Assessment 1: Research Case Study Report

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**Introduction**

The globalization and technological advances have brought significant changes in the macro-environment of businesses. The organizations are constantly working on their policies, products, and consumers. The globalization has influenced the organization to quickly respond to customer needs because of the competitive scenario of the business world. The changing realities have attempted to encourage the organizations to change their focus such as from value distribution to value creation of products. The emphasis on customer retention instead of customer acquisition and increase scope to value-chain of marketing. The changes in practices have also brought a fundamental shift in the theoretical perspective of marketing. The changes have also encouraged the social perspective related to marketing instead of only focusing on economics and profits. It was necessary to shift the focus from goods-centered perspective to service-centered perspective, and creating a valued experience for customers.

 The new trends in marketing shift the focus towards customer view of consumption instead of organization view. They focus on strategies which improved marketing strategies in such a way that it could better influence the choices of customers. However, the dominant nature of the marketing paradigm has made it difficult to integrate these theoretical shifts. The globalization require the countries to effectively communicate with each other, it requires people to travel from one country to another, which resultantly exchange cultures and languages. It also requires high investment in the means of communications and transport. Also, the major concept is to invest the maximum in tourism departments to attract people in the country. The effective mechanism gives the countries a competitive advantage over others.

**Background of the Case Study**

In recent years, tourism has massively increased in different parts of the world, where countries are emphasizing on marketing strategies to improve the department in their respective states. Australia is also becoming a desirable travel destination for many tourists around the world especially for, Japanese, New Zealand, and Uk people. The topmost travelers are from Japan and New Zealand followed by the UK. Almost, 50 percent of Europeans travelers are from the UK, which shows the tourists interest in the holiday destination. It includes beaches, rainforests, mountains, luxurious cities and much more adventure for tourists. The increase in the department is due to cheap flights and the reduction in the Australian dollar.

The percentage of overseas visitors has benefitted the Australian economy. Tourism industry is considered to be major export contributer that accounts for more than million jobs. The country is fourth biggest recipient of foreign exchange currency and signifies a major chunk of export earnings i-e 11.2 percent due to 5 million international visitors annually. The export earnings create more than 12000 jobs and are expected to increase annually. The Australian High Commission issues almost 50,000 working visas to the UK tourist for holidays. The working holiday visas offer prospects of new know-hows to the young people aged (18-30) to work in the locality upto one year and fund their holiday. This makes it a desirable condition for students to live and simultaneously work as well. The young generation where it is difficult to go on holidays due to limited pocket money, thus the tourism commission has targeted the young generation to provide opportunities for working to supplement their holiday.

It also is beneficial for the young generation to explore more places and experience new innovations by traveling internationally. It provides them with informative techniques of new businesses and exposure towards new terminologies. There are no language barriers for UK visitors in Australia so that they can easily communicate with native people (Weber & Ladkin, 2003).

**Key Trade Partners**

The key trade partners in these interventions have introduced the visitors to work visas and contracts for one year. The are offered with advisory consultants to make full use of their opportunity in Australia. They encourage the backpackers to services related to traveling and move around the country to explore beautiful places. The global tourism industry is highly competitive and provides various opportunities for visitors for holidays. They have attractive packages of short, medium and long term options to choose from. This made it challenging for the Australian Tourist Commission (ATC) to focus more on increasing opportunities for the tourists and increase alternative, affordable holiday packages.

The international community is highly focused to increase their export earnings through tourism which depends highly on domestic employment. It is critical for the economic well being of countries to consider their customers while introducing tourism related strategies in the competitive market. This case study thus focuses on key marketing strategies developed by the Australian Tourist Commission to preceed with the increasing demand of young travelers in Australia.

**The Australian Tourist Commission (ATC)**

In the globalized world, it is important for organizations to critically evaluate their customers, and analyze their potential customers. They should be clear about their goals and objectives and can plan strategies accordingly. They need to draft a clear mission for their proposed intervention and set clear objectives to achieve that mission. Setting objectives means to established effective targets by which the organizations can measure their progress. These targets work as a performance indicator against which the success of the strategies can be evaluated. For example, if the ATC targets are to achieve 4 million visitors annually, and each of the visitors stays for a minimum of 10 days, and spending an average amount of 10,000 dollars. They can be clear about their targeted goals and will define strategies to achieve them.

