

NEW ZEALAND

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OVERVIEW

- **Population:** 4.38 million people.
- While New Zealand was well on the way to economic recovery in early 2010, growth has been predominantly export led. Consumer led sectors have been slow to respond and a recent fall in consumer confidence indicates holiday spending is likely to remain modest in the near term.
- For 2010, GDP growth is forecast at +2%.
- Unemployment remains high, currently 6.7%, slightly up on 2009; however it is expected to drop during 2011.
- House prices have fallen consistently over the last three years and the housing market is expected to remain very subdued for the next few years.
- The New Zealand Dollar has had a mixed year but is forecast to stabilise at AUD\$0.80-0.82 towards the end of 2011.

MARKET SUMMARY

- For the year ending June 2010, 1,003,100 Kiwis visited Australia, an increase of 2% on the previous year.
- New Zealand is Australia's number one international source market; with a 94% repeat visitation rate.
- Kiwi arrivals into Australia are expected to grow at a modest 2-3% per year (2010 – 2014).
- South Australia achieved a total of 38,800 Kiwi visitors for the year ending June 2010, an increase of 7% on the previous year, and remains the state's second largest international inbound market (behind the UK).
- Kiwi visitor nights were also up (+17%) for the 12 months to June 2010 (vs. the same period in 2009) to 447,000 nights.
- During 2010/11 Tourism Australia is focused on increasing value from the New Zealand market. They intend to achieve this by using the 'There's Nothing Like Australia' campaign to give Kiwi consumers compelling reasons to travel beyond the East Coast gateways, overcome Kiwi consumer, trade and business sector complacency and perceived 'over familiarity' toward Australia, and increase the promotion of events, including Business events.
- Tourism Australia's Aussie Specialist trade training program was withdrawn from New Zealand at the start of 2010/11. Despite this, they continue to work with the trade on tactical campaigns to support their 'There's Nothing Like Australia' campaign, underpinned by monthly product updates via the trade publication – Tabs on Travel Today.
- There has been a noticeable 're-engagement' with Australia by all major New Zealand wholesalers during 2010, and retail chains are starting to re gain Australian market share from direct booking channels (the opposite of what is happening in Australia). Much of this growth is being attributed to the promotion of value-adds, in addition to basic flight and hotel packages.
- This is good news for South Australia, as recent research showed that over a third of Kiwis (36%) would still prefer to use an in-store travel agent to book their trip to Adelaide and South Australia.
- There are more airline seats available from New Zealand to Australia in 2010 (up 3% vs. 2009). All major Trans Tasman carriers have increased their seat numbers, except Air New Zealand, who has decreased its seats by 10%. Despite this, Air New Zealand is increasing capacity and frequency on the Auckland / Adelaide route. There will be six services/week December – January and four to five services/week November, February and March.
- On 17 November 2010, Air New Zealand launched its new four-level fare structure on all Auckland / Adelaide flights, called 'Seats to Suit'. Business Class no longer exists and the new cabin configuration has increased capacity by 10% on all flights. The new structure will also give Kiwi consumers a 'low cost' option to/from Adelaide, with fares starting at NZ\$259 one way.
- The internet remains the major information and booking source for Kiwi travellers to Australia, used by 60% of travellers. This figure is lower for Kiwis travelling to South Australia, approx. 49%.

MARKET PROFILE

NZ Visitors to Australia and South Australia, year ending June 2010

	To Australia	To South Australia
Total NZ Visitors	1,003,100	38,800
Total NZ Visitor Nights	13,059,000	447,000

Source: Bureau Tourism Research, International Visitor Survey (IVS), persons 15 years and over.

New Zealand is in the top three international markets for economic value, leisure travel expenditure and bed-nights in Australia. On average, the Kiwi visitor spends AUD\$2,020 on their trip to Australia and an average of 13 nights.

Kiwis visiting South Australia stay an average of nine nights, spending an average of A\$2,032 per person within the state during their trip (i.e. excluding airfares). They also have a high propensity to disperse out of Adelaide. New Zealand's peak travel months to South Australia are September – November and March – May.

KEY HIGHLIGHTS OF MARKETING ACTIVITIES IN 2009/10

Trade Activities:

OZTalk Travel Expo (19 – 20 March 10): This was the key 'Australia' trade-training event on the New Zealand travel industry's 2010 calendar. Over 240 front line travel consultants met with 133 Australian tourism businesses (16 from South Australia) in booth-style sessions during the two-day event. The event was highly successful, with a higher level of interest and awareness being displayed by a majority of this year's agents.

