QCB Report
Q3 2018–19

1 January to 31 March 2019

Market Overview & Insights

The following report outlines the key activity and results of the Queenstown Convention Bureau for Q3 (Jan, Feb, Mar) of 2018–2019 financial year.

This report includes insights from the managers, lead generation by market, and breakdown of these leads into conference and incentive. We display how the leads were generated, the source from which the business originated and reasons any events were lost. An activity summary from the Bureau includes a breakdown of sales calls, tradeshow appointments, networking meetings/updates, site inspection participants and famil participants. We also report on year to date (YTD) totals for the above where appropriate.

All confirmed business the Bureau has secured for the next 6 quarters, along with a summary of all prospective business is outlined.

Finally, the table of events the Queenstown Convention Bureau will attend until the end of the financial year and into the first half of the next financial year has been listed for your reference. It also indicates which industry partners we are working with (if any) for each event.

For additional information, the Members Area of the Destination Queenstown website houses reports from the managers on processes, tradeshows and sales calls. Find them here to get more insights and details on specific markets, the trips we carry out and the way the Bureau operates.

LOUISE Having visited both Wellington and Auckland this quarter it is easy to see some common themes coming from the sales calls and appointments I had. Lead times can vary and it is becoming more common for these to be very short (6 weeks to 2 months) which is adding a lot of pressure on event organisers and showing short response times are more important than ever. Most are reporting successful years with the following years shaping up to be very busy as well, there certainly doesn't seem to be any sign of slowing.

There is a lot of interest in Queenstown and PCOs are trying to get groups to consider Queenstown as a destination to 'mix things up' for their clients. The PCOs are very aware that the accessibility and availability/rate perceptions are just that. This proves that the PCOs are just as important as the bureau in their education to clients on these issues. We must keep plugging away at this key messaging and reinforcing our unique selling points.

Auckland seems to be a 'hot' destination at the moment however with their capacity constraints and several of their large venues being offline for refurb, this could prove to be an advantage for other regions in the next couple of years. APEC 2021 and America's Cup are also approaching in Auckland and again could be seen as an opportunity for Queenstown as more businesses look to hold their events elsewhere.

The Queenstown Convention Bureau has expanded its presence on QueenstownNZ.nz, with a micro-site that brings together Queenstown's conference and incentive offering for event organisers and QCB clients.

The new pages feature suggested itineraries for business events, incentives and conference programmes in an easily navigated section of the official Queenstown website.

JANA The main areas of focus this quarter were our VIP AIME lunches and a sales cycle to Sydney. The lunches were a huge success with the Bureau hosting 24 key accounts and some of our most valued industry partners at two lunches in Melbourne run in conjunction with AIME 2019. I also conducted two days of sales calls, some key contacts who were unable to attend our AIME events as well as airline partners and industry bodies. The general consensus regarding destination trends is mixed with some saying clients are staying onshore more this year and others seeing a surge in popularity for long-haul destinations like Spain, USA and Japan.

Key Australian insights:

- Higher volume, tighter belts - Agencies and corporate decision-makers have more on their agenda dealing with a higher volume of events with the same budget. Consolidation and more of a strategic approach to meetings and event management will be more critical than ever before.
- Consumer Approaches – creative entertainment, educational experiences as part of programmes. Bringing back fun to maximise engagement and delegate experiences.
- Study tours – event management companies are creating content and putting forward these itineraries to their clients. This is also a trend being seen in MEETINGS AU applications.
- We are also hearing agencies offering client incentives featuring leaders in innovation, collaboration and ideation. Companies are taking advantage of the AU Fringe Benefit Tax so education content is becoming mandatory in these programmes.

ELLA The main focus of Q3 has been working very closely with TNZ to bid for the AMWAY APAC 2020 & 2022 Diamond and Leadership programmes – Nov 2020, 300 pax and Mar 2022, 250-300 pax.

The destination pitching document was prepared and we have had weekly conference calls with AMWAY APAC and TNZ in the past two months. Queenstown has successfully made it to the next stage of the bidding process. We will be hosting a site inspection trip at the beginning of April with the support of both TNZ and our operators. The itinerary is finalised and there are three DMCs involved at this stage.

I have seen increasing demand and enquiries from SEA and India through inbound operators and key contacts I met on my sales call in Singapore. Information on unique venues, dining options, entertainment options as well as professional services are frequently requested. Vegetarian options and halal food are also important for Indian and SEA incentive groups. QCB have updated the restaurant capacity chart to include a wider variety of dining options to meet Asian PCOs and client's needs.

