

Evaluation of the Ministry of Tourism Research and Statistics Programme

Ministry of Economic Development and Ministry of Tourism

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Abbreviations

The following abbreviations are used frequently in this report:

CAM	Commercial Accommodation Monitor
DTS	Domestic Traveller Survey
IVA	International Visitor Arrivals
IVS	International Visitor Survey
RVM	Regional Visitor Monitor
TLIM	Tourism Leading Indicators Monitor
TMT	The Ministry of Tourism
TSA	Tourism Satellite Accounts
RTO	Regional Tourism Organisations

Executive Summary

This report presents findings from the evaluation of the Ministry of Tourism Research and Statistics programme.

The aim of the programme is to enhance the performance of the tourism industry by providing statistics and research that is accessible, reliable, timely, of adequate coverage, and useful in improving decision-making. The key stakeholders of the programme are identified as tourism operators and investors, central and local government, and Regional Tourism Organisations.

The programme has an annual budget of \$4.3 million in 2007/8 and focuses mainly on the management of the Core Tourism Dataset which covers a wide range of data on international and domestic tourism in New Zealand generated from the following sources.

- International Visitor Arrivals (IVA) data produced by Statistics NZ from NZ Customs Service records on all travellers crossing NZ's border
- International Visitor Survey (IVS) by Ministry of Tourism of the expenditure and travel patterns of 5000 visitors to New Zealand each year
- Domestic Traveller Survey (DTS) by Ministry of Tourism of the domestic expenditure and travel patterns of 15,000 New Zealanders each year
- Commercial Accommodation Monitor (CAM) which is a monthly census by Statistics NZ of all GST registered commercial accommodation with turnover of at least \$30,000 per year
- Regional Visitor Monitor (RVM) which is a regional survey of international and domestic visitors in six regions. The sample consists of 1200 visitors per region each year.
- Tourism Satellite Accounts (TSA) produced by Statistics NZ which is an analysis of the size and economic contribution of the tourism industry
- National and regional tourism forecasts of inbound, domestic and outbound tourism for 2007-2013.

All of the above datasets with the exception of the RVM and forecasts are part of New Zealand's set of Tier 1 Statistics or key official statistics. A brief international comparison of tourism statistics found comparable datasets being collected by governments in Australia, Canada, and to some extent EU countries such as Netherlands and Finland.

The tourism statistics and research are disseminated throughout the sector in a variety of ways by the Ministry of Tourism and Statistics NZ, as well as in a repackaged form through intermediary organisations such as tourism industry associations and regional tourism organisations (RTOs).

Evaluation scope and method

This evaluation had two key objectives:

- a. assessing the use and value of Ministry of Tourism statistics and research among key stakeholders ('demand side'), and
- b. assessing the management and operation of this programme in terms of efficiency and quality issues ('supply side').

The 'supply side' assessment was conducted as an internal review by the Ministry of Tourism Research and Statistics team. The 'demand side' assessment involved interviews with 33 key users of the information across the different types of stakeholders, online survey of users (446 responses were received), and a brief international comparison of tourism data collection in other countries.

Evaluation findings

The evaluation examined a number of variables to establish what information from the tourism research and statistics programme is used, how it is used, how important it is, how well it is meeting users needs and the preferred presentation approaches. The key findings on these aspects are:

Use

All aspects of the programme have a significant user-base throughout the tourism sector. The IVA is the most used (84% of respondents), followed by IVS (79%), Forecasts (67%) Regional information (66%), CAM (59%) and DTS (59%). The least used is the TSA (49%)

Source

The Ministry of Tourism is the main source of tourism information, although users employ a number of approaches for accessing the information they require. Many also receive information from Statistics NZ, which is expected given its role in the first release of IVA, CAM and TSA. Of note was information sourced from intermediaries (eg TIA, RTOs, Associations and media) who disseminate the tourism data to their members with their own interpretation. About a quarter of respondents collected their own statistics or did their own research.

How the information is used

The information is used for a wide range of purposes by users (eg investment decisions, product development, marketing, planning, policy development etc). Overall, the most common use being new development of products or services (50% of respondents), marketing and advertising (46%), general information (38%) and informing investment decisions (33%). The use varied by user type. For instance, tourism businesses used the information mostly for new or improved products/services (74%), RTOs used the information mostly for communication to other users (88%), other businesses (half of whom were consultants) used the information mostly for informing investment decisions (49%). Statistics NZ uses the IVA, IVS, DTS and CAM along with other economic data in the production of the National Accounts and Balance of Payment estimates.

Value

All aspects of the programme were valued by users. The majority (60-80%) indicated the absence of the various types of information would have critical, significant, or moderate level impacts on their organisations' work or decisions. The IVA was most highly valued with critical or significant impact for 62% of respondents (82% if moderate impact is included). Next was IVS at 60% for critical or significant impact, with forecasts, regional information, CAM and DTS each around 45%. The TSA was least critical or significant for respondents at 36%. The importance of information varied by user type, e.g. 41-54% of tourism businesses compared to 70-96% of RTOs indicating most of the information had critical or significant impact.

Key users who were interviewed speculated that if the Ministry of Tourism information that they rely on were not available, the consequences might include the following:

- Decisions would be made on the basis of less data and more guess-work.

- Non-government organisations would carry out and commission more research, with resulting increases to their costs, and a narrowing of the availability of data to others.
- Organisations would make more use of their internal data sources, or would become more creative in their data sourcing, for example obtaining more data from organisations with which they have commercial or regulatory relationships.

Although the value of the programme could not be quantified in this evaluation, the above findings suggest that on the whole the programme is regarded by the variety of stakeholders as producing valuable information for the tourism industry.

Accessibility, reliability, timeliness, and coverage

In terms of accessibility, timeliness, market coverage and reliability, the programme was rated very well or well by over 70% of respondents. Sector and regional coverage was rated lower at 59% and 63% respectively. The interviews conducted with key users of the information highlighted the following main concerns:

- data reliability, particularly at the regional level and for visitor markets
- difficulty in reconciling data from different sources

Development opportunities

The following performance constraints and improvement opportunities were identified.

- Improved data quality is needed. This is particularly so for the major surveys managed by the Ministry – the IVS and DTS. The Ministry of Tourism is developing these collections as in-house surveys to optimise the quality that can be extracted from current sample size and methodological constraints. Once this work is complete, sample size requirements to deliver data quality requirements can be determined.
- There needs to be clearly articulated statements and user guidelines around the use of the tourism data so that users are aware of, and can make allowance for, the weaknesses in the data.
- Where possible incorporate new data streams into the programme to address information gaps and quality issues. Opportunities exist for using electronic transaction data, to develop sector-led collections and to further utilise SNZ resources, for instance its Longitudinal Business Database.
- Regional data quality and reporting is a particular issue and there are opportunities to integrate existing and new data sources to make improvements, particularly through improved modelling of regional tourism activity.

The development of the programme is also linked closely to the New Zealand Tourism Strategy (NZTS) 2015 that recognises research as a key enabler of the sector. As such, the NZTS has a number of research-related recommendations including relating to data quality, quality standards and utilising new data sources. The recommendations also highlight the need to develop the applied research capacity supporting tourism.

- ***International Visitor Survey:*** The statistical rigour and reporting of this survey can be improved. One third of the 33 key users interviewed said they had significant concerns with the validity and reliability of the data, mostly related to the more disaggregated estimates at regional and country of visitor origin level. Statistics NZ believes the IVS is trying to do too much, and regards the sample size as too small to provide reliable sub-national estimates as currently reported. Concerns have also been raised about the

survey methodology (e.g. accuracy of respondent recollection of trips, and length of survey), and representativeness of the sample.

- **Domestic Traveller Survey:** Key users wish to see the reliability of DTS estimates improved. As with the IVS these centred around the sub-national estimates and the sample size. Concerns have also been raised about poor response rate to the telephone interview-based surveys.
- **Commercial Accommodation Monitor:** Work is underway to improve this survey which is regarded as imposing a high respondent burden, affecting response rates and data accuracy.
- **Regional Visitor Monitor:** About half of the respondents indicated that regional information and forecasts are of critical or significant importance to them. About 60% appeared satisfied with the RVM. However there were some concerns raised about the current coverage being limited to only 6 RTO regions, as well as concerns about the representativeness of the survey sample.
- **Tourism Satellite Accounts:** There was a desire from some key users for more timely release of the information rather than the current two year lag involved in its production.
- **Tourism Forecasts:** The forecasts are extensively used among the key users interviewed in feeding into their organisations' own forecasts. While the national forecasts are highly valued, there are criticisms that their projections are based on "business as usual" scenarios, that they do not take adequate account of "on the ground" knowledge, that they do not look at future "shock" events, and that they do not predict shorter term fluctuations within the long term trends. There was also concern about the reliability of regional forecasting based on IVS and DTS information.

Conclusions

Improving the performance and productivity of the tourism sector is a key focus of the New Zealand Tourism Strategy 2015 given the significance of this sector in the national economy (9% of GDP). The ultimate objective of the Ministry of Tourism's Research and Statistics Programme is to enhance the performance of the industry by providing statistics and research that is accessible, reliable, timely, of adequate coverage, and useful in improving decision-making.

This evaluation found that the Ministry of Tourism Research and Statistics Programme produces information that is widely used by the variety of stakeholders in the industry. Some users receive the information directly from the Ministry of Tourism and Statistics NZ, while others receive it through intermediaries such as industry associations and RTOs which repackage and redistribute the information. The most highly valued information relates to the volume of international visitors and their patterns of spending and activities. On the whole, Ministry of Tourism research and statistics are generally regarded to be accessible, timely, reliable, and having satisfactory coverage in terms of regions, sectors, and visitor markets.

Although the value of the programme could not be quantified in this evaluation, based on findings on the wide usage of the information and the importance of the information to decisions made by users in the tourism sector, this evaluation concludes that the programme is meeting its objectives and should continue to be funded.

However there are concerns (particularly among the more intensive users of the information) with specific datasets, particularly relating to the quality of regional-level data. This evaluation highlights the importance of continuing efforts to improve the quality of specific datasets and

regional data. A brief examination of tourism data collections in a few other countries (for example Canada and Netherlands) identified some interesting options in the method and frequency of data collection. Opportunities have also been identified to improve analysis and use of the information produced by this programme. There are also opportunities to improve research on the performance and productivity of the tourism industry, particularly drawing on the newly created Statistics New Zealand Longitudinal Business Database (which provides a wide range of performance information on individual firms) and making links to key parts of the Ministry of Tourism dataset.

Recommendations

Based on the user feedback received for this evaluation, the following key recommendations for the Ministry of Tourism are made to improve the use and value of tourism statistics and research in enhancing the performance of the tourism sector:

Data quality

1. Establish quality standards for the Core Tourism Dataset (as recommended in the NZTS 2015) and implement these across the component datasets.
2. Establish 'fitness for use' policies and guidelines for the Core Tourism Dataset so that data is used appropriately

Specific datasets

3. International Visitor Survey and Domestic Traveller Survey: Given that the Ministry of Tourism is currently implementing a management system change for these two surveys, it should continue efforts to improve the survey design, data collection and sampling method, ensuring they are in line with international best practice and appropriate to providing data that is relevant and sufficiently reliable to enhance decision-making by key stakeholders.
4. Regional Visitor Monitor: Continue efforts to improve the sampling methodology to ensure the survey sample is sufficiently representative of visitors in the target region.

Regional data

5. Examine options for addressing concerns with reliability of regional data, including:
 - a. the costs and benefits of the trade-offs between sample size, survey frequency and depth,
 - b. potential for using alternative sources of data on visitor expenditure (e.g. electronic transaction data), and
 - c. investigating and implementing specific approaches to integrating data from the Core Tourism Dataset and other sources to provide more reliable regional-level data.

Presentation of results

6. To address concerns about reliability of disaggregated data (e.g. regional and country of origin breakdowns) all data published by the Ministry of Tourism should include confidence intervals which provide clear indications of the degree of reliability that can be placed on the estimates. Individual estimates where the level of uncertainty is too high for practical purposes should be clearly marked in the data tables. This is in line with international best practice and Australia provides a good example. Series that do

not meet the established data quality standards (in Recommendation 1 above) should not be published.

Analysis

7. Ministry of Tourism reports should provide more analysis and commentary to aid appropriate interpretation and use of the results. This should take into account the needs of the different stakeholders including both industry as well as government. For example government users (such as the Ministry of Tourism policy unit) would benefit from more analysis and commentary on implications for tourism policy.
8. Develop a plan for the Ministry of Tourism analysis programme, including the analysis priorities and the resource requirements to deliver to the determined levels.

Applied research

9. Advance tourism sector applied research by:
 - a. ensuring the comprehensive implementation of the New Zealand Tourism Strategy 2015 recommendation to develop and fund an industry-government partnership model to advance sector research, including determining priority research and then directing, funding, and managing the delivery of this research, and
 - b. improving research on the performance and productivity of the tourism industry, particularly drawing on the newly created Statistics New Zealand Longitudinal Business Database prototype and relevant parts of the Ministry of Tourism dataset.

Other

10. Other more detailed recommendations from the Ministry of Tourism's internal review of its programme management and operations are contained in chapter 9 of this report.

Report back

11. The Ministry of Tourism is invited to report back to the Ministers of Tourism and Industry, Regional and Economic Development, by 30 June 2009, on its progress in implementing the above recommendations.

1. Introduction

This report presents findings from the evaluation of the Ministry of Tourism Research and Statistics programme. This programme has an annual budget of \$4.3 million and focuses mainly on the management of the Core Tourism Dataset which covers a wide range of data on international and domestic tourism in New Zealand. The aim of the programme is to enhance the performance of the tourism industry by providing statistics and research that is accessible, reliable, timely, of adequate coverage, and useful in improving decision-making. (A fuller description of this programme is provided in the next chapter of this report.)

1.1 Evaluation purpose and scope

This evaluation has two key objectives:

- a. assessing the use and value of Ministry of Tourism statistics and research among key stakeholders specifically ('demand side'):
 - Who are the recipients of tourism research and statistics?
 - What types of tourism statistics/research are being used?
 - How are these statistics/research being used?
 - How important are they?
 - How well do these statistics meet stakeholders needs?
 - How can statistics and research contribute to monitoring the industry performance objectives of the NZ Tourism Strategy 2015?
- b. assessing the management and operation of this programme in terms of efficiency and quality issues ('supply side').

1.2 Evaluation method

The 'supply side' assessment was conducted as an internal assessment by the Ministry of Tourism Research and Statistics team. The 'demand side' assessment was led by the Research and Evaluation team at the Ministry of Economic Development, with assistance from the Ministry of Tourism. This work involved the following components: a) an initial analysis of Ministry of Tourism's research and statistics distribution lists and usage of the Ministry's website, b) interviews with 33 key users of the information representing the different types of stakeholders, c) online survey of users (446 responses were received), and d) a brief international comparison of tourism data collection in other countries. These components are described below.

Initial analysis of Ministry of Tourism administrative data

The first stage of the evaluation involved an analysis of the Ministry's statistics and research distribution lists and usage of the Ministry's website. It examined distribution patterns of the different types of statistics/research and identified the key subscribers to the information.

Interview and survey of users

The second stage of the evaluation involved interviews and surveys with users of the statistics/research. Feedback was obtained from a total of 479 users of tourism data, representing different types of users including central and local government, tourism and other

businesses, Regional Tourism Organisations, industry associations, students and academics, media etc.

Interviews

Interviews with 33 key users were conducted in October and November 2007. These users were identified from analysis of the Ministry's distribution lists. They each have multiple subscriptions to the Ministry's distribution lists. Twenty nine interviews were conducted face to face, and four by telephone. Andrea Knox, Counterbalance Research and Evaluation, was contracted to conduct 21 of these interviews. The rest of the interviews were conducted by the Ministry's evaluation team.

The 33 interviewees were selected to represent key stakeholders from a cross section of the different user types and consisted of:

- 6 large businesses: Air New Zealand, Accor, Millenium Hotels, Tourism Holdings Ltd, Ngai Tahu Tourism, Interislander,
- 5 tourism sector association: Tourism Industry Association NZ, Inbound Tour Operators Council, Motel Association, Hotel Council of NZ, Holiday Accommodation Parks Association,
- 3 airports: Wellington, Auckland and Christchurch International Airports
- 7 central government agencies: Ministry of Tourism policy group, Dept of Conservation, Transit NZ, Statistics NZ, Tourism NZ, Ministry of Transport, NZ Customs Service
- 1 local/regional authority: Christchurch City Council
- 5 Regional Tourism Organisations (RTOs): Wellington, Rotorua, Auckland, Queenstown, Christchurch/Canterbury
- 2 university researchers: David Simmons (Lincoln University) and Laurel Reid (Victoria University)
- 2 private research and consulting firms: Covec and Horwarth HTL
- 1 financial institution: Westpac Bank
- 1 media organisation: AA Tourism (considered itself more of a media organisation promoting domestic tourism than a tourism association)

Surveys

An online survey was conducted of individuals from the Ministry of Tourism's email distribution list. A total of 446 users responded to the survey. This represents a response rate of 37%. This is considered a satisfactory response given that it was based on all (1215) unique emails on the distribution list which did not bounce back (organisations which had multiple recipients on the list were only surveyed once). Reasons for non-response include outdated email address or contact details, survey recipients not available, or decline to participate stating that they do not use tourism statistics/research.

The composition of the 446 survey respondents included 37% tourism businesses, 16% other businesses, 5% RTOs, 7% government, 3% trade associations, 22% students or academics, and 10% other. Among the tourism businesses, 33% were in the accommodation sector, 20% in cultural/recreation activities, 17% were tour operators, and 12% were in transportation. Among the non tourism businesses, 55% were those providing consulting services (business,

economic or policy) to the tourism industry, 11% in banking and finance, 5% in property development, and 3% each in engineering/construction and property investment. Representation from RTOs was particularly high, with 26 of the total 29 RTOs in the country participating in either the survey or interviews for this evaluation. Of the 19 trade associations that responded to the evaluation, 63% were tourism associations. Of the 40 government agencies that responded to the survey consisted of 53% central government, and the rest being local/regional authorities.

2. Programme background and description

2.1 Background

Understanding the context of the Ministry's research programme is important for placing its current status into its longer term development framework.

The initial Ministry role in the field of tourism research emerged in the 1990s from a policy concern at the very weak data and research base of the sector. For instance, in 1995 the only systematic tourism data was of international arrivals. The previous Tourism Department had undertaken international and domestic surveys and provided sector forecasts on an occasional basis, but these initiatives had lapsed around 1990.

A number of initiatives emerged from the mid 1990s:

- the Ministry (then the Tourism Policy Group) established a pan-industry research group to assess sector research needs and advocate for action
- Regional Tourism Organisations (RTO) clubbed together to establish the Commercial Accommodation Monitor (CAM) in 1996
- Tourism New Zealand re-established the International Visitor Survey as an ongoing series in 1997.
- Foundation for Research, Science and Technology (FRST) responded to sector input and in 1999 provided two-year grants to fund the development of methodologies for the DTS, TSA and forecasts.

In the early 2000s, the role of the Ministry with respect to tourism data changed. Firstly, the RTO funding arrangement for the CAM collapsed and the decision was taken to the Ministry to assume funding responsibility. Secondly, the FRST funding for the Tourism Satellite Accounts, forecasts and Domestic Traveller Survey expired and again the government vested ongoing funding with the Ministry to establish these as ongoing collections. Thirdly, the Ministry had established the Tourism Research Council New Zealand (TRCNZ) to assume a leadership role for advancing sector research.

In 2001, the New Zealand Tourism Strategy 2010 recommended that the core tourism statistics be funded on an ongoing basis with responsibility vested with one organisation. This resulted in the IVA and IVS moving from TNZ to the Ministry and so the characteristics and structure of what is known as the Core Tourism Dataset (CTD) was established.

The Ministry's initial approach to this changed role was to utilise the TRCNZ as a 'clearinghouse' for the collective efforts of the sector – whether the Ministry of Tourism-funded work or others. This resulted in TRCNZ branding for the Ministry's research outputs such as the tourism forecasts and the research website.

In 2005, this 'clearinghouse' approach was superseded by the Ministry's accumulation of all aspects of the CTD and the need for full transparency around who was the producer of this substantial body of data and research. This resulted in all Ministry-funded outputs being branded to the Ministry itself. This approach reflected the actual role played by the Ministry as the agency responsible for the CTD and for a wider body of research and analysis.

The Ministry now manages the CTD in accordance with the requirements of the Official Statistical System (OSS) and particularly the IVS, DTS, CAM and TSA that are Tier 1 Statistics under the OSS¹.

The initial intervention and the subsequent programme development had a clear policy imperative – it was critical that a large and growing sector of the economy (particularly the export side of the industry) be supported by quality information to inform sector decision-making.

The early effort was on getting other agencies to deliver the required information, but over time the Ministry gained responsibilities, and once it had achieved a critical mass it drew in the other elements to establish its tourism research programme.

The purpose of the programme has evolved into two streams:

- **Leadership.** This included supporting the TRCNZ in setting research priorities and lately it has involved contributing a sector research perspective in the NZTS 2015. Moving forward, this role will focus on advancing the research-related recommendations of the Strategy and ensuring priorities are undertaken.
- **Producer.** This includes the role the Ministry has to procure and manage the CTD data, to provide analysis and interpretation of the data, and to disseminate and communicate the results to users.

Both of these functions are undertaken on a 'public good' basis. The Ministry has a strategic interest in the quality of sector decision-making, and quality information is critical to this. Where the Ministry can lead and influence other parties to do the work, this is ideal, but in the case of the data requirements of tourism it has needed to take a direct role to ensure the provision of data to support sector decision-making.

2.2 Programme description

The central responsibility of the Ministry of Tourism's Research and Statistics programme is focused on the Core Tourism Dataset (Figure 1). The budget for the programme is \$4.3 million, of which \$3.1 million is for the procurement of the various elements of the Core Tourism Dataset. The balance of the budget covers IT and technical services (\$0.4 million), analysis (\$0.08 million), dissemination and communications (\$0.08 million) and supports the staff costs of the Ministry's Research Team.

The programme consists of the following broad functions:

- **Core Tourism Dataset (CTD) Procurement.** The model employed to date is for the Ministry to purchase the various CTD components from a number of providers – IVA, CAM and TSA from SNZ, IVS and DTS from The Nielsen Company (up to 30 June 2008), Forecasts from Covec Limited and RVM from Angus and Associates.
- **Data management.** An objective of the programme has been to enable access to the large body of data generated. The Ministry has established a common platform for handling data from the IVA, IVS, DTS, RVM and CAM – the 'Harmoni' software system

¹ Statistics NZ describes Tier 1 statistics as a defined set of key official statistics that are performance measures of New Zealand and have the following characteristics: are essential to central government decision making; are of high public interest; need to meet public expectations of impartiality and high statistical quality; require long-term continuity of data; provide international comparability in a global environment or meet international statistical obligations; align with the Tier 1 statistics principles and protocols.

