

The Current and Potential Market
for the Great Barrier Reef in the
International Tourist Setting

by

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Since receiving the program for this workshop, I have been mentally congratulating the organisers, not only on the straightforward thrust of the planned proceedings, but also on their sense of timing. None of us is in any doubt what this is all about --- "Tourism and the Great Barrier Reef" is a plain but potent workshop title --- and the timeliness relates to the impact on Australian tourism of new international and domestic air service arrangements.

"The Current and Potential Market for the Great Barrier Reef in the International Tourist Setting". It's a pretty straight-forward title despite its length, but I did think of rewriting the title of the paper I was asked to speak on and I thought of something like this.

"The Great Barrier Reef: Paradox in the International Tourist Setting".

The paradox is this: and this is the point which Mr Jull has already made, of all the things there are in Australia to attract the overseas visitor none is better known in other countries than the Great Barrier Reef. Yet, only 1 in 25 international visitors bothers to go near it. The unpleasant fact is that the Great Barrier Reef is one of the principal lures used to get people to this country, but then it loses out competitively to other Australian attractions.

Why?

Is it a fault with the product?

Or is it a fault with marketing the product?

I would say both. For all its beauty and excitement, the Great Barrier Reef is, for the international visitor, 1250 miles of unfulfilled promises.

Every first-time visitor has a pre-image of the Reef and its facilities and his or her likely experiences there. That image has been partly formed by his or her knowledge of warm water resorts, as well as information on the particular area he or she is to visit. That may have come from as little as a few lines in a tour brochure. Fulfilling that pre-image may not be too hard, but let's be optimistic and think it might be better, and it often is.

But we are still talking of only part of the product, the essential attraction side of it, but still only part. The other parts, which are often in the hands of other people and taken for granted, are just as important. They are often the bits of the promise which are unfulfilled.

They include being able to get to the attraction quickly, safely and comfortably, value for money for accommodation and recreation facilities, international standard presentation - that includes how staff are dressed - and so on.

We know there's nothing wrong with the essential attraction in these parts because nature took care of that for us - but we do need to dissect the entire product and see how each bit of it measures up.

At this point, so you know from which standpoint I am talking, I am going to do something unusual. I am going to resist the temptation to bewail the fact that investors have not been attracted to spend the tens, perhaps scores of millions of dollars to give us one or more resorts on an international scale in the Reef area. A large-scale centrepiece development, which would give an accurate pre-image to many would-be visitors, would make it easier to sell the Reef overseas. It would bring in its wake better and perhaps more exciting transportation facilities. And it must be admitted that the cost in money and time in getting to a Reef resort is often the major deterrent for an overseas visitor.

But it is more fruitful to discuss the product in its present state. We haven't got an international-scale development in the Reef area. I know of no plans for one and the lesson around the world is that investors look upon resort development with less enthusiasm than they do big city hotels - and investors aren't exactly lining up to put their money into hotels in Australia's big cities at the moment. In fact, as far as large-scale resort development goes, the lesson from around the world is that it usually requires government action to get it moving.

So let's look at what we have. Think of the term 'product' in this case as embracing the total experience of a Reef visit. For the international visitor, it includes the journey from where he arrives in Australia, it includes accommodation, food, entertainment, contact with staff the total cost and of course, the ability to satisfy his particular reason for wanting to visit the Reef. There are three principal gateways from overseas to the Reef - Sydney, Brisbane and Cairns. I nominate Cairns because it has flights from Papua-New Guinea and is the entry point for a fair number of overseas visitors mostly Americans, who travel on a package tour circuit which includes the Centre and the Reef.

Clearly, Australian airlines don't agree with what I say about the journey being part of the experience. But let me give you an example of what I mean. Some years ago, I took a direct flight from New York to Honolulu. It was an icy December morning. But once on board the aircraft the atmosphere was transformed to sunny Hawaii - and we hadn't even left the airport. It cost the airline hardly anything beyond imagination. All it took was a few touches, the stewards and stewardesses were dressed in colourful Hawaiian clothes, there was Hawaiian music playing and Hawaiian drinks were served. The passengers' imagination did the rest. It was a long flight, 10 hours, but it was a good one - and I doubt if many on that plane thought back to the cold and troubles they left behind them.

