

NEW ZEALAND

KEY CONTACTS

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OVERVIEW

- Population: 4.3 million people.
- After experiencing its highest inflation rate in 18 years (5.1% in September 2008), inflation has slowed to 3.8%. Consumer sentiment was low during the first quarter of 2009 however since then the outlook for the housing market has improved and international travel is slowly increasing.
- GDP growth is forecast at -6.6% for 2009.
- Unemployment is currently 6% and is expected to rise to 7.7% by early 2010.
- Total outbound travel from NZ was 1.91 million trips for the year ending July 2009, down of 4% on the previous year. (Source: NZ Statistics)
- NZ is Australia's number one source market, achieving approximately 50% of all outbound travel and a 93% repeat visitation rate.
- The internet remains the major information and booking source for NZ travellers to Australia, with only approximately 40% visiting a travel agency to book their holiday.

MARKET SUMMARY

- For the year ending June 2009, approximately 982,700 Kiwis visited Australia, down 2% on the previous year.
- South Australia achieved 36,200 Kiwi visitors for the year ending June 2009 and remains the state's second largest international inbound market (behind the UK).
- Tourism Australia received a 10% budget increase in 2009/10 and have five main NZ-specific focuses for the year:
 1. A refreshed strategy focusing on volume, as well as yield and dispersal.
 2. An expanded target audience. In addition to the traditional experience seeker, Tourism Australia is targeting two new segments: youth and YANKES (Young Adults No Kids Experience Seekers).
 3. Refreshment of the brand with a short haul message e.g. Short Breaks.
 4. A focus on partnership marketing with trade partners and state tourism offices.
 5. A more compelling communication strategy that re-engages and re-inspires Kiwis to travel to Australia.
- As in past years, there have been significant changes within the NZ trade this year: Travelplan Holidays have re-branded to House of Travel Product and Flight Centre has ceased their wholesale relationship with GO Holidays, in favour of an exclusive relationship with Infinity Holidays i.e. Flight Centre retail agents can now only book product from the Infinity Holidays program. Excluding House of Travel Product, there are new product managers at each major wholesaler.
- Overall, wholesalers are cautiously positive for 2009/10. After a slow start to the year, bookings have picked up slightly however the average booking value is lower than past years. Booking lead times are also decreasing. These trends are expected to continue into 2010 firmly driven by special deals and 'best value' tactical campaigns. Wholesalers remain interested in co-operative above-the-line marketing, but only with significant financial contribution from partners.
- Airline capacity across the Tasman is expected to grow 6% (or 220,000 seats) during 2009, mainly to/from Australia's eastern gateway cities.
- The newly signed border processing agreement between Australia and NZ is a positive step for trans-Tasman travel and is predicted to decrease fares by up to 30% and customs/passport processing times by up to 20% for low risk travellers. At this stage, the majority of travellers can expect a more streamlined experience by mid 2010.

- Despite strong load factors through out 2009, Air NZ will not be resuming daily flights over the 2009/10 summer period, claiming that five flights per week is the optimum level on this route.

MARKET PROFILE

NZ Visitors to Australia and South Australia, year ending June 2009

	To Australia	To South Australia
Total NZ Visitors	982,700	36,200
Total NZ Visitor Nights	13,880,000	381,000

Source: Bureau Tourism Research, International Visitor Survey (IVS), persons 15 years and over

- New Zealand is Australia's largest inbound market, with over 1.1 million visitor arrivals in 2008.
- The average length of stay for visitors from New Zealand was 14 nights, compared to the national average of 32 nights.
- Visitors from New Zealand accounted for 8% of total visitor nights in 2008.
- In 2008, visitors from New Zealand spent \$2.2 billion on trips to Australia, spending on average \$2,205 per trip.

KEY HIGHLIGHTS OF MARKETING ACTIVITIES IN 2008/09

Trade Activities

OZTalk Travel Expo (17– 18 April 09)

This is the key trade-training event on the NZ travel industry calendar. Over 250 front line travel consultants met with over 180 Australian operators (18 from South Australia) in booth-style sessions during the two-day event. The event was highly successful, with a higher level of interest and awareness being displayed by a majority of this year's agents.

Online Training Programs

SATC participates in Tourism Australia's Aussie Specialist Programme (ASP). There are currently approximately 2,500 Aussie Specialist agents across NZ. During 2008/09, 67 agents completed the SA module of the program, bringing the total number of agents trained to 788. In addition to the ASP, SATC offers a more advanced itinerary-planning training module, enabling agents to qualify as 'SA Experts'. To-date in 2009, the nine existing 'SA Experts' agents have sold AUD\$214,727 of travel to South Australia.

