

Developing the Domestic Tourism Market

February 2010

Findings of Research undertaken for the Ministry of Tourism

Angus & Associates
The Knowledge Warehouse
Tourism Resource Consultants





1. Context
2. Research
3. Learnings
4. Application
5. Further information

Agenda

Context



In 2009 the Ministry of Tourism commissioned a major study of the domestic tourism market

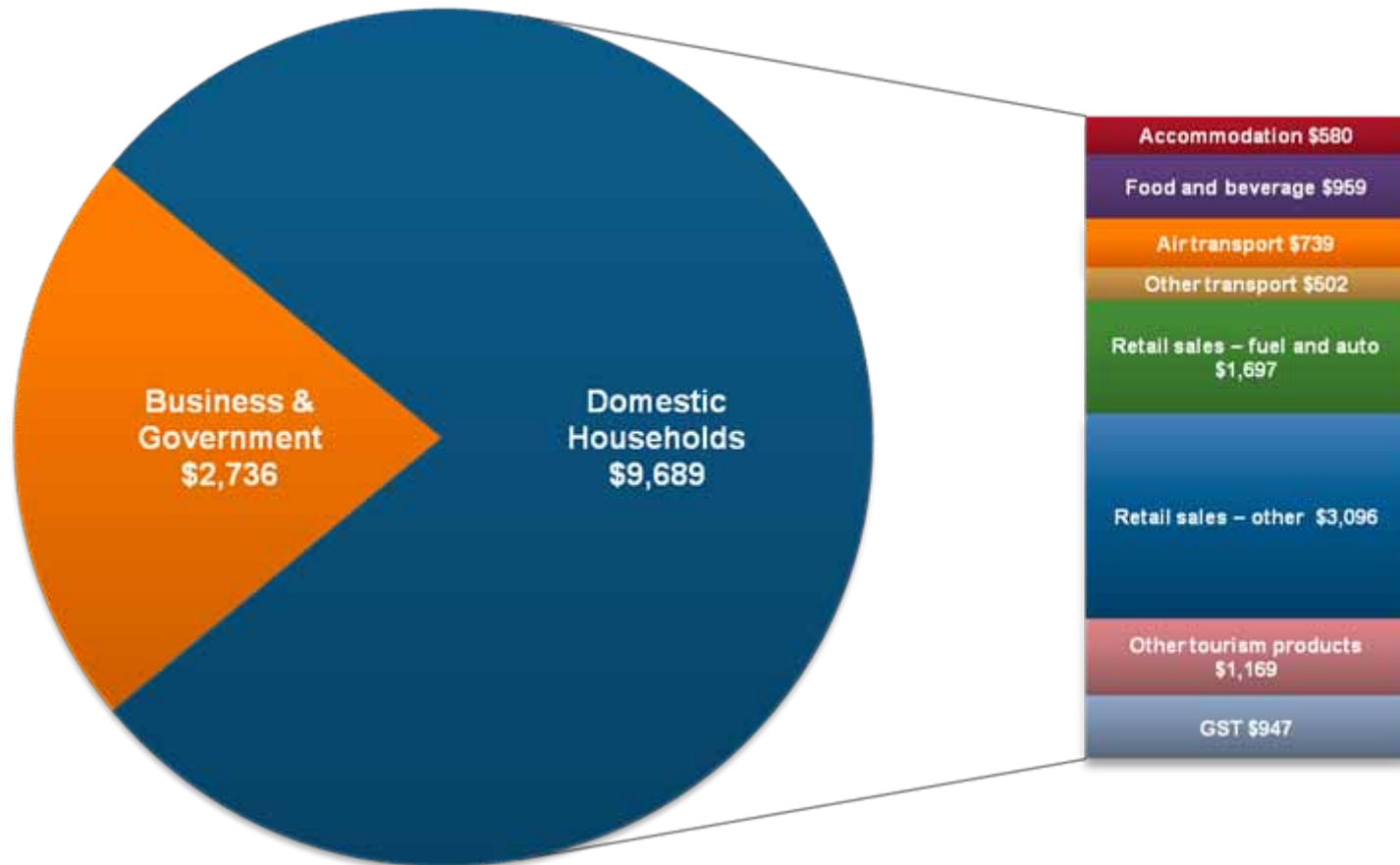
Why?

Domestic tourism is important to our industry and to our economy and we don't have the knowledge we need to effectively develop this market

Context



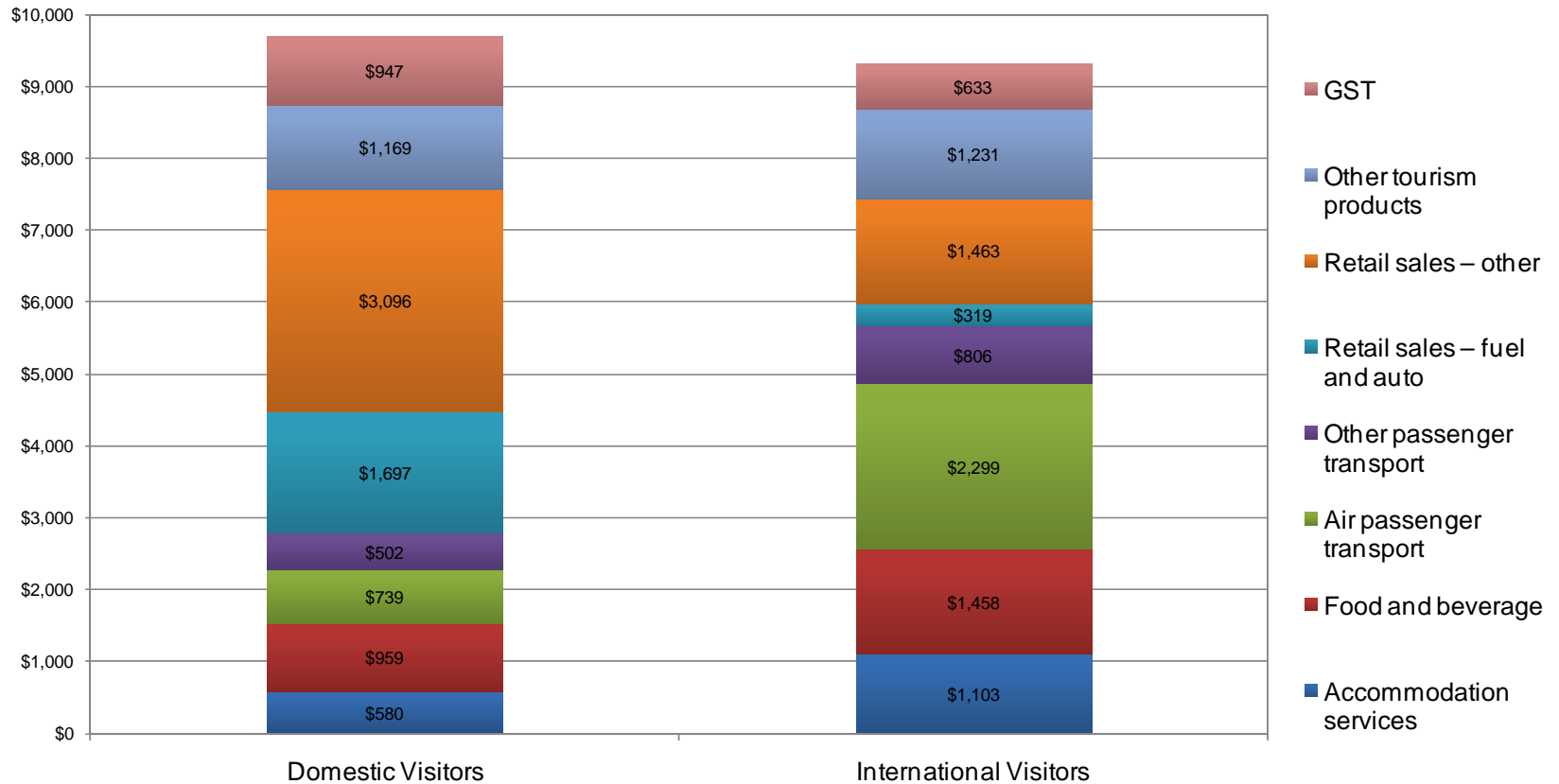
In 2009, domestic tourism contributed \$12.4 billion to New Zealand's economy, of which almost \$9.7 billion came from domestic households



Context



At almost \$9.7 billion, total tourism-related expenditure by domestic households was \$0.375 billion higher than total expenditure by international visitors



Context



Domestic tourism also...

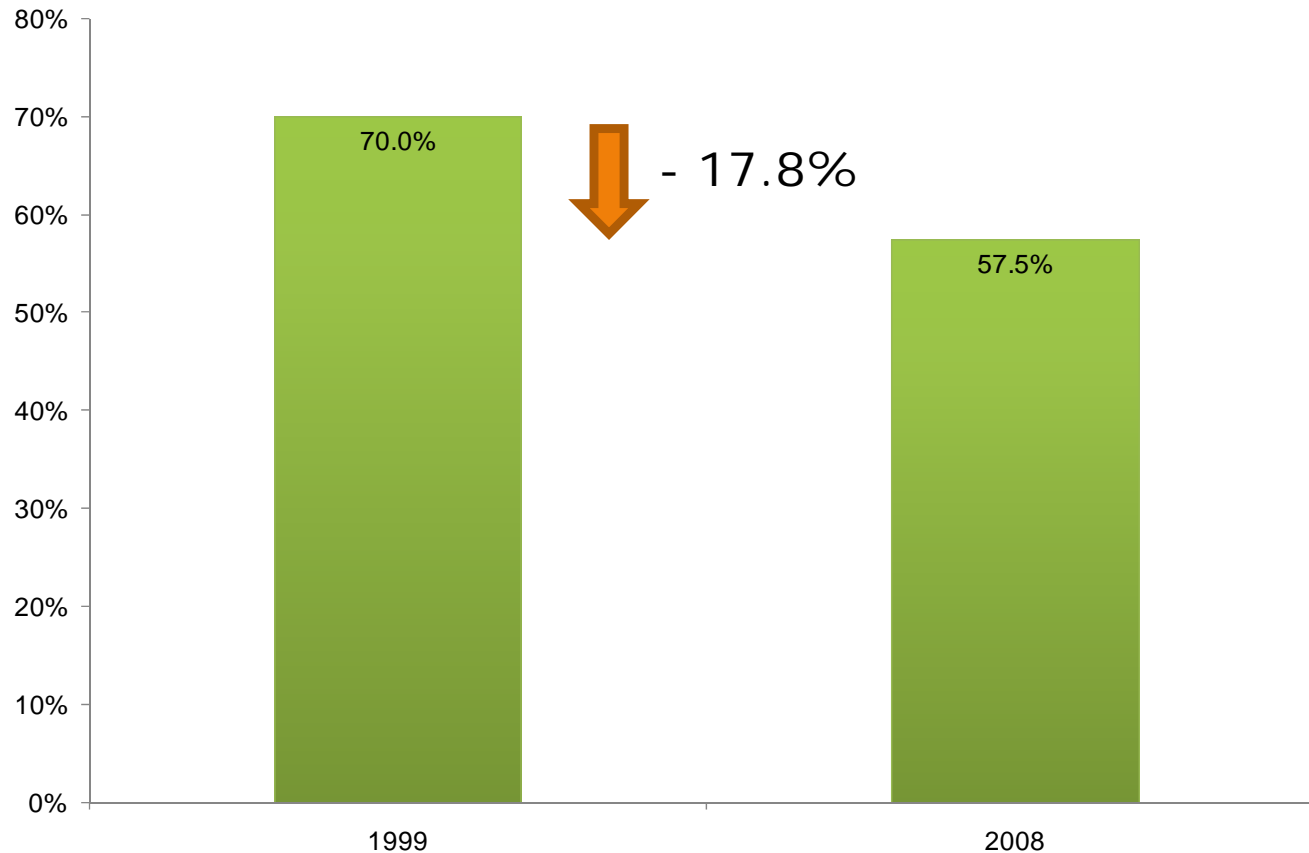
- Sustains tourism businesses through international off-peak months
- Sustains tourism businesses through periods of global economic downturn
- Provides a vital 'training ground' on which to build capability and become export-ready