International Visitor Arrivals (IVA)

Purpose	To collect information on all travellers crossing NZ's border.
List of outputs	Website - Statistics NZ and Ministry of Tourism Research Programme
Releases	Monthly (but also weekly and annually)
Key information	Citizenship/nationality; age; sex; occupation; period; class; purpose of travel; length of stay/absence; country of main destination; country of last permanent residence; country of next permanent residence; port of arrival/departure; port of entry and departure; overseas port; New Zealand region; airline carrier; air route; travel mode.
Status	Ongoing survey/statistic. Tier 1 Statistic
Participation	Compulsory
Geographic Coverage	Whole of New Zealand – All international ports
Start date	1975
Funding agencies	Department of Labour, Statistics New Zealand, Ministry of Transport, Ministry of Tourism (Ministry of Tourism contribution is \$200,000 per year)
Producing agency	Statistics NZ using data collected by NZ Customs Service

Commercial Accommodation Monitor (CAM)

Purpose	To collect statistical data on the supply and demand of main commercial short-term accommodation (hotels, motels, backpackers, hostel, and caravan and camping grounds).
List of outputs	Website - Statistics NZ and Ministry of Tourism Research Programme
Releases	Monthly
Key information	Guest nights; origin of guests; occupancy rates; capacity; number of establishments; guest arrivals; average length of stay.
Status	Ongoing survey/statistic. Tier 1 Statistic
Participation	Compulsory monthly participation for GST registered commercial accommodation with a turnover of \$30,000 or greater
Geographic coverage	Whole of New Zealand
Start date	July 1996
Funding agencies	Ministry of Tourism - \$500,000 per year
Producing agency	Statistics New Zealand

International Visitor Survey (IVS)

Purpose	To examine itineraries, characteristics, behaviour and expenditure of international visitors to New Zealand.
List of outputs	Website - Ministry of Tourism Research Programme
Releases	Quarterly
Key information	Visitor numbers by country; purpose; itinerary; transport type; age groups; activities/attractions; length of stay; countries visited en route; intention to return; key places visited; nights spent by area; accommodation type; expenditure by country; purpose of visit.
Status	Ongoing survey/statistic. Tier 1 Statistic
Participation	Voluntary (sample size 5,000 per year)
Geographic coverage	Whole of New Zealand - Interviews conducted at Auckland, Wellington and Christchurch airports
Start date	Jan 1997
Funding agencies	Ministry of Tourism – \$865,000
Producing agency	Currently Nielsen, contracted by the Ministry of Tourism. After 1 July 2008 the Ministry of Tourism assumes direct responsibility for production.

Domestic Travel Survey (DTS)

Purpose	To examine itineraries, characteristics, behaviour and expenditure of domestic visitors.
List of outputs	Website - Ministry of Tourism Research Programme
Releases	Quarterly
Key information	Expenditure by trip type; reason for visit; number of trips by trip type; transport type; region of origin; number of nights accommodation by type and region.
Status	Ongoing survey/statistic. Tier 1 Statistic
Participation	Voluntary (sample size 15,000 telephone interviews per year)
Geographic coverage	Whole of New Zealand
Start date	Jan 1999
Funding agencies	Ministry of Tourism – \$575,000 per year
Producing agency	Currently Nielsen which is contracted by the Ministry of Tourism. After 1 July 2008 the Ministry of Tourism will assume direct responsibility for the production.

Regional Visitor Monitor (RVM)

Purpose	To collect information on international and domestic visitors, motivations, expectations, travel planning, patterns of activities, satisfaction and expenditure of visitors to regions.
List of outputs	Website - Ministry of Tourism Research Programme
Releases	Quarterly. Only national benchmark results are currently publicly available through Ministry of Tourism's website. Each participating RTO holds the results for their region and it is up to them whether or not this information is shared.
Key information	Motivations, expectations, satisfaction, citizenship/nationality; age; sex; purpose of travel; length of stay, activities, expenditure in region.
Status	Pilot, ongoing survey/statistic not confirmed yet
Participation	Voluntary (sample size 1200 per region per year)
Geographic coverage	6 RTO regions in New Zealand (Auckland, Rotorua, Wellington, Christchurch, Dunedin and Queenstown)
Start date	Oct 2005
Funding agencies	Ministry of Tourism - \$240,000 per year 6 RTOs contribute \$29,000 each
Collection/Producing agency	Angus & Associates contracted by the Ministry of Tourism.

Tourism Satellite Account (TSA)

Purpose	To provide information about the contribution of tourism to the economy and analysis of the New Zealand tourism industry.
List of outputs	Website - Statistics NZ and Ministry of Tourism Research Programme
Releases	Annually
Key information	Value added of tourism characteristic and tourism-related industries; direct tourism value added; the tourism component (tourism ratio) of the tourism value added; total (direct and indirect) value added generated per dollar of tourist demand; total tourism expenditure; wages and operating surplus resulting from direct tourism demand; tourism expenditure by product type; direct and indirect employment; investment in tourism industries.
Status	Ongoing survey/statistic. Tier 1 Statistic
Geographic coverage	Whole of New Zealand
Start date	Jun 1998
Funding agencies	Ministry of Tourism - \$200,000 per year
Producing agency	Statistics NZ (drawing on data from the IVA, IVS, and DTS)

New Zealand Tourism Forecasts

Purpose	To forecast national and regional tourism activity by international and domestic visitors.
List of outputs	Ministry of Tourism research website, booklet, pivot tables
Releases	Annually
Key information	National forecasts for inbound arrivals, nights and expenditure for 28 markets, domestic trips, nights and expenditure, short-term departures to the 10 largest outbound markets. Regional forecasts of international and domestic visits, nights and expenditure for 29 RTOs by purpose of travel.
Status	Ongoing survey/statistic
Geographic coverage	Whole of New Zealand
Start date	1999
Funding agencies	Ministry of Tourism - \$200,000 per year
Producing agency	Covec Ltd contracted by the Ministry of Tourism (draws on data from IVA, IVS, and DTS)

2.3 Programme logic model and objectives

The New Zealand Tourism Strategy 2015 identified one of the priorities in developing a prosperous tourism sector is for tourism research to be accessible, timely, high-quality, and relevant to the decisions that need to be made.

Figure 2 presents the programme logic model which served as the framework for this evaluation of the tourism research and statistics programme. The model was developed by the evaluation team in discussion with the Tourism policy and research team. It represents a joint understanding of the programme rationale, what objectives it was intended to achieve and how.

The key stakeholders of the programme are identified as:

- Tourism businesses and investors,
- Central government,
- Local government and Regional Tourism Organisations (RTOs). RTOs are mainly responsible for tourism marketing and work with their local government in destination management (which includes planning and management of the tourism environment, services, facilities and related infrastructure). Most are funded by local authorities.
- Other users of tourism statistics and research include: tourism and related industry associations, education and research users, media, as well as private consultants who undertake policy, economic or business analysis for their clients.

Figure 2 Programme Logic Model

Policy rationale	Ministry of Tourism research programme key activities	Information dissemination channels	Immediate objectives	Intermediate objectives	Ultimate objectives
<p>Market failure (due to the public good nature of the information) and coordination failure in providing tourism statistics/research needed for decision-making by key tourism stakeholders:</p> <ul style="list-style-type: none"> - Tourism operators - Tourism investors - Central government - Local government 	<p>Managing the core tourism dataset</p> <p>Analysis</p> <p>Research</p> <p>Dissemination & communication via research website, mailouts, emails, mailbox enquiries, industry roadshows</p> <p>Integrating tourism data into other Tier 1 statistics</p>	<p>Ministry of Tourism disseminate directly to a wide range of tourism stakeholders.</p> <p>Many of these stakeholders re-distribute the information to other organisations- often in summary form, or with further commentary/analysis.</p> <p>Statistics NZ website and media communications</p> <p>Interagency policy work</p>	<p>Key tourism stakeholders who are direct recipients of Ministry of Tourism statistics/research find it to be:</p> <p>Accessible</p> <p>Reliable</p> <p>Timely</p> <p>Adequate coverage</p>	<p>Key tourism stakeholders use tourism statistics/research to improve decision-making</p>	<p>Improved decision-making by key tourism stakeholders lead to better outcomes in terms of NZ's economic development and productivity growth</p>

2.4 International comparison

This section presents a brief international comparison of tourism statistics. The Trans-Tasman comparison is of interest because of the proportionately greater costs and sample sizes of a similar range of data collected. The small European countries offer some examples of rather different approaches in circumstances where - unlike the other states - measurement of movements of individuals across national borders is necessarily incomplete.

Australia²

Australia has some 5.2 million international visitors a year compared to around 2.2 million in New Zealand. Responsibility for national tourism statistics and research lies with Tourism Research Australia (TRA) which is a unit within Tourism Australia (responsible for international marketing). This was a result of a structural change in 2004 which consolidated the tourism research and forecasting functions into a business unit of the newly created Tourism Australia (previously the separate responsibilities of the Bureau of Tourism Research and the Tourism Forecasting Council).

Australia's tourism dataset covers similar components to New Zealand's. The National Visitor Survey (NVS) and International Visitor Survey (IVS) are TRA's most important products, and are broadly comparable to New Zealand's DTS and IVS. Prior to November 2003 there was concern that sample sizes were too small for robust regional data - 20,000 for IVS and 80,000 for NVS. As a result of increased funding, sample sizes were doubled to 40 000 for IVS (8 x NZ's 5000) and 120 000 for NVS (8 x New Zealand's 15 000). The budget for the Australian IVS is NZ\$2.74m (compared to \$0.87m in New Zealand) and for the NVS is NZ\$2m (compared to \$0.58m in New Zealand). The increased sample size resulted in increased data reliability. The Australian published material provides a clear description of the uncertainties associated with particular estimates³, and mark individual estimates in tables where they are '... subject to sampling uncertainty too high for practical purposes'. This approach could be used in the way estimates are presented in New Zealand data derived from sampling.

Tourism Research Australia also manages the Destination Visitor Survey, working in collaboration with state, territorial and regional tourism organisations. Like New Zealand's RVM, the Australian DVS focuses on regional information needs. Two approaches are used: a) complex research requirements - for tourism destinations that are significant and have relatively complex information requirements, and b) visitor profile satisfaction programme - for destinations that are too small to be adequately covered, due to sample size restrictions, within the National Visitor Survey.

Tourism forecasts are also produced by Tourism Research Australia working with Tourism Forecasting Committee which is an independent body. The Australian Bureau of Statistics produces the Survey of Tourist Accommodation (equivalent of New Zealand's CAM) and the Australian Tourism Satellite Account. Overseas arrivals and departures statistics (equivalent of New Zealand's IVA) are published by the ABS from administrative data provided by the Department of Immigration and Citizenship.

Canada

Canada's tourism dataset also appears broadly similar to New Zealand's and is mostly produced by Statistics Canada. Statistics Canada publishes statistics on International Visitor Arrivals from administrative data supplied by Canada Border Services Agency.

Canada's International Travel Survey is equivalent to New Zealand's IVS. It is an ongoing survey conducted by Statistics Canada since 1972 to meet the requirements of the Balance of Payments of the Canadian System of National Accounts. The content is similar to the New Zealand IVS.

² Based on the *Review of Tourism Research Australia* (by The Allen Consulting Group, 2007)

³ See for example page 36 of *Travel by Australians* (by Tourism Australia, June 2007)

However, the main difference is in the method of data collection. In addition to interviews conducted with departing travellers at airports, data is also obtained through a mail-back questionnaire survey distributed at the major ports of entry. However this mail-back survey appears to suffer from a low response rate of 10%.

The equivalent to New Zealand's DTS is the Travel Survey of Residents of Canada (TSRC) which is a monthly supplement to the Labour Force Survey conducted by Statistics Canada. Participation is voluntary and is selected from among households who have responded to the Labour Force Survey. Every month approximately 14,000 people in Canada answer the Travel Survey of Residents of Canada questionnaire. The content covered by the TSRC is similar in scope to the DTS.

The Annual Survey of Traveller Accommodation industries in Canada is the general equivalent to New Zealand's CAM. This survey is administered by Statistics Canada as part of its Unified Enterprise Survey Programme.

Statistics Canada produces a Tourism Satellite Account on an ad hoc basis as well as publishes the national tourism indicators (NTI) provide a quarterly measure of tourism expenditures, gross domestic product (GDP) and employment.

In addition to these surveys, the Canadian Tourism Commission, which is Canada's national tourism marketing organisation, conducts research on a wide range of market segments and industry issues.

European Union examples⁴

The EU has since 1995 required its members to collect and validate comprehensive tourism data in the following areas:

- Number of accommodation enterprises and number of beds, split between 'hotels' and 'other'.
- Number of travel agencies.
- The labour force in restaurants and hotels, divided by gender, with various other subdivisions. Eurostat gives the absolute numbers and also splits these into percentages of the total workforce, to show relative tourism sector growth.
- Arrivals and nights spent in total, and split by residents and non-residents (who are further divided by nationality), split also between 'hotels' and 'other' accommodation.
- Holiday trips of four nights or more made by residents, for domestic trips and abroad.

The types of survey used include household sample survey or panel; population register or census, telephone directory and register of electors; and registers of accommodation establishments.

Eurostat, an EU agency based in Luxembourg, is responsible for defining precisely how member countries should collect the data, receiving and checking it to ensure comparability, and then interpreting and publishing it. It also produces commentaries on this sector. Eurostat distinguishes for each country between domestic, inbound and outbound tourism. Internal tourism comprises domestic plus inbound; national tourism comprises domestic plus outbound; and international tourism comprises inbound plus outbound.

⁴ Extracted from a report by Peter Morten (January 2008) who was contracted by MED to undertake this short study for the evaluation.

For individual states within the EU, lack of internal border controls and the ease of road travel means that the ability to monitor (and sample from) the travelling population is limited in comparison to the position in Australia and New Zealand. There are a range of approaches to generating data additional to the Eurostat requirements, and we report the conclusions of discussions with tourism statistics experts in Finland and the Netherlands.

Finland⁵

The tourism statistics collected by the EU do not provide enough information on which to base Finland's tourism marketing in target countries. Finland, as with most other active tourism promoters in Europe, regularly surveys departing airline and sea passengers for additional information. The main output is tourism satellite accounts by region, with a breakdown by visitors' countries of residence. The surveys are carried out by Statistics Finland. One concern raised with the survey of departing visitors is that travellers in airport business and first class lounges are excluded. Concern was also raised about the accuracy of responses of those who do participate in the survey. As discussed later in this report, these issues are also faced by New Zealand's IVS.

The Netherlands⁶

The Netherlands has until recently used the same kind of departure surveys as Finland, New Zealand and many other countries to enhance their raw tourism data. However, these have been found increasingly unsatisfactory over time, due to their relatively high costs, unavoidable survey participation biases, and reconciliation problems with EU data.

An alternative inbound survey has been developed. The survey is based on a sample of guests filling in a card on check-in to a hotel or other accommodation, followed up by a longer email or telephone survey soon after they have returned home. This two-stage approach is described in greater detail in the Appendix. It was first applied between March 2005 and March 2006, and will be repeated every three years, at a cost of around NZ\$600,000 each time. It could be worth examining further the costs and benefits of this alternative approach to identify useful insights for New Zealand.

Conclusion

The brief international comparison of tourism statistics presented above found comparable datasets being collected by governments in Australia, Canada, and to some extent EU countries such as Netherlands and Finland.

⁵ Based on interview conducted in Dec 2007 with Tom Ylkanen, the Finnish Tourism Board's Research Manager, the vice-Chair of the OECD's Tourism Committee between 1994 and 2004

⁶ Based on interview conducted in Dec 2007 with Kees van der Most, the Netherlands Board of Tourism and Convention's (NBTC's) Research Manager, their most senior tourism statistician

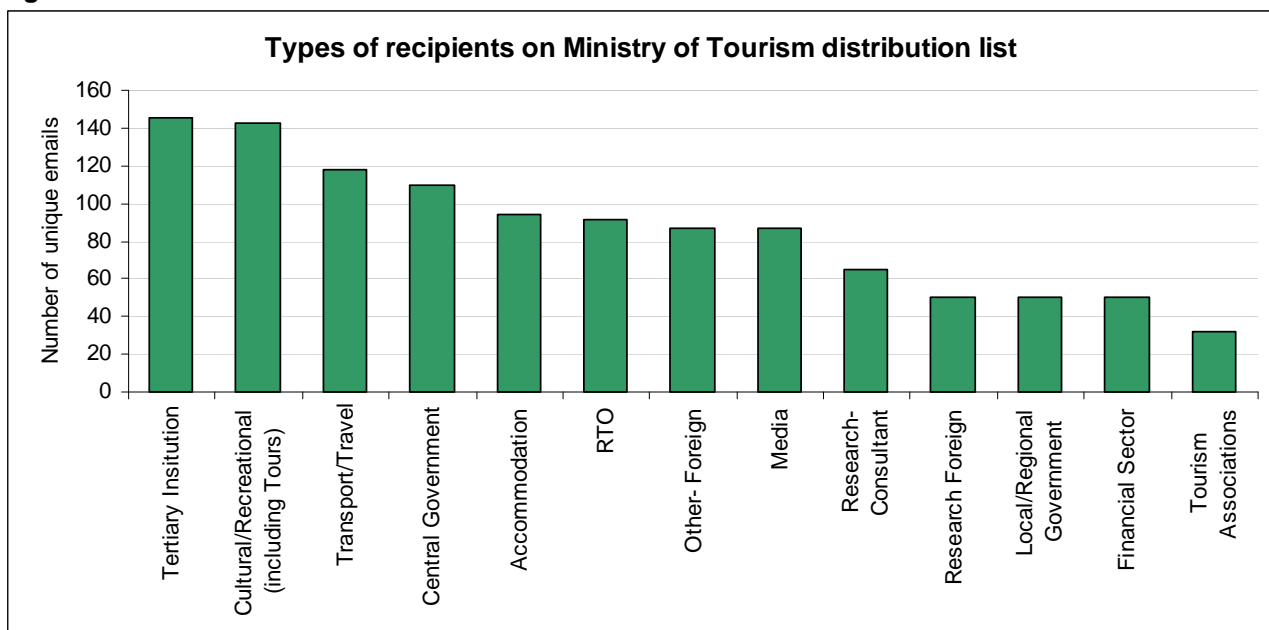
3. Recipients of Ministry of Tourism statistics and research

3.1 Ministry of Tourism distribution lists

The Ministry of Tourism maintains several distribution lists to disseminate data, research and forecasts to interested stakeholders. The total number of current recipients is estimated to be around 1500 users⁷ from over 1000 organisations. About 25% of the recipients are in organisations where there are multiple subscribers to the Ministry’s data distribution lists.

Figure 3 show that the largest recipient groups are private sector tourism operators (24%), tertiary institutions and researchers (16%), and the government (9%). Other users include private non-tourism firms (5%, e.g. financial sector), RTOs (5%) and the media (5%).

Figure 3



⁷ As of August 2007 when the Ministry of Tourism distribution lists were examined for this evaluation, there were a combined total of 2458 entries on the lists (some individuals with roles in multiple organisations have signed up more than once to the lists). However this contact database has been built up over time and contains some users who are no longer current or whose contact details have changed. An initial examination of the lists identified 1803 unique emails which appeared current. An email invitation to a survey was sent to all unique emails on the distribution list (organisations which had multiple recipients on the list were only surveyed once). This resulted in 16% of emails returned as invalid addresses. This 16% rate for invalid emails was applied to the 1803 total which resulted in an estimated 1500 current recipients.

Figure 4

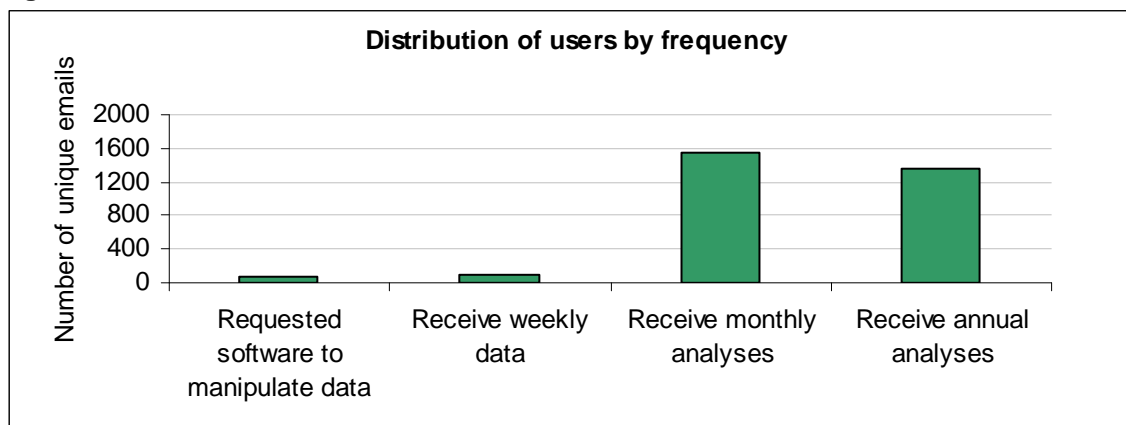
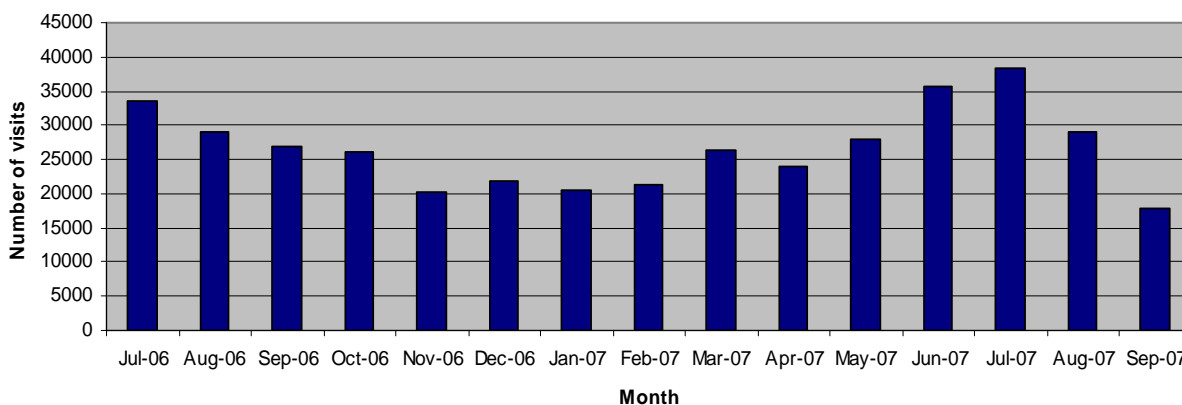


Figure 4 shows that most users in the sample receive monthly, or less frequent, updates of tourism statistics and analyses. Only about 5% of the sample users receive more frequent updates. TMT's flagship products are the monthly Tourism Leading Indicators Monitor (TLIM) along with monthly IVA and CAM releases. The lower number of users for software and weekly data may be partly due to the software being a specialised application and the weekly IVA data being available to all who ask for it, but not widely promoted.

3.2 Website usage

The extent to which the tourism research data is used and the patterns of use over time were also reviewed by analysing the tourism research website usage. Figure 5 provides an overview of the volume of usage of the site between July 2006 and September 2007.

Figure 5: Total visits by month to www.tourismresearch.govt.nz



Usage of the site seems to demonstrate seasonality with drop-off in the volume of activity over the summer period (November to February). High volume use in the first quarter of the financial year may be due to several factors including the publication of key financial year-end documents, the release of major Ministry of Tourism publications during the first quarter, including the 2006 – 2012 tourism forecasts and the *Understanding the Dynamics of Tourism*, as well as the fact that the annual tourism conference was held at this time.

3.3 Statistics NZ distribution and website

Tourism data and analysis are also distributed by Statistics NZ directly to users and is available on the Statistics NZ website. Statistics NZ collects, analyses and distributes information on tourist accommodation, visitor arrivals, and the tourism satellite account. Analysis of Statistics NZ's publication distribution lists showed that the primary recipients of these publications are Statistics

NZ staff, other government officials and the media. However this evaluation found that about two-thirds of businesses and over 90% of RTOs surveyed/interviewed indicated they also obtain information from Statistics NZ. It is likely these businesses and RTOs obtained this information from the Statistics NZ website.

3.4 Secondary distribution through intermediaries

In addition to the above organisations and individuals who receive tourism data directly from the Ministry of Tourism and Statistics NZ, there are an undetermined number of users who receive the data through secondary channels. The evaluation was able to only survey or interview users from the Ministry of Tourism's distribution list. However, a third of the 479 respondents indicated they in turn distribute or communicate tourism data received from the Ministry of Tourism on to other businesses/organisations, often in summarised form. Examples of users who redistribute tourism information include RTOs, trade associations, local authorities, consultancies, government departments, and academic research groups.