Most incentive business out of China has a very short lead time. Education of what Queenstown has to offer is required. Most of the incentive itineraries are very similar to traditional trade itineraries. IBOs have little knowledge of our venues and professional services in Queenstown so most of time only iconic activities/ venues are recommended to clients.

Domestic sales calls in Christchurch were scheduled at the end of March – this trip was postponed and will be rescheduled in Q4.

QCB Report
Leads

Total Leads

This table reflects the leads generated within the quarter and their current status (won/lost/in progress). In progress means a decision is still pending on the piece of business. The won/lost figures are low as the status of a lead rarely becomes confirmed/lost within the same quarter it was generated.

Within the quarter we have confirmed 1 lead (Australian conference) which was actually generated within the same period (as reflected in the table). This can in part be attributed to the holiday period as well as the fact that this quarter is a key event delivery period.

There were 2 leads that cancelled after initially confirming – 1 due to conference venue being secured without accommodation which was subsequently unavailable and the other due to budget changes within the company.

The YTD total indicates how the bureau is tracking in terms of the KPI. As a reference the total leads generated last financial year was 104.

Total Overview

	AUSTRALIA	NEW ZEALAND	REST OF WORLD	Q3 18–19 TOTAL	Q3 17–18 TOTAL	YTD TOTAL	ANNUAL KPI 18–19
GENERATED	18	8	4	30	36	77	112
WON	1	0	0	1	-	9	-
LOST	2	1	1	4	-	22	-
CANCELLED	2	0	0	0	-	2	-
IN PROGRESS	15	7	3	25	-	44	-

QCB Report
Leads

Conference vs Incentive

This table breaks down the leads generated this quarter into conferences or incentives and the number of delegates.

Of the 25 conferences, 16 were Australian, 8 were Domestic and 1 was International. We had 2 incentive leads generated out of Australia, 2 from Asia and 1 from the US. The Australian market has definitely bounced back with enquiries after a softer Q2.

	Conference		Incentive		Totals	
	EVENTS	ATTENDANTS	EVENTS	ATTENDANTS	EVENTS	ATTENDANTS
GENERATED	25	3531	5	726	30	4383
WON	1	26	0	0	1	26
LOST	3	522	1	50	4	572
IN PROGRESS	21	2983	4	676	25	3659

QCB Report
Leads

Source by Activity

Activity

In this report we outline the source of leads for the year to date to illustrate what lead generation activity is proving to have the best ROI. We can see the Bureau's existing relationships and the website are the main sources. The Bureau has made significant upgrades to our website and this improvement in content and usability is already having a clear impact. It also indicates the value the market puts on using the Bureau for their business event needs.

To note, in Q3 the 30 leads were generated through the following channels:

Tradeshows: 2

Website: 11

Existing relationships: 10

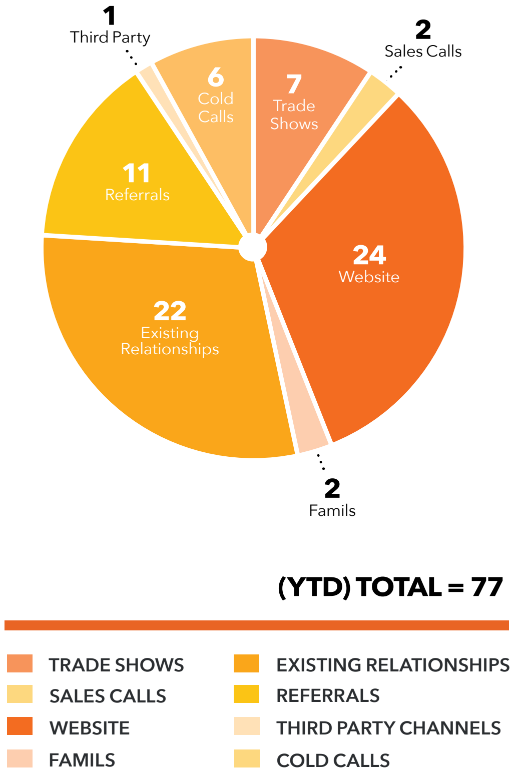
Referrals: 4

Cold Call: 3

Leads generated from the website either come through our RFP form or a direct client email from sourcing our contact details from the website.

Referrals are from CINZ, TNZ, airlines and other regional Bureaux.

Third party channels are a reference to the likes of Cvent (web based technology specialising in meetings, events, and hospitality management).



Source by Account Category

Associations, Corporate, PCO/Incentive House

This graph shows the breakdown of the lead source for all leads generated year to date. There has been a distinct change this quarter affecting the picture for the year so far. Overall PCO/Incentive houses are still the main source with 32 leads YTD, however 27 leads have come from Corporates directly and Associations have produced a total of 18 leads.

