



**BUSINESS PLAN**  
**THE KITE BUS AUSTRALIA**

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**BUSINESS PLAN, THE KITE BUS AUSTRALIA**

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## **GLOSSARY**

**TKB-** The Kite Bus Australia

**IKO-**International Kiteboarding Organization

**KA-** Kiteboarding Australia

**KR-** Kite Republic

**SUP-** Stand Up Paddle Boarding

**WOM-** Word of Mouth

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## 1. SUMMARY

This master thesis project has the objective to develop a business plan for a new company located in Australia. The name of new business is The Kite Bus Australia. The value position of the company is to deliver high quality kitesurfing lessons, organize kitesurfing trips, gain new and unique experience and great added value with the possibility to travel around Australian south-west coast, visit new places and meet new people.

In this project, market research was conducted on the Australian market. The aim was to collect valuable information about market potential, customers' preferences, their needs and wants as well as their willingness to participate in an organized kitesurfing trip.

Business Plan of The Kite Bus Australia covers presentation of the new venture, missions and goals of the company internal and external market analysis and competitive analysis. The next step was segmentation, targeting and positioning, which has help to develop the services-mix.

Finally implementation plan defines the way of introducing the business and it's time frame. Finances of The Kite Bus Australia are presented in the financial evaluation, where prices and marginal profits were calculated.

### **Key-Words:**

1. Business Plan
2. Kitesurfing
3. Product Launching
4. Development Strategies

**JEL Codes:** New Firms M13, Sports, Tourism L83, (Marketing M31)

## 1. SUMARIO

Este projeto de dissertação tem o objetivo de desenvolver um plano de negócios para uma nova empresa localizada na Austrália. O nome do novo negócio é The Kite Bus Australia. A ideia da empresa é oferecer aulas de kitesurf de alta qualidade, organizar viagens de kitesurf, oferecer experiências únicas e de grande valor acrescentado com a possibilidade de viajar por toda a costa sudoeste australiana, visitar novos lugares e conhecer novas pessoas.

Neste projeto, o trabalho de campo foi conduzido diretamente no mercado australiano. O objetivo foi recolher informações valiosas sobre o potencial do mercado, as preferências dos clientes, as suas necessidades, bem como a sua disponibilidade para participar numa viagem organizada de kitesurf.

O Plano de Negócios do The Kite Bus Australia abrange a apresentação da nova empresa, a definição da missão e objetivos da empresa, a análise interna, a análise externa e a análise competitiva do negócio. Com estas análises concluídas avançamos para a segmentação, target e posicionamento. Na fase seguinte materializamos todos estes conceitos no marketing-mix do serviço.

Finalmente é definido um plano de implementação e feita uma análise financeira ao set-up do negócio.

### **Palavras-chave:**

1. Plano de Negócios
2. Kitesurf
3. Lançamento de Produto
4. Estratégias de desenvolvimento

**Codificação JEL:** New Firms M13, Sports, Tourism L83, (Marketing M31)

## 2. EXECUTIVE SUMMARY

This project has the goal to develop a Business Plan that supports the launching of a new kitesurfing school located in Melbourne in Victoria State of Australia which will target Australian as well as non-Australian customers who have done kitesurfing before as well as those who have never done it yet. The company's trade name will be 'The Kite Bus Australia' (TKB).

The idea of TKB was born in Melbourne, Australia based on finding a problem in the process of kitesurfing lessons delivery. In Melbourne there are three kitesurfing schools that offer kitesurfing courses for people who have never tried this sport before and for people who already have had some lessons. Those three schools are TKB's indirect competitors: Kite Republic, GoKite and The Zu Boardsports. In those three schools located on St Kilda Beach in Melbourne people can find simple kitesurfing courses based on hours in the package. The lessons are always held on the same beach, where the instructor has to go through exact steps and follow the strict time frame.

The Kite Bus Australia found out that main touch points for potential customers are: quality, fun delivery, personal focus and good wind and weather conditions. Based on those findings TKB created an idea of the school that will target mainly people who can already kite and will offer kitesurfing courses and trips with the focus on individual progress, no strict lesson time frames and fun delivery. The main advantage of TKB over other schools in Melbourne is that the school will be 'on wheels'. Kitesurfing courses/trips will be held on beaches with perfect wind and spot conditions. TKB wants to put main focus on selling kitesurfing trips/camps and secondary while the school will not be organizing a trip it will be delivering kitesurfing courses on one exact beach. Moreover TKB wants to deliver unique experience that cannot be find in any other school in Victoria. The Business will offer also surfing and wakeboarding lessons during no wind days.

To study of TKB potential market, we have conducted two online surveys in the area of Melbourne, Victoria State, Australia. The surveys were developed based on questions that aim to study the market potential, the target market and the consumer behavior. Participants answered one of two possible surveys. One survey was made for people who are kitesurfers

and the other survey was made for people who have never done kitesurf. The survey was also created with the aim to understand the opportunity of the business around the Australian coastal area and to answer the most essential question of the business which is the potential and attractiveness of TKB service.

We described unique value added which will give the opportunity to stand out from other Australian kitesurfing schools. We also stated mission and goals that will aim on satisfying customers' needs, their price sensitivity combined with unique added value. Last but not least we presented business resources and capabilities that will give the ability for the business to perform.

In the Marketing Strategy Plan we elaborated an internal and external analysis. In the chapter 6 and 7. we described business concept, business resources and capabilities, we characterized the Australian kitesurfing market (political, economical and social factors, as well as general sector overview and future trends), we presented TKB's competition and SWOT analysis. Following Internal and External Analysis in the chapter 7.2. we presented Plan Objectives of TKB.

In the chapter 7.3. we introduced STP of the business that explains segmentation, targeting, positioning, identification and differentiation. We focused on presenting main strength of the business, how the business will differ from the competition and what are consumer expectations. To do so we had to discover customer insights (what are the reasons to do kitesurfing and the reasons to start kitesurfing), customer's needs as well as positioning. To examine our product we created 7P's model explaining product placement, characteristics, pricing strategy, communication strategy, people included in the service, physical evidence and process of the service.

Our implementation plan explained in the chapter 8. covers two years of development. The launching will consolidate: local approval, product development, creating awareness, sales, results assessment and optimization.

Chapter 9. presents Financial Evaluation of the project covers financial description of kitesurfing trips and courses as well as initial costs of the business. In this part also profit margin evaluation was conducted to discover TKB's future profitability.

Following Financial Evaluation finally in the chapter 9.1. we presented 5 year Profit & Loss Statement that presents the amount of profits made by TKB every year deducting operational costs and initial costs.

Our goal is to provide a new service on the Australian market with the aim of satisfying customers' needs. Provide unique added value other than all the kitesurfing schools in Australia. To have fun during the learning process, to adapt the knowledge in a clear and easy way, without stress or time pressure as well as making the trip an unforgettable experience. To provide water sport activities with no wind days (surfing, wakeboarding). And finally to deliver great quality and reliable kitesurfing course while being with one of the best instructors in Australia.



### **3. LITERATURE REVIEW**

Although sport tourism has attracted high attention among scientific journals, scholars and articles, the sport economic perspective on sport tourism, relationship marketing in sports and travel marketing, especially for water sports in Australia has covering a small proportion of literature. Scientific works have dealt mainly with surfing, which made my research a bit limited. Apart from investigating the literature of surfing market in general, relationship marketing in sports, tourism and travel marketing in Australia, a study of Australian kitesurfing market has been conducted. The research gave the opportunity to explore the market of this watersport, as well as segment the market, understand the customer behavior, needs and values. The literature review of Australian surfing market is playing the role of essential background for this project. On its basis the survey results and business plan is adapted.

#### **3.1. Marketing Framing**

In Australia the population growth and resources distribution can be understood within the context of the coastal zone. This is the dominant aspect for the coastal planning and management these days. 86% of the population lives within 30 minutes drive of the beach. 11-15 million Australians predicted by the middle of the century to want to live in the area of the coast. (Lazarov, 2006)

Living by the coast is something more than basics we need during our everyday life like food, clothing and shelter. Living by the Australian coast became synonymous with the great Australian dream, where ‘the beach’ is the main word describing this dream. Lazarov quotes Dutton (1985) who writes, “the tradition of Australians at the beach, in its many ways, is of profound importance to the national character.” (Lazarov, 2006)

The coast is where people are craving to live, do business and create development. Everybody wants access to the coast. Coastal areas contain some of the world’s most diverse resources, including complex ecosystem such as mangrove forests, coral reefs and seagrasses, which are highly sensitive to human intervention. (Lanagan, 2002)

### 3.1.1. The Value of Surfing for the Australian Market

As the coastal lifestyle evolution in Australia is really high, the value of surfing and its economic, social and cultural importance to society is getting bigger and bigger. Surfing is a major recreational and economic activity that involves people, big surfing companies, marketing activities and coastal environment. The value of surfing to both Australia's and the global economy has grown significantly over the past three decades. This is combined with the significant growth in participation and rising popularity of surfing in many countries. In the more traditional locations such as Australia and the USA, it has been estimated that there are over 2 million Australians and 2,5 million Americans surfing. (Lazarov,2006)

The roots of surfing can be found in a number of Pacific cultures including Hawaii, Polynesia and Peru. Surfing events are dated back many hundreds of years. However, the history of modern surfing can be traced to Hawaii at the start of the 1900's where after being almost wiped out due to the strict rules of the Protestant missionaries, surfing got appreciated by a number of Haole, who were white people or foreigners. In Australia surfing was first introduced by Duke Kahanamoku in 1915, who was the legendary Hawaiian surfer, waterman and Olympic swimming champion, who conducted an exhibition of surfing at Freshwater beach in Sydney. After Duke showed audience how to walk on the water, many enthusiasts took up the sport. (Lazarov, 2006)

The period after World-War-Two brought a significant evolution in surfing. The development of lighter materials for board design, including the use of hollow boards, foam and fiberglass in the construction process as well as the development, and affordability of both board and wetsuit made surfing more accessible to people. At the same time, roads have being improved, cars became cheaper and planes started to be an important mean of transportation, making travel to surf destinations both more affordable and easier. From the early 1960s onwards, surfing became a mainstream sport that generates high demand and profits for local economies. (Lazarov, 2006)

In the Early 1960's Australia surfing became popular due to mainstream surf films, articles in popular magazines, and the holding of the first official World Championship at Manly beach in May 1964. The acceptance of surfing in 1960's was the consequence of 'the

beaches' centrality to the Australian culture', the success of Australians in the sport and the popularity of the youth surf style culture.

Now surfing is worth an estimated \$8 billion dollars per annum and reaches into most countries on the planet. This number includes also clothing retail arms of the major surf apparel companies. The value of surfing to society and on our lives and lifestyle has grown significantly over the past three decades. Surfing today represents an increasing growth industry, as well as profitable market and plays a major part in the tourism marketing strategies for many coastal locations in Australia. Moreover surfing brings people together, provides the outdoor based physical activity and helped develop communities and coastal towns. The market impact of surfing usually is assessed by examining how much money surfers contribute to the local economy through spending related to access, equipment, and goods and services. (Lazarov, 2006)

### **3.1.2. Expanding and Lucrative Market of Surfing**

Wider society always was treating surfing at odds, even to the point where surfers have been described in media as rotten, long-haired, unwashed drug addicts or as jobless junkies. That stereotype changed in recent years. Popularity of surfing increased radically, as well as consumption of surfing related commodities. This increase in popularity is largely due to the marketing practices of the business interests that are involved in surfing, which has appropriated its images and sold them to a rapidly expanding and lucrative market. (Lanagan, 2002)

The expanding market of surfing has been developing on the basis of 'surfing capital'. 'Surfing capital' term can be described as three major, global, surfwear producers. However not only those three producers are included in the capital, there are many other manufacturers that can become part of the core consumption of the surfing lifestyle. Since 1980 as a result of surfing capital influence, surfing has reached a level of acceptability in Australia that is unique in the history of the history. Recently surfing is recognized not only by the act of surfing, but more by a style of clothing. (Lanagan, 2002)

Surfers behave like a tribe of consumers, a group of consumers with the same lifestyle, who live under the same values and beliefs. For them being a surfers is part of their personality and

lives. Being surrounded by the people of the same ideas and values it is like being surrounded by like-minded others. Surf tribal behavior is based also on the affiliation feeling. Surfers derive strength and sense of identity from their connections to surfer groups. Surfing has a vital social dimension, combining self-recognition with social recognition. People are aiming to maintain a positive social identity by affiliating themselves with attractive social groups. Surfers' tribe behavior consists of some cults components, which are: special beaches with good waves, analysis of conditions, boards, respect for nature, use of free time to go surfing rather than any other activity, surf fashion and laid-back nature and characteristic tan. Those entire components make people feel of being part of a surf community that creates beliefs, behavior patterns and affiliation. (Moutinho, 2007)

As a result of the change in the image of surfers during the late 1960s, sponsorship for competition begin to shift from business interests to more dedicate interests, for instance clothing and wetsuit manufacturers. The interest of surfing achieved a wider popularity, embracing many diverse groups who even have no connection with surfing as the sport. This has been achieved because the image that surfing elicits, of a pleasurable and playful lifestyle, has been appropriated, resulting in a profitable market that is based on the sale of clothing and other merchandise that is described as surfwear. This close connection between surfing and the product, allows people who are not surfing to be part of the surfing lifestyle by wearing of a style of clothing. As the result of that, in 1991 global surfwear market was estimated by AUS\$100 milion. Recently the global sales are around AUS\$40 bilion. This scale lets surfing capital to have the control over the sport and its representations (clothing, and other products). Surfwear is not only consumed for its use value, in the way of being cooler and more casual to wear, but also for its sing value, which could be lifestyle, freedom and resistance associated with the surf. (Lanagan, 2002)

### **3.1.3. Surf Resource Stakeholders**

Understanding the scope of relationships among surf resources stakeholders gives economic source linkages. Most evident stakeholder group are the individual surfers who bring money to local businesses and the wider coastal economy when they go surfing, for instance, buying local goods or petrol. Surfers' capacity goes beyond riding the waves and includes also employment in various businesses and surf-related industries based on a particular coastal area. Surf resource stakeholders include surfers and other members who own or work in surf-

related establishments, where people spend their money, including surf shops, surfboards manufacturers or surfing schools.

Other stakeholder group is less obvious source for instance: airlines, rental car companies, petrol stations, restaurants or bar. Those stakeholders benefit from being surrounded by existence of a good surfing wave. This situation can create local employment for a number of high-skill workers including: graphic designers, filmmakers, journalists, web designers or legal and finance professionals.

More obvious stakeholders who are also related with the area of the surfable wave are: surfboard shaping companies, clothing and hardware design, surf schools, instructors and surf media. Stakeholders who have indirect stake in riding the waves, but a direct stake including social and economic interests are: hotel employees, managers or shop owners.

Another dimension of stakeholders in surf sites are interests connected with surfing events. Impact on host communities and linkages among stakeholders include contest sponsors, surf shops, hotels, banks, stores and restaurants. That results in short and long-term benefits and enhances business relationships. (Martin, 2013)

All the surfing stakeholders are interdependent. Global surfwear and equipment sales industries and the increase in the number of individual surfers and surfing communities in the world contribute to the surf tourism with direct and indirect values. Domestic and international tourism receipts from surfing schools, camps and events, the nonmarket values such as the economic benefits of regional and national image, socio-cultural aspects, physical fitness and psychological wellbeing. Nonmarket values touch the lives of millions of surf resource stakeholders in coastal areas across the world. (Martin, 2013)

## **3.2. Sports Marketing**

Sports marketing has become one of the most effective of all marketing strategies. That concerns mostly marketers of non-sport products that can benefit, by being involved in the sport actions. Sports marketing can be explained as all the activities that are designed to meet need and wants of sports consumers through exchange processes. Sports marketing can be divided into two major areas: the marketing of sport products and services directly to

consumers and the marketing of other consumer and products (non-sport products) or services through the use of sports promotions. (Fullerton, 2008)

There are three categories of sports products:

- 1) Spectator sports are sports from college, minor league, to the highest level of professional sports and for international events such as Olympics. The marketing key objective is the amount of tickets sold and the level of viewership and listenership on a variety of broadcast media.
- 2) Participation sports, includes an array of activities that might not be perceived as sports, for instance poker, fishing or billiards. The marketing role of participation sports is to increase the number of participants and the frequency of participation in a specific activity. For example golf courses want to attract new golfers while at the same time inducing current golfers to play even more.
- 3) Sporting goods, apparel and sports-related products is the final category of sports products. Sporting goods include tangible products specific to a participation sport or activity. For example participants of tennis club are creating demand for tennis apparel and equipment. (Fullerton, 2008)

When it comes to marketing of products through sports, there are two levels of integration: traditional and sponsorship-based. The marketer either opts to use a traditional marketing strategy approach based on the selection of target markets and the development of a corresponding marketing mix for each target, or to integrate sports in a more formal manner by employing one or more of the four sponsorship strategies: traditional sponsorship, venue naming rights, endorsements and licensing agreements. (Fullerton, 2008)

Traditional integration category represents the use of sports as part of the marketing program and involves the basic components of marketing strategy: a target market and a corresponding marketing mix. Using a traditional marketing strategy, the marketer identifies target markets and develops corresponding products, distribution, pricing and promotion strategies that are designed to appeal to those target markets. (Fullerton, 2008)

Sponsorship integration in contrast to the traditional approach for integrating sport into the marketing products, sponsorship involves an array of activities whereby the marketer attempts to capitalize on an official relationship with an event, a team player, or other sports

organization. Sponsorship involves two entities, the sponsor and the sponsee. The traditional sponsorship generally involves the acknowledgement of the sponsor by the sports property and the ability of the sponsor to use the property's trademarks and logos in its efforts to leverage the sponsorship and reinforce the relationship in the minds of members of the sponsor's target market. Sponsorship includes venue naming rights (building sponsorships), endorsements (personal sponsorships) and licensing (rights to use the sport property's logos and trademarks). (Fullerton, 2008)

To sum up, sports marketing include three principles, that help to understand today's market industry:

- The nature of sports marketing focus, which is marketing of sports or marketing through sports
- The nature of the product being market: sports or nonsports product
- The level of integration of sports within the marketing strategy, either traditional or sponsorship-based

Marketing through sports is more than just advertising and public relations. Sport has become a marketing medium in and of itself with the ability to target segment, promote, and cast products and services. Sports marketing is also based on marketing mix as traditional marketing: pricing distribution and promotion. Sports marketing can be focused mainly on marketing sports products as a basis for the generation of revenue for sport entities while developing marketing plan that will lead to the maximization of revenues to the sports entity. (Fullerton, 2008)

### **3.2.1. Relationship Marketing in Sports**

Recently relationship marketing has received a lot of attention. Sports organizations are focusing mainly on the long-term customer retention and using database-management techniques to maintain and enhance customer relationships. Transactional marketing is still very important for all the organizations, however in sports marketing maintaining the relationship between customer and organization and being focused on the quality delivery is more valuable. Transactional exchanges depend on factors such as money, product, price discounts and coupons in exchange for a good or service. Relational exchange, in comparison,

focus on cooperation and interactions, which come from shared values. Current research in relationship marketing has been in the topic of sales relationships, supplier-buyer relationships, retailer-supplier relationships, service relationships, brand relationships and consumer-firm relationships. (Colleen, 2006)

Relationship marketing is important, because it involves both parties in communication. Teams, athletes, marketing corporations and fans have relationships with each other that depend on successful value delivery. Relationship marketing is characterized by the attraction, development and retention of customers. Current perspective of relationship marketing can take a narrow or a broader perspective. The narrow perspective focuses on short-term behavioral components and uses variety of database marketing techniques to maintain repeat purchase behavior. It's mainly focused on the units bought or amount of money spent. This relationship is viewed as more reactive and transactional. On the other hand, broader approach attempt to understand consumer better and go beyond the transaction and repeat purchasing techniques to develop proactive and interactive relationship. In that situation consumers are viewed as lifetime customers and the focus is put on consumer wants, desires and values. (Colleen, 2006)

Organizations should focus on both transactional and relational exchanges, where transactional is often a short-term solution. In this situation, external rewards provide the major motivation to purchase or engage in relationship. Consumers may not continue to purchase when the rewards are reduced, therefore, it may prove more effective and beneficial to move customers from transactional exchange relationships to deeper relational interactions. What is important, transactional exchanges are crucial as the first step in developing long-term relationships. Relationship marketing is attracting, maintaining and enhancing customer relationships. Long-term customer retention is reflected in repeat purchasing behavior and moving toward psychological attachment. Sports organizations should strive to develop this deeper level of relationship with target customers. (Colleen, 2006)

Sports consumer perspective is one of the main parts of the relationship marketing. Several factors affect sports consumer attitudes and behavior toward relationship formation, such as commitment, involvement, trust and shared values. This type of behavior goes beyond repeat purchasing and reflects an ongoing partnership. People engage into relationship marketing to



have choice reduction. The decision-making process becomes more efficient, search costs decline and consistency in decisions can increase. Relationship marketing also reduces the complexity of the buying situation and the amount of recourses required for information processing. Moreover the customers engaged with relationship marketing with a company they reduce risk, tension and the likelihood of cognitive dissonance. (Colleen, 2006)

Sports customers are often highly involved and their commitment to the sports organization is often displayed through the repeat purchase of tickets, attendance in sports events, and the purchase of sports related products. This behavior is reflected by the desire to demonstrate involvement and to engage in a relationship with sports teams and organizations.

