DEVELOPMENT FORMS SUITABLE FOR THE OVERSEAS MARKET

by

STEPHEN LE PAGE
(Australian Tourist Commission)

The scope of the topic set for me quite frankly is enormous and I have taken the term "development forms" to mean the more precise but all-embracing term "tourism product". By this I mean all those facilities, services, attractions and resources which, at one time or another, are used by overseas tourists during their stay along the Queensland coast.

Over the past decade the growth in overseas tourism to Australia has not been spectacular, but it has been reasonably steady with an average annual growth of about 10%. In 1968 we received 237,000 short term visitors. Ten years later, in 1978, the inflow had increased 2.6 times to an estimated 606,000 people. Incidentally, these are correct figures.

Bearing in mind the unfavourable conditions for international travel which have prevailed throughout the world in recent years, such as sluggish trade and investment, high unemployment and inflation and persistent payment imbalances, the latest annual increase of 7.6% (from 563,000) is reassuring. In the past Australia has faced considerable disadvantages as a tourist destination, and the fact that our share of world tourism and Pacific tourism arrivals has been maintained at 0.23% and 3.9% respectively is, I think, quite a laudable achievement.

Over the years the nature of overseas tourism to Australia has not changed markedly, with the proportion of discretionary (purely holiday) travellers hovering above the 60% level. Our most important origin market is New Zealand, followed by the United Kingdom, the U.S.A., Japan, Canada and Germany.

The prospects for further strong growth in the number of visitors to Australia are favourable in the short term because recent airfare cuts represent a reduction in the real cost of travel relative to other consumer costs. Additionally, Australia's moderate inflation rate (contrary to those overseas) and the relative parity of the Australian Dollar, currently serve to highlight the attraction of Australia as a destination.

A most important feature of the overseas market generally is that it is most in evidence during the local off-season. We know it's not the largest in existence here but it is an important seasonal off-setting factor. Thus, with appropriate marketing, individual operators can negate the effects of a domestic downturn. I believe Australians tend to be hyper-sensitive about the weather (perhaps because we have it so good most of the time) but most overseas travellers are quite prepared to take it as it comes provided they are forewarned or an incorrect picture is not painted. The point of Captain Maclean's, this morning, about the viewing of the Reef in times of bad weather is quite pertinent in that respect.

It is important to recognise that the overseas market is not homogeneous and that considerable opportunity exists for individual operators to gear or position themselves in their marketing approach so as to take full advantage of differences in the needs and desires of prospective tourists.

Again, clear differences exist between the needs of the domestic and overseas markets, with the former probably being most readily characterised by a higher proportion of families, a heavy preference for car travel (though this is also variable according to origin etc.) and probably with a preference for lower cost and "no frills" accommodation. These distinctions are relevant if an operator wishes to cater for both the overseas and the domestic market. The two segments can be complementary, but care should be taken to prevent emerging conflicts such as might exist in the case of an island resort catering to bus tour operators using two day stop-overs and day trippers, while simultaneously approaching the overseas market for longer get-away-from-it-all tourists.

Within the overseas market differences exist between origin countries. Following are a few brief and general sketches of travellers of various nationalities. I might point out that despite the changes in airfares and thus the broader appeal of Australia as a destination, the basic traveller type (to the Barrier Reef anyway) will not appreciably change in the short term.

U.S. travellers to the Reef might well be:

- travelling as one of a pair;
- on a pre-booked package tour but moving independently;
- probably already well travelled and well informed on what they should be seeing;
- primarily dependent on air travel and conscious of how their time is being utilised or wasted;

- well educated, with an enquiring and detail-oriented mind. They are likely to ask questions like "How many coral polyps are there to the square inch?" or "How old are the islands?";
- fastidious about accommodation standards and food preparation.