RTOs see part of their main role as distribution of information to tourism businesses and organisations in their region. They distribute information through presentations, answering enquiries, and providing information on their websites. RTO websites often include summarised region-specific information, extracted from the Ministry of Tourism's core dataset.

Tourism sector associations (e.g. Inbound Tour Operators Council) also view dissemination of tourism research and statistics as a key role. They disseminate information via presentations, newsletters, their websites, and in some cases through production of specific industry monitors (for example, the New Zealand Hotel Council's survey of hotel performance). One of the interviewed consultancies said that they are frequently contracted to repackage and re-present tourism statistics and research, augmenting it with further interpretation and analysis of the data.

3.5 Conclusion

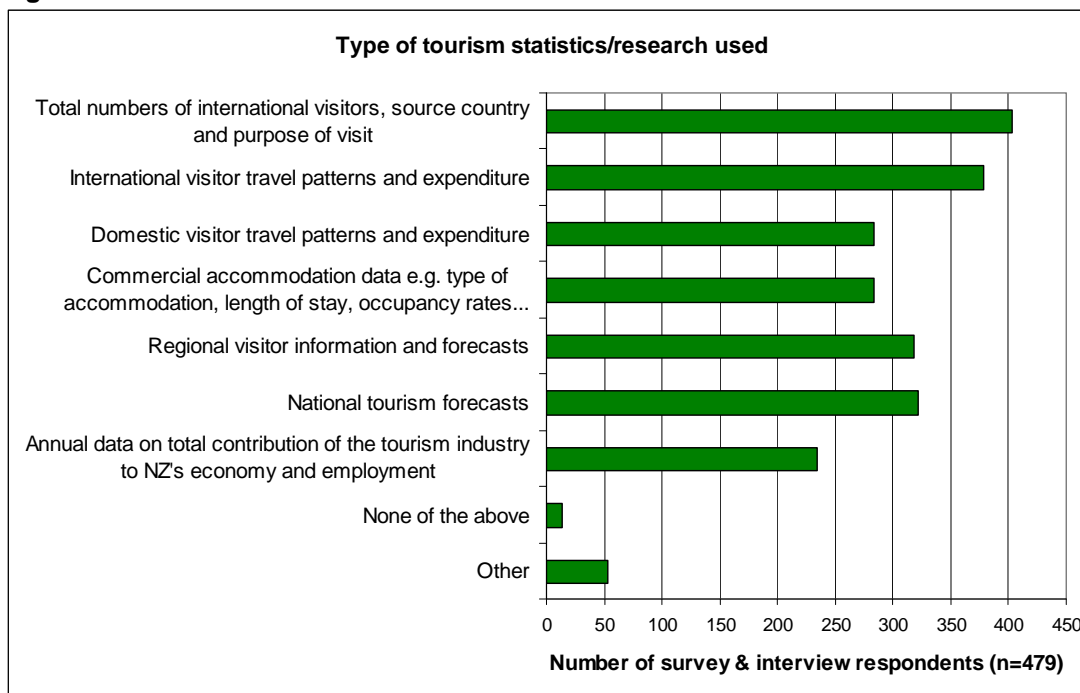
Ministry of Tourism statistics and research is distributed to a wide variety of users throughout the tourism sector via multiple channels. Some users receive the information directly from the Ministry of Tourism and Statistics NZ, while others receive it through intermediaries such as industry associations and RTOs which repackage and redistribute the information.

4. What tourism statistics/research are being used?

4.1 Types of statistics and research

Feedback from the 479 users (from surveys and interviews) indicated that most made use of multiple types of tourism statistics and research (see Figure 6). The most widely used tourism data are the total numbers of international visitor arrivals (IVA) used by 403 or 84% of respondents. Information on international visitor travel patterns and expenditure (IVS) is also widely used (by 379 or 79% of respondents). Domestic visitor travel patterns and expenditure (DTS) data is used by a smaller group (284 or 59% of respondents). Just over half of the respondents indicated they use the CAM data as this information is specific to the accommodation sector. Nevertheless, all seven types of tourism information identified were used by more than half of the respondents.

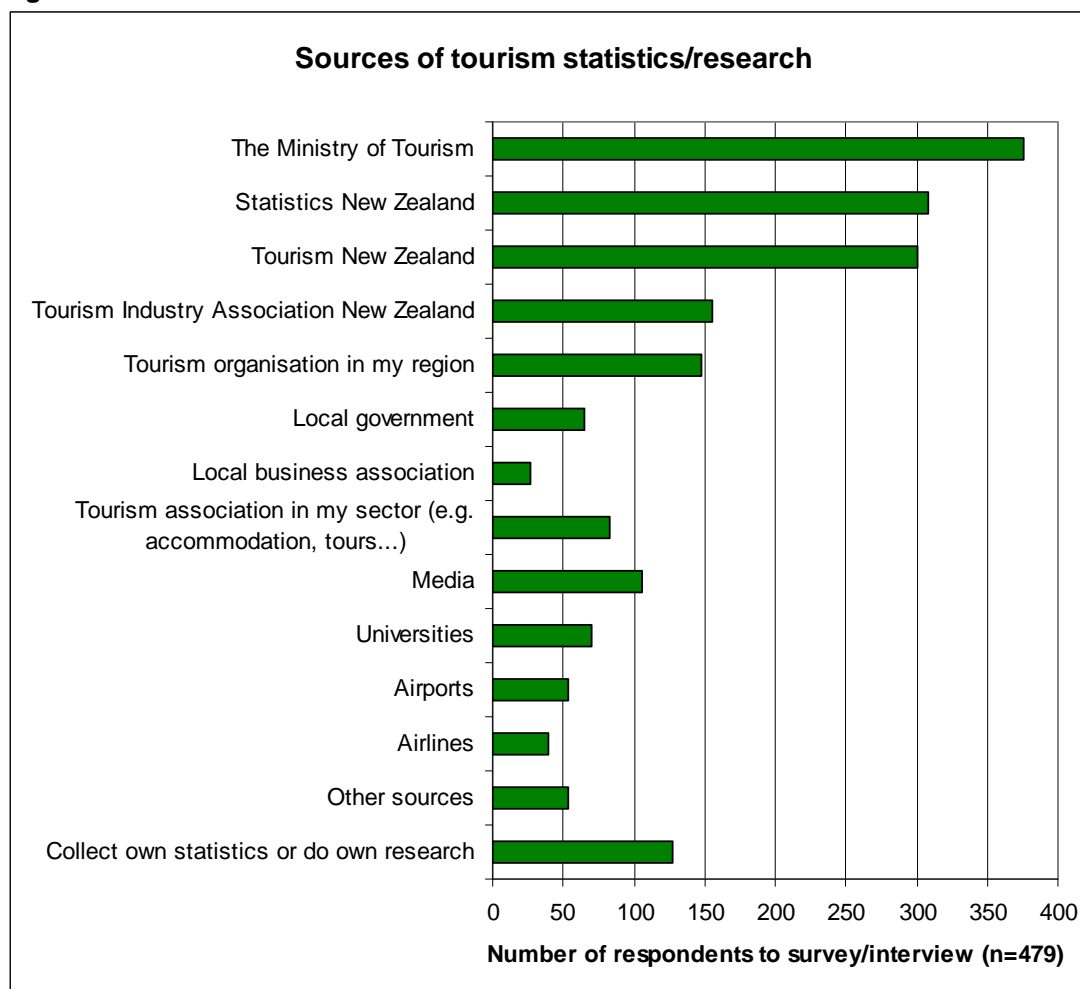
Figure 6



4.2 Sources of statistics and research

Users were asked where they currently obtain tourism statistics or research from. Figure 7 shows the overall findings and Figure 8 shows the findings broken down by type of user.

Figure 7



The main source of tourism information across all user groups is the Ministry of Tourism (78% of respondents) which is to be expected as the survey and interview respondents were selected from the Ministry’s own distribution list.

About two-thirds of respondents indicated they also receive tourism information from Statistics NZ. Several key users who were interviewed said they use Statistics NZ as their primary source of IVA and CAM data because Statistics NZ releases information earlier than the Ministry of Tourism. One organisation said that they purchase a custom break-down of CAM data from Statistics NZ because the published reports do not contain the data break-down that they need. A similar number of respondents reported they receive tourism information from Tourism New Zealand. Interviews with key users suggest that this is mainly market intelligence research findings.

These three central government agencies appear to be the primary source of tourism information for the respondents. This could reflect the nature of these users being ‘first tier users’, i.e. those who get the information directly from the producers of the information. As discussed previously in Chapter 3 of this report, 30% of these users reported that they in turn distribute or communicate the tourism statistics/research onto to other organisations or businesses.

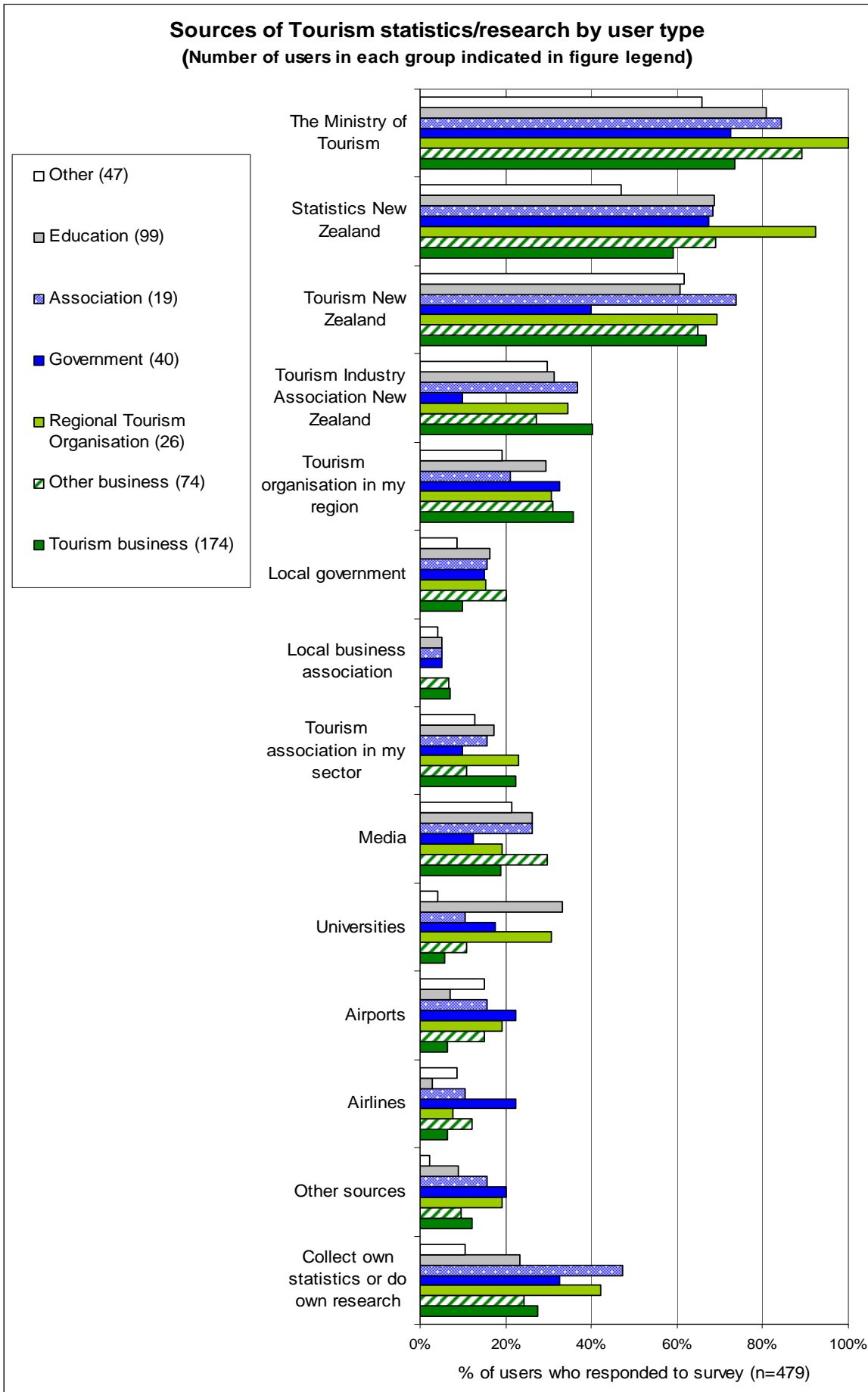
Only about a third of users indicated they receive tourism information from the Tourism Industry Association of New Zealand. Even among tourism businesses only 40% indicated this as a source. A possible reason is that these businesses were selected from the Ministry of Tourism’s distribution lists and could be different to businesses which tend to obtain derived statistics from tourism associations.

A significant number of users (25-35% of different user types) reported that they receive tourism information from RTOs, which is consistent with the indications from RTOs that they play a major role in disseminating such information to other organisations.

Interviewees' comments revealed further information on the other sources of research and statistics they use:

- A small number of interviewees use their local Chambers of Commerce as sources of information.
- The New Zealand Hotel Council was the most commonly named tourism sector association source of information.
- University research findings are generally accessed as and when an organisation finds it has the need for the specific information. A number of interviewees also said that they had worked with, or commissioned university researchers to carry out research projects. The Tourism Recreation Research & Education Centre (TRREK), based at Lincoln University, was the most commonly named source of university research findings.
- Airports tend to have agreements whereby they share data with organisations with whom they have a relationship, for example airlines, NZ customs, and airport terminal retailers. Around one third of interviewees said that they either occasionally, or regularly obtain tourism statistics or research from airports
- A few organisations have agreements through which they obtain confidential data from airlines. These organisations tended to be large, well established tourism businesses or organisations with direct relationships with airlines, such as airports and border control or air transport authorities.
- "Other" sources of information identified by interviewees included:
 - other tourism businesses
 - New Zealand-based consultancies, for example Horwath HTL (who produce the Hotel, Tourism and Leisure Outlook, and the Australia and New Zealand Hotel Industry Survey of Operations), and Asmal (who produce analysis and statistics on New Zealand outbound travel)
 - other New Zealand government organisations including: the New Zealand Customs Service, the Ministry of Transport, Transit New Zealand, the Department of Labour, the Department of Conservation, and the Reserve Bank
 - New Zealand commercial banks
 - sea ports (for information on cruise ship volumes)
 - overseas organisations including overseas universities, tourism organisations and government bodies
 - tourism journals.

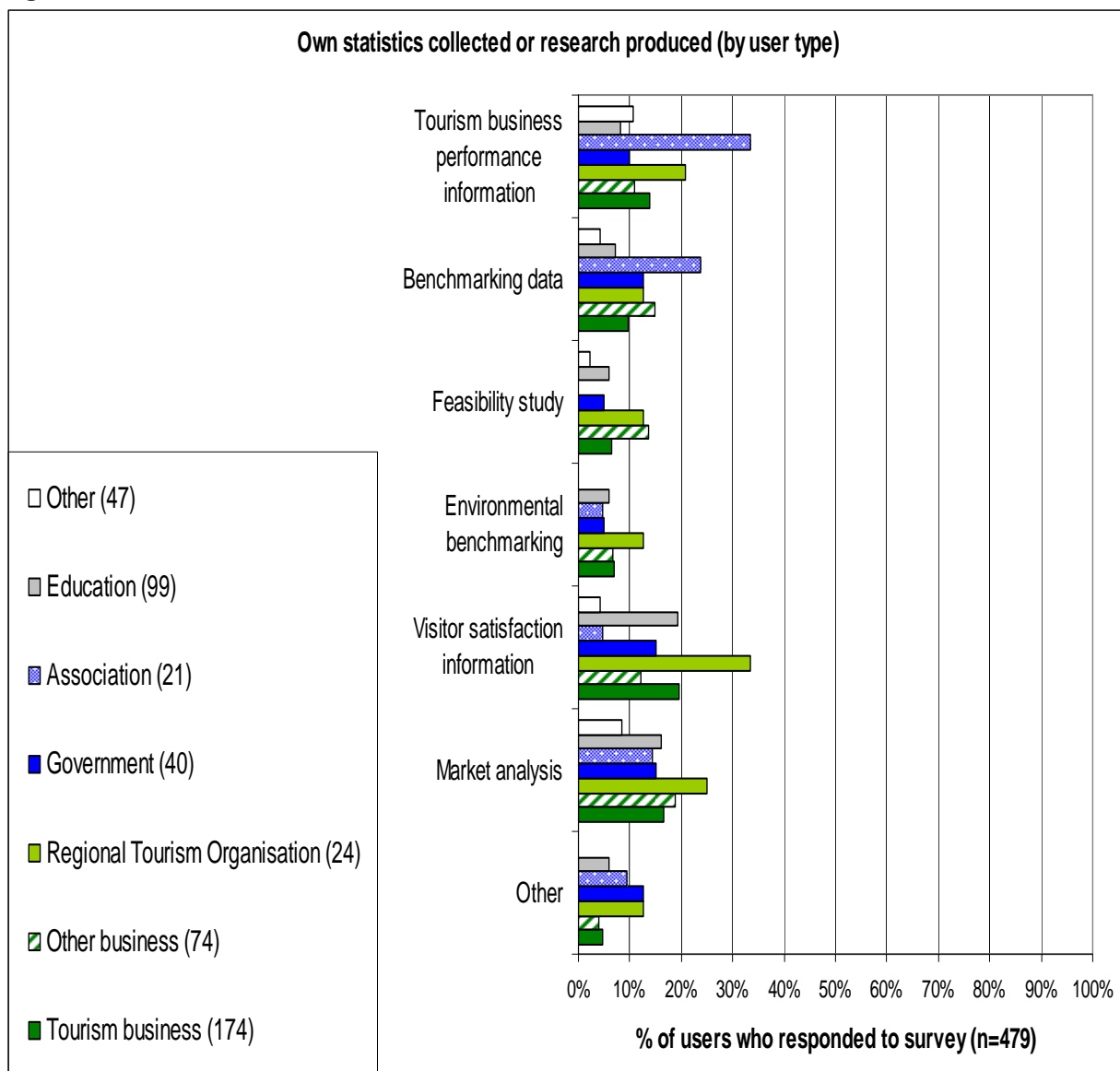
Figure 8



4.3 Production of own statistics and research

About a quarter (27%) of the 479 respondents reported they collect their own statistics or do their own research. As shown in Figure 9 these respondents produced a range of different types of research and statistics, most commonly visitor satisfaction information (16%), market analysis (16%), business performance information (13%), and benchmarking data (10%).

Figure 9



Collection of visitor satisfaction information and market analysis appears more predominant among RTOs than in other user groups. One in five tourism businesses indicated they collect visitor satisfaction information. Market analysis was also conducted and these often included research on qualitative aspects of customer behaviours and preferences, carried out to develop products, services or marketing strategies, as well as tracking of competitors' activities.

Tourism business performance information is produced mainly by associations (33%) and RTOs (21%). This information is used to monitor the organisation's own performance, for example, through monitoring their sales or bookings.

Benchmarking data is produced by some user groups, but more often by tourism trade associations (24%) and consultancies, as a means of assisting members or clients to understand their own performance. Benchmarking data, in this situation, refers to data collated for a region, a

sector, or a collection of businesses, that individual organisations can use as a comparison to their own customer data or organisational performance. An example of benchmarking data produced by an association for its members is the New Zealand Hotel Council's monthly survey of hotel performance.

Several large businesses said that they carry out occasional feasibility studies. Typically these examine the future prospects for a large development or takeover. This work is often outsourced to consultancies.

Several businesses commented that they have just begun, or are in the process of significantly revamping their environmental benchmarking. Some commented that this is a key current challenge for their business.

Use of consultants/external parties

Some users indicated they also engage consultants or other external parties to collect or analyse tourism research and statistics. The main groups which engage these external parties are RTOs (62%), associations (47%), and government departments (40%). External parties are used for a variety of purposes including:

- Production of regular, region-specific, or market-specific monitors by RTOs (e.g. of attractions, activities, conference and convention sector).
- Collection and/or analysis of customer satisfaction data.
- Impact evaluations of events, tourism programmes and advertising campaigns.
- One-off research projects on specific topics.
- Feasibility studies.
- Forecasting.
- Academic research groups occasionally sub-contract components of their research programmes.

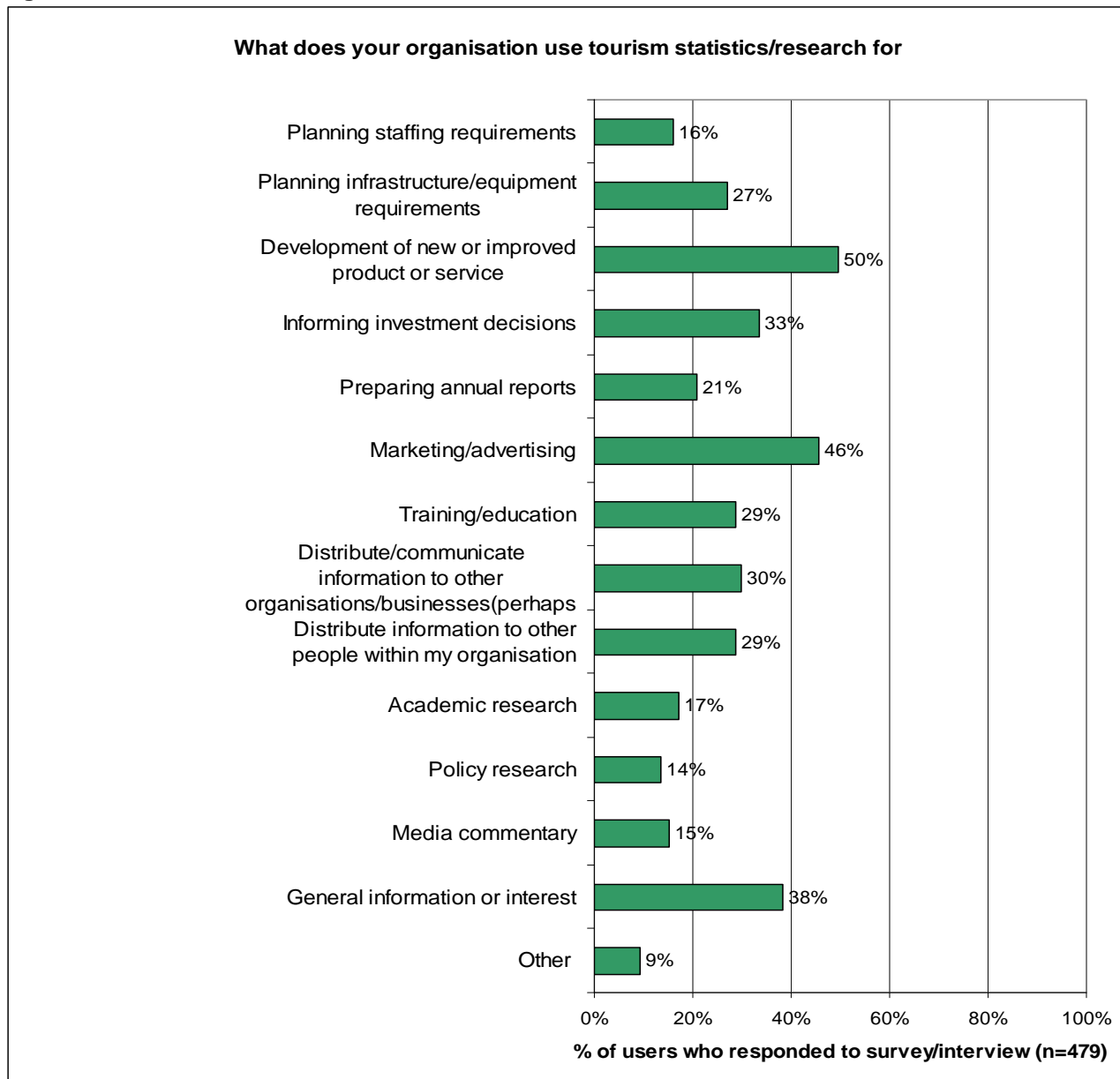
4.4 Conclusions

Most users who provided feedback to this evaluation indicated they made use of multiple types of tourism statistics and research. The most widely used datasets are the IVA (used by 84% of the 479 respondents to this evaluation) and IVS (used by 79% of respondents). About a quarter of the respondents reported they collect their own statistics or do their own research, often by engaging consultants or other external parties.