Context



Between 1999 and 2008, domestic market share (share of total nights spent by New Zealand residents in domestic/offshore destinations) declined by 17.8%



Research



- Improve the sector's understanding of the domestic tourism market
- **Segment** the domestic market in a way that is practical and meaningful for tourism marketers
- Demonstrate the significance of the domestic tourism market and its key market segments
- Inform policy and other work undertaken by local and central Government stakeholders

Research



- Improve the sector's understanding of the domestic tourism market
- **Segment** the domestic market in a way that is practical and meaningful for tourism marketers



Market segmentation allows tourism organisations to focus their resources on those potential customers who are most likely to be persuaded to visit/re-visit their destination or to purchase their product or service

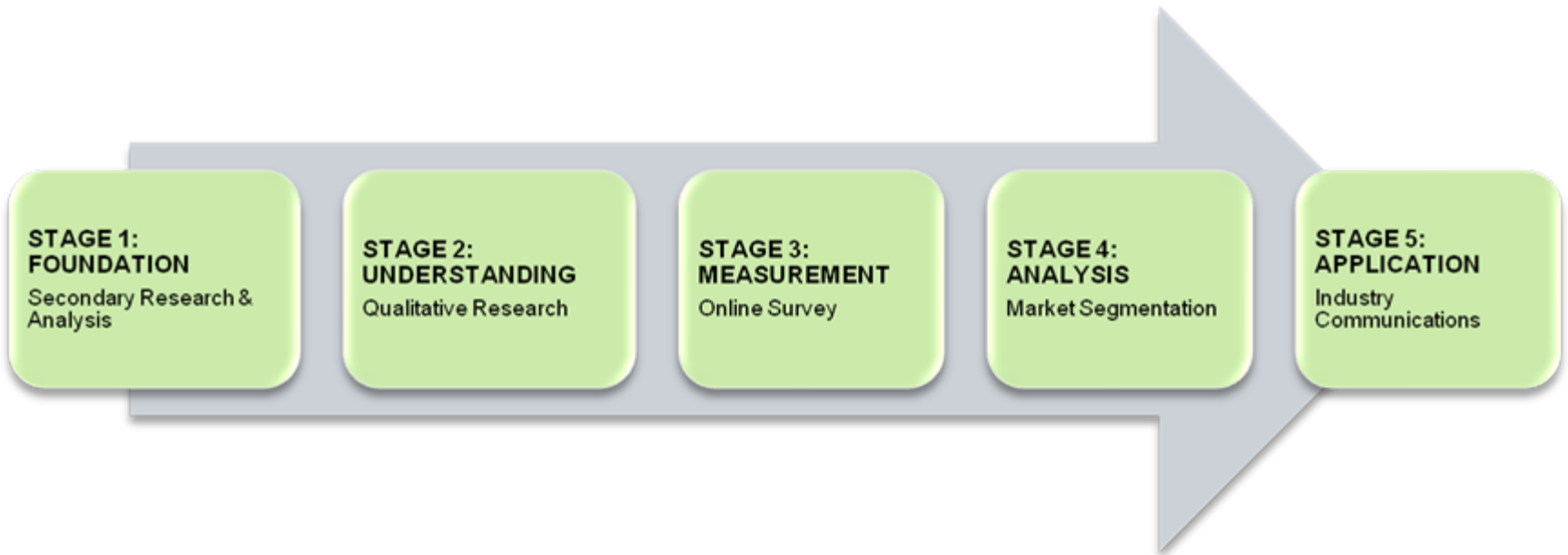
- Demonstrate the significance of the domestic tourism market and its key market segments
- Inform policy and other work undertaken by local and central Government stakeholders

Research



- Encourage overall sector growth (not merely competition for market share)
- Foster differentiation both at a regional and operator level
- Encompass day and overnight trips
- Explore the relationship between business and leisure travel (but exclude consideration of the drivers of business travel)
- Consider domestic tourism in the context of international travel and expenditure on other (competing) discretionary items

Research



Research



STAGE 1: FOUNDATION

Research & Analysis

STAGE 2: UNDERSTANDING

Qualitative Research

STAGE 3: MEASUREMENT

Online Survey

STAGE 4: ANALYSIS

Market Segmentation

STAGE 5: APPLICATION

Communications

Objectives

To **inform later stages** by investigating international market segmentation models; confirming size and structure of the domestic tourism market; and identifying possible enablers/barriers to domestic travel.

As **input to later survey design**: to provide a thorough and in-depth understanding of New Zealanders' needs, attitudes and language as they relate to domestic travel and competing activities/expenditure.

As the **basis for later segmentation**: to compile a robust database of information on domestic travel needs and behaviour, and perceptions of travel destinations, from a representative sample of New Zealand residents.

To **segment** the New Zealand population in a manner and to identify: segment sizes and characteristics and ways in which each segment can be usefully influenced.

To **inform key stakeholders** on the findings of the domestic tourism research and how best to implement it.

Research



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Method

<ol style="list-style-type: none">1. Comprehensive review of NZ and international research and literature.2. Review and analysis of existing research and data relating to domestic and international travel behaviour.	30 individual interviews and two focus groups, together involving a total of n=42 domestic respondents across all lifecycle stages and in five regions of the country.	Online survey involving a representative sample of n=2032 New Zealand residents aged 15 years or more.	Data analysis involving eight discrete stages: <ul style="list-style-type: none">➤ analysis goals➤ segmentation inputs➤ data transformation➤ imputation➤ principal component analysis➤ market segmentation➤ solution validation➤ segment profiling	Reporting, presentations, database and other activity ongoing
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Learnings



STAGE 1: FOUNDATION

Secondary
Research &
Analysis

STAGE 2: UNDERSTANDING

Qualitative Research

STAGE 3: MEASUREMENT

Online Survey

STAGE 4: ANALYSIS

Market Segmentation

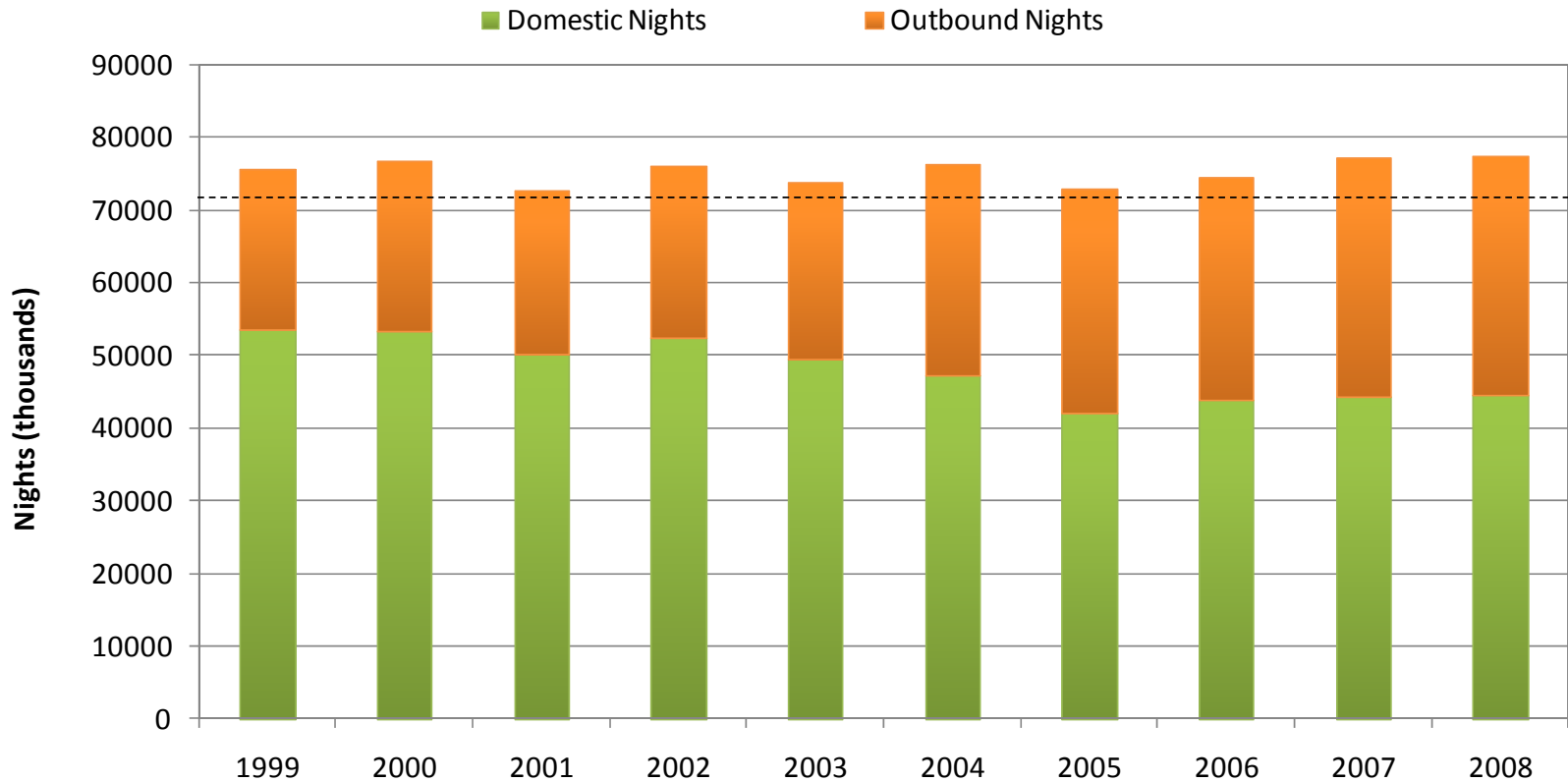
STAGE 5: APPLICATION

Communications

Learnings (Stage One)



