

# [Most important macro environment factors in qantas tourism essay](https://assignbuster.com/most-important-macro-environment-factors-in-qantas-tourism-essay/)

Corporate strategy of Qantas has been supporting all its business objectives and also employee level individual objectives so that the company produces better results for the satisfaction of customers. Airline industry is a huge place where different companies are working and if planning and strategic decisions do not meet the needs of the current environment of the business than it would be bad for the company. Marketing and Auditing are the key areas where the strategic decisions of the Qantas have to focus. In Australia the airline industry has been under crisis since 2000 so the Qantas had to tackle the situation by strategic moves and proper planning has to be done for that. Marketing auditing has been done by the company several times to check the effectiveness of the strategic decisions that were being made to support the marketing activities regarding new and old customers (Kain and Webb, 2003). In addition to these, a significant worldwide leaning in rapid look of low-cost transporter was empirical and the challenge for Qantas to maintain both the low cost and high quality standards was difficult but workable and it worked on it. Australian airline industry was not opposed to this, two reasonably priced airlines that is to say wish and Virgin Blue Airlines were launched in 2000 and so they created a sense of competition in terms of marketing activities for the company and thus auditing was becoming necessary.

## USE OF BUSINESS TOOLS TO UNDERTAKE FORMAL MARKETING, AUDITING AND PLANNING

Business tools like strategies and customer services tools like software, plans and policies if used properly for the Qantas would help undertaking the formal marketing, auditing and planning. Formal Marketing would come if the marketing strategies are planned based on perfect business tools that are available in the market for market research, customer analysis and marketing strategy formulations. Similarly if we move toward the auditing side the structure could be formalized through several business tools that would automatically generate auditing report to analyze business strategies. Auditing tools like software tools and business packages should always be a source of support to undertake more formal strategies to be made, more complex analysis to be done and more accurate planning to be done. Planning is another major part which would generate results for the Qantas (Kotler, Brown, Adam, Burton, and Armstrong, 2007). Planning is the most critical part because if it’s done well, ends well and if not so the outcome would also get disturbed Planning business tools available in the market allow us to utilize the resources at best of the capability to make them produce best results and this is what is needed at the point of time. Qantas has already been using several different business tools for marketing, auditing and planning and also producing results efficiently. If further utilized well Qantas can make it a competitive edge for the company and an effective way to satisfy the customers.

## MOST IMPORTANT MACRO-ENVIRONMENT FACTORS IN QANTAS

Macro environment factors that are influencing the Qantas Airlines include Political, Economic, Societal, Technological, Environmental and Legal factors. All these factors are very critical for the success of Qantas. Political factors like Australian politics and the state laws are going to influence the trends of the company and the profit making would laws be disturbed if the taxation policies changes from the governmental authorities. So Qantas has to focus over such strategies very carefully and it has to be prepared for such changes because they are out of control of the company. Societal factors like changing trends among customers, introduction of new trends in the society and changing likeness and dislike of people are all such factors that should be prepared and should be decided in strategies (Kain, and Webb, 2003). Technological factors are changing day by day and thus this would have been a biggest challenge for Qantas to overcome such challenges and cope up with all new technological improvements happening day by day. Especially it has to be very strong in Research and Development so that every coming technology comes first in Qantas before hitting the competitor companies. Environmental factors like weather and surrounding countries and their policies are very important to be considered so that Qantas designs its strategies accordingly as it has been doing previously. Legal factors are last but not the least factors which play part in success of the company and they play very critical role in making such policies.

## MOST IMPORTANT MICRO-ENVIRONMENT FACTORS IN QANTAS

Micro environment has been also very important and several factors are part of micro environment like strengths, weakness, opportunities and threats of the company. Qantas Airways, a national Australian airline established in 1920 is the world’s second oldest airline heading towards a century of age in 2020 (Harcourt, 2004).

## Strengths

Along with its subsidiaries served destinees, a number of international flights includes almost all the continents like Africa, Oceania, Asia, Europe and the Americas.

Being the most oldest in age, Qantas airways is far ahead in experience, operational accountability, technology and services.

For all classes including economy class a luxurious entertainment system is provided along with in flight internet facility and with every seat having a LCD screen.

Promising a comfortable journey, traveling by Qantas airlines is cost effective.

A complete cabin system is provided with First class, business class, premium economy class and economy class categorization.

A paramount commitment is assured through a proper customer charter including customer’s safety, in time departure and arrival, proper caretaking in case of any mishap and securing personal information of their customers.

An environment friendly approach through group environment policy considering all contemporary issue regarding environment for the attainment of green planet.

Airway team has always been working for providing every possible route that is extending day by day.

Shows their goodwill gestures at the time of emergency in their own region or for their own people settled abroad in the course of evacuation charter.

Qantas airways had been declared as World Skytrax Airline of the Year (for five consecutive years), Skytrax Best Airline Australia (2005, 2006, 2008), and Skytrax Best Regional Airline Australia (2006, 2008) for their services along with several wine design and entertainment awards.

## Weaknesses

A conservative policy is implicated while flight that children traveling unaccompanied are not allowed to sit along with male travelers, which compels the men to feel sex discriminated as females can equally be suspected for child abuse.