5. How tourism statistics and research are used

Interviewees and survey respondents were asked what they use tourism statistics and research for. Figure 10 shows that tourism statistics/research is being used for a variety of purposes, the most common being – development of new/improved product or service (50%), marketing/advertising (46%), general information (38%), and informing investment decisions (33%).

Figure 10



The following sections discuss how each user group makes use of tourism statistics and research.

Tourism businesses

Among the 174 tourism business respondents, the main ways in which tourism statistics and research are used include the following:

- development of new or improved products/services (74% of respondents) - New products and services described by interviewees included new attractions or activities, and new airline routes. According to the interviewees research on tourist preferences is often a key source

of information. Statistics and forecasts estimating the potential sizes of the new product or service's customer market are also important; Ministry of Tourism data is often used for this purpose.

- marketing/advertising (72%) - Interviewees said that they use tourism statistics to determine where to target their marketing. They described using tourism statistics to identify up-and-coming or declining markets, visitor markets with high expenditure, or areas where their market share is dropping. Statistics and forecasts of visitor numbers, source country, and source region are used for this purpose.
- informing investment decisions (43%) – Interviews provided examples of how tourism research and statistics have been used to inform investment decisions by large businesses, for example those in the hotel and transportation industry. Several examples were given of organisations using Ministry of Tourism statistics to help make decisions on large (sometimes \$100 million-plus) investments in infrastructure and marketing. Use of Ministry of Tourism statistics increased their confidence in the decisions, and without the statistics, they would run a greater risk of making poor decisions that could result in financial losses.
- Consultancies were often contracted to provide analyses for this purpose. In general, a large number of information sources, as well as in-house knowledge and expertise are used to develop detailed and accurate projections of the viability of the investment.
- planning staffing requirements – about a quarter of tourism businesses indicated they also use tourism statistics to plan their staffing levels. Several of the large companies interviewed said that they use their business forecasts to plan staffing requirements, and that tourism research and statistics feed into development of these forecasts.
- Almost half of these businesses also indicated they use the tourism information for general information or interest.

Other businesses

As noted previously, more than half of the 74 businesses classified in this group provide consulting services to the tourism sector. The main use of tourism statistics and research among these businesses are for informing investment decisions (49%) and product development/improvement (41%). An example is Horwath HTL Limited which is a multinational consulting business that provides specialist services to public and private sector clients in the hotel, tourism and leisure industry. Horwath HTL in New Zealand carries out several types of work including benchmarking, feasibility studies, and economic impact analyses. Feasibility studies are undertaken to inform decisions on investments in assets such as hotels, motels and attractions. Many of these businesses (45%) are also engaged by the tourism industry to analyse and interpret tourism data. An example is one of the interviewed consultancies (Covec Limited) who explained that they frequently repackage and re-present tourism statistics and research, augmenting it with further interpretation and analysis of the data.

Government

Among the 40 government respondents, the main uses of the tourism information include:

- in production of other national statistics by Statistics NZ - IVA, IVS, DTS and CAM data are used along with other data in production of National accounts of GDP. IVA and IVS are used in production of Balance of Payments.
- policy development (40%) for example by the Ministry of Tourism, Transit NZ, Department of Conservation, and local city councils,

- distribution/communication both within and outside the organisation (48%) - for example the Ministry of Tourism uses the information to build awareness among Ministers and other stakeholders.
- planning of infrastructure/equipment requirements (45%) for example by the NZ Customs Service, Transit NZ, Department of Conservation, and local city councils. The information that is used in planning infrastructure or equipment requirements tends to be detailed statistical forecasts of visitor volumes, timing, and seasonality.
- development or improvement of products or services (40%) for example by Tourism New Zealand, NZ Customs Service, and Department of Conservation.

Regional Tourism Organisations (RTOs)

The 26 RTOs interviewed/surveyed for this evaluation identified a variety of ways in which they use tourism statistics and research. The key uses include:

- communication to other organisations (88%) in their region is a core role of RTOs. They communicate tourism information through presentations, answering enquiries, and providing information on their websites. RTO websites often include summarised region-specific information, extracted from the Ministry of Tourism's core dataset. RTOs also use the tourism information in their advocacy efforts on behalf of their region.
- marketing/advertising (85%) usually in collaboration with local authorities and regionally-based businesses,
- annual reporting (85%) for example to their funders – a few interviewees described using statistics from the Ministry of Tourism's core dataset as key performance indicators in their accountability reporting.
- product/service development or improvement (81%) – The interviewed RTOs explained that they often do not develop products or services themselves, but occasionally identify opportunities for product development by others.
- informing investment decisions (73%) – In the interviews RTOs said that they often deal with requests from investors for information or opinion in making investment decisions
- media commentary (69%) - RTOs are frequently approached by the media for comment when official statistics such as the IVA are released.
- a few interviewees mentioned use of the information in development of tourism strategy. An example is the development of Christchurch city's visitor strategy by the Christchurch City Council's and the Christchurch and Canterbury RTO. A separate investigation of use of Ministry of Tourism data by 6 local authorities and 3 RTOs was recently (Nov 2007) completed for the Ministry of Tourism by Dr Anne Zahra from University of Waikato. This study also found that the tourism dataset was used by consultants engaged to develop tourism strategies for 2 RTOs.

Associations

The main uses of tourism statistics and research identified by the 21 trade associations which responded to this evaluation include:

- distribution/communication to their members and other organisations (63%) – As described previously, trade or sector associations see dissemination of tourism research and statistics to inform and educate their members as one of their key roles. They disseminate information via presentations, newsletters, their websites, and in some cases through production of

specific industry monitors (for example, the New Zealand Hotel Council's survey of hotel performance). Several trade association interviewees expressed the opinion that their members rarely, if ever, take the time needed to read and interpret publications on official statistics, so it is their job to create short, easy to read summaries of relevant statistics and research findings for their membership. Trade associations also use tourism statistics and research in advocacy efforts for their sector e.g. in communications with local and central government bodies.

- Just over 40% of associations also indicated that they use the tourism information for media commentary as well as in the preparation of annual reports.

Education (students and academics)

The main uses among students and academics are:

- Training and education (65%) - One university lecturer said that students are required to use statistical data in their assignments, with the intention that this will help them become skilled users of the data, in preparation for obtaining jobs in the tourism industry. Graduates from this course tend to move into entry level management jobs, and an understanding of data gives students an edge over other job applicants.
- Academic research (63%) - Academic researchers use a wide variety of tourism research and statistics as inputs into their own research. One trade association said that it was in the process of developing partnerships with academic researchers to make use of the data that the association collects. Several interviewees felt that the Ministry of Tourism's engagement with academic research could be improved. Suggestions included: developing an online database of freely downloadable academic research publications, engaging in a more directive way with the Foundation for Research, Science and Technology's funding processes, and inviting greater input from academic researchers into setting the tourism research agenda.

Monitoring and benchmarking

- Some of the interviewed organisations described using tourism statistics in monitoring or benchmarking performance. Examples include local authorities, commercial tourism operators, and sector associations. A local authority gave an example of using statistics from the CAM to monitor the effectiveness of their events strategy (for example, by looking for increases in guest nights). Other interviewees described using their own, internally generated data for monitoring performance, alongside benchmarks based on Ministry of Tourism core dataset statistics. One interviewee said that their organisation was in the process of aligning their customer satisfaction measures to those in the IVS and the RVM.

Conclusion

Ministry of Tourism statistics and research are used in a variety of ways by key stakeholders:

- planning and development of new or improved products or services – particularly by tourism businesses (74%) and RTOs (81%)
- targeting of marketing and advertising efforts – RTO (85%), tourism businesses (72%)
- informing investment decisions – RTO (73%), 43% tourism businesses, 49% other businesses and consulting firms
- distribution/communication to other organisations or businesses often in summarised form or repackaged with additional analysis or commentary – particularly by RTOs (88%) and tourism industry associations (63%), government departments and agencies (48%)

- planning infrastructure/equipment requirements – RTOs (62%), government (45%)
- preparation of annual reports – 85% RTOs and 42% associations
- policy research/development – government departments and agencies (40%)

IVA, IVS, DTS and CAM data are used by Statistics NZ along with other economic data in the production of National accounts of GDP. IVA and IVS data are also used in the production of the Balance of Payments estimates.

6. Value of tourism statistics and research

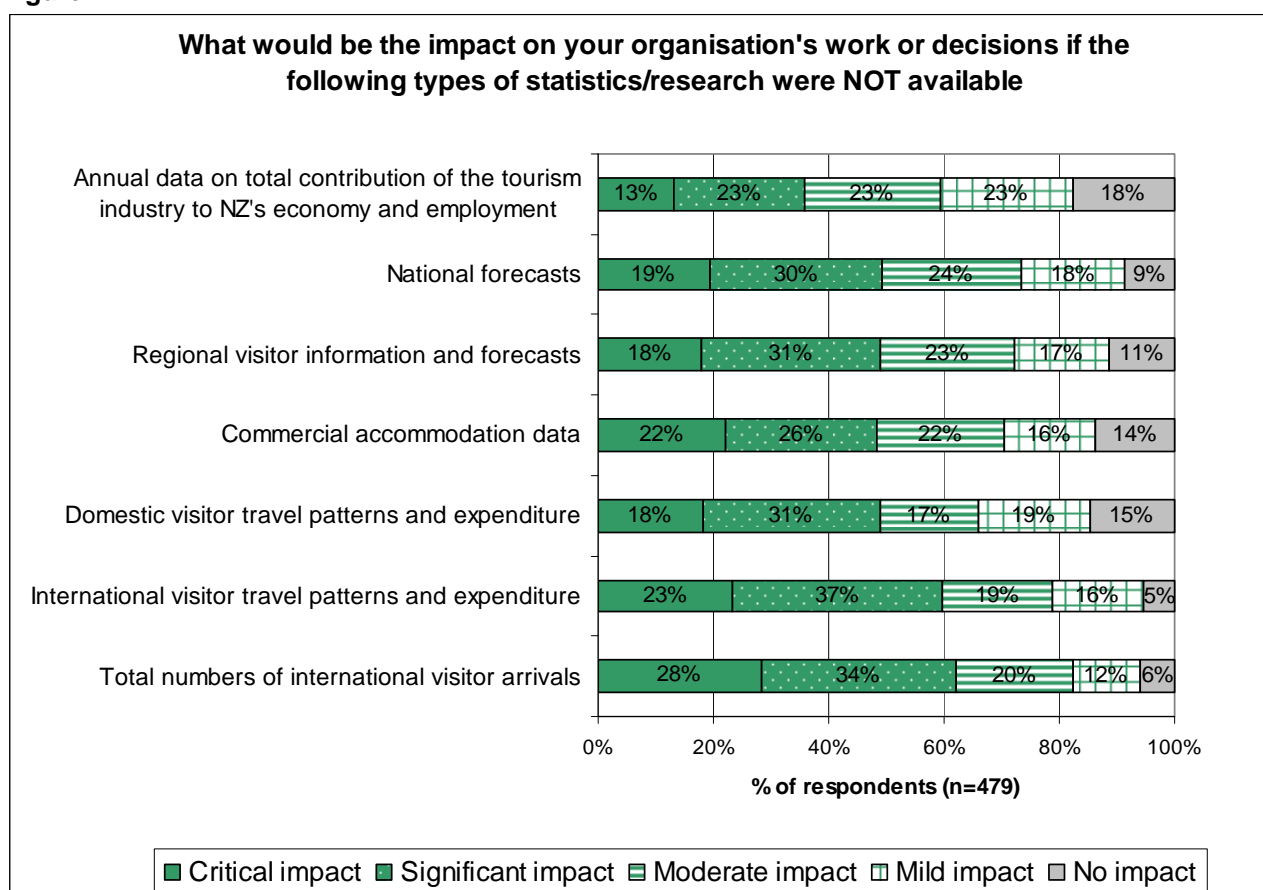
6.1 Relative value of each information type

In order to estimate the value of the programme, users were asked to rank the importance of different types of tourism research and statistics, by considering what the impact on their organisation's work or decisions would be if the information types were not available. While these rankings give a good indication of impact and value, this evaluation was not able to quantify the value of the information.

As shown in Figure 11, the information that was most frequently ranked as critical or significant to organisations' work or decisions was total numbers of international visitor arrivals (IVA, 62% of respondents). A similar number of respondents indicated the IVS information on visitor travel patterns and expenditure was critical or significant (60%). This type of information is likely to grow in significance as the recently released NZ Tourism Strategy 2015 emphasised the importance of shifting the industry's focus from volume to quality and value, which includes increasing visitor satisfaction and expenditure.

Information on the contribution of tourism to New Zealand's economy and employment was the least frequently ranked as critical or significant (36%). The other information types were rated as critical/significant by just under half of respondents.

Figure 11



Among the key users interviewed for this evaluation, six commented that problems with the reliability of available information sources made them less critical to their organisation than they would otherwise be. In these comments, reliability problems were most frequently attributed to regional visitor information and forecasts, international visitor travel patterns and expenditure (specifically, the IVS), domestic visitor travel patterns and expenditure (specifically, the DTS), and

commercial accommodation data (specifically the CAM). Interviewees' perceptions of the reliability of Ministry of Tourism datasets are discussed in more detail in Chapter 7.

Interviewees were also asked what they thought their organisation would do, if the tourism statistics and research that they identified as critical or significant were not available. Interviewees described a range of possible approaches they would take, but they all also made the comment that lack of the information would hamper their activities:

- Nine interviewees said that their organisation or the organisations they provide advice to would be less confident in their ability to make well-informed business decisions if the data were not available. They would base their decisions on more anecdotal information, and run a greater risk of making poor decisions
- Six interviewees said that if the information was not available through existing sources, they would examine the possibility of collecting the information themselves or commissioning third parties to collect the data they need. Comments were made that this would increase their operating costs. Some interviewees said that they are doing this to some extent already in response to limitations of existing information sources.
- Six interviewees said that they would make greater use of their organisation's internal data sources, undertake more surveys and research involving their membership, and/or source more data from other organisations, such as businesses that they have a commercial or regulatory relationship with. Several commented that this would increase their costs and workload, and that government sources of information have a level of credibility that other sources do not have.
- Three interviewees suggested that if Ministry of Tourism statistics and research were not available, RTOs might band together to undertake research to fill the gap (similar to the current situation with the RVM), or accommodation industry associations might produce data similar to that produced by the CAM. However, it was also stated that this could prove difficult, given current levels of RTO funding, and given that data collected under such a scheme would involve voluntary participation by respondents (unlike the CAM which *"has the power of the law behind it"*).

6.2 Comparison by user type

Organisations' rankings of the criticality of different types of information varied according to their role. Findings on importance of each information type for each user group are presented at the end of this section (Figures 12-17).

Regionally focussed organisations, such as local authorities and RTOs, attached the most importance to information for their region. Accommodation businesses, such as hotel chains and accommodation sector associations, were more likely to rank commercial accommodation data as critical to their business. Internationally focussed organisations such as airlines, international airports, and operators of attractions geared to the international tourism market, found data on international tourists the most useful, while organisations with a focus on domestic tourism attached more importance to domestic tourism information.

Across all information types, RTOs appeared to be more dependent on the information than other user groups. This is likely a reflection of the primary focus of RTOs being tourism promotion and development. The information most frequently rated as important to the 26 RTO respondents are IVA (96%), CAM (87%), and IVS (84%). Majority of the RTOs also rated the other information as critical or significant (76% DTS, 73% regional information, 64% tourism contribution to national economy, 61% national forecast).

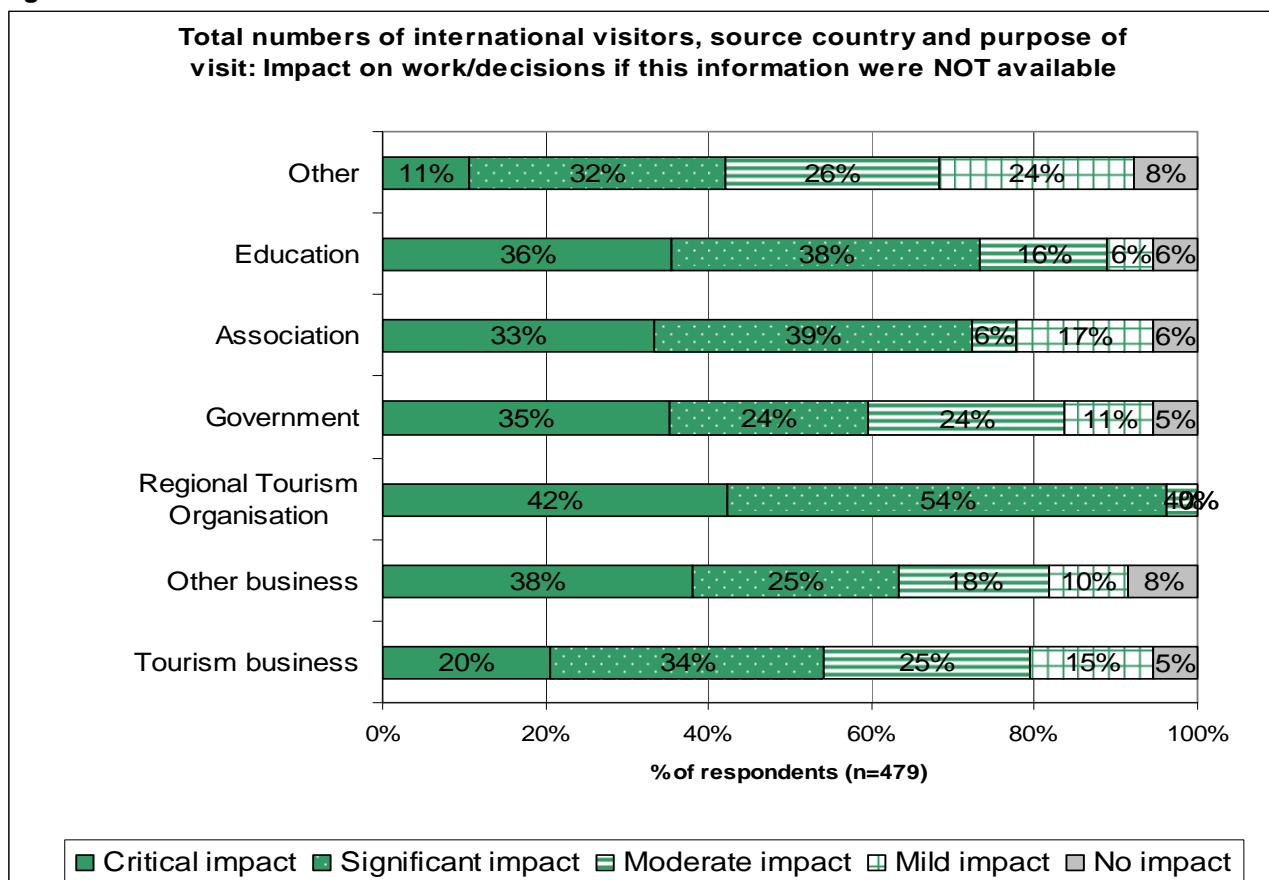
Among the 174 tourism business respondents, the most important information to these businesses appear to be international visitor numbers (IVA, 54%), travel patterns and expenditure (IVS, 52%). The least important information to these businesses seem to be tourism contribution to the national economy (19%). Between 41% and 48% of these businesses indicated the other information was critical or significant to their work. It is not immediately clear why only about half of these businesses indicated the tourism statistics/research was critical or significant to their business. Many of these businesses which responded to the evaluation are small businesses (41% have fewer than 5 FTEs, 12% are sole operators). It is possible that many of these businesses do not have much time or resources to analyse such information.

Statistics NZ indicated that all of the tourism statistics and research (apart from forecasts and regional visitor information) are considered critical to their work. The IVA, IVS, DTS and CAM data are used along with other data in production of National accounts of GDP. IVA and IVS are used in production of Balance of Payments. In general SNZ uses multiple data sources as inputs in the production of national accounts and balance of payments. They do not just rely on a single data source. The multiple sources are used to cross-reference and compensate for weaknesses in some survey results (e.g. DTS, IVS expenditure data calibrated against IVA and CAM).

Among the 18 local government agencies which responded to this evaluation, half indicated that the IVA, IVS, DTS, and Cam were critical or significant to their work and 61% indicated regional visitor information and forecasts were critical/significant. This finding suggests that usage of tourism statistics and research within local government is higher than that found in a recent study by Anne Zahra of 6 local authorities in which she reported that most local government officers interviewed were not aware of the Ministry of Tourism research data and tools.