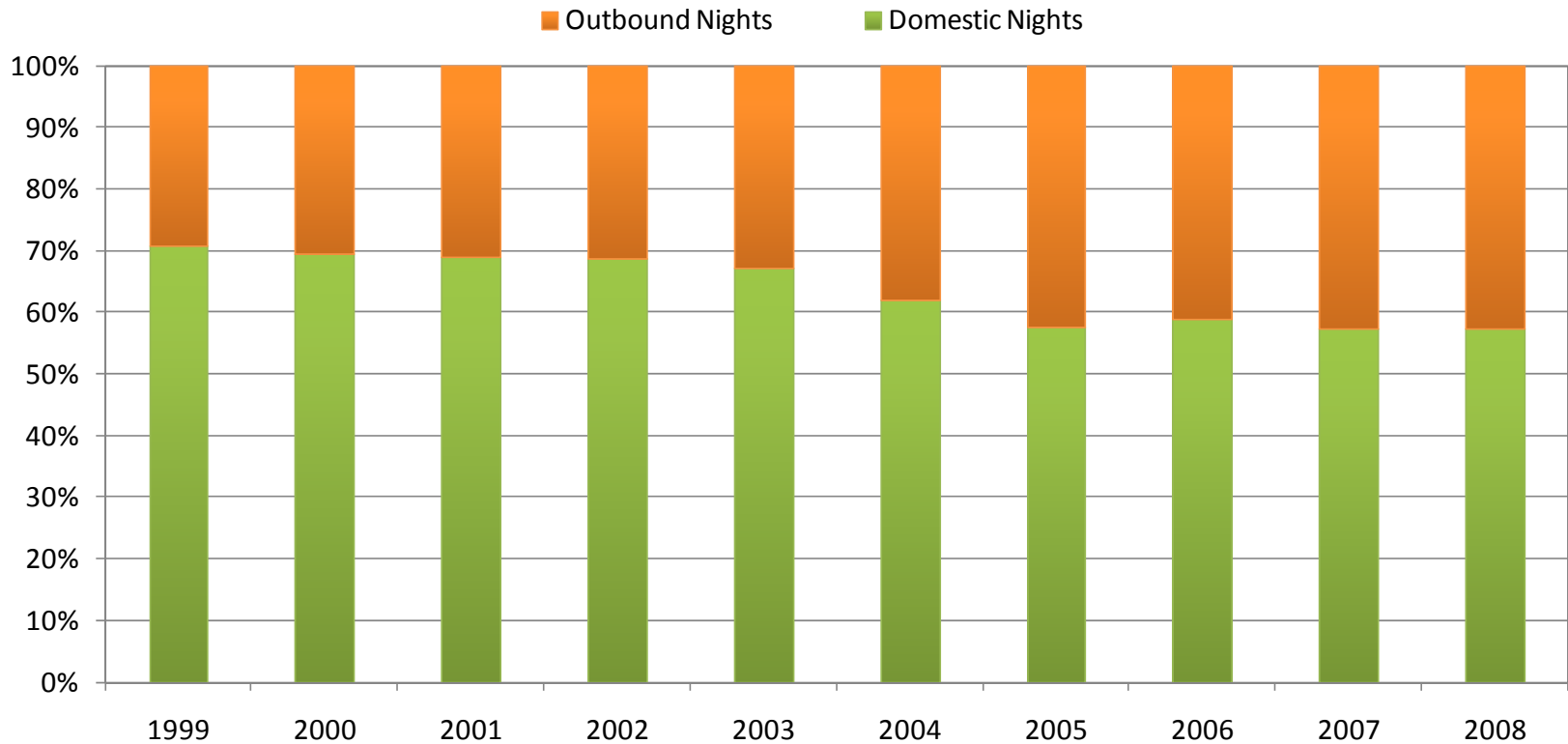
Confirmed a relationship of substitution exists between domestic and outbound visitor nights, with the combined total consistent over time



Learnings (Stage One)



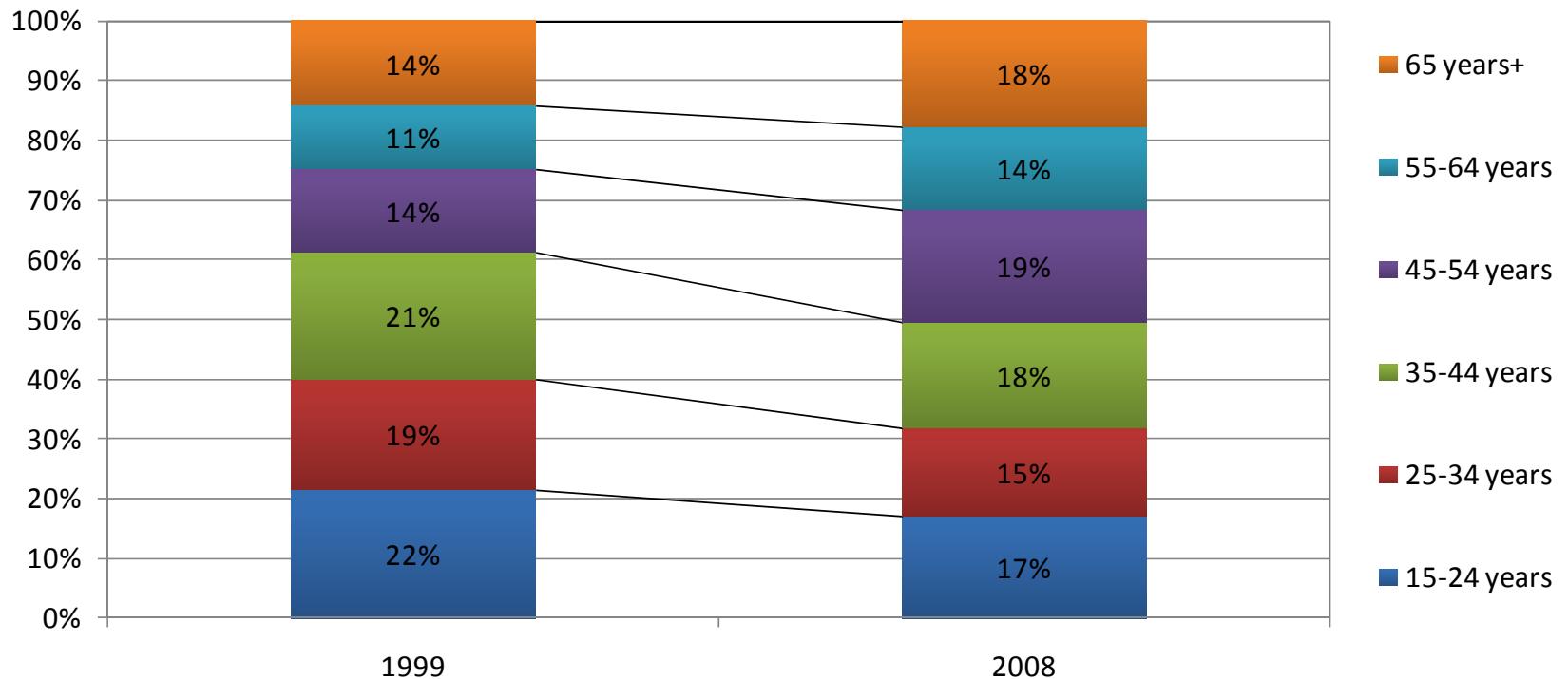
Confirmed domestic destinations have been losing market share to offshore destinations over the last decade



Learnings (Stage One)



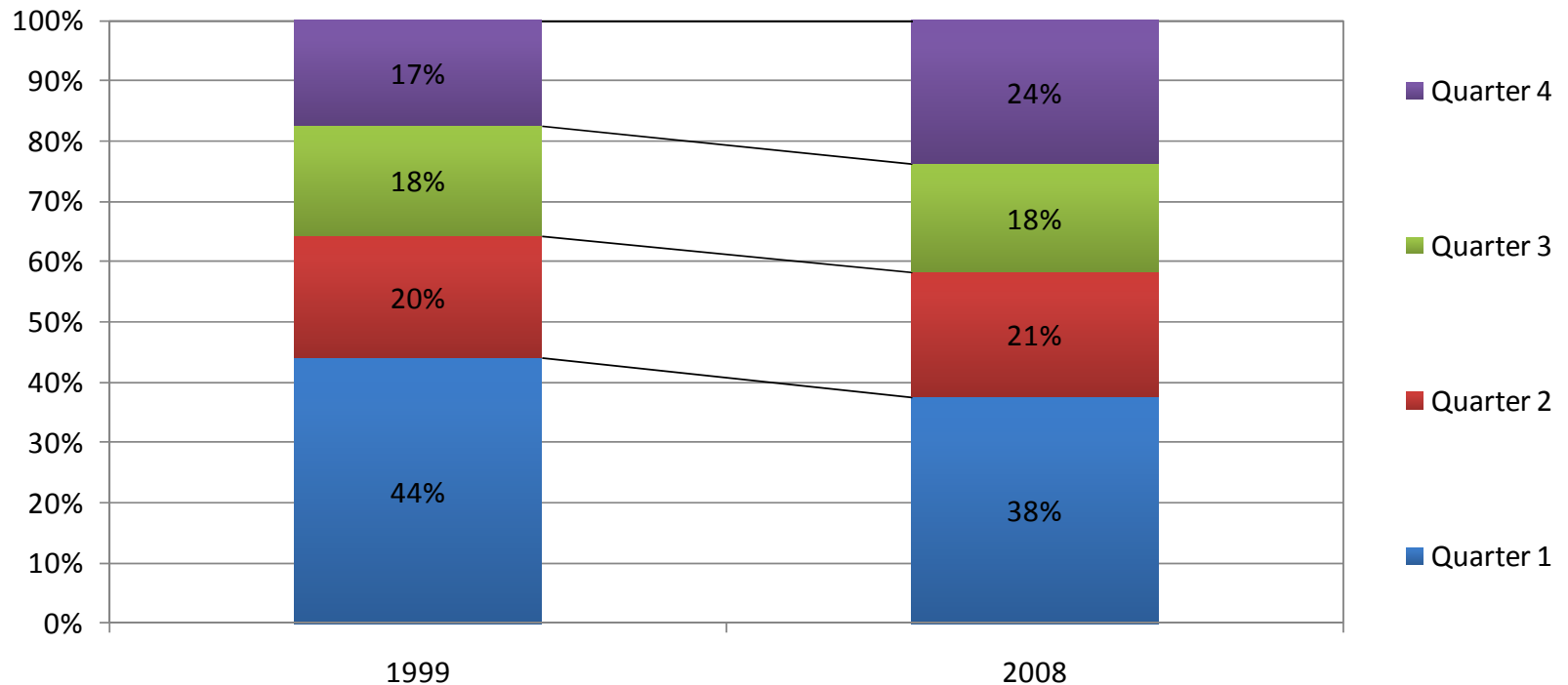
Confirmed the age profile of the domestic leisure travel market is changing, with younger people accounting for a diminishing share of domestic holiday/VFR nights



Learnings (Stage One)



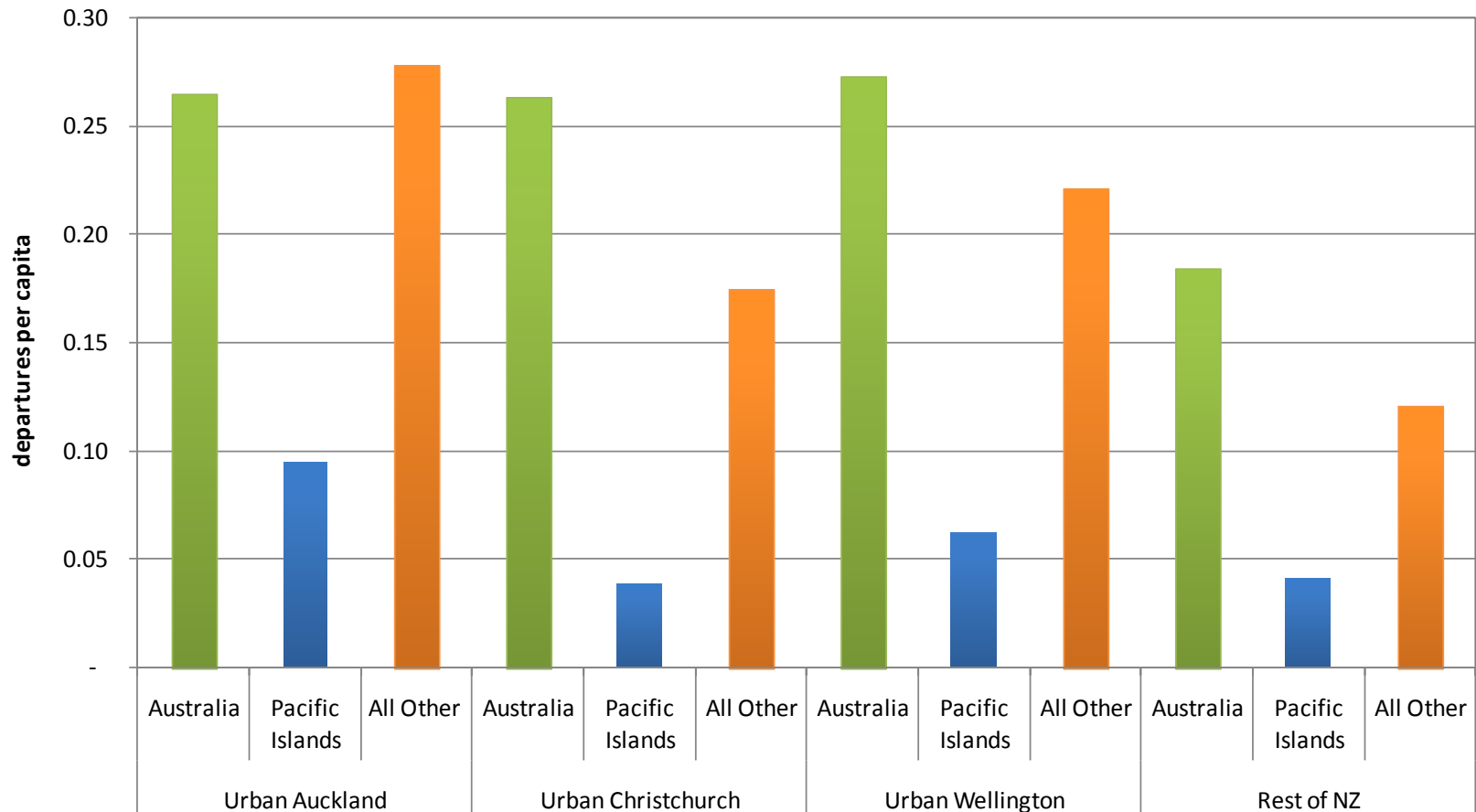
Confirmed the seasonal profile is changing as well: in 2008 Q1 (summer) accounted for a smaller share of domestic holiday/VFR nights than it did in 1999 and more activity had shifted to Q4 (spring)



