

CASE STUDY – YUMI TOURISM PARTNERS

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Yumi Tourism Partners is a pilot project between Carnival Australia, DFAT and The Difference Incubator.

The project addresses the exclusion from formal markets that is often experienced by indigenous people and communities in the Pacific.

The pilot aims to increase the number of sustainable local tour operators, and create more meaningful cultural exchanges between Carnival guests and their hosts.

It gives emerging local tourism entrepreneurs direct access to one of their biggest markets – cruise ship tourists – through an accelerator program which focuses on core business skills and product development, and testing with customers.

Social Issue Financial inclusion

Business Opportunity Create a more meaningful cultural exchange between Carnival guests and their hosts by increasing the number of sustainable local tour operators via an accelerator program

Social Value Creation

- Meaningful job opportunities for Pacific Islanders through skills development, job creation, and local cluster development
- Increase in female led businesses

Business Value Creation

- Competitive advantage gained for Carnival Australia
- Local job creation
- Increase in business sustainability and viability
- Pre-COVID Potential Annual Economic impact of \$1.7Mn

Partnerships Carnival Australia, DFAT and The Difference Incubator



The Opportunity

Tourism is vital to the sustainable growth of the Pacific Islands. Economic impact studies have confirmed that cruise tourism reaches deep into the Pacific Islands to deliver economic opportunity because of its long value chain in supporting local businesses to deliver great experiences to tourists. This presents an opportunity to address issues of financial inclusion in the Pacific through skills development and the creation of jobs and meaningful employment,

Pre-COVID the Pacific Islands were the most popular cruise itineraries from Australia and New Zealand, accounting for a majority of the more than 470,000 cruise visitors to the region each year. As the region's leading cruise operator, Carnival Australia's goal is to work with communities to support sustainable development in the South Pacific.

The depth of Carnival Australia's relationship with the Pacific is embodied in a long relationship of warmth and mutual trust combined with a deep commitment to doing the right thing by island communities, their unique cultures and the environment in which they live.

We want cruising to be successful, but we understand that it will only be so in the long-term if it is sustainable. And, in essence, that means growing in partnership with communities in ways that they benefit from its growth and can share success by reconceiving local and global cruise products and markets and redefining productivity in the value chain by enabling the development of local economic clusters.

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The Strategy

The program was a partnership with DFAT, which enables deeper private sector engagement through its Business Partnerships Platform (BPP). It is delivered through an accelerator format, with a competitive and selective scoping and recruiting round, which ensures the right mix of tour products for the port and stage of the entrepreneur. The accelerator is delivered intensively over six days, divided across a month, that was designed to strengthen the foundations of their business, give them direct access to both Carnival and their customers to test their product and build a plan going forward. This was followed by bespoke 1:1 coaching to address their specific barriers. The highlight of the accelerator is the day spent onboard a P&O ship, where they got to step into the shoes of the passenger for a day and interview guests from a range of customer segments.

The accelerator, whilst not a guarantee of a contract, allowed local operators of varying experience to learn from one another, build their products in a safe environment and test it with potential customers, getting them in front of Carnival Australia and increasing their chances of success. The program puts the customer in the centre of business development and built their confidence to test the desirability, feasibility and viability of their product in early stages.

Local Cluster Development

The first trip in country was a scoping trip where we met people from the local industries, such as the Tourism Authority, as well as the local aggregator. This gave us a sense of the industry in that port at the time, and in turn connected us with existing and potential tour operators who were not yet procured to sell on the cruise ships. We held an information session in either this scoping trip, or the next which was the recruitment trip. Word of mouth played a part in sourcing the potential participants also.

In the recruitment trip we met with the participants from the scoping trip who we felt were the best fit for the program in terms of diversity and culturally authentic tours opportunities. We may have also met new operators who were not available to meet us in the scoping trip or who may have heard about the program since. We then took this information back to Carnival and the local aggregator to confirm our thoughts on the potential participants and offer places in the program from there.

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Results – Value Creation for Business and Society

Social outcomes:

- Increase in female led business, with 58% of entrepreneurs in the program being women, therefore more female empowerment
- Yumi Tourism Partners aims to address the exclusion from formal markets that is often experienced by indigenous people and communities

Business outcomes:

- Estimated 68 jobs created across 3 ports pre-COVID
- Increase in business sustainability and viability
- Genuine Shared Value partnership between Carnival Australia, DFAT and TDi
- Pre-COVID potential annual economic impact of \$1.7M

Lessons Learned, Challenges and Outlook

- The cohort accelerator approach worked - with 4 contracts with Carnival, and another 6 contracts in progress (prior to COVID) 3.
- Market access as a participating, present partner is key to the success of YuMi & differentiates it from other capacity building.
- Supplying & contracting into the cruise ship ecosystem is really complicated and YuMi has acted as a guide for this process.
- YuMi facilitates a customer emersion experience where we put the tour operators on board a ship. This has proven as an invaluable part of the process. Its where we regularly see ideas shift and be reshaped. This experience is to facilitate;
 - Experience the world their customers are living in for 10-14 days
 - To conduct live testing with cruise ship customers.
- For genuine shared value projects to work between big corporates and local communities they are going to need translators and champions like YuMi to help both sides communicate and negotiate.



Why this worked when so many other programs haven't

Whilst it's true that there are many programs that have tried to address what the YuMi Program has done, this one worked because of the connection with the market access component, Carnival Australia. This program has been specifically designed to de-mystify the process around accessing the cruise ship market by offering an education piece, as well as direct access and communication from the contracting parties (the local aggregator and Carnival Australia). The YuMi Program is not just another program addressing tourism and running a business, it connected all of the key relationships and steps in the process.