USA IMA Roadshow

8 – 12 October 2018

Attended by Geoff Marks

Background & Brief Market Update	
Market background, size, trends	*Information for this report has been summarized form the North America Market Update provided via a webinar on 3-July. More info here, TNZ Infographic.* USA arrivals YE April 2018 — 337,000 (+5.3%) Holiday arrivals YE April 2018 — 223,000 (+7%) Average holiday LOS — 13 days Most US arrivals come from California (80k) which is based on good air connectivity to New Zealand. Texas has 22k arrivals (direct flights from Houston), whilst New York, Florida and Washington each have around 15-18K arrivals per state. The US holiday market is extremely competitive and New Zealand is broadly considered an expensive / premium destination. Flights to Europe, Hawaii and to domestic US destinations are considerably cheaper than NZ. **Air Connectivity** • Non-stop San Francisco, Los Angeles, Houston and Vancouver plus Chicago commencing from November 2018. • United Airlines has returned to a year-round service rather than seasonal • Hawaiian Airlines has increased frequencies • American Airlines and QANTAS have applied for anti-trust • Seasonal services threaten shoulder season growth **Seasonality** Over 50% of US visitors arrive at off-peak times • Summer 41% • Autumn 25% • Winter 11% • Spring 23% **Active Considerers / Target Markets** • TNZ estimates there are 28M active considerers in USA (refer diagram on next page) • California remains critical for future growth, but additional growth is expected to come from Texas and the North East. • 69% of active considerers are independent professionals (25-45yo) and 24% are active boomers (55-74yo).

	
Tradeshow format, number of days, number of appointments, frontline or wholesale?	4 x cities – Newark / New Jersey, Pittsburgh, Cincinnati and Minneapolis 1 x 15minute presentation to frontline agents plus “free flow” networking at IMA themed bar-leaner style tables.
Number of NZ attendees	8 x IMA’s
Number of local attendees	New Jersey 50 agents *(106 RSVPs)* Pittsburgh 33 agents *(37 RSVPs)* Cincinnati 43 agents *(45 RSVPs)* Minneapolis 70 agents *(86 RSVPs)*
Southern Lakes Objectives	
Why are we attending? What are we planning to achieve?	To educate and establish relationships with frontline agents from New Jersey, Pittsburgh, Cincinnati and Minneapolis – “feeder” cities to Chicago for Air New Zealand’s new direct Auckland route (commencing 30-Nov) To build awareness and preference for the Southern Lakes region in new / emerging markets of the US.
Outcomes	
Were objectives met?	Partially. Whilst the agents were generally engaged and making notes during the IMA presentations, the ‘free flow’ format of the event did not allow for much interaction or discussion with the attendees to gain market insights. The presentations enabled the key themes and highlights of the Wanaka, Queenstown and Fiordland regions to be introduced.

Local attendee knowledge	Due to the format of the event, local knowledge was hard to assess as there was very little time available to meet with all the agents. Anecdotally, the consensus amongst the IMAs was that the attendees had basic knowledge of core New Zealand product offerings - mostly based around traditional touring routes. At each city there were a handful of more knowledgeable *Kiwi Specialists* that had visited NZ and wanted in-depth information and details to help with their itinerary building.
Well attended or not?	Attendance in New Jersey was disappointing (over 50% of agents were no-shows), but this was perhaps more a consequence of the poor scheduling of the event which clashed with “Columbus Day” - a holiday in New York. Otherwise reasonable attendance, especially given these were the first TNZ events to have been delivered in each city.
Opportunities and Feedback	
What have we learnt about the market?	The US holiday market is highly competitive, especially from Europe and Hawaii, and NZ is considered an expensive / premium destination. NZ is also perceived as being a very, very long way away from the USA. The US travel trade remains a fragmented marketed, characterized by small family-run / owner-operated travel agents but which are often part of a larger consortium (e.g. Virtuoso or Travel Leaders). The new Air NZ Chicago – Auckland direct route has been met with a mixed response amongst the trade. Some agents are excited about the direct service with Chicago being an easy-to-reach hub from other NE or mid-West cities. However, some agents are reluctant to recommend flying from Chicago as it has a reputation for bad weather and frequent flight disruptions.
Growth segments	FIT travel amongst independent professionals. Cruise is also a fast growing market.
Popular products	Milford Sound is the best-known experience in the Southern Lakes region, with Queenstown more broadly known for adventure tourism. There was limited knowledge of the Wanaka region. Significant interest in Doubtful Sound as an alternative to Milford (especially the overnight cruises) and many agents also interested to learn of Queenstown’s strong golf proposition. Te Anau’s glow worm caves were new to most of the agents and of interest as an alternative to Waitomo. Walking / hiking and opportunities to observe wildlife are very popular with US visitors with 64% of US arrivals visiting a National Park during their stay (Fiordland 37% and MANP 23%).
Conclusions	
Summary	There is great efficiency in attending a roadshow coordinated by TNZ because it attracts a good number of quality agents from a broad catchment and it’s a great opportunity for the agents to learn more about NZ from the local experts. However, the value and impact of the USA IMA Roadshow could be improved with more time made available to discuss specific business requirements and opportunities with the attending agents. The format of the event did not allow the IMA representatives to have enough time for conversations with agents during the “free-flow” sessions. The only real value the single 15min presentation in each of the 4 x cities.

	A more traditional frontline training approach where IMAs meet with small groups of agents to train them one-on-one in 12-15min time slots would perhaps be a more effective use of time that would allow for discussions to be tailored to meet the individual needs of the different agents / companies as well as allow the IMA representatives to ask questions and learn more about the market. The USA remains a fragmented marketed, characterized by small family-run / owner-operated travel agents. Whilst these small operations are often part of a larger consortium (e.g. Virtuoso or Travel Leaders) it would be impractical to visit each of them individually. Therefore, the TNZ Roadshow format for IMAs could be a great vehicle for educating and updating the trade if the format of the event is revised.
What follow-up was completed?	Thank you email with Dropbox link to the usual LWT, DQ & DF resources sent to all participants. 40% open rate on this email (industry average is ~20%).