In maintaining long-term relationship with a company, the most important thing to develop and sustain is the trust. Trust is influenced by shared values and is often viewed as relationship commitment. Trust is based on consumers' expectations about the reliability and competency. If those features are met, consumers are more likely to maintain a trusting relationship. Trust in sports organizations may be a bit different to other organizations. Consumers could have trust to the sales agents, shop assistants, coaches or managers. Sports organizations should consider how different levels of trust influence relationship formation and maintenance. (Colleen, 2006)

Other features that are very important in relationship formation are values. In the context of sports marketing, shared values between sports consumers and organizations or teams should lead to increased relationship commitment. Shared values can lead to the highest level of relationship commitment. (Colleen, 2006)

Relationship marketing should be also very actively developed from the organization perspective. One common method to boost relationship is the sports talk. It is the interaction over the topics of sports. Word of Mouth method is highly reliable, trustworthy and influential. Second method is hospitality. It creates opportunities at sports events for not only sharing sports talk but also social interactions and sharing values. Sports consumers that exhibit sports-loyal behaviors, such as repeat purchasing are the key to the organizations' success. Those consumers are participating in the competitive advantage creation. (Colleen, 2006)

### **3.3. Tourism**

#### **3.3.1. Beach and Surf Tourism, Demographic and Physographic Characteristics**

The beach provides a wide variety of active (walking, running, swimming) and passive (sunbathing, relaxing) recreation services. These services are consumed by local residents and short-term visitors to a coastal region, and frequently a major motivator of long-term migration into a region and of short-term visitation. Services associated with the beach create substantial economic value. Australia has a strong geographical affinity for the coast, with approximately 85% of the Australian population living within 50 kilometers of the coast. Around 50% of residential addresses are located within seven kilometers of the coastline, and around 6% in the zone that is less than five meters above mean sea level and within 3 kilometers of the coast. Population growth in the coastal zone has also rapidly risen. This pattern is driven by the recreational opportunities and perceived quality of life benefits associated with coastal areas. Australia's coastline is arguably the most important recreation resource. (Raybould, 2013)

Tourists have long been drawn to the beach and the commercial activities that service tourists needs have become the primary source of regional income and jobs in many coastal locations. The coastline is a major drawcard for domestic and international tourists in Australia. Approximately 22% of all domestic overnight trips involve a visit to the beach or coast and 62% of international visitors to Australia report beach visits/recreation as one of their most important holiday activities. (Raybould, 2013)

Surf tourism is rapidly expanding market segment of the wider sport tourism industry. Surf tourism characterizes travel for the purpose of surfing, learning to surf, or attending a surfing event. It may also include surfing while on vacation. Australia identifies as many as 35,000 surfers in the world. The market of surf tourism include: multinational surfcraft manufacturers and distributors, surf clothing corporations and retailers, amateur and professional sporting events and domestic and international tourism. Surfing around coastal areas plays a leading role in region's image, commerce and tourism-based identity. (Martin, 2013)

There are three types of surf tourists:

- Hard surf tourists- surfers who are traveling for the purpose of surfing, including those who come for a surf vacation or surf event and have high motivation and experience.
  - Soft surf tourists- people who are traveling with the objective of surfing, although it is not the primary motivation. Those surfers are likely to be experienced in surfing.
  - Incidental surf tourists- those are surfers who have little or no knowledge of surfing, but while visiting the beach on vacation make a decision to participate in the activity.
- (Martin, 2013)

Surfing has grown from its beginning as a western civilization sport in the early 1900's to a stage where it is now an industry worth an estimated \$8billion dollars (according to Surfing Statistics from 2016) and involves surfers travelling to both domestic and international destinations as surf tourists. The sport sector of the tourism industry has had a significant impact in Australia by contributing billions of dollars to the economy and employing tens of thousands of Australians. (Dolnicar, 2003)

Surf tourism can be defined as the act of people travelling to either domestic locations or international locations, where the active participation in the sport of surfing, where the surfers rely on the power of the wave, is the primary motivation for destination selection.

Since the time when surfing growth enormously, surf companies such as Billabong, have been listed and having worldwide market capitalism of \$AUS 1.47 billion. People not only actively participate in the sport of surfing, but a significant number of people also undertake travel as surf tourists. In fact, one Australian based surf tourism company sent 2,450 surfers to various surf locations around the world in the year of 2002. (Dolnicar, 2003)

Sport activity is often bound to the travel motive which can be either active or passive. Travel behavior is determined by a wide range of motivations. Especially destinations at a coast offer tourist operators a good opportunity to reach the tourists' needs by offering a range of water-based activities. Surfing tourism has become a global industry in the twenty-first century. As the market for sport tourists is very diverse, market segmentation is necessary in order to reach certain target groups. Segmentation makes it easier to understand and target specific groups that have similar characteristics and behaviors. Segmentation is applied through different approaches such as demographics (age, gender), socio-economic (income,

education), geographic (residence, area), psychographics (attitudes, values and behavioral attributes). (Hallman, 2012)

### **3.4. Travel Marketing**

As the tourism industry continues to expand, it gives way for opportunities to be realized into new ways to explore and travel the world. The world of globalization and internet gave new paths to visit remote places on the globe. All the destinations are more reachable now and higher earnings let people go to places that they couldn't even imagine being couple of years ago. A trend that has caught much attention from the younger demographic of today is backpacker tourism. This new trend gives young people opportunities to travel, work, explore the world and gain lot of new experience. Backpacker tourism can be seen as somewhat of an alternate to the mainstream forms of tourism in today's society. (nomadsworld.com, 2014)

#### **3.4.1. Adventure Travel: Motivations and Lifestyle**

Adventure tourism is a form of a special interest tourism that grew out of the need for a customized experience combined with physical activity. Adventure tourism could be explained as activities for instance: safari tours, sport fishing, climbing, diving, snowboarding or surfing. Adventure tourism is recognized as an important and growing market segment. Adventure travelers are seeking new and cultural experience and they do not necessarily intend on travelling far from home. Those kinds of people intend also to spend more on their experience than other type of travel. Regardless of an activity, adventure travel participants are to engage in active pursuits that are authentic, unique, interesting, educational and exiting. Adventure travelers expect to their skills to be tested and strive to learn either something about themselves or the place they visit. People looking for adventure tourism are of any kind of social status, generation and money situation. (Reynolds, 2012)

Surfing is an adventure sport which can only be practiced with very specific geographic features. Surfing involves catching and riding an ocean wave while standing on a surfboard. Surfing as an adventure travel activity, has grown from beginnings in the early 1900's to a multi-billion dollar industry. There are an estimated 10 billion surfers worldwide fueling development and bringing economic, environmental and social benefits and costs to travel destinations. (Reynolds, 2012)

When it comes to marketing of adventure tourism, heavily used is a theme. Adventure activity is marketed through the use of specialty magazines, with professional athletes and corporate sponsors. Furthermore, the promotion of adventure sports has merged with music, apparel and movies industry to form a unique culture, usually targeted to the younger crowd, who are looking and talking a certain way. This crowd listens to specific music and dress in specific name brand labels. Adventure travelers are in general active in outdoor, physical pursuits across the lifespan. (Reynolds, 2012)

One of the main adventure tourism categories is surfing that has been depicted as individuals with values that might differ from mainstream society. Also surfers have a unique culture that differs from other visitors on the same beach. That gives the conclusion that adventure experiences are not just an activity, but rather a lifestyle and culture. Lifestyle marketing is designed of how people spend their time, what is most important about their surrounding, their opinions on various issues and interests. Understanding the lifestyle of today's adventure traveler can aid tourism marketers in designing messages tailored to this unique target market. (Reynolds, 2012)

#### **4. REFERANCE FRAMEWORK**

This study will use the main aspect obtained in literature review which it will be implemented in the project. Their inputs will be very important to define potential market, internal and external, as well as value of the market, its stakeholders and possible future expansion on the basis of sports marketing, customer behavior, relationship marketing, surf travel marketing and trends in Australia. All the essentials concluded from the literature review are presented in this table.

**Table 1**

**Conceptual Framework of References**

Subject	Description
<p><b>Marketing Framing and Surfing in Australia</b></p>	<p>In Australia the population growth and resources distribution can be understood within the context of the coastal zone. Living by the Australian coast became synonymous with the great Australian dream, where ‘the beach’ is the main word describing this dream. The coast is where people are craving to live, do business and create development. As the coastal lifestyle evolution in Australia is really high, the value of surfing and its economic, social and cultural importance to society is getting bigger and bigger. Surfing is a major recreational and economic activity that involves people, big surfing companies, marketing activities and coastal environment. The acceptance of surfing in 1960’s was the consequence of ‘the beaches’ centrality to the Australian culture’, the success of Australians in the sport and the popularity of the youth surf style culture. The increase in popularity is largely due to the marketing practices of the business interests that are involved in surfing, which has appropriated its images and sold them to a rapidly expanding market. Surfing today represents a profitable market and plays a major part in the tourism marketing strategies. AUS\$40 billion sales let surfing capital to have the control over the sport and its representations in clothing that show your lifestyle, freedom and surf association.</p>
<p><b>Sports Marketing</b></p>	<p>Sports marketing can be explained as all the activities that are designed to meet need and wants of sports consumers through exchange processes. There are two distinct dimensions within the sports marketing industry: the marketing of sports products and marketing through sports. By taking the type of product sold and the level of integration into account, four domains of sports marketing have been identified. The types of products have been identified as sports products and nonsports products. The marketers’ level of integration concerns its involvement with some sports entity in form of official sponsorship. The two areas of integration can be defined: traditional and sponsorship-</p>

	<p>based. The traditional sponsorship generally involves the acknowledgement of the sponsor by the sports property and the ability of the sponsor to use the property’s trademarks and logos in its efforts to leverage the sponsorship and reinforce the relationship in the minds of members of the sponsor’s target market.</p>
<p><b>Relationship Marketing in Sports</b></p>	<p>Recently relationship marketing has received a lot of attention. Sports organizations are focusing mainly on the long-term customer retention. Relationship marketing is characterized by the attraction, development and retention of customers. Consumers are viewed as lifetime customers and the focus is put on consumer wants, desires and values. Sports consumer perspective is one of the main parts of the relationship marketing. Several factors affect sports consumer attitudes and behavior toward relationship formation, such as commitment, involvement, trust and shared values. This type of behavior goes beyond repeat purchasing and reflects an ongoing partnership. In maintaining long-term relationship with a company, the most important thing to develop and sustain is the trust. Trust is based on consumers’ expectations about the reliability and competency. In the context of sports marketing, shared values between sports consumers and organizations or teams should lead to increased relationship commitment.</p>
<p><b>Surf Tourism &amp; segmentation</b></p>	<p>Australia’s coastline is the most important recreation resource. Surf tourism there is rapidly expanding market segment of the wider sport tourism industry. Surf tourism characterizes travel for the purpose of surfing, learning to surf, or attending a surfing event. There are three types of surf tourists: hard surf tourists- surfers who are traveling for the purpose of surfing, soft surf tourists- people who are traveling with the objective of surfing, incidental surf tourists- those are surfers who have little or no knowledge of surfing. Travel behavior is determined by a wide range of motivations. As the market for sport tourists is very diverse, market segmentation is necessary in order to reach certain target groups. Segmentation makes it easier to understand and target specific groups that have similar characteristics and behaviors. Segmentation is applied through different approaches such as</p>

	<p>demographics, socio-economic, geographic, psychographics. Segmentation in the surf tourism market should focus more on travel motivations and behaviors as well as customer characteristics and preferences.</p>
<p><b>Travel Marketing</b></p>	<p>Tourism industry continues to expand rapidly in new ways to explore and travel the world. The world of globalization and internet gave new paths to visit remote places. The current trend in Australia that has the biggest interest around young generation is backpacker tourism. It gives them lot of opportunities to travel, work and explore the world at the same time. The country offers a wide variety of different things to experience, from dessert through surfer beaches to fancy cities. Following backpackers’ needs for adventure and experience, adventure tourism, which is currently growing segment, should be targeted for them. Adventure tourism is a form of a special interest tourism that grew out of the need for a customized experience combined with physical activity. Adventure tourism could be explained as activities for instance: safari tours, sport fishing, climbing, diving, snowboarding or surfing. Adventure tourism is recognized as an important and growing market segment. Adventure travelers crave for the adventure and are looking for unique, interesting and new experience. Understanding the lifestyle of adventure traveler can aid in designing messages tailored to this unique target market.</p>

(source: the author, 2015)

## 5. METHODOLOGY

### 5.1. Measurement

For this study a quantitative research was chosen. The study was conducted on the basis of two online questionnaires in the area of Melbourne and the Victoria state in Australia. The survey was developed based on questions aiming to study market potential, target market and consumer behavior. Participants answered one of two possible surveys. One survey was made for people who are kitesurfers and the other survey was made for people who have never done



kitesurf. Both surveys contained 13 closed questions and consisted of different sections investigating demographic characteristics, as well as psychographic area of sport motivations, travel motivations, emotions, importance of sport and future development. (See Annex XI-Questionnaires)

## **5.2. Data Collection**

The study population is comprised of people in the city of Melbourne and its area which was chosen because it is a well-established coastal destination and quite popular among water sport tourists in Australia. The survey was conducted at the end of the year 2015, during the Australian summer season. The study population was approach online on social media and sport connected websites as well as face-to-face interviews with people around the beach, kitesurfing schools and local parks.

The survey was created in the way to find insights of the potential market of the business. The questions were created with the aim to determine the tarket market needs, as well as to understand if the business will be attractive for people living in Australia. Moreover the questionnaire was developed to find the best way how to communicate the product to the customers based on their characteristics and values. The survey was also created with the aim to comprehend the opportunity of the business around the Australian coastal area and to answer the most essential question of the business which is the potential and attractiveness of the TKB service.

## **5.3. Sample characteristics**

To understand two different target groups of The Kite Bus Australia, two surveys were conducted. First survey was for people who are already kitesurfers and the second survey was for people who have never done it before. The reason for conducting two surveys was to find insights, needs and wants, and reasons of some actions, which are very different in two target groups: people who are kitesurfers and who have never tried kitesurfing. The data set used in that study consists of 300 respondents for each survey. The sample of both surveys consists citizens of Australia who live in Melbourne and also tourists who came for longer period of time (backpackers, students).

The survey for kilters was conducted around social group of people who are kiting for some period of time or who just learned but they already got experience. The sample consists of 84% of male and 16% of female participants, which showed that on average more people who are doing kitesurfing are males. The biggest age group of people doing kitesurfing is the group of people that are more than 40 years old, followed by second greatest group, which is the age between 25 and 35 (See Annex II - Sample Characteristics – Chart 1).

The survey for non-kilters was conducted around people in Melbourne are who have never done kitesurfing before. The questionnaire was online and face-to-face. The participants were people who are doing different than kitesurfing watersports, business people, students, backpackers and tourists. The sample consists of 53% of female and 47% of male participants. The biggest group of questioned people were between 20 and 25 years old followed by the age group up to 30 years old (See Annex II - Sample Characteristics – Chart 2).

## **5.4. Findings**

### **5.4.1. Survey for People Who are Kitesurfers**

Most of the participants of the survey are doing kitesurfing between 2 and 4 years. That result is followed by people who are active in this sport up to 8 years now. Those people have already the experience and they know that they want to progress more. TKB's core target market is people who already started their journey with kitesurfing and now they want to develop with experienced instructors who will help them to progress fast.

For the question about the main motivation to do kitesurfing 49% of participants answered that their main motivation is to do sport and to be fit, as well as to progress and develop, 32% of people chose the 'other' answer (See Annex III – Survey for people who are kitesurfers – Chart 3). The answers varied a lot. Most of them were that the main motivation is to have pure fun and to be free, because being alone on the water clears the head from stress. Love to surf and to fly the kite was also one of the repeated answers. People are also feeling motivated by the adrenaline and being addicted to the sport. One of the common answers was also that the motivation is driven by the possibility of being on the water which gives people the

amazing feeling of excitement and freedom. Participants also answered that kitesurfing is a different way to spend time on the water and that this sport is an extension to surfing when the waves are not good. Those answers for the question lead to the customers insights. They are explaining why the product will be attractive for the potential customers.

Another question that was aiming at discovering participants insights was the question about feelings toward kitesurfing. Almost all of the people answered that kitesurfing delivers lot of fun. Moreover they treat it as a hobby which fulfills their life and also as a possibility to travel and meet new people. Surprising answer was that 23 people do not find kitesurfing interesting and do not have the feeling to progress.

For 40% of Australian participants of the survey the main destination to go kitesurfing is mainly Australia. Australia gives a lot of possibilities when it comes to variety of beaches and exposure to the ocean and wind. The reason why most of the questioned people chose this answer might be the cost and time of traveling overseas. People going oversea and who travel around the world prefer destinations like Brazil, Africa or Latin America.

To find out what are peoples' needs and want, participants were asked the question of what do they like the most about kitesurfing and travelling around. Participants answered that what they mostly like about kitesurfing is possibility to meet new people, to see remote places around the world and to progress and follow dreams (See Annex III – Survey for people who are kitesurfers – Chart 4). Surprising and important answer for the business is that people who are kitesurfing like the way of living and lifestyle shared with other passionate people.

For 71% questioned people the most annoying thing about kitesurfing are no wind days. What people do not like about kitesurfing too, is the cost of the equipment and travel expenses. The Kite Bus Australia wants to connect reasonable and fair price for kitesurfing trip and the best quality kitesurfing course

The most important question of the survey was: If you would have the possibility to travel around Australia on an organized trip, to kitesurf everyday and chase the wind, you would?

The answers that repeated the most were: definitely do it, because it sounds like a new and different adventure, do it because they could make new friends and gain new experience and

do it because they love to travel. 40 people answered that they would not do it, because they prefer to be independent and 21 people chose the answer that they are not sure if it worth their time and money. Some participants chose the other answer, explaining that they are afraid that they are not good enough to undertake this kind of trip and that they don't want to leave the family and kids. People also combined answers that they will do the trip because it sounds like a new adventure, they could gain new experience and make new friends but on the other hand they would not do it, because they are afraid if it is worth to spend money on and because they prefer to be independent (See Annex III - Survey for people who are kitesurfers – Chart 5). Those answers show that people are happy to go for a kitesurfing trip, but only if there is a guarantee of having different experience for reasonable money expense. People do not like to undertake risk when comes to new products and services.

The aim of another very important question in the survey was to discover the most important expected value while taking part in kitesurfing trip. For most of the people the most important expected value gained from the organized trip would be the possibility to visit new and remote places, to have a backup plan during no wind days and also reasonable money expense. Participants also added their own answers, which were for instance: reliable water and wind condition, good company, amazing location, original experience delivery and high value training (See Annex III - Survey for people who are kitesurfers – Chart 6).

For 44% of participants the most preferable way to do kitesurfing is by themselves, because they are self-sufficient and independent (See Annex III - Survey for people who are kitesurfers – Chart 7). The other 20% of people answered that the best way for them to do kitesurf is on the organized trip where they can meet new people, share the same interest and to have the possibility to travel around with qualified instructors, who could give tips. Participants of the survey also add their own answer to the question. For them the best way to do kitesurfing is with good friends that they can play, laugh and share experience together. People also answered that they like to be in places with people who have local knowledge about the spot and that they prefer to go where the conditions are the best: good and strong wind and suitable beach.

Participants were also asked if they will have the opportunity to try something new in kitesurfing what would it be.

- 45% of people answered that they would go on an organized trip with other people, where they can explore new spots around Australia, enjoy travelling, and do sports like surfing, wakeboarding, not only kitesurfing, with qualified instructors who are experts in this field.
- 35% of people answered that they would like to go on a kite trip by themselves to the places that they have never been to.
- 16% of answers were that people prefer to have a progression course with a qualified instructor from a kitesurfing school on a beach.
- From the 6% of the 'other' answer, people preferences are mostly: travelling with friends to places that they have never seen, to windy beaches with instructors and to go on a trip with minded people that besides kitesurfing include also surfing, snorkeling, and local sightseeing.

For 35% of people who chose to be independent and for 16% of people who chose to stay on the beach in a kitesurfing school, 91% of people answered that they definitely want to continue doing kitesurfing, because they want to progress more and because kitesurfing gives them a lot of life experience.

#### **5.4.2. Survey for People Who Have Never Done Kitesurfing Before**

The participants of the survey answered first main important question that shows the potential of the business for the additional target market which is people who have never tried kitesurfing. The question was: Would you like to learn kitesurfing? Only 3% of people answered that they do not want to learn which leaves 97% of potential target market interested in having kitesurfing lessons. 34% of people asked for the main motivation to learn how to kitesurf answered that they would treat it mostly as a holiday activity. 25% of people answered that they want to be fit and they want to do sport. 14% of people chose that they would like to develop as a person (See Annex IV - Survey for people who have never done kitesurfing before – Chart 8).

Participants were asked the question about their feelings toward kitesurfing. This question aimed at discovering the potential of the target market and its insights. Almost 75% of people answered that they found kitesurfing interesting and they want to learn it and also that kitesurfing could be their new hobby. What is very important, 11% of people answered that

they could learn, because their friends are kitesurfers. Participants answered also that they could treat kitesurfing as an alternative to windsurfing and surfing, while there are no waves or enough strong wind for windsurfing (See Annex IV - Survey for people who have never done kitesurfing before – Chart 9).

Almost 50% of people, asked about the location where they want to try kitesurfing, answered that they would like to do it in different places around the world not mainly in Australia. This gives the proof that people are willing to treat kitesurfing as a possibility to travel and visit remote places around the world.

The next question which was: What do you think would you like the most about kitesurfing, showed that preferred answer was that people want to have a possibility to see different places around the world, possibility to meet people from different countries and possibility to progress and follow dreams. Participants also answered that they would treat kitesurfing as a different type of fitness and outdoor sport that gives the possibility to be on the water and interact with nature (See Annex IV - Survey for people who have never done kitesurfing before – Chart 10).

Participants of this survey were people who have never done kitesurfing, so that they do not have any experience and feeling whether they like it or no. That leads us to the problem of the most difficult aspect regarding to consider in kitesurfing lessons. 55% of people answered that they problem is the cost of the kitesurfing course. People do not like to put a lot of risk in thing that they have never tried before.

Participants answered one of the most essential questions of the survey that justifies the potential of the business for people who have never done kitesurfing before. The graph below shows that people would definitely use the possibility to travel around Australia, because the love to travel, because it sounds like a new adventure and because they could make new friends and gain new experience (See Annex IV - Survey for people who have never done kitesurfing before – Chart 11).

For the next question 38% of participants answered that the most interesting way for them to have their first kitesurfing lesson would be on an organized trip with instructors and with the

possibility to travel around. 32% of participants answered that they would be interested in having first lesson in a kitesurfing school on the beach. People are scared at the beginning that they would not like it, so they prefer to have their first lesson in a kitesurfing school, where they can pay for the first lesson and then decide if they want to continue.

For the question of willingness of having a kitesurfing lesson only 7% of people answered that they do not want to learn (See Annex IV - Survey for people who have never done kitesurfing before – Chart 12). That justifies that the potential of the sport is big and people are willing to take lessons and gain a new experience. In the option “other” people answered that they would like to have lessons but they simply cannot afford it now.

The last question that was asked participants was about the most important expected value that people would like to have while being on an organized kitesurfing trip. People care the most about the money expense, delivered quality by experienced people, possibility to visit new, remote places and also to have a backup plan during days without the wind (See Annex IV - Survey for people who have never done kitesurfing before – Chart 13).

## **6. INTERNAL ANALYSIS**

### **6.1. Business Concept**

#### **6.1.1. Description of Product and Service**

##### **6.1.1.1. TKB Business Model**

The main idea of the business is to give people amazing experience, which is not offered by any other school in Australia. The aim is to travel around Australia, while being part of an organized trip with qualified instructors, in the bus made especially for the business with the aim to learn how to kitesurf, chase the wind, gain experience and share passion with others. The product that the business will be selling are kitesurfing lessons conducted by qualified and very experienced instructors who are part of the IKO- International Kiteboarding Organization. The service that The Kite Bus Australia will be performing is the high level learning course with the guarantee of the progression, because of the choice of the best spots with wind and easy access to the beach for each of the level of the students. The kite trip will guarantee the best qualified and experienced kitesurfing instructor with the local

knowledge who will lead students toward great progression as well as take care of the quality of the trip with no wind days, providing other exiting sport activities.

## **6.1.1.2. Mission and Goals**

The Kite Bus Australia will provide a new service on the Australian market with the aim of satisfying customers' needs and wants as well as taking into account price sensitivity combined with unique added value. TKB sets mission and goals that are planned to be followed and gratify.

