# QCB Report
# Q2 2019–20

*1 October to 31 December 2019*

## Market Overview & Insights

**The following report outlines the key activity and results of the Queenstown Convention Bureau for Q2 (October – December) 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.

**JANA KINGSTON**
QCB Business Development Manager - Australia & North America

My recent trip to Chicago for the Prevue Summit was most valuable, not only for connecting with buyers and industry partners, but also in gaining some key insights into current and future trends for the incentive market, as follows:

**Millennials are the next wave of delegates and we are seeing huge changes in qualifier preferences**

- More un-programmed time and choice – multiple flexible activities, unique and authentic experiences
- More "off the beaten path"
- More "meaningful" – CSR, sustainability

**Company objectives for Incentives are changing**

- Still focused on profitability and productivity but there is a greater concern for corporate culture and work relationships
- Greater focus on the higher purpose of work, the "Why?" This generation will stay in a job because of purpose not remuneration. The overall benefits are improved engagement among the team, enhanced customer satisfaction, improved retention of staff, better relationship building and increased mindshare

**Key ways to create transformational incentive travel experience**s

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**SOPHIE ARCHIBALD**
QCB New Zealand Business Development and Marketing Manager

For those that I have not met yet, I am Sophie and I have recently started as QCB Business Development & Marketing Manager. I am excited to take on this new role and to be a part of the high performing B2B team at Destination Queenstown.

My focus since starting the role has been on developing QCBs NZ strategy, during December Kiran and I met with Queenstown stakeholders who are active in the C&I space, to understand the business that they generate from the NZ market. As part of the next phase, we will be travelling to Auckland in February to meet with key industry stakeholders to gain insights on industry trends for the NZ market. The learnings from these meetings will help set the scene for the development of this new strategy.

With MEETINGS in April and TRENZ in May, I have been working on the stand design for these shows. MEETINGS will be the same design as last year, with some of the exterior getting a refresh. Previously we have attended TRENZ under the Southern Lakes umbrella, but this year we are disbanding and developing a new Queenstown stand, which will represent our premier destination.

Other priorities include, reviewing QCBs website

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**ELLA ZHANG**
QCB Business Development Manager - Asia

Recently I have been working closely with our China in-market representatives on a presentation for incentives in Queenstown and other collateral that will allow education of our destination.

In November 2019 I attended Kiwi Link China which is the largest travel trade show organised by Tourism New Zealand. Some of the key trade partners who attend Kiwi Link China also have MICE departments of which they have previously sent groups to Queenstown. After talking to some key PCOs it was indicated that corporate clients would prefer short haul destinations for incentive travel due to the uncertainty of trade war and Chinese economy slowing down and that this could be the preference for the next 12 months. In saying this, some companies will continue to confirm long haul destination for incentive travel to ensure they are continually encouraging their sales teams to achieve higher targets.

In regards to market segments from China, IT, logistics and direct sales are performing steadily and showing strong interest in NZ however there is still the barrier of high cost and limited

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...Continued from page 1

**JANA KINGSTON**

- Focus on 2nd and 3rd tier destinations – path less travelled, less likely to have been there, more edgy / raw, more perceived risk, more out of comfort zone
- Focus on independence – less homogeneity, more indie, local, non-chain, more experiential learning

**Budgets are stagnant so with little growth foreseeable planners need to be more creative**

- Delegates want more free time in the programme so they are now looking to re-purpose budget into other places e.g. arrivals and departures which are very important
- It's not necessarily about 5 star hotels and days of activities. Delegates want more flexibility and freedom. Money can therefore be reallocated to evening functions
- Change in type of gifts so there is less spend and/or wastage. Delegates can choose more local gifts
- Use of independent properties rather than big chains. Giving back to local destination

**Wellness**

- Now part of all programmes and often incorporated into activities e.g. hike to a winery rather than coach
- Healthy options in F&B and active elements of destination that are unique to where they are
- CSR is also seen as part of this – the "feel good" factor

**Duty of Care**

- Companies from the North American market exercise a lot of caution when choosing a destination – look at safety and security, risk management
- Companies are now looking at where all their people are globally at any one time
- Corporate companies' security teams are now included in vetting destinations – more prevalent for US companies
- It is also important to educate clients who may think some destinations are dangerous when in fact they are not. We need to push how safe NZ is as a destination – make this a key message

**SOPHIE ARCHIBALD**

and marketing activity. I look forward to working with you all soon.

