

# The Brand Strength of Ecotourism and the Consumer Value of Eco-labelling

**Ecotourism Australia's 12<sup>th</sup> Annual Conference**  
**Ecotourism Australia**  
**Blue Mountains, Australia**  
**November 9, 2004**

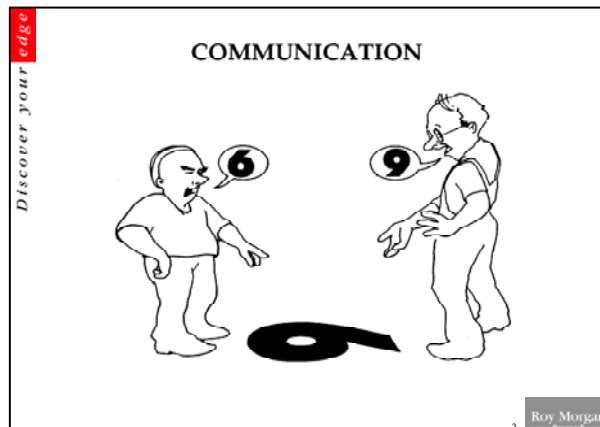
By

Gordon MacMillan, Director - Tourism & Travel, Australia  
Wendy McInnes, Director - Tourism & Travel, International  
Roy Morgan Research Pty Ltd  
411 Collins Street, Melbourne

The Tourism White Paper points out, *“As the global tourism market becomes increasingly competitive, quality research and statistics will be crucial in maintaining Australia's competitive edge. Over coming years, the tourism industry will need better information for investment decisions, developing niche markets and understanding consumer needs”*.

*“Industry sustainability is derived from maintaining an appropriate balance between tourism numbers and yield. To date, the industry has tended to be more numbers focused to the detriment of maximizing yield. Effective niche marketing targeted at high-yield markets will seek to ensure the industry gains optimal returns on tourism investment. By understanding the yield potential of different source markets and segments, the industry will know why and how to target them”*.

Ecotourism is a market that requires careful management to ensure ongoing sustainability through a strategic balance of numbers and yield. Whether it be the west coast of Scotland or the tropical rain forests of Australia, this issue is the same the world round. The key to achieving optimal return on tourism investment is to develop and manage the ecotourism brand by identifying and understanding your target audience, that is, to get into the heads of audience (stand out) and to deliver the ecotourism branding messages in a way that they will understand it. It is about shaping demand.

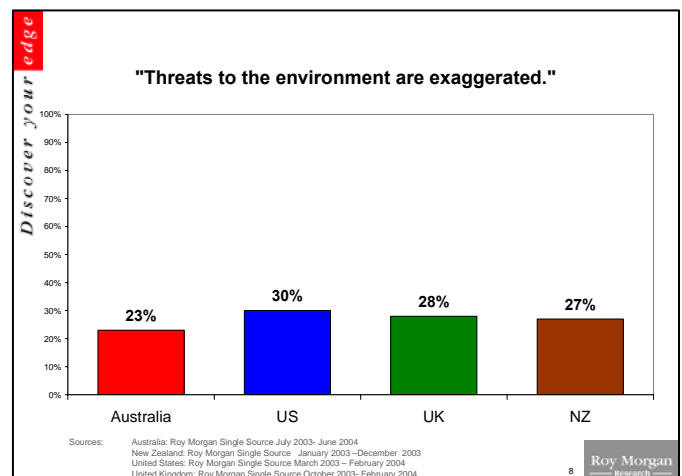
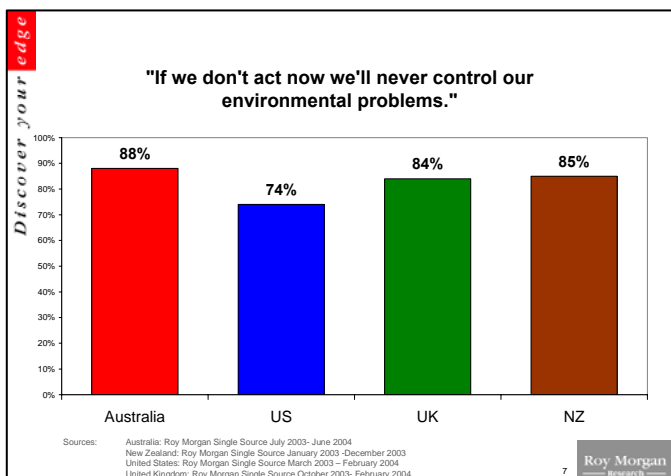


The ecotourism branding issue is no different from any other concept sell. If we are trying to sell “6’s” and the market understands them as “9’s” we have a branding and communication mismatch. It is crucial as a marketer to remember the power of the mind of the perceiver, and to get on to their mental shopping list. There is a smorgasbord of products that could be perceived as being ecotourism. What is ecotourism? What is eco certification to consumers? Is it something different to each consumer? The trick is to find a way to communicate in a common language.

