



TIA reminds Minister of pre-election plans...

TIA has told Tourism Minister Damien O'Connor that government should go ahead with its pre-election plans to work with the industry to foster domestic tourism.

The association suggests that Mr O'Connor convenes an inter-agency working group involving the industry and central government representatives to focus on domestic tourism.

The recommendations follow a meeting convened by TIA in December, where more than 20 representatives gathered to consider domestic tourism.

Says TIA: "Further work will incorporate research by both the Ministry of Tourism and Air New Zealand on domestic travel patterns."

An updated paper will be presented at the next strategy meeting with Mr O'Connor - to be held in June or July.

"At that time it will be possible to determine if further research is needed or if there is a sufficiently clear understanding of the market to agree some responsibilities and actions."

Council pulls plug on RTO funding: concern others may follow

TOURISM Waikato's two marketing executives have been made redundant, to be followed by the two accounts staff after Hamilton City council unexpectedly pulled the plug on almost half the RTO's \$500,000 annual budget. And TIA is concerned other councils may consider following suit. CEO John Rasmussen will stay on to run the scaled down organisation until its future is decided.

"It's a very gut wrenching situation," he tells *IT*. "Marketing of the whole Waikato will be suspended until such time as funding regenerates."

He adds: "Hamilton City Council advised us at short notice last week that they were not going to fund Tourism Waikato from July 1. Funding would instead be concentrated on Hamilton's branding and positioning as an events, conference and meetings centre.

"Tourism Waikato will not be

closing but it will likely change from a typical RTO to a new model closer to the economic development model with more focus on projects which will enhance the region's profitably from tourism.

Was it the right decision? "No. Regions are competitive in New Zealand and each needs a coordinating organisation to go forward, particularly to help small operators, as well as hotels and those who don't have much opportunity do marketing by themselves. It is hard enough as it is for small regions to be noticed, whether in New Zealand or overseas," he adds.

Relations

"It will affect our relations with the Great NZ Touring Route and other marketing alliances...it is quite a sad day for tourism development in Waikato, which was just starting to show some traction. The market share had been increasing...pity it's been nipped in the bud."

Mr Rasmussen describes the council's decision as a worrying precedent. "I would hate to see this kind of inward looking marketing strategy spread to other parts of the country."

Part of the reason council decided to spend its \$232,000 promoting the city was when the region's five other five councils who contributed to the RTO wouldn't increase their share

(Over)

Ten years ago in IT...

THE industry will be significantly tested this year, warns Ernst and Young national director tourism and leisure Terry Ngan. He says tests will come from: a slowing in the growth of overseas visitors to eight percent; lower growth in the domestic economy to no more than three percent of GDP; a strong New Zealand dollar compared to the currencies of major source markets; higher domestic inflation; a big increase in the supply of hotels and serviced apartments; increased competition in the overseas airline sector, particularly trans Tasman.

THE convention industry was worth more than \$318 million to Auckland, Wellington and Christchurch last year, according to the Ernst and Young report to the New Zealand Convention Association.

The report puts Wellington behind Auckland and Canterbury. But Tourism Wellington is fighting back with an \$85,000 meeting and incentive planner designed to put the capital on the world meeting map.

NZTB (now TNZ) came under scrutiny at the Commerce Select Committee for its policies on joint ventures. CEO Ian Kean agreed to provide details of how many JVs involved AirNZ.

He also agreed that AirNZ CEO Jim McCrea had access to information provided by rival airlines applying for similar JVs.

Mr Kean told the committee he is not expecting an increased budget although the board would like to invest in South Africa and South America. "South America is probably the next cab off the line."

Associate Opposition tourism spokesman Damien O'Connor said: "The good news machine is still rolling along," referring to a possible business downturn by Christchurch hotels. He said many had opened hotels "based on hype being generated for some time." But had they done long term analysis they might have come to a different decision.

THE single Australasian aviation market is still a possibility, confirms AirNZ regional GM Grant Lilly. He sees growth in the Australasian domestic market regardless.

THE StraitRunner was doomed to failure from its launch, says consultant Andrew Logan. He says there was a lot of sympathy for the David and Goliath struggle against a seemingly unreasonable Trans Rail.

But, despite this, it was abundantly clear from the start that the Cook Strait service wouldn't work.

Council pulls plug on RTO funding

(from pg1) of funding. "The HCC mood seems to be that enough is enough. The money will now be used to promote the city itself, rather than the whole region." Tourism is worth \$850 million to Waikato and the RTO had a total budget of about \$500,000.

Adds Mr Rasmussen: "It's not a fun situation to be in. It's very sobering! Other RTOs may be refocusing their outlook, and that's natural as tourism changes. But there are some which are perhaps stumbling or close to it. I hope what's happened in Waikato will not have any ongoing effect on others."

The Tourism Waikato board is discussing options with the region's economic development agency, The Katolyst Group.

Says chairman Jack Ninnes: "Katolyst has identified tourism as one of its key drivers for the economic growth of the Waikato region, thus we will work with the organisation to reshape Tourism Waikato and develop a changed business model. The executive of Katolyst has indicated that it is keen to support Tourism Waikato to achieve a positive outcome."

To conserve remaining funding, Mr Ninnes adds, it was decided to give notice to marketers Lyn O'Sullivan and Debbie Messer.

"This is a major change to Tourism Waikato, whose focus has traditionally been on providing real value back to the members and economic value to the region. We seek your continuing support while we transition the organisation," he writes to members.

TIA CEO Fiona Luhrs says she is concerned about the withdrawal of funding from Tourism Waikato.

