

# **Understand the Market And Respond Rapidly**

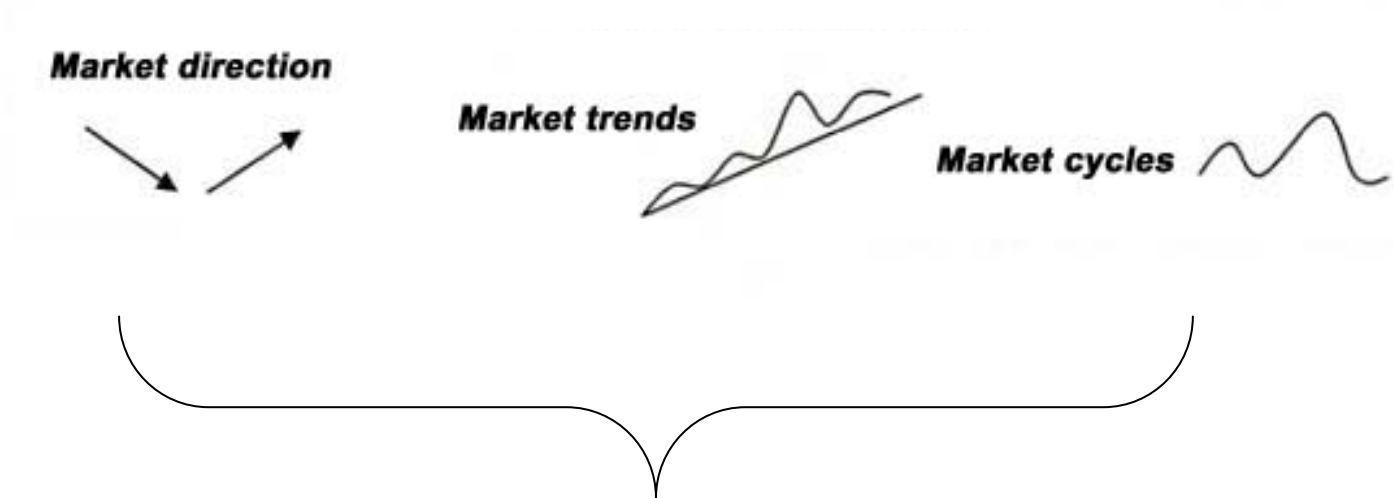
# Understanding the Market

## *Why do I need to know about markets?*

Understanding market activity is essential in making informed decisions, knowing when to buy or sell and capturing opportunities to capitalize on market fluctuations.

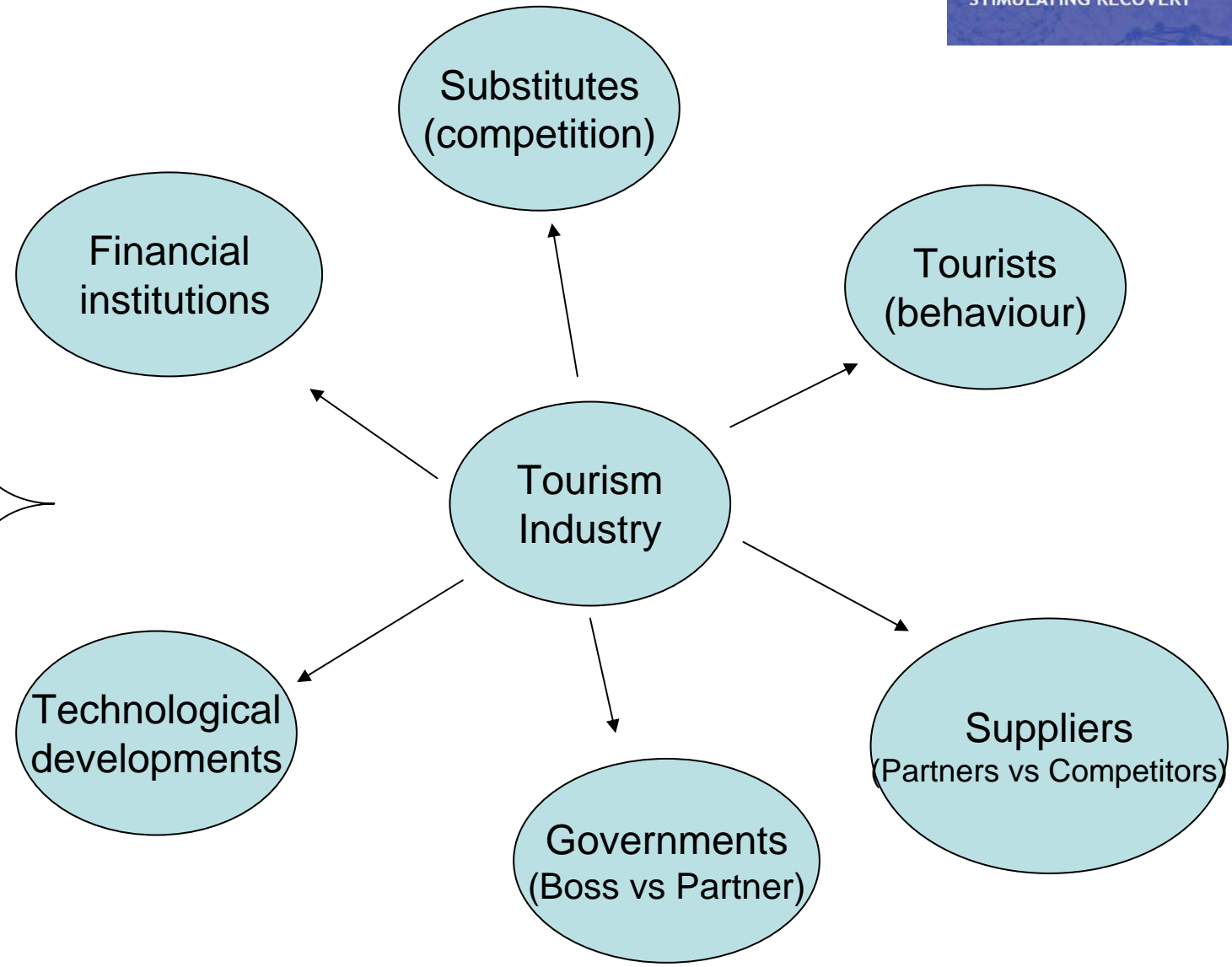
## *What type of market information should we pay attention to?*

