

REGIONAL TOURISM PERFORMANCE, TRENDS AND POST COVID 19 MARKETING OPPORTUNITIES: ASIA-PACIFIC PERSPECTIVE

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Abstract

Tourism is one of the primary economy driving sectors for most of the countries in the 21st century. Some countries provide outmost priority for the tourism industry because of its value contribution to the GDP. Tourism generates multiple levels of income for the inbound country. Due to the unexpected pandemic outbreak during late 2019 most of the sectors got a huge blow and were forced to halt all their operations for an uncertain period. Tourism is no exception to this sudden pause. Even tourism is one of the industries that have severe impact because of this COVID 19 outbreak. Countries around the world have experienced bitterness and suffering of the direct and indirect participants involved in the sector. Now most of the nations are preparing to resume their tourist operations at the earliest possible with well formulated safety and wellbeing norms. This research was undertaken to evaluate the primary tourism indicators of Asia Pacific region and the sub regions. The study also focuses on past trends, and future opportunities. The performance of the Asia Pacific region is well balanced and progressive till 2019 with an annual composite growth rate of 12%. The future prospects have hopeful sight only after 2022 with fear of travel due to health hazard.

Keywords: Arrivals, Destination, City Index, Purpose of travel, COVID 19, Travel Receipts, Intra-regional tourists, Tourism Marketing.

Introduction

Asia – Pacific is the wide spread region that ranges from the western pacific ocean to the Indian Ocean. The Asia – Pacific region covers almost 46% of the total world population and embarks composite GDP of 57% of the global metrics (Asia-Pacific Economic Cooperation 2018). This is the only region to have earned the highest remarks in terms of economic prosperity, high potential for emerging market trends, rapid urbanization and vast cultural blend. The subregional component areas under Asia – Pacific can be classified

as North – East Asia, South – East Asia, South Asia and Oceania. Except North – East Asia the remaining three sub regions consists of extra ordinary pool of tourist potential destinations. The mix consists of heritage sites, natural sceneries, beaches, botanical gardens, hill stations, science parks, museums, libraries, places of religious importance and many more. The wide range of hot spots in this region attracts huge number of tourists every year. Components including preferential Government spending on promoting tourism in this particular region gains global importance in expanding its tourism sector. (Global Travel Industry 2019) Global Destination cities index contributes 50% of the top visited cities in the world. On the other hand the top visited cities in Asia – Pacific holds the highest tourist spending pattern among top 10 in the world. Asia – Pacific has huge potential for visitor spending compared to the entire world. (GDCI MasterCard report 2017)

Need for the Study

Due to the present pandemic scenario prevailing all over the globe, every economic sectors are facing its own concern to pull out of this situation. Tourism is a leisure oriented activity that involves high risk of infection among tourists. There is an absolute need for rethinking the entire activity to adopt accordingly with the present scenario. This study evaluates the past performance, trends and opens up the opportunistic window in the economical perspective to bounce back from the global catastrophic pandemic situation.

Objectives

- To analyze the tourism indicators in Asia – Pacific.
- To determine the performance of sub regions in Asia Pacific.
- To determine the travel purpose among the tourists visiting Asia Pacific
- To determine post COVID 19 marketing opportunities in Asia – Pacific.

Tourism in Asia-Pacific

Tourism is an important sector in the Asia Pacific, the tourism sectors roughly contributes 8% to the composite GDP and offers 190 million jobs directly and indirectly. The inbound arrivals have tripled for the region in 10 years. The western country travelers prefer the exotic sites of importance among any other region in the world.

Key Tourism Indicators - Asia Pacific 2015 to 2019						
Tourism Indicator	Year	2015	2016	2017	2018	2019
Total INT tourist arrivals (in Million)		1202	1244	1333	1409	1460
Tourist Arrivals in Asia Pacific (in Million)		285	307	324	348	361
Share of Asia Pacific to the total arrivals in		24	25	24	25	25

%					
Receipts per arrival in US\$	1240	1200	1210	1260	1230
Share of tourism in exports in %	5	6	6	6	6

(Source: Author computed from UNWTO Tourism indicators)

The contribution of 4.2% growth on average basis in top destination cities of this region shows potential growth opportunity. An absolute increase of 76% is witnessed over the period from 2007 to 2017. But the conventional short – haul travels contribute to the maximum international arrivals. Intra – regional movement of tourist contribute almost two third of the total arrivals. Roughly 250 million travels are classified under short – haul category. The increasing income of the middle income category propels the demand for tourism among the domestic population. On the other hand 35% of the travels in the region are carried out by the intra-regional tourists. The economic significance and enhancing technological advancements creates demand among the westerners. The strategic cooperation among the countries present in this region has well marked tourism promotion propaganda for the next ten years (WTTC Asia Pacific tourism estimates).The economic cooperation includes bilateral, multilateral arrangements among the nations to promote inclusive growth in all economic sectors. Even the new tag line of eco-tourism policies formulated by Bhutan, Thailand and other countries attract huge tourists to witness the nature wellness progress and encompasses research oriented activities. (UNWTO sustainable development goals)

Sub regional contribution

The four sub regions of the Asia Pacific constitutes of North East, South East, South and the Oceania. The tourism arrivals have been computed to assess the sub regional performance under time series calculation.

