



Tourism Insight Framework Project

Discovery Phase

August 2017

1. EXECUTIVE SUMMARY

TIA established the Tourism Insight Framework Project to ensure that the tourism insight system is in a position to deliver to the current and future needs of the tourism industry.

TIA is undertaking the project with support of an external Steering Group with the objective of releasing an insight framework by November 2017.

This report sets out the key findings of the 'discovery phase' of the project. This phase involved: a survey of insight users; interviews with key informant to test the finding from the survey stage and to explore a desired future state; and desk research to explore other country and industry experiences.

The key findings on the current state are:

Data

- New Zealand has a comprehensive tourism data solution that partially meets the needs of users. It has some trusted and reliable elements (e.g. International Visitor Arrivals and Monthly Regional Tourism Estimate), but others are less trusted due to data reliability, methodological, continuous change or coverage issues (e.g. Commercial Accommodation Monitor and International Visitor Survey). There are also a number of significant data gaps (e.g. domestic tourism activity and regional tourism data).
- The heaviest data users, and those that placed the most importance on the insight, are most likely to be dissatisfied with the insights currently available. These heavy users are the ones that create and use the most insight knowledge from the industry data sources.
- The emergence of administrative data sources is clearly of considerable potential to provide timely and accurate data within the scope of coverage of the particular data sources, and users are increasingly turning to these options (e.g. Qrious, Marketview).
- There were concerns around how the industry is using new administrative data sources. Currently there is an ad hoc approach to accessing the data and a lack of clarity or systemic response, around data standards and classifications (e.g. definitions and terminology).
- Users in general find the data available to be hard to access and use, despite the efforts of the Ministry of Business, Innovation & Employment and Stats NZ with their dissemination platforms, with no one place to source the wide body of tourism data.
- There is a lack of analysis and interpretation of the data meaning that the insights available from the various data sources are not being provided on a consistent or comprehensive basis to the industry.

Science and Innovation

- The science and innovation support for the tourism industry is at an extremely low level in relation to the size and importance of the industry. Tourism is

effectively absent from the government's \$1.4 billion Science and Innovation system and with industry support for science and innovation research is currently at a low-level overall.

Overarching

- There was no sense of a cohesive or strategic approach being applied to tourism insight with no process available to address insight limitations, to define industry priorities, or to facilitate the undertaking of these priorities.

Next Steps to Desired Future State

The following key next steps have been identified:

1. **Establish Industry-led Insight Leadership** – A clear and compelling industry voice is needed to determine insight priorities and for establishing mechanisms for undertaking these priorities.
2. **Review Tourism Domain Plan** – The Domain Plan review can provide a mechanism for systematically addressing the range of issues and opportunities with the core tourism dataset.
3. **Industry Response to Emerging Administrative Data** – Create an industry-wide view of the merits and characteristics of emerging administrative data, including data standards and classifications used.
4. **Enable Access to Science and Innovation Funding** – Undertake a number of actions to ensure tourism is established as a player in the Government's science and innovation system.
5. **Develop Industry Funding Mechanisms** – Establish mechanisms for accessing funding so that the tourism industry is in a position to support priority insight projects.
6. **Improve Dissemination of Insight Resources** – Enhance access to tourism data sources with consistent data standards to ensure the data can be used with confidence.
7. **Improve Industry Insight Capability and Awareness** – Create a programme to develop the industry culture of insight use.
8. **Enable International Linkages** – Build global partnerships to ensure connectedness to international best practice and to ensure New Zealand data is viewed in context of global trends.

An explanation of each of these next steps are set out in the Key Findings and Next Steps section of this report.

These findings will be tested with the project Steering Group with a view to developing the future state tourism insight framework that can be used as a platform for advancing the priorities that are established by this project.

2. INTRODUCTION

TIA established the Tourism Insight Framework Project to ensuring that the tourism insight system is in a position to deliver to the current and future needs on the tourism industry.

TIA is undertaking this project with the support of an external Steering Group with the objective of releasing an insight framework by November 2017.

For the purposes of this project the term 'tourism insight system' refers to the data, analysis, forecasting and research that defines the understanding of the tourism industry and which support decision-making relating to the industry. The premise is that tourism, as a \$34 billion industry, is an important part of the New Zealand economy and society and therefore needs to be managed and developed on a well-informed basis.

This report sets out the findings of the discovery phase of the project. This phase seeks to provide understanding of the current state and future requirements for tourism insight, including views of stakeholders on how the system is working currently, how important it is to them, and barriers to the provision of the desired insight.

The discovery phase has five work-streams:

1. Identifying industry insight requirements and issues
2. Government science and innovation system
3. Tourism data and analysis
4. Global insight experience
5. Other industry insight models

Information to inform this project was collected by three main methods:

- Survey of key stakeholders to test the use, importance and satisfaction with the insights available
- Interviews with key informants to test the finding from the survey stage and to explore what a desired future state would look like
- Desk research to explore other country and industry experiences

This report sets out the finding from these work-streams and provides guidance on where we need to move to in order to create a future-state tourism insight system.

Additional information will be added to this paper as new information is uncovered through the course of the project.

Tourism 2025 Linkages

Tourism 2025 places insight at the core of the industry growth framework, with insight driving the other themes that make up the Tourism 2025 Growth Framework – Connectivity, Target for Value, Visitor Experience and Productivity.

Insight allows the industry to track progress against the industry's \$41 billion goal by 2025, and supports advocacy and policy development, investment strategies, and business management and performance metrics, amongst other uses.

