



CAPRICORN
ENTERPRISE
Region of Innovation

Industry **TOOLKIT**

Delivering Tourism
Experiences



Table of Contents

Positioning Your Product to Showcase Experiences	1
Business Development Tools	3
Business licences and regulations	3
Risk management	3
Accreditation	4
Climate Change Guidelines	5
Useful Acronyms	8



Delivering Tourism Experiences

Gone are the days of 'tick-box' travel. Visitors in Australia and around the world are looking for more. It's not just about where you've been but what you felt, thought and remembered from being there.

Truly authentic experiences distinguish a destination from its competitors and the perceived opportunity for such experiences can attract visitors to a destination. These travellers have been identified by Tourism Australia as "Experience Seekers" – primary target groups within the domestic and inbound tourist markets.

Australian Experience Seekers are travellers with a preference for both interstate and overseas travel who spent more than \$2,000 on their last holiday. When we look at the average trip cost per person, Australian Experience Seekers spent \$3,498 on their last holiday, three and a half times more than the average Australians spent. Barriers to domestic travel include competition from overseas destinations, changes to household spending and stockpiling of annual leave.

When travelling, Australian Experience Seekers often want to visit more than one destination, and the best received holidays include a variety of experiences, rather than a stand alone destination draw card. They are looking for unique, involving and personal experiences gained from their holiday.

This section will outline how you can create a more competitive offer by moving away from promoting merely a commodity, product or service towards selling an experience, and by streamlining business processes.

Positioning Your Product to Showcase Experiences

The 'commodity mind-set' means thinking that a business is merely performing a function – eg offering a particular product or service at the lowest possible price. Making the shift towards thinking about selling experiences rather than just a commodity might sound complex, however to work out how to identify the experience you are selling it's important to ask yourself the following questions:

- Can I go beyond the function and compete on the basis of providing an experience?
- How can I engage my consumers in a memorable way
- Do I offer an experience or just a place to stay/thing to do?
- What do my customers say about my product?
- How would my product or business compare to other operators?
- What assets or unique selling points do I have?

- How does my promotional material represent my product?
- What would it cost to change my product to provide a compelling experience?
- How will I 'sell' these changes?

Tourism Australia provides the following process for moving from offering just individual commodities, products and services, to offering compelling experiences:

OFFERING	CHARACTERISTICS
Commodities	Perishable Substitutable
Products	Tangible Standardised
Services	Intangible Customised
Experiences	Memorable Personal

EXAMPLE – Tour operator (Outback Australia/Aboriginal Australia)

Commodity – Bus and a driver. Images showing the bus driver and fleet of buses lined up ready for customers to board the tour.

Product – Specific touring company with driver commentary, offering same equipment, itinerary, basic meals and accommodation. Images showing a bus driver or tour guide enroute with a microphone giving commentary.

Service – Touring company with a detailed destination information guide with customised itineraries. Images showing a tour guide pointing to a landmark on the tour providing interpretation.

Experience – Providing customers with an interpretive and interactive experience with locals and experts in unique outback locations, such as an Aboriginal storyteller around a campfire. Images showing a group of travellers sharing a campfire with an Aboriginal storyteller in an outback location.

Tips for enticing the Experience Seeker

1. Maximise your location. Think about the experiences you have in your backyard – eg spectacular view and scenery, historic buildings or background, unusual nature, accessibility, outback/reef activities etc
2. Strive to deliver something unexpected and personal and impart skills, not just knowledge, by sharing an interactive learning experience.
3. Get local. Provide tips on other attractions, things to do, restaurants, tours and places to see in region. Think of your 'competitor' as your ally. Create opportunities to get involved with local events or showcase local produce.
4. Provide 'new news'. Keep your product offering fresh by offering specialised products or unique selling points.

5. Offer visitors the opportunity to become involved in various aspects of your business or advise them of activities that are available through your or near you. Eg on a farm stay offer the opportunity to shear a sheep or muster cattle.
6. Encourage word of mouth (the 'braggability' factor) by offering immersive, interactive, active and adventurous experiences that offer a contrast to normal life. Allow opportunities for visitors to meet and learn from local experts.
7. Offer value for money. Aim to exceed your customers' expectations and think about adding personal touches. Offer only what you can promise to deliver.

Business Development Tools

A tourism business is often a 24 hour-per-day, seven days-per-week commitment. In many regions income flow can be affected by seasonality. This needs to be a major consideration in business planning to ensure survival, particularly in regard to staffing levels.

Tourism is a people business and working with customers is an essential component. All staff, especially front-line staff, must have excellent communication skills, a strong service attitude, an aptitude for working with people and an ability to work under pressure. Cultural awareness is also important as visitors to Australia come from diverse cultural backgrounds.

Key ingredients for success include:

- Good business management skills
- Strong customer focus
- Effective skills development, staff training and management
- Adequate marketing skills
- Sufficient capital
- An understanding of the tourism industry
- Technological skills and ability to cope with changes in technology
- Realistic expectations
- Sensitivity to pricing
- Succession planning.

