

**APRIL 2010**

**Partnering Up in the US**

Working with Air New Zealand to grow the value of the US.

**Your Big Break**

Social media buzzes about the 'Your Big Break' film competition.

**New China Campaign**

Using digital media and 'advocates' to tap into the Chinese market.



CREDIT: CHUNG SUNG-JUN, GETTY IMAGES

## Fast-forward for Tourism New Zealand

**Tourism New Zealand is planning some major changes to revitalise visitor numbers and the way it 'talks' to potential visitors.**

Firmly focused on using innovations in digital marketing, Tourism New Zealand Chief Executive Kevin Bowler says the Web and digital technologies are providing new ways to do business every day.

“New Zealand is a niche destination. Digital marketing allows us to reach the right people more smartly, to get involved in their planning and research phase and to help convert that interest into bookings.”

The digital strategy is one of the main planks of the organisation's newly developed marketing plan, which sits around a core set of objectives: market selection, brand positioning, digital marketing, Rugby World Cup 2011 and partnerships.

### Market Selection

 **Australia**

“Australia will continue to be New Zealand's most important market over the next three years, but it's not in our interests to see New Zealand become over-reliant on one market,” says Kevin Bowler.

For that reason, Tourism New Zealand will be maintaining levels of investment in Australia, but will seek to drive visitor numbers by working more closely with high-level strategic partners to develop the market.

 **United States**

Tourism New Zealand and Air New Zealand are already committed to increased investment in the US, where both organisations feel they can make inroads with visitor numbers over the next three years (see page 3).

 **China**

China is the world's fastest-growing economy and New Zealand needs to be there, so expect to see increased investment in the coming years.

We need to drive value out of China by increasing the number of mono-destination travellers, while addressing quality issues around dual-destination travel.

 **Japan**

Japan is a very valuable market for New Zealand. However, Tourism New Zealand has identified considerable barriers to further growth. The youth sector is not travelling, but older, affluent retirees are. Tourism New Zealand will look to work more efficiently with key partners in this market.

 **UK and Europe**

The UK remains our second-largest market, but tough economic times have taken their toll.

“The UK is a strong, mature market for New Zealand, so we need to maintain it and grow its value. However, we see more growth potential from continental Europe – particularly Germany, Switzerland and Austria – and our investment levels will reflect that,” says Kevin Bowler.

 **South Korea**

A volatile market, South Korea has been showing signs of recovery recently. The quality issues around low-cost package tours have diminished.

“We need to be in Korea to take advantage of opportunities as they arise,” says Kevin Bowler.

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## FILM COMPETITION GAINS FANS

### '100% Pure New Zealand'

"We have built a very strong campaign with '100% Pure New Zealand', but it is time to emphasise the 'experience' and clearly communicate to potential visitors what they can do in New Zealand," says Kevin Bowler.

"The people most likely to visit New Zealand already know we are here. They think it's a beautiful place they should visit one day, but we need to fill in the blanks when it comes to giving them reasons to 'come now'."

### Digital Media

Probably the most significant change will be Tourism New Zealand's shift from predominantly mass media to digital media, which will allow for better targeting and measurability.

"With digital marketing we can talk directly to more people who are already interested in New Zealand. We can become part of a conversation, through social media and search technology, and help turn interest into sales," says Kevin Bowler.

### Rugby World Cup (RWC) 2011

RWC 2011 will be a major focus for Tourism New Zealand over the next 18 months, helping to ensure the event is a success. Tourism New Zealand is working to make the most of opportunities to extend length-of-stay and spend of visitors, and to build a legacy of increased visitor numbers over the long term through word-of-mouth recommendations and repeat visitation.

### Partnerships

"We are already involved in a range of partnerships, including with airlines and regional tourism organisations, but we need to do more," says Kevin Bowler.

"Partnerships are an important way to leverage New Zealand's overall tourism marketing spend and to offer potential travellers a clear path beyond desire to 'buy now'. Expect to see more high-level strategic partnerships in the coming year."