The German traveller to the Reef area is likely to be:

- individualistic and possibly looking for excitement;
- more activity-oriented than other travellers but with the activities more self-related such as snorkeling, scuba diving, fishing, horse riding and so on;
- they accept accommodation without "frills" provided it is "spic and span" and well organised. The basic product (the ability to experience the Reef and tropical waters) must be up to expectations;
- seeking entertainment and diversity in the evening.

The Japanese traveller to Australia is likely to be:

- moving in a group;
- wanting to participate in adventurous activities (but in a group);
- fairly particular about food but less so about accommodation.

The Japanese at this moment are not significant as Reef and coastal visitors, but as investment increases and the established carrier links become more popular, promotion will increase and so too will interest in Australian tropical areas. The group syndrome is likely to persist for some time because of language problems and traditional and social factors.

The English (UK) traveller is probably:

- cost and "value for money" conscious in both food and accommodation;
- individualistic;
- if in Australia to visit friends and relatives may well have an incorrect and superficial knowledge of the Reef;
- here mainly for the sun and tropical atmosphere and may regard the technical and educative aspects of the Reef as of secondary importance.

The New Zealand traveller, for the purposes of this brief scenario, might well be regarded as similarly motivated to the domestic market.

- primary location at points of highest public use, but with ancillary operations in parts of the Reef of special note;
- provision of recorded multilingual commentaries and precise and interesting written descriptions of all aspects of coral and marine life; and
- scientific affiliation, back-up and staffing.

I might add that the Great Barrier Reef Marine Park Authority exists and can assist individual operators in setting up and compiling interpretation facilities. It's then a matter of private operators asking the Great Barrier Reef Marine Park Authority for that assistance.

The few tropical adventure tourist and scuba diving/fishing tours which already exist provide a good service, with the operators earnestly seeking out the best venues for participation or description. But more tours are needed and regional and State tourist authorities could well combine with reef and wildlife specialists and with existing local tour operators to produce truly representative and outstanding tour products for marketing overseas.

One feature which could boost the patronage of these products (and perhaps justify the extra costs likely) is the award of an authoritative stamp of approval, either from the Marine Park Authority, regional bodies or government.

The era of special interest travel is in full swing and the Great Barrier Reef is a gigantic special interest in its own right. At the moment it is wasted. By way of example, the latest special interest tour brochure issued for the North American market by a major airline servicing Australia only mentions Heron Island and Cairns as sites for bird-watching. There is no mention of the wonderful tourist spectrum of reef-walking, scuba diving, snorkelling, fishing of all sorts, and sailing. Why?

Another product ramification is the clear need to identify tourist facilities as being truly Australian.

For Australian distinctiveness perhaps an appropriate measure is to make architectural reference to an historical age beyond contemporary interest, say, an Australian squatter's homestead of 1880 vintage, with wide verandahs and functional environmental cooling incorporated in the design. A building along these lines has proven successful at Lizard Island while the new accommodation facilities on Dunk Island have a similarly arresting and suggestive roof line.

Reference to a sufficiently removed era will reduce the tendency of the building to age in consumers eyes and in addition, emphasizes the Australian nature of the destination.

I do not believe it necessary or even desirable to attempt to air-condition accommodation units on islands along the coast, provided they are sited and designed so as to take full advantage of cross-draughts, are insulated, have ceiling fans, the windows and walls are shaded by wide roof overhangs, reflective surfaces on the ground and surrounding buildings are minimised, and concealing, shady foliage is encouraged. Of course, if they haven't these features - and many of the older resorts fall in that category - then air-conditioning might be the right answer.

Attention to detail inside the unit is imperative with private facilities generally a must, but carpet totally unnecessary and often counterproductive. Additionally, and many operations fail to recognise this, there is enormous scope for indoor plants, hanging baskets, and flowers in the rooms. So many times you go into a resort anywhere along the coast and you could be in a country motel in New South Wales. Where is the image that Doug Nettleship was talking about before? There isn't any.

Another product need is to encourage overseas visitors to meet Australians.