But, in Australia, a flight is a flight is a flight! From one of the jump-off points to this incomparable natural wonderland, fun islands, blue skies, blue seas and, hopefully, for those who want it, romance, it's a flight to anywhere. I think that's a pity. Usually, that jetflight is only part of the journey: a light aircraft, helicopter or boat is necessary to get the visitor to his destination. This can be planned as part of the experience and marketed as such.

Surely, with imagination and an understanding of the customer's comfort and expectation, plus good marketing, the problem of the journey could be turned into an asset or, if that is stretching it, at least made more bearable.

Making sure that the journey is part of a pleasurable experience, means attention to detail - it means ensuring comfort, cleanliness and practicability of airport terminals, it means efficient passenger and baggage handling, good presentation of staff and, in particular in friendly welcoming.

I have mentioned presentation a couple of times. It means people, how they look and how they act towards visitors. I cannot stress the importance of it for the international visitor. It can make up for deficiencies in accommodation or even food. It means everything that overseas visitors be properly welcomed, served and directed. Presentation also means how things look. It may be quite sanitary to bag garbage and stack it on the beach pending removal - and I saw this on one Reef island last year - but that is not presentation. Presentation requires training of staff. It cannot be left to natural instincts. When properly trained, Australians are very good.

Marketing means looking at another set of people: the customers. People want to come to the Reef area for different reasons and that holds true for international, as well as domestic, travellers. They may have a specialised interest such as snorkel or scuba diving, big game fishing or studying the environment. Such people usually have a very strong motivation for making the visit, though it may have to be awakened. Others want to see the Reef merely because they know it to be one of the wonders of the world. Still others go because it's on the itinerary of the package tour they bought. Other than New Zealanders, few international visitors will go to the area for a sun and sand holiday, though that's not to preclude them turning it into one when they get there.

The reasons why people travel need to be studied and the particular attraction of a product for particular people needs to be understood. This is highly pertinent to the international market for Australia at the present time because it is a period of rapid change. The new airfare arrangements give us an opportunity to increase tourism from overseas. At the same time, it must be realised that the new airfares favour the individual rather than the group traveller and this has implications for the Australian travel industry.

The continuance of inclusive tour packages from some markets, particularly the U.S.A., Canada and Germany, is in doubt. Inclusive tour packages may be partly replaced by what are called add-on packages; that is, packages of the Australian content only, without the international airfare included. Add-on packages have been sold successfully in the British market in the past few months, but we do not have a yardstick there because there have been very few Australian packages of any kind on the U.K. market in recent years. So we can't measure the success or otherwise of add-on packages against inclusive tour packages.

With the United States, it is different. I don't think add-on packages will sell as well on North American markets as inclusive tour packages and there seems no doubt that the number of inclusive tour packages to Australia out of the United States will decline, perhaps sharply. This could have profound effects on certain areas of Australia and certain sections of the Australian travel trade. To bring it closer to home, it could affect that nice bit of business in which American wholesalers link Cairns and Alice Springs. One expanding market which will remain devoted to group travel for the foreseeable future is Japan. We expect lower airfares by mid-year and more wide-bodied aircraft on the Tokyo-Sydney route soon afterwards.

Overall, the message in the wake of the new airfares is quite clear: there is change, not only in numbers, but in market profiles and how the travel industry must work. Not everybody in the business will be a winner. The spoils will go to those who quickly discern the significance of the changes and are first in at the right spot with their wares. We can expect more younger people, many of them coming without presold travel arrangements. And this is already happening, the travellers information centre at Sydney Airport, reports a 50% increase in enquiries since the new airfares were introduced.

