

Identifying visitor growth opportunities
Accelerate 25 Tourism Action Plan Update
Wednesday 14 December 2016



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Background & business issue



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Visit Ruapehu's key business issue

How can Visit Ruapehu grow the volume and value of domestic and international visitors to the Ruapehu region?

What is the size and profile of the domestic travel market?

What do people think of the Ruapehu region and what it has to offer?

What do people do, or plan to do, when visiting the Ruapehu region?

What are the opportunities for growth and how can these be activated?



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In late February 2016, TNS conducted an online survey of just over 700 people to address these research questions

Method

- Online survey

Target audience for market sizing

- To size the domestic holiday market and gauge the incidence of visitation to Ruapehu we spoke to n=2,207 New Zealanders aged 18 to 74 to get a gauge on the size of the market
- The margin of error on this sample is +/- 2.1% at 95% confidence

Target audiences to identify insights about the Ruapehu region

- To identify relevant insights for Visit Ruapehu, we wanted to speak with both previous visitors of the region and people likely to go on a domestic holiday in the next 12 months:
 - **Ruapehu visitors** – We surveyed n=307 people that had visited the Ruapehu region (for any amount of time) in the past 12 months. The margin of error on this sample is +/- 5.6% at 95% confidence
 - **Travel intenders** – We surveyed n=401 people that indicated they were likely to take a domestic holiday in the next 12 months. The margin of error on this sample is +/- 4.9% at 95% confidence

Weighting

- The collected samples have been weighted to the NZ population by age, gender and region, as per the latest Census 2013 statistics publicly available from Statistics New Zealand



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Key messages



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Key messages

- 1** The size of the addressable market for domestic holidays is large at 75% of NZ adults, equivalent to 2.2million people
- 2** There are opportunities for the Ruapehu region to attract more visitors by articulating a clear and unique value proposition
- 3** The region's unique value proposition could be that Ruapehu is an affordable, family-oriented destination for outdoor & adventure activities
- 4** High levels of visitor satisfaction provides an opportunity for Visit Ruapehu to leverage positive word-of-mouth, for example via social media
- 5** The current regional boundary is only relevant in an administrative sense and many people don't realise when they've visited the region
- 6** Educating the market about Ruapehu has the potential to double consideration for travel there
- 7** There is nothing to suggest that naming the region anything other than Ruapehu would improve Visit Ruapehu's ability to market it successfully



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What is the size of the addressable market?



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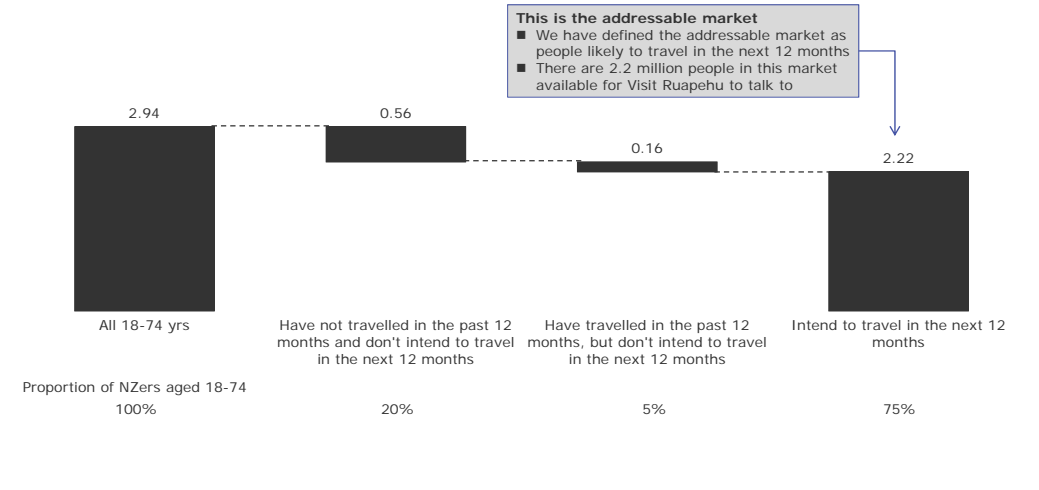
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There is a large addressable market for domestic travel – 75% of NZ adults, equivalent to 2.2m people

Size of the market for domestic holiday travel for 2016

New Zealanders aged 18-74, millions



This is the addressable market

- We have defined the addressable market as people likely to travel in the next 12 months
- There are 2.2 million people in this market available for Visit Ruapehu to talk to



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What is the profile of Ruapehu visitors?



