



Destination Queenstown
TNZ Kiwi Link SEA Report
(Singapore, Malaysia, Indonesia, Thailand)

July 2024

1. Overview

After last year's TNZ SEA roadshow, this year Kiwi Link SEA provides a great opportunity to connect New Zealand tourism representatives with key agents from Singapore, Malaysia, Indonesia and Thailand. Activities include pre-scheduled appointments with managers of the NZ department or product managers and networking events.

On the 8th and 9th July, 36 NZ operators had 36 x 14-minute one-to-one appointments with 36 agents who are product managers, travel planners, business owners and directors.

One virtual appointment for SEA Facebook group with hundreds of frontline salespeople or product managers cannot be at the conference.

2. Market Background

Singapore

- 64k visitors in 2019, recovered 73% in 2023. January – June in 2024, recovered 84% comparing to the same period in 2019. (Source: NZ Stats)
- Full year GDP growth forecast to 2 -3%. Economy grew 2.7% in Q1 2024, faster than 2.2% recorded in Q4 2023.
- For product development, it is considered important to build relationships with trade partners in Singapore, as 77% of the target audience prefers to book through travel agents.

Malaysia

- 42k visitors in 2019, recovered 69% in 2023. January – June in 2024, recovered 77% comparing to the same period in 2019. (Source: NZ Stats)
- Malaysia's economy grew 3.9% in Q1 of 2024, and the government and central bank expect full-year economic growth of 4-5% in 2024. The growth is driven by improved investment and external demand.
- Travel agents remain the primary booking channel for travel packages.

Indonesia

- 28k visitors in 2019, recovered 50% in 2023. January – June in 2024, recovered 67% comparing to the same period in 2019. 62% travel to NZ for holiday. (Source: NZ Stats)
- Indonesia's economy forecast 4.9% for 2024.
- Population grew by 7% approx. to 276m in 2023, with 52% between 18-39 years old.
- Wealth mostly concentrated in/around Jakarta.

Thailand

- 28k visitors in 2019, recovered 59% in 2023. January – June in 2024, recovered 72% comparing to the same period in 2019.
- Thailand’s economy forecast 2.2% - 3.2% for 2024. Tourism sector recovery and private consumption will remain major drivers of economy growth.

3. Event Objectives & Benefits

Objectives

- Strengthen the connection between NZ operators and SEA markets
- Increase general destination & product knowledge of buyers
- Showcase new products and regions to the market
- Promote off-peak travelling as NZ is a four-season destination
- Engage with an existing network of travel sellers and build on general business relationships
- Increase New Zealand’s share of voice amongst travel trade in SEA
- Provide a platform for negotiating new and existing contracts with product managers

Benefits

- Connect with travel distributors who play a large role in development, promoting and purchasing process of NZ tourism experience
- Build relationships with new agents and strengthen the existing business relationships
- Educate new travel planners who lack knowledge of destinations and products and require upskilling (88% of staff in Asia are increasing portfolio of destinations)
- Raise distributors’ awareness of their regions and/or products and what they have to offer to the clients so that they are in a better position to sell the region
- Gain market intelligence, insights and advice on SEA markets

4. Attendance/Attendees

Buyers:

36 buyers from Singapore, Malaysia, Indonesia, Thailand who are product managers, travel planners and business owners and directors.

Live Facebook group in SEA with 389 people and 2,312 total engagements through reactions, comments, shares, photo or video and clicks.

Sellers:

36 NZ companies, AKL & CHC airports and Air New Zealand

Queenstown operators: Alpine Luxury Tours, Altitude Tours & Black NZ, KJet Queenstown, Heliworks Queenstown, The Helicopter Line, Destination Queenstown, Haka House Hostels, Ngai Tahu Tourism, Nomad

Safaris, RealNZ, Skyline Queenstown, NZONE Skydive & Skydive Wanaka; IHG Hotels & Resorts, Millennium & Copthorne Hotels