Recent promotions and incentives placed around this training module have seen the number of 'SA Experts' grow to 12. The 'SA Experts' program has also been relaunched to include the introduction of annual sales targets and an annual refresher training module to ensure these agents are true experts on the State and are actively selling the destination.

Sales Development Services (SDS)

SDS works on behalf of SATC to provide qualified sales representation to retail travel agents throughout NZ. They provide SATC with a mechanism to measure the awareness and knowledge of South Australia at the retail level, as well as consumer trends and feedback. During 2008/09 SDS completed a total of 720 sales calls across NZ. Each SDS representative distributes, then talks the agents through a Quick Facts and Resource Information Sheet and ensures they are aware of the SATC office and the services on offer.

Trade Self-Famil Program

The 'self-famil' program has been operating in NZ for 5 years. Over 130 agents have travelled to date. In an attempt to incentivise and measure its usage, SATC offers participating agents two free Metro passes (valued at NZD\$20).

Consumer Activities

2009 Brand Campaign

Since the commencement of Air NZ's direct AKL/ADL flights in 2004, SATC has been actively promoting Adelaide and South Australia to the NZ market via an annual six-month brand campaign. The objective of the campaign is to build awareness of Adelaide and South Australia and the unique experiences it has to offer Kiwi holiday-makers.

A new website was developed to support the TV advertising, which for the first time offered consumers the option to order downloadable brochures. This activity was then underwritten with a direct response postcard initiative and increased online activity, including a much stronger search engine marketing campaign, display banner advertising (including two 'buy outs' of the Yahoo Xtra! home page), sponsored link advertising, and content-rich video and advertorial, plus targeted e-direct marketing campaigns. Brand tracking and exit/conversion surveys were also conducted.

2009 Brand Campaign Results

- Post-campaign research shows that, compared to the other Australian states, Kiwis overwhelmingly associate food and wine holidays and Murray River holidays with South Australia i.e. South Australia 'owns' these holiday experiences in the minds of Kiwis.
- The total number of responses to the campaign was approximately 11,200 – double the response from previous years.
- Of all online activity, the targeted e-direct marketing campaigns delivered the most cost effective results, followed by advertorial links and search engine marketing activity.
- Exit/conversion surveys conducted on respondents from both the 2008 and 2009 brand campaigns prove their success in influencing Kiwis to visit South Australia, with 51% of respondents from 2008 and 17% of respondents from 2009 having already visited the State. Also important to note is that from the 2009 campaign, which only finished in late July, 66% of respondents are still considering a trip to South Australia.

KEY CHALLENGES

- Awareness and knowledge: High staff turnover within the travel industry means that agents trained to sell Australia/South Australia either leave the industry or move onto selling other destinations relatively quickly. This is compounded by the trend for the newest/youngest staff in an agency to sell Australia, driving a constant need for training that is impossible to meet. Consumer awareness is definitely on the increase, however the increase in consumer-direct bookings via the Internet means substantial time and money needs to be spent promoting South Australia's holidays experiences via this medium so we can convert travellers from the 'overly familiar' East Coast destinations.
- Cost of access: The cost of flights to South Australia is approximately NZD\$100 - \$150 more expensive (each way) than the East Coast cities, and this is compounded for travellers who live outside the main NZ centres and require additional domestic flights to reach the international gateways. The ongoing increase in trans-Tasman seats on low-cost carriers further challenges these costs.
- Limited product in market: There is limited South Australian product offered through traditional distribution methods e.g. wholesale brochures. The introduction of the SA Holidays program into NZ should help alleviate this from a consumer-direct point of view however there will still be a number of retail chains that will be unable to use this program due to exclusive preferred supplier agreements.

OPPORTUNITIES FOR OPERATORS

South Australian Holidays

Eligible operators who have agreed to participate in the South Australian Holidays program will also receive exposure and promotion in NZ when the programs launches. While predominantly targeted at consumers, this brochure is also suitable for use by NZ retail travel agents and will significantly increase the amount of SA product and information available to Kiwi holiday-makers. 5,000 brochures with an NZ-specific cover will be distributed at consumer shows as part of the 2010 NZ Brand Campaign, including the 2010 SATC Road Show and via the SATC office.

Online Marketing

By way of support for operator activities, SATC offers the opportunity to promote your product via a rotating features box on our website home page (www.southaustralia.co.nz). Product is included at the discretion of the SATC and will depend on space availability and relevance to the NZ market.

