

New Zealand

Market Summary

Year to date arrivals (January to October) to Australia from New Zealand are slightly down against last year. Looking forward, the year-end position is expected to be in line with, if not slightly above, the TFC-forecasted decline of 1.6 per cent for 2009.

The New Zealand travel market for Australia remains relatively flat. Lower consumer confidence from credit deterioration, high household debt and high unemployment continues to affect discretionary spend. Last-minute deals with short lead times still dominate the market. Australia also continues to compete for market share, as New Zealanders take advantage of good value airfares to long-haul destinations.

1. Market News

- Despite the technical end of the recession in June 2009 quarter, statistics reveal GDP at 0.1 per cent after 15 months of consecutive decline. As many industry sectors continue to contract, consumer and business confidence remain flat. This is expected to improve slowly going forward.

2. Consumer Insights

- Roy Morgan's NZ's Travel and Leisure Trends containing consumer trends revealed:
 - New Zealanders used the internet as a key information source when planning their trip to Australia (34.6 per cent). When booking, their main booking source was via a travel agent (44.1 per cent) and the main booking method via the internet (63.7%). *(Source: Roy Morgan Travel & Leisure Trends Report – quarter ending July 2009 (released October 2009))*
- For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Key travel distributors in market are reporting that the forecasted significant drop in sales to long-haul destinations has not entirely come to fruition. Whilst reports indicate sales are still down to some long-haul destinations by some 15 per cent, New Zealanders are being tempted by the aggressive airline initiatives to long-haul destinations, which is a particular challenge for Australian regions beyond gateways on the East Coast.
- New Travel concept Layaway Holidays, touted as the holiday option “without the scary bill at the end”, has reported a huge consumer response. Pitched as the first on-line lay-by travel option for Kiwis, the organisation has so far been inundated with enquiries. (Source: *Tabs on Travel Today*-16 Nov 2009).
- In the current economic climate, corporations are looking for cost efficiencies and booking online has become common practise for many New Zealand business travellers. It is predicted that more corporations will book travel direct with airline and hotel websites to trim costs. (Source: *Business Travel News* – 14 Oct 2009)
- The Travel Agents' Association of New Zealand (TAANZ) has commented on the travel agency closures due to the current economic climate. They have forecast more closures in the last quarter of 2009 following weaker than expected sales in July and August. February 2010 is expected to see a pick-up in sales. (Source *Tabs on Travel Today*, 11 Nov 2009)
- As at 4 November 2009, the New Zealand Aussie Specialist Program had a membership of 1,810 members, of which 1,195 were in training and 615 Aussie Specialists were fully qualified.

4. Airline News

- Air New Zealand announced the successful purchase of 14 new Airbus A320 aircrafts worth NZD\$1.4 billion. The new A320s will replace the aging Boeing 737-300 aircrafts from 2011. The new A320s will improve capacity with 171 seats compared to 133 seats. (Source: www.nzherald.co.nz – 16 Nov 2009).
- Air New Zealand plans to launch twice weekly Rotorua - Sydney services from December 2009 and one weekly Queenstown-Brisbane service, increasing capacity into Australia. (Source: www.dancewithshadows.com/aviation/air-new-zealand-direct-sydney-rotorua-service-from-december-19-2009/)
- In response, Qantas has announced a third year-round Sydney-Queenstown Sunday service from February 2010 due to increased demand on the route. This will increase capacity into Sydney in line with other Qantas trans-Tasman route increases. (Source: *Travel Memo* - 20 Nov 2009).
- Pacific Blue plans to offer premium economy seats on domestic and international flights to grow the New Zealand market. This will provide another option for business travellers on the trans-Tasman route. Fare levels have not yet been set. (Source: *Business Travel News*, 18 Nov 2009).

