Positively Wellington Tourism

2011/12 - Quarterly Report (October - December 2011)

Summary

The calendar year 2011 has to date been a resoundingly strong year for tourism numbers and businesses in Wellington. Travellers in our part of the world this year have been impacted by three events – the Global Financial Crisis, the Earthquake in Christchurch and the Rugby World Cup.

<u>The growth in visitors has been tremendous</u> – as demonstrated by PWT's KPI's below – significant increases have been seen in the total number of visitors, the utilisation of commercial accommodation, international arrivals to Wellington, increasing cruise ship visitors and an ongoing demonstration by New Zealanders through the mood of the New Zealand Traveller Flybuys/Colmar Brunton Research that Wellington is now New Zealand's most popular visitor destination.

Whilst Rugby World Cup did not have a significant impact on the total number of visitors to Wellington during September and October the tournament had a significant impact on growing the number of international visitors and media who constantly reported positively about Wellington and the tournament events in our city. .

November highlights included the Society of American Travel Writers week long congress in the city, whilst it still early days early on line publication of articles on Wellington has been highly positive and the event was highly praised by the 450+ delegates. November also saw the Cruise ship season get into full swing and at the end of December the number of visiting boats was 31 compared to 16 for the same period in the previous season.

Continuing significant growth in arrivals from Australia to Wellington is counter to the national trend and our activity in Australia continues to bring significant, growth in arrivals from New South Wales in December was 24%, whilst from Victoria the growth achieved was 14%. Working in partnership with Air New Zealand in Australia is proving a successful formula as with our combined resources we can tell the story and educate consumers about Wellington whilst Air New Zealand provide a strong conversion mechanism. The Pop-Up restaurant 'WLG' that this report highlights provides a great example of how PWT's actions in Australia are both increasing awareness of Wellington, demonstrating its position as a city in Australasia and converting the interest in the destination to actual travel.

Wellington has achieved growth of 16.1% in arrivals from Australia during 2011. Without Wellington, New Zealand has achieved just 1.6% growth all of which was a result of Rugby World Cup. Wellington enjoyed growth in every quarter.

Key Performance Indicators

	2011/12	Second Quarter result	Year To Date Result
	Implement a stakeholder satisfaction programme to monitor the ongoing satisfaction of commercial partners and the programmes of the Trust in which they participate.	PWT will introduce a stakeholder satisfaction survey in the third quarter of the 2011-12 year	PWT will introduce a stakeholder satisfaction survey in the third quarter of the 2011-12 year
Organisational	Undertake review of shared services under the umbrella activity being led by Wellington City Council. Maintain Wellington City Council funding at 50% or less of total income.	PWT is working collaboratively with WCC considering activities that might be better provided in a shared services environment Council funding is 39.0% of total income. (36.4%) Refer Financial performance commentary	PWT is working collaboratively with WCC considering activities that might be better provided in a shared services environment Council funding is 53.7% of total income. (49.6%) Refer Financial performance commentary
	Maintain overhead costs as less than 12% of total activity costs.	Overhead costs are 17.4% of total costs. (11.7%) Refer Financial performance commentary	Overhead costs are 17.4% of total costs. (11.7%) Refer Financial performance commentary
Australia Sales and Marketing	Airline capacity maintained at least at 20010/11 levels and negotiations advanced to grow capacity further.	Trans-Tasman capacity increased by 15.9% for the Oct-Dec quarter to 262,260 airline seats.	Trans-Tasman capacity increased by 17.8% for the year to date July-Dec to 500,976 airline seats.
	Recognition of Wellington as a visitor destination in targeted regions of Australia has risen over levels measured (after one full year of activity) in March 2011.	Research regarding the familiarity of Wellington amongst Australian target markets will take place at the beginning of Q4	Research regarding the familiarity of Wellington amongst Australian target markets will take place at the beginning of Q4
	Increase Australian visitor arrivals through Wellington International Airport over 2010/11 levels by 7%	Australian visitor arrivals grew by 9,077 visitors to 44,832 for the December quarter compared to last year. This was an increase of 25.4%.	Australian visitor arrivals grew by 13,981 visitors to 73,744 for the year to date July-Dec compared to last year. This was an increase of 23%.
Convention Bureau Sales and Marketing	Grow Wellington's C&I market share within the New Zealand market by 5%.	Wellington's C&I market share of multi day conferencing declined 8% to 18% for the Oct-Dec quarter.	Wellington's C&I market share of multi day conferencing declined to 19.4% for the year to date July-December 2011, compared to 21.4% for the same period in 2010.
	5% increase in leads/referrals generated to Convention Bureau partners relative to 2010/11.	26% drop in lead and referral activity during the Oct-Dec quarter. This was partially a result of RWC.	3% increase in lead and referral activity during for the year to date July-Dec.
Downtown Marketing	Downtown weekend visitation increased by 2% over 2010/11 levels.	Downtown weekend visitation increased by 5.4% during the December quarter.	Downtown weekend visitation increased by 6.2% during the year to date July-Dec.
	Increase the audience of KNOW Wellington content (including social media channels) to 50,000.	KNOW audience currently at 67,262, a 17% increase on last quarter; KNOW enews 38,718; Facebook 22,381; Twitter 6,005.	See second quarter result