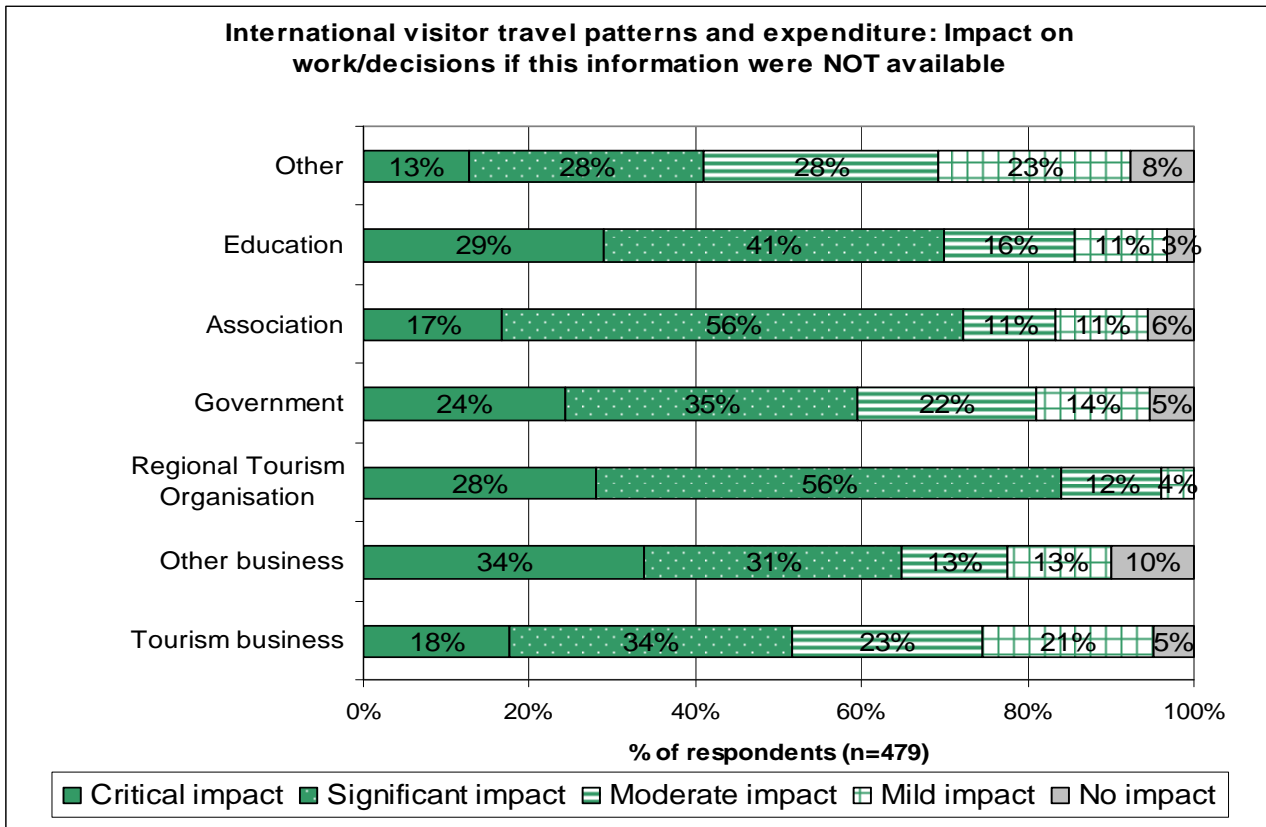
IVA

Figure 12



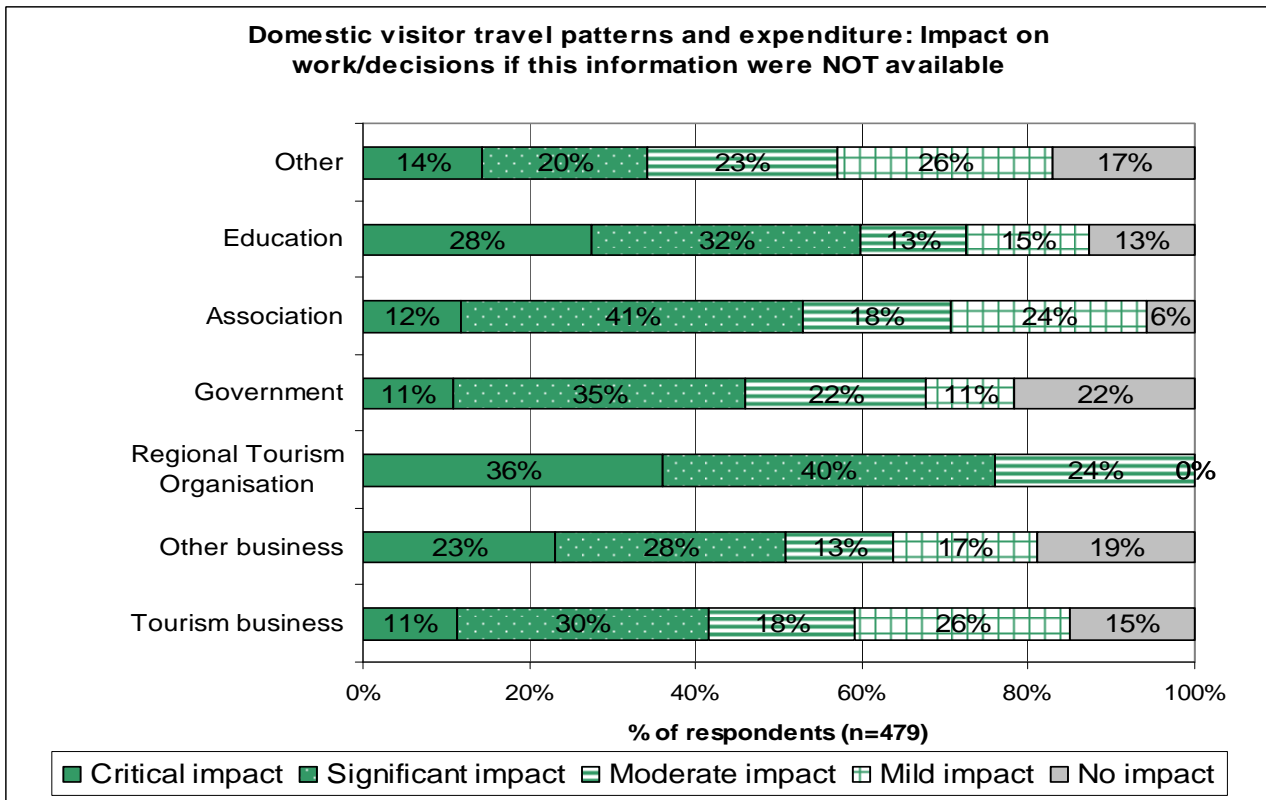
IVS

Figure 13



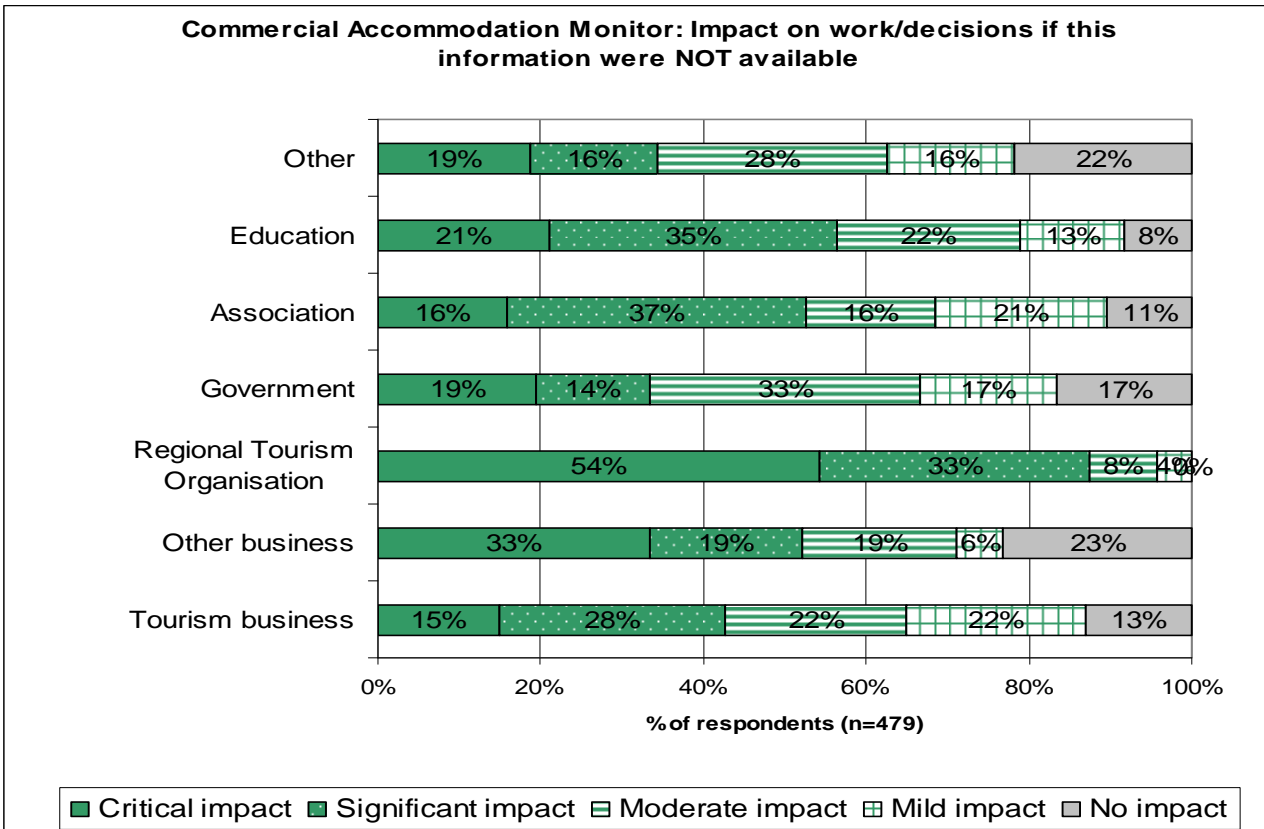
DTS

Figure 14



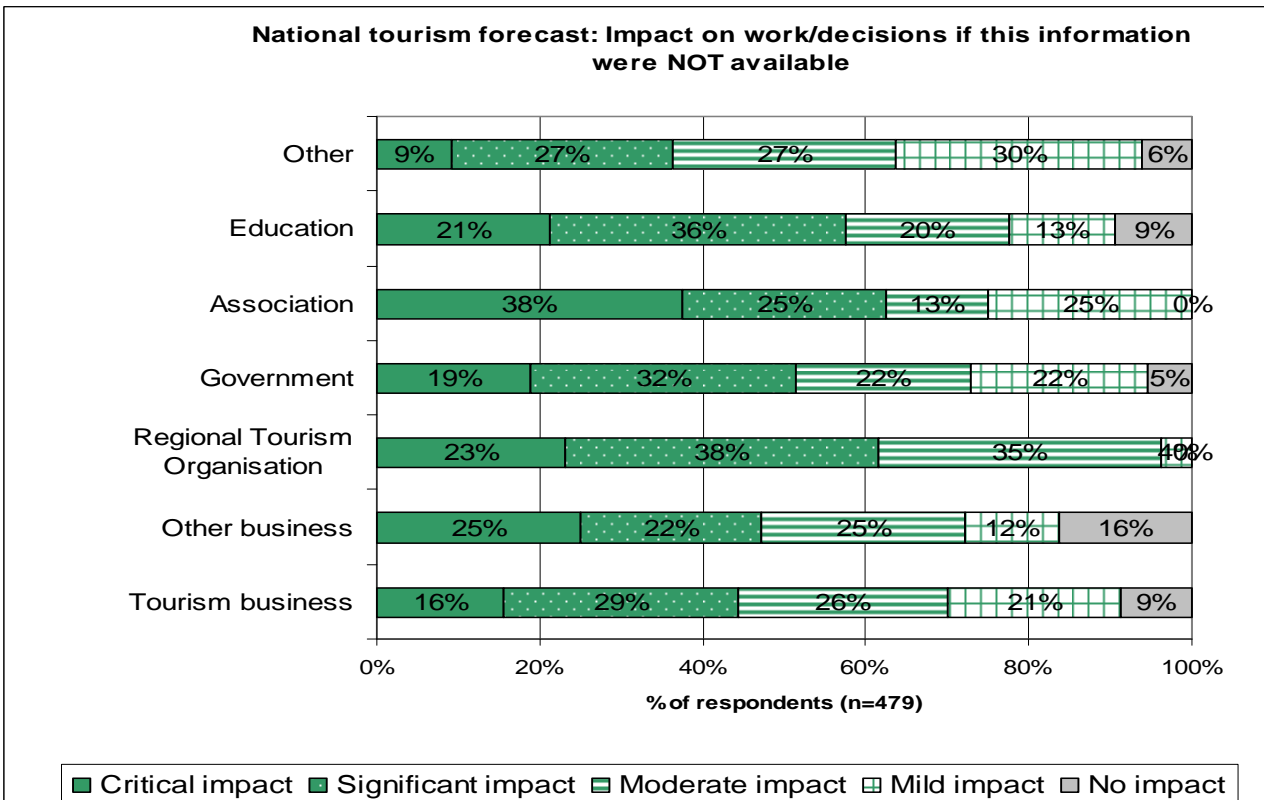
CAM

Figure 15



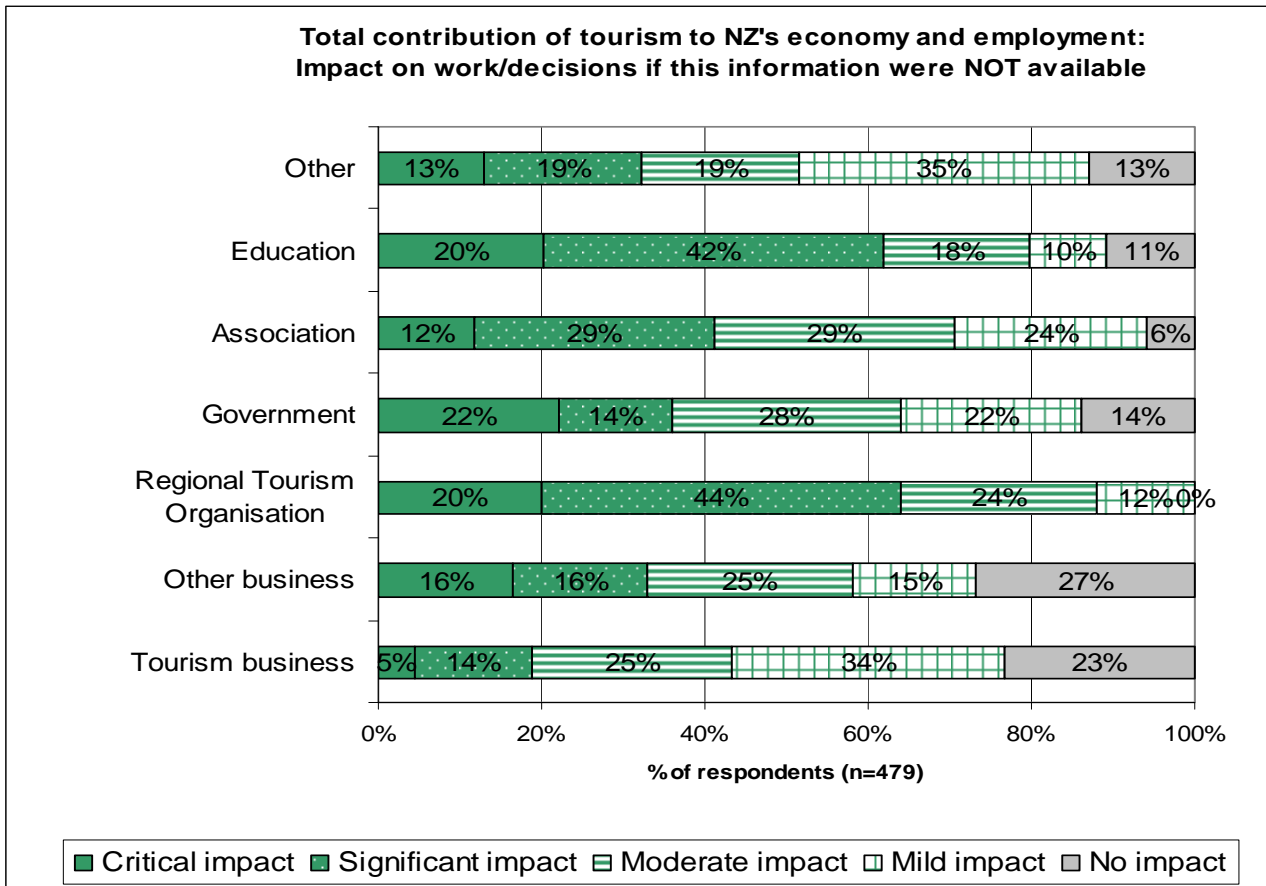
National Forecasts

Figure 16



TSA

Figure 17



6.3 Conclusion

Over 45% of respondents regarded most of the tourism statistics and research produced by the Ministry of Tourism as having critical or significant impact on their organisation's work or decisions. The most highly valued information relates to the volume of international visitors (from IVA) and their patterns of spending and activities (from IVS) with over 60% of respondents rating it as critical or significant.

7. How well Ministry of Tourism statistics/research meet users' needs

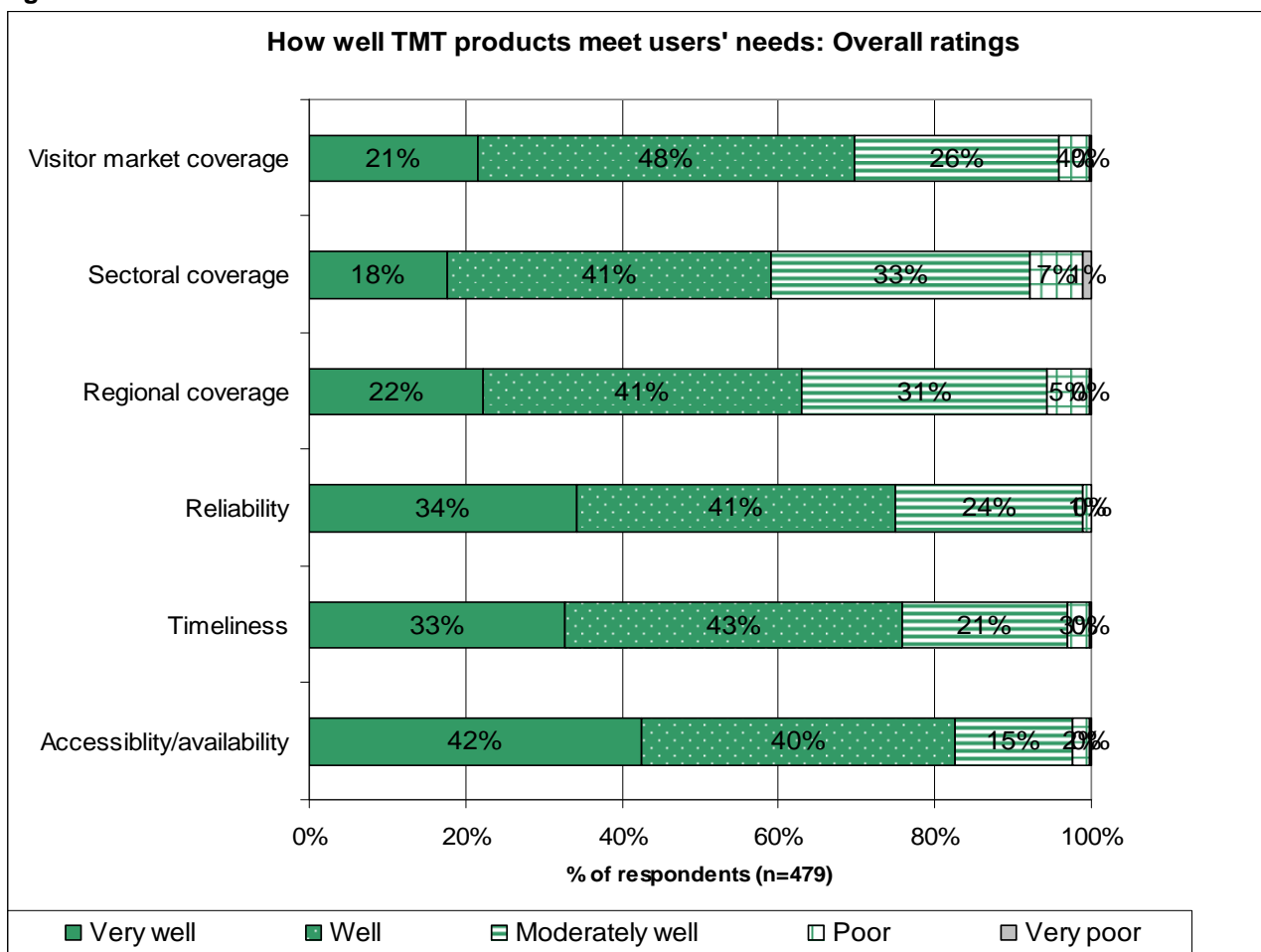
7.1 Accessibility, reliability, timeliness, coverage

Respondents were asked to rank how well Ministry of Tourism statistics and research met their needs in terms of the criteria: accessibility, timeliness, reliability, and regional coverage, sectoral coverage, and visitor market coverage. Most rankings against these criteria were positive, meeting needs well or very well, for more than 60% of users (Figure 18). Examples of positive comments made by key users interviewed include:

The information is very good... Other countries could learn a lot (large accommodation business)

It has come a long way in ten years in terms of especially coverage domestically, and in terms of the market segments and visitor travel, etc. Just the ability to break down the data is amazing now (large financial institution)

Figure 18



Accessibility/availability

Respondents were particularly positive about the accessibility and availability of Ministry of Tourism information, with 82% indicating their needs are being met very well or well. Interviewees were particularly impressed with the helpfulness of Ministry staff, the availability of information on the Ministry's website, and the online access to datasets. Just under 20% of respondents indicated lower levels of satisfaction with accessibility/availability. Reasons given by interviewees

included: unhappiness with the Ministry response to requests for assistance; difficulties in navigating the Ministry's website; inability to access Tourism Flows data because they did not have the required GIS software.

Timeliness

About three-quarters of respondents were satisfied with the timeliness of releasing Ministry of Tourism information. Several interviewees commented that the timeliness is very good (especially in comparison to other countries). However, there is still a desire for speedier release especially in relation to IVS and DTS data (particularly among RTOs where 43% rated this dimension as moderately well to poor).

Reliability

The term "reliability" was used to refer to the accuracy of information. On the whole, three-quarters of the respondents appeared satisfied with the reliability of the information. However some user groups have more concerns about reliability than others. In particular 46% of RTOs, 47% of associations and 36% of government users rated reliability as moderately well and 4% RTOs rated it as poor.

Most of the concerns about reliability refer to information broken down by regions or visitor market (for example, data on the expenditure of visitors from Korea) particularly from the IVS and DTS. Section X provide a more extensive description of interviewees' opinions on the reliability of the DTS and IVS. Reliability issues were also attributed to the CAM and the RVM. These are discussed in more detail in section Y.

Regional coverage

Almost two-thirds of respondents rated regional coverage as very well or well. However RTOs and associations were less satisfied with this dimension. Almost half of RTOs and associations rated this as moderately well and 7-8% rated it as poor. Several interviewees said that their organisation would like to have more detailed coverage of their region, including a breakdown of data by sub-regions, or cities within their RTO area. However, there was an acknowledgement that good regional coverage must be traded off against cost, and that cost will always act as a limiting factor.

Sectoral coverage

Overall 59% of respondents appeared satisfied with level of sectoral coverage. RTOs were the least satisfied with sectoral coverage with 38% rating it as moderately well and 13% as poor. Interviewees commented that accommodation and air transport sectors are covered well, but that sectors outside of these areas are covered less well. Other more sector specific information suggested by interviewees include: information on the volumes and types of ground transport, the conference and convention sector, and airline seat capacities and occupancy.

Visitor market coverage

Over two-thirds of respondents indicated satisfaction with level of visitor market coverage. RTOs were again the least satisfied group with 36% rating it as moderately well and 8% as poor. A couple of interviewees suggested two specific areas where visitor market coverage could be improved: conference and convention visitors, and domestic tourism.

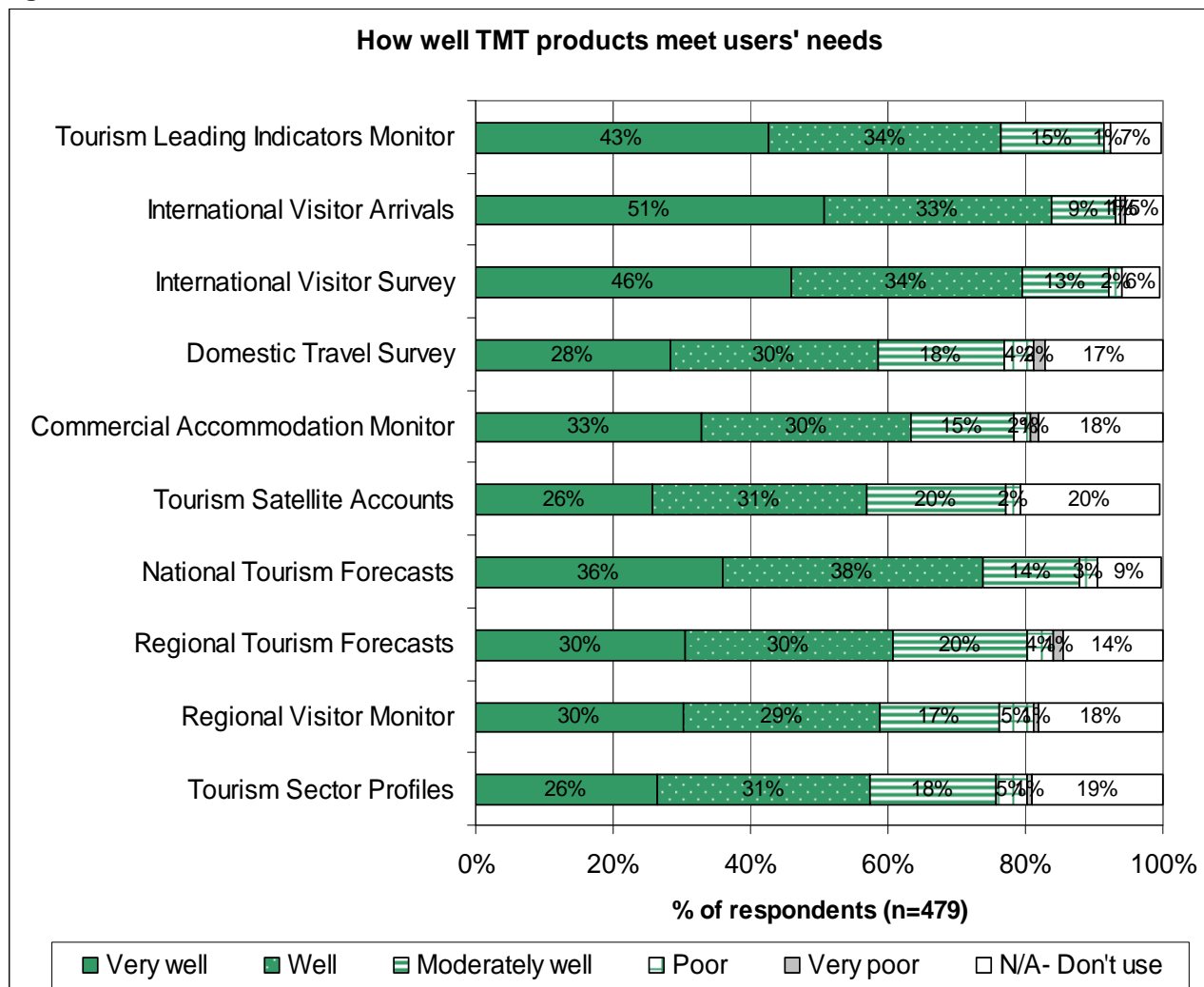
Information environmental sustainability

In addition to the above areas, several interviewees commented that there is a dearth of information on the sustainability of the tourism industry and the perceptions and behaviours of visitors in relation to New Zealand's environmental performance. In relation to this, several organisations said that they are just beginning to undertake environmental benchmarking, and that

this is a current challenge for their business. The need for environmental measures has been highlighted in the NZ Tourism Strategy 2015 and it stated that the Ministry of Tourism will be coordinating efforts to develop ways to measure visitor satisfaction with NZ's environmental performance and carbon emissions of the tourism sector.

