

## Your February 2013 Tourism & Hospitality Newsflash!

### International Visitor Arrivals

Total visitor arrivals are up 2.9% compared to the same four week period last year.

Ups: Australia 3%, China 2%, Japan 25%, USA 19%, Singapore 15%

Downs: UK -3%, Malaysia -17%, Canada -4%, Korea -12%, Germany -3%

### NZ Resident Departures (short-term overseas trips)

Total NZ trips abroad are up 1.2% compared to the same four week period last year.

Ups: Thailand 41%, USA 3%, Cook Islands 28%, UK 32%, India 30%, Australia 2%

Downs: China -30%, Fiji -14%, Malaysia -26%, Samoa -7%

**International Visitor Arrivals data for the year ended December 2012**.....There were 2.565 million visitor arrivals to New Zealand in the December 2012 year. This was down 1 per cent from the December 2011 year (2.601 million), which was boosted by visitor arrivals for the Rugby World Cup. However, the 2012 figure was up 2 per cent when compared with the December 2010 year. Although there was little change in total visitor arrivals for the year, there were large changes in the purpose of visits. Holidaymakers decreased 49,800 when compared with the December 2011 year. In contrast, travellers visiting friends and relatives increased 22,900. New Zealanders now living in Australia made up most of the increase in arrivals visiting friends and relatives.

Source: Statistics NZ

**International tourism expenditure increased 1.6% to \$9.6 billion in the year ending March 2012.** International visitor expenditure to the year ended March 2012 (\$9.6 billion) represents 15.4% of the total export earnings (\$62.2 billion). **Tourism is New Zealand's second largest export earner**, following dairy (\$12.7 billion or 20.4% of exports) in 2012.

Domestic tourism expenditure was \$13.8 billion, an increase of 3% from the year ended March 2011. Tourism generated a direct contribution to Gross Domestic Product (GDP) of \$6.2 billion, or 3.3% of GDP. Industries supporting tourism generated an additional \$9.7 billion, or 5.2% of GDP.

**The tourism industry directly employed 119,800 full-time equivalents (or 6.2% of total employment in New Zealand)**, this was relatively stable on the previous year. There were 67,100 FTEs indirectly employed in the tourism industry or 3.4% of total employment in New Zealand. **This means that almost one in ten New Zealanders are either directly or indirectly employed in the tourism industry.** Visitors generated \$1.3 billion in goods and services tax (GST) revenue.

**Hoteliers Contemplate the Arrival of a Growing Group of Travellers**.....In 2011 some 150,000 Chinese tourists made it to Britain, compared with 3.6m visitors from France. Their numbers are growing fast though, rising by 35% from 2010 to 2011, and 20% year-on-year in the first 11 months of 2012. Britain is moving to simplify the process of applying for visas - something that currently puts off many Chinese. China's total outbound market is likely to be three times as big as Japan's by 2020. To meet the needs of this growing group, some hotels are starting to ape department stores by catering specifically to Chinese tourists. **Hilton's Huanying programme, which operates in six British hotels, gives guests kettles in their rooms, Chinese teas, slippers, at least one Chinese television channel, a Chinese breakfast and a full-time Chinese-speaker.** At the Novotel London West, in Hammersmith, Chinese noodles are served at breakfast and a Chinese television channel is available. **Chinese tourists still rate handbag shopping as more important than bedrooms.** "The vast mass are happy with quite cheap hotels, as opposed to their older Japanese counterparts, who want three or four stars.

Source: The Economist

**Hotel Guests Hanging Up and Logging In**.....The way travellers communicate on the road has changed dramatically over the years, and these changes become evident when analysing the revenue earned by US hotels from their guests for use of telecommunication devices and services. In lodging industry parlance, "telecommunications revenue" includes monies

received from the guest use of hotel room phones, fax machines, and internet connections. According to PKF Hospitality Research, LLC (PKF-HR), telecommunications revenue at the average US hotel in its annual Trends® in the Hotel Industry survey sample has declined from a peak of \$1,274 per available room (PAR) in 2000 to \$269 PAR in 2011. The represents a 79% decline. During the 1990s, telecommunications revenues used to account for 3% of total hotel sales. In 2011, that number declined to just 0.6% of sales.

