

Your December 2012 Tourism & Hospitality Newsflash!

We wish you a wonderful Christmas and New Year Holiday period and look forward to keeping you updated on the Tourism, Hospitality & Leisure sector in 2013.

[Click here](#) to see our current TV Commercial airing on Television One (TVNZ) Breakfast other TVNZ channels until March 2013.

International Travel October 2012

Because of the impact of the Rugby World Cup on travel in October 2011, we compared October 2012 figures with October 2010:

Visitor arrivals (184,200) were down 700. The biggest changes were in arrivals from: China (up 6,700), Korea (down 1,400) Japan (down 1,700) the United Kingdom (down 2,000).

Overseas trips by New Zealand residents (190,100) were up 9,500. The biggest changes were in departures to: Fiji (up 1,800) the United States (up 1,400).

Migration October 2012: Seasonally adjusted figures showed a net gain of 300 migrants.

New scheme to encourage Chinese tourism... a new agreement with China Southern Airlines to make it easier for high-value Chinese tourists to visit New Zealand. Gold and Silver frequent flyer card holders with China Southern Airlines will not have to produce evidence of sufficient funds to support themselves, as long as they can show their flight records over the previous two years. This will make the visitor visa process more streamlined. At the same time though, applicants will still require a visa and need to meet health and good character requirements, as well as evidence of onward travel. This group of travellers are considered to be low-risk as they travel regularly for business or leisure.
Source: NZ Govt

Hotel Prices Drop by up to 41% across Europe... This month sees hotel prices decrease across Europe. An overnight stay in November will now cost an average of £86, compared to £99 in October and £105 in September. Hotel prices have decreased by an average of 18% in the past two months, and are now at their cheapest since January 2012. These are the findings of the trivago Hotel Price Index (tHPI) reported monthly by trivago UK.
Source: Tatiana Rokou

China now New Zealand's second largest tourist market... 160,000 visitors coming here last year... China has jumped to become New Zealand's second largest tourist market, recording a 37 percent increase in expenditure over the last year. Chinese visitors spent \$555 million in the year to September 2012, which for the first time puts them ahead of the United Kingdom (spending \$545 million), but still well behind our largest tourist market Australia (spending \$1.7 billion).

We live in a multi-channel marketing environment. We are dealing with increasingly hyper-interactive travel consumers who switch channels on an hourly basis (e.g. desktop during the day; mobile device during lunch break and after work hours; a tablet when lounging in front of the TV in the evening). The availability of appealing packages and promotions on the hotel website and the marketing of these offers via every single “tool” in the property’s marketing toolbox are part of best practices in hotel distribution. There’s no doubt that great offers, intriguing packages and special promotions increase the amount of rooms sold. A hotel will see an immediate increase in direct bookings if there are more appealing offers and better promotions compared to previous periods. Any hotel promotion or special offer should be marketed via a comprehensive multi-channel marketing approach that includes the desktop, mobile and tablet websites, email marketing, SEO, SEM, social media, online media.

Source: Max Starkov

Domestic tourism adds \$13.8 billion a year to New Zealand’s tourism industry, with New Zealanders travelling in their own country contributing \$38 million in economic activity every day of the year.

Source: TIA

It seems like selling a hotel room seems should be a simple thing, but an already complex matter has become even more intricate in recent years. In fact, we don’t even call it selling a room. Instead, this is known as distribution, and hotels sell their rooms through multiple distribution channels. But even that statement makes things sound simpler than they actually are, because it’s often difficult for a hotel to know exactly which of many channels was the one that brought in the booking. Several presentations at the recently concluded Cornell Hospitality Research Summit (CHRS) addressed the spaghetti-like nature of hotel sales and marketing. It goes without saying that a fair amount of business comes through Internet channels, each with its own cost structure. You can analyze a consumer’s clickstream (or engage one of many expert firms to do so), with the idea of determining which of one of many “clicks” was the one that actually got you the booking. In that regard, Internet analytics is making considerable progress.

Source: Glenn Withiam, Cornell Center for Hospitality Research

Online Reviews, Incentives and Wi-Fi are Key to Customer Loyalty... More than 1,000 respondents were asked in a survey conducted in October whether they use online incentives for hotels and/or restaurants and the vast majority said that often or occasionally do. Almost three quarters (71%) say online incentives and rewards are becoming increasingly important elements of hotel and restaurant customer loyalty and selection decision factors. More than a quarter (29%) said that they rarely or never capitalize on these online rewards. Similarly, online reviews are an important factor in decision making. These review sites include Yelp, Zagat and online travel sites, like Trip Advisor. Exactly two-fifths (40%) often access online reviews in making a selection, while a similar number only occasionally visit these sites for reviews. Hotel guests across a wide range of incomes, expressed very specific preferences in amenities and freebies that enhance their loyalty to a hotel chain. **When queried about elements that make a traveller more loyal to a hotel chain, 67% replied: free internet access in rooms.**

Source: by customer intelligence firm, PeriscopeIQ

It's Confirmed! Tripadvisor Directly Affects Rates, Occupancy & RevPar....

