

Develop the local tourism and economy tourism essay

[Sport & Tourism](#), [Ecotourism](#)



In order to develop the local tourism and economy, Macau decided to set up their own integrated resort. The Wynn resort Macau offers almost everything that a traveler might expect. Located across the street from the Grand Lisboa, the Wynn Macau is just as sleek and sophisticated as its Las Vegas counterpart. The decorations are unique, an enormous casino, and plenty of great shopping and restaurants make the Wynn Macau one of the most popular Macau hotels. The Wynn Hotel and Casino is a great choice for accommodation if you decide to organize your trip to Macau, it's convenient to shopping, game sport, eating out or more. Elegant and comfortable rooms as well as impeccable service are bound to make any stay enjoyable and leave guests want to plan their next trip to Macau. The Wynn Resort Macau offers more than 600 luxurious rooms and suites. Besides, other facilities and service are also memorable. We choose Macau as the destination to build up this IR is because here has the good infrastructure and nice external environment including political, economic, social, technology, environment and legal environment. Political risk is an important concern for multinational enterprises that seek to invest in global platform. In recent decades, generally, global political system is stable with the support of United Nation and other related organizations. These organizations always aim to reach peace and security, develop friendly relations among nations and promoting social progress, better living standards and human rights all over the world (United Nations, 2012). In addition, globalization effect makes relationship between countries more interdependent with friendly and similar policies. Yet, there are still existing political uncertainty and turbulence in some regions due to religion problem, for instance: Middle East, North Africa

conflicts may affect the operation and growth of hotel industry inside these areas. This is where unrest political parties in volatile regions impede guests to stay at those areas. Furthermore, hotels are among the main targets for terrorists and anti-governmental forces require hotels to apply security enhancers and solidify hotel management (GIA, 2012). In Macao, China has released very generous policy to support the development of the Casino. The political and legal environment is great for the developing of the IR.

However, according to The World Political Report's special report, which examines the state of democracy, there is a positive trend in many regions. For example: the Arab Spring has focused attention on democracy's prospects in the Middle East. However, the Arab world is not the only region at a democratic crossroads. In Africa and Asia, young democracies are coming to consolidate gains. In Europe and in Latin America, a diverse variety of democratic governance remains healthy (The State of Democracy, 2012). Today's economic turbulence and fragility in developed countries are again posing challenges for the global economy. However, the emerging of developing countries on the other hand contributes to recovery of world economy through multiple channels, including through the flows of FDI and private capital. Having rebounded sharply in 2010, FDI flows to developing countries continued to increase in 2011 (World Investment and Political Risk, 2011). This trend seems to be continuing in the next years. Investors in the past year 2011 also have special attention to the FDI picture in the Middle East and North Africa region in light of the Arab Spring, as well as the reaction of multinational enterprises to these developments. Developing countries are expected to grow more than twice as fast as high-income

economies over the next few years due to the healthy demand. For example, the prosperous growth in tourism industry has led to a massive upsurge in the hotel industry in India, China... Macao with this continued growth, together with stronger and more business-friendly environments, should enhance their appeal to multinational enterprises worldwide (World Investment and Political Risk, 2011). In addition, the existing of WTO, WB, IMF and other related organizations also continue contributes for the development of global economy. They help creating free trade market, better trade negotiations between nations, building trade capacity, increase investments in infrastructure and technology in many countries (WTO, 2012). Therefore, they take part in stable global economy as well as reduce cost of companies in global platform. It also makes easier for management method like franchising, management contract, and outsourcing. In global legal system today, there are numerous organizations that support humanitarian affairs, international law which protect multinational companies from negative effect, copying, stealing knowledge, technology. Intellectual property law, patents law, Mergers & Acquisitions law, International Arbitration law...are some popular that help company sustain their competitive advantage in business. In general, due to positive trend in political system, governments in almost countries deploy certain incentive schemes for economy, especially service sector which include hotel industry. Governments support and initiatives on infrastructures, increasing FDI limits in several countries have given the boost to hotel industry (Alpen Capital, 2011). Environmental laws led to changes in hospitality industry. Hotels are inclined to environmentally-friendly to tackle to the regulation. The world

