



Tourism New Zealand Regional Showcase

Sydney

Report

February 2024

Destination Queenstown

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1. Overview

Tourism New Zealand Australia put together a Regional Showcase that provided the opportunity for all RTO's to connect with established key travel sellers from Australia.

This event aligns with Tourism New Zealand's strategic priorities that contribute toward enriching Aotearoa New Zealand and enhancing brand appeal and preference for New Zealand among our Australian neighbours.

The event took place over two days. The first day, a workshop with the Australian Market Team and general group discussion, along with panel discussion with Aviation (Air NZ/Qantas/Virgin) and a trade partner highlighting their approach to sustainable travel (Intrepid). This was followed by a group dinner. The second day included 22 pre-scheduled meetings (14 minutes duration) with product and marketing managers, followed by a networking opportunity at an official function.

2. Market Overview

Australia is New Zealand's largest international visitor market, accounting for over 40% of all international visitor arrivals pre-2019 and 48% over the last 12 months in the COVID recovery period.

Australia's proximity and strong relationship with New Zealand continues to drive consideration and arrivals. TNZ's work in Australia aims to grow brand appeal and preference for New Zealand amongst Australians by aligning to three strategic priorities:

Build Brand Connection: Spark appeal for New Zealand travel to increase the number of Australian High Quality Visitors (HQVs) who see New Zealand as the most desirable destination in the world.

Shape Visitor Mix: Convert preference to visitation among high- quality audiences actively considering travel to New Zealand.

Maximise Contribution: Influence the choices Australian visitors make to deliver positive outcomes for visitors and New Zealand's four enrichment areas.

Key insights

- Australian visitors contributed 1.25M (48%) arrivals annually and spent \$3.05b in the 12 months to July 2023.
- Australian holiday visitors stay an average of 11 days, spending \$333 per day, with 23% visiting more than 4 regions.
- Seasonally, Australian holiday arrivals were balanced throughout the year. In the 12 months to July 2023, Australians made up 46% of holiday arrivals - but over winter this jumped to 66%.
- 71% of Australians opted for self-drive holidays in New Zealand.

- Visitors from Australia returned to New Zealand 3-4 times in their lifetime providing a big opportunity to increase regional dispersal and 'touring' activity to increase bookings for smaller regions.
- Historically, 71% of all international arrivals who skied are Australian.
- **Travel agents were the most preferred way to book a holiday in Australia, with 49% of Australians booking their New Zealand holiday via traditional methods.**

Additional Insights

- There is a sizeable opportunity to drive arrivals from Australia in both short and mid-term to accelerate on-the-ground recovery. However, over the 2019-2022 period the percentage of Australians considering New Zealand declined, and thus additional strategic focus needs to be on growing the AC pool.
- Australia presents a sizeable opportunity to drive arrivals, with 3.6 million potential ACs, 29% of whom are ready to book.
- The 'If you Seek' brand platform offers an opportunity to grow preference by highlighting unique experiences, connection with local culture and people, with these attributes emerging as stronger drivers of preference compared to two years ago.
- New Zealand's competitive strengths are its pristine nature, wide range of adventure experiences and a unique cultural connection to the land. The opportunity lies in strengthening its positioning on natural scenery, safety and being a fun destination to visit.
- Japan, Hawaii, and Queensland remain the biggest competitors, while Tasmania remains a strong domestic competitor, particularly among the key 'Experienced Connectors' mindset.

3. Event Objectives & Benefits

With Australia being Queenstown and New Zealand's number one inbound visitor market there is great value to connect over this quality event to nurture business relationships with both new and established key travel sellers. The scale of economy and TNZ's investment to make this possible requires a fraction of the investment and time that would be required for individual sales calls.

This event enabled Destination Queenstown to share our Destination Management Plan (DMP) and core priorities, along with our aspiration to be a carbon zero visitor economy by 2030, while also sharing an introduction to Love



Queenstown, the first project to launch within the DMP. In addition to this it was a chance to share our new product summary and general overview of Queenstown. It also provided the opportunity to receive an update on our trade partners business and outlook.

Further benefits included the day one workshop and discussion panels, and good insights on consumer trends (more on consumer trends below).

4. Attendance/Attendees

Meetings took place with the following companies:

Abercrombie & Kent	Expedia Group	Helloworld	Scenic
AAT Kings	Flight Centre Travel Group	Intrepid Travel	TravelManagers Australia
AirBnB	G Adventures	MTA Travel	Viator
ANZCRO	Get Your Guide	Only Luxe Travel	Virtuoso
Australia & NZ Holidays	Grand Circle Corporation	Potter Travel	Walk Into Luxury
Big Red Group	Grand Pacific Tours	RACV Travel & Experiences	

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5. Market Consumer Insights

Consumer trends to watch out for, based on a survey sample size of 1022 presented by Insights Exchange.

1) Impact of inflation and cost of living

- AU Rising cost of living is the biggest challenge. – 68%
- AU Inflation has hardly any/no impact – 8%
- 74% say that's more of a concern versus 65% (gender pay gap, women doing household responsibility).
- The cost of living is weighing more on women's minds. Dealing with micro increases on a daily basis.
- What is keeping Aussies up at night?
 - 70% is rising cost of living (the next biggest number is getting the health care I need for myself/my family)
 - 22% Saving for a home deposit
- A lot of younger Aussies have never been through a cost-of-living crisis. Not saving – living for now, interesting to see how this plays out, also – what spending their money on?
- Inflation is changing spending patterns. Groceries are up 26%. What are they spending less on? Fun stuff: Out-of-home dining (all down the following percentages)– Dining -45%, Big ticket items -43%, Clothing/Shoes -38%

2) The Mooch Generation – when do they start to grow up.