Brochure Distribution

SATC keeps small supplies of operator brochures in the office to send out in response to specific consumer or travel agent enquires. If you would like to send the SATC office a maximum of 20 copies of your brochure, please send them to

SATC NZ
PO Box 1666
Auckland 1140
New Zealand

Explore SA – NZ Agent Self Famil Program

The SATC has put together a self-famil program aimed at encouraging NZ travel agents or wholesale consultants to visit South Australia at their own expense. Currently, over 60 South Australian operators offer deals on accommodation, attractions and touring, which are available via SATC's NZ website (trade section accessed through agent code). The current program runs until 31 March 2010. Please contact Matt Guy if you would like to be involved in the program - matt.guy@tourism.sa.com or phone 08 8463 4608. Please remember: the better the deal the more likely you are to attract agents to your operation.

Trade and Consumer E-Newsletters

The SATC office produces quarterly travel agent and consumer e-newsletters. SA operators are welcome to submit product information for inclusion in these newsletters. Information is included at the discretion of the SATC and will depend on space availability, relevance to the NZ market and the theme of the newsletter. If you are interested in submitting information, please submit a short description of your business or new product (max. 50 words) and one high-resolution image to Stacey Cant - stacey@satc.co.nz.

NZ Road Show 2010

Directly following OZTalk 2010, SATC intends to conduct a promotional road show across NZ. While still in the planning phase, the road show is expected to take place from 22-27 March 2010 and visit Auckland, Hamilton, Tauranga, Wellington and Christchurch. This road show is designed to provide operators with the opportunity to showcase their product to both travel agents and direct to consumers in the major cities as well as targeted regional centres, which demonstrate ongoing awareness and interest in South Australia as a holiday destination. If you are interested in registering for this event, please contact Matt Guy - matt.guy@tourism.sa.com or phone 08 8463 4608. Participation in the road show is at the discretion of the SATC and will depend on space availability and relevance to the NZ market.

Brochure Distribution

Travel Marketing offer a brochure storage and distribution facility for the NZ travel industry. For those South Australian operators who are sold extensively throughout NZ and distribute a number of brochures, you may like to consider using Travel Marketing for your brochure storage and distribution. Through their website, agents can order brochures and other marketing collateral from local and overseas suppliers including major airlines, coach tours, cruise operators and other destination tourism authorities.

Travel Marketing also provides an extensive range of marketing services including marketing representation, wholesale and retail sales calls, distribution of product brochures, fax stream facility, trade press releases, flyer production and distribution, placement of advertising and a reservations facility.

Contact: Donal O'Sullivan
Director, Travel Marketing
PO Box 302 421
71B Apollo Drive
North Harbour, Auckland

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Fax: +64 9 917 4443
Email: donal@travelmarketing.co.nz
Web: brochure.net.co.nz

Trade Media

Tabs on Travel Today & Business Travel News

Tabs on Travel Today is NZ's key daily travel publication (e-newsletter) distributed to the travel industry, outlining the latest product, airline and industry news. *Business Travel News* (e-newsletter) is distributed direct to corporate travellers and focuses on hard product, plus other news and information relevant to these travellers. Both publications are always looking for current news and information. Email any press releases or updates to:

Angela Dominey
Publisher/Journalist
Tabs on Travel Today
PO Box 305 –167
Triton Plaza
North Shore City 0757

Ph: +64 9 415 8111
Fax: +64 9 415 2300
Email: angela@tabsontravel.co.nz
Web: tabsontravel.co.nz

Tony Dominey
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Web: businessstravelnews.co.nz

The Travel Memo

Twice weekly news publication (e-newsletter) distributed to all retail travel agents, as well as over 500 other industry related organisations/personnel.

Contact: Kevin Blackford
Editor/Publisher
The Travel Memo
21c Commodore Parry Road
Milford Beach, Auckland

Ph: +64 9 449 1449
Email: editor@thememo.co.nz
Web: travelmemo.co.nz

NZ Traveltrade

A fortnightly colour publication (printed newspaper) focusing on travel industry news, destination travel news and destination features. Circulation is approximately 1,400 copies. Editorial and advertising opportunities are available. Traveltrade also publish The OZBOOK - a trade publication distributed to all travel agents nationwide. You could be approached to advertise in this publication.

Contacts:

Gordon Gillan
Managing Editor
NZ Traveltrade
PO Box 9596, Newmarket
Auckland 1149

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Advertising Sales Manager
NZ Traveltrade
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Auckland 1149

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Email: lorraine@traveltrade.co.nz
Web: traveltrade.co.nz

Travel Digest

A monthly A4 colour publication (printed magazine) focusing on travel industry news, destination features and industry sector updates. Circulation is over 1,500 copies. Editorial and advertising opportunities are available.