- Provide unique added value other than all the kitesurfing schools in Australia.
- Provide kitesurfing course for every group of people: young, older, girls, boys, kids, beginners, advanced. The goal is to fulfill their needs, wants and expectations and to adapt to progression speed, because different people learn in different way that is why teaching process should be changed and adapted to different groups of people. The idea is also to share the experience with people that ones are feeling comfortable with (the same age group, the same life goals, the same way of having fun).
- Main focus will be on the progression in the easy conditions for the beginners, and more challenging conditions for advanced people. The aim will be to have fun during the learning process, to adapt the knowledge in a clear and easy way, without stress or time pressure as well as making the trip an unforgettable experience.
- Provide water sport activities with no wind days, to deliver different experience besides ktiesurfing (the added value experience to the business):
  - a. Surfing- as a core sport in Australia, possibility to visit remote surf beaches, which are a legendary surfing destination our the coast
  - b. Wakeboarding- possibility to try very similar sport to kitesurfing but without the wind, being towed behind the boat on lakes located in places that some people might have no idea about their existence, which makes it more magical.
  - c. Stand Up Paddle Board- Possibility to try SUP, the sport which get more and more famous around people who like to spend time on the beach and by the water but are not huge fans of extreme sports
  - d. Local sightseeing- besides doing sports and learning how to kitesurf, people will have an opportunity to see a bit of Australia, famous beaches, coastal towns and main attractions of the regions



- e. Hiking- Australia is a country of beautiful coastline and magical scenery. Hiking will be a solution for no wind days that gives an opportunity to see some beautiful views, and to be close to the nature and wild animals.
- f. Leisure- behind the kite trip the idea is to deliver the best possible experience now only connected with kitesurfing but also to spend time with great people, relax while being close to the nature, try new sports and enjoy proper Australian summer
- Deliver great quality and reliable kitesurfing course while being with one of the best instructors in Australia, who are qualified by International Kiteboarding Organization and have a lot of experience with teaching in different wind conditions and different spots, who are as well as passionate about their job and able to share this passion with their students.
- The conducted market research justified that that the most important expected value that people would wish to have from an organized kite trip is: a backup plan during no wind days, organized other activities (surfing, wakeboarding), possibility to visit new, remote places and reasonable money expense. Those are all the goals and missions of TKB that should be fulfilled to reach competitive advantage.  
(source: the author)

## **6.2. Businesses Resources and Capabilities**

All the employees of The Kite Bus Australia will be qualified IKO (International Kiteboarding Organization) instructors, as well as well experienced people in kitesurfing, equipment, teaching techniques, weather forecast reading, and fun delivery.

To be a manager or an instructor of a kitesurfing school one has to possess knowledge about steps of the teaching process and also to be able to assess the wind and weather conditions which are influencing directly kitesurfing lessons and connect them with the level of a student. Another very important factor is safety and risk assessment of the spot and wind conditions.

Capabilities of the kitesurfing business are the ability to perform well based on business knowledge, factors connected to the business like weather, wind and beaches. More important are stakeholders without which the business cannot perform. Capabilities to

perform are also licenses and legal rights as well as permits to teach on specified beaches around Australian coast.

Resources of a kitesurfing business can be divided into tangible assets and intangible assets.

Tangible assets are:

- Kitesurfing equipment: boards, kites, kite bars, harnesses, trainer kites and wetsuits
- The vehicle
- Work computer and phone
- Weather station
- Tool box

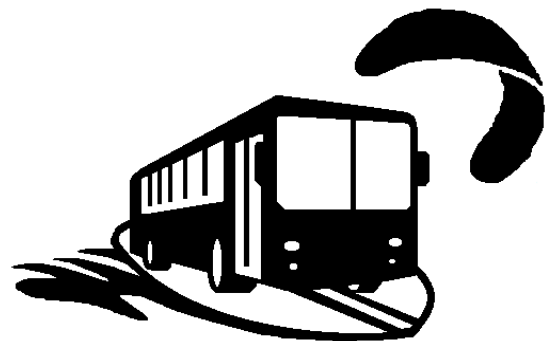
Intangible assets are:

- Brand name- The Kite Bus Australia, TKB
- Logo
- Licenses
- Customer list
- Employment contracts
- Insurance
- Permits
- Shareholders agreement
- Supplier contracts
- Business knowledge
- Business methodology
- Copyrights

(source: the author)

**Figure 1**

**The Kite Bus Australia, Logo**



(source: the author)

## **7. EXTERNAL ANALYSIS**

External analysis is a crucial part of the Business Plan. It allows one to understand the surrounding environment of the business. External analysis should point out opportunities and threats of The Kite Bus Australia while seek to take advantage of opportunities and reduce the risk of threats, in attempts to reach the business' goals outlined in the mission.

(Kotler P. 2009)

## 7.1. Market Analysis

Australian market of schools which offer kitesurfing courses in Australia is highly competitive. Therefore it is not easy to enter the market, gain customers, profits and peoples' trust. The idea of TKB was born while finding the niche in the market, which is not only giving people opportunity to learn kitesurfing in a school but also offering them other activities: possibility to travel around Australia, visit different kitesurfing spots, explore the nature, try other sports, and meet people from around the world.

### 7.1.1. Mediate Analysis

#### 7.1.1.1. Political Factors

Regarding political factors of Australian market it is important to present the labor and employment law, working hours and wages policies. Terms and conditions of employment are regulated by statute and the common law. Co-existing Federal and State statutory schemes are supplemented by the common law as developed in both Federal and State courts and tribunals, and bodies such as the AIRC.

At the federal level, the *Workplace Relations Act 1996* (Cth) provides three different methods for fixing a worker's terms and conditions of employment — awards, certified agreements and Australian Workplace Agreements. Australian Workplace Agreements (AWAs) (the *Workplace Relations Act*) are agreements negotiated between a single employee and their employer on an individual basis.

At the State and Territory level, five States (but not Victoria) currently have their own statutory schemes regulating wages and employment conditions.

Under the common law, all employees have a contract of employment with their employer. This contractual employment relationship co-exists with other statute-based forms of employment regulation, such as awards or certified agreements (the *Workplace Relations Act 1996* (Cth)). An employer may terminate a contract of employment on a number of grounds. Firstly, a contract may generally be summarily terminated if an employee declines to fulfil any or all of his or her obligations under the contract. Summary termination may also be

justified in serious cases of misconduct, such as dishonesty, or if an employee demonstrates a high level of incompetence. At common law, if an employer transfers or transmits its business to another entity, it is unlikely that the contract between the original employer and employees remains on foot.

The standard working week in Australia is 38 hours. Many workers are able to use “flexitime”; this permits a worker to flexibly vary their working hours over a set period. The minimum wage, at June 2002, was AU\$413.40, weekly.

(source: National Labour Law Profile: Australia)

A company tax is paid by companies and corporations on their profits. Unlike personal income taxes, company tax is calculated at a flat rate of 30% (28.5% for small businesses, which are defined as companies with revenue of less than \$2 million per year). A goods and services tax (GST) is a value added tax levied by the federal government at 10% on the supply of most goods and services by entities registered for the tax. The GST was introduced in Australia on 1 July 2000 by the then Howard Liberal government. The GST rate of 10% is charged on most goods and services consumed in Australia. A business which is registered for GST would include the GST in the sale prices it charges.

(source: Australian Taxation Office)

### **7.1.1.2. Economical Factors**

Analyzing economical factors contributing into the Surf Industry value and revenue we found out that surfing in Australia increased impact on local and regional economy and it’s proven with facts and figures. We can easily say that the wave creates wealth in coastal towns. Surfing is getting new businesses and attraction sources to the coastal regions in Australia.

As there is no official information about economics of Kitesurfing in Australia, because of the novelty of that sport, to analyze the market we used data that explains surf economy, which is very close and interrelated with kitesurfing.

According to local Surf Coast Shire economy based in Victoria State in Australia, surf industry is a key contributor to the economy both directly and indirectly with the value added of AUD\$ 217.0 million and local jobs (2,034 FTE jobs). The surf industry contributes to surf

economy through distribution and sales of surf equipment and services, manufacture and provision of accommodation and food/beverages for visitors for surf related purposes.

(source: Surf Coast Shire Report, 2014)

According to data presented by Department of Employment (2014), the Total Surf Economy Output in 2013 AUD\$ 1,789.6 million, Industry Value Added AUD\$ 819.8 million, Incomes AUD\$ 393.3 million and Employment 7,561(FTEs). (source: REMPLAN (2014), department of Employment (2014))

Surf Economy in Victoria has couple of assets that contribute to the surf revenue:

- The chilly waters and powerful waves have encouraged innovation in the development of surf equipment, which has seen companies such as Rip Curl, Quiksilver and many niche businesses lead the market in surf equipment design and manufacture
- The Bells Beach Surfing Recreation Reserve is one of the world's most celebrated and famous surfing locations and is the site of the longest running surfing contest in the world, the Bells Beach Rip Curl Pro. This event is regarded as one of Victoria's marquee sporting events and sits alongside the AFL Grand Final, Melbourne Cup, F1 Grand Prix and the Australian Tennis Open.
- Australian National Surfing Museum (SurfWorld Museum) the world's largest and only accredited surfing museum.
- One of the most intensive surf industry/ activity clusters in the world – Surf City & Baines Crescent precinct.
- Home of Surfing Victoria, one of the oldest surfing administration organisations in the world and the largest State Sporting Organisation in Victoria not based in Melbourne.
- Surfing Victoria manage a diverse array of events from the iconic Rip Curl Pro (until the Association of Surfing Professionals took over in 2014) through to school surfing.
- Kiteboarding Australia (KA) is the national member of the ISAF international class association for kiteboarding, the International Kiteboarding Association.
- The largest Surf Lifesaving club in Victoria (Anglesea)

Surf Coast in Victoria is one of the fastest growing populations outside metropolitan Melbourne. Population growth results in increased demand for goods and services, which has created many opportunities for commercial ventures. Main two future opportunities for the Surf Industry Growth are: product development and Promotion and Increased Supporting

Services, Industries and Activities. Main industry issues and obstacles indicated by the Surf Report are: Domestic and International Competition, Governance and Regulations and Seasonality. (source: Surf Coast Shire Report, 2014)

### **7.1.1.3. Social Factors**

Australia holds a lot of sport events famous all over the world that creates a big contribution in social factors of Australian market. Every year Australia in Victoria State is hosting Formula 1 Grand Prix, Tennis Open Grand Slam, Horse Racing (Melbourne Cup) and Surfing Competition (Rip Curl Pro Bells Beach. Australian treat sport as a truly important element of fitness activity, international trade, ambassadorship and peace-making. According to the article ‘Sport in Australia’, sport in Australia has many faces:

- Sport encourages health and fitness
- It build relationships and team spirit
- It transcendence physical disability
- It build international friendships
- It encourages competition
- It is fun in many forms
- It is a career and income
- It is a big business and international trade

(source: Sport in Australia, 2014)

According to Australian Bureau of Statistics the biggest motivation for both sexes in Australia to do sports is to be healthy and fit, second is for the good well-being and third for the enjoyment. Sport is a national obsession in Australia. Beach culture is hardwired into the Australian mentality and with around ninety percent of the population living within two hours of the beach, Australians have found countless ways of getting in, on or under the water.

(source: The Economic Contribution of Sport to Australia, 2009)

Surfing in Victoria, Australia can find its origin back in 1960, when founders of Rip Curl Brand started their business, introducing first wetsuits. Since that moment Victorian coastal area is one of the most visited place in Australia with the beach and surf purpose.

According to the Surf Industry Report from Victoria State, Surf Coast is a key surf tourism destination, and is also the gateway to the Great Ocean Road, one of the world's most scenic coastal drives. Surf Coast Shire recorded a total of 1.8 million tourism visitors for the year ending June 2014, a 38.7% increase from the previous year. The majority of visitors (1.0 million) to Surf Coast Shire were classified as day-trip visitors, while there were also 800,000 domestic overnight and 31,000 international visitors for the year. March quarter is by far the busiest time of the year for tourism in Surf Coast Shire, having averaged 640,000 visitors between 2005 and 2014. The December quarter is also a strong period for tourism visitation, receiving an average of 395,000 visitors each quarter. This seasonality of tourism visitation is consistent with other beach regions around Australia as the March and December quarters coincide with warmer weather and holiday periods. In the year ending June 2014, approximately 71.2% of visitors to Surf Coast Shire went to the beach. Surfing is a major driver of visitors going to the beach in Surf Coast Shire. Data from Tourism Research Australia (2014) estimates on average 10.8% of visitors to Surf Coast Shire from the year ending June 2006 to the year ending June 2014 have surfed during their stay.

(source: Surf Coast Shire Report, 2014)

According to data presented by the Surf Coast Shire Report, from all the visitors coming to Australia, Victoria's Coast is the most attractive coast to visit beaches out of all coastal destinations: New South Wales, Queensland, and Western Australia. Moreover more local residents are going to the beach in the Victoria State than all the other regions. When comes to the main purpose which is surfing, Victoria is the second main destination to do the sport right after Byron Bay in New South Wales.

## **7.1.2. Immediate Analysis**

### **7.1.2.1. General Sector Overview**

Kitesurfing is sport that fascinates a lot of people around the world. People are thrilled about the speed, extremely high jumps, combination of tricks, and wave riding that came from surfing.

Pioneers of kiteboarding as we know it today are the Legaigoux brothers from Breton, France, who created the first inflatable kites, as well as the prototype, and experimenting with

them in 1985. The first commercial kites and board was developed in 1994 in USA by Cory Roeseler. In 1998 windsurfing guru Robby Naish requested a license from Bruno Legaignoux and developed software which enabled him to design kites. The birth of kiteboarding as a mainstream sport really began in 1998 when Joe Keuhl organised the first kiteboarding event, which took place on Maui in Hawaii. (inmotionkitesurfing.com, 2013)

Unique aspect of kitesurfing is that the sport developed in many different directions and styles: massive jumps, racing, wakestyle (freestyle part of kitesurfing), and strapless, wave kitesurfing. Nowadays on the market there are plenty different kites available for people's needs. Kitesurfing companies are pushing limits to invent something totally new and different than others, taking into account safety and performance of the equipment.

In Australia a sports megatrend represents a pattern of social, economical and environmental change. People are fitting sport into their busy lifestyle to achieve personal health objectives. This trend captures the rise of lifestyle, adventure and alternative sports which are particularly popular with younger generations. Those sports involve: surfing, windsurfing, kitesurfing, sports that are based on complex, advanced skills and have some elements of inherent danger or thrill seeking. Those sports are called lifestyle sports because of the strong lifestyle impact, cultural self-identity and self-expression. Those sports are likely to attract participants because of the generation change, social media and awareness of online content. (The Future of Australian Sport, 2013)

Lifestyle sports have risen on the demand (participation) and supply (industry) side. It is estimated that worldwide there are 150 million people participating in action sports. The largest segment of people interested in that sport is Generation Y (born between 1978-1995). Generation Y is characterized by adventure and freedom of expression. Unfortunately the data for many lifestyle sports remain scant. (The Future of Australian Sport, 2013)

Extreme sports often have high costs, both financial and physical, given the risk of participation. The capital needed for kitesurfing equipment may be excluding for some people that have lower salary. For some people participation in extreme sports is an indicator of socio-economic status. (The Future of Australian Sport, 2013)



## 7.1.2.2. Sector Evolution and Future Trends

The extreme sports market segment has been exhibiting rapid growth in popularity over the last decade. Good growth rates can also be expected from the ever-increasing number of “gap year students”, who tend to travel for around 6-12 months before or after university. Extreme sports are particularly popular with this market, which has expanded by 100% over the last five years. It is a very innovative market that is constantly looking for new ways to evolve. (The Future of Australian Sport, 2013)

The future of kitesurfing definitely looks very bright. There are couple of worldwide kitesurfing pro tours covering freestyle and wave riding, as well as speed and racing world championships. Kitesurfing gear is evolving with extreme speed. Equipment is becoming more efficient, safe and challenging. Kite school with qualified instructors with IKO standards can be found all around the world. More and more kids and youngster are getting into kiteboarding which is a great indicator for the future of the sport. (inmotionkitesurfing.com, 2013)

Sector evolution and future trends of kitesurfing that can be listed:

- Evolution in different directions- wave riding, freestyle, wakestyle, racing, strapless riding, and foil. Different styles make a sport very diverse with lot of opportunities.
- Materials and safety- Kitesurfing companies have been developing new materials and manufacturing techniques to make the gear more resistant to weather and place conditions (sun, salty water, sand). The use of specialized nylon and carbon materials is insanely big in order to make kites and boards very light. Every year kitesurfing companies are releasing new gear line, with new and better performance and safety systems.
- Progression- because of the evolution of the kitesurfing gear, the limits have been pushed and people can progress faster. The gear is becoming user friendly and safer which gives people more confidence and willingness to try the sport.
- Young generation- As teaching technique improves more and more kids are getting into kitesurfing. The sport is highly spectator attractive and thrilling. Kitesurfing is perfect for kids who seeking always new adventures and excitement.

- Online awareness- because of the Internet and social media content, kitesurfing has gained more social awareness. Videos, blogs, companies websites, online shops give an opportunity to be always updated with newest trends, new tricks, new released gear and competition rankings.
- Globalization- unites kitesurfers from all around the world. Higher living standards, faster transportation, cheaper costs of flying, online information let people migrate from places to places on different continents with search of wind.
- Sport travelling- Travel destinations are chosen on the basis of wind strength and spot conditions. The aim of travelling is to seek new undiscovered spots, to interact with nature (wind and water) and to kitesurf.

### 7.1.3. Main Competitors

There are three main competitors in Melbourne area:

#### 1. Kite Republic

Kite Republic is Melbourne's most active Kiteboarding group, based in St Kilda, Victoria. The school was born in 2000 and now it is a Melbourne market leader with the biggest amount of instructors on the beach. Kite Republic's main focus is kitesurfing lessons conducted on the St Kilda beach in Melbourne. Kite Republic offers different kitesurfing lessons options where the price of the lesson changes on the basis of the amount of people taking the lesson. Lessons can be conducted privately or in 3 persons group:

For people who have never took kitesurfing lessons:

- a) 1 hour kite pilot lesson: \$90 (private), \$138 (two people), \$177 (three people)
- b) 2 hour hit the water lesson: \$170 (private), \$238 (two people), \$327 (three people)
- c) 5 hour addiction package lesson: \$419 (private), \$558 (two people), \$747 (three people)

For people who can already kitesurf:

- d) 1 hour progression lesson: \$90 (private)
- e) 2 hour progression lesson: \$170 (private)

Kite Republic also runs Kite Events which are:

- IKO Instructor Training- training course for future instructors
- Kiteboarding Australia Instructor Course- training course for future instructors
- KR Kite Ride Day: \$75- one day trip to the windy spot outside of Melbourne with instructors from the school. Ride day happens one time per month.
- KR Camp weekend: \$225- two days trip to the windy spot outside of Melbourne with instructors from the school. Camp weekend happens on average three times during season (7 months).
- Katie Potter- Girls League: \$75-\$200- a kitesurfing course for girls only, held by the professional kitesurfer Katie Potter, who can give tips and improve one's quality of riding.
- KR Aitutaki Winter Escape- kiteboarding tour and progression course held during Australian winter season, 20 days spent with Australian's top freestyler rider and Australian's highest qualified instructor  
(source: [kiterepublic.com.au](http://kiterepublic.com.au))

Kite Republic is the most active competitor. The school runs the biggest amount of lessons out of two other competitors. Kite Republic also organizes every month a club night when all the instructors and students can come and socialize together. Although the school is the one out of two other competitors to run events outside of Melbourne including Ride Day and Camp Weekend but those events are not the main focus of Kite Republic, the main focus of the business is kitesurfing lessons on the Melbourne local beach, St Kilda. KR works very hard on creating customer loyalty and relationship with the company while giving an opportunity to be part of The Club with the Membership Card. KR is focused on customer satisfaction and involvement starting from kitesurfing lesson, through progression courses, to buying one's own kitesurfing gear.

(source: Chris Sal, KR owner)

## 2. The Zu Boardsports

The ZU Boardsports is a specialist Store and Watersport Center located on Melbourne's St Kilda West Beach. As a Watersports Centre The Zu specializes in lessons and hire for

Kiteboarding, Stand Up Paddle Boarding and Windsurfing, although the main focus remains with kitesurfing lessons. The Zu offers different types of kitesurfing lessons. The prices vary depending if the lesson is private or in a group.

For people who have never took kitesurfing lessons:

- a) 1 hour pilot lesson: \$95
- b) 2 hour Get Ready to Board: \$179 (private lesson) \$238 (two people)
- c) 5 hour package Ready to Take Off: \$429 (private lesson) or \$558 (two people)

The Zu Boardsports does not organize any social events, trips or camps. The school is concentrated on running lessons on the local beach in Melbourne.

(source: thezu.com.au)

### 3. GoKite

GoKite was established in 2009 on St Kilda beach and has quickly grown to Rosebud on the Mornington Peninsula and to Andersons Inlet at Inverloch. GoKite operates at Melbourne's most central teaching location – West Beach, St Kilda. GoKite as other two competitors offers different type of lessons packages depending on amount of people in a group.

For people who have never took kitesurfing lessons:

- a) 1 hour Get Hooked package: \$90 (private), \$110 (two people), \$140 (three people)
- b) 2 hour Get Wet package, which includes Get Hooked package: \$180 (private), \$220 (two people), \$270 (three people)
- c) 6 hour Get Riding package, which includes Get Wet package: \$495 (private), \$600 (two people), \$740 (three people)

For people who can already kitesurf:

- d) 1 hour Progression package: \$99
- e) 1,5 hour Refresh package: \$125
- f) 1,5 hour Intermediate package: \$125

GoKite also offers a professional coaching program with Dan Sweeney, Australian top freestyle kiteboarder:

- 1 hour of coaching with one's own equipment: \$99
- 1 hour of coaching on top range school's equipment: \$129

The school has an offer of events that are happening on the St Kilda beach in Melbourne. Those events are happening during summer season and they include:

- NextGen session: special kitesurfing courses for students
- Excel Day: clinics for people who already took lessons before
- Freestyle Seminar: lessons, for people who want to learn how to jump

GoKite is not involved in social part of the business as much as Kite Republic. The schools offers quality lessons but without an opportunity of being a member of a club. GoKite's mission is to get one riding fast in the safest environment while having maximum fun.

(source: [gokite.com.au](http://gokite.com.au))

## Competitors' summary

In all the three kitesurfing schools located on St Kilda beach in Melbourne the prices of the course are the same. Main focus of all the three schools is delivering the quality kitesurfing lessons. They differ from each other based on the offer of other progression courses, refreshments or clinics and the possibility of being part of the club. The table below shows that the main competitor for The Kite Bus Australia is Kite Republic with their offer of Kitesurfing Ride Days and Weekend Camps, as well as social nights and membership.

TKB's offer will be a mix between progression course and a kitesurfing weekend camp. Main difference will be that the camp will last longer than just a weekend and it will be based on a progression course with constant attention from instructors (instead of 1h progression class) and also include added value experience like surfing, wakeboarding or hiking. The Kite Bus Australia will be focused also on organizing clinics with top riders from Australia and Overseas. The most important factor that makes TKB different than school in Melbourne is that The Kite Bus Australia is not located in one place and the core business idea are kitesurfing trips based on a progression course with highly qualified instructors.