The greatest increase is in Germans, there is a significant increase in enquiries from Britons and some increase from Americans, mostly from the west coast. Many of these people are arriving without even a hotel booking for the first night and so they are fronting up to hotels in Sydney and they're going not to the major first class hotels but the second level hotels. There's a marketing lesson there surely.

Market segmentation - breaking up a potential market into target groups of particular types of people - becomes even more important. The Australian Tourist Commission (ATC) has recently pioneered a new type of segmentation study in New Zealand. In non-technical terms, the researchers asked a lot of questions of a statistically acceptable cross-section of the community, did something peculiar with a computer and ended up with the bit which I could understand: people grouped according to their wants and needs in a holiday. This is different to the traditional way of segmenting a market demographically; that is, basically by age and income levels. The researchers pointed out as an example that a 21-year-old student and a 56-year-old businessman, poles apart demographically, at a given time may both need a relaxing holiday and so the same sort of resort may appeal to both. So the New Zealand study grouped people into unusual categories for the research business, called them 'new experience

seekers', 'stay-at-homes', 'young fun and sun seekers' and so on. The biggest category, 23 percent, were 'escapists'. I am assured the term refers only to holiday criteria. This kind of grouping gives the marketing man something to work on, because he can frame his appeals to fulfil the defined sets of desires. To the tourist plant operator, if he thinks about it, it also has benefits. Which of those needs and wants does his product satisfy? Which groups does it suit? What if his product, measured by this criteria, doesn't shape up? If he wants that kind of business, he will have to modify the product. Market segmentation if used properly, could lead to products becoming more acceptable to overseas visitors.

ATC will extend the segmentation studies to other markets this year. It is part of our plan to match specific products to specific market segments in the various countries in which we operate. This is an exercise called 'product/market fit' and involves evaluation of what Australia has to offer the overseas visitor, a formidable exercise, it's a big country.

It seems to me this exercise could be practised on a regional scale and in a less complicated form in the Reef area. As far as the Reef is concerned overseas, there is a problem of image. There is a phoney image that all resorts are much the same and all intimately connected with the Reef. We know this isn't true: there are not only great geographic differences, but also a satisfying variety of tourist plant and style which produce a variety of experiences and cater for a variety of market segments.

The image problem is there, and is the principal reason for my earlier statements about unfulfilled promises. After writing this speech, I asked our overseas officers what they thought of the Reef from their point of view, entrenched as they are in a variety of markets. Specifically, I asked them questions about awareness, cost, accessibility and seasonality. They're all good questions to ask about the Reef, but what came through most strongly was this question of image. It was saleable in every other respect. I'll just quote a few of them, for example from our Los Angeles office, I quote: "Most people who know of the Great Barrier Reef think of coral and fish, not of actual islands. Awareness of individual islands is limited"; from Frankfurt: "Neither trade, except for our specialists, nor consumers have precise ideas about what activities can be undertaken. Our impression is the resort islands try to sell us a sun and sea holiday without defining associated activities which give specific reason for visiting the Reef as opposed to the Mediterranean and Bahamas, etc.". This is an indication of how they see

competition, incidentally. From Tokyo, a clip that said "only Green Island is known generally. We need comprehensive Great Barrier Reef booklets, films and audiovisual material". One travel counsellor sent a confidential note (and I'm breaking her confidence but I want to make a point) saying she recommended only a handful of islands, and I won't name them, adding that "the other islands are only vague attractions to promote". One consequence of that comment is that we'll give her a familiarisation tour.

I want to make the point that we're not blameless in this and it might be easy for you to say "well if this is the impression overseas, why hasn't the Australian Tourist Commission done something about it beforehand?". That's not quite the problem, the real problem is we can't create the definitive images, the images which really do something for a product, the operator has to do that. He can consult us, we can give him advice on how we feel it should be tackled for various overseas markets because we rarely speak of just one overseas market, but in the end it must be he who decides who he markets to and what he should offer.