7.2 Satisfaction with each Ministry of Tourism data product

Figure 19



Users were asked to rank how well Ministry of Tourism statistics/research products meet their organisations' needs. As shown in Figure 19, International Visitor Arrivals data (IVA) received the highest ratings with 84% of respondents rating it as meeting their needs very well or well. Figure 19 also shows respondents who indicated they do not use some of the products. In interviews some key users explained that the main reasons for not using some products were either the product was not considered to meet their needs (including concerns about data reliability) or not deemed relevant to their work. The following sections discuss each product in turn.

Tourism Leading Indicators Monitor (TLIM)

The Tourism Leading Indicators Monitor (TLIM) is a publication that tracks trends in the New Zealand tourism industry. The Monitor is updated monthly with key indicators for inbound tourism, outbound tourism, domestic tourism, commercial accommodation and visitor expenditure. It draws upon the core tourism sector data sources to identify significant changes and trends emerging from the latest tourism data, and also incorporates the latest data from the Tourism Satellite Account and forecasting programmes.

The TLIM was used by over 90% of the respondents to the survey and interviews, and rated by about three-quarters across all user groups as meeting their needs well or very well. A number of interviewees commented that they like the TLIM, that it provides a good summary snapshot of tourism statistics, and that their organisation finds it useful.

Several interviewees said that they particularly like the TLIM's provision of commentary and analysis on a specific theme each month. One government department said that while the TLIM provides good descriptive information, it would be more useful if it also provided commentary on implications for government policy.

International Visitor Arrivals data (IVA)

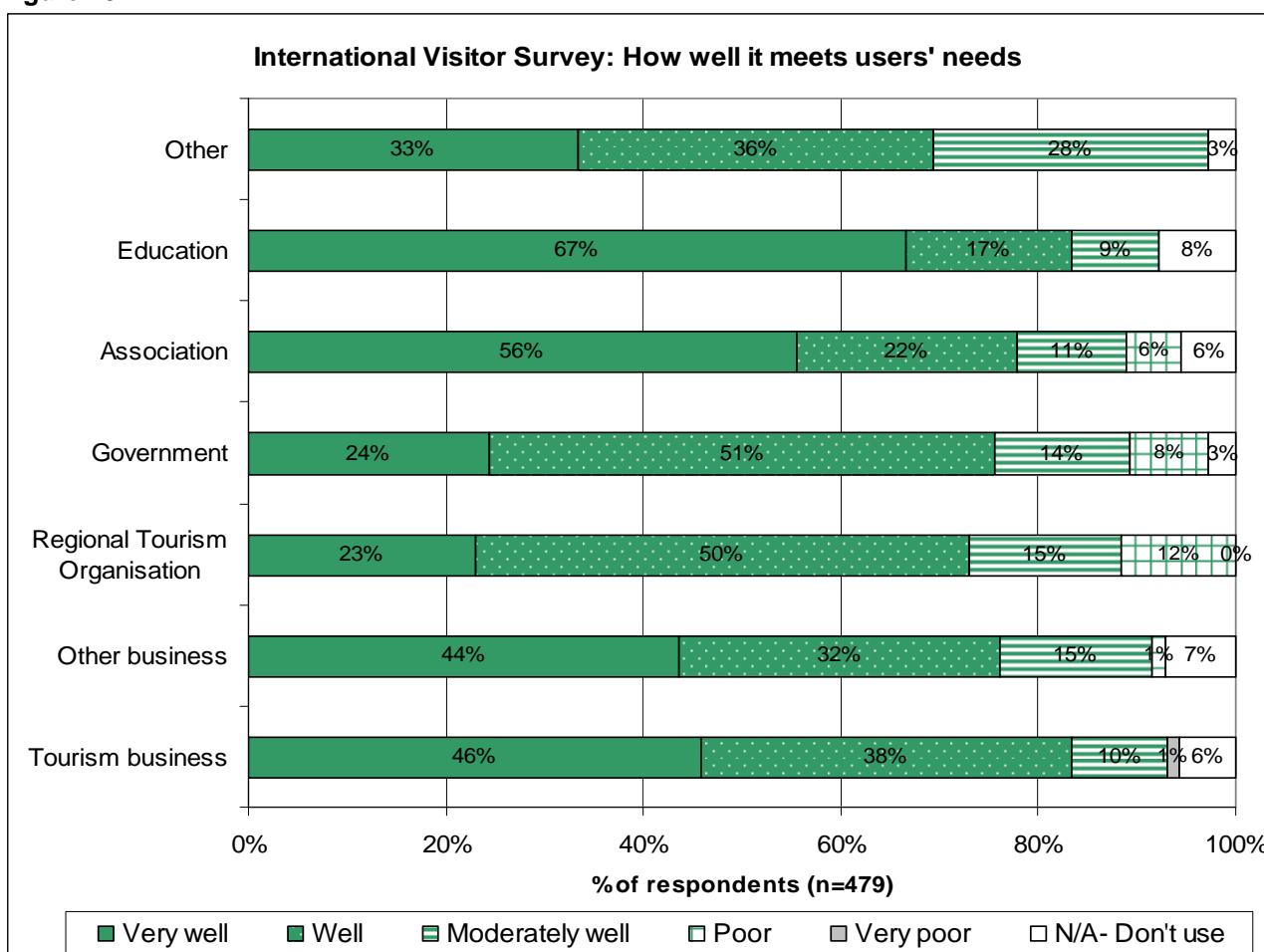
The IVA is the most widely used product and also the most highly ranked in terms of how well it meets needs (over 80% of all user groups indicated it meets their needs very well or well).

A number of interviewees commented that the IVA provides accurate, reliable and useful trend data. Two interviewees commented that the IVA could meet their needs better if its data were segmented differently, for example, by aligning categories of visitors more closely to the New Zealand Tourism Strategy.

One interviewee suggested that reports on the IVA should show data separately for airport and cruise ship arrivals because these travellers have different behaviours, particularly in relation to their use of accommodation. While this information is obtainable from the IVA's detailed data tables, the process required to extract it is convoluted.

International Visitor Survey (IVS)

Figure 20



As shown in Figure 20, over 70% of users in all groups rated the IVS as meeting their needs well/very well. However there is room for improvement as a significant number of users rated it as moderately well to very poor (e.g. 27% of RTOs, 22% of government users).

A third of the 33 key users interviewed said they had significant concerns with the validity and reliability of the IVS data and that this reduced the usefulness of the data. Issues highlighted included:

- a. The sample size is thought to be too low, leading to a large margin of error. This has a particular impact when the data is broken down to the regional level or by visitor country of origin.

The problem with the IVS is that the survey is trying to do too much. There are too many questions and the sample size is too small for the level of detail asked. (Statistics New Zealand)

It is imperative that the IVS is improved. We find that the information in it is uncertain – we would like to delve deeper into results, but the deeper you go, the more fluky the results get and the numbers just don't quite tally. (large tourism business)

Dropping the origin of guest information in the Commercial Accommodation Monitor means that we will now need to use the IVS for visitor origin data. However, the IVS is the research that we trust the least in terms of reliability. This is a big problem because people make large investment decisions based on visitor origin data, and this will compromise the validity of those decisions if the IVS says that x number of visitors from a certain country are turning up when they're not. (RTO)

- b. Survey design and methodology:

- The data is collected by surveying people in international airport departure lounges about their activities during the trip they have just completed. It is felt that tourists at the end of long trips are unlikely to remember accurate details of their activities and especially their expenditure.

We are cynical about the methodology for the IVS. In particular, questioning people about what they did 20 days after the fact is unreliable. (RTO)

The expenditure data is a new addition to what is collected and has accuracy issues. People are asked at the end of their trip how much they spent, and they don't necessarily remember very well. A better approach might be to use a survey asking about what people have spent in the last 24 hours, with a sampling method & locations informed by tourism flows models, rather than just sampling people in departure lounges. (leading NZ tourism academic)

- Concern that certain types of travellers are under-represented due to the survey method, for example tour groups (who may not be allowed the freedom to participate in interviews), and business travellers (who may wait for flights in business class lounges).

Certain groups are probably under-represented, e.g.1. tour groups (because their guides process them very quickly through the airport and can be therefore reluctant to allow interviews. e.g.2. Koru club and other airport lounges are not entered? People in these lounges are a key market. e.g.3. are regional international airports covered? e.g.4. are cruise ships covered? (large tourism consulting business)

- Concern that some nationalities may be under-represented due to language barriers.

Understands that there is an effort to use interviewers fluent in different languages, but suspects that there may still be inadequate coverage of some nationalities because of language barriers. (large tourism consulting business)

- Relevance business information requirements:

We also feel that the information provided is not a very good match to private sector business information requirements. We believe that the problems arise from the nature of the questions, the terminology, and collection issues. Examples of poor fit with their requirements are: categories of traveller types are vague, too much room for overlap between types, hard to understand, not very relevant to their business. (large tourism business)

- c. Concerns about accuracy because IVS findings do not correspond to their company's internal data or knowledge, or other data the organisation refers to.

It is very important for TNZ to have reliable time series IVS data. However, TNZ is concerned about the reliability of IVS data as the trends for particular market segments (e.g. South Korean visitors) vary widely from year to year and are often inconsistent with market intelligence gathered by TNZ (e.g. comparing with views of South Korean outbound travel operators). Is the issue with sample size or data collection process (e.g. interview quality). TNZ is particularly concerned with the IVS as we need this kind of data but don't have other good sources of this type of information. So far, we have coped with the concerns over data reliability by aggregating 2-3 years of data. However, this process does not provide information that is timely enough for our decision-making. (Tourism New Zealand)

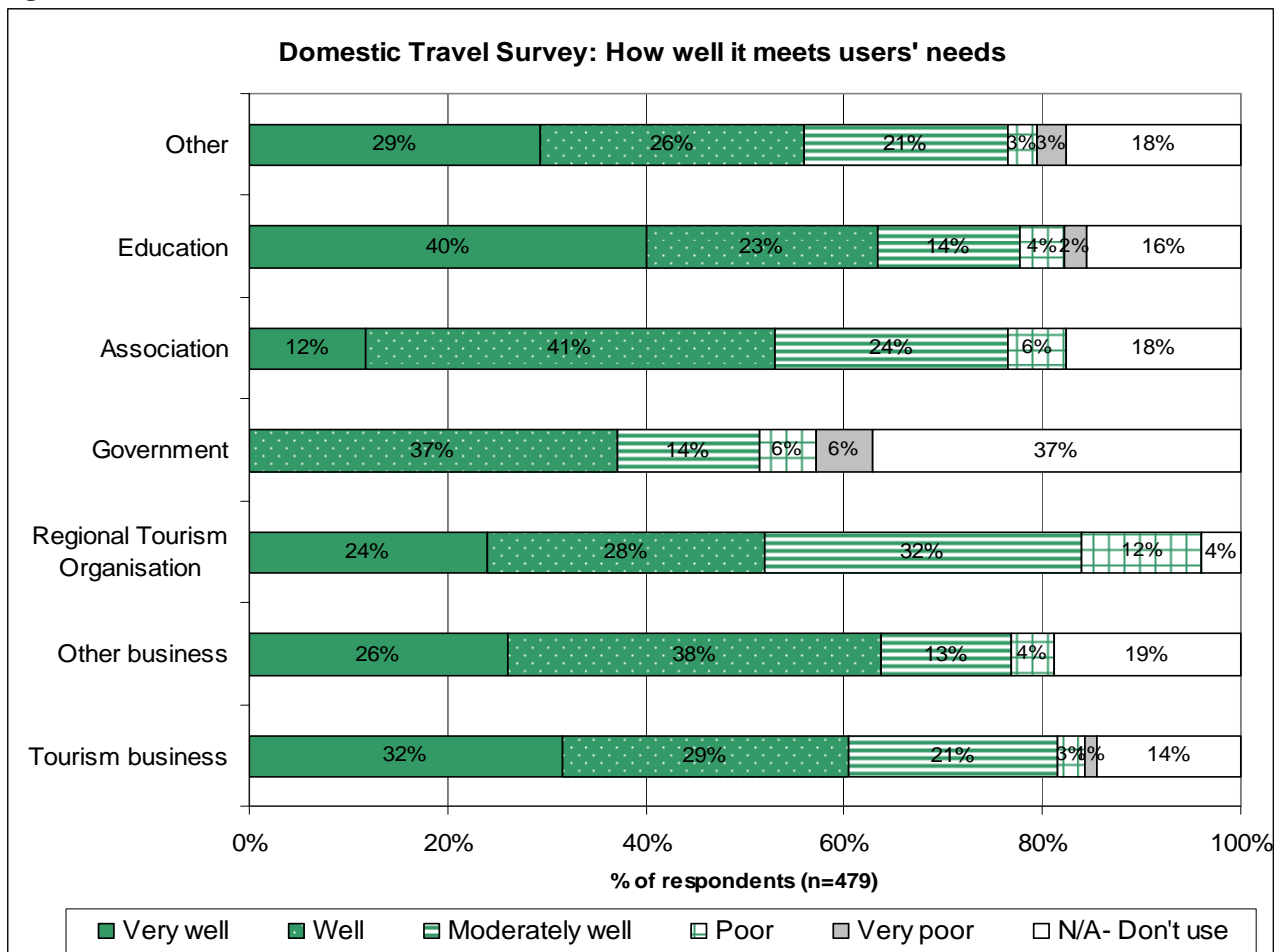
Problems with reliability. Often conflicts with our RTO's data, and so we have to use a bit of guesswork to decide on what the real number is - tend to pick a number in between the two figures. Sometimes, if you go back through the years there can be a random figure. Our RTO was really beside themselves with the last ones that came out, because they said they totally conflicted what their own stats were. So for us, sitting independently, it's quite difficult to work out, you know, where we should be putting our money, basically. (Airport)

- d. Concerns about discrepancies between different data sources from the Ministry of Tourism

problems with the IVS data never matching the CAM. This is confusing for their members. The fact that the IVS feeds into the forecasts also calls them into question. (RTO)

Domestic Travel Survey

Figure 21



Users' ratings of the DTS were poorer than for the IVS. As shown in Figure 21, overall 58% of users rated DTS as meeting their needs well/very well, 18% moderately well, and 6% rated it as poor or very poor. 17% indicated they do not use this data. RTOs gave the lowest ratings. 44% of RTOs rated it as moderately well to very poor; followed by 30% associations, 26% government, 25% business.

Interviews with 33 key users found widespread concern about the reliability of the DTS. Many said that the large margin of error associated with survey results and the frequent, unexplained swings in results compromise the product's usefulness, particularly for data at the regional level:

Aggregate data is considered to be meeting needs moderately well. However, the detailed data breakdowns are rated as very poor (Statistics New Zealand)

The margin of error for the DTS is too large. We supplement this with our own data collection. (RTO)

concerned about poor response rate to the telephone-based interviews. DTS data doesn't match what we know intuitively about Queenstown. (RTO)

don't trust the validity of the DTS, doesn't seem to match up to the Ministry of Tourism's Tourism Leading Indicators Monitor (TLIM), therefore we now just use TLIM. (large tourism association promoting domestic tourism)

Several interviewees (particularly those from organisations with a focus on domestic tourism) said that there is in general insufficient information on domestic tourism. This is felt to be a component of a wider problem with a lack of New Zealand policy focus on domestic tourism. The

inverse link between domestic and outbound tourism was mentioned by two interviewees as an area that may warrant some research. The need to develop measures for satisfaction, seasonality and spend for domestic tourism has also been identified in the NZ Tourism Strategy 2015.

Commercial Accommodation Monitor (CAM)

Almost two-thirds of respondents indicated the CAM meets their needs well or very well. Satisfaction with the CAM appears highest among RTOs (with 85% rating it as very well or well) and lowest among associations (with 45% rating it as very well or well and 11% rating it as poor). Several interviewees said that the CAM is an important data source, providing the most reliable regional level data that they can access.

As part of an effort to reduce respondent burden, from November 2007, SNZ and Ministry of Tourism ceased collection of data on international visitors' country of origin or domestic visitors' New Zealand region of origin. Data is now only segregated by international or domestic visitor nights; country and region of origin questions are no longer asked. Prior to November 2007, some regions collected CAM country and region of origin data every month, while others collected it only every third month. The Ministry of Tourism sees a beneficial aspect of the changes to the CAM is that the regions who previously obtained data on visitor origin every third month are gaining monthly data on the split in international and domestic visitors.

However regions which were used to having monthly data on visitor country of origin, expressed concern about the loss of this information. Three regional organisations commented that their ratings for the CAM had decreased on account of this change as this has significantly decreased the usefulness of the CAM for them. One interviewee said that they will now have to rely on the IVS for data on the country of origin of visitors to their region. They saw this as a considerable problem because of issues with the reliability of IVS data when it is broken down to the regional level.

Several interviewees also raised concerns about the reliability of CAM data:

- despite the legal requirement for GST-registered accommodation providers to complete the CAM, many do not complete it. Feels that the CAM is too important for this to be OK (large tourism consulting business)
- Non-GST-registered accommodation providers are not required to complete the CAM. However, there is a lot of accommodation capacity among non-GST-registered providers such as smaller campgrounds. (leading NZ tourism academic)
- There is a suspicion that accommodation providers use "inspired guesswork" to complete the CAM because they don't always collect the information the CAM asks for, or they don't collect it in the form it's asked for. (2 large tourism industry associations)
- Interviewees suggested that the response rate could be improved through better communication of the value of the CAM to accommodation providers, or through developing lower compliance means of data collection, such as software add-ons for providers' accounting systems.

Two interviewees said that their organisation would like the CAM to provide further segmentation of data, for example separating out data on luxury lodges.

Tourism Satellite Accounts (TSA)

Just over half (57%) of respondents rated the TSA highly and 20% reported they do not use this information. It is used most and rated more highly by government, associations, and education users (about 70% of these users rated it as very well or well).

National Tourism forecasts & TSA info are used by ITOC in dissemination to members (trying to help them take a more strategic, long term view), and also used by ITOC for advocacy, media interactions, speaking on behalf of their sector. (tourism association)

TSA is important in providing information on size and importance of the tourism sector. (Ministry of Tourism)

It is used least and rated lowest by businesses. About 20% of tourism businesses indicated it was critical or significant importance and 45% rated it as meeting their needs very well to well. One large tourism business explained they use TSA info to help new employees understand the context in which they are working and the scope of tourism in NZ. Two interviewees suggested that there is an opportunity to change the way the TSA is presented, so as to make it more relevant, more interesting, and easier to understand for tourism businesses.

The Ministry of Tourism policy unit expressed the view that the TSA would be more useful if it could be released more promptly rather than the current two year lag involved in its production. One RTO said that they would like data from the Annual Enterprise Survey to be incorporated into the TSA.

National and Regional Tourism Forecasts

The National forecasts are quite highly ranked, meeting needs well or very well for over 70% of all user groups. RTOs provided the highest ranking (84%). Several interviewees made positive comments about the robustness and the value of the national forecasts.

Satisfaction with the Regional forecasts is more variable across user groups. The highest levels of satisfactions are among RTOs and tourism businesses with over two-thirds rating the forecasts as meeting their needs very well or well.

Several concerns common to both national and regional forecasts were raised:

- The forecasts are based on “business as usual” scenarios. The forecasts have been quite accurate so far due to lack of variability in the industry historically. However, their long term accuracy has been reliant on the future unfolding according to the trends suggested by the past, and they do not examine the potential impact of future “shock” events.
- The forecasts do not address supply side impacts (for example, the entry of new, budget airlines into the market):

“The domestic forecast is something like 1.2 percent for *[our region]* and having Pacific Blue come on board last week, has just blown that out, I mean they are sitting there, way over” (Airport)

- some key users who were interviewed expressed concern about the subjective part of the methodology which involves an industry reference group:

the industry reference group appears to have a very NZ-centric view (e.g. Air NZ's own forecast of growth in the Chinese market was much lower than the Chinese outbound operators' view of travel to NZ). Suggests that improvements could be made by having a focus group which includes international market intelligence (e.g. key companies in key overseas markets that sell outbound travel to NZ) [Tourism NZ]

The forecasts do not make good use of operational knowledge in the tourism industry. There is a feeling in the industry that the Korean tourism market may be about to decline sharply, but that this is not apparent in the tourism forecasts. (RTO)

We do not trust the forecasting process and believed that vested interests were influencing the results. (large tourism association promoting domestic tourism)

Interviewees also raised concerns about the reliability of regional forecasts:

- Forecasts for smaller regions, in particular, are subject to high variability because they are based on DTS and IVS data. However, the regional forecast report does contain a caveat stating that the regional forecasts are based on IVS and DTS and “the statistical error in some regions is quite high” and “strongly recommended that users place more weight on projected growth rates than on absolute values.”
- One interviewee said that the reliability of regional forecasts is compromised by not taking account of regional initiatives in promoting tourism:

“If one region has ratepayer funding of a dollar fifty per ratepayer, per year and they're next to another region with ratepayer funding of ten dollars per year, and has full time staff and a strategy for visitors from Australia, for example, then I don't mind betting which region's going to do better” (large tourism consulting business)

Regional Visitor Monitor (RVM)

The Regional Visitor Monitor is co-funded by The Ministry of Tourism and 6 participating RTOs. Only national benchmark results are currently publicly available through TMT's website. Each participating RTO holds the results for their region and it is up to them whether or not this information is shared. Based on a search of the websites of these RTOs, it appears that RVM results were available through the websites of only the following 3 RTOs and only in summary form:

- Tourism Auckland: an annual report which used only the overall topline visitor satisfaction figure
- Destination Rotorua: Executive Summary of RVM report is available
- Tourism Dunedin: Board paper summarising results of RVM. This RTO also produces regular newsletters to keep its local tourism operators and the Dunedin public up to date on the RTO's activities and news on the tourism industry.
- Overall 59% of respondents to this evaluation indicated that the RVM meets their needs well or very well. One tourism business explained the importance of such information:

We find that the regional breakdowns are of far greater value than the national equivalents. We primarily operate in regional locations and need the more specific information to the regions. (NZ hotel chain)

- Several interviewees commented that the RVM is a good initiative, that it is improving, and that they expect to make greater use of it in the future when it has had time to accumulate more data.
- Only 52% of RTOs rated the RVM as meeting their needs well or very well. A key reason appears to be that the coverage of the RVM is currently only limited to 6 RTO regions. Among the 6 RTOs involved in the RVM, 4 rated the RVM as meeting their needs well or very well. One did not provide any feedback. Among the other RTOs, some were unhappy their regions are not covered by the RVM:

The RVM needs to be extended to more regions. (RTO)

The RVM is only available to "tight 5"⁸ and therefore irrelevant to 22 other RTOs. Poor decision by central govt to further support strong visitor regions ahead of developing regions. (RTO)

The two government agencies involved in funding the RVM, ie. TMT and TNZ, both appeared to be satisfied with the RVM, rating it as meeting their needs very well. The lowest satisfaction ratings are among associations with only a third reporting that level of satisfaction.

