

Report on ocean park of hong kong tourism



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Contents

- Menaces

This study is about Ocean Park of Hong Kong - one of the largest amusement ocean park in the Orient and even in the universe. Situated in fiscal centre of Southeast China this park - add some info about park! !

In this study we are traveling to cover such subjects as scheme constructs of Ocean Park, external and internal environment of administration and its corporate, business-level and international scheme. On base of informations collected we ' ll give our recommendation and advice to CEO and Board of Ocean Park of Hong Kong about Park ' s scheme to the following 10 old ages (from 2005 to 2015) .

The chief purpose of this study is to supply in-depth strategic analysis to CEO and Board members. Therefore, this work is focused on challenges, chances and menaces of administration, its civilization and economic facets, strengths and failings of administration, nucleus competence of ocean park in order to assist to better it in expectancy of reaching of Hong Kong Disneyland.

Scheme constructs and vocabulary

-Mission (Strategic purpose, non specified)

Ocean Park provides all invitees with memorable experiences that combine amusement and instruction, while animating life long learning and preservation protagonism. Our purpose is to keep a healthy fiscal position, while endeavoring to present the highest criterions of safety, carnal attention, merchandises and guest service.

hypertext transfer protocol: //www. oceanpark. com. hk/html/en/footer/corporate-information/vision. html

-create all activities for perfect household vacation

-increase engagements of visitants in environmental issues and lives of animate beings

-Goals and aims to carry through its mission

“ Hike the figure of one-year visitants from four million in 2004 to five million by 2010 ”

“ To do a 0, 5 per cent part to Hong Kong ‘ s gross domestic merchandise (GDP) in 2010 ” (page 7)

-Vision (More specified)

hypertext transfer protocol: //www. oceanpark. com. hk/html/en/footer/corporate-information/vision. html

Ocean Park aspires to be a universe leader in supplying first-class guest experiences in a subject park environment linking people with nature

- Become figure one marine-based park for each household non merely from Hong-Kong but besides from mainland China.

- To be chief attractive force for all tourers, who visit Hong-Kong

-What public presentation steps would you utilize to find the success of Ocean Park?

-It is the hometown favourite. It had been a long-time favourite of several coevalss ((it ' s been operated for more 28 old ages) . Many local people were sympathetic to Ocean Park. Peoples who had visited the park as kids were now conveying their ain kids to see the park. Its repute even extended into mainland China. It had become a fixture of Hong Kong ' s cultural heritage. (p. 5)

-The figure of visitants in 2004 is 4 m of people (with day-to-day maximal capacity 35, 000 people) .

-Total gross in 2004 was 536, 2 HK \$ m comparing to 428, 3 HK \$ m in 2003, excess for 2004 twelvemonth was 95, 7 HK \$ m comparing to shortage 4, 1 HK \$ m in 2003.

- recognizability of new trade name (Whiskers became a family name in Hong Kong)

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-Who are the assorted stakeholders in Ocean Park organisation (how might they impact on its intent and mission) ?

Stakeholders, who help to accomplish park ' s intent and mission:

Hong Kong authorities, Home Affairs Bureau and the Tourism Board, employees of Ocean Park corporation, its visitants (clients) .

Interfere with accomplishing park ' s intent and mission:

Militant groups (certain environmental groups and carnal rights militants) – forbid of purchasing and transit alien animate beings to park, trade associations and brotherhoods (coach companies and taxi drivers) – forbid in constructing a mass theodolite railroad (MTR) , rivals – regain market portion.

External Environment

-Conduct a PESTEL analysis for Ocean Park, place the key drive forces for alteration confronting Ocean Park ; Rank key driving forces based on their predictability and possible impact on Ocean Park, so develop some scenarios and place deductions of these scenarios for Ocean Park.

