

# International Marketing



# The Analysis of Australia

## Group Six HPF

Add family names  
Add date

- S1063014 Sesame
- S1063020 Petra
- S1063026 Dawn
- S1063039 Karen
- S1063048 Natalie

# Table of contents

- # **Introduction**.....3
- # **Objectives**.....3
- # **A week in the life of target customer**.....3
- # **Economy**.....4
  - Population.....4
  - Economy statistics.....5
  - Media.....7
  - Dominant economic activity.....7
  - Distribution channels.....8
- # **Culture**.....9
  - Geography.....9
  - Social institution.....9
  - Dynamics of the family.....10
  - Political system.....10
  - Arts.....10
- # **Summary form**.....11
- # **Conclusion**.....11

Why such huge font?

## Introduction

Hand tools have more uses than we think. In addition to simple repairs of broken products, they can also be used to repair cars and house repairs. In Australia, there are such hand tools at home, because they prefer to do it themselves rather than ask a technician to fix it. So, we have an in-depth understanding of Australia's economy and culture, and even pay attention to their life in a week, to help us promote this hand tool to our target market.

Good direction for the start

## Objectives

- I. Seeking relevant information about the Australian economy.
- II. To understand Australia's traditional culture.
- III. Realizing the daily life of the Australian.



## A week in the life of target customer

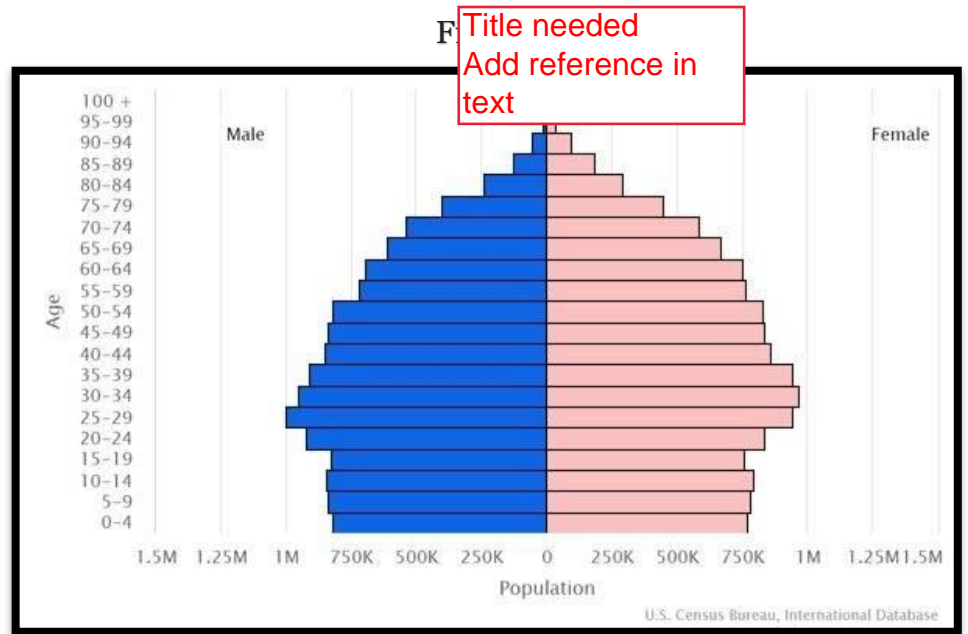
In addition to their working hours, Australians usually engage in DIY activities with their families after getting off work. From home repairs to car maintenance, they are accustomed to such activities. During their holidays, they often enjoy outdoor adventures and even create their own fun activities.

Rather short - more details would be useful  
Who is doing what?  
Are the family involved?

