

EDUCATIONAL TOURISM AS A CATALYST FOR ECONOMIC GROWTH: EVALUATING THE SIGNIFICANCE FOR VICTORIA AND AUSTRALIA

Edison

Program Studi Destinasi Pariwisata, Fakultas Vokasi, Universitas Hasanuddin

edisonede@unhas.ac.id

Abstract

This study examines the status of Monash College's short-term international program, specifically the Consortium Program catering to university students from abroad. The investigation centers on the program's strategic significance within the Victorian and Australian Tourism industry, emphasizing an analysis of its marketing strategies aimed at sustaining and expanding market presence. Established in 2006, the Consortium Program seeks to foster cross-cultural understanding and awareness among international students by providing an immersive educational experience in Melbourne. Its primary objectives include facilitating communication skills development crucial for global citizenship. Over eight years, the program has witnessed substantial success, attracting approximately 250 students from eight national universities, a significant increase from the initial participation of 27 students from three universities in its inaugural year. Notably, the program has played a pivotal role in bolstering visitor numbers and revenue for the tourism sector in Victoria and Australia. To fortify and extend its market share, Monash College has implemented a comprehensive 7P's marketing mix strategy, addressing product, price, place, promotion, people, partnership, and packaging. Despite its achievements, the institution faces challenges, particularly concerning market expansion, given current limitations in learning capacity. While Japanese universities have traditionally comprised a significant market segment, recent trends indicate a preference among Asian students, particularly those from Japan, for similar programs in the Philippines. Monash College must acknowledge this shift and adapt its promotional strategies accordingly to safeguard its market share.

Keywords : Short-Term Program, Marketing Mix, Tourism

INTRODUCTION

The last few decades have witnessed a global increase in students studying abroad, benefiting host universities, countries, and the students themselves. UNESCO defines internationally mobile students as individuals crossing international borders for educational activities in a country different from their origin. The advantages of study-abroad programs extend to host countries, with international students contributing to the economy through expenditures on accommodation, food, entertainment, and tuition fees (OECD, 2020). Students, in turn, gain not only academic knowledge but also valuable personal and professional growth through interactions with local and foreign individuals. This transformative combination

of learning and personal development results in a holistic social experience (Huang, 2008). The paper highlights the key factors influencing the choice of a foreign university, including the quality of education and the attractiveness of the destination (Michael, Armstrong & King, 2004).

Furthermore, Goddard and Kempton (2016) state that universities have embraced their third mission—contributing to the local economy by promoting technology transfer and fostering innovation through multi-stakeholder partnerships. Universities also fulfill their civic mission by engaging students in educational activities with the local community, promoting active citizenship, knowledge acquisition, and employability (Goddard & Kempton, 2016). The benefits that accrue when talented international students

choose to stay and work in the host country, contributing to local innovation and production systems. Henard, Diamond and Roseveare (2012) also add that the mobility of international students is seen as a catalyst for future cooperation and yielding mutual benefits for host universities, destinations, and students.

The purposes of this research are to identify the strategic importance of short term program for international university students in Melbourne by Monash College (Inbound Education Tourism) for the Victorian and Australian Tourism industry, to carry out a marketing environment analysis using S.W.O.T analysis to the college, to highlight the strategy currently being followed in targeting market, segmenting, positioning, marketing mix strategy for each of the 7's and to critically evaluate its strategy and make suggestion on how to improve its approach.

METHODOLOGY

The information used in this report was collected by interviewing the Business Development Manager of Monash College as the one who understand well and is responsible for administering the program and studying the course description handouts and its website for additional information on the implementation of the program. In addition, the information also was taken from researching its competitor websites such as RMIT, Dakin University, Victoria University and Navistar English to compare the program among them. We do not experience the program first-hand as it has been over since two months ago.

1.1. Program Background

The program which was established in 2006 is aimed to develop understanding and awareness of a foreign culture by giving an immersion experience of studying and living in Melbourne and to develop communication skills among different cultures necessary for global citizens. In the first year, the program was followed by only 27 students from three

Japan universities. However, the participants increased significantly in 2012 with 139 students from eight different top rank public universities in Japan and it is expected to grow larger in the future.

