

Tourism's Rise from the Ashes

THE FALLOUT from SARS and war in Iraq has led several PATA member countries to develop campaigns to ensure the survival of their tourism industries. In addition to health and security measures, destinations have had to adjust their marketing plans to include heavy discounting. Governments have also moved to bail out small and medium-sized businesses.

At press time, governments had allocated the following budgets for tourism recovery campaigns: Singapore – SG\$200 million (about US\$116 million); Thailand – THB500 million (about US\$12 million); Malaysia – about US\$237 million dollars; and Australia – AU\$3.1 million (about US\$2.06 million).

In this *Issues & Trends*, we summarise some of the bounce-back strategies in place around the region.

Australia

In response to inbound arrivals to Australia falling by 15-20 percent, the Australian Tourist Commission (ATC) has divided its recovery strategy into two phases.

Phase 1: The ATC reallocated about AU\$1 million to campaigns in Japan and New Zealand, with AU\$500,000 allocated to each. ATC's partners contributed an additional AU\$1.05 million to the campaigns. In New Zealand, the campaign included a range of industry partnership activities including television advertising focused on a "Discover Australia" theme. ATC's campaign in Japan involved a partnership with Japan Airlines (JAL), which included activities ranging from advertising in trains to television and magazine promotions.

Phase 2: An additional AU\$2.1 million was allocated to boost campaigns in the United Kingdom and the United States, as well as a new online promotion in key Asian countries. In the United States, ATC partnerships with Qantas and wholesale

partners resulted in television and press advertising as well as online programs. Campaign activities in the United Kingdom included television advertisements targeting young professionals. Supporting the campaign is ATC's new online holiday planner, OzPlanner, on www.australia.com, developed to assist travellers in planning their holiday to Australia. Ad campaigns in Korea (ROK) focussed on strengthening the perception of Australia's natural environment and inspiring desire for a holiday in Australia.

Furthermore, to help tourism businesses attend the Australian Tourism Exchange (ATE) June 14-20, 2003 in Melbourne, the ATC offered all sellers a 20 percent discount on their total participation fee.

Malaysia

The Ministry of Culture, Arts and Tourism allocated MYR900 million (US\$236.8 million) to revive Malaysia's tourism industry. A total of MYR400 million (US\$105.2 million) was allocated to the Special Tourism Fund and another MYR500 million (US\$132 million) to the Tourism Infrastructure Fund.

Companies that sought financial assistance under the funds had to meet certain criteria. They must be registered with the Ministry of Culture, Arts and Tourism, maintain a minimum 60 percent Bumiputra (ethnic Malay) equity and must be involved in viable tourism-related projects. Furthermore shareholder funds must not exceed MYR10 million (US\$2.6 million).

On May 21, Malaysian Prime Minister, Datuk Seri Dr. Mahathir Mohammed, announced strategies aimed at generating economic activity. They included the setting up of the Special Relief Guarantee Facility Fund worth MYR1 billion for tourism sector operators. The government also offered:

- Five percent discounts on electricity bills for hotel owners from June to December 31, 2003
- Fifty percent rebate for six months of road tax for taxis
- Exemption from service tax for hotels and restaurants from June 1-December 31, 2003
- Abolishment of service tax on complimentary rooms in hotels beginning June 1, 2003
- Postponement of income tax instalments for tour operators from June 1-December 31, 2003
- Restructuring and rescheduling of loans by finance institutions for workers whose salaries were reduced

The government also requested that financial institutions accommodate tourism operators by restructuring loans disbursed to them and by reviewing the interest rates.

Hong Kong

The World Health Organization (WHO) lifted its travel advisory against Hong Kong on May 23. As this edition of *Issues & Trends* went to press, the Hong Kong Tourism Board (HKTb) was preparing to launch its comeback plans, in consultation with trade partners and the Government.

HKTb immediately began monitoring the response and change in travel sentiments due to the lifting of the advisory. One of the first things it did was to encourage people to spread the news. The HKTb Web site hosted an electronic postcard containing the news, which visitors to the site could send to their friends and relatives. The first 1,000 senders won a limited edition souvenir.

One positive side effect of SARS is that Hong Kong is paying much more attention to cleanliness and hygiene. The Department of Housing, Planning & Lands has set up a team of "drainage ambassadors" to clean up public housing estates.

The Department is also studying the use of a points system to crack down on residents who repeatedly breach health codes. Chief Secretary, Mr. Donald Tsang, said authorities would evict public housing tenants who repeatedly breach the health code.

