Case Study – Customer-led Growth Strategy

Business Challenge	This travel provider offered a number of rail-based experiences , most notably two of Australia's most unique cross-continent journeys. The financial results of the group were suffering from two primary impacts – the global financial crisis and its negative effect on the tourist market generally, and the rising AU Dollar which dampened the level of international tourists choosing Australia as their destination. Some extended discounting had lifted ticket sales, but had not benefited bottom line profit. Management were looking for some specific actions that could be taken to revitalise interest both domestically and internationally, boost profitable ticket sales, and ultimately lift staff morale. .
Approach	The project proceeded in several stages – An initial financial examination identified (amongst other findings) a significant level of discounting offered to senior citizens (separate and often in addition to sales promotions) that undermined the base profitability of the service. The customer profile was consequently heavily weighted towards aged pensioners – An examination of the marketing approach then identified no specific positioning aimed at younger customer segments that were potentially interested in the offering and prepared to pay full price. Six such segments were identified – The project then drew on the knowledge of a significant number of management and staff in defining and refining the elements of the offer that would appeal to high value segments (there were initially just two of these) and could be delivered in a relatively short time frame – Implementation plans were then drawn up and resourced, initially for the short term (10-month) initiatives and also for the longer term improvements (some of which involved train schedule amendments that required many months to progress)
Benefits	The organisation is currently (late 2011) in the process of implementing a new strategic marketing plan specifically targeting the needs and interests of two large customer segments . (Watch this space.)