

Proof of Concept Proposal for Otago Forward: GPS Tourism

Aim

To obtain verification from the Otago Forward committee that this proposal demonstrates feasibility and is capable of exploitation in a useful manner.

Project Summary

This is a new venture with a vision to marry the advent of GPS technology with the tourism industry. By creating software specifically designed for GPS-enabled devices, we aim to introduce guided tours using GPS technology and to conveniently provide tourist information that is personally, temporally and geographically relevant to travellers.

“G-Tours” is a software solution for GPS systems that is specifically tailored to meet the needs of independent travellers.

The software allows the user to locate ‘waypoints’ (nearest points of interest) on GPS receivers. These pre-loaded ‘waypoints’ are local sites of interest, which when selected, will display a short description and image of the local attraction.

The software;

- Allows travellers to locate tourist spots on their GPS-enabled devices¹.
- Provides accurate tourist-based information that is regularly and instantaneously updated via the internet or SMS text messages.
- Provides set travel routes, which combines road directions, audio files and modern guidance technology to allow users to embark on GPS-guided tours.
- Allows bookings to be made for food, accommodation and events via the software.

Project Benefits

This project will make a specific economic contribution to the Otago region by:

- **Attracting more tourists to Otago**

This is because potential tourists can look up travel information before deciding on their holidays and be provided with information that is personally relevant to them. This information can be downloaded onto their personal handheld devices and viewed at any time and at their convenience, acting as a constant reminder of their travel desires. Promoting Otago attractions on this global platform will also attract more international visitors to the region.

- **Having travellers stay longer**

By providing travellers with information about all the activities, attractions and events a

¹ GPS-enabled gadgets include mobile phones, personal handheld GPS units, satellite navigation systems in vehicles, *Windows Mobile* Pocket PCs, *Apple iPhone*, *Google Android* mobile devices, BlackBerry handhelds and other Personal Digital Assistants (PDAs).

specific location has to offer, travellers are more likely to stay the extra couple of days and visit these attractions, which they have a personal interest in and may not have known about otherwise. Travellers are also provided with the means to make the necessary arrangements, making the decision to stay longer easier.

- **Having travellers visit marginal areas**

Since the “G-Tours” software provides guidance technology, tourists are able to visit lesser known attractions and embark on GPS-guided tours to the outskirts of a location. This will contribute to the economic development of marginal areas within Otago that may not normally get vast numbers of tourists visiting. Also, since travellers passing through these areas would now have information about the local attractions *en route* to their final destination, they are more inclined to stop and visit the attractions if it appeals, and will not miss out on “hidden treasures” because of a lack of awareness or inadequate information.

- **Promoting Otago on a global scale**

Using GPS technology in this way is a unique approach to tourism and is one that has yet to be realised; so if successful, Otago will be perceived as a world leader in innovative solutions for technology and also an entrepreneurial mecca for young people. Eventually, we want to see this technology duplicated for other regions within New Zealand as well as overseas, and want this Otago-based (and originated) concept leveraged on a global market. This will ideally quash any misconceptions that geographical isolation hinders the global expansion of technology-based businesses, and in the long-term, attract more ICT businesses to the region. This may also act as a precursor to a GPS-technology or tourism hub in Dunedin, and ultimately contribute to Otago’s economic development.

- **Creating a world class technology company in Dunedin**

We will be basing our GPS software business in Dunedin and thus adding value to the city’s ICT cluster. We want to create wealth for the region by attracting more bright talented people to the area, increasing employment in technology-based firms and contributing significantly to Otago’s vision for a knowledge-based economy and to build on its image as an entrepreneurial hub.

Key Product Benefits for Tourists to the Otago Region:

- Tourists get information about local attractions on their handheld devices when they arrive at a new place.
- Potential tourists can download this information onto their devices before they arrive for free.
- Tourists can undertake personalised GPS-guided tours and obtain accurate historical and cultural information of the places they visit.
- Travellers have tourist information on hand that is personally, temporally and geographically relevant.
- Tourists avoid missing out on attractions due to a lack of local knowledge.
- Tourists can make last-minute decisions and bookings easily and suitably.
- Friends and family of travellers can follow their journeys and view their experiences from ‘back home’.

