NEW ZEALAND: PERFECTION FROM EVERY PERSPECTIVE

Tourism New Zealand Premium Strategy
European Market Webinar Update
13 April 2017
Global Team

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Kate Fenton

- Kate drives and implements execution of the premium sector trade strategy in Europe, working within the core trade marketing team based in London.

- 10 years experience in destination and luxury product marketing

- 3.5 years working at Tourism New Zealand
Welcome to Europe - Where value is created!

Europeans contribute the most income to NZ
- Half of New Zealand’s tourism income comes from Europe and Australia.
- Europe 2.5 billion (+10%), Australia 2.48 billion (+8%)

Total Expenditure
YE June 2016

Share of Total Expenditure

Europe 24%
Australia 16%
China 14%
Asia 17%
Americas 4%
Other 4%
European visitors offer unrivalled value to NZ’s economy

European visitors:
✓ Stay longer
✓ Visit more regions
✓ Spend the most in NZ

And
✓ NZ’s existing product offer fits perfectly with their needs

Making Europeans
✓ The most profitable to attract
We invest mainly in UK & Germany – as the largest markets

Across Europe, holiday arrivals +13%
People are on the move – UK outbound travel +8%  

- Brexit is not impacting NZ bookings, and forecast for 2017 is strong.  
  - New Zealand and closer European countries are driving growth.  
  - USA growth has slowed.  
- Luxury travel is forecast to grow faster than Core  
  - HNWI are not impacted by economic changes

![UK Total Outbound Travel YE Nov 2016 vs. LY](image)

Source: ONS, UK Nov 2016

NZ arrivals growth driven by 3 things:

1. Consumers drive for experiences over things
   - Fill your life with EXPERIENCES, not things. Have STORIES TO TELL, not stuff to show.

2. Airlines investing in capacity
   - Emirates

3. “100% Pure” resonating more than ever, in turbulent political times
   - Qatar Airways
At TNZ we target people with NZ on bucket list, and motivate them to book their trip.
Premium Sector is a key part of our European investment plan

- Super high value visitors
- Create long term sustainable value for NZ

Backpackers

Indep. Professionals

High Net Worth

100% Pure New Zealand
Creating long term value
Core markets in Europe represent 14% of the Luxury Lodges of New Zealand business from its Top Ten source markets: UK, Germany, France and Switzerland

Europe is important

- Core markets are consistently increasing in total revenue YoY
  - YE Sep 2016
    - +18% (UK)
    - +65% (Germany)

2016 saw the continuation of TNZ’s key markets outperforming non key markets – 3 year trend of TNZ focus on core markets vs non shows impressive 78% growth (core) vs 27% (non); annual data shows 24% (core) vs 1% (non).

Europe also presents the best value traveller to New Zealand:
- Regional diversity
- Length of Stay
- Immersive
How do we ensure New Zealand is in the consideration set for high value clients and ensure agents can convert?

**PREMIUM SECTOR STRATEGY**

**Overcoming barriers to selling**

- Luxury New Zealand product was ‘relatively’ unknown in the European luxury travel trade
  - Need to put NZ on the map

- If New Zealand is included in an agencies product portfolio, the sales consultants often have varying experience and confidence selling NZ - Only those that have been to New Zealand are truly confident in selling the destination
  - Need to increase confidence to sell

- High Net Wealth Travellers are not demanding New Zealand and don’t know what the luxury product looks like
  - Need to establish NZ as a challenger brand in luxury
The premium sector is at the tipping point for significant growth out of Europe – awareness of luxury New Zealand product is at an all time high.

NZ usually represents 1-2% of market share, this rises up to 5% with existing operators that know and sell New Zealand well.

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PREMIUM SECTOR STRATEGY

Challenges present Opportunities

TNZ unlocks growth from new and existing agencies – constantly increasing and widening the amount of operators selling New Zealand product to HNWI Europeans.