5. Market Insights & Airline Updates

Singapore

- See off-peak travel a growing trend and travellers are planning and booking earlier compared to pre-covid(average booking lead days was 44).
- Rest and relaxation top motivator - leisure continues to be the central theme for 2024, with relaxation (61%), shopping (39%) and curiosity/learn something new (32%) being the top three drivers of choice for Singapore travellers. Show interest in a wide range of activities, including local cuisine, scenic trips and unique experiences.
- Singaporeans are planning more trips, averaging 4.6 trips compared to 4.4 in 2023. They are also increasingly seeking quality experiences, choosing better accommodation, longer stays and unique activities.
- For 2024, 85 percent of Singaporean travellers recognize the rise in travel costs and close to half are likely to adjust their itineraries to stay within budget.
- Trends of smaller private group tours.
- Social media remains a significant source of travel inspiration, with Instagram (77%) and YouTube (77%) being the top platforms for fuelling wanderlust. Key opinion leaders remain highly influential and vital in ensuring brands stay top-of-mind, with 80% of consumers basing their travel bookings on recommendations from content creators (Source: Klook Travel Pulse 2024).
- Influencers are curating travel adventures, coinciding with a boom in Singapore's niche travel market. Influencer-run travel companies like Sotravel and Jambo Journeys are emerging in this space.
- Peak travel seasons: March to June, October to December - School holidays and public holidays, e.g Chinese New Year and Diwali (October/ November), Christmas.

Airline Updates/ Recovery

- Strong direct flight connectivity with 38 flights per week to Auckland and Christchurch by Air New Zealand & Singapore Airlines.
- Qantas and Fiji Airways offer multiple indirect options from Singapore via Melbourne/Sydney and Fiji respectively.
- Search for the next half year of flights between NZ and SIN is 19% down; however, demand for premium seats in business and premium economy increase 95% and 114% and fares are 40% higher vs 2019.

Malaysia

- The lead time for booking long-haul trips ranges from 2-6 months.
- Growing FIT segments and incremental on small private group/family
- Strong interest in NZ spring and autumn season.

- Peak travel seasons: March to May, August to December - School holidays and public holidays, e.g Chinese New Year, Hari Raya (March/April) and Diwali.
- Population: 34 million, 64% Muslim. Providing Halal food options increases opportunities for attracting Malaysian travelers.
- Language: Malay (official), half of the population speaks English. Malaysian travelers are interested in soft adventure, nature, wildlife and local cuisines.
- Consumer spending to remain resilient: Strong job market and controlled inflation are driving strong consumer spending projections through 2024. The steady increase in employment is strengthening consumer confidence, leading to higher levels of disposable income available for travel purposes.
- Demand for value-for-money experiences: With the rising cost of living, Malaysians are seeking affordable holidays that maximise value.
- Experience is the new travel currency: According to Klook's Travel Pulse survey, about 81% of Malaysian millennials and Gen Z individuals prioritises memorable experiences over budget.

Airline Updates/ Recovery

- Malaysia Airlines operate 8 flights per week non-stop Kuala Lumpur-Auckland.
- Batik Air operates 6 indirect flights per week to Auckland via Perth from August 2023; Air New Zealand and Singapore Airlines operate indirect services from Kuala Lumpur.
- While Malaysia to NZ flight searches for next half year is 21% lower than 2019, redirects have grown 27%. Demand for business and premium economy class seats +103 to +179% & fares are 1-12% higher.

Indonesia

- 75% of Indonesians indicate the will to travel as much as possible and are willing to change their everyday behaviours to save up for big travel purchases. International departures from Indonesia grew by 610% since 2022.
- As Indonesians are always on the lookout for new experiences and keen to visit hidden gems, recommendations from social media continues to be crucial in influencing their travel destination.
- Younger Indonesians (76%) consider culinary experiences to be an essential aspect of their travels and 64% display strong preference for destinations that allow them to immerse themselves in nature and outdoor activities.
- Strong growth in business events and incentive groups with stable visa application processing.
- Over 70% of conversions result from bookings via travel agencies and see an increase in flight bookings from OTAs.
- Booking lead up to 6 months in advance, partly due to the longer visa application process and higher airfare.
- Strong interest in NZ autumn and winter season.
- Peak travel seasons: April to July, December - School holidays and public holidays, e.g: Lebaran (March/April).
- The largest Muslim population globally with roughly 242 million Muslims. Muslim friendly (Halal) food options attract Indonesian travellers.
- Preference for natural landscapes, outdoor activities and local cuisines.

