



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma in Management
Higher Professional Level

CASE STUDY

4267/01

Core Module

Valid between 1 January 2008 and 31 December 2008

READ THESE INSTRUCTIONS FIRST

You should read the assignment carefully.

It is important to complete the **Assignment Cover Sheet** when you have finished your work. You must complete the details and sign the declaration to confirm that the assignment is all your own work and your tutor must sign to verify that it is your own work.

The organisations described in this case study are entirely fictitious.

The length of the assignment must be no more than 8000 words. Marks will be deducted from assignments that exceed the word limit.

This document consists of **4** printed pages.



Case Study – Core Module

Creative Holidays

Creative Holidays is a small company, operating in your locality, offering foreign touring holidays to a number of destinations. These have proved popular because of the way in which the company promotes the holidays and the high level of customer care provided.

Strategy and Operation

The company has been operating for 5 years and has a niche market in providing relaxed, inexpensive themed holidays to particular destinations that develop and encourage interests such as wine tasting, drawing and painting, literature and history.

There are 12 holiday packages at present, with new ones being researched.

The package includes an introduction or refresher programme on the topic before the holiday itself. One of the reasons for the popularity is that the trips are not always to well-known tourist regions.

The company has developed good relations with small, family-run hotels and restaurants in these destinations and provides good quality accommodation and service at very reasonable prices.

Each holiday package has a maximum of 16 people in the group from the same locality, generally within your region, who travel together. They enjoy these holidays as it provides an opportunity to meet others with similar interests. Creative Holidays attempt to generate a family atmosphere within each group, with everyone helping each other to enjoy their holiday which, including travel time, usually lasts for a week.

Travel to the destination is by low-cost airline and coach. Using cost-effective travel keeps the overall price quite low, attracting a particular demographic group. Generally this is middle-aged or older people, of medium income or retired, who wish to spend a relaxing, inexpensive holiday pursuing an interest. These holiday packages are not suitable for families with children.

The drawing and painting package, for example, includes a day visit to an art gallery or museum and a talk by an artist, who gives practical advice on how to study art and also how to create it. The holiday itself is to one of three destinations, each of which provides inspirational subject matter for holiday makers to draw and paint, thereby creating their own art. During their time at the holiday destination, an art tutor will be able to advise them on their work and there are opportunities to visit other local galleries. One destination is rural, one urban and one coastal; none of them are recognised tourist destinations and this is part of the appeal of the holiday.

The other packages operate in a similar way.

The company has a regular customer base, many of whom have tried several of the packages on offer. A number of the customers have in fact been on the same package more than once.

The company strategy has been to offer holidays of special interest, visiting countries and regions which have not traditionally attracted a high proportion of the tourist market. By using cost-effective transport, usually hired locally, and regular selected accommodation, they have brought income into these regions. They have also established their own reputation for offering good value and good quality interest-based holidays.

Finance

The company operates from small offices in your locality, leased at market price, with a small core team. The experts, advisers and travel guides are all self-employed and hired for each trip or for a contract period of 3, 6 or 12 months. The cost of hiring the staff is factored into the overall package price.

The company tries to make 20-23% gross profit per holiday, excluding allowances for fixed costs and overheads.

Some advertising is done via their web site, but 80% is through local hard-copy advertising in newspapers, with most custom coming through repeat business and referrals.

The Future

The company has been successful in following its initial strategy and has received praise from its customers. In trying to move the company forward, the directors have taken notice of feedback which suggests that they look to offer similar style packages in your country. The directors believe there is a business opportunity to offer themed holidays for their current, local customers and for visitors from abroad in your locality and to other regions of your country.

Your task

Creative Holidays have come to you, in your role as a business analyst, for advice on how feasible it would be to operate themed, low-cost, high value holiday packages within your country.

To prepare such a feasibility study and make your recommendations, there are a number of areas you will need to research and evaluate. These include:

- The theme each package might have and which regions of your country might therefore be chosen
- The typical costs of travel, from your locality to and within the region, and accommodation
- The attractions of the region and how these will appeal to visitors
- An awareness of similar holidays already offered, their content, costs and value
- The need and challenges relating to managing information.

Your report to the directors should include:

- Your research methodology, findings and evaluation methods
- A strategic plan for the next 2 years, indicating the steps the company needs to take to make the proposed operation viable
- Details of costs, potential income and returns on investment
- Examples of 2 holiday packages with different themes and in different regions. These should include the cost to customers
- Your advice to the directors on the overall feasibility of this strategy.

Your assignment report should clearly indicate the research and analysis that you have carried out, the recommendations you are making and your justification for these.

You should address your report to the directors of Creative Holidays.

Information about Creative Holidays that is not given may be assumed and all such assumptions should be stated and justified.

In writing the report, you should adopt an appropriate business format and show how knowledge and understanding of general management strategic and financial planning have been applied. You should include your research methodology in your report.

At the start of your report, indicate the number of words, which must not exceed the maximum permitted amount of 8000.

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

University of Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.