Learnings (Stage One)



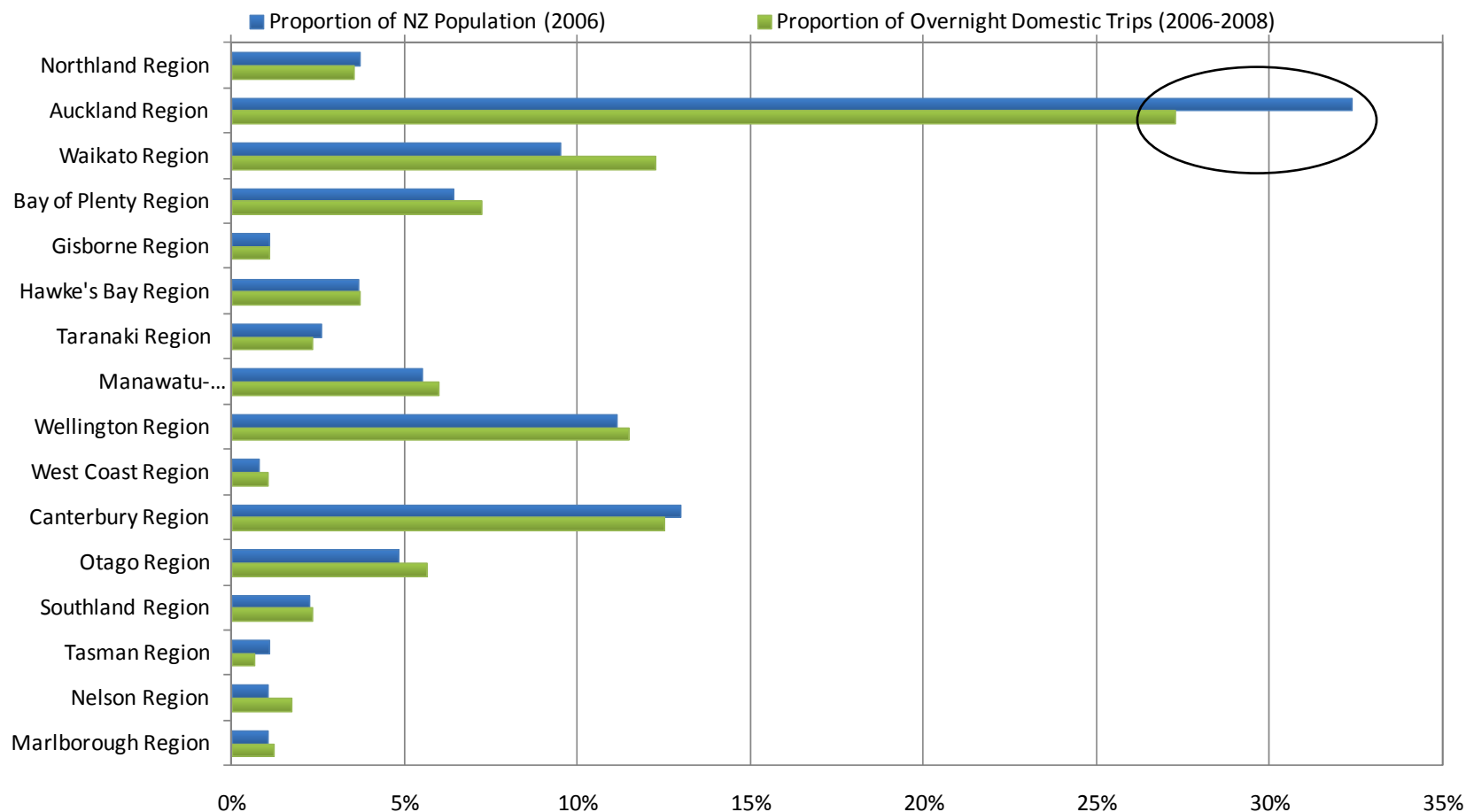
Confirmed some regional differences in the travel patterns of New Zealand residents. For example, in outbound travel...



Learnings (Stage One)



And in domestic overnight trips...



Learnings (Stage One)



Learnings (Stage One)



From this analysis we concluded that: -

- Age and life stage are likely to be significant factors in a segmentation of New Zealand's domestic tourism market
- Other demographic AND psychographic factors are also likely to be important – either as enablers or as barriers to domestic tourism activity

Learnings



STAGE 1: FOUNDATION

Secondary Research
& Analysis

STAGE 2: UNDERSTANDING

Qualitative
Research

STAGE 3: MEASUREMENT

Online Survey

STAGE 4: ANALYSIS

Market Segmentation

STAGE 5: APPLICATION

Communications

Learnings (Stage Two)



The qualitative research told us that:

- People consider holidays and leisure travel **essential** to their lives
- They provide experiences which help to shape who we are and to define our values
- They provide dedicated time and space for us to do what we want, when we want, with whom we want – free of everyday cares and responsibilities
- They are linked to our hopes and dreams
- They add **colour** to our lives
- They satisfy fundamental human needs

Learnings (Stage Two)



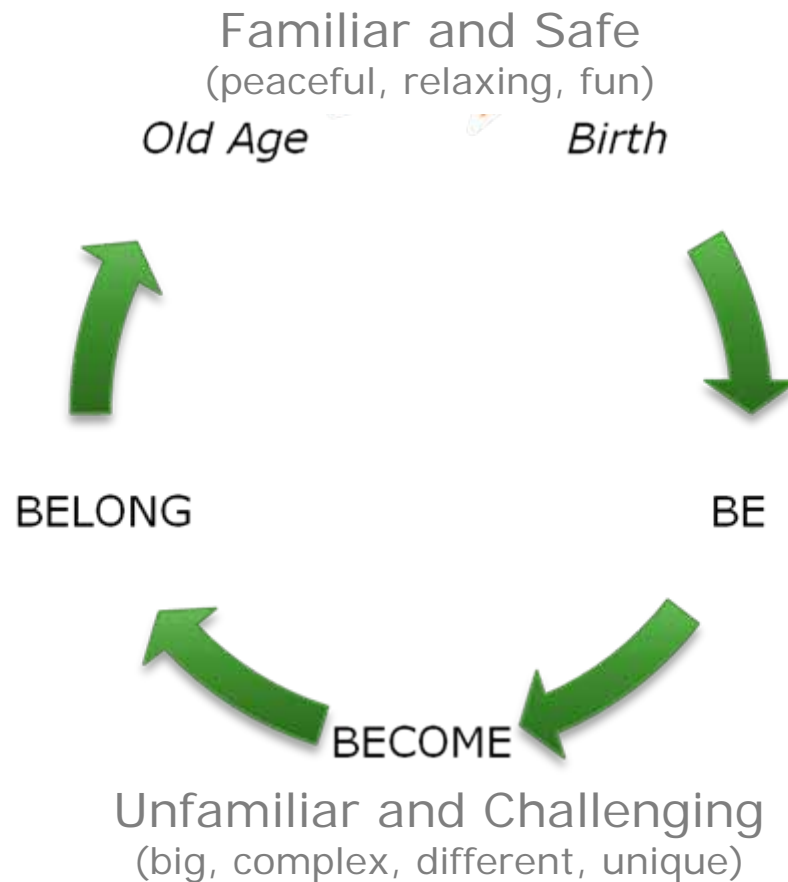
These fundamental human needs are:

- to **BE** carefree, safe, secure, valued
- to **BECOME** something more than we are: through challenge and discovery we develop confidence, empathy and self-worth
- to **BELONG**: to find our place in the world, to be content with ourselves and connected with others

Learnings (Stage Two)



While these needs are important to us all, the emphasis tends to shift through the lifecycle stages and, with it, our holiday needs



Learnings (Stage Two)



- New Zealand is seen to have a natural fit with holidays where we just want to BE
- It provides limited options for challenge and discovery – UNLESS we challenge ourselves in the natural environment (skiing, sailing, mountain biking, etc.)
- Even then, to BECOME, we aspire to ever-bigger, ever-better, ever-richer and more challenging experiences

Learnings (Stage Two)



Home

Other New Zealand

Australia, Pacific

Europe, America

Third world

The Final Frontier?
Unfamiliar

Familiar

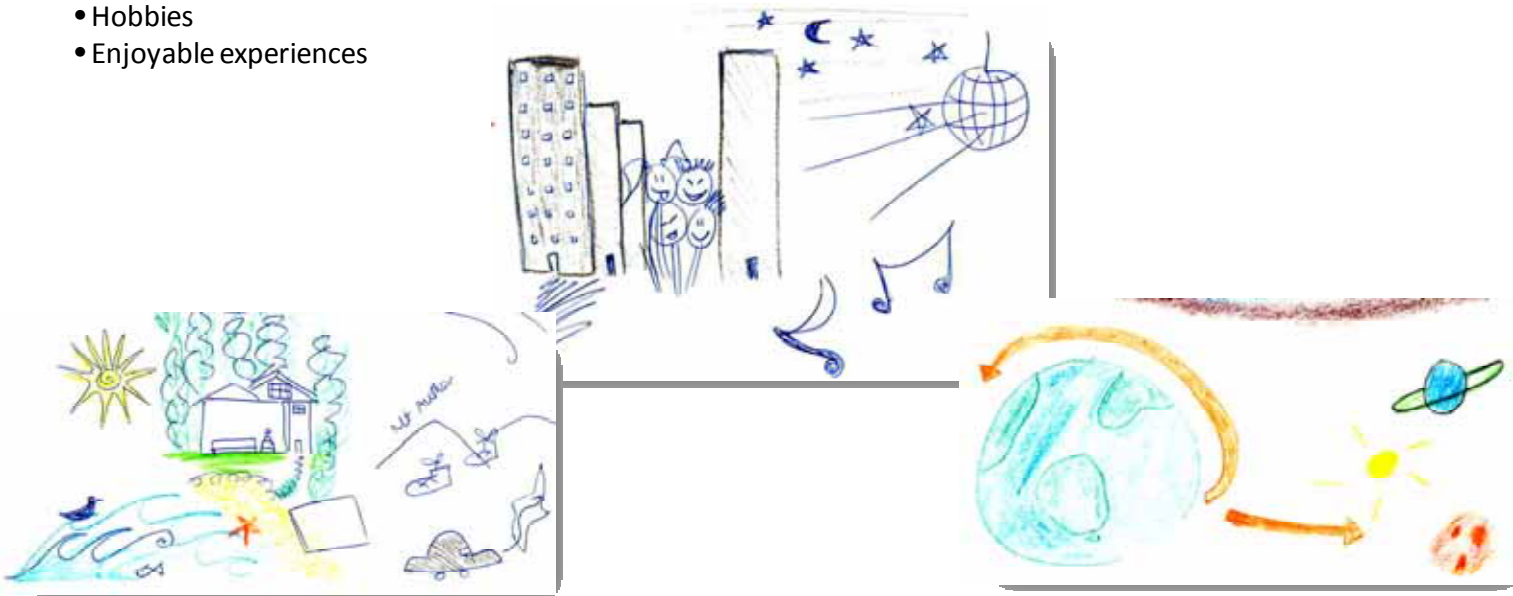


Short Break

Holiday

A 'Proper' Holiday

- Pastimes
- Hobbies
- Enjoyable experiences



Learnings (Stage Two)



