

TOURISM 2025>



GROWING VALUE TOGETHER
WHAKATIPU UARA NGATAHI





THE ASPIRATIONAL GOAL

\$41 billion

total tourism revenue in 2025

HOW WE ARE GETTING THERE

By improving the competitiveness
of New Zealand tourism



TOURISM TODAY

3.7%

TOURISM'S DIRECT
CONTRIBUTION
TO NEW ZEALAND'S
TOTAL GDP

\$24

BILLION
TOTAL TOURISM
REVENUE IN 2013

2.7

MILLION
INTERNATIONAL
VISITORS
IN 2013

5th

INTERNATIONAL
RANKING
OF NEW ZEALAND
AS A BRAND

16.1%

TOURISM SHARE
OF NEW ZEALAND'S
TOTAL EXPORT
EARNINGS

16.6

MILLION
DOMESTIC OVERNIGHT
TRIPS TAKEN

\$2300

AVERAGE
EXPENDITURE
BY INTERNATIONAL
VISITOR PER TRIP

\$9.8

BILLION
TOURISM EXPORT
VALUE

172,100

NUMBER OF
FULL-TIME EQUIVALENT
JOBS SUPPORTED
BY TOURISM

SOURCES INCLUDE TOURISM SATELLITE ACCOUNT (2013), IVS YE MARCH 2013

TOTAL TOURISM REVENUE \$24 BILLION

Tourism in New Zealand is a
\$66 million per day industry

DOMESTIC REVENUE
\$14.2 BILLION

INTERNATIONAL
REVENUE
\$9.8 BILLION

Australia \$1.601 billion

China \$0.673 billion

UK \$0.428 billion

USA \$0.410 billion

Japan \$0.273 billion

GROWING VALUE TOGETHER

I saw a campervan the other day, with this message on the side: "The glass is half full... and the other half was delicious." As New Zealand tourism charts its course to 2025, I took that as a very good omen.

The first half was delicious. Ten years ago, tourism was the toast of the New Zealand economy, growing at 6% a year and the country's number one export earner. Recently, it's been a different story, the global financial crisis and the Christchurch earthquakes have knocked the industry back.

But as we look up and out, all we see is opportunity. Globally, tourism continues its exponential growth, driven in particular by the emerging middle classes of Asia. As a recent MBIE report put it, "structural forces are very much in favour of New Zealand. The centre of the global economy is moving closer and the long-term outlook is positive. Demand from these emerging markets for travel to New Zealand will soar".

"A shared vision and a common framework"

Tourism 2025 is the industry aligning for growth. We can see the world has changed. We are excited by the new opportunities but we understand that as more and more countries enter the race for the global tourism dollar, we will succeed only if we improve the competitiveness of New Zealand tourism.

This document presents a strategic framework for achieving that. It is not a detailed plan but rather a shared vision and a common framework. In an industry as diverse as tourism, alignment is what matters. Tourism 2025 is an industry commitment to growing value by working together, for the long-term benefit of New Zealand tourism and the wider economy.

MARTIN SNEDDEN

CEO, Tourism Industry
Association New Zealand



THE PAST TEN YEARS

IN NEW ZEALAND OVER THE PAST TEN YEARS:



Tourism's relative contribution to GDP has declined, and we are no longer New Zealand's top export earner.

International visitor numbers to New Zealand have continued to grow since 2003, however the average expenditure of those visitors has declined and so New Zealand's revenue from international tourism has declined over this period.

Domestic tourism has grown, but not at the same rate as the rate at which New Zealanders travel overseas. Over the past ten years, expenditure by New Zealanders travelling overseas has grown by 66% and is now worth over \$4.5 billion.

The number of visitors from New Zealand's largest tourism market — Australia — have increased. Now, 45% of international visitors are from across the Tasman.

China has emerged as New Zealand's second-largest tourism market – visitor numbers and value.

Our international market share has declined.

2013 has seen an upswing in international visitor numbers and overall spend.

IN THE WORLD OVER THE PAST TEN YEARS:



Tourism has continued to grow, at an annual rate of around 4%.

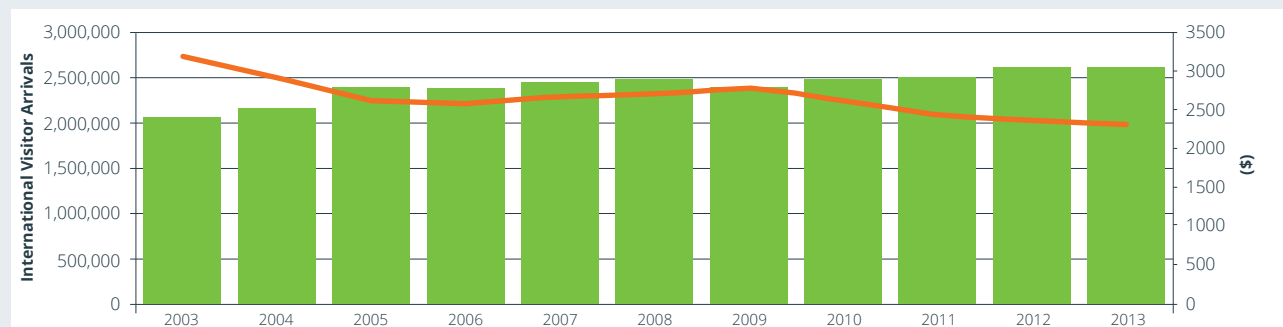
The growth has been strongest for emerging destinations: tourism to Myanmar, for example, grew by 52% in 2012. Emerging economies have increased their share of international arrivals from 30% in 1980 to around 50%.

Advanced economies have recognised the growth opportunity that tourism represents and have begun competing more strongly. Australia, for example, hopes to double its tourism revenue by 2020.

Most tourism is close to home. 80% of worldwide arrivals are travelling from the same region.

China has become the world's largest nation for outbound travellers.

INTERNATIONAL VISITOR ARRIVALS VS AVERAGE EXPENDITURE PER PERSON (YEAR ENDED MARCH 2003-2013)

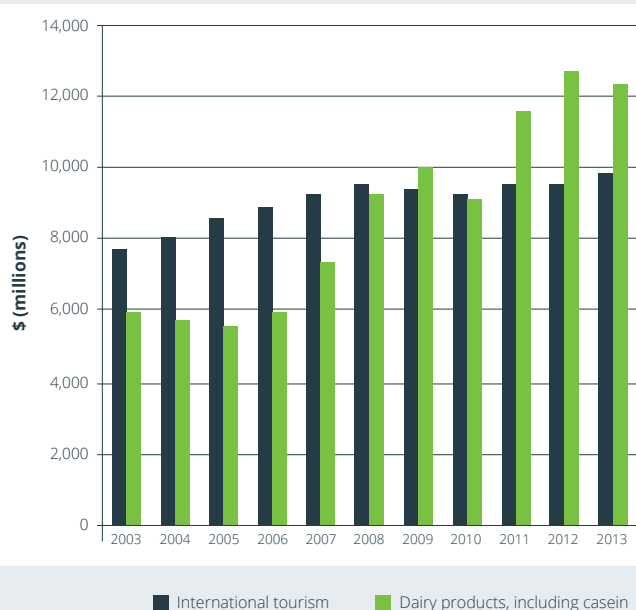


SOURCE // IVA, Statistics New Zealand; IVS, MBIE

Average Expenditure per person (\$)

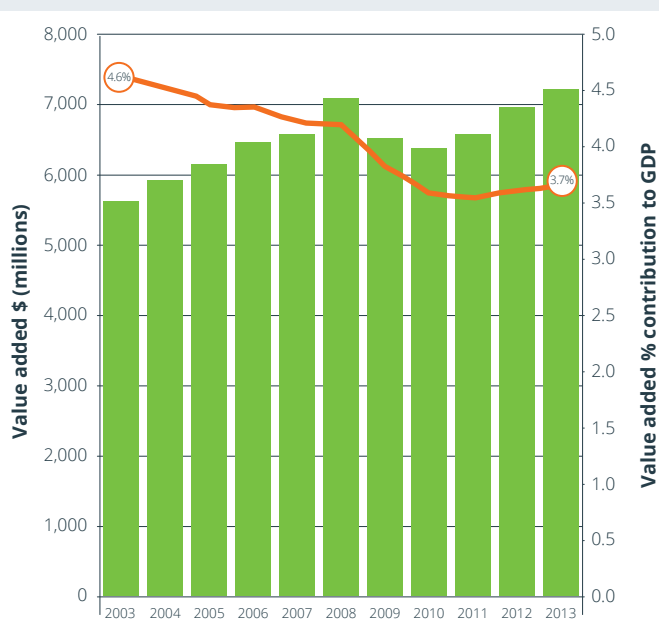
International Visitor Arrivals

INTERNATIONAL TOURISM EXPENDITURE VERSUS DAIRY EXPORTS (YEAR ENDED MARCH 2003-2013)