PESTEL:

Political:

Government support

Bettering relationship between Hong Kong and Mainland China

Promotion of touristy

the relaxation of the limitations and publicity of the free travel of China in 2003 that helped to shoot a new life to the touristy industry of Hong Kong

environmental jurisprudence

Economic:

Growth and development of the planetary amusement park industry

Disneyland ' s reaching

Increasing figure of mainland visitants

Increasing criterions of life in Midland China

Raise and pass HK \$ 5. 55 billion

Sociable:

Major events and activities (peak seasons and holiday subjects: Chinese New Year, Easter Holiday, Summer Holiday, Halloween and Christmas)

Media, advertizement and promotion, required for these particular events

Change of demographic (Population growing rate, age distribution, size of households)

Increasing the cost of labour and more warrants for employees

Negative affect of Outbreak of Severe Acute Respiratory Syndrome (SARS) result

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Technological:

Development of the amusement machinery industry

Increasing popularity of new engineerings for consumers (cyberspace, Mobile, digital camera)

Amortization of park equipment

Developing of new conveyance system (for illustration, a mass theodolite railroad (MTR))

Research and development activities (making of new park amusement)

Environmental:

Resistance from certain environmental groups about the importing of wild animate beings to Ocean Park

Expenses on care of alien animate beings

Protests of animate being rights militants against resettlement of animate beings

Climate alteration (rain season in spring, hot in summer, typhoons in summer)

Legal:

Approval of Town Planning Board for hotel, Legislative Council for MTR station.

Restrictions on amalgamations

Employment Torahs

Key driving forces and their ranking:

1) Global changing in touristry for Hong-Kong and Asia-Pacific part

(development of touristry in part)

2) Raise and pass HK \$ 5. 55 billion from private and authorities loans to

revamp park ' s well-worn merchandise line (blessing of development program)

3) Disneyland ' s arrival - worldwide success of chief competitor-Disneyland,

coming to Hong Kong (Disney ' s success or failure)

Binary tabular array of scenarios for Ocean Park ‘ s cardinal drivers (in diminishing order of their impact on park) :

Development of tourism in part

Blessing of development program

Disney ‘ s failure

Scenario

+

+

+

Successful scenario

+

+

-

+

-

+

Middle scenario

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Failure scenario

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-Define Ocean Park ‘ s industry and carry on a five forces analysis: Which are the dominant forces in the industry? How may the five forces alteration? What are the underlying kineticss which are driving these five forces, and how may the five forces alteration? What are the impacts on cardinal rivals and on Ocean Park? What can be done to act upon the impact of the five forces?

Five forces analysis for amusement park industry:

1) Menace of New Entry

In footings of the amusement park industry, the entry barrier is high due to the demand to put big sum of fiscal resources (for park equipment, human resources care) , a batch of clip required for park ‘ s planning, building, development and launching, a batch of licences and legalisation required

(safety, healthful, security etc.) . In add-on to the amusement park required land for a full graduated table development. This factor is of import because Hong Kong has a high land monetary value existent estate market.

Re-write in ain words! ! ! !

2) Menace of Competition:

It is of import to see that with deficiency of distinction, visitants ' pick will greatly over the monetary value and service, therefore causes force per unit area for the intense monetary value and service competition. Due to high menace of competition, Ocean Park is implementing different programs and activities such as renovation and debut of new attractive forces in order to catch the attending of the visitants and distinguish themselves from challengers. There are no challengers with precisely the same scope of merchandises. Disney ' s reaching is merely expected.

Re-write in ain words! ! ! !

3) Menace of Substitution:

(where this information from? ? - I like this point!))

The chief menace of permutation is Hong Kong Disneyland & A ; Wetland Park, a new international subject park and an educational park (Appendix 2)
? ? ? Apart from this, there are other signifiers of permutation. From the instruction side, Hong Kong occupants can exchange to travel to Cultural Centre, Mai Po Wetland, Hong Kong Zoological and Botanical Garden. For

amusement intent, they can see the Karaoke, Cinema, Game Centre, or have a twenty-four hours trip to China.

4) Dickering power of purchasers (visitants) :

(where this information from? ? - I like this point!)

-Tourists

Tourists have a low bargaining power every bit long as “ must see ” image successfully built-up and the Park can non be replaced by other replacements. Therefore, Ocean Park focuses to construct up this image particularly in Asia.

- Local occupants

The purchasing power of local occupant is high since they have many picks as mentioned above. The exchanging cost is comparatively low. Besides, Hong Kong people like new experience and their trueness to the merchandise are by and large low. The Park, hence, launched difference plans like “ Large Five ” events with difference subject each twelvemonth to convey new exhilaration and experience to them. Besides, particular price reduction in low season and twelvemonth base on balls purpose to pull... ? ? ?

5) The power of providers.

Suppliers have rather high power. Therefore, building elements of amusement drives are immense and complicated, that ‘ s why park is extremely tied with provider. Otherwise, this market is developed and the <https://assignbuster.com/report-on-ocean-park-of-hong-kong-tourism/>

pick of providers is become greater now. While building edifices (hotels, etc) with peculiar contractor park ca n't easy alter to another contractor because of high exchanging cost) . The state of affairs with the alien animate beings is such as Ocean Park can purchase in peculiar state merely.

