

POSITIVELY
Wellington
WellingtonNZ.com **TOURISM**

Wellington
WellingtonNZ.com

2006/07 Draft Business Plan



POSITIVELY WELLINGTON TOURISM

2006/07 DRAFT BUSINESS PLAN AND BUDGET

The Big Stuff for 2006/07

- Maintaining market share and position in a tighter market
- Monitoring the impact of the proposed Air New Zealand/Qantas codeshare proposal on Wellington tourism
- Investing and developing in one to one marketing capability and customer relationship management systems to take advantage of growing consumer enquiries and to ensure high quality customer service experience
- Refine and develop internet and e-marketing programme and take steps to position Wellington as the most innovative e-marketing tourism agency in Australasia
- Take a leadership role in the development of the Long Haul Strategy
- Leading the industry with high quality, inspirational marketing and programmes
- Leading the development of the Wellington Regional Strategy (WRS) as it relates to tourism and branding
- Maintaining partner investment and involvement in a tighter marketplace
- Maintaining an aggressive domestic marketing position
- Refining International and Australian marketing programmes to maximise effectiveness and dominate distribution channels onshore with 'touchpoint' marketing programme
- Reviewing funding options to ensure ongoing strength of marketing programme and Positively Wellington Tourism (PWT) itself
- Ensuring Wellington retains strong presence in event and conference markets
- Taking a lead role in determining the need for upgraded convention centre facilities in Wellington

- Continuing support for the city event programme

Key Performance Indicators 2006/07

- Maintain market share in US, UK and Australian target markets
- New Zealand market growth of 1%. Partner hotel occupancy growth of 1% in weekends (capacity aligned)
- Downtown spend maintained at 2005/06 levels (source: BNZ Marketview)
- Long Haul Strategy well advanced and funding secured for 3 year period
- E-marketing opportunities researched and developed
- Maintain 2005/06 i-SITE turnover

The top challenges in the next year

- Weakening growth in most inbound markets
- Monitoring the impact of the proposed Air New Zealand/Qantas codeshare proposal
- Flat domestic market and continued outbound travel by New Zealanders
- Maintaining marketing presence with high profile campaign activity
- Continued need for product development
- Managing tourism involvement associated with the WRS
- Obtaining regional support for Long Haul Strategy

Our competitive advantages/opportunities

- Highly effective and motivated team
- Aggressive domestic marketing strategy
- Aggressive event strategy
- Wellington still maturing as an international destination
- Consumer marketing programme in Australia
- Campaigns have been refined, we are ready to take the next step in terms of customer relationship management and e-marketing techniques
- Supportive and collaborative industry

Team Culture

- To maintain competitive advantage, we view team culture and development as critical. A motivated team with a clear sense of direction is vital to achieving our goals
- Positively Wellington Tourism aims to be an employer of choice and we aim to attract the best possible people to work for us. We aim to be a top five organisation for our size in New Zealand and to win awards for what we do
- The team culture at Positively Wellington Tourism is driven off the value 'Wellington Inspired'™, we aim to inspire people about Wellington. We do this by:
 - Delivering bloody excellent work
 - Delivering great Wellington experiences
 - Challenging the expected
 - Exceptional teamwork
 - Making it happen
 - Having fun

New Zealand Marketing

Background

- Flat market forecast mainly due to offshore travel competition
- Business market likely to be flat due to tightening domestic economy
- Increasing competition for events from other regions
- Increasing room capacity will continue to impact on hotel occupancy rates and potentially yield

Focus

- Maintain partner investment in tighter marketplace
- Refine delivery of 'Have a Love Affair with Wellington' campaign based on market research
- Maintain an extensive event marketing programme and provide lead marketing role for International Sevens and World of WearableArt™ events
- Maintain Positively Wellington Tourism's involvement in event development process

Performance Indicators

- Maintain partner funding at 2005/06 levels
- New Zealand market growth of 1%
- Partner hotel occupancy growth of 1% in weekends (capacity aligned)
- 1% increase in VFR nights

International Sales and Marketing/Long Haul

Background

- Weakening growth in most inbound markets forecast
- The reducing value of the New Zealand dollar may assist in keeping inbound travel stronger than initially forecast
- Impacts of global issues such as higher fuel costs likely to impact on markets

Focus

- Seek new opportunities in new markets critical to the success of the Long Haul Strategy e.g. Asia and Central Europe
- Dominate onshore international marketing with 'touchpoint' marketing approach
- Maintain strong international marketing programme in USA and UK
- Continued drive to strengthen lower North Island international marketing alliance and International Marketing Group activity associated with it

Performance Indicators

- 1% international growth (visitor numbers and nights)
- International growth 1% above New Zealand inbound growth (visitor numbers and nights)
- Maintain market share in US and UK markets
- Implementation of Long Haul Strategy and marketing programmes initiated in target markets aligned to it

Australian Marketing

Background

- The Australian market continues to offer Wellington one of its biggest opportunities for offshore market growth
- In the 2005/06 Positively Wellington Tourism launched a new consumer campaign in Australia. This has provided a solid base upon which to continue market development
- The proposed Air New Zealand/Qantas codeshare proposal could impact on this market