	Generate 250 Editorial placements as a result of	In the five weeks following the convention	In the five weeks following the convention
	hosting the Society of American Travel Writers Conference within 18 months (June 30, 2013) of hosting the conference.	23 media results were generated as a result of its taking place	23 media results were generated as a result of its taking place
International / Long Haul	Create a platform though carrying out the actions described here in the Trust's Statement of Intent and in the accompanying Business Plan that allows Wellington the opportunity to provide credible business propositions to potential Long Haul airline partners.	PWT has worked with WIAL to explain the business case for a Long Haul airline to multiple city, regional, business and community stakeholders. This culminated in WCC supporting the proposal for an incentive fund and the inclusion of such in the WCC Draft Economic Development Strategy	PWT has worked with WIAL to explain the business case for a Long Haul airline to multiple city, regional, business and community stakeholders. This culminated in WCC supporting the proposal for an incentive fund and the inclusion of such in the WCC Draft Economic Development Strategy
	Maintain International Visitor nights in Commercial accommodation relative to 2010/11	International Guest Nights in commercial accommodation increased 26% over the December 2011 quarter to 229,386 nights.	International Guest Nights in commercial accommodation increased 27% for the year to date July-December 2011 to 403,444 nights.
	Grow Wellington's Cruise passenger visitors in 2011-12 by 48% relative to 2010-11	Wellington's cruise season began on 7 October. There were 31 ship visits between Oct-Dec 2011, compared with 16 ship visits in 2010.	There are 83 forecast ship visits for the 2011/12 cruise season. Full passenger numbers will be available at the end of the season but are forecast to reach 134,000, an increase of 47% on 2010/11.
New Zealand and Event Marketing	Domestic visitor nights in Wellington city maintained relative to 2010/11	Domestic Guest Nights in commercial accommodation declined -8.6% during the December 2011 quarter to 297,730 nights.	Domestic Guest Nights in commercial accommodation increased 3% between July-December 2011 to 651,561 nights.
	Weekend rooms sold in partner hotels maintained relative to 2010/11	Weekend rooms sold in partner hotels increased 9.5% in the December 2011 quarter to 49,213 rooms.	Weekend rooms sold in partner hotels increased 16% in the six months to December 2011 to 100,476 rooms.
Online and IT	10% growth in visitors to WellingtonNZ.com relative to 2010/11	There were 419,512 visits during the Oct-Dec quarter. This was a -9% decrease from the pervious year. (The decrease was driven by emailing people the Advent Calendar voucher and collecting their email address for the KNOW database, rather than getting them to download voucher directly from WelligntonNZ.com)	WellingtonNZ.com received 851,231 visits for the YTD July-Dec. This was a +4% change from the pervious year.
	Generate \$630K of bookings through WellingtonNZ.com	Bookings generated \$158,769 during the quarter (Oct-Dec). This was a -2% decrease result compared to the pervious year.	The YTD July-Dec result saw \$338,046 generated through bookings. This was an increase of +3.17% compared to the

