Australian Government
Tourism Research Australia

TOURISM
RESEARCH
AUSTRALIA

STRATEGIES TO ASSIST TOURISM INDUSTRY SMALL AND MEDIUM ENTERPRISES TO ENGAGE WITH ASIAN MARKETS

Full report

DECEMBER 2013

ENGAGING WITH ASIA

ACKNOWLEDGMENTS

Contents

1. INTRODUCTION

This research project was undertaken by Tourism Research Australia (TRA), on behalf of Tourism Australia, as part of the Asia Marketing Fund (AMF) research. The AMF aims to attract more visitors and economic returns from Asia—one of the world's fastest growing tourism markets.

In the year ended June 2013, Australia received 2.7 million visitors from Asia who spent around $13.2 billion. TRA forecasts that by the end of the financial year 2022−23, visitor arrivals from Asia will reach 4.4 million, with tourism expenditure from the region growing to around $20.6 billion (Figure 1). Forecast growth from Asia is expected to account for over half of total growth in international arrivals to Australia that will occur between now and 2023[1].

FIGURE 1: FORECAST GROWTH FOR ASIA – VISITORS AND EXPENDITURE
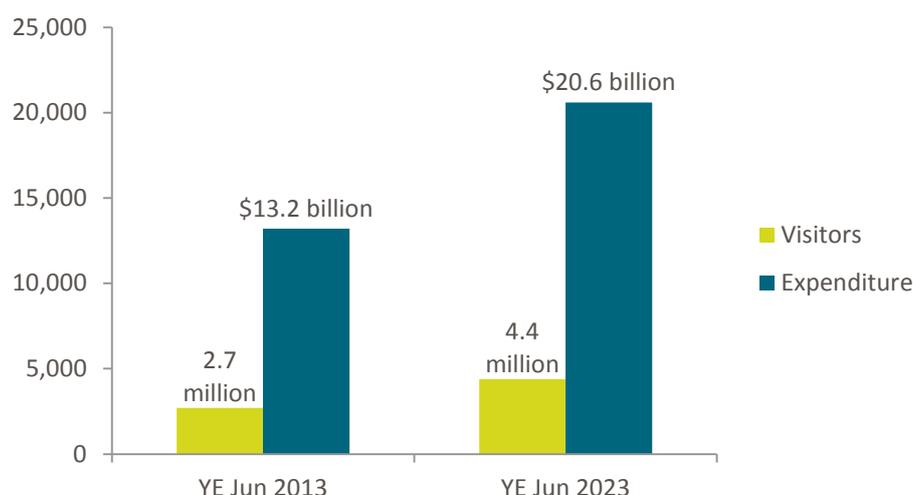
Source: Tourism Research Australia: Tourism Forecasts Spring 2013; International Visitor Survey June Quarter 2013

This growth presents 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 offer a wide range of high quality tourism product. This requires active engagement of tourism operators across Australia.

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

This report identifies the barriers which impact on the ability of Australian tourism businesses to engage effectively with Asian markets and suggests a number of strategies for operators, industry organisations, and government aimed at overcoming those barriers.

Tourism industry organisations include peak bodies such as the Australian Tourism Export Council, Tourism and Transport Forum, the National Tourism Alliance, as well as smaller organisations representing specific sectors of the industry.

Because over 99 per cent of Australia's 280,088 tourism businesses (as at June 2012) are *non-employing, micro, small* or *medium* businesses[2], the focus of this research is on barriers and strategies relating to tourism businesses in the category of *small to medium enterprises* (SMEs).

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[1] Tourism Research Australia *Tourism Forecasts Spring 2013*
[2] Tourism Research Australia 2013, *Tourism Businesses in Australia, June 2009 to June 2012*

2. BACKGROUND

This research identifies the barriers preventing tourism SMEs from engaging with tourism opportunities from Asia and provides strategies aimed at overcoming these barriers. Using a qualitative methodology, the project included the following:

- a literature review
- focus group discussion
- a resources audit
- interviews with a range of tourism industry experts and operators
- case studies[3]

The barriers identified during these processes have been classified into two groups: *business level barriers* and *external barriers* (Figures 2 and 3). In this report, *business level barriers* refer to internal characteristics of tourism businesses such as *motivation*, *knowledge*, and *resources*; the *external barriers* refer to external factors that may impact a company's operations such as *economic trends, technology*, and *government policy and regulations*.

IDENTIFIED BARRIERS

In engaging with Asian markets, tourism operators commonly face the following barriers:

Motivation

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

Knowledge

A lack of business, market, and cultural **knowledge** and capabilities form barriers that can prevent tourism operators from effectively engaging with Asia.

Resources

While a number of **resources** have been available to assist tourism operators to engage with Asia, a lack of awareness about, and access to, such resources can create barriers. 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.

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[3] For more information about the research methodology, see Appendix A

Throughout the research process, a number of strategies emerged to assist tourism operators to engage with Asian markets. They have been classified into *strategies for tourism operators*; *industry*; and *government*. It is recognised that overlap may occur and that overcoming barriers requires cooperation and coordination between industry operators, industry associations and government (national, state and local). One of the recurring themes to emerge from the research is that a coordinated approach to engaging with Asia is required between operators, industry associations and government, but just where responsibility for this approach lies is unclear.

KEY STRATEGIES

To help overcome the barriers, the following 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 advisers

Government (working with industry)

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

Business level barriers

Motivation
- unsuitable product offering
- limited dispersal
- competition
- cost of engagement
- complexity of engagement
- disinterest

Knowledge
- business knowledge
- market knowledge
- cultural knowledge

Resources
- time and money
- access to and useability of 'how-to' resources

External barriers

Economic

(e.g. exchange rates, travel costs, country of origin economies)

Financial

(e.g. costs of doing business, investment, availability of infrastructure)

Technological

(e.g. access to information, reservations / bookings / payment systems)

Political

(e.g. government policy and regulations relating to visas, air access, labour)

Overcoming barriers – Strategies for tourism operators, industry organisations & government

Tourism operators

Think strategically: develop business plans to target a specific Asian market or markets; tailor product and services to meet customer needs and expectations

Talk to the experts; develop partnerships and networks

Make use of research and resources developed by industry and government

When entering the Asian market for the first time, consider engaging with the more mature markets of Singapore and Hong Kong – you may be less likely to encounter language barriers

Develop a range of 'Asia capabilities' among management and staff:
- **provide cultural awareness training**
- **employ staff with Asian language skills**
- **have key tourist information translated**

Industry organisations

Continue to work with government to create awareness of the opportunities presented by the growth in outbound tourism from Asia

Consider extending 'China Ready' to other Asian inbound markets

Provide tourism operators with 'distribution know-how' through workshops, particularly in regional areas

Provide a service for operators to put them in contact with culturally appropriate business advisers ('Asia specialists')

Government

Work with industry to develop a suite of on-line 'how-to' resources for tourism operators to help them engage with Asia (including consolidation of existing resources)*

Work with industry to develop a training program for 'Asia specialist' business advisers. Consider providing financial subsidies for one-on-one consultancy services

Work with industry and Enterprise Connect to explore the possibility of developing an initiative specifically targeting tourism operators who wish to engage with Asia

Work with industry to develop policies and programs to encourage dispersal among visitors from Asia
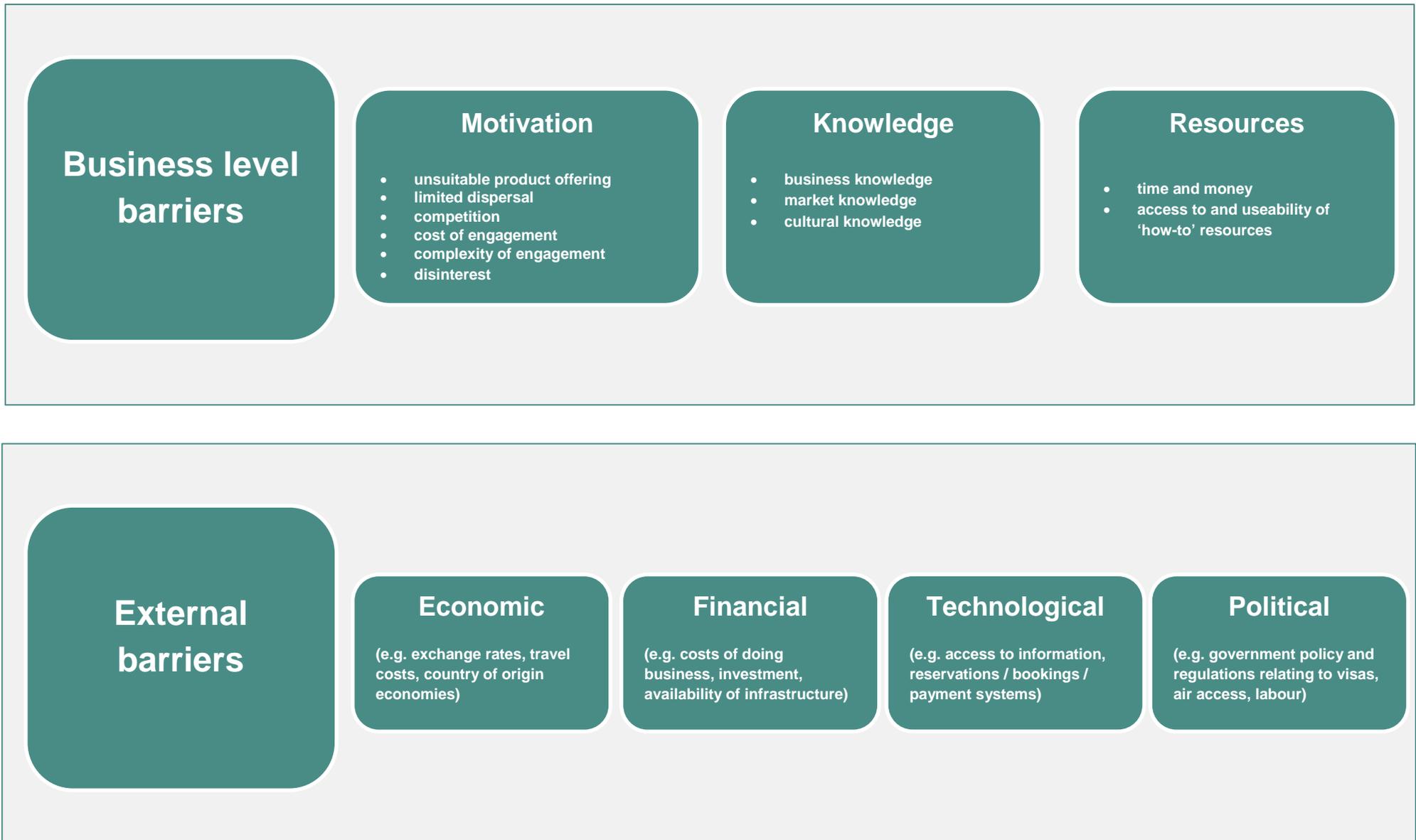
*The need to develop a suite of online 'how-to' resources, and to consolidate existing resources became apparent early in the research process as part of the audit of resources. This need was validated during the focus groups and interviews. Tourism Research Australia, with assistance from Tourism Australia and the Australian Tourism Export Council, undertook this initiative as a second stage of this project. The resources are available at http://www.tra.gov.au/asiafocus/Engaging-with-Asia.html