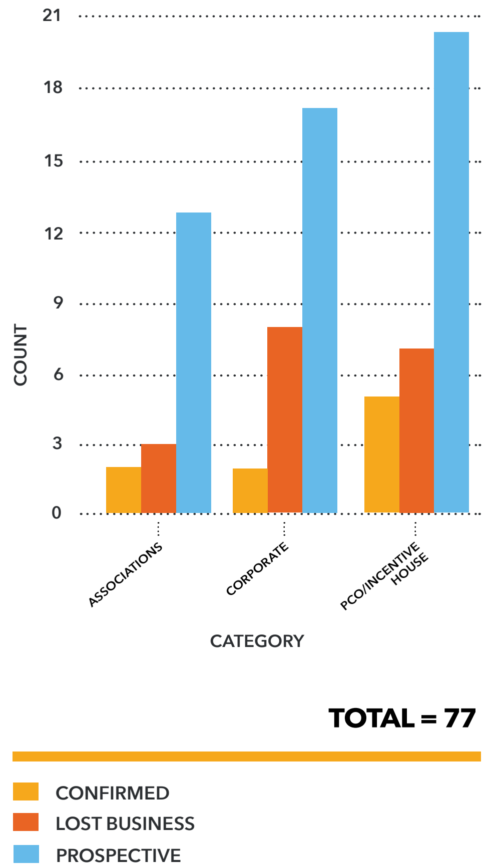
This quarter the breakdown of the 30 leads generated is as follows:

Associations: 9

Corporate Companies: 11

PCO/Incentive house: 10

The increase in numbers of leads from corporates and associations can most certainly be attributed to the work the Bureau is doing focusing on generating more business from these sectors.



QCB Report **Leads**

Lost Reasons

This chart highlights the reasons business has been lost for the destination (segmented into conferences and incentives) for leads generated in the current year to date.

Now in our third quarter of reporting, we can see a moderate pattern being established. At the end of this financial year we will analyse these reasons in more depth to gain a better understanding of how the market is working and reacting. This will be invaluable when assisting members with insights and market trends.

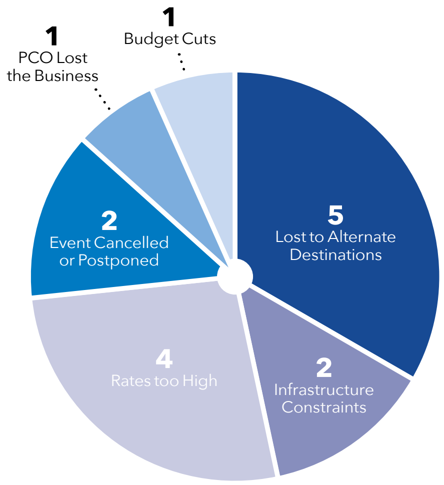
In Q3 the 4 pieces of business lost were due to rates being too high or losing to an alternate destination.

The lost lead categories we report on are:

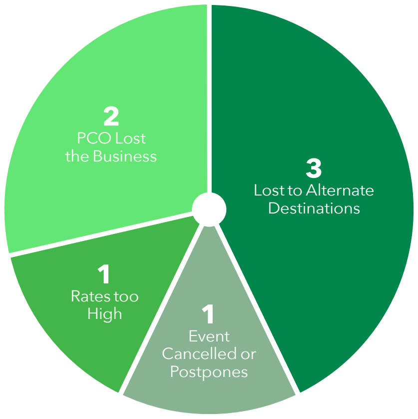
Lost Lead Categories:

- Hotel / meeting space not available
- Rates too high
- Dates not available
- Infrastructure constraints
- Event cancelled / postponed
- PCO lost the business
- Lost to alternative destination
- No air service
- Budget cuts
- No response from client to follow ups

Reasons for Conference



Reasons for Incentive



- LOST TO ALTERNATE DESTINATION
- INFRASTRUCTURE CONSTRAINTS
- RATES TOO HIGH
- EVENT CANCELLED/POSTPONED
- PCO LOST THE BUSINESS
- BUDGET CUTS

- LOST TO ALTERNATE DESTINATIONS
- RATES TOO HIGH
- EVENT CANCELLED/POSTPONED
- PCO LOST THE BUSINESS

QCB Report
Activity

Activity Summary

Sales calls were conducted in:

Sydney and Melbourne: combination of corporates, Associations and PCOs. Additionally there were 10 meetings with industry partners (CINZ, TNZ, other Bureau, NZICC, Melbourne Airport, Air NZ and Qantas) and Queenstown operators which are not included in the table.