always remains diversify in the cultures, religions. However, since the late 19th century up to now, the demographics of culture, religion have changed a great deal. Globalization has somehow connected culture between countries, regions. It also changes values and customer perception. This context created more opportunities for IR industry (Weber, 2012). Global social factors will see major demographic changes by 2015. Baby boomers are expected to contribute 40 percent of their spending (Deloitte LLP, 2010). These baby boomers will reach their retirement age; with their inclination to travel will create new opportunities for high-end and affluent service providers. Furthermore, fast growing population of middle class in India and China also plays a significant part to the existing patterns as their travel pattern expand from domestic to regional and global basis (Deloitte LLP, 2010). Changing lifestyles: mega events such as World Cup, Olympic Games, film and music festivals, etc. are also among the triggers for hotel industry demand (International Labour Organisation, 2010). Besides that, global human developments like equity, dignity, happiness, sustainability are focus in many countries which accounts for the broader picture of human development and its context (Human development report, 2012). This also nurture the next generation labor forces with higher knowledge, perception and more efficient. New destinations for emerging travelers (Ernst & Young, 2012): despite the ongoing financial crisis and sovereign debts in Europe as well as the not-so-good scenario for global economy, global tourism and travel industry saw a positive recovery in 2011 (Ernst & Young, 2012). Emerging economies with diversify culture have become new destinations for tourism by observing passenger volume in airports globally. India, Brazil,

Turkey, the Philippines and Malaysia were in top five countries with the largest growth lift. Moreover, there are growing number of middle and upper class people. The ageing population, especially from Japan, Europe and North America is increasing and will change the facet of IR services in such a way that convenience-oriented services and facilitators have to be provided to suit the needs of these ageing customers (UNFPA, 2009). Infrastructures in many countries have been developed due to " dual nature" of infrastructure investment (International Labour Organisation, 2010). Airports, transportations, telecommunications, etc developed which gave a leeway for resort industry to take advantage of. Advanced technology facilitated hotel sector whereby many hotels applied complex Central Reservations (CRS) enabling to monitor occupancy level; however, advanced technology, especially video conferencing technology is also a threat to eliminate business and conference hotels, because global conference can be held regardless of geographical distance (Confederation of Tourism and Hospitality, 2010)Macau is a developed city in China, with the policy of reform and open, Macau is becoming more popular and more and more people are travelling there. The infrastructure of Macau and the resort is excellent. People can enjoy a peaceful environment and modernized facilities there. The transportation is convenient such as the distance to the tourism area and to the airport. Besides, the public facilities in Macau also very good, people never need to worry about the security problem and other factors that might cause the unpleasant of the trip. The Wynn resorts also serve the best service for customers, shopping, 24-hours service, child care and all other luxury service are served in the resort. And they will also solve all

other problems other than accommodations in the hotel. As we all known, China is a powerful in economics and also other areas currently, the government is stable and no dangerous could threaten Macau. The tourists never need to worry about the turbulence or any other possible political problem. And Macau is a city allows the existence of casino, which is very important for the Wynn resort. A lot of tourists come to Macau because they can gamble there. Therefore, casinos bring Wynn huge potential customers. When the customers play in the casino, they do not need to worry about being arrested. Then the government and legal system is all good for the development of the resort. Initial investment establishes solid barriers to new entrants in terms of capital; however, some certain barriers were considerably eliminated due to the existence of the technology. Virtual presence helps reduce initial marketing efforts and easy access to available resources. One barrier to take into consideration is expertise. Mobile workforce allows employees to swap the hotel chain and bring along their knowledge and experience. Another one is differentiation in which exceptional quality, strategic location, personalised service and comfortable amenities are key contributing factors to attract and retain customers. Differentiation and expertise significantly account for the sustainable competitive advantage that a hotel can impact on customers and on its bottom line. Overall, barriers of entry for new entrants are considerably moderate. This factor is considered quite low for hotel industry. Other forms of leisure include camping, corporate guest houses, recreational vehicles, homestay or staying with family and friends (Alpen Capital, 2011). The number of these forms of leisure is small number and has no significant

threats on hotels as the switching costs range from negligible to high. Today, the variety number of multinational hotel operators target high-end as well as budget hotel operators makes it easier for various guests from all walks of life to choose their suitable hotel for their pockets. Moreover, in this information technology, customers can easier find information about hotels to book depend on their own interest, specific needs and requirements. In addition, the role of travel agents, tourism consultants or intermediaries is no longer important. These processes shape the hotel industry in a novel way that the bargaining power now shifts to end users; cost of switching is negligible that brand loyalty is hardly in the history of hotel industry. Overall, customers hold a powerful bargaining power that only personalized and unique differentiators hoteliers can help retain customers. High-end hotels hardly compromise on their quality whereas budget hotels always seek for best deals to offer customers; thus, suppliers for such hotels have certain bargaining power. Furthermore, switching cost is relatively high for hotels as quality may not be guaranteed, not to mention financing. However, from another perspective, bargaining power is substantially high, in terms of labor force. Given the specialized and interaction-inclined industry, hotels need a large pool of young and excellent workforce to serve customers with high quality and experience. Thus, high-qualified employees have certain power to impact hotels. This holds true to a certain extent that these suppliers represent the unique association to hotels that when they leave, hotels might as well lose their expertise and knowledge as well as losing their identity. In all, bargaining power of suppliers has moderate impact on the business of hotel industry. There are always large number of hotels around