			pervious year.
i-SITE Visitor Centre	Maintain i-SITE revenue relative to 2010/11	i-SITE revenue in Q2 totalled \$1,080,095 an increase of 27.3%compared to last year	Year to date i-SITE revenue has increased by \$422,808(24%).
	Increase proportion of sales of Wellington product by 5% relative to 2010/11	Sales of Wellington product were 32% of total sales this quarter compared to 29% last year, a 3% increase.	Sales of Wellington product YTD were 32% of total sales YTD compared to 26% for the same period last year, a 6% increase.
	Visitors to the i-SITE maintained at 2010/11 levels	Oct-Dec visitor numbers were 105,917. This is an increase of 10.3% for the same quarter last year.	YTD visitor numbers were 183,012. An increase of 9% compared to the same period in 2010.

Highlights of our Activity

Downtown Marketing

Advent Calendar

Back by popular demand, on December 1st, the KNOW Advent Calendar 2011 was launched.

Building on 2010's achievement, some hefty targets were set; increase unique visitors by 10%, social media shares by 20% and KNOW eNews subscribers by 6%. These targets were well exceeded.

By changing tactics to place emphasis on data capture, we acquired 8,400 new KNOW subscribers, 2,500 of which were acquired in the first 24 hours. This was 789% above target, and resulted in the KNOW eNews database growing by 25%.

By increasing the presence of share buttons, we increased shares by 100% YoY to 6,757. The Advent Calendar was visited 154,500 times, from 61,500 unique visitors (+26% YoY) from 106 countries.



Social Media

- Facebook fans grew by 7% on last quarter, increasing our global fan base to 22,381. Of note, Wellingtonian fans grew by a significant 21%.
- The Facebook post with the greatest fan engagement was a photo album entitled "Some Like It Hot" showcasing the arrival of hot weather on November 30th. In addition to the 194 likes and 25 comments, 89 fans shared this post with their friends, resulting in 22,918 impressions to their friends who are not PWT fans.
- Twitter followers increased by 5% on last quarter, bringing our total followers to 6,163.

New Zealand Marketing

Unveiled at Te Papa

- PWT ran a TV campaign promoting the Unveiled: 200 years of Wedding Fashion from the Victoria & Albert Museum exhibition.
- In addition to the TV campaign PWT launched a Facebook "What's your style" application promoting the exhibition. Interim results from 9 Dec 16 Jan: 4,155 visits, 3,745 Unique visitors, total plays 4928, unique plays 2634, shares 2089.

3 for TWO

- Weekend rooms sold in partner hotels increased 9.5% in the December 2011 quarter to 49,213 rooms. One of the key drivers of this growth was the 3 *Nights for Two* hotel campaign we ran during November and December targeting stays in December and January.
- All 20 Wellington hotel partners were involved in the campaign and it generated almost 700 bookings.
- For this summer 3 for 2 campaign we extended the offer to other business sectors such as attractions, retailers, bars and restaurants. Wellington businesses from Logan Brown to Kirkcaldie & Stains are involved, and the offer is open until the end of January.



PR / Media Activity / Media Results

Destination Media Profile

The editor of **Metro magazine** was hosted, resulting in a four-page spread on the NZ International Arts Festival and '20 Reasons to Visit Wellington in February/March 2012'. In partnership with the festival, previews were negotiated with the **Nelson Mail**, **Christchurch Press, Manawatu Standard** and **Sunday Star Times** with follow up famils scheduled for the opening weekend of the festival.

The **NZ** Herald also ran a 'Capital Way to Sample City' and PWT sent Lucas de Jong from **TVNZ's Breakfast** to Melbourne to profile WLG as a way of sharing the project and its 'culinary capital' messages with domestic audiences.

The following destination releases were also shared with travel and fashion media:

- :: Labour Weekend Breaks in the Capital of Cool
- :: What's Your Style?