# Economy

## Population

- ◆ Age & sex distributions<sup>1</sup>:
  - 0-14 years: 18.43%
  - 15-64 years: 64.89%
  - 65 years and over: 16.69%

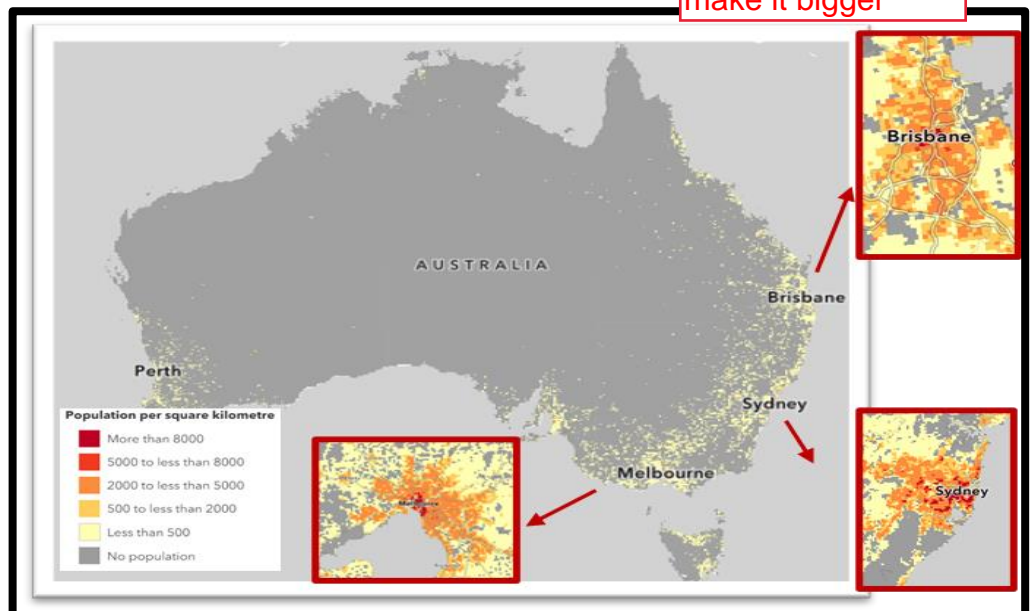


- ◆ Geographic spread of population:

There were about 26,000,000 people in Australia<sup>2</sup>, accounts for approximately 0.00325 of the world's population. It is primarily located on the periphery, with the highest concentration of people residing in the east and southeast. The city with the highest population density in Australia is Sydney and other cities include Melbourne and Brisbane.

Figure 2

Useful Give source make it bigger



<sup>1</sup> Regional Population 2011-21: Population Change. Retrieved from: <https://www.abs.gov.au/statistics/people/population/regional-population/2021#interactive-maps>

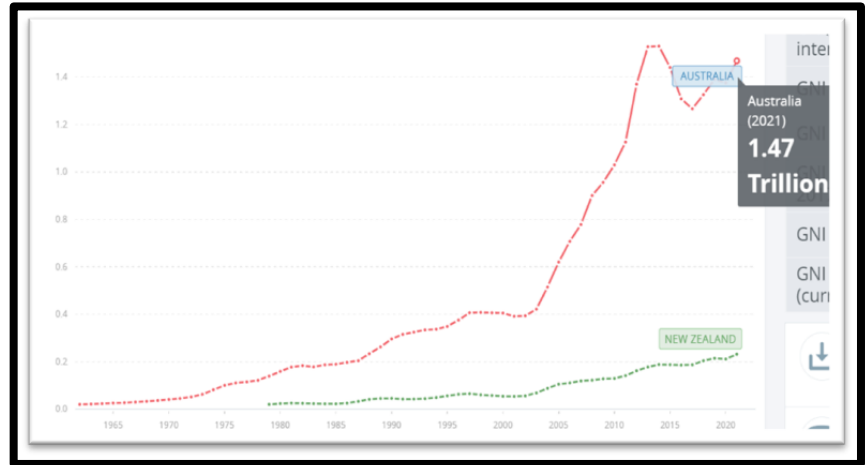
<sup>2</sup> Regional Population 2011-21: Population Change. Retrieved from: <https://www.abs.gov.au/statistics/people/population/regional-population/2021#interactive-maps>

## Economic statistics

- ◆ **Gross national product:**  
Australia's GNP<sup>3</sup> was USD 1.47 trillion in 2021.

