

NAVIGATING THE NEXT PHASE OF TOURISM GROWTH

Tourism Industry Conference 2013
Discussion Paper



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INTRODUCTION

The tourism sector currently contributes to 4 percent of Singapore's gross domestic product and supports some 160,000 jobs. Its benefits are even greater than these numbers suggest. Tourism plays a key role in reinforcing Singapore's status as a vibrant global city that is a magnet for capital, businesses and talent. It also enhances the quality and diversity of leisure options for residents and helps to create a living environment that Singaporeans are proud to call home.

Singapore tourism is well-placed to gain from a growing Asia. However, questions have been raised about the sustainability of the sector's recent growth trajectory, given the keen competition and our resource constraints.

This paper assesses the medium term outlook for the tourism sector and outlines the Singapore Tourism Board's strategies to secure quality tourism growth. It is a continuation of the efforts that went into the Tourism Compass initiative which started in 2010, where we had engaged with industry partners and the public to chart out the direction for tourism development. **STB puts forward this paper as a basis for us to continue this discussion on how best to navigate the next phase of our tourism growth.**

PART 1 MEDIUM TERM OUTLOOK FOR SINGAPORE TOURISM

LOOKING BACK: TOURISM DEVELOPMENT IN SINGAPORE

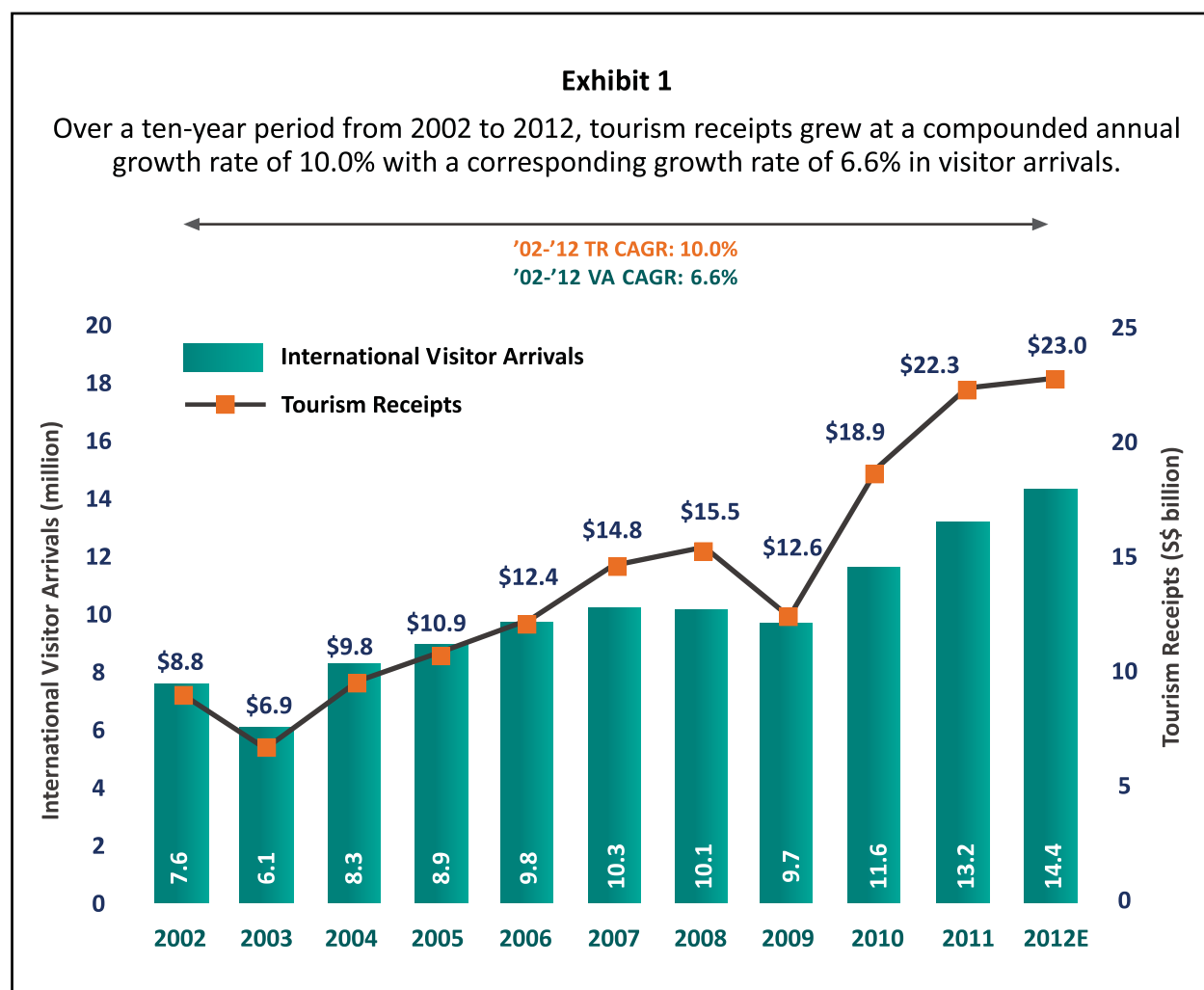
The establishment of the Singapore Tourist Promotion Board (“STPB”) in 1964 signalled the government’s recognition of tourism’s potential as an important contributor to Singapore’s economy. Under the STPB, the early stages of Singapore’s tourism development focused on raising the awareness of Singapore as a destination and building up tourism infrastructure, which included major attractions such as Sentosa Island and the Singapore Zoological Gardens.