Additionally, this quarter the Bureau implemented our updated site inspection process and had a client site inspection hosted by a DMC. Feedback from the client and DMC both indicated the process worked well and met the needs of all concerned. All clients working with the Bureau on a site inspection are given this hosting option. For more information, please view our Site Inspection Policy and Procedure document, found here.

**ELLA ZHANG**

capacity that restricts business event conversions from China.

The general feedback from PCOs across Asia is that NZ hotels are easier to work with now compare with 12 months ago and PCOs have seen more NZ tourism businesses start working in incentive market in China. PCOs suggest that NZ tourism businesses should be open minded and flexible to meet clients' needs. There has also been feedback that some hotel rooms in Queenstown need a refurbishment along with the demand for a convention centre.

Curating unexpected 'WOW' experiences, including hands-on events tailored to professional and personal growth, have become the industry standard. Other trends include a shift from first-tier destinations to a growing appetite for unusual, less-known incentive travel locations, an increasing need for additional support in creating unique delegate itineraries, the opportunity for further collaboration between planners, destination bureaus and associated services to meet the needs of the market, and the increasing demand of justifying budgets and providing more for less or the same budgets.

# QCB Report
# Leads

## 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 date totals are also provided with a comparison against last financial year.**

**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.**

Now that we are two quarters into our financial year we can see that the Bureaus performance in terms of lead generation is well ahead of where we sat this time last year (FY18-19).

There has been growth in lead generation for both the Australian and New Zealand markets compared to FY18-19 Q2. Q2 last financial year the Bureau generated eight leads from each market ( Australia and NZ) compared to F19-20 Q2 (Australia, 17 and New Zealand, 13).

The ROW leads have been generated from the USA, Canada, India and China.

It is important that we continue to educate on the services the Bureau can provide, especially in the corporate sector, as in turn this will increase leads even further.

### Total Overview

| | AUSTRALIA | NEW ZEALAND | REST OF WORLD | Q2 19–20 TOTAL | Q2 18–19 TOTAL | YTD 19–20 TOTAL | YTD 18–19 TOTAL |
|---|---|---|---|---|---|---|---|
| GENERATED | 17 | 13 | 5 | 35 | 17 | 82 | 47 |
| WON | 1 | 1 | 3 | 5 | 2 | 17 | 6 |
| LOST | 2 | 0 | 0 | 2 | 3 | 15 | 14 |
| IN PROGRESS | 14 | 12 | 2 | 28 | 12 | 50 | 27 |

QUEENSTOWN CONVENTION BUREAU

## Market Segmentation

**This chart shows the market segment from which leads have been generated from July 1st 2018 to end of Q2 FY19–20.**

In this quarter, the Other segment (with 9 or less leads associated to them) encompasses