1.2. Strategic Importance

The decreasing trend of Japanese students to study overseas has made the Japanese government provide scholarship to undertake short-term overseas programs and some Japanese universities taking part in this program have secured funding that enable their students to study overseas. Some universities involving in the Consortium Program have obtained the funding and this gives opportunity to the Consortium Program to facilitate longer-term study overseas options for students participating in an exchange program in Australia. And it is undoubtedly beneficial to the tourism industry, particularly in Victoria and in Australia in general. This is aligned with Arkoma and Lawson's (2002) statements that countries which are able to design educational tourism industry as a means for doing learning exchange program internationally tend to be more successful. This because over the last few decades, the combination of education and tourism has enhanced this industry performance with education and learning facilitation which has been the primary target of educational tourists.

1.3. Academic Literature

Therefore, from a tourism perspective, those who participate in study tours or attend workshops to learn new skills or to improve the existing ones while vacation is categorized as educational tourists (Gibson, 1998). World Tourism Organization (2012) states that educational tourists are those individually or in groups travelling and staying in places outside their usual residence at least 24 hours and not more than one year for study, business, leisure and other activities purposes. Moreover, educational tourism is all sorts of program in where participants either individually or in a

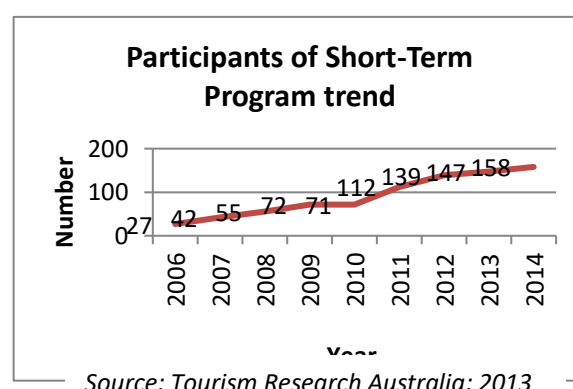
group move to a certain location with the main purpose engaging in or doing a learning experience (Rodger, 1998). Furthermore, Badger (1998) states that a program which potential participants visit a certain area to obtain new knowledge in accordance with their discipline is defined as educational tourism. Similarly, educational tourism is an activity which improves empowerment and socioeconomic capital for learners and local communities worldwide (Pittman, 2003). In addition, Ritchie, Carr and Cooper (2003) argue that educational tourism is primarily a process that engages people to have overnight visit and undertake an excursion which education and learning become their main or secondary part of their trip.

DISCUSSION

Educational tourism plays an important role in Australia's economy. As measured by the Australian Bureau of Statistic (2011), the number of international students coming to Australia increased from 201,600 in 2000 to 2001 to 374, 100 in 2010 to 2011 that represents the annual growth average of 6.4 percent during the period of time. The Tourism Research Australia (2013) categorizes the international education as one of the biggest tourism earners with students spending in Australia about A\$6.5 billion from 2010 to 2011 representing average expenditure of A\$15,213 during the period which is higher than other international tourist's expenditure average which is just around A\$2, 329 per visitor. As a comparison, international student spent more than A\$1 in every A\$3 spent by international tourists in Australia during the period of time shown. Also, every international student spent around a\$110 per night on average compared to only a\$90 by other international tourists. In Addition, the long-term forecast for international education tourism in Australia shows positive trend (ABS, 2014).

1.2. Strength

As one of the Group of Eight Universities, Monash University has clearly demonstrated the excellence of its performance in higher education, research and community service. This has attracted international students to pursue their higher education level and has made Monash University considered as an international university in Australia. The participant's trend to take part in the Monash short term program has increased steadily every year as shown below.



Having campuses in the city and suburb areas has given flexibility for participants of the program to choose their own location to study whether they prefer studying in the middle of the city or immersing their self in university life on a traditional university campus. This is one of the other advantages that Monash College offers compared to other institutions running the same program which do not provide options for students to select their studying base. In addition, with respect to the English learning, Monash College has its English language center to undertake an English learning process by their own qualified lecturers while some of the competitors let their private business partners undertake the process which may cause the program goes below the participant's expectation.

In terms of the accommodation of the participants, Monash College also has home stay accommodation service that not only provides food and shelter for students, but also emotional support assistance and opportunity to enhance their communication skill. Monash

College also provides Japanese staffs to serve the Japanese students, particularly in giving assistance when they have difficulties in communicating in English. In order to measure the level of satisfaction during the process and to ensure the quality of service, participants are given the opportunity to give feedback on the experience they have had at the end of the program.