"TIA has been in contact with Tourism Waikato and we'll do all we can to support them, but it appears unlikely anything can be done to change Hamilton City Council's decision," she says. "I can understand the council's desire to focus on an events strategy for the city, however it begs the question as to who will promote the broader Waikato region, including Waitomo."

TIA is worried that other councils around the country might follow Hamilton City Council's lead and review their RTO funding.

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BANCORP MD Craig Brownie writes that greater capital investment and public ownership locally and globally is a model for the survival of the tourism industry....

Capital markets need to be harnessed much more effectively to drive investment in New Zealand's world-class tourism facilities. Innovative investments in global tourism are sometimes difficult to find. But New Zealand has an abundance of them with the added advantage of a political and business environment that is open to consolidation, mergers and acquisitions.

Access

It is not too far sighted for New Zealand tourism-related companies to contemplate raising capital in their key visitor markets around the world including London, Shanghai or Abu Dhabi. If Air China is able to list in London in order to raise capital to expand its fleet to meet growing demand in Asia then we too could access international finance markets.

Operators should be looking to Dubai and Abu Dhabi, where investors are eager to put their oil dollars in safe havens - such as

We need more capital investment

New Zealand - that have tourism growth potential.

Synergies between tourism operators should also be aggressively exploited. The close linkages between airports, airlines, operators, transport providers, hotel chains and retailers mean considerable strength if these companies pool resources with the ability to raise more capital than one business could on its own. Mergers, acquisitions and alliances within the industry will also realise ongoing cost savings through avoiding duplication of services and providing expanded services.

Savings

AirNZ and Qantas recently announced a code sharing arrangement where neither airline will compete against the other on important trans Tasman routes. We are told this cooperation alone will see savings of \$100 million a year per airline, and a further reinvestment back into improved tourism infrastructure such as new planes, expanded routes, and acquisitions of smaller tourism operators.

Compared to other countries, New Zealand only has a few public tourism companies including Southern Travel Holdings, Tourism Holdings and SkyCity. So there is a tremendous opportunity to increase the number of listings on the local and international markets.

SkyCity is the best example of a

tourism operator, albeit supported by a large local core earnings base, that invests time and capital into continuous improvement across every aspect of its operations to boost visitor experiences. More importantly it is prepared to raise capital to build new five star hotels, and act quickly on consumer research by creating new bars, and working with other operators like Tainui to deliver tourism to New Zealand's regional economy.

Model

The Novotel Tainui in Hamilton, which was the Waikato's first and only four star international hotel, was made possible by the joint investment from Accor Group, SkyCity and Tainui. This sort of investment by publicly owned companies who have the capital and are prepared to underwrite the risk is the model that New Zealand needs a lot more of.

Lifespan

Stretching the lifespan of our tourism facilities beyond their use-by date by relying on 20 or 30 year old infrastructure will exhaust visitor patience. Tourism competitiveness is all about the quality of its visitor experiences and the considerable capital investment to maintain this. The question we need to ask is: can New Zealand afford not to look at all ways of encouraging a greater level of capital investment and synergies in our tourism industry if our competitors are already doing so?

Record number at industry seminar

A record 120 operators turned out for the one-day TIA/ TNZ/ Ministry of Tourism seminar in Queenstown last week - with a quarter of them being in the business less than two years. They were told a slower winter season is predicted for 2006, with the Lions Tour boosting visitor numbers last year.

Locals asked to help plan park

LOCAL resident US-born Landon Carter has bought popular seafront Pakawau Beach Park, Golden Bay, for \$2 million - and he has invited others to help him plan its future.

MoT warns over airport

THE Ministry of Transport says that if New Plymouth District Council withdraws from joint venture ownership of Taranaki's airport the facility may have to close.

The council threatened to walk away from the agreement after government refused to help fund a \$400,000 cafe upgrade in the terminal.

But the Ministry says that if the council does withdraw it will need to notify the Director of Civil Aviation.

This would see closure of the airport until alternative arrangements were in place.

On the move...

INTERNATIONAL marketing co-ordinator for Destination Rotorua Tourism marketing **Melissa Craig** is to become Australia/New Zealand sales manager at Te Puia on May 29. She has been with the RTO for four years and was also four years with Rotorua's i-SITE office

FORMER Hanmer Springs Thermal Pools and Spa marketing manager **Nerida Ramsay** is now marketing coordinator for VIN Inc based in Christchurch. Her focus is to develop and implement marketing strategies to increase awareness of the i-SITE brand and VIN domestically and internationally.

DIANA McCurdy is Real Journeys' new marketing communications manager, replacing Christine Hartley, *IT's* Queenstown correspondent.

Ms McCurdy was a news reporter at *The Press*, and a feature writer at *The Dominion Post* and *The New Zealand Herald*. She has won various media awards.

She says: "In late 2004 I decided to take a temporary break from journalism to pursue my love of the outdoors and work as a guide on the Routeburn Track. After living in Queenstown for a while, I couldn't face the prospect of going back to the big smoke but I still wanted a job that would challenge me and use my journalistic skills. So here I am!"

REBECCA Crook was been appointed events manager and **Michelle Gillman** marketing manger at Shantytown on the West Coast.

Ms Crook takes over from **Michelle Gillman** and has worked at Shantytown for the past three years. Ms Gillman has spent the last three years in events.

MEREANA Mills has been selected as the tourism sustainability assessor and charter coordinator, a position she will hold during the three-year Bay of Plenty Sustainable Tourism Charter project.

Tourism Bay of Plenty is one of four regions to receive funding through the \$1.2 million Environmentally Sustainable Tourism project, a joint initiative of the Ministry of Tourism and Ministry for the Environment.

The project's purpose is to work with the tourism sector to improve its sustainability performance, through a charter.