Despite being the oldest among the airlines, Qantas airways had gone through one air accident in almost each decade which indicates inefficiency in technicality.

Due to environmental constraints, some long route direct flights are often delayed.

## Opportunities

Proper policies are launched for regular flyers by points earning through any type of activity that includes money spending, either through hotel staying, credit card usage, car rentals, dining and much more. Members are also given different types of bounties time to time. Growing points increases customer value from silver, gold to platinum.

Leases has been announced for new aircraft fleet to cater more passengers, employment opportunities, services efficiencies and extending flying business.

For promoting businessmen access to world with no trouble a club has been organized for uninterrupted and luxurious travel with priority check in and certain business related and personal facilities. Subscription can be made from one to several years.

## Threats

Strong response to global fuel price increase, by approximately half doubling the ticket on nearly 10% increase in fuel prices that has recently been noticed.

Certain attempts of extortion have been made that had an adverse effect on airline reputation but now they are almost sorted.

Qantas has been accused in 2006 and had been proved guilty for price fixing. They had to pay they were fined a huge deal of money, if this happens in future will prove a dire threat to airline reputation.

## MARKETING RESEARCH AND MARKETING INTELLIGENCE

Presently the Qantas Group is among one of the few major airline groups in the world that are still making profits. Several airlines are making considerable losses, and few mergers have also been seen in past (for instance KLM-Air France), takeovers by some big companies and bankruptcies of firms (e. g Northwest and American Airlines). In spite of the apparent flushed first impression, the real profitability depiction across the Group has been diverse, with Jetstar’s domestic and global operations usually performing well, while the Qantas partition of the business has been performing less than them. This has been critically because business intelligence is very important. Market research has to be on priority to earn priorities and thus if company falls down the major issue is low research of market. Qantas’s market share has declined piercingly in the last decade. At the same time as the airline was in a leading market place with 34. 4% of the passage to and from Australia, from 2010 to 2011 its market share had declined to 18. 7% (Bamber, Lansbury, Rainthorpe, and Yazbeck, 2005). Intense market research has let it happen and the Qantas has always been very concerned about that and in response to market needs the launch of Jetstar was planned, which has fascinated 8% of global passage into and out of Australia parting the in general Qantas Group with a 26. 5% market share at the end of 2011.

## SEGMENTATION AND SPECIFIC SEGMENTATION VARIABLES

Segmentation is very important and critical for Qantas as it has been targeting the domestic and international markets together. The economic capability of the Qantas international business is, nevertheless, vital to the Qantas’s aims and goals. Dazzling this, a need to lower the costs is an essential resident of the Group’s plan for Qantas. According to the airline, the cost base is around 20% higher than major competitors (Porter, 1979). Segmentation should be done accordingly so that the needs are met and no spaces are left for the competitors to take over. But side by side it is also very important that the company follows its own capacities while targeting a market segment. It just does not have the little cost formation of many of the competitors, in particular the Asian competitors. Segmentation needs to be on the basis on geographic as age, gender and other factors do not really matter. Segmentation and specific segmentation variables like demographics, psychographics, buyer-graphics and geographic are critical if marketing of the company is planned. Pricing standards should be set according to the needs of the customers and segmentation can be based upon that as well.

## UNDERSTANDING OF MARKET POSITIONING

Positioning has been very critical part of marketing strategy which has to be decided by the Qantas and it already has done it well. It has positioned its product domestically on the basis of price penetration while international the positioning is based over quality more. The major step of positioning policy is to be familiar with likely violent profits. Qantas has many times for differentiating its extent and augmented insistent benefit against its rival Virgin Blue from side to side product and service division (Coyne, and Sujit 1996). We know that Qantas is a most important provider of air transport; the central advantage that a client will take release of is ‘ time-critical transport’.

## UNDERSTANDING OF BUYER BEHAVIOR

Buying behavior of customer is another major factor which it considers well and behavior of clients towards the airlines. Customers have always thought of having privileges in terms of prices and quality of services. Customer behavior has always been a critical phenomenon to study when it comes to success or failure of a company (Brandenburger, and Nalebuff, 1995). Customer would like to have proper services and facilities during the flight with the sense of security and safety during the journey.

Customer’s preference should always be the center of attention for the company. Customer is always right and his attitudes and behaviors are always critical for the success of the Qantas. Behavior of the existing customer of Qantas toward the brand is loyal but the new customer or the customer who is using competitors services are not aware of the company strengths completely and this makes it difficult for them to choose Qantas among all. For this Qantas has to design a very strong marketing campaign that would bring benefit in terms of customer base and the societal awareness about Qantas. Customer base when increases bring a lot of benefits for the company and this should be the focus of Qantas right now.

## CONCLUSION

The overall assessment of different factors of Qantas have made us realize that the market analysis and research is very critical and strategic decisions, planning, assessments and audition could be done fairly and more accurately after you have complete knowledge about internal and external factors of the company. Position of the product plays very significant role in its success or failure so Qantas should take care about that. Customer behavior also plays very important role and studying customer behaviors would again be done through the market research activities. Qantas if focuses all above precisely would get privilege to get success shortly and for long term.