I don't know how this "it's-all-the-same-thing" image grew up. I know there have been some successful marketing efforts pitched at defined sections of the market. Even so, looking at the advertising and promotional material prepared for the domestic market, I find the experiences promised as being very much the same, too much the same.

As an aside, I would concede that this problem is not only confined to Reef marketing. Perhaps Australian travel marketing, particularly advertising, is going through a bad period. It lacks product definition. Everything is much the same in the land of contrasts. The basic problem is an old one in Australia, by saying too little about too many things you say nothing.

In the Reef area, there are a great variety of experiences to be had. The differences aren't being made clear enough. Yet every place I have been to, islands or on the mainland, has at least one distinctive feature which could be made its trademark. If there isn't one then one can be made. We need to accentuate the positive, and let the rest merge into the Reef background which can often be taken for granted.

Now, with a distinctive image in mind, it is possible to decide which market segments to aim for. In the international field, ATC is in a position to help determine this and we will be happy to do so. The appraisal must be carried full circle. Take an example of an island resort. It

may have features which instantly suggest appeal to a particular market segment, but is it complete appeal? Let me illustrate with a market segment we were looking at a few years ago. It's a segment which would require too much fine tuning for any Reef resort I know of to attempt to reach and satisfy. But it is useful for illustration. It is the young professionals: median age 35; making it as lawyers, doctors, accountants and business executives; unmarried or married without children; and with plenty of income for discretionary living.

Their lifestyle is very upscale. You can see it in their cars, clothes, clubs and so on. They may well take a sincere and intelligent interest in the Reef area during the day and enjoy the facilities for diving and fishing. But they would not enjoy, for too long, Australian homeliness in the dining room at night.

You may think I have not made a direct attack on the subject I was given to speak to. You remember? "The current and potential market for the Great Barrier Reef in the international tourist setting". But I have made some observations which bear on it. As far as the current market is concerned, it is being only feebly tapped. The statistics tell that story. More imagination, and attention to detail of presentation doesn't cost much, but can make the world of difference to the acceptability of a product. In marketing, we should develop a much more distinctive and positive approach to product definition, picking out a trademark feature, spreading the word on it and making sure the product lives up to its promise. That doesn't cost much either. In other words, I believe the Reef could be positioned much more firmly in international markets with some hard work, lots of co-operation among all relevant parties and modest expenditure. The market in the future will be greater than ever. We will not have to wait 10 years before our present overseas intake is doubled. By that time, I think we will be well on the way to developing more regional tourism for international visitors to Australia and the Reef area should be a prime beneficiary. The competition will be fierce. And, to keep up will require developmental investment. It is an interesting decade ahead.

DISCUSSION: (Chairman - Peter Wakeling)

TOM McLEAN, Roylen Cruises, : We've been operating cruises to the Barrier Reef for 32 years. It's a very dangerous proposition to suggest to people that the Reef is always accessible. There are 10 to 15 weeks in the year, when it is impossible to approach the Reef. And it's just not a matter of getting there. When you get there, you've got to put people in glass bottom boats, and we've faced many dissappointed and sometimes very vocal customers from America, Japan and Germany who have come to the Barrier Reef and were unlucky enough to strike one of those foul weather periods. So you're faced with the problem. Do you say "I'm sorry, we can't go", or "Well, we won't go because it's too rough", or if you take them, they may say: "You should have had more sense and not go". The Great Barrier Reef should be promoted with the inclusion that it cannot be visited year round. We notice the bulk of American visitors come between late January and March and we do our best to please them. We try hard because that's our sole source of income. But somewhere along the line, we've got to warn people that the statement, "when weather permits" is a very real one and one we've got to take notice of.

JOHN RICHARDSON: Captain, that is a very good point. In advertising the Great Barrier Reef we must tell people the truth from the start, and ensure they realise there are alternative activities to enjoy in the Reef area apart from just seeing the Reef. It's not always possible and not always pleasant.