Looking at Roy Morgan International Single Source research<sup>1</sup>, we can see that the concept of “ecotourism” appears to be linked into a core set of global environmental values. The environment as an issue evokes consistent similarities across Australia, New Zealand, the USA and the UK, a strong response and clear support for the environmental message.

Well over three quarters of Australians (88%), Brits (84%) and New Zealanders (85%) believed that “*if we don’t act now we’ll never control our environmental problems*” while just under three quarters of Americans (74%) believed that “*if we don’t act now we’ll never control our environmental problems.*”

Consistent with this is the poor support registered for the idea that “*threats to the environment are exaggerated*” – less than one-in-three agreed with this view in any country. Australians were least likely (at 23%) to agree and the US being most likely to agree (at 30%) followed by NZ (29%) and the UK (28%).

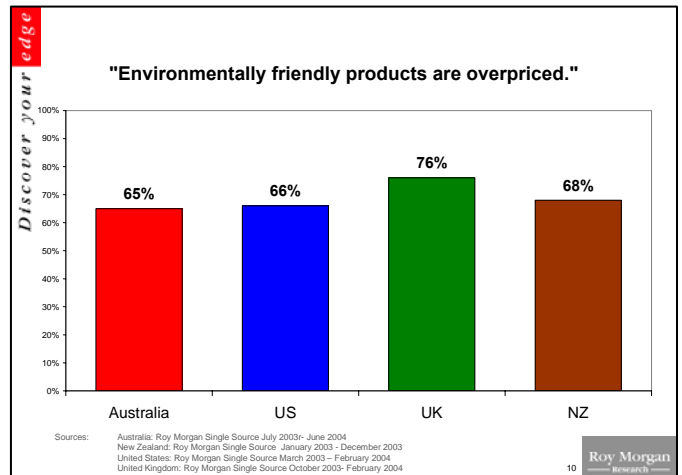
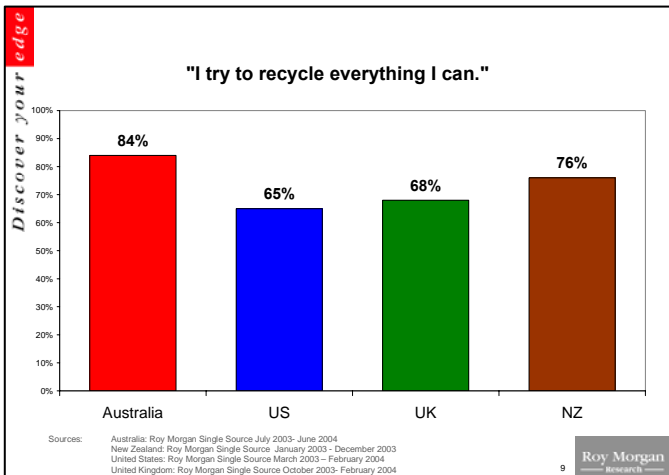


And while substantial majorities of people in all countries agree “*I try to recycle everything I can*” (Australians 84%, Americans 65%, UK 68% and NZ 75%), most felt that “*environmentally friendly products are overpriced*”, (Australians 65%, Americans 66%, the UK 76% and NZ 68%).

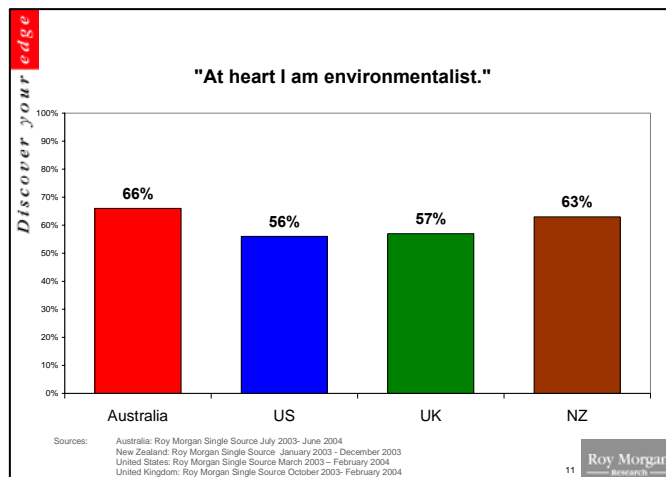
<sup>1</sup> Roy Morgan International Single Source research is part of the continuous Roy Morgan Single Source Survey. [http://www.roymorgan.com/products/single-source/single-source\\_home.cfm](http://www.roymorgan.com/products/single-source/single-source_home.cfm)