- Putting off adulting. 58% of 18–34-year-olds live with their parents!
- Most by choice with 57% of parents supplementing their kids' income. Kidults! So will have extra disposable income to spend (on holidays). Are they forced to live at home? Half are happy to be at home (living the life!)
- Decline of the nuclear family
 - Used to be Mum, Dad, 2.4 kids. Now, only ¼ would say they are a nuclear family. Surpassed in the next 5-10 years, will be multi-gen households, single-parent households, kids at home longer. Young adults, having kids later, if at all.
 - In the latest census, single-parent households passed 1 million for first time.
 - Have the lowest fertility rate ever. Like NZ, without migration, facing a declining population.
 - All this informs who we market to in next few years.

3) Redirecting home deposit savings – housing affordability

- SYD is 2nd least affordable city in the world, behind HKG. MEL is in top 10.
- Suddenly, the dream of home ownership for younger generations, becoming unattainable: So, have to stay at home. I start working: What spend it on? I won't be on the property ladder anytime soon, so how do I redirect that surplus?
- 40% are confident of getting on the property ladder, but 38% are not very confident.
- So, what will spend money on instead?
 - Travel is at top of list (43%)
 - General living expenses (40%)
 - Clothes, accessories, shoes (22%)
 - A new car (21%)

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- Stocks/shares (16%).
- Before, we might have had them in the backpacking areas, but now they've got more money.

4) Welcome Generation Jones

- Describes the cohort 55-64 years. Often overlooked by traditional media targeting.
- A decade ago, they were looking forward to retirement, thinking about downsizing, going on an extended holiday, cruise... Getting rid of the kids. Now, many find themselves with a lot of financial responsibilities, and still financially supporting their kids.
- When we think about Generation Jones – things have changed. 40% are now enjoying a single life. Half have a home, with no mortgage. Just under half are still working part-time. 20% have children at home living with them.
- Important for marketers to consider - what's driving them. What are their attitudes. Mindsets. Buying decisions. How can we tap into their digital wallets. If we don't: we risk ruling out a significant cohort.

5) Rise of Gig Economy

- Flexible Workplace- big shift
 - Work and life are combining/colliding.
 - 43% of people are at work 100% of the time.
 - For Aussie – will work flexibility AND must find new ways to make more money.
 - So, rise of the gig economy – to supplement income.
 - 48% are likely to get secondary income; 6% have secondary income already.
 - Don't want eggs in one basket either: Seen redundancy situations – it's not a job for life anymore. Also, those near the end of work life get redundancy and are driven to take control of their security: Being independent and being in control.
 - Very different mindset for Australians right now.

6) Rise of AI in everyday society – devil or deliverer?

- 50% say AI impacts their job, yet the other 50% don't use AI and are unaware of how it will impact them.
- Consumers are still expecting a humanized personalised experience. Need to remember this in the race to keep up with AI and technology – that's at the loss of humanity.

7) Frugal Sustainability

- Impacted by cost of living – 95% is top of mind for decision making re. Purchases, 92% high quality, 85% great service, 77% is sustainability.
- People are taking more, frugal steps to live more sustainably:
- As educate themselves, learn what sustainability means and what it means to them.
- Reduced single-use plastics 57%
- Reduce energy by adjusting thermostat, and turning off lights 55%
- Buying second-hand clothes, furniture 33%
- Compost food scraps and waste 33%
- Eat less red meat and animal products 32%

- Grow my own veges and herbs 31%
- Sell second hand clothing, and furniture - instead of sending to landfill 30%
- Make eco -conscious purchases at the supermarket etc 28%
- So where to from here?
- How can we find ways to get people to travel, without devaluing our experience and brands?
- Moochers – how tap into that and give them a break?
- How can tourism drive long term loyalty, as more consumers looking at DIY options: Could be the customer journey – AI doesn't mean it has to be an artificial interaction, need to keep human touch top of mind.
- Could be a buyer persona, the hustler: Are they coming for a work trip and tacking on a few days because they have the flexibility to do that and are committed to work life balance.
- Make sure you go off hard data, not assumption.

6. Summary

This trip was well worth the investment and time. Connecting with our trade partners and to receive the insightful information on consumer trends. Including the aviation panel discussion from our airline partners across the ditch and spending time with the TNZ team to learn more on their engagement. It was all valuable.

The time of year too enabled me to build out other sales calls, especially targeting ski wholesalers/agents for training on the upcoming 2024 winter season in Sydney and Brisbane. The timing of February also provides good leverage ahead of TRENZ to focus on international buyers from our target long-haul markets in my appointment schedule. Therefore, I can now focus on only those Australian buyers that could not or did not make the TNZ event so that it takes a bit of pressure away from my schedule. And, for those who I have connected at this event, I can keep building on that relationship socially during the industry showcase.

I believe it advantageous for TNZ to run this event annually at this time of year and to continue to build out with other sales calls/ski wholesale visits. Potentially also bringing in the opportunity for operators to join me who also might venture to the market same time.

Market engagement and activity in Australia can be achieved very well through this event, sales calls combined and through our DQ Australia Roadshow enabling us to visit the market twice yearly.

7. Related Content/Event Images



Linda McIntosh, Destination Queenstown with other RTO representatives.



Andrew Waddell, GM TNZ Australia formal address to RTO and attendees prior to appointment sessions beginning.