Opportunistic
triggered by
events, other
people, business
travel, destination
marketing

Purposeful
triggered by our own
needs or personal
circumstances

Learnings



**STAGE 1:
FOUNDATION**

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& Analysis

**STAGE 2:
UNDERSTANDING**

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**STAGE 4:
ANALYSIS**

Market
Segmentation

**STAGE 5:
APPLICATION**

Communications

Learnings (Stages 3 & 4)



As context for a segmentation of the domestic tourism market, it is worthwhile considering the travel patterns of **all New Zealand (adult) residents**

1/2

- of all adults take at least one **DAY TRIP** each month to visit family or friends
- of all adults take at least one **DAY TRIP** each month to go shopping

1/3

- of all adults take at least one **DAY TRIP** each month to attend an event held by family or friends
- one in three adults takes at least one **DAY TRIP** each month for a break away from home

1/2

- almost half of all adults take at least one **SHORT BREAK** (of 5 nights or less) in NZ EACH YEAR

1/4

- one quarter take a **LONGER HOLIDAY** (of 6 nights or more) in NZ EACH YEAR

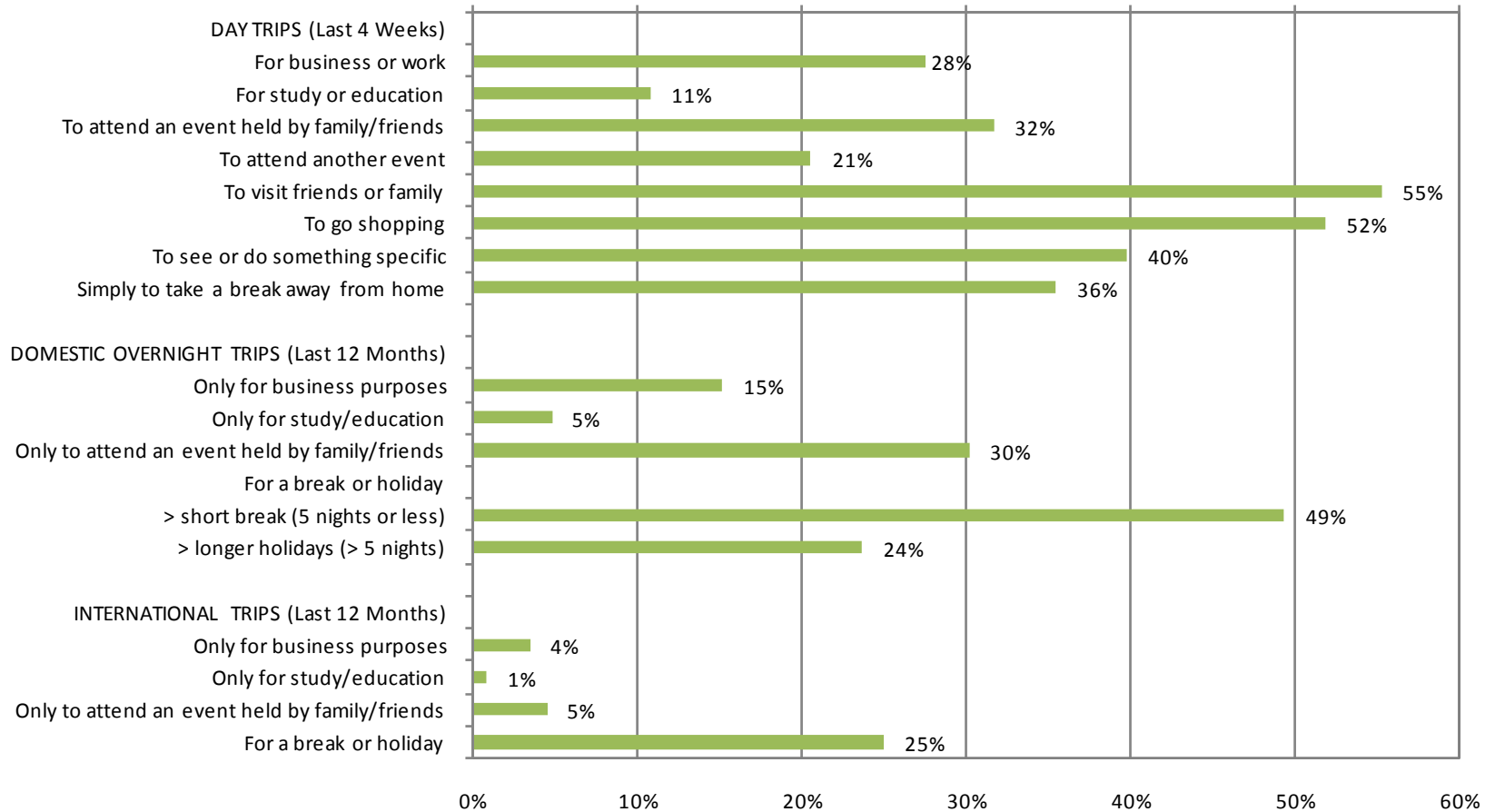
1/4

- one quarter take an **INTERNATIONAL BREAK OR HOLIDAY** each year

Learnings (Stages 3 & 4)



Incidence of Trips by Trip Type



Learnings (Stages 3 & 4)



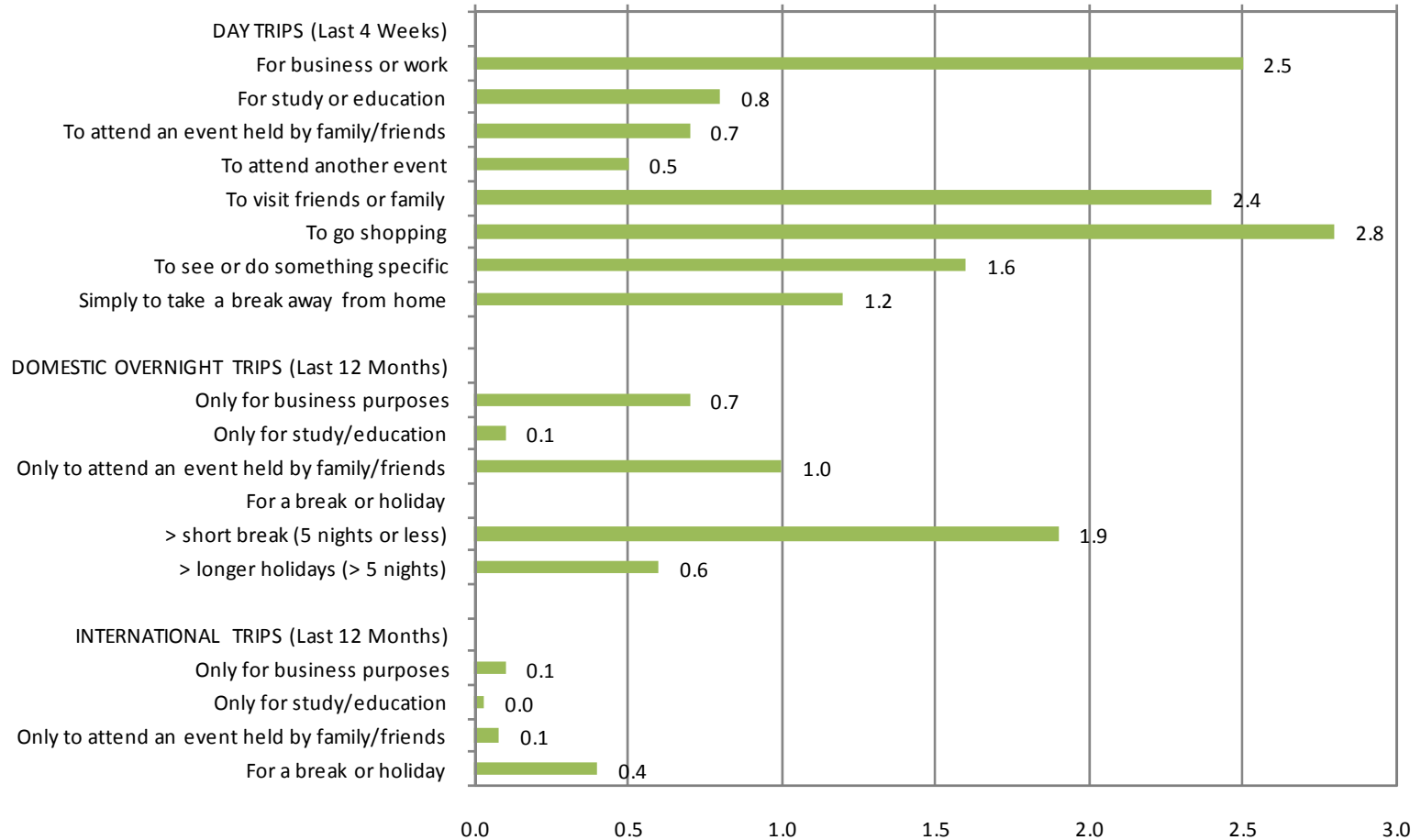
When frequency of trips is taken into account, the average New Zealand adult takes...