In the 1990s, the STPB was renamed the Singapore Tourism Board (“STB”) to reflect a major shift in the way tourism was championed as a key economic driver. STB expanded our efforts beyond destination promotion and started to establish Singapore as a regional tourism hub for both tourism companies and tourists. This marked a decisive move towards tourism industry development, an approach that continues to distinguish STB from many other national tourism organisations that focus almost exclusively on marketing and promotional activities.

Robust growth in Singapore’s tourism sector over the past decade

The 2000s saw the sector overcome SARS in 2003 and weather the Global Financial Crisis of 2008-09. The decade also witnessed the introduction of major tourism projects like the establishment of the two Integrated Resorts and the hosting of the Formula One Singapore Grand Prix. These lent fresh impetus to visitor arrivals and spending, accompanied by a revitalisation of lifestyle offerings in dining, entertainment, retail and hospitality. This resulted in a transformed tourism landscape alongside record growth in tourism performance.

Tourism receipts and international visitor arrivals have reached an all-time high – with estimates for 2012 performance registering S\$23.0 billion in tourism receipts and visitor arrivals at 14.4 million. Set against the backdrop of a ten-year period from 2002 to 2012, our tourism receipts have grown at a compounded annual growth rate of 10.0% and visitor arrivals at a corresponding growth rate of 6.6%.



In addition to the transformed tourism landscape, the sustained momentum in performance can be further attributed to two other factors: (a) the proliferation of low cost carriers in Asia, making travel more accessible to a wider population; and (b) the region’s growing middle class, with a higher disposable income for discretionary travel spending.

LOOKING AHEAD: SALIENT TRENDS

While Singapore tourism has done very well in recent years, the environment in which we operate in continues to evolve and is becoming more challenging in some ways. The following trends are particularly salient to Singapore:

1. Increasingly discerning travellers

Discerning travellers are sophisticated visitors who increasingly look for offerings that not only present a variety of experiences – from iconic offerings to more obscure, off-the-beaten-path type of experiences – but also seek an opportunity to interact with a destination. The discerning traveller is willing to pay a premium for differentiated and unique experiences which they perceive to have offered additional value. This is the type of traveller that suits Singapore's profile as a maturing tourism destination.

2. Intensifying regional competition

The regional tourism scene is heating up as our competitors continue to invest heavily in tourism infrastructure. Macau and South Korea have announced planned openings of new Integrated Resorts; Bangkok will reportedly hold an F1 night street race by 2015; and Universal Studios is scheduled to open in South Korea and Shanghai. Furthermore, many of these competitors are going after the same source markets and target segments as Singapore.