**Table 2**

**Competitors Analysis**

	Kite Republic	The Zu Boardsports	GoKite
Kitesurfing Lessons:			
- Beginner Package	✓	✓	✓
- Progression	✓		✓
Kite Ride Days	✓		
Kite Weekend Camps	✓		
Clinics	✓		✓
Winter Camps	✓		
Social Nights	✓		
Membership	✓		
Coaching With Top Riders	✓		✓

(source: the author, 2016)

**7.1.4. Competitive Analysis**

**OPPORTUNITIES**

- **Australian big water sports market-** Australian market of water sports creates a big opportunity that is based on surfing which is one of the most iconic outdoor sports in Australia. Looking at the information about trends in Australian tourism, participation in sailing and windsurfing increased 26%, which gives an opportunity for increasing market of watersports. ( Tourism Research Australia, 2015)

The conducted research justified that Australia is a big market for kitesurfing. Over 60% of participants answered that their main destination to do sport is Australia.

- **Australian license to teach-** Kiteboarding Australia organization developed new training for kitesurfing instructors to gain Australian kitesurfing teaching license. That gives a chance to be exclusive and qualified on the Australian market while having instructors not only from International Kiteboarding Organization (IKO) but also trained for Australian market by Kiteboarding Australia. Opportunity to develop national standard for training tied to membership and insurance.

- **Differentiated target market-** Based on Tourism Research Australia in 2015, 6.9 million international tourists came to Australia out of which 3.1 million came with holiday purpose. After New South Wales, Victoria is the second most visited state in the country. In 2015, 596 thousand backpackers came to Australia. Tourism in Australia is forecasted to grow up to 10.6 million international tourist in the next 10 years. ( International Visitors in Australia and Tourism Forecasts, 2015)  
Moreover, based on the conducted survey for people who have never done kitesurfing, 273 out of 300 people answered that they will or maybe take the kitesurfing course.
- **Natural country features-** Usage of all differentiated features that Australia is giving to the market, because of the country location and nature characteristics: coast line, wind conditions, waves, reef, hills, deserts and lakes. The Kite Bus Australia is benefiting from long and complex coastline that can be used also as no wind activities like surfing, wakeboarding, SUPing or hiking.
- **Relationship with key Australian equipment dealers-** This will give an easy access to the gear and cut extra costs of shipping.
- **Market potential-** Conducted survey also justified that when it comes to having possibility to go on an organized kitesurfing trip most of the questioned people answered that they would definitely do it, because of experiencing new adventure, gaining new friends and possibility to travel.

## THREATS

- **Seasonality-** As the sport is weather and wind dependant the same is with the business. Without good weather and wind conditions it is very difficult to satisfy customers. This is why The Kite Bus Australia will be a seasonal sport. TKB will be run only during Australian summer season which is the time between November and March.
- **Income vs. weather-** As mentioned above the sport is very dependent on wind and weather that is why the income is also changing based on outside conditions.
- **Sharks-** Shark attacks might be a psychological threat. Australian Shark Attack Annual Report from 2015 stated that during the whole 2015 year there were in total 22 shark attacks around the whole country out of which 1 was a fatal attack, 14 injured attacks and 7 uninjured attacks. The number of attacks is rising (2012-14 attacks, 2013- 10, 2014- 11, 2015-22). Although there is no information that sharks might

decrease number of tourist and the demand for watersports and kitesurfing in Australia.

( Australian Shark Attack Annual Report, 2015)

- **Suppliers' dependence-** Kitesurfing business is very dependent on suppliers, because the suppliers are giving the equipment to the school, so that lessons can be conducted.
- **No more permissions-** Local beach's authorities might stop giving permissions to teach for kitesurfing school with the different place of origin.

## STRENGTHS

- **Mobility of the business-** Mobility gives a huge strength to the business. The sport is dependent on the wind and weather. The bus gives possibilities to travel around the coast in search of new places with the wind and good teaching conditions. All other school around Victoria and New South Wales area are dependent on the weather and wind conditions in exact area. TKB's aim is to always guarantee wind, because of the possibility to move around places where there are better conditions, so that people do not have to wait for proper weather in always the same place.
- **Possibility to avoid no wind days-** The market research also showed that most annoying thing for people when it comes to kitesurfing are no wind days. One of the main aims of The Kite Bus Australia is to avoid having no wind days and organize other activities: surfing, wakeboarding.
- **Highly qualified instructors-** The instructors employed by The Kite Bus Australia have proper international and Australian qualifications, great experience, and what is most important, big local knowledge about the spots, beaches and always changing weather conditions. TKB will take care of the quality of having instructors with more than 4 years experience instead of quantity of all the time changing instructors as it happening in other kitesurfing schools.
- **Adjustable to people's needs-** The other aim of The Kite Bus Australia to be outstanding from the competition is the ability to adjust to peoples' needs and wants. Kitesurfing lessons will not be conducted in a simple as other schools way. The product will be sold in the suitable for everybody way. Kitesurfing lessons will be conducted in private lessons, group lessons with friends, in the way of Clinique or refreshment, on the local for people spot or in a way of a kitesurfing trip. TKB will



also offer trips for girls or boys only, kids' camps or a progression courses. The Kite Bus Australia is also open for new propositions from customers.

- **Flexibility**- TKB's biggest intension is to satisfy customers, while being flexible when it comes to dates, places of lessons and types of events. The sport is very weather and wind dependent but The Kite Bus Australia will try to do everything to satisfy students with places of teaching, wind and the promised added value experience.
- **Support from kitesurfing organizations**- Obtain support from International Kiteboarding Organization (IKO) and Kiteboarding Australia (KA).

## WEAKNESSES

- **Vehicle dependent**- As TKB is vehicle dependent, if the bus will encounter some technical problems that may be reflected on the profit side of the business or lost of customers' trust.
- **Novelty of the business**- As the business is new to the market and customers who are looking for kitesurfing lessons might be emotionally attached to the companies about which they heard before from friends or other sources, so that choosing new brand can create risk averse.
- **Revenue stream**- as the business is wind and weather dependent, the revenue might vary in time.
- **No 100% guaranty of the wind predictions**- wind forecasts are changing from day to day, so the wind might change suddenly in different way than TKB will expect, which might harm already organized kitesurfing trip

This analysis will consider business's internal analysis of strengths that can positively influence the company, as well as weaknesses that can have negative impact on the business. Moreover the analysis will compare external market opportunities and threats. The aim of that analysis is to find the features that are the most important factors for the business and that can create a competitive advantage and also that can benefit in the future. The relative importance of strength, weaknesses will be evaluated in the scale from 0- no importance to 5- maximum importance. The attractiveness of the opportunities will be evaluated on the same scale from 0- no attractiveness to 5- maximum attractiveness. The impact of threats will be also ranked on the same scale starting from 0- no impact to 5- maximum impact. The SWOT analysis will

also explains how to maintain strengths and benefit from opportunities, as well as how to prevent threats and decrease weaknesses.

**Table 3**  
**SWOT Analysis**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>- Mobility of the business</li> <li>- Possibility to avoid no wind days</li> <li>- Highly qualified instructors</li> <li>- Adjustable to peoples’ needs and wants</li> <li>- Flexibility</li> <li>- Support from kitesurfing organizations</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Vehicle dependent</li> <li>- Novelty of the business</li> <li>- Revenue stream</li> <li>- No 100% guaranty of the wind predictions</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Big Australian watersport market</li> <li>- Australian license to teach</li> <li>- Differentiated target market</li> <li>- Natural country features</li> <li>- Local gear dealers</li> <li>- Market potential</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Seasonality of the business</li> <li>- Income vs. weather</li> <li>- Sharks</li> <li>- Suppliers dependent</li> <li>- No permissions to teach on Australian beaches</li> </ul>

source: the author, 2016

**Table 4**  
**Internal Analysis**

<b>Strength</b>	<b>Importance</b>
Mobility of the business	5
Possibility to avoid no wind days	5
Highly qualified instructors	4
Adjustable to people’s needs and wants	4
Flexibility	3
Support from kitesurfing organizations	3
<b>Weaknesses</b>	<b>Importance</b>
Vehicle dependant	5
No 100% guaranty of the wind predictions	5
Revenue Stream	4
Novelty of the business	4

source: the author, 2016

**Table 5**  
**External Analysis**

<b>Opportunities</b>	<b>Attractiveness</b>
Big Australian watersport market	5
Differentiated target market	4
Australian license to teach	4
Natural country features	4
Market potential	4
Local gear dealers	3
<b>Threats</b>	<b>Impact</b>
Seasonality of the business	5
Income vs. Weather	5
Suppliers dependent	5
No permissions to teach on Australian beaches	5
Shark	4

source: the author, 2016

## **Opportunities**

The first main important opportunity that creates huge attractiveness for the business is that The Kite Bus Australia will be located in Australia, the country surrounded by water, with long coast line and spread beaches, as well as wind conditions- fresh wind coming from the south, from the ocean, and very warm wind coming from the desert in the middle of the continent. The business is based on usage of the wind and coast line. The natural conditions of conducting the business are cutting the need of having extra expenses on buildings or land. As most of the citizens of the country live by the seaside, TKB will try to benefit from that locating the business in one of the most populated states which are Victoria and New South Wales. Following above opportunities, people who live in Australia are very sport active and because of the everyday access to the water, the watersport market is getting bigger and bigger, letting TKB to be a very attractive startup with the opportunity to spread to another states in the future. As the business is based on the wind, weather and it is located on the coastline, the usage of the bus is not only strength but also a big opportunity for the business future. The bus will give new possibilities to explore yet uncovered spots around the coast as well expand to further destinations.

Big and differentiated target market gives very attractive opportunity for the business because of having large source of potential clients, but also wide spread diversity between them. TKB aims at youth, kids, families, people in their middle age and also active older people who wants to learn something new in their life. Moreover TKB plans to conduct trips for backpackers and students, so customers with lower budget, but who are very keen on exploring and gaining experience. Australian market offers all the variety of the potential clientele.

While being part of the Australian kiteboarding market, a very attractive opportunity to gain trust and support is to be licensed by Kiteboarding Australia organization that is currently implying more rules for teaching. Employees of TKB are not only part of International Kiteboarding Organization but also what is the most important they are part of Kiteboarding Australia Organization. That will give an opportunity to be part of membership, gain good support and obtain insurance.

Usage of all differentiated natural features that Australia is giving to the market, because of the country location and nature characteristics: coast line, wind conditions, waves, reef, hills, deserts and lakes gives a huge opportunity to the business. The Kite Bus Australia is benefiting from long and complex coastline that can be used also as no wind activities like surfing, wakeboarding, SUPing or hiking. The benefits of Victoria State that will give big opportunity to run a business are: Port Phillip Bay, which has the big variety of beaches around it with different wind conditions where The Bus can run. In Victoria state there are also some famous places like: Bells Beach where Rip Curl Pro surf competition took place, Great Ocean Road with beautiful coast line and access to a lot of surfable beaches and Phillip Island with great wind and interesting coast line. The state of New South Wales is offering huge variety of surf beaches with soft white sands and coral reefs. ([visitnsw.com](http://visitnsw.com), [visitvictoria.com](http://visitvictoria.com))

Market potential that can be concluded from the survey, which is a big opportunity for TKB, shows that most of the questioned people in the survey would definitely do the kitesurfing trip if they had a possibility, because of experiencing new adventure, gaining new friends and possibility to travel.

The least attractive opportunity is to have good relationships with local gear distributors that will benefit in easy access kitesurfing equipment and ability to cut costs of freight. Having good relationship with stakeholders is a very important part of the business but in the case of kitesurfing the market which is changing very fast and a lot of market players are losing money and clients that is why the business should be open for cutting new deals, with trustworthy companies.

## **Threats**

The biggest threat of The Kite Bus Australia is that the business is seasonal. The business will be run only during Australian summer season, because of the temperature and wind conditions. The future aim to overcome this weakness is to expand overseas during Australian winter. TKB's idea is to run kitesurfing camps in other windy destination outside Australia for instance Africa, South Europe or South America.

Following the seasonality of the business, kitesurfing is very weather and wind dependent. The big threat for the business is the change in income based on the outside conditions (rain vs. sun, wind vs. no wind).

The weakness of second importance is being supplier dependent. Kitesurfing schools are working on a basis of the equipment needed to conduct lessons. Following, any relationships that might go bad with suppliers will lead the need of finding new stakeholders that could be very expensive and time consuming. Moreover, as the business aim of TKB is to travel around different beaches, one of the 'must have' of the business are the permissions for teaching in exact areas. The treat is to lose permissions or being unable to get them.

Last threat of the business is the knowledge about sharks that are around the whole Australian coast. Sharks are spotted almost every day around New South Wales State. The big advantage that TKB has it that one of the area where lessons will be conducted is the Victoria State, which has big bay, were sharks are not coming in.

## **7.1.5. Factors That Allow to Gain and Sustain Competitive Advantage**

### **The Kite Bus Australia critical success factors**

The above SWOT analysis results in the understanding of Australian kitesurfing market critical success factors. Being focused on efficiency, quality, innovation and customer responsiveness gives the chance to create competitive advantage and have a possibility long term future success.

#### **1. Efficiency**

- a. **Gear and employees-** Ones the gear is organized with the suppliers and the instructors are employed; there is no need of any more inputs during the process of running the business. The output is the income from running lessons and the input is paid at the beginning only.

#### **2. Quality**

- a. **Explicit added value and different experience-** Explicit added value makes the business different than all the other schools, the added value to the business

is surfing, wakeboarding, hiking and visiting new remote places, different experience will create an outstanding product offer that is not only simple kitesurfing lesson but unforgettable experience.

### 3. Innovation

- a. **New service on the Australian market-** TKB provides a business with a new product for people who are doing kitesurfing in Australia. The service is unique and meets the needs and wants of customers. Service is flexible and can be adjust to people's availability, weather and wind. Kitesurfing lessons are conducted in a original way and with the aim to provide unique experience and added value. The revolutionary product/service on the market, which in that case is the kitesurfing trip accompanied by other water sports (surfing, wakeboarding, Stand Up Padle Board) aims at providing fun experience that have never be offered before.

### 4. Customer responsiveness

- a. **To satisfy customers needs and wants-** needs and wants might be satisfied with the location of the course as well as its' quality and the amount of fun delivered
- b. **Flexibility-** the business is weather and wind dependent but also it has to take into account people's availability and expected value delivery, kitesurfing is about working with variety of different people that is why there is a huge need to be adjustable to changing conditions.
- c. **Service has to reflect the price-** the survey showed that people are interested in taking part in an organized kitesurfing trip only if they know that the service reflects the price. That is why there is a huge need of offering the best quality service, explicit added value but also there is a need of being reliable and honest with customers.

## 7.2. Plan Objectives

The main plan objective is to introduce The Kite Bus Australia to public, have covered costs at the beginning of running the business and in the long-term perspective gain profits that can lead to the future expansion of the company. Looking at the current and possible future

situation of the market, with the aim of having feasible and profitable path of development, some plan objectives can be deduced:

- 1) After conducting the external market research, understanding the Australian kitesurfing market, its potential and discovering needs and wants of the target market, the decision on development strategy should be made. Moreover to deeply understand the market there is a need of understanding the role of kitesurfing for people in Australia, what is the current value of it and the area how it can expand in the next years. To create a good implementation strategy behind the launch of The Kite Bus Australia, there is a need to understand the unique character, what distinguishes it from other kitesurfing schools in Australia and what is the exceptional value creation and experience offered to the customers. The reasons for the external analysis might be also:
  - a. To understand the balance needed between costs and revenues while taking into account the seasonality of the business.
  - b. To know main market players' offer.
  - c. To know competition pricing strategy and what the price includes.
  - d. To know how TKB might be different from competition and how that can benefit in the future.
- 2) Internal research gave the idea what are the strength and weaknesses of the business. The objective is to fulfill customers' needs and wants and focus on the different experience and added value that stands the business out from the indirect competition. People right now in the overwhelming world are looking for things that will satisfy their upscale needs. Understanding the target market and being focused on creating relationship and loyalty in the future, there is an objective of creating good pricing strategy that will reflect the value service quality delivery. One of the reasons to create an internal analysis were:
  - a. To understand how TKB might influence current kitesurfing market.
  - b. How the unique experience and promotion can make the business different and valuable.
  - c. How the business might stand out from others, concerning logo, brand name, main idea and delivered experience.
- 3) After dividing the market into segments and focusing on specific target markets, the objective of good positioning is the core of the success. The objective will be to create



an image that will suit target markets and that people will be feeling familiar with the main idea of the business and the offer will match their needs and wants.

- 4) While one of the plan objectives is to understand the market and the profile of the customers, the survey was conducted to justify the visibility, potential and prosperity. To get to the customers quick and with long term results, the good marketing strategy is needed. The objective is to have beneficial strategy at the lowest possible costs. The idea is to create a marketing that people will be feeling familiar with, the marketing that will trigger emotions that are connected with the sport.
- 5) Important for the business is to have a plan for the future expansion. Thinking about the future will create a possible path to follow while having a plan to develop.
- 6) The objective of launching TKB will be also a plan of implementation. There is a need of gaining permissions to teach on local beaches, having valuable insurance, having support from stakeholders and also from kiteboarding organizations.
- 7) To have the real situation of the current funds and funds needed in the future as well as sources of an income and profit, the financial plan must be written down. Financial plan should also include assets, costs of cooperating with stakeholders and costs of running the business on a daily basis.

## 7.3. STP

### 7.3.1. Segmentation

The Kite Bus Australia is aiming on the Australian kitesurfing market with the future idea of spreading to windy places around the worlds. Within the segmentation, meaningful different groups of customers should be defined. The segmentation is based on lifestyle.

The whole kitesurfing market can be divided into two groups:

1. **People who are kitesurfers**, people who are passionate about it and treating kitesurfing as a hobby or life style and
2. **People who have never been kiting** and who have never received any kitesurfing experience.

Those two groups were created based on the analysis of the official data presented by Australian Government, Australian Sports Commission in 2010. Of the Australian population

aged 15 years and over, an estimated 60% (11.1 million people) reported that they had participated in sport and physical recreation at least once during the 12 months prior to the interview in 2013–14. In Victoria State 83% of population is spot active on daily basis which makes it 3,649 million. Surf sports constitute to 1,5% that is 54,6 thousand of people doing surf sports on a daily basis. People older than 15 years, who are not doing surf sports constitute to 3,594 million.

(source: Australian Government)

### **7.3.2. Targeting**

The Kite Bus Australia will target both segments: kitesurfers and non-kitesurfers. The segment of kitesurfers will be the main focus of the business and the segment of non-kitesurfers will be acting as a complementary target market. Within those two segments the main target market and the core of the business is to target mainly adults from the kitesurfers segment.

TKB will also have additional public including: adults, kids, teenagers and seniors that are beginners. Those people already had some first kitesurfing lesson. Another public that will be the group of people from the segment of non-kiters: travelers, backpackers, students and corporate people who have never done any kitesurfing lesson but they are ready to gain the experience. Even though, those two additional public groups are not the target market for The Kite Bus Australia, the business should be aware of them and be ready to organize great experience in case there will be a need to serve them.

**Table 6**  
**Segmentation, Targeting & Positioning**

<b>SEGMENTATION</b>	
<b>Kiters</b>	<b>Non-Kiters</b>
<b>TARGET GROUPS</b>	
<p><b>Core:</b></p> <p><b>Age group:</b> Adults</p> <p><b>Experience level:</b> Intermediate Advanced</p>	<p><b>Core:</b></p> <p><b>Age group:</b> Adults (husband, wife, girlfriend, boyfriend, friends) Kids</p> <p><b>Experience level:</b> Beginner</p>
<p><b>Additional public:</b> Adults, Kids, Teenagers, Seniors</p> <p><b>Experience level:</b> Beginner</p>	<p><b>Additional public:</b> Travelers, Backpackers, Students, Corporate people</p> <p><b>Experience level:</b> Beginner</p>
<b>POSITIONING: IDENTIFICATION &amp; DIFFERENTIATION</b>	

(source: the author, 2016)

In the segment of kiters, the core target market will be adults with the intermediate and experience level. The reason for targeting those people on the first place is that they already know what kitesurfing is and they have some experience. The idea of The Kite Bus Australia is to provide new experience lessons for people who already took a course in a kitesurfing school and they want to discover new possibilities to learn kitesurfing. The kitesurfing trip for them would be a new adventure and a possibility to progress and learn something different. As the conducted survey showed, people who already know kitesurfing and they already know that they like it and they want to progress more, they are ready to take the trip. People who already can kitesurf, but they are not on the advanced and independent level, they are searching for new ways of gaining the experience with professional people, who can show them what kitesurfing is beyond classic kitesurfing course in a school.

In the segment of non-kiters, the core target market is adults and kids. As mentioned before, the non-kiters segment will be acting as an additional part to the kiters segment. TKB aims mostly on people who do kitesurfing but also for people who want to learn, gain experience or just being part of the idea of kitesurfing trip. The target market of non-kiters will contain: wives, husbands, kids, boyfriends or girlfriends of kiters. The idea of TKB will be to provide amazing new adventure for people who do kitesurfing but also for people who wants to accompany them, for instance: a boy who wants to do a trip but only with his girlfriend. The Kite Bus will provide unforgettable kitesurfing course for him and a possibility to learn or to be part of a new adventure for her. Moreover, the business will provide gear, so if someone would like to travel with a friend who does not have his/her own gear, TKB will provide everything, so that a person will be sharing an experience with a best friend without problems of not having a possibility to do the sport.

### **7.3.3. Positioning**

As with positioning the aim is to implement chosen image and appeal to chosen segment, the positioning will be different for both segments and also different for target groups. Positioning has to be accurate to differentiate the business from other kitesurfing schools. Positioning has to match peoples' wants and needs. Within the positioning there is a need to distinguish pricing and promotional strategy, as well as unique product features.

#### **7.3.3.1. Identification**

The core product of The Kite Bus Australia will be kitesurfing trips for people who are already doing kitesurfing, who want to progress and try something new. People will have an opportunity to learn new things from experienced instructors whose passion is kitesurfing. Customers of TKB will have a personal focus from instructors, will have an opportunity to try new gear and will be part of an amazing new experience. The core service is to give people the opportunity to learn kitesurfing different way that what all the other kitesurfing schools are offering which is: expensive lessons on the beach, where there is no place variety, time pressure and limitation and crowded water. The Kite Bus Australia wants to treat kitesurfing lessons as an adventure not as simple lessons on the beach.

## 7.3.3.2. Differentiation

The main aim is to have added value to the main product of The Kite Bus Australia which will give the opportunity to stand out from other Australia kitesurfing schools.

**CONVERTIBILITY** → Kitesurfing is based on the wind, so the added value for the business will be the guarantee of being on the windy spots or other activities provided with days without the wind. Those activities will concern: surfing or wakeboarding behind the boat on the Australian lakes, so other sports with the use of board and water, but also activities like hiking, climbing, or local sightseeing.

**MOBILITY** → Normal kitesurfing schools in Australia are located in one spot while being dependent on the wind condition at place. One of the unique added values of The Kite Bus Australia will be the mobility. The idea will be to go where the wind is, depending on weather forecast and to get rid of the problem of being unable to conduct the lesson, because of no wind conditions or bad wind direction.

**EXPERIENCE** → Another added value will be experienced and qualified instructors, who are working in the kitesurfing business for a long time in different places in the world, thus being well educated with different working conditions, starting from low wind and flat water through favorable knee shallow water with tidal effect up to strong, gusty wind and choppy water. Those instructors will be able to assess the risk, predict the weather based on weather fronts and clouds, as well as look for the spot obstacles and try to find the best place to teach beginner students.

