



*feel the
inspiration*

**Destination Queenstown
Mountain Travel Symposium Whistler
&
North American sales calls
Vancouver & Chicago**

Report

April, 2019

Destination Queenstown

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queenstownNZ.nz

1. Introduction

Destination Queenstown has been attending the Mountain Travel Symposium (MTS) for many years. Four components Destination Queenstown attends include:

- Trade Exchange - A two-day session with face-to-face meetings with buyers from across the Northern America, South America and European countries.
- Group Exchange - one days of face-to-face meetings with decision makers, those ski clubs and councils with the authority to book trips. Each council/club makes up to 10 trips a year both domestic and international.
- General Forums - the forum includes insights and information about mountain travel destinations. With a variety of general sessions, breakouts, keynotes and one-on-one interviews.
- Destinations@MTS - explores the challenges that global destination and resort marketers experience due to the constantly changing travel landscape and their need to determine where they best fit in their destination's strategy.

In addition to Destination Queenstown traveling to Whistler, DQ conducted a sales visit to Vancouver and Chicago pre and post the Symposium.

2. Market Background

The USA is New Zealand's third-largest international visitor market. Air capacity from North America includes non-Stop Vancouver, San Francisco, Los Angeles, Houston, Chicago and Honolulu.

Almost half of US holiday visitors choose to visit during New Zealand's summer months, December to March. Almost three-quarters of North American holidaymakers visit another country during their trip including Australia and the Pacific Islands (Fiji, Tahiti and Cook Islands).

Educating travel agents/wholesale is an important role with 68% of American travellers booking their travel through an agent.

Travellers mix reported to be mostly independent professionals (30-45 years) and active boomers (50+ years). Multi-generation family are a growing trend and 50% of US visitors to NZ are independent travellers.

Air Capacity

In 2017, we saw a strong capacity growth with an increase of 30% in air capacity out of US. In FY18, this has consolidated and we can see growth is flattening. We are not expecting double-digit growth out of the US going forward. However shoulder opportunity remains positive (e.g. spring shoulder 2018 +11% capacity) with the introduction of Chicago route.

Going forward:

- American Airlines and Qantas have applied for anti-trust and received tentative approval from US authorities,
- Discussions around American Airlines: Los Angeles – Christchurch are expected to launch in 20/21. We are hopeful there will be an announcement over the next 12months.
- Air Canada will launch Vancouver – Auckland service in December 2019.
- United Airlines has returned to year round service,
- Increased frequencies on Hawaiian Airlines.

3. Objectives

Sales calls

- Meet and establish new and current relationships with key partners in the US and Canada
- Train new to market companies and update and upskill current buyers in market
- Promote seasonal travel
- Stimulate product development

Mountain Travel Symposium

- Facilitate new business relationships and thereby expand network of engaged travel sellers
- Increase general destination and product knowledge
- Promote seasonal travel
- Stimulate product development

5. Appointments & Insights

Vancouver sales calls

Vancouver is a great hub for reservations training for big wholesalers such as Goway and Flight Centre with staff in the office and tapping in to webinar training for home based travel agents all over Canada and some in the US. Other meetings included, Downunder Travel, Discover Holidays and APT.

Overall insights from the trade partners in Canada are seeing growth.

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- New Zealand is seen as a bucket list destination however it comes with a price tag especially with the price of accommodation.
- Repeat visitors are travelling to the regions more than when they were here the first time.
- Canadians are staying twice as long as the US market and being more “adventurous”.
- The announcement of increase air capacity from Air Canada with the addition of new, non-stop, seasonal flights between Vancouver and Auckland operating four times weekly commencing December 12, 2019 until the end of March 2020. This is hoping to show airfares that are more competitive.
- Discover Holidays is brand new to market training 22 staff. Launching their new website South Pacific by Design. Currently Discover Holidays sell Canada and Alaska focusing on high end.

Mountain Travel Symposium: 31 March – 5 April Whistler BC

Trade appointments

2days 26 trade appointments – Countries ranged from Canada, US, Spain, Brazil and Australia

Through the trade component at MTS, New Zealand is now starting to be recognised as an accessible destination. 90% of queries were based around ski holidays within NZ. Travel operators are now familiar with Queenstown however; the collaboration of DMCs (IBOs) and these travel operators are the key to closing the business. This year we have presented 2x IBO packages from ANZCRO (ski based) and Pan Pacific (general). The ski packages have seen a lot more interest.

Holidaze Ski Travel night.

DQ was invited to present to 85 ski councils on Queenstown. Holidaze bought a group of approximately 130 pax in November 2018. This travel operator works extremely well in the ski council and club market and has already got 2020 and potentially 2021 groups interested with 100-200 pax on each staying 5nights Queenstown in 4* accommodation. Average spend of \$4000 in extra activities per person.

Groups - Ski Councils/Clubs

One day of meetings with Ski groups and Ski councils. With 26 scheduled appointments, this year has had more interest in Queenstown and more interest in ski holidays. Wanting to come August/September. A few groups wanting non-ski for November. We are looking at 2020, 2021 and 2022 groups ranging from 12 – 200pax. We are working with Holidaze (currently selling Queenstown) and Alpine Adventures, Snow Tours and SkiCan based in the North America to recruit this Ski council business.

Chicago

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In Chicago, partner training included Southern World, Worldwide Traveller, Downunder Endeavors, Abercrombie & Kent, Andrew Harper Travel and Air New Zealand. A mix of reservations trainings and senior management catch-ups.

Over all, there was a strong knowledge base of Queenstown wanting specific information and wanting a more updates on general developments in and around Queenstown and accommodation developments.

At the moment trending destinations for out bound tourism include East Africa, and destinations such as Egypt have returned to popularity, Europe is still a main outbound travel destination and Australia remains popular.

Tourism Australia and the individual state tourism organizations are joining forces with the likes of Down Under Endeavours in joint campaigns and conversion partners.

Queenstown is still in a good place. With great air connectivity over the Tasman, people are including Queenstown in their holiday for either the start or finish of their trip to the South.

Air NZ Chicago route

Capacity growth for FY19-20 will be lower than previous years with only 1% to 2% additional capacity. Loadings have been strong in the current FY so far. The carrier experienced a 7% growth in volume on the financial year to date which is positive but under budget. Loadings for Q4 are softer which is motivating, some campaign activity to support. The campaign will be focussing on the premium market, which is a key priority for the carrier. Air New Zealand's focus in North America continues to be growing awareness of their brand and routes. There is strong competition from other carriers, particularly from Australian destinations which are in market with airfares as low as US\$400 return.

Chicago route performing well averaging 80-90% outbound capacity and will introduce a 5-day departure for December and January to keep up with demand. This gateway is being used by travellers from in and around Chicago so there is the potential to develop this as a connecting gateway to achieve further growth from east coast.

Going forward Air NZ Chicago will focus on pushing the Midwest to Australian corporate business. The alliance - United and AirNZ work well together in NZ market but fierce competitors in Australia market.

Practical challenges: The alliance works until the weather is not favourable. Domestic United and Air NZ are in completely different terminals at O'Hare and have caused a bit of havoc with cancelled flights. For example if you miss your connecting flight or it's delayed due to weather on Wednesday you need to wait till Friday to fly out.

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7. Summary

The US and Canada are a very important markets to New Zealand. With 68% of American travellers booking their travel through a travel agents and the current air capacity into New Zealand we need to be active in market keeping Queenstown education strong and build on the already strong knowledge base they have.

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