2.2. Weaknesses

Having campuses in the city and suburb areas has given flexibility for participants of the program to choose their own location to study whether they prefer studying in the middle of the city or immersing their self in university life on a traditional university campus. This is one of the other advantages that Monash College offers compared to other institutions running the same program which do not provide options for students to select their studying base. In addition, with respect to the English learning, Monash College has its English language center to undertake an English learning process by their own qualified lecturers while some of the competitors let their private business partners undertake the process which may cause the program goes below the participant's expectation.

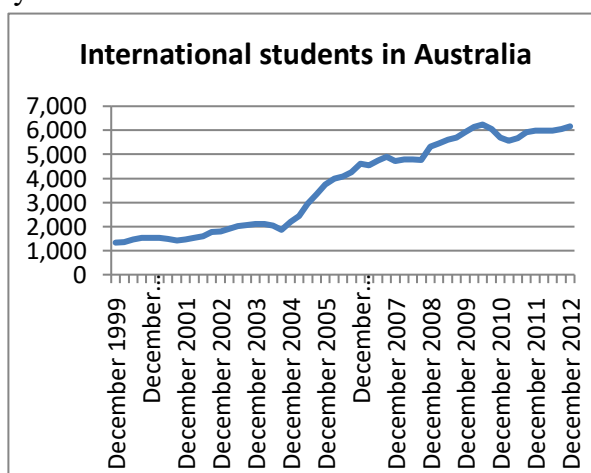
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2.3. Opportunity

The Japanese government support to encourage their students to undertake a short program has increased the number of universities which are interested in

participating in this Consortium Program increasing every year. A large number of international students interested in taking part in this program have requested Monash College to send their universities the proposal of the program. Other Asian students tend to study overseas also has significantly showed upward pattern every year, which is significantly supported by the availability of low-budget air carriers.

Furthermore, the Australian government program, particularly the Tourism Victoria campaign to increase the number of educational tourists through tourism advertisements has considerable contributed to attract international students to choose Australia as their destination to study. Monash College that situated in Melbourne, as the most livable city worldwide, can derive maximum benefits to be the most wanted destination for a short-term program in Australia. The trend and students visit for educational purpose to Australia has increased steadily during the last years as shown below:



Source: *Tourism Research Australia: 2013*

The graph clearly shows the upward trend of students visiting Australia from Year December 1999 to YE December 2012. This is a good opportunity for Monash College to get more participants of the program in the future.

2.4. Threat

One important thing that Monash College cannot overlook is that the Philippine has been becoming the world's low-cost English

language learning destination. The number of overseas students such as from other countries such as Korea, China, Taiwan, Japan, Iran, Libya, Brazil and Russia has chosen Philippine to learn English instead of going to other countries that people always think about as the classic countries to learn English, such as the US, the UK or Australia are growing rapidly. The reason is that the price much cheaper compared with other countries. According to the Philippine Immigration Bureau, over 24,000 people have applied for studying in the country which is more than just less than 8,000 last four (Philippine Immigration Bureau, 2012).

2.1.1. Marketing Strategy

According to Kotler and Armstrong (2006), marketing is the process in which companies provide value for customers and establish good customer relationships to obtain value from customers in the end. And they also add that in order to design a winning marketing strategy, market target and value proposition have to be defined by the manager

2.1.2 Marketing Objective

Nowadays, the Monash College marketing objective is aimed to maintain market share and grow sales at the same time. It does not aggressively attempt to create new markets as it still has learning capacity shortages. However, actually this institution can still extend its market and increase sale by conducting the program more than one in a year to cope with the learning space problem and also the program activities such as some in-class learning processes which do not require certain equipment can be held in various Monash campuses instead of focusing it on certain campus.

2.1.3. Market Segmentation

Monash College uses a combination of geographic and demographic in segmenting the market. Even though the program is also available for staffs of the government institution, Monash College has highly segmented its market to students from top tier Japan national university students, which provide scholarship for their students and

many of them has been Monash University partners. Students in the first and the second year is the main target of the program at Monash College believes that those in this year have similar needs to likely participate in this program. In terms of the application of resources and to ensure that participants are well targeted, this approach is more efficient (Wind, 1978). However, Dibb and Simkin (2001) argue that this simple form of segmentation will not represent the student segments with homogeneous needs and wants behavior and these cause difficulties in developing marketing programs for certain segments.