3. Slower workforce growth

Singapore's ageing workforce will make the pursuit of growth more challenging. Total workforce growth is also expected to slow as foreign workforce supply is tightened. The implication on Singapore's tourism sector is serious, owing to its relatively heavy reliance on foreigners.

4. The visitor economy's impact on the resident population grows more immediate

In a compact city like Singapore, tourism activities and establishments interact closely with the resident population in ways that hold out opportunities as well as threats.

In summary, the traveller that we seek to cater to is more discerning; competition for the tourism pie is intensifying; the growth of our total workforce looks set to slow; and we need to acknowledge the stronger nexus between the visitor economy and the resident population.

GROWTH PROSPECTS FOR SINGAPORE TOURISM

Asia will continue to play a key role in our future growth

Growth in Asia is likely to continue to exceed those of advanced economies. It has been projected that Asia will account for half of global GDP by 2050¹ and that the combined GDP of China and India will exceed that of the G7 countries by 2025².

Specific to tourism, by 2020, two out of every five travellers are expected to be Asian and will account for nearly half of global tourism expenditure³. China's outbound travel market is expected to make 100 million trips corresponding to S\$300 billion in spend by 2020. Given that Asia accounts for about 75% of our visitor arrivals, the region's positive growth prospects bode well for Singapore.

Exhibit 2

Our top source markets of Indonesia, China, India and Malaysia account for slightly over 40 percent of our tourism receipts and close to half of total visitor arrivals.

Jan - Sep 2012	TR* (S\$ million)	Share of total TR*	VA ('000s)	Share of total VA
Indonesia	2,853	16.9%	2,592	19.4%
China	2,110	12.5%	1,578	12.0%
India	1,103	6.5%	869	6.6%
Malaysia	893	5.3%	1,141	8.6%

Source: STB

* Excludes sightseeing, entertainment & gaming.

¹ *Asia 2050 – Realising the Asian Century*. Asian Development Bank. 2011.

² *Looking to 2060: A Global vision of Long-Term Growth*. Organization for Economic Co-operation and Development. November 2012.

³ *Boston Consulting Group Report, Asia Travel Leaders Summit*. 2011

Although Singapore's location in a fast-growing region ensures that we are well-positioned to tap on the opportunities for growth, it will be unrealistic to expect the pace of expansion seen in the recent years to continue. With keener regional competition for the same tourism pie, we can expect growth in visitor arrivals to grow at about 3 to 4 percent per annum.

However, if we work together and move towards yield-driven quality growth, we can expect the tourism sector to still remain a bright spot in Singapore's economy, with tourism receipts growing by an average of 4 to 6 percent per annum, more than the 3 to 4 percent annual average GDP growth expected for the rest of the economy.

Part 2 will present STB's views on what such quality growth could look like in the next phase of our tourism development efforts. It will also outline some of STB's strategies and approaches to secure quality tourism growth over the medium term.

PART 2 SECURING QUALITY TOURISM GROWTH

WHAT MIGHT WE MEAN BY QUALITY TOURISM GROWTH?

As we navigate the challenges and opportunities that lie ahead, we can refer to the type and nature of tourism development that we wish to pursue as Quality Tourism.

The term 'Quality Tourism' may hold different meanings to different people. As a basis for discussion, Quality Tourism could comprise three key dimensions of success:

- **First, tourism will continue to be developed as an important economic driver for Singapore and make a significant contribution to our overall GDP.**

Our resource constraints compel us to prioritise growth in tourism spending over tourism arrivals growth. This is reflected in our marketing approach and destination strategy.

- **Second, tourism development will result in productive and innovative industries and firms that create good jobs for Singaporeans.**

Our industry development efforts must be geared towards a competitive industry that increases the returns to the factors of production: capital, land and labour.

- **Third, we will continue to nurture public engagement and participation as part of our tourism development efforts.**

Every Singapore resident is a potential advocate for tourism. Our local engagement efforts can further unlock this energy and harness the pride and passion that we feel for our city.

Such an understanding of Quality Tourism could present a balanced framework for charting the tourism sector's next phase of growth and development.

