

# Current Situation of the Tourism Industry in Queensland, Australia under the Epidemic Based on Pestel analysis

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**Abstract-**COVID-19 has brought huge challenges to the tourism industry in Queensland, Australia. Tourists have fallen sharply, and tourism revenue has fallen by 73% compared to 2019. Tourism is an important part of Queensland's income. It is important to find some strategies to alleviate the negative effects. This article aims to analyze the current situation in Auckland through Pestel, and use the data in Domestic overnight trips to Queensland 2021 and Domestic Average length of stay to find out the characteristics and consumption patterns of Queensland's current main source of tourists. Comparing the profit margins and policy risks under different schemes, propose a possible way to try Auckland tourism to survive smoothly under the epidemic, hoping to help other regions with developed tourism under the epidemic.

**Keywords:** tourism industry, marketing strategy, marketing communication

## 1 INTRODUCTION

Queensland is an important Australian state covering the continent's northeast, it is flanked by Great Barrier Reef that the world's class coral reef system, and sunshine coasts, gold coasts as the surfing beaches. For a long time, the tourism industry was an important part of Queensland's economy, which generate retailing, accommodation, takeaway, restaurant meals, transport and recreation[1]. However, the COVID-19 pandemic has affected the tourism industry significantly, since the Federal Government announced a locked Australian international border in March 2020, and there is no expectation it will be reopened until at end of this year. Moreover, the Queensland government frequently introduced new traveling restrictions. As estimated by IBISWorld (2021), the Australian tourism industry will decline at an annualised 11.5% over the five years, and it is expected to recover over the next five years[1]. Due to the pressure of the economy, the Queensland government has to ease the continuous decrease in tourism revenue, based on PESTEL analysis that is a tool to help marketers to understand the external marketing environment[2]. The strategic management tool gauges macro-environmental factors. The results make decision-making much easier [3]. This report tries to understand how to save the local tourism industry in Queensland, as the roles of the Queensland tourism office, from the aspect of marketing. At first, it will use the tool of PESTEL analysis, and show these factors one by one. Next, it provides some key elements to promote the local tourism industry. The research in this article can help Queensland's tourism industry regain its strength, help more small and medium

businesses survive, and develop the local economy. At the same time, I hope that this article will inspire other tourist areas to operate under the epidemic.

## 2 FACTORS THAT HINDER THE DEVELOPMENT OF TOURISM

### 2.1 Political Factors

Political usually plays an important role for a business. However, the Queensland tourism office is controlled by the Queensland government. Before analyzing the political factors for Queensland tourism, it is important to indicate the Australian political system. At first, Australia has three levels of government that work together, but they have different responsibilities. Federal Government has responsibility for issues that affect all Australians, such as the international border in Queensland, Immigration, the communication services that might be affected by Queensland tourism[4] As shown above, the federal government close the international border, and there is no expectation to largely ease border controls at end of this year, as they announced[2]Moreover, the Federal government controls the arrival of new immigrations. Queensland government and tourism office cannot change these restrictions, which means Queensland have to face the decreasing of the number of international travelers, temporary visa holders who are still offshore. Furthermore, as one state in Australia, the Queensland government has responsibility for issues that affect people in the state, and delivers power to local councils that will not be controlled by Federal Government. To sum up, the Queensland government has the power to influence many parts such as public transport, community services, social welfare, forests, and parks, parking, land and coast care programs, libraries, art galleries and museums [6]. It means that the Queensland tourism office also can gain benefits from policy factors, via the interstate market, even under the closure of international borders and other travel restrictions by other states or territories in Australia. However, the Queensland government focus on traveling restriction, Vaccination boost plan,[7] unemployment rate and others, ignoring the development of tourism.