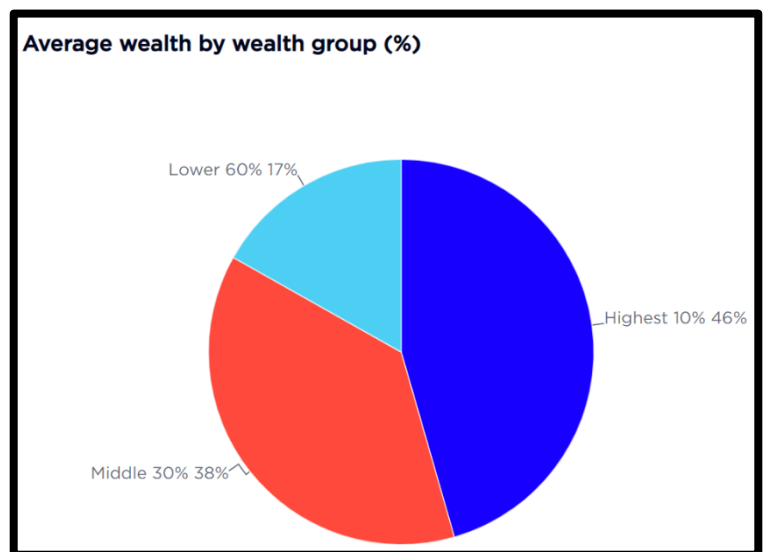
- ◆ **Income per capita & family income<sup>4</sup>:**  
The average household income in Australia was AUD 95,000 and income per capita was AUD 59,000 in 2019-2020.

Figure 3



- ◆ **Distribution of wealth<sup>5</sup>:** ✓  
The wealth distribution in Australia is highly unequal, with a significant concentration of wealth at the top and significant disparities between different demographic groups. The highest 10% of households by wealth has an average of \$6.1 million or 46% of all wealth. The next 30% have an average of \$1.7 million or 38% of all wealth. That leaves the majority – the lower 60% – with \$376,000 or just 17% of all wealth.

Figure 4



<sup>3</sup> World Bank national accounts data, and OECD National Accounts data files. GNI, Atlas method (current US\$) - Australia, New Zealand. Retrieved from: [https://data.worldbank.org/indicator/NY.GNP.ATLS.CD?end=2021&locations=AU-NZ&name\\_desc=false&start=1962&view=chart](https://data.worldbank.org/indicator/NY.GNP.ATLS.CD?end=2021&locations=AU-NZ&name_desc=false&start=1962&view=chart)

<sup>4</sup> Statistics about the population for Australia's capital cities and regions. Retrieved from: <https://www.abs.gov.au/statistics/people/population/regional-population/2021#interactive-maps>

<sup>5</sup> The wealth inequality pandemic: COVID and wealth inequality. Build back fairer, report 4. (Trends in overall wealth inequality) Retrieved from: <https://povertyandinequality.acoss.org.au/covid-inequality-and-poverty-in-2020-and-2021-2/>



◆ **Transportation:**

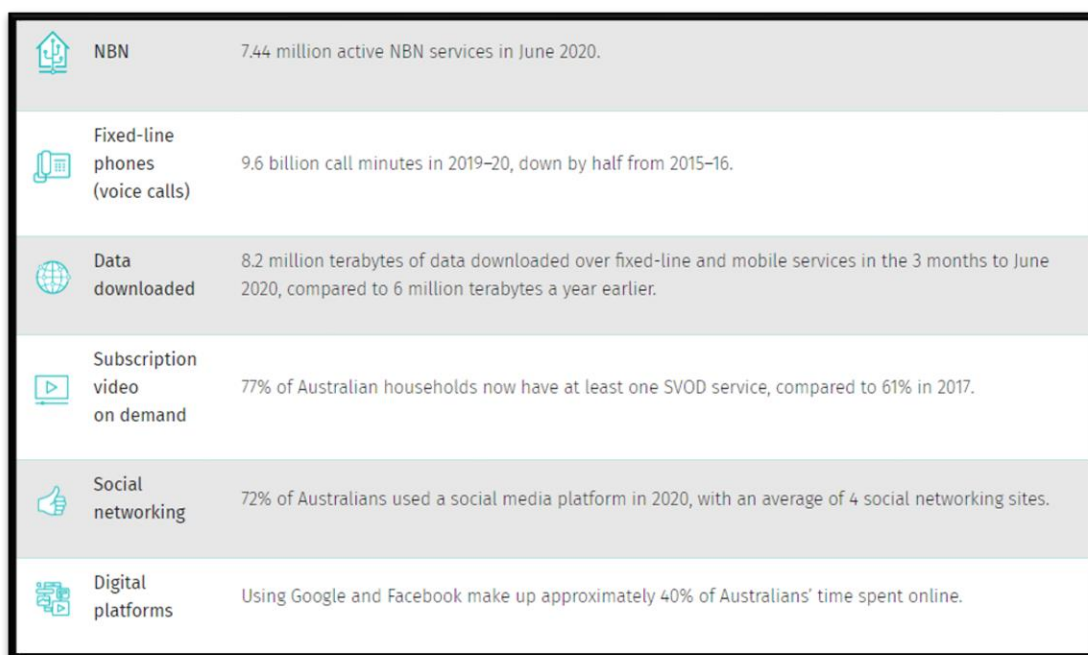
Due to the geographical size of the country and a small, sparsely distributed population, Australia’s domestic transportation is primarily focused on long-distance travel. There is a large network of roads, and cars are the most popular mode of transportation. Air travel ranks second in terms of total national passenger travel in Australia, after road usage<sup>6</sup>. ✓

