

Competencies of the two amusement parks tourism essay



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The differences between the competencies of the two amusement parks are very significant to acknowledge. Ocean Park has its core competencies in nature and wildlife. This is very different from Disneyland. Ocean Park puts the emphasis on education and wildlife, hence combining education and an amusement park into their core competency. Where the amusement park gives the visitors an opportunity to view wild animals and beautiful scenery up close, which is a real rarity in urban Hong Kong. Ocean Park is also highly affected by the Chinese culture as they actively include Chinese festivals such as the Chinese New Year. Besides this they have seasonal holiday themes of Halloween, Easter holiday, summer holiday, Christmas, appealing towards more visitors. Hence, giving them competencies that cannot be imitated or obtained by others.

Resources

Ocean Park possesses various resources at their use. These resources are assets that build the amusement park. These resources can be looked in two aspects, resources that are tangible and resources that are intangible. Tangible resources are physical resources such as the wildlife, location of amusement park, employees and administration. The intangible are all the non-physical aspects that are present in Ocean Park. Examples of this are the image of the amusement park, administration leadership, day-to-day management principles, and knowledge and experience of the workforce. It is important that these resources are built so that they can be recognised as a set of unique resources. The combination of the wildlife experience and the non-physical assets, Ocean Park has unique resources.

Besides this, it is important to mention that Ocean Park gives the option of having purchasing the SmartFun Annual Pass (Ocean Park). This will give the holder of such a card unlimited admission to Ocean Park and all of its attractions. Also giving discount on food prices and souvenirs, as well as receive discounts at Ocean Park's business partners, which are numerous museums and Hong Kong Publishers. The reason for mentioning this is that, this is something Disneyworld does not offer. The idea behind the SmartFun Annual Pass is that the holders might be accompanied by new visitors, and as the visitors will not be paying entrance they are expected to spend money in others parts of the amusement park and hence boost revenue beyond the admission fees.

Strategic choices

Market segmentation

Business Level Strategy

It is important to identify how Ocean Park can compete successfully in the market that they reside in. Therefore it is important to have a look at the business level strategy. For this we make the use of the Strategy Clock (Cliff Bowman, 1995) model to identify the bases of competitive strategy for Ocean Park.

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The Strategy Clock model gives us an indication of competitive strategy options. We would mainly place Ocean Park on the option no. 2 " Low Price".

The reason for this is that Ocean Park must obtain a low-price strategy

(which they also intend to according to the case), in order to gain competitive advantage by having cost-leadership. This is mainly looking upon the potential visitors that Ocean Park will have, as they are recognized as very sensitive towards the price. However, it can also be argued that Ocean Park should be closer to a hybrid strategy. The reason for this is that it is a strategy that looks upon having a low cost base and reinvestment in differentiation. This is vital for Ocean Park to realize, as it is their competencies that must be differentiated in order to attract more visitors, hence gain competitive advantage. But this must be done on a low cost base. Differentiation as a business-level strategy (number 4) is not an option because this strategy chooses price premium as a pricing strategy, and Ocean Park cannot afford this.

In order to achieve competitive advantage by using the above mentioned strategies, then it is important that Ocean Park continue to differentiate themselves by using the competencies and capabilities that they have, to gain more awareness and an experience that other amusement parks cannot offer. The price issue is important, as the Chinese consumers are very sensitive regarding the price, so therefore the a price advantage must be present at all times to achieve competitive advantage. So therefore admission to Ocean Park must be cheaper than admission to Disneyland. As the main customers are from Hong Kong and Chinese mainland, it is important to work towards their best interest. Therefore the price is an issue, as well as the ideas and themes that Ocean Park comes up with. They must be appealing and worthwhile for the visitors. Last but not the least, the negative feedback from animal right organizations must be sorted out, as it

is direct negative press relations for the most important aspect of the Ocean Park, its wildlife and nature. Only then can they pursue with competitive advantage and gain more market share.

Corporate Level Strategy

A corporate level strategy is a strategic decision level at corporate level, mainly regarding diversification into a new product or geographic markets. The most important aspect of corporate level strategy is to recognise the strategic directions you as a company want to pursue. For this we introduce the Ansoff Matrix (Ansoff 1988).

In the matrix above, there are four different directions that can be taken, market penetration, product development, market development and diversification. We would consult Ocean Park to emphasise on the existing market and looking upon the “ products” that they currently offer, and maybe even look upon new “ products” that they can offer.

Market Penetration

This direction will enable Ocean Park to stay in the current market that they are in and offer the same existing products that they offer at the moment. This will enable Ocean Park to build on its existing strategy competencies and capabilities without venturing into uncharted territory (Johnson, Scholes, Whittington 2009). This is an obvious strategy as it gives Ocean Park the chance to grow, to penetrate the market, and that is exactly what they require, to gain more market share. In order to do this, they will have to be more aggressive if they wish to penetrate the market. A more aggressive

pricing strategy is a perfect aspect to look at. They can also be more proactive and develop their current themes and rides more aggressively, hence investing more in their existing products that they can offer, this can result in Ocean Park being more appealing and therefore attracting more visitors. However a constraint of the market penetration direction is that it can easily result in the competitor retaliating. If Ocean Park starts to actively seek aggressive options to penetrate the market, this can easily trigger Disneyland to retaliate so that they can defend their market share.

Consolidation is an aspect that is also present under the first option, Market penetration. However, it does not support the idea of growth. Consolidation is where Ocean Park can focus on defending their market share with their current products. In order to not grow and still obtain the same amount of market share, Ocean Park will have to look at differentiation strategies, however this is not recommended as growth is vital in order to compete with Disneyland. The last option is also downsizing or divestment (Johnson, Scholes, Whittington 2009). This is not an option as this will result in the downfall of Ocean Park.

Product Development

This option is also very interesting for Ocean Park. This gives them the option to reside in the same market, but to develop their product line with new products in order to appeal towards a greater consumer base. This however, requires a great deal of innovation. This will be required by Ocean Park, to be more innovative in defining and developing new rides, concepts of hotels

and restaurants and new technologies such as 3D and 4D. This will definitely appeal to more people; hence a potential market share is possible.

Market Development

If product development is seen to be too costly one other option is to use the same product line but introduce it in a new market. It is required that new segments must be identified, in order to enter an entire new market. This could be an option, however, it seems hard that the same products will be able to appeal towards newer segments in the Hong Kong area. A new geographical location can be considered, in Ocean Park's case it will have to be a new country. This will require a successful internationalisation strategy. However, this is not recommended, as this will require massive capital investment and use of time and resources. Therefore growth in the existing market is recommended.

Diversification

This will take Ocean Market away from both its current products and market. This is therefore not an option at all. This will require a new concept and a new market; therefore the organisation Ocean Park will not exist anymore. Therefore competing against Disneyland will not be an option, as you will leave the market entirely and give your market share to Disneyland.