As such, this initiative to improve the New Zealand's tourism insight system forms part of the wider efforts to drive implementation of the Tourism 2025 Growth Framework and to support the industry in achieving desired outcomes such as to growing value faster than volume, ensuring provision of infrastructure and achieving sustainable growth.

3. IDENTIFYING INDUSTRY INSIGHT REQUIREMENTS AND ISSUES

Industry Interviews Methodology

The industry interviews used a series of qualitative questions to explore how the current insight system is working, what's not working, a 2025 insight vision and what is needed to shift to a more desired state of tourism insight. Other areas covered included the insight tools that were currently used, satisfaction levels with the current insight system, research commissioned by businesses, and respondents' future desires for the shaping of the insight system to meet their business needs.

The interview questions are attached as Appendix 1. Interviews were conducted throughout June in Auckland, Queenstown, Christchurch and the Hawkes Bay. Interviews also took place by email or phone in other areas.

The sample of respondents was designed to get a broad industry view, including by region, sector and business size. Table 1 set out the interviewees.

Table 1: Interviewee Sample Frame

Group	Interviewed/ Consulted	Size of Business/organisation		
		Large	Medium	Small
Accommodation	2		1	1
Activity operator	3		1	2
Air Transport	4	4		
Association	2	1		1
Attractions	1		1	
Experts/ Consultants	4	1	2	1
Land Transport	1	1		
Local government (tourism services)	1		1	
Regional Tourism Organisations	2		1	1
Tour operator	2		1	1
Universities/ Polytechnics	2	2		
Water Transport and Cruise	1	1		
TOTAL	25			

Interview Findings

The following provides an analysis of the key comments made by respondents.

Smaller Businesses

Smaller businesses interviewed showed a propensity to collect statistics from external sources to inform internal business decisions, with this is normally undertaken through simple benchmarking. Some operators use the CAM to provide a regional volume metric which is then benchmarked against internal visits to business.

Wider sources of insight are used as background reading rather than being used to inform business decision-making. Examples of this include the International Visitor Arrivals insight and country research from Tourism New Zealand.

"I read the insight releases that come through the TIA and other Association channels and find this very useful but there is only a small proportion of data I use to understand how our business is tracking."

A lot of forward decision-making is based on anecdotal evidence based on discussions with other businesses in the region. Value in scaling up insight to create information on shorter term booking patterns to help with staff planning, maintenance and the visitor experience).

Some use insight for only a very small proportion of decision-making but this could dramatically increase if the insight available was scaled up, was more cost-effective to obtain and more user-friendly to access. There was a general sense from smaller operators that they "don't know, what they don't know", and if the right value proposition is presented, they are likely to see value for their business.

"We probably only use insight for around 10% of our business decision-making; the rest is about talking with other local businesses and understanding what they are seeing. That said, I do agree that the right insight proposition around more effectively benchmarking our business would be worthwhile exploring."

Some smaller Regional Tourism Organisations have their own insight system in place with good use of infographic tools and emerging forms of insight (e.g. Qrious) to track performance and key performance indicators to present to key stakeholders, such as local government, to answer questions such as 'why tourism should be subsidised?'.

"We need to be able to tell a story to local government as to the value they receive from funding tourism. Metrics like a regional tourism employment index and regional GDP contribution would be worth their weight in gold to better explain the regional value of tourism."

Smaller operators see a need to have more operational staff in order for business owners to spend more time on strategy and business development.

Smaller operators showed a desire to have a wider view of their markets and where visitors were coming from to help with strategy and decision-making

"We would love to have a better understanding of international visitor flows - for example at what point on their way from Auckland to Wellington do they decide to take SH1 or SH2. Which i-SITES should I be present in to influence that decision."

"Everyone talks up China but we as a business don't see them. We need better international segmentation tools so smaller operators can more accurately understand the size of the existing markets they are attracting and what opportunities lie ahead with our new markets."

There was an awareness of the impacts of natural disasters and changing climatic conditions. Better insight was seen as a way to reconcile the impact these have on changing visitor patterns.

"What is the impact of the Manawatu Gorge closure on international visitor flows? We feel like there is a drop in international visitors when it is shut but is that just a coincidence? How should my targeting change when this road is closed indefinitely?"

Case Study: Bed & Breakfast Association

The Bed & Breakfast Association New Zealand represents a number of small operators across New Zealand in the home based accommodation sector. While this market is currently skewed towards operators who run these as a lifestyle business open on a seasonal basis to supplement income, the Association is seeing a distinct demographic shift to younger operators who are looking to run a year round operation.

The B&B Association run a B&B survey every six months to gather information on occupancy rate, country of origin and other key variables, however, generally the small owner-operators do not have the expertise to understand what insight can be used for and how this can be applied to their businesses.

The Association advises that "83% of members' guests are international visitors and that the lack of insight information about international B&B visitors hampers members' ability to identify target markets. When mapping the results the Association receives with international visitor numbers the trends are quite different. As the majority of bed and breakfast operators are small owner operated businesses, they rely heavily on tourism bodies to attract visitors and the lack of insight available on the international market means this sector is unable to be proactive in identifying areas that need support".

The B&B Association also requires good insight to lobby local government to ensure that the tourism voice is front of mind during council planning processes. They are concerned that the B&B sector is not well represented in tourism statistics (if at all) which makes it problematic identifying the value the sector contributes to the visitor economy.

