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REGIONAL TOURISM
research



**The Effect of
Accreditation on Tourism
Business Performance
*An Evaluation***

Occasional Paper Number 3

**David Taylor
Ingrid Rosemann
Gary Prosser**

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TOURISM ACCREDITATION AUTHORITY.
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Executive Summary

This research was commissioned by Australian Tourism Accreditation Authority (ATAA) and has been undertaken by the Centre for Regional Tourism Research. This paper sets out the results of a study of three Australian tourism accreditation programs, which aimed to assess whether, and to what extent accreditation influences business performance. The purpose has been to assist ATAA in determining the value of such programs, refine their operation, communicate the benefits of accreditation to operators, and direct any marketing activities undertaken by ATAA on behalf of recognised accreditation programs.

A qualitative research approach, involving interviews with 21 accredited tourism businesses from a range of different industry sectors in four states, was used. The study focused on the businesses' assessment of their performance against a set of identified measurement criteria, in order to gather detailed information that reflected a variety of viewpoints and provides an indicative snapshot of the current situation.

The results of the study indicated that, while businesses are generally supportive of the concept of accreditation, there is some disillusionment with the current programs. Participant businesses had not necessarily achieved significant direct benefits from accreditation at this time and have a range of concerns about the programs as a result.

Specific positive effects to business operations included improved health, safety and risk management, increased business esteem and staff morale, and streamlining of procedural systems. Some of the negative perceptions about accreditation were the lack of customer and industry awareness of accreditation, poor program or government support, inadequate entry standards and program monitoring, and the lack of increased customer numbers and profitability resulting from accreditation.

Potential avenues for addressing the issues highlighted in the study are outlined, and include overcoming awareness and image deficiencies, enhancing accreditation delivery and management mechanisms, and improving business-level performance measurement.

Despite some negative issues raised, the relative infancy of the national approach, the increasing involvement of businesses in the ATAA programs, and the commitment to accreditation indicated by

respondents, suggests that there is potential for ATAA's approach to expand further if the issues identified in this study are addressed.

In response to the issues identified in the study and the related research, it is recommended that:

- An assessment be undertaken of mechanisms to simplify the accreditation process (without compromising standards), for example streamlining the process for small businesses for whom some of the requirements may not be relevant or appropriate, and to minimise the perceived deterrents to entry into tourism accreditation, such as addressing concerns about fees.
- Consideration be given to the range of financial and non-financial incentives that can be provided to encourage businesses to become and stay accredited (particularly for those programs where no incentives are currently offered), for example discounted or preferential access to marketing, insurance, membership and or awards initiatives.
- The appropriateness of the current level and stringency of entry standards be reviewed to determine whether these are high enough to produce consistent quality outcomes and provide for differentiation from non-accredited products and services.
- The comprehensiveness of processes for the implementation of accreditation schemes be examined to ensure maintenance and improvement of standards, including giving consideration to the need for benchmarking of standards and ongoing auditing of accredited businesses.
- Coordinated accreditation-related measurement or monitoring mechanisms for both program managers and accredited businesses be developed to facilitate a clearer understanding of the effects of accreditation on business performance.
- A greater level of demonstrable input (in terms of planning, marketing and funding as appropriate) be provided to the accreditation system from program managers and relevant government agencies and that the communication of existing input to the individual business level be enhanced.
- Support accreditation programs at a grass roots level, to enhance communication, commitment and ownership of programs at the point of individual businesses, for example setting up local or regional networks of accredited businesses.
- Current processes for developing a comprehensive national framework be pursued, having regard to the outcomes of this study.

- The ATAA accreditation marketing plan formulation process reviews the current levels of and approaches to promotion and education, with a view to improving customer and industry perceptions and awareness of accreditation programs and accredited businesses, and to selling the benefits of accreditation to potential entrants to accreditation programs.
- Research be undertaken into the perspective of ‘customers’ (including consumers and intermediaries) and non-accredited tourism businesses, to facilitate further development of the national framework.

Introduction

The last decade has seen a marked increase in the number of tourism-related accreditation programs operating in Australia, although there is little evidence to demonstrate whether these programs are providing benefits to tourism operators. Australian Tourism Accreditation Authority (ATAA), the organisation established to provide a national framework for tourism accreditation in Australia, has recognised this issue and has undertaken this project to provide much needed information on the effectiveness of tourism accreditation programs.

This paper sets out the findings of a study of selected Australian accreditation programs. The study was commissioned by ATAA (through the auspices of Tourism Council Australia) and jointly funded by the Cooperative Research Centre for Sustainable Tourism, (through the auspices of the Centre for Regional Tourism Research). The paper also includes a brief overview of accreditation generally, the selected programs, and other relevant research, against which the findings are set. Also provided are options for future directions for the ATAA accreditation framework.

Aim & Scope

The aim of this study was to ascertain whether, and to what extent, tourism business accreditation programs currently operating in Australia influence performance of accredited businesses. Such a review will assist Australian Tourism Accreditation Authority (ATAA) to determine the value of such programs, refine their operation, communicate the benefits of accreditation to operators, and direct any marketing activities undertaken by ATAA on behalf of recognised accreditation programs.

The research focussed on the three ATAA approved tourism business accreditation programs – Tourism Council Australia’s *National Tourism Accreditation Program*, Tourism Accreditation Board of Victoria and Victorian Tourism Operators Association’s *Better Business Tourism Accreditation Program*, and Caravan Industry Australia’s *National Accreditation Program for Caravan Parks* – and spans the four states where these programs are in operation. Business performance of organisations from a range of different industry sectors was measured.

Any comparisons between states, sectors or programs are beyond the scope of this study.

Approach

A qualitative research approach, involving interviews with 21 accredited tourism businesses from a range of different industry sectors in four states, was used. The study focused on the businesses' assessment of their performance against a set of identified measurement criteria, in order to gather detailed information that reflected a variety of viewpoints, to provide an indicative snapshot of the current situation and to guide future program directions.

In light of the small sample size, the data were manually collated, with like responses to open-ended questions clustered thematically, and aggregated for reporting and discussion.

Background

Tourism Accreditation

Since the 1980's and into the 1990's many industries in Australia and overseas have realised the importance of quality assurance as a means of gaining a competitive advantage. This realisation prompted the growth of a range of quality assurance programs, notably the internationally recognised ISO series. Many industry sectors and individual businesses have now invested considerable emphasis and resources in demonstrating best practices and continuous improvement (Harris & Jago, forthcoming, p.1-2).

In recent years the tourism industry has had an increasing focus on quality assurance standards and accreditation to distinguish products that have met those standards. There is a range of mechanisms in existence aimed at delivering quality assurance. Many industry sectors and professional groups have established voluntary codes of practice to define and maintain acceptable quality standards. Examples include the Tourism Council of Australia's 1998 Code of Conduct and Code of Sustainable Practice, the Nature and Ecotour Guide Code of Conduct, and the Professional Tour Guides Association of Australia Code of Practices. Similarly, many organisations have codes of ethics. Beyond the level of codes, accreditation or certification schemes allow businesses and individuals to be formally recognised for implementing, and to market their attainment of, industry quality standards.

Numerous professional organisations have processes for individuals to achieve certification. With respect to individuals in the Australian tourism industry, bodies providing recognition of the quality standards of individuals, through membership, certification or accreditation, include the Australian Institute of Travel and Tourism, the Australian Federation of Travel Agents, the Inbound Tourism Organisation of Australia, the Restaurant and Catering Association of New South Wales, and the Meetings Industry Association of Australia. (Harris & Jago, forthcoming, p.2-4)

It is noted that "(w)hile professional certification is transportable as individuals change their jobs, accreditation stays with the organisation (and) it is therefore a more permanent arrangement for ensuring that quality is maintained within the...sector." (Carlsen, in press, 1999).

With respect to businesses, the accreditation options can include generic programs that are open to all businesses within an industry, and programs that can apply to specific types of businesses or operations (such as tour operators), specific industry sectors (such as ecotourism), and geographic regions (such as a particular state).