**ADAPTABILITY** → The value that will make the business stand out from all the kitesurfing school in Australia will be the ability to adapt to students preferences, needs and wants. The Kite Bus Australia will target all kind of people, starting from fast progressing youth, through people in their middle age trying to find a new experience and excitement in their life, up to refreshment and progression program for people who already tried kitesurfing in their life but want to progress more. The Kite Bus Australia will also focus on conducting Clinique programs for girls or boys while learning kitesurfing with the same age people, making new friends and having fun being part of a social event. Those clinics will be conducted either by qualified TKB instructors or by the pro riders sponsored by big companies with who The Kite Bus Australia will make deal with. For instance the progression Clinique for girls conducted by the girl pro rider from Naish Kiteboarding Australia will

encourage girl around the country to take part in it, to progress, develop and have fun with other girls sharing the same kitesurfing passion.

TRAVEL → The value that makes The Kite Bus Australia different than any other kitesurfing school in Australia is the whole surrounding behind kitesurfing lessons that will make the business unique and worth spending money. The main focus of The Kite Bus Australia will be to provide great quality kitesurfing lessons in the places around Australian coast where there is a guarantee of having windy weather. So besides lessons the focus is to travel around the coast, visit remote beaches, high cliffs, chase the wind, waves or visit places that people have never been to before and didn't even know about their existence in Australia. The unique added value will be the experience creation and delivery, so that people will remember not only kitesurfing as a sport but kitesurfing as traveling and being close to the nature.

The differentiation factors of TKB over main competitors:

- Mobility of the business provides different places to learn and teach, with good wind and good spot conditions
- An original way of learning kitesurfing, instructors' personal focus and no time limitations
- Possibility to gain unique experience of travelling around the Australian coast and seeing new remote places
- High quality of the service delivered by experienced and passionate instructors
- Kitesurfing course is not just 5 hours package course, is the couple days trip, with possibility of doing the sport the whole day with instructors available all the time, on different beaches and experiencing different wind conditions
- Explicit added value: possibility to try Surfing, Wakeboarding, Stand Up Paddle Boarding, hiking

### **7.3.3.3. Main Strengths of the Business & Consumer Expectations**

The Kite Bus Australia is offering a product of high quality and big added value that is why the marketing strategy should well justify the higher price of the product. Furthermore TKB should focus on creating competitive positioning to gain competitive advantage in long term.

The competitive advantage will be achieved by the strategy of differentiation: product is seen as unique in the market, and differentiation is achieved based on product features and image.

To create awareness, the marketing strategy should focus on delivering brand objectives of The Kite Bus Australia. Main brand focus is to deliver great quality kitesurfing course with the possibility to travel around Australian coast to the places with best conditions to learn and places where there is wind in actual moment. It gives to the business a competitive advantage, because it offers an added value that the competitors do not possess. The added value is the experience, the other activities that can be done during the trip and also the personal focus of very experienced instructors who know the weather, places to go, wind conditions, who take care of safety, and also who are passionate about the sport.

Based on the conducted survey we discovered people's insights, needs and wants and concluded positioning of the product. (See Annex VIII Development Strategies - Table 7)

**Insights** in the group of people who are already kitesurfers, shows that people do kitesurfing to do sport, to be fit, to develop, to progress, to have fun, to have a feeling of freedom and to be on the water. Reasons to do kitesurfing were also to have the possibility to travel and meet new people, as well as to follow dreams.

Kitesurfers **needs and wants** are the guarantee of the wind, reasonable money expense, the feeling of being secure about the level of kitesurfing course, water and spot conditions, good company and location, original experience delivery and high value and quality training.

Based on insights and needs and wants, the **positioning** of the product offered by TKB to the target market of people who already do kitesurfing will focus on:

- Offering a course that will be a continuation of the beginner course, with a guarantee of fast progression, with the personal focus of instructors
- Having the possibility to travel to different spots, to discover variable places and know different wind and spot conditions
- Cooperating with licensed instructors with great experience who will take care of finding best windy places, delivering fun and unique experience while providing amazing quality course for justified money expense

**Insights** in the group of people who have never done kitesurfing are: to treat kitesurfing as a holiday activity, to try something new, to experience another water sport, to be outside and to interact with water and to have a challenge. Indeed the insights that covered themselves with the ones from the group of people who are doing kitesurfing were: to do sports, to be fit, to develop, to have fun, to progress, to follow dreams and to travel around the world.

**Needs and wants** for people who have never done kitesurfing mainly reasonable cost of a kitesurfing course, because of the risk of not knowing the sport, feeling of being safe, qualified instructors and possibility to travel around and visit different places.

**Positioning** concluded on the basis of insights and needs and wants focuses on:

- Offering a course for a reasonable price that gives the possibility to develop and to try a new watersport
- Delivering new way to counteract with nature, water and a new way to do sport and to be fit
- Giving the possibility to travel and visit new undiscovered places
- Having a guarantee of new fun experience, with best price quality delivery, safe spots and safe conditions to learn

#### 7.3.4. 7P's Model

##### 1) **Product placement**

The Kite Bus Australia will be running in Victoria and New South Wales State. From two big cities, Melbourne and Sydney, which are located by the coast line, the business will benefit from big amount of people doing water sports and who are living by the ocean. That gives a big potential target market. As results from the survey, done in Victoria State, showed that people definitely want to go on an organized kitesurfing trip and also people who never tried kitesurfing said that they definitely want to gain the experience, the business has a big potential, because of new experience and added value.

##### 2) **Product characteristics**



Product characteristics will be slightly changed on the basis of the segmentation and target market. The unusual experience and added value that the business offers will be the same in all the groups.

⇒ Kilters

The product in this target market group will be sold with the aim of being very attractive for the people who are intermediate and advanced, so people who can already kite. The kitesurfing course for those people will be focused on the progression, fun and high level skills. The 'needs and wants' for people from this group are mostly learning the things that require professional supervision of instructors. Here in this target group, product's characteristics will be: kitesurfing course for intermediate and advanced kilters who want to progress, learn freestyle or discover a new way of kiting besides freeride.

The Kite Bus Australia offers kitesurfing trip for people who can already kitesurf. The aim of the trip is to experience a new adventure under an assistance of highly qualified instructors but also with a possibility of having additional private lessons, where the instructor will have a 100% focus on a person and one's progression. Kitesurfing assistance means that instructors will be available all the time for people attending the trip but people will not have instructor's personal focus. Instructors can give tips but if someone wants to have a private focus that the instructor will pay attention and will be with a person for the whole hour then it is called a private lesson that has to be paid extra.

The Kite Bus Australia's program is divided into two modules:

1) **Kitesurfing trip only**

Kitesurfing trip for people who can already kitesurf, they have their own gear and they want to experience a new kitesurfing adventure while being under assistance of highly qualified instructors. The instructor assistance is available during the whole trip. During the kitesurfing trip there will be also a possibility to rent a gear from TKB if someone wants to try something new.

- a) Own gear
- b) Rental gear

2) **Kitesurfing trip plus lessons**

Kitesurfing trip for people who already can kitesurf but they want to have more private lessons. This module offers a trip where at the beginning the person will have private lessons with an instructor (for instance during the first three days) and after that period the student will enjoy the rest of the trip practicing by one's self on one's own gear or rental gear. Instructor assistance will be available throughout the whole trip, during lessons and after finishing the private course.

- a) Own gear plus lessons
- b) Rental gear plus lessons

⇒ Non-kiters

In the segment of non-kiters and the core target group, the target market is a beginner target market. From this group people have never experience kitesurfing and they probably do not know if they want to start this adventure or not. The product characteristics must be appealing for any type of people. On what TKB wants to focus is that this target group is much attached to the core target group in the segment of kiters. People who are kiting have families, husbands, wives, boyfriends or girlfriends who not always share the same passion but they want to be together wherever they go. Here The Kite Bus Australia wants to solve this problem and offer for them a possibility to travel together. The product characteristics will be either a beginner course of kitesurfing with the aim of gaining the first experience but also a possibility to spend an amazing time with families, boyfriends or girlfriends while trying something definitely new, for instance: surfing, wakeboarding, Stand Up Paddle Boarding or even hiking. The aim will be to offer something for everybody with the focus on spending amazing time on Australian beaches and other magical places.

TKB offers beginner private lessons for people who do not know kitesurfing but who want to be with a person who already kites on a trip (girlfriend, boyfriend or family). The offer is divided into kitesurfing trip only and kitesurfing trip that includes beginner course.

## **1) Kitesurfing trip for partners of kiters**

This module offers kitesurfing trip for people who want to accompany kitesurfers going for a trip (for instance: girlfriend, boyfriend, wife, husband, son, daughter, etc). Person can chose the trip only or trip with kitesurfing beginner lessons. The beginner lesson will be a package of hours where the person will learn how to kitesurf from the beginning. If the person will like it, he/she can have another private lesson or rent a gear or just spend the time on the trip without doing kitesurfing.

- a) Trip plus lessons
- b) Just the trip

⇒ The school

The Kite Bus Australia while not organizing a kitesurfing trip, will be acting as a normal kitesurfing school in a chosen locations (Melbourne or Sydney). TKB will offer beginner lesson packages similar to those of the competition. The customers of the school after completing the kitesurfing course can earn a promotion deal for the kitesurfing trip.

### **The school offer:**

- 1) 2 hour beginner package: Get Started
- 2) 5 hour beginner package: Hit The Water
- 3) 7 hour beginner package: Get Addicted
- 4) 1 hour progression package

### **3) Pricing strategy**

As the price reflects the value of the product and all of the elements that went into providing a service, decisions about right pricing will influence profits and returns for the company. Moreover the price reflects how the product is seen by the customers and which customers the company wants to reach. The price should be carefully defined, because it has to cover all the variables put into service delivery. The price should also differentiate the product from that of the competitors. The price should also reflect the quality, experience delivery and the added value that the business is characterized of. The price of the product of TKB will be also set on the customer based method. There is a need to identify the amount of money the customer is willing and able to pay. Also the price might be set on the value-based pricing, which is based

on the combination of the quality and service at a fair price. The Kite Bus Australia while setting the perfect price should take into account some factors of the business:

- ⇒ The employee's salary
- ⇒ The costs of maintaining the bus
- ⇒ The costs of travelling
- ⇒ The costs of covering the gear from suppliers
- ⇒ Customers' budget and willingness to spend
- ⇒ The competition offers and their prices
- ⇒ The quality, experience and added value delivery
- ⇒ The target market

The TKB's price of the kitesurfing course should not be too high, because the product is new on the market, so people do not have any comparison and experience. There is also a need of gaining trust of the potential customers, so that the price should definitely reflect the quality delivery. The price of TKB's offer will be definitely higher than other kitesurfing schools, because TKB offers also unusual experience and great added value. The price will justify the quality of the product and exceptionality of the service.

On the basis of characteristics of the product, potential customers will be very sensitive to the price. Moreover, conducted survey, justified that one of the main doubts of people is that, whether the price will reflect the quality and value of the product. Reasons connected with price sensitivity that should be taken into account, might be:

- The service is distinctive from the product of competition
- TKB's offer aims at greater perceived quality
- No direct substitutes on the market
- Difficulty of making the comparison

The Kite Bus Australia should set the price of the kitesurfing trip based on the price of the kitesurfing course of the competition, but add also the value of the experience and added value of the service.

## Competitors' prices for the kitesurfing course in Melbourne:

1. Kite Republic:
  - a) 1 hour kite pilot lesson: \$90 (private), \$138 (two people), \$177 (three people)
  - b) 2 hour hit the water lesson: \$170 (private), \$238 (two people), \$327 (three people)
  - c) 5 hour addiction package lesson: \$419 (private), \$558 (two people), \$747 (three people)
  - d) 1 hour progression lesson: \$90 (private)
  - e) 2 hour progression lesson: \$170 (private)
  
2. The Zu Boardsports:
  - a) 1 hour pilot lesson: \$95 (private lesson)
  - b) 2 hour Get Ready to Board: \$179 (private lesson) \$238 (two people)
  - c) 5 hour package Ready to Take Off: \$429 (private lesson) or \$558 (two people)
  
3. GoKite:
  - a) 1 hour Get Hooked package: \$90 (private), \$110 (two people), \$140 (three people)
  - b) 2 hour Get Wet package, which includes Get Hooked package: \$180 (private), \$220 (two people), \$270 (three people)
  - c) 6 hour Get Riding package, which includes Get Wet package: \$495 (private), \$600 (two people), \$740 (three people)
  - d) 1 hour Progression package: \$99
  - e) 1,5 hour Refresh package: \$125
  - f) 1,5 hour Intermediate package: \$125

Pricing strategy should be chosen to act in benefit to support the launch of a new product. Where the product might have relative little product differentiation and where demand is price elastic penetration is the best pricing strategy applicable to The Kite Bus Australia case. Penetration pricing is the pricing technique of setting a relatively low initial entry price, usually lower than the intended established price, the aim of it is to attract new customers. The aim of penetration pricing is usually to increase market share of a product, providing the opportunity to increase price later on when the market share has been achieved. Penetration pricing encourages also word-of-mouth recommendation for the product because of the attractive pricing (making promotion more effective).

## 4. The Kite Bus Australia:

After analyzing pricing of the competition and potential costs that must be covered by TKB while operating, we set the prices for trip packages and lessons packaged. (See Annex VIII - STP – Table 8)

The price of the trip packages contains the costs of fuel, organized food, accommodation during the trip and instructors' salary. The trip offer differs based on the time frame and being a kitesurfer or non-kitesurfer.

The offer for kitesurfers (the offer for people who are advanced and independent):

- Kitesurfing trip only (organized trip that includes, transport, food, accommodation and instructors' supervision during the whole trip)
  - Weekend: Friday, Saturday and Sunday- \$460
  - 7 days- \$1230
  - 10 days- \$1870
  - 12 days- \$2320
- Kitesurfing trip plus lessons (organized trip that includes transport, food, accommodation and instructors' supervision during the whole trip plus the price of 6h package lesson- \$440)
  - Weekend: Friday, Saturday and Sunday- \$900
  - 7 days- \$1670
  - 10 days- \$2310
  - 12 days- \$2760

The offer for non-kitesurfers (the offer for people who want to go for a trip without intentions to kite or people who have never been kitesurfing)

- Trip only (organized trip that includes transport, food and accommodation)
  - Weekend: Friday, Saturday and Sunday- \$220
  - 7 days- \$600
  - 10 days- \$910
  - 12 days- \$1130
- Trip plus lessons (organized trip that includes transport, food and accommodation, plus 6h package lesson- \$440)

- Weekend: Friday, Saturday and Sunday- \$660
- 7 days- \$1040
- 10 days- \$1350
- 12 days- \$1570

TKB is offering a trip for advanced people who can already kitesurf and who have their own private gear. The price of the trip includes also the possibility to try the gear from the school. Clients will be welcomed to take kites and boards from the school without any extra price.

The prices of lessons packages of TKB are set based on the competition packages prices. TKB set prices a bit lower than the competition, because of the novelty of the business. The lessons will be conducted either in private lessons or two people lessons. The company believes in quality lessons, so that TKB will not be running lessons in groups of three people. TKB will be conducting stationary kitesurfing lessons in the set location during the period when there will be no kitesurfing trip organized. (See Annex VIII - STP – Table 9)

TKB's Pure Lessons Offer:

- 2 hours package: Get Started
  - Private: \$160
  - 2 People: \$220
- 5 hours package: Hit the water
  - Private: \$400
  - 2 People: \$540
- 7 hours package: Get Addicted
  - Private: \$510
  - 2 People: \$730
- 1 hour progression package
  - Private: \$90
- 1 hour progression package
  - Private: \$160

**Table 10**  
**Pricing Comparison**

School Offer	School Pricing									
	Kite Republic			The Zu Boardsports		GoKite			The Kite Bus	
	Modules									
	1	2	3	1	2	1	2	3	1	2
1 hour Lesson	\$90	\$138	\$177	\$95	X	\$90	\$110	\$140	X	X
2 hour Lesson	\$170	\$238	\$327	\$179	\$238	\$180	\$220	\$270	\$160	\$220
5 hour Lesson	\$419	\$558	\$747	\$429	\$558	X	X	X	\$400	\$540
6 hour Lesson	X	X	X	X	X	\$495	\$600	\$740	X	X
7 hour lesson	X	X	X	X	X	X	X	X	\$510	\$730
1 hour Progression Lesson	\$90	X	X	X	X	\$99	X	X	\$90	X
2 hour Progression Lesson	\$170	X	X	X	X	X	X	X	\$160	X
1,5 hour Refresh Package	X	X	X	X	X	\$125	X	X	X	X
1,5 hour Intermediate Package	X	X	X	X	X	\$125	X	X	X	X

(source: the author, 2016)

**4) Communication strategy**

**Promotional strategies:**

As The Kite Bus Australia is in its developing stage, the business at the beginning will be focused on low cost promotional strategies. The promotional strategies will be focused on grabbing attention and tailored to defined target market. The aim is to create awareness, build image and attitudes toward the product to influence customer behavior. With the specialized service of TKB, most important thing is to maintain strong customer relationship, while discovering insights, needs and wants and gaining trust based on good communication.



## **Pull marketing**

The business is much specified and aims at specific target group, marketing efforts will be more focused on pull marketing, where customers are looking for the product. Based on marketing research, the target group which is people who have already passes beginner course in a kitesurfing school on the beach, now they look for more fun, with personal focus and great experience delivery service. After gaining basic knowledge about kitesurfing, people are thrilled and courageous to pay a bit more, for greater experience and quality delivery, because they already know what are they feeling toward kitesurfing and the know that they want to continue the sport while looking for more private focus where they can progress faster and with better results.

### **1. Word Of Mouth**

Kitesurfing is a sport based on the closed community, where people are interacting with each other, because of the same hobby. The Kite Bus Australia hopes that the main marketing of the business will be WOM. Customers will be passing the information to their friends, who are kitesurfers but also non-kitesurfers to encourage them to discover the new way of learning, progressing and having fun with people having the same hobby.

Word Of Mouth strategy will be perfect for the community of kitesurfers but also to encourage family and friends of non-kitesurfers. WOM is the most reliable strategy especially with specialized service delivery, where the quality and price is the most important value. The focus of TKB should be the delivery of great quality to create customer satisfaction and develop loyalty. Satisfied customer will share the experience with friends and family, so that the customer share will grow.

*Intended message-* great experience, high quality lessons, lot of fun, adventure and memories, service outstanding from the competition and matching customers' needs and wants

*Source of the WOM-* customers, instructors, friends of instructors, family, the whole society of kitesurfers in Melbourne and Sydney area

**Push marketing:**

**1. Advertising:**

As the sport is directly connected with the beach posters and other printed, outdoor media will be located close to the beach. Advertising will be used to create the awareness, underline advantages over competitors and to position the product.

**Figure 2**

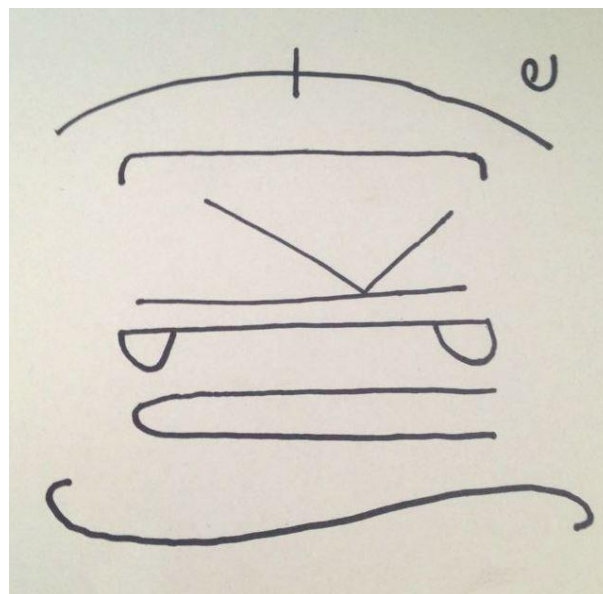
**The Kite Bus Australia, Poster**



(source: the author, 2016)

**Figure 3**

**T-Shirt and Branding Graphic**



(source: the author, 2016)

## **2. Public relations and personal selling**

Business partners of The Kite Bus Australia are kitesurfers and instructors. As they are working in the environment of kitesurfing for a long time, they have a big potential customer base that consists of family, friends and ex-students. There is a big potential of developing long lasting, future relationship with exact audience and the power to engage customers and make them part of the brand experience.

## **3. Digital marketing:**

TKB wants to engage the most with strong impact online marketing that creates high public awareness at a low cost, with the potential of viral messages. The message will be put on facebook, kitesurfing websites and blogs. Moreover TKB wants to communicate with the potential customers' base, sending personal emails to people who are members of IKO and who are students from the past of TKB's instructors.

As Internet content has big impact on peoples 'decision making process TKB wants to use that marketing path the most in order to spread around the world kitesurfing market.

**Figure 4**

The Kite Bus Australia Website (screenshot)



(source: [www.thekitebus.com.au](http://www.thekitebus.com.au))

## 5) People

People included in service that The Kite Bus Australia is providing are kitesurfing instructors. TKB at the beginning of operating is expecting to have three instructors who will be also acting as school managers. All three instructors are highly qualified based on International Kiteboarding Organization (IKO) and Kiteboarding Australia (KA). They have been working as instructors for minimum three years now in the places around the world but mostly in

Australia. That gives them great knowledge about the local spots, wind and weather, which will be crucial in delivering high quality service.

The Kite Bus Australia will also employ a bus driver and with the development of the business TKB will need a school manager who will be taking care of timeframes, schedules, adjusting lessons to weather and wind conditions and contacting customers.

## 6) Physical Evidence

Tangible physical evidence:

- Kitesurfing equipment: boards, kites, kite bars, harnesses, trainer kites, wetsuits, life vests, helmets
- The vehicle- The Bus
- Work computer and phone
- Weather station
- Tool box
- Credit cards
- Brochures
- Posters, Banners
- TKB's website: [www.thekitebus.com.au](http://www.thekitebus.com.au)

Intangible physical evidence:

- Brand name- The Kite Bus Australia, TKB
- Logo
- Licenses
- Customer list
- Employment contracts
- Insurance
- Permits
- Shareholders agreement
- Supplier contracts
- Business knowledge and methodology

- Copyrights

The Kite Bus Australia hopes to attain social marketing as physical evidence that will provide a written recommendation from customers. Social marketing might be gained from websites like: tripadvisor where customers after using a service can write their personal thoughts about the place or business and give recommendation. Moreover TKB is hoping to gain social marketing from social media: Facebook, Instagram or Twitter.

## 7) Process

The delivery process of the service will be divided into two points of view: customer experience and TKB offering. Customer experience explains the steps taken by the customer from the beginning till the end while dealing with the service provider. TKB offering are the steps that The Kite Bus Australia follows to provide the best service and to adjust to people's needs and wants. (See Annex VIII- Development Strategies – Chart 14)

The process of the service starts with the interest in the service on the customer experience side. Potential customers who saw the sport on the beach or heard about it from friends are willing to experience it and take lessons.

Second stage of customer experience leads to the market comparison, where people are looking for different kitesurfing schools, comparing their offers, prices and options. Comparing the market might take place via websites, facebook brand profiles and leaflets and might take couple of days, before the decision on the school, where to take kitesurfing lessons will be done.