The three dimensions of Quality Tourism can operate at the sector level, but they also offer a potential lens for individual companies to assess their performance and success. For example, is the company profitable? Is it operating efficiently and innovatively? Is it generating disamenities beyond its economic value?

HOW: STRATEGIES & APPROACHES

If we accept these three dimensions of success as a valid response to the opportunities and threats in the next phase of tourism growth, then our medium term strategies and approaches towards Quality Tourism are outlined in the following four areas:

- I. Pursuing a yield-driven marketing approach
- II. Enhancing destination attractiveness
- III. Supporting industry competitiveness
- IV. Building local engagement

We will now examine each one in turn.

I. PURSUING A YIELD-DRIVEN MARKETING APPROACH

a. *Portfolio management*

STB will pursue a yield-driven approach to seek greater returns from our marketing investments. This must be reflected in how we manage our portfolio of segments and markets. The portfolio management approach takes into consideration tourism receipts contribution and the areas where we are able to have an influence through marketing.

For the Leisure Segment - The focus in the Asian markets will be on enhancing the appeal of Singapore as a travel destination, while our focus in the Europe and Oceania markets will be on how the collective appeal of Asia can be harnessed and how Singapore can be established as a 'must-visit' destination in a typically multi-destination trip.

For the Business Segment - As business travel is largely contingent on the economic climate, our focus across all markets will be to establish Singapore as a choice destination to mix business with leisure and to drive greater visitor spending.

For the MICE Segment - Singapore will continue to be positioned as a leading business events destination. In addition, for Asian markets, the focus will be on targeting attendees to grow business events.

For the Healthcare Segment - Efforts will be focused on developing channels in the areas of private healthcare and specialist outpatient services.

b. Differentiated market strategies for the leisure segment

To optimise marketing and promotional efforts for the leisure segment (which contributes the most tourism receipts), a differentiated approach towards different markets will be adopted. This recognises the different contributions each market makes to the overall visitor economy and its growth potential.

Key markets are grouped in a manner that allows us to amplify the impact of the marketing resources and efforts of STB and our industry.

Exhibit 3
Market Groupings for the Leisure Segment

Group A	Group B	Group C
Protect the Base	Invest for Growth	Pursue Niche Opportunities

Group A – Protect the Base

The first cluster of markets consists of those that traditionally have sizeable contribution to tourism receipts and there would be a need to continue defending this base of top source markets, such as Indonesia and China. Even within this cluster, a differentiated approach will be adopted. For example, a proximate market like Indonesia offers the opportunity to cultivate visitors to make frequent trips to Singapore in a way which a slightly more distant one like China does not.

Group B – Invest for Growth

The second cluster of markets demonstrates strong growth potential that can be unlocked with increased investments. These markets would include Japan and Vietnam, which have shown promising results and we hope to build on the momentum to grow tourism receipts from them.

Group C – Pursue Niche Opportunities

The third cluster consists of markets which have niche needs that Singapore can serve well and offer unique opportunities for now, for example, the Gulf States and Russia. Strengthening our destination presence selectively is the best way to optimise our resources in penetrating the market.

c. Visitor-centric approach

For each market, we select and focus resources on the **target audience**. The target audience are visitors whose needs Singapore can better satisfy, and when their needs are met, the destination is rewarded with a higher spending visit. These are not necessarily the richest individuals in a market, but rather, are travellers who have greater propensity and means to visit Singapore. Markets differ significantly in terms of culture, level of economic development, and affinity for Singapore, and hence the target audience is market-specific. The focus of our resources will be on influencing the visitorship of the target audience – by increasing penetration (getting more of them to come) and/or frequency (getting them to come more often).

To effectively influence the visitorship of the target audience, a **visitor-centric approach** in placing the consumer at the core of marketing initiatives and efforts will be adopted. By deepening an understanding of the target audience, and their needs which is a strong driver of travel behaviour, one is able to customise to meet needs, so that the visitor will see a greater value in coming to and spending time and resources in Singapore. This increases the appeal of and consideration for Singapore, which results in a more effective reach. Marketing resources are optimised when “the right message at the right time” is delivered to the target audience.