To be introduced in August, hygiene-related offences such as littering, spitting and throwing objects from heights will be categorised on a scale of three to seven penalty points according to the degree of risk caused to public hygiene. Tenants with 16 points accumulated over a two-year period will have their tenancy terminated. The department will alert tenants once they have 10 or more points.

The Government said it would act prudently to review all relevant circumstances before allowing authorities to issue notices-to-quit on those with 16 points or more. Tenants will have the right to lodge an appeal.

The Housing Department has also stepped up its estate inspection. To facilitate this, a security guard now escorts each of its inspection teams. Authorities offered free inspections, cleaning and maintenance services to residents of about 800 old buildings, with the help of the Home Affairs and Social Welfare departments. Authorities would consider appropriate enforcement action if the situation continues to deteriorate.

The Hong Kong government said it is addressing the sale of live poultry in urban areas due to the potentially high risk of diseases spreading to humans. One of the possible resolutions is to limit sales and handling of live poultry to non-urban areas. Authorities will consult the public on these issues.

Singapore

The SARS advisory against Singapore lifted on May 30, 2003. On June 4, 2003, the Singapore Tourism Board (STB) unveiled a long-term sustainable tourism recovery programme, centring on three broad thrusts: 1) confidence building, 2) market-focused cooperative promotions with industry partners, and 3) a global campaign.

The SG\$200 million programme includes SG\$60 million seed funding from the STB and the Civil Aviation Authority of Singapore (including SG\$10 million for air traffic development). Private sector partners including the airlines, hotels, retail outlets, tourism venues, tour operators and other service providers based locally and overseas will spend the balance.

The programme will drive visitor numbers through its three elements:

First, confidence building initiatives are underway including testimonial advertisements, media and trade familiarisation trips, as well as one-to-one marketing.

Second, the campaign will offer travel, accommodation and entertainment package incentives to visitors from all over the world, through intensive joint promotions with industry partners. A host of events will take place over the next six months.

Third, a global destination advertising and promotion programme will promote the deals and events to the world.

STB expects the recovery programme to draw four million visitors to Singapore over the next seven months and generate tourism receipts of more than SG\$4 billion.

Singapore had also taken other steps before the advisory lifted. For example, Singapore hotels began an industry-wide initiative to undertake temperature checks of employees before their shifts began. Once the employee cleared the temperature check, he/she had to wear a sticker

PATA'S PROJECT PHOENIX: CREATING LONG-TERM RECOVERY

PATA's three-month public relations and reputation management initiative, Project Phoenix, integrates with the existing recovery campaigns underway in the region. Project Phoenix prepares the field for recovery so that PATA-member campaigns can reap greater benefits.

PATA is the obvious choice to lead this campaign. It is an unbiased travel trade association in which its public- and private-sector members participate and interact on an equal footing. Over its 52-year history, PATA has been an important catalyst in the growth of Pacific Asia's travel and tourism industry.

Project Phoenix delivers an objective, fully integrated approach to recovery by working closely with global media to stimulate consumer interest in Pacific Asia travel. It is playing a catalytic role, re-igniting the travelling public's confidence in Pacific Asia's travel and tourism product by communicating consistent and balanced facts.

The campaign has three objectives:

- 1) To restore consumer confidence in the travel experience
- 2) To create a consistent single voice for travel and tourism in Pacific Asia
- 3) To drive business back to Pacific Asia destinations

Project Phoenix is achieving this in five different ways:

- 1) Leveraging the power of the media
- 2) Delivering common key messages

- 3) Encouraging media balance and perspective
- 4) Partnering with credible sources of information
- 5) Appointing high-profile travel ambassadors

In order to implement Project Phoenix, PATA has enlisted a Singapore-based public relations firm, MDK Consultants. MDK has a strong travel and tourism record in Pacific Asia plus a global network of affiliated offices.

National tourism organisations (NTOs), airlines, hotels, tour operators and other industry stakeholders are contributing to Project Phoenix in cash and in kind. PATA needs only US\$500,000 for Project Phoenix to run for three months. This amount provides an influential single voice for the region and represents far less than one percent of total industry-wide resources allocated to recovery campaigns this year.

A matrix has determined what would be a fair cash contribution from each PATA NTO member, taking into account such factors as size, affordability and the degree to which its tourism industry has suffered. PATA's industry members may choose to contribute any amount they wish, in cash or in kind. PATA will formally acknowledge all contributors at the 53rd PATA Annual Conference, Jeju Island, Korea (ROK), April 18-22, 2004.