Booking the trip is held on the customer experience and TKB offering side. Customers are welcomed to choose the date of the trip or package from the school offer from the schedule that TKB is offering. Booking the trip might be a combined process of website offering and phone or email contact with the school employees. This process might take up two couple of hours. After booking the trip customers should transfer the money for the course or the trip to the TKB's bank account or pay in cash in the schools office.

After booking and paying for the chosen trip or course, the delivery of the process will start that will be on TKB's offering side. TKB is obliged to deliver quality lessons and unique experience. TKB's employees are in charge of organizing all the steps of the kitesurfing trip (transfer, accommodation and food). Time frame for the process of kitesurfing trips depends on the length of the chosen trip. Time frame for the kitesurfing course depends on the wind days on the beach where the kitesurfing course is held.

After kitesurfing trip or kitesurfing course, customers who took part in it will be asked to leave feedback of the service delivery via email that will be sent on their mail box. This step of the process might take up to couple of days. Customers will be also welcomed to leave feedback and follow schools profile on facebook.

Following the feedback left by customers, TKB will be able to apply changes to the business regarding communication, lessons, experience delivery, and organization process of the trip. The changes will be based on peoples' satisfaction or dissatisfaction. Changes application stage will be a constant process throughout the time of running the business.

The last stage of the process is the customer retention. TKB will be sending special offers via email or phone messages with the aim of promoting special deals and offers.

## **8. IMPLEMENTATION PLAN**

To implement this project, there is a need of creating a schedule with approximate dates of launching the product in the market. The product is planned to be launched before Australian summer season 2017.

The calendar of implementation has started in summer 2015, when the idea was deeply developed and the business plan started.





## **Local Approval**

After completing the Business Plan, The Kite Bus Australia should be locally approved by authorities. The approval procedure is planned for July 2016. First the business will be introduced to companies providing kitesurfing gear for the school to be able to run lessons. Stakeholders who are planned to be: Nobile Kiteboarding, Ozone Kites and Flying Object Australia will also provide their brand name and logo that will support recognition of The Kite Bus Australia. Stakeholders will promote TKB in their social media and printed advertisement. After gaining stakeholders and signing the contracts, TKB will apply for local permits for teaching on specific beaches in the Victoria and New South Wales states as well as to perform lessons in Melbourne area. The Kite Bus Australia should also be approved by the organization of Kiteboarding Australia and International Kiteboarding Organization to gain the permits to teach and to have on date insurance.

## **Product Development**

Product development is scheduled to start at the beginning of June 2016 and finish by the end of Australian summer of 2017. Within product development the business has to be equipped with the assets needed to perform the service what includes: the bus, the computer, kitesurfing gear, first aid box, camping equipment, tool box and weather station. The bus will be bought and build inside from scratch to match business's needs. After gaining local approvals and support from stakeholders the bus will be painted with The Kite Bus Australia logo, brand name and stakeholders names. The process is scheduled for 9 months and during that time also promotional strategies will start to be created.

## **Creating Awareness**

The marketing strategy will start at the beginning of 2017 during summer season and it will last through the whole year till the next summer season when the kiteboarding season in Australia is starting again with the aim to boost sales after creating awareness during Australian winter. The Kite Bus Australia will focus at the beginning on creating social media page to be active online. Moreover the business will contact already existing customer base of previous students of TKB's instructors and friends. The moment the bus will be ready it will

be located around Melbourne beach area to create awareness around local people doing kitesurfing.

## **Sales**

First lessons are scheduled to be run at the beginning of summer 2017. The beginning of summer season starts in November. Sales are planned to start at the beginning of September to have first impression of demand and time to organize the first trip. Another reason of scheduling sales earlier is to have time during whole summer season to launch the first trip in case of delaying the process of launching the service.

## **Result Assessment and Optimization**

In the middle of summer season, results assessment need to occur. During that time TKB will check the demand for the service, first income, future opportunities and improve failures that might happen during first months of running the business. If the business deliver income and the demand will be high enough to run kitesurfing trips TKB will continue with the service during next year summer season. The Kite Bus Australia will also check the profitability of the marketing efforts and how they can be improved during next season.

## **9. FINANCIAL EVALUATION**

### **Financial evaluation of set prices for the TKB's kitesurfing trip:**

Prices in the table of TKB offer are based on fix and variable costs of the business. (See below- Table 8)

Those costs include:

- Daily price for the fuel per person → costs
- Daily food per person → costs
- Daily instructors' salary (hourly) → profit distributed to instructors
- TKB's fix income → to cover costs of the business and to earn a profit

- Cost of the kitesurfing lessons (three days, 6 hours in total) → instructors' income and TKB's income
  
- The trip counts maximum 10 people
- The Bus consumes 16 liters of diesel per 100 km
  - Price for diesel is 97 cents for a liter
  - Assuming that on average the bus will make 400 km per day that makes \$62 per day for the bus, which leads to \$6.2 per person per day
- Food per person accounts to (on average) \$30 per day (breakfast, snack, dinner, drinks)
- Accommodation per night per person on the campsite accounts to \$20
- TKB fix margin which is the percentage from costs covered by the business
- TKB has three instructors/trip coordinators
  - Salary per hour is \$33 (this salary matches salary in the competition)  
(source: Kite Republic and The Zu Boardsports)
  - Kite Bus Australia will follow flexible working hours set period, because of the special conditions of the business which is wind. Wind is not every day, meaning that instructors will not be working every day. This is why employees of TKB will make money per hour. Maximum of 40 hours set by Australian Law will be distributed throughout the whole week. Counting 6 working hours on average daily, make \$200 daily for one instructor.
  - Salary for 3 instructors accounts to \$600 per day
  - 10 people on a trip = 1 person pays \$60 for instructors' salary
- 3 days lesson course (6 hours in total) is \$440
  - Instructors' lesson salary per hour is \$40 (the same amount is in the competition) which accounts to \$240  
(source: Kite Republic and The Zu Boardsports)
  - TKB's income from lessons sums up to \$200
- Initial costs of the business that has to be included in the payback period are the costs of setting up the business:
  - Bus costs: \$30 000
  - Restoration of the bus (making it applicable for doing trips): \$10 000
  - School kitesurfing gear:
    - Kites (total 11 kites): \$17 400

- Boards (total 5 boards): \$2 500
- Harnesses (total 12 harnesses): \$1 800
- Helmets (total 12 helmets): \$240
- Wetsuits (total 12 wetsuits): \$2 400
- Pumps (total 3 pumps): \$60

Total Gear Cost: \$24 400

Total Cost of Initial Investment: \$64 400

All the initial costs of the kitesurfing gear are assumed on the basis of cost prices that the kites and boards companies can offer to the business client (which is TKB) not individual client.

The Payback of initial costs will be calculated in the next chapter of Profit & Loss.

**Table 8**

**TKB Trips Offer**

Trips offer		Time Frame			
		Weekend: Friday, Saturday, Sunday	A week: 7 days	10 days	12 days
		Price			
Kitters	Kitesurfing trip only	\$460	\$1230	\$1870	\$2320
	Kitesurfing trip plus lessons*	\$900	\$1670	\$2310	\$2760
Non-kitters	Trip only	\$200	\$600	\$910	\$1130
	Trip plus lessons*	\$660	\$1040	\$1350	\$1570

(source: the author)

\* Lessons are for three days, two hours per day with extra price of \$440

For calculations of the prices showed in the table above - See Annex X - Financial Evaluation.

**Table 12**

**Trips Profit Margin Evaluation**

Trips offer		Time Frame			
		Weekend: Friday, Saturday, Sunday	A week: 7 days	10 days	12 days
		Profit from one person			
Kite surfers	Kitesurfing trip only	\$105	\$409	\$702	\$912
	Kitesurfing trip plus lessons	\$305	\$609	\$902	\$1112
Non-kite surfers	Trip only	\$51	\$199	\$342	\$444
	Trip plus lessons	\$251	\$399	\$542	\$644

(source: the author, 2016)

Profit of The Kite Bus Australia is calculated in the table above from one person. Each trip will account maximum 10 people. If on the trip there are less people, instructors get paid similar amount of salary and TKB’s profit will shrink.

Profit per person from ‘kitesurfing trip plus lessons’ is higher than ‘kitesurfing trip only’ by \$200. Kitesurfing course is \$440 extra amount that covers instructors’ salary (\$240) and TKB’s profit (\$200).

For calculations of the profit margin showed in the table above - See Annex X - Financial Evaluation.

**Table 9**

**TKB Pure Lessons Offer**

Lessons Offer	Modules	
	Private	2 People
	Price	
2 hour package: Get Started	\$160	\$220
5 hour package: Hit The Water	\$400	\$540
7 hours package: Get Addicted	\$510	\$730
1 hour progression package	\$90	X

(source: the author, 2016)

**Table 13**

**TKB Profit Margin from Pure Lessons Offer**

Lessons Offer	Modules	
	Private	2 People
	Profit Margin	
2 hour package: Get Started	\$80	\$140
5 hour package: Hit The Water	\$200	\$340
7 hours package: Get Addicted	\$230	\$450
1 hour progression package	\$50	X

(source: the author, 2016)

Instructors' salary while doing kitesurfing lessons is \$40 per hour.

TKB's margin from conducting kitesurfing packages on the beach is simple the price minus instructors' salary.

Private lesson

2 hour package:  $\$160 - 2 * \$40 = \$80$

5 hour package:  $\$400 - 5 * \$40 = \$200$

7 hour package:  $\$510 - 7 * \$40 = \$230$

1 hour progression package:  $\$90 - 1 * \$40 = \$50$

## 2 people lesson

2 hour package: \$220- 2\*\$40=\$140

5 hour package: \$540- 5\*\$40= \$340

7 hour package: \$730- 7\*\$40= \$450

The Kite Bus Australia will be operating during Australian summer season. The season starts in October and lasts till the end of April that makes 6 months. December, January and February are the months of the peak season, when the weather is the best and people have summer holiday. During those three months TKB expects to have the biggest amount of trips and kitesurfing packages sold.

While TKB is on a kitesurfing trip, the school will not operate as a kitesurfing school on the beach and will not do stationary lessons. Kitesurfing lessons will be only conducted when the business is not on a trip.

## **9.1. TKB's Profit and Loss Statement**

TKB's profit and loss statement is predicted for the 5 years from launching the business. The calculations were made on the basis of average amount of lessons and trips each week of the month per year. The assumptions of lessons, depending on the time frame and modules as well as the variation of trip strategies, were made on the basis of business's know-how. The number of lessons and trips is changing each month based on the time during the season and national holidays, when the demand is a bit lower.

TKB will be operating only during the Australian summer season, which is the time between October and April. In the profit and loss statement we covered: income from the school lessons, income from the trips, total income, expenses (food, fuel, accommodation, instructors' salary during the trip for the supervision, instructors' salary during the trip for extra lessons, and instructors' salary for the lessons from the school offer), total expense and profit/loss. We decided to calculate profit, every year changing the ratio of lessons and trips.

Based on the information of the average amount of lessons held per week in the competition, which is 53, we decided to calculate the income from the maximum amount of 40 lessons (on average the amount counted was 28) which didn't give us an exaggeration of income. The

amount of lessons is slowly decreasing every year in order to focus on trips only. During the first year the lessons are held with big amount every week and trips are organized mostly during the highest season with in January and February. In comparison, the amount of lessons in the fifth year is smaller with the big amount of trips. In the fifth year we decided to treat lessons as a fulfillment of the free time in between trip, but not the main income of the business as during the first season. For detailed monthly calculations of profits per year, See Annex XI- TKB’s Profit and Loss Statement- Table 14, 15, 16, 17 and 18

Every year the income is the highest in December, January, February and March. October and April usually does not have much income, because the season is at the very beginning, and very end and the demand for lessons and trip is definitely smaller. We discovered that conducting pure lessons is slightly more profitable that organizing only trips, because of big amount of costs that have to be covered during organizing a trip. Although during the first year we focused on conducting lessons with some amount of trips and later on changing that ratio every year, to the big amount of trips with less focus on lessons, the profit every year is rising.

**Table 19**  
**TKB Profit & Loss Statement**  
**October 2017 – September 2022**

<b>Income</b>	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
School lessons	\$177,940	\$227,710	\$232,828	\$214,770	\$228,740
Trips	\$114,130	\$92,240	\$112,920	\$161,430	\$159,650
<b>Total Income</b>	\$292,070	\$319,950	\$345,748	\$376,200	\$388,390
<b>Total Expenses</b>	\$150,763	\$165,893	\$180,993	\$208,396	\$213,031
<b>Profit/Loss</b>	\$141,307	\$154,057	\$164,755	\$164,804	\$175,359

(source: the author, 2016)

The initial costs of setting up the business (costs of the bus, restoration of the bus, and school gear) summed up to \$64 400 (See Annex X – Financial Evaluation). We decided to calculate profit & loss statement only taking into account operational costs per year. The costs of setting up a business is not big that is why calculating payback period is not necessarily



needed. As in the first year of running the business we have a pure profit of \$141 307 we can easily say that the costs of the business might be covered after the first year of successfully running the business. After deducting initial costs from the profit of the first year (2017/2018), TKB will be left with \$78 021 profit. Next years will be generating profit deducted from the total income and only operational costs (because of the initial costs covered after the first year).

## 10. PROJECT CONCLUSIONS

Kitesurfing lessons are usually seen as wind and weather dependant, with limited timeframe, and also as an expensive product that might not satisfy customers to the fullest. Therefore, there is a clear opportunity to grow in kitesurfing market by increasing the category of service delivery, fun delivery, quality, time, personal focus and location range.

This master project studies local potential market, to match perfectly customers' needs and expectations and also develops a Business Plan based on which the business will be launched.

We made an internal and external analysis and assess TKB's ability to gain competitive advantage. We went through economical, social, technological and environmental factors that are part of our business context.

We have analyzed other kitesurfing schools players in Melbourne. The main conclusion is that for TKB the competition is indirect, because our business offers mainly product for people who can already kite, with the focus on progression, personal focus and quality delivery without strict timeframes.

Based on our two online questionnaires we analyzed Australian kitesurfing consumer. Following the results from two surveys conducted we were also able to discover customers' insights, to understand our target, create segmentation and positioning. The results of the surveys showed the potential of our business. The core business idea matches people needs and wants and expectations toward added value.

Our main product characteristics are: mobility, convertibility, experience, adaptability and travel. We will follow a penetration price strategy. We will communicate our product in ATL and BTL launching campaign with the focus on holding positive Word-of-Mouth around kitesurfing social groups.

The marketing plan is an important tool for the company to introduce this new service in the Australian kitesurfing market, reaching customers not only from Victoria State. It will allow

the company to reinforce its positioning as a sports brand with a reachable, affordable and worth value proposal for kitesurfers who want to progress and experience great adventure.

The financial evaluation was made in order to find prices of kitesurfing lessons and trip. The prices of the kitesurfing trips had to be set to cover the costs of operating, instructors' salary, fix margin price and in order to create profits. The prices of school lessons had to be set on the basis of competition prices. For both trip prices and lessons prices we calculated profit margin to easily see what is the profit from one person buying a trip or lessons.

In the financial evaluation chapter we also calculated profit and loss statement for the next five years. We prepared a theory plan of amount of lessons and trips per month taking into account seasonality, peak season months and holidays (Christmas, New Years Eve or Easter) with less demand. During the first year we focused on conducting lessons with some amount of trips and later on changing that ratio every year, to the big amount of trip with less focus on lessons. The profit and loss statement shows that there are no losses and profit rises every year. After taking into account initial costs we presented also that the initial costs might be covered after the first year of running the business.

## 11. PROJECT LIMITATIONS

The project main goal is the execution of a launching plan of a new kitesurfing business in Melbourne, Victoria, Australia directed to people who can already do kitesurf and secondly to deliver kitesurfing courses for people who have never done this sport before. However, it has necessarily some limitations that are important to consider when reading this work.

Firstly, the presentation of Literature Review with necessary theory background of the business was limited to the materials regarding surfing readings and surfing history. Therefore our external analysis regarding overall market had to be made on the basis of surfing articles and surfing market number instead of exact kitesurfing market research number, because of lack of official market research.

Kitesurfing is nowadays part of surfing sports community but it is definitely not that popular and well known yet. Surfing has been developing thought out last hundred years. Kitesurfing is a new sport from the XXI century, with a huge opportunity. From year to year kitesurfing gains more enthusiasm. It is a fast growing sport in interest, number of people doing it and gear development, we assume that the potential could lie in the same boundaries as surfing market.

Secondly there is little official data about kitesurfing market. Due to its small size and novelty, the assumptions regarding number of people doing the sport had to be made on the basis of number of people doing sports in general, doing water sports and doing surf. It was very hard to find clear numbers of kitesurfers in Australia, so that the amount of people is just to give a general overview.

Finally, in our competition analysis we only considered three main competitors to TKB in Victoria State market. The distance between TKB and all other market players in other Australian States or local small players was so significant for a matter of convenience and simplicity we did not went further in detail to understand other players' position and presence in the market.

## **12. AREAS OF FUTURE RESEARCH**

In our work we let some doors open for future development of The Kite Bus Australia Business Plan. The present work presents the Business Plan of a new kitesurfing school in Melbourne, with detailed description of the project, investigation of external and internal market analysis, competition analysis and competitive positioning up, followed by development strategies containing pricing strategy and communication plan up to financial evaluation.

Our work does not evaluate further investigation into potential market regarding its price sensitivity and willingness of paying presented in the work above price for the product that the business will be selling. It would be considerably important to develop a research about the impact of a price and value that will be delivered in the demand for TKB's product. Also in term of brand equity it is important to clarify what are the reputation effects of TKB Kitesurfing School among target market and how the school might evolve taking into account reputation, Word of Mouth and demand for the service.

Finally, the financial evaluation that was presented in the project was made on the basis of costs that have to be covered by the business and also with the aim of gaining revenue and covering primary costs of developing the business. Based on business's progression in the future, the price might change while adapting to the demand, people price sensitivity, market situation or competition.

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14. ANNEXES

Annex I- Reference Framework

**Table 1**  
**Conceptual Framework of References**

Subject	Description
<p><b>Marketing Framing and Surfing in Australia</b></p>	<p>In Australia the population growth and resources distribution can be understood within the context of the coastal zone. Living by the Australian coast became synonymous with the great Australian dream, where ‘the beach’ is the main word describing this dream. The coast is where people are craving to live, do business and create development. As the coastal lifestyle evolution in Australia is really high, the value of surfing and its economic, social and cultural importance to society is getting bigger and bigger. Surfing is a major recreational and economic activity that involves people, big surfing companies, marketing activities and coastal environment. The acceptance of surfing in 1960’s was the consequence of ‘the beaches’ centrality to the Australian culture’, the success of Australians in the sport and the popularity of the youth surf style culture. The increase in popularity is largely due to the marketing practices of the business interests that are involved in surfing, which has appropriated its images and sold them to a rapidly expanding market. Surfing today represents a profitable market and plays a major part in the tourism marketing strategies. AUS\$40 billion sales let surfing capital to have the control over the sport and its representations in clothing that show your lifestyle, freedom and surf association.</p>
<p><b>Sports Marketing</b></p>	<p>Sports marketing can be explained as all the activities that are designed to meet need and wants of sports consumers through exchange processes. There are two distinct dimensions within the sports marketing industry: the marketing of sports products and marketing through sports. By taking the type of product sold and the level of integration into account, four domains of sports marketing have been</p>

	<p>identified. The types of products have been identified as sports products and nonsports products. The marketers' level of integration concerns its involvement with some sports entity in form of official sponsorship. The two areas of integration can be defined: traditional and sponsorship-based. The traditional sponsorship generally involves the acknowledgement of the sponsor by the sports property and the ability of the sponsor to use the property's trademarks and logos in its efforts to leverage the sponsorship and reinforce the relationship in the minds of members of the sponsor's target market.</p>
<p><b>Relationship Marketing in Sports</b></p>	<p>Recently relationship marketing has received a lot of attention. Sports organizations are focusing mainly on the long-term customer retention. Relationship marketing is characterized by the attraction, development and retention of customers. Consumers are viewed as lifetime customers and the focus is put on consumer wants, desires and values. Sports consumer perspective is one of the main parts of the relationship marketing. Several factors affect sports consumer attitudes and behavior toward relationship formation, such as commitment, involvement, trust and shared values. This type of behavior goes beyond repeat purchasing and reflects an ongoing partnership. In maintaining long-term relationship with a company, the most important thing to develop and sustain is the trust. Trust is based on consumers' expectations about the reliability and competency. In the context of sports marketing, shared values between sports consumers and organizations or teams should lead to increased relationship commitment.</p>
<p><b>Surf Tourism &amp; segmentation</b></p>	<p>Australia's coastline is the most important recreation resource. Surf tourism there is rapidly expanding market segment of the wider sport tourism industry. Surf tourism characterizes travel for the purpose of surfing, learning to surf, or attending a surfing event. There are three types of surf tourists: hard surf tourists- surfers who are traveling for the purpose of surfing, soft surf tourists- people who are traveling with the objective of surfing, incidental surf tourists- those are surfers who have little or no knowledge of surfing. Travel behavior is determined by a wide range of motivations. As the market for sport tourists is very</p>

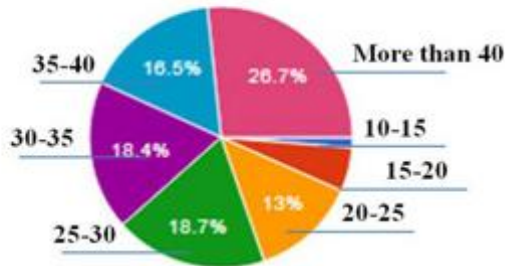
	<p>diverse, market segmentation is necessary in order to reach certain target groups. Segmentation makes it easier to understand and target specific groups that have similar characteristics and behaviors. Segmentation is applied through different approaches such as demographics, socio-economic, geographic, psychographics. Segmentation in the surf tourism market should focus more on travel motivations and behaviors as well as customer characteristics and preferences.</p>
<p><b>Travel Marketing</b></p>	<p>Tourism industry continues to expand rapidly in new ways to explore and travel the world. The world of globalization and internet gave new paths to visit remote places. The current trend in Australia that has the biggest interest around young generation is backpacker tourism. It gives them lot of opportunities to travel, work and explore the world at the same time. The country offers a wide variety of different things to experience, from dessert through surfer beaches to fancy cities. Following backpackers' needs for adventure and experience, adventure tourism, which is currently growing segment, should be targeted for them. Adventure tourism is a form of a special interest tourism that grew out of the need for a customized experience combined with physical activity. Adventure tourism could be explained as activities for instance: safari tours, sport fishing, climbing, diving, snowboarding or surfing. Adventure tourism is recognized as an important and growing market segment. Adventure travelers crave for the adventure and are looking for unique, interesting and new experience. Understanding the lifestyle of adventure traveler can aid in designing messages tailored to this unique target market.</p>

(source: the author, 2015)

Annex II- Sample characteristics

**Chart 1**  
Participants 'Age

How old are you?