Professor Kris Anderson from Cornell University in his recent white paper 'The Impact of Social Media on Lodging Performance' demonstrated that online guest satisfaction has a direct impact not only on occupancy but also on RevPar and rates. It is based on an analysis of more than 31,000 monthly observations over 2.5 years on midscale, upscale, and luxury hotels in 11 major markets in the North America and Europe. The analysis finds the following: The % of online travel shoppers consulting reviews at Tripadvisor prior to booking a hotel room has steadily increased over time: If a hotel increases its review scores by 1 point on a 5-point scale, then the hotel can increase its price by 11.2% and still maintain the same occupancy or market share; A 1-percent increase in a hotel's online reputation score leads up to a 0.89% increase in price as measured by the hotel's average daily rate (ADR). This 1-percent increase in reputation also leads to an occupancy increase of up to 0.54%. Also this same 1-percent reputation improvement leads up to a 1.42-percent increase in revenue per available room (RevPar). Recently, Hotel managers became more conscious that online guest satisfaction impacts their occupancy levels; they assume that their Tripadvisor ranking will affect the number of their potential reservations. **Hotel operators have realized the value of online reviews and social media as a key source of customer insight, and a tool to achieve operational and service excellence.**

Source: Taoufik Haraketi

Secrets Of A Hotel Tea Master... Nowadays, more and more hotels are offering unique services to cater to their guests' every whim. From surf butlers to in-house tattoo artists to pet psychics, the list of luxe hotel amenities is expanding rapidly. Some of these may be gimmicks -- seriously, The Ritz-Carlton South Beach, tanning butlers? -- but other services are more than just asterisks on amenities lists. Dedicated to their craft and eager to educate others on their field, professionals from a variety of industries have been called on by some of our favourite hotels to share their expertise-- and we want to hear their stories. We recently interviewed Robert Rex-Waller, the resident tea expert at the Park Hyatt Washington. Tea experts, also known as tea masters or sommeliers, are growing in demand at luxury hotels around the globe. Brewing a perfect cuppa isn't as simple as Lipton would have you believe, and that's where experts such as Rex-Waller step in. The Tea Cellar at the Park Hyatt Washington features over 50 rare and limited-production, single-estate teas from remote regions of China, Japan, Sri Lanka, and the Himalayas and Rex-Waller is happy to help guests discover new, unique flavors during their visits, whether they order a calming pot of chamomile tea or a \$300 pot of exclusive Pu-erh tea.

Source: Kristina Fazzalano

Be Big or Niche to Survive the Daily Deals Rat Race... When you turn on your phone or laptop in the morning, what is lying in store for you? In the US the market is dominated by Groupon who have over 50% market share, followed by Living Social with just over 20%. 2012 Q2 figures showed Groupon's share was somewhat in decline. In the UK accurate figures on the size of the daily deals market are hard to find, but some statistics released by DD Summit 2012 earlier this year estimated that nearly £300 million was generated by daily deals sites in just six months in the UK by over 70 active

operators. The market is indeed incredibly crowded, with many brands jumping on the daily deals bandwagon. Amazon (which is a shareholder in Living Social and has invested \$175 million so far) launched its own dedicated daily deals operation recently, as did Nectar. In terms of the travel space, Travelzoo has been in the market the longest. Groupon has a partnership with Expedia, and Living Social created a separate brand for its travel offers called "Escapes" (not to be confused with Secret Escapes). Watch out also for Google, who already own online restaurant review site Zagat and travel guide book series Frommers, which could be used as a platform to catapult "Google Offers", which is currently in beta. Clearly to be successful you need access to the traffic and an endless stream of compelling deals. Prediction: is that the daily deals market will develop along not dissimilar lines to the tour operating sector, whereby those who survive and prosper will either be generalists operating on a huge scale, or specialists operating in a niche.

Source: Ian Brooks

Proud to Be One of the World's Worst Hotels In the World... The good news? This hotel is a bargain, no room costs more 25 euros per night. The bad news: You get what you pay for. It may be the worst hotel in the world. The people who own the Hans Brinker Budget Hostel in Amsterdam even wrote a book about the place entitled "The Worst Hotel in the World." The book warns guests in advance so they can't complain after they arrive. Some of the Hans Brinker's advertising slogans include: "It can't get any worse. But we'll do our best" or "Improve your immune system - stay at Hans Brinker!" And this "honest" humorous approach works, if you judge by the high percentage of the hotel's 511 beds in 127 rooms that are occupied these days. The hotel's target clientele are mostly students and backpackers, who can appreciate the sarcastic humour and the price. The Hans Brinker ads make extremely modest claims: "Now with beds in every room" or "Now more rooms without a window," to go with the modest rate. And cheapness isn't the only virtue on display at the Hans Brinker Budget Hostel, there's also so-called ecological correctness. So the hotel's broken elevators becomes an "eco-friendly elevator"-- the stairs. No hot water in the shower? It keeps water consumption environmentally sound. No towels? Drying yourself off with the curtains saves on washing and helps save the planet.

Source: Dragana Jovanovic