

1 July to 30 September 2019

Market Overview & Insights

The following report outlines the key activity and results of the Queenstown Convention Bureau for Q1 (July- September) of 2019-2020 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.

In this report we also provide a running annual summary for of total leads, the breakdown of conference vs incentive and our activity summary.

In our pipeline reports all confirmed business for the next 6 quarters, along with a summary of all prospective business is also outlined.

Finally, the calendar of events outlines the activities the Queenstown Convention Bureau will undertake for the upcoming financial year. 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 conducted sales calls in Auckland targeting corporate companies, the common theme was they seem to try and have their meetings where the bulk of their staff are located, which generally

means the North Island. To bring events down to the South Island increases costs as the majority of their staff would require flights. The duration of a lot of their events (meetings/workshops/seminars) are often shorter and therefore it is hard to justify bringing events to Queenstown. Holding an event within a drive-zone region is much more cost and time efficient. Despite barriers, I did receive 2 leads off the back of the calls and prospecting for appointments.

Education of Bureau services in this sector is needed as the knowledge and understanding of Convention Bureaux is mixed.

The US has also been a strong focus this quarter with sales calls in San Francisco and Minneapolis along with attending IMEX Las Vegas tradeshow. The sales calls were very productive and a great opportunity to educate people on NZ and Queenstown. Most seemed to have a good understanding of the basic geography of New Zealand and we were able to get into more detail on accommodation, venue and activity options. Everyone we spoke to would love to be able to send a group to New Zealand for an incentive, however they believe their clients are all looking for beach destinations. It is clear from this the messaging around what NZ can offer needs to be pitched in a different way.

For the full report [click here](#).



JANA New Zealand remains high in the consideration set of Australian business events buyers, aided by the strong rational benefits of being a safe and secure destination, providing excellent infrastructure and direct

aviation access from many points in Australia. New Zealand is challenged by a broad competitor set including Asia, Japan, USA, Europe, Pacific Islands, and destinations within Australia. Off-shore business events opportunities remain positive. International flight deals to aspirational destinations, as well as exchange rates, influence decisions due to perceived value specifically for incentives and concenctives.

The Australian business events market is buoyant with no trend of low periods. Incentives ex-Australia are now considered 'concentives' with conference content mandatory in most programmes to offset the FBT (fringe-benefits tax).

The Australian Royal Commission into banking sector continues to impact the market, and has been slower to return to off-shore programmes during FY19.

Procurement is now controlling the decision-making process with strategic insights or relationships less likely to secure the business. Consolidation approach to meetings and event management will be more critical than ever before. 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. The AU\$ hit a 10-year low against the US dollar. This may impact short-term opportunities and will continue during FY20.



ELLA In conjunction with TNZ, QCB hosted a Queenstown incentive workshop with Singapore MICE agents. The 2 hour Business Events specific training session focused on Queenstown's ease

of accessibility, unique experiences, venues and natural landscape. This kind of event in the South East Asia (SEA) market was a first for the Bureau, proving a success with 21 agents in attendance.

Business opportunities are still relatively strong growth from SEA but some industry experts are a bit concerned that incentive business will slow down. The trade war between U.S. and China is the primary driver of this slowdown, however increased competition and rising oil prices are also contributing factors. We have seen the uncertainty surrounding U.S.-China relations weakening the incentive market, as corporate clients become more cautious, leading to lower revenue growth in Asia-Pacific. While contentious social and political issues unfold, many companies go into "wait-and-see" mode, holding back on travel spending until a resolution emerges. This lack of demand often affects pricing.

In September the QCB also hosted 5 highly targeted corporate end users from India. This was in partnership with Singapore Airlines, Auckland Convention Bureau and QCB members. The famil was aimed to showcase shoulder season offerings, unique venues and activities in Queenstown and the potential of an Auckland/Queenstown incentive programme to key decision makers. All of the buyers learnt a lot about the destination and are excited to pitch New Zealand to future groups.

Total Leads

This table reflects the leads generated within the quarter and their current status (won/lost/in progress) and compares the figures with the same quarter in the previous financial year. Running year to dates totals are also provided with a comparison against last financial year.

