



Marketing Issues in Pacific Area Tourism

John C. Crofts · Chris A. Ryan
Editors

Marketing Issues in Pacific Area Tourism

This page intentionally left blank

Marketing Issues in Pacific Area Tourism

John C. Crotts
Chris A. Ryan
Editors



Routledge
Taylor & Francis Group
New York London

Marketing Issues in Pacific Area Tourism has also been published as *Journal of Travel & Tourism Marketing*, Volume 6, Number 1 1997.

© 1997 by The Haworth Press, Inc. All rights reserved. No part of this work may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, microfilm and recording, or by any information storage and retrieval system, without permission in writing from the publisher.

The development, preparation, and publication of this work has been undertaken with great care. However, the publisher, employees, editors, and agents of The Haworth Press and all imprints of The Haworth Press, Inc., including The Haworth Medical Press and Pharmaceutical Products Press, are not responsible for any errors contained herein or for consequences that may ensue from use of materials or information contained in this work. Opinions expressed by the author(s) are not necessarily those of The Haworth Press, Inc.

First published 1997 by Haworth Press, Inc.

This edition published 2013 by Routledge
711 Third Avenue, New York, NY 10017
2 Park Square, Milton Park, Abingdon, Oxon, OX14 4RN

Routledge is an imprint of the Taylor & Francis Group, an informa business

Cover design by Marylouise Doyle

Library of Congress Cataloging-in-Publication Data

Marketing issues in Pacific area tourism / John C. Crotts, Chris A. Ryan, editors.

p. cm.

"Has also been published as *Journal of travel & tourism marketing*, volume 6, number 1, 1997"—T.p. verso.

Includes bibliographical references and index.

ISBN 0-7890-0029-6 (alk. paper). — ISBN 0-7890-0310-4 (alk. paper)

1. Tourist trade—Pacific Area. I. Crotts, John C. II. Ryan, Chris, 1945—

G155.P25M37 1997

338.4'7919—dc21

96-52392

CIP

ABOUT THE EDITORS

John C. Crotts, PhD, is Associate Professor and Director of the Hospitality and Tourism Management Program in the School of Business and Economics at the College of Charleston in South Carolina, USA. Prior to this position, Dr. Crotts lectured at the Centre for Tourism's Advanced Business Programme at the University of Otago, in Dunedin, New Zealand.

Chris A. Ryan, PhD, is Professor of Tourism and Hospitality Studies at Northern Territory University in Darwin, Australia and Editor of the journal *Tourism Management*. He was formerly head of the Tourism and Recreation Studies Unit at Nottingham Trent University, United Kingdom and Visiting Professor at the University of Saskatchewan, Canada. He has also taught at Massey University, New Zealand.

This page intentionally left blank

Marketing Issues in Pacific Area Tourism

CONTENTS

Introduction	1
<i>John C. Crotts</i> <i>Chris A. Ryan</i>	
Korean Outbound Tourism: Pre-Visit Expectations of Australia	11
<i>Edward Y. J. Kim</i>	
Distinguishing the Destination Choices of Pleasure Travelers from Taiwan	21
<i>Cheng-Te Lang</i> <i>Joseph T. O'Leary</i> <i>Alastair M. Morrison</i>	
Japanese Visitors to Guam: Lessons from Experience	41
<i>Thomas J. Iverson</i>	
An Exploratory Study of Buyer-Supplier Relationships in International Tourism: The Case of Japanese Wholesalers and Australian Suppliers	55
<i>Roger March</i>	
Marketing Challenges and Opportunities Facing Indonesian Tourism	69
<i>Geoffrey Wall</i> <i>Wiendu Nuryanti</i>	
Melanesians as Observers, Entrepreneurs and Administrators of Tourism	85
<i>Ngairé Douglas</i>	

Pacific Area Tourism: A Guide to Key Sources of Tourism Statistics	93
<i>Raphael Raymond Bar-On</i>	
<i>Abraham Pizam</i>	
<i>John C. Crofts</i>	
Index	109