Generally speaking, accreditation processes give businesses the opportunity to:

- Clarify and document their policies, management systems and procedures;
- Improve control over operations and increase consistency in performance of functions;
- Enable a better understanding of expectations, roles and responsibilities within the business;
- Receive recognition for their quality status, and be able to maximise the competitive advantage from that recognition; and
- Develop a framework for continuous improvement.

One feature of accreditation programs is their voluntary nature, with industry members able to choose whether or not to participate. Licensing, which requires the support of government legislation, would be the next step on the quality assurance continuum, and some licensing arrangements already exist, for example with retail travel agents. Arguably, there would be some industry concern with increased government intervention in this regard, and in a climate of deregulation rather than regulation, governments may be more likely to continue to encourage the tourism industry to manage quality assurance itself (Harris & Jago, forthcoming, p.9–10). Moreover, “since the (tourism) industry is composed of a great many small and medium-sized firms, it makes sense for it to opt as far as possible for self regulation...” (UNEP, 1995, p.59).

A further distinction exists between accreditation programs and classification or ratings systems, which are often used nationally and internationally to grade accommodation properties. These ratings, such as the Australian Automobile Association’s Star Ratings, focus on guiding the customer as to the type of facilities or amenities available at the business (Issaverdis 1998, p.2).

There may be a concern that a prevalence of quality assurance programs, “especially if they carry conflicting messages, could be almost as dangerous as too few – the duplication... in some areas could result in confusion rather than purposeful action.” (UNEP, 1995, p.59).

Tourism Accreditation Schemes in Australia

Issaverdis has defined 'tourism accreditation' as "programs that provide a means of establishing the extent to which a business offering tourism experiences meets industry nominated standards. The program encourages the delivery of consistently high quality products and promotes continuous improvement." (Issaverdis, 1998, p.3). There are a number of 'generic' tourism business accreditation schemes within Australia's tourism industry, which are primarily organised on a geographic basis.

Tourism Council of Australia's *National Tourism Accreditation Program* (NTAP) was developed following a decision of major TCA stakeholders in early 1997 that agreed to pursue a national framework for tourism accreditation. The result of this meeting was the establishment of the Australian Tourism Accreditation Authority (ATAA). The basis of the program was developed by the Western Australian branch of the TCA, and adopted by TCA branches in South Australia and Tasmania. The program is aligned to the Australian and International Standards for Quality Management Systems – ISO 9002.

Some 333 businesses had been given the 'tick' in the TCA Western Australia program that began in December 1996. When the program first started there, it used a 3 level approach, which required businesses to address different requirements according to the number of employees. This was phased out in 1998 with the move to a national approach to reduce any confusion about the different requirements and make it more attractive to potential inductees. The attrition rate in WA is about 4%.

In Tasmania, the TCA program has been running since October 1997 and uses the 3 level approach. There are some 400 accredited businesses in the program there, with an attrition rate of only about 2%. Continued growth is predicted in that State as a result of state-driven accreditation-only advertising, due to commence soon.

The TCA-based program in South Australia boasts some 270 businesses currently in the program, with 165 of these now accredited. In the two years the program has been operating there has been an attrition rate of about 8%.

The *Better Business Tourism Accreditation Program* in Victoria commenced in December 1996, and is built on a framework established in 1993 by Victorian Tour Operator's Association. The program is based on the national accreditation guidelines and business development principles. Its initial membership of 250 businesses has risen to 420 in 1999, with an attrition rate of around 10%.

Within the arena of sector specific accreditation programs, Caravan Industry Australia Ltd's *National Accreditation Program for Caravan Parks* was established in the latter part of 1999 and focuses on developing leadership and professionalism within the sector. There are currently nine accredited operators, and like the other nationally approved programs, the accreditation applies to the business entity involved only and is not transferable on the sale of the operation.

The TCA State branches in the Northern Territory, Australian Capital Territory and New South Wales are currently investigating the establishment of tourism accreditation programs in their respective jurisdictions.

There is an array of other large and small-scale accreditation or quality assurance related schemes that are relevant to specific industry sectors or types of operations. The *National Ecotourism Accreditation Program* (NEAP) was developed in 1996 to address the need to be able to identify 'genuine' ecotourism operators in Australia. In 1999 the program was launched under a slightly modified name as NEAP II – Nature and Ecotourism Accreditation Program, featuring revised criteria and an expansion to include nature tourism product also. It features a three level approach based on the type of product being offered, where each level incorporates a more stringent set of assessment criteria. In this particular program there are approximately 230 NEAP accredited products that are spread across 90-odd businesses. The *Green Globe* scheme is an independently verified international certification program for travel and tourism that has just been re-launched in Australia, in partnership with Cooperative Research Centre for Sustainable Tourism. The scheme seeks to brand good environmental performance and increase consumer awareness and participation in sustainable tourism development, and it may include some linkages to the NEAP scheme in the future. The Events Industry Association of Western Australia's events business accreditation manual was launched in May 1999 and is based on ISO 9000 and adapts the broader TCA accreditation package. Other sector-based programs include the Camping Association's *Camping with Confidence* scheme, Bus Operator Accreditation, Museums Australia Accreditation, and the National and Ecotour Guide Certification Program.

Accreditation-related Issues

The variety of schemes and programs highlighted above provides an indication of the importance placed on quality assurance by the industry. However, this arguably presents the potential for some confusion among consumers of tourism-related products. TCA has

noted the advantage of establishing a national program, bringing together the range of different approaches and maximising the progress of individual programs (ATAA, p.2).

This issue was one of a number of issues pertaining specifically to accreditation that were identified by participants involved in a national scoping study of regional tourism issues and priorities conducted recently by the Centre for Regional Tourism Research (Prosser, 2000). Other accreditation-related issues noted were: designing effective schemes, encouraging participation in these schemes, and false advertising by regional operators.

In particular there is a widespread concern in the industry about the need to monitor, report and evaluate the implementation of accreditation schemes and standards. Despite some acknowledgment of the importance of monitoring and evaluation to ensure adherence to accreditation standards and to ensure that accreditation systems are operating effectively, there is limited evidence of widespread or comprehensive assessment of current accreditation schemes.

TCA Tasmania conducts ongoing customer surveys and operator evaluations. While there are limited resources for comprehensive analysis of the customer surveys (the majority of which are positive), they are used as a mechanism to address any issues of concern raised. The results of the operator evaluations are collated, and a review of their data suggests that:

- operators have achieved more streamlined operations as a result of formalising and documenting their operations;
- the cost implications for smaller operators are a concern for some in this category;
- marketing and promotion of accreditation could be enhanced;
- some sector-specific criteria could be developed or included;
- there is a need for ongoing monitoring of implementation and adherence to accreditation standards; and
- in an overall sense, the program is viewed quite positively.

The Western Australian TCA branch has also undertaken an operator evaluation as part of a SWOT analysis of the operation of the NTAP scheme in that state. The analysis suggests that:

- the perceived strengths of the program are its value as a tool in improving business operations and procedures, its ability to act as a filter to sort superior products from inferior ones and enhance the industry overall, and that it can breed confidence in business.

- the perceived weaknesses of the program are the cost implications for some (smaller) operations, the lack of follow-up monitoring after initial documentation phase, poor recognition and credibility within the industry, and lack of public knowledge about the ‘tick’.

The latter three weaknesses reflect those points raised as threats to the program, while the opportunities identified related to enhancing business development mechanisms, follow-up mechanisms, marketing and promotion, incentives, and research.

These evaluations show distinct similarities in regard to the issues being experienced in these two states, and provide a valuable starting point for the current study.

It is understood that there have also been a small number of student-based projects undertaken regarding the NEAP scheme. Tourism Accreditation Board of Victoria has also recently undertaken a study (upon which the current one is modeled) of the tourism accreditation program in that state, with the results due to be released soon.

In light of the limited research in this field, the current study provides an opportunity to contribute to the growing interest in the effect of accreditation on business performance.

