



Australian Government  
Tourism Research Australia



TOURISM  
RESEARCH  
AUSTRALIA

## STRATEGIES TO ASSIST TOURISM INDUSTRY SMES TO ENGAGE WITH ASIAN MARKETS

Executive Summary

OCTOBER 2013

A young Asian couple is walking hand-in-hand on a sandy beach. The man is wearing a white t-shirt and blue shorts, and the woman is wearing a purple tank top and white shorts. They are both smiling and looking at each other. In the background, there is a beach with other people, a blue ocean with waves, and a residential area with houses on a hillside under a clear sky.

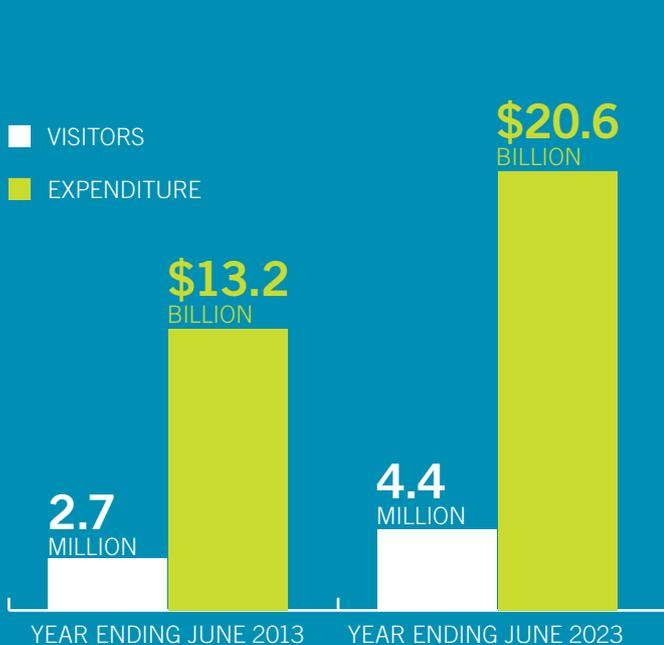
# ENGAGING WITH ASIA

## EXECUTIVE SUMMARY

This research was undertaken by Tourism Research Australia (TRA), on behalf of Tourism Australia, as part of the Asia Marketing Fund (AMF) research. The AMF is designed to attract more visitors from Asia – one of the world’s fastest growing tourism regions.

In the year ended June 2013, Australia welcomed 2.7 million visitors from Asia who spent \$13.2 billion. By the end of the financial year 2022-23, visitor arrivals from Asia are expected to reach 4.4 million, with tourism expenditure from the region reaching around \$20.6 billion (refer Figure 1). Forecast growth from Asia is expected to account for 56.3 per cent of total growth in international arrivals to Australia that will occur between now and 2023.

**FIGURE 1: FORECAST GROWTH FOR ASIA – ARRIVALS AND EXPENDITURE**



Source: Tourism Research Australia: Forecast 2013, Issue 2. Visitors all ages.

This growth presents a raft of opportunities for Australian tourism operators to engage with Asian markets and to grow their business. For Australia to realise the economic potential offered by tourism from Asia, it is critical that we have a wide range of high quality tourism product on offer. This requires active engagement of tourism operators of all types across Australia.

However, discussions with industry associations indicated that many tourism businesses do not avail themselves of the opportunities presented by engagement with Asia because of real or perceived barriers.

The research summarised in this report sought to identify the barriers which impact on the ability of Australian tourism businesses to engage effectively with Asian markets and to suggest strategies for operators, industry organisations, and government aimed at overcoming those barriers.

The research was conducted using a qualitative methodology. After undertaking an extensive literature review and resource audit, the researchers held a focus group and conducted interviews with tourism industry experts and operators. Operators included those who are actively engaged with Asia as well as those who have not taken up this opportunity.

The literature review enabled identification of some of the barriers facing tourism SMEs’ engagement with Asia. Through the focus group and interviews, the barriers were validated and further barriers were identified. A range of strategies to address the barriers were then developed and tested with operators.

**FIGURE 2: OPPORTUNITIES FROM ASIA - VISITORS TO AUSTRALIA YE JUNE 2013**



Source: Tourism Research Australia *International Visitor Survey June 2013*. Visitors 15 years and older.

## KEY FINDINGS

### KEY BARRIERS

In engaging with Asian markets, tourism operators face barriers relating to:

- motivation
- knowledge
- resources.

Tourism operators can be overwhelmed by a number of factors that reduce their motivation to engage with Asian markets.

While some tourism operators have not engaged with Asian markets due to a lack of motivation, there are others that are motivated but feel they lack the knowledge and skills to engage effectively. The knowledge barriers identified include business knowledge, market knowledge, and cultural knowledge.

Knowledge about the market or markets tourism operators wish to target is essential for those wishing to engage with Asia. As stressed by tourism experts and operators alike, 'Asia' should not be treated as one market, but rather as many separate, discrete markets each with its own characteristics and travel preferences.

A major barrier for tourism operators wishing to engage with Asia is a lack of cultural knowledge. Culture encompasses various aspects of human expression including language, religion, cuisine, values, social conventions, and commercial practices which can vary between, and within, nationalities. Cultural misunderstanding can occur anywhere along the tourism distribution channel – from frontline staff attending to the needs of visitors, to management staff attempting to secure business through in-country representation. A lack of understanding at crucial cultural touch points along the tourism distribution channel can lead to a mismatch between product offering and customer expectations.

While a variety of resources to assist tourism operators to engage with Asia has been available for some time, a lack of awareness about, and access to, such resources has limited their uptake. Furthermore, these resources have tended to focus on China.

A number of barriers external to tourism operators may also exist, including economic, financial, technological and political/regulatory barriers.

### KEY STRATEGIES

To help overcome the barriers, a range of strategies for tourism operators, tourism industry organisations and government have been identified.

Tourism operators::

- Incorporate 'Asia focused' strategic planning and management practices
- Develop networks with industry organisations and successfully engaged operators
- Develop a range of 'Asia capabilities'

Tourism industry organisations:

- Consider extending 'China Ready' to other priority Asian markets
- Provide operators with 'distribution know-how'
- Provide a service for operators to put them in contact with culturally appropriate business adviser

Government – work with industry to:

- Develop a suite of on-line resources for operators
- Develop a training program for 'Asia specialist' business advisers
- Encourage dispersal among Asian tourists

## RESOURCES

The research found that key to addressing the barriers is the development of Asia capabilities among tourism SMEs.

In response, TRA in consultation with Tourism Australia and the Australian Tourism Export Council (ATEC) has developed a suite of on-line resources to assist tourism SMEs' engagement with Asia. The resources focus on five key markets (China, India, Japan, Indonesia and South Korea) and include:

- A professionally produced introductory video
- Top tips for engaging with Asia
- Marketing Matters for each of the five markets
- Action Plans for each of the five markets
- Case studies showing how tourism operators are successfully engaging with Asia
- A list of other relevant resources.

The resources are available at **TRA.GOV.AU**

While it was recognised that a number of resources were already available to operators, particularly for the China market, research showed that a lack of awareness about, and access to, the resources created barriers. The suite of resources developed by TRA, Tourism Australia and ATEC provide a range of specifically targeted materials in one place, along with links to other relevant resources.

## OTHER STRATEGIES

In addition to the development of a suite of resources, a number of other strategies for tourism operators, industry and government emerged from the research. The strategies are detailed in full in a report due to be released by TRA in mid-November 2013.