#### Queensland entry pass

You must apply for and receive a [Queensland entry pass](#) prior to your entry into Queensland. If you have:

- been in a [declared COVID-19 hotspot](#) in the last 14 days, you should not enter Queensland until your Queensland entry pass has been approved. If you are a returning or relocating resident, your Queensland Entry Pass will be processed chronologically and processing time may vary depending on government nominated accommodation capacity. Do not book your flights until you receive an email confirming your allocated entry date and designated entry airport
- not been in a [declared COVID-19 hotspot](#) in the last 14 days you must apply within 72 hours prior to entering Queensland

Figure 1. Queensland entry pass

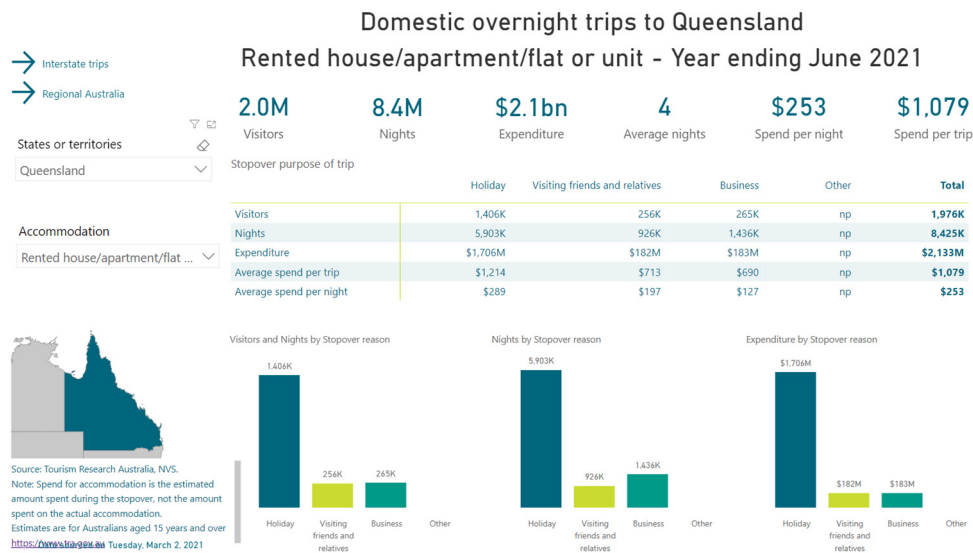
### 2.2 Economic Factors

Country economic will support many parts of the tourism industry. In 2020, Queensland's tourism industry has been hit hard. After Australia's blockade policy, the tourism industry has been suspended, and the overall output value has plummeted by 73% compared to 2019. Although the tourism industry has recovered with the introduction of vaccines into 2021, people still have a sense of panic about the epidemic. People will decrease the attention of recreation, when the economy continues to decrease, as well as investors also decline the investment in the

third industry, such as restaurants, hotels, tourist agencies. As reported by IBIS World, household disposable income increases largely over the two years in Australia, and it is expected to rise in the next period [8]. It was caused by the financial support that related COVID-19 from the government which replace their working wages and excess capacity in the Australian labor market in the past. But it is important to attention, household disposable income might decrease, once financial support related to COVID-19 stops [9]. On the other hand, the Australian Bureau of Statistics showed the more negative result in the Latest release report[4]. In the first half of 2021, the number of domestic tourists was only 2.0M, a 31% decrease from 2019. At the same time, Due to border policies and the rebound of the epidemic, the average occupancy rate of Auckland hotels and holiday apartments is about 40%, which is 68% lower than the pre-pandemic data [11]. With strict border policies and relatively less optimistic local vaccination rates, people are less likely to consider Auckland as their first tourist destination. In addition, the report stated that the number of tourism workers in the labor market has dropped to a low point compared with the past decade [2]. Due to the uncertainty of domestic and international border closures, tourism operators really. It is difficult to recruit workers in their area, which will affect local income and reduce the quality of services provided by practitioners. But it also reduces costs relatively. Under the trend of normalization of the epidemic, fewer costs may give practitioners a better chance of survival.



Figure 2. Australian Tourism in 2020 Tourism Research Australia



**Figure 3.** Domestic overnight trips to Queensland

### 2.3 Social Factors

Social factors determine consumer behavior, which will help Queensland Tourism to launch better business strategies. People who travel to Queensland not only want to see the scenery when traveling in Queensland, they also want to travel with enough convenience, that is, they want their destination to be relatively safe, and they want to be as convenient as possible while ensuring safety. Travel instead of going through complicated procedures, permits, etc. First of all, Australia's current strict international border policy restricts the development of international tourism and the arrival of international tourists. Moreover, as far as the country is concerned, Australia also has a complicated domestic border policy, and it is not so easy for Australians in other places to travel to Auckland. Even if they go, complicated procedures and government regulations also increase the time cost of tourists. There is also a social factor related to COVID-19 consideration. People want to consider the safety of COVID-19, as well as other possible new restrictions announced during travel, which may lead to travel cancellations and other possible risk plans

