HOME OF ADVENTURE

Tourism New Zealand

UK/Europe Kiwi Link 2022

August Report

Destination Queenstown
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1. Overview

After the overwhelming response that Tourism New Zealand (TNZ) received for Kiwi Link North America, the UK/Europe TNZ team committed to hosting Kiwi link UK/Europe on 1 & 2 August 2022 in London. This was a two-day event inviting New Zealand regional representatives and Trade-ready tourism operators to register for the opportunity to connect directly with key travel trade contacts in market.

With 49 companies representing New Zealand, each day consisted of twenty-five 11-minute appointments in a "speed dating" table format, giving all sellers and buyers the opportunity to connect one-on-one in a relaxed environment.

Destination Queenstown attended as the Southern Lakes International Marketing Alliance (IMA) representing the wider region of Queenstown, Wanaka and Central Otago, as per Tourism New Zealand's offshore structure for regional tourism organisations (RTO) participation. As each IMA could have two representatives on this occasion, Lake Wanaka Tourism was also in attendance.

This year, the main Kiwilink event was complimented by an additional opportunity by TNZ for IMAs to give regional presentations to London based frontline travel agents. IMA representatives moved round the 9 tables and had 10-minutes to deliver regional training.

2. Market background

United Kingdom

Prior to COVID-19 the United Kingdom was the countries fourth largest international visitor market. They are a high value market for New Zealand, the average spend per visitor was $5,000NZD.

Key insights pre-Covid:

- Tourism New Zealand's target market segments in the UK are high value active boomers and independent professionals
- 75% of all UK visitors into New Zealand booked through a traditional travel agent, about 5% book via an OTA, and about 20% book airlines direct online
- Half of UK visitors to New Zealand had already been to New Zealand at least once before
- Around three quarters (73.2%) of travellers ventured outside of the main tourist centres and into regions

Germany

Prior to COVID-19, Germany was New Zealand's second largest visitor market in Europe (after the UK) and fifth largest for New Zealand overall. For many Germans, New Zealand is an aspirational destination for 'their trip of a lifetime'. Because of this, Germans are willing to invest in their trip, spending an average of $6,300NZD per person.

Key insights pre-Covid:

- Tourism New Zealand's target market segments in Germany are high value independent professionals
- The majority of travellers spend significant time researching New Zealand before travelling and are keen users of guidebooks.
- German visitors were likely to make the majority of their travel arrangements as they travel around New Zealand.
- German visitors are independent travellers and travelled to an average on eight regions in New Zealand.
- The length of stay and average spend per night were both high relative to other markets, increasing the value of the German market to New Zealand's tourism industry.
- 80% of all German visitors into New Zealand booked through a traditional travel agent, about 5% book via an online travel agent, and about 15% book direct online

3. Event objectives & benefits

Tourism New Zealand set the following objective for the UK/Europe Kiwi link event:

- Re-connect with existing and updated network of travel sellers post Covid
- Provide platform for negotiating new and existing contracts with travel sellers,
- Stimulate product development
- Build strong selling capability of travel sellers,
- Increase general destination & product knowledge of travel sellers

This event provided an opportunity to:

- Connect with travel distributors who play a large role in the development, promotion and purchasing process of New Zealand tourism experiences
- Broaden their customer base far beyond the reach of their marketing budget

- Build new relationships and foster existing relationships with distributors
- Set themselves apart from their competition and encourage distributors to promote and sell their regions and/or product(s) 5
- Raise distributors' awareness of their regions and/or product(s) and what they have to offer to the distributors' clients so that they are in a better position to sell the region
- Gain market intelligence, insights, and advice on international markets
- Meet with a larger base of travel distributors than they would have access to at New Zealand trade shows
- Benefit from economies of scale and TNZ investment – TNZ organised or facilitated events require a fraction of the investment and time required for individual sales calls. In addition, these events create more value for the travel distributors and therefore enable organisations to meet with more high-quality distributors

4. Attendance

Despite the current industry and pandemic challenges, TNZ were able to reach a record number of attendees for this event and had minimal last-minute disruptions to appointments.

Over the two-day event, 48 companies were represented by 49 buyers with an equal buyer/seller ratio to ensure both parties had appointments with all attendees. The ratio of countries represented were:

- United Kingdom: 52%
- Germany: 21%
- Benelux (Belgium, the Netherlands, and Luxembourg): 11%
- Switzerland & Austria: 8%
- Scandinavia: 8%

TNZ invited product managers, and some Senior Sales consultation from UK/Europe travel companies that sell New Zealand as a destination. The companies represented were:

United Kingdom: Abercrombie & Kent, Alan Rogers Travel, All Ways Tailormade Travel, Audley Travel, Black Tomato, Carrier, Discover the World, Exsus Travel, First Class Holidays, Flight Centre, Freedom Desinations, Gold Meal Travel Group, Holiday Architects, If Only & Elegant Resorts, Inspiring Travel Company, New Zealand in Depth, Pan Pacific Travel, Premier Holidays, Prestige Travel, Titan Travel, Trailfinders, Travelbag, Travel Nation, World Odyssey & Steppes Travel.