Creative from
“The Holiday You Take Home with You”

**Customising to meet the needs of our target audience
- Illustration with India**

We are focusing efforts on increasing the appeal of Singapore among experienced international Indian travellers who seek much more out of their holiday, driven by their needs to enrich themselves and to forge closer bonds among family and between couples.

Recognising needs for achievement and bonding, we have tailored our marketing campaign “The Holiday You Take Home with You” to showcase experiences that would enable them to gain new knowledge, learn new skills and forge deeper relationships. Examples of more experiential and engaging experiences highlighted include learning skydiving at iFly Singapore, appreciating botany at Gardens by the Bay, and celebrating romantic moments at rooftop bars offering spectacular views of the city.

d. Partnership-oriented stance

STB pursues a **partnership-oriented stance** in marketing and places an emphasis on strategic and longer-term engagement with like-minded industry partners. We recognise that industry partners play a critical role in engaging our target audience and in developing products and experiences that would meet their needs.

By sharing our consumer insights and pooling resources towards a common strategy, we are able to deepen our collective consumer understanding and amplify our messages for greater impact.

An example of a tie-up is with Japanese travel wholesaler Overseas Travel Agency (“OTA”) on product development, which comprises the design of new packages tailored to better meet consumer needs. In China, we work with in-market travel agents to tap the potential of more discerning and experienced Free and Independent Travellers (“FITs”). For example, with one of our partners, GZL (广之旅), we co-develop content enabling FIT travel in Singapore and incorporate such content into both GZL and STB’s marketing assets, thereby achieving greater amplification and synergies.

Our partners extend beyond the travel trade – Mastercard’s “Priceless Singapore” is a win-win partnership that not only augments the presence of the Priceless campaign, but also endorses Singapore by establishing us within the same league as other global cities such as New York, London, Sydney and Beijing.

II. ENHANCING DESTINATION ATTRACTIVENESS

Earning the tourist dollar is going to be more challenging in the road ahead as travellers become more discerning and keener competition leaves them spoilt for choice. We must differentiate the Singapore experience from an experience to be had elsewhere in order to enhance our attractiveness as a destination. This will be contingent on two key success factors:

- a. **Hardware** – ensuring a steady pipeline of new infrastructural developments
- b. **Software** – developing innovative and compelling content propositions and delivering unique experiences

a. **Hardware – ensuring a steady pipeline of new infrastructural developments**

New leisure zones and attractions

Leisure infrastructure in Singapore has seen a robust pace of development in recent years with the introduction of attractions such as the ArtScience Museum, Gardens by the Bay, Marine Life Park, Maritime Experiential Museum and Aquarium, River Safari and Universal Studios Singapore.

Upcoming infrastructure such as The National Art Gallery and Singapore Sports Hub will enable us to leverage the arts, entertainment and sports sectors as more significant drivers of tourism. These developments also act as anchors to enliven the precincts in which they are located.

We will plan for a steady pipeline of new leisure products and developments to maintain Singapore's relevance as a compelling destination. Attractions form a vital piece of our tourism landscape and STB will continue to catalyse investment in sites available for tourism investment which include the second phase of Gardens by the Bay, the Jurong Lake District and Mandai area.

Existing players like Sentosa continue to reinvent itself by introducing new attractions such as the Port of Lost Wonder –Singapore's first kids' club by the beach; and iFly Singapore – the world's largest indoor skydiving venue. STB will work closely with existing attractions to rejuvenate and renew their products.

Industry players can tap on the **Tourism Product Development Fund**, which supports the creation of new tourism products and experiences as well as rejuvenation of existing products and experiences.

MICE (Meetings, Incentives, Conventions & Exhibitions) venues

Cities such as Kuala Lumpur, Seoul, Shanghai and Sydney are investing heavily in new MICE infrastructure. STB will ensure that our MICE infrastructure supply can cater to the industry's projected growth. In addition, STB will work with our industry to explore how venues can cater to the evolving needs of event organisers, exhibitors and delegates. They now expect more flexible meeting spaces, a diverse range of food and beverage and entertainment options and high levels of service.

b. Software – developing innovative and compelling content propositions and delivering unique experiences

It is imperative to build Singapore's capabilities in the area of software as our competitors aggressively expand their tourism offerings. We need to deepen our understanding of our target audience's needs to deliver compelling content and differentiated experiences which offer greater value and command a premium. The ability to offer such unique and innovative content will require more sophisticated skill sets, thereby creating higher value jobs and making the tourism sector a more attractive one for job-seekers.