ATC was formed in 1967 to increase tourism in Australia and develop it as an attractive tourist destination. The country has seen a high potential in the industry to boost the economy. ATC mission was ‘*to promote Australia internationally to create a sustainable advantage for our tourism industry, for the benefit of all Australians.’*For this mission, the department stated two principle objectives which were,

1. To maximize the percentage of international tourists to Australia and secondly,
2. To increase the proportion of profits to local business from these international visitors.

However, to achieve these objectives, the commission has developed a number of sub-objectives to achieve its mission.

* It primarily involves helping travelers to plan their trip by providing destination information to the overseas visitors
* Helping local businesses to cooperate in tourist schemes.
* Working with partners to develop a strong interest in tourist into actual travel plans.
* Providing better employment opportunities for the new visitors in Australian local market.
* To make sure that the visitors are efficiently utilizing their time in Australia.

**SWOT Analysis**

**Strength and Weaknesses**

The ATC strength lies in the dynamic characteristics of Australian culture. the country provides safe traveling, with a friendly environment for the young students. The language barriers are less compared to other countries which increase the probability of people choosing it for holidays. The low cost of traveling into the country attract more individuals. Also, its currency is lower than a pound, which increases the credibility of fulfilling the expenses efficiently. There is a wide range of employment opportunities in the country which provides the students with easily accessible work and offers to earn and supplement their trip (Kulendran & Divisekera, 2007).

The weakness of ATC is that the nation of Australia may be suffered through these programs. It will decrease the opportunities for local students as their share will go to international tourists. Also, increased tourism may have negative consequences on the dominant culture of Australia. The weakness lies that ATC is unable to provide training about transferring their culture to the tourists. It lacks the motivation to encourage their students for international harmony. They must be prepared on their local grounds for global change.

**Opportunities and Threats**

The ATC has a dynamic opportunity of the vast majority of international students, who look after for better opportunities in other countries. In the modernized world, students want to travel, experience a new culture and people and make good relationships and friendship outside their community. It gives them a network of foreign friends which will ultimately benefit them in studies or career opportunities. There is an opportunity to focus on other countries as well. Thus, these factors were utilized by ATC in order to bring maximum tourist to Australia.

The threats include the trade barriers which may restrict the traveling of tourists from one country to another. It also involves competition from other countries such as China, Japan, and Canada, who are also focusing highly on working students visas. Also, these countries are providing scholarships for higher studies, which encourages the students to the spent maximum time in their countries. Thus, with the increasing demand, the ATC needs to focus on higher study visas as well, besides the one year visa, which will allow the students with getting a quality education. Another threat is that ATC's target population is quite smaller compared to its competitors. The global market asks for more programs with limited restrictions so that travelers can easily travel to another country (Waitt, 1999).

**Targeting A Market Segment**

The general perception of the business is that the market cannot develop strategies that fit for all people, it is wise to stick to restricted population and area. This entails that buyer has different priorities and needs which require to develop specific products for that particular group. However, in order to compete with the entire market, it is efficient to focus on selected segments that the organization can better serve. This requires identifying potential customers and targeting them. The segmentation is done on the basis of certain attributes and behaviors of the customers. It also involves their response to the product and the potential consumers in the market. Thus sophisticated strategies are required to focus on a specific market that involves three phases i-e segmentation, targeting and positioning.

**Market segmentation**

 The ATC has focused its strategies towards breaking up the travel market into specific segments that are divided into three categories which include the strategies for their primary market involving individuals between 25-34, the secondary market is focused towards for young independent travelers (YIT's) aged between 18-24 years, and the third group is for independent adventures for the age group of 45-65 individuals. However, this study mainly focuses on Young Independent Travelers (YIT's).

**Targetting**

An efficient market strategy require to devise segments and then draft packages for each segment. For example, the ATC focuses on YIT's, who are typically students and want to have adventurous travel plans. Many students take a gap year or travel in groups with friends for holidays. YIT's are however the individuals who are more interested in experiencing new places and environment rather than just seeing sights. They opt for low-cost packages with accommodation, transport facilities, sporting, and fun activities. They are more interested in exploring the lifestyle and people in new areas.