Methodology

Sampling

The lack of data on the effect of accreditation on business performance led to this qualitative study, which aimed to elicit detailed and insightful information from a wide variety of respondents.

A purposive or judgemental sampling approach was used. This involved liaison with the various program or state accreditation managers to select a sample. The sample comprised a range of different types and sizes of accredited tourism businesses from the accommodation, tour operator and tourist attraction, tour wholesaler and tourism information and marketing sectors in Western Australia, South Australia, Victoria and Tasmania. In total, 21 accredited tourism businesses were selected from the three programs and interviewed. Six businesses were from Victoria (two from the CIA program and four from the Better Businesses program), and five were selected from the TCA programs in each of the other three states.

In selecting the sample, a number of other criteria were employed. Businesses were sought who had been accredited for at least a year, to allow time for any impact of accreditation to be evident. This was not possible, however, in the case of the *National Accreditation Program for Caravan Parks*, which has been operating since late 1999. An attempt was made, through the recommendations from program managers, to identify respondents who had a clear view on accreditation, whether positive or negative, and then preliminary telephone calls to prospective respondents confirmed their willingness to participate. Finally, businesses would preferably be within a reasonable driving distance from the four arrival points (airports) in each state to make the most efficient use of the research schedule. As a result of employing this approach to the selection of survey participants, it should be noted that the results are indicative only, and not necessarily representative of all accredited tourism businesses.

Interview Format and Instrument Design

A case study approach employing semi-structured face-to-face interviews was used to gather qualitative data on business performance from each of the selected tourism businesses. Meetings

with respondents were arranged at times and locations that best suited them. The duration of interviews varied from approximately half an hour to one and a half hours.

The interview instrument used for the study was modeled on one recently developed by the Tourism Accreditation Board of Victoria, then further developed to meet the requirements of the current study. It reflects a process involving: review of the quality assurance and performance measurement literature; review of other related studies and data collection instruments; review of draft instruments by accreditation specialists; and then piloting it with an accredited operator. A copy is attached in *Appendix 1*.

The interview instrument comprised 15 questions. This included four brief 'background' questions about basic characteristics of the businesses to provide some descriptive context for the study, and then nine 'core' questions relating to accreditation and business performance. For two of the questions (Q.8 and Q.10), where a number of different aspects and elements were explored, show cards were employed to assist the respondents to remain focused.

The respondents were also given two information sheets to keep (see *Appendix 2*). One introduced the researcher and explained the interview process, and the other outlined the study. These documents were headed with colour logos of the parties undertaking the research.

Treatment of the Data

Given the small sample size, the data collected from the businesses was manually coded and collated. For the five closed-ended questions, the data have been aggregated according to the various categories used for basic descriptive reporting. For the open-ended questions, like responses were clustered thematically into appropriate categories after reviewing all responses, and then again aggregated according to the various categories created for descriptive reporting. In analysing the ratings scales used in conjunction with open-ended questions, the responses have been categorised according to magnitude relative to the scale, then aggregated for descriptive reporting.

Results & Discussion

This section sets out the results of the research, presenting them in the order that the interview questions were asked. Given the qualitative nature of the research, the results are not presented in tabular form. Actual responses are used to illustrate some of the issues raised.

Characteristics of Respondent Businesses

All respondents are affiliated with either a sectoral industry body or a tourism marketing or promotional body. Most are affiliated with at least two such bodies and the duration of affiliation ranged from less than a year to up to 12 years. The average length of affiliation is 6 years.

The businesses involved have been in operation under the current management for periods ranging from just under a year through to 16 years, with an average of 8 years in business. Just over a quarter have been operating for 5 years or less, half had been in business for between 6 and 10 years, and the remainder for more than 10 years.

Eight of the respondents are from the accommodation sector, of which three are large accommodation providers (hotel/motel) and five are small (B&B/guesthouse). A further two businesses are caravan parks. Three of the businesses are visitor attractions, and three are tour operators. The remaining five respondents comprise two wholesale booking agents, one car rental company and two visitor information and marketing services.

The size of the businesses, in terms of employees, varied from a small owner operator with two full-time staff, through to an organisation with more than 50 staff. Specifically, five respondents have 1-5 staff, seven have 5-15 staff, while eight businesses have 16-50, and one has over 50. Almost all of the businesses surveyed have a mix of employment types; covering full-time, casual, part-time and contract positions, with only three businesses employing full-time staff only.

The responses to these questions reflected a sample that was comprised of a diverse range and size of businesses, with relatively long periods of industry association affiliation and time 'in business'. These factors provided a good platform for a study such as this, which sought to elicit a wide range of well-founded views.

Length of Time Accredited

The period of time that the surveyed businesses have been accredited varies from two months up to seven years. Three businesses have been accredited for less than one year, ten have been accredited for between one and two years, and four businesses have been accredited for two to four years, and a further four for more than four years. As the three programs being studied have been operating for between five months and seven years, the variation in the length of time businesses have been accredited reflects the length of time the various programs or states have been involved in accreditation.

The variation in the length of time the businesses had been accredited was impacted by the relative infancy of some accreditation programs. It should be noted that the relative 'newness' to accreditation of a number of respondents may have reduced the response rates to some questions regarding the effects of accreditation, given the potential lead time required in stimulating accreditation-related benefits.

Prior Perceptions about Accreditation

Almost all survey respondents reported that they had held perceptions, prior to involvement in accreditation, as to what accreditation would do for their business. The following outlines the range of perceptions.

One third of respondents indicated that they expected that accreditation would improve their business operations.

We thought it would shake out some of our processes and provide an insight into areas we could improve or develop.

Improved professional standards within the business, and raised professional standards within the industry, were each identified by just under a quarter of respondents. Increased turnover, improved overall operational consistency within the business, greater recognition by industry and government, and recognition as an industry leader, were reported by a small number of the respondents. Other expectations were: increased profitability, inclusion in program initiatives (if available), increased consumer recognition, and improved access to intermediaries (such as travel agents and tour wholesalers).

In regard to the main ways that the respondents thought accreditation would help their business achieve these perceived outcomes, just over a third of respondents identified increased consumer awareness of accreditation and the logo.

It was sold to us on the basis of customers recognising what accreditation was.

Undertaking a structured documentation process was noted by just under a third of respondents. The achievement of perceived outcomes from having standards because of accreditation was listed by a quarter, with the development of policies, guidelines and procedures raised by just under a quarter. Other points raised were the increased awareness of regulatory compliance, and preferential treatment as an accredited operator.

However, there were a number of respondents who thought that accreditation would bring little, because of their already high business standards.

Almost all the respondents identified pre-accreditation perceptions of what accreditation would do for their businesses (and how), many of which are consistent with benefits outlined in the various program information packages. This suggests that operators had been exposed to this type of information before undertaking accreditation. As a range of expectations had been created amongst respondents, it is important that these expectations are met.

Perceptions of the Impact of Accreditation on Selected Aspects of the Business

In answering this question respondents were asked to indicate on a scale of 1 to 5 whether they thought accreditation had had an impact on various aspects of their business, where 1 is a quite negative impact, 2 is some negative impact, 3 is no impact, 4 is some positive impact and 5 is a quite positive impact.

Market Positioning

None of the respondents indicated that accreditation had a negative impact on their market positioning. A third of the businesses thought there had not been any impact, because of a lack of consumer awareness or promotion, a lack of advantage over non-accredited operators, or because they considered that they had not been accredited long enough to determine the impact.

No one (the general public or international operators) has any idea what it is.

Just over a third of respondents believed accreditation had some positive impact on market positioning and the remainder indicated a quite positive impact. Of those reporting a positive impact, a small number concluded that there was an effect but could not really measure or explain it. The remainder attributed the positive effect to their accreditation status being featured in their advertising, because

their general profile within the industry and government had been raised, because they had heavily promoted their accreditation status, or because of what they considered to be a raised industry leadership profile. The latter typically related to organisations that have greater dealings with intermediaries.

We have gone out and sold the fact that we're accredited and proud of it.