Project Costs

Below are the preliminary estimated costs for the project.

Initial research and feasibility study (incl. establishing key relationships):	\$100,000
Software development:	\$200,000
Field research and populating software with relevant tourist information:	\$150,000
Mass marketing and promotional activities:	\$200,000

Potential Champions

The potential champions for this project include:

- *Regional Tourism Organisations (RTOs)* as it is a way for them to promote their regions on a free and open platform, and to target both domestic and international markets. These include Tourism Dunedin, Destination Queenstown, Tourism Waitaki, Tourism Central Otago and Lake Wanaka Tourism.
- *i-SITE Visitor Information Centres* as this can be seen as an extension of their services and provides their customers with an additional point of reference for tourist information.
- *TracPlus (GPS Software Developers)* as this will add value to the credibility, integrity and popularity of their existing and future software development projects.
- *New Zealand Automobile Association* as they will be able to leverage this as a distribution channel to increase their sales and bookings. The AA will also be able to use it as a new medium to promote their products and services and to reach more and further afield customers.
- *Mayors and Councillors* as this can be an innovative way to increase the wealth of their regions by attracting more tourists to their areas, allowing local tourism operators to gain on the high-yielding tourism dollar and stimulating tourist-related business activity. This could also be a way to promote their regions on a global scale and for them to provide an opportunity for their smaller and lesser-known tourism operators to compete on a level playing field. Finally, this could be a way for residents and tourists alike to gain a better understanding and appreciation of their local heritage and environment.

At the minimum, we hope to create strong working relationships with these various stakeholders and leverage their distribution channels where possible.

Potential Funding Sources

The following potential funding sources have been identified:

- *Government and local body funding*
 - NZTE grants (e.g. Enterprise Development Grant for Capability Building, Growth Services Fund) because this project is closely aligned to NZTE's focus on the Tourism sector as a key growth industry and also meets the criteria of a business with high-growth potential.
 - Technology grants (e.g. Foundation for Research Science and Technology (FRST) SmartStart grant, Technology New Zealand (TechNZ) Technology for Business Growth

grant) since the business is a technology-based start-up with extensive investment required for the research and development of the GPS software.

- Various community grants (e.g. Community Trust of Otago) as this project will bring more wealth to their communities and promote the cultural heritage of their regions.

- *Public and private investors*

- Angel investors as this project provides a unique opportunity to grow their funds in a global technology firm and to yield high returns on their investment.

- *Business revenue model*

- The business model will provide a source of income for further development once the business is established.

Additional Information

Market

The target market for G-Tours consists of travellers and tourists seeking independent travel. This style of travel is most common in New Zealand with just under half (49%) of all international visitors undertaking 'Fully Independent Travel' and a further 35% assuming 'Semi Independent Travel'².

Strategy and Operations

We will provide the software for end-users, travellers, tourism operators and tourism authorities to use and share for free. By providing an open system for every tourism operator to take part and share information, and by allowing travellers to access and download the information for free, we plan on creating a large-scale initiative and an open platform for all to use. This will allow critical mass to be reached faster and more easily, and would allow us to compete in the future by offering a greater value proposition.

Revenue Model

Several streams of revenue have been identified for this new venture:

- Commission on sales for bookings made through the system
- Advertising for discounts, promotions and last minute deals
- Sell/License as a software application to manufacturers of GPS devices
- Generate useful statistical data that can be sold to tourism operators
- Fees for advertising on the software (later)

Contact Information

Business Name: G-Tours

Address: PO Box 6562, Dunedin 9059

Primary Contacts: Bhavneet Kaur & Pierre-Emmanuel Perruchot de La Bussiere

Role of Primary Contacts: To answer all enquiries about the concept and/or business model

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² New Zealand Ministry of Tourism, 2007