Which are the dominant forces in the industry?

The dominant forces in the industry are: competition, purchasers and replacements.

How may the five forces alteration?

Looking forward, the five forces will alter in this manner:

- Rivalry will increase with Disney ' s reaching ;
- Buyer power will increase somewhat ;
- Substitute menace will besides increase ;
- Entry menace lessening dramatically ;
- Supplier power will besides diminish. (Exhibit 2. 5 – p. 72)

What are the underlying kinetics which are driving these five forces?

Aftermath of economic crises and increasing in figure of providers will diminish supplier power.

Disney ' s arrival lessening entry menace in amusement park industry.

Developing of new engineerings will impact rise of replacements. Besides rivals with new engineerings will derive (in this facet Disney has an advantage)

Disney ' s arrival addition demands in variegation of Ocean Park ' s merchandises.

Ticket monetary value advantages (185 HK \$ for grownup ticket at Ocean Park compared to 295HK \$ for the same ticket at Disney) .

The chief challenger (Disney) is besides same market oriented (households with kids) .

What are the impacts on cardinal rivals and on Ocean Park?

Five forces much more affect Wetland park – Ocean Park ' s cardinal rival, located at the northern portion of Tin Shui Wai, in Yuen Long – than Ocean Park itself, because Wetland park ' s merchandises are less differentiated. It has “ a 10, 000m² visitant Centre, Wetland Interactive World, and a 60-hectare Wetland Reserve. ” (hypertext transfer protocol: //www.wetlandpark.com/en/aboutus/overview.asp) . Arrival of other rival – Disney and it ' s replacements – does n't impact much Ocean Park because it has it ' s its ain niche.

What can be done to act upon the impact of the five forces?

More distinction of new merchandises, directed chiefly to Chinese native civilization will impact competition, replacements and purchasers. Unique high-quality merchandises and services besides will act upon purchasers. For seeking providers large impact will hold Internet and particular web-sites

with best quality of service, features, recommendations and monetary values.

Conduct a strategic group/space analysis for Ocean Park

There are 2 cardinal rivals for Ocean Park:

First one is mentioned above Hong Kong Wetland Park. It is a preservation, instruction and touristry installation, consisted of big visitant Centre, Wetland Interactive World and a Wetland Reserve. This park provided visitants with chances to detect wildlife, consciousness and understanding the values of wetlands throughout the East Asiatic Region and beyond, wetlands preservation. So, it ' s chiefly about wetlands. The Hong Kong Wetland Park is besides traveling to be a first ecotourism installation to function both local occupants and abroad tourers. ([ttp: //www. wetlandpark. com/en/aboutus/mission. asp](http://www.wetlandpark.com/en/aboutus/mission.asp))

Compare to Disneyland and Ocean Park, Hong Kong Wetland Park has different installations and merchandise scope (such as themed exhibition galleries, a theater, a keepsake store, an indoor drama country) , provide different services and therefore, like Disney and Ocean Park, has its ain niche. The scope of installations provided is the narrowest among 3 Parkss. Therefore, Wetland Park ca n't run into demand of those visitants, who are looking for exhilarations and utmost pleasance, which can be found on a drives at 2 other Parkss.

Who are the chief visitants? Is it local or planetary? Is it has the lowest scope of installations than Ocean Park and Disney? Much lower monetary values.

The 2nd one – arriving in a close hereafter The Hong Kong Disneyland.

After 28 old ages of operating as a close monopoly, Ocean Park would shortly hold to vie with one of the biggest names in the amusement and subject park industry. Furthermore, Disneyland targets the same group of park ' s clients – households with kids.

It has well-known trade name and repute. It ' s the universe leader in footings of amusement. Several of Disney ' s characters (Mickey Mouse, Donald Duck and Winnie the Pooh) were household names all over the universe, including in Hong Kong. Thus, Ocean Park ' s mascot, Whiskeys, appear lacklustre by comparing. Image, which Disney company holds about for a century (The Walt Disney Company was founded in 1923) and Disneyland itself (first park was opened in 1955) for half a century (compared to 28 old ages of Ocean park) helps to pull visitants non merely from Hong Kong and midland China, but besides from different portion of the Earth, particularly those who are from the USA and Europe.