**Agriculture / Farming (9)**

**Athletic / Sports / Recreation (1)**

**Automotive (4)**

**Banking / Finance (7)**

**Charity (1)**

**Engineering (3)**

**Environmental (1)**

**FMCG (7)**

**Government (6)**

**Hobby / Vocational (4)**

**IT (7)**

**Legal (5)**

**Manufacturing (7)**

**Marketing / PR / Adverting (3)**

**Real Estate (5)**

**Retail (2)**

**Scientific (3)**

**Technology (5)**

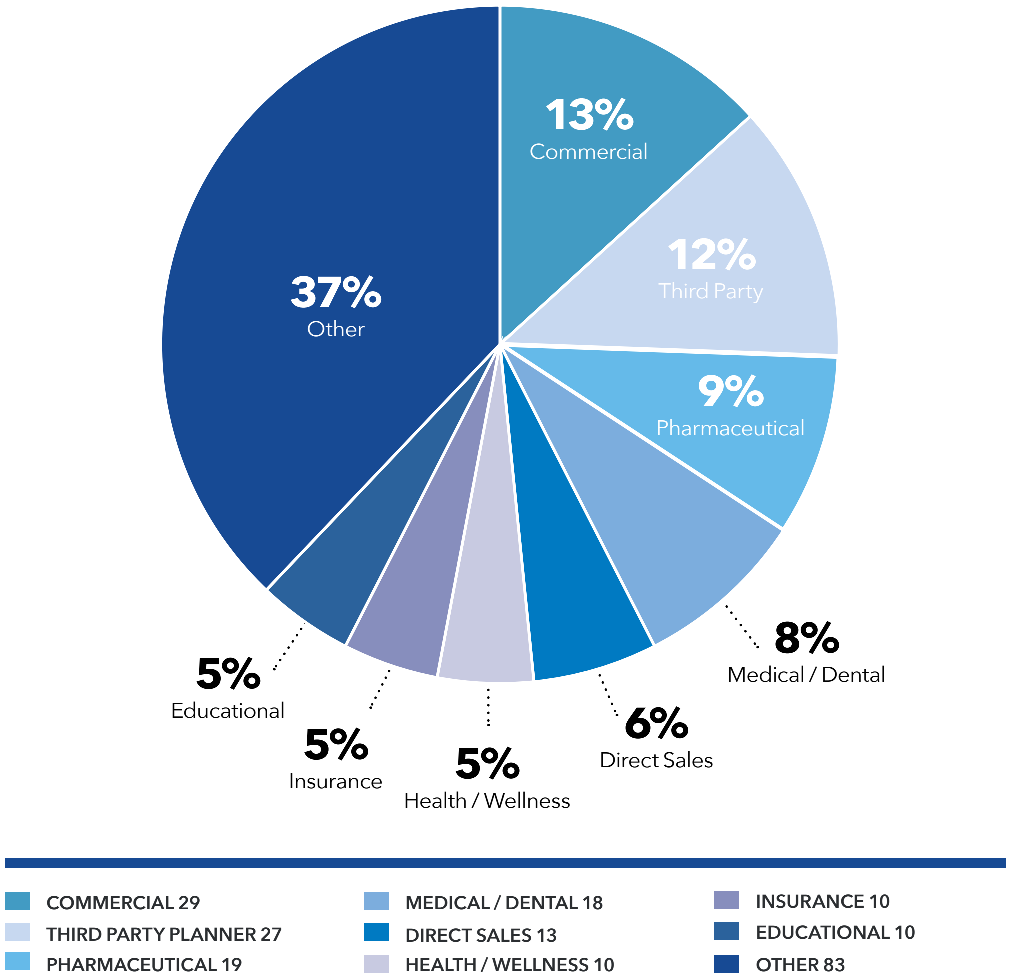
**Tourism (1)**

**Transport (2)**

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

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. From this quarter alone we have 10 leads that fall within this market segment.

Medical / Dental as a market segment was a high performer in this quarter with five leads generated. Agriculture / Farming and Educational had three leads this quarter, FMCG and Technology both had two leads. One lead for each of the following market segments was received this quarter; Automotive, Government, Health & Wellness, Insurance, Legal, Manufacturing and Transportation.



# *QCB Report* **Leads**

## Conference vs Incentive

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

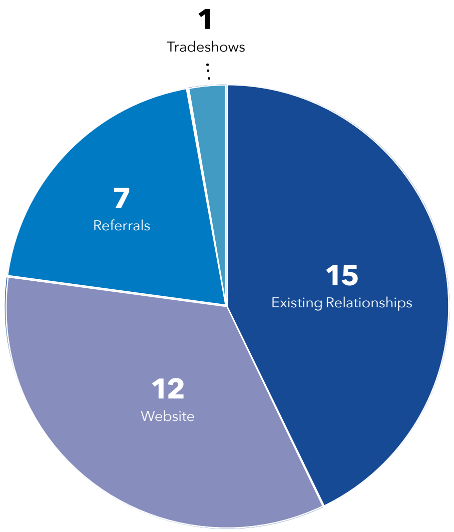
Of the 27 conferences, 13 were New Zealand, 12 Australian and 2 international.

Of the 8 incentives, 5 were Australian and 3 were international.

| | Conference | | Incentive | | Totals | |
|---|---|---|---|---|---|---|
| | EVENTS | ATTENDEES | EVENTS | ATTENDEES | EVENTS | ATTENDEES |
| GENERATED | 27 | 5620 | 8 | 1897 | 35 | 7517 |
| WON | 2 | 1050 | 3 | 1723 | 5 | 2773 |
| LOST | 2 | 320 | 0 | 0 | 2 | 320 |
| IN PROGRESS | 23 | 4250 | 5 | 174 | 28 | 4424 |