5. Competitor News

- Increased airline competition, the stronger Kiwi dollar as well as demand for US travel are expected to result in increased travel to California in 2010. This will be stimulated by new entrant V Australia who are promoting fares to Los Angeles via Sydney of \$NZD1199. The new fares are available using code shares with Emirates or Pacific Blue. (Source: *Tabs on Travel Today – 10 & 12 Nov 2009*).
- Singapore Airlines and Tourism New Zealand have signed a joint agreement to promote tourism to New Zealand on Singapore Airline services from January. The deal will see both parties commit \$NZD 2 million over three years to fund the joint tourism campaign (Source: *Tabs on Travel Today – 16 Nov 2009*).
- Tourism Fiji has combined resources with several New Zealand industry partners to launch the second round of the “Where did the Bula go” television campaign designed to reconnect New Zealanders with the Fijian people, which ran until the end of October complimented by competitive airfare and land packages. (Source: *travelmemo.co.nz – 20 Oct 2009*)
- Further additional funding of NZ \$20 million was announced in November by the New Zealand government for international promotion of New Zealand. The additional marketing investment is expected to be directed to the US, UK, Europe markets and a further joint venture in Australia to allow year round marketing. (Source: *travelmemo.co.nz – 3 Nov 2009*)
- Norfolk Island Tourism launched its first ever destination brand campaign and logo at the beginning of November 2009, complemented with a \$200,000 consumer campaign in New Zealand between Nov and March. The marketing initiative is hoping to increase its visitor market to 40,000 in 2010. (Source: *Tabs on Travel Today – 5 Nov 2009*).

6. Key Campaigns and Activities in Market

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October and November campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
4 October 2009	30 November 2009	<i>Short Breaks Campaign:</i> Marketing campaign to highlight short break holidays (3 to 4 nights) across the Tasman. Focus on highlighting the vast array of experiences available in 3 to 4 days, specifically to Sydney, Brisbane, Gold Coast, Sunshine Coast, Melbourne and Adelaide. Print, public relations and online.	Experience Seekers - Singles/Couples	Harvey World Travel, Air New Zealand, Tourism Queensland (Brisbane, Gold Coast and Sunshine Coast) & Tourism New South Wales
Jan 2009	Mar 2009	<i>TV3 Sunrise Promotion:</i> Running over 4 weeks in Jan and 4 weeks in March, TV3 Sunrise program will conduct a competition inviting groups of 3 girls (January) and 3 guys (March) to apply to visit Melbourne and Gold Coast, respectively, to film a series of 2 to 3 minute TV clips for "Sex in the City" style travel spots to air on the morning show (Sunrise) over a 2 week period.	Youth. Experience Seekers	TV3

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
1 October 2009	19 March 2010	<i>OZTalk 2010</i> : 2 day trade/1 day consumer Travel Expo. Engagement with NZ travel trade (buyers) and Australian industry (sellers) to participate at OZTalk 2010 show, the largest travel show of its kind in NZ for Australia. Seller registrations closed 17 November with 130 operators. Buyer registration is due to close 15 December. OZTalk will be held in Auckland (19-21 March 2010).	NZ travel retail agents and wholesalers, Australian tourism product	Tourism Australia + STO's Qantas Air NZ Flight Centre – confirmed Consumer Day retail partner
4 November 2009	11 December 2009	Email campaign incentivising trainee Aussie Specialists to complete the online training modules and move to qualified status.	Trainee Aussie Specialists	N/A
1 March 2009	19 March 2010	<i>OZTalk 2010</i> : Engagement with New Zealand travellers and Experience Seekers to encourage attendance at OZTalk 2010 and purchase of travel to Australia. OZTalk 2010 will showcase Australia and Australian tourism product with the intention of motivating consumers through the purchase cycle from intention to conversion. Channels used will be a range of Press, digital, outdoor and radio. Target participation 6500+ consumers. OZTalk Consumer show 2010 will be held in Auckland (21 March 2010).	Experience Seekers incl. sub segments - Youth, Families and Boomers	Flight Centre
January 2010	January 2010	<i>Australia Day Promotion</i> : Promotion to run via radio to celebrate Australia Day.	NZ Travellers and Experience Seekers	Qantas
November 2009	March 2010	<i>Explore Magazine Supplements</i> : a 36 page glossy magazine with content comprising interesting & informative editorial, with a bent towards Short Breaks. Total circulation will be 110,000 for each edition of Explore through the NZ Herald. Editions circulated November 2009, January 2010 and March 2010.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	People Publishing, Qantas