Won/ lost figure reflect leads that have been confirmed/ lost within the same quarter it was generated.












This quarter has been very productive with the Bureau securing 47 leads, up 42% on the performance for Q1 FY18-19. The ROW leads are stronger this financial year (10) compared to last (3) due to IMEX Las Vegas falling in Q1 (in FY18-19 IMEX was in Q2).

The ROW leads have been generated from the USA (3), Canada (2), India (3), Singapore (1) and other international (1).

Overall Australia is by far our largest source of leads. One significant reason for this is the Australian markets maturity in understanding the role of the Bureau and the benefits of this important relationship.

With domestic New Zealand business being Queenstown's largest market, the Bureau recognises the growth potential in domestic business events. The establishment of the QCB NZ Business Development and Marketing Manager role will create a strong focus on proactive sales activity in this important area. In due course we should see an increase domestic lead numbers.

Total Overview

	AUSTRALIA	NEW ZEALAND	REST OF WORLD	Q119-20 TOTAL	Q118-19 TOTAL	YTD19-20 TOTAL	YTD18-19 TOTAL
							
GENERATED 	26	11	10	47	30	47	30
WON 	2	1	1	4	1	4	1
LOST 	4	2	1	7	5	7	5
IN PROGRESS 	20	8	8	36	24	36	24

Market Segmentation

This chart shows the market segment from which leads have been generated from 1 July 2018 to 30 September 2019.

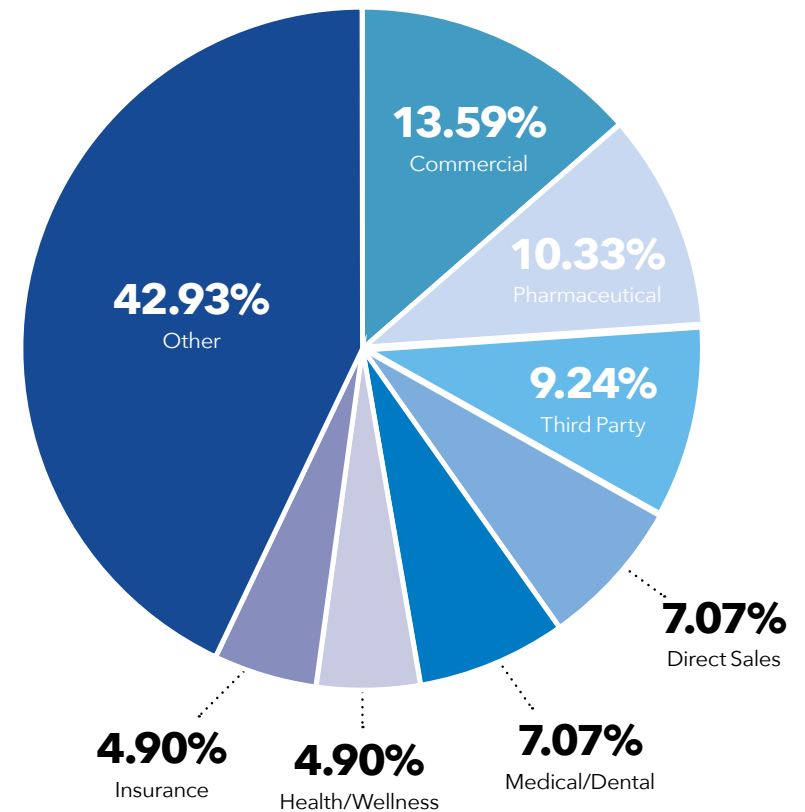
The Commercial segment has generated the majority of the leads due to it encompassing a wide range of business types. Examples of businesses that fall into this category are recruitment, project management, electrical and construction companies etc.









The Pharmaceutical and Medical/Dental sectors also generated a significant portion of the leads, particularly out of the Australian Market. 22 out of 32 (19 Pharmaceutical, 13 Medical/Dental) are from the Australian Market.

Third Party Planner as a market segment naturally falls high on this list as this reflects pieces of business where we are dealing with a PCO who is unable or unwilling to pass on the market segment of the end client or they are tendering for the event themselves.