SOURCE // Statistics New Zealand, Tourism Satellite Account (2013)

TOURISM'S DECLINING CONTRIBUTION TO GDP (YEAR ENDED MARCH 2003-2013)



SOURCE // Statistics New Zealand, Tourism Satellite Account (2013)

THE PAST IS NOT WHERE WE LEFT IT

When times are tough, it's our natural tendency to long for a return to 'the good old days', to how things were before. New Zealand tourism's aspiration is to return to the rates of growth of a decade ago and to play its part in the growth of New Zealand's economy.

Which is why signs of recovery in some of our traditional markets are so welcome. At year-end 2013, arrivals from the USA were up 13.4% and from Germany up 9.5%. But the real news, strategically, is the growth of the emerging Asian economies. Arrivals from China were up 16.2% last year and are expected to nearly double over the next five years. As we look ahead to 2025, therefore, there are horizons of opportunity for New Zealand tourism: domestically, across the Tasman, around the Pacific Rim, and beyond.

"As we look ahead to 2025, there are horizons of opportunity for New Zealand tourism"

The past is not where we left it. As New Zealand tourism finds its way back to the levels of growth last experienced a decade ago, we are doing so in a different world. By focusing on the right markets, focusing on what customers really value and leveraging the power of working together, we shall discover that the best is yet to come.



KEVIN BOWLER
CEO, Tourism New Zealand

WORLD FAMOUS NEW ZEALAND

“

100% Pure New Zealand tells the story of how this country's unique combination of landscapes, people and activities cannot be found anywhere else in the world.

TOURISM NEW ZEALAND

“

Welcome to the country of open spaces, open hearts and open minds.

THE NEW ZEALAND STORY

“

A country brand is a marriage of identity and reputation. The closer the reputation is to the experience, the more likely people will visit the country, and those visitors will spend money and become advocates of the country in the future.

FUTUREBRAND

Indigenous culture ranked highly in 24 aspects of the New Zealand experience among those 'seriously considering' New Zealand in a 2011 study of six core markets.

TOURISM NEW ZEALAND

“

29% of international visitors said New Zealand's spectacular landscapes and natural beauty were the most important factors in their decision to visit New Zealand.

TOURISM NEW ZEALAND

“

There is a growing demand for simple and transparent products and services, and authentic and personal experiences.

HORWATH HTL

In 2013, readers of the UK Telegraph newspaper voted New Zealand 'Best Country' in the annual travel awards. The reasons included...

stunning alpine scenery/sheer physical beauty

vibrant Polynesian culture

extreme sport

world's best sauvignon blanc and pinot noir

quality and freshness of Kiwi cuisine

people who are friendly, relaxed and a little eccentric

New Zealanders are the world's most natural hosts

Whether they are from here or overseas, whether their trip is five star or budget, our visitors make a choice to travel and a choice to be in New Zealand. Travel is a discretionary spend. It is because of this, and because New Zealand is just one choice in a global, intensely competitive marketplace, that our brand is so important.

New Zealand has extraordinary brand strength: ranked 5th globally by FutureBrand, a perennial Lonely Planet favourite and regular winner of reader polls around the world. The country Kiwis visit most often is their own.

As we set our sights on growth and apply ourselves to improving the competitiveness of New Zealand tourism, we do so in the knowledge that the foundation of our success will be continued investment in our brand, and the consistent delivery — at every touch point — of authentic brand experiences.

DELIVERING A NEW ZEALAND EXPERIENCE

There is a difference, at Whale Watch Kaikoura, between what people come for and what they take away.

What they come for is what it says on the box: to see the whales. They want to be up close to the natural world, the adventure of being out on the ocean, the spectacle of our mountains meeting the sea. In other words, they come for what they were promised: 100% Pure New Zealand.

But what they take away are our values. Whale Watch Kaikoura delivers a cultural experience. I don't mean hangi or kapa haka, but manaaki and kaitiaki: the warmth of our welcome and our reverence for the natural world.

"Some people call that 'Kiwitanga'"

What visitors want — the reason they're here — is to experience something not available anywhere else: they want a uniquely New Zealand experience. At Whale Watch Kaikoura, we know that that's not so much what we do, but rather the way that we do it.

Some people call that 'Kiwitanga'. But whatever we call it, it's what people remember and tell others about. And that makes it the secret to growing tourism in New Zealand.

Nga mihi

KAUAHI NGAPORA

Chief Operating Officer
Whale Watch Kaikoura



INTERNATIONAL OPPORTUNITIES IN A CHANGING WORLD

Tourism is a phenomenon of wealth: the more money people have, the more likely they are to travel. As the world becomes wealthier, demand for tourism increases.

Over the past ten years global wealth has doubled — from US\$113 trillion to US\$241 trillion. And that growth is projected to continue, at an annual rate of 6.5%. By 2025, it is expected that the world will reach an extraordinary tipping point: there will be more middle class people in the world than poor people. Hardly surprising then, that the outlook for tourism globally is bright.

Most significant for New Zealand tourism is that this surge in the global middle classes will be driven from the Asia/Pacific. This region's share of the global middle class is expected to rise from just over one-quarter today,

to two-thirds. New Zealand is already experiencing the benefits: in 2013, China became not only the country to which we export more goods than any other, it also moved into second place behind Australia as our second largest visitor market.

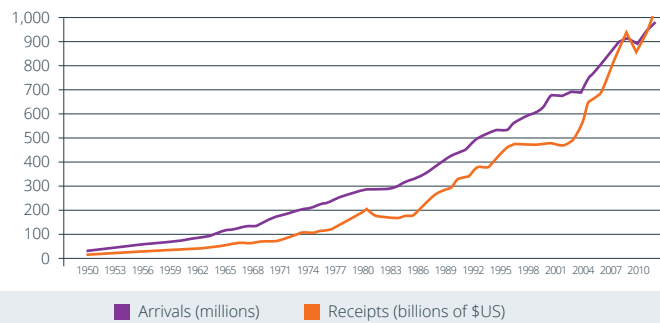
As the world's wealth increases and the world's economic centre of gravity shifts from west to east and closer to New Zealand, significant and potentially very valuable opportunities are emerging for New Zealand tourism.

