

New Zealand

Key Market Message

While March arrivals resulted in a one per cent decrease, the month of April saw a 6 per cent increase in arrivals, some of which is believed to be due to the Easter break period being in April this year. It also shows the volatility in the market this year, with consumers cautious - given the economic environment - but still travelling short-haul, stimulated by competitively priced trans-Tasman airfares and packages that continue to dominate the market. Trade report forward sales are positive, with an upward trend in forward bookings but with a shortened lead-time.

1. Key Market Results and Achievements

- OZTalk Travel Expo held at ASB Showgrounds in Auckland ran from 17 to 19 April, 2009. It was an extremely successful event for both the trade and consumer days. At a record high of 250 travel agents (29 per cent increase on the 2008 show), 180 Australian product and almost 7,000 consumers in attendance. The consumer show featured showcase of Australian chefs, wine and entertainment and presentations by each of the STO's.
- As at 13 May 2009, there were 105 articles with an EAV of NZD\$205,634 and a reach of 2,017,439 generated for OZTalk 2009.
- Tourism Australia's *Come Walkabout* campaign has been running in market since December 2008 within cinema and TV, print and digital elements from February 2009. Print and digital executions will continue through to June 2009.
- www.australia.com YTD week ending Sunday 18 May 2009, there were 49,655 unique visitors. There were 8,932 unique visitors during the month of April 2009 (a significant increase of 65.5% compared to the same month in the previous year).

2. Australian Travel Market

2.1 Market performance

- New Zealand arrivals in March were 81,500, a decrease of three per cent relative to March 2008. In the year ending March 2009, there were 1,111,800 arrivals, a decrease of three per cent relative to the previous 12 months.

- New Zealand arrivals in April were 98,800, an increase of six per cent relative to April 2008. For the four months to April, visitor arrivals totaled 320,100, an increase of one per cent relative to the same period in 2008. In the year ending April 2009, there were 1,117,500 arrivals, a decrease of two per cent relative to the previous 12 months.
- Inflation remains the highest in 18 years at 5.1 per cent and unemployment is forecasted to rise to 7.7 per cent in 2010 — continuing to erode disposable income and keeping many consumers cautious in 2009/10.

2.2 Airline Issues/Changes

- Air New Zealand announced the suspension of Dunedin's trans-Tasman flights for several months of the year. Air New Zealand have confirmed that they will offer Sydney and Melbourne services over a shortened summer season whilst retaining the Brisbane service during peak winter months. This decision was prompted by market softening, effectively resulting in no trans-Tasman flights from February to April and November, but re-opening operations at the most profitable times of the year. Reports state that the Air New Zealand flights were too expensive and many passengers were electing to fly from Christchurch — which benefited from competition on the trans-Tasman route.

Source: Travel Memo – 17 April, 2009

2.3 Trade Information Summary (including Business Events)

- Flight Centre has confirmed the termination of its wholesale agreement with Go Holidays, subsequently all the chain's business will be directed to their in-house wholesaler, Infinity Holidays. The commercial decision was made in support of the current economic climate.

Source: Travel Today – 7 May, 2009

- Travelplan, the wholesale arm of House of Travel has rebranded and will trade its wholesale division under the name House of Travel Product
- Fiji Tourism Board's marketing spend (NZD\$2.8 million) has now been reduced due to the devaluation of the Fijian dollar. Fiji Tourism Board responded that the "key focus in 2009 was to sustain and grow visitation in key markets in Australia and NZ by consolidating strategies and focus on niche markets. The initial target of 600,000 arrivals for 2009 will now have to be reduced accordingly – target reduction is still to be confirmed.

Source: Travel Today – Wednesday 29 April, 2009

- Air New Zealand launched their major campaign "The Big Shout Campaign" in Australia (21 April 2009) designed to get more Australians to New Zealand. The "Big Shout Campaign" ran for three weeks until 10 May, in support of the NZ Government's NZD\$2.5 million tourism funding boost for Australia. As part of the launch, Air New Zealand will be giving away NZD\$2 million worth of free domestic travel; offering a free one-way domestic flight with every one-way Tasman fare purchased during the promotion. The marketing campaign is running nationwide in Australia including major press, radio, online and TV advertising.

Source: Travel Memo – 21 April, 2009

- NZ is seeing a shift in long-haul fares being aggressively priced to woo back consumers. V Australia released an NZD\$899 inclusive Los Angeles launch fare ex Auckland / Wellington / Christchurch, which some believe as the cheapest LAX fare ever in the NZ market. The retail-only fare includes Tasman travel on Pacific Blue and travel ex Australia on the recently launch V-Australia. The fare is valid for sales to 7 May with travel commencing on 15 June and completed by 15 July. Air New Zealand was swift to match with a NZD\$899 LAX fare on Grabaset on the same day (23 April 2009) for travel 30 April to 30 June 2009.
Source: Travel Today – Thursday 23 April, 2009
- As at 25 May 2009, we have a total membership of 2,565 Aussie Specialists in the programme. Of which, 855 are Qualified Specialists, 1,710 are Trainees and 31 Premiers Specialists.

