



EVOLUTION OF THE BACKPACKER MARKET AND THE POTENTIAL FOR AUSTRALIAN TOURISM

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This research project used a combination of methods and information sources, including original research, to identify some possible strategies to build a sustainable future for the backpacking sector of Australian tourism. The study was directed by the goal of providing a comprehensive view of backpacker trends sourced from international backpacker experts, Australian operators and government personnel. The trends were assessed through the responses of backpackers themselves. Further the opportunity to comment on strategies suggested by the survey findings was provided in eight workshops conducted around Australia. These processes led to the identification of 5 short term strategies for capturing market share and 7 longer term plans for pursuing the potential of backpacker evolution for Australia.

Objectives of Study

The purpose of the study was to provide a comprehensive view of backpacker trends applicable to Australia leading to:

- short term strategies for capturing market share
- longer term plans for optimal Australian and regional well being in the context of triple bottom line considerations.

As a part of this process of assessing trends, further data to supplement existing sources were collected which explored socio-economic characteristics of backpackers and their travel styles including itinerary and route planning, transport and purchase arrangements processes of choice and preferences for destinations and existing and emerging (future oriented) activity patterns.

Methodology

In this study backpackers were considered to be those travellers who:

- use budget accommodation
- are involved in longer rather than very brief holidays
- are predominantly under 40 years of age
- have flexibility in their itineraries and
- show a willingness to be involved in social and participatory holiday activities.

The four core methods used to build the strategies which are the major outcomes of this report were:

- scanning of the existing academic and industry literature
- conversational interviews with 40 stakeholders both within Australia and in Europe and Thailand
- a survey of 1555 backpackers from 50 backpacker hostels sampled across 8 locations and varied to price, size, location and branded vs. independent and
- eight workshops with stakeholders reviewing the first three kinds of information collected.

Key Findings

The short term strategies

Short term strategy 1

Explore extensions to the Working Holiday Maker visa system to promote budget youth travel. In particular, expand the system in three directions; broaden the number of source countries for the Working Holiday Maker visas (WHM); relax the eligibility rules for a second visa in terms of allowing time spent in employment in metropolitan locations to count but only to the value of 50% of the time spent in regional locations; and reduce the length of time for required work to gain the second visa from 88 days (3 months) to 65 days (2 months + 2 weekends). This issue was raised in domestic interviews and by backpackers themselves. It was also a theme in the workshops and was seen as an advantage for Australia in the international interviews.

Short term strategy 2

Form a backpacker industry working party to maintain a technology watch and research agenda with a particular annual task to report on technology changes. This group should direct the design of skill building workshops and industry communication opportunities including informative web sites and training sessions for backpacker operators. Technology and social communication developments were seen in the academic literature as a force that the industry needs to deal with in terms of training and skill development.

Short term strategy 3

Assess the backpacker potential for the emerging international youth markets from China and India which are disproportionately large in education statistics but limited in travel behaviour around Australia. This



strategy could include more formal relationships between providers of international education and backpacker businesses to establish mutually useful marketing opportunities including visa extensions for student travel.

Short term strategy 4

Stimulate partnerships through a Backpacking–Volunteering summit; in effect a major meeting/workshop between backpacker operators and multiple care agencies for volunteer opportunities in Australia. The parties should meet to discuss packaging and mutual opportunities and should include social and community interest groups as well as environmental agencies where volunteering is a developing activity.

Short term strategy 5

Design more specific country by country promotional material for backpackers taking into account emerging international differences in technology use and interest areas. For example, strong differences exist in the study among Irish, German, Scandinavian and UK markets; more specific promotional efforts such as 100 famous Australian experiences for each market national group should be developed. This approach together with new suggested touring routes could be directed at better regional distribution of backpackers.

The longer term strategies

Long term strategy 1

Create joint training provider – industry training courses, information services and special workshops for operators focusing on new communication technologies. Some backpacker businesses may become leaders and training centres attracting ‘techpackers’—those backpackers who seek the most up to date facilities and technology enabling travel experiences.

Long term strategy 2

Design a new ‘after graduation’ student holiday maker visa (SHM) for 3 months to tap into the international student market. The purpose of this SHM is to motivate students already in the country to extend their Australian stay as tourists/backpackers. The boost to Australian tourism generally through post study travel with visiting friends and relatives may be an added benefit.

Long term strategy 3

Pursue quality control mechanisms to underpin the image of Australian backpacking through a national standards committee. This approach should be incorporated into the national tourism accreditation framework (NTAF) specifically for the backpacker world and backpacker attention, particularly focusing on cleanliness, accommodation quality, sustainability issues and activity professionalism. The incorporation of superior green business practices would be a contribution to the quality standards.

Long term strategy 4

Promote the volunteer opportunities in Australia from the major meeting/workshop between backpacker operators and care agencies identified in Short Term Strategy 4. These opportunities may also have a training and skills development component where some backpacker establishments become specialist training centres for certain kinds of pre-volunteering travel. This training component could be extended to include more mainstream skill development (e.g. hospitality qualifications).

Long term strategy 5

Create a more accessible international presence for backpacker tourists in key source markets (Germany, Ireland, UK, Sweden and in a stop-over destination such as Thailand) through Australian backpacker ‘houses’ to act as a one-stop shop for the provision of information to potential backpackers. This strategy links to the need in Short Term Strategy 5 of developing more specific nationality focused promotional materials.

Long term strategy 6

Create new links and partnerships between backpacker establishments and national and state parks, zoos and fauna/wildlife attractions. These links extend to volunteering and environmental care activities.

Long term strategy 7

Encourage the construction of new product directions through government incentives (tax breaks, low interest loans or awareness of schemes to access new money) for the construction of facilities for the adventure operators and healthy lifestyle options (hikes, tours, walking opportunities, sports, competitions and challenge events) in regional towns.