ECONOMIC CENTRE OF GRAVITY MOVING WEST TO EAST



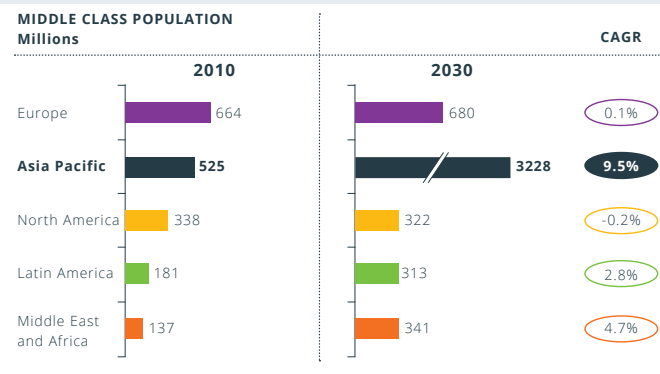
SOURCE // McKinsey Global Institute

INTERNATIONAL TOURIST ARRIVALS AND RECEIPTS 1950-2011



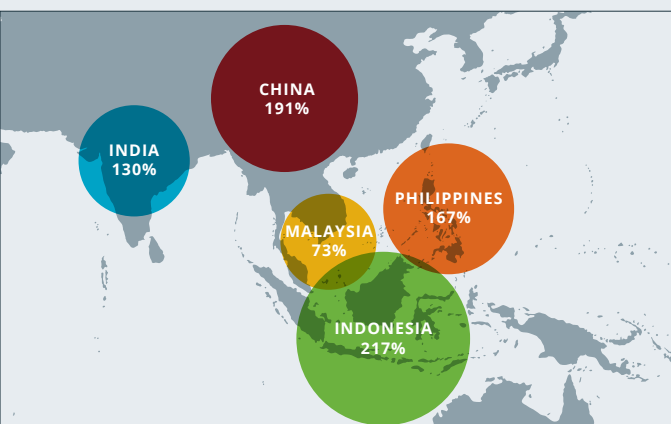
SOURCE // World Tourism Organisation

MIDDLE CLASS POPULATION BY REGION



SOURCE // IMF, OECD, BROOKINGS INSTITUTION, TOURISM 2025 PROJECT TEAM ANALYSIS

TOP FIVE COUNTRIES IN ASIA BY ARRIVALS GROWTH 2010-2020



SOURCE // AMBITION 2020 ASIA, AUCKLAND AIRPORT

GOING BEYOND

It's an exciting time for both Air New Zealand and the New Zealand tourism industry as we collaborate and pursue aligned strategies to achieve sustainable profitable growth with a particular focus on the Pacific Rim.

'Go Beyond' is Air New Zealand's blueprint for putting growth at the heart of the company. One of our key goals is to help 'supercharge New Zealand's success' as we recognise that our success is inextricably linked with New Zealand's success. Our strategic objectives fit 'hand in glove' with those of Tourism 2025.

"Supercharging New Zealand's success"

The journey ahead for Air New Zealand is incredibly exciting as we enter an unprecedented period of investment and growth in next generation aircraft that will step change capacity on both our international and domestic routes. Our recently announced alliance with Singapore Airlines (still subject to regulatory approval) is also an example of how we can build sustainable air connectivity to and from New Zealand and our priority markets of South East Asia.

I do feel incredibly optimistic about the future for our industry. I don't think we've ever been in a better place, but the bottom line is it's up to all of us to collaborate, and convert it to ensure that our collective potential as an industry is realised. We will do that by aligning around Tourism 2025.

CHRISTOPHER LUXON
CEO, Air New Zealand



GROWING DOMESTIC TOURISM

Two vehicles stop at a service station for fuel. Two parties check in to a hotel. Two tables are occupied in a restaurant. In real terms, in many situations domestic and international tourism are indivisible: they are entwined and mutually dependent, throughout the industry. International and domestic tourism are the same, and yet not the same.

They are not the same economically, because – although both contribute to New Zealand's GDP – the dollar an international visitor spends counts as an export. Yet it is the domestic spend which provides the vital 'bread and butter' financial base for a large portion of our tourism businesses, without which many would not exist to service our international visitors.

As our wealth increases, the amount of discretionary spend at our disposal likewise increases. The challenge and the opportunity for our industry is to persuade Kiwis that domestic tourism is at least as good a bet as travelling overseas and is definitely a better bet than buying other discretionary items such as motor vehicles or electronics.

We need domestic tourism to be more competitive. As we look out to 2025, a growing economy and an ageing population will lead to greater numbers of New Zealanders having increased amounts of money and time for travel. More competitive products and promotion will encourage more of those New Zealanders to travel domestically. Domestic tourism is a vital part of the solution to improve both seasonality and regional dispersal.

INSIGHT

We have a growing body of good insight focused on international tourism but domestically we are comparatively 'insight poor'. MBIE's Regional Tourism Indicators and Estimates have been a big step forward as has private sector domestic insight initiatives such as that now being developed by AA with support from The Fresh Information Company. However, a stronger and more cohesive value-targeted approach to the creation of domestic tourism research is needed.

AN AGEING POPULATION

The number of New Zealanders aged 65+ has doubled since 1980 and by 2025 will be well on its way to doubling again. The vast majority of these people are healthy and active, with leisure time and money to spend. As more of New Zealand's baby boomers move into retirement, we can expect them to travel more, internationally and domestically.

PRODUCT

New Zealand competes with the rest of the world for domestic travel, just as it does for international travel, and just like our international visitors, New Zealanders are looking for unique and authentic experiences. As the Otago Central Rail Trail case study illustrates, by developing offers for specific target markets, New Zealand tourism can encourage Kiwis to see more of their own country.

PROMOTION

In 2012, 53% of the collective marketing budgets of the 29 RTOs targeted Australia and beyond. If domestic tourism is to increase its share of New Zealanders' travel spend, it must first win the battle with outbound tourism for share of mind. Greater and more coordinated effort to make New Zealanders aware of unique experiences they can have at home will grow demand for domestic tourism. RTOs have a vital role helping this coordination.



NEW ZEALAND'S CYCLE TRAILS

New Zealand's cycle trails are giving New Zealanders a new way to experience their own country. MBIE surveyed four trails and found that between 54% and 96% of riders were New Zealanders and that, for as many as two-thirds of those surveyed, riding the trail was the main reason for their visit to that region.

Most New Zealanders have been to Queenstown before, or Dunedin, but the Otago Central Rail Trail means they are now discovering a magical part of the country they've never seen before. It's a different world: a whole new destination.

And it's a new experience. They're on a bike, outdoors, in a remote landscape. It's challenging, but achievable — an adventure — but they're never more than an hour from a latte and a Caesar salad. They can't believe how friendly the people are!

It's all word of mouth. They go home raving about it and then their friends come. I was talking to some people just recently who had been planning to go to the Gold Coast, but came here instead.

"It's a whole new destination"

The lesson, really, is working together, in partnership. All of us involved in the Otago Central Rail Trail depend on each other to deliver the experience. Respect and effective communication — understanding our different perspectives and challenges — are really important and so is pooling our resources to grow the pie.



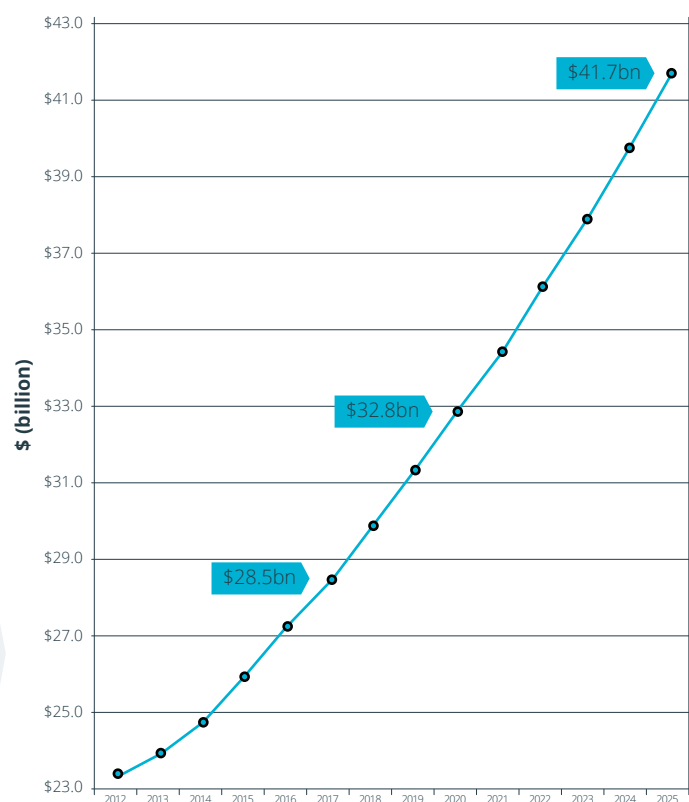
SHAYNE O'CONNOR
Managing Director, Trail Journeys

TOURISM 2025 ASPIRATIONAL GROWTH TARGETS

Tourism is a complex, multi-dimensional, tough, highly competitive industry, but by aligning behind a common goal each of us can then work on overcoming the particular obstacles we face. For all our diversity, for all our differences, we share one waka.