◆ **Communication and internet<sup>7</sup>:**

Wireless is very important to the network

Fixed-line broadband is the most common type of internet connection in Australia. The NBN rollout has improved the quality of fixed-line broadband in many areas, and mobile broadband services are generally fast and reliable. Overall, the quality of internet services in Australia is likely to continue to improve as technology advances and infrastructure is upgraded.

Figure 5



◆ **Currency:**

The currency used in Australia is the Australian dollar (AUD) and the dollar is divided into 100 cents. Exchange rates: 1 AUD = 0.667 USD (Time April 10th)<sup>8</sup>

✓ ↑ X

<sup>6</sup> Transport infrastructure in Australia - statistics & facts. Retrieved from: <https://www.statista.com/topics/7832/transport-infrastructure-in-australia/#topicOverview>

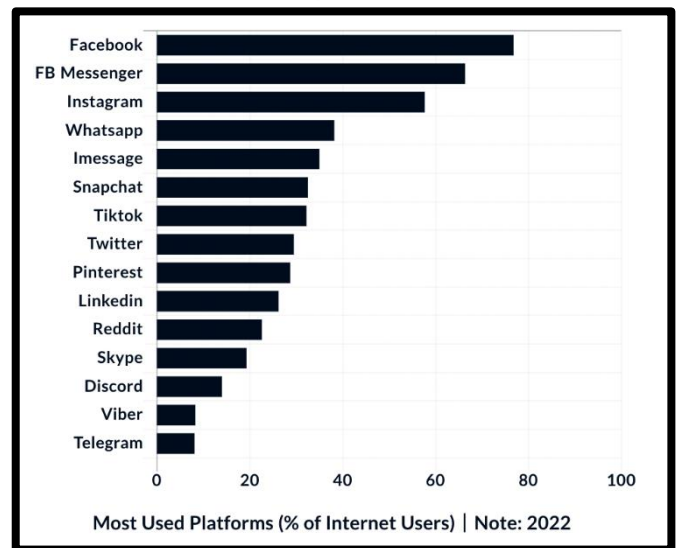
<sup>7</sup> Communications and media in Australia. Retrieved from: <https://www.acma.gov.au/communications-and-media-australia>

<sup>8</sup> Statistics about the population for Australia's capital cities and regions. Retrieved from: <https://www.abs.gov.au/statistics/people/population/regional-population/2021#interactive-maps>

## Media<sup>9</sup>

In Australia, the dominant forms of media are television, the internet, and newspapers. Radio also has a significant presence, particularly in regional areas. In terms of the internet, Facebook is the most popular social media platform in Australia, with approximately 17 million active users. Other popular platforms include WhatsApp and Instagram.

