

# Inside Nigel Coventry Tourism

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## Respond quickly to changes, operators told

THE industry can't just rely on growth of value and volume any more. The market dynamics are changing and operators need to respond quickly and effectively to understand the impact on their plans, says TIANZ chairman Geoff Burns.

He emphasises that the industry in general is in good heart.

"There's some reality in the marketplace now with significant changes in the performance of markets over last six to nine months."

He adds: "In the Australian market numbers and overall value have grown well but at a lower average spend. The Japan market is soft despite still having a good average spend and some of the Asian markets are not providing any real value that stays in New Zealand. So overall, there's been a plateauing in the value left here by international visitors."

## Wait and see approach to Lions tour...

WAIT and see. That seems to be the attitude towards the Lions tour and whether we really will attract the 15,000 British fans as initially proclaimed.

Itineraries that have focused predominantly on the three tests have sold reasonably well, according to Southern World MD Martin Horgan. "...certainly not to capacity but not a disappointing result." He adds: "Interestingly enough we also had a heap of demand for short stay, one test only supporters. Longer itineraries that featured more regional games haven't been as popular as the industry had predicted. This is obvious by a significant increase in hotel rooms coming back on-line over the last month or two (excluding test venues)."

Mr Horgan says it appears that many New Zealand hoteliers took the Australian approach to event accommodation and imposed difficult booking conditions and hiked rates to levels that they'd only dream about normally. *"We know the Poms will pay anything for game tickets. But the lesson here maybe they aren't so fussy about where they sleep and that they're not willing to pay the world for a comfortable hotel bed."*

## Keep up with trends, Hickton advises

TAUPO needs to keep up with worldwide trends if it is to continue to attract international visitors, TNZ CEO George Hickton said yesterday (Thursday). Speaking at an industry forum Mr Hickton said that with international travel predicted to increase, it is vital that regions create a point-of-difference.

Earlier, Taupo Hot Springs owner Barry Kirkland said Lake Taupo Tourism has an identity crisis aided by an advisory board which has been out of touch for years. Mr Kirkland says there's a slump in arrivals, which is more than a hiccup. "Lake Taupo has been underperforming as a region in a number of key markets for the last five years."

## RTONZ may become a charitable trust

**THE 28-member body known as RTONZ (Regional Tourism Organisations of New Zealand) is working towards becoming a charitable trust.**

## Airport to keep \$5 security fee

AUCKLAND International Airport is to keep the \$5 charge it has been including in its \$25 international passenger departure tax, although from October 1 costs associated with aviation security services will become a charge on airlines.

## UAE sees NZ's "great" potential

NEW Zealand is seen as a new destination with great growth potential now Emirates is flying into Christchurch, according to Market Vision MD Sen Gupta, speaking at the Arabian Travel Mart.

Mr Gupta - whose company is a UAE-based market research company - reported that discrimination and fear of harassment is continuing to influence which countries outbound travellers from the Gulf countries visit. But growth in the region's expatriate population to 100,000 "would have a positive impact on outbound trends."

"The Americans continue to lose on a daily basis," he added. "It is losing leisure, education and medical tourism," he added.

## **Bellamy cites NZ in global warming issue**

NEW Zealand is making great efforts to be carbon neutral. But most visitors are from longhaul markets. So shouldn't the industry be planning ways of overcoming damage caused by jet travel too?

That was one theme to come from a sometimes heated seminar involving longtime New Zealand admirer botanist and broadcaster Prof David Bellamy and Canadian-Japanese environmentalist Dr David Suzuki at the PATA annual conference.

Prof Bellamy agreed that transport is the burning issue when it comes to "global warming" - although he believes it is cyclical climate change.

**Prof Suzuki added: "We are on a catastrophic collision course with the natural world and tourism is one area where implications are enormous."**

In 1992 1,500 of the world's top scientists warned that even then irreversible damage was being done to the environment and our critical resources.

He added: "That was a great cry to give around the world. The tragedy was that it was totally ignored by media."

## **Aussie wonders about our motels...**

**FOUR star motels in New Zealand are "wonderful" with most deserving their assessment, says Sydney-based Jim White of Motel Design Consultants. But there were complaints...**

## **Unholy row over coaches at church**

UP to 80 tour coaches a day cram around Tekapo's Church of the Good Shepherd disturbing services and weddings.

Church committee chairman Graeme Murray says that at the last large, local wedding three coaches managed to isolate the arriving bride.

Mr Murray counted 11 coaches parked outside the small church at the same time last week.

"Some locals are not at all happy about having lost their peaceful place of worship to the ever increasing tourist pressures."

## **Smoking out the profits at SkyCity**

BASED on trading performance since its half-year result announcement in February, SkyCity Entertainment Group has reduced its expectation for net surplus for the 2005 financial year to \$100 million-\$103 million.

MD Evan Davies blames: the effect of non-smoking legislation in New Zealand; delays in completing the first part of the company's redevelopment of SkyCity Adelaide; the introduction of ticket technology at SkyCity Auckland.

## **Auckland tops occupancy list**

**AUCKLAND hotels led all major tourism regions in New Zealand in occupancy for the year ending March 31, achieving 69.3 percent according to Horwath Asia Pacific Ltd's inaugural *Hotel E-Newsletter* launched yesterday (Thursday).**

## **Real Journeys buys S.I. Experience**

REAL Journeys has bought the remaining 50 percent ownership of Stewart Island Experience from Phil and Sharon Caskey, effective May 31.

Real Journeys CEO Dave Hawkey says the investment shows the company's confidence in the future of Stewart Island tourism.

"We are demonstrating further commitment to the island and to enhancing a range of excursions that meet visitor expectations in a manner sensitive to the community and environment."

Earlier, a local operator expressed concern about the rumoured sale "because this huge control of ferry and travel route from Te Anau/Manapouri/Bluff/Stewart Island has a direct impact on small businesses and the community."

## **High spending visitors attracted north**

NORTHLAND is attracting more and more higher-spending international visitors. New analysis shows that as a proportion of the region's total visitor numbers they increased from 33 percent in 2000 to 42 percent in 2004.

"That increase is worth an additional \$55 million in direct income to the Northland economy," says Destination Northland CEO Brian Roberts. "For the first time, Northland's proportion of international visitors is the same as the national figure."

## **It pays to price above competitors**

**HOTELS that price above their competitors are better revenue managers than those that offer rates below the competition, according to a report by ornell University, US.**

## **High occupancies - but low room rates**

LARGE hotels are reporting their highest occupancy rates since 1997 - but the lowest average room rates for eight years.

New Zealand Hotel Council (NZHC) CEO Jennie Langley says the organisation's latest annual survey shows that room rates have not kept up with inflation and are low by international standards.

The statistics show that average occupancy last year for NZHC members in Auckland, Rotorua, Wellington, Christchurch and Queenstown was 75.55 percent. The average room rate for the same period across the regions increased by just \$0.22 (22 cents) to \$124.80, largely due to a drop in rates achieved in Auckland.

## **Personal service gives SMEs advantage**

SMALL businesses have an important part to play in the industry - and personal service offered by them is something big corporates cannot compete with.

"For small operators trying to make a name for themselves against competition from big operators, there is light at the end of the tunnel through hard work, perseverance and a good product," says Ruggedy Range Wilderness Experience owner operator Furhana Ahmad.