Demand and Supply Issues in Indigenous Tourism: A Gap Analysis

Synopsis:

Mapping Australia's International and Domestic Visitor Markets against Indigenous Tourism Operators

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Executive Summary

Indigenous tourism is an integral part of Australia's tourism product offering; it is one of the key experiences which underpin Tourism Australia's global marketing activities. Yet participation in Indigenous tourism experiences by both international and domestic markets has been declining since 2006 (Tourism Research Australia 2011). Despite conflicting reports pertaining to the success (or otherwise) of Indigenous tourism in Australia, certainly the demand and interest for Indigenous tourism reported in earlier demand studies has not transpired into visitor flows for many Indigenous tourism businesses. Therefore, the aim of this research was to undertake a gap analysis of the demand for, and supply of, Indigenous tourism in Australia through the following specific research objectives:

1. Investigate the expectations, experiences and motivations, of both international and domestic tourists regarding Indigenous tourism products and services in Australia.
2. Investigate the expectations, experiences and motivations of Indigenous tourism operators regarding the provision of activities and experiences to the visitor market.
3. Undertake a gap analysis of the expectations, experiences and motivations of international and domestic tourists and Indigenous tourism operators to analyse and map identified gaps and associated emergent issues.

Multiple data collection methods were used to address the research objectives of Stage One of the research and included:

1. A survey with 1357 international and domestic tourists conducted at four locations in Australia.
2. In-depth, semi-structured interviews with 34 Indigenous tourism operators from 10 locations in Australia.

A second stream of research was also undertaken and focused specifically on the Chinese inbound visitor market and their demand for Indigenous tourism in Australia. The research objectives of this stage of the research were to:

1. Investigate the expectations, experiences and motivations, of independent Chinese tourists regarding Indigenous tourism products and services in Australia.
2. Explore the relative demand for Indigenous tourism products and experiences of Chinese tour group participants in Australia.

3. Investigate the perceptions, expectations and decision making processes of Chinese inbound tour operators and Chinese market expert informants regarding Australian Indigenous tourism products and services.
4. Undertake a gap analysis of the expectations, experiences and motivations of Chinese tourists, tour operators, expert informants and Indigenous tourism operators to explore and then map and critically analyse identified gaps and associated emergent issues.

Again, a mixed method approach was used consisting of:

- a survey with 115 independent Chinese tourists (conducted as part of Stage One).
- a survey with 275 Chinese tourists travelling with tour groups.
- a survey of Chinese tour operators (Approved Destination Status [ADS] inbound and other tour operators servicing the Chinese market in Australia).
- a survey of 21 expert informants for the Chinese inbound market.

Key Findings Stage One: International and Domestic Visitor Markets against Indigenous Tourism Operators

- Indigenous tourism operators overestimate international visitor demand for Indigenous experiences. Operators believe international tourists see Indigenous experiences as second only to Sydney attractions, yet less than 5% of international tourists cite Indigenous experiences as an activity they want to experience while in Australia. Operators also overestimate the draw of remote locations such as Uluru and Kakadu when the vast majority of international visitors do not leave the eastern seaboard.
    - Visitors were asked to identify the activities and experiences they were aware of that could be undertaken in Australia. 'Outdoor/nature experiences' and 'local attractions/tourist experiences' were the top of mind responses for the majority of visitors. 'Arts/heritage experiences' were top of mind for 22% of all respondents, and 'Aboriginal cultural experiences' were for 19% of respondents. Domestic respondents were significantly more aware of the 'arts/heritage experiences' available than international visitors.
    - Visitors were also asked to list the 'top' five things that they would like to see or do in Australia. The 'top' attraction/experience on both the domestic and international visitors 'wish list' was general 'sightseeing/travelling around' with 37% of domestic and 50% of

international respondents citing this as their most desired experience in Australia. Indigenous tourism was ranked 37th for international visitors and 59th for domestic visitors.

  - Visitors were asked to consider, from a predetermined list, activities and experiences that could be undertaken while visiting Australia. Sightseeing was important and the vast majority of both domestic (84%) and international (82%) respondents were undertaking this activity. Indigenous tourism experiences ranked around the midpoint and below on the scale for both domestic and international visitors.
  - Indigenous tourism operators believed domestic tourists share similar motivations to international tourists in that they are motivated to participate in Indigenous tourism activities/experiences for education reasons and an interest in Indigenous cultures.
  - A number of the operators believed that a stereotypical Indigenous experience is the primary expectation of a large proportion of international and domestic visitors. However, a number of other operator participants thought international visitors were looking for an opportunity to engage with an Indigenous person in a culturally authentic experience.