Our aspiration is for tourism revenues to be \$41 billion by 2025. To achieve that, we must grow international tourism at a rate of 6% year on year and domestic tourism at a rate of 4% year on year. The focus is revenue, rather than visitor numbers. **We will grow volume, but we will grow value faster.**

TOURISM 2025 – TOTAL ASPIRATIONAL SPEND



SOURCE // TOURISM 2025 PROJECT TEAM

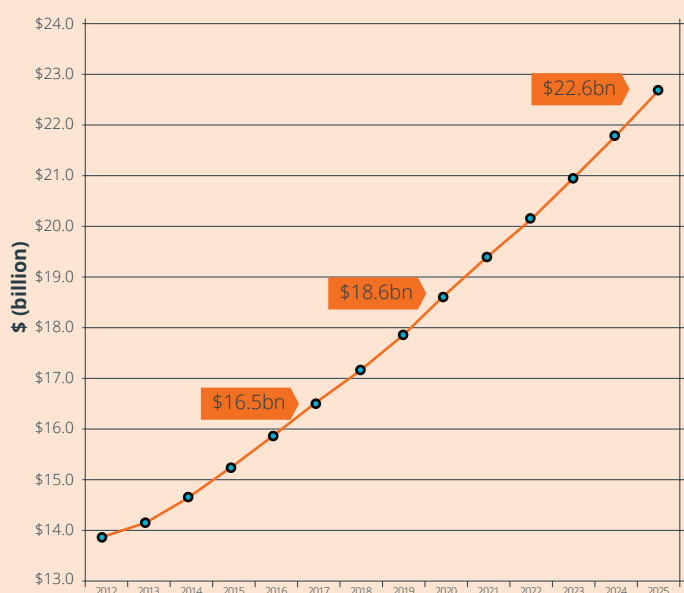
TRACKING PROGRESS

A Tourism 2025 scorecard will be used by the industry to track progress.

This scorecard will annually record industry performance against a range of key performance indicators being developed by TIA with industry support.

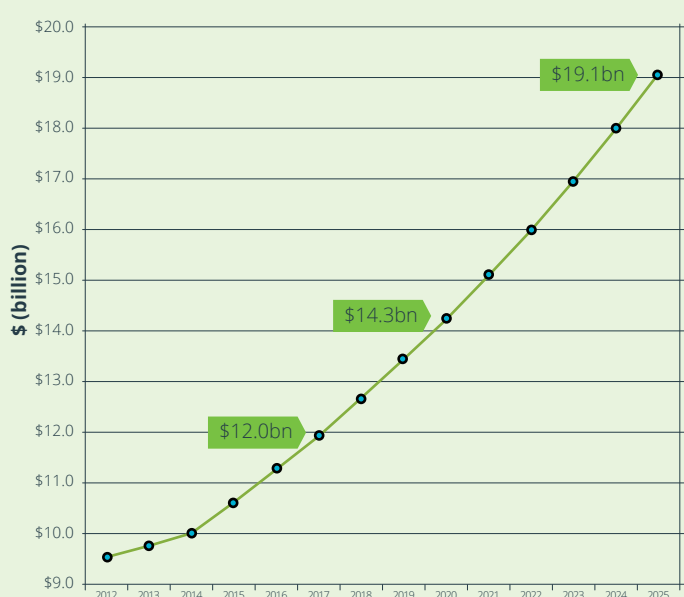
It's not just about tracking the top-line dollar performance. It's also about understanding what lies beneath those figures and — in a range of areas — what must be true if top-line aspirations are to be realised.

TOURISM 2025 – DOMESTIC ASPIRATIONAL SPEND



SOURCE // TOURISM 2025 PROJECT TEAM

TOURISM 2025 – INTERNATIONAL ASPIRATIONAL SPEND



SOURCE // TOURISM 2025 PROJECT TEAM

FASTER, HIGHER, STRONGER

Tourism markets have changed dramatically in recent years, with the shift of economic growth from Europe to Asia and the Pacific Rim. This creates a huge opportunity for those nimble enough to grasp it.

In order to maximise New Zealand's share of the growth, we must all play our part in New Zealand's tourism industry. We are committed to Tourism 2025's aspirational growth target. If we all work together, each playing our parts within this framework context, this is achievable.

"Growing travel markets to drive tourism growth"

Auckland Airport has adopted an ambitious and innovative approach to help sustainably unlock growth opportunities. We are focused on growing travel markets with our airline and industry partners to increase tourist numbers and provide greater choice, more convenient flight schedules and better value for money for travellers. We are also committed to investing in the critical infrastructure needed to support New Zealand's long-term requirements and to make sure nothing holds our industry back.

Together with our Tourism 2025 partners, we can deliver for the industry and New Zealand. This will also enable us to be one of the world's best airports.



ADRIAN LITTLEWOOD
CEO, Auckland Airport

THE TOURISM 2025 PLANNING FRAMEWORK

The Tourism 2025 planning framework is a tool for improving the competitiveness of the New Zealand tourism industry. The framework has been developed specifically for New Zealand tourism and provides a shared planning methodology and a common language. The framework themes have been identified both for their critical importance to an industry aspiring to ignite growth in value, but also for their proven durability. Using the Tourism 2025 framework will help us grow value individually and grow value together.

THE FIVE THEMES OF THE TOURISM 2025 FRAMEWORK ARE:



PRODUCTIVITY

Productivity for profit

Our fastest route to growth will be to make more money from those investments we have already made and those resources we already employ. Improve our profitability and new investment will follow. The Tourism 2025 framework prompts us to continue our search for new solutions to seasonality and new stimuli for regional spread and to individually find ways to improve our capability.



VISITOR EXPERIENCE

Drive value through outstanding visitor experience

We recognise that tomorrow's visitors are unlikely to want more of the same: our changing visitor mix brings with it the challenge of changing expectations. The Tourism 2025 framework prompts us to listen carefully to our visitors, constantly hone our understanding of visitor needs and continuously improve our visitors' experience.





CONNECTIVITY

Grow sustainable air connectivity

New Zealand is an island – 99% of international visitors arrive by air – and so connectivity is crucial. As we grow value together, the Tourism 2025 framework prompts us to strengthen the relationships, partnerships and collaborations that sustain, expand and extend our visitor pipelines.

INSIGHT

Prioritise insight to drive and track progress

Mark Twain famously said, “It ain’t what you don’t know that gets you into trouble. It’s what you know for sure that just ain’t so.” The Tourism 2025 framework prompts us to collect and share relevant data and turn it into meaningful information so that we are more responsive to a fast-changing world.

TARGET

Target for value

The story of the past ten years in tourism has been growth in visitor numbers but declining revenue in real terms. As our visitor mix continues to evolve, the Tourism 2025 framework prompts us to identify and pursue the opportunities that will deliver the greatest economic benefit.



Prioritise insight to drive and track progress

THE 2025 OUTCOME

Individually and collectively, we are achieving better outcomes by making better decisions based on quality data and informed insight.

HOW WE'RE GETTING THERE

- Sharing our experiences: learning from others how they prioritise insight to drive and track progress reminds us that this is the way to achieve better outcomes at lower risk.
- Sharing our knowledge: a collaborative — 'team tourism' — approach to generating insight accelerates the growth of the whole industry.
- Gathering the right information: we're identifying what new knowledge we need for clearer insight to an ever-changing market.
- Individually and collectively, using available data and insight to inform and underpin key business decisions.

FOR INSTANCE

We're strengthening the relationships between the relevant government agencies and private sector organisations (tourism associations, Statistics New Zealand, TNZ, RTONZ, MBIE): working together on what information we need, how best to obtain it, making sure it's accessible, and then steadily increasing the number of businesses, big and small, actively using relevant insight.

OBSERVATIONS FROM A SMALL STAR

"We devour market research"

With 50,000 visitors annually, Carter Observatory is a niche attraction, just as New Zealand is globally. Our goals are exactly the same: to grow visitor numbers – and visitor spend – on a very limited budget.

To help us do that, we devour market research. Our visitors come from the Wellington region, from elsewhere in New Zealand and from overseas and we're constantly monitoring that mix, understanding the trends. We could see, for example, increasing numbers of non-English-speaking visitors from non-traditional markets such as China. By being ahead of trends like that, we can evolve our customer experience and be ready to cater for them.