ATTTO is going through a period of rapid growth:

Terry Manson has been appointed to a new role of industry training advisor for the museums sector. She previously worked as education manager at Auckland's Museum of Transport and Technology and as director at Lopdell House Gallery.

Roger Brittain is also in a newly created position of school liaison officer. He is a former teacher and motel owner.

Website highlights "30 of the best"

A new website - www.newzealandluxury.com - has been launched to showcase what is described as the 30 best New Zealand properties and luxury transport services.

They include luxury lodges, boutique hotels, exclusive villas, as well as helicopter and private jet companies who are jointly promoting themselves under one umbrella. The website has special search and booking features.

Visitors are able to research products by location, property and service type as well as a wide range of leisure activities such as spa services, fishing, golf and other special interests.

They can plan their own luxury itinerary using the Travel Notes feature on the site and then send their travel 'wish list' via email to a registered luxury travel agent to assist them with their bookings at no extra cost. Bookings can also be made direct with the individual properties and suppliers.

Many of the properties listed use online booking system Availability, which instantly provides details of vacancies on various dates. Comprehensive up-to-date pricing is also shown.

Book offers "unique" perspective on planning and management

A new book *Understanding the Tourism Host-Guest Encounter in New Zealand: Foundations for Adaptive Planning and Management* - edited by Prof David Simmons and Dr John Fairweather - is designed to be a reader to accompany the tourism planning toolkit hosted on the Ministry of Tourism website.

It will also be useful to a variety of organisations in New Zealand and overseas.

The book provides a "unique" perspective on tourism planning and management. It makes its case by building a comprehensive picture of tourism development based on an examination of four key tourist destinations in New Zealand and locating these in contemporary national and global tourism planning contexts.

The focus on local destination area evolution shows a commitment to examining tourism where it is most palpable: at the level of encounter between hosts and guests.

To frame the research a new model was built to take account of visitor flow dynamics: the economic, environmental and social interactions that significantly shape both hosts' and guests' experiences of tourism. In turn, destination area evolution, while grounded in local histories, geographies and politics, is also influenced by broader national goals and legislative tools.

Professor R. Butler, Strathclyde University, Glasgow, UK says: "[The book] is well worthy of wide dissemination. The research robustness and the detail of the four case studies make it of far more general interest and application than in New Zealand alone."

* The book costs \$79.99 from www.lincoln.ac.nz.

CIAL enjoys record high in April

INTERNATIONAL passenger numbers at Christchurch International Airport (CIAL) reached a record high for April, with a four percent overall increase compared to the same period last year, and a 10 percent increase in international arrivals.

Passengers from Sydney increased 17 percent while from Melbourne they were up 24 percent and from Brisbane they rose 30 percent.

Marketing & Communications Manager Glenn Wedlock says: "We're seeing the results of a concerted South Island marketing drive in these regions, and consequently April has been an excellent month for international visitor arrivals.

"In association with airlines and our industry partners, we have just launched promotional winter and ski season campaigns throughout Australia to ensure this trend continues through the traditionally quieter winter months."

CEO Rene Bakx says volumes of travellers have been steadily increasing. "While the Easter holiday was slightly later this year than last, we're now seeing the

benefits of having many low cost fares available for travellers using Christchurch Airport, and concerted joint marketing efforts with a number of our airline partners in our key markets."

Nature friendly company recognised

REAL Journeys has just won the Environment Southland Environment Award (corporate) for its Doubtful Sound operation.

The company invested in a new sewage treatment plant at Deep Cove by providing 95 percent of the cost with input from DoC. CEO Dave Hawkey says the company also invested heavily in a new environmentally friendly purpose-built catamaran. Both were designed to minimise the effect of human activity in the fiord. Real Journeys also contributes over \$50,000 a year from its excursions in Doubtful Sound to conservation.

Adds Mr Hawkey: "I am absolutely delighted that our efforts to create a sustainable tourism industry are being recognised."

Oasis Café, Takeaway, Restaurant, Grocery at Lake Taupo

Located in a major tourist area at Lake Taupo, on State Highway 41 between Tokaanu Thermal Village and Highway 41 junction to National Park and Whakapapa ski fields. 45 minutes south of Taupo, two minutes west of Turangi, 30 minutes to ski fields.

Adjacent to a large motel and holiday park complex with spas and thermal pools, the business also provides services to two other motels within 100 metres, and the local Tokaanu and Waihi communities. Closest café and takeaway for the Lake Taupo Western Bays (Pukawa, Omori, Kuratau) holiday and retirement communities.

Price includes: plant, lease, chattels, goodwill and stock

Trading Days: 6 days 8.15am to 9.00pm (summer), 8.30pm (winter) Tuesdays through to Sundays. 3pm to 9pm (summer), 8.30 (winter) on Mondays

Lease: secure, long term lease, currently \$1,800 per calendar month (G.S.T inclusive), inclusive of spacious 3 bedroom accommodation. Accommodation is self-contained, with separate living room and own kitchen, bathroom, toilet facilities. Lease currently has 2 x 3 year rights of renewal from December 2006.

Capacity: Restaurant/café area seats up to 50. Spacious, fully equipped kitchen (gas and electricity). Grocery area also has space and potential for further expansion. Ample parking for vehicles in parking lots in front of restaurant and along the western side of the building. Potential for outdoor dining in summer months. Large fully fenced yard (2 vehicle parking) and vegetable garden area.

Valuation: Plant and chattels - \$60,000.

Stock - approx. \$ 10,000 at current valuation.

Comments: A business / lifestyle opportunity! Four businesses in one in a growing tourist and holiday region. Owners selling for retirement and health reasons. Heaps of potential for growth and new marketing initiatives, including groups and contract catering, building on established business from regular holiday visitors and a very supportive local community customer base. As well as full range "Kiwi-style" roadside café menu, restaurant/ takeaway also currently features a range of Asian cuisine, with further potential for catering specialisation.