3. BUSINESS LEVEL BARRIERS

3.1. MOTIVATIONAL BARRIERS

A lack of motivation on the part of tourism operators emerged as a key barrier to engagement with Asia. Motivational barriers included the following:

Unsuitable product offering	*Cost of engagement*
Limited dispersal of tourists from Asia	*Complexity of the engagement process*
Competition	*Disinterest*

Strategies

For tourism operators:

- Don't assume your product won't be of interest to visitors from Asia. Access existing market research and seek industry or government assistance to determine to which segments your product will appeal

- Tailor products and services to meet customer needs and expectations

- Think strategically: develop business plans to engage with Asian markets

- Develop partnerships and networks; where available attend local, regional and national workshops and conferences, etc

For tourism industry organisations and government:

- Continue to work together to create awareness of the opportunities presented by the growth in outbound tourism from Asia

- Develop policies and programs to encourage dispersal among visitors from Asia

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UNSUITABLE PRODUCT OFFERING

Some tourism operators believe that the product they offer is simply of no interest to tourists from Asia—although it was clear that this view was not well founded in many cases. This sentiment was particularly significant among operators offering adventure tours and ocean-related tours. However, Big Cat Green Island Reef Cruises in Cairns and Moonshadow Cruises in Port Stephens successfully cater to tourists from India, China and South Korea (see http://www.tra.gov.au/asiafocus/Case-studies.html).

Asia is not a homogenous market; neither are the countries within Asia. China, for example, is not one market, but many segmented and diverse markets. As Johanna Vos from the China Outbound Tourism Research Institute observes, the search for an experience and for differentiation are reshaping Chinese travel habits.[4]

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[4] Citrinot, Luc *Chinese travellers deserve a better understanding,* Travel Daily News Asia-Pacific 20 June 2013

In July 2013, *The Wall Street Journal* noted that growing numbers of Chinese tourists were giving up group and shopping tours in favour of independent travel to enhance the quality of their travel experience.[5]

Furthermore, as tourism markets mature, travellers may become more adventurous and look for experiences beyond the typical. As Vos also notes,

> 'the sophistication of the travel market is particularly evident with experienced repeat travellers—luxury travellers who foster individual behaviour.'[6]

Tourism operators wishing to engage with Asian markets would benefit from market research to identify the segment/segments to which their product may appeal. Furthermore, they might consider identifying which of their product attributes could be tailored for their target markets.[7]

LIMITED DISPERSAL OF TOURISTS FROM ASIA

Both industry experts and tourism operators agree that there is little dispersal of tourists from Asia into regional areas.

> 'Dispersal is one of the biggest issues. Dispersal from the capital cities out to regional areas is not happening … we're only getting traffic through the major capital cities and tourism precincts such as the Gold Coast and North Queensland.' *Tourism industry expert*

For many tourism operators, the question of whether they market their business to Asia is not relevant because Asian tourists are 'not attracted to their areas'. It is understandable, then, that a small business in a regional area that attracts primarily domestic tourists cannot justify, from a business sense, the allocation of resources to attracting and serving tourists from Asia.

Despite limited dispersal currently being a characteristic of the travel patterns of tourists from Asia, some operators and experts believe that these markets may represent opportunities in the longer term, particularly as the markets mature. This notion of market maturity is reflected in the observations of some operators that the visitors they do receive from Asia are on their second or third trip to Australia. One operator acknowledged that perhaps once the markets mature, there would be opportunities for her business to market to Asian visitors who have already been to the cities and who want to experience what regional areas have to offer.

However, other operators believe that Asia would never represent an attractive market for their regional areas. As a case in point, one respondent noted that while Japan is a mature market for Australia, visitors from Japan still do not venture to their business in remote Northern Territory. This respondent was sceptical that new visitors from China would be more adventurous than Japanese visitors and questioned whether remote and regional Australia would appeal.

Another respondent pointed to the problem of access to regional areas, explaining that this was why his business did not target Asian tourists. He believed that Asian tourists do not come to his region because they typically like places that are easy to access and that are included in a package. By way

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[5] Zhou, Nicole *Going shopping overseas losing its favour in Chinese Market,* Travel Daily News Asia-Pacific 30 July 2013
[6] Johanna Vos, China Outbound Tourism Research Institute quoted in Luc Citrinot *Chinese travellers deserve a better understanding,* Travel Daily News Asia-Pacific 20 June 2013

[7] Product tailoring is discussed in more detail under 'Cultural knowledge' (see page 12)

of contrast, he explained that German tourists make up ten per cent of his customer base because of their willingness to self-drive and explore remote areas.

The issue of dispersal of Asian tourists throughout regional Australia is not something an individual operator can address. Both Tourism Australia and TRA are examining the issue of limited dispersal among tourists from Asia. To assist tourism operators in regional areas to benefit from the growth in Asian tourism, governments at national, state and local level could work with industry to develop policies and programs aimed at encouraging dispersal.

COMPETITION

Some tourism operators believe that while visitors from Asia want the product they are offering, in the area they are offering it, their competition (particularly bigger operators) gain the lion's share of the market, which negatively impacts on their motivation to engage.

> 'The larger operators have hired guides and interpreters for the different Asian markets … they have the tools and knowledge to attract Asian tourists; SMEs cannot compete with this'. *Tourism industry expert*

Other tourism operators feel they are not able to compete because outbound tour operators from Asia have locked in with preferred tourism operators in Australia based on familial or other connections.

COST OF ENGAGEMENT

Contributing to a lack of motivation to engage with Asia is the notion that such engagement is costly in terms of money and time and that it is not clear if there will be a return on investment. Even if a return on investment seems likely, it will not be realised for a number of years. Some tourism operators, understandably, feel they cannot commit to such long-term and risky investments. As one industry expert commented,

> '[SMEs] are not going to have the dollars and cents to be able to put an ad into Shanghai around a product here in Australia.'

Tourism operators already engaged with Asia confirmed that the process of directly marketing towards Asia is a time-consuming and expensive one that produced rewards only in the long term. Issues around *time* and *money* are dealt with in more detail under 'Resource barriers' on page 17.

Comments around direct marketing to Asia illustrated some of the confusion that exists within the industry. With a better understanding of the engagement process and distribution channels, tourism SMEs may find that direct marketing in Asia is not necessary.

Many tourism SMEs also commented on the time required for building trust, commitment and long-term relationships and that even if their marketing to Asia was '100 per cent funded', they would still only have limited time to devote to relationship building.

> 'China is high risk, low on return … western markets are low risk, high on return – so that's where we focus our efforts.' *Non-engaged tourism operator*

COMPLEXITY OF ENGAGEMENT PROCESS

Compounding the barriers of money and time is a perception that engaging with Asian markets is a complex process. Among the tourism operators who were interviewed for this research, the most common frustration was not having any leads to tour operators from Asia. Many tourism SMEs felt they would benefit from help with finding distribution channels.

> 'Finding distribution channels can be overwhelming and I think that's why a lot of people don't press on with it.' *Engaged tourism operator*

In some instances, the online environment and digital distribution are thought to have complicated the matter of reaching the Asian markets, as some prefer traditional distribution, some digital, and so forth.

Tourism industry experts are aware that the complexity of the engagement process can create barriers for operators, with one commenting,

> *'A lot of operators are very, very unclear about how to connect their product with distribution channels that are going to help them reach consumers in China, Malaysia, or Indonesia.'*

The Australian Tourism Exchange (ATE) provides an opportunity for Australian tourism operators to meet buyers from overseas, however, some respondents questioned its usefulness in introducing them to the right Asian contacts. A number of respondents who had previously attended ATE no longer participate in the eastern module because it has not proven to be an effective way for them to meet the right Asian tour operators.[8]

However, other operators have benefited from ATE and recommend attending as a way to engage with Asian markets. Shannon Bailey, Head of Sales, Merlin Entertainments Group, believes that participating in Tourism Australia's ATE event is useful for tourism operators as it provides

> *'the opportunity to meet with many agents at once – however the operator needs to follow up.'*[9]

To help address distribution issues, industry and government could work together to develop programs to help tourism operators successfully navigate the 'engagement process'. These programs could be offered face-to-face and online to meet the various needs of SMEs. In addition, tourism operators should be proactive in developing networks and attending local, regional and national workshops and conferences where available.

> 'If you attend as many seminars or conferences as you can – that can only assist you. If you can network with the people that you meet at conferences they'll be able to teach you and show you. I think networking is very important.' *Engaged tourism operator*

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[8] The ATE is Australia's premier tourism trade event and the largest of its kind in the southern hemisphere. The event is organised by Tourism Australia and brings together Australian tourism operators with buyers from overseas. The organisers continually review the event based on stakeholder feedback. For example in 2014, ATE's 'east' and 'west' modules will be combined into a 'single, shorter and sharper global event'.
[9] Case study *Engaging with Indonesia*, Merlin Entertainments Group, Sydney www.tra.gov.au/asiafocus/Case-studies.html

DISINTEREST

Some tourism operators are simply not interested in engaging with Asian markets. These operators are happy with their business as it is, and do not see a need to develop additional markets.

> 'Marketing to Asia is just not our core – it's not what we do.'
> *Non-engaged tourism operator*

A number of industry experts suggested that tourism SMEs prefer the easier, traditional western markets. As long as these markets are profitable, there is little motivation to seek out other markets, particularly if they require taking more risks.

Overall, tourism industry experts are sympathetic to the view that being 'Asia ready' is not for all tourism operators.