The data reported in this paper is based on surveying cross-sections of the population aged 14 years and over:

- In Australia: 24,785 interviews July 2003 - June 2004
- In USA: 3,275 interviews March 2003 – February 2004
- In UK: 1,570 interviews October 2003 – February 2004
- In NZ: 12,585 interviews August 2003 – July 2004

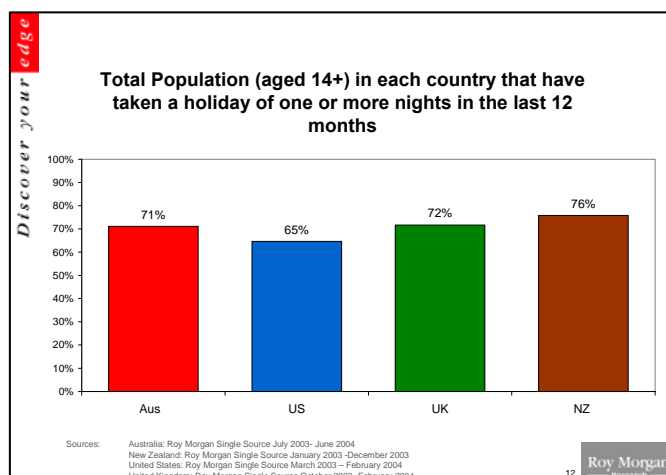


Australians were most likely at (66%) to consider themselves “an environmentalist at heart”, Americans at 56% were equally least likely with those from the UK. While 65% of New Zealanders consider themselves ‘environmentalists’.



The critical point for anyone wanting to understand their industry across international markets is not to just consider the local trend as the norm, but rather to draw conclusions outside the local arena. Consistent international data is valuable – we can see the differences that make a difference and realise the extraordinary degree of similarities.

How does this relate to ecotourism? We see the vast majority of Australians, Americans, Brits and New Zealanders have similar core environmental values. Also the majority have taken a holiday of one or more nights in the last 12 months.



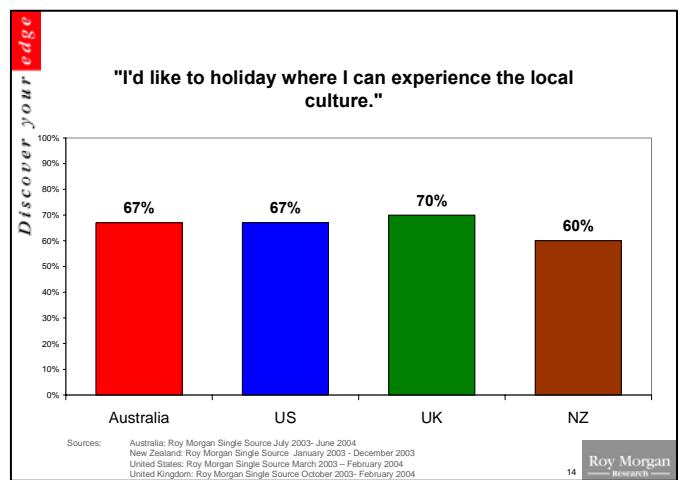
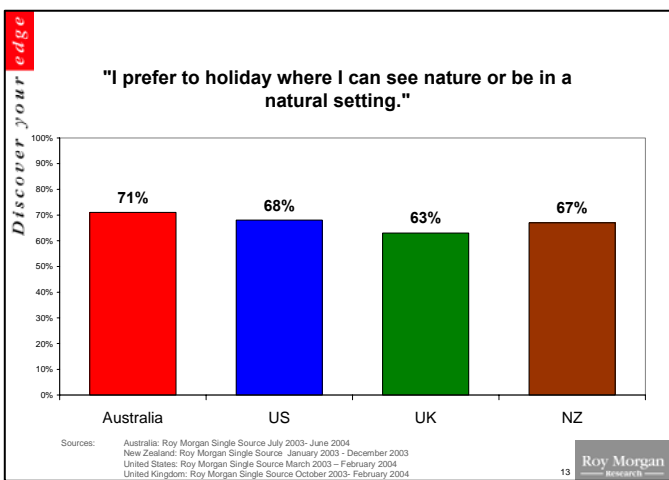
In Australia, 71% have taken at least one holiday of one or more nights in the last 12 months. Nearly two thirds of Americans (65%) have holidayed in the last 12 months as have around three quarters of Brits (72%) and New Zealanders (76%).