The Association sees a role for tools like the industry developed Domestic Growth Insight Tool (DGIT) to be an ideal prototype in the development of more user friendly and informative tools for the individual small operators to better understand the international visitor market.

Medium to Large Sized Businesses

Insight Use

- Respondents tended to use a range of MBIE/Stats NZ data sources, e.g. the IVS, IVA, CAM and the Tourism Forecasts.
- One respondent also highlighted the importance of drawing insight from Associations as a key source to provide a comprehensive picture for business decision-making. This included the State of the Tourism Industry Report.
- New tools like the DGiT do not tend to be used due to more of a lack of awareness, even with the considerable effort TIA has afforded to communicate and promote this to the industry.
- Market insight from Tourism New Zealand is used by a number of organisations. While this was considered to be very good, comments were made about accessibility and timeliness of the updates to this insight. More granular TNZ data would be valuable for informing businesses decision-making, especially around understanding markets and the visitor experience.
- Users interviewed tended to fall into the medium to very heavy users of insight, who used it either directly in their businesses, or as input into analysis for their clients.
- In-house proprietary research was a key part of the current insight model for larger organisations. The broader public data available tended to be used on an ad hoc basis for these organisations. However, there was agreement that better insight tools are needed to service the wider tourism industry.
- There was evidence that some medium sized operators commission and complete their own research through the use of consultants or their own in-house tools.
- There was acknowledgement that the industry takes an ad hoc approach to using new data tools. A good example was the uptake by different operators in the acquisition of administrative data on a business-by-business basis rather than building a nationwide package tailored to different business needs to be able to better access and utilise this type of insight.
- Across larger operators there was a strong indication of willingness to share their research where it is not commercially sensitive and to support industry-led initiatives that will benefit SMEs.
- All respondents interviewed highlighted the importance of tourism insight to their business and see its value in terms of business decision-making and in setting strategic direction.

Satisfaction with the Current State

The following themes emerged on satisfaction with the current insight system.

- Comprehensive data is available but it is hard to find

"While we currently have a lot of data, spread out over the various sources, often we want to answer a specific question that a single dataset doesn't fully cater to. For example, if one wants look at transport spend on a regional basis, one might try to take data from IVS and MRTes and merge them together somehow ... but the conclusions from this would not be sound because the measurement types, date ranges, cohorts etc. are all totally different. Ideally, the survey and data collection fields would allow more cross tabulation of the nature described."

- The most positive comments were for the strongest data sources, e.g. IVA and MRTes, and industry efforts to fill the gaps

"Arrivals data and the regional expenditure insight is well used but is the best we have and is still one dimensional in terms of capturing a comprehensive view for our business"

"The Associations are a key source of insight to provide an over picture of the insight available."

- The most negative comments were about the IVS and the CAM. There was also concern around the lack of triangulation of the datasets

"The basic survey questions in the IVS are flawed. There is a lack of itinerary information. For example, the type of bus used can skew the data as there are many forms of visitors that use the transport network e.g. sight-seeing, backpackers, domestic passengers etc. A simple tracking of year on year changes in travel by sector would be very valuable."

"The CAM is a problematic and is not with the times in its scope of measurement i.e. no Airbnb and other accommodation data points."

Future Desired State

- Strong support for an industry research centre

There was strong support from tertiary providers and operators to explore the establishment of an industry research centre. This is summed-up as follows:

"To achieve an open data platform, that is focussed on development of sustainable and industry centric insight products the industry needs a centre of research excellence that better informs the public sector and New Zealanders of the tourism value chain while providing industry insight leadership through the provision of industry usable research."

"An industry research centre of excellence would provide a comprehensive layer of data and insight to meet the requirements of various sector and business needs. The centre at its foundation would perform a scientific role in the development of improved products and services that have the visitor experience at its heart."

- Consolidation of data sources seen as critical

"We need to move away from multiple platforms to a one stop shop environment."

"A one stop shop of tourism insight should be at the centrepiece of the future tourism system. The system should include non-tourism data where this adds value"

"The data and insight is all over the place. Very hard to get a complete picture with visitor numbers in one place, spend elsewhere and accommodation. The many different platforms used create a real issue."

"Piecing together information from Qrious, MBIE, Stats NZ and other research consultants or providers is a fulltime job in itself. We need a place where this data is triangulated to form a rich source of insight that is easy to access and addresses the research question the respondent wants answered."

- There is a strong appetite for the exploration of new data sources e.g. Qrious

"We are currently using credit card data to help with the identification of trends on our network."

"A ground up approach to insight/ data is needed. There are data-points the industry needs to know to better inform business decision-making such as spend and volume metrics."

"Using new data sources to build flows modelling would be invaluable to better understanding the movement of visitors from airports to accommodation to activities undertaken and everything in between"

- Forward looking data is a vital missing piece of the jigsaw

"Regional granularity and forecasting is critical. More comprehensive and reliable forward looking data is needed to meet challenges such as regional dispersal."

"As a business, I am keen to develop products and services in the second and third tier regions to help with Tourism 2025 productivity goals around regional dispersal and seasonality but we need better forward looking data at the regional level to address this".

- Capability building is critical across the sector

"There is a real capability gap. There is a strong need for educating many parts of the industry in the area of building insight knowledge and usability through insight training programmes."

"The regions would benefit from having regular insight workshops to build capability, ideas sharing and knowledge in 'what's hot' in the area of insight"

- Global insight needs to have a stronger place in the insight system

"We need to better mirror the macro global trends."

