

# MARKET UPDATE

JANUARY - MARCH 2010

## New Zealand

### **Market Summary**

*There has been some slight growth in New Zealand arrivals so far in 2010, with arrivals for January and February up one per cent against the same period in 2009. This reflects feedback from the trade that enquiry and sales are up for short-haul on the same period from the previous year, as well as indicating a slight increase in consumer confidence.*

*Business confidence is also on the rise, with a 10 per cent growth in arrivals over January and February.*

*Consumer confidence is improving, however this is not immediately translating into spending. Australia is positioned well as confidence rebounds further, given the New Zealand appetite for travel, Australia's competitive price proposition and Australia's value for money as a destination.*

### **1. Market News**

- OZTalk was held from 19 to 21 March 2010. In its eleventh year, OZTalk attracted 243 New Zealand and Pacific retail and wholesale agents and 133 Australian tourism exhibitors (174 delegates) for the trade show and 6,170 consumers to the public travel expo. Tourism Australia partnered with Tourism Queensland, Tourism New South Wales, Tourism Western Australia, Tourism Victoria, Tourism Tasmania and the South Australia Tourism Commission to deliver OZTalk 2010 and sponsors included Qantas, Air New Zealand, Pacific Blue and Emirates. Flight Centre was the official retail partner of OZTalk 2010.
- Consumer sentiment remained high in February, 2010, buoyed by jobs gains. There has been suggestion that retail sales were reasonable throughout the early part of 2010.

### **2. Consumer Insights**

- Results from the Tourism Australia-led New Zealand Activation Study were finalised in March 2010. The study aimed to provide greater understanding into how the New Zealand traveller plans and books Australia. Findings included:

- 66 per cent of consumers tend to book their holiday online, unassisted by a travel agent, before they leave for home.
- 17 per cent of consumers tend to book their holidays via a travel agent.
- 14 per cent of consumers went to a travel agent for either just advice, or to book a portion (i.e. accommodation only).
- 79 per cent of overseas holidays are triggered by the price of an advertised airfare and 76 per cent by a great holiday deal.
- One of the key drivers for New Zealanders is that they seek 'something new/niche' as a key reason to return.
- New Zealanders learn about Australia 'piece by piece' or 'place by place'.
- Core opportunity lies in promoting events, as they can trigger travel.

For the latest in visitor arrivals, please visit '*Research & Statistics*' at [www.tourism.australia.com](http://www.tourism.australia.com)

### **3. Trade Update**

- Overall, trade have indicated a strong start to 2010 for short-haul, including Australia. There is currently renewed interested by distribution players to increase profitability and market share of Australian sales. This follows the shift by consumers to book travel more independently, either directly with the airline, or direct with product.
- February and March saw strong activity in market by retailers for Australia, reflecting their renewed interest.
- Air New Zealand's corporate travel division has been re-branded as Tandem Travel alongside Travel Management Company (TMC) armed with market leading technology. The Tandem brand is a shift away from the TMC's former business directive and further aligned with Air New Zealand but equipped within the competitive environment with TMC online.

### **4. Airline News**

- Air New Zealand is adding services to South Australia and Western Australia for its northern winter schedule (31 October to 26 March 2011) in response to increased demand. Air New Zealand will operate daily services on the Auckland to Perth route (adding 11 per cent capacity year on year). On the Auckland to Adelaide route, Air New Zealand will move to five services a week November, February to March, and to six a week during December to January. This is

equivalent to a 15 per cent capacity increase on the Perth route and in total a total of 26 percent increase capacity to the Adelaide over the period. *Source: Tabs on Travel – 12/04/2010.*

- Air New Zealand is set to axe business class on their Tasman services operating by A320 aircraft and introducing both simplified options for seating and a kiosk check-in for Tasman travel. The changes are reflective of an innovative overhaul of Air New Zealand's short haul product, including a four-option flight menu. These options will only be available in economy on its Tasman flights, catering for the changing demand on the short-haul routes and to compete with low cost carriers. *Source: Business Travel – 25/03/2010.*
- Pacific Blue has commenced services between Auckland and Cairns, a move they say is attributed to a new era of choice and fare competition on the route. This is expected to double business from the Kiwi market. Pacific Blue will be operating the twice-weekly service (Tuesdays and Saturdays) boosting seat capacity on the route by 79 per cent. Pacific Blue management stated they are confident that this new affordable direct service will continue to grow in both directions. *Source: Tabs on Travel Today – 23/3/2010.*

## 5. Competitor News

- Tourism Fiji launched their new brand campaign 'Fiji Me' in February with an extensive TV campaign (worth over NZD 1 million) which follows a year of increased investment to the New Zealand market.
- There is a continued focus in New Zealand on travel to the Pacific area (Fiji, Cook Island, Samoa, New Caledonia) greatly driven by co-operative marketing with New Zealand industry.
- Thailand and Malaysia have stepped up their promotions direct to consumer.