JOY RUTLEDGE, Grace Bros. Travel: I was fascinated to read about the ATC New Zealand segmentation investigations. Germans, Japanese and Americans all have different wishes and different personalities.

JOHN RICHARDSON: That is why we're doing these segmentation studies. We have a very interesting market and one that is beginning to take off quite rapidly. It's been an interesting exercise because we've been concentrating on getting a response from one particular market segment. In fact I'm having some argument with our Frankfurt office because I think they've been over-concentrating on just one market segment, the adventure seeking type of person, but they point to success. The German in particular, is interested in getting away from his own crowded living. I was talking to some German travellers at the week-end on Lindeman Island. As an exercise, I traced how they decided on their holiday choice. You know, the whole motivational cycle in getting them to Lindeman.

The interesting thing was that it all started with reading an article which described walking along the plateau at Lindeman Island and seeing the huge sky, the sea and all the other islands. The article, written by a German journalist evoked a feeling of spaciousness and that was the motivation that started them off on quite extensive research before they got to Lindeman.

MAX HOOPER, M.L.A.: I think we've skipped far too lightly over that statement made by Captain McLean. The real crux of the matter is why are people not going to the Barrier Reef. Executives of both domestic airlines have told me quite frankly they hesitate to promote sending people to North Queensland and the Barrier Reef. Now there are thousands of islands around the Pacific as good as the islands we have off the Queensland coast, and you can't escape that fact. There are all sorts of reef areas around the islands which makes them very attractive. Surely to goodness, this workshop must talk about something constructive on how to get people to the Barrier Reef. I've heard lots of suggestions put up at various times that are unusual, for example, a large tanker should be located out there and made into a motel or hotel type operation, or take tourists out by helicopter. These things cost millions of dollars. It's going to need some federal government action, I believe, and I would hope that the Select Committee on Tourism might have done something towards that, in advocating some financial assistance to entrepreneurs to actually get people on to the Barrier Reef.

JOHN RICHARDSON: Well, I certainly wouldn't speak against that. What I was trying to do was to confine my own remarks here to what exists now, rather than looking forward to millions of dollars investment because I don't know quite where it's coming from. I take the point that if some means can be found to ensure that people can get to the Reef at any time, that's a great plus. My other point is that, I repeat myself here, there's an awful lot of wonderful things to do in the area without going out to the Reef too. We just ought to be honest about telling people that sometimes they can't get to the Reef in comfort.

ALAN STRINGFELLOW, P. & O., Australia: I guess that the first thing I could say is I am staggered. This is a workshop of tourism on the Barrier Reef and we've got a number of people talking about difficulties of getting people to the Barrier Reef. Let's face it. We have two resorts in this country which are on the Barrier Reef, Green Island, and Heron Island. I think we're talking a lot of nonsense if we don't recognise the fact that we have a number of resorts which offer different things which have in some instances been promoted differently

but which can offer right now access to the Reef, 365 days a year. Now, there is no need to talk about the need to cruise the Barrier Reef, the need to spend millions of dollars. In 1978, on Heron Island, 40% of the people who came to the island came from overseas, so they know how to get there. The products are there now, they may not be as good as we would like and I think that we would all like to see better resorts on the Reef, but the reality is that there is a facility for getting to the Reef all the time.

JOHN RICHARDSON: But I think Alan, you'd agree, that in our terms, you're speaking of one island with limited capacity. Heron is a very promotable island overseas. When the ATC started special interest promotions in the United States in 1974, we quickly over-reached ourselves on the capacity for scuba-diving. We didn't have the boat facilities, which was the big problem at that time and we withdrew from it as other specialist operators took more interest, many of whom you do business with now. The point I was talking about is in a larger framework, in other words, existing plant needs to be used. Existing investment in this country is under-utilised despite all the talk about needs. If we have a better tourism distribution system, that is, getting people in and out and all over the place, we would solve a lot of our problems.