It's also about identifying new markets. Astro-tourism is growing globally. It's a special interest opportunity for New Zealand and for Carter Observatory, so we're learning all we can about these people and how we can reach them, in order to attract them.



DAWN MUIR

Marketing & Communications Manager (2010-14),
Carter Observatory



TARGET



Target for value

THE 2025 OUTCOME

Individually and collectively, we are shifting our focus from volume to value. By thoughtfully selecting the opportunities we pursue, the value of our visitors is increasing at a faster rate than the number of visitors.

HOW WE'RE GETTING THERE

Businesses with a common interest are organising themselves into clusters to seek out opportunities of value, gathering in relevant insight to confirm that potential, and then positioning themselves, individually or collectively, to chase down such opportunities.

FOR INSTANCE

High value Chinese are a major target for New Zealand tourism. The China Toolkit (www.chinatoolkit.co.nz) is an initiative to help tourism businesses to develop and deliver experiences that Chinese visitors value and enjoy. Funded by MBIE, development was led by TNZ with support from TIA, Qualmark, AIAL and others in the industry.

SKIING ACROSS THE DITCH

"Our revenues are up and we're open for longer"

Australia may be the lucky country but they don't have snow like we do. So in the 1990s, SAANZ got together with TNZ, Air New Zealand and ski tour operators to target Australia.

We're working in partnership: our Ski Tourism Marketing Network partners (now comprising ski areas, TNZ, international airports, regional tourism and marketing groups) collectively contribute \$450,000 a year, and TNZ match that, to give us a \$900,000 marketing budget. With that we can employ a marketing manager who develops and implements a programme on the web, on TV and in print, and host media.

We've more than doubled the numbers coming here. In 2012, Aussies accounted for 28% (364,000 visits) of the total 1.3 million visits to our ski areas. That equates to 76,000 coming over for an average five-day trip. Fifteen commercial ski areas, spread throughout New Zealand, have benefited. Our revenues are up and we're opening for much longer each season.

It's a great example of New Zealand tourism collaborating to compete: we've targeted a niche market to fill capacity in the winter season, and boosted employment in the regions. We're working together to create value.



MILES DAVIDSON
CEO, Ski Areas Association of New Zealand (SAANZ)



VISITOR EXPERIENCE



Drive value through outstanding visitor experience

THE 2025 OUTCOME

Individually and collectively, we are increasing visitor value by increasing visitor satisfaction. By putting ourselves in the shoes of our visitors, by building on what we are doing well and by eliminating areas of dissatisfaction, we are seeing visitors stay longer, travel more widely, and spend more.

HOW WE'RE GETTING THERE

- Individually, designing and delivering outstanding and uniquely New Zealand visitor experiences.
- Individually, using relevant tools to measure visitor satisfaction, to reinforce what is being done well, and to help us identify and eliminate causes of dissatisfaction.
- Individually and collectively, ensuring our visitors are properly informed and better equipped to enjoy their visit.
- Collectively, working with relevant government agencies and Kiwis, to keep our visitors safe.
- Individually and collectively, identifying and either eliminating or mitigating visitor facilitation barriers.

FOR INSTANCE

Immigration NZ is investing \$91 million in new visa processing technology that will enable visitors to apply for their visas online. It will be much easier for visitors from our newer and emerging markets to apply for a visa and applications will be processed more quickly, significantly improving their initial visitor experience.

THERE'S THE GOOD NEWS... AND THEN THERE'S THE BAD NEWS

We've won a lot of awards for our business and we're often asked what the secret is to our success. The answer is never being happy with what you've achieved.

Good feedback is great. We're absolutely passionate about our business and we work really hard to provide a great experience for visitors. So naturally we're rapt when they write nice comments about us on TripAdvisor and rate us highly.

But you are often defined more by how you handle things when things go wrong rather than what you continue to do consistently well. How we end up with such great feedback is actually by being really attentive to any sign of dissatisfaction. We give all our clients a feedback form but sometimes you have to read between the lines: they won't necessarily say anything directly. It's more what they don't say. I had a sense the other day that one of our clients was unhappy so I took her aside and asked her. Sure enough, something wasn't right. Immediately, we were able to rearrange things and solve the problem. That turned things right around and she went away very happy.

A lot of people see social media as a necessary evil. But you have to believe in it. It's a real opportunity to engage with visitors, build relationships and create advocates. This is a relationship business.



NÉILL & CEILLHE SPERATH

Founders and Directors, TIME Unlimited Tours



PRODUCTIVITY



Productivity for profit

THE 2025 OUTCOME

Individually and collectively, we're expanding the productive capacity of the industry, improving returns from the investments we have already made and attracting new capital investment in tourism.

HOW WE'RE GETTING THERE

- Individually and collectively, we are addressing seasonality: identifying and pursuing opportunities that create demand outside our traditional peaks.
- Individually and collectively, we are promoting regional dispersal: encouraging visitors to see more of New Zealand.
- Individually, we are managing our enterprises in ways that continually improve our productivity.

FOR INSTANCE

The International Convention Centre will improve New Zealand's competitiveness in the business event sector and make it possible to attract more high value international business travellers outside peak visitor seasons.

FOOD AND WINE

"The region now has more visitors over a longer period"

Hawke's Bay has taken on the challenge of increasing the productivity of its tourism resources by growing visitation outside the peak season. Signature events such as Art Deco weekend and the Mission Concert attract large numbers, but those events are in February, traditionally our busiest visitor month.

Food and wine are integral to the Hawke's Bay experience and so, in November 2012, we launched F.A.W.C! (the Food And Wine Classic). It was an instant success and is now a fixture on our event calendar. Now, we've launched the Winter Season of F.A.W.C! It started as a four day festival in June and in its second year will run over the entire month.

The strategy is working. We still have the peak-season crowds — we had 35,000 for Art Deco this year — but we're attracting them to these off-season events. About 35-40% of the visitors to the November F.A.W.C! were from outside the region and a smaller but growing percentage for the winter event.



ANNIE DUNDAS
General Manager, Hawke's Bay Tourism



CONNECTIVITY



Grow sustainable air connectivity

THE 2025 OUTCOME

Recognising that 99% of our international visitors to New Zealand arrive on a plane, individually and collectively we are aligned in support of the airlines and airports, finding effective ways to grow sustainable air connectivity focusing both on securing existing linkages and on exploiting new opportunities.

HOW WE'RE GETTING THERE

- We're taking a much closer interest in our aviation environment and in airline economics and as a result we are having better conversations about sustainable air connectivity.
- Understanding that if the airlines succeed, the whole industry benefits, we are collaborating in support of the air connectivity we have and the air connectivity we need, both international and domestic.

FOR INSTANCE

We're building even closer working relationships between the airlines, airports, Ministry of Transport, CAA, MBIE, Aviation Security Service, Airways, TNZ and MFAT. This is delivering greater cohesion: alignment about what air connectivity we need where and what regulatory support is needed.

CHRISTCHURCH-PERTH

Giving an airline confidence

Analysis by Perth and Christchurch Airports in collaboration with the airlines suggested that a direct flight between Christchurch and Perth had potential. Western Australia has a wealthy population for whom the South Island is an appealing destination. Equally, Perth, with the connection through to South Africa, has appeal to New Zealanders. There are many Kiwi expatriates there and the route offers worthwhile freight potential.

Our initial industry soundings confirmed all of this and provided useful feedback initially to Air New Zealand and so as a next step we created a day-long industry forum with operators inbound and outbound, from across the South Island. There was wide support for the proposal. Operators who had previously had no focus on Western Australia undertook to invest in it and others who already had some interest increased their investment.

This industry support demonstrated to Air New Zealand that they were not alone. By working together we gave Air New Zealand the confidence to go ahead and a twice-weekly 767 service began in December 2013.



MATTHEW FINDLAY

General Manager Aeronautical Business Development
Christchurch International Airport Limited



TOURISM 2025

OPPORTUNITIES

Valuable growth opportunities exist across our tourism spectrum. What follows are six such opportunities.

These examples don't necessarily offer the highest potential value – they've been chosen to reflect the diversity of the tourism industry and the variety of opportunities which exist for those prepared to look. Many more such opportunities exist.