### 2.4 Technological Factors

This sector aims to find the potential technologies that are available. Technological advancements can optimize internal efficiency and help a product or service from becoming technologically obsolete. The role of technology in business is increasing each year. This trend will continue because R&D drives new innovations[3]However, there is limited technology that can be used in tourism. A new media communication marketing strategy might be a kind of new technology. Queensland tourism office has four main online marketing platforms, including Twitter, Instagram, YouTube, TikTok, and its websites, and Instagram has the best performance. Moreover, the development of photography techniques supports better posting online. It will be helpful with the marketing strategy. The popularity of electric vehicles might be a big threat to

the Queensland tourism industry. Over 90% area cannot cover car charging stations, and most of these places are western areas where Queensland tourism officers try to focus on in the next 5 years [5]. The fact that more than half family have more than one car might ease the threat by electric cars [10], otherwise, it helps them face this threat more later.

## **2.5 Environmental Factors**

Environmental factors determine the success of tourism in Queensland. For a long time, Queensland relies on natural resources to attract people around the world, such as the Great Barrier Reef, rainforest, desert. Queensland has a wide area, but sparsely populated, the population only focus on the capital of Brisbane. Many trip destinations are regional areas that are usually good for environmental protection. However, these natural resources also encounter huge damage due to multiple reasons, such as the Great Barrier Reef has lost half its coral cover over the past three decades[6] It will affect the traveling experience if coral dead when they travel to. Moreover, due to the continuous outbreak of Covid-19, the Federal Government closes the international borders since last year in Australia, and Queensland frequently introduced travel restrictions over last one year, these rules contain interstate travel restrictions, regional lockdown, and state border restrictions, and these rules are still unstable now, according to Queensland health reported. Based on many researchers and articles estimated, Covid-19 will not be disappeared in the next year. It means the government will not totally ease current travel restrictions, and people have limited traveling interest. The opportunity on the environment is regional area has less impacted by COVID-19, this is why, there is less case in Queensland, compared with other important states in Australia. They change mind to local travel, go to somewhere has less population, go not too well-known destinations.

## **2.6 Legal factors**

Legal factor aims to understand the Laws and regulations in a particular region, but it is not necessary for the Queensland tourism office, because it only involves local products and services, as well as, there has less policy to control advertising. The only thing that the Queensland tourism office needs to pay attention to is the travel restriction related to COVID-19 and Constitution. Moreover, as a Democracy Country, the government needs to consider public attention.

# **3 POSSIBLE MARKETING STRATEGY**

## **3.1 Contactless travel**

Due to the pandemic of COVID-19, people have to decrease gathering, and the government introduced various traveling restrictions to the public, as shown above, this situation will not be disappearing these years, as well as long-term social distance restriction or public gathering. It means that it is important to find new types for travelers that will avoid direct contact with others. There are many opportunities for Queensland, based on its social factors and environmental factors. Firstly, Queensland could support more on caravan or camping parks where people live in own vehicles. It is because, more than two quarters in Australia can drive, and have two or three vehicles, they can buy, or hire a caravan then they are traveling. Also, Queensland has wide land, and rich tourism resources, there is enough place to build a simple caravan that provides to caravan only.

Furthermore, it is also necessary to introduce island traveling. This is because, Queensland has multiple marine resources, people have many options on island trips, and it never is crowded, it also means visitors can decrease contact with staff and other visitors.

Lastly, natural encounters were also a key strategy during the spreading of COVID-19 when the activities of human beings decrease, but the activities of animals rose.

### 3.2 Payment support

Tourism organisations should work together with the Queensland government and try to provide financial support to the public and stimulus consumption on recreation. Firstly, it showed a positive result, caused by previous payment support over past years, the economy still shows rise during the lockdown. Secondly, “Holiday Dollars” should be extended and provide more advertising, which still needs time to evaluate, but is expected to boost the tourism industry. This program will give tourism related vouchers to the local public, and it has been designed to support those regions most impacted by the loss of international visitors, and it has a huge gap between domestic visitors and interstate visitors.