Contact: Lorraine Thomson
Publisher/Editor
Travel Digest
PO Box 105-483
Auckland 1143

Ph: +64 9 366 0404

Fax: +64 9 366 0402

Email: lorraine.thomson@methode.co.nz

Web: methode.co.nz/magazines/travel/

A LIST WHOLESALERS

Company	Product Managers	Company Size	SA Product Brochured	Comments
<p>Air NZ Holidays Private Bag 92007, Auckland 1142 Air New Zealand House, 185 Fanshawe Street, Auckland 1010 Ph: 64 9 336 2918 terry.hill2@airnz.co.nz</p>	Terry Hill (Mr)	Medium	<p>Limited SA product on their website only. Do not produce a printed brochure for Australia (except QLD). ADL Accom Barossa Accom Day Tours</p>	<p>Retail chain - Air NZ Travel Centres</p>
<p>GO Holidays PO Box 91 444 151 Victoria Street Auckland Ph: 64 9 301 3531 pbeams@goholidays.co.nz</p> <p>NB: GO Holidays is scheduled to relocate before the end of 2009. Their new street address will be: Level TBC, Gen-I Tower 66 Wyndham Street Auckland</p>	Philippa Beams	Sole wholesaler for the Stella Travel Services Group in NZ.	<p>The only wholesaler to product a dedicated ADL/SA brochure in 2009/10 (26 pgs). ADL Accom, B & B's ADL Hills Barossa Clare Valley McLaren Vale Flinders/Outback Transfers & Sightseeing River Cruising Houseboating Cattle Drive Self-Drive Itineraries Rail Journeys</p>	<p>Retail chains - Harvey World Travel - United Travel - First Travel Group - Air NZ Holidays - Independents</p>
<p>Infinity Holidays Level 3, 124 Vincent Street Auckland Ph: 64 9 301 9204 kelly_bennett@infinityholidays.co.nz</p>	Kelly Bennett	Growing wholesale operation – specifically set up to keep profit in-house with Flight Centres.	<p>Packaged in Australia & Norfolk Is. brochure for 2009/10 (14pgs). ADL Accom Transfers & Sightseeing Barossa Clare Valley Victor Harbor Kangaroo Is. River Cruising Rail journeys</p>	<p>Retail chains - Flight Centre - Mondo Travel</p>

<p>House of Travel Product (formerly Travelplan Holidays) PO Box 13 037 2nd Floor, 210 Oxford Tce Christchurch Ph: 64 3 374 0565 jthomas@hotmail.co.nz</p>	<p>June Thomas</p>	<p>Top NZ wholesaler with excellent distribution through strongly performing agency chain – House of Travel.</p>	<p>Packaged in Australia brochure in 2009/10. Great supporter of SA and SA product (16 pgs). ADL Accom, B & Bs Barossa Clare Valley ADL Hills Victor Harbor Kangaroo Is. Flinders & Outback Eyre Peninsula Sightseeing Self-Drive Itineraries River Cruising Houseboating Rail journeys</p>	<p>Retail chains - House of Travel - Independents</p>
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B LIST WHOLESALERS

Company	Potential Delegate(s)	Company Size	SA Product Brochured	Comments
AIM Holidays PO Box 89-060, Auckland 0742 32 Ian Sage Avenue, Long Bay, Auckland Ph: 64 9 477 1090 michael@aimholidays.co.nz	Michael Macpherson	Small niche wholesaler	Agent for Australian based Great Aussie Holidays and GSA for QF Holidays (this is kept very quiet in NZ market!). Also specialist in events tickets and niche products e.g. Wayward Bus.	Niche product to Australia. Has access to full QF Holidays product range although they can not market under this branding (an agreement to protect NZ wholesalers' relationship with QF).
Keith Prowse PO Box 305-291, Triton Plaza North Shore City 0757 Unit G, 45 Arrenway Drive, Albany, Auckland Ph: 64 9 477 4831 andreesabourin@keithprorowse.com	Andree Sabourin	Small		Special events wholesaler. Small group itineraries.
Travel Marketing PO Box 302 421 71B Apollo Drive North Harbour Auckland Ph: 64 9 917 4440 admin@travelmarketing.co.nz	Joseph O'Sullivan	Small		Specialise in cruising. Currently store and distribute SATC brochures to all agents.

SOUTH AUSTRALIA PRODUCT IN THE NZ MARKET BY WHOLESALER 2009/10

Contracting begins at ATE and continues on through to December. The majority of brochures are valid from 01 April 2009 to 31 March 2010.

Wholesaler	Dedicated SA brox no. of pgs	SA pgs within Aust brox	SA pgs within Selected States brox	ADL	Wine region	KI	Murray River / Cruising	Flinders Ranges & Outback	Coach Tours	Self-drive
House of Travel Product	-	16	-	✓	✓	✓	✓	✓		✓
GO Holidays	26	-	-	✓	✓		✓	✓		✓
Air NZ Holidays		Online only	-	✓	✓					
Infinity Holidays	-	-	14	✓	✓	✓	✓			
TOTAL PAGES	56									