"There is a need for insight to be more globally-focussed. There should be a platform of global tools available e.g. PATA access to tools. We need to be in a position to better benchmark our business and our national level trends."

Assessment of Current State

Table 2 below sets out the relationship between the importance of insight against the level of satisfaction with the current insight system.

This highlights that a very high level of importance is placed on the insight as an industry resource and that satisfaction was skewed toward the 'dissatisfied' or 'very dissatisfied' end of the range. This view was relatively consistent for both the survey respondents and the interviewees. 56% of total respondents are to some degree dissatisfied with the current insight system, but also highly value its importance.

This indicates, at the very least, that there are issues with the current tourism insight system that need to be addressed in a more desired future state insight system.

**Table 2: Current Tourism Insight System - Importance vs Satisfaction
(based on the Insight Survey and Insight Interviews)**

	Very Satisfied	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Very dissatisfied
Not important at all			X		
Not important					
Neither important or unimportant			X		
Somewhat important		XXXX	XXX		
Very important		XXXXXXXX	XXXXXXXX X	XXXXXXXX XXXXXXXX X	XXXXXXXX XXXXXXXX

X Survey respondents (Conducted in April 2017)

x Interviewees (Conducted in June and July 2017)

4. GOVERNMENT SCIENCE AND INNOVATION SYSTEM

The Government invests heavily in science and innovation to support a wide range of economic, health, environmental and social outcomes. Annual expenditure is approximately **\$1.4 billion** allocated through a number of programmes designed to achieve specific objectives (refer Table 3 below).

The *National Statement on Science and Investment 2015-2025* sets out the structure of the science and innovation sector and guides the Government's science and innovation investments. MBIE has the key oversight role with the system and operates the allocation processes for the bulk of the funds.

Table 3: Science and Innovation Investment by Investment Type

INVESTIGATOR-LED SCIENCE		
Marsden Fund	\$53.6m	Competitive mechanism to fund excellent, investigator-led research that advances and expands the knowledge base.
Centres of Research Excellence	\$50.7m	Competitive mechanism to fund collaborative research networks (hosted by tertiary education institutions) to support growth in research excellence
Performance-Based Research Fund	\$300m	For tertiary education organisations based on their past research performance to create financial and reputational incentives for excellent research, teaching and learning.
MISSION-LED SCIENCE		
MBIE contestable funds	\$190m	Uses competition to fund excellent research with the potential to deliver long term, transformative impact for New Zealand.
National Science Challenges	\$68m	Collaborative mechanism to fund research that addresses complex, long term, national-scale issues for New Zealand
Health Research Council	\$77.2m	Contestable funding focused on health and quality of life research.
CRI core funding	\$201.6m	Direct funding to CRIs to enable them to meet their core purpose.
INDUSTRY-LED SCIENCE		
Callaghan Innovation	\$68m	Assistance to firms to develop the skills, expertise and connections to develop ideas and take them to market.
R&D grants	165m	Market-led cash incentives for firms to increase their R&D investment and support commercial R&D skills and capability development.
Primary Growth Partnerships	\$65m	Designed to drive economic growth in the primary and food sectors, through joint investment by government and the industry. Aimed at market-driven innovations.
Partnerships	30m	Partnerships between end-users and research organisations to solve industry issues – industry provides co-funding.
TACTICAL FUNDS		
Vision Mātauranga	\$6.6m	Development of people and organisations undertaking research to unlock the innovation potential of Māori knowledge, resources and people for the benefit of New Zealand.
International relationships	\$9.35m	Building international relationships to ensure New Zealand Science is at the forefront of new knowledge and technology.
Science in Society	\$9m	Engagement with science and technology to deliver on the objective and outcomes of <i>A Nation of Curious Minds: He Whenua Hihiri i te Mahara</i> .
Infrastructure investments	\$24.6m	Access to fit-for-purpose and internationally competitive large-scale science.

Source: National Statement on Science and Investment 2015-2025, MBIE, October 2015

Tourism in the Government Science and Innovations System

The tourism industry is virtually absent from the science and innovation system at present. It is not included in the National Statement of Science Investment and there are no tourism specific programmes or projects funded from the \$1.4 billion of investment.

Tourism does get some non-transparent support from the university-focussed Performance-Based Research Fund that supports at least part of the tourism-related academic research. In 2015/16, \$1.9 million was allocated to 'Commercial Services and Tourism' but it is not known if this was for tourism-related research. There are also some other projects that mention tourism, but these are assessed as having very marginal connections.

The strategic issue is that tourism is effectively excluded from the substantial publicly-funded investment in science and innovation, despite the contribution of tourism to exports, employment and economic growth, etc. This position contrasts profoundly with other industries. For instance, around \$250 million of the annual \$444 million spend in primary industry R&D was publicly-funded via the Science and Innovation and university systems.

This position has arisen despite a number of bids into various programmes for funding. For instance, in 2016 the Queenstown Lakes District Chamber of Commerce & Industry unsuccessfully led a bid for a Regional Research Institute for tourism that would have developed a tourism specific research capacity with both university and industry support.

The lack of success for this, and many other bids over recent years, and the cost involved in preparing bids, has reinforced the perception that the Science and Innovation system is not a viable source of research funding for tourism, even though, theoretically, any quality bid could get funding. However, in practice, this is not the case.

Specific effort is needed to create a more conducive environment for tourism in the Science and Innovation system, starting with the key strategic documents that are used to guide investment decisions.

