

The Challenges Facing Our Tourism Sector



Analysis

By John Ross

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Fiji has now become the major vacation destination in the South Pacific, with reasonable expectations of achieving a million visitor target in the next few years, is a large destination by any measure.

But there are some issues concerning the major players in tourism in Fiji and they need to be addressed.

The tourism industry is made up of basically three segments.

The first is the international transport segment, the businesses that provide the means for tourists getting to and from Fiji.

As an island situated in the middle of vast amounts of ocean, a strong transport sector is critical to the industry and Fiji is very lucky to have so many airlines flying here.

The second important segment is the tourism infrastructure and plant, the hotels and resorts that provide the accommodation for the tourists stay in the country.

The third is the tourism experience segment, the companies and others that provide the things to do while the tourist is staying in the country.

For the most viable use of the components, all three need to be in balance and a shortfall in any segment will constrain the whole industry.

Balancing segments

It is extremely difficult to keep the segments in balance and usually the segment that will cause constraints will be a shortfall in the availability of hotels and resorts, both in number and in types.

There are long lead times in building and commissioning hotels and changes in demand and composition in tourism tend to happen fairly quickly, so long-term forward planning is critical.

It is this issue that is currently causing concern in Fiji.

The international airlines serving Fiji are saying that they have enough capacity (the number of aircraft flying the routes from Fiji's source markets), but these do not have optimum loads because there is difficulty in finding enough rooms of the right type and this problem will take significant time to correct.

The issue is not simply the number of rooms but the type of room, the rating of the property, the type of property and the type of tourist.

With a destination such as Fiji, the hotels and resorts must be able to cater to a very diverse market.

Tourist requirements

The requirements of the China tourist are very different to someone from Australia. The preferences of sections of the market also change and there has to be properties that can supply that preference.

Over the last couple of years there has been a growing preference for apartments instead of a hotel room, to cater to those tourists who want to, for whatever reason, do their own cooking.



THREE SEGMENTS OF THE TOURISM INDUSTRY:

- International transport segment
- Tourism infrastructure segment
- Tourism experience segment

ally strongly focused on what they want to own and seldom canvass the other segments on the type of property they would like to see built.

So in the popular locations such as Denarau there tends to be a predominance of four, five and six star properties.

There is also, to some extent, a belief that properties can reduce the room rates to appear more attractive to tourists but make up the loss by increasing food and beverage prices to balance out the total margin.

For this to work, they need to discourage self-catering and don't encourage apartments in their range.

Need for long-term planning

There is something of a drive developing for the different segments (transport, hotels and resorts and experience product) to get together and look at some long term planning.

This is to try to change the pattern where one segment is constantly out of step with the others, a situation that costs everyone because of the under utilisation this situation creates.

Finding workable solutions is in the favour of everyone associated with the industry, has been tried elsewhere and

where it has worked it delivered results in everyone's favour.

For the experience segment the product currently being offered is well thought out, relevant to the country and interesting for the tourist, but current changes happening around the world do open up opportunities.

Tourists are now looking for a high level of authenticity in their sightseeing, the real rather than the created and Fiji has the ability to do that.

This includes trips to villages where people actually live, opportunities to participate in the daily activities or learn crafts such as weaving and pottery.

Unique experiences

The tourist to Fiji is also looking for unique experiences, which is one of the reasons live shark feeding has been such a huge success.

Another product that appeals is the volunteer segment, where tourists spend a portion of their vacation helping the locals with things like renovating a school, building a religious building like a temple of church or providing some education.

Up till now, Fiji tourism has grown organically and there has not been much overall planning by all participants for the benefit of all participants.

But that is changing and the change needs to be guided by people in the industry who know what is being planned by each segment and can put the whole picture on the table.

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