the corner for customers to choose, in all ranges of price at appropriate levels of services and amenities. Thus, hotel operators always confront to attract the customers. Having noticed that globalization facilitates the global market while expanding market size and fades physical borders, ubiquitous presence - either physical or virtual - is a must to sustain in hotel industry. Moreover, technology wipes out physical borders so much so that competition happens on global platform, or in other words, hotels do not only watch out for adjacent competitors but keep their eyes on competitors all over the world. In general, existing players have to sustain in an intense rivalry environment. Despite the fact that internet reshapes industry structures and makes it more difficult for industry players to achieve high profit margin, it can also leverage the profitability if used at the appropriate dosage. Gambling problems is one of the most important issues, avoid young teenagers enter the casino is very important. And we should also consider how to avoid gambling in a large amount in our resorts. The customers play in the casino should have an upper limit; in case of people lose too much money. Another important issue is security, as we all known, it is easy to produce conflicts when people are gambling. So we need to be better prepared for any possible problems. We should plan for the possible events, so we need to come up with corresponding strategies. For example, all the customers in our casino must have legal identity. They need to carry their passport or other valid certificates all the time. And anyone who has bad records is not allowed to enter the casino. By the policies and careful supervision, we could maintain an excellent and stable entertainment environment. From the above discussion, we analysed the big environment

for the resort, discussed the operation and marketing issues, the operations of the resort and the main challenges of the resorts. We can see that the support is under an excellent environment and developing very fast, the potential for the development is huge, but if we want make greater success, we need to modify the management and try to change with the policy and environment. To be responsible to the changing and uncertain factors, we need to be more standardized and better prepared for any possible problems. The Wynn resorts plan to widen their customer base in the next few years to maintain sustainable. There are four main types of customers based on their purpose of travelling: Backpackers and solo travellers, couples, families and Business travel, meetings, incentives, exhibitions and conventions (BTMICE) sector travellers. Normally staying in a short period of time, backpackers and solo travellers likely do not tend to use full services and amenities but prefer to spend time exploring things. As such, budget hotels or motels at cheap price with modest amenities are often preferred (Capozzi, 2012). In the coming years, the Wynn resorts need to develop all kinds of strategies to maintain sustainable. Couples usually prefer to have more personalised accommodation and facilities. They are more concerned on quiet places, romantic restaurants and upgraded bedding. Newly-wed packages or on-site entertainments are also in attention of travelling couples (Capozzi, 2012). This group normally requires additional facilities and services from hotel practitioners such as children playgrounds, entertainment, changing stations, possible extra room, and so forth. In order to satisfy needs of family travelers, hotels need to provide more open air spaces and affordable restaurants with kid-friendly facilities and attractions

(Capozzi, 2012). Business travellers can be considered as the most profitable category for their willingness to spend more on luxurious hotels. They demand exceptional services and facilities including accessibility to internet, technology equipment. Furthermore, this group tends to stay most of time in their rooms, thus they are attentive to quality of bedding, room service (Capozzi, 2012). Due to diversify in global culture, values to customers also different. They are based on the "belief" of customers to the hotel. Customers may trust the hotel in term of affordable price, service excellence, safeness... which suitable with their culture, religions and more than that; customers must have good feeling with the hotel prior to any further engagement. They are also in the quest for personalisation and informed experience before they decided to reserve accommodation or prior to their arrival (Talwar, 2012). To attract new and more BTMICE customers, the Wynn resort need to think about their value and try to satisfy all their needs by treat in a specific way. For those business people have high quality and service needs, offer them the premium and charge in a higher price but a proper way. And we also try to widen our customers range, such as those people travel as family and backpackers, sometimes they can also become our customers in casino and fancy restaurant, because they do not come out a lot, and they would pay a fortune on their trip.

Appendix:

File: Democracy Index 2011 green and red. svg
Democracy Index 2011 green and red (Democracy Index, 2010)
<http://static.guim.co.uk/sys-images/Business/Pix/pictures/2012/1/24/1327430346441/Global-GDP->

<https://assignbuster.com/develop-the-local-tourism-and-economy-tourism-essay/>

001. jpg(Global growth rate, 2012)World Population DistributionSource: DK
Shifflet & Associates Ltd.