- There is major potential to increase market share – sales growth is incremental for an agency.
- Agencies are keen to be ‘specialists’ learn more about New Zealand, and offer a point of differentiation from competitors.

HNWI looking for new destinations. New Zealand:
- Is experiential – the buzzword
- Is on trend & the ultimate ‘get away from it all’
- offers agencies a high yield destination to sell
- broadens a companies destination portfolio.

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TNZ can accelerate agent’s learning using tools, resources and face to face training
TNZ is positioning more luxury New Zealand product, building the capability to sell it, and creating the demand to increase business.

**Demand**
- Do they have demand generation activities in place to: a) capture existing loyal clients, or b) acquire new clients?

**Capability**
- Do luxury travel designers have the knowledge to create luxury itineraries and book high value New Zealand properties and experiences?

**Product**
- Do Premium travel trade have Luxury New Zealand product in their portfolio, can they have include more?

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**PREMIUM SECTOR STRATEGY**

**The building blocks...**

- **Promoting New Zealand to HNWI**
  - Increase market share with key premium operators whilst New Zealand is ‘on trend’

- **Equip Premium Agents with tools to sell**
  - Many premium travel agents ‘won’t sell New Zealand until they’ve seen it’ and need to feel confident to pro-actively suggest the destination

- **Ensure Luxury NZ is on offer**
  - Scale can be created in Premium by working with as wide a pool of luxury operators and agents as possible
TNZ strategically targets high net wealth cities in Europe which directly correlate with a strong premium travel trade landscape.

**WHAT ARE TNZ’S KEY CORE MARKETS?**

**Targeting HNWI**

TNZ’s pan-European strategy uses a location (wealth + access to trade) based approach (rather than market based).

- London
- Munich
- Paris
- Zurich

Europe has a high share of the world’s HNWI population*:

- Germany (1.3m)
- UK (699k)
- France (563k)
- Switzerland (309k)

There continues to be a strong forecast of UHNWI growth in Europe. The top five UHNWI countries predicted in 2024* are:

- USA (50k)
- Japan (19k) China (15k)
- Germany (14k)
- UK (13k)

Placing Premium Product
We leverage major networks and select the best possible event platforms to create scale, support luxury NZ product, and ensure New Zealand is on the radar with premium travel trade.

**CREATING SCALE IN PREMIUM**

**Leveraging Networks**

- **Pure Life Experiences**, September 2017 - Increase of 4 to 12
- **Traveller Made** *Essence of Luxury* Forum, March 2017 - Increase of 2 to 6
- **Virtuoso** European Tour, Barcelona, March 2017

- **57** Traveller Made Agents are based in the UK, Germany, France and Switzerland out of 270 globally; **15** of those 57 have been on famil with TNZ.

- **45** Virtuoso Agencies in Europe, 5 of the 45 have been on famil with TNZ

- **American Express** – 70 relevant agents in UK, 150 across Europe.

- **Relais & Chateaux and Small Luxury Hotels** – further access to over **10,000** Agents across Europe.
Supporting Luxury Product at Major Luxury Events

- Annandale
- Bay of Many Coves
- Eagles Nest
- Hapuku Lodge & Treehouses
- Helena Bay
- Huka Lodge
- Otahuna Lodge
- Over the Top
- Seasonz
- Southern Crossings
- The Exclusive Travel Group
- Touch of Spice

NEW AND EXISTING PREMIUM BUSINESS

PURE Life Experiences

Leading global experiential luxury tradeshow, held in Marrakech every September:

- **440 Buyers**
  - 44% of attending buyers are European
  - 59% Owners, 13% head of product
  - 25% aim for new buyers YoY

- **438 Exhibitors** – by invitation from Beyond Luxury Media only

- TNZ remains impartial to private sector attendance. TNZ’s role is to support those present with the collective 100% PURE New Zealand stand and to help raise New Zealand’s profile during the 4 day event.
Increasing the profile of New Zealand with UHWNI travel designers