Industry Media Profile

UNINES SUMMER

LEGGLING CHIEF COLUMN COLUMN



Through the quarter Wellington had a number of positive statistics to share, which flew in the face of a trend of many national stories about a fairly static economy and disappointment from some regions and businesses in Rugby World Cup. A lot of focus was put on reporting and sharing these stories, with great pick up on Wellington's record winter, Australia campaign results, cruise season forecasts and WLG restaurant in the Dominion Post and Newstalk ZB in particular. The Society of American Travel Writers conference was covered by both television networks.

NZ Marketing magazine also ran a three page spread on 20 years of marketing Wellington called 'The Rise of Capitalism', profiling the legacy of Absolutely Positively Wellington and all that has happened since.

The following tourism statistic and project releases were distributed in the quarter:

:: August Surge Completes Record Winter for Capital of Cool

- :: Wellington Set for \$32 million Summer Cruise Injection
- :: 3 Nights for Two Ain't Bad Wellington Businesses Team Up for Summer Campaign
- :: WLG to Serve Second Serve in Cross-Ditch Culinary Affair
- :: Wellington Set for Major Profile Boost in North America
- :: Rugby World Cup Sees Record September in Capital
- :: Coolest Little Conference Capital in the World WOWs Delegates
- :: WLG Pop Up Creates a Stir
- :: Australia Campaign Key to 2011 Success

Australia Marketing

Visitor numbers to Wellington from Australians increased by 25.4% in quarter two, to total 44 832 direct arrivals – Wellington's best quarter figures on record for Australian arrivals. The growth can partially be attributed to RWC arrivals, but the capacity spike in seats available (an extra 35 000 direct seats available in this quarter), and in turn lower fare prices has helped stimulate demand.



The highlight of quarter two activity in Australia was **WLG**, the second pop up restaurant, delivered in Melbourne in November. This project followed the successful activity undertaken with WLG in Sydney in Sept 2010.

This time around PWT worked much closer with Air New Zealand to ensure the project had a stronger tactical offering and had cut through in their channels. WLG also involved work with over 25 food, beverage and wine suppliers and over 25 restaurant staff from throughout the Wellington region.

In total close to 2000 people dined at WLG, including over 200 media, travel trade and industry. Media wise over 120 pieces of Australia media coverage were generated with an estimated audience in Australia of nine million people.

The <u>Air New Zealand presents</u> <u>Restaurant safety at WLG</u> stunt generated an enormous amount of

publicity, with over 45 000 views on Youtube, and pick up through national broadcast media. Importantly airline seats sold between Wellington and Melbourne in the month following WLG were well up on the same period the year prior.

The **Qantas Great Crusade** activity concluded at the beginning of Q2, in conjunction with Qantas Airways, Tourism New Zealand and Auckland Tourism.



Take advantage of those fanilastic tares to New Zealand from new until 15 July, and you could go into the draw to win a lite for you and a triand on the ultin supporters laur - The Great Grusade's Entrants must be 16 or older. To book or for more information, terms and conditions, visit qanias.com/greaterusades



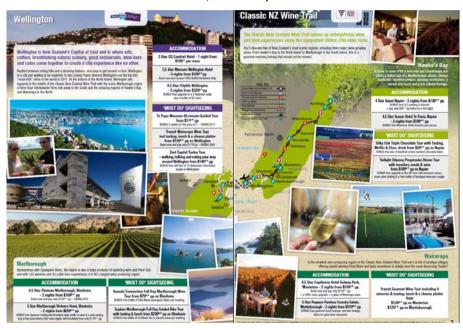


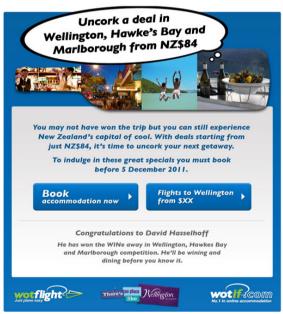
The "Crusade" consisted of 25 branded campervans travelling in convoy all over New Zealand, following the Qantas Wallabies from game to game. Filled with competition winners, tour host, band and film crew, experiencing the best of New Zealand. Bookings to New Zealand through Qantas saw an overall lift during the RWC, peaking during the core rounds and again during the finals period.

70% of those exposed to Qantas activity around the RWC agreed that seeing the activity increased their interest in visiting New Zealand.

