Intellectual Capital, IP and Tourism: An Empirical Study in Southeast Asia

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Tourism – fastest growing economic sector

- a main instrument for regional development and new economic activities

- of growing importance in promoting economic growth and social development in the Asia-Pacific region

Source: Travel and Tourism in Malaysia, Euromonitor International, 2009
Travel and Tourism in Indonesia, Euromonitor International, 2008
Travel and Tourism in Vietnam, Euromonitor International, 2009
Tourism and APEC region

- More than 100 million employed

- By 2010 employment will increase by more than 25% creating an additional 30 million new jobs

- Over US$2 trillion in travel and tourism-related demand; total tourism and travel demand in 2010 is expected to exceed US$3 trillion

- Approximately US$400 billion in export earnings which will increase by almost 66% by 2010

- One-quarter of world international visitor arrivals and more than one-third of global international visitor expenditure.

Source: World Travel and Tourism Council (WTTC) 2009
Tourism and China

Emergence of China as both

- a destination for increasing numbers of inbound tourists
- an expanding source of outbound travelers.

Changing environment: Asians in Asia

- eco-tourism
- backpacker tourism
- pilgrimage tourism (sacred journeys, events or festival tourism)
- popular culture
- border gambling tourism
- home stay tourism
- health and wellness tourism
- medical tourism


Major markets in most Asian countries are other Asians and not Western tourists.
Old and new tourists

Bali:

- old tourists:
  Japanese, Australians, west Europeans

- new tourists:
  Koreans, Taiwanese, Malaysians, and Chinese

As Bali’s tourism market continues to diversify, its hoteliers and other tourism business managers have to grapple with the question of whether it makes economic sense to provide specific services for different market segments or offer something more general that might not suit anybody.

Emerging country promotion

1990: Singapore, Malaysia, Indonesia, Thailand, Philippines, Hong Kong, Japan, Taiwan, Sri Lanka, India

2000: Cambodia, Laos, Vietnam, Myanmar, Nepal, Bhutan

Source: Winter et al., 2009
Regional networks

Thailand: regionalization, transnational flows and cross-border connections

PATA encourages cross-national cooperation (APEC Tourism Charter)

Sub-regional arrangements between Brunei-Indonesia-Malaysia-Philippines in the East ASEAN Growth Area (BIMP-EAGA)

GMS between China, Thailand, Vietnam, Cambodia, Laos, and Myanmar

Source: Cochrane 2008

> Develop and train required human resources in various segments of the tourism industry

> Closer cooperation among countries is to effectively overcome constraints related to human resources

Source: ESCAP 2009
Sustainable Tourism

- Environmental
- Socio-cultural
- Economic

Optimum use of resources
Minimization of ecological, cultural and social impacts
Maximization of benefits for conservation and local communities.
Management of structures needed to achieve this

Source: Creaco & Querini, 2003
Participation business & private sector

- removing barriers to tourism movements and investment
- liberalising trade in services and tourism
- implementing concepts of environmental, social and cultural sustainability in tourism development
- facilitating and promoting human resource development
- developing cooperation towards information-based services

Challenges

Investments human & structural capital

Source: Wahab & Cooper, 2001
Re-branding Singapore

- 2004 *Uniquely Singapore* (instead of New Asia)
- embracing tradition and modernity today
- dynamic city rich in contrast
- harmonious blend of culture, cuisine, arts and architecture
- bridge between the East and the West for centuries
- Asian practices, such as Asian practices, such as Asian practices, such as
  
  The Singapore Tourism Board will continue to develop unique propositions for tourists to visit Singapore that will be enriching and personal to the individual visitor to Singapore.

  On the home-front, the STB will also continue to roll out exciting programmes to educate and engage the local residents. Through these domestic programmes, the STB aims to encourage local residents to become tourism ambassadors for the brand as they re-discover the uniqueness of Singapore. It is hoped that through these programmes, they will have memorable stories to share with their friends overseas, and become brand advocates of Uniquely Singapore.

Source: Ooi Can Seng, 2005)
Re-branding  *Uniquely Singapore*

- Cooperation between public and business sector, involving all kind of parties:
  - Cultural & heritage organizations
  - local communities hotel chains
  - schools and universities
  - local businesses
- World-class museum exhibitions to showcase the glorious cultures of Asia
- New Tourism Spaces: Cultural and ethnic festivals
- Educational and medical services

Source: Ooi Can Seng 2005

www.singaporeedu.gov.sg  www.singaporemedicine.com
Culture as intangible capital

Integration of culture in sustainable development

Protection and promotion of the diversity of cultural expressions.

Source:
International promotional campaign
Ministry of Tourism India
Co-creating with tourists

Trends in Asia

- Healing tourism at the island of Bali: Japanese escaping the battlefield of the workplace, seeking spiritual healing

- Nature tourism in Sabah experiencing the Japanese belief in the oneness of human existence and nature

- Lifestyle migrants: Japanese travelling to Thailand enjoying the Thai way of life

Source: Yamasita, 2003
Empowering tourists

ICT Platform as a “One-stop shop”: http://www.incredibleindia.org/

Organisations that are able to create communities that satisfy both relational and transactional needs will reap the benefits of greater customer loyalty and may gain important insights into the nature and needs of their customer base.

Prevailing model - tourism promotion

- Number of visits, average spending per visitor, aggregate sales multiplier
- Estimations of the direct and total sales effects of visitor spending
- Conversion to income, jobs, tax effects of visitor spending

Emphasis on the socio-economic impact of visitor spending on:

- national and regional economy
- regional development
- diversification of the economy
- income levels

Source: Stynes and Rutz 1995; Pearce, 1991
Socio-economic models neglect life cycle

Hypothetical tourist area life cycle:

- exploitation
- involvement
- development
- consolidation
- stagnation
  - continued decline
  - rejuvenation

Tourism – An Intellectual Capital Approach

Key Policy Goals and Management Challenges

- Removal of impediments to tourism business and investment
- Increase mobility of visitors and demand for tourism goods and services
- Sustainable management of tourism outcomes and impacts
- Enhance recognition and understanding of tourism as a vehicle for economic and social development

Source: Charter APEC; Mouritsen, et al, 2003
Tourism – Management Challenges

Human Capital

- Diversity skills
- Lifestyle & sensitivity

- Old and new generating countries
- Knowledge sharing across organisations

- Environmental, socio-cultural & economic policies
- Changing and diversification of demand & supply

Value

Tangible capital

Intellectual capital

Financial capital

Human capital

Structural capital

Relational capital
Tourism – Management Challenges

Structural Capital

- ICT Platform
- Development of personalised services and products
- Homogenisation and standardisation of products and services
- Quality standards and added values of products - services (instead of price competition)

Value

- Tangible capital
- Intellectual capital
- Financial capital

Human capital

Structural capital
Tourism – Management Challenges

Relational Capital

- Personalised services and products
- Co-creating with tourists
- Total tourism approach (PATA 2005)
- Establishing value networks
- Restoring tourism destinations in crisis

Old & new tourists

Regionalisation & Globalisation

Sustainable tourism

Inbound and outbound tourism

- ICT and empowerment of local distributors
- Reduction dependence on external operators
- Quality standards and added values of products and services (instead of price competition)