# *QCB Report* **Leads**

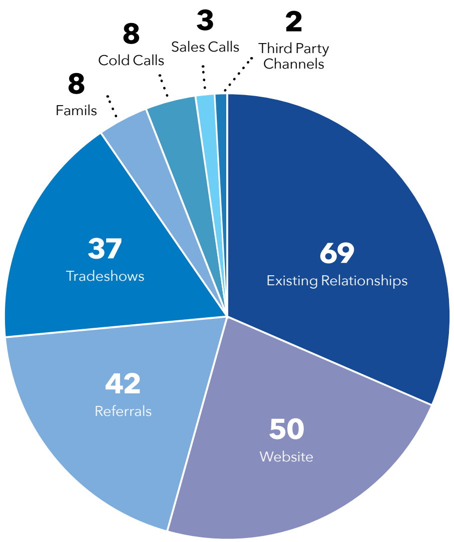
## **Source by Channel** Q2 FY19–20




**This chart illustrates a breakdown of the channel from which leads are sourced for Q2 FY19–20**

The noticeable difference in Q2 FY19-20 compared to Q2 FY18-19 is the number of leads sourced via existing relationships (FY18-19 = 4, FY19-20 = 15) and through the website (FY18-19 = 6, FY19-20 = 12). This increase in leads received through the website can be associated with the improvements made to the QCB web site and making the experience more end user friendly.

## **Source by Channel** 1 July 2018 – 31 December 2019




**This chart illustrates a breakdown of the channel from which leads are sourced for all leads generated from 1 July 2018 to 31 December 2019.**

These figures reflect all leads that have been generated from 1 July 2018 until 31 December 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 driver 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 financial year.

This quarter the breakdown of the 35 leads generated is as follows:

**Associations: 11**

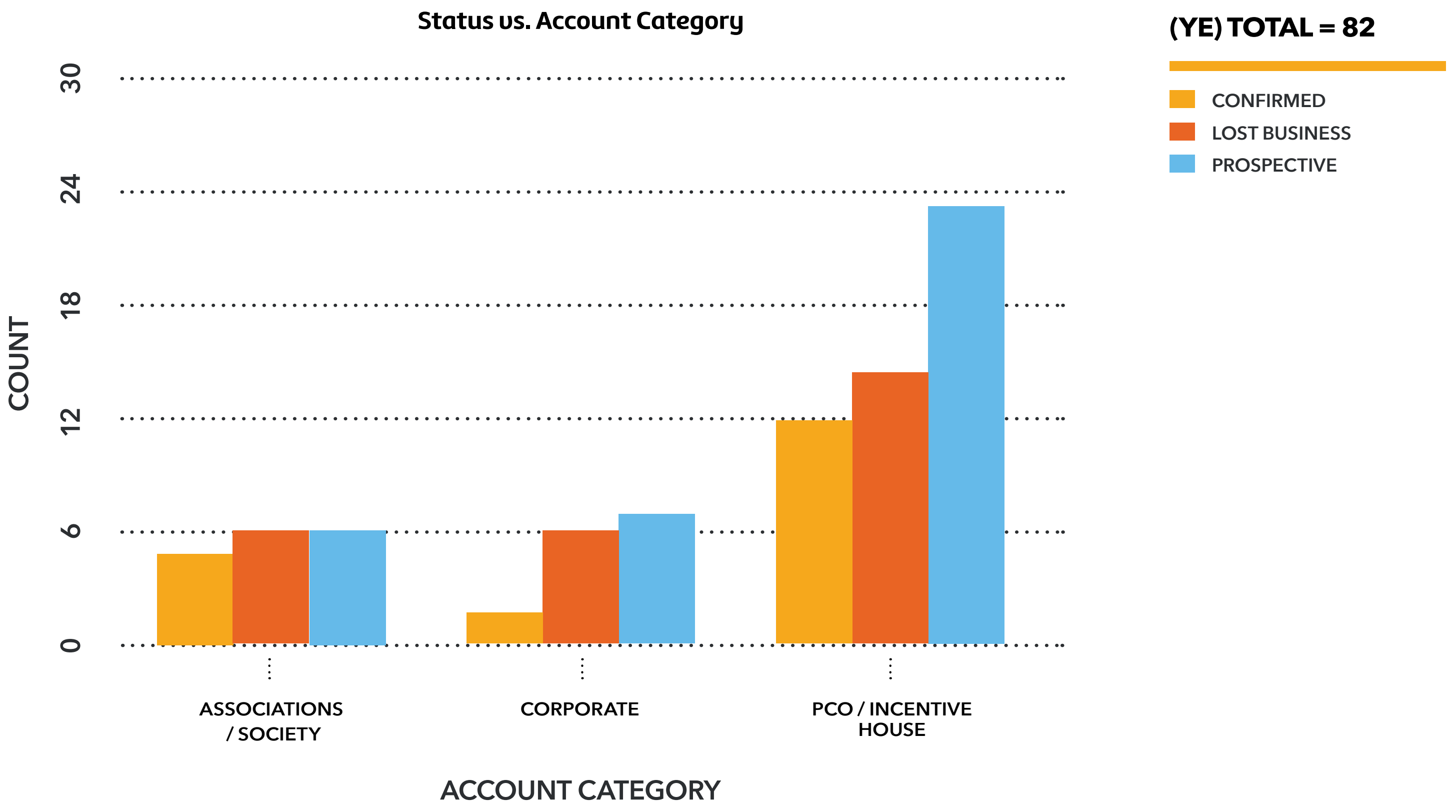
**Corporate Companies: 8**

**PCO / Incentive house: 16**

Leads generated from the Association market has almost tripled when we compare Q2 FY18-19 to Q2 19-20. In FY18-19 Q2 the Bureau received only 4 leads direct from Associations in comparison with FY19-20 Q2 where 11 association leads coming from New Zealand have been received (31% of this quarters leads).

New Zealand association enquiries were strong this quarter with 55% of the 11 association leads coming from New Zealand. Australia had 27% and international had 18% of the association leads.

PCO / Incentive House is another strong performer this quarter with 46% of leads coming to the Bureau through this channel. The majority of the PCO / Incentive leads come from the Australian market with 69% of the 16 PCO / Incentive House leads.



# 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.

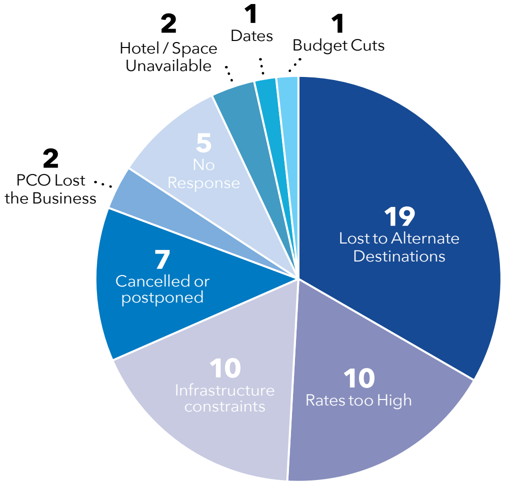
High rates and a lack of large infrastructure are also reoccurring reasons as to why Queenstown misses out on opportunities.

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 an alternative destination was confirmed.

This quarter 14 leads were lost and the most predominant reason was that clients are choosing an alternative destination (9). Within this quarter three leads were lost due to infrastructure constraints.

Two of these 14 leads were generated and lost within Q2 and both of these leads were lost due to the Australian client deciding to stay onshore for conferencing.

### Reasons for Conference




### Reasons for Incentive


**(Based on leads generated from 1 July 2018 – 31 December 2019)**

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

# QCB Report **Activity**

## Bureau Activity Summary

**Sales calls were conducted in:**

Melbourne / Sydney – 11 x corporates / PCOs / Associations

Chicago – 1 x Association

**Networking Meeting / Updates hosted:**

Australian C&I Roadshow – 121 pax seen over 2 events in Sydney and Melbourne

**Tradeshows:**

Prevue Incentive Summit Chicago – 28 tradeshow appointments with US buyers

There is a significant difference in the tradeshow appointments for YTD FY19-20 compared with YTD FY18-19.

This can be attributed to the strategic decision to not attend Get Global, Office/ PA Show and Convene South this financial year to open up alternative opportunities. All of the above events were attended in Q1 FY18-19.

Additionally in Q1 FY18-19 the QCB also participated in the Queenstown China Tourism Exchange in Shanghai which also contributed to the total of tradeshow appointments for FY18-19.

**The site inspections included:**

2 x PCOs with their clients

2 x corporate clients

**Famils:**

CINZ VIP Famil

CWT Meetings & Events Famil

Additional activity undertaken by the Bureau this quarter included hosting the CINZ Conference 2019, attending 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 Society of Incentive Travel Excellence (SITE), Professional Conference Management Association (PCMA), Auckland Convention Bureau, CINZ, NZICC, Air NZ, American Airlines and Tourism New Zealand teams in US, Australia and NZ.