**Positioning**

Positioning involves the marketing strategy of analyzing the perception of your consumers when introducing the product into the market. In this specific case, the product is Australia, whereas the determined market is the tourism opportunities and experiences for young YIT's. Initially, it was a challenge for young students to travel due to fewer funds and have counseling regarding their travel plans, however, due to the commission policies, this begins to change by cooperation with traveling agencies in United Kingdon, to establish a ground arrangement for YIT's before they leave. The UK partners give Australia a unique position in their tourist market. The Australian holiday is believed to be liberal, and open to accepting lifestyles of other countries easily. The optimistic attitude towards life of Australian people makes it a desirable option for tourist to travel to the country.

**Marketing strategies**

 The ATC's involves consumer market with respect to the tourist as well as trade marketing for organizations. The organization works closely with tour operators as well as the airlines to facilitate the tourist up to the maximum level. They make agreements with organizations that are helping to facilitate the Australian market in the UK. With respect to this, the ATC produces a couple of publications to provide knowledge about Australian travel packages through website Australia.com which provide an annual guide. The corporate website has made it easier for travelers to communicate with agencies. The tourist is provided all the information regarding their holiday in their respective country through different partners of ATC, which work closely with local operators.

**Brand Australia**

 The Brand Australia campaign was introduced in major markets of Europe which supported the positioning process. The Brand Holiday Australia was developed through the campaign to provide travelers information about benefits of Australia's Holiday. It included free-spirited, colorful and optimistic perspective which shows the position of the brand for which it stands. The Brand Holiday Australia promotes marketing through the notion of ‘genuine, open and unpretentious Australia'. These notions are then linked to product benefits of destinations experiences and safe adventures which attract young individuals. It involved a positive image of Australia to the UK students which will increase the chances of their interest in traveling to Australia.

**Targeting Younger Travellers**

A marketing strategy starts with a clear picture of the target audience. The ATC target population was youth market, who require them to develop a reason for the young individuals to travel to Australia. Students of this globalized world want to explore new places, travel to different cities and interact with people from across the world. however, due to low funds, they are unable to do so. The ATC has provided students with simple visa requirements for their countries and low expenses which encourages the young segment to invest in travel.

**Efficient Use of Technology**

The ATC has to emphasize on the use of modern technologies to attract international tourist. The process is done through different social media mediums to engage the maximum amount of students and develop their interest in visiting Australia. The use of images to convey a positive image of the country and to provide knowledge about different opportunities has largely helped the organization to reach its targeted population.

**Working Holiday Visas**

The working visas allow the students to work along with the adventurous trip. While many high school students take a gap year and plan to experience something challenging. The ATC fully utilize the idea and make a specific arrangement for such students. It is believed that due to ATC marketing, students want to take a gap year and go to Australia for internships before admissions in bachelors. Holidays are not only about sightseeing new places but it involves to experience the cultural diversity between different nations (Brown, Chalip, Jago, & Mules, 2004).

**Increasing The Market Share In Tourism**

The Australian dynamics creates many opportunities for the country to increase its market share of tourism internationally. The opportunity of the Sydney Olympics and the millennium celebrations has increased the international interest of tourist to travel to Australia. The influx of international tourism due to these activities has increased the tourist. It has also significantly increased the export earnings fro tourism as well as the employment generation in the industry. As the increased focus on tourism requires the commission to recruit more personnel in the department. It has encouraged a positive image of Australia in the international community with people loving to engage in Australian lifestyle (Morse, 2001).

**Conclusion**

The ATC requires to provide training to the local people in order to better respond to the tourists. The local must be well prepared for the new changes and should act responsively. It needs to evaluate the threats and consider effective response policies. Also, it should provide assistance to tourist in learning languages, if they are experiencing difficulties. ATC requires to focus on macro environment and analyze the different factors such as demographic changes, economic concerns, the political role played by representative government. It also includes serious threats to the environment and involves concerns about the protection and sustainability of local resources. The cultural trends in the country are at higher risks which asks for better programs to invest in such policies that the tourist are attracted to local culture.

The ATC has managed to access international tourist, starting from a small scale of targeting young students, it has evolved to developed different segments which cater to the needs of the different population. The commission provides different programs for several age groups which makes it easier for people to fulfill their interest in visiting. By developing partners in the UK through technologies, they have managed to provide in hand information about traveling within their country.

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