South Australia Roadshow (23 – 26 March 10): Took place in five key cities across New Zealand: Auckland, Hamilton, Tauranga, Wellington and Christchurch. A total of 117 agents met with 12 South Australian operators/regional tourism offices in eight minute ATE-style appointments. Also held in conjunction was a Product Managers Lunch in Auckland. Eight representatives from our main wholesale and airline partners attended, as well as selected trade media.

Online Training Program/s: SATC NZ participated in Tourism Australia's Aussie Specialist Programme (ASP) during 2009/10. During this time, 67 agents completed the South Australia module, with six agents going on to complete the SATC NZ's more advanced itinerary-planning training module, enabling them to qualify as 'SA Experts'. There are currently 14 qualified 'SA Experts' in key locations across New Zealand, and during 2009/10 they sold over A\$85,000 of travel to South Australia.

The ASP was withdrawn from the New Zealand market at the start of 2010/11, leaving the SATC as one of only a few state tourism offices with a formal agent training program – 'SA Experts'. The program includes annual sales targets and an annual re-fresher training module to ensure these agents are true experts on the state and are actively selling the destination.

Famils: A total of 32 Kiwi travel industry staff travelled to South Australia on hosted famils during the year. An additional four agents visited South Australia on company organised famils (supported by the SATC NZ's office), and an additional 13 visited the state on a self famils.

Consumer Activities:

2009/10 Brand Campaign:

This is the SATC's major marketing campaign in New Zealand. The SATC has undertaken a major brand campaign in this market every year since 2005. From 2005 to 2009 a Kiwi personality was used to reveal SA's secrets to New Zealand. In 2009/10 the campaign moved into its next phase i.e. Kiwis sharing their South Australian stories/experiences with other Kiwis ('ambassador' style).

In line with this new phase, new TV ads and new online creative were developed. This year was also the first time we were able to introduce a stronger tactical element to the campaign via the South Australian Holidays program.

2009/10 Brand Campaign Results:

- The total number of responses to the campaign was 9,503, proving the 'ambassador' theme resonated well with Kiwi consumers
- The campaign was very effectively delivered, with an average Cost Per Response of A\$50.
- The new TV ads performed well (13% increase in cost efficiency vs. previous year); however they will be tweaked to include footage of South Australia for 2010/11.
- Of all online activity, e-Direct Mail (i.e. targeted e-newsletters) remained the most effective.
- The website (www.southaustralia.co.nz) also performed well, the conversion rate up 15% vs. previous year.
- Sales of the South Australian Holidays tactical offers has been low during this first year in market, but are expected to increase with subsequent campaigns.
- Exit/conversion surveys conducted on respondents from both the 2008/09 and 2009/10 Brand Campaigns prove their success in converting Kiwis to visit South Australia, with 40% of respondents having already visited the State. Also important to note is that 59% of respondents are still considering a trip to South Australia, and over a third of those intend to travel within the next 12 months.

OZTalk Travel Expo (21 March 10): The 2010 OZTalk Consumer Expo was attended by over 6,100 Kiwis and generated approx. NZD\$586, 000 in total sales on the day (NZ\$1.85 million in total). South Australian product achieved almost NZD\$48,100 in sales (an over 100% increase on the previous year).

South Australia Roadshow (22 – 27 March 10): Took place in five key cities across New Zealand: Auckland, Hamilton, Tauranga, Wellington and Christchurch. 637 consumers attended the Roadshow, twice the number of people expected. Each of the 12 operators/regional tourism offices had their own stand and every consumer was encouraged to make their way around the room and talk with each of them. The quality of consumers was very high. There was a very good mix of people that had booked flights but were still looking for ideas on what to do when they arrived, plus people newly considering the destination.

KEY CHALLENGES

Maintaining awareness and knowledge: After delivering a fully integrated marketing plan for the past six years (including Brand Campaign, consumer shows, road shows, trade training, ad hoc trade co-op marketing initiatives etc.) awareness and knowledge of South Australia has improved significantly amongst Kiwis. However, with strong competition for the New Zealand holiday dollar, the cost of maintaining this level of awareness is a key challenge.

Cost of air access and lack of airline competition: The cost of flights to South Australia is approx. NZD\$100 – \$150 more expensive (each way) than the East Coast cities. This is compounded by a lack of competition on the route (i.e. Air New Zealand is the only carrier that flies direct Auckland / Adelaide) and ongoing discounting and promotion of East Coast fares, as airlines work to fill increasing capacity on these routes.