3.2. KNOWLEDGE BARRIERS

While some tourism operators have not engaged with Asian markets due to a lack of motivation, others *are* motivated but feel they lack the knowledge and skills to engage effectively. Knowledge barriers are categorised into the following areas:

Business knowledge	*Market knowledge*	*Cultural knowledge*
• *Lack of general business knowledge* • *Lack of tourism business expertise*	• *Lack of general marketing knowledge* • *Lack of specific 'market' knowledge*	• *Language barriers* • *Cultural awareness and understanding at the customer service level* • *Cultural awareness and understanding along the distribution channel* • *Mismatch between product offering and customer expectations*

Strategies

For tourism operators:

- Develop business plans to target a specific Asian market or markets

- Access existing marketing research, or undertake specific market research to target appropriate segments

- Tailor products/ services to meet customer needs and expectations

- Make use of research and resources developed by governments and industry associations

- When entering the Asian market for the first time, consider engaging with the more mature markets of Singapore and Hong Kong—you may be less likely to encounter language barriers

- Develop a range of 'Asia capabilities' among management and staff:
    - provide cultural awareness training opportunities for front-line and management staff specific to the market/s being targeted
    - employ staff with Asian language skills
    - have key tourist information translated (brochures, signage, website)

- Consider using the services of a tourism consultant with expertise in the market/s you are targeting

For tourism industry organisations:

- Consider extending 'China Ready' to other Asian inbound markets

- Provide tourism operators with 'distribution know-how' through workshops, particularly in regional areas

For government:

- Work with industry to develop a training program for 'Asia specialist' business advisers. Consider providing financial subsidies for one-on-one consultancy service

- Work with industry and Enterprise Connect to explore the possibility of developing an initiative specifically targeting tourism operators who wish to engage with Asia

BUSINESS KNOWLEDGE

Every business needs certain general business knowledge such as strategic planning and management, and more specialised expertise as required. There are many courses available for small businesses across Australia, with many being delivered flexibly for little, or in some cases, no cost. Tourism operators wishing to engage with Asian markets need general tourism business knowledge, and expertise more specific to their target markets.[10]

> *One tourism operator, who is successfully engaged with Asia, summarised the business knowledge required in the following way:*
>
> '… *first*, you need to be established in the domestic market; *second*, you need to build it into your business plan and to make sure that it's a long-term commitment (minimum of three to four years); *third*, you need to have a marketing budget set aside for the purposes of international marketing; *fourth*, you need to engage with the trade … it's about sales calls, getting to know agents, spending time with them, going to the trade shows that are available, attending overseas missions and being consistently present in that market over some time so you can build trust and creditability and acknowledge that it takes more than 18 months to get a return on your initial investment.'

MARKET KNOWLEDGE

Just as every business needs general business knowledge, they also need general *marketing knowledge* and more specific *market knowledge*. Knowledge about their target market or markets is essential for those tourism operators 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 markets, each with its own characteristics and travel preferences.

As with business courses, there are various general marketing and tourism marketing courses available across Australia.

Specific 'market knowledge', however, as distinct from 'marketing knowledge' is available from a number of sources, and it is important for tourism operators to keep up to date with these.

Such sources include the industry resources referred to in footnote 12, as well as reputable news websites; country profiles (the Department of Foreign Affairs and Trade), industry engagement (networking, workshops etc); research and statistics (TRA and Tourism Australia).

Both TRA and Tourism Australia have reviewed their websites, making it easier for users to access the information they need.

CULTURAL KNOWLEDGE

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 that 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.

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[10] As part of this research, an audit was conducted of resources currently available to assist tourism operators to engage with Asia. See Appendix B. For a list of resources see http://www.tra.gov.au/asiafocus/Resources.html

Tourism industry experts and operators agree that cultural understanding is an important component for effective engagement with Asia, with one expert commenting,

> *'The first issue to overcome is the insecurity of tourism operators in trying to engage with a market that's unfamiliar and in particular, they don't have a lot of connection with in terms of custom, culture and language.'*

Indeed, an understanding of Asian cultures—also referred to as 'Asia-literacy'—is a hallmark of the *Australia in the Asian Century* white paper.

> All Australians need the opportunity to develop broad-based Asia-relevant capabilities; some will go on to develop more specialised skills shaped by their individual choices and circumstances. Australia's education and training systems, from early childhood through schools and on to tertiary institutions, will be central to Australians developing these skills.
>
> These Asia-relevant capabilities are critical—they are the fundamental skills and abilities that will drive Australia's economic and jobs growth in the years ahead. In addition to these real economic benefits, these capabilities will increase Australians' understanding of our region, preparing foundations for deeper and broader relationships and enriching our society and culture.
>
> Asia-relevant capabilities include adaptability, flexibility, resilience, creative and design thinking and the confidence and readiness to interact with and operate in Asia.
>
> (Commonwealth of Australia 2012 *Australia in the Asian Century: White Paper October 2012*, p 162, *http://asiancentury.dpmc.gov.au/sites/default/files/white-paper/australia-in-the-asian-century-white-paper.pdf*)

LANGUAGE

Not surprisingly, both tourism industry experts and operators cited language issues as a barrier to engagement with Asia. Language barriers can occur at any point in the tourism supply chain, from the content of brochures and websites, to face-to-face interactions with visitors and wholesalers.

A number of strategies aimed at overcoming language barriers have emerged from the research, including:

- translation of brochures, fact sheets, websites, menus etc
- translation of signage
- using translation head set units
- employing tour guides and staff who speak the visitors' language
- using translators/interpreters when dealing with overseas business contacts.

Translating materials 'correctly' is sometimes an issue for operators. One (now successfully engaged) operator noted that at first this proved difficult for their business because they learnt that the materials they had translated into Chinese were, in fact, 'just gobbledygook'.

> '… this summer we engaged a couple of Chinese speaking people in our visitor services team. Not as guides, but at the ticketing desk giving out information so that when Chinese visitors or tour groups arrived, we had someone who could speak with them … who could actually talk to them.' *Engaged tourism operator*

One valuable source of staff (visas permitting) are overseas students from Asian countries who are studying in Australia.

> 'There are a lot of people with [Asian] language skills who are studying here in Australia and might be studying tourism or marketing or business. If we can align their studies with a practical placement in tourism, we could keep them on as an employee – so you'd be helping employment, you'd be helping education, and you'd be helping tourism. We'd have a cost-effective way of getting the things we need now and we could up-scale them for the long term so they become a long-term asset to our tourism business.' *Engaged tourism operator*

A strategy suggested by one tourism industry expert to avoid language barriers is for tourism operators to engage (at least initially) with Asian markets that have English language skills.

> *'[If] you haven't engaged with the eastern markets before, why would you cut your teeth on what is the most complex market in the world, being China, when you can deal with markets like Singapore, Hong Kong and Malaysia? They've been coming to Australia for a very long time. Singapore and Hong Kong in particular are probably more western than a lot of western countries—so you don't have the language barriers … that you would in China or in Indonesia, for instance. So I always encourage people to take their first foray into the east by engaging first with Hong Kong and Singapore.'*

Of course, it would not make good business sense for tourism operators to attempt to cater to visitors from all of the countries in Asia by having material translated into several different languages. Nor would it be sensible to try to overcome language barriers by employing numerous staff to cover all Asian languages. A more realistic and focused strategy would be for tourism operators to target specific Asian markets based on sound business planning and market research.

While language issues were indeed cited as a barrier to engagement with Asia, the research findings also suggest that with the right approach, these barriers can be overcome in relatively simple (albeit at times expensive) ways. Many of the respondents felt, however, that other cultural barriers were more difficult to overcome.

LACK OF CULTURAL AWARENESS AND UNDERSTANDING AT THE CUSTOMER SERVICE LEVEL

Cultural awareness is an acknowledgement and appreciation of the differences among cultures. For Australian tourism operators to successfully engage with visitors from Asia, it is important that front-line staff, in particular, are aware of cultural differences and know how to put visitors at ease.

> 'Asian visitors have very, very different expectations and requirements when they arrive here. If an operator wants to successfully engage with an Asian market, they need to understand [cultural] nuances.' *Tourism industry expert*

Several tourism operators who are successfully engaged with Asian markets reported that they had benefited from training programs offered by Tourism Australia, the Australian Tourism Export Council (ATEC), and state tourism organisations. However, it was also felt that these programs were not as far-reaching as they could be. One successful operator noted that while the states, Tourism Australia and other bodies have done a good job over the last few years in introducing online training programs and offering cultural awareness sessions, there are still plenty of operators who are not engaging with these programs.

> 'There was a program run by ATEC this week in our region – we need more programs like that – that are run in regional areas where we don't have to take staff out into the city or too far away, because we are operating with sometimes very small amounts of full-time staff.' *Engaged tourism operator*

So, while one strategy might be for tourism operators to provide training opportunities for staff, another might be for industry and governments to expand cultural awareness training programs to encompass a broader range of Asian markets [11] and also to increase the regions in which these programs are offered.

LACK OF CULTURAL AWARENESS AND UNDERSTANDING ALONG THE DISTRIBUTION CHANNEL

As discussed in the introduction to this section, 'culture' also encompasses commercial practices. Therefore, a lack of cultural awareness and understanding in a business-to-business context can lead to barriers for tourism operators wishing to engage with Asia. As one tourism operator put it, what is needed is not only *'cultural awareness of how those consumers tick, but also awareness of how the business part of it works too.'*

> 'Some of the initial difficulties that tourism operators have are just learning how to actually connect with the distribution channels in Asia. Our industry here has been very, very focused in the past on the traditional markets. Obviously we need to understand the different ways of doing business between east and west.' *Tourism industry expert*

In addition to the strategies suggested to address the *Complexity of the engagement process* on page 9, respondents also suggested cultural awareness training in business practices for owners, managers and other staff who have dealings with their counterparts in Asia. Such training could be delivered by governments and industry, but as some respondents suggested, there may be room for 'cultural consultants' to provide training and business advice. Such consultants, it was suggested by tourism operators, could come from a range of tourism industry experts who have built up a thorough knowledge of doing business in Asia through many years of experience and practice in these markets. However, the cost of procuring such consultancy services was not lost on the respondents, with one tourism operator suggesting that governments could provide subsidies. Another strategy could be to explore ways in which the Australian Government's *Enterprise Connect Business Advisers and Facilitators* program could be extended to tourism advisers specialising in Asia.

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[11] The resource audit conducted as part of this research found that much of the cultural awareness training available to tourism operators focuses on China

If tourism operators do not address the issue of cultural awareness and understanding, mismatches between product offering and customer expectations will occur. Market knowledge and cultural knowledge can help operators to identify which of their product attributes could be modified for visitors from Asia. Again, any such modification should be undertaken in the context of particular Asian cultures, rather than seeing Asia as one culturally homogenous grouping.