The challenge for those with an interest in any potential opportunity is to align and collaborate with others of like mind to establish a strong collective platform from which each can strive for individual success.

HIGH VALUE CHINESE

STAYING
LONGER, SEEING
AND SPENDING
MORE

China is now the world's largest outbound tourism market and NZIER predicts continuing rapid growth in the number of Chinese visitors to New Zealand: from 228,000 in 2013 to 448,000 in 2019.



INSIGHT

- China is already a \$670 million market for New Zealand and this is expected to double in five years.
- A 2013 law change in China (banning low cost shopping tours) has changed the visitor mix. We've seen a drop in the overall number of visitors, because fewer tour groups have come.
- However, an increasing number of those who do come are staying longer and spending more.
- Air seat capacity (China-New Zealand direct) has grown by 25% year on year from 2009 to 2013 with further growth planned.



VISITOR EXPERIENCE

China's new generation of consumer is young, well-educated and familiar with non-Chinese cultures. They are aware of New Zealand's existing reputation for incredible landscapes and scenery and are attracted by our 'escape' and 'adventure' activities and experiences.



PRODUCTIVITY

High value Chinese are more likely to stay longer and visit more places in New Zealand. The Chinese visitor footprint in New Zealand is expanding rapidly and the timing of their visits is helping us build our shoulder seasons.



TARGET FOR VALUE

There were nearly 100 million outbound departures from China in 2013 and of those, 228,000 came to New Zealand. Rather than target volume, our industry has shifted its focus to target value: high value, independent travellers who stay for longer, travel more widely and spend more.



AIR CONNECTIVITY

A shift to higher value travellers is beneficial for air connectivity with China, helping airline yield and off-peak demand.

THE RESPONSE

The industry is aligning to attract more high value visitors from China. Strategic initiatives by TNZ and private sector organisations are already generating positive results. MBIE's China Market Review is helping develop wider and better industry understanding of the opportunities and challenges.

The China Market Information Programme provides industry with the opportunity to co-invest with government in the creation of China market insights focused on product development.

Continuing enhancement of visitor facilitation, such as improving visa processing, will increase the satisfaction of these high value visitors.

Better understanding the needs of Chinese high value visitors then developing product to meet these needs will generate greater returns. Collaboration by the industry to create targeted, high value itineraries is key. Including

quality retail, food and wine experiences as core elements of a high value visit will deliver better visitor satisfaction as well as broader gains for New Zealand.

A strong in-market presence through operator alliances will help achieve the scale and penetration necessary for a market such as China.

The government's Tourism Growth Partnership is providing an opportunity for businesses to pursue these opportunities, with co-investment from government.



The value of the Chinese visitor market should double within five years, from \$670 million to over \$1.2 billion. But a successful focus on attracting high value visitors could see much greater value growth, not just for the next five years but well beyond.

INTERNATIONAL STUDENTS

Today, New Zealand has 92,000 international students. Worldwide there are around 4.3 million tertiary students being educated outside their home country and OECD predictions suggest this number could double by 2025. The New Zealand government has targeted export education as a key area for export earnings growth. If government's 2025 targets are achieved, tourism's share will grow from the current \$676 million to exceed \$1.3 billion, a more than 100% increase on current earnings. That, in itself, provides a huge incentive for tourism to much better link arms with export education.

WITH
THEIR
FAMILIES
AND
FRIENDS



INSIGHT

From recent TNZ research into Chinese students in New Zealand we know that:

- 71% travelled domestically, many taking multiple trips
- 87% travelled as a couple or with friends
- 90% stayed in commercial accommodation

In 2011-12, the Chinese education tourism market (students but not including families and friends) accounted for 56% of overall visitor nights and 49% of overall visitor spend by Chinese visitors to Australia.



TARGET FOR VALUE

- The families of international students spend, on average, \$3600 per visit on tourism (significantly more than the average international visitor).
- The research into Chinese students suggests international students have a high expectation of family and/or friends coming to visit. These visitors are high value, they stay for a long time (48 days average for the VFR visitors from China) and they travel domestically while they are here.
- There are currently 500,000 international students in Australia who might be enticed to holiday in New Zealand while they are in our part of the world.

THE RESPONSE

International students are a valuable market opportunity for New Zealand tourism as well as for the education sector. Aligning with that sector to improve New Zealand's competitiveness will help achieve the Tourism 2025 growth aspiration, delivering repeat visitation, longer stays and dispersal of visitors to more regions.



VISITOR EXPERIENCE

We can drive value from international students by knocking down facilitation barriers – making it easier for them to enter New Zealand, making it easier for their families to come here and making it easier for international students studying in Australia to visit New Zealand for holidays.



PRODUCTIVITY

Because international students are in New Zealand for an extended period and have multiple opportunities to travel outside of peak seasons, they represent an opportunity to lift off-peak demand and drive regional spread.



AIR CONNECTIVITY

60% of New Zealand's international students are from Asia — 26% from China. As their numbers grow, their presence and the VFR traffic they generate strengthens the business case for increased air connectivity with their countries of origin.



If government's 2025 export education targets are achieved, tourism's share will exceed \$1.3 billion, a more than 100% increase on current earnings. That provides a huge incentive for tourism to much better link arms with export education.

Photo: Students from the CCEL English language school enjoying river rafting

BUSINESS EVENTS

HIGH VALUE
OFF-PEAK
VISITORS

In a high-tech world, personal interaction is more important than ever. As an example, over 23,000 association meetings are held globally every year and that figure has been growing at 10% a year since 1963. Association meetings are just one example of a business event.



INSIGHT

- In 2010, the economic contribution of convention and incentive visitors to New Zealand was estimated at \$207 million.
- 78% of conference visitors in 2010 visited between March and November (i.e. shoulder/off-peak).
- New Zealand, with 45 association meetings in 2012, is 51st in world rankings (numbers of meetings per country). Australia, with 253 meetings in 2012, ranks 13th.
- New Zealand's share of the number of meetings held in Asia Pacific/Middle East dropped from an estimated 2.5% in 2000, to 1.7% in 2009.



VISITOR EXPERIENCE

The best opportunity is to ensure our industry creates a strong link between business and pleasure, encouraging and making it easy for business event visitors to bring family and to explore New Zealand.



PRODUCTIVITY

Because many conferences are held in the shoulder and off-seasons, between March and November, they create demand for accommodation and other services at a quieter time of the year. And, because business event visitors often extend their stay, business events create opportunities for regional dispersal.



TARGET FOR VALUE

Business event visitors are high value visitors. On average, they spend \$318 per night vs the average international visitor's spend of \$208.



AIR CONNECTIVITY

Business event visitors boost demand for air connectivity during shoulder and off-peak seasons and are less price-conscious.



Over 23,000 association meetings are held globally every year and that figure has been growing at 10% a year since 1963.

Photo: TRENZ 2013/Murray Lloyd



THE RESPONSE

SKYCITY is working closely with TNZ and ATEED to ensure that the business event segment will grow over the coming years. Fundamental to that is SKYCITY's commitment to the development of a \$402 million international convention centre in Auckland. The New Zealand International Convention Centre will attract 33,000 new visitors to New Zealand and create \$90 million of GDP annually. This will be a major step change for the tourism industry and New Zealand economy, and will attract a lucrative high-spending visitor that would not otherwise visit New Zealand.

Nigel Morrison, CEO, SKYCITY Entertainment Group

CHRISTCHURCH

DESTINATION AND GATEWAY

Tourism suffered significant loss of capacity and value as a result of the 2011 earthquakes. That loss of value occurred not only in Christchurch but across many South Island destinations reliant on that gateway. Restoring lost capacity will improve the competitiveness of Christchurch and South Island tourism, and therefore New Zealand tourism.



INSIGHT

Between 2010 and 2013, tourism figures for Christchurch show:

- total tourism expenditure declined by \$230 million
- international visitor arrivals declined by 26%
- the Australian holiday market declined by 46%
- there was a 43% reduction in commercial accommodation capacity



TARGET FOR VALUE

Christchurch is a vital gateway to the South Island: the brand engine room for New Zealand. Images of the South Island and its adventure tourism attract international holiday visitors. Not only do holiday visitors represent 47% of all international visitors, they contribute 57% of value.