This seemingly insignificant factor - that Aussies are an attraction in themselves - is often overlooked by resort and attraction operators. Yet it is clearly one of the most important elements for an enjoyable holiday for overseas people. They do want to mix and swap experiences with us. Yet, as a generalisation, few resorts really put effort into encouraging people to mix, or in making situations conducive to this.

The relative emphasis to be employed obviously depends heavily on your market. Thus, for Great Keppel and younger groups, the successful mixing of guests is an imperative for continued success and this is recognised fully by the management. However, for those resorts employing a fixed dining table routine, or even "leaving things to take their course", I suggest that social intercourse is minimised and that the amenity derived by guests is thereby lowered. Some resorts, like South Molle, have a "Happy Hour" to encourage mixing.

Perhaps a lesson could be taken from the success of international operations like Club Med, which strongly emphasises guest inter-relationships. While a facility of the same lines as Club Med may not prove viable under local and Great Barrier Reef operating conditions there is no doubt that lessons can be learnt.

Overseas visitors also require a wider range of food and bar services on land resorts than is currently provided.

I believe the "all-inclusive" tariff structure which is pretty much common to the islands must eventually be replaced by a range of food and service facilities catering more realistically to different visitor requirements.

My arguments for change are encapsulated in the following points:

- customer demand for more sophisticated and differentiated food and bar facilities will increase because it is increasingly common overseas for self-contained resorts to provide a range of dining facilities such as an intimate a-la-carte restaurant, a bistro or self-service affair, a snack bar and food-to-go facilities, all of which are open long hours;

- the pursuit of individual activities by guests sometimes conflict with established dining hours; and

- introduction of a room only tariff will immediately improve local products' competitive pricing position vis-a-vis overseas products and will allow the customer greater individual financial flexibility.

Such a change-over (from 'all inclusive' tariffs to 'room only' tariffs) does have some associated problems, such as the employment of additional staff, increased localised administration and financial management tasks and so forth, but I believe that with increasing sophistication of the market it is only a matter of time before this development must ensue.

As a development priority there appears to be a need to protect the interests of resort stayers against the encroachment of day-trippers and to rationalise any conflicts of interest which may arise.

This latter concession may involve or require a resort establishing separate facilities of a commercial nature adjacent to or on crown land (if there is insufficient room on the resort) specifically to cater to day-trippers.

To cater for increased flows of overseas visitors as well as growth in the domestic market there is a need for further large scale, capital intensive investment in resorts and tourist equipment.

Up to the late 60's much of the tourist development along the coast and on the islands stemmed from private individuals who, while in no way lacking in imagination and foresight, were somewhat strapped financially. The resulting developments reflected this under-capitalised situation in the standard of facilities and service offered.

The past 10 years has seen larger, more diversified companies extend their operations into the tourism destination field, with a resultant widespread refurbishing of plant and facilities. This has also been matched by an expanding number of professional managers so that services have also improved. Marketing too has come of age so that the entire region has benefitted from the wider exposure and, via the involved national carriers, it has been made available for booking throughout Australia and the world.

From the overseas market point of view this change in operational format has been most significant. A major constraint on effectively marketing the Great Barrier Reef as an attraction has been the problem of appropriately accommodating overseas visitors on a value for money basis.

It may be, that while value for money is now offered, overall capacity may soon lag behind. Certainly, accommodation operators have excess capacity during the domestic off-season but they are often full for the six months of the high season. The new international airfares may increase accommodation pressure during the high season and shoulder periods, while other factors ensure continued overseas demand during the off-season here.

I believe it is a fact of life that to successfully develop an island or coastal resort suitable for domestic and overseas markets, it now requires financial resources far beyond the reach of most individuals. Waste disposal and environmental requirements; high accommodation standards; the high standard of staff facilities now regarded as almost mandatory; the need to provide a very wide and usually capital intensive range of ancillary services and activities; logistics and management problems; the need for competitive marketing; all these militate for the development of resorts where economies of scale can and in fact must be achieved.