

Quarterly Focus: Targeting International Markets

The 'Quarterly Focus' section of the RVM reports investigates in detail a topical issue, or examines in depth a specific market or market segment.

For a number of years, New Zealand's tourism industry has enjoyed sustained growth in international visitor arrivals and international visitor expenditure. However, international visitor arrivals data indicates that growth has slowed over the last 12 months and arrivals declined by -0.3% in the year to September 2008.¹ This retraction can be attributed to the current global economic crisis and, with the most severe shocks not felt until recent months, it seems reasonable to assume that arrivals will continue to decline over the next 12-18 months.

In this environment, efficient and effective marketing will be critical to maintaining market share – whether at a national, regional or operator level – and to minimising the impact of a declining market.

With this in mind, this Quarterly Focus considers characteristics of New Zealand's major international markets as they relate to channels of marketing and distribution, and the factors motivating choice of holiday destination. This analysis draws on the responses of almost 11,000 international visitors interviewed across the six participating regions since the RVM began in late 2005, and highlights a number of important differences by market of origin (and some equally important similarities).

It is hoped that this analysis will assist tourism marketers in **targeting marketing activity** to generate awareness, stimulate interest, and convert interest into sales, despite presently difficult market conditions.

Please note small sample sizes for some markets: China (n=82), Korea (n=95), Singapore (n=64) and Taiwan (n=94). Data relating to these markets should be treated as indicative only, and not conclusive.

A critical first objective in any marketing strategy is the generation of **awareness**, and RVM results indicate that different tactics may be required to build awareness in different markets.

Figure QF1 overleaf illustrates how survey respondents from New Zealand's major international markets **first heard about** the RVM region in which they were interviewed.

Reflecting findings of Tourism New Zealand's visitor research², the chart indicates that, while word of mouth is important in all markets, those interested in targeting German and/or Taiwanese visitors should consider the significant influence of guide/travel books in those markets (with the proportion of visitors first hearing about the RVM regions through guide/travel books being 40% and 38% respectively).

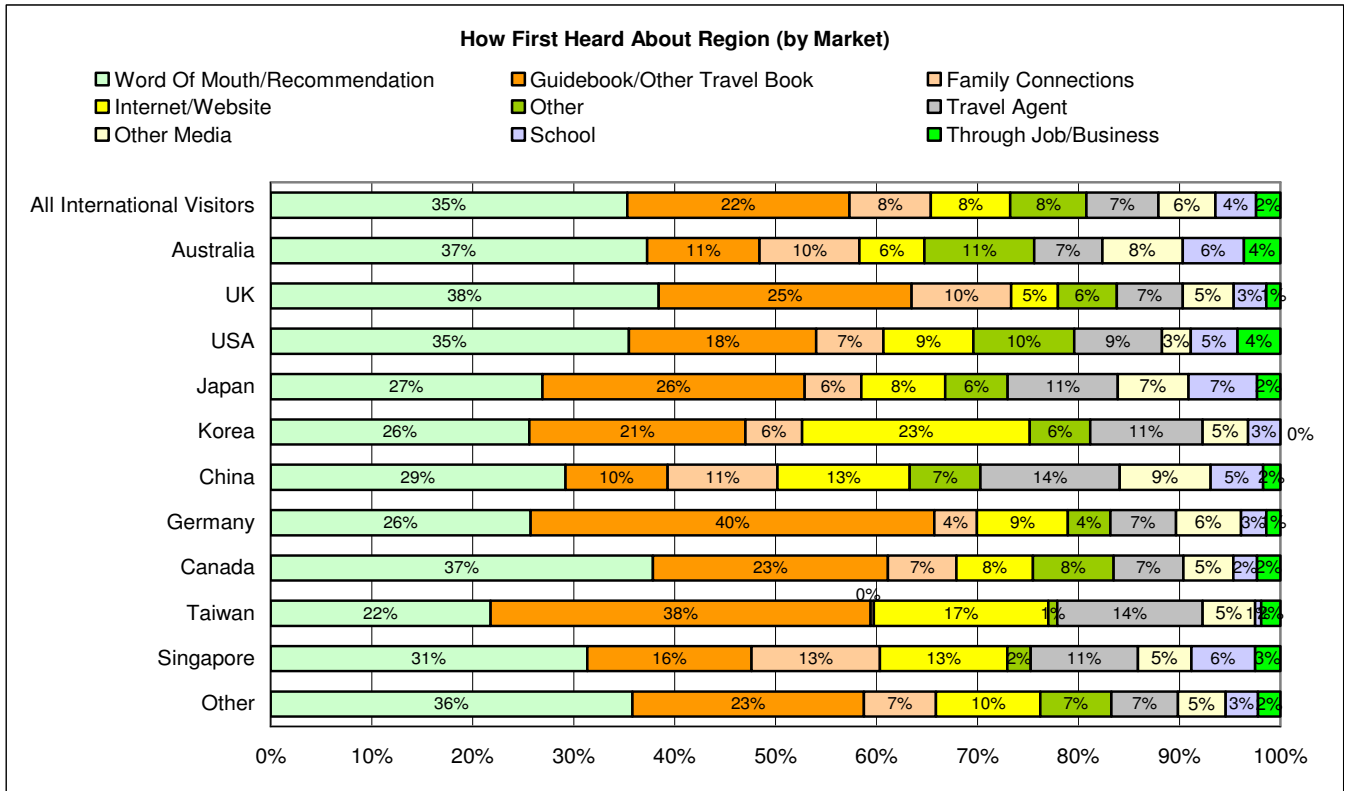
We can also conclude that online resources are a key to building awareness in the Korean market (23%), travel agents are particularly influential in the Chinese and Taiwanese markets (14% in both cases), and family connections are a significant factor in generating awareness of New Zealand's regions in the Australian (10%), UK (10%), Chinese (11%) and Singaporean (13%) markets.

