

Tourism New Zealand 2024-2028 Strategy and FY25 Focus



**100% PURE
NEW ZEALAND**



Rotorua
Bay of Plenty

Tourism New Zealand 2024-2028 strategy and FY25 focus

Tourism New Zealand's purpose is to enrich Aotearoa and all who visit. Through our work we are committed to ensuring that we support a sustainable and productive approach to tourism growth.

In this 2024 - 2028 strategy we move from supporting recovery to rebuild. We see significant opportunities for tourism to contribute to the government's goal of doubling exports by value in ten years and supporting tourism businesses across the country to succeed.

To do this, New Zealand must stand out from its many competitors. We must create demand for a New Zealand holiday through creating a distinct brand that showcases our warm welcome, our unique culture and our stunning landscapes.

Our unique insights and expertise will support wider cross-agency efforts to double the value of exports. This includes collaborating with New Zealand Inc to outline the role tourism can play as part of the country's export strategy.

Tourism's value as an export earner goes beyond the economic. Travel opens New Zealand up to the world, it connects us, allowing us to grow as a country. Tourism New Zealand can help open those doors by supporting the growth of aviation capacity through creating demand for travel.

Growth doesn't have to come with negative impacts, strategic growth can result in sustainable and productive outcomes. Without our intervention the sector will likely revert to greater growth in our peak seasons which can add pressure to infrastructure, potentially harm tourism's social licence to operate and create untenable off-peak troughs for businesses.

Over the next four years Tourism New Zealand will be focused on growing sustainable and productive off-peak visitation through three strategic intentions.

Tourism will become a sector that delivers across the year for New Zealand, utilising existing infrastructure, growing airline capacity, creating secure versus seasonal employment and ensuring visitation is spread across our seasons to ensure our home is looked after.

We have the opportunity to reduce the tourism sector's seasonality challenges and create positive impact that benefits New Zealand and our communities. This strategy sets out how we will deliver this.



TNZ four-year strategy 2024-2028

We seek to grow international tourism by \$5B, with 70% (\$3.5b) of that to be achieved by visitors arriving in the off-peak.

Our goal is not about growing the off-peak at the expense of the peak summer season, rather it is about increasing consideration for the off-peak, converting that into off-peak arrivals, while still marketing New Zealand as a year-round destination.

Outcome:

Total tourism growth of

\$5B

Off-peak delivers

70%

of total growth

Off-peak visitor spend growth of

\$3.5B

to

\$8.7B

by end of 2027-28

Achieved through three strategic intentions

100%

Build extraordinary desire for New Zealand as a year-round destination



Convert desire for New Zealand into off-peak visitation



Accelerate the New Zealand tourism sector becoming a world leader in sustainability



Queenstown
Otago

The opportunity to grow off-peak arrivals and address seasonality

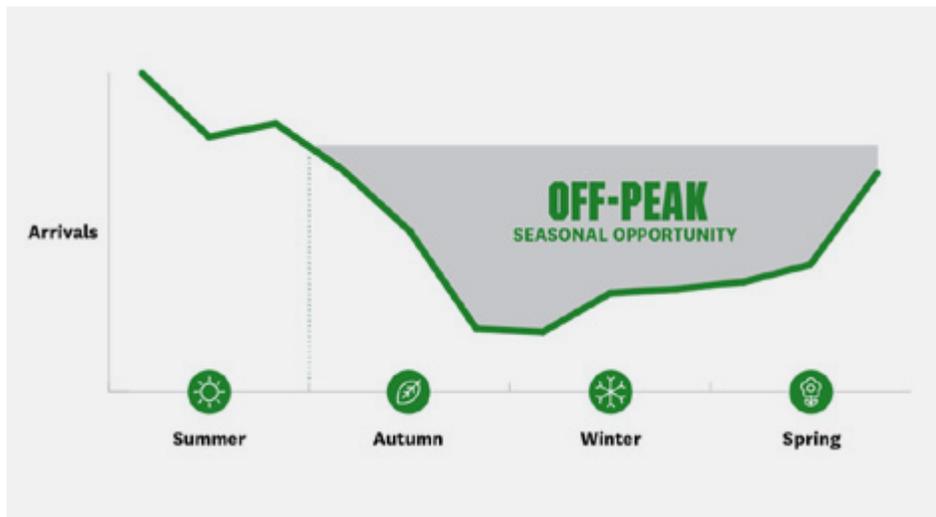
To help deliver on the government's goal of doubling exports by value in the next ten years, there is an opportunity to substantially grow off-peak visitor spend. This is a sustainable growth model as it is achievable with less pressure on social licence and infrastructure and helps sector productivity.