Sale Price: Realistically priced to sell at \$ 90,000 (plus GST, if any.)

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AA wants greater role in domestic tourism

THE AA wants to take a leadership role in the promotion of domestic tourism, says association GM tourism Peter Blackwell. "We feel there is a bit of a vacuum in this area at a governmental level."

Mr Blackwell says the AA has 47 retail facilities to support these efforts, as well as a leading and respected brand. "We give out over six million New Zealand travel guides each year. We have New Zealand's largest circulation magazine and we believe we can take these tools and directly influence consumer behaviour."

He adds: "We believe the AA has a very powerful place in the promotion of domestic tourism and are very engaged in getting our 1.1 million members focused on New Zealand travel - but are also trying to reach all New Zealanders."

There is also a weekly *AA Travel Show* on *Good Morning New Zealand* on TV One as well as a large marketing campaign in the *Sunday Star Times* and on the Radio Network on Coast FM, Newstalk ZB and Classic Hits.

They relaunched the www.aatravel.co.nz website on March 20 and on July 1 will launch phase two of the Web plan that brings a bundle more bells and whistles, he adds.

Traffic to the site - as measured by Niensens/Netratings - shows traffic has increased 43 percent since the launch to an average of 4,000 daily unique users and over 40,000 daily page impressions.

* Mr Blackwell was with TNZ in Brisbane in the mid 1990s and the US until 1998. He remained in the tourism business in the US until returning to manage tourism for the AA in November.

Inbounder "very much alive" - and ready to take on IRD, says chairman

CONTRACT Pacific is NOT in receivership. The company has ceased day to day trading. But thanks to the support of its creditors - who have voted unanimously to accept a compromise scheme - the company is "very much still alive and hellbent on pursuing their claim with the IRD," says chairman Barry Doody. The next scheduled step in the claim is a another hearing in the High Court in Auckland on July 20.

Mr Doody tells *IT*: "We were not required to pay GST on overseas receipts prior to 1999 but had done so in error. We applied for a refund along with other inbound operators etc in July 2000.

"After providing all requested information to IRD over some months including interviews we wrote to the IRD in January 2001 requesting payment. They drew a cheque on February 5 and sent it to us. We banked it - they dishonoured it."

Mr Doody says that at the same time the department paid at least three other companies by direct transfer which they couldn't cancel.

"They have since ceased to try and claw this money back as they concede as of February 2001 those companies were entitled to it - as presumably we were."

He adds: "Government introduced retrospective legislation in May 2001 saying the law in the 1990s no longer applied. This was strongly opposed by everyone including the Law Society. But (Finance Minister Michael) Cullen pushed it through to save himself some dollars. So you might think you are acting legally today but in 10 years' time the government may tell you 'hang on - the law for 2006 has been changed'.

"Our claim is that under the law you cannot dishonour a cheque if that money is owed and we contend that they owed us at that date. This is the nub of the claim. It means we were not affected by the retrospective legislation as we had been paid in the same way others were paid and still have the money." Mr Doody says the company has a strong legal team headed by Bruce Stewart QC. "We are in it for the long run," he tells us.

NZ signs air agreement with India?

THE Indian government has reportedly given its approval for the signing of an air services agreement with New Zealand. Both countries have the right to designate airlines to operate agreed services, or withdraw or make changes.

Designated carriers can open offices in either country and promote the sale of air services.

A memorandum of understanding says designated airlines of both countries can operate up to seven services a week and exercise full third, fourth and fifth freedom rights at intermediate points in Australia and Singapore on specific routes. Both countries' carriers can serve five destination points each in respective countries.

* Malaysia Airlines (MAS) has launched an online promotional fare to New Zealand for Indian travellers, starting from US\$580.

TIA warning to DoC

TOURISM businesses cannot operate effectively in Abel Tasman National Park if they have only five years security of tenure, according to TIA. In its submission to the Abel Tasman National Park Draft Management Plan, TIA has asked DoC to offer longer terms with conditional rights of renewal to existing operators. The plan is vague about what will happen with concessions after 2011. TIA says this does not encourage businesses to act responsibly and with care for the environment.

"Businesses cannot operate effectively with only five-year business horizons. Our members must have concessions that reflect business reality and encourage concessionaire investment and commitment," says CEO Fiona Luhrs.

This has been recognised by Southland Conservation Board which has asked DoC to investigate whether aircraft operators in Milford Sound should be given 20 year concessions after considering TIA's submissions to the Fiordland National Park Draft Management Plan.

Ahipara offers up close, in-depth experiences with real people...

CLIENTS are increasingly asking for experiences with depth. "This is the sort of thing we were set up to provide five years ago," says Ahipara Luxury Travel director Jean-Michel Jefferson.

"We have looked at countless operators, selected those who we think provide something exceptional, and worked with others to define and refine their offering."

Hone Mihaka set up Taiamai Tours, Paihia, about the same time. And Mr Jefferson has worked closely with Mr Mihaka ever since.

"Most offshore tourism operators would not have heard of Hone. Some would have heard of a waka experience in the Bay of Islands but would not have had the courage to try something new yet. A very few would have tried the experience and found it rewarding."

He says many clients have enjoyed special events arranged with Mr Mihaka - often as one-offs.

"These include the waka attack on the Cavalli Islands...a historic re-enactment of the first contact between European missionaries and Maori; charismatic Waitangi tours; the Puketi Forest brought to life with warriors running, barely visible, in the undergrowth and calling to each other; a visit to the site where Maori invented trench warfare against the British; a soak in the mineral hot pools at Nga Wha where Maori warriors bathed after fighting the British; a very personal welcome at his own house, another on an island, another on a marae and a helicopter tour over the Hokianga...."