In this quarter, the Other segment (with 7 or less leads associated to them) encompasses

- Agriculture/ Farming (7)**
- Athletic/ Sports/ Recreation (1)**
- Automotive (3)**
- Banking/Finance (7)**
- Charity (1)**
- Educational (7)**
- Engineering (3)**
- Environmental (1)**
- FMCG (5)**
- Government (5)**
- Hobby/ Vocational (4)**
- IT (7)**
- Legal (4)**
- Manufacturing (6)**
- Marketing / PR / Adverting (3)**
- Real Estate (5)**
- Retail (2)**
- Scientific (3)**
- Technology (3)**
- Tourism (1)**
- Transport (1)**













 COMMERCIAL 13.59%	 DIRECT SALES 7.07%	 INSURANCE 4.90%
 PHARMACEUTICAL 10.33%	 MEDICAL/ DENTAL 7.07%	 OTHER 42.93%
 THIRD PARTY PLANNER 9.24%	 HEALTH/WELLNESS 4.90%	

Conference vs Incentive

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

Of the 32 conferences, 16 were Australian, 10 were Domestic and 6 were international.

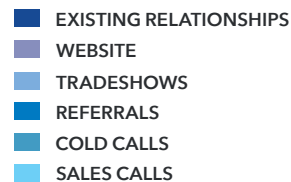
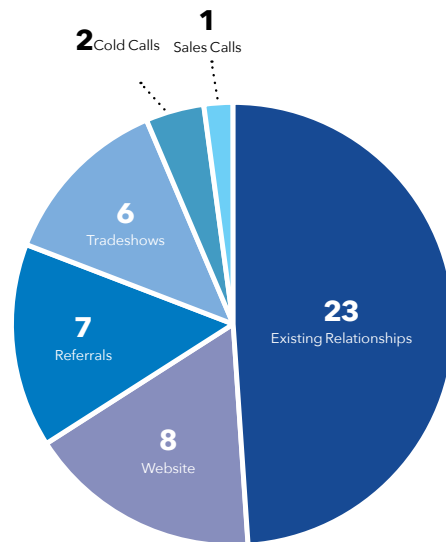
Of the 15 incentives, 10 were Australian, 1 was Domestic and 4 were international. In comparison with Q1 FY18-19 the incentive business lead count has increased from 11 leads last year to 15 leads this year.

	Conference		Incentive		Totals	
	EVENTS	ATTENDEES	EVENTS	ATTENDEES	EVENTS	ATTENDEES
						
GENERATED 	32	13120	15	1791	47	14911
WON 	2	210	2	110	4	320
LOST 	6	9295	1	100	7	9395
IN PROGRESS 	24	3615	12	1581	36	5196

Source by Channel 1 July 2019 – 20 September 2019

This chart illustrates a breakdown of the channel from which leads are sourced for Q1 FY19-20

The noticeable difference in Q1 FY19-20 compared to Q1 FY18-19 is the number of leads sourced via existing relationships. This count has doubled (23 this year vs. 10 last year).



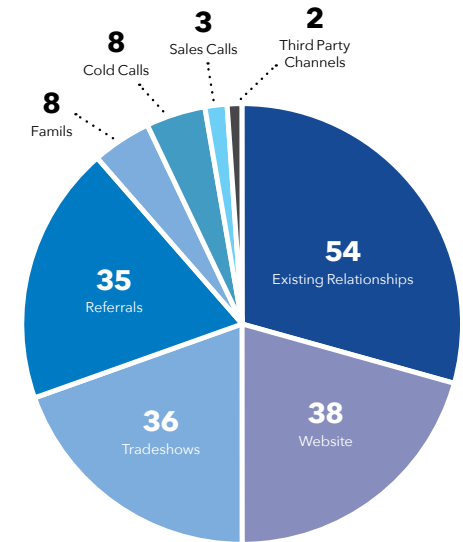
Source by Channel 1 July 2018– 30 September 2019

This chart illustrates a breakdown of the channel from which leads are sourced for all leads generated from 1 July 2018 to 30 September 2019.

