

24 August 2011

Ms E Basher  
Project Manager - Tourism Data Review  
Tourism, Events and Consumer Affairs  
Ministry of Economic Development  
33 Bowen Street  
Wellington 6140

Dear Eileen

### **Core Dataset Review Feedback – Tourism Industry Association New Zealand**

We are pleased to provide feedback on the review collated by the Tourism Industry Association New Zealand (TIA).

Overall, TIA considers the review proposals as aligning well with the needs of tourism stakeholders. We are therefore pleased that given the complexity of the industry, the review manages to meet a number of needs identified by the tourism industry.

The following points provide specific feedback on the proposed tourism domain plan:

#### **General**

- Overall, there is a good balance between addressing industry needs for historical and future-focused data in the review. There is a strong need for the tourism industry to have better information in the form of forward booking patterns, benchmarking and planning tools that will assist tourism businesses to be ready for emerging and future markets.
- There need to be stronger partnerships between MED and industry Associations and related bodies to assist with dissemination of the data that is being collected. Stronger partnerships also need to be formed with academic research organisations that have robust tourism research capability. This will assist with ensuring government funding is allocated in a way that will provide the tourism industry with timely, accurate and meaningful information.
- Provision should also be included to set up a small Industry Research Working Group. This could include organisations such as TIA, RTONZ, NZHC, TNZ and HAPNZ. This group could oversee the provision of resources for joint industry projects that are conducted in conjunction with MED. This may include updating research reports, such as visitor profiles and the development of research tools that are of high priority to the tourism industry, such as productivity and benchmarking tools.

- Stronger research partnerships also need to be developed with other countries, particularly Australia. We would welcome the development of tools that provide easier access to comparable data between destinations such as Australia. This would add value to our information base by providing an important benchmark at a tourism operator level and would also be invaluable for benchmarking marketing performance against our competitors.
- We are supportive of the revamped datasets providing for a consistent and comparative purpose of measures across as many core data sets as possible. A good example here is better comparability between the IVA and IVS.
- Accuracy of tourism forecasts need to be improved, providing for scenarios which will inevitably occur due to the fast moving nature of the tourism industry and world impacts on the industry.
- Where possible, it is critical that we eliminate duplication and the cost savings should be used for the production of more meaningful and readily accessible information for tourism industry stakeholders and other users of the data.
- Electronic transaction data can be highly accurate and is timely, something that is lacking in some of the datasets. To have information in as near as possible to 'real time' would be invaluable to provide our members with more up to date information. For example, if electronic card data could immediately provide electronic spend data to operators, this would allow them to gain a more timely view on spending patterns and in turn adjust their strategies to market behaviour.
- Provision should be made to simplify and integrate data release hubs. For example, the IVA is currently released by Statistics New Zealand and the Tourism Strategy Group (TSG) also does an information release and produce tables on the TSG website. It would be more valuable if this information could be found in 'one tourism research hub' that includes access to the Harmoni database, excel tables and related reports.

## **Topic 1 - Value of tourism to New Zealand**

Research informs investment decisions, and we would say that the value of tourism needs to be quantified not only in dollar terms, but also in employment measures.

However, if GDP is to be expressed as GDP/FTE, comparisons should only be with other service industries, as we have seen tourism GDP/FTE compared to industries like forestry GDP/FTE. This makes tourism appear as a very low performing industry, given that people are a critical resource to the tourism industry. This is very different to sectors such as forestry which has land as the primary resource input and human resources as a relatively small resource input.

Local Government's significant investment in tourism marketing and infrastructure is around \$660M a year. To ensure this investment continues, it is critical that Local Government has the most accurate and reliable information as possible to allocate future investment and understand the value that tourism delivers to their local economy. To enable this recognition, acceptance by Central Government and agencies of indirect economic indicators as being valid measures is important.

A cruise passenger data set will be highly valuable, as this area of the industry is growing significantly, and the regions who host these visitors will derive benefit from having accurate and relevant measures.

Given the emerging importance of cruise visitors to the local New Zealand economy, cruise visitor data measures need to be better incorporated in to the IVA and IVS datasets. In particular, the gap in spend data is likely to be under-valuing the contribution of this important market of the tourism industry. Cruise ship passenger data should be identifiably separate to the aggregated data.

**Recommendation 3.** In using the Statistics New Zealand data, a public access tab should be created to ensure ease of access by the tourism industry.

**Recommendation 4.** We need to ensure that important categories such as serviced apartments and lodges. It would also be good to investigate if an alliance could be formed with booking tool websites such 'Book a Bach' to better capture accommodation usage outside the main categories.

## **Topic 2 - Business Competiveness**

**Recommendation 5.** A key disadvantage of the NZHC data is that only the aggregated results of the member businesses are reported and therefore, because members join and drop out, a time series of visitor nights cannot be reported. It would be good if benchmarking information could be broadened to other sub sectors, such as holiday parks and activity/attraction operators to gauge competitiveness within and between sectors .

## **Topic 3 - Return on investment for government interventions**

In regard to acceptable returns on investment TNS Conversa's measure of intention to visit appears to be a good measure of the impact of domestic tourism on ROI. It would be beneficial to consider not only spend but also employment flow through benefits.

## **Topic 4 - Global Competiveness**

**Recommendation 8.** In addition to social media there could also be consideration given to user generated material such as Trip Advisor, Cruise Critic, Thorntree etc.

**Recommendation 9.** It is important to improve the visibility and dissemination of the Visitor Experience Monitor and integrate this with other satisfaction measures that are available within the Core Tourism Dataset.