Introduction

John C. Crotts
Chris A. Ryan

Tourism developments in the Pacific area are of crucial importance to the economics of world tourism for at least two reasons. The first is the actual and potential growth in tourism demand over quite short periods of time. The second is because a number of Asian countries are becoming not only generators of tourist demand but also new tourist receiving areas, joining the already established destinations like Australia, Bali, Hawaii and Singapore. Adjusted for inflation, nations within the region have averaged between 4.5% (Japan) to 14% (Korea) in their GNP's annual growth rates between 1982-93 which is well up on the industrialized world (International Monetary Fund, 1994). What is of interest about this economic growth is how quickly the region is becoming an intra-regional trading block. Chi Hung Kwan has stated that:

the impact on Asia from the global economy has become very small. Asian economies are now less dependent upon the rest of the world and have become large absorbers of exports from within the region. (cited in Rowley, 1992: 53)

This increasing wealth and consumerism, combined with a relaxation of international travel restrictions, permits a rapidly growing middle class to explore the world around them. According to Naisbitt (1994), by the year 2000, Asia's middle class should number in excess of 500 million—nearly twice the population of the United States. This can be interpreted as an increasing number of people with the financial means to travel, whether

[Haworth co-indexing entry note]: "Introduction." Crotts, John C., and Chris A. Ryan. Co-published simultaneously in *Journal of Travel & Tourism Marketing* (The Haworth Press, Inc.) Vol. 6, No. 1, 1997, pp. 1-9; and: *Marketing Issues in Pacific Area Tourism* (ed: John C. Crotts, and Chris A. Ryan) The Haworth Press, Inc., 1997, pp. 1-9. Single or multiple copies of this article are available for a fee from The Haworth Document Delivery Service [1-800-342-9678, 9:00 a.m. - 5:00 p.m. (EST). E-mail address: getinfo@haworth.com].

for purposes of business, leisure or visiting friends and relatives. Though initially most of the leisure travel will probably be to other Asian countries, in time it can be expected that this market, with an increased experience of travel, will wish to explore other non-Asian destinations. For example, Hall (1994) notes that in 1990 international travel to the Pacific area totalled 48 million visitors, of which 26.5 million (55%) emanated from Asia with a further 8.3 million from other 'Pacific' locations (Hall, 1994). According to the World Tourism Organization (1994), 1993 international arrivals to the region grew by 60% to 77 million, of which two-thirds was interregional tourism.

Another major development is that many of the formerly insular governments of the region have awakened to the possibility of tourism. For example, Myanmar (formerly Burma) has recently broken with their tradition of remaining isolated from the West and is now aggressively promoting itself as an international tourism destination. Add this capacity to existing tourist facilities throughout Australasia and the islands of the Pacific, and one begins to recognize the enormous capacity of the region as a tourist arrival area.

The Asian markets of the North-East and South-Eastern Pacific seaboard and related regions have become important sources of tourists to other Asian and non-Asian destinations of the Pacific. For example, in a matter of less than a decade the South Korean market has become one of the major tourist generating areas for Australia and New Zealand. The growth of numbers of visitors in certain markets and between certain zones can only be described as 'dramatic.' For example, until 1987 the Taiwanese government did not permit its nationals to visit the People's Republic of China. In 1993, over 1.7 million Taiwanese visited Hong Kong, many of whom continued into China. Taiwan is now the major generating market for Hong Kong; while Hong Kong also receives over 1.5 million tourists from the People's Republic of China (Hobson, 1995). Political change, new markets, and economic growth reinforced by new airline schedules, have combined to make the Pacific region the most dynamic area in world tourism today.

Until recently, available data on inbound, outbound and inter-regional travel within the Pacific Region has been limited. However, the recent initiation of PATA's Asia-Pacific Travel Monitor (modeled after the European Travel Monitor), along with data available from individual Pacific nations (Bar-On, Pizam and Crofts, this volume), provides a continuing and improving database from which to assess destination performance and visitor characteristics. This is allowing researchers to identify some important marketing opportunities and issues. For example, destinations that