These figures reflect all leads that have been generated from 1 July 2018 until 30 September 2019. With over a full financial year of data captured in Simpleview, we can see there are four main sources of leads. The front runner is existing relationships, reinforcing the importance of the Bureau presence in all markets. Tradeshows are another significant area for sourcing leads.

Referrals covers any lead opportunities that come through industry partners such as TNZ, CINZ, airlines or other regional Bureaux.

Leads generated through the website are received when a client completes the RFP form or emails us directly after obtaining contact details from the website.



Source by Account Category

Associations, Corporate, PCO/Incentive House

This graph shows the breakdown of the lead source for all leads generated this year. Over the past financial year, the Bureau had a focus on growing our corporate client database. Results are evident with 40.43% of leads coming directly from a corporate client compared to 27.2% for the same period last year.

PCO / Incentive House is another strong performer with 42.56% of leads coming to the Bureau through this channel. The majority of the PCO/Incentive leads come from the Australian market with 65% of the 20 PCO/ Incentive House leads.

This quarter the breakdown of the 47 leads generated is as follows:

Associations: 8

Corporate Companies: 19

PCO/Incentive house: 20



QCB Report Lost Reasons

Lost Reasons

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

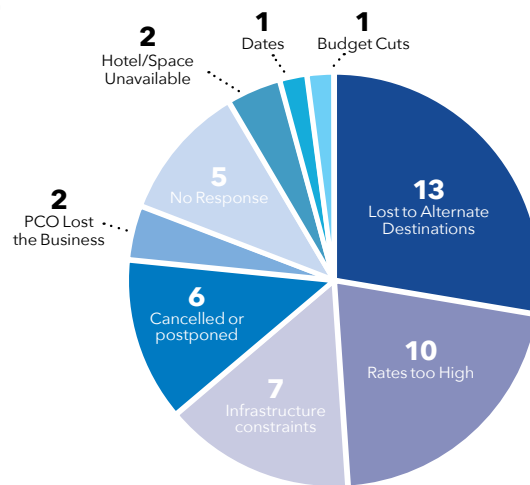
Losing to an alternative destination is the most common reason for Queenstown not securing conference business. Australia is Queenstown's strongest competitor with Australian companies often choosing Tasmania, Noosa, and Sydney as preferred destinations.

Domestically we have lost business to Auckland, Wellington, Christchurch, Terrace Downs and Dunedin.

High rates and a lack of large infrastructure are also reoccurring reasons as to why Queenstown misses out on opportunities.

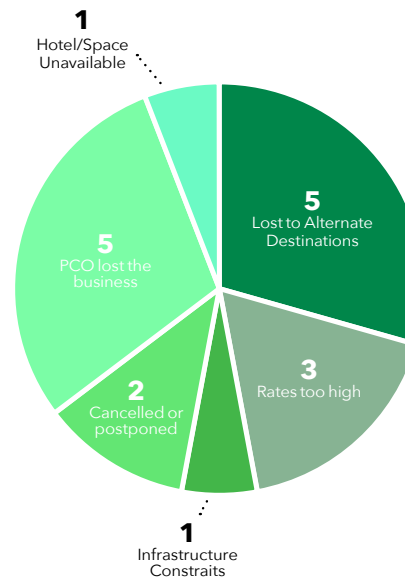
For lost incentive business, the main reasons are the PCO losing the business (due to the lead being part of an active pitching situation) or missing out as an alternative destination was confirmed. Clients are often choosing warmer destinations such as Hamilton Island or going to cities like Hong Kong with a closer proximity for international travelers.

Reasons for Conference



- LOST TO ALTERNATE DESTINATION
- RATES TOO HIGH
- INFRASTRUCTURE CONSTRAINTS
- EVENT CANCELLED OR POSTPONED
- PCO LOST THE BUSINESS
- NO RESPONSE FROM CLIENTS DURING FOLLOW UP
- HOTEL/MEETING SPACE NOT AVAILABLE
- DATES NOT AVAILABLE
- BUDGET CUTS

Reasons for Incentive



- LOST TO ALTERNATE DESTINATIONS
- RATES TOO HIGH
- INFRASTRUCTURE CONSTRAINTS
- EVENT CANCELLED/POSTPONED
- PCO LOST THE BUSINESS
- HOTEL/MEETING SPACE NOT AVAILABLE

In Q1 the seven pieces of business lost were all conference opportunities. The reasons were due to infrastructure constraints (4), losing to an alternate destination (1), rates too high (1) and hotel/ meeting space not available (1).