VISITOR EXPERIENCE

Because the earthquakes destroyed so much tourism infrastructure, including accommodation, attractions, services, and retail and hospitality outlets, Christchurch's ability to provide an outstanding visitor experience and derive value from visitors was severely curtailed. Rebuilding lost infrastructure, in a way which suits the future, is vital.



PRODUCTIVITY

The earthquakes impacted tourism in Christchurch and had flow-on effects throughout the South Island. South Island international bed nights, which pre-earthquake accounted for 54% of all international bed nights in New Zealand, are currently 18% behind their 2010 levels.



AIR CONNECTIVITY

The sharp drop in the Australian holiday market led to a 20% reduction in trans-Tasman air connectivity into Christchurch between 2010 and 2012. Capacity levels began increasing during 2013.



THE RESPONSE

Recovering the value destroyed by the Christchurch earthquakes is critical to achieving our Tourism 2025 growth aspiration. We are aligned in support of the Christchurch rebuild and collaborating wherever appropriate to restore confidence, attract investment and build tourism capacity and capability. This, coupled with sustainable recovery and growth of air connectivity, will drive and restore Christchurch's lost value as a destination and the value lost more widely within the South Island because of the earthquakes' impact on this gateway.



The daily Singapore Airlines flight into Christchurch generates an estimated \$144 million in GDP uplift annually for the South Island, and therefore for New Zealand tourism.

Photo: Re:START Mall, Christchurch/christchurchnz.com

CRUISE

The growth of cruise is a worldwide phenomenon. Annual passenger growth globally has averaged 7.5% since 1980. Strong long-term growth is forecast to continue.

The cruise sector is a rapidly growing segment within New Zealand's holiday market. During the 2012-13 season, more than 211,000 passengers and 82,000 crew visited New Zealand on 129 separate cruises, making around 750 port calls. Over the last eight years, cruise voyages have grown at 13% and passengers at 23% each year.



INSIGHT

- Cruise created \$310 million in economic value in 2012-13.
- Nearly 40% of cruise passengers say they have returned to a destination they first visited on a cruise.
- Fly/cruise passengers (those who fly in or out of New Zealand) spend, on average, \$1128 per visit compared with an average spend of \$782 by transit passengers.



TARGET FOR VALUE

Strong strategic opportunities to keep growing the value of cruise present themselves, including: growing Auckland's use as an exchange hub; securing a good share of the passenger volume increases that will result from the opening up of a larger, wider Panama Canal lane (previously a major obstacle preventing up to 50% of the world's cruise fleet from travelling to Oceania for the Southern Hemisphere cruise season); and positioning Oceania as a viable off-season option for the growing number of cruise ships operating within the Asian circuit.



VISITOR EXPERIENCE

New Zealand's ports and local authorities are responding to the need for facilities to cater for modern cruise ship passengers. Better on-the-ground experiences for passengers will generate increasing visitor spend.



PRODUCTIVITY

As demand for cruise to New Zealand expands, the high and shoulder seasons are steadily expanding. These ships now begin arriving in early October and visits continue until late April or even early May. With an average of 5-6 port calls per voyage, regional dispersal of visitors is excellent.



AIR CONNECTIVITY

As more and more cruise lines use Auckland as an exchange hub, demand for air travel into Auckland increases. 68,000 of the 211,000 cruise visitors in 2012-13 flew in or out of New Zealand.



If cruise was a country of residence, it would now rank third behind China among New Zealand's sources of international visitors.

Photo: Sun Princess by Westpac Stadium/Positively Wellington Tourism



THE RESPONSE

Cruise is an increasing source of visitor value, both in terms of direct expenditure and also as an excellent seasonality and regional dispersal lever. There are good opportunities to position ourselves to benefit even more from this sector. With a better understanding of this, we are working with greater cohesion to capitalise on cruise's future potential.

EMERGING MARKETS

HIGH VALUE
OPPORTUNITIES
ON THE PACIFIC
RIM AND
BEYOND

The growth in visitors from China is the first wave in what promises to be a new future for New Zealand tourism. Other emerging economies are on the same track. Indonesia, India and Latin America have been identified as long-term high value targets by TNZ and others. Learning from our experiences in the Chinese, Japanese and Korean visitor markets and then laying strong foundations early will be the key to optimising the value of these opportunities.



INSIGHT

- New Zealand can expect 10% year on year growth in visitor numbers from Asia through to 2020.
- In 2012, visitors from Asia contributed \$1.7 billion to the New Zealand economy. By 2020, that could be \$3.6 billion.
- The forecast growth of high net worth individuals in Indonesia over the next decade is 400%.



TARGET FOR VALUE

In-depth, highly relevant insight, coupled with intelligent reflection on what has and hasn't worked in other target markets such as China, will enable the industry to determine how to most effectively exploit high value opportunities within these emerging markets.



VISITOR EXPERIENCE

Much of what has been, and is still being learned from catering for Chinese visitors will also help us adapt to visitors from other emerging markets. A focus on early identification and then removal or mitigation of facilitation barriers (e.g. visa processing, language) will be important.



PRODUCTIVITY

Existing insight suggests visitors from some emerging markets such as India may help our industry's seasonality challenge by displaying a willingness to travel to New Zealand outside our high season.



AIR CONNECTIVITY

Air connectivity will be critical to facilitating growth from emerging markets. Achieving sustainable growth will likely involve a mix of direct and indirect options being pursued.



THE RESPONSE

Our experiences with the Chinese visitor market, coupled with insight confirming major global tourism trends, has helped open industry eyes to the potential value associated with markets within the Pacific Rim and just beyond that haven't previously figured high in our priorities. Foundations are now being laid for targeting some specific emerging markets. For example, TNZ is establishing an on-the-ground presence in Indonesia and Brazil and increasing its presence in India. At the same time, a number of private sector organisations are actively engaged in developing in-depth insight relevant to their potential opportunities in these markets.



Learning from our experiences in the Chinese, Japanese and Korean visitor markets and then laying strong foundations early will be the key to optimising the value of these long-term opportunities.

Photo: images.newzealand.com/photographer/FraserClements

TOURISM 2025 IN ACTION

FOUNDATION BUILDING EXAMPLES



Tourism 2025 reflects an industry which is aligned on a pathway towards aspirational growth. This is a framework, not a strategic plan. It is not intended to be a prescriptive recipe for industry and individual business success. Instead, what Tourism 2025 does is provide vital context for some collective actions by big or small industry clusters and, more importantly, for the thousands of actions individual businesses will take each year.



Fold this open to see some examples of what those collective and individual actions will look like within this framework's context.



GLOSSARY

AA New Zealand Automobile Association	NZIER New Zealand Institute of Economic Research
AIAL Auckland Airport Ltd	NZTA New Zealand Transport Agency
ATEED Auckland Tourism, Events and Economic Development	RTO Regional Tourism Organisation
CAA Civil Aviation Authority of New Zealand	RTONZ Regional Tourism Organisations New Zealand
CERA Canterbury Earthquake Recovery Authority	SAANZ Ski Areas Association of New Zealand
CIAL Christchurch International Airport Ltd	TIA Tourism Industry Association New Zealand
GDP Gross Domestic Product	TNZ Tourism New Zealand
MBIE Ministry of Business, Innovation and Employment	UNWTO World Tourism Organisation
MFAT Ministry of Foreign Affairs and Trade	VFR Visiting Friends and Relatives



INSIGHT

- TIA, MBIE and TNZ together taking the lead in drawing diverse but important industry and public sector organisations into the development of a stronger 'NZ Tourism Inc.' team approach to insight creation and use
- Through this team approach, ensuring there is an ongoing focus on identifying that insight which is of most value to the industry and prioritising and/or influencing use of resources accordingly
- MBIE continuing the roll-out of its *Tourism Data Domain Plan*
- TIA publishing comprehensive *Tourism 2025* background insight
- TIA continuing its feasibility study into the creation of a 'one stop shop' tourism insight website
- Industry, private and public, maintaining a close watching brief on global tourism trends and the applicability of these to NZ
- TIA, building on data created by MBIE and Statistics New Zealand, annually leading the creation and publication of an industry performance scorecard and *State of the Tourism Industry* report
- Industry players continually telling stories to demonstrate the strategic and practical value of insight



