

# [Destination marketing plan](https://assignbuster.com/destination-marketing-plan/)

### 1. Background (270)

China has become one of the world’s most important tourist destinations since China adopted its ‘ open door’ policy in 1978. And the self-financed international leisure travel has been made possible since the early-1990s. Chinese outbound travel grows fast after that and jumped to 31 million by 2005 (Breakey, Ding & Lee 2008). The current growth and future predictions of outbound travel from China had impacts on global travel for numerous countries, including Australia. Whilst North Queensland (QLD) region has been one of the fastest growing tourist destinations for both domestic and international travel markets and the industry environment has been recognized as a dynamic business system subject to the influences of global circumstances, government and business priorities, changing communities and market trends. In recent years, international marketing has become an important issue in tourism industry. The Tourism White Paper, which was released by Australia Government in 2003, emphasized the importance of international marketing. To ensure an effective and successful international campaign to attract international tourists, governments have invested significantly in international marketing. Funding for the improving the international marketing has averaged around $92 million per annum for Australian Tourist Commission over the past 5 years, and the Australian Government commits significant additional funds to tourism through the Department of Industry, Tourism and Resources regional development and business assistance programs (Tourism White Paper 2003, p: 4). In response to this travelling potential of China and the increasing competition of the tourism industry, this marketing plan developed to improve international marketing strategies and effectiveness, increase North Queensland’s international competitiveness as a tourism destination and increase Chinese visitation across North Queensland.

### 2. Goal Setting \_ Mission (47)

This strategy is developed as a destination marketing plan aiming at attracting Chinese tourists to North Queensland. The plan is a market segment strategy that delivers on the vision and actions and provides marketing advice to tourism bodies across South East Asia.

### 3. Marketing Audit (1374)

### 3. 1 North Queensland Tourism Audit

In tourism industry, the comparative strengths or weaknesses for destination are the products, services and amenities available to the tourism visitor. It is therefore necessary to consider what range of products and services are currently available to visitors within the North Queensland region so that gaps can be identified and strategies developed to fill these gaps. The tourism audit process has been undertaken using a combination of sources including data of Tourism Research Australia as well as searches of tourism literature.

#### 3. 1. 1 Accommodation Profile

There is a wide range of accommodation available in the North Queensland including hotels, motels, backpacker/hostel, luxury, resorts and apartment accommodation, self-catering, caravan parks and camping grounds. Smits (2004) reported that almost 25% of all accommodation establishments in Australia are in Queensland and around 17% of Queensland’s stock is held within Tropical North Queensland, with no less than 78% of this is located in either Cairns or Port Douglas. There are over 10, 000 available guest rooms in North Queensland which vary from serviced apartments and short-term hire residential villas, as well as a limited complement of luxury resorts and several new luxury resorts currently under development.

Serviced apartments and holiday flats and units are continued increase in room supply; however, the boost in available hotel rooms was not met by growth in room nights sold, which remained stable in 2007. Consequently, the room occupancy was declined by 3 percentage point in the year 2007. While the room occupancy for serviced apartments was falling, those kind of apartments were the only form of accommodation in Tropical North Queensland to have strong growth in room nights sold, with an increase of more than 5 percent. The average daily room rate for the Tropical North Queensland region remains above the Queensland average, ranging from $109. 25 to $172. 04. However, the occupancy rates of Tropical North Queensland in 2007 were below the rates of rest in Queensland.

#### 3. 1. 2 Transport and Tours

Like the accommodation, there are a number of varying and different types of transport and tour can be utilised through the North Queensland, which include coach, coach, varying water-based options and aviation. Major access to the area for international tourists is aviation services. The international seats to cairns downs 21 percent on last year with 9 percent average annual decline from 2004 to 2009. In the year 1985, the Cairns Airport has developed as an international airport based on the tourism attractions of Tropical North Queensland, which is the second most visited destination by international holiday visitors to Australia (Prideaux 1999). However, until now no direct international services are available between mainland China and North Queensland. Chinese visitors are presently required to either transfer flights at Hong Kong or transfer upon arrival to Sydney, with several hours of undesirable backtracking.