Industry Science and Innovation

There is no industry-wide approach to meeting the science and innovation needs of tourism.

Tourism businesses conduct a range of insight-related work to inform their strategic and management processes, but these insights are not distributed more widely.

There have been examples of industry collective effort to fund insight projects, with recent examples being through TIA for its projects to support the generation of insights for the key strategic issues, including the National Tourism Infrastructure Assessment, Responsible Camping Literature Review and DGiT.

Structurally, however, there is no systemic mechanism to sustain a tourism insight programme and, importantly, this means there is less opportunity to partner with the Government Science and Innovation system for industry-good research.

Related to this, there appears to be little recognition of difficulties faced by tourism in building its insight capability. These difficulties include the structure of the tourism industry with its multitude of small businesses across a wide range of different tourism industry sectors that means that collective effort is very difficult to achieve.

Recognition is also needed of the market-failure issues faced by tourism related to industry-good insight generation where no one business can capture all the benefits of the research. As a network industry, tourism requires insight how the collective efforts of the many participants can be understood and enhanced.

5. TOURISM DATA AND ANALYSIS

Government Data and Analysis

MBIE has responsibility for the core tourism data and analysis produced by the public sector. It conducts or contracts out a number of key projects itself and it also engages Stats NZ to produce other parts of the system. The MBIE Insights team also prepares the annual tourism forecasts and prepares a series of analytical studies each year.

The programme is guided by the Tourism Domain Plan that was released in 2011 and which is due for review in late 2017. The Domain Plan sets out the priorities for the programme and the requirements for data quality and user needs.

This programme is funded from Vote Business, Science and Innovation at an estimated cost of **\$3.19 million** for the 2017/18 financial year.

Around \$2 million of this goes towards the supplier costs for:

- International Travel and Migration (IVA), Accommodation Survey (CAM), Tourism Satellite Account (TSA) – Stats NZ
- International Visitor Survey (IVS) – Kantar TNS
- Convention Research Programme – Malatest
- Monthly Regional Tourism Expenditure (MRTE) – MarketView

MBIE operates a dissemination system with a tool on its website to facilitate free user access to its data. Stats NZ also directly disseminate its IVA, CAM and Tourism Satellite Account outputs directly on its website. For both organisations, the data available ranges from high level through to fuller data access levels.

MBIE's Immigration New Zealand has a range of insight related to workforce issues, such as working holiday visa data, and general visitor visas and approved destination status visas for the China visitor market. This information is very centric to operator decision-making in terms of workforce planning and is a key function in the range of insight products.

Tourism New Zealand provides a range of occasional insight outputs on its website, including: country market reports; special interest tourism reports; monitoring of the visitor experience at a national level; and the Mood of the Nation research which is undertaken in conjunction with TIA.

Other government agencies, such as the DoC, Ministry of Transport, New Zealand Transport Agency and NZ Customs have strong links in to the tourism industry and have internal needs for strong tourism insight to drive their own strategic and policy decision-making processes.

The approach currently is relatively fragmented and may benefit from a stronger cross government approach to tourism insight collection and dissemination.

Industry Data and Analysis

The tourism industry also generates its own data and insight products.

There are a number of industry consultants who deliver these products, either to clients or as commercial insights products. These products include:

- The AA Traveller – AA and Fresh Info
- Visitor Insights Programme – Angus & Associates
- Holiday Parks Confidence Monitor – Holiday Park Assoc. of New Zealand
- Domestic Growth Insight Tool (DGiT) – TIA
- Mood of the Nation – TNZ and TIA

Some of these products are available in the public domain and some are specifically for commercial purposes.

An emerging trend is the development of new administrative data that is contributing to tourism insights, and which will certainly play an increasingly important role when considering future tourism data and insight needs. Electronic transaction data (e.g. Marketview), mobile phone data (e.g. Qurios) and GPS data are emerging organically and on a commercial basis. It is anticipated that these data sources will have advantages over traditional data (e.g. using very low cost administrative data, speed of automated production, etc.) and therefore will likely become increasingly important and relevant over time.

The data produced by this system is widely used and reflects the large majority of the industry feedback in the discovery phase. The issues around data quality, coverage, timeliness stem from the nature and difficulties of operating this tourism data system.

6. GLOBAL INSIGHT EXPERIENCE

Australia

Australia is an island nation with a similar tourism background to New Zealand. This makes its response to the insight needs of the tourism industry particularly relevant.

Tourism Research Australia is a branch of the Tourism Division of Austrade. It is Australia's leading provider of tourism insight across both international and domestic markets with the goal to equip industry with information to strengthen their marketing and business decisions. TRA data also underpins government tourism policy and help improve the performance of the tourism industry for the benefit of the Australian community.

Tourism Australia is the government agency responsible for marketing Australian tourism. On the [Tourism Australian website](#) there is a good range of tourism insight available, including arrivals and spend statistics along with visitor market research.

The TRA team of research analysts, forecasters, economists and communication professionals produce tourism research and analysis, which includes:

- International Visitor Survey and National Visitor Survey
- *State of the Industry* report, which assesses the current performance of the tourism industry and the emerging trends that will affect the industry
- Analysis about travellers, including demographics; expenditure; places visited; activities; accommodation; and transportation
- Biannual forecasts of tourism activity for the next ten years
- Tourism business and employment data
- Economic impact data
- Regional expenditure data
- Customised research at a regional level (Destination Visitor Surveys).

