store might be the key. There are some partners like Sports Entertainment Network, that allow you to do that - they do a fair bit of the heavy lifting on calls to action so it's not such a drain on capped resources you might have within your business."

A second way Flight Centre tailors creative is by emphasising product nuances or distinct regional offers. These take into account distances consumers may need to travel to take up a tour or cruise, as well as behavioural differences spotted between regions.

"For example, we know it's not that two or three-day weekend away, it might be a longer Hawaii trip or doing a road trip around New Zealand," Hearne says. "It's also how we make sure we're catering for nuances [across regional areas] and sharing the whole holiday offer rather than just a snippet, which we might do more of in metro areas."

"We do very specific advertising, where we might sponsor a regional show rather than just do a price and product campaign. Sponsoring a show or sharing tips for travelling and cruises means we give consumers more context around why to choose Flight Centre and can showcase the expertise of our brand."

Campaign wins

Responsiveness to regional nuances can be seen in two recent Flight Centre retail above-the-line campaigns. The first was the 'Your Top of the World Centre | North America and Europe Sale' campaign, split into two bursts: USA and Canada, then UK and Europe. The USA and Canada campaign was particularly successful in driving an increase in sales compared to the six-week period a year prior, with bookings up 3%, passengers up 5%, room nights up 5% and TTV up 12%.

The second example was a recent cruise campaign, 'Your Oceans of Offers | Cruise Sale' for the wave season in January and February, when there's usually an uptick in people booking close-to-home cruises. Flight Centre reported significant sales uplift on the six weeks prior to campaign launch, including +48% bookings, +46% passengers and +59% sales. The campaign also ensured February was Flight Centre's second-strongest cruise booking month since pre-Covid, beaten only by its 'Biggest Cruise Sale' campaign from October 2022.

As part of the program, Flight Centre worked co-operatively with eight cruise line partners, with all but one seeing growth compared to the pre-campaign period, and off the back of a very strong selling season. Operators also continued to see increased growth in the six weeks post-campaign.

"We definitely saw longer durations from regional hubs. So our media buying had to make sure we were referencing deals we were putting into market specific to regional consumers, and that showed we had the right product for what those audiences were trying to access," Hearne comments. "These were further afield, long haul destinations where we needed to show multiple components of the trips."

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One interesting difference Flight Centre saw in regional areas was the need to show more elements of safety in terms of health security than in some other areas.

The cruise campaign also proved to Hearne the importance of advertising to regional audiences. "I wasn't sure how it would go and if people would travel into big hubs to go out of Sydney or Brisbane, or even fly over from regional areas and places in WA. And they do," Hearne says.

"It also meant we had to do some fun stuff with our product, such as including flights or not including flights, or providing flight credits. We were very specific about what those added elements were. We know the mass hubs for flights are not where those regional consumers are, and they may have a three-hour trip to get to an airport. So we looked at things like offering them a night's accommodation before their trip and before they start to fly."

Channels used for targeted reach included digital video, digital audio and very specific above-the-line media buys targeting geographic locations based on postcode. This was followed up with remarketing around different cohorts based on certain customers being exposed to advertising.

"We also know whether they're sports fanatics or not, so we'd make sure we partner with radio at the same time they're doing a sports commentary pushing out into target regional areas," Hearne adds.

"We look at if we are getting the number of clicks on smaller audiences, or if they're more geographically spread, and if we are still seeing the return. Off the back of it, we want to see sales. And we can track things closely."

Dispelling regional myths

One myth Flight Centre has successfully debunked through postcode data and audience analysis is the idea average spend of high-value customers differs between metro and regional areas.

"I don't think we've ever suffered by subscribing to that belief," Hearne says. "Marketers can think people in regional areas don't have as much to spend, especially on a holiday. That's not always true; sometimes it's the reverse. In a couple of the big regional hubs, people are coming in and looking to go on a holiday for longer. They are willing to spend more because they might not be travelling on holiday as frequently. But they are still going on holidays, just spending more at once."

"For us, that means looking at what products we're taking to market and the length or duration of trip. It's also about how long out they usually look to purchase. Again, that will depend on the regional hub they're coming from."

Overall, Hearne believes consumers are looking for reliable, well-informed partners to provide value regardless of where they're located. Flight Centre's Australian heritage and 40-year history is therefore critical in connecting with consumers.

"Whether people are looking to travel for the first, third or fifth time, they look to a trusted business," Hearne says. "I don't think being regional or city-based actually changes that. It might just influence who you want to deal with, and how you want to deal with them."

Hearne nevertheless agrees being strategic about regional marketing is something brands can't afford to ignore.

"Within regional hubs, there's money to be had for the brands consumers support," Hearne adds. "I think as long as you're showing value, or some sort of a value exchange where you've thought about with them and their regional area a little bit differently, they're more likely to come back. So it's that return benefit."

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