Getting about Tropical North Queensland is easy, with varying mode of transport including rental cars, bus services, taxis, limousines, aircraft, boats and trains. Bus shuttle services are regularly available to pick up and set down travellers at most hotels and accommodation establishments. Besides, private transfer buses are offered in many hotels and motels. The Limousine Fleets is unique in North Queensland, with excellent service and sight seeing. Major Car Rental companies are represented at the airport and many additional rental companies have offices in Cairns and other major towns around North Queensland.

#### 3. 1. 3 Attractions and Natural Resources

Attractions and Natural Resources are an integral part of the tourism product for any destination, including North Queensland. There is a diverse range available for the tourist spread throughout the North Queensland, including the Cassowary Coast, the Tablelands, Cairns and surrounds, Port Douglas, Mossman, Daintree National Park, Cape Tribulation, and, of course, excursions to the Great Barrier Reef and World Heritage listed rainforests. These attractions provide a blend of activities such as the opportunity to relax and to do heaps of activities in spectacular natural settings as well, which encourage tourists to increase their length of stay or act as a motivation in drawing visitors to the region. The attractions are mainly based around the attributes including: World Heritage reef and leading reef experiences, Tropical splendour and climate, World Heritage rainforests, national parks and wildlife, Savannah, Tablelands/highlands, Islands, Luxury resorts and service, Local tropical cuisine, Aboriginal and Torres Strait Island, which will be discussed later in this report.

#### 3. 1. 4 Summary of Activities

Following the audit of the tourism assets in North Queensland, it is identified that the region provides the following activities:

#### 3. 1. 5 Visitor Information Centres

Visitor Information Centres (VIC’s) is an important issue in the contemporary tourism industry which plays a significant role in the dissemination of information to visitors travelling within the local area. A key goal of tourism marketing is to encourage visitation by tourists to local operators, including accommodations, tours and attractions and to facilitate longers stays within the region. Fesenmaier (1994) stated that the tourist information center acts as one of the most important communication channels with which to modify travellers’ behaviour and to educate travellers about the benefits of visiting the state, and consequently attracts them to increase the number of days spent in the regions as well as the level of visitor expenditures. There are a number of significant VIC’s in major tourism areas throughout North Queensland such as Cairns, Cairns Beaches & Palm Cove, Port Douglas & Daintree, The Cairns Highlands, The Reef & Tropical Islands, The Tropical Gulf Savannah, Mission Beach & The Great Green Way, Cooktown & Cape York Peninsula, and Australia’s Tropical Rainforest that have large visitor volume.

### 3. 2 China Outbound Tourism Overview

#### 3. 2. 1 China: Outbound Tourism Trend and Visitors to North Queensland

According to the research conducted by Graff and Hu (2008), with more than 13 billion people, at least 159 million people have an enough income level to afford travel abroad. China registered 28. 85 million outbound travellers in 2004, 34 million in 2006 and 41 million in 2007 (CNTA 2007). According to the statistical analysis of Tourism Research Australia (2008), China is Australia’s fourth largest inbound market, with 356, 428 visitors from China traveling Australia in 2008. Main purpose of Chinese visitors traveling Australia is holiday, visiting friends or relatives, business and education. In fact, China is forecast to be Australia’s largest source market by 2017 (DITR 2006), with almost one million expected arrivals by 2015 (TA 2006) and over two and a half million predicted for 2025 (DITR 2006). The top five destinations for Chinese passengers in 2001 were Asia, Europe, Americas, Oceania and Africa. Among them, there were 56, 000 Chinese visitors traveled to North Queensland, accounting for 7% of international visitors to the region (Tropical North Queensland Regional Update 2007). New Zealand, Japan, UK, USA, China and Europe account for 86 percent of international visitors to North Queensland. In contrast to the decline in Japanese visitors to North Queensland, there was a significant increase in visitors from China traveling North Queensland, up 30 percent trend, from 2006 to 2007.