Investigation of the impact of accreditation on market positioning identified issues concerning the perceived low level of promotion of accreditation (both by programs and accredited businesses), and the subsequent extent of consumer awareness. The results suggest that, where businesses have been proactive in promoting their accredited status, some benefit has been derived. However, also highlighted is the paucity of knowledge about the actual effect of accreditation on businesses' market position.

Staff Turnover & Morale

One respondent noted some negative impact on staff morale after accreditation was first introduced because new procedures were required to be followed. About a third of the businesses thought that accreditation had no impact on staff morale as they had sound operational structures in place prior to accreditation, and had happy, contented and trained staff as a result.

We already had a very detailed policy and procedures manual.

Over a third of all respondents reported some positive impact on morale, and a small number noted a quite positive impact. The positive impact was considered to be a result of the introduction of more formalised operational structures, including guidelines and staffing procedures, within the business.

Staff now feel part of the business by being involved in setting up accreditation standards and then doing the various procedures.

One respondent reported an increased sense of pride in staff due to accreditation. None of the respondents commented specifically on the impact of accreditation on staff turnover.

The flow-on benefits to staff from having a more structured, formalised operational work environment as a result of accreditation-driven processes illustrates the positive impact accreditation can have on staff morale.

Overall Profitability

A small number of respondents considered that accreditation had some negative impact on overall profitability due to the additional time and financial resources involved in achieving accreditation, or because of the need to compensate unsatisfied customers in order to protect their accreditation status. Just over half of the businesses suggested that accreditation had no impact, because it was too early to tell, its financial effect was not measured and so they could not determine the impact, or because their accreditation was not recognised by consumers and so sales (and hence profitability) were not affected.

One third of respondents thought accreditation had some positive impact on their profitability. A small number of these were not sure what the impact was or why, but the remainder considered the increased profitability to be a consequence of reduced costs, because of access to discounted marketing and insurance (where available) or more efficient procedures, or a consequence of increased sales through better service delivery.

When staff feel good about the business then that translates into the service, which translates into more sales.

The general lack of impact reported here suggests that accreditation is not yet having any significant or readily measurable impact on the businesses' 'bottom line'. This lack of impact appears to be a reflection of the relative 'infancy' of accreditation, or the lack of serious promotion of accreditation to both consumers and intermediaries. This again highlights the dearth of knowledge about the actual effect of accreditation on businesses.

Customer Numbers

No respondents reported a negative impact on customer numbers as a result of accreditation, but just over three-quarters thought that accreditation had no impact. Most of these respondents indicated that it was too early for them to be able to tell if customer numbers had increased or that accreditation made no difference. A smaller number believed that there was no impact because of a lack of consumer awareness, with the remainder being unsure of its impact or unable to measure its impact.

No one has walked in because of the 'tick' logo yet.

Those that determined that accreditation had some positive impact considered this to be a result of customers seeking out an accredited product or service, or improved procedures leading to better service.

A smaller number decided that there was probably some positive impact, but could not tell.

The limited impact of accreditation on customer numbers appears to be related to the profitability issue. Again, it can be argued that the lack of impact is affected by the newness of the accreditation schemes, or the limited knowledge of accreditation by consumers and intermediaries. Improved knowledge about the actual effect of accreditation on businesses is important here.

Customer Satisfaction/Return

None of the respondents considered that accreditation had a negative impact on customer numbers or return business. However, nearly two thirds of the respondents thought accreditation had no impact on this aspect of their business. Half of these believed that they were already achieving high levels of customer satisfaction and return, while the other half thought that it was too early to tell, it was too difficult to tell, or they were not sure.

A third of businesses thought that there had been some impact, and one respondent noted a quite positive impact. For most this was as a result of improved service delivery through the introduction of accreditation-related systems, procedures and standards. A small number thought that there was a positive impact but were not sure.

The quality of operations now, as a result of going through the process and having it standardised for consistent outcomes, means greater customer satisfaction.

The fact that a number of businesses experienced no impact on customer satisfaction and return custom as a result of accreditation (due to their already sound practices) suggests that undertaking the process was more of a ‘rubber stamping’ exercise for them. However, where a positive impact was noted on this aspect of the businesses, it highlights a flow-on benefit to businesses from standardising or formalising operational procedures as a result of accreditation.

Health & Safety Standards

None of the businesses surveyed indicated that accreditation had any negative impact on their health and safety standards. One third of respondents thought that there had been no impact, mostly because they believed that this aspect had already been covered adequately.

Nearly half of respondents reported some positive impact and the remainder thought that accreditation had a quite positive impact on health and standards in their business. These outcomes related to

improved systems and procedures or an increased awareness of the need for attention to this aspect of their operations.

There's now an overall awareness of being careful of how things are done.

The improvement of health & safety standards of businesses as a result of accreditation appears to be one of the most beneficial overall aspects of accreditation to respondents, in terms of them implementing changes to their operations. This exemplifies a directly beneficial outcome of the accreditation process.

Overall Business Operations

None of the respondents reported that accreditation had a negative impact on overall business operations, and only about a quarter thought that accreditation had no impact. The latter was related to a belief that overall business operations had already been sound prior to accreditation.

There's been no recognisable or identifiable impact because we already had good business and marketing plans in place.

Nearly two-thirds of businesses reported some positive impact on operations, and a small number indicated a quite positive impact. Most related the positive effect to increased efficiencies as a result of streamlining systems and procedures. Others believed this positive outcome had been achieved by increasing their awareness of various aspects of business by having to document it, or that accreditation helped them to raise their standards and professionalism. The ability to monitor and review operations against the frameworks developed for accreditation was also mentioned.

We're now much slicker than we were, as a result of having to sit down and work through the documents.

Accreditation's positive impact on overall business operations highlights the benefits to businesses of undertaking business development processes that are part of the accreditation process. Again, the lack of impact for some highlights the soundness of their businesses prior to accreditation.

Other Perceived Positive or Negative Impacts

Nearly two thirds of respondents commented on additional positive and negative impacts of accreditation on aspects of their business. The negative impacts specifically raised were:

- Dealing with the administrative function of accreditation was seen as a time-consuming and onerous task, particularly for small scale operations;
- Accreditation is not viewed favourably by some in the sector, so its advantage had been played down and benefits had not yet been achieved;
- The market positioning opportunity was lost because of a lack of preferential treatment of accredited operators; and
- Lesser quality/standard businesses were still allowed get in, and so it was not stringent enough to raise industry standards.

The additional positive impacts outlined were:

- The process made operators sit down and talk about what they were doing instinctively, made them more focussed on the business and its various aspects, formalising what they were doing;
- The lower cost to access some promotional activities through accredited operator-only discounts;
- The process showed they were efficient in getting it done early after its introduction and allowed them to display a leadership role for the industry;
- There was an increased sense of pride by being identified as a business that takes things seriously; and
- Closer links were forged with the program manager.

Respondent perceptions of these other positive or negative impacts highlight a range of additional issues. The negative issues raised (time and cost involved, poor profile of accreditation, lack of incentives for accredited businesses, and poor standards) may provide useful feedback for further review. In turn, the positive impacts noted (improved business focus, reduced costs, promotion of leadership status, increased pride, and enhanced relations) may provide useful triggers for further development of the program.

Extent of Benefit from Accreditation-Related Branding & Advertising Initiatives

Just over half of respondents asserted that the accreditation logos, signage and branding of their products had no benefit on their business, largely because of what they perceived to be a wider lack of promotion and education about accreditation.

Accreditation is not reinforced in the consumers' eyes, so there's not a great deal of benefit, which relates to lack of a national program.

A small number indicated that it was too early to tell if there was any impact. Of the remaining third of respondents who did report a benefit, a small number considered that this was a result of the promotion of the accredited product and the remainder believed that they benefited from increased recognition within the industry or with their government and tourism agency. Similarly, one third of respondents reported that they had benefited from some form of discounted access to either advertising or other initiatives.