	Sub regional Share in International Arrivals in %					2020
	2015	2016	2017	2018	2019	ESTI
Tourist Arrivals in Asia Pacific (in Million)	285	307	324	348	361	105
North East	50	50	49	49	47	20
South East	37	36	37	37	38	30
South Asia	8	8	8	9	10	25
Oceania	5	6	6	5	5	25

(Source: Author computed from UNWTO Arrivals and Tourism Economics)

Conventionally East – Asia is the top performer in which Japan holds 19% of entire arrivals. The predominant reason for higher preference towards this sub region is due to the prevailing top class infra-structure and information technology, exponential importance given by the countries towards tourism enhancement and

unique cultural mix that attracts considerable quantum of tourists. But the biggest concern is that East Asia is highly vulnerable for travellers from the west due to the disease cluster localities and local interventions.

South – East Asia has shown notable progress of 12% on yearly basis in the tourists' arrival. Vietnam and Indonesia tops the list with attractive natural sceneries, biodiversity, beaches and natural resources. The countries falling under this sub region is notable for disaster prone areas in which tourists has to pre plan their travel in accordance with climate and other disaster forecasts.

The fastest growing sub region in the Asia – Pacific is South Asia, the vast and diversified culture, food, heritage sites, places of religious importance creates robust demand from the western countries and facilitates more flow of inbound tourists to this sub region. The reliability on medical travel drives considerable number of tourists towards this region

Oceania is contributing 5 to 6% on composite arrivals towards Asia Pacific. The Island setup and beaches drive relatively less tourists while compared to that of the other sub regions. Strategic tourism promotion avenues, government spending on tourism development has promised an absolute increment level of 4 to 5% in the next ten years (Australia Tourism 2018)

Purpose of visit

Tourists arrive at Asia Pacific region have various purpose of travel. But for the in depth understanding of their travel behavior towards Asia Pacific region has been computed on four basic criteria.

LRH	Leisure, Recreation and Holiday
VFR, HL, RL	Visiting Friends and relatives, Health, Religious
BU, PR	Business and Professional
Others	Travelling for Other purposes/ Undisclosed

(UNWTO and WTTC classification)

Based on the above categories the annual arrivals to the sub regions of the Asia Pacific receive mix of variety tourists. The importance of religious spots in the South Asia, heritage sites at South East and South Asia, holiday spots attract majority tourists from the western hemisphere.

Purpose of Visit to Asia Pacific region in %			
Purpose	LRH	VFR, HL, RL	BU, PR Others
Year			

2013	51	23	13	13
2014	52	23	12	13
2015	53	23	11	13
2016	56	22	11	11
2017	58	24	10	8
2018	58	23	10	9
2019	59	23	10	8

(Source: Author computed from UNWTO Arrivals and Tourism Economics)

Asia Pacific holds the highest importance of Medical tourism especially towards East and South Asian countries. The countries falling under this category provides economic and advanced medical infrastructure for visitors from around the globe. On the other hand due to increased usage of digital platform for carrying on business activities, many tend to rely on digital avenues rather than in person visits. The other category includes undisclosed or short haul travels that do not attract much spending by the travellers. But due to the increased screening activities in the future will drive out the unprecedented category for reducing the risk for travellers.

Post COVID 19 Opportunities – Tourism Marketing

The market opportunity for the Asia – Pacific tourism in the global outlook seems to be decreasing for the next one year. The fast recovery process and promotion of tourism activities initiated by the countries in Asia – Pacific pose a relative increase and reliable scope from 2022 onwards. The preference of western travelers may dip due to the fear of health issues. On the other hand governments have proposed various incentives for propelling the tourism industry and restarting the activities at the earliest possible. UNWTO predicts tourism would reach 2 Trillion by the end of 2030 (UNWTO tourism trends analysis 2019)