Among other advantages of Disneyland are:

- location: it could be reached in merely 10 proceedingss from Hong Kong ' s airdrome and less than 30 proceedingss from downtown Hong Kong.

-at least 5. 6 million people were expected to see the Hong Kong Disneyland during its first twelvemonth of operation (compared to 4 million of Ocean Park expected visitants) .

-the monetary value claimed to be the least expensive among the five

Disney amusement Parkss throughout the universe.

-the country of Disneyland is 310 estates compared to 215 estates of Ocean Park.

-5 times greater investing than for Ocean Park.

-Expected economic effectivity is 3 billion more.

-world-renowned invention

-high client service criterions

Strategic groups within the amusement and subject park industry in Hong Kong

Broad

Ocean

Park

Geographical Scope

Global

Merchandise scope

Disneyland

Narrow

Wetland Park

Local

Conduct a market section analysis for Ocean Park: How is the market segmented? How could it be segmented? Where would you place Ocean Park ‘ s merchandises and services? Where would you place the rival ‘ s merchandises?

Ocean Park is a portion of amusement and subject industry. Its market is households with kids. Disneyland – hereafter rival – applies to the same market. Despite this, Ocean Park has its ain niche – visitant from Midland China.

Internal Environment

-What resources and capablenesss does Ocean Park hold?

Resources (what a house has) :

1) Tangible:

-financial – providers of money (private and authorities loans) – expected HK \$ 5, 6 billion investing ; HK \$ 145 billion economic effectivity ; surplus from operations in 2004 was HK \$ 182, 2 million on grosss of HK \$ 536, 2 million? ? ? ;

-physical – Sea World, marine life and existent animals: 35 drives and attractive forces ; 3 hotels ; favourable and convenient location on the southern side of Hong Kong Island ; broad scope of new activities, such as the Abyss Turbo Drop bang drive, seasonal and particular events, popular water-related activities, synergistic activities with animate beings, “ edutainment ” plans, successful Sea Jelly Spectacular and so on.

2) Intangible:

- long-time repute of park with authorities, clients,

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-new trade name – sea king of beasts named Whiskers ;

-cultural heritage of Hong Kong

-great figure of perennial visitants

3) Homo:

-37, 100 employees, their accomplishments and cognition ;

-Thomas Mehrmann, new CEO of Ocean Park, and his old experience at US-based Six Flags Corporation ;

Natural and wild life focal point (Synergistic activities with animate beings)

Diversion and instruction

Capabilities (what a house can make)

-New merchandises, installations and services development capableness – continually adding new characteristics and attractive forces (such as: a new roller coaster, a subzero Ice Palace, 7. 6 million litre fish tank with an underwater eating house, excess 33 animate beings species, the figure of drives doubled to 70) , so, go a close hereafter one of the best marine-based subject park with strong connexion with nature ;

-Keeping park attractive forces fresh, fresh and exciting, while minimising costs ;

- research and development, selling and gross revenues capableness:
program to renovate and rename Ocean Park ' s 2 major countries (the Lowland and the Highland) , new hotels to be developed, including a five-
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star dress shop, spa-type hotel - this renovation program would be completed in 2012! ! - recommendation portion excessively! ! , program to open offices in the major urban countries of Guangzhou, Beijing and Shanghai to heighten promotional activities in Hong Kong and pull more mainland visitants

-new incentive compensation, that linked employee compensation to the fiscal public presentation of park

-What might be the competency of Ocean Park?

Core competencies - resources and competencies which are both valuable to clients and hard to copy

-distinctive work civilization, with its ain norms and patterns

-local market trueness

-unique SmartFun Annual Pass plan

-cultural facet (cultural heritage of Hong Kong) , orientation on specific market segment-mainland Chinese visitants,

-long-term repute, distinguishable Chinese features

-powerful trade name

-customer trust

-primary focal point of OP on existent nature and wildlife in contrast to Disney ' s strengths in sketch characters, palaces, practical world and phantasy

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-focused on instruction and the unrecorded animate being attractive forces

— one of the cardinal elements that will distinguish it from Hong Kong

Disneyland when it opens in 2005. (from Echo ' s articles)

-cost and distinction of merchandise (continually adding new characteristics and attractive forces every bit good as monetary value advantage over

Disney encouraged visitants to return to the park)