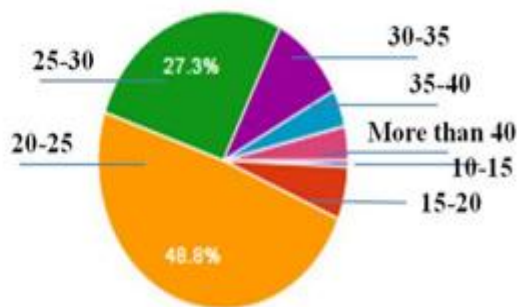


10-15	4	1.3%
15-20	17	5.4%
20-25	41	13%
25-30	59	18.7%
30-35	58	18.4%
35-40	52	16.5%
more than 40	84	26.7%

Source: the author, 2016

**Chart 2**  
Participants 'Age

How old are you?



10-15	2	0.7%
15-20	17	5.7%
20-25	145	48.3%
25-30	81	27%
30-35	29	9.7%
35-40	12	4%
more than 40	11	3.7%

Source: the author, 2016

Annex III- Survey for people who are kitesurfers

**Chart 3**

**Motivations to Do Kitesurfing**

What is your main motivation to go kiting?



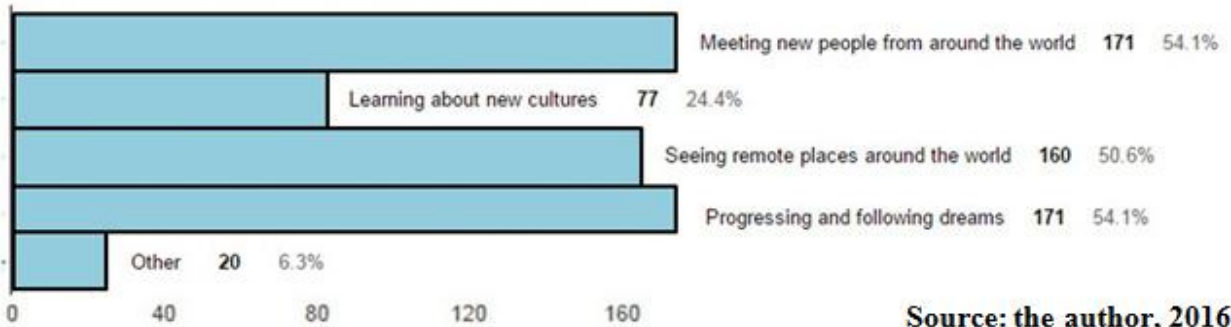
Peer pressure	9	2.9%
Holiday activity	15	4.9%
Possibility to travel	8	2.6%
To do sport/to be fit	65	21.1%
To belong to special social group	2	0.6%
To progress and develop	84	27.3%
To fight stress	24	7.8%
Other	101	32.8%

Source: the author, 2016

**Chart 4**

**What Participants Like the Most About Kitesurfing and Travelling**

What you like the most about kitesurfing and travelling around?



Source: the author, 2016

**Chart 5**

**Feelings Toward Possibility to Travel Around Australia**

If you would have the possibility to travel around Australia on the organized trip, to kitesurf everyday and chase the wind, you would:

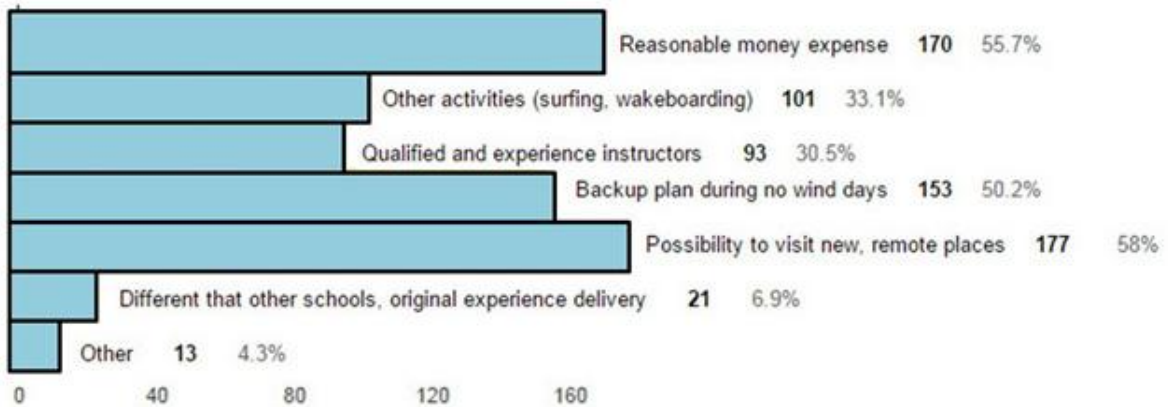


Source: the author, 2016

**Chart 6**

**Most Important Expected Value**

If you will decide to go on an organized kite trip, what would be the most important expected values?



Source: the author, 2016

**Chart 7**

**Best Way to Do Kitesurfing**

Which is the best way for you to do kitesurfing?



In a kitesurfing school on the beach, where you are feeling safe	20	6.6%
By yourself, because you are self-sufficient and independent	132	43.6%
Organized trip where you can meet new people, sharing the same interest and to have the possibility to travel around with qualified instructors, who could give you tips	59	19.5%
Don't care, you are following friends	47	15.5%
Other	45	14.9%

Source: the author, 2016

**Annex IV- Survey for people who have never done kitesurfing before**

**Chart 8**

**Motivations to Do Kitesurfing**

Would you like to learn kitesurfing?



Yes, definitely	101	33.7%
Yes, I'm interested in sports in general and I want to try something new	73	24.3%
Maybe	39	13%
Maybe, but the concern is that the sport is really expensive	38	12.7%
Maybe, but I'm not a 'sporty type'	22	7.3%
No, it is not interesting for me	10	3.3%
No, I don't have time	1	0.3%
Other	16	5.3%

Source: the author, 2016



**Chart 9**

**Participants ‘Feelings Toward Kitesurfing**

What are your feelings toward kitesurfing?

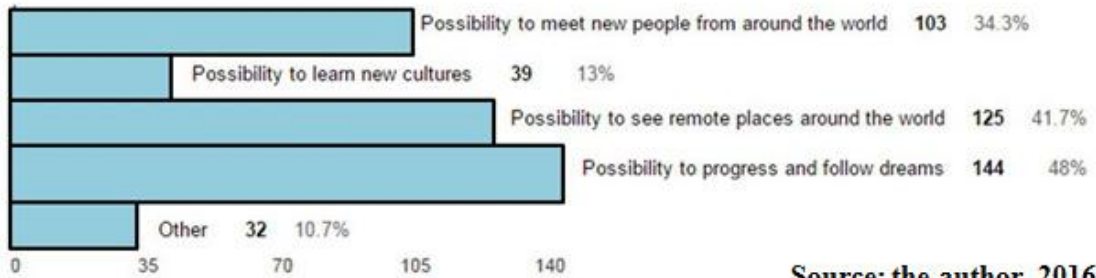


Source: the author, 2016

**Chart 10**

**What Participants Would Like the Most About Kitesurfing**

What do you think you would like the most about kitesurfing?

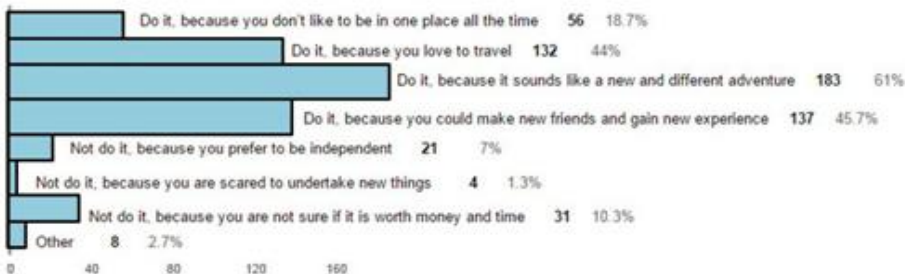


Source: the author, 2016

**Chart 11**

**Participants ‘Feeling Toward Possibility to Travel Around Australia**

If you would have the possibility to travel around Australia on the organized trip, with new people and to kitesurf everyday, learn new things and chase the wind, you would:



Source: the author, 2016

**Chart 12**

**Plans for Taking Kitesurfing Lessons**

Do you plan to take kitesurfing lessons?



Yes, definitely, it looks very interesting	108	36%
Yes, but I don't know where to take lessons	32	10.7%
Yes, but I'm concerned about my ability to do this sport	46	15.3%
Maybe, I don't know if I will like it	69	23%
No, because I'm scared	3	1%
No, I'm not interested	18	6%
Other	24	8%

Source: the author, 2016

**Chart 13**

**The Most Important Expected Value**

If you will have the chance to learn kitesurfing on an organized trip, which would be the most important expected values?

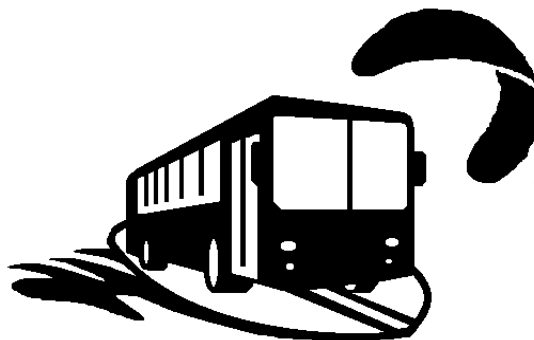


Source: the author, 2016

**Annex V – Business Resources and Capabilities**

**Figure 1**

**The Kite Bus Australia, Logo**



(source: the author)

Annex VI –Competitors summary

**Table 2**  
Competitors’ Analysis

	Kite Republic	The Zu Boardsports	GoKite
Kitesurfing Lessons:			
- Beginner Package	✓	✓	✓
- Progression	✓		✓
Kite Ride Days	✓		
Kite Weekend Camps	✓		
Clinics	✓		✓
Winter Camps	✓		
Social Nights	✓		
Membership	✓		
Coaching With Top Riders	✓		✓

(source: the author, 2016)

Annex VII – Competitive Analysis

**Table 3**  
**SWOT Analysis**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>- Mobility of the business</li> <li>- Possibility to avoid no wind days</li> <li>- Highly qualified instructors</li> <li>- Adjustable to peoples’ needs and wants</li> <li>- Flexibility</li> <li>- Support from kitesurfing organizations</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Vehicle dependent</li> <li>- Novelty of the business</li> <li>- Revenue stream</li> <li>- No 100% guaranty of the wind predictions</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Big Australian watersport market</li> <li>- Australian license to teach</li> <li>- Differentiated target market</li> <li>- Natural country features</li> <li>- Local gear dealers</li> <li>- Market potential</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Seasonality of the business</li> <li>- Income vs. weather</li> <li>- Sharks</li> <li>- Suppliers dependent</li> <li>- No permissions to teach on Australian beaches</li> </ul>

(source: the author, 2016)

**Table 4**  
**Internal Analysis**

<b>Strength</b>	<b>Importance</b>
Mobility of the business	5
Possibility to avoid no wind days	5
Highly qualified instructors	4
Adjustable to people’s needs and wants	4
Flexibility	3
Support from kitesurfing organizations	3
<b>Weaknesses</b>	<b>Importance</b>
Vehicle dependant	5
No 100% guaranty of the wind predictions	5
Revenue Stream	4
Novelty of the business	4

(source: the author, 2016)

**Table 5**  
**External Analysis**

<b>Opportunities</b>	<b>Attractiveness</b>
Big Australian watersport market	5
Differentiated target market	4
Australian license to teach	4
Natural country features	4
Market potential	4
Local gear dealers	3
<b>Threats</b>	<b>Impact</b>
Seasonality of the business	5
Income vs. Weather	5
Suppliers dependent	5
No permissions to teach on Australian beaches	5
Shark	4

(source: the author, 2016)

Annex VIII- STP

**Table 6**  
**Segmentation, Targeting & Positioning**

<b>SEGMENTATION</b>	
<b>Kiters</b>	<b>Non-Kiters</b>
<b>TARGET GROUPS</b>	
<p><b>Core:</b></p> <p><b>Age group:</b> Adults</p> <p><b>Experience level:</b> Intermediate Advanced</p>	<p><b>Core:</b></p> <p><b>Age group:</b> Adults (husband, wife, girlfriend, boyfriend, friends) Kids</p> <p><b>Experience level:</b> Beginner</p>
<p><b>Additional public:</b> Adults, Kids, Teenagers, Seniors</p> <p><b>Experience level:</b> Beginner</p>	<p><b>Additional public:</b> Travelers, Backpackers, Students, Corporate people</p> <p><b>Experience level:</b> Beginner</p>
<b>POSITIONING: IDENTIFICATION &amp; DIFFERENTIATION</b>	

(source: the author, 2016)

**Table 7**

**Potential market: Insights, Needs and Wants and Positioning**

Kitters	Non-kitters
<b>Insights</b>	
<p><u>Reasons to do kitesurfing:</u></p> <p>To do sport, to be fit, to develop, to progress, to have fun, to feel free, to be on the water and to interact with nature, possibility to travel and to meet new people, to follow dreams</p>	<p><u>Reasons to start kitesurfing:</u></p> <p>Threat it as a holiday activity, to do sport, to be fit, to develop as a person, to try something new, to experience another watersport, to have fun, to have a challenge, possibility to progress and follow dreams, possibility to see remote places around the world, to be outside and to have the connection with water</p>
<b>Needs and Wants</b>	
<p>Guarantee of wind, reasonable money expense, to feel secure about the delivered level of the kitesurfing course, reliable water, spot and wind condition, good company, amazing location, original experience delivery and high value training, quality training</p>	<p>Reasonable cost of a kitesurfing course, to feel safe, qualified instructors, possibility to travel and visit remote places</p>
<b>Positioning</b>	
<ul style="list-style-type: none"> <li>- Offering a course that will be a continuation of the beginner course, with a guarantee of fast progression, because of personal focus of instructors</li> <li>- Possibility to travel to different spots, to discover variable places and know different wind and spot conditions (to discover kitesurfing as something different that a simple course on the beach)</li> <li>- Learning from licensed instructors with great experience who will take care of finding best windy places, delivering fun and unique experience while providing amazing quality course for justified money expense</li> </ul>	<ul style="list-style-type: none"> <li>- Offering a course for a reasonable price that will be a new opportunity to develop, to try something new during holiday free time</li> <li>- New way to counteract with nature, water and a new way to do sport and to be fit</li> <li>- Possibility to travel and visit new undiscovered places</li> <li>- Qualified instructors who guarantee new fun experience, with best price quality delivery</li> <li>- Learning from instructors who know the local conditions and who will guarantee safe spots and safe conditions to learn and to experience new fun sport</li> </ul>

(source: the author, 2016)

**Table 8**  
**TKB Offer**

TKB offer		Time Frame			
		Weekend: Friday, Saturday, Sunday	A week: 7 days	10 days	12 days
		Price			
Kiters	Kitesurfing trip only	\$460	\$1230	\$1870	\$2320
	Kitesurfing trip plus lessons*	\$900	\$1670	\$2310	\$2760
Non-kiters	Trip only	\$200	\$600	\$910	\$1130
	Trip plus lessons*	\$660	\$1040	\$1350	\$1570

(source: the author, 2016)

**Table 9**  
**TKB, The School Offer**

The School Offer	Modules	
	Private	2 People
	Price	
2 hour package: Get Started	\$160	\$220
5 hour package: Hit The Water	\$400	\$540
7 hours package: Get Addicted	\$510	\$730
1 hour progression package	\$90	X
2 hour progression package	\$160	X

(source: the author, 2016)



**Table 10**  
**Pricing comparison**

School Offer	School Pricing									
	Kite Republic			The Zu Boardsports		GoKite			The Kite Bus	
	Modules									
	1	2	3	1	2	1	2	3	1	2
1 hour Lesson	\$90	\$138	\$177	\$95	X	\$90	\$110	\$140	X	X
2 hour Lesson	\$170	\$238	\$327	\$179	\$238	\$180	\$220	\$270	\$160	\$220
5 hour Lesson	\$419	\$558	\$747	\$429	\$558	X	X	X	\$400	\$540
6 hour Lesson	X	X	X	X	X	\$495	\$600	\$740	X	X
7 hour lesson	X	X	X	X	X	X	X	X	\$510	\$730
1 hour Progression Lesson	\$90	X	X	X	X	\$99	X	X	\$90	X
2 hour Progression Lesson	\$170	X	X	X	X	X	X	X	\$160	X
1,5 hour Refresh Package	X	X	X	X	X	\$125	X	X	X	X
1,5 hour Intermediate Package	X	X	X	X	X	\$125	X	X	X	X

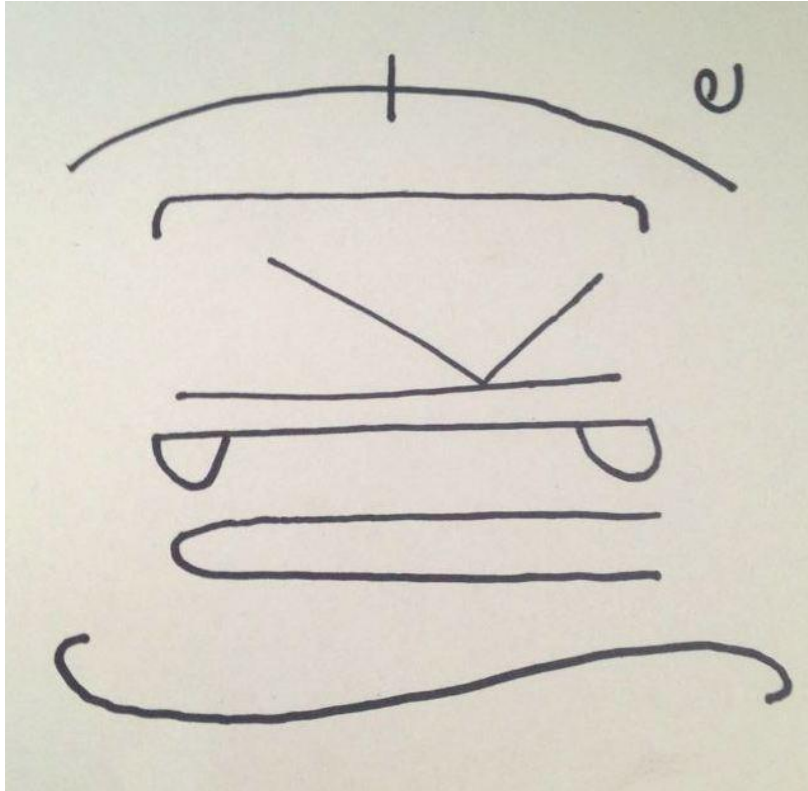
(source: the author, 2016)

**Figure 2**  
**The Kite Bus Australia, Poster**



(source: the author, 2016)

**Figure 3**  
**T-Shirt and Branding Graphic**



(source: the author, 2016)

**Figure 4**

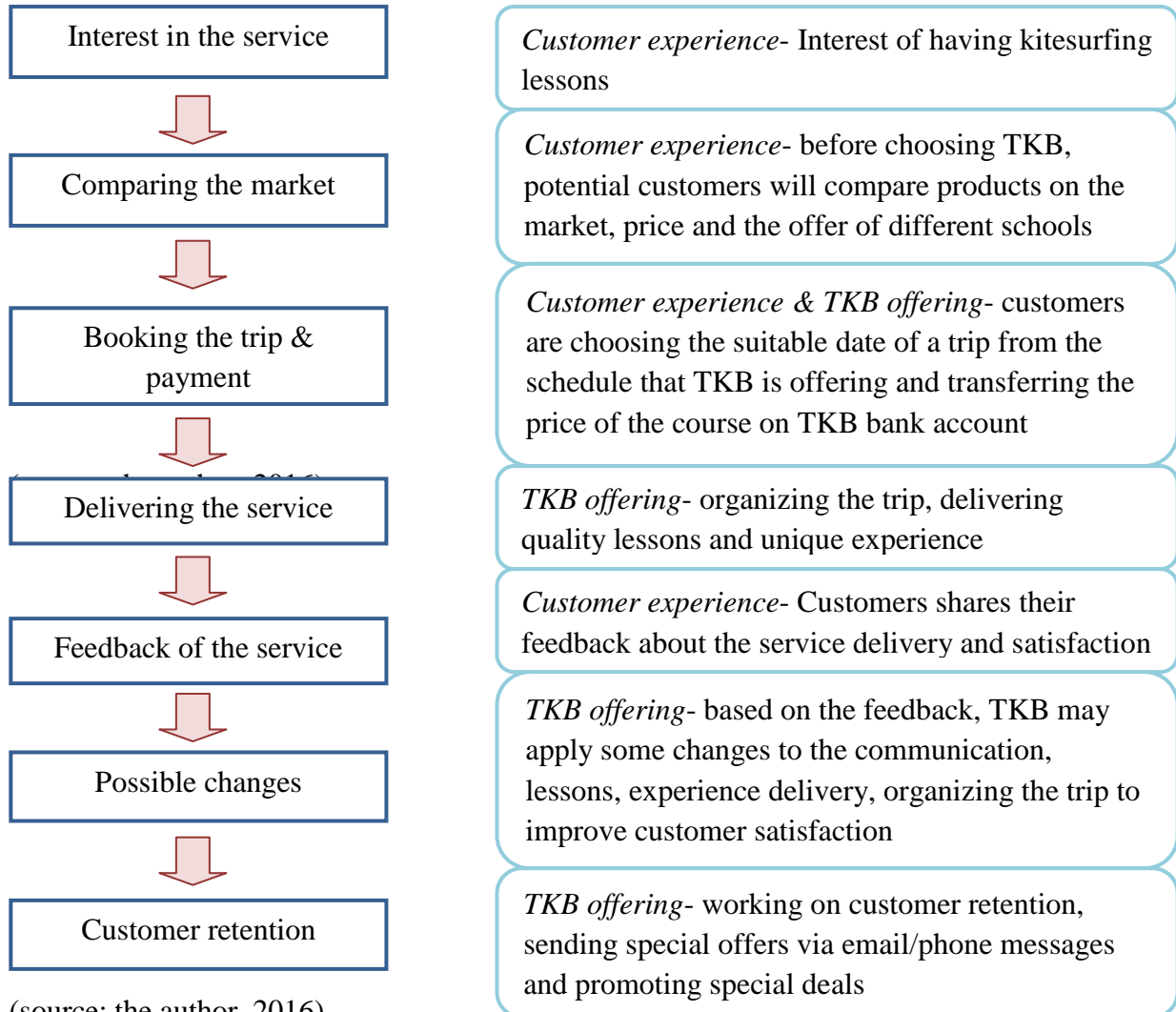
**The Kite Bus Australia Website (screenshot)**



(source: the author, 2016)

**Chart 14**

**Process of the service**



(source: the author, 2016)



**Calculations of TKB Offer:**

⇒ Kitesurfers

Variables:

+fuel: \$7

+food: \$30

+accommodation: \$20

+instructors' salary: \$60

+fix margin:

- 3 days, 30% added income of whole value of fuel, food, accommodation and instructors' salary
- 7 days- 50% added income of whole value of fuel, food, accommodation and instructors' salary
- 10 days- 60% added income of whole value of fuel, food, accommodation and instructors' salary
- 12 days- 65% added income of whole value of fuel, food, accommodation and instructors' salary

+three days kitesurfing course: \$440

⇒ Kitesurfing trip only (kitesurfers)