Precincts

Our existing precincts serve as canvases to offer a myriad of varied experiences within a concentrated area. While our cultural precincts such as Chinatown, Kampong Glam and Little India allow our visitors to experience Singapore's major cultures and heritage; areas such as Bras Basah, Bugis and the Civic District have the potential to be hip and exciting lifestyle enclaves. STB will work closely with the relevant precinct stakeholders and associations towards precinct betterment.

For example, STB collaborated closely with the Chinatown Business Association to co-create the Chinatown Visitor Centre, which provides visitors to Chinatown with a comprehensive overview of the precinct and its offerings. STB will also continue to work together with the Orchard Road Business Association in place management efforts to enhance the Orchard Road precinct experience.

Attractions

Experience creation will become increasingly important as the travellers of tomorrow desire more in-depth experiences. To enhance the experience creation capabilities of our local attractions industry, STB is working with the Association of Singapore Attractions and the Workforce Development Agency to offer an **Attractions Industry Experience Creation Masterclass Series** which will bring together leading consultants to impart the relevant know-how to our local industry in a series of hands-on workshops.

Enhancing their ability to deliver differentiated and engaging experiences also allows our attractions players to **diversify their revenue streams beyond ticket sales**. This will benefit our attractions which have been found to be more heavily dependent on ticket sales as a source of revenue than their Western counterparts, for whom a larger component of revenue comes from other areas such as food and beverage, merchandising, membership fees, space rental, events management and consultancy services.

Arts & entertainment

Singapore's arts and entertainment scene is more vibrant than before, offering an exciting range of experiences for residents and visitors alike. Apart from attracting cutting-edge global concepts to Singapore, STB will support the development of Singapore brands and companies in developing quality home-grown content unique to Singapore, such as ZoukOut and the Singapore Art Week.

Sports

The successful hosting of the Singtel Formula One Singapore Grand Prix and the inaugural Youth Olympic Games, as well as the construction of world-class sporting infrastructure in the form of the Singapore Sports Hub, have generated the potential for Singapore to be a leading destination for major sporting events. We intend to work with relevant stakeholders to add other major sporting events to our calendar and pursue our potential in sports tourism.

Retail

Singapore's current retail landscape can offer greater differentiation to better cater to the savvy consumer, who seeks both variety and authenticity in the retail experience, from luxury brands to local independent labels, and shopping malls to street markets. STB will work with industry stakeholders to catalyse the injection of not just new and exciting retail brands, but also unique and authentic retail concepts that add diversity to our retail landscape, thereby enhancing Singapore's overall retail experience.

Dining

Singapore's dining scene has witnessed a boom in recent years, featuring first-rate restaurants helmed by both overseas Michelin-starred chefs and local talents. Our variety of mid- to high-end dining options nicely complements our local hawker fare, making our dining scene a vibrant and diverse one. In view of this, STB's work in this area will seek to entrench our position as a leading dining destination in the region by hosting leading industry events such as Asia's 50 Best Restaurants and the World Street Food Congress. We will also collaborate with top culinary institutions such as the Basque Culinary Centre and the Culinary Institute of America and to develop programs that encourage innovation, promote industry excellence and raise the capabilities of local talent.

STB has established a new **Kickstart Fund** to encourage more innovative content in the lifestyle sectors. Financial support is provided for the creation and test-bedding of lifestyle concepts and events with strong tourism potential and scalability, in areas such as the arts, entertainment, dining, and retail. The scheme also provides recipients with access to business incubator programmes and industry veterans who will offer business advice on mitigating startup risks.

The Kickstart Fund complements the existing **Leisure Events Fund** which supports quality events that strengthens Singapore's profile and position as a compelling leisure destination, drive visitor spend as well as the development of precincts and key tourism sectors (arts, entertainment, sports, retail and dining). The scheme also hopes to develop the capabilities of Singapore-based companies in creating and delivering original world-class experiences and events.