Environmental Scanning helps you identify:



How clear are tourism market  
directions, trends and cycles  
today?

How does each of these forces contribute to today's tourism market fluctuations?



Could we have  
predicted this  
crisis?

“The **Financial Crisis Inquiry Commission** in Washington held its first hearing, at which the bosses of Bank of America, Goldman Sachs, JPMorgan Chase and Morgan Stanley provided testimony.

The commission’s ten members were appointed by Congress **to investigate the causes of the crisis** and publish recommendations by December.

The bosses were quizzed about Wall Street’s pay structure, which they broadly defended. Bank **bonuses** will figure prominently in the quarterly earnings season.”

(Economist, Thursday January 14th 2010)

“American employers shed 85,000 jobs in December, many more than had been predicted, confounding hopes that **job losses** may be bottoming out.

A revision to November’s figure recorded a rise of 4,000 jobs for the month, the first increase in almost two years. America’s unemployment rate remained steady at 10%, as more people dropped out of the workforce.

Meanwhile, **the unemployment rate in the euro zone crept up to 10%**. Youth unemployment in the 16-country block was 21%.”

(Economist, Thursday January 14th 2010)

... and its  
consequences  
for our  
industry?

Understanding  
the market today:  
Key ideas

- > **holidays this year will still be affected by the economic downturn**, but consumers will demand a more individual style when booking their trips
- > **people are still determined to travel** but are choosing how and where they spend their money much more carefully
- > **value will continue to be important**, whether that means creative online searching for great deals, exploring new destinations that offer currency advantages, or joining travel clubs for exclusive discounts

## Respond Rapidly

### *Why do we need to respond rapidly?*

*Knowing that it is the consumer who actually governs the tourism value chain, once we have sufficient information, we should move into action to capture opportunities and so capitalize on market fluctuations.*

### *What type of responses may be developed?*

In the short term, to capture opportunities and capitalize on market fluctuations we need to:

influence people to travel to our destination

maximise tourist spend and visitation throughout the country and deliver real economic benefits to regional areas, as well as major cities

conduct a range of consumer and trade marketing activities according to our focus and objectives within each market

produce 'market update reports' on our key tourism markets to provide an overview of our marketing activities as well as an update on current market conditions and outlooks

## PREPARING FOR LEANER TIMES

How do we play down money, and **emphasize strategic values (i.e. Green Economy)?**

## THE VALUES WE WILL NEED

How do we achieve a **renewed commitment to the community (partnerships)?**



## WHERE WILL MANAGERS GO

The most successful are **finding new niches born of change (innovative products)!**

## WHAT OUR KIDS MUST LEARN

What should our **children learn to thrive in a tougher world (Educating for Tourism Programme)?**

***The best way to predict the future  
is to create it.***

***(Peter Drucker)***