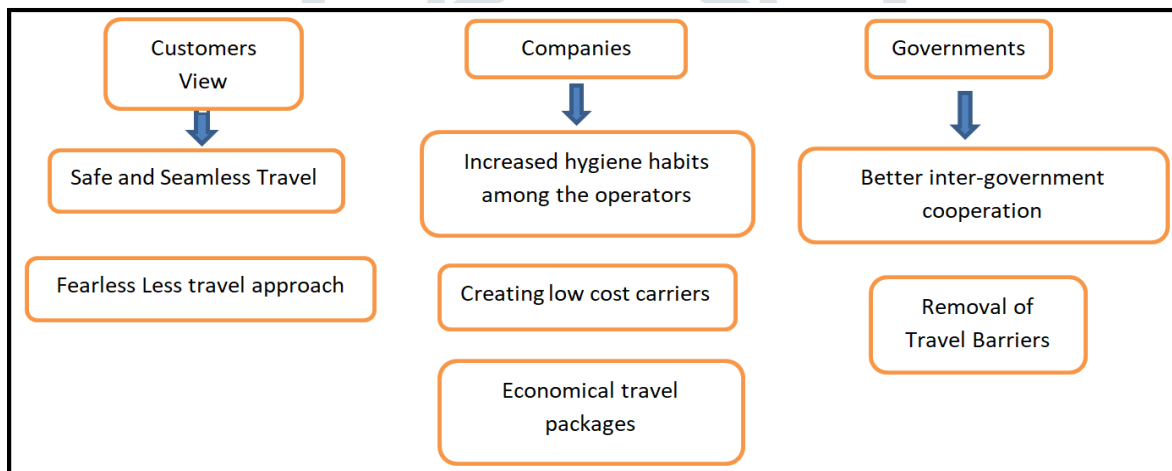
Market opportunity analysis

Customers	Technology	Competition	Collaboration
European travellers	Increased health tracking system	Countries with less COVID 19 impact	Eliminate travel advisories and banks on non-essential international travel.
North American travellers	Improved Health infrastructure at airports and public transport premises		Removal and replacement of any quarantine measures, with possible 'air
Intra-Regional Travellers			

			corridors' to countries with similar scenario (Medical, Tourism, Political)
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The major destination cities for western travelers do not pose any relative health concern due to limited impact of COVID19 cases. Short – haul travelers will have considerable increase in the domestic and intra – regional travels. The pattern of leisure travel may shift to need based travel for other travelers to Asia – Pacific. Businesses are increasingly looking to destination players and government for co-ordinated strategies about which places will safely open and how visitors will be welcomed with adequate health norms and seamless travel experience. On the other hand leading collaborative marketing, and adapting messages to the ‘improved normal’, destinations can use this time to consider what ‘Safe’ tourism means for their area, and the kind of visitor economy they require in the future course.

Key Marketing Drivers



The Asia Pacific has already started the process of rebooting the tourism sector with number of strategies. The member nations are seriously looking forward to pen down cooperative norms and inclusive growth strategies. All the segments covered under the tourism sector should work together to promote safer and fearless travel platform for the tourists. Connecting carriers, economic cooperation in sharing carrier expenses can further pull down the operating cost for the key players in the segment. One possible outcome of the pandemic is the increased recognition of the value of local communities, and small actions that collectively contribute to better environment for the tourists. Tourists with the urge to explore and discover new spots, some anxiety and caution are likely to happen. Few adventure lovers will seek out for the familiar and enjoy the nostalgia of revisiting to preferential places they’ve visited previously.

The travel and tourism industry must work on Cutting marketing spend completely and plan long-term detriment strategies in accordance with their operations. If marketing spend is reduced, the complementary impact on awareness would be much low even though operating expenses would be saved. However, its ability to do such actions depends upon the travel companies' brand and market recognition portfolio. Reprioritizing marketing channels and creating a bounce back marketing campaign for achieving the height has passed will assist companies and favorable destinations in the long run when travellers are willing to visit again. The tourism industry's survival depends on tourists' willingness to spring forward with determinant plans, welcoming messages and emotional experiences to capture the public's attention.

Conclusive remarks

The present pandemic situation has affected many economic sectors around the globe. The absolute stoppage has brought huge constrains for the people. Tourism is one of the worst affected sectors in lieu with this situation. Asia Pacific which posed a remarkable opportunity for tourism income for the countries in the region faces an adverse condition in the future due to the spike in quantum of cases. With well-planned strategies and marketing framework, the countries in the Asia Pacific can bring about a confidence in the minds of the tourists. The improved safety standards for travellers in all the components of the tourism sector can boost up the travel platform with comfort. The restarting of the tourism will bring about significant changes in the attitude towards tourism sector among the nations.

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Abbreviations

BTN – Business Travel Network

CTP – Certified Tour Professional

COTA – Council of Tourism Associations

FIT – Foreign Independent traveller

VIC – Visitor Information Centre

PATA – Pacific Asia Travel Association

UNWTO – United Nations World Travel Organization

WTTC – World Travel and Tourism Council

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