VISITOR EXPERIENCE

- Industry associations using insight to communicate and reinforce the direct link between quality of visitor experience and value, and using 'success recognition' mechanisms, such as awards, to celebrate individual achievement
- Industry operators, large and small, using social media feedback platforms, mystery shopping and robust visitor surveys to secure feedback, helping to reinforce what is being done well but also to understand common themes of visitor dissatisfaction, and then to act to mitigate or eliminate causes of dissatisfaction
- Recognising the importance and value of our Maori culture to our visitor experience and unique distinctiveness, industry increasing the integration and infusion of such culture into our 'business as usual' activities
- Industry actively supporting Immigration New Zealand's development and implementation of visitor-facilitation focused initiatives including installation of the Immigration Global Management System (IGMS) and extension of the 'trusted partnership' arrangements
- Growing visitor accessibility to low cost or free wifi connectivity e.g. Telecom's roll-out of its free wifi hotspots programme
- Continued evolution of airport facilitation initiatives such as SmartGate to improve the visitor border experience
- Strengthening industry advocacy focus on common border facilitation initiatives with Australia
- Increasing focus on visitor safety initiatives such as TIA's adventure safety strategy and NZTA's safe-drive campaign targeting our newer visitor markets
- NZTA international drivers licence facilitation improvements
- Significant increase in use of translated information, e.g. Immigration New Zealand's IGMS, TNZ's newzealand.com, AIAL's multi-language flight information display boards, Air New Zealand's multi-language automated check-in facilities
- Continued industry operator focus on taking advantage of rapid technology advances to improve the accessibility and quality of information being made available to both potential and confirmed visitors
- Industry developing closer relationships with NZ ethnic communities linked to key target markets to improve industry's understanding so we are better placed to provide value by meeting or exceeding visitor expectations
- Department of Conservation's 'visitor experience' strategic development



TARGET FOR VALUE

High value Chinese

- MBIE, TNZ, TIA and industry sorting out and getting on with implementing the highest priority China Market Review 'game-changer' recommendations
- Operators using the China Market Information Programme to better understand and develop product addressing the needs of high value Chinese visitors
- Industry collaboration to get high value itineraries incorporating retail and tailored tourism product to market
- Continual evolution of TNZ's Premium Kiwi Partnership programme
- Strong focus on improving visitor facilitation, including initiatives relating to visa processing, drivers licence accessibility, point-of-payment facilities such as China UnionPay, and language translation of public and private information
- On-the-ground operators embracing our changing visitor mix and utilising and/or developing tools such as the China Toolkit to assist with that change process
- Steady growth of sustainable direct air connectivity from China to both Auckland and Christchurch airports

International students and their families and friends

- TIA, TNZ and Education NZ leading closer cross-sector alignment between the export education and tourism sectors to harness existing resources to exploit this opportunity
- A cross-sector team approach to creating and sharing an insight base, including an understanding of Australia's strategic exploitation of the international student and VFR market, to better understand the potential value of this opportunity
- Industry support of Immigration New Zealand's initiative to provide international students in Australia with visa-free holiday access to NZ
- Investigating the extension of the newly created education sector 'trusted partnership' arrangements to include student family members
- Industry support of education providers delivering end-of-course graduation ceremonies as a means of retaining students and attracting VFR for tourism benefit

Business events

- Development of convention centre infrastructure (Auckland, Christchurch and possibly also Queenstown and Wellington)
- Industry, with TNZ support, targeting large-scale international business events including conferences
- SKYCITY and ATEED leading development of an Auckland-focused long-term strategy to exploit this opportunity



PRODUCTIVITY

- Insight: TIA taking a lead creating and/or disseminating insight, demonstrating the importance of the industry better understanding tourism productivity and committing itself to gradual improvement with a focus on profitability
- Seasonality: (1) targeting of international markets (e.g. India) where visitors will travel to NZ in shoulder seasons; (2) targeting of business events (e.g. conferences), sporting events (e.g. World Masters Games 2017) and special interest activities (e.g. hiking/walking) to bolster shoulder season activity, both domestic and international
- Regional dispersal: (1) targeting domestic tourism growth; (2) targeting high value Chinese
- Seasonality and regional dispersal: actively protecting and growing the cruise market
- Business capability: (1) increasing industry sector focus on development and use of benchmarking tools; (2) industry support of Service IQ tourism strategies; (3) TIA implementation of 'tourism as a fantastic career' strategy
- Businesses investing in initiatives to boost innovation and productivity, with co-investment from the Tourism Growth Partnership

Christchurch – destination and gateway to the South

- Industry collaborating to secure Christchurch City Council and CERA commitment to tourism being prioritised as an important contributor to Christchurch's economic recovery
- Industry support of Christchurch earthquake recovery initiatives including tourism infrastructure such as hotels and city-centre retail and hospitality
- Christchurch and South Island industry collaborating to create detailed insight relating to loss of post-earthquake tourism value and likely triggers for recovery and growth
- CIAL, with industry support, leading sustainable recovery and growth of key strategic air connections, including with Australia and China as well as domestic
- Continued evolution of the 'South' initiative to market the South Island as a tourism destination

Emerging markets

- TIA, TNZ and MBIE leading an insight project focused on capturing lessons learned from development of the Chinese visitor market relevant and applicable to our development of emerging visitor markets
- Steady sustainable development of air connectivity options, both direct and indirect, to enable and stimulate growth, e.g. the planned Air New Zealand/ Singapore Airlines alliance – still subject to regulatory approval – improving connections to New Zealand from a number of emerging markets
- TNZ's establishment of offices in Sao Paulo and Jakarta, and upsizing of its Mumbai office, and associated increased destination marketing activity in those regions
- Private sector businesses individually developing greater insight on their target markets
- Development of targeted-market toolkits using the China Toolkit as a template

Cruise

- Cruise New Zealand and ATEED leading a focus on continued development of Auckland as an exchange hub
- Cruise New Zealand and other industry players creating insight to assist better understanding of the economic value of cruise, including MBIE's inclusion of cruise visitor data in official visitor statistics
- Ports infrastructure being improved to handle the needs of larger cruise ships
- RTOs leading initiatives to improve the local visitor experiences for passengers
- TNZ targeting of passengers for return visits to NZ
- Cruise New Zealand maintaining a watching and industry communications brief on opportunities arising from the emerging Asian cruise market and the opening of the (larger) third Panama Canal lane



AIR CONNECTIVITY

- Insight: (1) *Tourism 2025* 'air connectivity' document assisting general industry to better understand aviation economics (2) TNZ, Air New Zealand and airports maintaining a close watching brief on global aviation trends
- Maintaining and growing the strength of key public and private sector aviation relationships and partnerships
- Regulatory arrangements, including air service agreements, in place and positioned to support industry target market international growth aspirations
- Industry and local authority focus on regional air connectivity needs and harnessing of on-the-ground support to maintain and grow sustainable routes
- Ongoing investment in aviation infrastructure and technology, e.g. AIAL's 'airport of the future' strategy ; Air New Zealand's new fleet investment; CIAL's airport extension; Wellington Airport's runway extension investigation; Airways' navigation technology upgrade
- TNZ's bilateral joint venture agreements with targeted airlines
- NZ airports' various partnership agreements with targeted airlines
- Growing active and focused industry support on targeted routes (e.g. Christchurch-Perth)
- Working with Australia to target high-value dual destination traffic in long-haul markets, leveraging under-utilised trans-Tasman capacity



For much more information about Tourism 2025 that you can use to play your part and grow your business, go to the website www.tourism2025.org.nz
Information includes:

- > **Prioritise insight to drive and track progress**
- > **Grow sustainable air connectivity**
- > **Target for value**
- > **Drive value through outstanding visitor experience**
- > **Productivity for profit**
- > **New Zealand tourism within the global environment**
- > **Domestic tourism – the backbone of the industry**
- > **Local government and the visitor industry**
– a powerful partnership
- > **Scorecard**
- > **State of the Tourism Industry 2013**

www.tourism2025.org.nz

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