It is now a matter of taking this latent interest in the environment, and linking it to possible travel experiences.

Where is the interest in ecotourism? How can it be linked to our branding? How can we build on this?

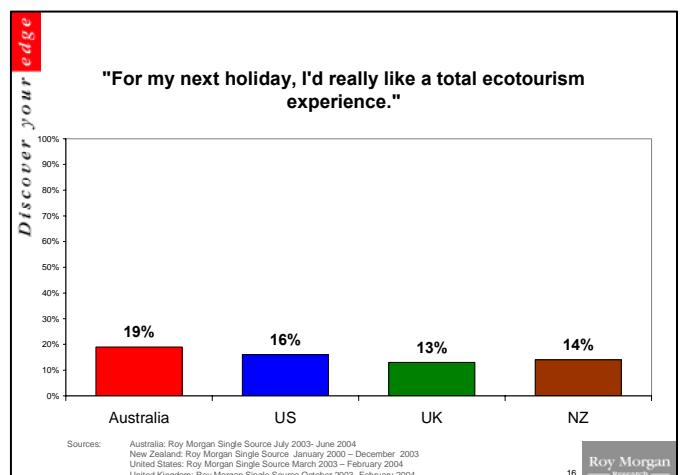
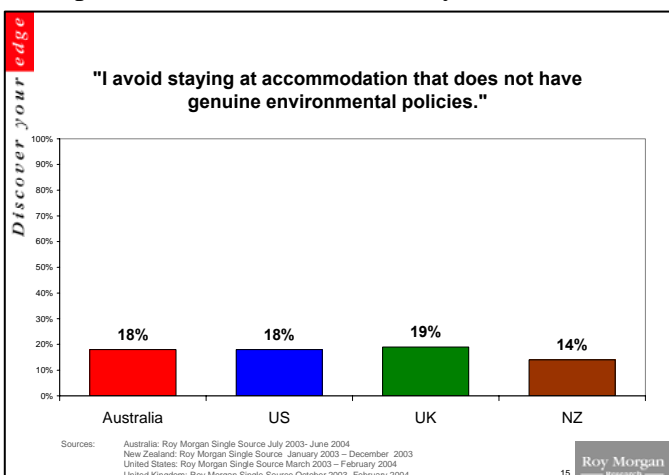
The ecotourism trend has been gaining momentum for some time, including environmentalism and local cultural experiences.

A majority in all countries say, *“I prefer to holiday where I can see nature or be in a natural setting”* and *“I’d like to holiday where I can experience the local culture”*.



There is strong support for the ‘softer’ elements of the ecotourism experience, and this is relatively consistent across markets.

However, when asked about very specific ecotourism experiences the interest drops. We see that less than one in five Australians (18%), Americans (18%), Brits (19%) and New Zealanders (14%) *“avoid staying at accommodation that does not have genuine environmental policies.”* And similar proportions are seeking a *“total ecotourism experience”* for their next holiday. Almost 20% of Australians agreed that *“for my next holiday, I’d really like a total ecotourism experience”*, 16% in the US and 14% in New Zealand – the UK was the lowest with 13% seeking a total ecotourism experience on their next holiday.



**To get demand into perspective, almost one-in-five Australian travellers aged 14 years and over are looking for a total ecotourism experience. This represents just over two million people.**

**In the USA, this represents almost 38 million people.**

Of course not every holiday will be an ecotourism holiday. There are a whole variety of experiences sought out by travellers. But the latent interest in the environment is there as is the desire to travel by nearly three quarters of the Australian, US, UK and NZ populations. While the market is there and the market is substantial, it is never sensible to try and be everything to everyone! We need category supporters who will promote the product and accompanying accreditation by word of mouth and through experience with the product. We need to attract travellers who have an inherent appreciation of the environment and who also have the potential to create a high yield for our businesses.

