

Outlook for Travel to Britain

- Airlines are reporting excellent forward bookings for UK/Europe for 2010. Singapore airlines are on par to achieving results similar to those of 2007/8 (which was a very good year). Emirates have seen an increase in UK traffic of 300% against last year (which was good year for them) and wholesalers Go and House of Travel, are both looking at good early bookings and all are very optimistic for a good 2010.

Britain in the News

- The All Blacks tour of Europe has been high profile for November, and even grudging (and rare) admiration for some England players in the New Zealand Herald.
http://www.nzherald.co.nz/sport/news/article.cfm?c_id=4&objectid=10610400&pnum=3
- The Copenhagen Climate summit has been high profile news with Britain and the USA seen as key leaders.

General Market Mood

- October saw a 25 year high in the New Zealand Dollar against the Pound, and the currency continues to ride high against all major currencies. Britain has become an even greater value destination, however so has the USA, and continental Europe.
- GDP figures released at the end of September, show that after 6 quarters of recession, New Zealand has seen small growth of 0.1% in the quarter ending June 2009, signaling the official end to the recession. The Reserve Bank's November Financial stability report highlights improvement in the last 6 months in the New Zealand economy, and the outlook is of slow growth.
www.rbnz.govt.nz/news

Consumer Behaviour

- Late spending pattern continues across the retail sector. 2009 has been a difficult year for retailers, according to the New Zealand Retailers Association, and they foresee a Christmas of discounts and reductions to encourage the consumer.
- To counter this late spend, the majority of New Zealand based airlines offering the earlybird special airfares to UK and Europe have offered good, but not exceptional low prices to Britain (compared to early in 2009), and have guaranteed not to undercut these later in the year. If they do happen to reduce the levels, the consumer will be entitled to a refund of the difference. "The challenge in this environment is to get the consumer to part with their money early" Chris Lethbridge, General Manager Emirates New Zealand and Pacific.
- Airport Passenger Duty is causing great concern amongst the main airlines. In particular Emirates, Cathay Pacific and Air New Zealand are actively looking to create and promote fares that depart from continental Europe to avoid the tax. This could well be detrimental to visitor numbers and particularly length of stay in Britain for the New Zealand consumer, who is very price conscious and always looking for a bargain! Air New Zealand is offering free travel on Eurostar to Paris, and then travel on a partner airline to avoid the tax.
- NZ Olympic committee are launching a Winter Olympics campaign, with a trip to London 2012 as a prize. www.winterolympics.co.nz
- Air New Zealand have recorded a better than expected fuel saving through using the extended "winglets" on their 767 aircraft. Now being added to their whole fleet, the winglets are estimated to

save the company 7 million litres /18, 4000 tonnes of carbon emissions a year in their quest to become the world's most environmentally sustainable airline. www.airnz.co.nz/aboutus

Media Matters

- The Nielsen Media Research, National Readership Survey for the 12 months ending 30 September was released in November, and shows positive growth in newspaper circulation across the metropolitan areas of New Zealand. Magazines however have seen significant decline, in particular with the key women's titles (New Zealand Woman's Weekly -9.6% against 2008 , Woman's Day -8.7%, and New Idea -7,4%) They are not only suffering from the economic downturn, but primarily because of the speed of the internet with "Hollywood gossip" round the world before a magazine goes to print. Niche magazine titles have seen some good growth, with Top Gear New Zealand, Healthy Food Guide, and New Zealand Gardener among those with increased readership.
- Newspapers Sunday Star Times saw a growth of 6000, to reach 570,000 readers, and Herald on Sunday grew by 13,000 to reach 380,000. The New Zealand Herald, Waikato Times and Dominion Post also saw steady growth.
- The decline in print for classified advertising titles and a move to online sales mainly through TradeMe.co.nz (kiwi version of E-Bay) is highlighted with the demise this month of Trade and Exchange print edition.
- TiVo launched in New Zealand in November, and with a continued growth in TV viewers, is expected to do quite well. TiVo New Zealand is a partnership with Telecom and TVNZ.
- VisitBritain sponsored journalists from Herald on Sunday, NZ Woman's Weekly and the TVNZ Breakfast show to Britain in October.

Routes and Fares

- Cathay Pacific bucked the trend and increased capacity in and out of Auckland. For the southern hemisphere summer, there are now double daily flights.
- The first round of the UK/Europe Earlybird airfares was launched in October. Initial short term lead in prices started at NZ\$1999 (Emirates, Cathay and Singapore Airlines). Prices are now sitting at the NZ\$2100 mark. These levels are slightly higher than during 2009; however the airlines have guaranteed they will not undercut them, with a view to getting as many consumers to return to their early booking habits as possible.
- Airfares to London range – low season NZ\$2314 to high season NZ\$2514
- Initial airline feedback is that sales are excellent and heading back to 2007/08 levels, and wholesalers are starting to get the land bookings through, which indicates a move back to 'traditional' buying patterns.
- Lufthansa introduce their airfares into CRS this week in a move to make their product more accessible. With their code shares with Air New Zealand (LH are offline) and their vast range of destinations, LH are a large player in the New Zealand market

Business Tourism

- Qantas have introduced Premium Economy seats on their Auckland to Los Angeles direct service.
- Cathay Pacific has re-introduced First class travel with the introduction of a 747 aircraft from October to March 2010.