For New Zealand the peak is the summer months of December, January, and February and off-peak as March to November. 37% of visitors come in the summer, representing 40% of spend.

Seasonality also varies by region, and Tourism New Zealand will work closely with Regional Tourism Organisations to align activity with their different seasonality patterns.

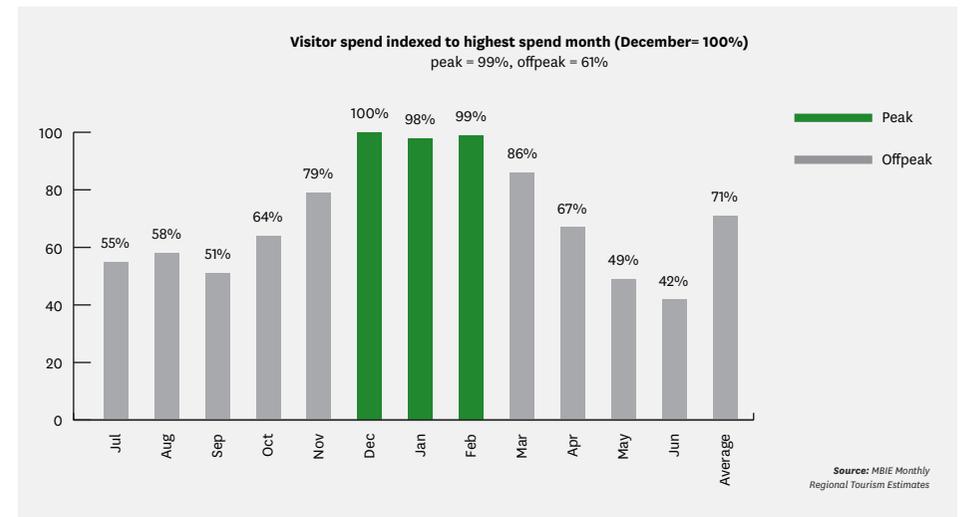
This means there are seasonal jobs that aren't secure, congestion and the perception of overcrowding in summer in some locations and empty capacity for hotels, experiences and vehicle hire in the off-peak. It also means airline connectivity reduces dramatically outside peak.

The opportunity at a glance



There is an opportunity to lead sustained change that mitigates the tourism sector's seasonality challenges. If properly addressed, this could:

- Support the industry to operate effectively across the year.
- Create more year-round jobs that are more attractive to employees.
- Provide more sustainable growth by better using excess capacity of tourism assets and infrastructure, and lift productivity of tourism.
- Benefit smaller regions who tend to be more exposed to seasonal peaks and troughs.
- Enable industry to invest more in their products and experiences and sustainability initiatives with revenue across more of the year.
- Keep New Zealand connected to the world by driving stable aviation connectivity across the year.



Strategic intention one

Build extraordinary desire for New Zealand as a year-round visitor destination

Why this is important:

Before we can get more visitors to come to New Zealand in off-peak months, we must first ensure that New Zealand remains a desirable holiday destination year-round.

TNZ undertakes consumer and trade marketing activity to showcase the best of New Zealand year-round and ensure that the best off-peak experiences are a core part of this.

What success will look like:

TNZ will continue to build our destination brand resulting in:

- Strong overall appeal of New Zealand as a holiday destination.
- Overall and off-peak consideration of New Zealand as a holiday destination increases.
- Strong preference for New Zealand as a holiday destination relative to competing destinations.

Our contribution:

We will achieve this through our marketing work that delivers effective campaigns to the right audience, maximising our reach through the right combination of channels.

Brand

- Marketing campaigns that build desire for New Zealand as a holiday destination outright will remain a priority, but there will be additional focus on improving perceptions of New Zealand as a viable year-round destination.

- Bold and distinctive marketing campaigns informed by consumer insight using paid advertising, earned media coverage through public relations, our own newzealand.com consumer website and our social media channels. Our key aspects of differentiation from nature, Māori culture, people, and experiences are pivotal in making New Zealand stand out from the crowd. These will also support trade marketing and business events activity for consistency.

