BUSINESS STARTUP IN AUSTRALIA’S TRAVEL AND TOURISM INDUSTRY

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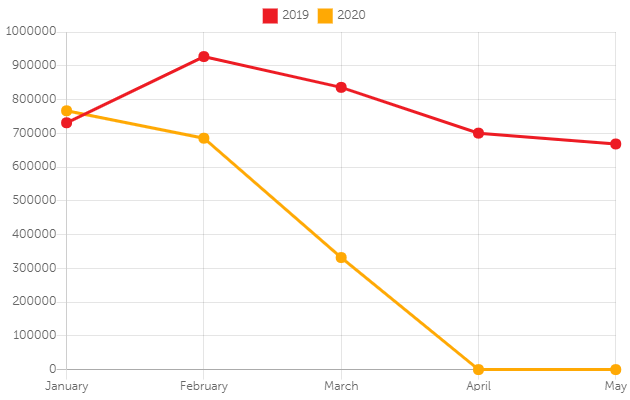
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**INTRODUCTION**

Corona virus perhaps may be the deadliest calamity to hit the world as a whole in the 21st century. The various sectors in the society either social, economic or political have all been impacted to a major extent. According to the world health organization (WHO), the social and economic disruption may lead to tens of millions of people to falling into extreme poverty by the year end. A framework developed by the United Nations continues to warn that covid-19 is more than a health crisis and while it will impact countries in different levels, it will certainly lead to rise in poverty and inequality on a global scale. The matter of sustainable development goal will then have to be urgently addressed.



During this pandemic period, countries resorted to border closure in order to contain the spread of the disease. This meant that international travel business was down a hitch as shown in a graph from a survey by Auto & General Services Pty Ltd. In line with this, the world travel and tourism council has estimated a loss of 50M jobs across the tourism and travel sector. Particularly in Australia, the government is struggling to keep the $80 billion tourism business afloat. A percentage estimated to be one among thirteen Australians works in this industry. This means if it were to go down the drain, a large majority of people would be rendered jobless and this would translate poverty and undernourishment. A tool to address this problem otherwise known as a business model canvas can be used to communicate a stipulate plan to the government, investors and stakeholders on the way forward for tackling the issue of deployment. Either of this parties have a role to play in reviving the tourism industry i.e. the government is mandated to ensure healthy competition within the sector and discourage monopoly. This will ensure an equal distribution of resources which translates to equal income. The government can also provide incentives such as loans and grants to finance the failing industries. Ambassadorial offices across various countries have a duty to promote and encourage other people to visit Australia by helping them acquire travel visas. As for the investors and stakeholders, they have a duty to support development like hotels and private beaches and can also act as financiers of the businesses.

**CONSTRUCTING A BUSINESS MODEL CANVAS**

A business model canvas comprises of various aspects which help to summarize a business plan divided into classes;

•Key partners; this are the relationships a business has with other entities such as, other businesses, governments, and also non consumer entities. These relationships can also be between the company and its consumers, suppliers and manufacturers. Generally these are the backing forces to your business success, if you were to replace them by yourself then the business would be inefficient. The types of partner’s are four. First are the strategic alliances between the noon-competitors this is a symbiotic relation between you and a company that you are not in direct competition with. For instance a tourism organization and a vehicle repair company. This case can also be similar between countries. A research shows that the main visitors to Australia are from China, New Zealand, United States and the United Kingdom. Second is the coopetition, which is a relationship between competitors. This is a relationship aimed at creating awareness between two competitors. Thirdly are joint ventures with the aim of rebranding. This is where companies join with the aim of creating a new and more profitable business. Lastly are the buyer-supplier relationships which are based on trust, quality and commitment.

•Key activity; this is the representation of what the organization does to make the model canvas meaningful. For instance in the tourism sector, this could be transport, catering and accommodation among other activities depending on the organization. Some activities may vary depending on the nature of the business. The best model finds an area where they are uncontested for this block. This area is determined by cost, valuation and the consumer’s perspective. The aim is to define key activities that will make the company stand out among its competition. This strategy can be broken down into five phases, first is the awareness, where the organization makes their idea public conscious. Second is evaluation, this is where you make out a system where the consumer can try the product. Thirdly is the purchase upon successful trial by the consumer. Fourth is delivery, which defines a unique way of getting the product to consumer and lastly the customer support to solve any upcoming issues. The tourists will normally want to come and see the beautiful sceneries of the Sydney Opera house, the Great Barrier Reef marine park, Blue Mountains national park and many others.