Learnings (Stages 3 & 4)



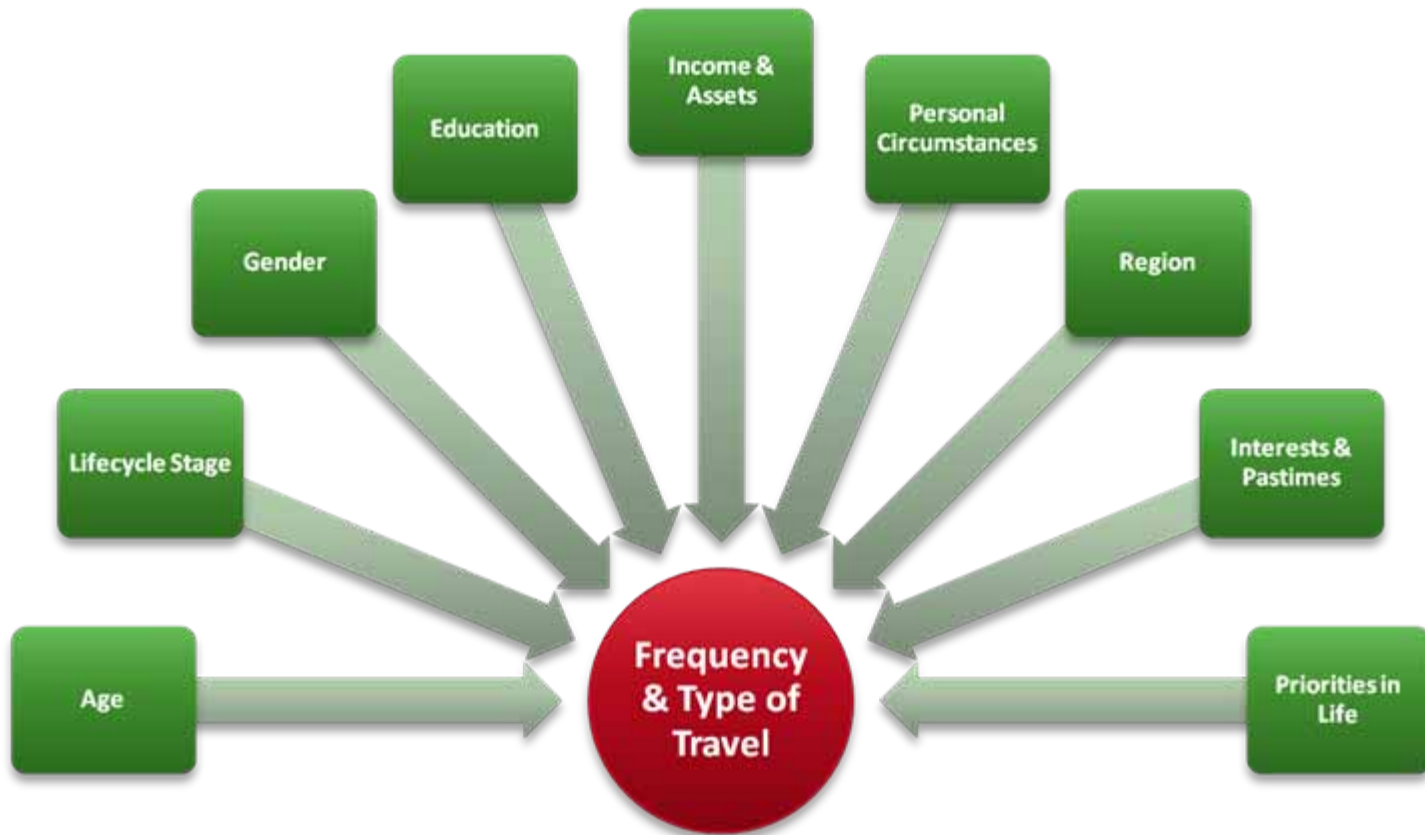
Average Trips Per Person by Trip Type



Learnings (Stages 3 & 4)



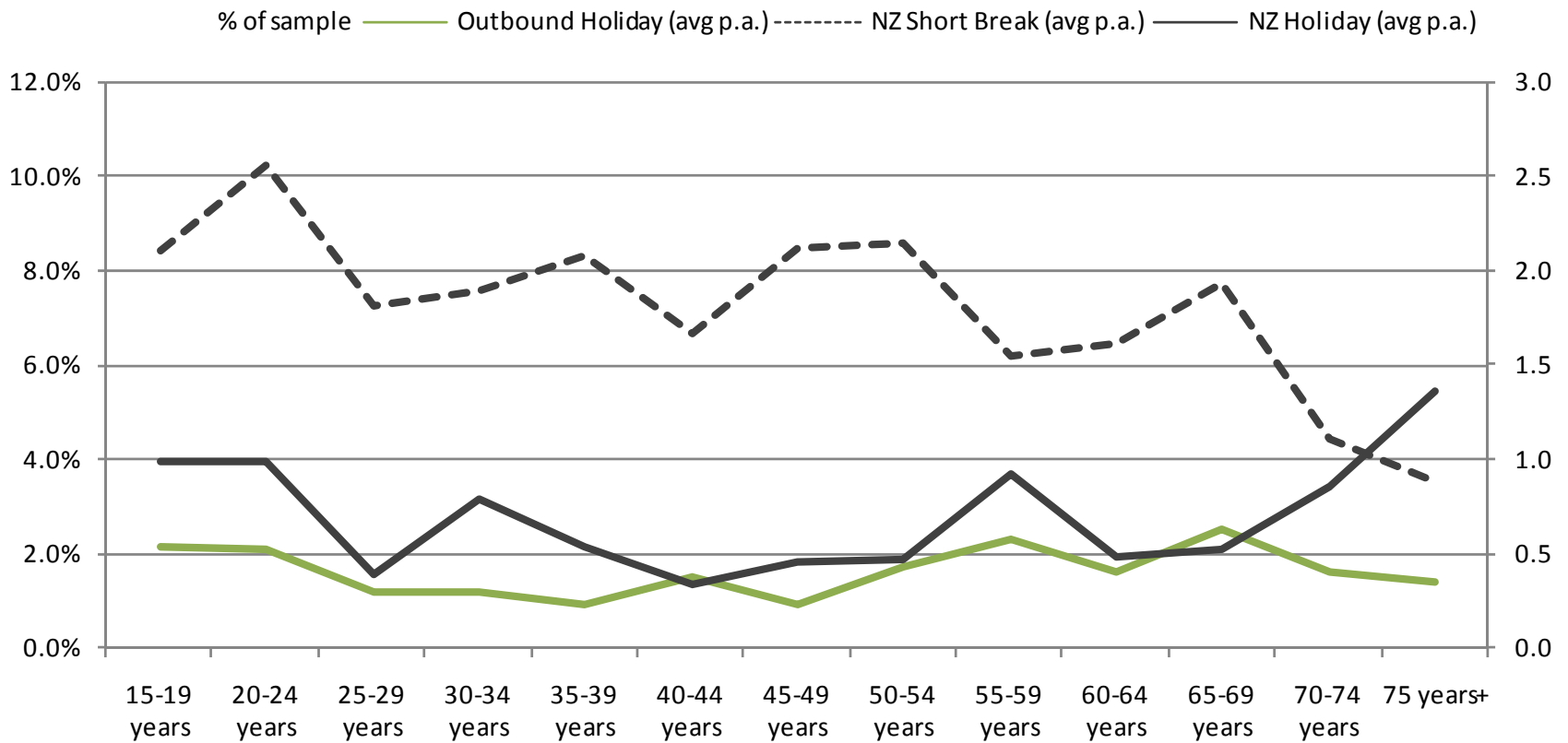
However, these figures disguise enormous variation in travel patterns, which are shaped on an individual basis by a range of demographic and psychographic factors



Learnings (Stages 3 & 4)



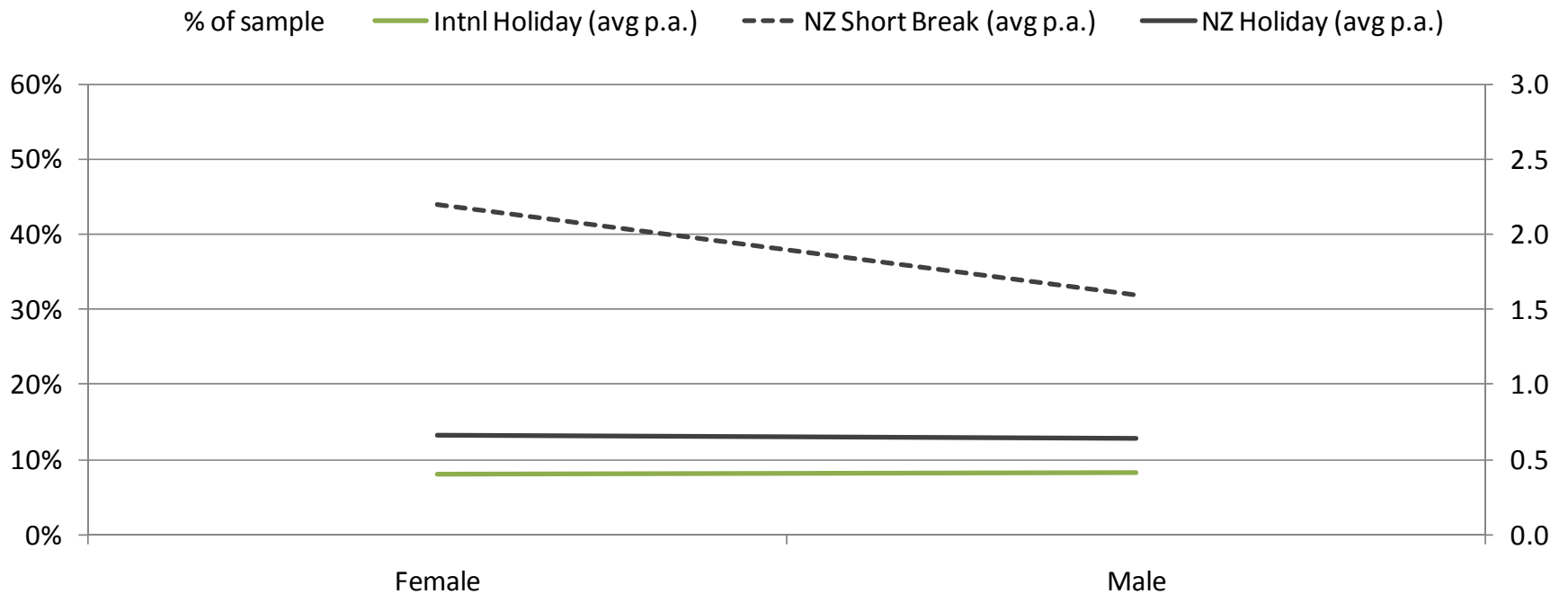
Average Trips Per Annum by Age Group



Learnings (Stages 3 & 4)



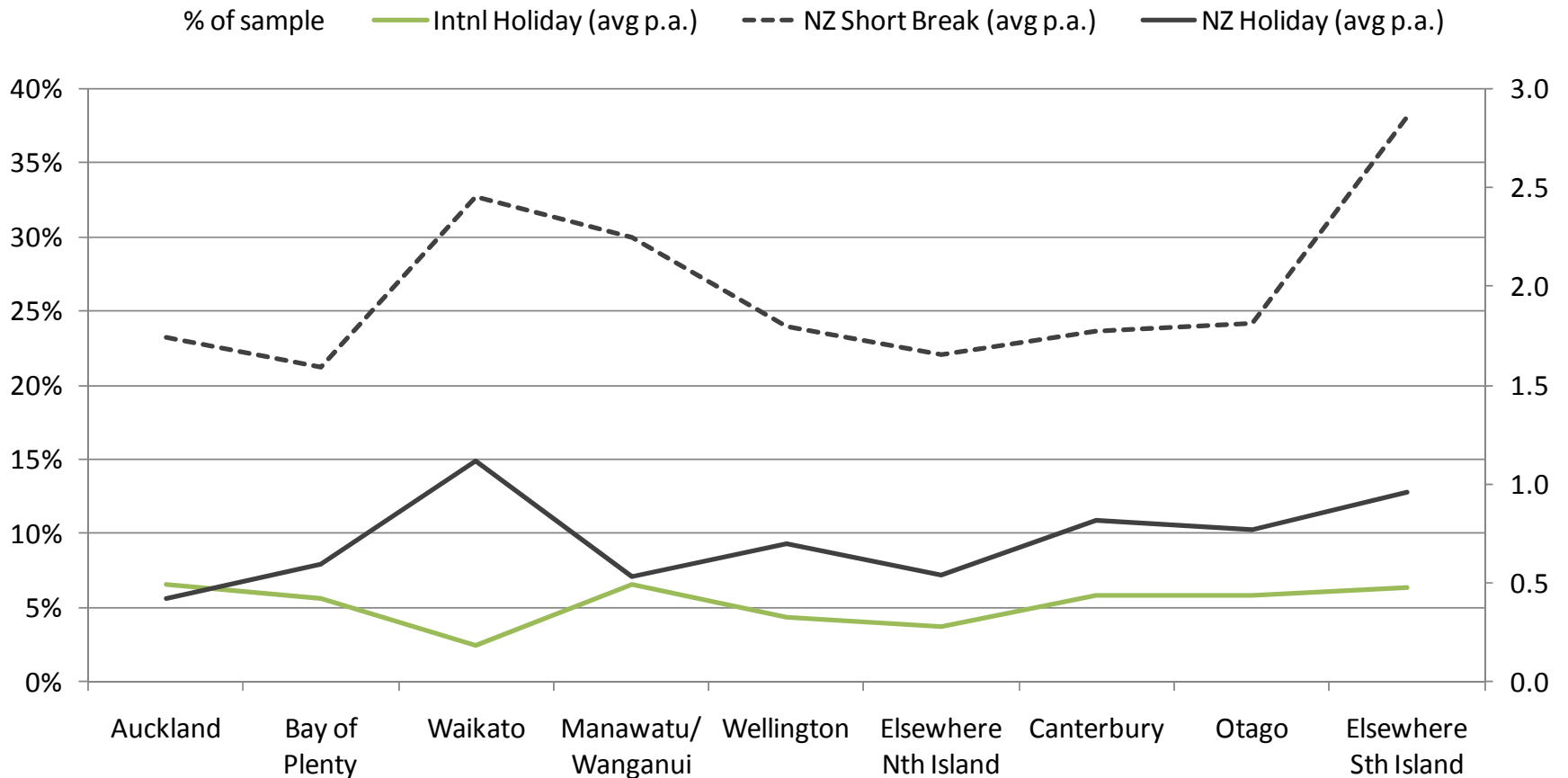
Average Trips by Gender (Last 12 Months)