Moreover, students in the third year and up also may have similar and even bigger willingness to take part in this program. Therefore, combining the geographic, demographic or psychographic in segmenting market seems to be more beneficial to grow sales as every student or individual has different needs and behavior even though they belong to a same group or cluster.

2.1.4. Market Target

Although this program is available for the government staffs and students and from different countries, Monash College's has highly targeted its market for the top national universities in Japan, which provides scholarships for their government institution staffs and students to undertake a short-term program overseas. The reason is that the Japanese government nowadays has a program to encourage students in the country to study abroad by supporting funds to their universities for the success of the program. Monash College is trying to obtain benefits from this situation by making collaboration with those universities and offering short-term program. In addition, Monash College finds that this market segment is not very well served by other competitors. This is aligned with Jiatao and Weiping (2013) statement's that focusing on a certain customer segment with tailored products will offer ventures competitive advantages. Furthermore, Boone, Brocheler and Carrol (2000) state that serving small particular clients gives an opportunity for

organization to enjoy three potential advantages such as charging lower fees, providing personalized service and offering flexibility relative compared to their competitors.

However, it is not ideal or quite risky to have or target a single market as some unpredicted conditions may happen to the targeted-market and cause loss of market. Having said that, targeting at least two markets is always better than just one. China students seem to be the most potential market segment as it has a large number of students going overseas especially to Australia every year to study.

2.1.5. Positioning

Monash College positions itself as an institution that has the largest English language center, Monash University English Language Center (MUELC), among those who run the same program. MUELC's has played an important role in liaising with several Japanese universities and improving the program. It wants its customers to think that Monash College is the most ideal place to learn about the English language as it has the greatest language center and to learn different culture as it is located in Melbourne as the most livable city and people coming from a large variety of cultural backgrounds. Therefore, in promoting the program, Monash College sells the country as destination first before introducing its institution.

According to Liyanag and Jayawardena (2013), the image of particular destination is a main consideration for customers to decide in fulfilling their needs of a product or service and an unclear image of a destination and its position compared to other competing destinations in a certain geographical region, may cause the customers to remove the destination from their consideration. Furthermore, there is a number of evidences showing that a state's image strongly influences a customer to decide selecting a destination for touring experiences (Ahmed, 1991).

Thus, selling Melbourne as a destination first before the short-term program of its

institution is the best way Monash College can do to promote the program overseas.

2.1.5.1. Marketing Mix

Monash College adopts all aspects of the marketing mix in implementing the short-term program for its customers. It combines all of the 7P's to meet the needs of the different customer groups of its target market. Modifying the 7P's in marketing after segmenting and targeting the market is essential for efficient and effective marketing activity to meet the different needs of customers (Cooper, Fletcher, Fyall, Gilbert & Wanhill, 2008). I believe that this approach should be maintained and improved at the same time by Monash College to gain more participants in the program in the future

2.1.5.1.a. Product

This short-term program of Monash College is particularly designed for first- and second-year university students and government officials. The minimum number of participants for each group are 12 students, but a smaller group is also can be negotiable. The two main programs are cultural and English programs which last for 4 to 5 weeks. During the English program, participants complete many assessment task which allow them to demonstrate their understanding and skill and they also receive written and oral feedback on their performance. And during the cultural program participants will an opportunity to communicate and get immersed with locals and have educational field trips. Customers or students can access the program through their partner institutions or universities where they can just sign in or make special requests based on their needs. Participants are given the opportunity to give feedback about the service they have had. I would suggest that to gain more market share, the program should always be able to be tailored in terms of contents and duration to suit the individual or institution needs of customers. And instead of just obtaining experience after completing the program, Monash College may give the participant certificates of acknowledgement or certain privileges to get entry to the university for those with outstanding performance in

English to attract more participation from potential participants.