NEW AND EXISTING PREMIUM BUSINESS

Traveller Made

- Access to 270+ Member Agencies – globally
- Network community of luxury travel designers creating unique and bespoke travel plans for UHNWI
- NZ has a strong share of voice – TNZ is one of only two leading preferred destination

TNZ Activity

- Traveller Made Dinner at NZ House, October 2016, attendance at regional chapter meetings
- Traveller Made Essence of Luxury Forum 2017 (with Ahipara, Exclusive Travel Group, Fred & Mildred Representation (Annandale/Split Apple/Eagles Nest), The Farm at Cape Kidnappers, Kauri Cliffs and Matakauri Lodge.
- E-marketing and destination profile on Travellermade.com
Virtuoso is growing significantly and provides a further network for TNZ

DRIVING NEW AND EXISTING BUSINESS

Virtuoso

- Over 50 European Agencies now part of Virtuoso, meaning 1000 travel agents are part of the network
- Currently only TNZ attends Virtuoso European City Tours
- Increasing the visibility of your product
- Product development meetings
- High seniority of attendee’s
- Strong number of agents/sales consultants
The premium travel trade across Europe is large and fragmented.

**Creating Scale**

- Over the last 3 years, we have taken TNZ’s number of 'engaged' premium operators from **10** to **50+** i.e. those that have now been on famil or actively engaged with selling New Zealand’s luxury offering, **100+ advocates** with increased awareness.

- Creating scale via a community and the next step is to work this in to TNZ’s base of **100% PURE New Zealand Specialists**.

- FY18 to widen scope by further up-skilling some core operators with high propensity to spend clients.
TNZ is accessing and creating the platforms to be continuously training Premium Travel Trade

**Selected Events**
- Relais & Chateaux Zurich Showcase April 2017
- The Loop Luxury Fair, Frankfurt, 2017
- Lexpo (TTG Luxury) London, October 2016 & May 2017

**TNZ Created Events**
- Lodges of New Zealand Product training, Chester, September 2016
- Abercrombie & Kent B2B Travel Agent Dinner, London, April 2017
- In-house training throughout the year at key premium operators

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**BUILDING CAPABILITY**

**Increasing Conversion**

- Training over **300+** travel agents per year
  - Increasing product knowledge
  - Introducing new product
  - Helping overcome any barriers to selling
  - Increasing confidence to sell
Providing first-hand experience and product knowledge of New Zealand

BUILDING CAPABILITY

Creating Specialists

- 17 famil participants hosted from Europe
- 12 participants are NEW, aiming to increase the amount of premium agents with first hand destination knowledge.
  - 4x Luxperience Pre-Famils, September 2016
  - 4 x TNZ Hosted Famil, October 2016
  - 5 x UK Premium Famil, May 2017
  - 4 x Germany Premium Famil, May 2017
Further widening our reach

- TNZ’s Premium Strategy in Europe creates scale by efficiently working with wholesaler operators to reach travel agents in UK and Germany.

- In FY17, this activity has been expanded to working with the luxury product portfolios of major core tour operators, including Dertour Deluxe.

8 page dedicated Luxury New Zealand guide with Dertour Deluxe
Generating Demand
How do we generate demand in a mature and highly competitive market?

New Zealand: Four Seasons of Fun

With majestic mountains, huge glacier-cut valleys and roaring rivers, New Zealand’s epic landscapes are without compare. However, it’s also one of the most diverse holiday destinations on earth, allowing you to balance your adrenaline adventures in the wilderness with time relaxing on secluded tropical beaches, sipping world-class wine in rolling vineyards and diving among vibrant reefs.

It’s not as big as many people think and the travel time between each region is short. So you can experience a lot during a two-week break. While most travellers flock here during its summer months, it’s a year-round destination that enjoys long, sunshine-filled days throughout autumn, when huge forests turn a brilliant orange, and spring, when mountain flowers bloom and wildlife is abundant.