Wellington and Auckland: a combination of associations, corporate clients and PCOs

Networking Meeting/Updates hosted:

The Bureau hosted 24 key accounts and industry partners at 2 x VIP lunches over the AIME 2019 tradeshow

The site inspections included:

- 1x PCO/ IBO with their client
- 1x Air NZ China team
- 2 x NZ based corporate clients for international conferences of which one is confirmed and one is prospective
- 1 x Australian PCO

Additional activity this quarter included tele-conferences with Air NZ and TNZ Singapore team to discuss the strategy and potential in-market BE events. The Bureau also attended the NZ Convention Bureaux meeting in February in Wellington, industry partner meetings with Wellington TNZ BE team and Auckland TNZ BE team and the Auckland Convention Bureau.

Summary Overview

	AUSTRALIA	NEW ZEALAND	REST OF WORLD	Q3 18–19 TOTAL	YTD TOTAL	ANNUAL KPI 18–19
SALES CALLS	10	31	2	43	91	165
NETWORKING MEETING/UPDATE	24	0	0	24	24	N/A
TRADE SHOW APPOINTMENTS	0	0	0	0	143	190
SITE INSPECTION PARTICIPANTS	1	4	2	7	34	25
FAMIL PARTICIPANTS	0	0	0	0	45	95

QCB Report
Pipeline

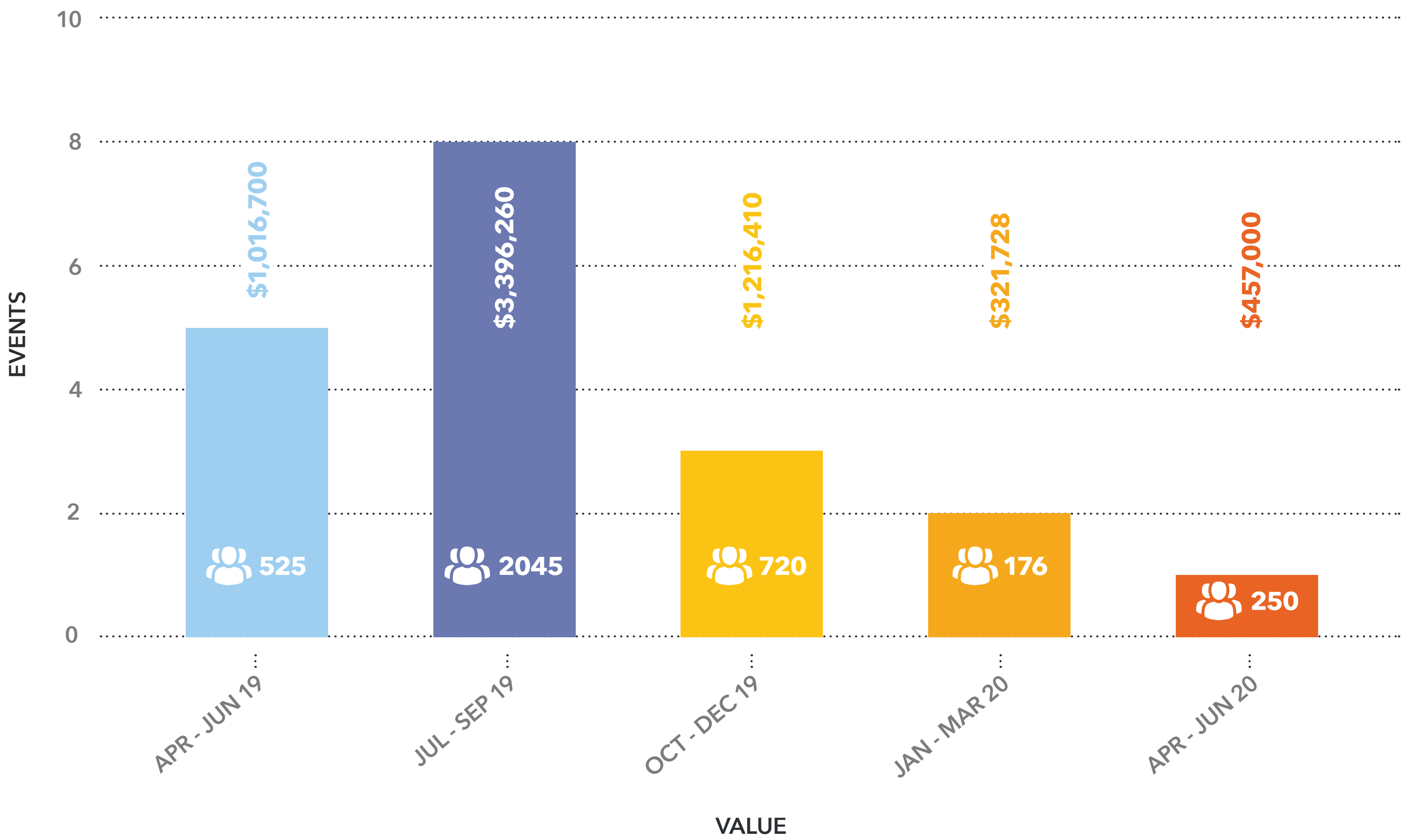
Events Confirmed

This table has been split into the upcoming 6 quarters. It indicates the number of events confirmed for each period, the total number of attendees and the estimated economic value.

Please note the economic value differs depending on the source of the lead (e.g. domestic, international, Australia) as delegate spend varies accordingly.

The calculations are based on MBIE research and reflects the same calculations TNZ use in their reporting to ensure consistency and comparability. As it stands currently, Jul-Sept 2019 is the busiest quarter, assisting with the shoulder season growth. This will change as the year progresses.