The specific questioning regarding the extent of benefit from any accreditation related branding or promotional initiatives revealed a general sense of disillusionment about accreditation amongst respondents. The concerns raised related to a previously identified issue, that is - the perceived lack of awareness of accreditation and its benefits generally by consumers and industry, and the limited effort that has gone into promotion and education. The fact that many respondents considered this to be a matter that was out of their control and the responsibility of program managers and governments suggests that it is a potentially complex issue requiring serious attention by all stakeholders to resolve.

Governments haven't got behind it and delivered on initial promises of benefits.

In addition, the benefits to businesses from any preferential access to initiatives appeared to be limited, perhaps because the initiative was insufficient, or there were too few initiatives available to too few respondents. The view of this benefit, where it did apply, varied from ambivalence to enthusiasm and support.

Pre and Post-Accreditation Business Performance

In answering this question respondents were asked to indicate on a scale of 1 to 5 the performance of their business before and after undertaking accreditation, where 1 is poor, 2 is fairly poor, 3 is fair, 4 is fairly proficient and 5 is proficient.

Regulatory Compliance

Nearly three quarters of the respondents considered that there had been no change in their level of regulatory compliance before and after accreditation. These respondents rated their performance in this element across the range from fair through to proficient, and attributed the lack of change to the fact that they had the necessary compliance in place prior to accreditation.

We were already doing it anyway, because the business could fall over without it.

Of those for whom there had been a change after accreditation, all indicated an improvement of varying degrees, due to increased awareness of regulatory issues generally, to having been through a documentation process, or as a result of additional aspects of compliance being highlighted. Most moved from 'fair' or below prior to accreditation to fairly proficient or proficient after accreditation.

We are now much more aware of these requirements.

Advertising & Promotion

Two thirds of the businesses surveyed thought that there had been no change in the performance of their business's advertising and promotional function since accreditation, largely because they considered they were already good in this respect. Most of these rated their performance of this function as fairly proficient or proficient. A small number who were using their accreditation status as part of their promotion commented on what they considered to be a lack of consumer awareness about accreditation.

An improvement in the performance of this element was noted by a third of respondents. These respondents ranged from fairly poor to fairly proficient before accreditation, to a range of fair to proficient after accreditation. For most, the reported improvement related to a more proactive approach resulting from their new accreditation status. Raised awareness of their product because of its accreditation, and the use of discounted advertising initiatives (where available through the specific program), were also noted.

We're now using accreditation to work for us in promotion.

Financial Administration

Financial administration appears to be an element upon which accreditation has only a minor effect. Almost three-quarters of respondents reported no change after accreditation and almost all of these were already performing fairly proficiently or proficiently.

For the remainder, the reported change related to improvements resulting from the introduction of new or more efficient systems or procedures, as a result of going through the accreditation process. Most of these businesses had been fair or fairly proficient prior to accreditation, although one was rated as poor, but after accreditation all were rated as fairly proficient or proficient.

We've put in new systems and processes, which have improved our supplier relation as well.

Staff & Human Resources Issues

Just under half of the businesses surveyed considered that there had been no change in the way they performed in respect of staffing and human resources as a result of accreditation. Most already considered their performance to be fairly proficient or proficient, although one rated it as fair.

The remainder suggested that the improvement in performance of this element related to improved staffing and human resource practices resulting from undertaking the accreditation process, or from an increased awareness of the standards required. Performance in staffing and human resources issues for these respondents ranged from fairly poor to fairly proficient before accreditation, to fairly proficient and proficient after accreditation.

We've now documented our staff procedures so there is a clearer understanding by all of the standards required.

One respondent noted a negative change in performance due to the extra time and cost involved in dealing with these issues since becoming accredited. The rating attributed to the performance of this aspect of that respondent's business dropped from fairly proficient to fairly poor after accreditation.

General Administration Systems

Less than a quarter of respondents thought their performance in regard to general administrative systems was fairly proficient or proficient prior to accreditation, and had not changed afterwards.

The remainder of respondents commented that there had been some improvement in this respect as a result of accreditation. Before accreditation, most of these respondents rated their general administrative performance as fair, with a small number either fairly poor or fairly proficient. However after accreditation all respondents noting a change were rated as fairly proficient or proficient. These businesses considered that the improvement was related to the introduction of new procedures and practices, or through having been through a process of formalising or documenting their operations, resulting in more efficient operations.

Developing procedural things that made systems and processes in the business work better

Insurance Coverage

Nearly three quarters of respondents reported no change in respect to their insurance cover because they were already performing well. A third of these respondents rated their performance as fairly proficient

before and after accreditation and two thirds considered that they were proficient.

Those that did note a change (moving from fair or fairly proficient, to fairly proficient or proficient) indicated that this improvement was because they had increased their insurance coverage as a result of their increased awareness of the issues involved in this element, or they reduced their costs in respect of this element because their accreditation status allowed them discounted premiums (where available as part of the particular program).

It has made it a lot easier on public liability and vehicles through significant discounts and the ease of dealing with them because they're industry specific.

Environmental Management Systems

Accreditation brought no change in the environmental management performance of nearly three-quarters of respondents. Most of these businesses considered that they were fairly proficient, some were rated as proficient, and a small number as fair.

Of the remainder, an improvement in performance was reported that related to either the introduction of new practices, formalising existing practices through documentation, or increased awareness of environmental management. These respondents generally rated as fairly proficient prior to accreditation, although poor and fair ratings were also provided. After accreditation the range of performance was fair to proficient, with most at the upper end of the scale.

It gave us a few ideas about doing it better, for example we now use spill buckets in our chemical storage area.

Customer Service Standards

Just over half of the respondents reported good performance in respect to customer service standards, which remained unchanged after accreditation. Most of these businesses were rated as proficient, with some also in the fairly proficient category. A number of respondents commented on the critical nature of this issue in regard to overall business operations.

We've always been very conscious of customer service needs, although accreditation made us look closely at what we were doing.

Improvements in customer service performance was reported by the remainder, and was attributed to greater professionalism to meet the higher standards of accreditation, the introduction of improved systems and procedures that led to better service delivery, or being

able to provide a more consistent service as a result of standardisation of procedures for dealing with customers. Prior to accreditation these respondents were rated across the range from poor through to fairly proficient. After accreditation, all these businesses were fairly proficient or proficient.

We have an awareness now of the requirement to perform and we want to try and get it right as much as possible.

Care & Maintenance of Equipment

This element of business performance remained unchanged for just over half of respondents, largely because they considered that their practices were already sound. Most rated their performance as fairly proficient, with some as proficient, and one as fair.

Just under half of respondents believed that there had been some improvement in the care and maintenance of their equipment after accreditation. This was explained by the documentation of maintenance procedures and practices, or by the introduction of new practices as a result of the increased awareness generated by the accreditation process. Performance in this regard moved from fair or fairly proficient, to fairly proficient or proficient.

Through documenting and dating when things are done it makes it better for us.

Emergency & Risk Management

Only a small number of respondents indicated no change in their performance of emergency and risk management in their operations after accreditation. Those that had no change were rated as fairly proficient or proficient.

More than three-quarters of the businesses noted an improvement in performance. Performance ranging from poor to fairly proficient prior to accreditation, of which most were fair, had in all cases improved to fairly proficient or proficient after accreditation. About half of those noting a change suggested that it related to developing more formalised emergency and risk management procedures. The remainder attributed the positive change to having an increased awareness of the issues involved in this element or having developed specific policies and procedures to address this element.

It made us write out emergency plans, so we now have procedures in place that work and that staff are aware of.

Summary

In exploring whether the performance of various elements of businesses had changed after undertaking accreditation, only one of approximately 200 responses to this question reflected a decrease in performance. In most cases respondents thought either they were already performing adequately, or they noted an improvement.

For businesses that considered their performance across the different elements was already 'ok' before accreditation, the exact level of performance varied. In the responses to elements where there were larger numbers who thought they were already performing adequately (such as regulatory compliance, financial administration, and insurance coverage), it could be inferred that these elements were more important to them, or they were aspects of the business that were easier to manage or traditionally more well-understood, or there were external imperatives for better performance. Alternatively, it may be queried whether the standards in this area were high enough.