#### 3. 2. 2 The New Holiday System from 2008

The School vacations take place around winter, 4 weeks in February, and in summer, July and August. From May 2008, new public holidays were introduced. Following the list of new holiday system from 2008:

### 3. 3 International Promotion

Tourism Tropical North Queensland (TTNQ) and Tourism Queensland (TQ), in partnership with the local tourism industry, are currently responsible and undertake marketing activities for Tropical North Queensland (TNQ). Tourism Australia (TA) is seen as the key players in international marketing, it is important that TQ, TTNQ and tourism operators contribute to the promotion of the destination in Chinese tourism market. The international marketing activities are focused on the major agencies in Beijing, Shanghai and Guangzhou and marketing aspects including the development of a unique brand based on nature and wildlife; advertising on television and print, online campaigns, television programme and film such as The Australia. The media in China is not fully privatised and is usually controlled by government. All legal television, radios and new agencies are owned by state and controlled by government. The internet usage has been booming in the past decade. The internet content is under a high degree of censorship and restriction from government. The main internet portals in China are sina. com, sohu. com, 163. com, online. sh. cn, tom. com and 21cn. com.

### 4. SWOT Analysis (534)

The following situational (SWOT) analysis is a summary of the perceived Strengths, Weaknesses, Opportunities and Threats of the North Queensland. McDonald (2002) argued that a SWOT analysis is a useful way to organize the major findings since as provides an opportunity to impartially assess the competing business environment. It is important to clearly identify these elements since they formulate the platform for the marketing strategies to be achieved based on equipped with the region’s capabilities relating to the market.

### Key Discussions in SWOT

North Queensland has diverse landscape and unique World Heritage Areas including the strengths of a sense of security, sightseeing opportunities, beautiful beaches, and opportunities to visit the Reef, adventure opportunities, the option of seclusion, rainforests, and untouched natural environment. Moreover, internationally recognized icon the Great Barrier Reef, world Heritage listed, enjoys a strong reputation in China and excellent word-of-mouth, which is important factor in Chinese decision-making.

#### International Competitors:

Regarding with Chinese target market, the major competitors of Australia are European Union and America, which representing western culture like Australia. The official count of Chinese traveling to Europe from the China National Tourism Administration (CNTA) was 1. 8 million in 2005, comparing only 0. 25 million for Australia in the same year. USA is always the list of top ten destinations for Chinese, with the advent of a bilateral agreement signed between the US and China in 2007.

Chinese visitors traveling to America can be mainly attributed to multi-culture society, diverse civilization as well as its good price of luxuries. However, the growing Chinese community in Australia, due to the increase of immigrants and international students, provides the opportunity for Visiting Friends and Relatives travel and helps to ensure Chinese visitors feel at ease in Australia.

America is considered one of the favorite destinations for Chinese, regarded as its diversity culture and exciting nightlife as “ Ever Bright City”. Graff and Hu (2008) pointed out in their report that Chinese visitors gain positive experience in Hawaii from such things as access to casino’s, to luxury goods and to its exciting nightlife. Compared with America, Chinese people thought Australia as a destination with less exciting things. However, Australia is regarded as more safety than America and the positive image continues to grow.

#### National Competitors:

Sydney Opera House, the Great Barriers Reef, and the beaches of the Gold Coast are registered as the main attractions of Australia. Consequently, the Gold Coast is regarded as the main national competitors of North Queensland, considering its similarity of destinations with beaches, and both of them are thought as coastal tourism, which providing tourists with beaches, diving and surfing. Gold Coast offers Australia best theme parks, such as Dream World, Sea World and Movie World. In contrast, North Queensland has its strengths, offering more combinations of nature and wildlife.

#### Opportunity:

The aviation development of Cairns international airport increases the access, which means more opportunities.