Refer to Figure QF1 overleaf.

¹ [International Visitor Arrivals](#), Statistics New Zealand, YE September 2008

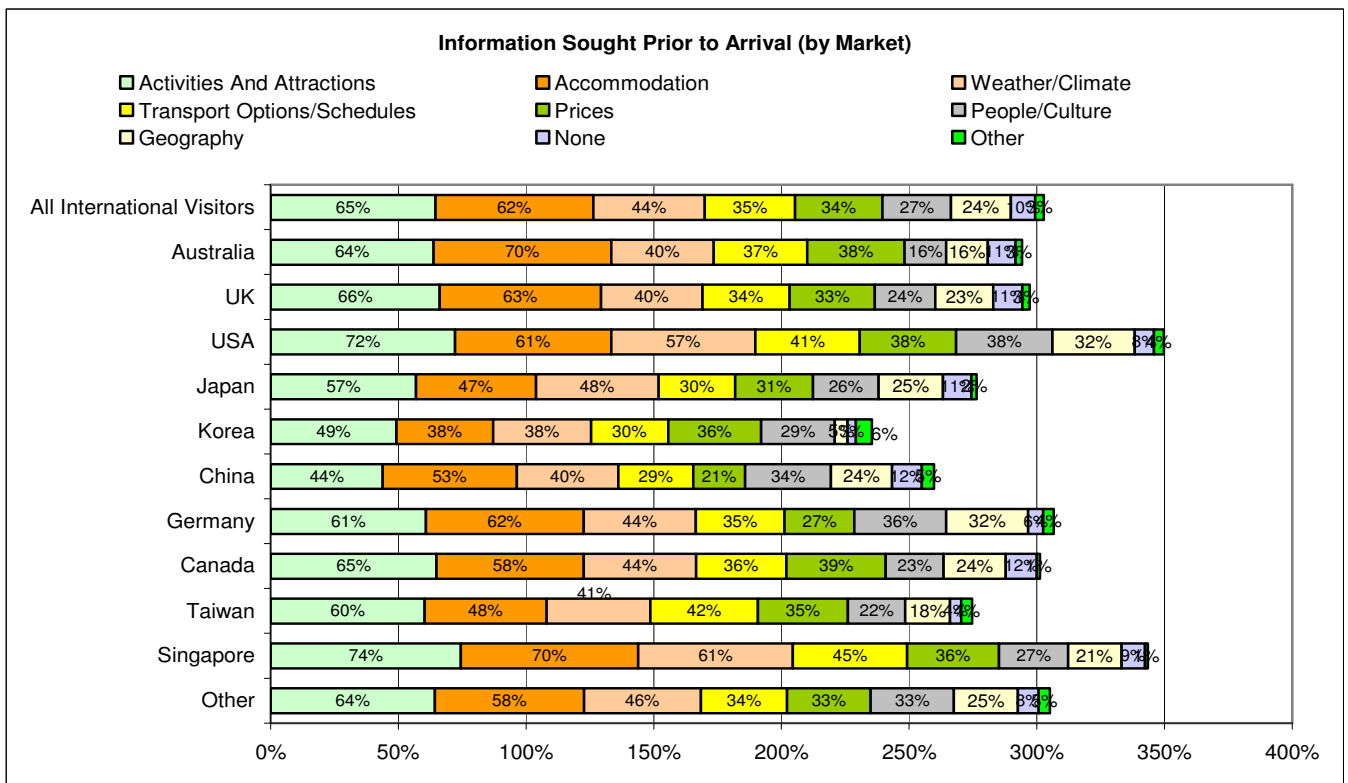
² http://www.tourismnewzealand.com/tourism_info/market-research/visitor-experience-monitor-20072008/planning-&-information-sources.cfm