It wasn't always the same businesses that were performing well. Only a small number were proficient across all elements and, arguably, for them accreditation was just endorsing or providing recognition for their already sound operations. On the other hand, there were some businesses for which the process was more complex because they had to address a larger number of elements to become accredited.

Similarly, there was variation in the way that businesses achieved performance improvements, demonstrating that going through the process of accreditation can assist some businesses with the various elements of their operations. Typically these changes came about through either increased awareness of the requirements related to the element, or a process of formalising and documenting the operational aspects of the different element of the business, or the introduction of new or improved practices and procedures within the business.

The performance of businesses in relation to two elements in particular is worthy of further comment. Firstly, the large number of respondents who had not experienced any change in the performance of their advertising and promotion function relates to their belief that they were already performing well in this regard. However, when viewed in the context of concerns raised previously related to a lack of awareness and promotion of accreditation, this may also imply that some respondents don't consider that accreditation offers any real benefits or opportunities related to advertising and promotion.

Secondly, emergency and risk management appeared to be the least well understood and least managed element of business, given the large number of businesses that achieved improved performance in

this regard. This finding exemplifies a genuine benefit of accreditation.

Overall Effect of Accreditation on Business Management

None of the businesses responding reported a negative overall effect on the management of their business, however just over a third of respondents commented that accreditation provided no overall effect or only a minor positive effect. A number of these respondents implied that the operational standards of their businesses were higher than those required for accreditation.

Accreditation standards are below ours anyway.

For the remaining two thirds of respondents, all indicated that accreditation had a positive overall effect on their business management. These respondents suggested a range of different outcomes that had resulted, the primary issues relating to:

- Facilitation of business development;
- More efficient or improved operations and better management;
- Increased focus on or knowledge of overall business operations;
- Increased confidence, pride or business esteem; and
- More professional approach to business.

The respondents' perceptions of the overall effect of accreditation on the management of their businesses tend to mirror previous single element results. In this case, there was a proportion that did not consider there had been any accreditation-related effects due to already acceptable standards or operations, but there was a larger proportion that noted a positive overall accreditation-related effect. Like many other positive outcomes noted previously, the issues or themes positively identified here provide potentially useful 'hooks' for further promotion and education regarding accreditation.

Management is freed up to get on with managing, because all the day-to-day procedural stuff is now in place.

Extent of Performance Measurement Conducted by Businesses

All of the respondents indicated that they conducted some form of formal performance measurement of their business. Nearly all conducted standard financial monitoring, including profit and loss

statements and balance sheets, against previous figures. This activity ranged from a daily occurrence to quarterly assessment. Three quarters of respondents conducted some form of service quality evaluation, including regular use of guestbook evaluation, feed back forms in rooms or on tables, and random and systematic mailout questions. Just over half of the respondents undertook periodic reviews of their financial and non-financial performance against the targets set out in business and marketing plans. Other aspects specifically measured by the businesses included measurement of customer numbers, sales or occupancy rates, and measurement of staff performance, while at least a quarter of respondents indicated that they also collected market segmentation information. These activities varied from regular to ad hoc.

However, none of the respondents indicated that they conducted any kind of formal evaluation of the effect of accreditation on their business, despite assertions in previous responses that accreditation had impacted on their operations.

The reported extent of formal performance measurement within the respondents' businesses illustrates the importance of this function to their business operations. However, it is interesting to note the limited emphasis placed on monitoring or measuring the impacts or effects of accreditation. This leads to a number of possible scenarios, including either that: formal evaluation of the efficacy of accreditation on their business was not important to them (but this seems unlikely given the resources expended in becoming accredited), or respondents were content to assess the impact of accreditation based on general observation or 'gut feel', or there are no readily available mechanisms or tools to assist them in measuring this impact, or (as has been indicated previously) the relative infancy of some programs means that it was too early for them to assess the impact of accreditation. This situation reflects the previously identified issue concerning the lack of 'hard data' about the impacts or effects of accreditation.

Influence of Accreditation on Customer Purchasing Decisions

In the context of this question, 'customers' included consumers (such as tourists) and intermediaries (such as travel agencies and tour wholesalers).

Half the respondents reported that accreditation had no role in influencing consumers' decision to purchase their product. They attributed this to a lack of consumer awareness, or the fact that accreditation had not been in the market place for long enough to

make an impact. Many of these respondents expressed a desire to see greater emphasis placed on raising the profile of accreditation.

Not one iota, but I hope the program and government push and advertise and educate the public because we can't do it on our own.

Of those who thought that accreditation did have an influence on consumers when making their purchasing decisions, about half considered it to be limited or minimal, while a small number thought that there was an influence but could not tell. Only a small number of all respondents believed that accreditation had a real influence in the consumer's decision to buy their product.

We wouldn't put the 'tick' out on display if it didn't work. It's up to individuals to make it work for them.

In this regard, two respondents noted that the quality assurance procedures of some larger corporations meant that employees of those companies were required to use an accredited product when on company-related business.

In regard to the specific influence of accreditation on intermediaries, a quarter thought that there had been no impact on this group due to the lack of awareness, while just under a quarter thought that it had some influence but they couldn't really tell. Again, only a small number of respondents thought that accreditation had positively influenced intermediaries in their decision to 'purchase' the product.

We're not sure, but our gut feel is that we'd hope there's a few who've included our tours in their packages because they're accredited.

In discussing this question with respondents, most indicated that they promoted their accreditation status. This promotion ranged from displaying the 'tick' logo on their front door, displaying their accreditation certificate in their customer reception areas, to including the 'tick' on brochures and letterhead. However, none of the respondents indicated that they were endeavouring to formally gauge the role of accreditation in influencing customer purchasing decisions.

Respondents' perceptions of the limited influence of accreditation on customer buying behaviour were noted. This emphasises the earlier point about the general lack of awareness of accreditation by both consumers and intermediaries, and highlights the need to address this issue in order for the benefits of accreditation to be more fully realised.

Intention to Continue Accreditation

All respondents indicated that they intended to remain accredited, although none specifically mentioned that this was because of any benefits that they may achieve. A small number of these indicated their long term commitment to accreditation, largely because of their observation that accreditation required a lengthy lead time to come to fruition.

I think it's an ongoing commitment and it will become increasingly important as time goes on, and will be relevant when people understand it better.

Therefore, despite a general mood of disillusionment, and in some cases disenchantment, amongst respondents about accreditation, having made the initial financial and temporal outlays to achieve accreditation, they were all still committed to their programs.

Additional Comments

This section summarises over 80 additional comments made by the respondents regarding accreditation. Like comments have been clustered into common themes and issues, and are reported in order according to the number of responses in each cluster. Excerpts from the actual responses are included to illustrate the issues being raised.

Half the respondents commented that they thought governments and program managers should be doing more to advance accreditation programs.

I want to see the big players get behind it 100% - get over the bureaucracy and get the benefits out there!

Needs a good kick along and have some money spent on it to make it go.

We'd like to see (accreditation) go like a 'bullet'.

The need for increased awareness raising and education of consumers about accreditation was an important issue for just over half of the respondents, with a small number of these respondents also making specific mention of the need to educate intermediaries as well.

It needs to be sold that 'if you don't want the drama, deal with someone accredited and save yourself the worry'.

ATC needs to mention accreditation in their promotions.

Similarly, about half of the respondents indicated that there needed to be more emphasis placed on promotion and marketing of accreditation to consumers, and also to intermediaries.

Gotta get the logo out there and in people's faces.

Additional stickers would help.

Just over a third of respondents didn't think that accreditation was working as it should be, and was, therefore, not delivering the benefits to them that they believed it should.

I really hoped accreditation would fix the poor service standards – it hasn't.

It's at a crossroads at the moment – if something isn't put in place by the end of this years' cycle it'll fall over.

Should be compulsory - until its got teeth it won't have any value at all.

Just over a third of respondents highlighted deterrents to the take-up of accreditation programs, such as the financial resources involved in the accreditation process.