### 3.3 Attracting Interstate visitors

Queensland tourism needs to focus on interstate visitors. This is because, Queensland government cannot impact another state on travel restriction, pandemic spreading, and international border, people who live in Queensland are the only group that can affect by Queensland. Moreover, with the decreasing of intrastate visitors and international visitors, these world-class destinations would not be too crowded, it would be the best opportunity to publicize local traveling destinations that also attract more investment, and it has increasing potential, once the threat of COVID-19 ended. Furthermore, interstate visitors might have a long length of stay, compared with others who need to spend time on transportation. More overnight also provides more expenditure for the tourism industry.

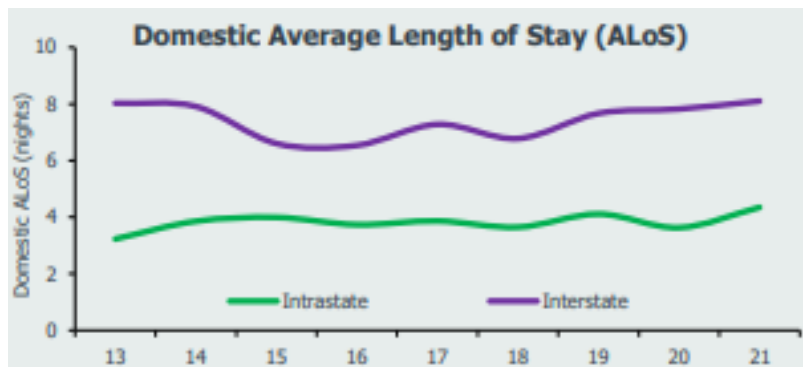


Figure 4. Domestic Average length of stay

### 3.4 COVID Safe program

All tourism activities should follow a special rule under the threat of COVID-19, there are some possible strategies. Firstly, encouraging all Queensland businesses to complete COVID Clean module, and have COVID Safe documentation in place. It helps to ensure visitors can holiday

here safely. Secondly, encouraging them offer flexible booking options so visitors can confidentially make plans, and book ahead.

### **3.5 Always-on presence**

The timing of the marketing campaign needs to always-on presence. When people stay at home during the lockdown, or when they cannot have international travel, they spend more time online. Based on the report by the Queensland tourism office reported, the number of site visitors in July, 2021, reaches the highest points over the past two years. When it happened, it means it is time to introduce more information online. As explained above, the Queensland tourism office focus on its website, and Instagram. It might be a good idea to promote on TikTok where has continuously increased flow and the system would like to recommend content to locals, and YouTube where has stable users has. Moreover, these two platforms are video-based that will present the viewing better. And it has hundreds and thousands of information every moment, which means it would be easy to update information, and raise the frequency of presence.

## **4 CONCLUSION**

There are some shortcomings in the current thesis, and some situations may be too idealistic. Due to COVID-19, Australia has implemented a domestic travel lockdown order, and there is currently no specific indication as to when it will reopen. If other states and territories still implement conservative travel restrictions or cannot control the spread of COVID-19, Queensland will lose all international consumers and some domestic consumers. But the positive side is that Queensland and the federal government have independent powers. This means it is easier to manage and occupy the local market. Therefore, the Queensland Tourism Board may propose to rescue the industry. Second, it is recommended to introduce non-contact travel to avoid the possible spread of COVID-19. Second, it is recommended to provide financial support to the public to stimulate spending on recreation. Third, it is strongly recommended to pay attention to interstate tourists. Finally, tourism companies are encouraged to follow the COVID-19 safety plan so that tourists can book travel without considering COVID-19.

Due to the normalization of the epidemic and domestic travel restrictions, there are still uncertainties for intercontinental travelers. If the Australian government continues to adhere to the blockade policy, Auckland needs the local government to make efforts to maintain disaster relief investment in tourism companies. In addition, the loss of international tourists, a high consumer group, still poses a threat to the local tourism industry. At the same time, the experience of local travel, due to the shortage of labor under the epidemic, ushered in small groups with declining quality and crowding. However, reducing labor also reduces business expenses. Under the current normalization of the epidemic situation, tourism with small investments has more operational advantages than tourism with high quality and a large investment. In the future, this article will continue to observe the development of the Queensland tourism industry, I believe that with the popularity of vaccines. Queensland tourism will gradually recover, and the improvement of the epidemic situation will also weaken Australia's blockade policy. At that time, the tourism industry can expand production and accelerate economic growth.

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