So yes, the market for ecotourism is there but how do we trigger that latent interest in the environment and ecotourism more specifically?

It is really back to a very fundamental communications and marketing strategy. Those of you who have worked with Roy Morgan data in Australia will already be thinking about the questions – what we need to know about our eco-target (our potential customers):

*Who are they?*

*Where are they?*

*What is our competition?*

*How do we reach them?*

*How do we move them?*

The well known Roy Morgan Values Segments<sup>1</sup> is one such way we can understand this market and the way a given target market views the world. Such segments have been used widely by the tourism industry for many years.

The Roy Morgan Values Segments<sup>1</sup> are 10 distinctive mindsets based on people's pattern of responses to six dimensions.

There are four psychological dimensions:

<b>Individualism</b>	“I” vs “We” how much control we have over our lives
<b>Life Satisfaction</b>	levels of satisfaction with life How content we are with our lot
<b>Conservatism</b>	traditional vs progressive social attitudes are we modern or old fashioned in our views
<b>Innovation</b>	attraction to new things and ideas risk adverse or attracted to new things, early adopters?

---

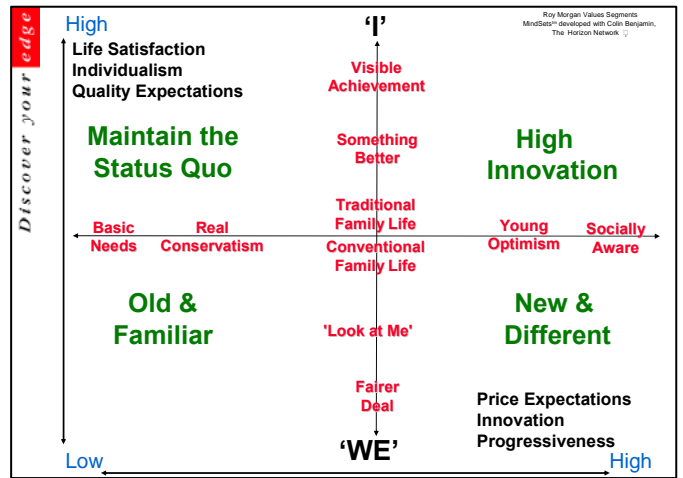
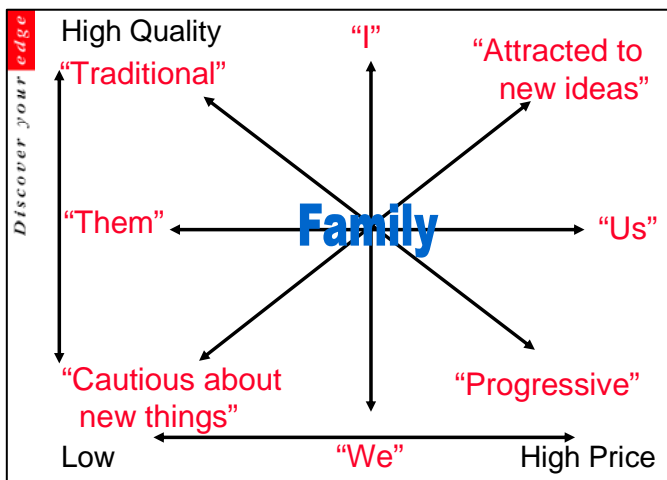
<sup>1</sup> Developed in conjunction with Colin Benjamin of The Horizons Network.

There are also two market place dimensions:

**Quality** how high or low are the expectations of quality

**Price** willingness to pay high or low prices per unit

By plotting the six dimensions with the concept of 'Family' at the centre, you see how a shift towards a certain dimension or a combination of dimensions defines an individual as being responsive to a certain combination of price and quality at times of making purchase decisions.



The Values Cross plots the Roy Morgan Values Segments<sup>2</sup> according to each Segment's responses to these dimensions.