#### Threaten:

America’s weakened currency against the dollar attracts more Chinese tourists, considering its lower price of the inclusive package as well as the good price of products shopping in America.

The New holiday systems, which changed two long-haul holidays into short break, encourage Chinese people traveling closely to their home instead of outbound tourism.

### 5. Planning Assumptions (177)

Whilst there are some external factors that beyond control, in this report a number of points have been identified disclosing any assumptions made. These are listed as following:

1. There are no significant political conflict between China and Australia government. It is the fact that there has been a gradual liberalization of the travel market. However, the Chinese government still maintains a high degree of power in term of controlling over outbound travel by its citizens.
2. The economic environment is favorable in China, no serious financial crisis in recent years.
3. Australia is seen as a ‘ safe’ destination to travel to by Chinese tourists.
4. There is no significant increase of Chinese dollar exchange rate against Australian dollar.
5. The comfortable climate, stable politics, clean water and unique tropical resources are not changed duo to undesirable reasons such as climate change.
6. The importance of the Chinese outbound travel market and the continued growth forecasts has not changed, with increasing attention focused on the characteristics and travel behavior of outbound Chinese tourists by government and academia.

### 6. Strategy Formulation (1656)

#### Market Evaluation/Market Research

Since Australia was the first western country to be granted Approved Destination Status (ADS) in 1999, the visitor numbers have been continued increase, consequently China entering the Top Five visitor source markets in 2004. Commonly travellers can be segmented by the two main purposes of travel which are official, business and leisure travel and three main markets including Seniors, Families and Young People (Du & Dai 2005).

#### 6. 1 Leisure travel

#### 6. 1. 1 Seniors

The Seniors’ market accounts for about 15 percentage of the total population of China and growing in number. Since the retirement age of China is 60 for men, 55 for women, which is fairly early, seniors are still healthy and have time to travel, with good savings levels to finance their travel. This market segmentation is likely to traveling on inclusive packages and during the off-peak seasons due to their limited English and appreciated tour guides. Cooperation with travel agency in China is very important when marketing targeted in this segments.

#### Travel Agency in China

According to the survey conducted by Du and Dai (2005), more than 80 percent of Chinese outbound tourists travel Australia on inclusive packages during their long-haul holidays. By 2006, there had been more than 15300 travel agencies in China, among which 672 are permitted to handle outbound travel (CNTA 2007).

#### Key issues:

TNQ has been packaged with a number of different destinations including the Gold Coast, Brisbane, Sydney, Northern Territory and Melbourne. Based on the analysis above, North Queensland needs to continue to develop its packages and marketing to the Chinese travel agencies, considering the feature of Seniors’ market that they prefer traveling in group and are usually organized by travel agency.

Besides, this age of Chinese is more likely to watching television program. It will be great if a television program or advertisement relating to North Queensland is announced during the period of their TV time, 8 to 10 o’clock in the evening. Recalling in the year of 2003, there was a television program, Triumph in the Skies, contributes to the good reputation of Australia, especially Adelaide because of its nature beauty in the program. (http://en. wikipedia. org/wiki/Triumph\_in\_the\_Skies)

Furthermore, the Seniors’ market always subsidized or suggested by their children who want their parents to see the world. Achieving recognitions of their children is also helpful in attracting Seniors to North Queensland.

Product: The Seniors group is usually interested in sightseeing, shopping (gifts for friends), meals, services, and amenities related to their home country. The product developed should concentrate on these aspects aiming at increasing satisfaction with North Queensland holiday; moreover, these factors should be promoted among marketing in Seniors.

Pricing: The good price of package is vital in Senios’ market decision-making of destination. Since the major competitors within this group are Europe and North American, the price of the package tour would better lower than Europe and North American’s.

Promotion: Key Brand/Positioning Message: 1) Gateway to one of the seven wonders and World Heritage-listed rainforest; 2) North Queensland offers a range of nature-based and soft-adventure holiday options, providing life-enhancing tropical moments; 3) Good price comparing to Europe and North America.