2.1.5.1.b. Price

The product is based on costs, competition and exchange rate. Although price has been set for each person in a group, a price adjustment is subject to apply for a group with less than 12 participants. Monash College aware that pricing strategy is quite sensitive as the dollar is changing all the time that increase price for customers. Also, other competitor in Asia such as Philippines offers the same program with the same quality but in the most competitive price. I would suggest that Monash College does not increase or even decrease the price of this program to win the competition. Instead, selling experience that participants can obtain if studying in Australia and Melbourne in particular, will be more competitive and advantageous compared to elsewhere.

2.1.5.1.c. Place

Generally, the short-term program is held at Monash College in Melbourne, Australia. Melbourne has been three times in a row recognized as the most livable city in the world. This is a great advantage for Monash College, which can make it stand out from the competitor's location.

The English language session is managed by the MUELC at Monash University at Clayton. For the Culture program, MUELC arranges the destinations for a field trip, but alternatively, participants are also invited to state their preferences of locations to visit. Some possible field trip locations are

- Healesville Sanctuary
- Puffing Billy steam train ride & Dandenong Ranges
- Warrock Cattle Farm
- Dolphin Research Institute & Moonraker dolphin & seal watching cruise
- Werribee Mansion & Werribee Open Range Zoo

Some tours to tourist and non-tourist attraction such as the Great Ocean Road and local companies are also arranged to enjoy the tourism sceneries and to see the work culture within the companies. If compared to

competitor locations in Asia such as the Philippines, Monash College would not be competitive as it is much further from its key market and more expensive. Therefore, to win the market, as it has been mentioned previously, being located in a world well known city, Monash College should use a strategy of selling the experience in the city prior to selling the program.

2.1.5.1.d. Promotion

Monash College uses various sorts of promotion forms. Some of the promotion strategies used are by joining the university market exhibition held by the Australian government, taking part in conferences; through its website on the internet; direct marketing such as sending and offering proposals of the program to several universities, and advertising by selecting an education agency overseas to promote its program. Generally, Monash College has combined all forms of promotion strategies to achieve an increase in sales. However, another form of promotion that is worthy of consideration is the use of social media. Some researchers have shown that social media is proven to make a great contribution to marketing products or services and is more reliable for potential customers to make their decisions. Monash College can take this opportunity by creating a group of its program alumni through Facebook or other social media.

2.1.5.1.e. People

Nowadays, Monash College has established a partnership with at least 10 top public universities in Japan and some of them have been the main source of the participants of this short program. In addition, Monash College also has selected certain education agencies to promote its program. Furthermore, this institution has made collaboration with local travel agencies to conduct field trips and sightseeing tour. However, to secure the market, Monash College should make partnership with other universities outside Japan to anticipate unpredicted problems in the country that enable them to send their students

for participating in the program such as economics and political issue.

2.1.5.1.f. Partnership

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2.1.5.1.g. Packaging

Monash College has combined the English program with cultural program by conducting educational field trips such as visiting several tourism areas, local schools to interact with the teachers and students, industries to see the work culture within the companies, and participants neighbors to practice interacting and communicating with them. This enables participants to obtain not solely English skill, but also communication skill with people from other cultural backgrounds. This is good sorts of combination of product or packaging that needs to be maintained by this institution.

CONCLUSION

This study has identified the strategic importance of short term program for international university students in Melbourne by Monash College (Inbound Education Tourism) for the Victorian and Australian Tourism industry, analyzed its marketing environment using S.W.O.T analysis, outlined the strategy implemented to target, segment, position its market, and evaluated the strategy to maintain and grow its market share. Overall, Monash College has strategic importance to the tourism industry in Australia, particularly in Victoria. The number of the students visiting Victoria to participate in this program has

shown an upward trend. Most of them are from Japanese public universities which are the key markets for Monash College nowadays. The government of Australia has shown its commitment to support the success of this program by providing promotion assistance to help all universities attract students.

Monash university brand as a member of the Group of Eight has been one of the great advantages for Monash College to attract students or participants to take part in the short-term program. In addition, Melbourne as the most liveable city in the world, in where the college located, has also played an important role in contributing in the number of participants to choose Monash College. Moreover, Monash College facilities, staffs and programs have been beneficial to this program. However, Monash College is facing a situation in where most of the Asian students prefer choosing to join this program in other Asian countries which are cheaper and closer compared to Australia. This is a great challenge for Monash College. Therefore, several marketing approaches have been adopted to cope with the situation, although some modifications are still needed to enable this institution to maintain and increase the market share in the future.

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