-The aerial ropeway that takes visitants from the entryway side of the park

over a hill to the remainder of the attractive forces has become a Hong Kong

touristry icon-is it still true? ? (from Echo ' s articles)

Competitive advantage is explained by the peculiarity of its resources and

capablenesss, by offering clients greater value by agencies of lower

monetary values or greater benefits and service

Competitive Advantages of Ocean Park over Disney:

-long-time repute, -hometown favourite,

-cultural heritage of Hong Kong, orientation largely on visitants from Midland China

-first-mover advantages

-no need to prosecute in high-profile advertisement and promotion, rely more on word-of-mouth

-more diverse and broad scope of merchandises (including Sea World, marine life, existent animate beings plus 35 drives and attractive forces)

- monetary value advantage: the admittance monetary value for Disneyland is expected more than twice higher for kid and one and a half higher for grownup than monetary value of Ocean park. And visitants from mainland China are really monetary value medium. SmartFun Annual Pass plan with limitless admittance to the park for its holders within a twelvemonth, and discounted monetary values for nutrient, keepsake

-Infrastructure - 3 hotels had been constructed comparing to 2 at Disney.

-orientation non merely on amusement, but besides on instruction of visitants,

- differentiating by concentrating on ecology and preservation issues

-recognizable trade name

-In add-on to all the American merriment at the park, traditional Chinese vacations are still observed (Chinese New Year)

-Disney has its characters, but we have flexibility to blend and fit and convey in other amusement (from Echo ' s articles)

-Does Ocean Park construct its scheme on its resources, capablenesss and competencies?

Yes.

Importing of more species

Water/Sea-related building

Hotel-better diversion

-Are they sustainable? How can they be developed?

Sustainable to some extent, but with some restriction.

For illustration, it may confront the resistance from environmental group.

They ca n't rely merely on resources, capablenesss and competences-they need to be developed, innovated and refreshed, because they may get down to look dated and shabby for their visitants.

SWOT Analysis

Positive impact

Negative impact

Internal environment

Strengths

-Diversified and broad scope of amusements (bangs, animate beings, seasonal and particular events)

-product line revamp

-Highly linked with civilization of mainland Chinese visitants, knows their demands and behaviour

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-the chief, oldest and most celebrated amusement park in the state (long-time repute, hometown favourite) ,

-cultural heritage of Hong Kong,

-28 old ages of operating as a close monopoly

-no need to prosecute in high-profile advertisement and promotion, rely more on word-of-mouth

-strong concern connexion to the local authorities (support from the authorities of Hong Kong and mainland China)

-renovation of the park ' s trade name image

-mascot as a trade name

-previous experience of Thomas Mehrmann (new CEO of Ocean Park) in subject park industry (at US-based Six Flags Corporation)

-local market trueness

-positive image of park

Failings

-Located on a hills-hard to acquire to some riders-that ' s why visitants experienced drives merely one time.

-different installations are old and un-attractive and need renovation

-a batch of activities depend on conditions? ? ? -ask Echo about it

-no significant capital investing

External environment

Opportunities

-focusing on presenting mainland China ' s visitants every bit good as foreign visitants

-development of new transit South Island Line (when? ? ? -check case-and ask Echo about it) that would do convenience and fast entree direct to the Park for the foreign and local visitants.

-plan to construct a mass theodolite railroad (MTR) station to link OP to the metro grid

-the development and betterment of the amusement machinery can impact the services and characteristics of the organisation and its relationship to their foreign visitants.

- rise the criterions of park with Disneyland reaching

- fosterage sponsorships

- program for constructing new hotels (dress shop and spa-type) - orientation on luxury touristry - new market section

Menaces

-economical instability (such as the Asiatic fiscal crisis of 1999-2001, lasted for 3 hard old ages for OP) , eruption of different diseases, such as Severe Acute Respiratory Syndrome (SARS) in 2003 (Both these factors can impact

figure of visitants and their purchasing behaviour, declining the park fiscal state of affairs)

-arrival of Disneyland Hong Kong

-OP was situated on valuable existent estate: it could be shut down and its land could be sold off for other recreational or commercial intents.

Recommendation - p. 6-7! ! !

(urge to utilize this concern connexion for future intents, such as constructing a metro line for the visitants (it ' ll go on in 2007) . Say, in 3 old ages

Construct a mass theodolite railroad (MTR) station for connexion to the metro grid. Till 2015)

(urge to get down invention procedure, it will take about 6 old ages) . Say, in 5 old ages