"Of all these activities, only the waka tour is available to those agents who plan over the internet or via trade shows. This shows graphically what we mean by experiences with depth. And this is only one of our suppliers - one of our favourites, admittedly. But we have also gone into depth with Olympic windsurfers, equestrians, spearfishers, hunters, fishermen, sailors, rally drivers, gardeners, chefs..."

The company deals with VIPs, luxury corporate events, and independent travellers who are not satisfied with standard product. "We focus - in addition to accommodation - on what people do during the day. This ranges from custom events through to business meetings and real estate viewings. We use publicly available activity providers where these are of a standard acceptable to our clients. "We focus on reality. Our clients meet real people, not tourism experience providers. Sometimes the two can be the same thing, but not actually that often!" Details: Jean-Michel@ahipara.com.

Mr Polo would be pleased - Travelling in convoy increasingly popular

EVEN before Marco Polo and friends headed out on camels across the Gobi Desert, the concept of travelling in convoy had found favour with wanderers seeking camaraderie on the road.

Maui Rentals reports that travelling in convoy is becoming increasingly popular with its motorhome customers - visitors to the country, as well as Kiwi families, friends and special interest groups.

Sales and marketing manager Kate Meldrum says: "By travelling in convoy motorhome customers can enjoy the companionship and savings that group travel affords while still having the flexibility, space and privacy of their own vehicle."

Maui's convoy management team pre-book campgrounds, attractions and group bookings across Cook Strait on the Interislander ferry.

Ms Meldrum says The Interislander has always accommodated Maui convoys even during peak season and with its new vessel, The Kaitaki, can now also accommodate even larger convoy groups.

With the largest and newest fleet of motorhomes operating in New Zealand - and Australia - Maui puts more new vehicles on the road each year than any other operator.

Sh! Here comes the stealth tourist

A new type of visitor has been identified: the stealth tourist.

This is the growing breed of individual who shies away from the tourist persona - and ventures as far as he/she can off the beaten track.

Stealth tourists have always been around in comparatively small numbers, says a report from France.

"They are those people brave enough to step away from the capital cities and explore on their own.

"They are those who learn the local language or those who have local friends to show them around. In other words, stealth tourists are truly rare. However, with the growing threat of terrorism to tourist destinations and with a general desire to separate themselves from the crowd, the ranks of those seeking the stealth tourist experience are growing."

Now there is a specialised company dedicated to serving this burgeoning class of tourists. A Guide in France is a private guide, translation, interpreting and itinerary-building service focused on showing their clients that there is more to France than the Eiffel Tower.

It provides various levels of guide services ranging from simple telephone support to complete, travel-by-your-side care. Something New Zealanders can copy, perhaps?

Free workshops!

TWO free workshops offering information for small to medium-sized businesses on energy efficiency and climate change are being held in Auckland on May 18 and 19. They are organised by Landcare Research .

There will be tips on practical steps businesses can take to save money, save energy, and reduce greenhouse gas emissions. Each workshop includes lunch.

The first is at The Gallery Room, Manukau City Council on 18th and the second is next day at The Bruce Mason Centre, Takapuna. Both start at 10.30am. Details: Tamsin Rees 03-3256701 reest@landcareresearch.co.nz.

TIA against abolition of youth rates

TIA is against abolishing age discrimination and youth rates as it'll have a detrimental effect on the ability of youngsters to gain employment in tourism.

In its submission on the Minimum Wage (Abolition of Age Discrimination) Amendment Bill the association says New Zealand can ill afford to create a disincentive for the employment of young people when they are already highly represented in employment statistics - and the economy is slowing. "Training prospects will be harmed, while wage relativity demands from older and skilled workers may result in cost escalation and job losses."

TIA says the Bill does not serve the interests of many young potential members of the industry who for generations have been paid a youth rate as a starting wage and eventually move on to better paid positions and career advancement.

"Removing the youth minimum wage could exclude the current generation of young people from employment in meaningful vocations and long lasting occupations in the tourism industry."

Gutsy airline comes of age

AIR Chathams is 21. The gutsy little airline started by Craig Emeny fought against all odds, including stiff competition from AirNZ and other carriers. It now operates two 50-seat Convairs, a Cessna 206 and a Metroliner being used by Origin Pacific. It does charter work in Tonga and mainland New Zealand as well as having staff in Christchurch, Wellington and Auckland. In March Air Chathams received CAA certification for its flight simulator, which it received free when it bought the Convairs in Alaska. "New Zealand operators on the mainland will now be able to use our Convair simulator instead of going to Canada. This makes the Chathams an aircraft training centre!"

Mr Emeny says: "At the end of the day it is the Chathams that Air Chathams is all about. It is a team of people that can be relied upon." He has always had loyal support from Chatham Islanders.

No comment over Commerce Commission investigation

MOUNT Cook Hermitage GM Denis Callesen is not commenting on media reports the hotel is under investigation by the Commerce Commission for alleged anti-competitive practices.

Commission spokesperson Jacqui Martin is quoted as saying a key issue is if The Hermitage's tariffs encouraging guests to dine at the resort hotel are anti-competitive.

The Hermitage restaurant's only competition in the village is The Old Mountaineer Cafe Bar and Restaurant.

Owners Mary and Charlie Hobbs say they did not initiate the investigation. But the Commerce Commission interviewed them soon after they opened in 2003.

Mr Hobbs says the hotel has acted as a monopoly. Guests are tied into dining at the property because the tariff includes meals, making it unattractive for guests to dine elsewhere.

