

International Marketing Support Operators Survey October 2008

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SUMMARY

In October 2008 “export ready” tourism operators, via an online survey, provided feedback on Tourism Tasmania’s current international marketing support as well as thoughts on how that could be enhanced.

The respondents represented diverse business types and sizes, and the importance of the international market to those businesses varied. For approximately half of respondents international visitors represented 10 per cent or less of their customers, however, for 17 per cent of respondents over 50 per cent of their customers were international visitors.

At the time of the survey, the most important international markets for respondents were the United Kingdom, North America, Germany and other Europe countries. The less mature Asian markets were of greater importance to large businesses than smaller businesses.

The most common international marketing activities currently undertaken by respondents were:

- Attendance at industry workshops and networking events held by Tourism Tasmania (69%), and
- Contracting with an inbound tour operator/international wholesaler agency (67%).

Respondents identified various types of support they had received from Tourism Tasmania, and rated the importance of a list of benefits that Tourism Tasmania could potentially provide.

As expected the importance of various potential benefits differed according to business size however, ‘inclusion in international media visits, introduction and access to Australian based travel trade (inbound tour operators and wholesale agents)’, and ‘inclusion in international travel trade (international retail & wholesale travel agents) visits’ were rated highly by businesses of all sizes. Other types of potential support identified as beneficial included financial assistance to attend

trade missions or events, access by small operators to the Visiting Journalist Program, in-market visits and further development of web-based marketing.

The potential benefits specifically related to the Australian Tourism Exchange (ATE) were more important to smaller businesses than large businesses.

The survey results highlighted that a one size fits all program for all businesses would not meet industry needs. Rather the development of a program that includes appropriate support for all levels of engagement with market, is required.

INTRODUCTION

To inform the development of a program of assistance and support in international marketing to tourism operators, Tourism Tasmania conducted an online survey of tourism operators. The survey was sent to 220 operators participating in Team Tasmania (see box). There were 84 respondents to the survey of whom 14 answered only one or two questions. The majority of survey results are based on a sample of 70.

As there was a degree of self-selection in undertaking the survey, the results can only be applied to the survey respondents and may not be representative of all Team Tasmania members.

Team Tasmania is a program developed for 'export ready' Tasmanian tourism operators aimed to enhance the sectors ability to:

- Communicate the distinctiveness of the product and destination to consumers, media and trade;
- Deliver consistent and reliable visitor experiences;
- Identify product gaps and work toward together to meet this shortfalls;
- Acknowledge the inherent value of a partnership approach and the benefits of a unified industry; and,
- Encourage industry leaders, and others, to actively participate in the sustainable development of the industry through best practice financial, environmental and social performance, and training and mentoring

OPERATORS WHO RESPONDED TO THE SURVEY

The majority of respondents in the survey were either accommodation operators (40%) or tour/activity operators (44%), while 7% were attraction/winery operators and 10% operated other tourism businesses (Table 1). A wide range of business sizes are represented in the survey results. Accommodation businesses ranging from 3 rooms up to 1500 rooms participated. Of the respondents who were operators of tours/activities/attractions/wineries, 70% had 800 or less customers in the past year and 30% had more than 800 and up to 300,000 (Table 1).

Table 1: Type of Business Operated by Survey Respondents

<i>Type of Business</i>	<i>Percentage of Respondents</i>	<i>Number of Rooms Range (Median)</i>	<i>Number of Customers Range (Median)</i>
Accommodation	44% (n=30)	3 – 1,500 (30)	NA
Tour/Activity	40% (n=28)	NA	1 – 250,000 (450)
Attractions/Winery	7% (n=5)	NA	500 – 300,000 (54,000)
Other	10% (n=7)	NA	NA

NA = Not Applicable, n=number of respondents

The size of the respondents businesses was indicated by the number of employees: 17% of respondents were non-employing businesses (0 employees), 29% were micro

businesses (1-4 employees), 29% were small businesses (5-19 employees) and 33% were large businesses (20+ employees) (Table 2).

Table 2: Size of Businesses Operated by Survey Respondents (n=70)

<i>Business Size Category</i>	<i>Percentage of Respondents</i>
Non-employing (0 employees)	17%
Micro (1-4 employees)	29%
Small (5-19 employees)	21%
Large (20 or more employees)	33%

INTERNATIONAL MARKETS

The majority of respondents (84%) were able to estimate or had an accurate record of the proportion of their customers who were from overseas (Table 3). For the majority of operators, international visitors made up 20% or less of their overall custom, but for 17% of operators international visitors were their main source of business.

Table 3: Proportion of International Customers (n=55)

<i>Proportion of Customers who were International</i>	<i>Percentage of Respondents</i>
1-10% international customers	46%
11-20% international customers	20%
21-50% international customers	17%
51-100% international customers	17%

Respondents were asked to rate the importance of various international markets to their business. The four most important markets for all respondents were the UK, USA & Canada, Germany and Other Europe. The Asian markets (Singapore & Malaysia, China, Japan and other Asian countries) were less important to smaller businesses than large businesses. Of the operators in the non-employing, micro and small business size categories, 21-46% indicated that Asian countries were not important at all; while only 5-14% of large businesses indicated that the Asian countries were not important at all.

Table 4: Most important international markets (n=65)

<i>Market</i>	<i>Percentage of Respondents Who Rated the Market as Very Important or Important</i>
United Kingdom	78%
USA and Canada	78%
Germany	59%
Other Europe	58%
Japan	44%
Singapore & Malaysia	41%
Other Asia (including India)	39%
China	39%

INTERNATIONAL MARKETING BY OPERATORS

Respondents were asked to indicate which, of a range of international marketing activities, they had previously undertaken. The most commonly undertaken activity was 'attendance at industry workshops and networking events held by Tourism Tasmania' (69%) and 'contracted with an inbound tour operator/international wholesaler agency' (67%). Only a small percentage of operators (17%) sought export funding assistance through a government grant or assistance scheme (Table 5).