The issue of product tailoring (or modification), however, can be a difficult one for tourism operators to navigate. While on the one hand it is important to make visitors as comfortable as possible, it is also important to maintain the integrity of the Australian tourism product.

> '… it's the balance of being able to offer an authentic Australian experience and understanding what experience Asian tourists are looking for, and how much of their culture they want interacted into that genuine Australian experience. So it's really about balancing what we can offer with what they want.' *Tourism industry expert*

3.3. RESOURCE BARRIERS

A lack of resources emerged as a major barrier for tourism operators wishing to engage with Asia, particularly in the following areas:

Time	*Money*	*'How-to' resources*

Strategies

For tourism operators:

- Make use of research and resources developed by industry and government

For tourism industry organisations and government:

- Re-package the currently available resources into a 'one-stop' portal for operators (completed)

- Develop a suite of on-line resources for tourism industry operators that focus on the 'how- to' of engagement with priority Asian markets—include market information and case studies (completed)

- Ongoing promotion of 'how-to' resources to tourism operators

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TIME AND MONEY

A lack of resources in the form of *time and money* were seen by many tourism industry experts and operators as a barrier to engaging with Asia. Indeed, it was widely acknowledged by experts and operators that engaging with Asia requires a long-term commitment and financial investment.

While no explicit strategies emerged from the research to overcome the barriers of time and money, implicit findings suggest:

- as with any major business decision, engaging with Asia should be considered as part of the broader strategic business planning of an operation

- such strategic planning should be based on sound research

- operators should be aware of, and committed to, the time required to develop successful business relationships in many Asian cultures

- expensive advertising in-country by tourism SMEs may not be necessary—other, less costly channels are available.

A range of digital marketing solutions are available that may assist operators to address issues of time and money. These include:

- The Tourism e-kit which is produced by the Australian Tourism Data Warehouse and comprises a series of free online tutorials designed to assist time-poor tourism operators to improve their online presence

- Tourism Australia's *Marketing your product* webpages

- Commercial websites such as accommodation booking sites and social media travel sites.

From the outset of this project, it was recognised that a number of resources were already available for tourism operators to assist them to engage with Asian markets, particularly China. However, given the diverse location of these resources, it was recognised that they were difficult for tourism operators to find and access, even when they were aware of their existence.

Consultants working on the project were asked to conduct an audit and critique of existing resources and to make recommendations aimed at facilitating access for operators. The conclusions and implications of the consultants' report (Appendix B) are:

- The audit of existing resources and programs returned an extensive and comprehensive list of resources from multiple providers.

- The critique of the resources available for SMEs wishing to engage with Asia is that they are difficult to find and difficult for SMEs to use. TRA data sets are part of this array of resources and they, like the resources in general, are comprehensive but also difficult for SMEs to find.

- In terms of repackaging, it is suggested that the resources (including the data sets) be consolidated and provided in one place, perhaps a web-based portal which would be organised around the needs of SMEs (e.g. *information*, *business listing*, *understanding the customer*, *business tools*, etc).

In addition to conducting an audit and critique of existing resources, the consultants asked tourism operators, at the start of their in-depth interview, to complete a short questionnaire that included questions relating to resources. The main findings in relation to resources are summarised below:[12]

- *Translations, assistance to make contacts,* and *better access to my area* were stated as the main factors needed to encourage or support operator engagement with Asia.

- Forty-three per cent of respondents were aware that assistance to engage with Asia is available from STOs; 38 per cent were aware of China Ready workshops; and 29 per cent were aware of ATE. Twenty-four per cent of respondents were not aware that any resources are available.

- Resources that were considered *valuable* or *extremely valuable* by tourism operators included:

  o Report on trends and opportunities for operators' sector

  o Funding for market development

  o Introduction to/assistance finding distribution channels

  o Translators/translations

  o Briefing on nature and customs of specific Asian markets

  o Information on local, regional and state efforts to attract Asian tourists

  o Case studies specific to operators' sector

  o Business training/mentoring

  o Information on forthcoming trade missions

  o Accreditation from particular Asian markets

  o Case studies relating to particular Asian markets

  o Report on trends and opportunities for specific Asian markets.

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[12] Full survey results can be found on page 28

- The channels through which to receive information that operators found *appealing* or *very appealing* included:
  - Consultant/adviser to help individual SMEs to engage with Asia
  - One website to link to all of the resources
  - Checklist for getting Asia-ready
  - Online customised action plan.
- The place respondents would most expect to find resources were Tourism Australia (52 per cent) and STOs (38 per cent).

Given the issues concerning awareness of and access to an overwhelming array of resources, TRA has re-packaged the resources into a 'one-stop shop' for tourism operators seeking to engage with Asia. The re-packaging includes:

- a consolidated list of (and links to) existing resources, organised around the needs of SMEs
- a newly developed suite of resources that focus on the 'how-to' of engagement with the priority Asian markets of China, India, Japan, South Korea and Indonesia.

The suite of resources was developed by AVANA, in consultation with TRA, Tourism Australia and ATEC, and includes:

- an introductory video featuring tourism industry operators and experts
- 'top tips' for engaging with Asia
- market information and case studies for each of the priority Asian countries.

For tourism operators to benefit from these resources, ongoing promotion is required by both government and industry associations.

The resources can be accessed at http://www.tra.gov.au/asiafocus/Engaging-with-Asia.html

4. EXTERNAL BARRIERS

In addition to the *business level* barriers so far discussed, a number of *external barriers* also exist which can impact on tourism operators' ability to engage with Asia. They include the economic, financial, technological, and political circumstances in which businesses operate and were identified mainly through the literature review component of this research. As such, the barriers identified in this section may relate to the tourism industry in general, rather than operators who would specifically like to engage with Asia.

ECONOMIC

Travel demand can be affected by the economic conditions in both travellers' countries and Australia, as well as the relative value of currencies, and travel costs. However, given the level of development that is taking place in many Asian countries, and the growth of their respective middle classes, demand from Asia for Australia's travel product continues to grow.

FINANCIAL

The cost of doing business in Australia, levels of investment, and the availability of infrastructure may impact on the ability of some tourism operators to engage with Asia. To assist the tourism industry to understand more about tourism investment in Australia, Tourism Research Australia publishes the *Tourism Investment Monitor* annually. The Australian Trade Commission, Tourism Australia, and state and territory agencies provide investment advice and facilitation services to global and local investors. The *Australian Tourism Investment Guide* is available at www.tourisminvestment.com.au

TECHNOLOGICAL

Technological factors may impact on tourism operators' engagement with Asia. Strategies to overcome this barrier include:

- keeping abreast of technological trends (including social media)

- upgrading and updating websites and booking systems

- introducing payment systems such as Union Pay

POLITICAL

Government policy and regulations in source countries and Australia can impact on tourism operators' ability to engage with Asia. These include policies and regulations relating to visa applications and processing, air access, and the labour market.

The Tourism Division within the Department of Industry examines regulations across government, seeking to remove those that provide obstacles to tourism and implementing streamlined regulations where necessary.

5. CONCLUSION

The forecast growth in arrivals from Asia over the next decade presents opportunities for Australian tourism operators to grow their business. However, unless barriers to engagement with Asia are overcome, the overall benefit of the Asia Marketing Fund for tourism SMEs will be reduced.

This report has identified the barriers that impact on the ability of Australian tourism businesses to engage effectively with Asian markets and suggests a number of strategies for operators, industry organisations, and government aimed at overcoming those barriers.

The challenge now is for operators, industry organisations and governments to respond to the suggested strategies.

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APPENDIX A – METHODOLOGY

This research was conducted using a qualitative methodology comprising:

- A literature review
- A focus group
- Resource audit
- Interviews with tourism industry experts
- Telephone interviews with tourism industry operators
- Case studies

LITERATURE REVIEW

The literature review, conducted in late 2012 and early 2013, examined almost 60 relevant publications[13] to draw out some of the barriers facing tourism operators when engaging with Asian markets. The barriers identified were used to guide the next steps in the research process.

FOCUS GROUP

A focus group was held in Canberra on 6 March 2013. Participants included representatives from Australian Capital Tourism, Novotel Canberra, Austrade, Canberra Convention Centre and the Canberra Region Tourism Operators Association.

During the course of the focus group, participants validated the barriers identified through the literature review, provided a number of new barriers, and suggested some strategies to help overcome the barriers. Results from the literature review and focus group were used to develop guides for interviewing tourism industry experts and tourism operators.

INTERVIEWS WITH TOURISM INDUSTRY EXPERTS

Consultants conducted 10 face-to-face interviews and three telephone interviews with tourism industry experts in Sydney, Melbourne and Brisbane during April 2013. These interviews validated the already 'known' barriers, identified new barriers and provided a number of strategies that could be tested with tourism operators.

The 13 interviews were spread as follows:

Location	Number
Sydney	5
Melbourne	3
Brisbane	2
Telephone	3

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[13] A list of publications used in the literature review can be found in 'References'

The 13 interviewees were:

Andrew Jefferies	Executive Officer	Tourism Industry Council NSW
Daniel Gschwind	Chief Executive	Queensland Tourism Industry Council
David Petherick	Chief Executive	Australian Camps Association
Felicia Mariani	Managing Director	Australian Tourism Export Council
Isuru Neelagama	Govt Relations & Policy Manager	Bus Industry Confederation
John Hart	Chief Executive	Restaurant & Catering Australia
John Lee	Chief Executive Officer	Australasian Casino Association
Letitia Hatton	Policy Officer	Victoria Tourism Industry Council
Liz Price	General Manager	AAA Tourism
Luke Martin	Chief Executive	Tourism Industry Council Tasmania
Richard Munro	Chief Executive	Accommodation Association of Australia
Stuart Lamont	Chief Executive Officer	Caravan, RV & Accommodation Industry of Australia
Tracey Valenzisi	Network Manager	Australian Regional Tourism Network

RESOURCE AUDIT

Prior to conducting the in-depth interviews with tourism industry experts and operators, an audit and critique of the resources available to assist operators to engage with Asian markets was conducted. The results of this audit can be found at Appendix B.

TELEPHONE INTERVIEWS WITH TOURISM INDUSTRY OPERATORS

Following the expert interviews, 21 telephone interviews were conducted in April and May 2013. Ten interviews were conducted with operators who are engaged with Asia while 11 interviews were conducted with operators who aren't engaged.