### Summary Overview

| | AUSTRALIA | NEW ZEALAND | REST OF WORLD | Q2 19–20 TOTAL | Q1 18–19 TOTAL | YTD TOTAL 19–20 | YTD TOTAL 18–19 |
|---|---|---|---|---|---|---|---|
| SALES CALLS | 11 | 0 | 1 | 12 | 13 | 39 | 53 |
| NETWORKING MEETING / UPDATE | 121 | 0 | 0 | 121 | - | 142 | - |
| TRADE SHOW APPOINTMENTS | 0 | 0 | 28 | 28 | 43 | 51 | 136 |
| SITE INSPECTION PARTICIPANTS | 3 | 2 | 1 | 6 | 12 | 23 | 20 |
| FAMIL PARTICIPANTS | 6 | 0 | 2 | 8 | 23 | 25 | 15 |

# QCB Report **Pipeline**

## Events Confirmed

**This table has been split into the upcoming 8 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.

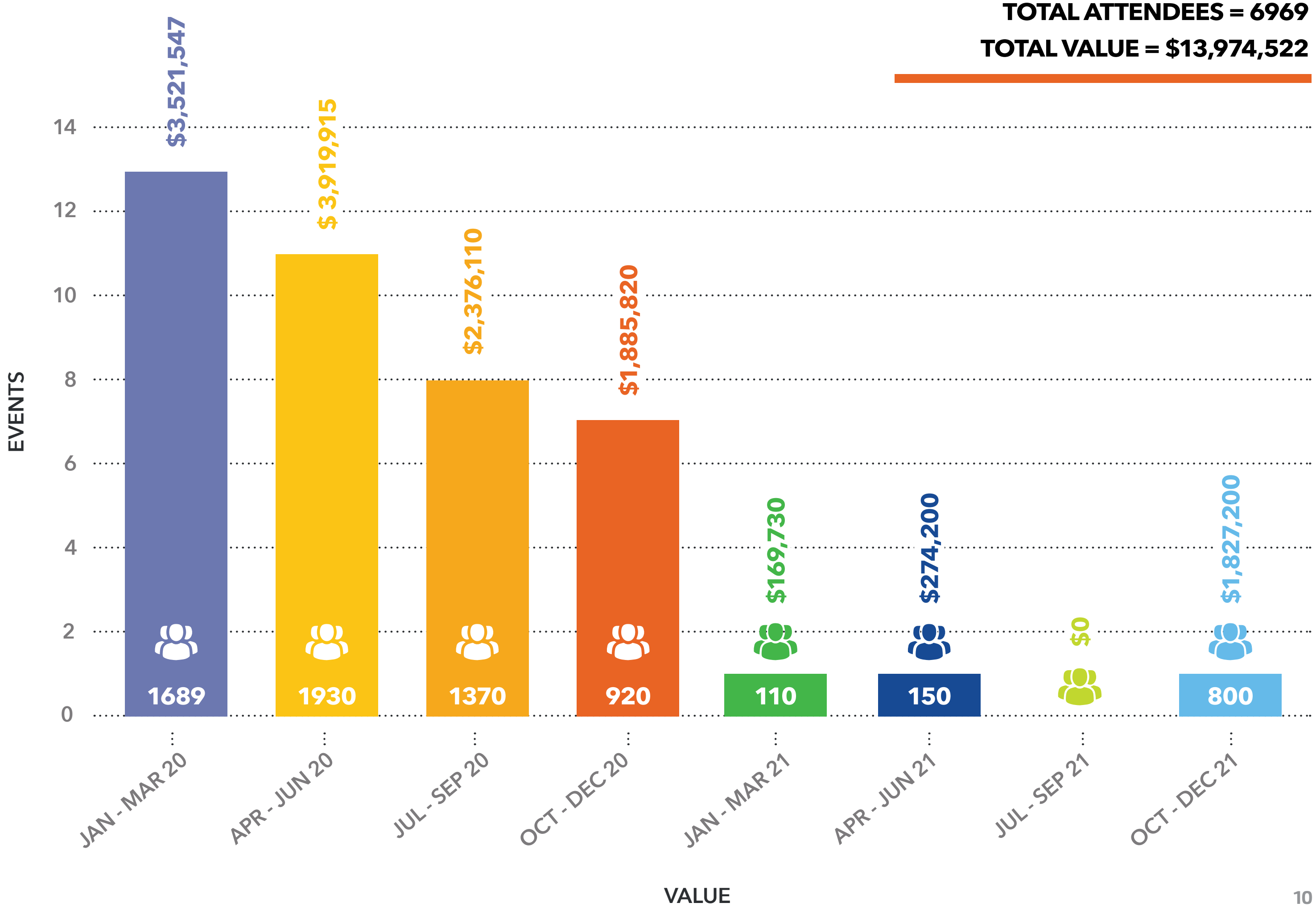
Australian delegates = number of attendees x $2,284 which is average dollar spend per stay.