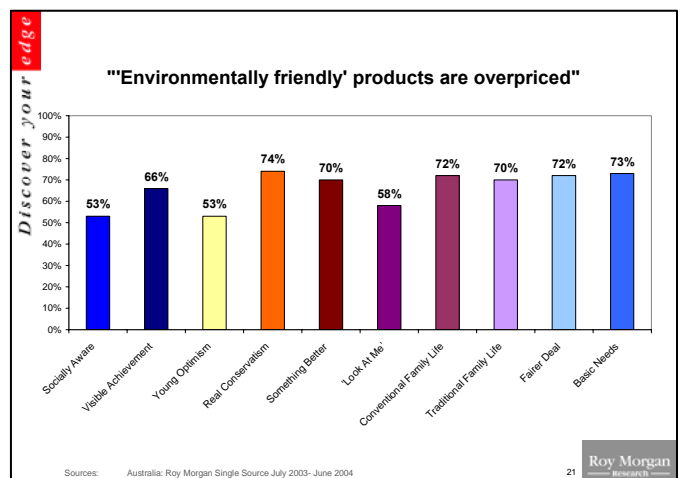
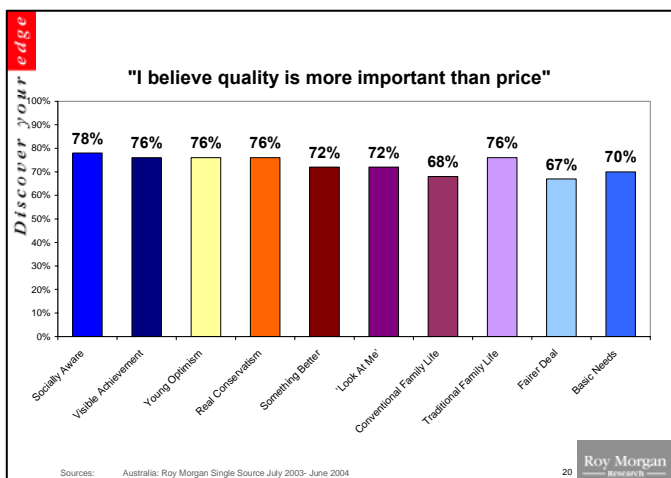


<sup>2</sup> Developed in conjunction with Colin Benjamin of The Horizons Network.

Tying this back to the tourism ‘White Paper’, quality of the ecotourism product and experience is paramount in driving success:

*“To attract visitors and keep them coming back, Australia’s tourism industry must earn a reputation for quality, value and variety. The capability of tourism businesses to deliver what they promise and to satisfy customer expectations depends upon sound management practices”.*

If we take Australia as an example using the Roy Morgan Values Segments<sup>2</sup> to better understand our audience, we see that the Socially Aware, Young Optimism, Visible Achievement, Traditional Family Life and Real Conservatism segments are most likely to agree with the statement *“I believe quality is more important than price”*. In addition, we see that the Socially Aware and Young Optimism segments are least likely to agree that *“environmentally friendly products are overpriced.”*

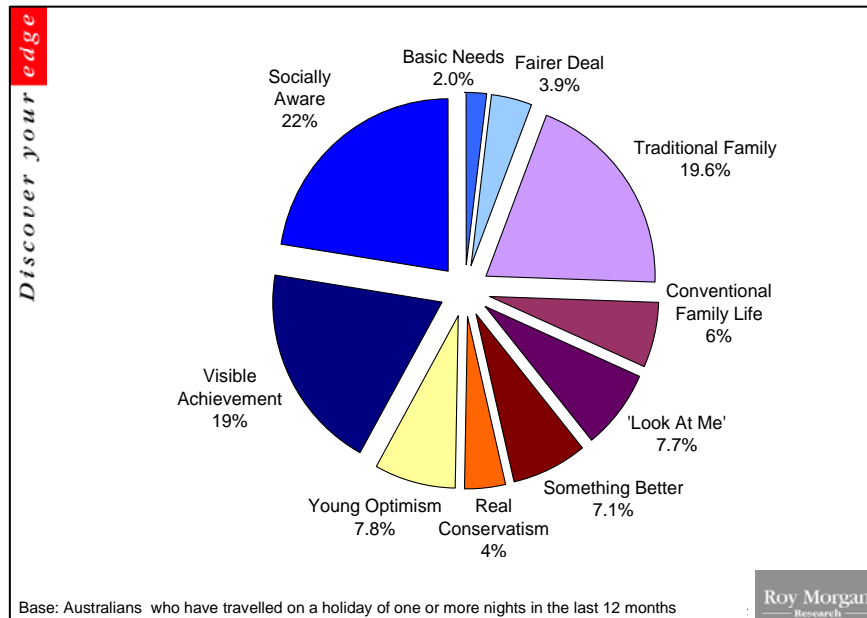


Further, we know from our research that many travellers have a high expectation of quality, and that this can be ultimately more important than price. As such the branding of ecotourism, or eco certification, is a valuable one. Accreditation is the means by which operators can benchmark their product to ensure their offer meets customer expectations.

