

## **Research & Development Priorities for the New Zealand Tourism Sector**

**17 July 2003**

In February 2002, the Tourism Research Council New Zealand (TRCNZ) released the *Tourism Research and Development Strategy 2002*. This set out a framework for tourism research and development and a set of strategic themes to guide research effort and investment across the sector.

The R & D Strategy established as a first priority the review, integration and enhancement of the core tourism datasets, and the development of mechanisms for dissemination of information generated to users. Over the last 12 months, substantial progress has been made in this regard.

The Strategy also proposed a number of *principles* to guide prioritization of research conducted to enhance understanding of the tourism customer, the tourism industry and the tourism resource.

However, subsequent to the release of the R & D Strategy, it has become apparent that, to make real progress, the sector will need to take a more directive approach to clearly define its priorities and communicate these both to providers and funders of research and development within the tourism sector.

To this end, the TRCNZ initiated a process to define a highly-specific programme of research for the tourism sector – **a set of discrete, feasible and strategically significant research projects that it will champion as the sector's foremost priorities.**

Through a series of discussions over recent months, the following have emerged as priorities for research and development within the tourism sector and these are set out in the following pages. These are not in priority order.

**Note that providers looking to prepare proposals to address the articulated research priorities below need to be aware of the research in place and underway in these areas.** In many of these areas there is research underway, but this may be a partial or related work that does not fully address what is perceived by the TRCNZ to be the essential knowledge deficit. For instance, in the cultural tourism project below, providers will need to be aware of current demand-side research and also the work to be undertaken by a number of RTOs to develop cultural tourism in those regions.

Note too that this list is not an exhaustive expression of the research needing to be undertaken to support the tourism sector. For instance, these priorities do not reflect research needs related to tourism demand or future tourism infrastructure requirements, both of which are being examined by Tourism New Zealand and the Ministry of Tourism respectively. Also, the need remains for flexibility in the research environment to reflect the exposure of tourism to unpredictable events and external influences.

	<b>Strategic Theme</b>	<b>Problem Statement</b>	<b>Project Definition</b>
	<b><i>Economic</i></b>		
1	<b>Human resources</b>	<p>A world-class tourism industry requires high-quality human resources. The lack of appropriate human resources (in term of the right skills, in the right place at the right time) is regarded as a significant actual and potential impediment to tourism growth.</p> <p>Anecdotal evidence suggests that tourism is not regarded as a mainstream career and that both quantity of resource and skill levels are insufficient to support the sector's development.</p> <p>As such, the generation of knowledge to ensure the flow of appropriate qualified and committed human resource is key to the sector's increasing economic contribution.</p>	<p>Research is required to:</p> <ul style="list-style-type: none"> <li>▪ Identify human resource requirements over a 5-10 year horizon, taking into account issues such as demographics, volume of resource required, skill sets, geographic distribution and seasonality.</li> <li>▪ Identify and quantify areas of shortfall/deficiency, based on current resourcing and evident trends.</li> <li>▪ Identify barriers to achieving a match between demand and supply, and opportunities for addressing any barriers.</li> <li>▪ Strengthen the relationship between skills needs and skills development.</li> </ul>
2	<b>Tourism economics</b>	<p>Anecdotal evidence suggests the overall financial performance of businesses within the tourism sector is inadequate to support future industry development.</p> <p>While we have a range of measures for the "size" of tourism within the New Zealand economy, the "value" of this activity and where it accrues is not well understood.</p> <p>As a result, the characteristics of the economic framework underpinning tourism may be inhibiting current business performance and decision-making processes.</p>	<p>Research is required to measure and identify:</p> <ul style="list-style-type: none"> <li>▪ The performance of businesses within the tourism sector, including turnover, yield factors and other measures.</li> <li>▪ The role and processes of non-commercial bodies, including central and local government, where these activities contribute to tourism</li> <li>▪ The areas where the industry is performing well/performing poorly as</li> </ul>

		<p>The generation of knowledge in these areas is critical to tourism development.</p>	<p>measured against agreed benchmarks.</p> <ul style="list-style-type: none"> <li>▪ The drivers and barriers to sound economic performance and also to triple bottom line performance.</li> <li>▪ Future capacity requirements given increasing tourism demand, future sector structures, capital requirements and any opportunities and constraints</li> <li>▪ The opportunities for mitigation of impediments and the development of strategies to maximise yield factors from tourism, reduce risks and increase certainty and facilitate investment in tourism.</li> </ul>
	<b>Environmental</b>		
3	<b>Inter-relationship between tourism and conservation lands</b>	<p>New Zealand's natural environment is of critical importance to the tourism sector. At the same time, it is believed there are limits to the extent to which New Zealand's natural environment can accommodate tourism growth.</p> <p>That said, the relationship between tourism and the natural environment (and in particular, public conservation lands) is not well understood, either in respect of:</p> <ul style="list-style-type: none"> <li>▪ the positive contribution(s) each makes to the other</li> <li>▪ the manner and extent to which tourism impacts adversely on the natural environment</li> <li>▪ the manner and extent to which tourism impacts on Maoritanga values associated with public conservation lands.</li> </ul> <p>The generation of knowledge on how the tourism sector benefits/impacts on the natural environment (directly or indirectly) will contribute to better tourism sector practice. This knowledge will also play a critical role in informing public policy with regard to management of the conservation estate and opportunities to develop experiences on private lands.</p> <p>Together, this knowledge has the potential to enable opportunities for tourism to be captured while maintaining the quality and integrity of New Zealand conservation lands.</p>	<p>Research is required to clarify the nature of the relationship between tourism and the natural environment. In particular, to identify and quantify:</p> <ul style="list-style-type: none"> <li>▪ The value the natural environment adds to the tourism sector.</li> <li>▪ The positive and negative contributions that tourism makes to the natural environment.</li> <li>▪ Other values associated with inter-relationships between tourism and the natural environment.</li> <li>▪ Opportunities to manage the public conservation lands to maximise opportunities and mitigate impacts, including options for developing optional management approaches for tourism.</li> <li>▪ Opportunities to develop and manage experiences and facilities on private lands with natural environment characteristics</li> </ul>