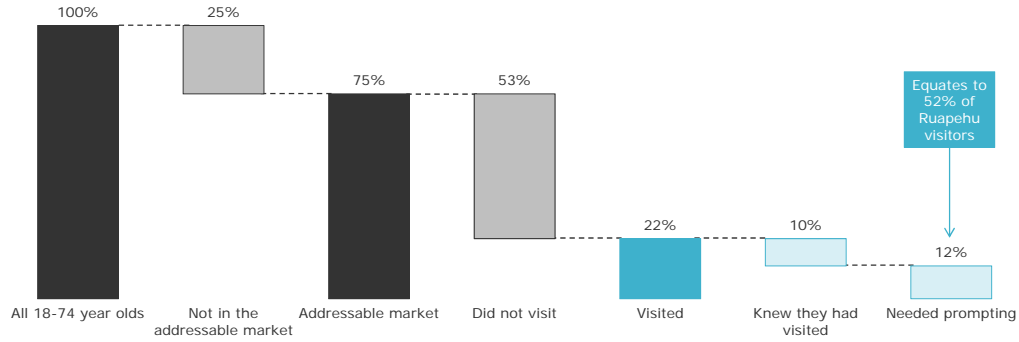
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Visitor volumes are good, but over half of visitors aren't aware they've been in the region – they need further questioning to realise this

Claimed visitation to the Ruapehu region for any amount of time, in the last 12 months
%, New Zealanders aged 18-74



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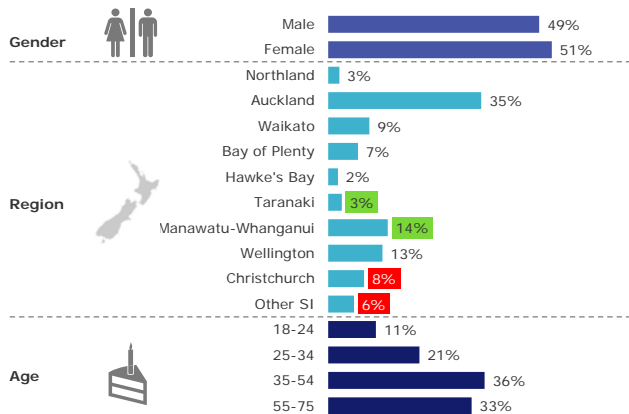
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Ruapehu visitors over-index on being from neighbouring regions, but are no more or less likely to come from the largest cities – AKL and WLG

Profile of people that have visited Ruapehu in the last 12 months
%, Ruapehu visitors



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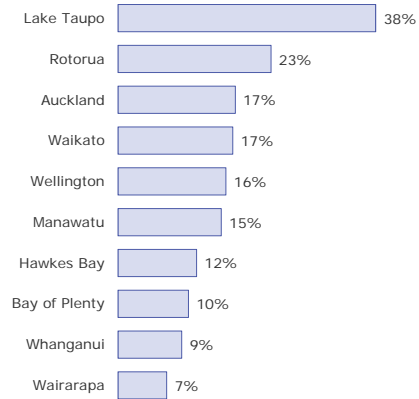
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Collaboration with other North Island locations makes sense



51%

of visitors to Ruapehu said they visited another region on the same trip



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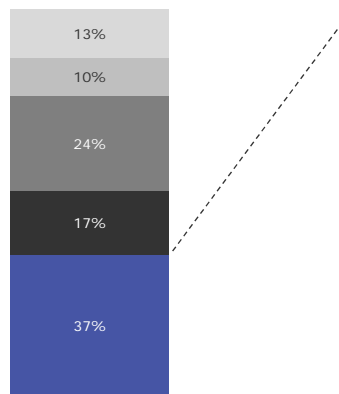
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There is an opportunity to convert the relatively large pool of short stop visitors (37%) into overnight visitors