ABOVE: Kevin Bowler, Tourism New Zealand Chief Executive.

Online communities have been buzzing with chatter about five short films, five young film-makers and 'the youngest country on earth' over the past few months.

One film in particular has captured the imagination of audiences. As well as attracting around 100,000 views on YouTube and plenty of media interest, *Mr Frosty and the BMX Kid* by Kiwi stuntman/actor/director Tim McLachlan even has its own Facebook group and fans are calling out for t-shirts to be made.

Tim McLachlan says interest in the film has continued to grow. "I think people have taken to it because it's just a good fun film that makes you happy when you watch it. The nostalgia around it crosses all age groups making it really watchable.

**"I know Kiwi audiences have been sending it to friends overseas. It's been really good to see so much interest."**

Tourism New Zealand is now working to ensure the five winning films continue to gain exposure and start conversations through targeted online placements and advertising. Japan's Short Shorts, the largest film festival in Asia, is expected to screen a number of the films. Air New Zealand will also show them as part of its in-flight entertainment.

"Through this project we've given talented young film-makers the chance to create stunning pieces of work that showcase New Zealand, while at the same time building networks of fans that have done the talking for us," says Tourism New Zealand Chief Executive Kevin Bowler.

Tourism New Zealand's 'Your Big Break' short film competition wrapped up in March, with Sir Peter Jackson selecting the film *Working Day* by Argentinean Andrés Borghi as the winner.

Between December and March, the competition's website attracted more than 2.5 million views. Already, the five finalists' films – made on location in New Zealand – have clocked up around 150,000 views on YouTube between them.

Kevin Bowler says the level of interest in the project has exceeded expectations.

"The competition created a huge amount of interest among film-makers, within the social networks of entrants and finalists, and from our target market in the US. Click-throughs from paid advertising, website and video views, as well as the number of comments coming through on social media pages and the competition blog, were all above expectations."

The competition attracted over 1,000 initial entries and more than 18,000 public votes. It has been mentioned over 30 million times in the media and online, and posts on [www.your-big-blog.com](http://www.your-big-blog.com) have attracted over 1,000 comments.

Andrés Borghi's film was also broadcast to television audiences in the US before and after the screening of the 25th Film Independent Spirit Awards.



ABOVE: Competition finalists *Mr Frosty* and *the BMX Kid*, and *Sweet As*.

LEFT: Competition winner Andrés Borghi with actors on the set of *Working Day*.





## PARTNERING UP IN THE U.S.

Tourism New Zealand and Air New Zealand have teamed up to develop a long term plan aimed at boosting our tourism performance out of the United States.

After a review of the US market's patchy performance over the past decade both organisations have agreed to join forces in a project aimed at increasing visitor arrivals by 66 per cent, to more than 320,000 visitors per year by 2014.

"New Zealand currently attracts less than 1 per cent of the US 30 million outbound market and we are confident that a collaborative and targeted approach will drive a significant shift in our performance" says Tim Hunter, Project Director for the joint initiative.

### Telling a Compelling Story

New work is aimed at lifting New Zealand's profile to ensure the country is frequently in the news and being talked about in a way that makes our tourism experience more vivid and easier for Americans to buy.

"We intend to have New Zealand placed in more TV shows and films and to use celebrity involvement to help us show Americans the kind of fantastic holiday they can have here," says Tim Hunter.

Tourism New Zealand has already worked with US reality TV show *The Bachelor*. Both organisations have jointly secured New Zealand as the backdrop for four key episodes of *America's Next Top Model*, which will go to air in the US at the end of April.

### A Strong Presence

Tourism New Zealand and Air New Zealand are also working on aligning a "call to action", pitching New Zealand in a consistent and distinctive way and optimising media investment through closer collaboration and combined campaigns.

A joint website is also being developed to help Americans research, plan and book their vacations in one easy step, and to act as a distinctive "American" platform for planned promotional work.

### Incentive Travel

Tourism New Zealand and Air New Zealand have identified US incentive management houses as a way to significantly grow

New Zealand's share of the incentive travel market.

A business-to-business strategy has been developed aimed at ensuring New Zealand is pitched more often to incentive groups, with better marketing resources and specialist advice.

The organisations are also collaborating with Conference and Incentives New Zealand (CINZ) to ensure that planned activities are integrated with CINZ's North American strategy.

### Cruise Opportunities

With over 34,000 US cruise passengers to New Zealand last year, cruise passengers now make up around 25 per cent of our holiday arrivals from the US.

"We need to proactively market New Zealand as a cruise destination to increase numbers and establish a unique image and profile for New Zealand coastal cruising in the minds of the 12 million US travellers who cruise each year," Tim Hunter says.

### Sending Others

Satisfaction research tells us that visiting Americans typically return to the US making glowing recommendations about our country.

Tourism New Zealand and Air New Zealand want to harness these returning travellers as our tourism 'evangelists' by equipping them with simple resources that enable them to invite and encourage others to book a trip.

Find out more about the US at [www.tourismnewzealand.com/markets-and-stats](http://www.tourismnewzealand.com/markets-and-stats)

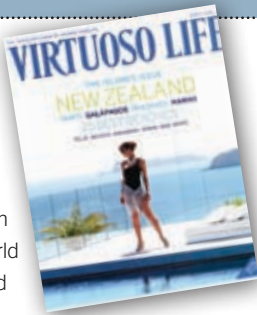


CREDIT: MICHAEL THOMAS/TOURISM NEW ZEALAND

ABOVE: Tourism New Zealand has already worked with US reality TV show *The Bachelor* (2009).

## MEDIA: IMP HIGHLIGHTS

**Virtuoso Life**, the magazine published exclusively for top clients of Virtuoso travel in the US and World Elite MasterCard cardholders, featured New Zealand as the cover story in its March edition. The 10-page feature – ‘North Island Epic’ – highlighted the kinds of luxury experiences that inspire the magazine’s 250,000-strong readership of discerning travellers. It covered Taupo, Hawke’s Bay and the Bay of Islands.



*“It’s worth the 13-hour flight to find yourself suddenly basking in antipodean sunshine and stepping lively across the surface of an active volcano.”*

Glossy US travel magazine **Islands** also featured New Zealand in its April edition and online at [www.islands.com](http://www.islands.com). Journalist Jo Yogerst took readers on an adrenalin-packed sky-diving, bungee-jumping, tubing, Shweebling adventure around the country. The 12-page spread featured Auckland, Waitomo, Rotorua, West Coast and Queenstown.



Tania Zamparo, former Miss Italy and **Sky Italia’s** newest rugby presenter, spent a few days in New Zealand in early April. The crew was filming for a short documentary previewing New Zealand as the host country for Rugby World Cup 2011. Tourism New Zealand arranged for the group to swim with dolphins off Akaroa, and enjoy activities in Kaikoura and Marlborough. The piece will be broadcast to **Sky Sport** audiences during the Italian rugby team’s tour of South Africa in June, and during coverage of the Tri-Nations Tournament.



New Zealand was a winner with contestants from Australia’s **Biggest Loser**. The final four contestants in Season Five of the hit Australian reality television show took part in challenges in the Auckland and Northland regions, with five New Zealand episodes screened to prime-time audiences of one million across a week in March. Contestants said New Zealand was “life changing” and “beautiful” – with one even planning to come back for his wedding!



## CRUISE UPDATE



The summer cruise season came to a close in early April. A highlight of the season was Stewart Island’s first-ever visit by a mid-sized cruise ship, with the 62,000 tonne Volendam stopping by over the Christmas period.

Tourism New Zealand and Cruise New Zealand have developed an on-board DVD, to get cruise passengers excited about New Zealand’s onshore activities. Feedback has been positive with increased sales of shore excursions already reported.

A new guide for operators about how to cater to the cruise industry has just been published on our website. Visit [www.tourismnewzealand.com](http://www.tourismnewzealand.com), key word search ‘Cruise’.

A new Cruise New Zealand website has also been launched, with cruise schedules, membership information and updates for members. Visit [www.cruisewzealand.org.nz](http://www.cruisewzealand.org.nz).

### Summer Snapshot:

- The 2009/10 summer cruise season saw around 97,000 cruise passengers visit our shores
- The 2010/11 season is expected to see growth of more than 25 per cent, with a record 132,000 visitors forecast
- Around one-third of all cruise visitors to New Zealand come from North America and Tourism New Zealand is working in market to further grow these numbers
- Australia remains our largest cruise market. This season, we hosted around 40,000 Australian cruise visitors

## Qualmark Stock Take

Tourism New Zealand is conducting a review of New Zealand’s world-leading quality assurance system, Qualmark, to ensure it continues to deliver on expectations for visitors and the industry alike.

The review is in response to both consumer feedback and input gathered from the industry during research undertaken last year.

While overall the industry surveyed felt Qualmark was “very important” for their business, some license holders indicated they would like to see a system more focused on the visitor experience, with criteria updated to ensure relevance and consistency is maintained for consumers.

Further industry feedback indicated more efficient and fewer procedures would benefit the assessment process.

Qualmark Board Chair David Wilks says it was timely to re-evaluate the organisation’s role and ensure Qualmark continued to provide top quality accreditation services as a sustainable business.

“Tourism New Zealand’s research consistently shows that international visitors who use Qualmark products are more satisfied with their choices, so we know that Qualmark delivers value to international visitors and the tourism industry,” David Wilks says.

“Tourism New Zealand is committed to working with Qualmark to ensure its continued growth, success and relevance to the industry.”

The review will also look at frequency of assessment visits for high-performing businesses, and improving assurance that quality standards are maintained between assessments.

The review is expected to be completed, and any changes implemented, from 1 July 2010. Qualmark is jointly-owned by Tourism New Zealand and the AA. [www.qualmark.co.nz](http://www.qualmark.co.nz)



# TOURISM NEWS MARKET HIGHLIGHTS

## VISITOR ARRIVALS



Oz  
Focus

CREDIT: LIN YANG / TOURISM NEW ZEALAND

### Australia

Feb 10: 91,275 **+4.3%**  
YE Feb 10: 1,099,433 **+12.2%**

- New Zealand has seen 11 months of strong growth in Australian visitor arrivals
- Cheap airfares, the favourable exchange rate and stronger consumer confidence are fuelling outbound travel
- Travel agents report steady interest in New Zealand, with April/May/June arrivals expected to be up on 2009 levels
- Tourism New Zealand will maintain investment in this market in 2010
- A number of joint-venture campaigns being run by the regional tourism organisations have helped build visibility for New Zealand during autumn, and in the run-up to the ski season
- 'The Big Shout' campaign with Air New Zealand is offering free domestic flights with trans-Tasman flights booked.

### United Kingdom

Feb 10 40,475 **-4.7%**  
YE Feb 10 256,222 **-6.2%**

- Economic uncertainty remains in the UK and is continuing to affect travel to New Zealand
- Travel may be impacted in the lead up to the British General Election on 6 May
- British travel sellers are reporting good levels of enquiries but low conversion rates, as travellers choose destinations closer to home
- The youth travel sector remains strong, particularly among 15 to 24-year-olds. Tourism New Zealand is continuing to target this age group through its 'Go All the Way' campaign and website
- A New Zealand 'hub' on [www.telegraph.co.uk](http://www.telegraph.co.uk) is helping build interest in New Zealand in the lead-up to RWC 2011, with travel features, rugby news and videos available online.

### United States

Feb 10 25,300 **-1.0%**  
YE Feb 10 197,590 **-2.1%**

- The US economy is showing good signs of recovery, with consumer confidence building and stabilisation in unemployment and the stockmarket
- Consumers remain price-sensitive and are looking for good deals on travel
- Air capacity to New Zealand was lower out of the US at the start of 2010 compared to 2009, influencing a decline in holiday arrivals
- A joint strategy with Air New Zealand is targeting aggressive growth in visitor arrivals through high-profile PR activity, advertising and online marketing and by building the cruise and incentive markets
- Work with travel partners is ensuring competitively-priced travel deals are available to New Zealand.

### China

Feb 10 16,975 **+40.6%**  
YE Feb 10 102,332 **-9.0%**

- Chinese New Year saw a boost in visitor arrivals in February, but combined figures for January and February were almost flat compared with 2009
- Consumer sentiment has improved and travel sellers are reporting strong levels of forward demand
- A new marketing campaign launched this month is helping promote interest in New Zealand through digital channels
- The Shanghai World Expo 2010 (May to Oct) will also help boost awareness for New Zealand, but may have a negative impact on outbound travel during these months
- New Zealand is seeing increased interest in incentive travel out of China, and demand for mono-New Zealand travel is strong.

### Japan

Feb 10 9,975 **+0.9%**  
YE Feb 10 79,679 **-18.9%**

- Outbound travel has begun to recover after being heavily hit by economic conditions in the first half of 2009
- This recovery is reflected in New Zealand arrivals, which returned to growth in January and February (total arrivals)
- Arrivals for April and May are expected to be stable at 2009 levels
- Tourism New Zealand remains focused on older travellers, who have shown an increased interest in travel
- Tactical advertising in February has helped boost interest and bookings for autumn, with the trade reporting good levels of enquiries as a result
- Recent media activity has also helped boost interest in New Zealand.

### South Korea

Feb 10 5,275 **+4.2%**  
YE Feb 10 55,014 **-24.1%**

- The South Korean economy's return to stability has helped drive a quick recovery in outbound travel
- Arrivals to New Zealand have returned to growth for the first time since May 2008
- A lack of airline seats is restraining growth in travel to New Zealand
- Tactical activity planned in market for April/May will help boost renewed interest in New Zealand.

### Germany

Feb 10 9,650 **+1.1%**  
YE Feb 10 65,633 **+5.5%**

- Demand for international travel remains high with outbound travel expected to see growth in 2010
- Germany continues to perform well for New Zealand, with total arrivals up 5.5% for the year ending February 2010
- Medium-term demand for New Zealand remains strong, but forward bookings will be dependent on airline seat availability
- '100% Pure New Zealand' advertising activity ran across five German cities through until mid-March.

### Singapore

Feb 10 2,275 **+28.5%**  
YE Feb 10 29,972 **+4.5%**

- Arrivals from Singapore received a boost during February thanks to the Chinese New Year holiday period
- A joint-venture campaign with Singapore airlines and key travel seller partners has been promoting travel in the May/June school holidays
- Advertising has been appearing in print, on television, radio and online
- Visitor arrivals are expected to grow between 5% and 10% in the next two months.

### India

Feb 10 2,100 **+15.6%**  
YE Feb 10 25,995 **+9.5%**

- Consumer confidence has recovered strongly since the end of 2009, with the stockmarket also returning to strength
- A revival in domestic travel (rebounding 23% in January compared with 2009) indicates the start of recovery in the travel industry
- Arrivals to New Zealand have started the year strongly, with this growth expected to continue
- Special deals on flights are currently on offer as part of joint-venture campaign work with Singapore Airlines, supported by tactical print marketing activity.

**Other Markets Month of Feb 10:** Canada 7,250 **-3.3%** Thailand 1,225 **-3.2%** Hong Kong 3,200 **+110.8%** Taiwan 3,575 **+187.8%** The Netherlands 3,575 **-8.6%**

**FOR FULL MARKET INFORMATION VISIT [WWW.TOURISMNEWZEALAND.COM/MARKETS-AND-STATS](http://WWW.TOURISMNEWZEALAND.COM/MARKETS-AND-STATS)**



## NEW CAMPAIGN: CROSSING CHINA'S DIGITAL DIVIDE

China's Internet obsession is providing the perfect opportunity for Tourism New Zealand to talk directly to consumers and turn awareness of New Zealand into travel.

Economic growth is driving increased interest in tourism at the same time that Internet usage in China is booming. There are now 384 million internet users in China, more than the population of the United States.

Tourism New Zealand Chief Executive Kevin Bowler says a new campaign, launched in market this month, is using online channels to build on the '100% Pure New Zealand' message and give consumers strong reasons to book.

Word of mouth is one of New Zealand's most powerful marketing tools, and this is no different for China. Chinese consumers are more likely to book a holiday here if it is recommended by someone they know and trust.

By working with two successful and high-profile Chinese 'advocates' – director and screenwriter Lu Chuan, and blogger/media personality Hung Huang – Tourism New Zealand has been able to tap into their existing communities of fans.

"Footage of their holidays and personal experiences in New Zealand, edited into mini-films and shared through online platforms, is providing a simple but powerful way to tell New Zealand's story," says Kevin Bowler.

**The platforms may be different but Chinese social media websites like [www.tudou.com](http://www.tudou.com) or [www.kaixin.com](http://www.kaixin.com) yield as much influence as their Western counterparts YouTube and Facebook.**

Kevin Bowler says tapping into these channels, with the help of Lu Chuan and Hung Huang, is a great way to spread content virally, engage consumers in conversation and build lasting networks of 'fans'.

The campaign is also using search engine marketing, online marketing and other digital channels such as interactive television and touch screens in taxis to reach targeted groups of consumers.

All work is directing potential visitors through to the Chinese language version of [www.newzealand.com](http://www.newzealand.com), where they can download Lu Chuan and Hung Huang's New Zealand itineraries and link through to travel seller partners to purchase travel.



**ABOVE: Chinese director and screenwriter Lu Chuan in Queenstown.**

### UPCOMING EVENTS

# 2010

More information on Tourism New Zealand events can be found at [www.tourismnewzealand.com](http://www.tourismnewzealand.com)

### Upcoming Events

- New Zealand Hotel Industry Conference:** 13 May, Auckland. [www.nzhc.org.nz](http://www.nzhc.org.nz)
- Taste New Zealand 2010:** 18-20 May, USA. [www.tourismnewzealand.com](http://www.tourismnewzealand.com)
- TRENZ 2010:** 24-27 May, Auckland. [www.trenz.co.nz](http://www.trenz.co.nz)
- Asia Luxury Travel Market 2010:** 14-17 June, Shanghai. [www.tourismnewzealand.com](http://www.tourismnewzealand.com)
- Holiday Parks Association NZ Annual Conference and Expo:** 22-24 June, Rotorua. [www.hapnz.co.nz](http://www.hapnz.co.nz)
- UK/Europe New Product & IMA Workshop:** 27-30 July, London. [www.tourismnewzealand.com](http://www.tourismnewzealand.com)
- Motel Association NZ Annual Conference:** 29 July, Hamilton. [www.manz.co.nz](http://www.manz.co.nz)
- Inbound Tour Operators Council Annual Conference:** 17-18 August, Marlborough. [www.itoc.org.nz](http://www.itoc.org.nz)

### Explore New Zealand Registration

Registration for the 2011/12 Explore Guide will open from early June. This is your chance to offer discounts on your products for approved international travel agents and media. For more information key word search 'Explore' on [www.traveltrade.newzealand.com](http://www.traveltrade.newzealand.com) or call 0508 868 747 weekdays.

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*Tourism News has been printed using vegetable oil based ink on 100% recycled waste paper. The paper is manufactured using a chlorine free process (PCF) and has been sourced from an ISO14001 certified mill. It bears a number of additional environmental accreditations including Blue Angel, Nordic Swan and the Austrian Environmental Label.*