Trade

Trade work continued with key traditional travel trade and online travel trade, in the traditional space namely with **ANZCRO** through their retail channels, promoting Wellington and the Classic NZ Wine Trail as a stand alone touring route. ANZCRO are the largest Australian wholesaler to New Zealand, and only sell NZ, their numbers have been hit hard, like many Australian trade since the Christchurch earthquake.





A large scale piece of activity also took place in late November with **Wotif.com**, Australasia's largest online travel agent (OTA). Work resulted in some 36 000 additional names to PWT's Australia and New Zealand database. Bookings also rose sharply over the two week campaign (with an 85% increase in bookings and a 100% in room nights booked compared to the same period in 2010).

PWT undertook its first sales calls in three years to Perth, WA running trade events with Air NZ and Virgin Australia, sales and trade calls were also undertaken on this trip to

undertaken to key wholesalers in Adelaide, Melbourne and Sydney.

Australian web traffic to WellingtonNZ.com for the Oct 1 – Dec 31 2011 period increased by over 42% compared to the same period in 2010. To total 56 414 visits or just over 600 Australian visits per day.

Digital Marketing

During October and November, the Content Management System (CMS) running WellingtonNZ.com was upgraded from Drupal 5 to Drupal 7.

Although this project did not affect the front end of WellingtonNZ.com, it was a significant upgrade that will allow the planned development projects of 2011/2012 to be rolled out in Q3 and Q4. These include A/B homepage testing to increase conversion rate (commenced Jan 12), increased functionality and usability of the itinerary and mapping tools, and the social media sharing project.

December also saw a change in user behaviour on WellingtonNZ.com. Although the number of bookings increased quarter on quarter by 3%, the average value per

user decreased 16%. The low value per user was a result of people choosing activities over accommodation bookings for the Christmas period, in line with 2010 trends.

International Marketing

Hosting the Society of American Travel Writers Convention in Wellington in November 2011 was equivalent to six years worth of international media files in just one week. This joint venture project between Tourism New Zealand, Positively Wellington Tourism and Air New Zealand saw 450 delegates undertake their core convention programme in Wellington. SATW included over 60 half and full days of touring to source potential story angles, showcasing tourism activities around the Wellington region and as far as Marlborough and Wairarapa. Media results are likely to keep coming for up to a year. Highlights to date include:

- Land of the Hobbits by Jayne Clark has been circulated in several major outlets including USA Today, ABC Online and The Toronto Star.
- Sustainable Wellington by Bea Broda refers to Wellington as a 'people-centred, connected Eco-city' and featured Mayor Celia Wade-Brown, YHA Wellington, Ohtel, Wellington Zoo and the Wind Turbine.
- Ruth Pretty's Cooking School was the star of Diana Rowe's feature for Uptake.com while the Classic New Zealand Wine Trail regions featured in June Naylor's piece for 360 West magazine.

Time Out UK magazine went to press with an entertaining and on-brand post-RWC story titled Give It Some Welly, starting "Just about recovered from Rugby World Cup triumph, New Zealand's pintsize capital is getting back to what it does best: art, culture and a civilised disregard for sport" and telling readers "NZ's bayside capital, a city with a third of the people (of Auckland) and about 4 percent of the skyscrapers, enjoys universal thumbs-ups."



Give it some Welly



http://www.travelvideo.tv/news/new-zealand/11-09-2011/sustainable-wellington-new-zealand-is-apeople-centered-connected-eco-city and eTurboNews

Green Tourism is a popular buzzword in the travel industry, and everyone is getting on board in one way or another. Every hotel boasts evidence of some sort of environmental conscience, but many have been accused of "greenwashing," meaning that they are only paying lip service to the public interest in environmental sustainability. Today I had the opportunity to tour some of the authentically environmentally sustainable properties in Wellington, New Zealand, and to speak with the city's forward-thinking mayor, Celia Wade-Brown, who joined our small contingency of members of SATW' at the local zoo to tell us more about the green aspects and strategies of Wellington, which is New Zealand's capital. Ms Wade-Brown is famously known to have cycled to Wellington airport to meet Hillary Clinton, an incident she laughingly referred to as "one of the top ten cycling events in the U.S."





