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Exploring Chinese visitor demand for Australia's indigenous tourism experiences

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A B S T R A C T

Responding to the rapid growth of outbound travel from China, Australia's national tourism body, Tourism Australia, is investing considerable efforts into strategically positioning the Australian tourism industry to be 'China-ready' through targeted marketing programs, formalized policy and planning, and industry education and training. Yet Australia's indigenous tourism sector, while declining across international markets generally, also appears to be missing the opportunities available from the growth in inbound Chinese tourists to the country. Therefore, this study sought to explore the intersection of Australia's indigenous tourism sector and the Chinese market through a multi-method and participant approach that examined: inbound Chinese tourists' relative demand, motivations and preferences, and opportunities and barriers. The findings of the study are examined in the context of understanding the Chinese inbound market, as well as Tourism Australia's marketing and promotion initiatives for the inbound Chinese market.

1. Introduction

With the annual Chinese outbound travel market set to pass 100 million in 2014 (China Outbound Tourism Research Institute, 2013), many countries have been actively targeting this lucrative market. The burgeoning Chinese middle class, with its considerable spending power and desire to travel abroad, has led many countries to refocus their international marketing strategies on outbound Chinese travellers. In Australia, the national tourism organization (Tourism Australia) has realigned its marketing efforts towards China with the aim of capitalizing on the continued growth in this market. While Australia's marketing efforts have traditionally focused on Western markets such as the United Kingdom, New Zealand and the United States, Tourism Australia now devotes a quarter of its international marketing budget to promoting Australia in China (Chettle, 2013). At the policy level, the national *'China 2020 Strategic Plan'* is focused on growing Australia's share of this market and enhancing supply side capabilities through focused training programs for the tourism industry, communication guidelines and online language toolkits, cultural awareness programs and focused consumer research (Tourism Australia, 2011). Further objectives of the strategy are to develop relevant product for the inbound Chinese market.

Australia has an extensive product mix ranging from natural landscapes, to city breaks, food and wine trails, and cultural heritage experiences. One of the key experiences promoted internationally, and one that is seen to offer a key point of difference in the competitive international market place, is Australia's indigenous tourism sector. Indigenous cultural imagery features strongly in the country's international marketing campaigns and destination brand (see http://www.tourism.australia.com/Image-and-Video.aspx) and indigenous tourism is one of the key Australian experiences that underpin Tourism Australia's global marketing activities. In fact, 'Aboriginal Australia' (note that in Australia the word Aboriginal is used interchangeably with indigenous) is marketed as one of the seven 'unique Australian experiences' alongside others including 'Aussie Coastal Lifestyle', 'Australian Journeys', and 'Food and Wine' (Tourism Australia, 2013b). Yet despite the cultural and political importance of indigenous tourism to Australia, this niche sector is small and in decline. While the sector contributed $3.8 billion annually and realized 689,000 visitors in 2010, representing some 13% of total international visitors, consecutive years of declining visitor demand have led many to question the long-term

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sustainability of this sector (Tourism Research Australia, 2011; Whitford & Ruhanen, 2010).

The indigenous tourism sector in Australia faces challenges on many fronts. Not only is the product geographically dispersed, it is largely concentrated in remote and regional parts of Northern Australia, often considerable distances from the major eastern seaboard transport gateways where 76% of inbound traveller nights are spent and 79% of total tourist expenditure occurs (Tourism Research Australia, 2013). Compounding issues of visitor access to markets, indigenous tourism is not a viewed as a primary travel motivator for Australia, but rather it is seen as a minor component of an overall cultural or natural experience and is generally perceived as less attractive than other activities (e.g., see research that has been undertaken in this area by Ryan & Huyton 2000a, 2000b, 2002). Yet given the rapidly growing inbound Chinese market, it is timely to explore the potential of sustaining or indeed growing the indigenous tourism sector in Australia by tapping into the inbound Chinese market.

This paper reports on an applied empirical study that was undertaken on behalf of Australia's peak tourism marketing authority. While there is a body of work focused on Chinese perceptions and motivations of Australia as a country this study offers the first empirical investigation of the Chinese markets' preferences and motivations for a particular product segment. In particular, this paper will discuss three areas of investigation: (1) the exploration of inbound Chinese tourists' relative demand for Australian indigenous tourism products and experiences; (2) the examination of the markets' motivations and preferences for a variety of Australian indigenous tourism products and experiences; and, (3) the investigation of opportunities and barriers to developing indigenous tourism for the inbound Chinese market.

The findings of this study have important implications for Australia's marketing programs and product development. While this paper reports on an applied study in a particular context, the findings do provide insights for other destinations looking to capitalize on the growing Chinese market via their indigenous or cultural tourism products. In Howison and Higgins-Desbiolles (2014) report on the Cross-Cultural Tourism and Hospitality Symposium, they refer to Sir Tipene O'Regan's keynote address that noted, “no one knows for certain what the change in focus to new tourism source markets such as China will mean for demand for Indigenous experiences both globally and in New Zealand, as until recently market data collection has focused on the traditional sources of demand from North America and Europe” (p. 206). In addition to the market related insights, this paper further contributes to a growing body of literature focused on the Chinese visitor market.