- Mapping awareness, preference and intention on the Attrition Curve shows that despite claims about international visitor interest, the respondents to the visitor survey in this study have low spontaneous/top-of-mind awareness of Indigenous tourism experiences (less than 25% for domestic respondents and less than 20% for international respondents). Preferences for Indigenous tourism experiences decline to 12% and intention/visit to 2%. In this study, awareness and preferences of international visitors are on par with that of domestic tourists.
  - 'Top of mind' awareness of Indigenous tourism products and experiences is reasonably low – less than 25% for domestic respondents and less than 20% for international respondents. Both visitor and operator respondents attributed this to a lack of awareness/promotion of available products.
  - For the domestic market, a number of the operator participants raised the issue of what could be termed 'backyard syndrome', that is, a perceived 'familiarity' with Indigenous experiences (i.e., culture, customs, traditions) that would lead them to not seek an Indigenous cultural experience per se. While familiarity, attitudes and/or negative media may be contributing factors as to why domestic tourists do not participate in Indigenous tourism activities or experiences, a further challenge is that this market is largely unaware that there is an option to do so.

- It has previously been identified that domestic visitors have little interest in Indigenous tourism; this was confirmed when mapping domestic awareness, preferences and intention on the Attrition Curve. There is low awareness amongst the domestic market that Indigenous tourism experiences are available in Australia. The issue of lack of awareness/product promotion issues arose throughout the study from both visitors and Indigenous tourism operators.

- Barriers to participating in Indigenous tourism were measured on five point scales and most visitor respondents, both international and domestic, rate these around the mid-point. However, given the low awareness, preference and intention scores, this suggests that respondents many not be comfortable disclosing their responses to this question, thus skewing the barriers.
    - For international visitors a lack of product awareness, the cost of the experience; a lack of available and reliable products; accessibility and time constraints were all cited barriers.
    - For domestic visitors' barriers to participation included: limited time available; other activities/sightseeing; too expensive/limited budget; and, the experience is not authentic.

- Many Indigenous tourism operator respondents believe 'racism/negative preconceptions' and 'negative media attention' about Indigenous peoples are barriers to domestic visitor participation in Indigenous tourism. Almost 50% of Indigenous tourism operators believed 'racism/negative preconceptions' and 'negative media attention' about Indigenous peoples are barriers to domestic visitor participation in Indigenous tourism
    - For the international market, operators see the main barrier as 'activity is too expensive/limited budget'.

- The Indigenous activity and experience scenarios, which were designed to delve more deeply into interest and motivations, generally rate on the mid-point of the appeal scale with little differentiation between the options. This suggests that consumers see the product offerings as reasonably homogenous.
    - Where appeal rates around the neutral point, for those respondents that indicate a level of interest in the scenario, approximately half do not plan to participate/or do not know if they will participate. A lack of time, involvement in other activities, and

  expensive/budget are repeatedly cited across the scenarios as reasons for not participating in Indigenous tourism.
  - Willingness to pay (another indicator of demand), in each of the scenarios is relatively low. Respondents are generally unwilling to pay much for these experiences generally citing 'free' or a willingness to pay up to $100 for the experiences, even for some of the more involved options such as full day tours and accommodation.

- From a supply side perspective, operators are challenged to provide a product that does not compromise cultural integrity yet concomitantly, is commercially viable by responding to the demands, expectations and logistics of the visitor market; arguably a visitor market which has markedly different segments. The issue at hand then, centres on how and will Indigenous tourism experiences be deemed authentic if they are commodified and packaged for tourism.

  Barriers associated with operating an Indigenous tourism business were seen by operator respondents as:
  - Macro challenges such as intensifying competition due to an increasing number of Indigenous tourism businesses entering the market; competition with the mining industry for available accommodation stock and seasonality.
  - Micro challenges: sourcing, training and retaining appropriate staff generally and Indigenous people specifically; increasing government regulations (i.e., permits, accreditation) and the difficulties associated with living and working in a remote location (i.e., increased operational costs).