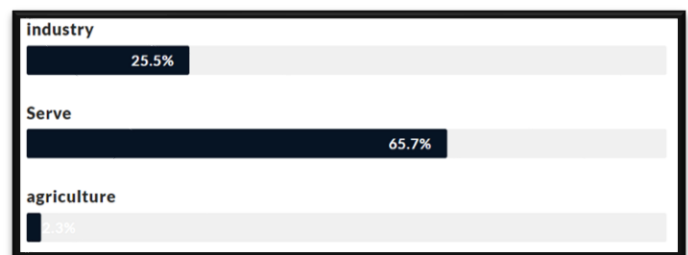
Figure 6



## Dominant economic activity<sup>10</sup>

The dominant economic activity in Australia is the services sector, but the industry sector is also important. The dominant economic activity in Australia is the services and industry sector, We think Hand tools will be needed in the manufacturing industry, and one

Figure 7



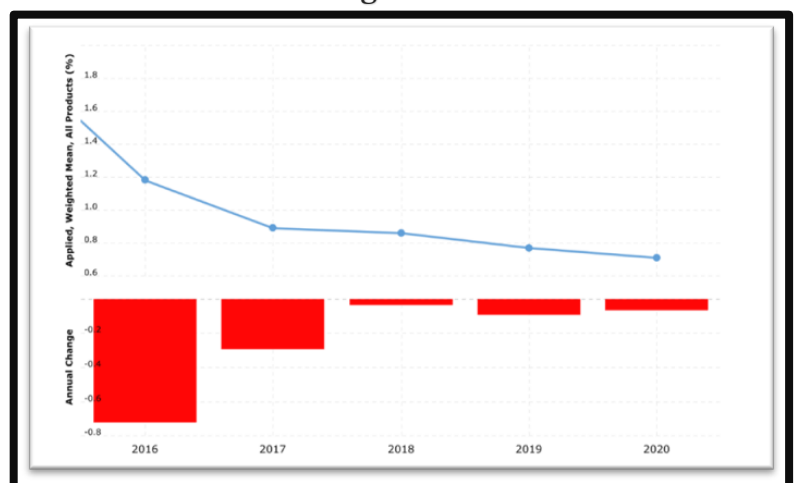
of the main markets in the Australian service industry is retail trade. This product can be biased towards the home DIY market, and the manufacturing industry also occupies a certain market share.

- Trade restrictions

Australia has various types of trade barriers, including:

- Tariffs: Australia's tariffs have fallen year by year. For instance, Australia tariff rates for 2020 was 0.71%, a 0.06% decline from 2019.<sup>11</sup>

Figure 8



<sup>9</sup> Social Media in Australia - 2023 Stats & Platform Trends. Retrieved from: <https://oosga.com/social-media/aus/>

<sup>10</sup> Australia - Economic Overview, Industry Development, and Market Analysis in 2023. Retrieved from: <https://zh.oosga.com/economies/aus/>

<sup>11</sup> Australia Tariff Rates 1991-2023. Retrieved from: <https://www.macrotrends.net/countries/AUS/australia/tariff-rates>

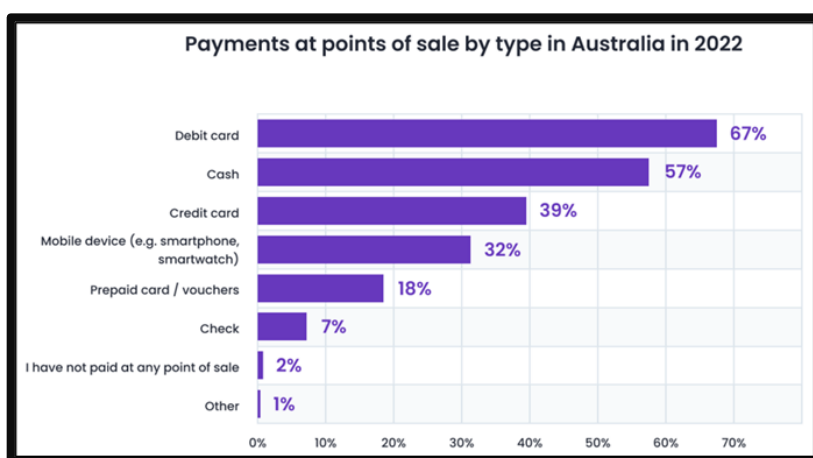
- Subsidies: These are financial incentives given to domestic producers to reduce the cost of production and make them more competitive against imported goods.
- Anti-dumping measures: These are actions taken by the government to prevent foreign companies from selling their products in Australia at prices lower than what they sell them for in their home markets, which may be taxed when the circumstances are serious. This is done to prevent unfair competition and protect local industries.