Audience

- Focusing on those who are actively considering New Zealand as a destination we will work to increase the proportion of those who are considering New Zealand in the off-peak.
- Use our research programme and local market knowledge to identify new audiences who may be more predisposed to holidaying in New Zealand in the off-peak and target these audiences if there is value in in doing so.

Channels

- Using a combination of paid marketing, earned media and public relations, and owned and social media channels to maximise reach and optimising our activity to increase the likelihood of booking a trip. Increasing media costs will require focus and creativity in how campaigns are developed and executed.
- We will look to extend the reach of our work by leveraging existing and new partnerships with media partners, brand partnerships, advocacy, trade and aviation partners.



Strategic intention two

Convert desire for New Zealand into off-peak visitation

Why this is important:

Where the first strategic intention focuses on New Zealand's destination brand and off-peak desirability, there is still a job to do to convert that desire into arrivals and spend outside the peak season.

What success will look like:

Success will ultimately mean that visitor spend in the off-peak grows by \$3.5B from \$5.2B in 2022/23 to \$8.7B by the end of 2027/28, outpacing growth in the peak season. If successful we will see:

- Regions benefit from more off-peak visitors and spend.
- Business events bids and wins increase to utilise new infrastructure and showcase New Zealand expertise.
- Effective conversion activity and joint ventures with airline and travel trade partners which will have an off-peak emphasis.

Improving demand for off-peak visitation will encourage airlines to offer year-round rather than seasonal flights.

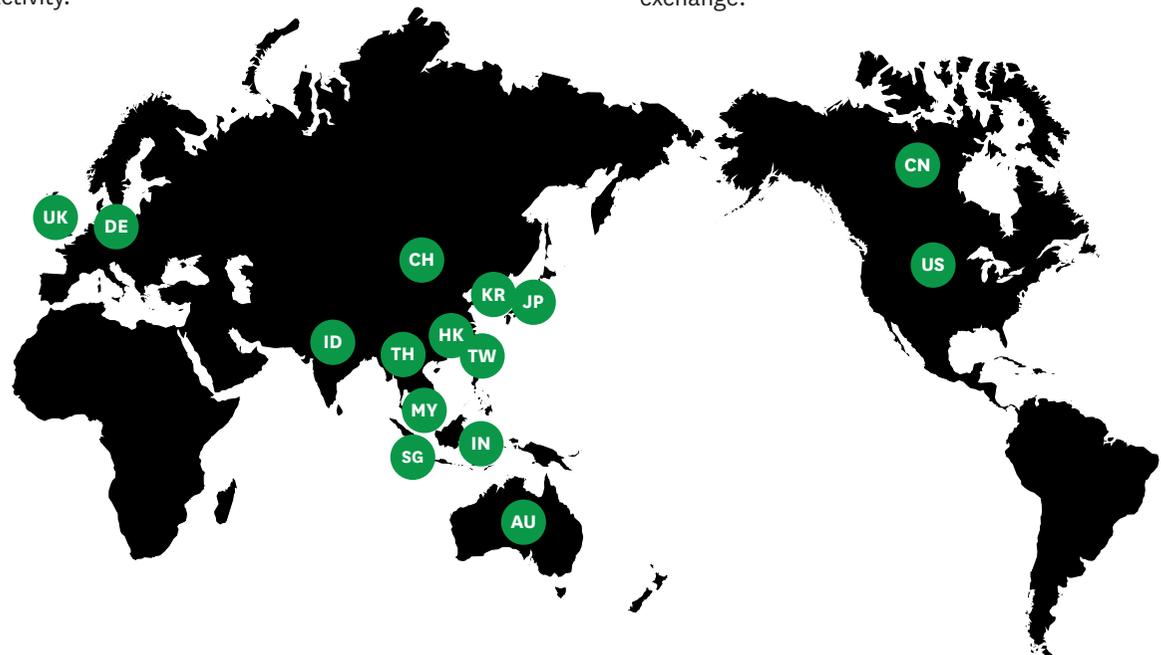
Our contribution

- To achieve this, we will balance our investment into our markets and consumer segments to deliver for both short-term and long-term success. In each market we will evaluate a specific job to be done each year to maximise conversion opportunities whilst ensuring a long-term pipeline of visitors through long-term brand building.
- Some of our markets may already be more predisposed to visiting in the off-peak and we can look to grow arrivals in the near term as part of this approach, for example travellers from India tend to visit in the Autumn and Spring, and Australian and Chinese visitors enjoy winter travel to participate in snow activities.