Europe: Art of Travel, Boomerang Reisen, DER Touristik Deutschland, Erlebe-fernreisen, Explorer World of Travel, FTI Touristik, Best of Travel Group, Kiwi Tours, Pacific Travel House, Windrose Finest Travel, Coco Weltweit Reisen, Dreamtime Travel, Knecht Reisen, MTCH AG/Travelhouse, Aktiv-Resor, Fdm Trvel, NYhavn Rejser, Soderhavsresor, Best of Travel, Nelson&nelson, Pacific Island Travel, Qas Holidays & Southern Cross Reizen.

With 49 New Zealand sellers present, it was great to have a large representation of Queenstown product & membership: The Helicopter Line/Totally Tourism, Southern Discoveries, Nomad Safaris, NZONE Skydive, Over the Top - The Helicopter Company, Heliworks, as well as national brands representing Queenstown products: Skyline Enterprises, Go Rentals, Millennium Hotels & Resorts, Sudima Hotels and Scenic Hotel Group.

5. Market & Event Insights

- Although UK/Europe are experiencing high inflation and rising costs, consumers are still spending – social consumption returned to 91% of 2019 levels. This is evident in comments from buyers who have booked clients to New Zealand that they are willing to spend more and stay longer in destination than they did pre-covid.
- One of the leading questions from buyers was wanting to know what operators and products had closed since covid and how badly destination experiences were affected. For Queenstown, this concern was easily relieved by pointing out the “What’s new” section of the travel trade website (New Product PowerPoint, accommodation pipeline etc), sharing the update on the 40% accommodation inventory growth and the strong representation of trade ready operators also at the event.
- Around two-thirds of those that we met expressed that they still produced brochures for their clients and that they were struggling to get rates from their New Zealand IBO and direct contacts. A handful of those that are producing brochures also expressed that they are looking at alternative, digital based marketing platforms. However, these projects are on the backburner while they scale up teams and manage current inquiry levels.
- European travel sellers expressed many barriers as to why they believed New Zealand was a slower destination to recover with their clients. Air connectivity being a leading factor with many sellers commenting that as fares are consuming a significant portion of their clients’ budgets, and consequently closer destinations are being chosen so they don’t have to reduce “in destination” spending/experiences. One European travel seller expressed that a business class seat to New Zealand costing €3000 pre-covid, is now being quoted as high as €7000 if they can even get availability.
- UK travel sellers expressed similar barriers but had higher confidence in the recovery due to larger portions of VFR clients and level of enquiries they are receiving specifically for New Zealand.

- European and UK buyers shared that the only significant difference in their clients travel behaviours are of those that are considering New Zealand, they are willing to spend more and stay longer in New Zealand (3 – 4 weeks). Lead times and booking windows are either immediate (travel as soon as September 2022) or not until later in 2023.
- Buyers shared that they are seeing a nervousness in the market as some Europeans are anticipating another Covid wave and bad flu season is expected this winter. This is a driving some to commit to travel with short lead times so they don't "miss out" on their desired travel experiences.
- Most companies at Kiwilink UK & Europe are recruiting to manage high inquiry demands. Those that have recruited successfully are pleased that new team members are experienced in travel, and a large portion of past employees are returning. Many commented that they are confident with the knowledge base of New Zealand within their teams but would appreciate training materials and support where possible.
- Minimal travel credit is held with UK and European companies due to the Package Travel regulations. Read more here.

5. Summary

While there are several barriers out of our direct control that are affecting booking conversions, it was encouraging to hear that the UK and European markets still see New Zealand as a highly desirable "bucket list" destination. The insights that clients in this market are increasing their length of stay and spend show that they will remain a high value visitor to our recovering industry.

The buyers had a very strong knowledge base of Queenstown, and were confident that they, and their teams could effectively sell the destination. Buyers were impressed by the 40% increase in accommodation stock over the last four years in Queenstown and were interested in more information on such new products as well as updates from Wanaka and Central Otago on their trade ready inventory.

With growing demand from consumers, companies are attempting to scale up their teams but are still confident that those in the company have/or will have a strong New Zealand, and Queenstown knowledge base. Support in training through personalised webinars (both live and pre-recorded) as well as access to the website and resources is greatly appreciated.

While we may see some immediate, high end and VFR visitors from this market, simply due to long haul barriers and high competition from closer destinations, buyers are confident they will see an increase in conversions to New Zealand for the 2023/2024 season.

Overall, a positive re-entry into the market and great to develop new relationships, and reconnect with familiar contacts in the UK/Europe travel trade market.

6. Related content

Event Photos:

All attendees at UK/Europe Kiwilink 2022

Cultural opening – Monday 1 August

Southern Lakes IMA table – Molly (Wanaka) with buyer

Event floor Layout at Tower Hotel, London

Sarah McDonald (DQ) and Tom Broe (NZONE) at event

Sarah McDonald (DQ) & Molly Hope (Wanaka) representing Southern Lakes IMA.

Presentation from Singapore Airlines at IMA event – Tuesday 2 August

Southern Lakes at IMA Training event – Tuesday 2 August

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