## Distribution channels

### ♦ Dominant payment methods<sup>12</sup>

According to Statista, debit cards are the most popular payment method for payments at Point of Sale in 2022, followed by cash, credit card, mobile device, and prepaid cards. Like in many developed countries, Australians have been using cash less and less for the past 10 years, with the pandemic speeding the trend up.

Figure 9



### ♦ Characteristics in the market of pull or push

In Australia, companies that use a pull strategy may focus on developing high-quality products, building strong relationships with customers, and investing in marketing campaigns that build brand awareness and drive sales.

Companies that use a push strategy may focus on building relationships with wholesalers, offering discounts or other incentives to encourage retailers to stock their products, and investing in trade shows or other events to showcase their offerings.

Overall, the market in Australia is competitive and diverse, with companies using a range of strategies to promote and sell their products. Both pull and push strategies can be effective, depending on the product and target market.

<sup>12</sup> Australia payment statistics: A roundup for 2022. (Payment method statistics) Retrieved from: <https://www.hellozai.com/blog/australia-payment-statistics#heading1>



# Cultural

## Geography<sup>13</sup>

Australia is the sixth-largest country, with diverse climates due to its size and location in the southern hemisphere between the Indian and Pacific oceans, with the north generally tropical and the south more temperate.

Idea 1: Due to the coastline is winding and there are many bays, shipping is well-developed in Australia.

Implication: With the advantages of transportation, it is convenient for our products to import. ✓

Idea 2: The agriculture industry is a crucial part of the Australian economy due to the long growing season in many regions. Farmers and ranchers use hand tools for tasks such as fence building, irrigation, and general maintenance because of the rugged terrain and vast landscapes, which makes it difficult to access certain areas with heavy equipment or power tools. ✓

Implication: Farmers and ranchers can be one of our target customers. ✓

Despite being highly urbanized, a considerable percentage of Australians live in rural areas.

According to the Australian Bureau of Statistics, in 2021, around 30% of the population lived outside major cities, with most living in regional towns and smaller rural communities.<sup>14</sup>

Idea 1: Hand tools are more affordable and accessible than power tools, which can make them a practical choice for individuals who may not have access or do not want to spend a lot on expensive equipment. This is particularly true in more rural or remote areas of Australia, where resources may be more limited.

Implication: Individuals in more remote or rural areas of Australia may rely on hand tools due to limited access to power tools or heavy equipment.

battery!

## Social institutions

The Australia government invests heavily in education, including early childhood and tertiary education, with a focus on vocational

Figure 10



<sup>13</sup> Australian geography. Retrieved from: <https://en.wikipedia.org/wiki/Australia>

<sup>14</sup> Australian Bureau of Statistics. Retrieved from: <https://www.abs.gov.au>

education and training (VET) programs. VET programs provide practical skills for the workforce, such as woodworking, metalworking, automotive repair, and construction. In 2021, around 4 million students were enrolled in VET programs, as per the data from the Australian government's Department of Education, Skills, and Employment.<sup>15</sup>

Idea 1: Several students learn how to be drilling, shaping, and joining materials at school. In these courses, students may be taught how to use a variety of hand tools. Such as saws, hammers, screwdrivers, pliers and wrenches. Therefore, we can collaborate with schools to sell our products.

Implication: Collaborating with schools would be a good idea for either of us. Where schools and students can purchase our products with their own money. And for our company, the purchase through school is usually in bulk, which can boost our sales.

Good - later on you can think about several segments (see your comment about rural above)

## Dynamics of the family

In the aspect of dynamics of the family, traditional gender roles are changing in Australia, with more women participating in the workforce and taking on leadership roles, more men are taking on caregiving responsibilities.

Idea 2: Both men and women use hand tools for various projects around the house. There is no inherent gender preference for using hand tools. However, there is a societal expectation that men should be handy and able to perform DIY projects around the house.

Very good What does this mean for you?

