

EXPORT STARS

A diverse range of small businesses figured prominently amongst the winners of the 2008 Australian Government Export Awards. The winners outlined their growth strategies to *My Business* reporters **Nicola Card** and **Andrea O'Driscoll**.



More than 100,000 people each year use the services of Ken Hart's Adventure Tours Australia which specialises in outback adventure tours.

OFF THE BEATEN TRACK

Australia's exotic landscape and indigenous culture has created a highly successful nature based tourism business.

Driven by its nature-based tours to remote regions, Adventure Tours Australia has surfed the wave of growing international interest in the wilder parts of the continent, and in Aboriginal arts and culture.

Business has boomed and last year the company accommodated around 100,000 tourists on its tours with 95 per cent of them being foreign tourists looking for a unique Australian experience. The company promotes itself as the 'largest small group, soft-adventure tour operator in Australia'.

Adventure Tours Australia's success has earned it the Sports Events and Tourism Australia Export Award for 2008 from Austrade.

Launched in Darwin in 1993, the company escorted around 7000 tourists on its tours in its first year when it was known as Northern Territory Adventure Tours.

"We started off with just one bus that we ran three times a week from Darwin to Ayers Rock as we had a motel in Alice Springs — 450 kilometres away," said Managing Director Ken Hart. "After about eight weeks we bought two more buses, and in our first year turnover reached one million dollars."

Today the company's 230 staff, of whom 160 are tour guides, offer 90 different tours typically lasting four days. The company operates 40 camp sites in 10 locations. It targets active travelers, offering a smorgasbord of off-the-beaten-track tours and camping trips from Alice to Darwin; swimming in the Indian Ocean, gorges and billabongs; dipping into the Kimberley; and cruising Victoria's Great Ocean Road.

As to what has fuelled the growth of the business, Hart cited their surveys and quizzing customers about what they wanted and liked — then taking action on the feedback. "So first we added a trip from ►

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Alice to Darwin, then a couple of years later a tour to Kakadu, and then to Broome.

"From 1993 to 2001 business was on the up and up and it kept increasing at a massive rate. Our growth rate was 100 per cent a year for each of the first few years, and from then it grew at a more modest 20 to 30 per cent."

The year of the Sydney Olympics in 2004 was their biggest, but 9/11 and the collapse of Ansett had a huge impact on the tourism industry in general.

In response they reinvented the business, changing the business name, offering different tours and relocating their head office to Adelaide. That was seven years ago. "The move was strategic and hinged around the availability of full-time staff, we wanted to build a solid base of local employees," Hart explained.

Adaptation and innovation in response to market needs has also been key to expansion. In 1999 Adventure Tours Australia established a Groups Department to cater for demand for tailor made trips and private charters for families, schools, conference groups, companies and others. Today this sector of the business contributes a handy \$2 million of the company's annual turnover of \$45 million.

"Actually we thought back in 2000 when revenues reached \$30 million that we'd be making \$80 million by now. But 9/11, and then the SARS problem, affected tourism for about four years."

Despite talk of a lull in today's tourism market, Adventure Tours has experienced no downturn in bookings. "Actually our bookings are going up, the adventure market is fairly resilient as it doesn't attract people wanting a five-star holiday," Hart revealed.

To maximise its reach, Adventure Tours staff maintain close links with travel agents and wholesalers across the globe, and two years ago co-founder and Marketing Director, Greg Zammit, relocated to the UK to establish a greater presence.

German tourists are another prime target. "We have a rep in Germany who trains agency staff, advising them about our tours and booking procedures," General Manager Vicki Beard said. "And because of the strong overseas interest we provide an email response service around the clock, so agents or people enquiring about our tours from the other side of the world in the middle of the night get an immediate response. It's all about building relationships in our target market overseas."

"Right from the first year of business we have distributed our brochures at the annual ITB show in Berlin. That was our first hit at the overseas market. And in sixteen years we have not missed a show," Hart remarked. Touted the world's leading travel industry exhibition, ITB Berlin consists of three days trade-to-trade events (when Hart and Zammit discuss matters with giant travel wholesalers DER which reach 28,000 travel agents, also FTI and Flight Centre) followed by two days with the general public.

"We use everyone we can to market the business. We run joint ventures with the Tourism Commission and free-of-charge 'famils' for travel photo-journalists — particularly from European radio stations. This stretches our promotional dollar."

The newest emerging markets are in Eastern Europe and Asia, with Adventure Tours recently installing an Asian manager to take care of the Japanese and Korean markets.

Catering predominantly for budget travelers, accommodation during trips varies from tents and hostels to hotels. Director Vicki Beard explained "Our focus is on regional, nature based, cultural tourism and our products are incredibly diverse, particularly around Aboriginal culture and the environment: Aboriginal culture and the outback are the main drawcards. We have always been a key to outback tourism.

"We cater for 20-40 year olds here on a travel visa. Our safaris are more up market and our adventure tours is the middle market, attracting 20-60 year olds who love adventure and camping and helping. Then there are our 20-35 year-old backpackers looking for outback trips."

Business success is also attributed to the clarity and colour of their website, in which they have invested up to \$500,000. "The website has done wonderful things for us. It has lots of resources, it's current, colourful, attractive and interactive, enabling people the world over to book direct or via agents, who can check availability of all tours."

Hart estimates Adventure Tours commands 70 per cent of the tourism market in Darwin, and 50 per cent in Alice. The East Coast is harder to assess but each year alone they carry up to 12,000 passengers on the Sydney to Cairns bus route.

But did the stronger Aussie dollar for much of the year dampen sales? Not a bit, they say. "We have had two particularly good years. All the while we kept up our marketing efforts and have not faltered in our quality."

As for the movie *Australia* and flow-on promotions: "Anything that shows Australia is good for business," said Hart, who was instrumental in Adventure Tours' April 2005 acquisition of Sydney based Oz Experience, and the following year the Wayward Bus Touring Company for "more time-rich touring experience".

"We were part of the Oz Experience network since it started (specialising in tours for the NT and down to Melbourne and Sydney) and contracted some work and gradually took over bits of it. The business name continues, we tend to be loyal to our business partners and we're not aggressive enough to start up as rivals or in conflict."

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