We’ve seen the impacts of successful branding in operation with accreditation programs such as ‘Certified Organic’, Hotel star accommodation ratings, Energy Ratings on whitegoods, ‘NRMA Inspected Vehicles’, the National Heart Foundation ‘Heartsmart Tick of Approval’ and The Good Food Guide. These are all examples of successful and widely acknowledged benchmarks. Just as the National Heart Foundation in Australia has successfully branded food to identify what is good for our bodies, eco certification should be striving to be that ‘tick’ for products that are good for our holiday experience and that are good for the environments and cultures in which we are having this experience.

These accreditations also importantly provide an essential guide to the consumer in terms of how a product or experience is expected to deliver on quality, which we know is a greater brand differentiator than product price. In the tourism industry, the potential eco certification has to become an influencer of choice for ecotourism products, experiences and the destinations they are consumed in is significant. We know that restaurants that receive a high score or a chef’s hat in the Good Food Guide typically receive an influx of bookings soon after. Quality standard acceptance linked with trial satisfaction equals the best promotion possible.

Turning again to the Values Segments<sup>3</sup> to now fine tune possible targets for the ecotourism product, using Australia as an example, when looking at and their travel behaviour we see from the slide overleaf that the Socially Aware, Visible Achievement and Traditional Family Life segments are the most prominent travelling groups.



So continuing with these high travel propensity groups as an example, let's delve into their psyche a little further.

### Socially Aware Values Segment<sup>4</sup>

The Socially Aware segment is 14% of the total Australian population and represents 22% of the total travelling population. The average spend per person per night on their last holiday of 3 or more nights \$124 - much higher than average (\$106). The types of activities they engage in on holidays tend to be going to restaurants, international food and wine; Country, wildlife and scenery; and National Parks and Forests.

Further this mindset typically refers to people who are community minded and socially active. We also know from Roy Morgan Single Source that people with this mindset make informed decisions – they are “information vacuum cleaners”. This thirst for knowledge and a global focus leads them to being heavy consumers of newspapers, particularly national newspapers and major metropolitan dailies. Their heavy readership of national newspapers also makes them more likely to read The Australian Magazine and the Financial Review magazine as well as Good Weekend. They also tend to be frequent fliers, reading Qantas Club and other airline magazines.

They tend to be light consumers of TV, preferring the ABC and SBS which offers a more globally focussed and more cerebral approach. They are attracted to programs which give an alternative perspective and more information on issues, including programs such as Foreign Correspondent and Four Corners. Their taste in comedy tends to be more witty or satiric with a preference for English comedy.

<sup>3</sup> Developed in conjunction with Colin Benjamin of The Horizons Network.

<sup>4</sup> Developed in conjunction with Colin Benjamin of The Horizons Network.



The Socially Aware Values Segment also tends to be one of the main supporters of the Arts, particularly those which are less mainstream.

As you can see from this pen portrait, people in the Socially Aware mindset are early adopters, usually have a high discretionary spend and have high expectations in terms of innovative tourism experiences. Thus in terms of the branding of ecotourism and eco certification, this segment will be leaders of the brand, demanding progressive features of the product and experience for the money they are more than willing to spend.

### **Visible Achievement Values Segment<sup>5</sup>**

The Visible Achievement segment represents 18% of the total population and 19% of the total Australian travelling population. The average spend per person per night on their last holiday of 3 or more nights was \$121- again much higher than average (\$106). The types of activities they engage in on holidays tend to be rest and relaxation; restaurants, international food and wine; and beach holidays and activities such as surfing and swimming.

Further this mindset typically refers to people who are visible success stories - they have 'made it'. They maintain traditional values about home, work and society with emphasis on being good providers for their families, providing a high quality environment in every way. This highly individualistic segment, whilst they can afford to buy the best of everything, look for quality and value for money, not necessarily something that is expensive – they are always looking for a good deal.

Roy Morgan Single Source also tells us that people with this mindset are heavy newspaper readers, in particular national newspapers. They are also heavy readers of magazines, particularly business and finance related magazines such as BRW, Personal Investor, Money Magazine and The Bulletin. Similar to the Socially Aware segment they also tend to be frequent fliers, reading Qantas Club and other airline magazines.

Given the Visible Achievement segment see work and family time as being more important they are only light commercial TV viewers and the programs they watch tend to reflect the same genre as their reading habits.