When it comes to accommodation, New Zealand does luxury like nowhere else on earth. Forget huge hotel complexes and busy tourist resorts, it’s all about secluded five-star lodges that thrive on creating an incredible sense of place.

New Zealand really does have it all. But don’t just take our word for it – go and experience it for yourself.

GENERATING DEMAND

Showcasing NZ

1. Earned media – via PR

2. Targeting existing tour operator databases i.e. high repeat, loyal clients that are open and trusting of personal travel advisor suggestions

3. Leverage luxury brand client bases through trade partners and select premium media
PR has generated over $6 million NZD in EAV over the last 3 years

**PR Activity**

**GENERATING DEMAND**

*International Media Programme:*
3 UK Premium media hosted in New Zealand from the UK (Robb Report, Conde Nast Traveller and The Mayfair Magazine) plus 2 from Germany and 1 from France due to travel by the end of the FY.

**Content:**
Pushing out product news and releases showcasing New Zealand’s premium offering

**And media still to travel in FY17...**

Some top Premium IMP Results from F16 trips in EAV Value

- Rolls Royce $82k NZD and Cloud Magazine $24k NZD, Le Express Styles $286k, L'Official Voyage $144k
Database Marketing

• TNZ’s Premium Strategy continues to increase market share by targeting high repeat & loyal client bases with key premium operators
  
  • Ten Lifestyle Group, UK
  • Carrier (lux wholesaler), UK
  • Elegant Resorts, UK
  • Abercrombie & Kent, UK
  • Eden Collection, UK
  
  • Design Reisen, Germany
  • Art of Travel, Germany
  • Gernreisen, Germany
  • Windrose Finest Travel, Germany
  • Dertour Deluxe (wholesaler) Germany
  
  • Voyages Confidentiels, France
  • Traveller Made (B2b) Global
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Targeting New Clients

- TNZ’s Premium Strategy aims to launch marketing campaigns with those operators that have committed to NZ by sending their consultants on famil.
- Post-famil, TNZ will request a marketing proposal to position NZ in front of a new set of clients that have not been targeted before. The proposals often include:
  - Direct Mail to a segmented high value customer base
  - Print advertorial in customer magazines
  - Print advertorial in external media
  - Online including eDM, social and SEM
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SELECTED LUXURY MEDIA

GENERATING DEMAND

Selected Luxury Media

TNZ’s premium strategy requests marketing proposals that can incorporate selected luxury media to widen the reach of our joint marketing campaigns. The activity aims to secure full or double page print advertorial led by the operator with a call to action.
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Luxury HNWI Brands

GENERATING DEMAND

- TNZ’s Premium Strategy in Europe is fully B2B, meaning all marketing activity is executed through premium travel trade partner marketing.
- In FY17, this activity has been expanded to align with high value brands or media titles including Coutts bank, Tatler, Harrods and Private Wealth.

ALL ROUND LUXURY

MORE THAN JUST AMAZING LANDSCAPES
Did you know New Zealand is home to some of the world’s most stunning golf courses with over 400 to choose from? Then there’s the 15,000km of stunning coastline to be explored. Sail or cruise your way through the Bay of Islands or the Marlborough Sounds. Break, nap or continue and swim with wild dolphins. Hike through lush rain forests to discover secret waterfalls, uncover geothermal and volcanic treasures such as White Island, or test your nerve with white water rafting. Scare your adrenalin to a hectic bail flight and admire the incredible glaciers. For those looking for a more relaxed approach, spend the day with a wine maker enjoying an exclusive wine tasting in Hawke’s Bay, Marlborough or Central Otago. Or unwind in a spa treatment and a dip in a thermal mineral pool at one of the many retreats, lake or beach retreats.