**Recommendation 10.** It is a very good idea to have ‘best and worst case scenario’ forecasts. A good benchmark for a worst case scenario can be gleaned from the last 6 to 12 months, a period of time which has been extremely challenging for the tourism industry. Factors to consider would be those risks outside New Zealand’s control, such as natural events and other adverse conditions that need to be factored in.

Ideally, expenditure would be segmented by key international and domestic visitor origins and type of visit (day/overnight).

## **Topic 5 - Sustainability**

Carbon emissions of transport - Susanne Becken from Lincoln University has done some useful work in this area to address transport emission related issues.

**Recommendation 11.** We fully support closer working relationships with selected countries on sustainability measures.

## **Rankings (refer appendix 4 –initiatives sorted by priority score)**

**Ranking 1.** The priority 1 ranking for the redevelopment of the IVS is very appropriate. Reducing the questionnaire length and increasing the sample size, as well as linking it with the IVA data collection, will significantly enhance the reliability of the data, particularly at a regional level. We would be supportive to see development of source electronic spend data. It would also be good to look at options to reduce respondent burden but at the same time increasing the timeliness and accuracy of the data. The electronic diary that could be provided to travellers on arrival may be a possible option here. We would also like to have provision for interim expenditure data-possibly monthly; this would be similar to the weekly IVA releases that provide indicative arrival figures.

**Ranking 2.** The current Domestic Travel Survey does little to meet industry requirements. There is a lot of information collected but the information produced cannot be interpreted easily in a way that adds value to the industry. Ideally, a major priority is producing a better profile of the domestic visitor, including their spending patterns, regions they travel to and satisfaction/motivation levels. Templates of previously completed research should be used as a basis for profiling domestic visitors e.g. the domestic tourism segmentation research.

**Ranking 3.** There is a growing need for shorter term forward booking information. This is extremely valuable for corporate to SME level businesses, as it provides a benchmark of forward booking patterns that are being experienced by businesses within the tourism sector. It is a critical measure that allows marketing strategies to shift gear if necessary to cater for changing market demands.

**Ranking 4:** Not sure that this priority needs to be so high, although it should definitely be within the top 10. We agree that tools need to be developed to better align the research that Tourism New Zealand and MED are producing. A good example is better integration of the active considerer research and the related data that is being collected by MED. For example, an active considerer index could be set up where a user can view key variables from the active considerer research and line this up with sourced data from the IVA, IVS and other relevant data sources to show current market performance.

**Ranking 6.** Streamlining data input will benefit all parties. The easier (and more streamlined) the input process is will ensure more accurate data and greater buy-in from participants. While it may be, to an extent, determined by the management systems currently in use, creating synergies between online data systems is a must.

The re-instatement of international geographic origin data is important. This is a critical measurement tool in understanding tourism demand and trends, particularly at a regional level.

**Ranking 7.** We would like to see more focus on the area of international education. Data that can better represent the contribution the export education sector makes to the New Zealand economy and the flow on effects of international students studying in New Zealand (connections and investment-as detailed in the High Value Visitor Model). This may be achieved through a qualitative study of a small number of international students –tracking their spend and those of their connections over a time period.

**Ranking 12.** Tourism Flows data would be really useful to regions but must be updated on a prescribed timeline and needs to be constructed from well tested data to provide confidence. Ideally the Tourism Flows model would include numbers of vehicles segmented by vehicle type. This would be very useful for roading and parking planning.

**Ranking 15 & 16.** This is our greatest concern. The Tourism Satellite Account provides an overview of the value and importance of tourism to the New Zealand economy. TIA uses this data widely, this includes in media releases, policy submissions, presentations and in our State of the Tourism Sector 2011. The data produced, due to collection lag and timing, is already dated when produced yearly. If it was to be two yearly, we would want to ensure that the following was investigated:

- The length of time between when the TSA results were released and the year ending data capture point was shortened. For example, the year ending data is currently captured as at the year ending March of a given year. We would like to see this changed to June of the current year (assuming an October release). Documents that TIA produce, such as the recently released State of the Tourism Sector 2011 and the soon to be released Tourism Future Statement, 2011-2014 use data from the TSA that is almost 18 months old.
- The annual indicator series should include key variables that are widely used by the tourism industry. This would include total tourism expenditure, indirect/direct value, domestic and international expenditure breakdowns, and tourism contribution to GDP and employment.

- We would fully concur with the recommendations on projects in the alternate year that would focus on investigating components of the TSA that could be published at a regional level and other improvement initiatives identified.

**Ranking 17.** We would like to also include an indicator of cruise ship passenger spend (from the IVS). This would be a higher priority than actual arrivals as there is tending to be a shift from focusing on visitor numbers to a shift to visitor quality (spend and length of stay) and their economic contribution to the national and local economy.

**Ranking 18.** With the current Trans-Tasman Streamlining 'domestic like' experience project underway, we would see many obvious benefits for the streamlining and flexibility in collecting data in the future. This could include more timely arrivals/ departure information and more flexibility to add in/remove questions over significant periods (such as when a major event is taking place).

**Ranking 19.** A very good idea and one that adds value for the respondent.

Thank you for your efforts in collating industry input and presenting this discussion document.

TIA, on behalf of its members would want to have continued input into the review to support the outcomes, and I look forward to being in touch with you further as the work progresses.

If you require any clarification or further feedback on the above please do not hesitate to contact me.

Kind regards

A handwritten signature in black ink, appearing to read 'Steve Riley', with a stylized flourish underneath.

Steve Riley  
**Industry and Data Analyst**