The lost lead categories we report on are:

- 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

Bureau Activity Summary

Sales calls were conducted in:

Auckland - 3 x corporates and 1 x PCO
 San Francisco - 2 x Incentive Houses (in conjunctions with TNZ)
 Minneapolis - 3 x Incentive Houses (in conjunctions with TNZ)
 Melbourne/Sydney - 8 x corporates/PCOs/Associations

Networking Meeting/Updates hosted:

QCB & TNZ Singapore Incentive Workshop

Tradeshows:

There is a significant difference in tradeshow appointments for Q1 FY19-20 compared with Q1 FY18-19. This can be attributed to Get Global, Office/PA Show and Convene South all falling within this quarter last year. The Bureau made a strategic decision to look at alternative opportunities this year so these events were not included in the business plan for FY19/20.

Additionally, the Prevue Incentive Summit was held in Q1 FY18-19 whereas this financial year the event is in October (Q2 FY19-20). IMEX is reflected in Q1 FY19-20 however in FY18-19 IMEX was held in Q2.

The site inspections included:

4 x PCOs with their clients
 6 x corporate clients

Famils:

India Corp End User Famil
 TNZ Hilton SEA Incentive Managers Famil

Additional activity undertaken by the Bureau this quarter included the National Convention Bureaux meeting, TNZ Impact and Legacy event, Tourism New Zealand SSEA NZSP Training Day and RTNZ Tourism Connect. Meetings were also conducted with industry partners such as Auckland Convention Bureau, CINZ, NZICC, Air NZ and Tourism New Zealand.

Summary Overview

	AUSTRALIA	NEW ZEALAND	REST OF WORLD	Q119-20 TOTAL	Q118-19 TOTAL	YTD TOTAL 19-20	YTD TOTAL 18-19
SALES CALLS	8	4	15	27	60	27	60
NETWORKING MEETING/UPDATE	0	0	21	21	0	21	0
TRADESHOW APPOINTMENTS	2	0	21	23	93	23	93
SITE INSPECTION PARTICIPANTS	2	11	4	17	14	17	14
FAMIL PARTICIPANTS	0	0	17	17	22	17	22

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.

Calculations are as follows;

