

# Transformation in Singapore Tourism

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**Lionel Yeo, Chief Executive, Singapore Tourism Board**

If our internal rate of change is slower than the rate of change in our operating environment, we risk irrelevance.

The travel and tourism landscape is continually subject to change and disruption, as new waves of technology, media, markets and consumer trends crash together to generate new business opportunities and competitive threats. In the tourism and lifestyle industries, if you are not actively reinventing your menu of offerings, then you are likely to land up on someone else's menu.

Singapore's pursuit of quality tourism growth requires a focused approach to navigate the forces of change. At this year's Tourism Industry Conference, we examined five thematic shifts that have marked this ongoing transformation in Singapore's tourism sector.

## SHIFT 1: NEW MARKET OPPORTUNITIES

The rise of Asia has powered the growth of demand for travel to Singapore. In 2017, our top three markets of China, Indonesia and India contributed 7.5 million visitor arrivals, out of a total of 17.4 million. 10 years ago, the contribution from these three was 3.8 million.

This doubling of visitors did not happen by chance. STB worked with industry partners to protect our base in the first-tier cities of these markets, deepen our engagement with their emerging secondary cities, and expand Singapore's appeal to new segments within those markets.

A growing South-east Asian economy will add to our pool of quality visitors. For example, visitor arrivals from Vietnam have grown more than tenfold to reach over half a million since STB opened its Ho Chi Minh City office in 2003.

While Singapore now receives close to 80 per cent of our visitors from Asia, affluent long-haul markets in Europe and America still generate opportunities, fuelled by expanding flight connectivity and more diverse cruise products. For example, when TUI Cruises chose Singapore as its homeport for their inaugural Asia deployment of ships that cater to the German-speaking market, it led to a 30 per cent growth in visitor arrivals from Germany between 2014 and 2017.

## SHIFT 2: NEW MARKETING APPROACH

The media landscape influences how brands, including destinations, reach their fans, and the battle for consumers' attention has been upended by the Internet. Columbia University professor, Tim Wu, writes about an "attentional revolt" as consumers shift where they give their attention, who they choose to believe, and even what they perceive as value. Travellers

today are used to a media environment that is instantaneous, interactive, social, and experience-based.

STB has put in place a real-time destination newsroom to monitor and respond nimbly to viral posts and trends. Such monitoring allows us to quickly react and turn potentially negative coverage to our advantage. When TimeOut labelled us a boring city, we responded within 24 hours in a tongue-in-cheek way to highlight how ""boring"" we are with a selection of exciting Singapore experiences.

At a more strategic level, this shift in what engages best with consumers is what drove the launch of Singapore's new brand. ""Passion Made Possible"" is the story of Singapore's post-independence development, as well as being the promise that Singapore holds for our partners, investors and visitors.

""Passion Made Possible"" also frames the stories of Singaporeans who are doggedly pursuing their personal passions, whether these be in music, sports, design, food or nature, for example. In fact, more than 100 such Singaporean talents were in the new brand campaign that has reached almost half a billion globally.

Such remarkable Singaporeans contribute to the multi-faceted fabric of our nation's weave, and connect us with like-minded friends across the globe. And as we proudly rally behind their creations and achievements, they also help to fan the flames of our national pride.

### SHIFT 3: DESTINATION REFRESH

As a relatively mature tourism city with limited land, surrounded by Asian economies that are jumping eagerly into the tourism game, Singapore's approach to enhance destination attractiveness has to be highly strategic.

Singapore needs to continue to invest in new tourism developments, such as in the Mandai precinct, and in infrastructure to cater for the long-term growth of industries like MICE and cruise.

This hardware is being increasingly complemented by investments in software and programming to create content that differentiates Singapore from other destinations. We have invested in premium business and leisure events to draw more quality visitors and should continue to do so.

In sports, STB has expanded its events portfolio from the successful F1 Singapore Grand Prix to now include world-class events in football, rugby and tennis.

We have supported over 900 events in the last five years. These include homegrown events such as Anime Festival Asia, Singapore Cocktail Week and the Singapore International Jazz Festival. Anime Festival Asia has grown to become the signature South-east Asia event for Japanese pop culture today, attracting almost 100,000 local and overseas participants over a weekend each September.

In fact, all tourism players should have an events strategy. Whether you are an attraction, a hotel, a mall or a precinct, events augment your value proposition, allow for regular refreshing, and drive stronger returns from your fixed assets. Done well, this will also add to

Singapore's overall buzz and attraction. A good example is Universal Studios Singapore's Halloween Horror Nights, which has become a much-anticipated annual event for horror fans.

#### SHIFT 4: BUSINESS REFRESH

Tourism enterprises in Singapore have had to make significant adaptations in response to market opportunities and policy shifts.

After several years of working with industry leaders who own or manage hotels in Singapore to invest in productivity solutions and skills for their staff, we have started to see some encouraging results.

The hotel industry manning ratio has fallen from 0.67 in 2014 to 0.58, indicating we can now run hotels with less manpower. If you apply this ratio to our stock of 67,000 rooms, that is a net saving of 6,000 workers. In terms of nominal productivity, the hotel industry has grown by 3 per cent per year over the last three years.

The hotel and travel agent industries responded warmly to Innovation Challenges organised last year, where we introduced them to technology players to co-create solutions. 23 projects were selected to be test-bedded and plans are afoot to introduce the Innovation Challenge format to the MICE industry too.

#### SHIFT 5: OPPORTUNITIES IN DATA & TECHNOLOGY

In 2015, the Technology Transformation Group was created within STB to seize opportunities available to the tourism sector in data analytics and technology adoption.

Since then, one key contribution to the sector that has been launched is the Tourism Information and Services Hub. This is an integrated B2B2C platform to help businesses connect, collaborate and syndicate tourism information and services in real-time.

This ability to allow a stakeholder to create and upload content and have it instantly syndicated to millions is the first of its kind in the world. It also allows any player to power their own apps or websites with the latest content and services from this Hub.

We have also been busy combining traditional information collected with new data, such as visitor arrival data with geo-location data to derive and share insights about the visitor patterns in Singapore. We will be able to do even more as we sign on more industry partners to share their data with us.

Recognising the importance of data privacy, STB has published our Data Trust Charter to underline our commitment to responsible data sharing and usage between STB and our stakeholders.

#### TRANSFORMATION AS A NEW NORMAL

The shifts discussed here are part of an ongoing transformation in Singapore's tourism sector. While the process of change may be evolutionary, the outcome can appear revolutionary when one looks back after a few years.

The prospect for quality tourism growth in Singapore is bright, but it is also dynamic and subject to further disruption and transformation.

As the sector champion, STB is committed to helping everyone in our sector navigate this transformation. But the marketplace will ultimately reward those who can adapt most nimbly to change.

*Note: This is an opinion editorial that was featured in the Business Times on 20 April 2018. The article is written by Mr Lionel Yeo, Chief Executive, STB.*