Figure QF1: Generating Awareness of the RVM Regions



RVM respondents are asked what type of information they sought before they arrived in the region in which they were interviewed (Figure QF2 below). Results highlight the **interests** of visitors and how these vary by market. They also suggest areas of emphasis for communications which aim to build interest in the regions themselves. For example, results indicate that visitors from the US and Germany have a particular interest in geography (with 32% of both markets having sought information about regional geography prior to arrival). Along with visitors from China (34%) and “other” markets (33%), visitors from the USA (38%) and Germany (36%) also have a special interest in local people/culture.

Figure QF2: Information Sought by Market of Origin (Note: results total more than 100% as multiple responses permitted)

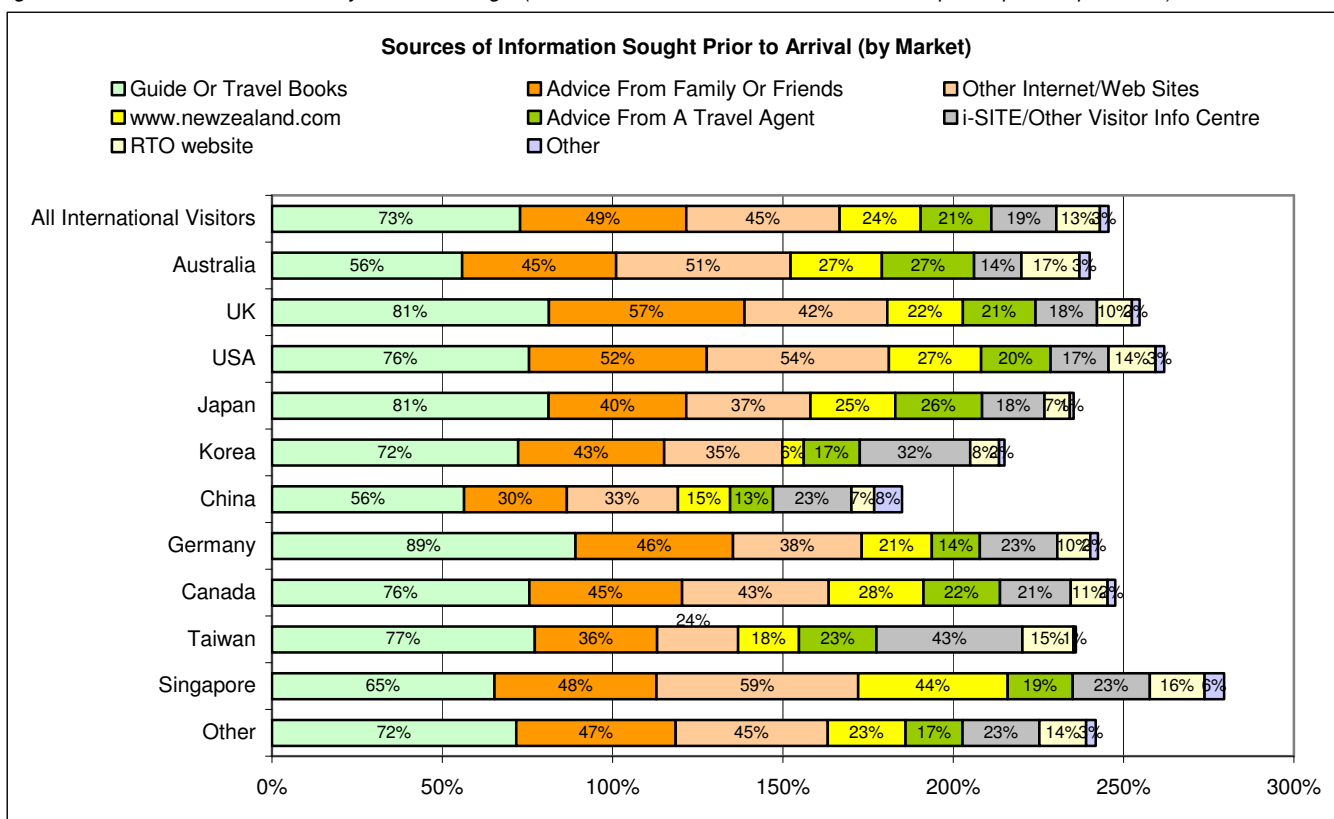


Having established the types of information sought, RVM respondents are also asked to indicate **where** they sourced this information. Results point to the most critical channels of communication within each of New Zealand’s major international markets, and provide important direction for those wishing to target potential visitors to the RVM regions (Figure QF3 below).

As found in Tourism New Zealand’s visitor research, results also confirm that guide/travel books remain an important medium in all major international markets, while i-SITEs/Visitor Information Centres are an especially important channel for those wishing to target the Korean or Taiwanese markets (32% and 43% respectively having consulted an i-SITE or visitor information centre).

Online resources are also important in all markets but especially so in the Australian (45%) and North American markets (54% US, 43% Canada). It is worth noting, in particular, the extent to which all markets refer to websites other than www.newzealand.com and RTO websites (although both are still important resources for international visitors).

Figure QF3: Sources of Information by Market of Origin (Note: results total more than 100% as multiple responses permitted)



As part of the RVM, respondents are also asked what factors motivated them to visit the RVM region in which they were interviewed (rather than an alternative destination). Responses provide important insights into the **needs** of New Zealand’s international visitors, and how these vary by market.