The operators interviewed were spread across all states and the Northern Territory. ATEC, Tourism Australia and State Tourism Organisations assisted in identifying operators to be interviewed.

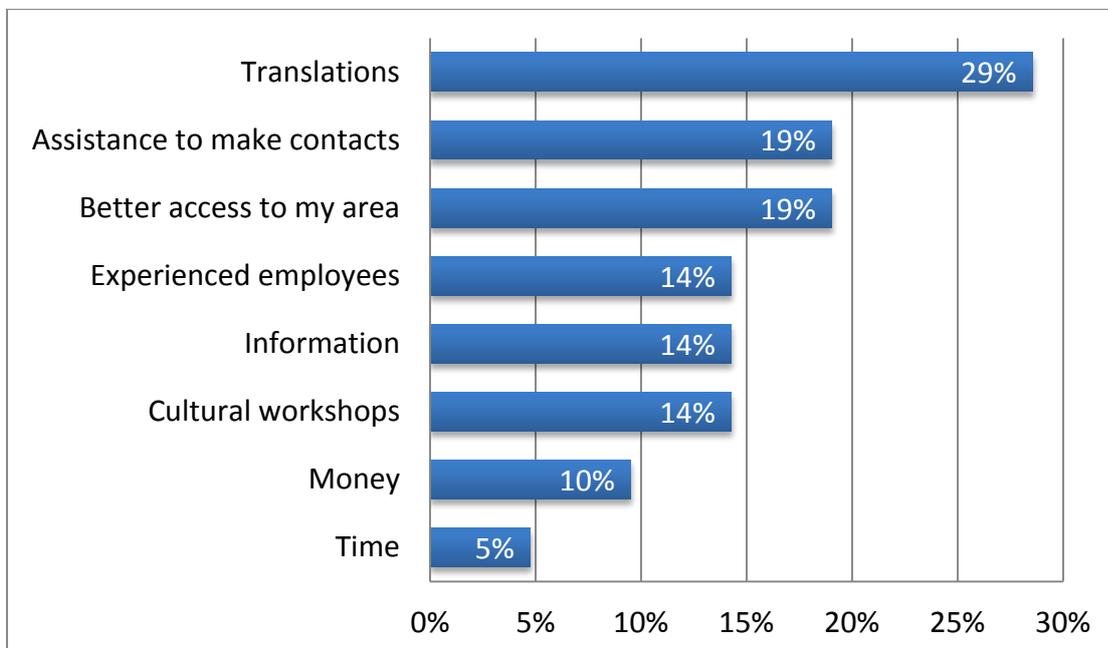The purpose of these interviews was to:

- validate the barriers previously identified in the research
- comment on the identified strategies aimed at overcoming the barriers
- understand how successful some tourism operators are in engaging with Asia
- understand why some tourism operators do not engage with Asia.

At the beginning of each interview, respondents were also asked to complete a structured questionnaire. The results for this survey are presented below. This survey allowed the researchers to collect initial reactions to various resources and delivery media suggested by the expert interviews. The survey also set up the frame for the following in-depth interview that focused on a discussion of resources needed, and how they should be delivered.
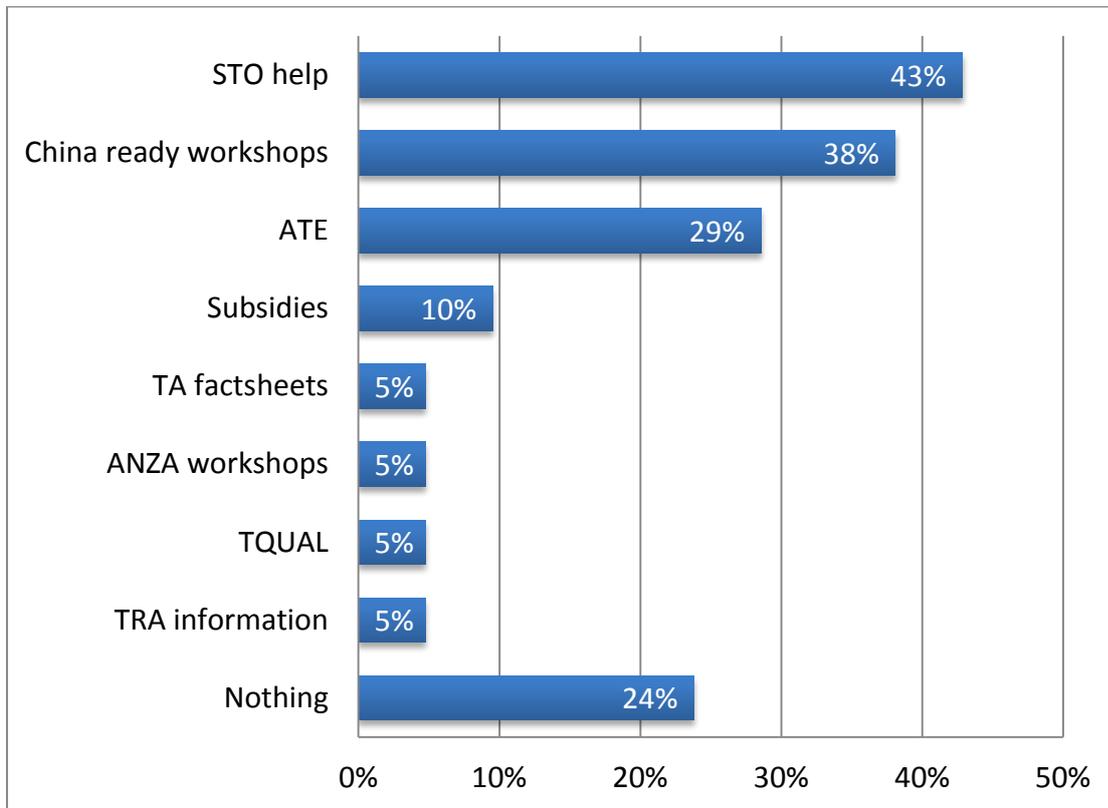
Q1. As a tourist operator, how engaged would you say you are currently with the Asian markets? (n=21)
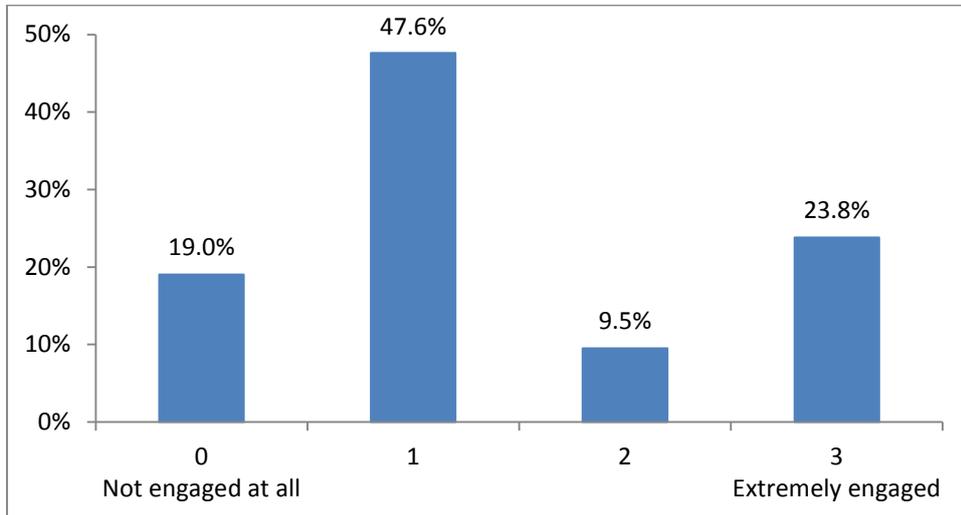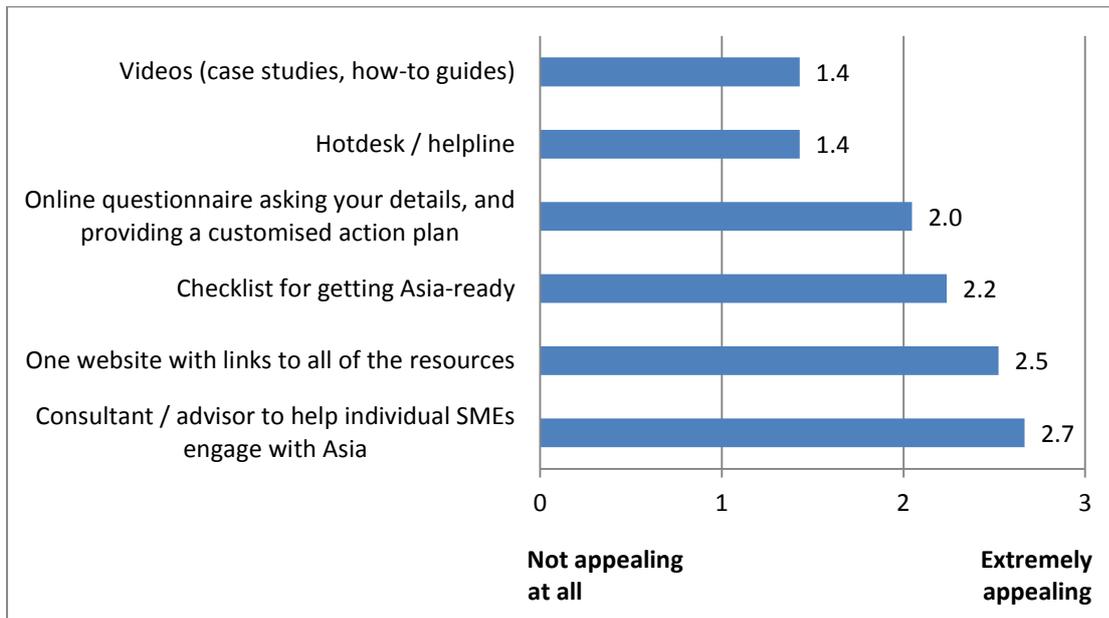

Q2. What would you say are the resources that you most need to encourage or support your engagement with the Asian markets at this point in time? (n=21)

Q3. What resources are you aware of that are available for small to medium tourism operators to help them engage with Asia? (n=21)

Q4. How valuable do you consider each of the following resources would be in encouraging / supporting your engagement with Asia markets? (n=21)