I spent 6 months working on this and the General Manager is concerned about what he's getting for all the money and effort.

Concerns exist about the lack of consultation in the development of the program. This affected the take-up rate of the program because it doesn't necessarily reflect the grass roots.

It's generally despised by industry as an extra cost, extra bureaucracy etc.

Almost a third of respondents identified the lack of a nationally recognised accreditation system as a barrier to them maximising the benefits of accreditation.

Ultimately the industry should work towards a single, operator driven program and incorporate NEAP principles.

One program is downgrading another, seeing theirs as superior.

Accreditation was seen as an important means of raising standards within the industry by a quarter of respondents.

Staff use it as 'the bible'.

A quarter of respondents believed that there was a need to ensure that accreditation, once achieved by businesses, was put into practice and maintained by the business, and monitored through an auditing or benchmarking process.

To be recognised and respected there needs to be an audit process... to give it credibility.

I'd like to see them make sure accreditation is implemented.

The availability of incentives to benefit accredited businesses was considered important by a quarter of respondents.

Need to look at other ways of value-adding accreditation for operators, such as discounted advertising rates and access to legal advice.

The annual renewal should be less than the start up fee, i.e. discounted to keep people in accreditation.

Despite other remarks, a number of the businesses commented that accreditation was a worthwhile or valuable initiative.

It's well worth doing and it would be silly to let it go.

There was a need to raise the standards for accreditation according to a number of respondents who thought that the current requirements were not stringent enough.

Benchmarking would be a useful element of accreditation.

Accreditation should be stricter in terms of the requirements and timeframes and include other aspects.

Health and safety aspects should be increased significantly e.g. complying with 'foodsafety' regulations and bus drivers having first aid training.

Some respondents reported a degree of negativity towards accreditation from others in the industry.

They think they're good enough to do without it.

Some see the sector as being too regulated already.

A small number of respondents thought that there needed to be more of a grass roots or regional focus on developing accreditation programs to ensure their success.

Need to focus on getting accredited operators to act as a network for selling other accredited businesses.

Accreditation provided smoother business operations according to a few respondents.

It needs to be sold as a way of improving your lifestyle - by putting the emphasis on developing policies and procedures that allow other people to run the business properly while you are away.

The issues identified here relate broadly to respondents' perceptions of 'where accreditation is at' currently and 'where it needs to go'. Many of these link to previously discussed issues, and provide potentially useful triggers for further action.

Conclusions

The results of the study have provided some clear insights into the effects of accreditation on business performance, a range of issues related to the efficacy of accreditation from the accredited business's perspective, and the ways the issues identified might be addressed. The issues vary in scale and nature, but relate broadly to benefits or positive effects of accreditation and lack of benefits and concerns about accreditation, as outlined below.

However it should be remembered that a third of businesses reported no impact on overall business operations, with varying degrees of impact in specific operational areas and issues.

The benefits that businesses can derive (and the subsequent positive effect on performance) from undergoing an accreditation process are demonstrated in the results. These outcomes include: improved business focus; increased industry leadership profile; increased sense of pride and staff morale; improved standards of operations and increased operational efficiencies (hence improved customer service, in some cases leading to increased customer satisfaction); improved health and safety standards; and reduced costs through discounted advertising and insurance (in some programs).

All these outcomes lend themselves to the development of promotional and educational initiatives about the programs to both industry and consumers. For example, the positive impact of accreditation on a business's health and safety standards could be 'sold' to non-accredited tourism businesses as a way of reducing costs, through risk reduction and accident prevention. Similarly, improved customer service could be 'sold' to consumers and intermediaries to increase customer numbers, sales and profitability.

The results were mixed in terms of whether the expectations of respondents prior to accreditation (arguably created through the promotion of accreditation) had been met. For many, some expectations had been achieved (such as improved business operations and operational consistency, improved professional standards within the business, and inclusion in program initiatives). A number of expectations (improved professional standards within the industry, increased recognition by industry and government, increased recognition as an industry leader, and increased access to intermediaries) were reported by some but did not show through strongly in the results. However in some key areas (increased

turnover and profitability, and increased customer recognition) there is evidence that expectations had not been met for a significant proportion of businesses.

Consequently, where promotional and educational initiatives are to be pursued, there need to be mechanisms in place to facilitate the delivery of the desired outcomes and ensure that expectations are met. These mechanisms might include actions to be undertaken at program level, but might equally include actions to be initiated at the individual enterprise or regional level too.

The study also identified a number concerns or negative perceptions about accreditation, which arguably warrant further attention at program level. These issues include: the deterrents involved in gaining and retaining accreditation; the negative image of accreditation held by some in the industry; lack of program awareness; the limited impact of accreditation on customer numbers and profitability; the lack of program manager and government support; concerns about entry standards and implementation of accreditation standards; and the lack of a nationally consistent system.

When viewed in the context of the results of the studies discussed previously (*Background* section), a number of similarities are apparent. Common themes or issues that have emerged relate to:

- the benefits that can be achieved as a result of accreditation including - improved business operations through streamlining of practices and procedures, increased morale, pride and confidence, and enhancement of the industry overall.
- concerns about the current (perceived low) levels of education and awareness raising, and marketing and promotion; the lack of ongoing auditing and benchmarking, incentives and research; the (perceived high) cost of accreditation to small business and the need for sector specific criteria.

On the one hand this commonality re-emphasises the notion that accreditation is a positive thing for the tourism industry, but on the other hand it reinforces the need to address some critical issues for the future development of any tourism accreditation program.

From the results of this study a number of recommendations have been made, as outlined below.

In order to address the perceived deterrents in gaining accreditation, it is recommended that: **an assessment be undertaken of mechanisms to simplify the accreditation process (without compromising standards), for example streamlining the process for small**

businesses for whom some of the requirements may not be relevant or appropriate, and to minimise the perceived deterrents to entry into tourism accreditation, such as addressing concerns about fees.

To deal with the perceived deterrents in retaining accreditation, it is recommended that: **consideration be given to the range of financial and non-financial incentives that can be provided to encourage businesses to become and stay accredited (particularly for those programs where no incentives are currently offered), for example discounted or preferential access to marketing, insurance, membership and or awards initiatives.**

In light of concerns regarding the stringency of entry standards, and the findings that many businesses did not indicate any need for improvement in performance in some aspects of their operations as a result of accreditation, it is recommended that: **the appropriateness of the current level and stringency of entry standards be reviewed to determine whether these are high enough to produce consistent quality outcomes and provide for differentiation from non-accredited products and services.**

In regard to the concerns about the implementation of accreditation standards it is recommended that: **the comprehensiveness of processes for the implementation of accreditation schemes be examined to ensure maintenance and improvement of standards, including giving consideration to the need for benchmarking of standards and ongoing auditing of accredited businesses.**

In addition, the apparent lack of understanding of the effects of accreditation on most aspects of business performance leads to the recommendation that: **coordinated accreditation-related measurement or monitoring mechanisms for both program managers and accredited businesses be developed to facilitate a clearer understanding of the effects of accreditation on business performance.**

In order to address the perceived the lack of program manager and government support for accreditation programs, it is recommended that: **a greater level of demonstrable input (in terms of planning, marketing and funding as appropriate) be provided to the accreditation system from program managers and relevant government agencies and that the communication of existing input to the individual business level be enhanced.**

Furthermore, it is recommended that: **support for accreditation programs at a grass roots level be initiated, to enhance**

communication, commitment and ownership of programs at the point of individual businesses, for example setting up local or regional networks of accredited businesses.