Project Phoenix will provide a blueprint for risk and reputation management in Pacific Asia travel and tourism – not only for the SARS recovery but also for other crises that may affect the industry in the future.

declaring him/her fit to work on that particular day, in order to reassure hotel visitors of the establishment's stringent health measures.

STB launched the COOL Singapore Awards to recognise nearly 100 tourism-related establishments for having achieved Gold Standard for implementing SARS precautionary measures. Within three weeks of the outbreak, 97 tourism-related establishments had implemented rigorous anti-SARS strategies. In addition to Singapore Changi Airport, other award recipients included three limousine services, three convention and event venues, and 90 hotels (accounting for 83 percent of hotel rooms in Singapore).

The STB and Mobile StarHub launched the SARS Contact Tracing Short Messaging System (SMS) Programme in which Singaporeans could proactively track their whereabouts in

Singapore via SMS. This was to allow for more effective and efficient contact tracing should there be another outbreak of SARS cases.

The campaign issued codes to popular places around the city according to their unique six-digit postal codes. People keyed in the corresponding six-digit postal codes and sent an SMS to 9499-SARS using their mobile phones. Nearly 400 establishments participated in the programme and carried the SARS Contact Tracing SMS posters, signs and stickers at their entrances.

In order to keep the door open to good ideas from the industry, the STB set aside SG\$200,000 to support more projects. STB evaluated submissions based on their creativity, innovation and feasibility. The submissions had to incorporate the necessary precautionary measures against SARS. All

proposals had to be submitted to the STB by May 20 and implemented by mid-July.

Thailand

The Tourism Authority of Thailand (TAT) launched a special three-month promotion of discounts, prizes and special offers designed to attract an estimated 50,000 new visitors in the summer low-season period. The Thailand Smiles Plus Campaign involved the collective efforts of Thai hotels, tour wholesalers, shops, restaurants, transportation operators, hospitals, golf courses and spas.

Valid from May 1-July 31, 2003, the campaign was designed to stimulate both domestic and international travel during the low season. The campaign was targeted at consumers in Japan, Korea (ROK), Malaysia, Australia, New Zealand, Russia CIS, the Baltic States, East Europe (Poland, Czech Republic, Hungary), Scandinavia, United Arab Emirates and Indonesia.

In each of these countries, the TAT segmented the markets according to leisure, family, youth, golf, overland travel (from Malaysia), independent travellers and expatriates. Hotel packages were offered in "Buy One, Get One Free" promotions.

Thailand's annual Grand Sale Grand Service shopping festival, a two-month sale of products and services discounted at up to 80 percent off regular prices, kicked off on June 1. About 900 business operators (30 percent more than in 2002) participated in the event, including retail shops, restaurants, tourist attractions, golf clubs, spas and hotels. The festival is to continue until July 31, 2003. One of its highlights is a 25 percent discount for flights during June-July 2003 by Thai Airways International, Bangkok Airways, Air Andaman and Phuket Air.

Vietnam

Leading hotels around Vietnam joined forces with the national carrier Vietnam Airlines (VN) to offer deals on airfares and accommodation until September 30. The promotion gives consumers discounted airfares of up to 50 percent on selected VN flights from France, Australia, Japan and Korea (ROK) to Vietnam.

More than 25 hotels around the country took part in the campaign, offering 'stay two nights, get one free' deals. Participating hotels also invited travel trade partners to 'stay one night, get one free' on the basis of their existing 50 percent travel trade discounts until September 30.

Aviation

Preliminary traffic figures released by the International Air Transport Association for April 2003 showed an 18.5 percent drop in global passenger traffic in April 2002, with SARS-hit Pacific Asia carriers experiencing a 44.8 percent drop. A number of airports offered reduced landing and navigation service charges to help airlines cut costs and weather the impact. Here is a summary of what major international airports offered:

- Singapore – 30 percent rebate in landing charges
- China PRC – 20 percent reduction in landing charges
- Chinese Taipei – 15 percent reduction in landing charges
- Malaysia – 50 percent reduction in landing charges
- Indonesia – 20-25 percent reduction in landing charges
- Philippines – 10 percent reduction in landing charges
- Macau – 30 percent reduction in landing charges
- Hong Kong – reduced aircraft landing fees by up to 50 percent for six months effective June 2003.

Correction:

In the May 2003 *Issues & Trends*, the data for India and Pakistan was reversed in the table on page two. These two countries should read as follows:

Country	Year of Survey	Population (Million)	% of Population	People with Disabilities (Million)
India	1991	983.3	4.8	47.2
Pakistan	1984/85	135.1	4.	6.6

The editors apologise for the error and regret any inconvenience.

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