

New Zealand

Market Summary

Year to date (January to May) arrivals for New Zealand were flat, brought down a decline in the VFR segment. Whilst the New Zealand economy is improving, recovery stalled in May, as wary consumers held back spending while awaiting critical May New Zealand Budget announcements. Visiting friends and relatives (VFR) has softened generally this year (down 7 percent), as this opportunistic segment becomes accustomed to the value deals which have stayed in the market since late 2008, contributing to complacency and reduced urgency to travel.

However, rebounding business confidence this year has given a boost to the market, with an increase in business arrivals (up 10 percent) and business spend.

1. Market News

- Tourism Australia has appointed a new New Zealand Marketing Manager, Tracey McKay, who started with the team in July 2010.
- Consumer data has softened in the first and second quarters of 2010, highlighting that New Zealand's economic recovery may be slower than originally forecast. Whilst business confidence is at its highest levels since 1999 (which is being reflected in business arrivals), consumer confidence has faltered in 2010. Overall, a modest, rather than spectacular outlook is predicted for consumers, while business confidence is forecast to remain high (Westpac NZ Weekly Commentary April 2010).
- The New Zealand market was buzzing with noise for Australia in quarter four of 2009/10, with activities from trade, airlines, state and territory tourism organisations and Tourism Australia.

2. Consumer Insights

- While overall confidence levels are more buoyant than this time last year, the Nielsen Online Consumer Survey showed that many New Zealand consumers remain vigilant, with 44 percent putting any spare cash into savings and 39 percent of consumers channelling any surplus cash into paying off debts, credit cards and loans. *Source Neilson NZ 10 May 2010.*
- The number of New Zealanders shopping online has reached an all-time high, with over 1.4 million New Zealanders making a purchase on the internet in the past 12 months, according to recent research conducted by Nielsen. This represents an incremental increase of 2.4 percent on the previous year. *Source: Neilson NZ 20 April 2010.*
- The latest Tourism Research Australia International Visitor Survey shows that for January to March 2010, spend by New Zealand visitors to Australia was up by 2.8 per cent on the previous year. Spend per night was also up by 14 per cent, boosted by the New Zealand business segment, which is now travelling and spending again. The report also shows that nights spent by New Zealand visitors in non-gateway destinations has increased by five percent in the first quarter of the year.

For the latest in visitor arrivals, please visit 'Research & Statistics' at www.tourism.australia.com

3. Trade Update

- Tourism NT closed their New Zealand representation and will continue to service New Zealand from their Australian based operations for key marketing and PR opportunities (effective April 2010).
- The Keith Prowse Auckland office closed effective immediately following the resignation of the New Zealand Manager and a restructure evaluation. Keith Prowse say they are to reopen and relocate the New Zealand operations however at this point nothing is finalised *Source: Travel Today, 12 July 2010.*
- United Travels' strategy to grow Australian sales is already regaining market share from direct booking channels for the retail chain – said to be due to the value-adds United Travel is offering. United Travel aims to report a 25 percent Australia sales increase by the end of the year. *Source: Travel Today, 09 July 2010.*
- A recent MasterCard Worldwide survey showed 65 percent of New Zealanders rank Australia as their top international destination. However; the intention to travel to Australia over the next six months is down 8 percent. *Travel Today, 29 June 2010).*
- Stella and Jetset Travel World have announced a proposed merger. 50 percent of Jetset shareholders must approve the merger before it can proceed. It is expected that the required shareholder and regulatory approvals will be completed by the end of August and Jetset Travel World will remain listed on the ASX. There are no plans to rebrand either organisation. *Source: Travel Today, 13 May 2010.*

4. Airline News

- Pacific Blue will be increasing direct flights to Brisbane from Hamilton and Dunedin later this year. One weekly flight from Hamilton to Brisbane will be added to the existing schedule taking the weekly departures to four. The Dunedin – Brisbane schedule will also increase by one weekly flight taking the number of weekly departures to four. *Source: Travel Memo, 18 May 2010.*
- Jetstar has announced the December debut of trans-Tasman services into Queenstown. Twice weekly Melbourne-Queenstown A320 services will operate from 16 December, and then weekly flights from the Gold Coast to Queenstown. It will be the first time that direct flights have operated between the Gold Coast and Queenstown, and launch fares are now on sale from \$129 one way. Jetstar CEO Bruce Buchanan also said the carrier would expand its Auckland-Queenstown services to 11 per week from 11 December, supported by an additional New Zealand-based A320. *Source: Travel Daily, 14 July 2010.*
- Air New Zealand and Virgin Blue have announced details of a proposed Tasman alliance which would see the two airlines code-sharing and revenue sharing on Tasman flights and domestic Australia and New Zealand sectors that are part of a Tasman journey. The airlines say this will deliver trans-Tasman travellers cheaper fares, increased frequency, better connections and loyalty programs. *Source: Travel Today, 3 May 2010.*
- The New Zealand Airports Association is opposing the potential Air New Zealand – Virgin Blue alliance. The association says that the interests of the flying public on both sides of the Tasman are best promoted by encouraging competition and independent carriers. They also claim that three routes on the Tasman would become fully monopolised and six other routes would be reduced to a duopoly with the Qantas-Jetstar group. Air New Zealand and Virgin Blue are currently moving through the alliance process. *Source: Travel Memo, 25 June 2010*
- Qantas announced the addition of seven supplementary services between Melbourne and Queenstown, New Zealand to support demand over the peak summer period, as well as extra flights for the ski season. Qantas Regional General Manager for New Zealand, Grant Lilly, said the move would see a fourth weekly service operate during the peak period 18 December 2010 to 29 January 2011 using a 737-800. The extra summer flights are on top of extra Qantas flights to Queenstown from Melbourne and Brisbane during the ski season *Source: Travel Daily 4 Jun 2010*
- Pacific Blue launched seasonal Brisbane to Queenstown service on 25 June 2010. The flights will add more than 3,000 seats to the Queenstown market from Australia for the June-September ski season *Source: Travel Daily 28 Jun 2010.*