Resource	Value
Report on trends and opportunities for your sector	2.6
Funding available for developing Asian markets	2.6
Introduction to / assistance finding distribution channels	2.6
Translators / translations	2.5
Briefing on nature and customs of specific Asian market	2.4
Information on local, regional and state efforts to attract Asian tourists	2.4
Case studies specific to your sector	2.3
Business training / mentoring	2.3
Information on forthcoming trade missions	2.2
Accreditation from particular Asian market	2.2
Case studies relating to a particular Asian market	2.2
Report on trends and opportunities for specific Asian market	2.1
Report on overall trends & opportunities	2.0
Business planning tools	2.0
Accreditation from Australian tourism industry	1.9

Scale: 0 — **No value at all**, 3 — **Extremely valuable**

Q5. By which medium would you most like to receive / obtain information about the resources that are available to tourism SMEs seeking to engage with Asia? (n=21)


Medium	Rating
Videos (case studies, how-to guides)	1.4
Hotdesk / helpline	1.4
Online questionnaire asking your details, and providing a customised action plan	2.0
Checklist for getting Asia-ready	2.2
One website with links to all of the resources	2.5
Consultant / advisor to help individual SMEs engage with Asia	2.7

0 — Not appealing at all, 3 — Extremely appealing

Q6. What is the one place where you would most expect to find resources for engaging with Asian markets? (n=21)

|	Percentage
TA	52%
STO	38%
Separate body	5%
ATEC	5%
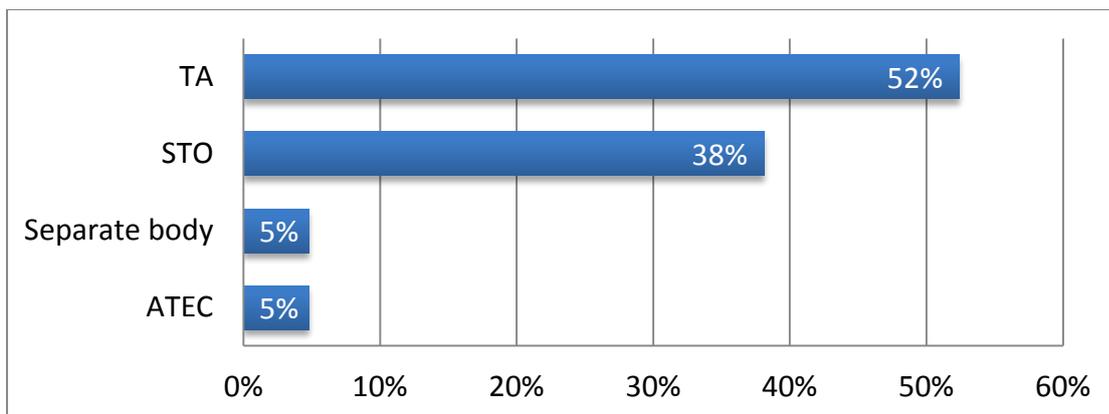
Q7. Including yourself, approximately how many full-time employees (or full-time equivalents) do you employ? (n=21)
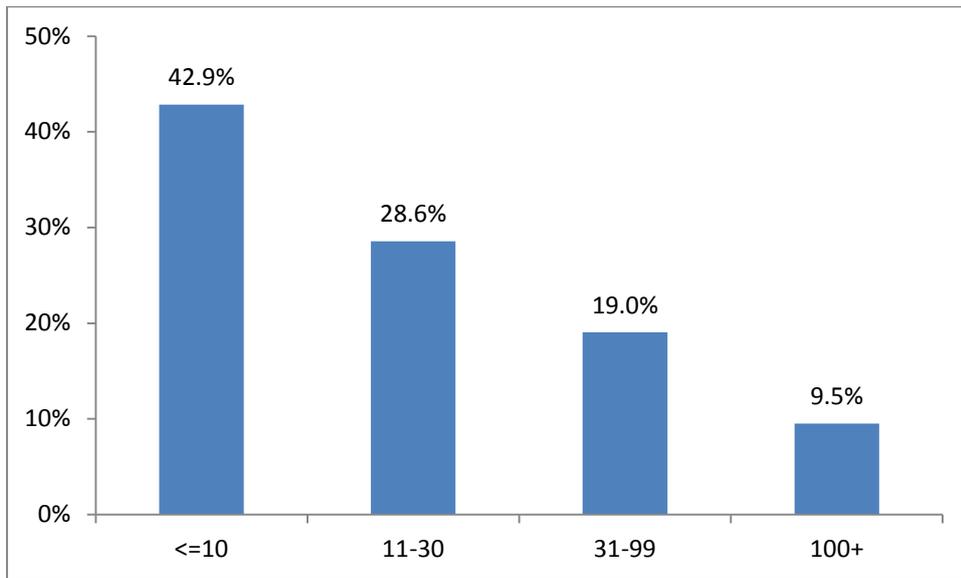
Q8. What is the largest segment of foreign tourists you currently serve? (n=21)
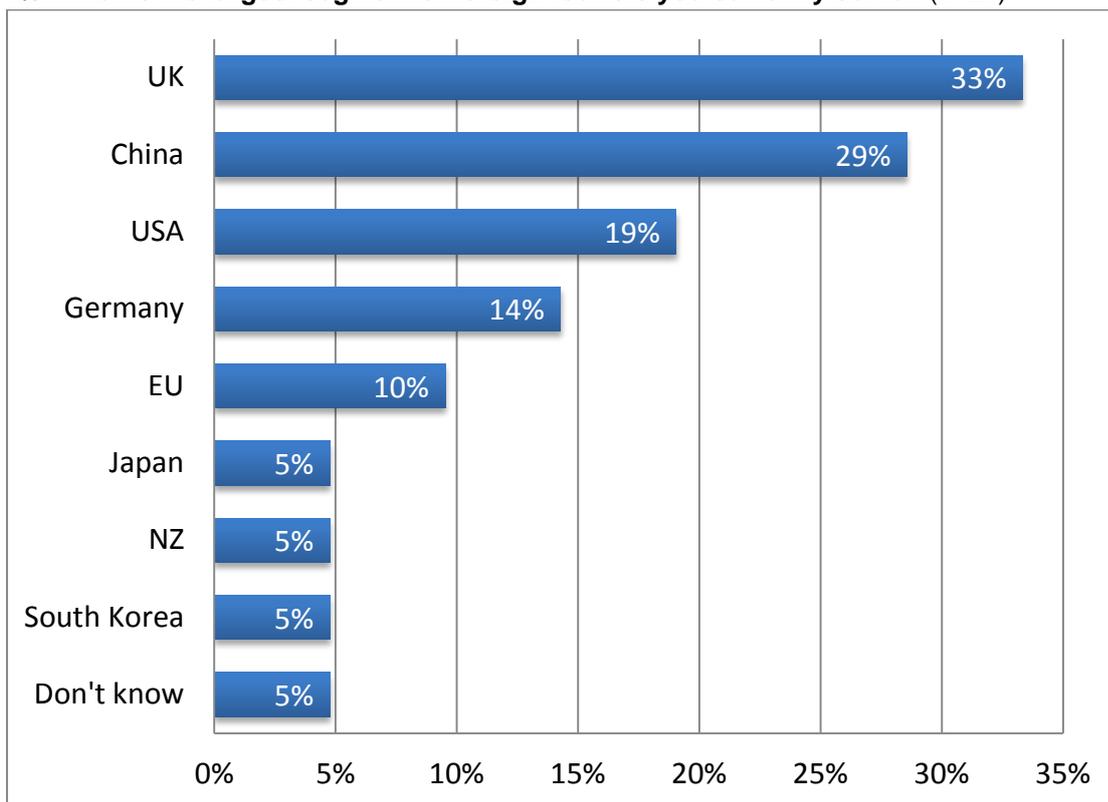
Q9. Approximately what proportion of all your current customers (domestic and foreign) does [your major foreign] segment represent? (n=21)
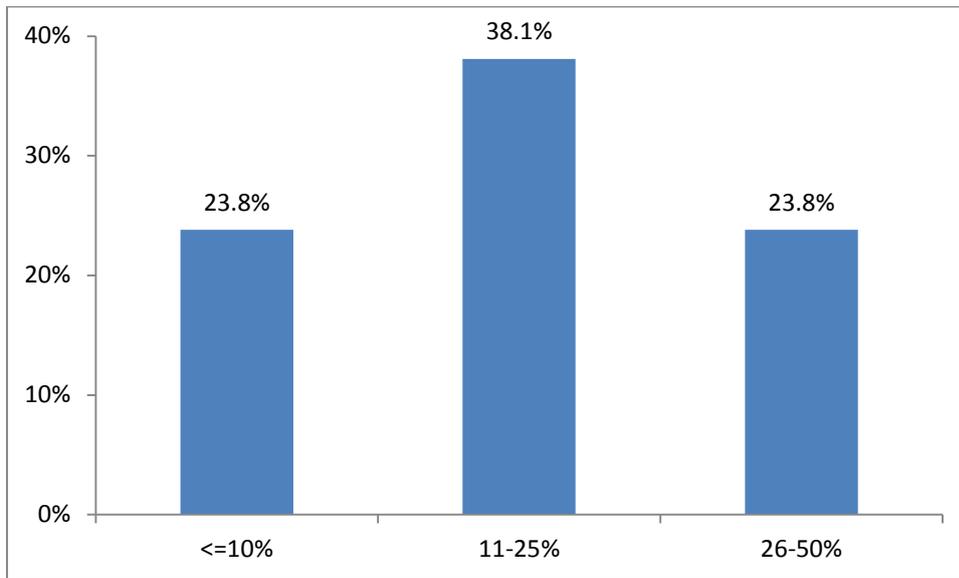
CASE STUDIES

The research findings were augmented by a number of case studies[14] undertaken by AVANA during the preparation of the suite of resources. The case studies took place during May and June 2013 and included representatives from the following tourism businesses:

- Aurora Resorts, Northern Territory and South Australia
- AAT Kings, Australia
- Big Cat Green Island Reef Cruises, Cairns
- Captain Cook Cruises, Sydney
- Kangaroo Island Wilderness Tours, South Australia
- Merlin Entertainments Group, Sydney
- Moonshadow Cruises, Port Stephens New South Wales
- Tangalooma Resort, Moreton Island Queensland
- Two Feet & a Heartbeat, Perth and Sydney

ANALYSIS

Results from the various data sources were analysed by consultants and TRA during May and June 2013.

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[14] These case studies can be found at www.tra.gov.au/asiafocus/Case-studies.html

APPENDIX B – RESOURCE AUDIT REPORT

OBJECTIVE

To conduct an audit and critique of existing resources and programs (including TRA data sets) available to tourism SMEs to assist in engaging with Asia.