## Political system

Australia is a federal parliamentary democracy that operates under the principle of separation of powers, with distinct executive, legislative, and judicial branches of government. The political system provides the framework for regulating and governing all industries, including the hand tool industry in the country.<sup>16</sup>

## Arts<sup>17</sup>

There is a growing interest in DIY and home improvement projects in Australia, which has resulted in an increased demand for hand tools. Many Australians prefer taking on home improvement projects on their own, rather than hiring professionals. Online communities and resources

Think about order Introduce all the background material. Then give the implications

<sup>15</sup> Australian Government Department of Education. Retrieved from: <https://www.dese.gov.au>

<sup>16</sup> Retrieved from: <https://en.wikipedia.org/wiki/Australia>

<sup>17</sup> Dairy farmers demand Government impose a levy, say 30 to 40 cents a liter is needed. Retrieved from: <https://www.abc.net.au/news/rural/2020-05-07/dairy-farmers-want-40-cent-milk-levy/12223296>

dedicated to DIY projects and repairs provide valuable knowledge and help people learn new skills to tackle more complex projects.

Idea: Hand tools is often a part of the process and materials needed for these DIY projects.

Implication: In the context of the continuous development and progress of the DIY market, it not only provides people with various opportunities and choices, but also attracts an increasing number of potential customers. This further stimulates our motivation to import our products into this market.

In conclusion, the geographic, social institutions, education system, political system and arts all have contributed to the widespread use of hand tools in Australia. With our target costumers as those who work in the agricultural industry, schools, DIY enthusiasts and those who lives in rural areas in Australia.

## Summary form

- ♦ What is important to you from the economic analysis?

The higher-income groups in Australia use hand-made tools to increase the fun of leisure and entertainment; while the lower-income groups use their own hands to reduce money expenditures.

- ♦ What is cultural analysis important to you?

Their culture affects the values and daily habits of the Australian.

- ♦ How do customers make your product part of their lives?

We want to give them a better experience and make their handiwork more rev... satisfying with our premium products, like hardened screwdrivers and non-slip handles.

Good

How can you go for the very good to the pointless?! This point means nothing!

Specific specific  
You have identified at least 3 clear opportunities - list them

## Conclusion

### I. Target customers

Combining the economic and cultural aspects, the target customers for the company are people who like to DIY, especially in the big cities of Australia due to their large population.

### II. Quality guarantee

For our company which is looking to import products into Australia, due to the government policy, imported products cannot be priced lower than local products. Therefore, we must ensure that our products are of superior quality compared to local products and are not priced lower than local products, making them more competitive on price.

**NCUE, - FEEDBACK, CLASS PRESENTATIONS**

<b>THE GROUP YOU ARE ASSESSING:</b>		<b>Save your file. Use this format:                  group being assessed your                  group.doc So an example would be                  TIV Voltes5.doc – where TIV is the                  group being assessed and Voltes5 is                  your group.</b>	
<b>HPF</b>			
<b>YOUR GROUP NAME:</b>			
<b>INSTRUCTOR</b>			
A	B	C	D
Are ideas presented connected with the aim of the presentation?	Are the ideas presented clearly supported with evidence and logical argument?	Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)	Overall impression (is it a group presentation etc.?)
40%	30%	20%	10%

5%	5%	5%	5%
<p>Comments (space will expand as you type)</p> <p>Nice start but</p> <p>Table of contents = Agenda (remember from last presentation?)</p> <p>Slow down a little - all is clear -</p> <p>Internet - heavily relies on wifi (industrial grade) - 30% of population outside cities which is abbreviated as VET</p> <p>for all of us</p> <p>Target - women or men?</p> <p>Education - interesting direction here</p> <p>I very much like the good use of English expression - e.g., last but not least</p> <p>Report</p> <p>This is a good and thoughtful report. There is much rich detail and a number of very clear observations about opportunities in this market. You have also balanced this with the economics e.g., why people use tools.</p> <p>However, your ending is weak. Use the summary at the end to draw out and emphasize your key ideas.</p> <p>Keep up this effort -- you have a very sound beginning here.</p> <p>90% (group grade)</p>			

**NCUE, - FEEDBACK, CLASS PRESENTATIONS**

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Grade (%) 20%
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