There are currently no events confirmed for the last quarter (July-Sept 2020) however as you will see on the next chart there is a significant amount of business sitting as prospective for 2020.



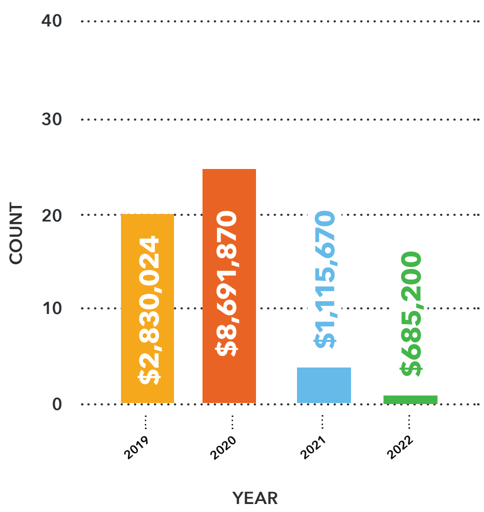
TOTAL EVENTS = 20
TOTAL ATTENDANTS = 3903
TOTAL VALUE = $6,408,098

QCB Report **Pipeline**

Prospective Events

This table shows there are currently 50 pieces of prospective business still in the pipeline for Queenstown with an estimated economic value of over $13million. There is still a significant number of leads pending for 2019 which the Bureau are following up on. Additionally, our focus is on growing the pipeline for 2020 and beyond.

When assessing the pipeline of pending leads, we can see most fall in the months of July through October, showing continued demand for our winter and shoulder periods. Linked to lead times for business events, we anticipate seeing this shift to the spring/summer period as the year progresses.



TOTAL COUNT = 50
TOTAL VALUE = $13,322,764

Calendar of Events

APR 2019	7-9 APR	DOMESTIC FAMIL	NZ	QUEENSTOWN	AIR NZ
MAY 2019	24-26 MAY	AUS PRE-MEETINGS FAMIL	AUSTRALIA	QUEENSTOWN	CINZ & AIR NZ
	24-30 MAY	INTERNATIONAL PRE-MEETINGS FAMILS (MULTIPLE)	INTERNATIONAL	QUEENSTOWN	TNZ
	27 MAY	TNZ INCENTIVE DAY	INTERNATIONAL	QUEENSTOWN	TNZ
	28-30 MAY	MEETINGS 2019	ALL	AUCKLAND	CINZ
JUN 2019	26 JUNE	TNZ PCO/ASSN SHOWCASE	AUSTRALIA	SYDNEY	TNZ
JUL 2019	TBA	SALES CALL / BE WORKSHOP	SINGAPORE	TBA	TBA
	20-22 JULY	PCO/ASSOCIATION FAMIL	AUSTRALIA	QUEENSTOWN	TNZ
SEP 2019	11-12 SEP	IMEX LAS VEGAS	N AMERICA	LAS VEGAS	TNZ
OCT 2019	26-27 OCT	GLOBAL MEETINGS & INCENTIVES SUMMIT	INTERNATIONAL	CHICAGO	TNZ
	29-31 OCT	CINZ CONFERENCE	VARIOUS	QUEENSTOWN	TNZ
DEC 2019	TBC	SALES CALLS	AUSTRALIA	SYDNEY	
FEB 2019	19-20 FEB	AIME LUNCHES	AUSTRALIA	MELBOURNE	