CONCLUSIONS AND IMPLICATIONS

The audit of existing resources and programs returned an extensive and comprehensive list of resources from multiple providers.

The critique of the resources available for SMEs wishing to engage in Asia is that they are difficult to find and difficult for SMEs to use. TRA data sets are part of this array of resources and they, like the resources in general, are comprehensive but also difficult for SMEs to find.

In terms of repackaging, it is suggested that the resources (including the datasets) be consolidated and provided in one place, perhaps a web-based portal which would be organised around the needs of SMEs (for example, *information*, *business listing*, *understanding the customer*, *business tools*, etc). The suggested structure of this portal is provided in Table 1.

PROVIDER VERSUS USER FOCUS

The resources offering information on how SMEs can engage with China and Asia are not geared towards SMEs, making it difficult for them to navigate and to find relevant information.

For instance, resources are often identified by providers and program names even though these names may have limited relevance to the SME-user.

Different organisations offer quite different resources. While the resources may be comprehensive, the offerings tend to reflect the different nature and overarching objectives of the provider of the resources. Providers can be broadly grouped as having one of three quite distinct orientations:

- market-oriented – representing the inbound tourism market
- tourism-oriented – representing the tourism industry
- business-oriented – representing business in general.

The *market-oriented* resources (e.g. China Ready and Accredited) represent the interests of the inbound market. As an example, accreditation in this context is customer-based, and reflects standards important to the Asian market.

The *tourism-oriented* organisations are keen to promote the tourism industry within Australia. Inbound Asian tourism may be an important priority, but it is nonetheless only one part of a bigger priority—the promotion and support of the Australian tourism industry in general. In this context, accreditation is a reflection of meeting industry-defined standards and is often a 'ticket-to-play'. It provides the operator with access to the pool of tourists being brought into Australia.

The *business-oriented* organisations aim to support business, and SMEs. Their interests, like tourism-oriented organisations, are 'supply-side' in nature, but they are of course even broader. The resources offered here are of value to any business. Many offer resources for SMEs, some may offer some specialised programs and resources for tourism.

To add to the complexity of the providers' orientation, is the private versus public (government) orientation. In particular, the government ventures tend to be more mixed in terms of their objectives. One of their objectives is the promotion of Australia and specific regions as destinations to tourists, both inbound and domestic. Another objective is to provide support to tourism operators in Australia.

The result is a highly complex system of different providers offering a range of programs, some similar but different; some joint or linked but presented differently; and, some quite distinct and individual.

LACK OF SPECIFICITY

Many of the resources available are general with few offering practical help. Some resources offer directly usable resources such as training programs and toolkits. Others, however, offer only indirect assistance, for instance, information about inbound tourism from past research (for example some TRA data and publications) or information about future plans (for example STO strategic plans).

As an example of lack of specificity, it is noted that STOs offer their Asia or China plan as a resource to SMEs (and others). However, what is typically offered are broad policy statements that provide little specific information about what the STO can do to help any specific SME.

RESOURCE OVERLAP AND GAPS

Many similar resources are offered by different providers. For instance, there are multiple accreditation options and multiple tourism business toolkits.

Tourism WA has developed a toolkit that provides information on Chinese expectations and tips for doing business in China. The Queensland Government through its Business and Industry Portal offers a Tourism Service Quality Toolkit. These types of resources and tools could be relevant and useful to tourism operators around Australia.

It seems there is room for a more coordinated, nationally-consolidated approach to offering resources for helping SMEs engage with Asia.

RESTRICTIONS AND CONSTRAINTS

Many programs are available only if certain criteria are met.

For example, the China Ready program appears to provide training only for six sectors (for example, accommodation, transport providers, etc). As another example, Enterprise Connect will only provide business advisors for tourism operators who have a trading history of three years. Funding offers also typically have various constraints.

Many of these constraints seem important and yet are not always easily located. If the SME is excluded, then there is little point in their exploring the offer further.

ACCESSIBILITY

Once a resource is found, SMEs may have to plough through a lot of irrelevant material to find information and help of value to them. For instance, an operator may find that an STO has an Asian tourism plan. The operator has to download a PDF report and then search through to find information relevant to themselves.

The resources offered and what they contain often use language that means much to the providers, but much less to the SMEs. Even a cursory examination of many of the websites / resources reveals a snowstorm of acronyms (ADS, T-QUAL, etc.) and names that are unclear (e.g., China Approved

Destination Status – is it that China is an approved destination or that Australia is a Chinese Approved Destination, and given it is the latter, what does that mean?)

BEST OF…

Perhaps the most comprehensive site and therefore best entry point was the [Tourism Australia](#) website. The TA site contains one particular document that appears to provide virtually every site and resource identified in the resource audit. The document made an effort to structure the offerings around SME needs. While comprehensive and reasonably well-structured at the outset, the document was 16 pages long and it was noted that the internal links appeared not to be working.

One of the more user-friendly sites was the Queensland Government's business service which offers a [Tourism-specific area](#). In particular, they offer a searchable database of resources through their [Tourism Pathways](#) page.

REPACKAGING - LEADING WITH USER-NEEDS

Many of the resources that SMEs might need to engage with Asia are available in a physical sense, but they are difficult for a user to find and even if found, might be difficult to use.

To address this, it is suggested that a portal that consolidates and organises the offers would be useful. The organisation would be one that endeavours to respond to SMEs requirements rather than what providers offer.

SMEs' broad needs can be categorised as:

- **information** – about Asian market opportunities
- **business listing / accreditation**
- **understanding the customer** – familiarisation, training, translation
- **business tools** – for doing business in general
- **funding**
- **partners** – that are helping or could help.

Using these broad SME needs, it is suggested that the resource portal might be structured as displayed in Table 1. (Table 1 provides a guide to how the resources might be structured. It is not an exhaustive list of the resources available.)

TABLE 1: RESOURCES ORGANISED2 BY SME NEEDS

Purpose	Detail	Breakdown	Resource Links
Information	Statistics	by sector by country	TRA
	Stories	by sector by country	
Business Listing /Accreditation	By foreign market	by country	ADS (China only)
	By tourism industry		T-QUAL, ATAP (Australian Tourism Accreditation Program), etc.
Understanding the customer	Customer familiarisation + training	by country	AVANA (China only)
	Trade missions	by country	e.g. STO (Tasmania), Australia-India Institute

	Translation	by language	translators
Business tools	Business planning	by function (strategy, marketing, etc.)	Queensland
	Business training / mentoring		
Outside help	Funding	by funding purpose, by constraints	T-QUAL, STIG, TIRF, etc.
	Finding distributors	by country	ADS, TA, trade missions
	Customer marketing	by country	TA, STOs

INFORMATION

SMEs begin their engagement with Asian markets through knowledge that informs them of the opportunity.

Much of this information comes from research. However, SMEs are less interested in the research process and more interested in the information, that is, the research results.

Information can generally be broken down into two broad types: statistics vs stories. Statistics present the 'numbers' while stories are 'case studies'. These two types of information reflect the classic research distinction between quantitative and qualitative research – but SMEs are unlikely to care much about the methodological considerations underlying that distinction.

Re-packaging statistics information, again with SME needs in mind by sector and by region, would be valuable.

In terms of the 'stories' or case-studies, there are many of these scattered around, but they do not appear to be accessible from one point. A re-packaging would see these accessible from one point, each by name, and organised by sector and region as for statistics information.

BUSINESS LISTING / ACCREDITATION

Once motivated to act, SMEs will be looking for a relatively 'easy entry'. One of the easiest first steps is accreditation, which typically offers a business listing in a public listing of accredited providers.

There are two quite distinct forms of accreditation. One is accreditation by the inbound tourist market; the other is accreditation by the home industry. Accreditation from China (both of individual operators through China Ready and Accredited and of Australia at large through ADS) is accreditation by the inbound tourist market. T-QUAL, ATAP (Australian Tourism Accreditation Program), etc. represent accreditation of operators by the home industry and government bodies.

UNDERSTANDING THE CUSTOMER

An SME that has decided to engage with the Asian market is likely to seek resources for better understanding their market. In particular, they will be seeking a more cultural rather than simply demographic understanding of the customers.

AVANA's 'Welcoming Chinese Visitors' program appears to do an excellent job of meeting this role at least for the Chinese market.

If similar programs exist for other Asian markets, they were not found in the audit. It is suggest that any additional resources should be added to the list if and when they become available.

BUSINESS TOOLS

A number of providers offer resources that may help SMEs in the general planning and management of their business. Very few of these tools are specific to engaging with Asian markets. Some are specific to tourism and many are more generally relevant to business.

These diverse business tools are useful resources for an operator that is taking the next step and moving up to engage with Asia.

FUNDING

One important resource for SMEs is information about funding that is available for helping them in developing engagement with Asian markets.

The challenge is to provide SMEs with brief information about the projects for which funding is available, and the constraints or limits that apply to the funding source. Most SMEs are not likely to be interested in the preamble, the policy under which the funding is offered, the abundance of acronyms, and so forth. They want to know how much is available, what for, and whether or not they can apply.

Of course, the application process is itself onerous, but in the first instance, repackaging would ideally focus on providing the SME the information needed to allow them to decide whether to pursue the funding source further.

PARTNERING

SMEs wishing to engage with Asia will likely need help from other parties. The success of engaging with Asia almost certainly depends on collaboration and cooperation. Even if motivated and well-versed in the customer market and business tools, an SME operating alone is unlikely to make much headway in engaging with Asian markets.

At another level, operators often need help making connections with the distribution channels and outbound tourism operators in Asia. Leads to those authorities and programs that offer support in this regard would be provided here.

More generally, TA, STOs and RTOs are doing much to promote Australia and regions to Asian markets. This is helpful to an operator, but primarily in an indirect sense. However, operators are probably more interested in direct support where it is offered. That is, the SME will be interested in offers to participate in cooperative efforts – for example, trade missions, promotional campaigns, networking events, and other collaborative opportunities.

PROVIDE GUIDEPOSTS AND MAKE THE PORTAL SEARCHABLE

In addition to the organisation suggested above around SME needs, some guideposts might be added to the portal to help direct SMEs in situations where different providers offer parallel resources. This might consist of adding notes giving details about the strengths and limitations of the alternatives and / or ordering the alternatives starting with the most useful.

Finally, a search function capability would be a useful tool for leveraging the advantage of the portal. This of course reinforces the importance of using terms and language that might be used by the SMEs.