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

In the quarter alone the Bureau has confirmed 18 leads for Queenstown, five of which were generated and confirmed within this quarter. The reminder 13 leads have been confirmed from leads generated outside FY19-20 Q2. The split from these 18 confirmed leads is 13 conferences and 5 incentives with 72% of these for 2020.

**TOTAL EVENTS = 42**
**TOTAL ATTENDEES = 6969**
**TOTAL VALUE = $13,974,522**



# QCB Report
# Pipeline

## Prospective Events

**This table shows there are currently 76 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 one event per week if all opportunities were to be secured.

October is the most popular month for enquiries for 2020 with 11 prospective leads currently. We are seeing more requests coming through the shoulder seasons which is an indication messaging around time to come to Queenstown for business events is getting traction. April, May, June (FY19-20 Q4) currently has 17 prospective opportunities and September, October, November (FY20-21 Q2) has 20 prospective opportunities.

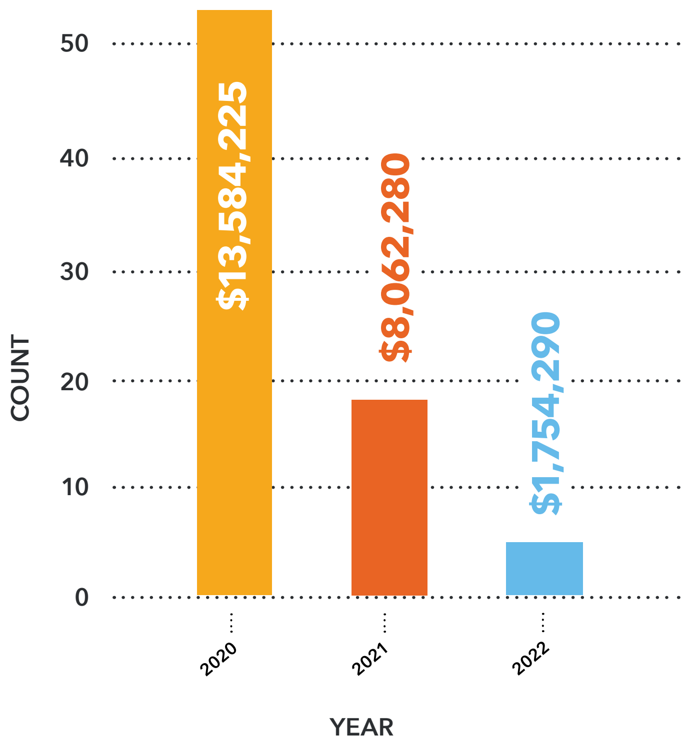
Calculations are as follows;

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




**TOTAL COUNT = 76**

**TOTAL VALUE = $23,400,795**

## 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.

# QCB Report
# Pipeline

## Calendar of Events

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| FEB 2020 | TBC | ACB / QCB US ACTIVATION | US | TBC | KIRAN NAMBIAR | TBC | ACB |
| | 18 - 19 FEBRUARY | AIME LUNCH | AUSTRALIA | MELBOURNE | JANA KINGSTON | CONFIRMED | |
| MAR 2020 | 24 - 27 MARCH | US FAMIL | UNITED STATES | QUEENSTOWN | JANA KINGSTON | CONFIRMED | |
| APR 2020 | 22 - 23 APRIL | MEETINGS 2020 | ALL | AUCKLAND | ALL | CONFIRMED | CINZ |
| | 24 - 26 APRIL | POST MEETINGS FAMIL | ALL | QUEENSTOWN | JANA KINGSTON | CONFIRMED | CINZ |
| MAY 2020 | 12 -15 MAY | IMEX FRANKFURT | US | FRANKFURT | JANA KINGSTON | CONFIRMED | TNZ |
| JUN 2020 | 7 - 9 JUNE | DOMESTIC FAMIL | NZ | QUEENSTOWN | CHELSEA KING | CONFIRMED | |