Leisure Travel Trade

- Flight Centre officially launched their Escape Holidays brand in New Zealand in October. Their UK and Ireland brochure offers more product than their Infinity brochure and they have a separate

small touring brochure using BackRoads product. The aim is to sell to any New Zealand retail agency rather than distribute through their own network alone.

- New agency LayAway travel has opened with a storm. They are part of the Mondo/Flavour group and an online company. The idea is based on the popular Kiwi 'lay by' tradition, where you choose an item in a shop, have it put aside, and then pay in installments (small or large) by a set date before getting your purchase. Clients can choose their dream holiday and pay in installments, rather than the usual pay now for a package holiday.
- Go Holidays have publicly stated they are concerned with the number of suppliers increasingly going direct to the consumer and ignoring the travel industry supply chain. They are worried about pricing and distressed inventory being sold and undercutting retailers.

Competitor Activity

- Tourism Samoa have run a large campaign, with "the welcome, the beaches, the people, we are still here" theme following the tsunami and encouraging New Zealand visitors not to stay away. They have also run a number of functions to thank the industry in New Zealand for their support in the wake of the tsunami.
- Fiji also have increased their budget for New Zealand, although diplomatic issues have meant a delay in spending this. (The New Zealand government and Fiji have each expelled the other's top diplomats.
- California Tourism announced an effort to return to the New Zealand market and have identified marketing budget to do so. The Californians held a recent trade road show in Auckland.
- Tourism New Zealand have been given an additional NZ\$20 million to promote New Zealand overseas, by the Prime Minister (also Tourism Minister) in are the UK, Europe and the USA. New Zealand shared some of their online strategy at the Inaugural E-tourism conference. Urgency to travel is a key issue to address. Tourism New Zealand are activating word of mouth initiatives in their UK /European markets - experimenting with video-postcards and allowing consumers to "Have your say "and then post the video on You Tube and Facebook. This has then further developed to a Gen Y campaign, to encourage travelers on their Gap Year to go further than Australia, and to spend more time in New Zealand. The campaign "Go all the Way "has also included a reality TV /Bebo campaign where 5 young Europeans have been chosen to come to NZ and face some Kiwi challenges. www.bebo.com/TheGapYear.
- Singapore Airlines and Tourism New Zealand have signed a 3 year, agreement to jointly develop and promote tourism to New Zealand on Singapore Airlines services. The agreement will see \$NZ2 million committed to fund marketing campaigns and familiarization programs.
- The Sultanate of Oman has been on a PR blitz claiming increased brochuring of Oman product by wholesalers along with advertising in trade publications and training seminars.
- Tourism New Zealand recently launched a campaign for budding film makers. The 'Your Big Break' competition will see five budding film makers create a 3 minute short film shot on location in New Zealand that captures the essence of 100% New Zealand. The finalists will then work with Lord of the Rings producer and the winning film will be selected by Peter Jackson.

VisitBritain Activity Update

- October: TVNZ Breakfast in Britain. The TVNZ Breakfast show brought roving reporter Tamati Coffey to Britain where he filmed live back to New Zealand from Manchester, Birmingham and London with pre-recorded pieces from Liverpool, Stratford upon Avon and London. Emirates and Flight Centre were partners and the prize offered on air was a trip to Britain to follow in Tamati's footsteps.
- Staff destination updates with Flight Centre and Escape wholesale staff the week of the TVNZ promotion to maximize product knowledge and increase sales.

- Meetings with key airlines and wholesalers and a welcome reception in Auckland for Kristy Johnston (VisitBritain Sydney office) who will look after the travel trade in New Zealand.
- Sherlock Holmes – promotion with TV1's Breakfast programme, running week of 7th December. To tie in with previous footage of Tamati doing Sherlock Holmes' walk in London, on TV1's Britain trip, Breakfast will run the global sweepstake, on air and online with prize winner announcement on 16 December.

Upcoming activity

- Top Gear Live comes to Auckland at the end of their world tour in February, and VisitBritain are looking at partnering with Top Gear, the New Zealand Herald for a consumer promotion to run in January, with a prize trip of a driving holiday to Britain. In addition, working with New Zealand Herald to run some driving holiday themed articles around the actual show weekend.
- Dynamic Britain radio and online promotion being discussed with STA and The Edge radio station. Timing is planned for March 2010, with prize trip in May.
- Travcom Travel writer's of New Zealand awards evening. March 2010. VisitBritain and Tourism Ireland co-sponsor the prize for best British/Irish story.

Who's in Town?

- Prince Edward visited Auckland, Christchurch and Wellington in November for the Duke of Edinburgh awards.
- Prince William to visit next year in January. (Auckland and Wellington) He will open the new law courts in Auckland.
- Top Gear Live! In Auckland the weekend of 18th Feb 10, Jeremy Clarkson will run the show and co-presenter James May.