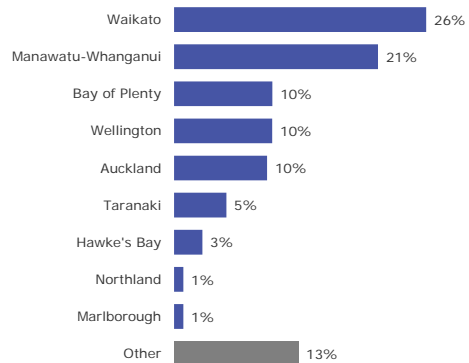
Length of stay in Ruapehu
%, Ruapehu visitors



- Four plus nights
- Three nights
- Two nights
- One night
- Short stop (no overnight stay)



Origin of visitors that made a short stop
%, short stop visitors



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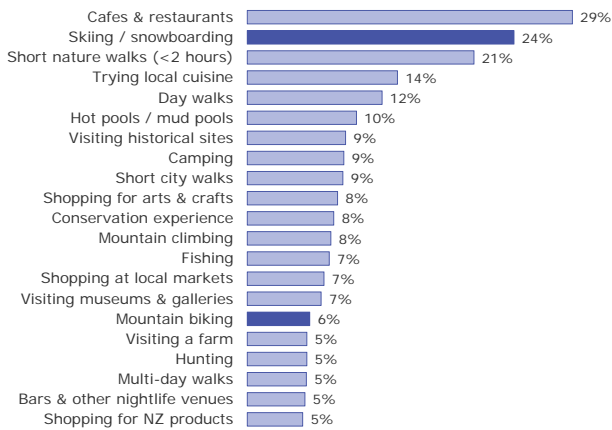
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Naturally, snow sports is a major visitor activity for the region and there are opportunities to increase participation in the other outdoor activities it offers

Activities done while in Ruapehu with at least 5% participation

%, Ruapehu visitors | 22 out of 48 activities shown, based on at least 5% participation



Point for consideration

Cycling and mountain biking are activities that do very well for the region – but it's key to put in context that these appeal to a small niche of the market, and therefore, most people visiting the region don't participate in those activities (cycling participation = 4%)



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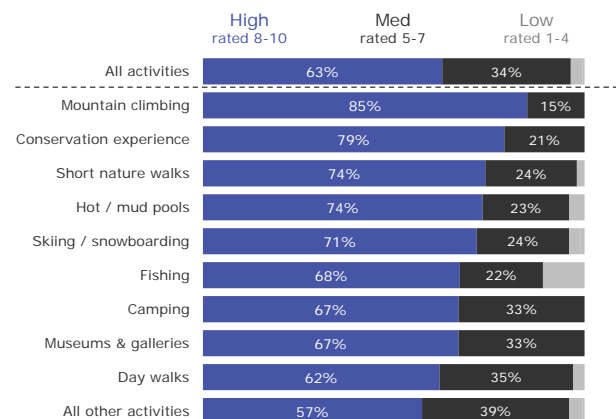
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Those that participate in activities are very satisfied with their experiences, attesting to the quality of product on offer

Satisfaction with activities in Ruapehu, ranked by performance

%, Ruapehu visitors that participated in activity, rated on a scale of 1 to 10



Thought starter:

- What actions can we take to have visitors rating our business 8+ out of 10?
- What ways are we currently monitoring satisfaction at the moment?
- How can we harness high levels of satisfaction to convince more people to participate?



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Overall satisfaction with visits to the region is strong and many would recommend it to others as a result

Overall satisfaction with Ruapehu visit
Ruapehu visitors

Inclination to recommend Ruapehu
Ruapehu visitors

57%

of Ruapehu visitors are highly satisfied with their overall experience



82%

of Ruapehu visitors would recommend the region to others



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How desirable is Ruapehu to visit?