To respond to concerns regarding the lack of a nationally consistent accreditation system, it is recommended that: **current processes for developing a comprehensive national framework be pursued, having regard to the outcomes of this study.**

In light of the concerns raised about poor customer and industry awareness and perceptions about accreditation, and that an ATAA accreditation marketing plan is currently under development, it is recommended that: **the ATAA accreditation marketing plan formulation process reviews the current levels of and approaches to promotion and education, with a view to improving customer and industry perceptions and awareness of accreditation programs and accredited businesses, and to selling the benefits of accreditation to potential entrants to accreditation programs.**

By addressing these issues, the effectiveness of the accreditation schemes can be enhanced, and increased customer numbers and profitability flow to accredited operators. However, the current study only considers some of the questions raised in determining the efficacy of accreditation programs. Therefore, it is recommended that: **research be undertaken into the perspective of ‘customers’ (including consumers and intermediaries) and non-accredited tourism businesses, to facilitate further development of the national framework.**

Finally, in regard to determining the potential for ATAA-approved accreditation programs within the industry, the results (as indicated) have highlighted the perceived lack of support for accreditation (in terms of education and promotion) by program managers and governments. This may have a potentially significant impact on the uptake or expansion of accreditation. However, the relative infancy of the ATAA national approach, the increasing numbers of businesses that are involved in the programs, and the commitment of operators to their respective programs, suggests that there is potential for accreditation to expand further, provided the issues identified are addressed.

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Appendix 1

Interview Instrument



Tourism Council Australia & Centre for Regional Tourism Research

Study of the effects of accreditation on business performance

TCA and CRTR would like to thank you for taking the time to participate in this study. The study aims to determine the effects of tourism accreditation programs on business performance across a range of industry sectors, and the information acquired from it will help guide the future direction of these programs.

All information you provide will be treated in confidence, will only be published in summary form without identifying your business, and used only to improve the service and value of business accreditation programs.

Background questions

1. Is the business a member of a local, regional or state affiliated industry association? Yes No

If yes, which one? _____ and for how long? _____

2. How many years has the business been in operation?

less than 3 years 4-6 years More than 6 years

3. Industry sector:

Accommodation Attraction Tour Operator Caravan Park Other _____

4. How many people are employed in the business?

1-5 staff 6-15 staff 16-50 staff more than 50

Core Questions

5. How many years has the business been accredited?

1-2 years 2-4 years More than 4 years

6. Before the business was accredited, were there any particular things that you thought accreditation would do for the business? Yes No

If yes, what were these things? _____

- Raise professional standards
- Improve business operations
- Reduce element of risk
- Improve customer focus
- Increase turnover
- Improve overall consistency
- Increase profitability
- Inclusion in program initiatives
- access to inbound tour op.s

7. How did you think accreditation would help you achieve this/these?

8. Has accreditation had a positive or negative impact on the following aspects of the business. Please rank these on a scale of 1 – 5 (where 1 is negative and 5 is positive), and explain how or why?

	no impact							
<i>Market Positioning</i>	Negative	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	Positive	

How/why? _____

	no impact							
<i>Staff Turnover & Morale</i>	Negative	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	Positive	

How/why? _____

	no impact							
<i>Overall Profitability</i>	Negative	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	Positive	

How/why? _____

10. Can you indicate the performance of the business according to the following elements, BEFORE and AFTER undertaking accreditation? And how or why any changes occurred?

		Poor		Fair		Proficient	
<i>Regulatory Compliance</i>	<u>Before</u>	1	2	3	4	5	
	After	1	2	3	4	5	

How/why? _____

<i>Advertising & Promotion</i>	<u>Before</u>	1	2	3	4	5	
	After	1	2	3	4	5	

How/why? _____

<i>Financial Administration</i>	<u>Before</u>	1	2	3	4	5	
	After	1	2	3	4	5	

How/why? _____

<i>Staff & HR Issues</i>	<u>Before</u>	1	2	3	4	5	
	After	1	2	3	4	5	

How/why? _____

<i>General Administration Systems</i>	<u>Before</u>	1	2	3	4	5	
	After	1	2	3	4	5	

How/why? _____

Insurance Coverage

<u>Before</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
After	1	2	3	4	5

How/why? _____

Environmental Management Systems

<u>Before</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
After	1	2	3	4	5

How/why? _____

Customer Service Standards

<u>Before</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
After	1	2	3	4	5

How/why? _____

Care & Maintenance of Equipment

<u>Before</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
After	1	2	3	4	5

How/why? _____

Emergency & Risk Management

<u>Before</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
After	1	2	3	4	5

How/why? _____

11. Overall, would you say that accreditation has affected the management of your business?

Yes No

If yes, what do you consider to be the outcome of this? _____

and what do you consider to be the most significant of these outcomes? _____

12. Does the business do any formal performance measurement?

Yes No

If yes, what aspects are measured and how often? _____

13. From your experience, do you think accreditation plays a role in influencing your customers' (tourists and/or wholesalers) decision to buy your product?

Yes No

If yes, how do you think it influences them? _____

14. Does the business intend to stay accredited? (with the current program?)

Yes No

Why/whynot? _____

15. Are there any additional comments you'd like to make about accreditation?

Would you be interested in being contacted again to discuss accreditation further?

Yes No

Name: _____

Contact details: _____ Ph/Fax: _____

If you have any queries regarding the project, please contact me, David Taylor at the Centre for Regional Tourism Research at Southern Cross University.

Appendix 2

Interview Information Sheets



Information for Tourism Accreditation Evaluation Project Participants

- G'day, I'm David Taylor from the Centre for Regional Tourism Research at Southern Cross University. I'm doing a study in collaboration with Australian Tourism Accreditation Authority (ATAA - the organisation established by Tourism Council Australia to coordinate tourism accreditation in Australia and administer the national system) on tourism business accreditation programs.
- The study involves talking with accredited tourism business operators to find out about the affect of tourism business accreditation programs on their business' performance.
- I'm interested in getting any information and/or thoughts from you on how the accreditation program you're involved in has affected your business, either negatively or positively.
- From this study will be able to provide ATAA with feedback about the accreditation programs they offer, and how they might manage the program/s differently to enhance their value for those involved, and guide any future accreditation marketing initiatives.
- The interview should only take about half an hour or so if that's okay with you.
- Any information you provide will remain confidential and will only be used for this study and you're not required to disclose any information you don't want to.
- If you decide to participate, you are free to withdraw and to discontinue participation at any time.
- If you'd like more information about any aspect of the study, please feel free to ask, or to contact me at Southern Cross University on 026620 3051, or at dtaylor@scu.edu.au.



TOURISM COUNCIL AUSTRALIA & CENTRE FOR REGIONAL TOURISM RESEARCH

Tourism Accreditation Evaluation Project Outline

Background/Rationale

The last decade has seen a marked increase in the number of tourism-related accreditation programs operating in Australia, although there is little evidence to demonstrate whether these programs are providing benefits to tourism operators. Australian Tourism Accreditation Authority (ATAA), the organisation established to provide a national framework for tourism accreditation in Australia, have recognised this issue and are undertaking this project to provide much needed information on the effectiveness of tourism accreditation programs.

Aims

The aim of this project is to determine whether, and to what extent, selected tourism business accreditation programs currently operating in Australia influence business performance. A review of accreditation programs currently available in the tourism industry will help ATAA to determine the value of such programs, to refine their operation, communicate the benefits of accreditation to operators and direct any marketing activities undertaken by ATAA on behalf of recognised accreditation programs.

Scope

This investigation is based on three ATAA certified tourism business accreditation programs – Tourism Council Australia's *Tourism Accreditation Program*, Tourism Accreditation Board of Victoria and Victorian Tourism Operators Association's *Better Business Tourism Accreditation Program*, and Caravan Industry Australia's *National Accreditation Program for Caravan Parks* – and will span the four states where these programs are in operation. Business performance of organisations with at least 12 months involvement in an accreditation program (where practicable), from a range of different industry sectors, will be measured against a set of identified criteria.

Methodology

A case study approach employing semi-structured face-to-face interviews will be used to gather both qualitative and quantitative data (where available) on business performance from the selected tourism businesses. Convenience sampling will be used to select four businesses from the accommodation, tour operator and tourist attraction sectors of WA, SA, VIC and TAS from lists derived in consultation with the various state/program managers.

- If you'd like more information about any aspect of the study, please contact David Taylor at Southern Cross University on 02 6620 3051, or at dtaylor@scu.edu.au