Marketing Methods: Campaigns, Television Programs, Advertisement Promotion through travel agencies in China

#### 6. 1. 2 Families

Families’ market is the group with some high income families traveling abroad annually, or even twice a year. Du and Dai (2005) reported that family travel is growing and Southeast Asia such as Japan is a popular destination for family travel because of the good prices, close to home and convenient for shopping. The opportunity of North Queensland to this target market is to lifting the profile for shopping of luxury and business tourism combined to the key brand of North Queensland, considering the features of this target market. The new holiday system mentioned above should be taken into account since traveling with families during the holiday is considered a popular choice for spending time together and an educational experience for child as well.

Shopping is one of the highlights of traveling abroad, since the prices of luxury of commodities are usually at least 20 to 30 per cent higher in the mainland compared to Hong Kong or Europe due to the high import tariffs and consumption taxes. Chinese consumers are generally price conscious and pretty likely to seek the lowest price when they consuming luxury goods. Graff and Hu (2008) pointed out that Europe is considered one of the favorite destinations for Chinese, regarded as a multi-culture society and diverse civilization, and of course its good price of luxuries contributing to the popularity among groups with high income. Shopping of luxury goods is an important aspect of Families’ market, especially the females. Since the price and variety of luxury price is hard to compete with Europe, the cooperation with Hong Kong makes the goal possible. North Queensland can promote the campaign of traveling package including North Queensland and Hong Kong. Firstly, most Chinese have to transfer from Hong Kong or Sydney, because there are not direct accesses from mainland China. If they are permitted to shopping for several days during their transfer, the inconvenience of lack of direct access is properly declined and more important, it increases the desirability of traveling North Queensland. While the males from Families group usually are successful business men, boosting the number of business events and providing business opportunities and views ill increase the pull factors of North Queensland, regarding to the males of Families’ group.

Key Brand/Positioning Message: 1) Gateway to one of the seven wonders and World Heritage-listed rainforest; 2) North Queensland offers a range of nature-based and soft-adventure holiday options, providing life-enhancing tropical moments; 3) Luxury Shopping and Business events, opportunities and views.

#### 6. 1. 3 Young People:

The youth market, aged 25 to 35, is also on the rise. This segment may include students who go overseas during their summer holidays, honeymoon couples and others who travel overseers during their long-haul holidays. According to the research which conducted by Du and Dai (2005) analyses that this kind of group usually prefers adventure tourism and enjoys Free Independent Travel.

Queensland offers significant opportunities for adventure tourism development and is Strategy has been developed. Queensland Adventure Tourism Action Plan 2008-2010 has been proposed aims to provide industry stakeholders, government and Tourism Queensland with a clear direction for the future development and marketing of the adventure tourism segment over the year 2008 to 2010. The product of adventure tourism in North Queensland is variety including Aviation (scenic/joy flights), Ballooning, Bungy Jumping, Scuba Diving and many more.

By the late-1980s, Australia had become the number one honeymoon destinations in Japan and the position still remains until now (Australia-Japan Research Centre, 1992). And now China is forecast to be Australia’s largest source market by 2017 (DITR, 2006), the honeymoon tourism will be an great opportunity for North Queensland, considering its good reputation among the youth which recognized it as pure, natural and unpolluted destination.

Since the word-of-mouth and social media are considered an important information source for the youth, they should be seen as the major sources when promoting North Queensland. Travel research consistently shows the importance of word-of-mouth (WOM) information sources in the process of destination selection, such as Murphy, Mascardo and Benckendorff (2007). The information from friends, relatives or other travelers will influence and determine consumer behavior. So it is important to increase the visitors’ satisfaction with North Queensland holiday. On the other hand, the promotion of traveler’s good experience can lift the perceptions of the North Queensland and aims to attract more visitors. The popular social media in Chinese young people include MSN, KaiXin, Tianya and Sohu, where are considered as important channels to marketing North Queensland and dissemination of information.