UNWTO Workshop on Sustainable Tourism Product Development in the Pacific Islands

31st March 2021

SESSION 2: HARNESSING THE POTENTIAL OF INTRA-REGIONAL TOURISM AND SUSTAINABLE PRODUCT DEVELOPMENT

WHAT IS NEEDED TO ACHIEVE THE POTENTIAL?

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Intra-regional prospects

TOURIST ARRIVALS TO PICS FROM CLOSEST KEY SOURCE MARKETS

1. Top performing geographic tourist source markets for PICs pre-COVID*:
   - Australia
   - New Zealand
   - Other PICs
   - China
2. Markets willing and able to form safe travel bubbles.
3. Markets with indications that tourist demand for PICs will resume.

Data source: SPTO, 2019
* By available visitor numbers, notwithstanding yield is preferred indicator.

What is needed to achieve the potential of intra-regional tourism & sustainable product development

- Launch safe travel bubbles

... and something we have more control over...

- (Continue to) ensure readiness for the resumption of travel from target markets.
  - Respond to pre-COVID target market insights with product & visitor experience development.
  - Respond to changing tourism trends with (relevant) product development.
  - Respond to evolving traveller sentiment with relevant marketing messaging.
  - Respond to changing travel industry landscape with tailored solutions.

Ensuring Readiness: Responding to pre-COVID target market insights

- Prevailing market research is more important than ever to inform ongoing product & visitor experience development.
  - Past market segmentation research.
  - Past visitor survey findings (IVS/operators).
- The promotion of 'new & improved' destination experiences will help (re)stimulate demand from target markets in competitive times.

Ensuring Readiness: Responding to new (relevant) tourism demand trends

Based on the (sometimes weak, contradictory & ad hoc) commentary on post-COVID tourism demand trends, it can be reliably surmised that tourists will make travel decisions based on:

LOW RISK DESTINATIONS

- Health considerations:
  - Incidence of COVID at destination.
  - Airline, airport, & hotel hygiene protocols (formal + global best practice).
  - Availability of contactless technology .
  - Completion of vaccination programs.
  - Accessibility to medical services.
- Financial considerations:
  - Booking cancellation policies.
  - Pricing consistency (vs pre-COVID).
  - Travel insurance costs/coverage.

HIGH APPEAL DESTINATIONS

Consideration of 'appeal' subjective, but trends incl:

- Destinations and products with sustainable tourism credentials:
  - Social.
  - Environmental.
- Destinations offering product in growing niche market segments e.g: Wellness tourism; Nature-based tourism; Culinary tourism; Slow Travel.
- Destinations offering 'undertourism' experiences.
- Destinations that suit respective preferences for travel distance, transport modes and/or trip duration.

These factors should inform visitor servicing efforts and product development - *where relevant to target segments*. They should also be reflected in marketing strategies.

Ensuring Readiness: Responding to evolving traveller sentiment insights

Current market-specific sentiment research is limited, it dates quickly, and is sometimes conflicting, but it is useful to consider when targeting marketing messages. Some *sample* insights relevant to PICs:

AUSTRALIA

Travel & Tourism Forum (TTF) *Travel Sentiment Survey*, June 2020.

- 42% of respondents indicated they wanted to travel overseas in the (then) next 12 months.
- Fiji ranked #10 (9% of responses).
- 66% were nervous about travelling to overseas destinations (exc. NZ).

Tourism Australia *Travel Sentiment Tracker*, March 2021

- 49% of traveller respondents said they now feel more likely to travel overseas due to roll vaccine roll out.
- 12% were actively planning an overseas trip.

NEW ZEALAND

NZ Tourism *Travel Sentiment Survey* June 2020.

- 8% of respondents indicated that in the long term, they want to travel overseas more often than before COVID.

CHINA

Dragontail Chinese Traveller Sentiment Survey, March 2021

79% of respondents are willing to travel o/seas, with the following top top 5 deciding factors:

- Friendliness to Chinese travellers (62%)
- Zero COVID cases in destination (56%)
- No quarantine (56%)
- Flight schedules (45%)
- Their own vaccination (43%)

Less important was:

- Affordability of travel product (35%)
- Availability of medical response in the destination (29%).

GLOBAL

Blackbox/Dynata/Language Connect *Travel Sentiment Study*, July 2020

- 63% of respondents said they would resume long-haul trips within a year.
- 76% of respondents said they would not go on a cruise ship within the (then) next 12 months. (*Conflicts with Cruise company surveys).
- 80% of respondents are willing to pay more for safer accommodation
- 'Nature Lovers' & 'Adventurers' are the most confident about travelling o/seas in the (then) next 12 months.

Ensuring Readiness: Responding to the changing travel industry landscape

- Changes in travel distribution systems since COVID began:
  - Closure/potential closure of players in travel distribution systems.
  - Digital transformation of tourism operations.
    - Need to revise coop marketing activity (partners, budgets).
- Changes in supply due to impacts of COVID:
  - Losses - closures/losses in accommodation, transport, tours.
  - Gains - new product development / visitor experience enhancements
    - Need to re-educate destination specialist agents.

Questions welcome

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