The Hermitage's other motels and chalets are said to provide \$10 vouchers and a breakfast. This makes it hard to compete and limits people's choice.

Q'town stymied by lack of capacity

QUEENSTOWN'S conference and incentive market is worth \$42 million a year. But the resort is losing bigger conferences because it has limited venue capacity, according to Destination Queenstown CEO David Kennedy. About seven percent of all visitors are there for conferences and incentive experiences.

But Mr Kennedy says operators are turning away valuable business due to a lack of available capacity.

Where visitors are staying longer...

VISITORS are staying longer in Rotorua - as they also are in the Bay of Plenty, Lake Taupo, Eastland and Ruapehu.

In the latest International Visitor Survey, for the year ending December, the number of international visitor nights to the city increased from 1.3 million to 1.7 million with visitors staying on average 2.6 nights, or half a day more.

But the trend is not repeated in other parts of the North Island, where decreases in international visitor nights and length of stay were the norm.

Almost half of Rotorua international visitor nights were FITs, which was up almost 33 percent from the previous year. The key markets to show improvement include Korean with a 283 percent jump to more than 300,000 - largely explained by an increase in the average stay from just two nights to seven!

The UK market increased 47 percent to 380,000 visitor nights with the average length of stay increasing from 2.5 days to 3.3 days.

Even the Japanese market recorded an increase in the average length of stay.

Destination Rotorua Tourism Marketing GM Don Gunn says: "If each visitor is staying longer, they are obviously realising how much Rotorua has to offer and want to stay to experience it. While they are here, they are spending more money, which is great for our local economy."

Aviation museum to open in December

The Aviation Heritage Centre at Omaka, Blenheim, is to open in December.

Weekes on board

INTERISLAND Line GM passenger services and hospitality Martin Weekes has been appointed to the board of Destination Marlborough. Mr Weekes was co-opted in December and is replacing Christine Webber.

Getting the picture on what guests *really* think

USUALLY hotel operators receive feedback about guest experiences through: comment cards and surveys (either paper-based, phonebased, or online); a mystery shopper; and focus groups or indepth interviews with guests to find their expectations and experiences.

Now associate professor Madeleine E. Pullman and senior lecturer Stephani Robson of Cornell University say the best way is probably through photo-elicitation. "Surveys and comment cards are often narrowly focused or encourage only a brief response. On the other hand, a detailed survey is cumbersome, costly to process, and still lacks the depth needed to interpret the meaning behind guests' reactions to the physical property."

Shopper

Mystery shopping has the advantage of giving a customer's viewpoint of an entire service encounter with all its nuances. The resulting assessment, however, represents just one person's experience, can be relatively expensive to acquire depending on the service type, and is best suited for evaluating conformance to existing service standards.

They note: "This approach is difficult to use for evaluating design, however, because aesthetics are subjective, and a single mystery shopper cannot represent the sum of guests' design preferences." Open-ended interviews or focus groups allow customers to discuss relevant topics, guided by a leader's questions. Through depth interviews on a topic such as the design of a hotel, interviewers can probe consumers' responses.

Conversation

Conversational approaches can explore context issues, changing perceptions, and issues of status and emotional comfort, in addition to other potential drivers of loyalty behaviour. This approach often identifies not-so-obvious perspectives to management, but it is time consuming, expensive, and the results require qualitative-analysis skills for interpretation."

Ms Pullman and Ms Robson add: "Because the above feedback methods are not necessarily the most effective way to evaluate design issues, we propose the use of an image-based guest-research tool known as photo- elicitation. Guests are asked to take photographs of physical elements that they considered important and to discuss these images in an interview or as online annotations.

Can opener

"Research has indicated that photographic images can act as a 'can opener' for deeper reflection and discussion and can be enormously helpful in communicating guests' impressions of design elements that may be hard to put into words."

The idea behind photo-elicitation is simple: Once images and comments have been collected, management can review the results to identify themes or

striking ideas. "For example, the guests' photos might provide evidence of guest-room-maintenance issues, such as mildew buildup on grout, or they may indicate that a particular design element in the lobby catches many guests' eyes. Conversely, what is not photographed can also be revealing."

Results

The results can be a matter of reviewing and categorising the responses, or if a more involved study is desired, one can use semantic software such as Wordstat1 or Text Analyst.

They say hotel developers can apply photo-elicitation in existing hotels to develop a sense of how customers perceive their environments and to make design and amenity decisions before a hotel property opens.

"We believe that design decisions are often made based on a designer's own interpretations of the guest experience - inferences which may not be reflective of the typical customer's perceptions. Hotel designers rarely have an opportunity to observe how guests perceive and interact with environments once they are created, and therefore may not be fully aware of how some design decisions affect the guest experience."

Rare

It is the rare hotel designer who has formally studied consumer behaviour or been exposed to the details of operating a hotel, and thus the designer relies largely on his or her own travel experience and on input from hotel management when determining how to lay out and equip hotel spaces.

Given the designers' aesthetic focus coupled with a somewhat limited view of the guest experience, it is possible that hotel planners make assumptions about guest needs and desires without empirical evidence and incorporate those assumptions into the physical plant.

Findings

Applying the findings from photo-elicitation studies early during the design process can counter this tendency to design based on assumptions rather than objective data. Designers can incorporate key features such as accessible but screened electrical outlets, convenient and flattering lighting, and well-positioned shower controls into their plans, and make informed decisions about product sizes, finishes, and features for furnishings and fixtures.

"Once the property is up and running, managers can use photo-elicitation to make operational decisions and to adjust design elements and amenities."