	<b>Social/Cultural</b>		
4	<b>Extracting value from 'the cultural dimension'</b>	<p>New Zealand's rich and diverse cultural construct, whether experienced through specific cultural product or through exposure to New Zealand's lifestyle - is an essential component of New Zealand's tourism offering and therefore of fundamental importance to the tourism sector.</p> <p>However, it is believed that culture could be more explicitly utilised as a means of adding value to the visitor experience and to New Zealand's tourism sector. Progress in this area, however, must be undertaken to maintain the qualities and integrity of our culture.</p> <p>Through enriching the cultural element of the New Zealand tourism experience, New Zealand can enhance its position in relation to our markets and also develop the visitor/host relationship so building the contribution from tourism to New Zealand's cultural construct.</p>	<p>Research is required to explore how New Zealand's broad cultural make-up can be used to:</p> <ul style="list-style-type: none"> <li>▪ Enhance the attractiveness of New Zealand as a tourism destination through the development of new cultural tourism product and services, bearing in mind demand-side research on cultural tourism.</li> <li>▪ Drive the alignment of the tourism sector with the cultural sectors to better enable the capture of opportunities and areas of potential through supply-side initiatives.</li> <li>▪ Drive increased earnings from New Zealand's cultural dimension, thereby generating reciprocal benefits for both the tourism and cultural sectors</li> </ul>
	<b>Performance Assessment</b>		
5	<b>Visitor satisfaction</b>	<p>Visitor satisfaction provides a valuable measure of how New Zealand's tourism sector is performing in meeting the needs and expectations of visitors, and a means of identifying issues impacting on sector performance.</p> <p>Over the years, a number of research initiatives have considered the causes of visitor satisfaction/dissatisfaction and appropriate monitoring tools (including current research by Tourism New Zealand, Otago University, and others (including international bodies). However, no systematic approach has been developed or implemented at this stage.</p> <p>Through the generation of knowledge relating to how we are meeting the needs of visitors, New Zealand can develop strategies designed to address areas where we may be falling short of desired levels. This is essential to the process of enhancing quality.</p>	<p>Research is required to:</p> <ul style="list-style-type: none"> <li>▪ Identify critical drivers of visitor satisfaction, as a basis for defining an appropriate measurement framework.</li> <li>▪ Develop suitable methodologies for monitoring visitor satisfaction over time and at varying scales (national, regional, local and site, and by businesses), capitalising on existing approaches and the need for consistency of approach.</li> <li>▪ Determine mechanisms for implementing consistent satisfaction models in New Zealand to contribute to the overcoming of impediments to achieving alignment of visitor desires and product offerings.</li> </ul>

	<b>Synthesis</b>		
6	<b>Impediments to sustainable tourism growth</b>	<p>New Zealand's tourism sector is subject to a wide range of constraints, including limits to available financial/human resource and product/service capacity. Unless mitigated, these constraints will define the sector's growth potential.</p> <p>Much research conducted in the tourism sector has and will be focused on understanding and addressing specific constraints.</p> <p>An overarching understanding of constraints, the interrelationships between constraints and the limits imposed by these, would enable the sector to plan and prioritise appropriate remedial action, including research, policy and commercial responses. Through these responses, the sector will be equipped to pursue its future development on an informed basis.</p>	<p>Research is required to develop a taxonomy of constraints facing the New Zealand tourism sector.</p> <p>This research will identify, define and quantify barriers to the growth of the tourism sector, including growth limits imposed by existing constraints (such as constraints of capacity, capability, policy, conditions and other) and future actual or potential constraints.</p> <p>The research outputs will inform a wide range of response processes, including mitigation actions and investigations. The research will also contribute to the prioritisation of effort.</p>
	<b>Host Communities</b>		
7	<b>Host community support for tourism</b>	<p>New Zealand's tourism sector is hugely dependent on the interface with host communities.</p> <p>These communities are themselves a critical component of the visitor experience, they provide funding for vital tourism infrastructure and can influence opportunities for tourism development by giving or withholding support.</p> <p>Little research has been conducted on public/community support for tourism and tourism development. However, anecdotal feedback suggests the contribution of tourism to host communities (and vice versa) is not well-understood. This affects potential for sound strategic planning at both local and national levels.</p> <p>The engagement of the community with tourism is key to its development and to ensuring its ongoing support.</p>	<p>Research is required to clarify and quantify the ways in which tourism contributes to host communities and vice versa.</p> <p>This will include such factors as:</p> <ul style="list-style-type: none"> <li>• Attitudes</li> <li>• Values</li> <li>• Authenticity</li> <li>• Community/visitor interrelationships</li> <li>• Community investment</li> <li>• The value of "real New Zealand" as a key part of the tourism proposition</li> </ul> <p>The research should also identify barriers to community support for tourism development, and mitigating strategies.</p>