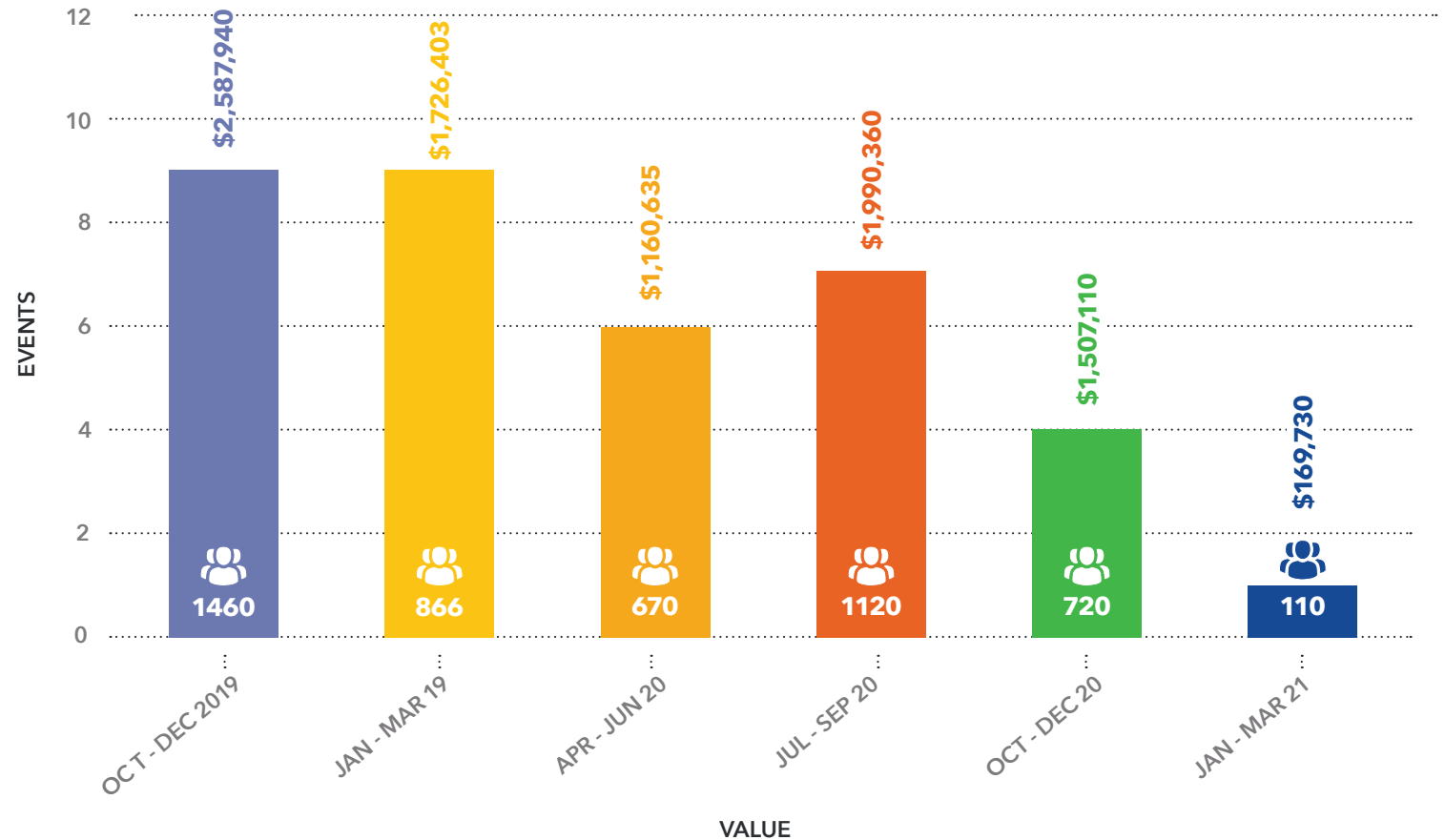
Domestic delegates = number of attendees x \$1,828 which is average dollar spend per stay.

Australian delegates = number of attendees x \$2,284 which is average dollar spend per stay.

International delegates = number of attendees x \$1,543 which is average dollar spend per stay.

** these figures are for accommodation and all on-ground costs but do not include the air component

As it stands currently, October 2019 is our strongest month with 6 confirmed events through the Bureau. This is a good reflection of shoulder season growth when we look at last year's numbers for October which sat at 3 confirmed events. March 2020 is tracking well with 5 confirmed events, 3 in April 2020 and 3 in May 2020. Again to assist with shoulder season growth we have 3 leads in progress for April 2020 and 7 for May 2020.



TOTAL EVENTS = 36
TOTAL ATTENDEES = 4946
TOTAL VALUE = \$9,142,178

Prospective Events

This table shows there are currently 73 pieces of prospective business still in the pipeline for Queenstown with an estimated economic value of over \$23million.

Our pipeline for 2020 continues strong growth with an average of almost one event per week if all opportunities are secured. Enquires for 2022 have grown in this quarter from the US incentive market as a result from attending IMEX Las Vegas.

When we breakdown the pipeline for pending leads, we can see that demand for Q3 (April -June 2020) is high with 19 leads. Additionally, September/October 2020 is proving popular with 14 leads currently pending.