The range of marketing activities undertaken were examined in relation to business size. In most respects the range of activities did not vary substantially according to business size. The exception was none of the non-employed business operators attended the Australian Tourism Exchange (ATE).

In addition to the marketing activities listed in Table 5, respondents indicated they undertook other activities which included web-based marketing, new product workshops, specialist trade shows, Australian Tourism Export Council (ATEC) activities, South-East Asian Mission (SEAM) and other Tourism Australia events.

Table 5: Marketing Activities Undertaken by Respondents

<i>Marketing Activity</i>	<i>Percentage of Respondent</i>
Actively introduced and promoted your business to international travel trade (international travel agents and wholesalers)	54%
Conducted sales calls to Australian based international travel trade	33%
Conducted sales calls whilst travelling overseas	26%
Contracted with an inbound tour operator/international wholesaler agency	67%
Attended industry workshops and networking events held by Tourism Tasmania	69%
Sought export funding assistance through a government grant or assistance scheme	17%
Participated in trade/media visits coordinated by Tourism Tasmania	54%
Attended ATE (Australian Tourism Exchange)	30%

PAST OR CURRENT ASSISTANCE BY TOURISM TASMANIA

Respondents were asked to list the types of international marketing assistance they had received from Tourism Tasmania in the past or currently. The range of responses included:

- Support and advice in regard to:
 - Marketing opportunities
 - Identifying new wholesalers
 - Organising sales calls
 - Attending new product workshops and the ATE
- Introductions to wholesalers at ATE
- Updates on future promotions/seminars/newsletters
- Market briefings and updates
- Financial assistance through the Market Development Support Scheme
- Tourism Australia and Tourism Tasmania survey data
- Assistance with media and trade familiarisations
- Co-operative opportunities with Tourism Tasmania and Tourism Australia
- Support and information from Tourism Tasmania in the UK, USA, and Asia

LOOKING TO THE FUTURE – MOST IMPORTANT BENEFITS

Respondents were asked to rate the importance of 16 potential benefits Tourism Tasmania could provide. There was some variation in the responses in relation to business size, but 'inclusion in international media visits', 'introduction and access to Australian based travel trade (inbound tour operators and wholesale agents)', and 'inclusion in international travel trade (international retail and wholesale travel agents) visits' were rated highly by businesses of all sizes (Table 6).

Table 6: Rating of Benefits in Each Business Size Category (✓✓ = 75-100% rated the benefit as important or very important; ✓ = 50-74% rated the benefit as important or very important; * = less than 50% rated the benefit as important or very important)

Benefit	Non	Micro	Small	Large
Inclusion in international media visits	✓✓	✓✓	✓✓	✓✓
Introduction & access to Australian based travel trade (inbound tour operators & wholesale agents)	✓✓	✓✓	✓✓	✓✓
Inclusion in international travel trade (international retail & wholesale travel agents) visits	✓✓	✓✓	✓✓	✓✓
Ongoing market feedback & advice from Tourism Tasmania	✓	✓✓	✓✓	✓✓
Inclusion in e-newsletters to international media & travel trade	✓	✓✓	✓✓	✓✓
Partnership in marketing campaigns focused on the consumer	✓✓	✓✓	✓✓	✓
International tourism statistics, research, market profiles, forecasts and trends	✓	✓	✓✓	✓✓
Inclusion in Tourism Tasmania's overseas travel trade training activities & events	✓✓	✓	✓✓	✓
Partnership in overseas marketing campaigns focused on travel trade	✓	✓	✓✓	✓
Regular market seminars & networking functions held in Tasmania	✓✓	✓	✓	*
Assistance with business planning for international marketing	✓✓	✓✓	✓	✓
Inclusion in Tourism Australia's overseas travel trade training activities & events	✓✓	✓	✓✓	✓
Mentoring opportunities with experienced Tasmanian operators and Tourism Tasmania	✓✓	✓	✓	✓
Participation in Tourism Tasmania's online training tools	✓	✓	✓	✓
Assistance with appropriate written communications such as brochures, newsletters etc	✓	✓	✓✓	*
Assistance with your organisation's own overseas sales trips	✓	✓	✓	*

Respondents also rated the importance of potential benefits Tourism Tasmania could provide operators attending the Australian Tourism Exchange (ATE). 'Introduction to product managers at ATE' was the most highly rated benefit for all business sizes. The overall benefits were more important to smaller sized businesses than large businesses, with less than 70% of large business respondents rating the potential benefits in relation to the ATE as being important or very important (Table 7).

Table 7: Percentage of Respondents Who Rate as Very Important or Important Potential Benefits for Attendees of the Australian Tourism Exchange (ATE)

<i>Benefit</i>	<i>Non</i>	<i>Micro</i>	<i>Small</i>	<i>Large</i>
Introduction to product managers at ATE	91%	79%	92%	65%
Theming of Tasmanian product booths at ATE	91%	64%	77%	60%
Assistance in preparing for ATE	91%	64%	69%	50%
Assistance with appointment schedules prior to ATE	82%	64%	54%	50%

Respondents were also asked to comment on additional types of marketing support that Tourism Tasmania should, in their opinion, provide. A range of activities was identified including, 'financial assistance to attend travel expos', 'access to the Visiting Journalist Program' and, 'promotional in-market tours', for non-employing businesses to 'further development of the web for marketing', 'free translation and cultural training services for marketing materials', 'introductions /referrals/ recommendations to wholesalers', 'information on travel shows, familiarisations, and Visiting Journalists Program opportunities', and 'provide "one-stop-shop" for international trade' for the mid to larger businesses'.

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