Business travel and events

Singapore's position as a global-Asia hub puts us in a good position to deliver compelling business content.

Supported by the **Business Events in Singapore Scheme**, STB will grow our portfolio of quality events in industries which have significant growth potential based on Singapore's strengths and value proposition, such as travel, design, media and digital content and urban solutions, to name a few.

To deliver greater value to event attendees, peripheral events would be clustered around flagship shows, thereby driving cross-event synergies. Current examples of this can be seen in a vibrant calendar of "industry focus" weeks, such as the Singapore International Water Week in July and TravelRave in October.

There is also opportunity for Singapore to combine our position as a business hub with our strengths in executive education and corporate training to attract corporate travel centred around learning and regional exposure, helping to drive business travel.

Cruise

Ensuring Singapore is the region's homeport destination of choice will allow us to reap major economic spin-offs from having a well-developed local cruise industry. Singapore is now well-poised to cater to a robust pipeline of home-ported ships with the opening of the Marina Bay Cruise Centre Singapore ("MBCCS"), which can accommodate the largest seafaring cruise liners today. The opening of MBCCS has effectively doubled Singapore's cruise-ship berth capacity, in addition to the two berths at the Singapore Cruise Centre.

The success of Singapore's cruise industry also depends to a large extent on our ability to harness the collective opportunity of the region. In response to Asia's nascent cruise industry where demand for cruising is low, the **Cruise Development Fund** has been established to help cruise companies cultivate demand as well as develop distribution channels in key source markets.

Even as we continue to facilitate the development of the regional cruise industry, we must ensure that Singapore remains attractive as a leading cruise destination. STB will work with relevant stakeholders – cruise lines, ground handlers and in-market travel agents – to develop appealing shore excursion itineraries and offer compelling pre- and post- cruise packages which will encourage cruise passengers to return to Singapore.

III. SUPPORTING INDUSTRY COMPETITIVENESS

Beyond our efforts to enhance Singapore’s destination appeal, success in the next phase of tourism growth should also include the dimension of industry competitiveness. To help tourism-related companies and workers become more competitive, innovative and productive, STB will provide support in the following areas:

- a. Building workforce capacity and capability;
- b. Encouraging innovation in business models;
- c. Adopting the use of technology;
- d. Enhancing service capabilities; and
- e. Providing a pro-business regulatory framework.

a. **Building workforce capacity and capability**

The tourism sector offers exciting career opportunities and STB will work with industry stakeholders to produce a pipeline of skilled workers and future tourism leaders. Doing so will require a focus on the sector’s talent attraction and retention challenges. Efforts will include enhancing the attractiveness of tourism jobs, increasing awareness of strong career progression pathways available in the sector and up-skilling employees. To assist this, STB offers the **Training Industry Professional in Tourism (“TIP-iT”) Scheme** to support companies in employee upgrading and talent and leadership development.

b. **Encouraging innovation in business models**

The environment in which our tourism companies operate today is rapidly changing and there is generally more volatility, uncertainty and complexity. New technologies have created new industries and disrupted old ones. Companies need to innovate to remain competitive and relevant.

Spotlight on travel agents – Ensuring relevance amidst an evolving operating environment

Within the tourism sector, the travel agents industry has keenly felt the impact of technological advancements. In an age where travellers are increasingly accustomed to booking flight and hotel reservations online, travel agents have had to redefine their roles vis-à-vis the customer to establish a more sustainable business model. Moving forward, travel agents’ competitive advantage will rest in their ability to offer a more **sophisticated customisation of products and services** that cater to the specific needs of different consumer segments. This will require investing in consumer insights as well as redesigning processes, and technology will serve as a critical enabler.

STB has developed the **Business Improvement Fund** to encourage our tourism stakeholders to redesign and innovate their business models and processes in order to stay relevant. An example of business model innovation is a brick and mortar travel agent expanding their presence in the online realm in response to the proliferation of online travel agents. A hotel reviewing and redesigning its housekeeping system and process in a bid to raise productivity is an example of streamlining processes.