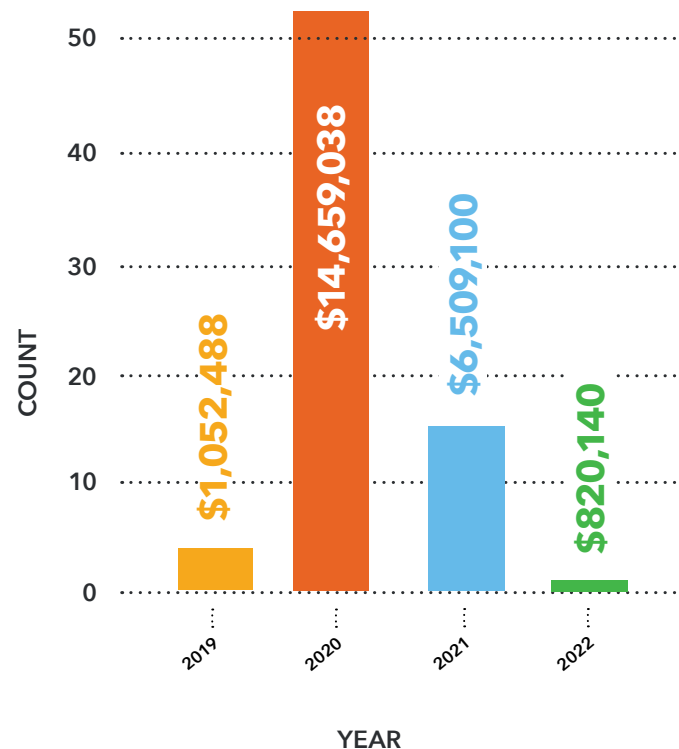
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International delegates = number of attendees x \$1,543 which is average dollar spend per stay.

** these figures are for accommodation and all on-ground costs but do not include the air component



TOTAL COUNT = 73
TOTAL VALUE = \$23,040,766

Useful links for more industry insights

Ministry of Business, Innovation and Employment (MBIE)

[Business Events Activity Survey](#)

[Business Events Research Programme](#)

[International Visitor Survey](#)

[International Visitor Arrivals](#)

[Commercial Accommodation Monitor](#)

Please note this report will no longer be produced by MBIE as of September 2019

Conventions & Incentives New Zealand (CINZ)

[Industry Research & Statistics](#)

Tourism New Zealand Business Events (TNZ)

[Markets & Stats](#)

[Visitor Profile Tool](#)

TNZ also publish interesting articles [click here](#) to view.

Calendar of Events

OCT 2019	10 OCTOBER	QCB MEMBERS UPDATE - SPOTLIGHT US	HERITAGE	QUEENSTOWN	LOUISE CLARK	CONFIRMED	
	15 - 16 OCTOBER	AUSTRALIAN ROADSHOW	AUSTRALIA	SYDNEY/MELBOURNE	JANA KINGSTON	CONFIRMED	
	21 - 22 OCTOBER	PREVUE INCENTIVE SUMMIT	US	CHICAGO	JANA KINGSTON	CONFIRMED	TNZ
	28 OCTOBER	NATIONAL BUREAU MEETING	NEW ZEALAND	QUEENSTOWN	CHELSEA KING	CONFIRMED	BUREAUX
	29 - 31 OCTOBER	CINZ CONFERENCE	VARIOUS	QUEENSTOWN	ALL	CONFIRMED	CINZ
DEC 2019	3 - 5 DECEMBER	AUSTRALIAN PCO/ CORPORATE CLIENT FAMIL	NEW ZEALAND	QUEENSTOWN	JANA KINGSTON	CONFIRMED	AIR NZ
	TBC	SALES CALLS	AUSTRALIA	SYDNEY	JANA KINGSTON	TBC	
FEB 2020	TBC	ACB/QCB US ACTIVATION	US	TBC	KIRAN NAMIBAR	TBC	ACB
	18 - 19 FEBRUARY	AIME LUNCHES	AUSTRALIA	MELBOURNE	JANA KINGSTON	CONFIRMED	
APR 2020	22 - 23 APRIL	MEETINGS 2020	ALL	AUCKLAND	ALL	CONFIRMED	CINZ
	24 - 26 APRIL	POST MEETINGS FAMIL	AUSTRALIA	QUEENSTOWN	JANA KINGSTON	CONFIRMED	CINZ
MAY 2020	21 - 23 MAY	IMEX FRANKFURT	US	FRANKFURT	JANA KINGSTON	CONFIRMED	TNZ
JUN 2020	TBC	DOMESTIC FAMIL	NZ	QUEENSTOWN	CHELSEA KING	CONFIRMED	