Less than an hour from Wellington in the rural tranquility of Te Horo is an opportunity to test your culinary skills at the Ruth Pretty Cooking School. More than that, it's an opportunity to relax and enjoy Ne cusine like a V.I.P. with one of the country's best-loved chefs.

School and the base of her catering business is located at Springfie a surreal 27 acre rural property on the Kapiti Coast of New Zealand's North Island. The marketing garden area of Te Horo is known for its fresh fruits and vegetables and supplies most of the produce for Ruth

Like its surroundings, the moment our bus rolled onto the miniature arm, Ruth Pretty and her staff welcomed us, and then promptly escorted us into the gift shop for a coffee - low's flat white, if yo



We were then uphered into a

glass encased patio for a visit th Ruth herself - and a

mple of two amazing brunch items: Roast Chicken, Herb & Bason cktail) Sandwiches and Beauty Cake. I could not get enough of the A dozen inbound and trade calls were made last quarter. Companies handling the Indian market were targeted for itinerary planning and product information as a follow up to PWTs participation in Kiwi Link India in Q1.

RWC2011 Quarter Finals weekend was busy with the last of the international media hosting contingent. Interest in The Hobbit movie and premiere is building with writers seeking story angles and tour companies considering departures to coincide with the premiere. During the quarter, PWT hosted a senior writer from fan site theonering.net, a German Product Manager's familiarisation and a frontline UK agent familiarisation.

Convention Bureau Sales and Marketing

The Bureau employed the services of Andrea Werner as our Australian Business Development Manager, based in Sydney effective from early October. This position was significantly supported financially under a joint venture agreement by Positively Wellington Venues (PWV) and Te Papa. Andrea familiarised herself with the core venues in the middle of October and PWV kindly hosted an industry welcome for her.

The Society of American Travel Writers 2011 Convention was held in Wellington in November. The Convention Bureau and its members were highly involved in the event.

Some of the feedback from the President of the Society

What was your overall impression of Wellington as a conference destination?

I knew Wellington would be a great place for our conference, but it exceeded all expectations.

SATW has never had a convention with so many outstanding venues and restaurants within easy walking distance of the hotels.

SATW has never had a convention with so many odistanding vehices and restaurants within easy waiking distance of the noter

Andrea Stephen, the Convention Bureau Manager and Andrea Werner attended the PCO Conference in Auckland in December.

A familiarisation of Wellington for seven key Professional Conference Organisers took place post conference and generated highly positive feedback.

Statistics - The most recent quarter results have seen a drop in multi day activity for Wellington. This is partially a result of the RWC 'commitments' made by the business sector across the board and business moving to new dates away from the game schedule. Whilst this was expected the drop in multi day share of events was not. Work is now being undertaken in the next quarter to ensure the data inputted by our venues is accurate and up to date so that we can work out if this is a 'blip' or a trend.

i-Site Visitor Centre

- 1. Management A new i-SITE Manager was recruited to cover the current manager's 12 month maternity leave period. Selena Murray is the former manager of the Nelson region i-SITE's. She commenced the position with PWT on 24 January 2012.
- 2. Cruise Ships Wellington hosted 28 cruise ships in this quarter which carried a total of 54,430 passengers.



- 3. Footcount Wellington i-SITE Visitor Centre footcount was up 10% this quarter compared to last year.
- 4. Wellington City Ambassador Programme The volunteers were hosted at ZEALANDIA for a morning tea and guided tour of the sanctuary. They continue to enjoy their roles and we have received very positive feedback on their service from both locals and importantly cruise ship visitors.









Financial performance

The budget and related KPI's presumed that Joint Venture Activity in Australia would result in cash flow through PWT. However working with Air New Zealand in this financial year rather than Tourism New Zealand has meant that our campaign structure changes with each organisation paying accounts up to \$1m. Thus whilst the work is being carried out in market the Joint Venture partners cash is not passing through PWT. If it were Overheads would represent 11.7% of revenue and WCC derived income would be 49.6% of total income year to date.