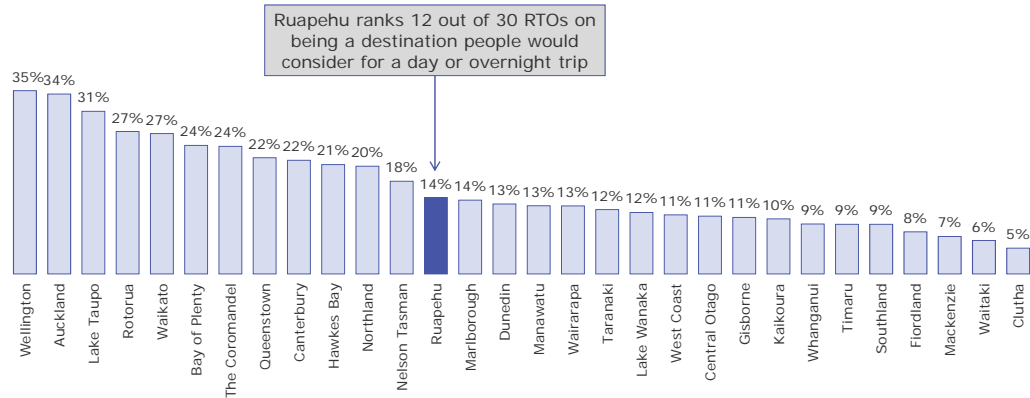
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Current consideration for Ruapehu is moderate

Consideration of New Zealand regions for either a day or overnight trip
%, addressable market



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Consideration for Ruapehu is constrained by the view that it isn't particularly accessible, it's all about ski and that it is weather-affected

High level barriers to considering Ruapehu for a domestic holiday
(%, non-considerers)

- 39%** **Inaccessible**
It's out of the way / too difficult to get to / roads are poor
**Particularly if you're from the South Island*
- 30%** **Weather-affected**
There's little to do in poor weather / it's too weather-affected
- 24%** **Ski**
There's nothing else to do but snow sports
- 13%** **Taupo**
The Taupo side of the lake has more to offer
**Particularly if you're from Auckland or Wellington*
- 11%** **Limited activities**
Quality of activities is poor / other regions offer better



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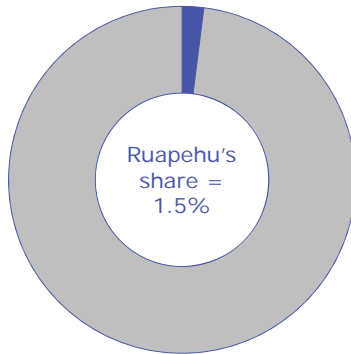
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Even people that would consider Ruapehu don't have a very strong attachment to the idea of visiting the region – we can remedy this by better appealing to the market's wants and needs

Power in the mind for New Zealand regions for domestic holiday travel
(% = region's share of market desire, addressable market)



- Power in the mind is a measure of a brand's desirability – in this case, the brand is Ruapehu
- It is a share-based measure, i.e. desire for all brands (RTOs) in the market sums to 100%
- Ruapehu has 1.5% share of desirability in the market
- Wellington ranks 1st with 10.8% share
- This means Ruapehu ranks 21st out of 30 RTO regions on desirability
- This ranking is lower than Ruapehu's ranking on consideration (13th out of 30)
- What this means is that people might consider Ruapehu, but it doesn't appeal strongly to them
- **The goal is to increase appeal of the region by better connecting with travellers' wants and needs**



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What drives destination desirability?



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If we are to better meet the market's wants and needs, we need to know what people look for when choosing a destination – most often, people want somewhere ideal for families and where you can have fun and relax

What aspects drive the market's choice of domestic leisure destination?

Most important	Moderately important	Least important
Have fun & enjoy	Landscapes & scenery	Amazing beaches
Ideal for families	Outdoor & adventure	Unique experiences
Ideal to relax	See lots without travelling far	Wildlife experiences
Cafes & restaurants	Not weather-affected	Challenge oneself
Easy to get around	Affordable to get to	Ski & snowboard
Range of experiences	Affordable activities	
Suitable year-round	History & heritage	
Great accommodation	Landscapes & scenery	
Popular	Outdoor & adventure	