Learnings (Stages 3 & 4)



Average Trips by Region of Origin (Last 12 Months)

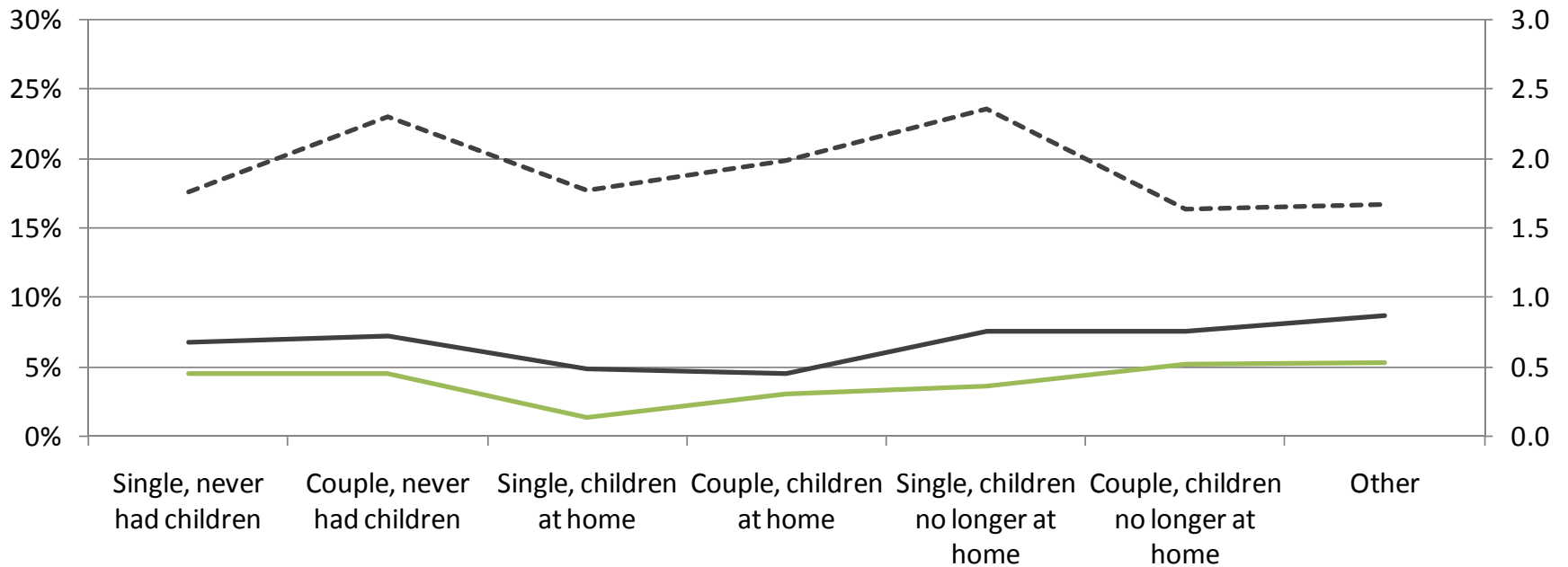


Learnings (Stages 3 & 4)



Average Trips by Lifecycle Stage (Last 12 Months)

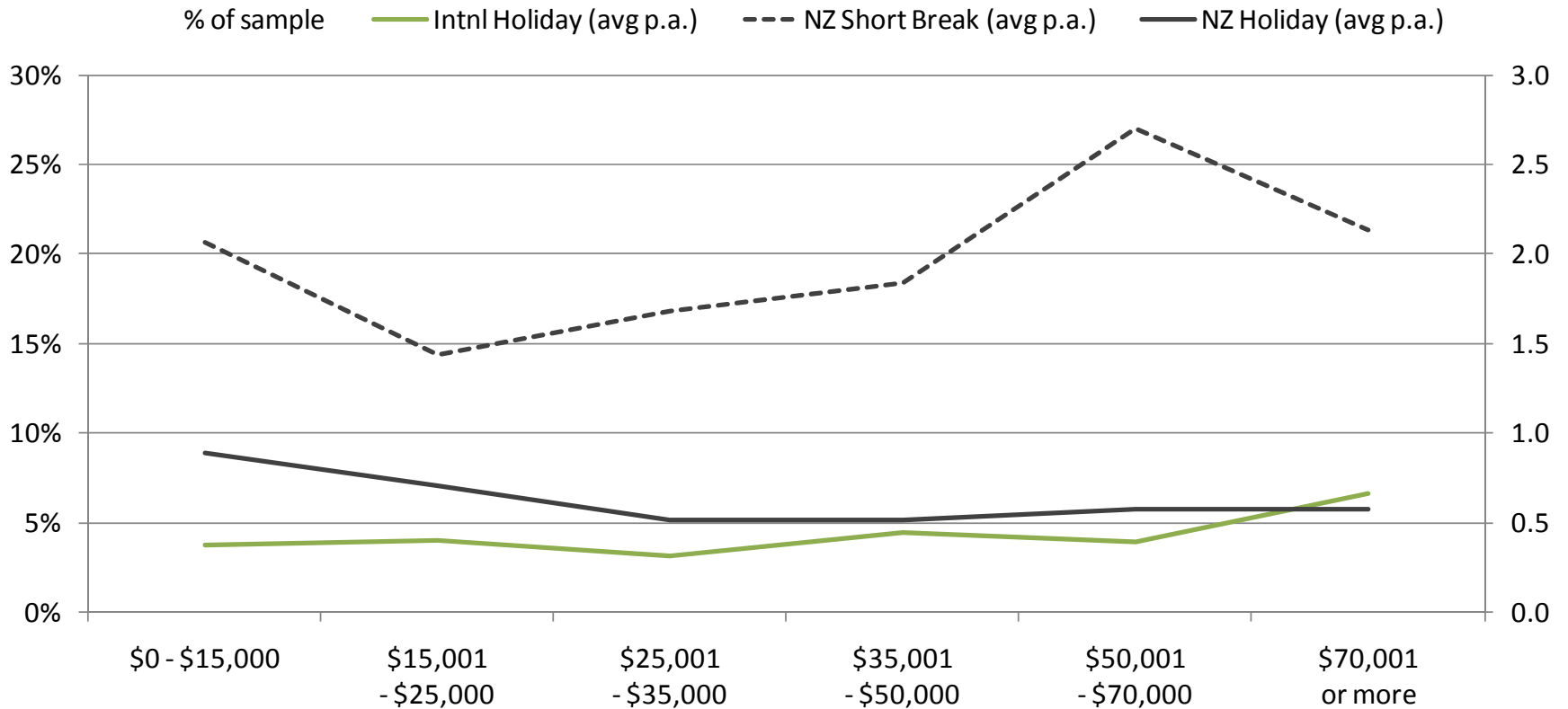
% of sample — Intl Holiday (avg p.a.) - - - NZ Short Break (avg p.a.) — NZ Holiday (avg p.a.)



Learnings (Stages 3 & 4)



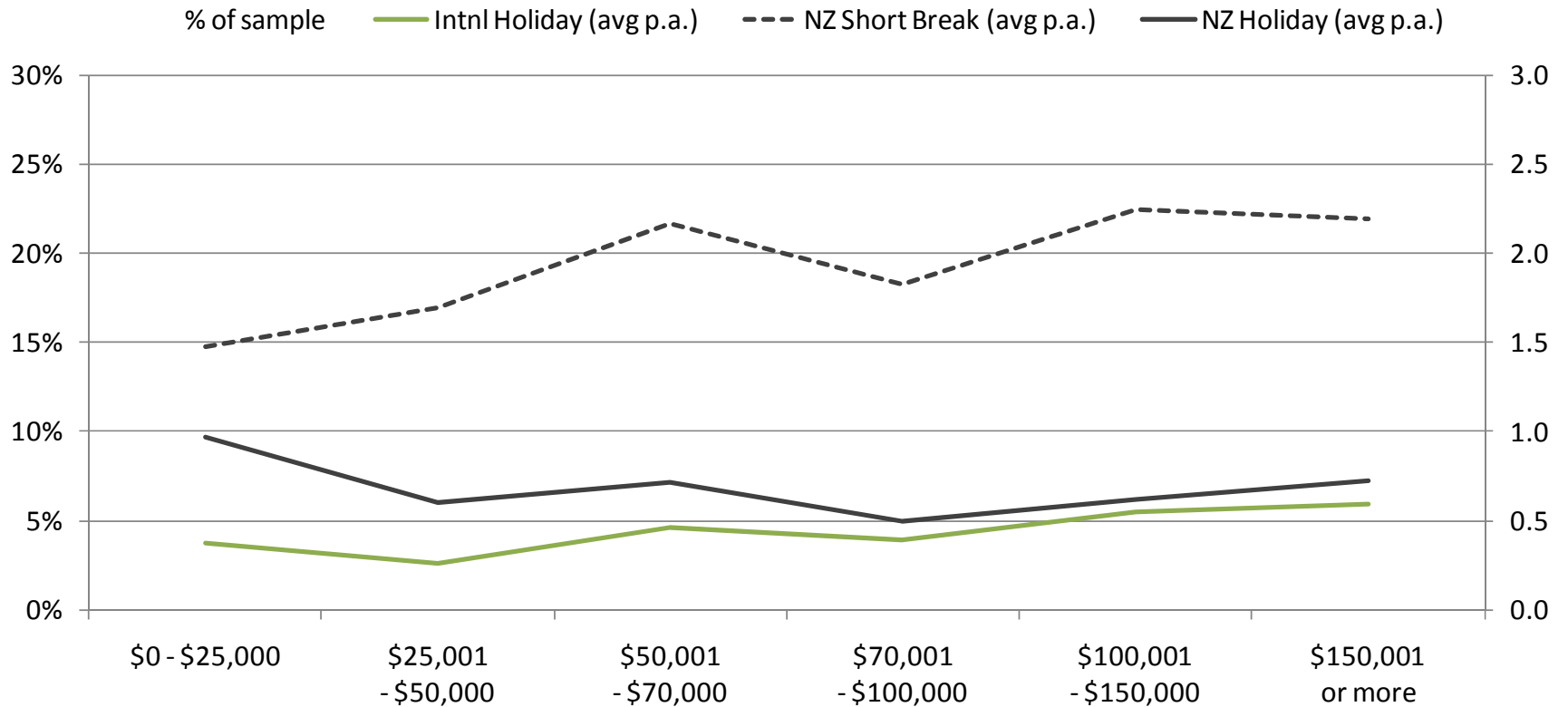
Average Trips by Personal Income (Last 12 Months)