- 3 days trip=  $(3*7+3*30+3*20+3*60)+0,3*(3*7+3*30+3*20+3*60)= \$410$
- 7 days trip=  $(7*7+7*30+7*20+7*60)+0,5*(7*7+7*30+7*20+7*60)= \$1190$
- 10 days trip=  $(10*7+10*30+10*20+10*60)+0,6*(10*7+10*30+10*20+10*60)= 1750$
- 12 days trip=  $(12*7+12*30+12*20+12*60)+0,65*(12*7+12*30+12*20+12*60)= 2155$

⇒ Kitesurfing trip plus lessons (kitesurfers)

- 3 days trip=  $(3*7+3*30+3*20+3*60)+0,3*(3*7+3*30+3*20+3*60)+440= \$850$
- 7 days trip=  $(7*7+7*30+7*20+7*60)+0,5*(7*7+7*30+7*20+7*60)+440= \$1630$
- 10 days trip=  $(10*7+10*30+10*20+10*60)+0,6*(10*7+10*30+10*20+10*60)+440= \$2190$
- 12 days trip=  $(12*7+12*30+12*20+12*60)+0,65*(12*7+12*30+12*20+12*60)+440= \$2595$

⇒ Non-kitesurfers

Variables:

+fuel: \$7

+food: \$30

+accommodation: \$20

+fix margin

+three days kitesurfing course: \$440

⇒ Kitesurfing trip only

- 3 days trip=  $(3*7+3*30+3*20)+0,3*(3*7+3*30+3*20)= \$155$
- 7 days trip=  $(7*7+7*30+7*20)+0,5*(7*7+7*30+7*20)= \$455$
- 10 days trip=  $(10*7+10*30+10*20)+0,6*(10*7+10*30+10*20)= \$670$
- 12 days trip=  $(12*7+12*30+12*20)+0,65*(12*7+12*30+12*20)= \$820$

⇒ Kitesurfing trip plus lessons

- 3 days trip=  $(3*7+3*30+3*20)+0,3*(3*7+3*30+3*20)+440= \$595$
- 7 days trip=  $(7*7+7*30+7*20)+0,5*(7*7+7*30+7*20)+440= \$895$
- 10 days trip=  $(10*7+10*30+10*20)+0,6*(10*7+10*30+10*20)+440= \$1110$
- 12 days trip=  $(12*7+12*30+12*20)+0,65*(12*7+12*30+12*20)+440= \$1260$

**Table 12**  
**Trips, Profit margin evaluation**

Trips offer		Time Frame			
		Weekend: Friday, Saturday, Sunday	A week: 7 days	10 days	12 days
		Profit from one person			
Kiters	Kitesurfing trip only	\$105	\$409	\$702	\$912
	Kitesurfing trip plus lessons	\$305	\$609	\$902	\$1112
Non-kiters	Trip only	\$51	\$199	\$342	\$444
	Trip plus lessons	\$251	\$399	\$542	\$644

(source: the author, 2016)

**Calculations of Profit Margin:**

⇒ Kitesurfing trip only

Profit margin = End Price - Sum of all the costs (costs are: the fuel, food, accommodation and instructors' salary)

- 3 days=  $\$460 - (3 \times 7 + 3 \times 30 + 3 \times 20 + 3 \times 60) = \$105$
- 7 days=  $\$1230 - (7 \times 7 + 7 \times 30 + 7 \times 20 + 7 \times 60) = \$409$
- 10 days=  $\$1870 - (10 \times 7 + 10 \times 30 + 10 \times 20 + 10 \times 60) = \$702$
- 12 days=  $\$2320 - (12 \times 7 + 12 \times 30 + 12 \times 20 + 12 \times 60) = \$912$

⇒ Kitesurfing trip plus lessons

Profit margin= Profit margin from Kitesurfing Trip + profit from kitesurfing course

- 3 days=  $\$460 - (3 \times 7 + 3 \times 30 + 3 \times 20 + 3 \times 60) + \$200 = \$305$
- 7 days=  $\$1230 - (7 \times 7 + 7 \times 30 + 7 \times 20 + 7 \times 60) + \$200 = \$609$
- 10 days=  $\$1870 - (10 \times 7 + 10 \times 30 + 10 \times 20 + 10 \times 60) + \$200 = \$902$
- 12 days=  $\$2320 - (12 \times 7 + 12 \times 30 + 12 \times 20 + 12 \times 60) + \$200 = \$1112$



⇒ Trip only

Profit margin = End Price - Sum of all the costs (costs are: the fuel, food and accommodation)

- 3 days=  $\$220-(3*7+3*30+3*20)= \$51$
- 7 days=  $\$600-(7*7+7*30+7*20)= \$199$
- 10 days=  $\$910-(10*7+10*30+10*20)= \$342$
- 12 days=  $\$1130-(12*7+12*30+12*20)= \$444$

⇒ Trip plus lessons

Profit margin = Profit margin from Trip Only + Profit from kitesurfing course

- 3 days=  $\$220-(3*7+3*30+3*20) + \$200= \$251$
- 7 days=  $\$600-(7*7+7*30+7*20) + \$200= \$399$
- 10 days=  $\$910-(10*7+10*30+10*20) + \$200= \$542$
- 12 days=  $\$1130-(12*7+12*30+12*20) + \$200= \$644$

**Table 9**  
**TKB, Pure Lessons Offer**

Lessons Offer	Modules	
	Private	2 People
	Price	
2 hour package: Get Started	\$160	\$220
5 hour package: Hit The Water	\$400	\$540
7 hours package: Get Addicted	\$510	\$730
1 hour progression package	\$90	X

(source: the author, 2016)

**Table 13**

**TKB, Profit Margin from Pure Lessons Offer**

Lessons Offer	Modules	
	Private	2 People
	Profit Margin	
2 hour package: Get Started	\$80	\$140
5 hour package: Hit The Water	\$200	\$340
7 hours package: Get Addicted	\$230	\$450
1 hour progression package	\$50	X

(source: the author, 2016)

**Calculations of TKB’s Initial Costs:**

Cost of the bus: \$30 000

Cost of bus restoration: \$10 000

Cost of the school gear:

Kites (amount 11):  $11 * \$1580 = \$17\,400$

Boards (amount 5):  $5 * \$500 = \$2\,500$

Harnesses (amount 12):  $12 * \$150 = \$1\,800$

Helmets (amount 12):  $12 * \$20 = \$240$

Wetsuits (amount 12):  $12 * \$200 = \$2\,400$

Pumps (amount 3):  $3 * \$20 = \$60$

Total cost: of school gear: \$24 400

Total costs:  $\$30\,000 + \$10\,000 + \$24\,400 = \$64\,400$

Annex XI- TKB’s Profit and loss Statement

**Table 14**

**TKB Profit & Loss Statement**

**October 2017 – September 2018**

<b>Income</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YEAR
School lessons	\$34,070	\$19,920	\$32,080	\$20,360	\$0	\$0	\$0	\$0	\$0	\$16,690	\$16,290	\$38,530	\$177,940
Trips	\$16,600	\$45,400	\$28,990	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,060	\$4,080	\$114,130
<b>Total Income</b>	<b>\$50,670</b>	<b>\$65,320</b>	<b>\$61,070</b>	<b>\$20,360</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,690</b>	<b>\$35,350</b>	<b>\$42,610</b>	<b>\$292,070</b>
<b>Expenses</b>													
Food	\$2,400	\$5,820	\$4,290	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,820	\$540	\$15,870
Fuel	\$496	\$1,203	\$539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$583	\$112	\$2,933
Accommodation	\$1,600	\$3,880	\$2,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,880	\$360	\$10,580
Instructors' supervision salary	\$6,000	\$12,000	\$10,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,180	\$1,800	\$36,180
Instructors' lessons salary (trip)	\$1,680	\$2,880	\$2,640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,680	\$720	\$9,600
Instructors' lessons salary (school)	\$14,280	\$8,320	\$13,520	\$8,080	\$0	\$0	\$0	\$0	\$0	\$7,200	\$7,120	\$17,080	\$75,600
<b>Total Expenses</b>	<b>\$26,456</b>	<b>\$34,103</b>	<b>\$34,049</b>	<b>\$8,080</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,200</b>	<b>\$20,263</b>	<b>\$20,612</b>	<b>\$150,763</b>
<b>Profit/Loss</b>	<b>\$24,214</b>	<b>\$31,217</b>	<b>\$27,021</b>	<b>\$12,280</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,490</b>	<b>\$15,087</b>	<b>\$21,998</b>	<b>\$141,307</b>

(source: the author, 2016)

**Table 15**

**TKB Profit & Loss Statement**

**October 2018 – September 2019**

<b>Income</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YEAR
School lessons	\$9,480	\$28,920	\$33,230	\$23,730	\$0	\$0	\$0	\$0	\$0	\$31,820	\$53,490	\$47,040	\$227,710
Trips	\$32,760	\$30,140	\$16,160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,640	\$4,540	\$92,240
<b>Total Income</b>	<b>\$42,240</b>	<b>\$59,060</b>	<b>\$49,390</b>	<b>\$23,730</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$31,820</b>	<b>\$62,130</b>	<b>\$51,580</b>	<b>\$319,950</b>
<b>Expenses</b>													
Food	\$4,980	\$4,680	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,260	\$630	\$13,950
Fuel	\$1,029	\$967	\$496	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$260	\$130	\$2,883
Accommodation	\$3,320	\$3,120	\$1,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$840	\$420	\$9,300
Instructors' supervision salary	\$12,000	\$10,200	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,600	1800	\$33,600
Instructors' lessons salary (trip)	\$2,400	\$1,920	\$1,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$720	\$7,680
Instructors' lessons salary (school)	\$4,160	\$12,800	\$14,080	\$10,520	\$0	\$0	\$0	\$0	\$0	\$13,360	\$23,400	\$20,160	\$98,480
<b>Total Expenses</b>	<b>\$27,889</b>	<b>\$33,687</b>	<b>\$26,016</b>	<b>\$10,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,360</b>	<b>\$30,560</b>	<b>\$23,860</b>	<b>\$165,893</b>
<b>Profit/Loss</b>	<b>\$14,351</b>	<b>\$25,373</b>	<b>\$23,374</b>	<b>\$13,210</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,460</b>	<b>\$31,570</b>	<b>\$27,720</b>	<b>\$154,057</b>

(source: the author, 2016)

**Table 16**  
**TKB Profit & Loss Statement**  
**October 2019 – September 2020**

<b>Income</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YEAR
School lessons	\$37,180	\$25,170	\$27,938	\$23,730	\$0	\$0	\$0	\$0	\$0	\$41,040	\$32,730	\$45,040	\$232,828
Trips	\$33,560	\$34,490	\$21,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,260	\$9,930	\$112,920
<b>Total Income</b>	<b>\$70,740</b>	<b>\$59,660</b>	<b>\$49,618</b>	<b>\$23,730</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,040</b>	<b>\$45,990</b>	<b>\$54,970</b>	<b>\$345,748</b>
<b>Expenses</b>													
Food	\$4,920	\$5,280	\$3,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,980	\$1,470	\$16,950
Fuel	\$1,017	\$1,091	\$682	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$409	\$304	\$3,503
Accommodation	\$3,280	\$3,520	\$2,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,320	\$980	\$11,300
Instructors' supervision salary	\$10,200	\$11,400	\$7,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$4,200	\$39,600
Instructors' lessons salary (trip)	\$2,880	\$1,440	\$1,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$720	\$7,920
Instructors' lessons salary (school)	\$13,320	\$10,560	\$15,680	\$10,520	\$0	\$0	\$0	\$0	\$0	\$15,760	\$16,680	\$19,200	\$101,720
<b>Total Expenses</b>	<b>\$35,617</b>	<b>\$33,291</b>	<b>\$31,342</b>	<b>\$10,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,760</b>	<b>\$27,589</b>	<b>\$26,874</b>	<b>\$180,993</b>
<b>Profit/Loss</b>	<b>\$35,123</b>	<b>\$26,369</b>	<b>\$18,276</b>	<b>\$13,210</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,280</b>	<b>\$18,401</b>	<b>\$28,096</b>	<b>\$164,755</b>

(source: the author, 2016)

**Table 17**

**TKB Profit & Loss Statement**

**October 2020 – September 2021**

<b>Income</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YEAR
School lessons	\$29,580	\$29,580	\$14,790	\$24,390	\$0	\$0	\$0	\$0	\$0	\$39,490	\$32,570	\$44,370	\$214,770
Trips	\$32,590	\$45,000	\$35,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,780	\$18,620	\$161,430
<b>Total Income</b>	<b>\$62,170</b>	<b>\$74,580</b>	<b>\$50,230</b>	<b>\$24,390</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,490</b>	<b>\$62,350</b>	<b>\$62,990</b>	<b>\$376,200</b>
<b>Expenses</b>													
Food	\$5,100	\$6,840	\$5,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500	\$2,820	\$24,660
Fuel	\$1,054	\$1,414	\$1,116	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$930	\$583	\$5,096
Accommodation	\$3,400	\$4,560	\$3,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$1,880	\$16,440
Instructors' supervision salary	\$10,200	\$15,000	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,200	\$6,000	\$53,400
Instructors' lessons salary (trip)	\$2,880	\$2,640	\$2,640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,160	\$1,440	\$11,760
Instructors' lessons salary (school)	\$12,560	\$11,760	\$6,280	\$10,520	\$0	\$0	\$0	\$0	\$0	\$16,600	\$20,480	\$18,840	\$97,040
<b>Total Expenses</b>	<b>\$35,194</b>	<b>\$42,214</b>	<b>\$31,036</b>	<b>\$10,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,600</b>	<b>\$41,270</b>	<b>\$31,563</b>	<b>\$208,396</b>
<b>Profit/Loss</b>	<b>\$26,976</b>	<b>\$32,366</b>	<b>\$19,194</b>	<b>\$13,870</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,890</b>	<b>\$21,080</b>	<b>\$31,427</b>	<b>\$167,804</b>

(source: the author, 2016)

**Table 18**

**TKB Profit & Loss Statement  
October 2021 – September 2022**

<b>Income</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YEAR
School lessons	\$35,680	\$17,840	\$14,850	\$19,640	\$0	\$0	\$0	\$0	\$0	\$37,210	\$47,420	\$56,100	\$228,740
Trips	\$32,590	\$49,560	\$41,740	\$10,920	\$0	\$0	\$0	\$0	\$0	\$0	\$15,720	\$9,120	\$159,650
<b>Total Income</b>	<b>\$68,270</b>	<b>\$67,400</b>	<b>\$56,590</b>	<b>\$30,560</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,210</b>	<b>\$63,140</b>	<b>\$65,220</b>	<b>\$388,390</b>
<b>Expenses</b>													
Food	\$5,100	\$7,860	\$6,600	\$1,620	\$0	\$0	\$0	\$0	\$0	\$0	\$2,400	\$1,440	\$25,020
Fuel	\$1,054	\$1,624	\$1,364	\$335	\$0	\$0	\$0	\$0	\$0	\$0	\$496	\$298	\$5,171
Accommodation	\$3,400	\$5,240	\$4,400	\$1,080	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600	\$960	\$16,680
Instructors' supervision salary	\$10,200	\$16,800	\$13,200	\$3,600	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$3,600	\$53,400
Instructors' lessons salary (trip)	\$2,880	\$3,120	\$2,880	\$1,440	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200	\$960	\$12,480
Instructors' lessons salary (school)	\$15,040	\$7,520	\$6,280	\$10,520	\$0	\$0	\$0	\$0	\$0	\$16,680	\$20,080	\$24,160	\$100,280
<b>Total Expenses</b>	<b>\$37,674</b>	<b>\$42,164</b>	<b>\$34,724</b>	<b>\$18,595</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,680</b>	<b>\$31,776</b>	<b>\$31,418</b>	<b>\$213,031</b>
<b>Profit/Loss</b>	<b>\$30,596</b>	<b>\$25,236</b>	<b>\$21,866</b>	<b>\$11,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,530</b>	<b>\$31,364</b>	<b>\$33,802</b>	<b>\$175,359</b>

(source: the author, 2016)

**Table 19**

**TKB Profit & Loss Statement  
October 2017 – September 2022**

<b>Income</b>	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
School lessons	\$177,940	\$227,710	\$232,828	\$214,770	\$228,740
Trips	\$114,130	\$92,240	\$112,920	\$161,430	\$159,650
<b>Total Income</b>	<b>\$292,070</b>	<b>\$319,950</b>	<b>\$345,748</b>	<b>\$376,200</b>	<b>\$388,390</b>
<b>Total Expenses</b>	<b>\$150,763</b>	<b>\$165,893</b>	<b>\$180,993</b>	<b>\$208,396</b>	<b>\$213,031</b>
<b>Profit/Loss</b>	<b>\$141,307</b>	<b>\$154,057</b>	<b>\$164,755</b>	<b>\$164,804</b>	<b>\$175,359</b>

(source: the author, 2016)

Annex XII- Questionnaires

Survey for people who are kitesurfers

What is your gender?

- Female
- Male

How old are you?

- 10-15
- 15-20
- 20-25
- 25-30
- 30-35
- 35-40
- more than 40

For how long have you been doing kitesurfing?

- Just started
- Between 2 and 4 years
- Between 4 and 8 years
- More than 8 years
- Other:

What is your main motivation to go kiting?

- Peer pressure
- Holiday activity
- Possibility to travel
- To do sport/to be fit
- To belong to special social group
- To progress and develop
- To fight stress
- Other:



**What are your feelings toward kitesurfing?**

You can choose more than one answer

- Kitesurfing gives me a lot of fun
- Kitesurfing gives me possibility to travel and meet new people
- Kitesurfing is my hobby and it fulfills my life
- I kitesurf because of friends pressure
- I kitesurf, but I don't have the need to progress
- I do not find kitesurfing interesting
- Other:

**What is your main destination to go kitesurfing?**

- Australia
- Mainly Australia but also countries around (Philippines, Indonesia, Vietnam)
- Mainly Australia but also countries around the world
- The whole world
- Other:

**What you like the most about kitesurfing and travelling around?**

You can choose more than one answer

- Meeting new people from around the world
- Learning about new cultures
- Seeing remote places around the world
- Progressing and following dreams
- Other:

**What is the most annoying thing for you when it comes to kitesurfing?**

- Travel costs
- No wind days
- Costs of equipment
- Different spots' conditions (flat water, waves, chop)
- Other:

**If you would have the possibility to travel around Australia on the organized trip, to kitesurf everyday and chase the wind, you would:**

You can choose more than one answer

- Do it, because you don't like to be in one place all the time
- Do it, because you love to travel
- Do it, because it sounds like a new and different adventure
- Do it, because you could make new friends and gain new experience
- Not do it, because you prefer to be independent
- Not do it, because you are scared to undertake new things
- Not do it, because you are not sure if it is worth money and time
- Other:

**Which is the best way for you to do kitesurfing?**

- In a kitesurfing school on the beach, where you are feeling safe
- By yourself, because you are self-sufficient and independent
- Organized trip where you can meet new people, sharing the same interest and to have the possibility to travel around with qualified instructors, who could give you tips
- Don't care, you are following friends
- Other:

**Do you plan to continue doing kitesurfing?**

- Yes, definitely, I want to progress more
- Yes, because it gives me lot of life experience
- Yes, but only on a holiday basis
- Maybe, I like it but, I'm not so passionate about it
- No, I don't have time
- No, I'm bored, because I'm not progressing
- Other:

**If you would like to try something new in kitesurfing what would it be?**

- Progression course with a qualified instructor from a kitesurfing school on a beach
- Organized trip with other people, where you can explore new spots around Australia, enjoy travelling, and do sports like surfing, wakeboarding, not only kitesurfing, with qualified instructors who are experts in this field
- Kite trip by your own to the places that you have never been
- Other:

**If you will decide to go on an organized kite trip, what would be the most important expected values?**

You can choose more than one answer

- Reasonable money expense
- Other activities (surfing, wakeboarding)
- Qualified and experience instructors
- Backup plan during no wind days
- Possibility to visit new, remote places
- Different that other schools, original experience delivery
- Other:

**Survey for people who have never done kitesurfing**

**What is your gender?**

- Female
- Male

**How old are you?**

- 10-15
- 15-20
- 20-25
- 25-30
- 30-35
- 35-40
- more that 40

**Would you like to learn kitesurfing?**

- Yes, definitely
- Yes, I'm interested in sports in general and I want to try something new
- Maybe
- Maybe, but the concern is that the sport is really expensive
- Maybe, but I'm not a 'sporty type'
- No, it is not interesting for me
- No, I don't have time
- Other:

**What is your main motivation to start kitesurfing?**

- Peer pressure
- Holiday activity
- Possibility to visit new places
- To do sport/to be fit
- To meet people from different social group
- To develop as a person
- To fight stress
- Other:

**What are your feelings toward kitesurfing?**

You can choose more than one answer

- I think kitesurfing is a lot of fun, but I don't want to learn it
- I think kitesurfing is a lot of fun, so I want to learn it
- I think kitesurfing could be my new hobby
- I would like to learn, because my friends are kitesurfers
- I don't like it, but I could try just, because it's popular
- I think I would not like it, so I won't learn it
- Other:

**Where would you like to try kitesurfing?**

- Australia
- Mainly Australia but also countries around (Philippines, Indonesia, Vietnam)
- Mainly Australia but also countries around the world
- I want to travel around the world
- Other:

**What do you think you would like the most about kitesurfing?**

You can choose more than one answer

- Possibility to meet new people from around the world
- Possibility to learn new cultures
- Possibility to see remote places around the world
- Possibility to progress and follow dreams
- Other:

**What would be the most annoying thing for you when it comes to learn how to kitesurf?**

- Costs of the kitesurfing course
- No wind risk
- The need to go to dedicated place (beach with a wind)
- The possibility that you won't like it
- Other:

**If you would have the possibility to travel around Australia on the organized trip, with new people and to kitesurf everyday, learn new things and chase the wind, you would:**

You can choose more than one answer

- Do it, because you don't like to be in one place all the time
- Do it, because you love to travel
- Do it, because it sounds like a new and different adventure
- Do it, because you could make new friends and gain new experience
- Not do it, because you prefer to be independent
- Not do it, because you are scared to undertake new things
- Not do it, because you are not sure if it is worth money and time
- Other:

**Which do you think is the most interesting way to learn kitesurfing?**

- In a kitesurfing school on the beach with a qualified instructor
- From friends
- On an organized trip, with instructors, and with the possibility to travel around
- You do not put much consideration about it
- Other:

**Do you plan to take kitesurfing lessons?**

- Yes, definitely, it looks very interesting
- Yes, but I don't know where to take lessons
- Yes, but I'm concerned about my ability to do this sport
- Maybe, I don't know if I will like it
- No, because I'm scared
- No, I'm not interested
- Other:

**If you would like to take kitesurfing lessons what would be the most attractive option for you?**

- Kite course with a qualified instructor from a kitesurfing school on a beach
- Organized trip with other people, where you can explore new spots around Australia, enjoy travelling, and do sports like surfing, wakeboarding, not only kitesurfing, with qualified instructors
- Kite trip by your own to the places that you have never been
- Other:

**If you will have the chance to learn kitesurfing on an organized trip, which would be the most important expected values?**

You can choose more than one answer

- Reasonable money expense
- Other activities (surfing, wakeboarding)
- Qualified and experience instructors
- Backup plan during no wind days
- Possibility to visit new, remote places
- Different that other schools, original experience delivery
- Other:

