

AUGUST 2009

DISTRIBUTION CHANNELS

New research confirms changes in the way people book travel.

ON A MISSION

Māori culture makes a splash in Europe.

SOCIAL MEDIA

Tips on being a creator, consumer and curator of content. Is it right for you?

KIA ORA

Six months ago, I stood in front of the industry and said that if we were going to have a recession, it would be a shame to waste it.

Well, in the last six months I think Tourism New Zealand has taken that on board. We've given ourselves a major overhaul to make sure that we're doing the right things, in the right markets given the current market conditions.

We have focused spending on Australia and reached a million visitors in a year for the first time. An impressive record in the current climate, but we can't afford to slow down now.

Record low airfares have helped to stimulate the Visiting Friends and Relatives (VFR) market and that has prompted a new kind of campaign for Tourism New Zealand. A campaign focused on New Zealanders, not international travellers.

While the current situation requires attention, we are also keeping an eye on the long game.

With just over two years left on the clock the 2011 Rugby World Cup is edging closer and we've recently been on the road visiting the regions. It's exciting to see the energy and progress that's being made to bring together a festival of rugby around the World Cup.

You'll be hearing more from us over the coming months as we step up activity in preparation for 2011.



George Hickton
Chief Executive
Tourism New Zealand



CREDIT: IAN TRAFORD

Summer is a crucial period for New Zealand's tourism industry and Tourism New Zealand is focusing on ways to fill the busy period.

Fresh Outlook for Summer

Summer is critical for New Zealand's tourism industry and Tourism New Zealand is placing a determined focus on ways to fill those busy peak months.

Tourism New Zealand Chief Executive George Hickton says Australia will be a major part of the organisation's strategy for the 2009/10 summer.

"Australia is our biggest market by far and one that is showing more resilience than most at the moment. We are committing \$9 million of our budget to Australia because we believe it is money that can make a difference to arrivals figures," he adds.

While Australia may be the primary focus, Tourism New Zealand believes there are other opportunities out there.

Work is underway to re-engage with travel sellers in Spain, France, Italy and the Netherlands. These are smaller markets individually, but the combined arrivals figures put them in the same league as South Korea. With the Rugby World Cup around the corner, it is also time to make sure rugby fans and travel sellers in these countries are starting to think about a trip here in 2011.

Youth and backpacker markets in the UK and Europe are also holding up, as is the Visiting Friends and Relatives (VFR) sector.

"We are out there, looking for opportunities and looking for ways to ensure that those people who are thinking of travelling will put us on the top of the list," says George Hickton.

...continued overleaf



France, Italy and Spain – Tourism New Zealand is looking at the emerging markets of Continental Europe.

People on the move
ARRIVALS & DEPARTURES
 at Tourism New Zealand

George Hickton, CEO of Tourism New Zealand, has led the organisation for more than a decade. Sadly, he has decided not to renew his contract when it expires in December.

In Auckland, Tourism New Zealand welcomes **Patrick Verry** as the new Online Manager and **Lyska Nelson** returns as Acting Marketing Research Manager, while **Hinemarie Larkins** is on parental leave. In Wellington, **Talya Horrocks** joined the organisation in March as Assistant Accountant.

Tourism New Zealand has also seen movement within the organisation, with **Tim Graves** being appointed as the new Project Manager for Consumer Marketing and **Tim Keeling** as Campaign Manager for Australia.



**Qualmark:
 did you know?**

- There are now around 200 New Zealand tourism operators that have achieved a Qualmark Enviro-Gold, Silver or Bronze rating.
- All full members of the New Zealand Inbound Tour Operators Council (ITOC) are now Qualmark endorsed.
- A new website – www.environewzealand.co.nz – is dedicated to helping travellers plan responsible holidays in New Zealand using Qualmark enviro-rated operators.
- Tourism New Zealand is now Qualmark endorsed and has achieved an Enviro-Bronze rating.
- Air New Zealand achieved an Enviro-Gold rating in June, making it the first major airline to receive a Qualmark enviro-rating.

Find out more at www.qualmark.co.nz



Qualmark Green helps visitors to chose an environmentally-responsible holiday in New Zealand.

...continued from cover

Australia

Since the start of the year, trans-Tasman airfares have hit historic lows, there are plenty of airline seats and arrivals are holding up. But when the economy picks up, Australians will start thinking about long-haul travel again.

“New Zealand has to make sure it’s highly visible, has new and exciting things on offer and is in the market in a way that’s appealing,” says Barry Eddington, Regional Manager Australia.

Tourism New Zealand will keep the pressure on Australia in the run up to summer. A fresh round of advertising will air in August. Tourism New Zealand will continue to put emphasis on the Australian market through on-going campaign and public relations activity.

UK and Europe

Spotting pockets of opportunity is the order of the day in the UK and Europe, which is still being badly hit by the economic downturn and rising unemployment.

Despite stiff competition and record low airfares, long-haul travel from the UK remains weak and airlines have cut flights and seats due to low demand.

“Because bookings are coming very late it’s very difficult to forecast how things will be over summer at this stage, but it’s fair to say that operators in the UK are cautious. Their sense is that even an economic recovery is unlikely to convert high enquiry-levels into bookings,” says Gregg Anderson, Regional Manager UK and Europe.

Tourism New Zealand’s reaction has been to focus on the areas where it believes it can make a difference – the backpacker market, VFR and Continental Europe.

United States

Still dogged by the economic slowdown, low airfares are nevertheless helping to keep some Americans airborne and outbound.

Although fares to New Zealand have hit recent lows of US\$700 return including

taxes, record low mono-destination ticket prices to Australia mean that Americans are thinking twice before adding the cost of a New Zealand trip to their ticket.

“As so many US visitors are usually dual-destination, that is causing us some concern. We may see more Americans choosing Australia-only holidays rather than dual-destination because of the cheaper airfares,” says Annie Dundas, Regional Manager North America.

Tourism New Zealand’s ability to buy advertising space in the US has been declining for years, so the focus this summer will be on public relations activity and events, with some advertising and brand activity.

“They say the US is all about celebrity. Well we’re going to use every opportunity we can to turn New Zealand into a celebrity,” says Annie Dundas.

China

Like Japan and Korea, Chinese travellers have been more reluctant to leave home while Swine Flu remains an issue. Strict quarantine requirements in China caused cancellations and postponements of outbound travel to soar by 30-50 per cent.

Despite this, Tourism New Zealand is expecting to see a quick pick-up in arrivals once Swine Flu passes and China will be a focus for the organisation for the coming year.

“Tourism New Zealand has allocated money from its baseline funding to ensure we maintain a brand presence in China,” says Mark Froom, Regional Manager North Asia. “We have made good headway there with trade training, brand awareness and development of semi and fully-independent travel.”

The Shanghai World Expo next year will be another opportunity for New Zealand to build further brand and country awareness.

Read more about our markets at www.tourismnewzealand.com
 Key word: Market Guides

Travellers Confidence with Internet Increases



New research by Tourism New Zealand has confirmed that the way people book travel has changed radically over the last few years.

Distribution channel research completed earlier this year took an in-depth look at how our target market researches, plans and books holidays, including when they book different aspects of their holidays and how research and booking patterns differ between travellers from different countries.

Perhaps not surprisingly, the research revealed that there has been an increase in travellers' use of the Internet to research and book holidays.

"Travellers are much more confident with the Internet than they were five years ago," says Lyska Nelson, Tourism New Zealand Acting Research Manager.

"As broadband becomes more widespread and e-commerce has become more common, people are getting used to using the Internet and are understanding its security better."

"This means it is very important for both Tourism New Zealand and individual

New Zealand tourism businesses to be operating effectively in the online space."

Travellers are more satisfied with operator websites that are easy and simple to use, with appropriate information about the product, its pricing and how to book. Having secure ways to pay online is increasingly important.

Tourism New Zealand is using the research to guide its distribution strategy.

"The research showed members of our target market are heavy users of online booking channels, particularly using providers' websites directly following a Google search. This is an across-the-board result from all markets surveyed – the UK, US, Australia and Germany," says Lyska Nelson.

"We'll be looking at how to work more closely with online travel sellers to take advantage of the trends, especially out of markets like the US."

This will include further work with online sellers in the US such as Orbitz and Expedia.

The research found clear differences in booking behaviours for different tourism products as well as between countries. For instance, Australians research and book most aspects of their trip very close to departure or on arrival in New Zealand.

Popular channels used for accommodation, transport and activity bookings vary between countries; Australia and the UK rely heavily on provider websites, but the US and especially Germany are still heavy users of travel agents for information and help with their bookings before they depart.

A more detailed look at the research can be found in the Research and Market Guide sections of www.tourismnewzealand.com

BELOW: Visitors from the UK, US and Germany all use i-SITE visitor centres for information and bookings once they arrive.



MINISTER OF TOURISM, JOHN KEY



Back in May, in a speech to the Hotel Industry Conference, I laid out my vision for tourism.

I outlined New Zealand's big competitive advantages – our world-beating scenery, our high-quality food and wine, and the ingenuity of our tourism operators, as well as the huge potential we have to showcase our country during the 2011 Rugby World Cup.

My vision is that we make the most of these opportunities.

The way we see ourselves as an industry and the way we market the New Zealand experience will help us achieve this. That's why the 100% Pure New Zealand brand is so important.

Over the past decade, the brand has contributed to the success of our tourism industry. It has raised the popularity of New Zealand as a destination and boosted the number of international visitors to our shores.

With the world facing the worst recession in 70 years, it's critical that we make the best possible use of our brand. The Visiting Friends and Relatives campaign is one way to do this.

It targets the very people – friends and families of Kiwis – who are more likely to visit here, despite the economic downturn, and enjoy a 100% Pure New Zealand experience.

Another important thing we need to do is make sure that the quality of the experiences our visitors have matches the quality implied by our brand.

That's why the Government is keen to work with tourism operators and authorities to make New Zealand a higher-value destination.

With this in mind, I have made a number of recent announcements aimed at lifting the quality of the New Zealand visitor experience.

The Government has:

- Funded a feasibility study into an International Conference Centre in Auckland,
- Purchased (with the Auckland Regional Council) Queen's Wharf for a cruise ship terminal and 'party central' for the Rugby World Cup,
- Provided \$1 million to support the Winter Games in Otago, and
- Nominated the first 'Great Rides' to take forward for the National Cycleway Project.

I hope that – in the months and years ahead – you will work with us to make the most of these opportunities.

John Key
Minister of Tourism
Prime Minister

Read more about Tourism New Zealand's Visiting Friends and Relatives campaign at www.tourismnewzealand.com

MEDIA: IMP HIGHLIGHTS



CREDIT: TODAY SHOW, CHANNEL NINE

Ratings were the highest in seven years when Australia's **TODAY** show featured a seven-day special New Zealand broadcast at the end of June, with visits to www.newzealand.com/travel/australia also increasing by 56 per cent compared with the same period last year. Made possible with a portion of the \$2.5 million extra funding from Government and a partnership with Qantas and Heritage Hotels, the two 3.5-hour live shows were broadcast from the American Express Queenstown Winter Festival.

Canadian celebrity chef Nathan Fong filmed a food and travel segment for Global TV's **Saturday Morning News**, the highest rating news television show in British Columbia with an audience of 650,000. He experienced the finest in New Zealand food, wine, luxury and culture, visiting the Marlborough Sounds, Wellington, Wairarapa, Rotorua and Auckland. The series goes to air in September. Stories have also appeared in the **Vancouver Sun** (daily circulation 250,000).



Dhani Jones – star of Tourism New Zealand's 'Life Back Promise' campaign – came to New Zealand in February to film the Travel Channel show **Dhani Tackles The Globe**. In the hour-long episode, the American football player and TV presenter joined Emirates Team New Zealand as a grinder in the Louis Vuitton Pacific Series. The New Zealand episode aired in May to an audience of 251,900.



CREDIT: HOW STUDIOS

An article by broadcaster and opinion leader Dan Snow about his visit to New Zealand earlier this year appeared in **The Times** (UK) in April. The story, titled 'Among the Warrior Tribes', detailed his encounters with Māori culture and New Zealand history. **The Times** has a circulation of 634,000 and an online audience of around 5.7 million. The story also featured in travel magazine **Wanderlust** (circulation 36,000 and 40,000 monthly online users).

THE  TIMES

On a Mission

Māori tourism operators are already seeing results from a recent Tourism New Zealand-organised trip to the UK and Europe. The group was on a mission to educate New Zealand sellers on Māori culture and Māori tourism.

German company Globetrotter said the group's presentation was "the best consumer event we've ever had". Already some of the operators have had business as a result of the trip and all came away with a better understanding of what New Zealand's up against.

The trip saw six operators representing 14 different Māori tourism businesses – from geothermal activities to accommodation and adrenalin rafting adventures – visit the UK, Germany, the Netherlands and Switzerland.

As well as sales calls and wholesaler events, the group participated in consumer events that aimed to bring New Zealand to life.

One of the most successful events saw dragon boats converted to waka and paddled along Hamburg's canals and River Elbe full of Globetrotter's key consumers. Led by Hone Mihaka from Waka Taiamai Tours, the 'waka' experience attracted a large and curious crowd.

"What was so fantastic about this trip," he says, "was that we not only told them about our beautiful New Zealand, we were able to give them an experience of it. Through our unique Māori culture we were also able to interact with all whom we met, thus enabling them to better understand New Zealand."

Patrick Tamati from Te Puia says the mission was like no other sales trip he has ever been on.

"We got a great reception from the travel trade and we all learnt from one another."

"With the European and UK markets contracting, I don't know if we would have been able to even get our foot in the door of wholesalers if we were selling mainstream product. People are looking for something different and our cultural focus gave us an edge," he says.

"As we travelled around, we saw the most spectacular landscape and cities full of ancient history," says Henare Johnson, Tourism New Zealand's Acting Māori Development Manager. "It was an eye-opener for some of our group and reinforced to us that New Zealand has to offer something magical to entice people to come down here."

Read more about Tourism New Zealand's work in Māori tourism at www.tourismnewzealand.com



RWC2011 Visits the Regions

Rugby World Cup (RWC) pool games begin on Friday 9 September 2011, leaving little more than two years before the festival kicks off.

Tourism New Zealand has been working to generate international interest in the tournament by taking the Giant Rugby Ball Venue to London and Paris and launching the Front Row Rugby Club website. However, with 2011 drawing nearer, preparations are now taking place closer to home.

Host regions will play a vital role in delivering a quality experience to the potential 60,000 international visitors who will arrive for RWC 2011. Since early July, Tourism New Zealand has been meeting with regional tourism organisations and other stakeholders in host regions to provide guidelines for coordinating a RWC festival across the country.

Discussions have focused around ways in which the tourism industry can work together to influence the itineraries of RWC visitors, including working with the Official Travel Agents, hosting media covering rugby-related stories and ensuring there are good images and stories from the regions on rugby websites such as the Front Row Rugby Club.

From 9 September 2009, two years out from RWC, Tourism New Zealand will start counting down with regular RWC email updates to all *Tourism News* subscribers.



CREDIT: KIM CHRISTENSEN

Tourism New Zealand is visiting the regions to ensure Rugby World Cup festival planning is well under way.

TOURISM NEWS MARKET HIGHLIGHTS

VISITOR ARRIVALS



Australia

June 09: 70,884 **+9.2%** YE June 09: 1,007,860 **+4.2%**

- The Australian economy is holding up in the face of the global downturn buoyed by China's return to economic growth
- Australians remain upbeat with consumer confidence up 12.7% in June and total outbound travel from Australia increased by 6% in 2008
- The Australian market reached the 'one million visitors in a calendar year' milestone in May 2009 and this winter is on track to be a 'bumper'
- NZ needs to maintain its profile and appeal as once the economy improves, Australians will look to return to long-haul travel
- TNZ has committed \$9 million to market in Australia in 2009-10
- TNZ is expecting visitor arrivals to be up by +10 to +15% in Jun-Aug

United Kingdom

June 09 8,658 **-11.5%**
YE June 09 262,378 **-9.9%**

- UK exports are at their lowest levels since 1998 and GDP output for Q1 2009 was down 2.4%, the biggest drop since 1958
- Historically-low airfares continue to appeal to the resilient youth and VFR sectors but bookings are coming late and travellers are holding out for the best deals
- Work is underway to re-engage with travel sellers in Spain, France, Italy and the Netherlands, and promoting RWC 2011 travel to UK/Europe rugby fans and travel sellers
- TNZ is expecting visitor arrivals from the UK to be down by -5 to -10% in Jun-Aug

United States

June 09 12,348 **-2.1%**
YE June 09 196,787 **-9.1%**

- The US economy remains fragile and consumer confidence is weak on the back of rising unemployment, which is expected to reach 10% before year end
- Consumer spending rose by 1.4% in Q1 2009, although overall it is at a 28-year low. The US trade deficit is increasing due to declining export demand
- More travellers are booking online at the expense of traditional travel wholesalers, forcing some into financial difficulties
- Historically low airfares and mono-destination deals to Australia are causing Americans to rethink adding the cost of a NZ trip to their ticket
- TNZ's focus for summer is on raising and maintaining awareness through PR activity and events, with some advertising and brand activity
- TNZ is expecting arrivals from the US to be down by 0 to -7% in Jun-Aug

China

June 09 2,556 **-49.4%**
YE June 09 107,541 **-13.2%**

- A 4 trillion yuan (USD\$585 billion) economic package, domestic demand, and tax cuts are insulating China's economy despite exports falling. GDP grew 7.8% (est.) in Q2 2009
- Consumer and governmental reaction to the Swine Flu outbreak is an issue. At its worst, cancellations and postponements of outbound travel rose 30-50% and group travel has dropped by more than 60%
- TNZ's focus in China this year is to maintain a brand presence, increase trade training, and develop semi and fully-independent travel
- TNZ expects arrivals from China to be down by -30 to -35% in Jun-Aug

Japan

June 09 2,340 **-66.7%**
YE June 09 88,474 **-23.0%**

- The Japanese economy is showing some signs of improvement. Industrial production rose by 5.9% in May and retail sales rose in June for the first time in 15 months
- Total outbound travel from Japan was down 8% in 2008. Cancellations as a result of the Swine Flu outbreak have damaged any small signs of recovery
- Despite an overall decline in total visitor numbers, Japanese visitors are spending more than they were a year ago with an average spend of NZD\$5,069 per visit (YE Mar 09)
- TNZ is planning activity to gain attention for NZ around the Bledisloe Cup match to be played in Tokyo in late November
- TNZ expects arrivals to be down by -50 to -60% in Jun-Aug

South Korea

June 09 3,114 **-48.5%**
YE June 09 61,733 **-30.6%**

- While a number of South Korea's economic indicators are improving, positive signs are being tempered by concern over North Korea and Swine Flu
- In May, outbound travel from South Korea decreased by 33%. Swine Flu has exacerbated the downward trend
- Short-haul and budget travel is selling well in a very competitive environment, but demand for long-haul destinations is greatly reduced
- TNZ expects arrivals from South Korea to be down -40 to -50% in Jun-Aug

Germany

June 09 1,548 **-8.5%**
YE June 09 62,837 **+3.2%**

- The German economy is expected to contract by up to 6.5 per cent in 2009. Unemployment is currently at 8.2% or about 3.5 million people
- A strong Euro and lower airfares have made NZ holidays more affordable than they have been in a long time
- NZ's profile has been raised by recent media coverage and the 'Row Box' touring Europe to promote the 2010 World Rowing Championships in NZ
- Arrivals are likely to soften for the coming summer season with group travel being affected the most. The FIT sector is expected to hold strong
- TNZ expects arrivals to range between +5 and -5% in Jun-Aug

Canada

June 09 1,782 **+13.0%**
YE June 09 49,946 **-4.0%**

- Canada's economy, in recession for the first time in 17 years, contracted at its fastest pace since 1991 in Q1 2009 as demand slumped, exports slowed and businesses scaled back spending
- NZ still offers good value for Canadian travellers as the CAD remains strong against the NZD. Deals continue to drive sales
- Response to Kiwi Link North America visiting Canada for the first time has been positive. 84 Canadian travel sellers attended the event
- TNZ expects arrivals from Canada to be down -5% in Jun-Aug as Canadians stick close to home for their summer

India

June 09 1,710 **-9.1%**
YE June 09 24,014 **+2.9%**

- India's economy is performing well, supported by its massive domestic market of 1.2 billion people, hefty Government spending and aggressive interest rate cuts
- NZ's high profile during the Indian cricket team's tour of NZ has helped to generate growth despite an overall decline in the outbound travel market (15% YE Apr 09)
- Recent placements of 100% Pure New Zealand online banners on MSN and Yahoo India increased website traffic from India on www.newzealand.com by 301%

Other Markets Month of June 09: Singapore 2,196 **+3.2%** Thailand 1,134 **-12.2%** Hong Kong 1,116 **-8.2%** Taiwan 738 **-38.3%** The Netherlands 522 **-21.5%**

FOR FULL MARKET INFORMATION VISIT WWW.TOURISMNEWZEALAND.COM KEYWORD: MARKET GUIDES



GUEST EDITORIAL: IS SOCIAL MEDIA FOR YOU?

A year ago some may have dismissed social media – including sites and services like Bebo, Facebook, YouTube and Twitter – as just another fad. But social media is here to stay, and it has dramatic consequences for the way we communicate.

New Zealand is the sixth most “twitterous” country in the world, with just over 3 per cent of the population – over 120,000 people – using the popular Twitter service. And Nielsen Online stats show nearly half of us Kiwis have created, updated or looked at an online profile on a social networking site.

Those are the figures for New Zealand, and we’re typically behind the curve. Adoption rates around the world, particularly in Asia and the US, are much higher. Even over the Tasman, they’re spending more time online than they are watching TV.

But there’s something even more interesting than the increasing numbers of people using social media. It’s how it changes things.

In the past, organisations – businesses, broadcasters, governments – communicated one-way: television, radio and newspapers all pushed information out to viewers, listeners and readers with no way for them to talk back. Now everyone has a voice. This means that not only can your customers talk back to you fairly easily, they can talk to each other, with

How do you get involved? Here are a few tips:

- **It’s not about the technology.** There are a whole bunch of places you can be on the web and it’s impossible to make the most of all of them. Start by finding out where your audience is and strive to become part of their conversations.
- **Listen and learn.** Use Google Alerts, Twitter search and socialmention.com to find out what people are saying about you and your region (and even your competition!).
- **Play.** The best way to learn is to have a play with things. When things are busy, it’s easy to let this experimentation slide. Don’t let it happen. Schedule in time for you and your team to play with social marketing ideas.
- **Seek help.** Work with a social media consultancy, or at least join your peers in learning more about social media at <http://nzsosocialmedia.ning.com/>

just the same power and reach that was once reserved for professional communicators.

It means that everyone – including you – can be a creator of content. You’re no longer just limited to old ways of community, you can run your own television station online, for free. And that’s just one example.

Everyone – including you – can also be a consumer of content. This means you can watch, listen and learn from what your customers, or potential customers, are saying online. That means YouTube videos, blog posts, and tweets on Twitter, as well as customer ratings on travel websites like TripAdvisor.com and Rankers.co.nz.

And everyone – including you – can be a curator of content. A curator sifts through

content to find what will be most relevant and useful to an audience. This role is particularly valuable in tourism, where a tourist usually wants to know as much as possible about the place they’re visiting.



Article written by Simon Young, iJump Co-founder/Catalyst.

UPCOMING EVENTS
2009
More information on Tourism New Zealand events can be found at www.tourismnewzealand.com

Upcoming Events

- NATAS Travel Fair (Second Show):** 28 – 30 August, Singapore
- MATTA Travel Fair:** 4 – 6 September, Kuala Lumpur, Malaysia
- Kiwi Link India:** 6 – 10 September, New Delhi and Mumbai, India
- World Travel Market:** 9 – 12 November, London, UK
- International Luxury Travel Market:** 7 – 10 December, Cannes, France

Thanks a Million Oz!

Winners of the ‘Thanks a Million’ competition have been announced, with Shannyn Gourley from Victoria winning a millionaire’s holiday to New Zealand. 12,252 entered the competition, launched in May after welcoming one million Australian visitors within a year.

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