Source: Robert Mandelbaum

**The Death of Travel Industry Loyalty.....**You're probably doing something wrong if you can't give your product away. An authoritative new report from global consulting firm Deloitte has put the travel industry on alert, declaring the death of brand loyalty. Of the 4,000 frequent travellers surveyed, only two in five people said they "always" want reward points, miles or upgrades. **One in 10 said they couldn't care less about rewards regardless of the circumstances.** "Hotel loyalty programs as they are constituted today have either little or no impact on travellers' purchase decisions." While at least one industry watcher says the root cause of travellers' disloyalty is new tools that allow us all to "become promiscuous comparison shoppers," I place the blame on the travel companies themselves, who have, at every turn, made these programs impenetrably complex. The confusion has even spawned a cottage industry of mileage consultants -- with names like The Points Guy -- to help parse the small print of each program.

Source: Huffington Post

**Why Does Social Media Matter?.....**One huge reason that social media matters right now is simply, because everyone likes it. Even if you detest some (or all) of the platforms, using the big ones is almost mandatory. Nearly everyone is on Facebook. Lots of people are on Twitter. A good number of people are on LinkedIn. Some people are on Pinterest. And SEOs are on Google+. Social media is all about relationship building, and the more recent lines of thinking about link building involve (guess what?) relationships. Just as you have to earn the trust of a friend, you have to earn good links these days. With trust being such a good thing, using trusted sites is a critical way that you can show your community that you are legitimate. Many things are easy to automate and fake, but doing social media well? That's difficult. Sites like Twitter and Facebook are seriously trusted sites, and the interaction is a good source of trust for a brand. **Social media matters because everyone uses it, and because it's a seriously efficient way of promoting your site, your brand, and your personal voice.** We used to comment on blog posts and in forums mainly, but now we have all these other ways of expressing our opinions, bonding with others, and promoting ourselves.

Source: Julie Joyce

**The World Travel & Tourism Council (WTTC) has unveiled the 12 finalists for its 2013 Tourism for Tomorrow Awards - including New Zealand and Australia nominees....**

Global Tourism Business nominees, who represent international companies with at least 500 employees, and eight tourism enterprises in one or more countries, where achievements combine corporate success with sustainable tourism principles and practices: Abercrombie & Kent, USA, **Air New Zealand, New Zealand**, ITC Hotels, India. Conservation Award nominees, who have made a direct and tangible contribution to the preservation of nature, including the protection of wildlife, expanding and restoring natural habitat, and supporting biodiversity conservation: &Beyond, South Africa, The Bushcamp Company, Zambia, **Emirates Wolgan Valley Resort and Spa, Australia**

Source: Travel Mole

**Where in the World Are the Worst Hotels?.....** 100 cities around the world ranked - London sits on the bottom of the list. The city has just been named home of the world's worst hotels, according to a study of aggregated hotel reviews across more than 140 accommodation booking websites. It ranked 100 cities around the world, with number one being the best and 100 the worst on the list. London, with a ranking of 100, was followed by Rio de Janeiro (99), Copenhagen (98) and Paris (97) in the disappointment ratings. Australian hotels also failed to wow travellers, with Brisbane ranking at number 76, Sydney 69 and Melbourne 60. The best hotels were found in the German city of Dresden, followed by Hanoi, Vietnam and Portland, US.

Source: Kate Schneider

**How Google Plans To Dominate The Travel Sphere...** Ever since Google was founded 15 years ago in 1998, the search company has grown and evolved into what it is today: a force to be reckoned with, an omnipresence that spans across online to mobile operating services. Ever since 2010, when Google acquired ITA Software, a dominant online travel agency, many people in the travel industry have been waiting to see when and how Google would be making its big move into this sphere. Truth is, Google has been moving slowly but surely towards online travel domination ever since that time. For example:

1. Launch of its Google Hotel Finder functionality in July of 2011 to fight off meta-search engines such as Kayak.
2. Around the same time, Google launched Flight Search, entering the realm of flights and transportation which also lead to the experimental Google Flight Explorer in 2012.
3. Acquisition of Zagat, in September 2011. Zagat is best known for its restaurants reviews and comments, coming from over 350,000 'surveyors' across North America and Europe, mostly.
4. Acquisition of Frommers, in August 2012. This move was both a sign that Google was serious about travel and hospitality AND it wanted to position itself as the leader with quality content in this realm.

These are just a few of the key elements that define the Google travel ecosystem. **What's next for Google in the travel vertical? With such an online domination, the one question that begs to be answered is probably: what if Google went into e-commerce? Or said differently: what if Google became transactional, as a full-fledged online travel agency? How disruptive would THAT be?**

Source: Frederic Gonzalo