Participants in one study said they appreciated such amenities as padded hangers, pleasantly scented bath supplies, in-room CD players, and complimentary bottled water. "Service concerns that caught guests' attention included poorly functioning cabinet doors, mildew buildup on grout, and uncollected dirty room service trays. Noting these issues can help guide hotel operators in planning day-to-day operations," they add.

Singapore Airlines has been sending visitors to NZ for 30 years!

SINGAPORE Airlines has spent the last 30 years using its network to promote and bring tourists to New Zealand, the carrier's regional VP Paul Tan said at Thursday's celebrations in Auckland.

"We have good connectivity at our Changi hub, with multiple daily flights from the traditional strong inbound tourist markets - such as UK, Europe and Japan - feeding into the flights to New Zealand. We also offer multiple daily frequencies from the emerging and high growth inbound tourist markets of China and India. Currently, on average, two thirds of our passengers on each flight are foreigners visiting New Zealand."

Mr Tan said Singapore Airlines is proud to have contributed to the success of New Zealand tourism. "While we can think the world of ourselves, what the world thinks of us is more important," he added, listing the carrier's achievements.

"But, we must not be complacent. We must continue to strive for even greater excellence in all areas of operation.

He adds: "It is our firm wish that we continue to operate in the New Zealand market with the same innovative spirit and zeal to deliver excellent service."

Holidaying Aussies ARE treating us as a domestic destination

TRANS-Tasman leisure travellers appear to be treating New Zealand as Australia's seventh state with it looking more like another domestic holiday destination.

Residents both side the ditch are taking advantage of relatively cheap fares for holidays or VFR. Insights from Roy Morgan Research indicate that there are now over a million trans-Tasman travellers annually, and their booking habits increasingly imitate those of domestic travellers.

Domestically, Australians and New Zealanders display comparable leisure travel habits.

Some 80 percent of Aussies would like to take a holiday within their own country which is similar to Kiwis' domestic travel preferences (81 percent). While domestic leisure travel preferences are similar, over 46 percent of Kiwis would like to travel to Australia in the next two years compared to 13 percent of Australians who would like to travel to New Zealand.

Tasman travel has grown steadily over the last five years. The introduction of low cost air carriers has resulted in an increase of holidaymakers choosing to fly.

The internet has radically changed tourism distribution channels and booking patterns. It is now one of the most important pre-departure tools for Australian travellers. Internet bookings for air travellers on their last domestic holiday continues to grow, and currently more people are booking via the Net (55 percent) than those booking through a travel agent (28 percent).

The research shows the same trend evident in New Zealand between domestic air travellers booking via the internet (56 percent) or with an agent (20 percent). Once holiday makers choose to fly to their next holiday destination, air travel across the Tasman becomes a time and cost comparative option.

The uptake and ease of booking via the Net, whether with an airline or travel agent, presents itself as both an opportunity and a threat to destination marketing organisations. The company says the apparent mirroring of domestic and trans-Tasman internet booking levels reinforces the importance of Australian and New Zealand organisations to have an effective online presence. "An effective online presence is required to compete not only with other domestic holiday options, but with the destination and experience offerings of their trans-Tasman neighbour."

Brighter balloons

WATCH out for the bigger and brighter new Hawke's Bay Wine Country balloon in the skies around the region, sporting the iconic regional sun logo.

Early Morning Balloons Limited has just taken delivery of the custom-made craft.

"This new envelope is made of state of the art balloon fabric and is designed to last at least 800 flying hours," says Early Morning Balloons owner and pilot Andrew Livingston.

The balloon sports the largest billboard in the Bay, and bears the Hawke's Bay Wine Country logo on two sides. It is 3,970 m³, and is 26 metres high.

62 experiences on new food and wine trail

NORTHLAND has launched its first food and wine trail featuring 62 experiences - plus a Northland Seasonal Specials campaign that makes access to the region better value during autumn and winter.

The free Northland Food and Wine Trail map lists everything from farm gate sales, to chocolate factories, cheese factories, farmers' markets, Northland excursions and adventures, to winery dining.

The best part about the trail is that rather than having to follow a particular route, gastro-tourists can tailor the journey to suit themselves. With the campaign featuring more than 90 special offers on accommodation, activities, transport, pampering packages and gourmet getaways, visitors can take a few more days to sample all the tastes of the North.

Lambert encouraging wholesalers

QUEENSTOWN Chamber of Commerce CEO Nick Lambert and wife Justine are encouraging wholesalers to include Arrowfield Apartments opposite Millbrook Resort in packages, and undertaking direct marketing to higher income professionals in Australia. Mr Lambert, who manages and markets the apartments, has a track-record in hotel management in Queenstown.

Ezibed in expansive mood

EZIBED.com - the accommodation website focusing on last minute distressed inventory - now caters to the "outside 28 day market" by way of an enquiry booking engine, new to last minute sites.

Says marketing director Garreth Pearce: "Our customers frequently enquire about booking accommodation outside of the specified 28 day period, and up until now they have been unable to do so through the site."

But customers will be able to click a link on the website that will enable them to complete their details and the dates that they require.

This enquiry will automatically be sent to the supplier who will then say if they can accommodate the request.

Mr Pearce says this is not a "live" system like the current "28 day distressed inventory" side of the site, but an enquiry response mechanism only. Completion of a booking is expected within 24 hours.

Suppliers have the freedom of offering customers better rates and inclusions just in the same way as the current site works. Mr Pearce says that the new development allows suppliers to continue to manage their yield based on their availability.

"Ezibed.com is moving away from operating solely as a last minute site. People want better online accommodation offers, further out than just 28 days so if we can assist as intermediary between supplier and customer then we will meet that demand."

The expansion allows customers to book up to 18 months in advance.

Details: 021-2524930 or marketing@ezibed.com.