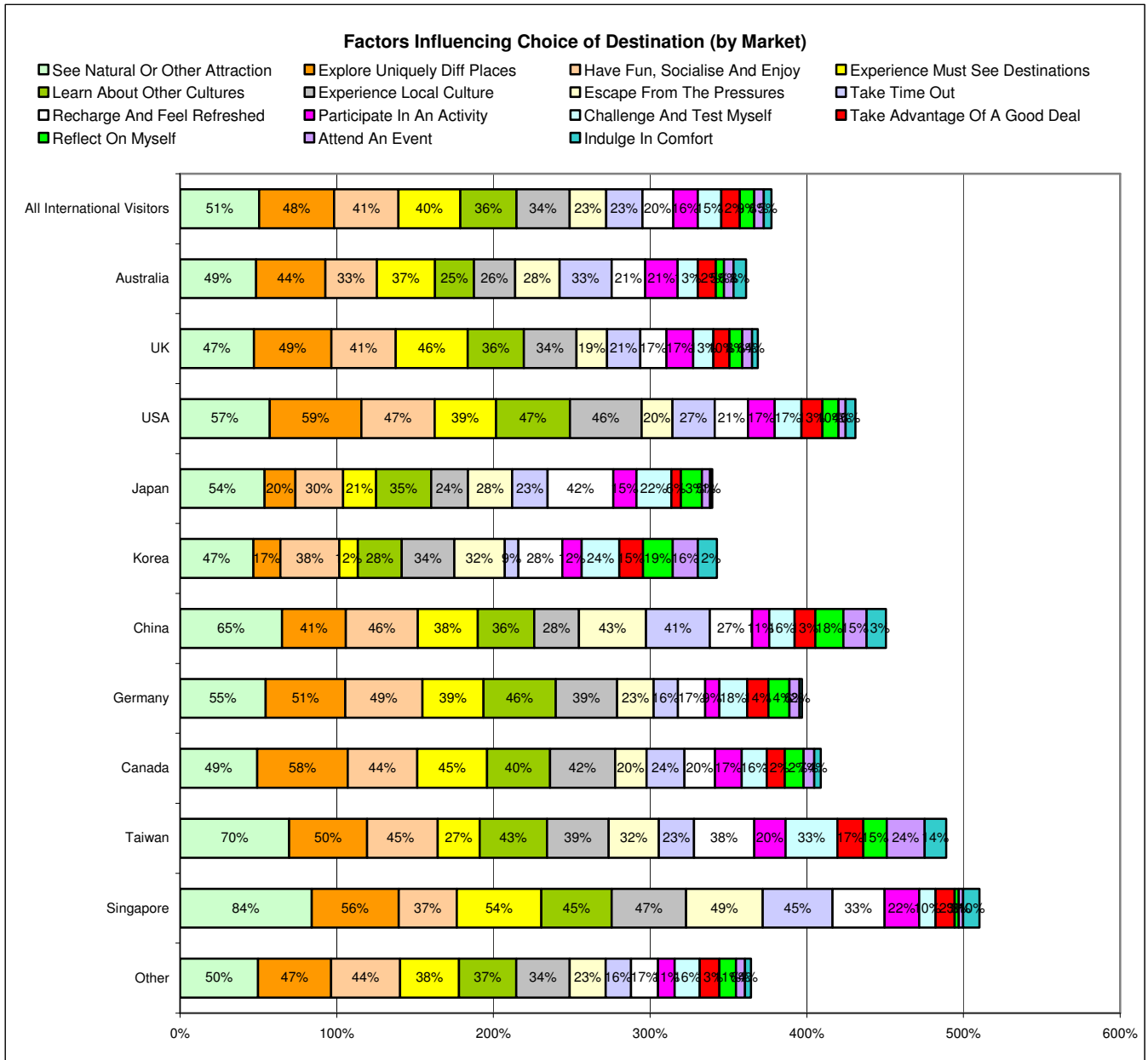
This analysis highlights, for example, that Japanese visitors have a particular need to “recharge and feel refreshed” with 42% nominating this as a factor in their choice of destination. This need is also apparent in other Asian markets (Korea 28%, China 27%, Taiwan 38% and Singapore 33%).

The analysis also reinforces the special interest that visitors from North America and Germany have in “learning about other cultures” (47% and 46% respectively). Again, this need is also evident quite strongly in a number of New Zealand’s major Asian markets.

Interestingly, the analysis also highlights the role that events play in stimulating visits to the RVM regions by visitors from Korea (16%), China (15%) and Taiwan (24%).

Refer to Figure QF4 overleaf.

Figure QF4: Factors Influencing Choice of Destination by Market of Origin (Note: results total more than 100% as multiple responses permitted)



Finally, RVM respondents are asked what they expected to find in the region in which they were interviewed (Figure QF5 overleaf) and, of the qualities nominated, which were **most important** to them (Figure QF6). Again, results provide important insights into the needs of New Zealand’s major international markets and highlight the types of messages to which each market is likely to respond.

For example, it is apparent that while the beauty of New Zealand’s scenery is important to all markets, communications which emphasise the friendliness of New Zealand’s people will resonate in particular with potential visitors from North America and Germany.

Similarly, communications highlighting the cleanliness and unspoiled nature of New Zealand’s natural environment will appeal to the Chinese market, while the qualities of urban environments (appealing cityscapes/townscapes and a vibrant urban atmosphere) are of particular interest to visitors from the UK, Germany, North America and Australia.

As a final point, it is worth noting that visitors from some markets (Korea in particular, but also Taiwan and Japan) have a smaller **set of expectations** than visitors from other markets. This may reflect lower levels of **awareness** overall and point to opportunities to further build awareness/understanding of the range of products/experiences on offer in the RVM regions.

Please refer to Figures QF5 and QF6 overleaf for detailed results.