Focus

- Maintain aggressive consumer and trade marketing programmes in the Australian market
- Maintain partner funding
- Monitor impacts of proposed Air New Zealand/Qantas codeshare proposal

Performance Indicators

- Maintain market share in Australian market

Downtown Marketing

Background

- Retail market forecast to slow in next 6-18 months
- Downtown Wellington is vital to Wellington visitor experience and how Wellingtonians view their city in terms of vibrancy

Focus

- Redevelopment and refinement of below-the-line marketing initiatives
- Continue to keep the concept of 'a lot happening' in Downtown alive for Wellingtonians
- Keep the 'quarters' concept dominant in all international marketing initiatives

Performance Indicators

- Maintain 2005/06 spend (source: BNZ Marketview – Monitoring Businesses)
- 10,000 subscribers to KNOW
- Below-the-line marketing initiatives operating effectively

Convention Bureau Sales and Marketing

Background

- Flat domestic economy may impact on this market
- Convention market remains critically important to drive low/shoulder season business
- Convention facility development throughout New Zealand likely to impact on market performance as Wellington's facilities fall behind in quality

Focus

- Retaining domestic leadership position in the association conference market
- Continue to focus on growing the domestic corporate market
- Growing partner contribution to convention activity
- Advocacy and research for purpose built convention centre

Performance Indicators

- Maintain share of domestic association market
- Grow domestic corporate conference market by 4%
- Grow domestic lead generation by 8%

i-SITE

Background

- Slower inbound market likely to impact on sales
- 2005/06 more challenging than past three years but breakeven objective remains imperative

Focus

- Continued revenue growth
- Maintaining breakeven objective imperative
- Developing new commission generating experiences in Wellington
- Customer relationship management and ensuring high quality customer service
- Ongoing improvement of customer response systems
- Staff training and ongoing service evaluation

Performance Indicators

- Maintain 2005/06 spend
- Produce small surplus
- Higher levels of sales conversion
- Improving levels of customer satisfaction
- Increase sales of Wellington only product by 10%

Product Development

Background

- Product development has been identified as strategically important to Wellington tourism for the last five years
- Wellington has seen some modest product development in tourist specific product (excluding accommodation). Pending developments at Karori Wildlife Sanctuary and the Marine Education Centre are encouraging
- The Wellington Regional Strategy has identified product development as important. Positively Wellington Tourism will review its product development programme in line with the Strategy and Wellington City Council's own Economic Development Plan

Focus

- Continued support for Karori Wildlife Sanctuary and the Marine Education Centre projects
- Assessing potential for repackaging of existing tourism products
- Continued advocacy for development of cultural tourism products
- Continued advocacy for purpose built convention centre and indoor sports stadium

Performance Indicators

- Karori Wildlife Sanctuary and the Marine Education Centre projects advanced
- Market feasibility for convention centre determined
- Relevant contributions to indoor sports stadium project made

Research

Background

- The national tourism data set remains limited in relation to Regional Tourism Organisation monitoring and development
- In the 2005/06 year Positively Wellington Tourism received funding to develop a more extensive Wellington-focused data set. Positively Wellington Tourism has developed a Research Plan to assist fill in some of the information gaps
- Positively Wellington Tourism has been able to leverage the funding in joint venture with five Regional Tourism Organisations, the Ministry of Tourism and Tourism New Zealand through the new Regional Visitor Monitoring Programme. This programme seeks to obtain more detailed visitor information whilst visitors are in various regional destinations throughout the country

Focus

- Maintain a leading edge research programme that helps take the industry into the future
- Delivery of Research Plan
- Regional Visitor Monitoring Programme
- Domestic and Australian market research
- Domestic campaign evaluation
- Determine need for Wellington specific domestic tourism survey
- Customer satisfaction research at i-SITE

Performance Indicators

- Strategic elements of Research Plan delivered
- National data set in relation to Wellington fully reviewed
- Domestic and Australian research programme in place

Online Marketing and e-Marketing

Background

- Positively Wellington Tourism has invested in and developed highly successful online marketing initiatives, especially WellingtonNZ.com
- Online marketing and sales conversion will continue to grow as a means of doing business. Positively Wellington Tourism wants to continue to lead in this area

Focus

- Build on success of existing activity by seeking to grow Wellington's presence as a visitor destination in electronic mediums
- Attract funding to significantly grow our online presence and sales conversion activity
- Seek to help position Wellington as the most 'connected' tourism city in Australasia

Performance Indicators

- Grow WellingtonNZ.com traffic by 15%
- Attracting additional funding for significantly increased online presence for Wellington

Other Important Areas of Focus

- Undertake a full review of funding options available to Positively Wellington Tourism to help ensure the ongoing strength of the marketing programme and Positively Wellington Tourism itself
- Maintain strong event calendar as a means of building low and shoulder season trade

- Maintain a clear tourism brand position as part of any Wellington Regional Strategy branding programme
- Ensure campaigns and activity are reviewed regularly to maintain relevance to partners and effectiveness in the market place

Financial

Commentary

- i-SITE will make a small surplus
- No budget provision for i-SITE expansion
- No budget provision for any additional activity that may be generated from the Wellington Regional Strategy
- Base funding assumed static in 2006/07 dollars for the out years
- Maintain \$250,000 Reserve fund as per Board policy