From this profile, people in the Visible Achievement mindset typically have a high discretionary spend and high quality expectations. However, in terms of the branding of ecotourism and eco certification, this segment will have a different focus to that of Socially Aware as people in the Visible Achievement segment tend to be brand followers as opposed to leaders. To tap into the Visible Achievement mindset, the brand will need to be seen as more aspirational (take the BMW brand as an example). It is about positioning eco certification and ecotourism in general as the 'thing to do', to have them wanting to tell the world "I've just been on a eco certified ecotourism package" and "what a good deal they got" because it is evidence of their accomplishment. For Visible Achievement – eco certification must equal value for money, must equal exclusivity and in turn success.

---

<sup>5</sup> Developed in conjunction with Colin Benjamin of The Horizons Network.

## **Traditional Family Life Values Segment**

The Traditional Family Life Values Segment represents 20% of both the total population and the travelling population. The average spend per person per night on their last holiday of 3 or more nights was \$91 - lower than the average (\$106). This can be attributed to the high incidence of visiting friends and relatives on holidays, effectively helping them to save on holiday costs. Although the spend per person per night is lower than the average, this is still an important market given its size.

People with a Traditional Family Life mindset tend to be motivated by security, reliability and providing better opportunities for their family. Not liking change, old and familiar environments are important to the Traditional Family Life segment. In Australia they are generally empty nesters or belong to an extended family. With the children grown, the focus is on reconnecting with their partners, finding time to do things they couldn't whilst their children were growing up. There is a strong emphasis on family and as such they spend a great deal of time and energy either getting the family to visit them or alternatively visiting the family.

Having more time on their hands, they are more likely to be heavy readers of the daily newspaper. They don't tend to be magazine readers although their interest in gardening leads to a high readership of magazines such as Gardening Australia and Burke's Backyard. They are also higher than average readers of older, more conservative magazines such as Family Circle and Auto Club magazines.

With regard to television viewing habits, data from Roy Morgan Single Source suggests interest in solving problems or puzzles and keeping mentally agile but in a safe and vicarious way. Programs such as The Wheel of Fortune and Catch Phrase tend to be in their viewing repertoire along with The Bill and other detective/police programs. Documentaries such as Australian Story and The World Around Us are also popular.

As you can see, the Traditional Family Life Segment requires a different positioning of ecotourism and eco certification. It is all about the safety and reliability that the eco certification can provide.

These are three examples from the 10 Values Segments mindsets to help you understand your audience and consumers of your ecotourism product. Each segment has a different way of looking at the world and, for each segment, they will perceive your brand and your eco-labelling in a different way. As we know, a brand is a perception and a perception is a way of looking at the world.

*Effectively influencing a target audience (whoever you choose that to be) depends largely on how thoroughly we understand them.*

The positioning of the ecotourism offering needs to be considered overall and in terms of the kinds of people you want to attract. There is a broad spectrum of ecotourism product ranging from spending no money through to an experience that has all of the luxuries possible. In Australia, ecotourism has many faces that fulfil unique needs of the traveller.

What is your unique positioning? Who is your defined? What is your price point, what is your product offering? Will it meet the consumers expectations?

The snapshot of the views and attitudes outlined hopefully will provide both a richer picture of the market and a series of potential hooks and product development possibilities. Shaping 'ecotourism' requires much more digging into the psyche of the global market than this. But the picture is emerging of a brand and market that can fit well.

It is a matter of ensuring that Australia projects the products imagery to ensure that we are at the leading edge of sustainable ecotourism both within the domestic and international markets.

It is all about "*The right offer, to the right customer, at the right time*" and the consistency of the branding message through programs like eco certification.

**For further details contact:**

Gordon MacMillan, Director – Tourism & Travel, Australia, Roy Morgan Research  
Office - +61 (0)3 9224 5357 Facsimile - +61 (0)3 9629 1250 Mobile - +61 (0)409 984 217  
E-mail: gordon.macmillan@roymorgan.com

Wendy McInnes, Director – Tourism & Travel, International, Roy Morgan Research  
Office - +61 (0)3 9223 2451 Facsimile - +61 (0)3 9629 1250 Mobile - +61 (0)411 129 087  
E-mail: wendy.mcinnis@roymorgan.com

Ref: [x:\clients\present\industry\tourism\conference presentations\ecotourism - november 2004\ecotourism conference november 9 2004.doc;]