A SMALL BUT MIGHTY COUNTRY
Similar in size to the British Isles, New Zealand has so much to offer and its fantastic infrastructure makes getting around easy. Whether you choose to travel on fine trabo by road, air, rail, sea, the diverse landscapes and many attractions will never fail to amaze. Hire a private helicoptor, sail New Zealand’s long coastline on a luxury cruiser or private yacht, ski/hike on your very own grand tour, or simply sit back and admire the view with a private chauffeur. The possibilities are endless.

THE BEST LUXURY LODGES
If New Zealand’s natural beauty wasn’t enough the wide range of luxury accommodation will certainly blow you away. Award winning luxury lodges, boutique city hotels, boutique B&Bs and private villa residences, there is something for everyone. Think unique locations, stunning views, world class food and wine, and the renowned New Zealand hospitality. Your journey awaits.
When we decided to go to New Zealand, we had only heard about its lush and diverse nature and landscapes. We had seen the majestic scenery in The Lord of the Rings by Peter Jackson. We had vague ideas of Takas and how they relate to Maori culture. It was enough to convince us to go, my friends and I, and nothing had prepared us for the experiences we would enjoy there.

It is a rather easy with great destinations, it takes time and effort to get there. You need to work for it, into the top of the and the corresponding fatigue an understanding once you reach such a place. It would actually say that the best feelings to bring the experience help. The place is Auckland, the major place to go, and was finally active, enthused, at the edge per se is a sort of prerequisite about your times of memories. Then the greatness of the place struck me. One of my companions, an art, sailed, whipped to the centerally. You knew that this is the next point where French settlers Lagroen is supposed to have landed in the case of New Zealand, on his voyage to the end of the 18th century. We are following the steps of great explorers, we are starting history, we are creating new masterpieces. Just then, it struck me for the first time. The incredible mountains and sea we had already flown over represented something different than usual. We had left it from the coast, my mind work a bit longer to swing it. When we thought about it – the natural beauty and sea we had on the way here and all the landscapes we would see the following days on our various heli-skiing, surf and boat ride – it always had the same effect on our world.

Luxury Networks B2C

GENERATING DEMAND

- Accessing the end client via HNWI travel trade
New Zealand gets significant coverage as a result of famil participants

**THE PLAYLIST 2017**

Parce qu'on aime pas faire comme les autres, en cette fin d'année on a décidé de ne pas vous envoyer nos voeux. Nous avons partagé avec vous notre play-list 2017, ces destinations qui vont marquer l'année à venir, les cool kids du voyage de luxe, la crème de la crème des road trips et les expériences les plus inoubliables à faire en amoureux, entre amis ou avec les kids.

**Go on a ROAD TRIP**

d'Auckland à Christchurch
Nouvelle-Zélande

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**POST-FAMIL PROMOTIONS**

**GENERATING DEMAND**

- TNZ requires all participants that join a Tourism New Zealand famil to execute online promotional activity on New Zealand during and after the trip, including:
  - Social media during the Famil
  - Company Blog
  - Dedicated e-newsletter on return

- Weisse Voyages – The Playlist 2017, sent to 3717 subscribers in France.
- Ailes Voyages, sent to HNWI clients in Switzerland.
How will Tourism New Zealand further accelerate growth in the premium sector?

FY18 Premium Sector Strategy

Future Growth

- Leverage F&B clients of Middle Eastern carriers now flying to NZ

- Create unique insight-led luxury proposition for specific high value clients and tap into fastest growing consumer trends


- Global opportunities with operators that expanding from the UK i.e. Scott Dunn, Ten Lifestyle, Black Tomato, Quintessentially
How will Tourism New Zealand continue to measure impact?

- **NZ private sector** - increase in revenue from core European markets
- **Growth** of revenue and market share for New Zealand across premium tour operators and agencies in Europe.
- **Growth** of average booking value per person across key accounts in UK, Germany and France.
- **Increased Investment** in Europe activity from NZ luxury private sector
QUESTIONS AND ANSWERS
Upcoming

Webinars

July
Asia market webinar

October
USA market webinar