TRA essentially performs the role of the MBIE tourism insight programme.

National Approach to Tourism Research

TRA are in the early stages of engaging with industry stakeholders to set the direction for tourism research in Australia by undertaking what is being called the National Approach to Tourism Research.

In the first stage in the development of the NATR there was delivery of research roundtables across Australia. TRA in conjunction with the Tourism Industry Councils, Tourism Australia and the respective State and Territory Tourism Organisations held ten Research Roundtables across Australia. Over 200 stakeholders attended from tourism-related fields, including:

- Academics - over academic 30 representatives
- Federal, State and Local governments - over 50 representatives
- Industry Associations - 36 representatives from all areas of the industry
- Operators - 49 individual tourism operators from large organisations down to small and medium-sized organisations.

The roundtables resulted in:

- A stocktake of current (and recent) tourism research and data that is available from government, industry and academia.
- A better understanding of what research and data is already available.
- A greater understanding of industry requirements from both government and academia in the short, medium and long term.
- An understanding of the current level of investment in tourism research and development, and what it needs to be, for Australia to remain competitive.
- A discussion about the need for a NATR to determine who is best placed to do what research and data collection – industry, government, the research community or a collaboration between all or some of the partners.

The roundtables resulted in suggestions that:

- In order to maximise business benefit from tourism research there is a need for a research portal/clearing house where interested parties could post their research, collaborate on research and data projects and post snapshots of the research that would be of greatest benefit to tourism operators.
- There is a need to maximise the research effort through the development of a NATR that looks beyond 2020.
- Research partnerships should be developed and leveraged to better utilise the data and information produced and make it more accessible to tourism businesses.
- There is a need for insights that are forward-looking and provide a picture of the future state of the tourism sector.
- There is a need to develop an agreed approach to measuring the economic impact of business events.

Roundtables in 2017 are focusing on progress towards the Australian government's tourism strategy, Tourism 2020, and what insight agenda is needed for the next national long-term tourism strategy beyond 2020, including the development of a research work programme and identification of success metrics for the new strategy.

The NATR is looking to identify who is responsible for what research, what research is currently being undertaken, what the research priorities should be, what gaps exist in current research and who is best placed to address these.

A programme of work with a series of research projects developed with clear objectives, resourcing and timelines will be set in place. These projects may be done individually by government, industry and/or academia or in partnerships.

Canada

The Canadian tourism insight approach is made up of a patchwork of organisations responsible for tourism statistics.

At the Federal (national) level, funding of some initiatives is handled by an omnibus ministry (similar to MBIE), [the Ministry of Science, Innovation and Economic Development](#). (this links to Innovation, Science & Economic Development Canada)

There is a range of tourism insight available on the [Destination Canada website](#), a crown corporation, that performs the same functions as Tourism New Zealand but also fulfills some of MBIE's functions (in terms of compiling and sharing national-scale data). The dissemination of insight is limited without the depth of data that is on the MBIE and Stats NZ websites.

Tourism data is also collected at the provincial level. As an example the [Ontario Tourism Marketing Partnership Corporation](#) has a range of insight on visitor statistics housed on [the Ontario government website, the Ministry of Tourism, Culture and Sport](#).

The Canadian tourism industry is not working directly with Statistics Canada in terms of improving data and insight that is available to it. However, Statistics Canada's travel surveys are sponsored by, Destination Canada, the provincial governments and municipal organizations of tourism.

There is also the Tourism Research Partners' Forum which is open to all organisations funding or interested in funding publicly available tourism research of a multi-jurisdictional nature and their advisors. The purpose of the TRPF is to provide a standing venue for decision-making on all aspects of existing jointly funded tourism research projects and a venue for the formation of partnerships on future jointly funded national or multi-jurisdictional tourism research projects.

Canada's budget 2017 provided additional funding to Statistics Canada to enhance the tourism data (Table 4) required to inform, monitor and evaluate Canada's New Tourism Vision. Statistics Canada current base budget is \$2.975 million for international travel and \$1.427 million for domestic travel. A total of \$4.4 million is currently allocated in base funding for tourism sector data collection and dissemination.

Table 4 Statistics Canada: Tourism Data Initiatives Budget

Initiatives	2017-18	2018-19	2019-20	2020-21	2021-22	Total 5 years	Ongoing
1. National wide strategy to collect information from international tourists	1,708,855	1,309,613	1,358,059	1,359,592	1,359,592	7,095,711	1,359,592
2. Enhance collection of travel data for better geographic coverage and improve measurements of characteristics and economic impact of tourism activities	453,662	484,336	504,513	504,362	504,362	2,451,235	504,362
3. Produce the Tourism Satellite Account	252,488	100,830	100,740	100,795	100,795	655,648	100,795
4. Development of new dissemination products	402,789	423,214	454,253	452,818	452,818	2,185,892	452,818
5. Conduct feasibility studies	302,506	237,846	241,362	244,930	244,930	1,271,574	244,930
Total - New Tourism Vision	3,120,300	2,555,839	2,658,927	2,662,497	2,662,497	13,660,060	2,662,497

Source: Statistics Canada

To fill these gaps, Statistics Canada will undertake the following five initiatives:

1. Implement a nation-wide strategy to collect information from international tourists.
2. Enhance the collection of domestic travel data to ensure better geographic coverage and to improve measurement of the characteristics and economic impact of tourism activities of Canadian residents.
3. Produce the Tourism Satellite Account, currently produced at the national level on an ad hoc basis, on a regular basis and at the provinces and territories level. This will improve our understanding of the impact of tourism on the economies of Canada, the provinces and territories. This will provide a coherent framework within which to integrate and analyse economic statistics relevant to tourism, including measures of expenditures, gross domestic product and employment, which are comparable with similar measures for the overall Canadian economy.
4. To maximize the benefits of these enhancements, new dissemination products will be developed to analyse and present the data to be of best use for measuring progress on the proposed Federal Tourism Vision outcomes.
5. Conduct feasibility studies to improve the collection of data on tourism in the Territories.