Amex, Atlantic and Pacific unite

AMERICAN Express Business Travel and Atlantic Pacific have entered into a partnership to become one of the country's most experienced business travel service providers.

Atlantic Pacific is a business travel division of listed travel company Gullivers Travel Group and, following the completion of the transition, will trade as Atlantic Pacific American Express.

The transition is expected to be complete by the end of June.

Terms have not been disclosed.

QLDC to spend \$13M on holiday park

IT seems to be a growing trend that when council-owned camp ground leases expire they are returning to in-house management. Both Queenstown Lakes District Council and Tauranga City Council are in the throes of redeveloping camping grounds that were previously leased. This could be a reflection of the fact that there is a growing need for affordable visitor accommodation in these areas.

In Queenstown there has been some controversy about the return of Arrowtown camping ground to council management on May 1. Campers who have used the camp for years are concerned that caravan storage charges and prices for staying at the camp will increase significantly.

Queenstown Lakeview Holiday Park GM Greg Hartshorne, who will take over the running of the camp says: "QLDC has made a commitment to spend \$1.3 million to bring the camp ground up to a standard to meet the expectations of campers in the new millennium. The campers at Arrowtown will continue to enjoy favourable rates in comparison to what's charged in similar establishments around the country.

"In addition to landscaping at the camp, new toilets, showers, washing, kitchen and barbecue facilities will be installed. When it's finished, the camp will service both the domestic and international markets," he adds. - *Christine Hartley.*

Sky's the limit: flying a la carte!

Flying a'la carte! Latest low cost carrier (LCC) options menu reads like this: US\$15 for an aisle seat or US\$24 for an exit row.

More leg room for US\$50 or purchase your ticket over the phone for US\$10. Confirm a standby flight is US\$25. US\$1 for trail mix or cashews, US\$4 for a snack box or US\$5 for a 'fresh' sandwich or wrap. And it's US\$2 per bag for kerbside check-in. There are no longer any free magazines, newspapers, pillows or blankets.

Plan ahead. Take your own food, your own mp3 player, your own magazine, your own blanket and pillow, heck, just add a family photo on the seat back table tray and it'll be like home sweet home at 35,000 feet. Focus on the outcome of the trip. Remember, you could be on a bus, says <http://Airlines.Ws> - a leading directory of the world's airlines, airline news, polls and commentary.

ADVERT

WANT TO GROW YOUR SMALL TOURISM BUSINESS?

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Concern that Te Anau will be by-passed

OFFICIALS considering a proposed \$150 million 10km private bus tunnel between Routeburn and Hollyford valleys probably have no idea of the strength of opposition to it, says Clutha-Southland MP Bill English.

“Te Anau is the gate to Milford Sound. We don’t want anybody closing that gate, even half way.”

More than 200 local people attended a meeting called by Mr English in Te Anau on Monday to discuss a proposed amendment to the Mount Aspiring National Park plan, which could allow the project to go ahead. Submissions on the amendment close today (Friday). Te Anau hotelier Geoffrey Thomson said the town could be sidelined by the changes in tourist flow if the tunnel goes ahead. The economic damage will be felt throughout the south.

Visitors using the proposed route would not only miss out on Te Anau but also the Eglinton Valley, described as the best part of the journey to Milford Sound.

What parents want during school hols...

ONLINE accommodation website wotif.com has surveyed parents to gain an understanding of how they like to travel and spend time during school holidays. Hotel or apartment hotel living was the most popular form of accommodation followed by self-contained apartments and motels.

Some 52 percent considered a swimming pool or spa pool as the number one draw-card, followed by a request for separate bedrooms. Only 12 percent wanted cooking facilities, and only five percent wanted a kids’ club or the availability of a child minding service.

“A conclusion you could draw from that is that working parents actually want to spend quality time with their kids and enjoy family holidays, as opposed to getting minding services in and going out alone,” says New Zealand manager Tania Witheford.

The ideal school holiday break showed a clear preference with most respondents wanting to spend time at a beach, second place was a holiday in a city and third equal was shared by people wanting to travel to the country or to the snow!

Parents are also happy to spend four hours or more with their children travelling by car or plane.

“This shows with the advent of hand held computer and play station games, travelling with children for four hours or more appears relatively painless,” says Mrs Witheford.

So how much are parents prepared to pay a night for school holiday accommodation?

Most were prepared to pay between \$100 to \$149 per night, while second preferred amount was between \$150 to \$199 per night.

The favourite North Island holiday regions are Northland, Bay of Plenty, Hawke’s Bay, Wellington and Auckland - in that order.

Most popular South Island destinations: Nelson/Tasman; Otago; Canterbury; Marlborough; Southland.

Rising fuel prices could hit pax demand

PASSENGER demand could slow quickly if fuel prices begin to affect consumer spending, believes Centre for Asia Pacific Aviation executive chairman Peter Harbison.

“The growing oil price crisis sees the express train of demand growth coming into a lake of treacle as consumer demand slows, while fares rise. The express train is not yet stopped, but the slowing becomes unavoidable.”

This ‘treacle effect’ is the biggest short-term threat to airline profitability worldwide, he adds.

Top sales people to be recognised

THE Sales and Marketing Institute of New Zealand has opened entries for its National Institute Awards for 2006 in the categories of best sales person either products or services, best sales manager small business or large corporate, best marketing managers small business or large corporate, best entrepreneurial marketer and best channel marketer.

The awards carry \$1000 cash prizes or sponsors’ products plus institute recognition. The supreme award winner will receive a trip to attend a conference in the US.

Contact: 09-8184224, 03-8184224, or 04-8184224, jo@salesmarketing.org.nz or www.salesmarketing.org.nz.



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