Business licences and regulations

There are many regulatory requirements affecting tourism. These range from local government regulations through to general safety issues such as fire and rescue. Licenses and regulations exist to protect the tourism business as much as the community. They enforce safe and responsible practices and ensure compliance with insurance, tax and other obligations.

The Queensland Department of Employment, Economic Development and Innovation Smart State Licence website: www.sd.qld.gov.au provides information about State, local and Commonwealth Government requirements.

Risk management

A risk is the chance of something adverse happening. Risk arises out of uncertainty. It is measured in terms of the likelihood of it happening and the consequences if it does happen.

Ignoring the risks that apply to business activities or planned events could affect:

- The health and safety of employees, customers, volunteers and participants
- Reputation, credibility and status
- Public and customer confidence in an organisation
- Financial position

- Plant, equipment and the environment

Risk management is a series of well-defined steps leading to a greater insight into the risks faced by a business. It involves weighing up the return expected from taking a risk and the cost of preventing the adverse consequences of taking the risk. Adopting effective risk management techniques may improve safety, quality and business performance. A systematic approach to managing risk is regarded as good management practice.

It is as much about identifying opportunities as it is about avoiding losses. Cost increases and decreased availability of public liability insurance have made risk management imperative. Across the tourism industry, there is a multitude of opportunities for 'risks' to turn into 'disaster or an upheaval event'. A diverse range of businesses – from accommodation establishments to bungy jumping operators – benefit from implementing good risk management practices.

Risk management is particularly important in nature-based and adventure tourism operations, and requires careful consideration in how it is planned for and dealt with. The concept of 'duty of care' presupposes businesses exercise due diligence in carrying out hazard assessment, risk management planning and emergency response.

Further information on risk management and resources to assist include:

- Standards Australia Risk Management Portal provides information on Risk Management Products and Guides
- Tourism Risk Management: An Authoritative Guide to Managing Crises in Tourism (APEC Publication)
- The Queensland Government Community Door, interactive tools and case studies to address risk management
- Healthy Islands Resorts, a website for tourist facilities to effectively manage public health risks, and personal health and wellbeing considerations whilst living and/or working at a tourist resort or facility
- Risk management for small businesses training modules provides practical knowledge, understanding and skills for small businesses to implement effective risk and crisis management .

Accreditation

Tourism accreditation is a voluntary process designed to establish and continually improve industry standards for conducting tourism businesses. Accreditation helps all tourism businesses improve the way they operate.

An accredited tourism operator is committed to quality business practices and professionalism in all aspects of the enterprise. Accreditation is ongoing, with an emphasis on business planning, operating systems and performance measurement. Accreditation is voluntary because the demands of a constantly changing marketplace can best be met through agreed industry standards rather than government imposed regulations.

Accreditation programs are usually managed by industry associations. Operators must achieve the standards outlined in their relevant program to become accredited and show that their business practices ensure their services and products are of a consistent quality and meet or exceed the expectations of their customers.

The Queensland Government, through Tourism Queensland, supports, encourages and acknowledges industry-led tourism accreditation.

Benefits of accreditation for tourism businesses include:

- Customer assurance of continued quality – improved customer relationships
- Business improvement – quality management involves documentation of operational and management procedures, improved business knowledge, competence, sustainability, management and predictability
- Competitive advantage – increased market share, profitability
- Official promotion on site, in publicity materials, in government sponsored programs and tourism publications
- Improved staff relationships, training and communications.

The whole tourism industry benefits from accreditation because it provides travel retailers and wholesalers with an assurance of professional service. This commitment to quality means a quality experience for the visitor and subsequent repeat visitation.

More information on accreditation programs can be found at:

- Smart State Licence www.sd.qld.gov.au
- Queensland Visitor Information Centre Signage Policy Resource Kit www.tq.com.au/vics
- Queensland Tourism Industry Directory www.tq.com.au/qtid

Sustainable Tourism Practices

Sustainability is just one word and yet there exists over 300 definitions. The best-known definition of sustainability or sustainable development comes from the World Commission on Environment and Development and is outlined as: *"forms of progress that meet the needs of the present without compromising the ability of future generations to meet their needs."*

It is important to consider that sustainability is about more than just looking after our natural environment. It is also about considering the social and economic impact of what we do and how we do it.

What are the benefits of being sustainable?

Adopting sustainable business practices and policies has many tangible benefits that do more than just 'doing the right thing'. By making sustainability a focus, businesses can:

- Increase tourists by promoting your sustainability credentials to 'green-savvy' consumers who make purchase decisions based on minimising their own footprint.
- Reduce operating costs by undertaking initiatives that reduce waste, water and energy consumption.
- Develop a competitive advantage by establishing and promoting sustainable business practices as a point of difference.
- Attract and retain valuable staff by adopting policies that meet with employee values and concerns.
- Encourage investors interested in companies with long-term sustainability plans that minimise operating risks in the future.
- Increase long-term profitability by putting plans in place now that will create savings in the future such as minimising transport costs that will continue to rise as fuel becomes more expensive.