3. Current and Upcoming Activities in Market

3.1 Consumer Marketing:

Dates	Project / Event	Partners
February – June 2009	Transformation campaign in market with executions rolled out via print, TV and digital from February - June.	Qantas
June 2009	'Explore' Supplements; The second edition of Explore launched in April with the third edition released in June	People Publishing
April 2009	Promotion (travel prize) with release of <i>Australia</i> DVD in conjunction with United DVD Rentals - ends in May 2009.	United Video Tourism Vic, Tourism NSW, South Australian Tourism, Northern Territory Tourism, Western Australia Tourism, Tourism Queensland, Qantas, Apollo Motor homes

3.2 Trade Marketing:

Dates	Project / Event	Partners
25 June 2009	<i>Feast Your Senses – An Australian Food & Wine Journey</i> VIP Media + Industry Event (Invitation only)	STO's

4. Media Environment

- Social media trends in New Zealand between October 2008 and February 2009 indicate:
 - Facebook users have increased from 556,000 unique browsers to 805,000 (with 57 per cent of the users in the 15-34 age bracket).
 - Bebo users has dropped slightly from 986,000 to 924,000 unique browsers.

- MySpace has gone up from 179,000 to 213,000 unique browsers.
- Online media company, MSN with TVNZ have entered a significant content syndication deal that will put TVNZ news, sport and weather on MSN's local news and entertainment website www.msn.co.nz from the first week of August 2009.
Source: www.admedia.co.nz – May 2009

For more information on Tourism Australia's publicity, International Media Hosting Program (IMHP) and results, please visit www.publicity.australia.com

Alternatively for general media information visit www.media.australia.com

5. General Travel Outlook

5.1 Political and Economic Outlook

- Credit conditions remain tight, households are laden with debt and job security is falling – with rising unemployment and wage growth slowing - expected to close at 4 per cent in 2009 (currently 4.7 per cent). Forecasters expect the trend to continue in 2010 and reach 7.7 per cent by early 2010. Tax cuts, lower fuel prices and lower mortgage interest rates are doing little to encourage more spending, with consumers preferring to save, rather than fret about their indebtedness.

Retailers continue to feel the effects of the cautious consumer, sales trends in February 2009 were around 3.5 per cent lower than a year ago. Similar to 2008, sales of big ticket durable items are expected to remain soft for the 2009 year.

5.2 Outbound Travel

- New Zealand residents departed on 162,400 trips overseas in April 2009 (down 1,900 or 1 per cent) in comparison 164,300 departures in the month of April 2008. In the month of April 2009, there were fewer trips to Fiji (down 1,500 or 21 per cent), China (down 1,100 or 20 per cent) and Japan (down 900 or 33 percent). In contrast, there were more departures to Australia (up 2,400 or 4 per cent), Samoa (up 900 or 34 per cent) and India (up 800 or 62 per cent).

There were a total of 1.940 million NZ outbound departures in the year ending April 2009, down 27,400 or 3 per cent in the year ending April 2008.

Source: www.stats.govt.nz

- As at 18 May 2009, the top five travel sites for New Zealand based on unique visits were www.houseoftravel.co.nz with 23.26 per cent of market share, www.flightcentre.co.nz with 10.5 per cent, www.expedia.co.nz with 6.59 per cent, www.webjet.co.nz with 5.73 per cent, and MSN [www.house of travel.co.nz](http://www.houseoftravel.co.nz) with 2.63 per cent.
- The top three travel destination and accommodation sites for New Zealand based on unique visits were www.whotif.com at 4.39 per cent, www.tripadvisor.com at 3.87 per cent and www.jasonstravelmedia.com at 2.56 per cent.

6. Next 60 Days

New Zealand						
START DATE	END DATE	MARKET	PROJECT/EVENT	TARGET AUDIENCE	LOCATION	PARTNERS
December 2008	June 2009	NZ	<p>Transformation Brand campaign:</p> <ul style="list-style-type: none"> TV, Print (magazine) & online (February-June) 	NZ Experience Seekers	National	Qantas
21 June 2009	30 June 2009	NZ	<p>Supplement: <i>EXPLORE</i> Supplement Jun 2009 – distributed by the <i>Sunday Star Times</i> (21 June 2009)</p>	NZ Experience Seekers	National	Qantas, People Publishing
25 June 2009	25 June 2009	NZ	<i>Feast Your Senses – An Australian Food & Wine Journey</i>	VIP Media and Industry Event (Invitation only)	Auckland	State Tourism Organisations