AMF Research – Industry Engagement with Asia

Guide for expert interviews

Thank the respondent for agreeing to this interview – their input provides a valuable and necessary component of this research.

Ask for permission to voice record the interview.

TURN ON RECORDER

Background

Barriers to engaging with Asia: Small to medium tourism businesses

This project is being undertaken by TRA on behalf of Tourism Australia. It seeks to identify the real or perceived barriers which impact on the ability of Australia tourism businesses to engage effectively with Asian markets.

It is expected that the study will produce strategies to help overcome such barriers and results will be disseminated in a number of formats, including learning materials targeted at tourism SMEs.

There is enormous potential for growth from Asian markets to Australia over the next 10 years or so. However, not all SMEs will be able to capitalise on increased visitation from Asia because of the real or perceived barriers they may face.

What I'd like to do now is ask a series of questions that hopefully will allow us to identify some of those barriers and perhaps come up with some strategies to address them.

1. **Do you think tourism SMEs face barriers when trying to engage with Asian markets?**

2. **What types of barriers do you think they face?**

   Capture and list as many barriers as possible. Do not refute any barriers. Try not to prompt. (Interviewer notes are for use further in the interview. No need to write down verbatim if the interview is being electronically recorded.)

   Note: If the respondent is having difficulty articulating barriers, refer list drawn from the literature and prompt if necessary.

3. **What do you think is the source of these barriers? (i.e. do the barriers originate in Australia or in the market/s with which the SMEs are trying to engage.)**

   Note which barriers originate in Australia and which originate in the 'markets'.

4. **Asia is a diverse region. Do you think the barriers differ from country to country?**

5. **From the point of view of tourism operators, is it possible that some of these barriers might be 'perceived' barriers, rather than actual ones. (For example, could some of the barriers be based on a lack of knowledge or information sources?)**

   Note which barriers are 'real' and which are 'perceived'.

6. **If they are 'real' barriers, what do you think can be done to overcome them?**

    Refer to barriers that the respondent provided above.

    What can individual SMEs do?

    What can the industry do?

    What can government/s do?

    What can be done in-market?

7. **If they are 'perceived' barriers, what do you think can be done to overcome them?**

    Refer to barriers that the respondent provided above.

    What can individual SMEs do?

    What can the industry do?

    What can government/s do?

    What can be done in-market?

8. **Do you think the strategies identified could be put in place for 'Asian' markets in general, or do you think the strategies need to be tailored for the different Asian markets?**

9. **Do you have any thoughts about how best to communicate with the broader industry about opportunities from Asia and the support mechanisms that are in place to assist them?**

10. **Did anything 'unexpected' but relevant come out of the interview? If so, refer to this and explore further with respondent.**

11. **Ask the respondent if he/she has anything else they would like to discuss in relation to this research topic.**

Bring the interview to a close.

Thank the respondent. Explain the next steps in the research process and the approximate timing for the release of the results.

AMF Research – Industry Engagement with Asia

Interview guide with SMEs that ARE engaged with Asia

My name is _____ and I have been engaged by Tourism Research Australia to assist with a research project aimed at identifying the real or perceived barriers which impact on the ability of Australian tourism businesses to engage effectively with Asian markets.

It is expected that the study will produce strategies to help overcome such barriers and results will be disseminated in a number of formats, including learning materials targeted at tourism SMEs.

Do you have approximately 15 minutes to answer some questions?

If this isn't a convenient time, I can call back at a time that suits you. (Arrange another time.)

If interview is going ahead, ask for permission to record it.

Turn on recorder if permission given.

Screening questions:

Do you consider your business to be a Small to Medium Sized (tourism) Enterprise (SME)?

Answer: Yes – continue
                 No – thank the respondent for their time and discontinue the interview

How many people do you employ?

What type of tourism services do you provide?

Are you actively engaged in marketing your business to Asian markets?

Answer: Yes – continue (HOW are you involved?)
                 No – thank the respondent for their time and discontinue the interview

What Asian countries do you market to?

How did you enter the Asian market? (Did you have a strategic business plan to enter the market, or did you take up opportunities as they arose?)

Did you face any challenges to entering the Asian market?

What were those challenges?

How did you overcome those challenges?

Did you find different challenges in different markets?

How were they different?

What do you think tourism SMEs that aren't engaged with Asia should know before they try to enter the Asia market?

How do you think tourism SMEs can be assisted to enter the Asian market?

Do you think tourism SMEs would benefit from ??? (Explore some of the strategies that have been identified from the focus group and expert interviews.)

One of the objectives of this research is to communicate to SMEs some of the strategies that could assist them in trying to engage with Asia. What format do you think those communications should take and how do you think SMEs could be best reached?

Is there anything else you would like to comment on regarding this topic?

Tourism Research Australia is looking for companies to use as case studies in videos and other materials to show how to overcome barriers to market into Asia. Would you be willing to be included on a list of companies willing to help out TRA in this way if requested?

**Bring the interview to a close. Thank the respondent for their time.
Confirm postal address.**

AMF Research – Industry Engagement with Asia

Interview guide with SMEs that ARE NOT engaged with Asia

My name is _____ and I have been engaged by Tourism Research Australia to assist with a research project aimed at identifying the real or perceived barriers which impact on the ability of Australian tourism businesses to engage effectively with Asian markets.

It is expected that the study will produce strategies to help overcome such barriers and results will be disseminated in a number of formats, including learning materials targeted at tourism SMEs.

Do you have approximately 15 minutes to answer some questions?

If this isn't a convenient time, I can call back at a time that suits you. (Arrange another time.)

If interview is going ahead, ask for permission to record it.

Turn on recorder if permission given.

Screening questions:

Do you consider your business to be a Small to Medium Sized (tourism) Enterprise (SME)?

Answer: Yes – continue
             No – thank the respondent for their time and discontinue the interview

How many people do you employ?

What type of tourism services do you provide?

Are you actively engaged in marketing your business to Asian markets?

Answer: No – continue
             Yes – thank the respondent for their time and discontinue the interview – explain that
             for this part of the research you need to talk to businesses that aren't engaged with
             Asia.

Are you aware of the expected increase in visitor arrivals from Asia to Australia over the next 5 to 10 years?

Do you think this increase in Asian visitation presents an opportunity for your business?

Have you thought about trying to engage with Asian markets?

Answer: Yes

Do you have a strategic business plan in relation to marketing to Asia?

Are you targeting any particular countries?

Are you facing any challenges in trying to engage with Asia?

What sort of challenges are you facing?

Do you see a way of overcoming these challenges?

Do you think your business would benefit from ??? (Explore some of the strategies that have been identified from the focus group and expert interviews.)

Answer: No

Are there any particular reasons why you aren't considering the Asian market?

If you would like to engage with Asian markets how do you think you would go about it?

Is there anything else you would like to comment on regarding this topic?

Tourism Research Australia is looking for companies to use as case studies in videos and other materials to show how to overcome barriers to market into Asia. Would you be willing to be included on a list of companies willing to help out TRA in this way if requested?

Bring the interview to a close. Thank the respondent for their time.
Confirm postal address.

Survey questionnaire

Engaging with Asia

We are independent consultants conducting research for Tourism Research Australia into the engagement of tourism operators with Asia (see www.about.me/stephen.holden and www.halfamind2.com for information about us).

This questionnaire will take approximately four minutes to complete. Your responses are collected anonymously, and all individual responses will remain confidential.

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1. As a tourist operator, how engaged would you say you are currently with the Asian markets?

	0	1	2	3	
Not engaged at all	●	●	●	●	Extremely engaged

2. What would you say are the resources that you most need to encourage or support your engagement with the Asian markets at this point in time?

3. What resources are you aware of that are available for small to medium tourism operators to help them engage with Asia?
Please give brief details for each resource that you are aware of, even if you are not completely knowledgeable about that resource.

4. Please indicate how valuable you consider each of the following resources would be in encouraging / supporting your engagement with Asia markets?

	0 No value at all	1	2	3 Extremely valuable
Report on overall trends & opportunities	●	●	●	●
Report on trends and opportunities for your sector	●	●	●	●
Report on trends	●	●	●	●

	0 No value at all	1	2	3 Extremely valuable
and opportunities for specific Asian market				
Case studies specific to your sector	●	●	●	●
Case studies relating to a particular Asian market	●	●	●	●
Accreditation from Australian tourism industry	●	●	●	●
Accreditation from particular Asian market	●	●	●	●
Briefing on nature and customs of specific Asian market	●	●	●	●
Translators / translations	●	●	●	●
Information on local,regional and state efforts to attract Asian tourists	●	●	●	●
Information on forthcoming trade missions	●	●	●	●
Business planning tools	●	●	●	●
Business training / mentoring	●	●	●	●
Funding available for developing Asian markets	●	●	●	●
Introduction to / assistance finding distribution channels	●	●	●	●

5. By which medium would you most like to receive / obtain information about the resources that are available to tourism SMEs seeking to engage with Asia?
For each of the following, please indicate how appealing each offer is to you, and choose a number that best corresponds to your response.

	0 No appeal at all	1	2	3 Extremely appealing
DON'T READ - XXX hotdesk / helpline XXX	●	●	●	●
One website with links to all of the resources	●	●	●	●
Online questionnaire asking your details, and providing a customised action plan	●	●	●	●
Checklist for getting Asia-ready	●	●	●	●
Consultant / advisor to help individual SMEs engage with Asia	●	●	●	●
Videos (case studies, how-to guides)	●	●	●	●

6. What is the one place where you would most expect to find resources for engaging Asia
DO NOT READ OUT. Please check just ONE

o ● Tourism Australia (TA)

o ● Department of Resources, Energy & Tourism (DRET)

o ● Tourism Research Australia (TRA)

o ● State Tourism Office

o ● Other: _____

7. Finally, please could you provide some details about yourself for comparison purposes. (Your anonymity will be preserved and all responses will be held in confidence)
Including yourself, approximately how many full-time employees do you employ? (If you employee part-timers, an indication of full-time equivalents is what we are seeking.)

_____

What is the largest segment of foreign tourists that you currently serve? (DO NOT READ OUT - please check just ONE)

- o ● China
- o ● India
- o ● Singapore
- o ● South Korea
- o ● Malaysia
- o ● Indonesia
- o ● Other: _____

Approximately what proportion of all your current customers (domestic and foreign) does this segment represent?

_____

Questionnaire Identifier
Please put your initials here so that we can link this record to the phone interview we conducted.

_____

Submit