## 6. Key Campaigns and Activities in Market

January to March campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
18 Jan 2010	22 Jan 2010	<i>Australia Day Radio Promotion</i> : A week long on-air competition where listeners phoned in to take part in a 'Quirky Facts about Australia' Quiz. If they got the answer correct they went in the draw to win one of three trips for two people to visit family and friends in Australia, in celebration of Australia Day.	Experience Seekers - Youth, DINKS (18-39 yrs high socio demographic)	ZM, Qantas
Feb 2010	Feb 2010	<i>TV3 Sunrise 'Mix It Up in Melbourne'</i> Online and broadcast promotion to show listeners, applicants went into the draw to win the 'ultimate girls weekend'. Winners were filmed in Melbourne and broadcast capturing brand messaging and experiences.	Experience Seekers - Youth, DINKS (18-39 yrs high socio demographic)	Tourism Victoria
Feb 2010	Jun 2010	<i>ADDITIONAL FUNDING PROJECT – South Australia</i> TVC brand campaign launch, tactical consumer fulfilment pack, Tourism Australia ad in South Australia magazine.	Experience Seekers	South Australian Tourism Commission
Feb 2010	May 2010	<i>ADDITIONAL FUNDING PROJECT – Victoria</i> Two print supplements promoting Victoria product direct to consumer, Tourism Australia ad in Victoria supplements.	Experience Seekers	Tourism Victoria
Mar 2010	Jun 2010	<i>ADDITIONAL FUNDING PROJECT –North Queensland</i> Brand and tactical activity promotion Cairns and beyond; print, digital.	Experience Seekers	TNQ, Tourism Queensland
Mar 2010	Jun 2010	<i>ADDITIONAL FUNDING PROJECT –Northern Territory</i> Tactical campaign with AA Travel Centres on Northern Territory; supplement, magazine, digital	Experience Seekers	Tourism Northern Territory, AA Travel
Mar 2010	Mar 2010	<i>Explore Magazine Supplement</i> : a 36 page glossy magazine with content comprising interesting & informative editorial. Distributed through both the <i>New Zealand Herald</i> and at the actual OZTalk consumer show which saw over 6,000 qualified consumers through the door.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	People Publishing, Qantas

Mar 2010	Mar 2010	<i>ADDITIONAL FUNDING PROJECT - Flight Centre Co-op 'Australia' marketing campaign.</i> Running for a week either side of OZTalk this was an integrated campaign utilising TV, press, point of sale, direct email and SMS. Focused on Australia-wide offers with Tourism Australia destination messaging.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	Flight Centre
Mar 2010	Mar 2010	<i>OZTalk 2010;</i> Two day trade/one day consumer show; over 400 delegates including 133 exhibiting Australian product/regions and 6170 consumers.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	Flight Centre, Qantas, Air NEW Zealand, Pacific Blue, Emirates, STO partners (excluding Northern Territory ACT)
Mar 2010	Mar 2010	<i>OZTalk 2010 Show guide;</i> 16 page full colour magazine with content delivering both brand messages and content around 'welcoming, nature, immersion and adventure'. The magazine also featured the entertainment and talent line-up including celebrity chef Mark Olive, The Wiggles, Friends from Dreamworld and Australian Idol Stan Walker.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	People Publishing, Qantas, Flight Centre
Mar 2010	Mar 2010	<i>OZTalk Advertising Campaign.</i> Beginning 8 March through to 21 March advertising ran across digital, radio, press and through OOH activity promoting consumer engagement to OZTalk Travel Expo.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	

April to June campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
April 10	June 10	<i>Q4 Brand Campaign:</i> Activity will include digital executions and billboards with a call to Australia.com during April and May followed by installations of 'giant postcards' around the city in June, driving to an Air NZ supported competition hosted on Aus.com and an eDM and DM piece also in June.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	Air New Zealand
Apr 2010	Jun 2010	<i>Take Your Family to Australia:</i> Broadcast promotion with 'Studio 2' family TV show.	Families	
Apr 2010	May 2010	<i>ADDITIONAL FUNDING PROJECT</i> – New South Wales Tactical campaign with House of Travel, press digital, e-direct marketing, supplement.	Experience Seekers	Tourism NSW, 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 Three campaigns including one 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, point of sale.	Experience Seekers, Families and Youth (Young Adults 20-34ys)	Tourism Queensland
Jun 2010	Jul 2010	<i>Take Your Mates to OZ;</i> Viral campaign and engagement, application aligned to Australia.com.	Youth (young adults 20-34yrs)	