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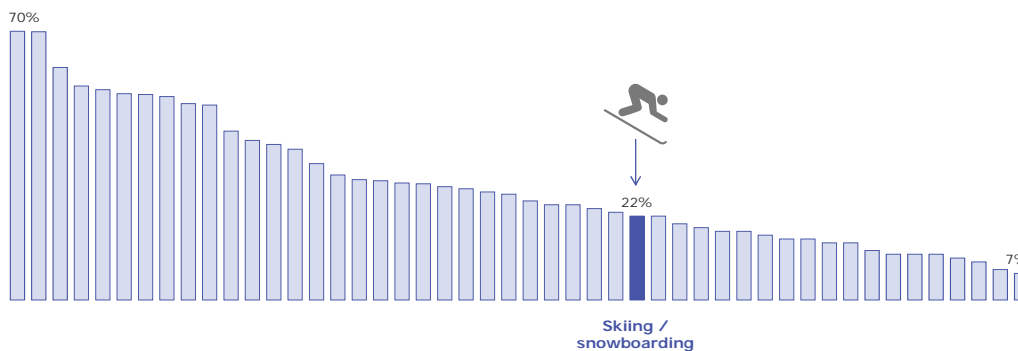
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Skiing-related visits are obviously key for the region, but in the context of the broad range of activities one could do on holiday, skiing is relatively niche

Activities people are interested in doing when on a domestic holiday
(%, addressable market)



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An opportunity for Ruapehu is that ski is what dominates people's perception of the region, so the challenge is to broaden the market's perceptions in a way that aligns with the things they want to see and do

Unprompted associations attached to Ruapehu



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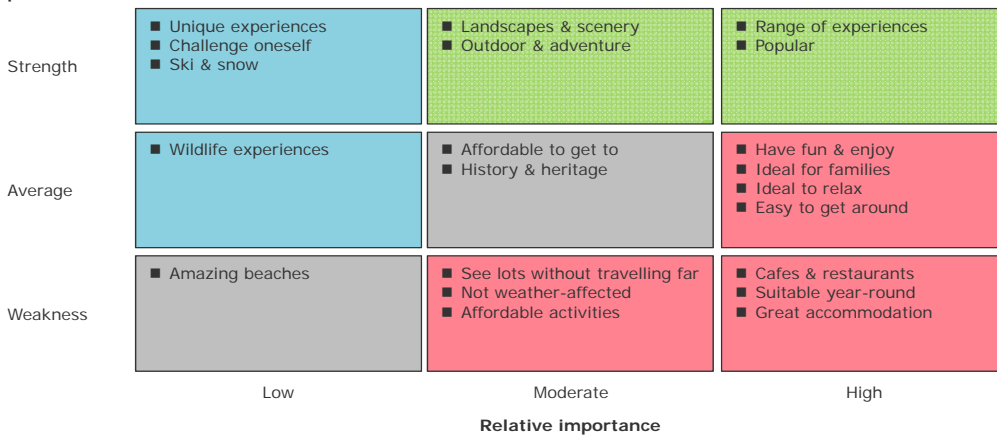
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Ruapehu performs well on ski, but to have broader market appeal the region needs to improve perceptions that it can also deliver on more important drivers – fun, family and relax

How does Ruapehu perform on drivers of destination choice?

Relative performance



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No single competitor is currently winning in all the areas where Ruapehu has product to offer– so there is opportunity for Ruapehu to become known for as the go-to destination for this full range of activities

Which regions are more strongly associated with different groups of activities?

Walking / hiking	Cycling / mountain biking	Mountain activities (climbing, abseiling, skiing)	Water activities (kayaking, fishing, jet boating)	Maori culture (experience, watch, visit)
Ruapehu	Lake Taupo	Ruapehu	The Coromandel	The Coromandel
Nelson Tasman	Lake Wanaka	West Coast	Bay of Plenty	Bay of Plenty
Fiordland	Queenstown	Lake Wanaka	Rotorua	Rotorua
Waitaki	Fiordland	Queenstown	Lake Wanaka	
Central Otago	Waitaki	Fiordland	Fiordland	
Clutha	Clutha	Dunedin		
Southland		Clutha		

Thought starter:

■ Whether the market is aware or not, Ruapehu has product available in each of these groups of activities – the opportunity therefore is for Ruapehu to become known as a family-friendly location that offers a diverse range of activities, like no other region can offer



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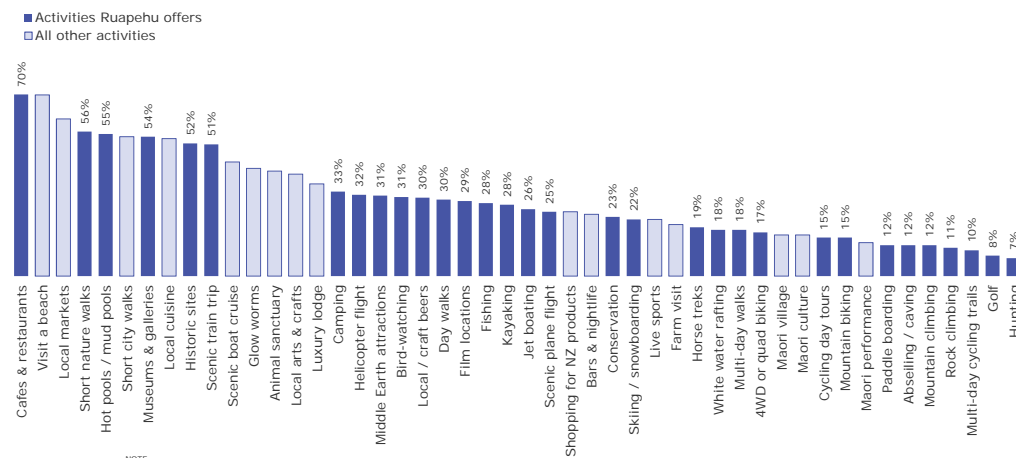
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There are good levels of interest in a range of activities Ruapehu can promote such as walks; cycling and mountain-biking

Activities people are interested in doing when on a domestic holiday (% addressable market)



NOTE: 1. Sample size n = 692



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What could we expect if the market was "re-educated" about Ruapehu?



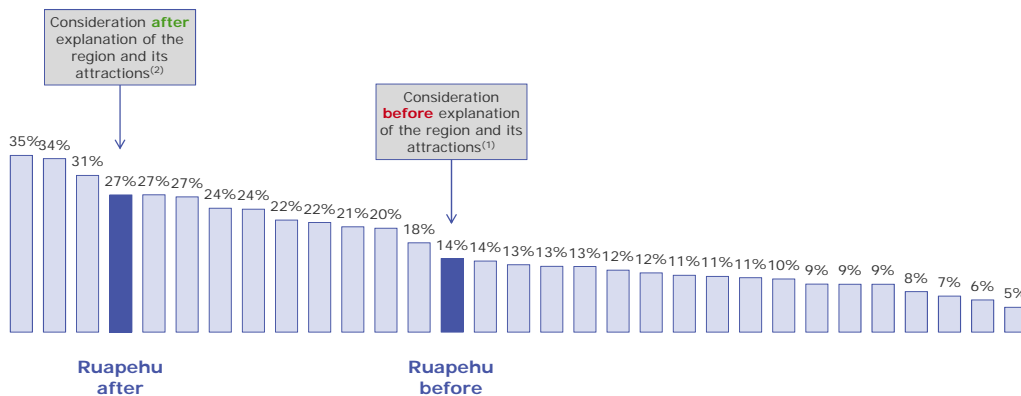
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If we were to elevate the market's understanding of what / where the Ruapehu region is we could substantially improve its competitive position, all else equal

Consideration of Ruapehu before and after explaining its location, attractions
%, addressable market



NOTE:
1. Initial consideration, sample size n = 1,667
2. Revised consideration, sample size n = 401