- Apart from the issue of the RVM being limited to only 6 regions, there were also concerns raised about the method of sampling leading to a sample that is deemed to be not representative of the different types of visitors to the region. One of RTOs (Tourism Auckland) participating in the RVM is also concerned about this issue. They rated the RVM as only meeting their needs only 'moderately well' as they had concerns over the sampling method and thought that the sample is not a good representation of visitors in that region. Other comments about this issue include:

We don't use the RVM much because don't trust it. We don't believe the data is truly representative of regional visitors (tourism industry association)

RVM is graded poor because he believes the method of sampling leads to a very biased sample. Feels that there is inadequate attention to properly representing the 3 types of travellers: people in transit (e.g. stop at a town for lunch), day trippers, multi day tourists. Averages are then drawn from biased samples and interpreted as being representative of people's views about a place. Believes a better understanding should be developed about patterns of regional tourists, and then a sampling method developed that is stratified by tourist type. (leading NZ tourism academic)

Tourism Sector Profiles

The Tourism Sector Profiles have only been introduced in 2007. The Ministry of Tourism produces a short report on a particular sector based on data from CAM, IVS, DTS, RVM, and Statistics NZ Business Demography.

At the time of the interviews and survey, only accommodation and wine tourism sector profiles had been published. The accommodation sector profiles included not only an overall sector report but also reports on 5 sub-sectors – hotel, holiday park, motel, backpacker, and hosted accommodation.

The highest rates of satisfaction with the profile appear to be among education (63%) and tourism businesses (59%). The way in which the profiles are presented is thought to be user-friendly. Among the 57 accommodation businesses that responded to the survey or interview, 49% indicated the sector profiles meet their needs very well/well, 21% moderately well, and 14% indicated they do not use it (perhaps not aware of their availability). However respondents who used the wine sector profile could not be separately identified. The lowest level of use and satisfaction is among government users (with 33% indicating they do not use it, and 45% indicating they use it and it meets their needs very well/well). The Ministry of Tourism policy group suggested that the profiles could be made more relevant to tourism policy questions and that there is a "need for more policy-driven analysis".

A few interviewees provided suggestions on what other topics could be covered by such sector profiles:

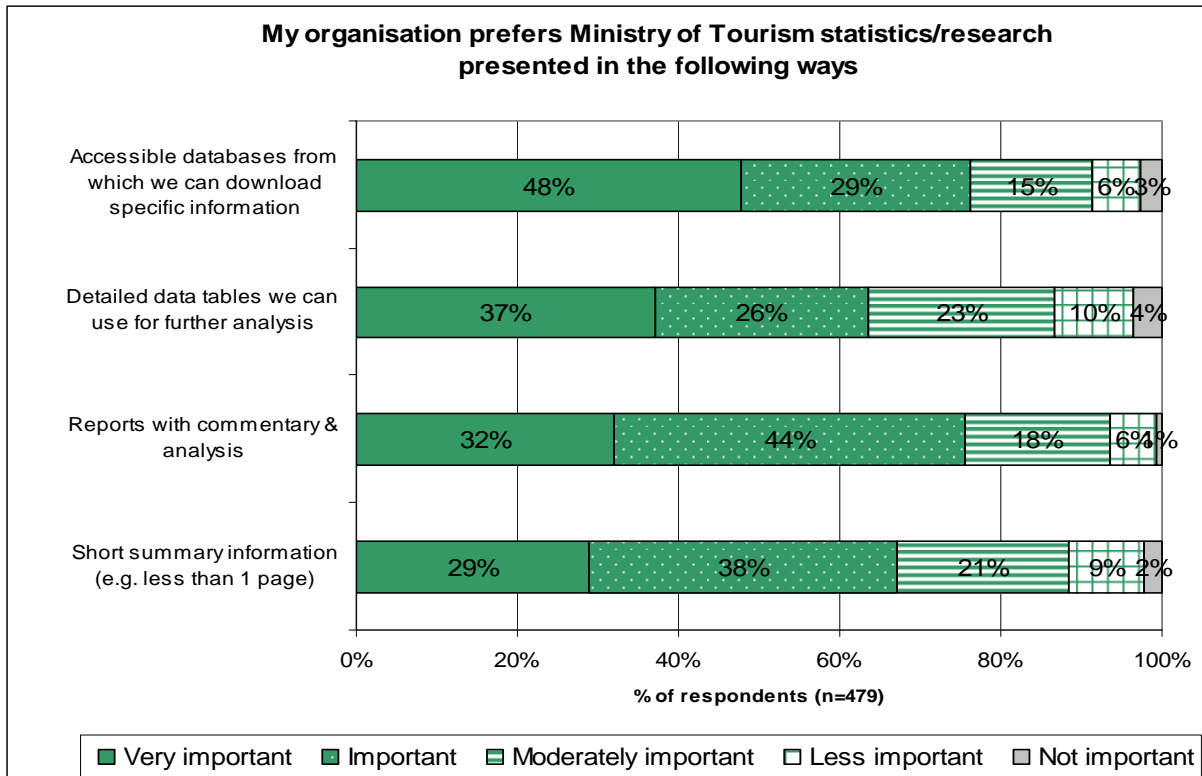
I would find it even more helpful if there was more in Tourism sector profiles on the Tourist attractions (One's that you pay to go into.) We are particularly interested in rural tourism. (Tourism business)

⁸ There are actually 6 RTOs involved in the RVM

request for coverage of sustainability questions, nature-based companies....(large tourism industry Association)

7.3 Preferred presentation of Ministry of Tourism data

Figure 22



Users were asked to indicate the ways in which they prefer Ministry of Tourism statistics and research to be presented. They were able to choose any or all of the options shown in Figure 22, and the majority chose most options. Several interviewees commented that the range of presentation types suited the existence of a range of users in their organisation.

Suggestions from interviewees for presentation of Ministry of Tourism statistics and research included:

- Several interviewees commented that they experience difficulties in reconciling data from different Ministry of Tourism sources. Suggestions to improve the coherence of data and reports included: developing overarching reports that draw information from different data sources together and discuss the implications. One interviewee suggested producing a yearly report that assembles and aligns the different datasets and provides further analysis and commentary on key themes. Another suggested that the Ministry of Tourism should produce reports that are framed for particular audiences, that draw on a range of information sources to answer specific questions.
- There is a desire for Ministry of Tourism reports to contain more commentary and analysis. Several suggestions were made for reporting in ways that would meet specific users needs better. These suggestions tended to be quite specific to individual organisations. In particular, the Ministry of Tourism policy unit was keen on having more analysis and commentary on implications for tourism policy.
- One RTO suggested the production of an easily readable, monthly report for each region, that collates top-line regional statistics for the region. While these types of reports are

occasionally produced by RTOs, this interviewee said that they find it too time-consuming to do regularly:

“we're all being bombarded by information all the time ... we're all under-resourced ... we don't have time to sit down for 2 weeks and go through the statistics” (RTO)

- A number of interviewees said that an ability to break down existing data sources to a more detailed level, or in a way more customized to their needs would be valuable. Suggestions tended to be quite specific to individual organisation's needs, and there was a recognition from some that the ability to make more detailed data break-downs would require increased sample sizes, and therefore increased survey costs.
- One interviewee suggested that IVA and IVS data should be included in the Statistics New Zealand Table Builder system.

7.4 Conclusion

On the whole, Ministry of Tourism research and statistics are generally regarded by users to be accessible, timely, reliable, and having satisfactory coverage in terms of regions, sectors, and visitor markets. However there are some concerns, especially among the more intensive users of the information, with specific datasets (i.e. IVS, DTS, and RVM), particularly relating to the quality of regional-level data. The variety of ways in which Ministry of Tourism information is presented (ranging from detailed data tables and online database access, to short, user-friendly summary reports) appears to be valuable and suitable to the range of different users. However, several key users commented that they experience difficulties in reconciling data from different Ministry of Tourism publications. There was also a general desire for inclusion of more analysis and commentary in Ministry reports.

8. Statistics and research on performance of tourism industry

The New Zealand Tourism Strategy 2015 represents an important shift in emphasis from the numbers of visitors to value, quality and increasing the returns to investments in the sector. This is expressed in two key objectives:

- Tourism businesses identify and put in place strategies that will consistently increase their returns on investment
- New Zealand's tourism research is accessible, timely, high-quality, and relevant to the decisions that need to be made

The sector will need to understand what is happening to its performance over time, and government will want to understand whether the performance of tourism businesses is improving, and how its pattern of interventions contributes to improved productivity and profitability.

There has already been externally commissioned research which examines the performance of the tourism sector⁹, but a newly created Statistics New Zealand database - the Longitudinal Business Database - will allow more complex analysis through the linking of a wide range of firm-level information.

The backbone of the system is the Longitudinal Business Frame (LBF), which provides a list of all economically active businesses, with identification codes which allow linking to:

Administrative data:

- GST/Business Activity Indicator (BAI)
- Financial accounts (IR10)
- Company tax return (IR4)
- Linked Employer-Employee Database (LEED)
- Customs merchandise trade
- Government programme lists, and

Sample surveys:

- Annual Enterprise Survey
- R&D survey
- Business Operations Survey (BOS) and predecessors,
 - Business Practices Survey 2001
 - Innovation Survey 2003

⁹Results are summarised at: <http://www.tourismresearch.govt.nz/NR/rdonlyres/7DA193AD-E435-4584-A06F-DEACB07C9497/23489/YieldSummaryReport.pdf>

- Business Finance Survey 2004

There is currently 7 years of data in the core dataset, with longer series for some variables.

The database can be used to examine the absolute and relative performance over time of those businesses which are included in the Tourism Satellite Accounts definitions of the sector ('characteristic' and 'related' firms), as well as undertake the types of analysis which linking of survey and administrative data will allow. Many surveys, for example the BOS collect information on business practices and innovation behaviour, so assessments of the determinants of firm performance can be undertaken for the sector:

- Are foreign owned firms more productive?
- Do more productive firms have better business practices?
- Do firms in receipt of government assistance perform better?

It is also possible to include additional firm-based datasets to enhance the utility of LBD for tourism research purposes. For example, a register of firms receiving Qualmark recognition or monthly accommodation survey data could be linked to LBD to address the following types of questions:

- Are firms with Qualmark recognition more successful?
- How are accommodation capacity and profitability related?

The panel element of the data allows us to address questions of correlation and causality, such as the relationships between innovation and performance, and between size, access to finance and performance.

It will be important as issues of monitoring and evaluation of the Tourism Strategy are addressed to ensure that the potential of the LBD is fully exploited, and that the Ministry of Tourism is involved in setting the research strategy for the use of the LBD overall.

9. Internal assessment of programme management and operation

This section presents the key findings of an internal review conducted by the Ministry of Tourism Research and Statistics team of the management and operation of this programme in terms of efficiency and quality ('supply side') issues.

9.1 Background

A key aspect of the programme is to improve the quality of the various components and the efficiency and effectiveness of the system overall.

When the Ministry assumed responsibility for the Core Tourism Dataset, it undertook (with SNZ and a consultant statistician) the Review of Core Tourism Statistics in 2002. This established a set of recommendations that the Ministry has sought to implement, where relevant and feasible, in the period since.

The Ministry has assigned staff to manage each of the programme elements and to advance the components as appropriate. The approach does vary depending on the nature of the survey. For instance, where SNZ is the provider (eg TSA, IVA and CAM), the Ministry relies on the official statistical agency to manage the detailed methodology. However, for other surveys (such as IVS, DTS, RVM and forecasts) the Ministry needs to more directly manage the methodology (and will be doing this fully with the IVS and DTS in future).

To ensure engagement with user needs, the Ministry operates stakeholder groups for the IVS, DTS, CAM and RVM. The forecasting programme has a Delphi step included in its process that provides for structured sector input.

Finally, the Ministry is cognisant that the CTD form part of New Zealand's Official Statistical System and that this places responsibilities on the Ministry to always apply best statistical practice where it produces sector data.

9.2 Key findings

Each component of the programme was reviewed and its findings are presented in Appendix 2. Examination of the critical issues for the programme components revealed a set of wider issues that are common across the programme. These centre around data quality, extending the base of available data, regional data, and programme management.

Data quality

Data quality is the most important issue facing the programme. Feedback received from users and the content and recommendations of the NZTS 2015 highlights that data quality (as opposed to coverage) is, by a wide margin, the most significant concern users have with the CTD.

Given this, there is a clear requirement for the Ministry to recognise and address data quality issues. This matter has two aspects:

- Improve the CTD so that the data is provided to meet user needs. While this can be established as an objective, there are many limitations, eg budgets limitations that constrain methodologies and sample sizes etc, what are the 'real' data quality requirements, what are relative priorities. Nevertheless, there is a clear recognition that data quality improvement is needed and this is why TMT is changing the management approach for the IVS and DTS – firstly to get the best out of the current methodology and then, if necessary, to establish the case for more funding for increasing sample sizes. Further improvements to the RVM are also needed, particularly in terms of sampling methodology. Seeing through the CAM review

is the other area where data quality improvements are expected as response systems become automated. Ultimately, administrative data sources such as the electronic transaction records may provide very stable and reliable data and may negate the need for less reliable survey collection.

Key to pursuing such data quality improvements in the face of resource limitation, it is important to establish the quality standards required. Once established, these standards will inform the implementation processes aimed at achieving these standards.

- Where data is released, there is a need for clearly articulated statements on the limitations of the data and the degree of confidence that users can place on the data provided. TMT will develop fitness for use policies and guidelines, including statistical measures such as error margins to inform users.

Extending the Base of Data Available

The CTD covers key sector aspects of the tourism sector, but there are significant gaps and quality issues. On the other hand, there is considerable potential to access existing or new data to complement, verify or replace aspects of CTD collections. Such sources include electronic transaction data, HCNZ data, other sector collections and various SNZ collections.

Key emergent initiatives are:

- BNZ Marketview has established access to ETSL's data covering 90% of New Zealand's electronic card transactions. This data offers new ways of examining tourism expenditure patterns. The challenge for TMT will be ensure access to this data, establish the uses for it (eg regional visitor expenditure measures) and enable its use by other sectors or regions. This work is currently unfunded and yet to be scoped in terms of scale, cost or timing.
- Covec is establishing an industry-led initiative to extend the NZHC type approach more widely. Its new data gathering and benchmarking platform is being implemented with the Retailers Association at present, and will be ready to extend to tourism industry groups in early 2008. The challenge for TMT will be to foster uptake of this approach, ensure alignment to the CTD and ensure its access to the resultant data.
- The Statistics NZ Longitudinal Business Database project accesses a range of tourism-related data from SNZ databases and offers the potential to provide ongoing measures of tourism sector firm performance and so embed such research from the Yield Research Programme.

The challenge for the Ministry is to enable and facilitate the processes above, and to ensure the data is consistent with the CTD and is available for wide sector use.

Regional Data

The quality and reliability of regional-level tourism data has been highlighted as a major issue. Parts of the CTD have important coverage of regional data and there is potential to use other data sources (refer above). The challenge for TMT is develop an approach that makes best use of available data and which provides quality data to regional users. There are a number of ways of doing this, such as developing the forecasting model as the main regional reporting platform.

Analysis

The CTD provides the raw material upon which analysis can be based to increase sector knowledge - it drivers, trends and determining factors.

The current TMT analysis programme has a number of elements including the *Tourism Leading Indicators Monitor*, web content, sector summary analysis and occasional analysis projects such as the exchange rate analysis. There is considerable opportunity to undertake more analysis and commentary associated with the analysis, particularly as new data sources become available and as the quality and consistency of the tourism data increases.

TMT needs to determine the sector's analysis priorities and plan its programme in response bearing in mind the resource requirements of the analysis and the limitations that exist in the available data sources.

Applied research

The development of New Zealand's applied research capability is a key priority of the NZTS 2015 and the Ministry has a lead role in advancing this. In essence, the CTD and the applied research elements of knowledge generation both need to be advanced. To date the CTD has developed significantly, but the applied research aspect has not significantly advanced.

In recent years, TMT has facilitated the Tourism Research Council New Zealand to serve as the vehicle for determining the key research priorities of the tourism sector. However, while it was effective in this role, the sector as a whole has not been able to advance the research priorities. The resources have not been available to do the research that the Council considered important. The NZTS 2015's recognition that in future prioritisation has to be linked to the ability to undertake the research is key. TMT will be seeking to implement this recommendation with industry and such funding bodies as the Foundation for Research, Science and Technology (FRST) to achieve the significant gains to the sector's applied research capability.

Programme Management

In terms of the TMT research programme as a whole, there are a number of elements to consider:

- **Linkages to NZ Tourism Strategy (NZTS) 2015.** The NZTS 2015 is the key strategic document for the sector and it establishes the importance of the data and research that supports decision making across the sector. The main research-related recommendations are consistent with the analysis and recommendations in this chapter (eg data quality, coverage, new data sources, regional data, provision of access to data etc). The NZTS 2015 establishes a number of targets, e.g. on satisfaction, yield and seasonality. TMT will support these targets by using the CTD to establish measures of progress that will be incorporated into the research website.
- **Resource requirements** – funding and staff. A key issue is how thin the programme's resources can be spread. On the one hand, it is desirable to have efficient operations, but on the other, if too much is asked project inefficiencies develop (eg projects not being advanced, excessive staff workloads etc). The areas where these concerns are most apparent are: IVS/DTS transition to full in-house management, the analysis programme and communications (particularly as the pan-Ministry communications role increases). These factors will need to be considered in relation to implementation of the NZTS 2015 and recommendations emerging from the research programme evaluation.
- **Official Statistics System (OSS).** TMT is required to manage its datasets (particularly the Tier 1 statistics – IVA, IVS, DTS, CAM and TSA) in accordance with the OSS. While this places obligations on TMT, it provides access to broad guidelines and protocols for managing datasets (eg around minimising respondent load, data security, accessibility, maximising existing data sources etc) and it also enables TMT to draw on SNZ expertise in managing the datasets.

10. Conclusion and recommendations

Improving the performance and productivity of the tourism sector is a key focus of the New Zealand Tourism Strategy 2015 given the significance of this sector in the national economy (9% of GDP). The ultimate objective of the Ministry of Tourism's Research and Statistics Programme is to enhance the performance of the industry by providing statistics and research that is accessible, reliable, timely, of adequate coverage, and useful in improving decision-making.

Conclusion

This evaluation found that the Ministry of Tourism Research and Statistics Programme produces information that is widely used by the variety of stakeholders in the industry. Some users receive the information directly from the Ministry of Tourism and Statistics NZ, while others receive it through intermediaries such as industry associations and RTOs which repackage and redistribute the information. The most highly valued information relates to the volume of international visitors and their patterns of spending and activities. On the whole, Ministry of Tourism research and statistics are generally regarded to be accessible, timely, reliable, and having satisfactory coverage in terms of regions, sectors, and visitor markets.

Although the value of the programme could not be quantified in this evaluation, based on findings on the wide usage of the information and the importance of the information to decisions made by users in the tourism sector, this evaluation concludes that the programme is meeting its objectives and should continued to be funded.

However there are concerns (particularly among the more intensive users of the information) with specific datasets, particularly relating to the quality of regional-level data. This evaluation highlights the importance of continuing efforts to improve the quality of specific datasets and regional data. A brief examination of tourism data collections in a few other countries (for example Canada and Netherlands) identified some interesting options in the method and frequency of data collection. Opportunities have also been identified to improve analysis and use of the information produced by this programme. There are also opportunities to improve research on the performance and productivity of the tourism industry, particularly drawing on the newly created Statistics New Zealand Longitudinal Business Database (which provides a wide range of performance information on individual firms) and making links to key parts of the Ministry of Tourism dataset.

Recommendations

Based on the user feedback received for this evaluation, the following key recommendations for the Ministry of Tourism are made to improve the use and value of tourism statistics and research in enhancing the performance of the tourism sector:

Data quality

1. Establish quality standards for the Core Tourism Dataset (as recommended in the NZTS 2015) and implement these across the component datasets.
2. Establish 'fitness for use' policies and guidelines for the Core Tourism Dataset so that data is used appropriately

Specific datasets

3. International Visitor Survey and Domestic Traveller Survey: Given that the Ministry of Tourism is currently implementing a management system change for these two surveys, it should continue efforts to improve the survey design, data collection and sampling method, ensuring they are in line with international best practice and appropriate to providing data that is relevant and sufficiently reliable to enhance decision-making by key stakeholders.

4. Regional Visitor Monitor: Continue efforts to improve the sampling methodology to ensure the survey sample is sufficiently representative of visitors in the target region.

Regional data

5. Examine options for addressing concerns with reliability of regional data, including:
 - a. the costs and benefits of the trade-offs between sample size, survey frequency and depth,
 - b. potential for using alternative sources of data on visitor expenditure (e.g. electronic transaction data), and
 - c. investigating and implementing specific approaches to integrating data from the Core Tourism Dataset and other sources to provide more reliable regional-level data.

Presentation of results

6. To address concerns about reliability of disaggregated data (e.g. regional and country of origin breakdowns) all data published by the Ministry of Tourism should include confidence intervals which provide clear indications of the degree of reliability that can be placed on the estimates. Individual estimates where the level of uncertainty is too high for practical purposes should be clearly marked in the data tables. This is in line with international best practice and Australia provides a good example. Series that do not meet the established data quality standards (in Recommendation 1 above) should not be published.

Analysis

7. Ministry of Tourism reports should provide more analysis and commentary to aid appropriate interpretation and use of the results. This should take into account the needs of the different stakeholders including both industry as well as government. For example government users (such as the Ministry of Tourism policy unit) would benefit from more analysis and commentary on implications for tourism policy.
8. Develop a plan for the Ministry of Tourism analysis programme, including the analysis priorities and the resource requirements to deliver to the determined levels.

Applied research

9. Advance tourism sector applied research by:
 - a. ensuring the comprehensive implementation of the New Zealand Tourism Strategy 2015 recommendation to develop and fund an industry-government partnership model to advance sector research, including determining priority research and then directing, funding, and managing the delivery of this research, and
 - b. improving research on the performance and productivity of the tourism industry, particularly drawing on the newly created Statistics New Zealand Longitudinal Business Database and relevant parts of the Ministry of Tourism dataset.

Other

10. Other more detailed recommendations from the Ministry of Tourism's internal review of its programme management and operations are contained in Chapter 9 of this report.

Report back

11. The Ministry of Tourism is invited to report back to the Ministers of Tourism and Industry, Regional and Economic Development, by 30 June 2009, on its progress in implementing the above recommendations.

11. Appendix

11.1 Ministry of Tourism assessment of programme

The most important single function of the Ministry's research programme is to deliver high quality data that is fit for use. The following analysis highlights a number of areas of concern and sets out recommended actions:

IVS

Assessment: At present the conceptual framework is regarded as appropriate. However, there are clear data quality issues for national and regional data that means that user expectations for the data are often not being met, eg for regional analysis.