•Key resources; this is not always money. Most people think resources are always about capital but that is not always the case. Resources create value for the business. This resources are categorized into; physical resources these may include buildings for accommodation and restaurants and transportation vehicles, human resources which includes drivers, marketing experts, construction workers and entertainers among others, intellectual resources which may be your customer database, patents, and copy rights among others, Financial resources for capital and natural resources such as blue mountains, Daintree national park, kangaroo island and cultural resources the Melbourne, Sydney Opera house and Sydney harbor bridge

•Value proposition; value proposition make the case as to why a consumer should pick your tourism company over the next. This block catalogs the uniqueness of the business. It is important for this quality to meet a certain need. For instance the Sydney harbor bridge construction is the largest steel arch bridge in the world. Two railway lines extend over the bridge, as well as eight lanes for road traffic, and the direction of each lane can be switched to accommodate traffic flow. Tourists enjoy a spectacular view of the Sydney city and harbor.

•Customer relationships; this is the relationship of a company with a specific segment of its consumers. This block focusses on acquiring customers, keeping them and eventually boosting sales. In this block you identify the needs of the customer, for instance, the environment, the service and interactions. Then define what you can provide, followed by evaluating the costs of these relationships and lastly integrate them with the business. The tourists will want to enjoy the value of their money and should be worthwhile to visit Australia.

•Channels; in this block the company devices ways to communicate with their customer segment and make their proposition. This can be accomplished through their own channels or partnering with other communication channels. A channel helps raise awareness, provide an evaluation chance to the consumer, allow purchasing of services, and provide value proposition and also maintenance and post-purchase support. Advertisement through online platforms as well as use of ambassadors can go well along in promoting the culture.

•Customer segment; this is the target of the tourism industry which is both local and international. It is key to target profitable consumers. In this block a tourism company should determine what the business block should be. The types of segments include, the mass market, with a broad spectrum of business needs aimed at attracting everyone, a niche market that targets only a specific class, segmented market which targets a couple of distinct groups of customers, a diversified market which is same as the segmented market except the value proposition for the distinct segments differ and lastly the multi-side which cater for interdependent customers. For the tourism sector which has both local and international market the diversified market would be suitable due to cultural differences in terms of hospitality, food and beverage and tours and travel.

•Cost structure; this is a description of the costs that will be incurred which include employees, activity costs and the required infrastructure. Thus block can be broken into various types, example value driven; which focuses on maximizing the value worth of the customer, cost-driven whose focus is maximum cost reduction. For the tourism industry the value driven approach is the best way to go, costs will be incurred in renovation of guest rooms, travel cars and product advertisement, which will eventually provide a worthwhile experience to the customer.

•Revenue schemes; these represent the earnings from each customer segment. In the tourism industry these can be categorized into; usage fees where the customer pays for a service, this may include accommodation, water and the internet. Subscription fee, this applies to a frequent tourist who could be charged monthly or yearly and finally advertising fee, for people looking to target tourists for a consumer segment, since a satisfied customer who sees the value for their money will be a happy client to come back another day or recommend another customer.

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## In the past international tour and travel has been the norm of the world. People would not be troubled having to travel across the globe and interacting with others. In the “new” era of covid-19, things have had to change in order to contain the pandemic. The new era calls for new innovations to support and sustain the tourism industry. Some of the measures include;

* Encourage local travel. The government will want to urge its citizens to promote local adventure sites and take part in their cultural heritage.
* Assurance of traveler’s safety. Provision of guidelines and measures to combat the transmission of corona virus in terms of washing hands, sanitizing and maintaining social distancing may as well help restore the confidence of travelers.
* Use of virtual reality tours. This comes hand in hand with advancement of technology where people can take virtual tours through online platforms.
* Contactless payments. Use of e-mobile payments will reduce contact and thus it’s also a measure to curb spread of the virus.
* Etc.

At this moment, assurance of traveler’s safety may be a good measure but not very effective. A tourist may be reluctant to travelling and would rather opt to stay back at their current area of residence. Incase tourists come in, then Travel and tour comes hand in hand with accommodation and thus it is upon all the parties to ensure ultra-modern lodging facilities and recreational services are also available. Due to travel restrictions and grounding of airlines, this measure would perhaps have effect on the long run rather than the short period. Virtual reality tours as well is a sustainable measure but it limits the tourists from experiencing the real unfolding of events. To some extent the measure will boost to create employment for technology guys. Encouraging of local travel plus leisure with contactless payments may be the real deal. Australia is a land rich in geographical nature. The blue mountains, Daintree national park, the Great ocean road, kangaroo island and the Kakadu national park just to point a few are some of most popular sceneries across Australia. The citizens should be encouraged to participate in this breathtaking experience and the government can subsidize the costs associated with travel and entrance.

Tourism is a lucrative industry in Australia. In 2019, tourism in Australia accounted for 3.1% of the national GDP, contributing $60.8 billion to the Australian economy. The means that tourism GDP grew at a faster rate than the national economy. Of this, 26% came from international visitors to Australia while 74% came from domestic tourism

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