Climate Change Guidelines

Climate change is a global issue that affects us all. Changes in climate patterns mean that extreme weather events such as heat waves, floods, storms, droughts and bushfires will become more frequent, more widespread or more intense.

Climate change is the result of changes in our weather patterns because of an increase in the Earth's average temperature. This is caused by increases in greenhouse gases in the Earth's atmosphere. These gases soak up heat from the sun but instead of the heat leaving the earth's atmosphere, some of it is trapped, making the Earth warmer. Climate change is also known as global warming.

Greenhouse gases have always been a natural part of the atmosphere. They absorb and re-radiate the sun's warmth and maintain the Earth's temperature at a level necessary to support life. However, since the Industrial Revolution there has been a steep rise in the concentration of these gases in the atmosphere because of human activity. This increased concentration is known as the enhanced greenhouse effect, which is contributing to a warming of the Earth's surface.

Research by the world's leading scientists suggests that without actions to reduce greenhouse gas emissions, the Earth's surface temperature is likely to rise by 1.0C-6.4C by the end of this century. Likely outcomes are reduced water availability, more heat waves, fewer frosts, less snowfall, more storms, stronger tropical cyclones and rises of 18-59cm in sea levels by 2030.

Queensland's exposure to climate change risk

A key selling point for Queensland as a tourism destination is its natural features – clean beaches, pristine rainforests and abundant wildlife. For this reason ‘sustainability’ is a central theme of the Queensland Tourism Strategy 2010. Further, the Queensland Government has recently released a Review of the Queensland Government Climate Change Strategy: Issues Paper outlining a number of key actions to address the impacts to the economy.

What could the effects of global warming mean for Queensland?

The Garnaut Report, otherwise known as the Federal Government’s Green Paper identified Queensland as the State most at risk noting key risk areas as:

- A rise in sea level causing coastal damage;
- An increase in the likelihood of extreme weather conditions such as droughts, floods and cyclones;
- Health impacts because of the spread of tropical-borne diseases, the increase of flooding and other such climate changes;
- Damage to ecosystems and species diversity;
- Damage to agricultural output and food supply; and
- An increase in the earth’s surface temperature causing heat stress and damage.

First steps to becoming sustainable – Pathway to Sustainability

Achieving environmental sustainability in tourism can be complicated by the variety of programs and initiatives available. To assist operators in taking the first step, a simple process called the ‘Pathway to Sustainability’ has been developed by Tourism Queensland (TQ).

The aim of TQ’s ‘Pathway to Sustainability’ is to help businesses to demystify the climate change challenge and operate in a more sustainable manner. The Pathway to Sustainability as presented here relates only to environmental sustainability and it is important to also acknowledge the economic and social impacts of your operation.

While each business will have its own unique steps to take to minimise its impact, the 'Pathway to Sustainability' identifies five steps that any business can follow.



For information about the Pathway to Sustainability, visit the Tourism Queensland Resource Centre, at <http://www.tq.com.au/resource-centre/sustainability-and-climate-change>

For more information on climate change and its significance visit the Department of Climate Change website www.climatechange.gov.au. Publications include Australian Government guidance on climate change impacts through the publication: Climate Change Impacts and Risk Management: A Guide for Business and Government.

Useful Acronyms

APEC	Asia-Pacific Economic Corporation
ATDW	Australian Tourism Data Warehouse
ATEC	Australian Tourism Export Council
CHRC	Central Highlands Regional Council
CTDO	Capricorn Tourism Development Organisation
DEEDI	Department of Employment, Economic Development and Innovation
DMC	Destination Management Company
FIT	Free Independent Traveller
ITO	Inbound Tour Operator
LGA	Local Government Authority
LTO	Local Tourism Organisation
MICE	Meetings, Incentives, Conferences and Exhibitions
NTO	National Tourism Organisation
QTIC	Queensland Tourism Industry Council
RDA	Regional Development Australia
RRC	Rockhampton Regional Council
RTO	Regional Tourism Organisation
STO	State Tourism Organisation
TA	Tourism Australia
TAD	Tourism Assistance Database
TQ	Tourism Queensland
VIC	Visitor Information Centre
VFR	Visiting Friends and/or Relatives
VJP	Visiting Journalist Program

The information outlined within this Toolkit has been sourced from:

Tourism Australia – www.tourism.australia.com

Tourism Queensland – www.tq.com.au

Tourism New South Wales – www.tourism.nsw.gov.au

Tourism Victoria – www.tourism.vic.gov.au

Department of Employment, Economic Development and Innovation – www.business.qld.gov.au and
www.deedi.qld.gov.au

Australian Tourism Data Warehouse – www.atdw.com.au

Queensland Tourism Industry Council – www.qtic.com.au

Capricorn Tourism – www.capricorntourism.com.au