Airline Updates/ Recovery

- No direct flight from Jakarta.
- Air NZ operates 3-7 weekly non-stop between Bali & Auckland. Singapore Airlines and Qantas operate indirect services from Jakarta.

Thailand

- Thai travellers are increasingly seeking travel discounts and deals, with price tags being the top motivator for travel according to a TCT Survey. Similar results were gleaned from a consumer survey, with 44% of respondents sharing that they sought such information online.
- Growing trend among Thai consumers using online channels for travel inspiration and sharing experiences. 53% of Thais use social media to research destinations before traveling, while 54% share their experiences on personal accounts after their trip.
- 70% indirect bookings, rely on trade.
- Due to ongoing inflation and household debt, Thais are becoming more frugal and selective, indicating a decreased consumer confidence and likelihood of spending on big ticket items.
- Short booking lead – less than a month, prefer countries without visa requirements and can fly directly.
- Strong interest in NZ autumn season.
- Peak travel seasons: March to May, October to December - School holidays and public holidays, e.g Songkran(April), National Day (December).
- Population: 72 million. Roughly 27% the population speaks English.
- Interested in soft adventure, nature, outdoor experience, landscape and local food.

Airline Updates/ Recovery

- No direct flight from Thailand post pandemic.
- 84% flew 1-stop via various transit points, e.g. Sydney, Singapore, Kuala Lumpur, Melbourne, Guangzhou & Hong Kong

6. Cultural Brief - Islam

Indonesians and Malaysians practicing Islam are likely to follow the dietary requirements of halal certified foods and beverages. Some things to note when serving food and beverages to your Muslim visitors are:

FOOD

- Muslims don't eat pork – it would be useful to note on the menu which dishes have pork-related ingredients
- Be careful when you are cooking and serving food to avoid cross-contamination for people who don't eat pork or are strict vegetarians
- Pork maybe found in foods and ingredients that are not explicitly labelled pork, such as sausages and gelatine Be mindful not all Indonesian visitors are Muslim – not all will adhere to Islamic dietary

requirements. Rice is a staple food for most Indonesians and is often served with many different side dishes. Indonesians will use a spoon and fork as opposed to a knife and fork. Some may eat with their hands and not cutlery.

ALCOHOL

- Muslims don't drink alcohol so offer other beverages
- Be wary of using alcohol as an ingredient in desserts or sauces. Check ingredients as products such as vanilla essence or soy sauce can contain alcohol

7. Summary

- Southeast Asia is an emerging market with a stable economy in Singapore and growing economies in Malaysia, Indonesia and Thailand. Preference for natural landscapes, outdoor activities and local cuisines.
- The distribution channels in this market are complex and rapidly changing, with consumers using both traditional distribution partners and online options to research and book travel. Group travel and trade remain essential in the SEA market.
- IBOs have established strong, long-term relationships with agents in the SEA market.
- Most travelers stay in Queenstown for 2-3 nights due to short holiday periods and budget constraints, with great feedback from travelers on their Queenstown experience.
- Travel is based around local holidays, providing us an opportunity to attract visitors to Queenstown in off-peak season.
- Digital advertising has replaced traditional advertising strategies, with key trade players using platforms such as Facebook, Instagram, TikTok, and engaging KOLs or influencers.
- Most travel agents work in the MICE sector, with IBOs managing their groups. In Thailand, Indonesia, and Malaysia, 26 out of 27 agents handle incentive groups. Singapore's market includes Professional Conference Organizers (PCOs) as well.
- To attract travel and incentive groups from Malaysia and Indonesia, having halal food readily available is appealing.
- Education is key to making New Zealand an attractive prospect for SEA clients. Without it, agents do not fully understand the proposition and experiences they can offer to their clients.

8. Event Images



Team Photo



Judy (Entrade Travel), John&Marcus (General Travel), Flora (Millennium & Copthorne Hotels)



Yangzi represents DQ



With Alia (Altitude Tours & Black NZ)



With Edward, thank you so much for all your great work and support Queenstown last 9 years



Edward joined the haka that the crew surprised him at the networking event to appreciate his contribution to New Zealand tourism