have served many Asian markets have traditionally concentrated on the wealthy elite from a relatively few nations (e.g., Japan, Hong Kong, Singapore, Taiwan). However, new evidence suggests that the market niche with the greatest growth potential is the Asian middle class from an expanding list of countries (e.g., Malaysia, South Korea, Thailand, etc.). To illustrate, 1988 outbound travel by residents of Thailand and South Korea was estimated at 733,000 and 500,000 respectively and grew to 1.54 million and 2.4 million by 1993. Current projections for the year 2000 estimates the number of international trips taken by Thai and South Korean residents will rise to 3 million and 7.5 million respectively (Ritchie and Hawkins, 1994). According to Cockerell (1994), most of this growth in long-haul travel can be attributed to the middle income markets and their volume will continue to grow as marketing efforts capitalise upon their needs and expectations. In their contribution, Wall and Nuryanti point out that destinations attempting to gain a share of the Asian middle income markets should realize that competition is fierce even with their limited price thresholds.

The global reality of international trade in the region has lead to a unique set of business to business networks between international companies. In order for Western suppliers to do business with many Asian consumers, they must conduct business with Asian tour wholesalers, either directly or indirectly. This may take the form of attempting to be a part of what the Japanese call the *Keiretsu*, and the Koreans the *Chaebol*, or through strategic alliances. Unfortunately, most of the research in this area has focused on managing buyer-seller relationships within a single culture, that is primarily Western culture (Selin, 1995; Sheldon, 1994; Selin, 1993; Wanhill, 1993; Ryan, 1991). Only now is research emerging that addresses the different cultural and market contexts that need to be understood before a Western seller can develop a durable relationship with an Asian buyer in a tourism context (for example, see March, this volume; and Crotts and Wilson, 1996). Preliminary findings indicate that the relationships between Asian buyers and Western sellers are often more volatile than between Western counterparts suggesting that these relationships break down due to a lack of trust which in part is due to inadequate social bonding and cross cultural understandings.

Historically, the Asian outbound market has been characterised by inclusive tour packages. The convenience, affordability and assurances associated with single-priced tour packages will probably continue to make tour packages popular among the older generation and less experienced travellers. But what about the young? Already in countries like Japan, inter-generational differences are becoming more marked and it is

predicted that the young will gravitate to more independent forms of travel as their travel learning increases. Will these 'independent travellers' gravitate to the same mass tourist destinations as their 'group travel' counterparts, or will they seek new types of experiences in new destinations? This will have important implications for destinations like the Gold Coast, Hawaii and Queenstown that are increasingly taking on the characteristics of mass packaged holiday resort areas.

The inbound tourism aspect creates a wide range of marketing issues and opportunities that beg for investigation. During the 1980s the mainstay of Asian Pacific destinations has been the long haul leisure travel market from Western Europe (Cockerell, 1994). The exotic appeal of the region in combination with affordable prices have made it relatively easy to tap into an already well structured European outbound industry with a market seeking new long haul destinations. Though the International Air Transport Association forecasts that travel to the Pacific region from Europe will remain strong, questions must be posed as to whether Pacific destinations which developed to serve the preferences and tastes of the European market will be in a position to serve Asian markets with different and discerning tastes. The growth of the Asian markets, combined with the increasing value of their currencies against those of Europe and North America, represents challenges and opportunities that cannot be ignored.

Iverson underscores the importance of understanding the heterogeneous nature of Asian culture when analysing tourist behaviour and motivation. Tourism research designs and methodologies are overly influenced by the West and this orientation can leave the non Asian researchers ill-equipped to understand the attitudes and behaviours of Asian travellers abroad. Drawn from his considerable experience, Iverson provides us insights into Japanese culture that have implications for survey designs and interpretation of results.

Kim's research on the Korean market for Australia illustrates many of the arguments and discussions that bedevil the current state of research into this market. He first confirms the significant growth in outbound tourism that has resulted since 1989. Second, in the utilisation of Pearce's concept of the 'travel ladder career' which in turn is based upon Maslow's theories of motivation, he indicates the application of this Western concept to an Asian culture to arrive at an assessment which reveals that the Australian scenery and the friendliness of the people are the main factors which attract Koreans. In short, attempts to re-package products to meet Westerners' perceptions of Asian needs might undermine the very authenticity of experience that Asian tourists may be seeking.

Lang, O'Leary and Morrison contribute further to this understanding