Other Key Global Organisations

PATA

TIA's global insight partner, the Pacific Asia Travel Association operates its Strategic Intelligence Centre (that was formed in 1998).

The SIC is tasked with providing actionable research and data to PATA members on the latest issues and trends shaping the travel and tourism industry in Asia Pacific. Each year the SIC produces, with a partnership with external consultants and analysts, a suite of statistical/research-based reports and analytical publications for use by tourism planners, and sales and marketing managers in the tourism industry.

Through the agreement TIA has with PATA, TIA has access to PATA's global tourism insight and data. Through a proposed new Memorandum of Understanding, TIA is negotiating to be better placed to disseminate a wider range of PATA research report to the industry (e.g. PATA forecasts and trend reports). It is unknown if other industry organisations or businesses have access to this research, however this is likely to be a limited number.

United Nations World Tourism Organization

The United Nations World Tourism Organization is the United Nations agency responsible for the promotion of responsible, sustainable and universally accessible tourism. New Zealand is not a member, however the New Zealand statistical system does follow UNWTO principles as applicable, for example the Tourism Satellite Account methodology.

The key elements of the UNWTO programme are set out below, but note that New Zealand access to these information sources is limited by New Zealand's non-membership.

- **UNWTO Statistics and Tourism Satellite Account Programme**

The UNWTO Statistics and Tourism Satellite Account Programme compiles and disseminates tourism statistics of countries all over the world, while advancing and standardising the methodological frameworks for measuring tourism and expanding its analytical potential. The Programme also supports statistical strengthening in UNWTO Member States through capacity building. Responsibilities include:

- Tourism Satellite Account
- International Recommendations on Tourism Statistics
- Tourism Glossary
- Yearbook of Tourism Statistics
- Compendium of Tourism Statistics

- **UNWTO E-Library**

The UNWTO E-Library is the world's biggest online collection of tourism publications and statistics. A fully cross-searchable interactive database, the E-library includes, among other things the Tourism Fact Book with data on key

tourism indicators by country, all issues of the UNWTO World Tourism Barometer, as well as more than 1100 reports in English, French, Spanish, Russian and Arabic.

- **UNWTO Tourism Market Trends Programme**

The UNWTO Tourism Market Trends Programme provides the tourism community with up-to-date market intelligence, including the latest tourism market trends, short and long-term tourism forecasts and knowledge on specific market segments and source markets. Areas of coverage include:

- UNWTO World Tourism Barometer
- UNWTO Tourism Highlights
- UNWTO Long term forecasts - Tourism towards 2030
- Regular research on specific source markets and tourism market segments

7. OTHER INDUSTRY INSIGHT MODELS

Beef and Lamb New Zealand

Beef and Lamb New Zealand Ltd is the leading farmer-owned industry organisation representing New Zealand's sheep and beef farmers. Their focus is on four programme areas – Farm, Market, People, and Information. Their goal is to bring innovative tools and services and credible information and analysis for businesses to make well-informed decisions.

In the year to September 2015, Beef and Lamb NZ collected \$25.5 million in levies and \$4.8 million in other income.

The Beef and Lamb New Zealand annual report 2014/15 shows that of the \$0.68 per head levy collected for sheepmeat, \$0.20 was attributed to research and development, information and analysis. For Beef, there is a \$4.58 per head levy, of which \$0.77 was attributed to research and development, information and analysis.

The annual report shows that a total of \$4.7 million was attributed to funding research and development, with a further \$2.3 million attributed to information and analysis.

Beef and Lamb New Zealand research outputs include the following:

- Reports on market and economic conditions
- Farm surveys, industry production and price trends
- Export market statistics
- Global comparative indications, including price, export and production insight
- Interactive tools, including online calculators and other tools for analysis

Business New Zealand

Business New Zealand plays a pivotal role in advocating on behalf of New Zealand enterprises and promoting the voice of thousands of businesses across New Zealand

Business New Zealand is committed to developing timely and valued insight to its members. The organisation assigns a budget line annually that is dedicated to undertaking research. There are a handful of membership fees collected that also include special sponsorship for specific research reports. On top of this, for unexpected research that needs to be commissioned, Business New Zealand directly approach members to support the funding for such ad hoc projects.

Insight products produced include:

- **Performance of Manufacturing and Performance of Services Index** - a monthly activity survey providing a snapshot of the performance of the manufacturing and services sectors.
- **Planning Forecasts** - these are quarterly snapshots of the New Zealand economy with projections of the main economic indicators over the next three years to help prepare budgets and business plans.

- ***Election Survey*** - this survey is run each election. This information feeds in to election manifestos and is used as a tool during the elected term.
- ***Wellness in the workplace*** - this is a bi-annual survey, with the survey being run for the third time in 2017. The research informs employers through Business New Zealand membership channels

8. FINDINGS AND NEXT STEPS

Key Findings on Current State

The discovery phase has provided a basis for understanding the current state, particularly for the data aspect that was typically to of mind for most survey and interview respondents.