- Other markets may have a currently low visitation rate to New Zealand in the off-peak, this will require a consistent effort over time to change consumer perceptions with more off-peak arrivals coming to fruition in years two, three and four of the strategy. This applies to long-haul markets such as the United Kingdom and Germany.
- Our trade activity will focus on converting consideration and preference for New Zealand into off-peak arrivals. Whether that is trade training and educating the trade of the New Zealand proposition outside of peak season or focusing joint venture campaigns exclusively on off-peak travel periods.

Tourism New Zealand undertakes activity in 14 markets, outlined below with a mix of Paid, Owned, Earned and Trade activity.

- Conversion doesn't only occur through the travel trade, our marketing work delivered through paid, earned or social media and newzealand.com has a role to play in not just building desire and preference but also enabling conversion whether that is via the trade or direct. Tourism New Zealand does conversion activity in close partnership with the New Zealand industry.
- Business events happen in the off-peak already. Our Business Events work supports bids for conferences delivers the associated tourism spend and facilitates knowledge exchanges and exposure for New Zealand in a range of fields. With new convention centres recently opened, or due to open there is an opportunity for New Zealand to win more major conferences that support off-peak months and showcase New Zealand expertise and facilitate knowledge and commercial exchange.



Strategic intention three

Accelerate the New Zealand tourism sector becoming a world leader in sustainability

Why this is important:

Creating and converting off-peak demand will provide the sector with more revenue year-round, more year-round jobs, and greater ability to invest in new product, experiences and sustainability initiatives.

Expectations of a New Zealand holiday are high, and the sector needs to meet those expectations and be ready to evolve and adapt to changing consumer needs over time. Our destination brand can only be successful if the experience of what the brand promises is met or exceeded, turning past visitors into advocates for destination New Zealand.

What success will look like:

- More tourism operators are accredited with Qualmark
- Strong domestic social licence for tourism and recognition of the positive benefits of tourism
- Strong advocacy of New Zealand from past visitors.
- Greater integration of Tiaki – Care for New Zealand across the sector resulting in greater visitor awareness.
- Positive stakeholder assessment of Tourism New Zealand's work and influence in achieving desired sector outcomes.
- Consumer research available for industry to use and help them adapt to consumer needs and emerging trends.

Our contribution:

- Grow the number of tourism businesses who have Qualmark sustainable tourism criteria accreditation, lift more businesses into the gold standard, and guide consumer decision making through Qualmark's sustainable business criteria.
- Research providing insights for the tourism sector to highlight consumer needs and emerging trends including what visitors want to experience at different times of the year.
- Work along partners to grow awareness of Tiaki - Care for New Zealand to influence visitor behaviour. This includes marketing activity as well as encouraging more of the industry to promote Tiaki.
- Partnership with key stakeholders in the tourism sector to enable participation in Tourism New Zealand's work, understand our intentions and create reciprocal relationships where each partner benefits and create positive outcomes for visitors, the sector and New Zealand.
- Provide advice and work alongside central and local government. Specifically, sharing Tourism New Zealand's knowledge of consumers, source markets and marketing expertise that help informs initiatives and policy.



FY25 focus areas

FY25 is the first year of our four-year strategy, we'll focus on building a long-term pipeline of visitors at the same time as we aim to boost off-peak visitation in this year.

Brand



Build consideration for off-peak travel to New Zealand

- Then focus on turning that desire into consideration to visit during the off-peak.
- Showcase New Zealand's off-peak experiences and our unique culture through authentic storytelling
- Look to the future and build our brand as a sustainable destination.

Visitor



Grow off-peak arrivals

- We will focus all trade activity on converting consideration into off-peak arrivals in FY25.
- We'll also work to encourage future year-round flights to support off-peak growth.
- Our off-peak activity will look different in each market, our work will be varied and adaptable to reach audiences and encourage them to visit in the off-peak.

Sector



Supporting sector sustainability and enhancing the visitor experience

- Sustainability is vital to tourism's success in Aotearoa New Zealand and as New Zealand's sector continues to recover from the pandemic, the best way we can influence this is by encouraging year-round arrivals to enable businesses to contribute to the economy, their communities and to the environment.
- We will also aim to grow the number of Qualmark businesses to help the sector become more sustainable, we'll work to connect off-peak visitors to them, and create demand showcasing visitor experiences in an authentic way.
- We'll also work with the Regional Tourism Organisations to help support their Destination Management Plans as appropriate.



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