Figure QF5: Expectations by Market of Origin (Note: results total more than 100% as multiple responses permitted)

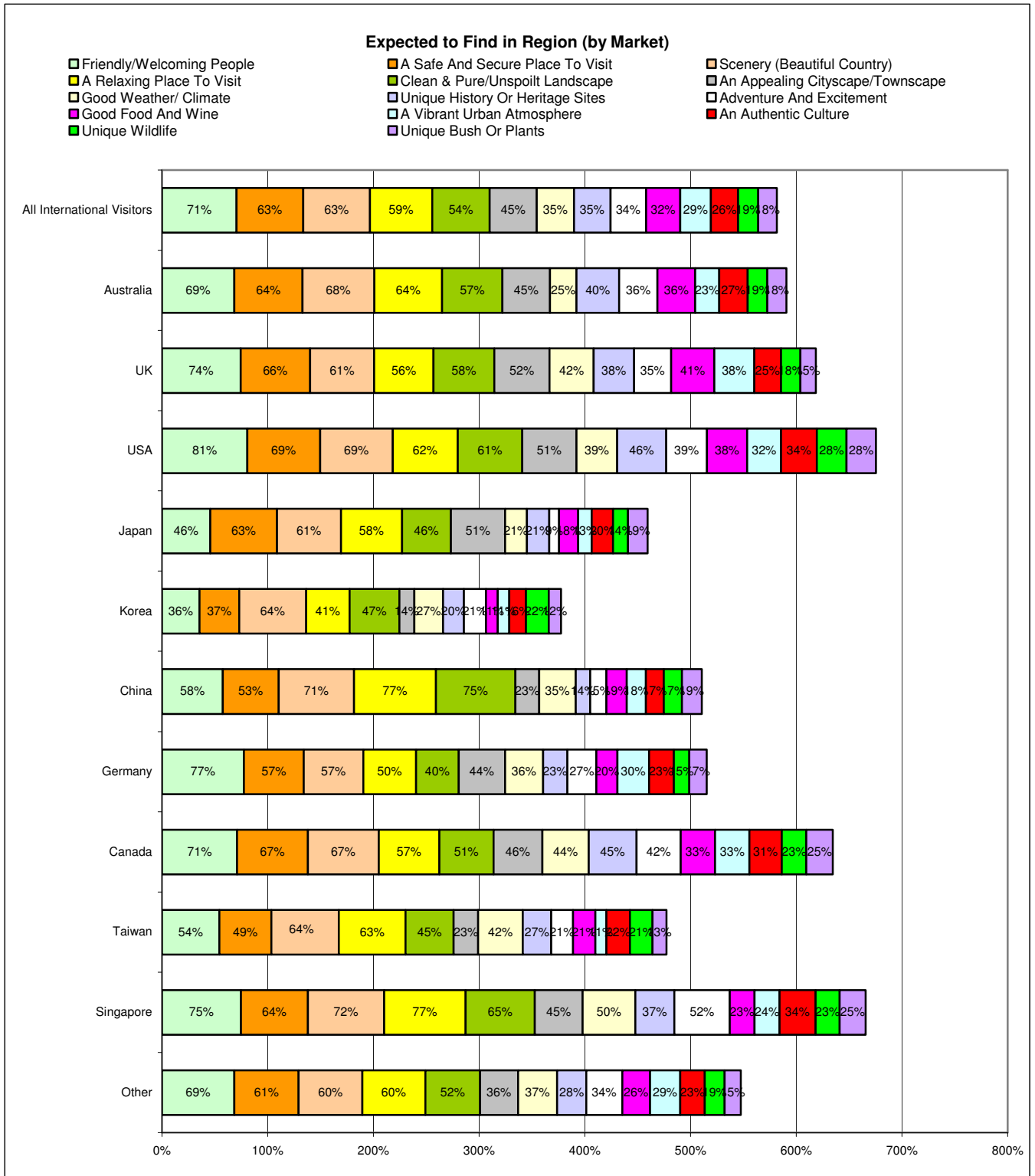


Figure QF6: Most Important Expectations by Market of Origin (Note: results total more than 100% as multiple responses permitted)