Key learnings are:

Data

- New Zealand has a comprehensive tourism data solution that partially meets the needs of users. It has some trusted and reliable elements (e.g. IVA and MRTes), but others are less trusted due to data reliability, methodological, continuous change or coverage issues (e.g. CAM and IVS). There are also a number of significant data gaps (e.g. domestic tourism activity and regional tourism data).
- The heaviest data users, and those that placed the most importance on the insight, are most likely to be dissatisfied with the insights currently available. These heavy users are the ones that create and use the most insight knowledge from the industry data sources.
- The emergence of administrative data sources is clearly of considerable potential to provide timely and accurate data within the scope of coverage of the particular data sources, and users are increasingly turning to these options (e.g. Qurious, Marketview).
- There were concerns around how the industry is using new administrative data sources. Currently there is an ad hoc approach to accessing the data and a lack of clarity or systemic response, around data standards and classifications (e.g. definitions and terminology)
- Users in general find the data available to be hard to access and use, despite the efforts of MBIE and Stats NZ with their dissemination platforms, with no one place to source the wide body of tourism data.
- There is a lack of analysis and interpretation of the data meaning that the insights available from the various data sources are not being provided on a consistent or comprehensive basis to the industry.

Science and Innovation

- The science and innovation support for the tourism industry is at an extremely low level in relation to the size and importance of the industry. Tourism is effectively absent from the Government's \$1.4 billion Science and Innovation system and with industry support for science and innovation research is both ad hoc and at a low-level overall.

Overarching

- There was no sense of a cohesive or strategic approach being applied to tourism insight with no process available to address insight limitations, to define industry priorities, or to facilitate the undertaking of these priorities.

Next Steps to Desired Future State

The following key next steps have been identified:

1. Establish Industry-led Insight Leadership

Industry leadership, with a determined position and a strong voice, is needed to both articulate a comprehensive industry insight agenda and to identify and activate the levers available to drive enhancements to the current state insight system.

A strong industry leadership position will assist the publically funded insight elements to be focussed on the areas of greatest need to the industry. It is anticipated that this leadership body will be key to increasing the industry's own commitment to meeting its insight needs.

2. Review Tourism Domain Plan

The publically-funded tourism data that is subject to much of the feedback gathered through the discovery phase needs to be examined with industry input. The best available mechanism for this is to review and update the existing 2011 Tourism Domain Plan. This work should be completed by mid-2018.

The focus of this exercise should be to address the key areas of concern with the core tourism dataset, for instance the IVS methodology and the CAM coverage issues, as well as emerging administrative datasets that could be further incorporated into the core tourism dataset system.

3. Industry Response to Emerging Administrative Data

Emerging administrative data offer considerable potential to both enhance the core tourism dataset and to provide retail-level insight to tourism businesses. Companies like Qrious, Marketview, Camper Mate and BlueRidge all offer various insight services to the tourism industry based on the data they have access to.

The impression is that the move to these data sources is being undertaken on a piecemeal and ad hoc manner, and that there would be benefits from having an industry-wide view on the merits of the data, the characteristics of them, and the data standards and classifications that are being used. A consolidated industry view would likely assist the industry players to use these data sources with confidence.

4. Enable Access to Science and Innovation Funding

Tourism needs to be a player in the Government's Science and Innovation system. There are a number of actions needed to be undertaken to make it happen. For instance, to establish the necessary relationships with MBIE, to articulate compelling project priorities, to decide which parts of the system to target, and to develop both the bidder and industry support needed for successful bids. Also, an important task will be to ensure the *National Statement of Science Investment* expressly signifies the government's priority to support tourism insight projects.

It could be that a push to establish a tourism-focused Regional Research Institute (RRI) is an early opportunity as it can build on existing work while bringing whole-of-industry support to the initiative. Any move in this direction will need to recognise that the industry will need to fully fund the Institute in the longer term.

5. Develop Industry Funding Mechanisms

The tourism industry needs to establish mechanisms so that it can financially contribute to supporting priority insight projects. There is certainly private research that takes place, but here is a gap in funding support for more generalised 'industry-good' research that the industry should be looking to fund, especially if it can use these funds to leverage contributions from the Science and Innovation system.

Currently, such a funding mechanism is lacking and this presents a major impediment to undertaking key priority insight projects.

6. Improve Dissemination of Insight Resources

There was strong support for a 'centralised portal' concept to assist user access to tourism data. Such an approach has two elements: firstly to assemble the various datasets for dissemination from a single point and secondly, to ensure consistent data standards are applied across such as a platform so data can be used with confidence. Both aspects are major undertakings that need further consideration.

7. Improve Industry Insight Capability and Awareness

The discovery process found that many users and potential users are both lacking awareness of the insight resources available and how to use them when they get to them. This suggests a programme to develop the industry culture of insight used would be desirable, especially by smaller tourism operators.

8. Enable International Linkages

Build global partnerships and access to global data systems is needed to ensure New Zealand has a high level of connectedness to international best practice and to ensure that New Zealand data is always viewed in context with international trends.

Particular attention should be placed on the relationship with Tourism Research Australia, especially to leverage learnings from its National Approach to Tourism Research initiative. Further work needs to be undertaken to enable wider access to such tourism-specific resources as PATA's Strategic Intelligence Centre.