Critical Issues: What is the best management approach (is the very best being extracted from the resources deployed) and, once management issues are addressed, what sample size is needed to provide to specified data quality requirements. In the longer term, what administrative data can be used to supplement the IVS collection.

Comment: The Ministry is in the process of moving to full in-house control of, and upgrading of, the IVS methodology (eg questionnaire, survey tool, sampling, weighting, imputing, outlier treatments). This will enable a highly specified tender process for the data collection aspect of the survey to be conducted in early 2008. As part of this development process, the IVS will be aligned to UNWTO recommendations, eg on treatment of capital expenditure with the expectation that this will stabilise what has been a volatile aspect of the current methodology. The new methodology will also enable coverage issues to be addressed, eg including airline lounge travellers in the survey frame.

Once these changes are implemented over the next two years, it will be appropriate to recognise that the sample size will ultimately determine data quality and that further investment may be needed to ensure data of a quality to meet user needs.

While core IVS measures (eg traveller activities and characteristics) are uniquely provided by the IVS there is opportunity to supplement expenditure data from electronic transaction data. These measures are not the same as the IVS but could be integrated to strengthen the IVS expenditure results.

Recommendations

- 1 Implement the Ministry's current development programme for the IVS, including the move to full in-house management of the survey methodology
- 2 Once the development programme is in place, investigate the sample size requirements of the IVS needed to deliver quality data to users
- 3 Investigate how electronic transaction data, and other data, could be used to strengthen the IVS expenditure measures.

DTS

Assessment: At present the conceptual framework is regarded as appropriate. However, there are concerns around the current application of the methodology (resulting in data quality issues) and the long term suitability of CATI as the data collection mechanism.

Critical Issues: As with the IVS, the key issues are around the management approach and the sample size. These issues need to be addressed in order to establish a sound platform from which developments can be based (eg how data is collected and how additional data sources can be utilised).

Comment: The Ministry is moving to full in-house control of the DTS, with this to be implemented in 2008 with upgrading of the methodology (questionnaire, survey tool, sampling, weighting, imputation etc). These changes will enable a highly specified tender process for the data collection aspect of the survey.

The essential point relating to the development programme is that a soundly established methodology will provide the best base from which other development options can be explored, whether this involves using other ways to collect data (eg from the web-based surveys) or using such administrative data as electronic transaction records.

Recommendations

- 1 Implement the Ministry's current development programme for the DTS, including the move to full in-house management of the survey methodology
- 2 Once the development programme is in place, investigate alternate means of collecting domestic travel data in a statistically sound way
- 3 Investigate how electronic transaction data could strengthen DTS expenditure measures.

IVA

Assessment: High quality national-level data with long time series.

Critical issues: Concern around occasional calls to eliminate or reduce the arrival and departure cards from which IVA data is generated.

Comment: IVA data is the essential cornerstone of the CTD and it is highly valued for its quality and long series. It is critical to a range of sector analysis and the forecasts are developed from this series. The management approach is appropriate with SNZ as the delivery agency.

The key risk area is at the point of collection and the Ministry has made representations to the Air Facilitation Committee to emphasise the importance of both the arrival and departure cards, and anticipates that this may be necessary in future. An outstanding issue from the Committee's consideration of the departure card has been the implementation by SNZ of the decision to include the purpose of visit of international travellers on the departure card. The data would greatly enhance accuracy of the IVS weighting process.

The other issue is of dissemination and the Ministry is exploring pivot table access to IVA data via its research website (refer communications section below).

Recommendations

- 1 Ensure the continuation of the arrival and departure card collections as a part of New Zealand's border requirements.
- 2 Inclusion of the purpose of visit of international travellers on the departure card.

CAM

Assessment: High quality data with significant time series.

Critical issues: Need to implement the decisions on the outcome of the review of the CAM conducted by SNZ and the Ministry. The objective of the review is to reduce respondent load by half while maintaining and enhancing data quality.

Comment: CAM data is the vital supply-side measure of the tourism sector. It also produces the best regional data that is most suitable for regional KPI purposes and therefore it becomes the proxy for regional tourism activity.

The agreement reached with SNZ enables the continuation of most of the data collection, but there is a substantial rebuild of the survey needed – survey tools, collection methods (including automated systems) use of other data collections (such as from HCNZ) and better provision of results back to respondents. If the 50% respondent load saving is not achieved over the next two to three years, SNZ has indicated that it will look at other ways of reducing respondent load.

TMT is concerned that progress in implementing the CAM review by SNZ is likely to be slow. A key issue is that many of the recommended changes to the CAM (eg web-based surveys, extraction of data from firms' reservation systems, use of HCNZ data) requires new SNZ approaches that need to be addressed at an organisational level. Implementation of the review will have the added benefit of reducing manual input of data that will potentially increase input data quality and better feedback of results to users. This should build commitment to the survey and raise the value of it.

The main data loss from the review relates to 'origin of visitor' data that has been reduced to a simple international/domestic split. RTOs in particular have indicated that this has been a serious loss of data and that IVS and DTS data is not of sufficient quality to fill that gap. Other data sources, such as electronic transaction data, could potentially be used to address this issue. The other data loss from the review of the CAM is of the 'hosted accommodation' group with this information gap needing to be considered in terms of other sources of this information.

Recommendations:

- 1 Advance with SNZ the full implementation of the review of the CAM so that the respondent load reduction and survey efficiency are achieved as soon as possible.
- 2 Evaluate alternative measures that can provide reliable visitor origin data and data for hosted accommodation.

RVM

Assessment: The data is valuable to the participant regions and provides robust national-level data. The RVM is unique in that it is a 50:50 partnership project with the six RTOs involved.

Critical Issues: Need to ensure ongoing focus on increasing the representativeness of the RVM sample and the consistency of approach across the regions. There is also concern about the quality of expenditure data from the RVM. The funding structure of the survey is an issue in terms of the ability to include other regions into the survey and whether the existing RTOs can continue their investment in the survey.

Comment: The RVM is a new survey (it began in 2005) that was established to address specific information gaps at regional levels. The Ministry played a role in ensuring a 'national' approach was used as opposed to a range of separate regional initiatives.

Since its inception, RTO support has been maintained and the stability of the data suggests that it is a sound platform for decision-making. The strength of the RVM is that it produces data about the respondents' motivations to travel, and their regional expectations and satisfaction. As the time series has built, there has been increased comfort by RTOs in the results and collaborative sharing of individual regional results has emerged.

While the RVM does not apply a non-random sample of the travelling population, the sample achieved is considered to provide a reasonable representation of the travelling population and therefore users can utilise the results with a good degree of confidence. Provided the RVM data is presented transparently (ie as a non-random sample), this research provides a powerful of visitors at a regional level. Given the sampling characteristics of the RVM, the survey management process is focussed on ensuring weaknesses are transparently recognised and improvements are made, for instance in refining the data collection sites used and the respondent recruitment procedures.

Asking respondents for accurate expenditure data has proven difficult. Because RVM respondents are often part way through their visit to the region, we found that it is not viable to ask how much money they will spend in the region (because few of them know precisely). The RVM expenditure section has been recently remodelled. The survey now asks for expenditure details from the 24-hours prior and multiples this by the length of stay figure. This is a crude model which is subject of much criticism. Few of the RVM partners trust this expenditure data, but all agree the new approach. All of the parties are aware of the limitations of collecting any expenditure data (including in the IVS and DTS). All partners are interested in keeping a watching brief on the expenditure trends from the RVM as they relate to the IVS and DTS.

The RVM covers six regions and the survey design can include others, subject to funding and traveller density. There is potential to include a small number of additional regions and there is a desire to undertake discussion with potential regions. The more regions participating, the better the national benchmark data will be. There is scope (along with IVS and DTS) to incorporate measures of environmental sustainability and these are being incorporated into the RVM at present.

Recommendations:

- 1 Sampling issues to be considered on an ongoing basis with a focus on refining and improving the data collection sites used

TSA

Assessment: High quality TSA with very sound methodological approach. The New Zealand TSA is very well regarded internationally due to its comprehensive coverage, the inclusion of indirect impacts, its regularity and timeliness.

Critical Issues: Need for the TSA to incorporate changes to the UNWTO Recommended Methodological Framework and the ability to extend the TSA into other areas, eg multipliers and induced tourism effects, constant price series and ongoing industry sector performance measurement.

Comment: The TSA is important for establishing the overall role of tourism in the national economy, and it does this very well. The SNZ TSA team is highly skilled and the annual cycle keeps this skill base intact. The major limitation is on the capacity of SNZ to commit to extending the TSA in the various recommended directions.

The changes to the UNWTO Recommended Methodological Framework are likely to change the current TSA series as different treatments of some aspects of the account are changed. For instance, some boundaries between direct and indirect impacts are likely to move and this will likely lower the proportion of 'direct' impacts of tourism within the TSA.

An important development opportunity is how New Zealand can extend the Yield Research Programme's measurement of industry sector performance. The TSA may have the potential to incorporate such performance measures on an ongoing basis (on the other hand, the SNZ/MED I-build project might provide a better way of generating this information – refer below).

Recommendations

- 1 Incorporate changes to the UNWTO Recommended Methodological Framework into the TSA methodology.
- 2 Explore extensions to the TSA in such areas as multipliers and induced tourism effects, constant price series and ongoing industry sector performance measurement.

Forecasts

Assessment: Sound forecasting methodology that established expectations of future tourism demand. The programme has been in place since 1999 and forecasts are produced annually. The record of forecasts against actual results is good, although the slow-down from historic growth rates over the last couple of years has meant that current forecasts are lower than those of earlier years.

Critical Issues: Concern whether the forecasting methodology is sufficiently sensitive to changing market conditions and also whether the results are being broken down to too fine levels (eg detailed regional-level forecasts).

Comment: The forecasting programme is important for utilising wide data sources to determine the big picture role of tourism. The model used for the forecasts incorporates a range of data and so is an ideal basis for a range of subsequent analysis, such as establishing regional tourism measures and the Tourism Flows Model. As such, the forecasts can be viewed in two ways: the 'base' year analysis and the forecast projections themselves.

The reporting of regional information from the CTD and the forecasts is problematic. On one hand there is a strong demand for data but on the other the input data sources (mainly IVS and DTS) are weak. Enhancing the forecasts through using all available additional data sources (especially the CAM but also potentially other sources) would enable the individual data weaknesses to be at least partially overcome and so allow the forecast platform to be the 'ideal' articulation of regional tourism activity. Following such a route could mean the 'weak' data is not directly released at all. As part of developing the forecasts, establishing mechanisms for assessing the performance (eg accuracy) of the regional forecasts would be desirable.

The forecasts are 'demand' forecasts, ie what is the forecast demand to visit New Zealand, but the 'supply-side' of the sector, particularly the aviation sector, is an important determinant of tourism volumes especially in the short term. While the current Delphi process seeks to incorporate such information, consideration needs to be given to strengthening this aspect of the forecasts.

Recommendations

- 1 Develop the methodology by retaining the 'demand-side' focus of the forecasts but increasing the 'supply-side' information as an input into the forecasting process.
- 2 Develop the regional forecasting models, including using additional data sources, so that it becomes the best articulation of regional tourism activity.

Data Management

Assessment: A number of data management approaches are employed to support different functions and to meet the needs of different users. The system is dynamic as new platforms are utilised.

Critical Issue: Internal data management and dissemination requirements are met through appropriate systems and in-house support. IVS and DTS will increase data handling workload.

Comment: It is vital that the CTD data is accessible and is used effectively. To facilitate this, the Ministry has increased the tools it uses to handle data to undertake specific tasks and to increase access and flexibility.

Over the past few years, 'Harmoni' software has been the main tool to support in-house and web-based analysis of IVS, DTS, IVA, TSA, CAM, RVM and forecasts. 'Supercross' is used by SNZ for IVA data and over the last year, the Ministry has developed SPSS databases for managing the unit record data of the IVS and DTS. The Ministry operates Excel databases for a number of the data sets, eg for forecasts and CAM. Each of these approaches are appropriate. For instance, it is essential that the unit record data for the key surveys is managed effectively, but this is not the best tool for data access and manipulation both internally and across the web. In turn, Excel pivot tables provide direct access to key data. The question is what is appropriate for each datasets and for each purpose and for each group of users. Over the last year, the TSA and forecasts have not been updated in Harmoni, with the forecasts using web-deployed Excel pivot tables as the main platform.

The other aspect is the recognition that the dissemination approach needs to meet the needs of a range of users with different data needs and skills. For this reason, the Ministry is developing a tiered approach to making data available on the website: high level summary; analysis; Excel pivot table; Harmoni data cubes; and full access to the Harmoni databases.

Recommendations:

- 1 Develop and maintain data management platforms for the CTD in line with the technical needs of the surveys and aligned to dissemination requirements.
- 2 Additional staffing resource needed to manage the Team's data, especially given the additional IVS and DTS data management requirements.

Communications

Assessment: A professional and effective communication positioning and profile for the research programme is in place.

Critical Issues: Ensuring the level of in-house resource available to support the communication activity required to achieve the objectives of the programme. Another issue is around data quality that inhibits the confidence and clarity of the communications activities.

Comment: Communications in its various forms is vital to ensure awareness and enabling access to the outputs of the programme.

The 'brand' position of the programme that has been developed over the past couple of years is of a high quality and flows through to professional publications of various types – eg booklets, research reports, analysis sheets and the web 'look and feel'. The use of media to disseminate information, both directly and indirectly, to users is important, as are relationships with other parties (ie TIA, industry groups, analysts etc) to distribute the programmes outputs to their stakeholders. The coordinating of communications with the Minister's office has developed well. The joint TIA/TNZ/TMT roadshows provide the opportunity to directly communicate with the industry in regions. The way TMT manages enquiries is important and this task supported as an important aspect of the communication process.

Overall, there is a sense that, for the resources deployed, there is a positive penetration of results through to users. The question is what level of resource should be deployed in this area. Initially, the research communications was largely research-related, but latterly a more pan-Ministry role has developed, eg supporting NZTS 2015 or policy-related communications. In effect, as the effectiveness of the communications activity has increased, so have the demands on the resource available and this may be lessening the ability to sustain or develop the current effort.

Recommendations:

- 1 Assess the whole TMT communications requirements and from this determine the level of resource available for research-specific communications.

Website

Assessment: The current website has a solid user base and contains a large volume of data. The re-developed site is being launched in early 2008 will orient the site design towards user needs and with tiered access to data.

Critical Issue: Ensuring the successful implementation of the current web development process, monitoring the site and adapting as necessary. Another issue is the effectiveness of the Citrix arrangement that allows web access to Harmoni databases.

Comment: The website is the key dissemination tool. The re-development has been focussed on user needs with research of user requirements and perceptions of where information should be found on the site. As a result, the site is being restructured and a new 'tiered access' approach to making the data available, eg high level figure, high level analysis with summary tables, Excel pivot tables, Harmoni data cube access, and finally access to the 'power user' access to full Harmoni database.

The website itself is migrating to MED's standard content management system platform (Episerver) to increase the efficiency of the website management processes, as well as to enable more active content to be developed.

A characteristic of the current site that will remain is the Harmoni data access via a Citrix service. While this has enabled web-access to data, there have been difficulties, such as needing to download software, the firewall protection of some organisations and the need to have some knowledge to get the best out of Harmoni. The ability to address these issues from the technical provider perspective are possible, but initial indications are that they would be reasonably costly. As such, the emphasis is on 'tiered' data access so that users do have access to the data in the format that suits them best.

Recommendations:

- 1 Complete the implementation of the re-development of the research website, including 'tiered' access to data.
- 2 Monitor website usage characteristics and establish periodic measurement of website usability characteristics, and evolve and develop the website as needed.

Analysis Programme

Assessment: Analysis is an important but formative aspect of the Ministry's research programme, with some mature outputs such as the *Tourism Leading Indicators Monitor*, new products such as the accommodation sector analysis series, occasional analysis such as the exchange rate project and emerging projects such as the activities and attractions profile, the Tourism Flows Model and the index series.

Critical Issues: Determining what the analysis priorities are and the levels of resourcing (funds and staff) for undertaking this work. The quality of data to support robust analysis is also an issue.

Comment: Analysis is important to add value to the raw data through structured interpretation. The current programme does this to some extent through its ongoing outputs (eg TLIM, web content, sector summary analysis and occasional analysis – including ad hoc data requests, input into policy and strategy process, commissioned research such as the exchange rate analysis and value-added analysis such as the Tourism Flows Model). The major constraint is the internal resource (eg staff) to support this analysis. By nature, this work requires an intensive effort in both development and updating processes. Therefore, while it is desirable to add value to the core data, recognition is needed that considerable commitment is needed to do this well.

The process of conducting analysis becomes a heavy user of data, and therefore the scope and depth of analysis is limited by data quality issues. The analysis process is also useful for highlighting data issues and can contribute positively to data enhancement processes.

Recommendations:

- 1 Develop plan for the analysis programme, including the analysis priorities and the resource requirements to deliver to the determined levels.

Applied Research

Assessment: The tourism research system is under performing in relation to the sector's strategic requirements for knowledge. While this is a sector-wide issue, it does relate to the responsibility of the TMT Research Team to provide leadership to advance this position.

Critical Issues: There are a number of reasons why the tourism research environment remains under-developed, including recognition of the value of tourism research, the capacity of the research community and the incentives in place, and the level and characteristics of the of funding available.

Comment: Making a substantial and enduring improvement to the tourism sector's research has been an objective for TMT since it intervened to improve the information base of tourism in the 1990s. However, while there has been a marked improvement in the data resources of the sector (achieved through the Ministry taking a direct role), progress on the applied research side has been less successful. The progress made with the TRCNZ in setting R&D priorities was undermined by the lack of ability to build research programme to give effect to its prioritisation decisions.

The current approach is to integrate R&D prioritisation and implantation as part of the NS Tourism Strategy (NZTS) 2015 process. This has the advantage of ensuring the research agenda is tied to the strategic priorities of the sector as a whole. The NZTS 2015 Implementation Plan is being developed at present and the Recommendation 19 on the need to *“Develop and fund an industry-government partnership model to advance sector research, including determining priority research and then directing, funding, and managing the delivery of this research”*. Ensuring the effective implementation of this recommendation will be central to achieve long terms gains in this area.

Recommendation

- 1 Ensure the comprehensive implementation of the NZTS 2015 recommendation (Rec 19) that relates to future arrangements of advancing tourism sector applied research.

Programme level recommendations

Data quality

- 1 Implement management changes for IVS and DTS and invest appropriately to ensure the development is undertaken to a defined standard.
- 2 Ensure the CAM development is comprehensively undertaken in a timely fashion.

Extending the base of data available

- 3 Establish processes to incorporate data additional to the CTD into TMT's data holding systems.
- 4 Commence a project with BNZ Marketview and other parties to ensure access to tourism-related data from the electronic transaction records to assist a range of tourism uses
- 5 Engage with Covec to play a facilitating role to expand its sector data collection initiative and ensure the flow of this data for TMT's use.
- 6 Investigate options for including tourism as part of the Statistics NZ Longitudinal Business Database project.

Programme management

- 7 Ensure that research-related recommendations of the NZTS 2015 are advanced as part of the Strategy's wider implementation plan and aligned to the recommendation of the Research Programme evaluation.
- 8 Monitor resource requirements in relation to the current and future work programme and ensure appropriate resources are applied and capabilities are available to support the programme.
- 9 Operate the TMT research programme in accordance with the OSS requirements.

11.2 Netherlands' new approach to survey of international visitors

This is a more detailed description of the Netherlands survey approach reported by Peter Morten based on an interview with Kees van der Most, the Netherlands Board of Tourism and Convention's (NBTC's) Research Manager, their most senior tourism statistician.

A random sample is drawn up in two stages by Statistics Netherlands from all the foreign tourists who stay in accommodations in the Netherlands. In the first stage, the random sample is divided into:

- i. Hotels, bed and breakfasts, and hostels.
- ii. Holiday villages.
- iii. Campsites.
- iv. Group accommodations.

In the second stage, all accommodations in the random sample are invited to participate. A letter of recommendation is sent by the Ministry of Tourism to stimulate a good response. 275 such organisations agreed to cooperate in 2005.

- Staff are asked to randomly invite guests who are checking in to take part, during fixed periods of time. Visitors may be staying primarily for business or leisure. The staff receive extensive instructions and a set of reply cards in eight languages, plus a cake and chocolates at the start. Ensuring their diligence is critical part of the survey. The Netherlands Board of Tourism and Conventions runs a help desk to answer any staff queries and maintains frequent contact with participating organisations. These also receive copies of the final report.
- Cards take little time to fill out. Guests enter some characteristics of their visit on the card and can also state if they are willing to participate in a follow-up survey.
- Tourists who indicate willingness are contacted by Blauw Research - a private Rotterdam-based firm - some weeks after their return home. Tourists are interviewed by email or telephone, as they prefer. 5,000 people took part in 2005, with some minor incentives (e.g. a draw for prizes). Email surveys are cheap and allow respondents to take as long as they wish, with no competing distractions. Telephone surveys cost more but allow follow-up questions. Blauw staff can carry out interviews in any of the eight languages, which is an advantage over departure lounge interviews.
- The survey objective is to obtain a better insight into visitor attitudes. The topics addressed include:
 - i. 'Look and book' approaches to preparation, booking and prepayment. (69% of visitors to the Netherlands consult the internet before their visit, compared with just 19% who prefer guidebooks. This shows the importance of good promotional websites with many cross-links to other popular sites.)
 - ii. Reasons for visiting. (Germans visit Holland mainly to go to the beaches; Britons on short city breaks, especially to Amsterdam; and Americans tend to tour the country, often as part of a broader European holiday. This has helped to focus tourist promotions in these countries.)
 - iii. Activities undertaken. (Three times as many Belgians as Britons go cycling.)

- iv. Visitor spend. (The British spent the most and Germans the least.)
 - v. Satisfaction. (80% say 'excellent' or 'very good', 0% say 'disappointing'. 74% say that they will definitely recommend the Netherlands to their friends.)
 - vi. Consumer profiles. (For example, almost 60% of visitors overall are college or university educated, but only 33% of German beach-focused tourists are.)
- The completed questionnaires are weighted by nationality and other factors by Statistics Netherlands, according to the outcome of the annual Eurostat Accommodations Statistics Report.
 - The NBTC believe that this is more sophisticated than anything else currently being undertaken within Europe, that it offers the following advantages:
 - vii. It is very cost-effective. Reception staff hand out cards, followed by emails in most cases. Both steps are cheap and this approach avoids the need for paid staff to do many personal interviews. A survey one year in every three is seen as sufficient. The annualised cost of €100,000 is about 5% of that of New Zealand's annual outbound survey. (However, this figure does not include the cost of collecting the compulsory EU data for Eurostat.)
 - viii. Participants are not rushed. For example, they are not trying to catch a plane in a noisy terminal, while controlling children. They fill in the card on arrival at their accommodation, rather than on check-out. For the longer follow-up survey, they have time to think through detailed questions, such as detailing their spending, and can check their records if they wish.
 - ix. The participation rates for both accommodations and their clients are good. Over half the clients invited to fill in a card do so and two thirds of these travellers go on to complete the detailed follow-up survey.
 - x. For telephone interviews, interviewers with good language skills can be ensured.
 - xi. All kinds of travellers are covered, including the high spenders and frequent travellers who use airport business lounges and whom border surveys miss.
 - xii. The data can be reconciled to other sources. As the survey is repeated over time, improved detailed trend analysis should emerge.

Dutch residents are excluded. The survey approach cannot cover day trippers, cruise passengers and people with second homes.

This approach merits consideration for New Zealand. Its design can be made as flexible as policymakers wish, so that new activity-focused questions could be included in each new cycle, while maintaining a core of questions that are useful for ongoing trend analyses.