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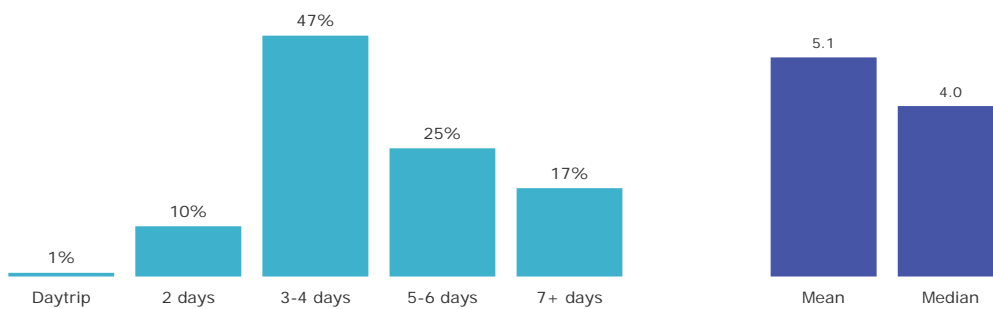
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After being 're-educated', the vast majority of considerers say they would stay for at least three days – i.e. educating the market has the potential to deliver significant uplift in visitor nights and therefore economic value

Length of time people would stay in Ruapehu
%, Ruapehu considerers, after reading our explanation of the region



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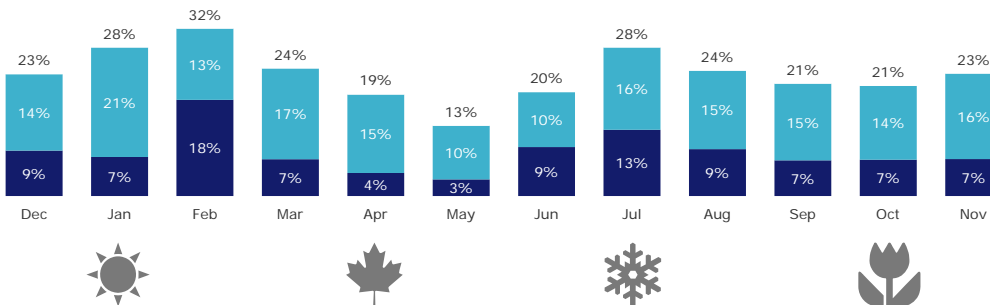
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When people are educated about the region, the summer months emerge as popular times to consider visiting – the key will be to ensure domestic visitors do not crowd out higher value international visitors

Months that people would consider visiting Ruapehu for a holiday
%, Ruapehu considerers, after reading our explanation of the region

■ Preferred month
■ Would consider, but not preferred



NOTES:
1. Sample size n = 213, excludes don't know responses which accounted for 15% of responses
2. Considerers are defined as someone who indicated they would consider visiting Ruapehu for an overnight stay in the next 12 months, and have not visited in the past 12 months



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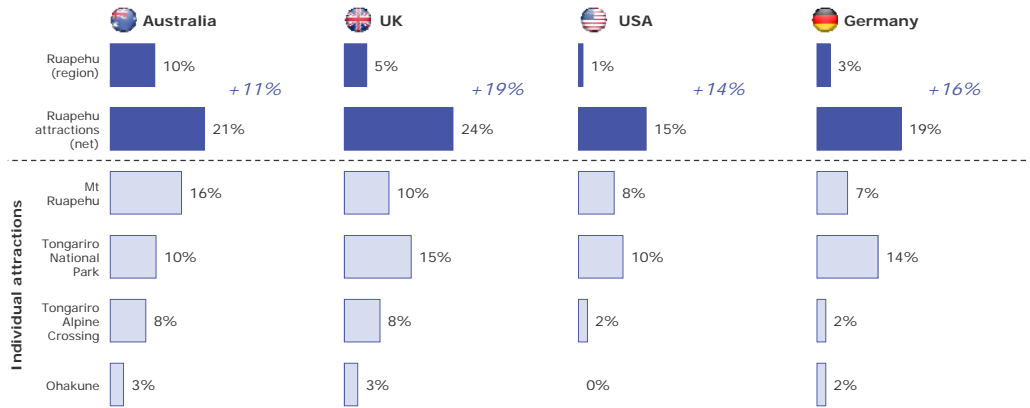
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There is an opportunity to lift regional consideration in key International markets by marketing its attractions more prominently and cohesively

Consideration of the Ruapehu region, versus the region's key attractions
%, ACs



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Thank you

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