2. Literature review

The extraordinary growth in the outbound Chinese market has been the subject of a growing body of literature (e.g. Guo, Kim, & Timothy, 2007; Hume, 2012; Prideaux, Cave, Thompson, & Sibtain, 2012; Tourism Australia, 2012c; Wang & Davidson, 2010b; Xie & Li, 2009). Research has been conducted on Chinese travellers' demographic profiles and market segments (Du & Dai, 2005; Kim, Guo, & Agrusa, 2005; Tourism Review, 2012), travel behaviours (including spending patterns) (Chow & Murphy, 2008; Corigliano, 2011; Wang & Davidson, 2010a; Yap, 2012), and travel motivations and preferences (Du & Zhang, 2003; Huang & Hsu, 2005; Ma, 2009; Yang, Reeh, & Kreisel, 2011). In an Australian context, researchers have explored Chinese travel characteristics, behaviours and preferences (Chow & Murphy, 2011; Destination NSW, 2012; Pan & Laws, 2003; Tourism Australia, 2008, 2012a, 2012b, 2012c; Tourism Queensland, 2012; Wang & Davidson, 2010a; Yu & Weiler, 2001), segmentation strategies (Li, Zhang, Mao, & Deng, 2011; Prideaux et al., 2012), destination attributes (Sparks & Pan, 2009; Wang & Davidson, 2010c), visitor satisfaction (Li & Carr, 2004; Wang & Davidson, 2010c; Weiler & Yu, 2006, 2008), Approved Destination Status (ADS) policy (Dwyer, King, & Prideaux, 2007), and the marketing of Australia to China (Kwek & Lee, 2008; Pan & Laws, 2001; Wang & Davidson, 2010b; Zhang & Murphy, 2009). The significance of the Chinese market to Australia is evidenced, not only by the growth in academic research being undertaken throughout the country but concomitantly, the development of policy, product development and marketing strategies by both national and state tourism authorities.

Australia has witnessed a remarkable growth in the Chinese inbound market, a result of being the first country to be granted Approved Destination Status (ADS) by China in 1999. Since 2002, the Chinese inbound market has been growing at an average of 13% per annum. At the end of 2012, China became Australia's second largest inbound market in terms of visitor numbers (after New Zealand), reaching over 600,000 arrivals. China is also Australia's fastest growing inbound tourism market in terms of visitor value; it is now the highest yielding market ahead of the United Kingdom, New Zealand and the United States (Loras, 2012). In the longer term, China is expected to be one of Australia's major inbound visitor markets with estimates of inbound arrivals continuing to increase at a compound annual rate of 11%, potentially reaching between A$7 and $9 billion in total expenditure by 2020 (Loras, 2012).

A snapshot of the Chinese inbound market to Australia indicated that in 2012, 68% of total arrivals travelled to Australia for leisure (that is, either for a holiday or to visit friends or relatives); 47% were repeat visitors; and the largest demographic was the 45–59 year old age group (Tourism Australia, 2013a). Although not a homogenous market, Tourism Australia (2012c) has provided an overview of the ‘average’ Chinese long-haul leisure visitor travelling to Australia. This visitor is a relatively experienced traveller (almost 70% have travelled outside of Asia in the last 12 months) who has a strong desire to visit Australia's iconic attractions and the Sydney Opera House, the Great Barrier Reef, kangaroos and koalas are high on the traveller's list of ‘must sees’. Group travel is generally preferred, particularly when visiting a destination for the first time, however as experience is gained, flexibility in travel options becomes more important. This visitor is inspired and influenced by traditional travel advertising, travel media and word-of-mouth. Not surprisingly, social media is also becoming increasingly influential.

Researchers have explored Chinese tourists' expectations of a long haul holiday and what they look for when choosing a holiday destination; overwhelmingly identifying high demand for sightseeing and dining/eating experiences (Chow & Murphy, 2008, 2011; Corigliano, 2011; Du & Dai, 2005; Tourism Australia, 2008, 2013a), or the opportunity to experience something ‘different’ to their home environment (Tourism Australia, 2012c; Yang et al., 2011). Research has revealed that while in Australia, the market is seeking ‘world class beauty and natural environments’ (i.e. sightseeing), ‘good food, wine, local cuisine and produce’, ‘friendly, open citizens with local hospitality’ and ‘cultural heritage/activities’ (Tourism Australia, 2013a). The research however, has not specifically investigated the significance (or not) of indigenous culture as a subset of the country's broader cultural heritage/activities.

Internationally, studies have found that while Chinese tourists rate cultural experiences as important, they are not the main destination pull factor (Chow & Murphy, 2008; Yang et al., 2011; Corigliano, 2011). Several studies have drawn conclusions from their broader research objectives regarding Chinese demand for indigenous experiences. For instance, Fountain, Espiner, and Xie (2011) found that while culture and history was not an important