Key Findings Stage Two: The Chinese Inbound Market and Indigenous Tourism

- A number of Indigenous tourism operators recognise the importance of the Chinese market and the opportunities it can provide, yet many operators voice a lack of interest in pursuing this market both now and in the near future.
  - Indigenous tourism operators perceived Chinese visitors to Australia to be generally seeking a shallow or 'stereotypical' experience.
  - Despite a lack of interest in this market, Indigenous tourism operators overestimate Chinese visitor demand for Indigenous tourism products and experiences with participants placing 'visiting the red centre/ outback' and 'Indigenous tourism' as the two top attractions Chinese visitors want to experience in Australia.

- When mapping Chinese inbound visitor awareness, preferences and intention on the Attrition Curve there is low awareness amongst the Chinese inbound market that Indigenous tourism experiences are available in Australia. Only 6% of Chinese visitors cite Indigenous tourism as a top of mind activity to undertake Australia compared to over 75% of Chinese visitors who are aware they can undertake 'outdoor /nature' experiences.

- The main barriers Chinese visitors cite to participating in Indigenous tourism are a lack of information/advertising/promotion, safety and comfort concerns, and language barriers. Inbound tour operators identify barriers and challenges associated with providing Indigenous products and experiences on Chinese tours in Australia including language, cultural barriers, product availability/awareness and standard, timing, pricing, interest, logistics, location and access.

- While acknowledging the market have little prior knowledge of the Indigenous tourism experiences available in Australia, the majority of inbound Chinese tour operators and Chinese expert informants (50% of tour operators and 50% of expert informants) believe experiencing Indigenous art and craft to be very important to Chinese visitors while 59.5% of tour operators and 79% of expert informants believe visiting an Aboriginal site or community is important to Chinese visitors.
    - The most important activities cited by Chinese visitors in Australia include 'sightseeing/looking around', 'visiting the Great Barrier Reef' and 'going to the beach'. Indigenous experiences are significantly lower down the importance scale.
    - Chinese visitors display an increase in intention to participate when prompted about specific Indigenous tourist scenarios.
    - The most cited motivation for undertaking at least one of the Indigenous scenario experiences is an interest in Aboriginal history, culture and traditions (54%).
    - The most cited barrier to undertaking the scenarios is a lack of interest in the scenarios presented (65%).

- Experiences/products that tour operators and expert informants suggested an Indigenous tourism business could and/or should provide if they wanted to be included in a Chinese tour company's itinerary included: Aboriginal cultural show; bush tucker/story telling; guided nature/environment tours with Indigenous guide (*maximum one hour*); cultural centres (*where* *visitors could get a lot of information/experience in a short space of time*); and, art/craft, rock paintings, carvings (*opportunity to try painting*). Further suggestions included: located in close proximity to major cities/urban areas; brochure and interpretation provided in Chinese; souvenir and shopping opportunities.

Selected Recommendations

- Explore the knowledge needs of Indigenous tourism operators, as well as the uptake and usage of tourism market data. Develop appropriate communication channels to meet knowledge needs and assist operators in identifying, interpreting and collecting relevant data sources.
- Embed export ready Indigenous tourism products in international and national distribution channels. Integrate micro, small and start-up businesses into local tourism distribution channels to increase product awareness.
- Develop awareness/marketing programs targeted at the domestic market that highlight the range of Indigenous offerings available in Australia. However, it will also be necessary to develop strategies to overcome the low levels of interest and participation in Indigenous tourism.
- Develop a targeted marketing and educational campaign to demonstrate to the broader community, the scope and breadth of Indigenous tourism operations in Australia
- Support Indigenous tourism operators in developing products and experiences that are reflective of contemporary Indigenous culture while balancing visitor demand and expectations.
- Undertake realistic assessments of product gaps vis-à-vis tourist flows and demand patterns thus moving away from supply led, 'build it and they will come', approaches to demand driven product development
- Focus on development in urban centres and surrounds to capitalise on existing visitor traffic.
- Develop marketing campaigns to increase awareness of Australia's Indigenous tourism products; this should be targeted at both visitors and tour operators given the prevalence of group tours in this market.
- Examine an apparent lack of interest from some Indigenous tourism operators to pursue and engage with the Chinese inbound market.