OPPORTUNITIES FOR OPERATORS

Digital Marketing

SATC NZ Website: SATC NZ offers operators the opportunity to promote your product via rotating features boxes on every page of our website (www.southaustralia.co.nz). Product is included at the discretion of the SATC, and will depend on space availability and relevance to the New Zealand market. If you are interested in submitting information, please email: stacey@satc.co.nz

SATC NZ Trade and Consumer E-Newsletters: SATC NZ produces quarterly travel agent and consumer e-newsletters. Operators are welcome to submit product information for inclusion in these newsletters. Information is included at the discretion of the SATC, and will depend on space availability, relevance to the New Zealand market and the theme of the newsletter. If you are interested in submitting information, please email: stacey@satc.co.nz

Your Website: Over 60% of Kiwis research and book holidays to Australia online. With this in mind, we strongly recommend all operators interested in the New Zealand market invest in improving their website and search engine ranking e.g. Kiwi Internet users actively seek out visual information on websites, such as images and maps, and are unlikely to look beyond the first page of results from a Google or Yahoo search.

Social Media: 77% of Kiwis are inspired to visit a holiday destination because it has been recommended by friends/family or other Kiwis, and social media websites play a large role in facilitating these word of mouth referrals. The SATC NZ office maintains a Facebook page dedicated to sharing stories and information about South Australia amongst Kiwis (<http://www.facebook.com/lovesouthaustralia>). Operators are welcome to submit product information for inclusion on this page. Information is included at the discretion of the SATC, and will depend on space availability and relevance to the New Zealand market. If you are interested in submitting information, please email: stacey@satc.co.nz

Famils

Each year SATC NZ hosts a number of media and trade famils to South Australia, including a rewards weekend for the qualified 'SA Expert' travel agents who meet their annual sales target. The SATC may approach you about using your product in these itineraries. Any support you can offer is greatly appreciated, whether it's providing a discounted or industry rate or value adding your product in some way.

Brochure Distribution

SATC NZ keeps small supplies of operator brochures in the office to send out in response to specific consumer or travel agent enquires. If you would like to send the SATC NZ office a maximum of 20 copies of your brochure, please send them to:

South Australian Tourism Commission

Attn: Stacey Cant

PO Box 1666
Auckland 1140
New Zealand

BROCHURE DISTRIBUTION

Travel Marketing

Travel Marketing offer a brochure storage and distribution facility for the New Zealand travel industry. South Australian operators who are sold extensively through out New Zealand and distribute a number of brochures to trade (or would like to) may like to consider using Travel Marketing for your brochure storage and distribution needs.

Your brochures are available for all agents to order via Travel Marketing's online ordering system (www.brochure.net.co.nz), or you have the flexibility to restrict your brochures to certain retail travel chains only. Simple and user friendly, their online ordering system features on various retail chains' intranet sites, and is widely known throughout the industry, offering marketing opportunities for those wanting to get in front of many agents quickly.

An online brochure download facility is also available.

As well as distribution to the travel industry, Travel Marketing can also distribute direct to consumers.

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TRADE MEDIA

Tabs on Travel Today & Business Travel News

Tabs on Travel Today is New Zealand's key daily travel publication (e-newsletter) distributed to the travel industry, outlining the latest product, airline and industry news.

Business Travel News (e-newsletter) is distributed direct to corporate travellers and focuses on hard product, plus other news and information relevant to these travellers.

Both publications are always looking for current news and information. Email any press releases or updates to:

Contact:

Tabs on Travel Today

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The Travel Memo

Twice weekly news publication (e-newsletter) distributed to all retail travel agents, as well as over 500 other industry related organizations/personnel. The Travel Memo always looking for current news and information. Email any press releases or updates to:

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NZ Traveltrade

A fortnightly colour publication (printed newspaper) focusing on travel industry news, destination travel news and destination features. Circulation is approx. 1,400 copies. Editorial and advertising opportunities are available. Traveltrade also publish The OZBOOK – a trade publication distributed to all travel agents nationwide. You could be approached to advertise in this publication.

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Travel Digest

A monthly A4 colour publication (printed magazine) focusing on travel industry news, destination features and industry sector updates. Circulation is over 1,500 copies. Editorial and advertising opportunities are available.

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Travel Inc

A bi-monthly publication (printed magazine) focussing on high yield leisure travel, corporate travel trends and international meetings/incentives/conferences. Editorial and advertising opportunities are available. Circulation is approx 4,530 copies. Also distribute the Travel Inc Business Travel News E-newsletter (monthly).

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