5. Competitor News

- Tourism Fiji is continuing its high-spend 'Lucky Me - Fiji Me' TV advertising campaign which launched in Feb 2010.
- Jetstar has announced it will commence flights from Auckland to Singapore from March 17 2011.
- New Caledonia and Air Calin had an 'Experience New Caledonia' campaign in market throughout May 2010.
- In May, Tourism Malaysia undertook tactical campaigns in market with a range of suppliers including House of Travel, Harvey World Travel, and Air Malaysia.
- Air Tahiti and Tahiti Tourism had tactical campaigns in market in late April and early May.
- In the month of May, New Zealanders took more trips to China (up 1,020 or 23.6 per cent), UK (up 1,010 or 9.1 per cent), US (up 600 or 6.9 per cent), Italy (up 580 or 41.5 per cent) and France (up 440 or 26.8 per cent).

6. Key Campaigns and Activities in Market

New Zealand current campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
31 May 2010	30 June 2010	Ambient campaign to complement in market Q4 brand activity. Large postcards were erected around high-volume traffic/foot traffic areas in Auckland city to encourage Kiwi's to look at Australia for their next holiday. Postcard creative used the existing arrived/departed brand campaign images and included a call to action to visit Australia.com to help plan their trip, and to visit the Air NZ website to book their tickets. Other campaign elements included e-direct mail o both TA owned databases and Air NZ AirPoints/special offers database, inserts in the NZ Herald and a competition running on Australia.com	Adventurous Kiwi's / Experience Seekers	Air New Zealand
28 June	09 August	Take Your Mates to Oz (Aussie Trip Tryouts) – Digital/Viral promotion running on a micro-site promoting 4 key Australian experiences and road trips encouraging the participants to learn more about the destination in a new and innovative way by showing them key activities in each region.	20-34yr olds, Young Professionals, no kids	-
Apr 2010	Jun 2010	<i>Take Your Family to Australia:</i> Broadcast promotion with 'Studio 2' family TV show Sydney and central coast	Families	-
Apr 2010	May 2010	<i>ADDITIONAL FUNDING PROJECT</i> – New South Wales Tactical campaign with House of Travel, press digital, e-direct mail, supplement	Experience Seekers	Tourism New South Wales, House of Travel
Apr 2010	Jun 2010	<i>ADDITIONAL FUNDING PROJECT</i> - Western Australia Tactical campaign; print, digital	Experience Seekers	Tourism Western Australia
Apr 2010	Jun 2010	<i>ADDITIONAL FUNDING PROJECT</i> – Qantas 3 campaigns including 1 tactical co-op with Stella (and Harvey World Travel) promoting whole of Australia.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	Qantas

May 2010	Jun 2010	<i>ADDITIONAL FUNDING</i> – Queensland Tactical campaign; TVC, radio, press, digital, pos	Experience Seekers, Families and Youth (Young Adults 20-34ys)	Tourism Queensland
Apr 2010	Jun 2010	Business Events Greater Melbourne and Red Centre famil held in partnership with Qantas 13 to18 April 2010. 6 buyers and 1 media and Qantas escort. Supplement produced by TRAVELinc in partnership with Melbourne and Northern Territory Convention Bureaux distributed to qualified database of TRAVELinc subscribers (4500 conference and incentive organisers and corporates) BE VIP dinner event for a select group of VIP incentive buyers was held 17 June in Auckland to engage with key incentive groups and re-energise these VIP buyers about Australia.	Business Events	Qantas Melbourne Convention & Visitors Bureau Northern Territory Convention Bureau

New Zealand upcoming campaigns and activities

START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
July	October (possibly longer)	Australia Mini-feature series in NZ trade publication (distributed to trade via email daily). A 4-page Australian mini-feature on Australian product and regional news run once a month for the next four months. This will include branded advertisements directing to Australia.com.	New Zealand Travel Industry	-
12 September		There's Nothing Like Australia consumer campaign launch.	Sophisticated Travellers in NZ	TBC
15 September	15 September	Business Events sponsorship of PAICE (Pacific Area Incentive and Conference Expo).	NZ MICE buyers	Australian Convention Bureaux