Associations play a key role in ensuring that our businesses remain competitive and innovative. They must however be equipped with the requisite capabilities to do so effectively. STB is working on a scheme to help **strengthen our associations' capabilities** so that they can take on a greater leadership role in their respective industries.

c. **Adopting the use of technology**

Singapore's tourism sector continues to lag behind other developed cities in the adoption of technology, whether as an enabler to optimise business processes or in driving innovation in the creation of enhanced experiences. STB recognises that the low adoption of technology is in part due to the inherent high risk associated with implementation. The **Tourism Technology Fund** aims to encourage technology innovation and adoption in the tourism sector. Potential areas include the prototyping and test-bedding of new technologies, development of technology products and/or services with a clear tourism focus, and leveraging technology solutions for productivity gains.

Boosting productivity

In the context of a tightening labour market, it is all the more urgent that we step up efforts to raise the productivity of our sector. The workstreams on workforce capacity and capabilities, technology adoption and innovation of business models and processes are also designed to help companies make progress in productivity gains.

d. Enhancing service capabilities

The aspect of service is fundamental to providing a memorable and engaging experience. STB will continue to support the multi-agency initiative, **Go the Extra Mile for Service** (“GEMS Up”), which aims to bring service excellence to the next level. Efforts under the GEMS Up initiative include promoting the importance of good service, improving the service capabilities of businesses and workers and providing thought leadership.

STB will continue to deliver the **Singapore Experience Awards**, a prestigious tourism industry awards platform that recognises individuals and organisations who delivered a distinctive and compelling Singapore Experience.

In addition, we must optimise our manpower resources to cope with an increasingly binding manpower situation. **Identifying critical service touchpoints** where interaction is most valued by the consumer will enable businesses to redesign processes and deploy manpower more effectively.

e. Providing a pro-business regulatory framework

STB has embarked on a **review of the Travel Agents Act & Regulations and Tourist Guides Regulations** pursuant to the STB Act. Ensuring a pro-business regulatory framework is set in place will help our industry to better cater to a more sophisticated and discerning traveller who seeks unique itineraries that require a higher degree of customisation. The regulatory review is also being conducted with a view to enhance STB’s enforcement capabilities.

IV. BUILDING LOCAL ENGAGEMENT

STB will continue to work with industry **to nurture public engagement and participation** as part of our tourism development efforts.

At a basic level, STB will work with industry and community stakeholders where appropriate to ensure that business activities which support tourism can thrive alongside the local communities where they are situated.

On a broader level, we can recognise that the visitor economy and resident population share a common desire for a uniquely Singapore city that is modern and global, and yet at the same time, rich with local identities and cultures. Singaporeans are as proud of our city's cosmopolitan credentials as we are of its local character.

Every Singaporean and Singaporean resident is thus a potential tourism host and advocate. Many are already promoting Singapore to overseas friends and family members. Technology has further enabled online peer reviews to be widely shared. We will also reach out to specific groups and individuals who might be interested to be engaged with STB in a deeper and more sustained manner as part of an independent but like-minded network.

STB will continue to consult widely and canvass for local inputs, as we have already been doing for major tourism projects and precinct developments. The conceptualisation of a revamped Chinatown Food Street for example, featured an extensive public engagement process which included focus group discussions, an online survey and an exhibition on the proposed concept.

In summary, STB aims **to harness local ideas and energies for tourism efforts**, so that tourism development enjoys domestic support.

CONCLUSION

The medium term outlook for Singapore tourism is promising and STB is committed to support industry partners, who will have to adapt and innovate in order to secure future growth.

This discussion paper has identified four salient trends which help us to frame the pursuit of Quality Tourism according to three dimensions of success. We have also outlined medium term strategies and approaches in four areas to help us achieve Quality Tourism growth:



STB looks forward to partnering with industry to discuss and refine this framework, as well as to co-execute specific plans and initiatives that will help us to navigate the next phase of tourism growth.

Singapore Tourism Board

Tourism Court
1 Orchard Spring Lane
Singapore 247729
www.stb.gov.sg