Learnings (Stages 3 & 4)



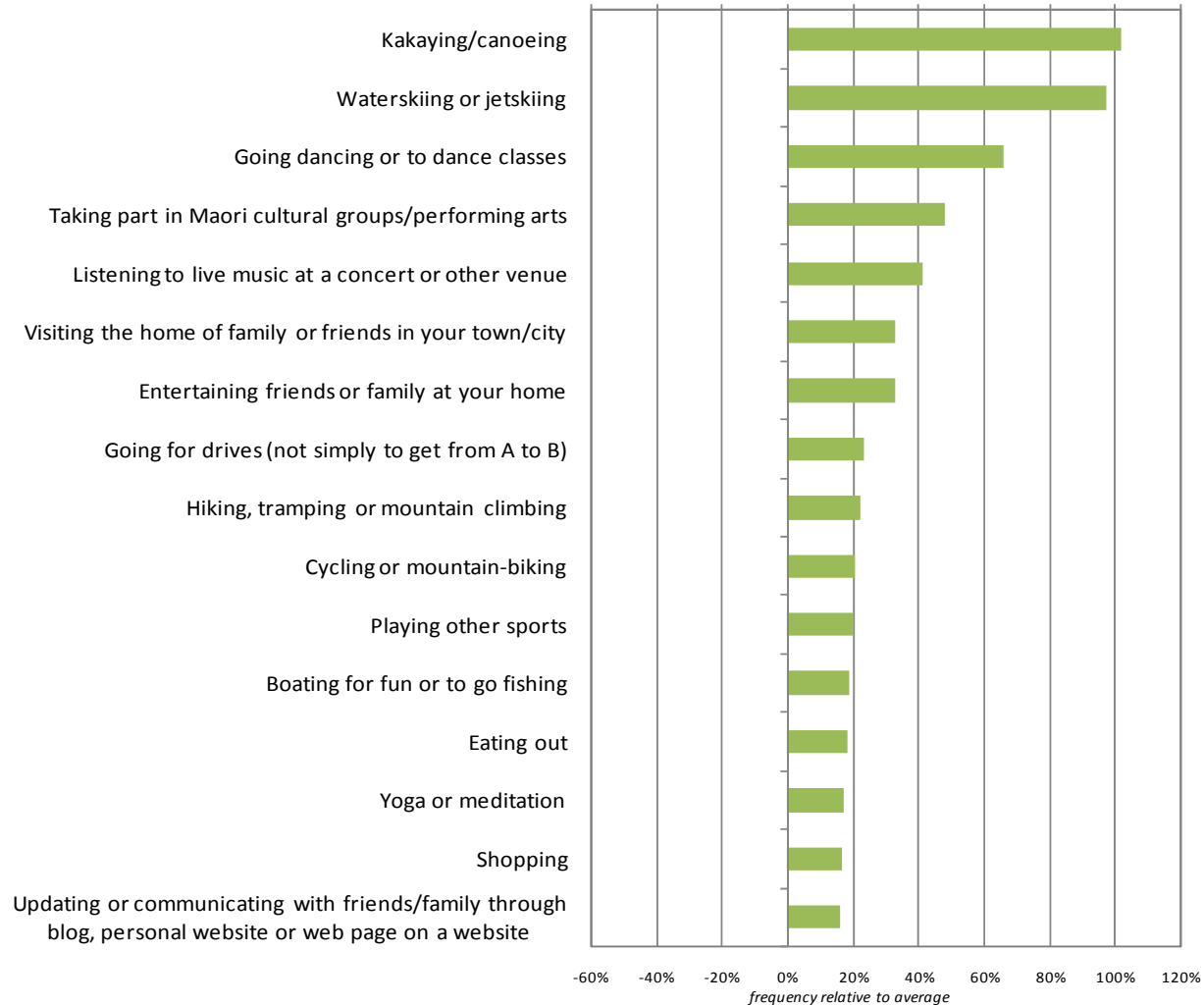
Average Trips by Household Income (Last 12 Months)



Learnings (Stages 3 & 4)



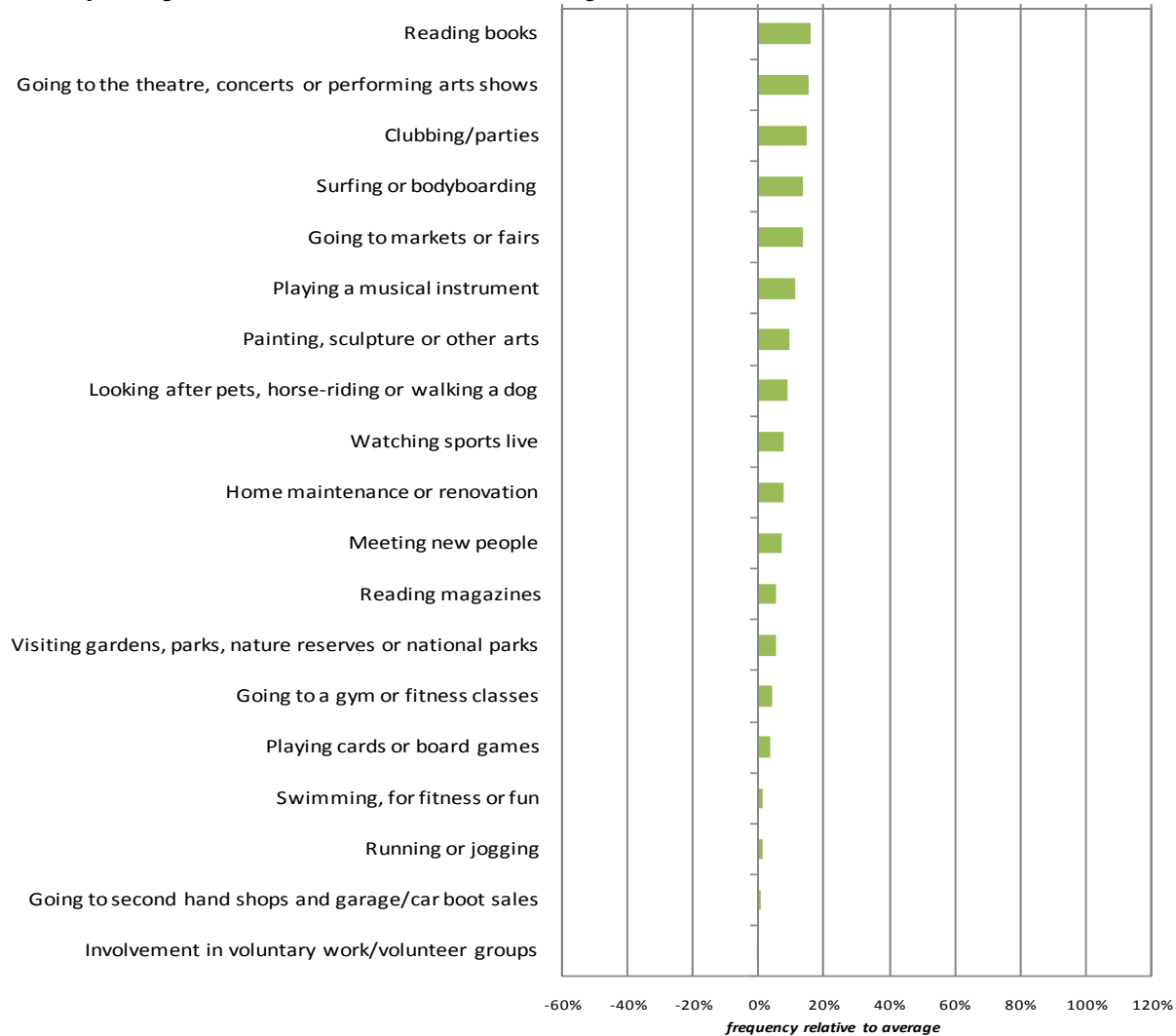
Frequency of Short Domestic Breaks by Favourite Pastimes (Last 12 Months)



Learnings (Stages 3 & 4)



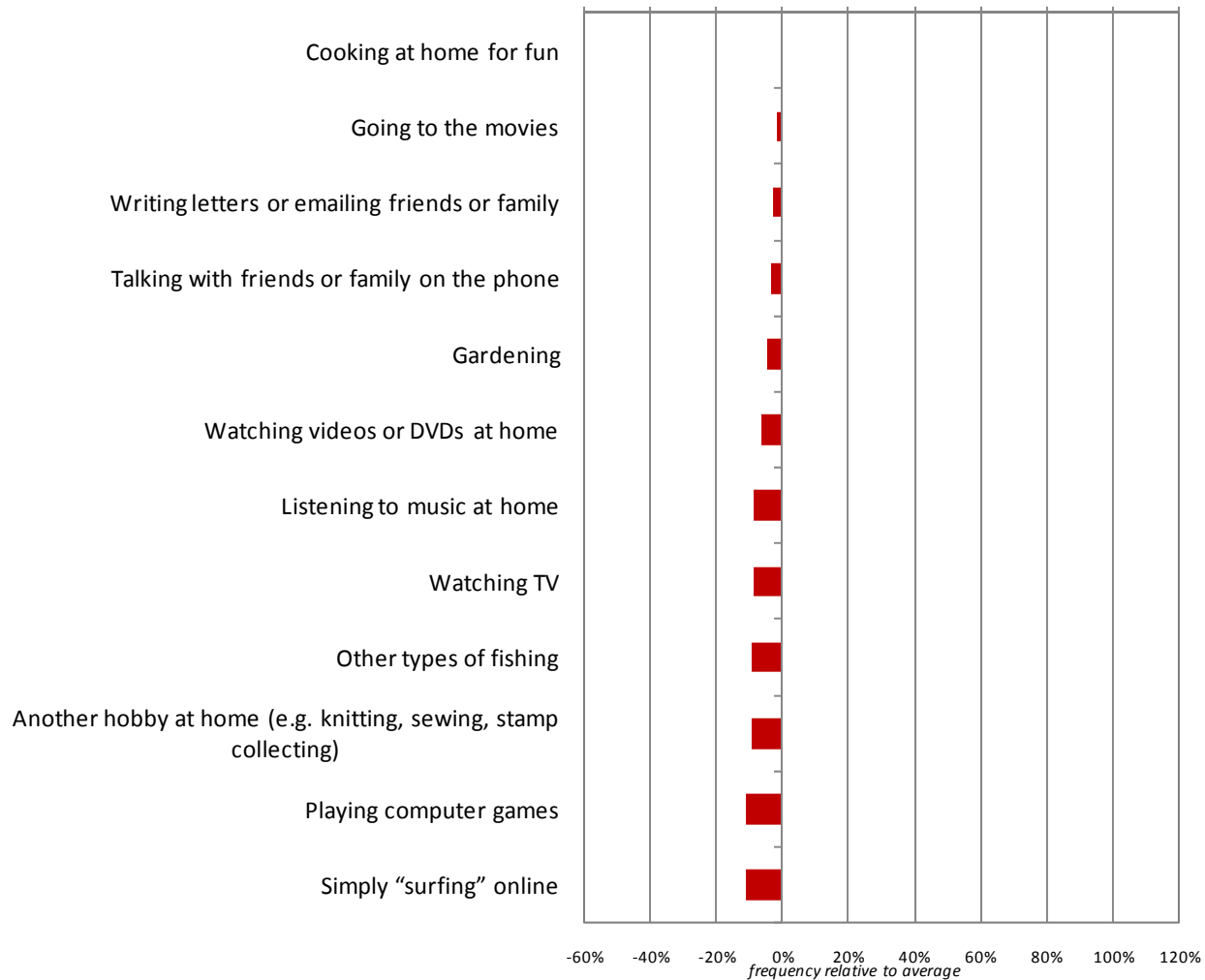
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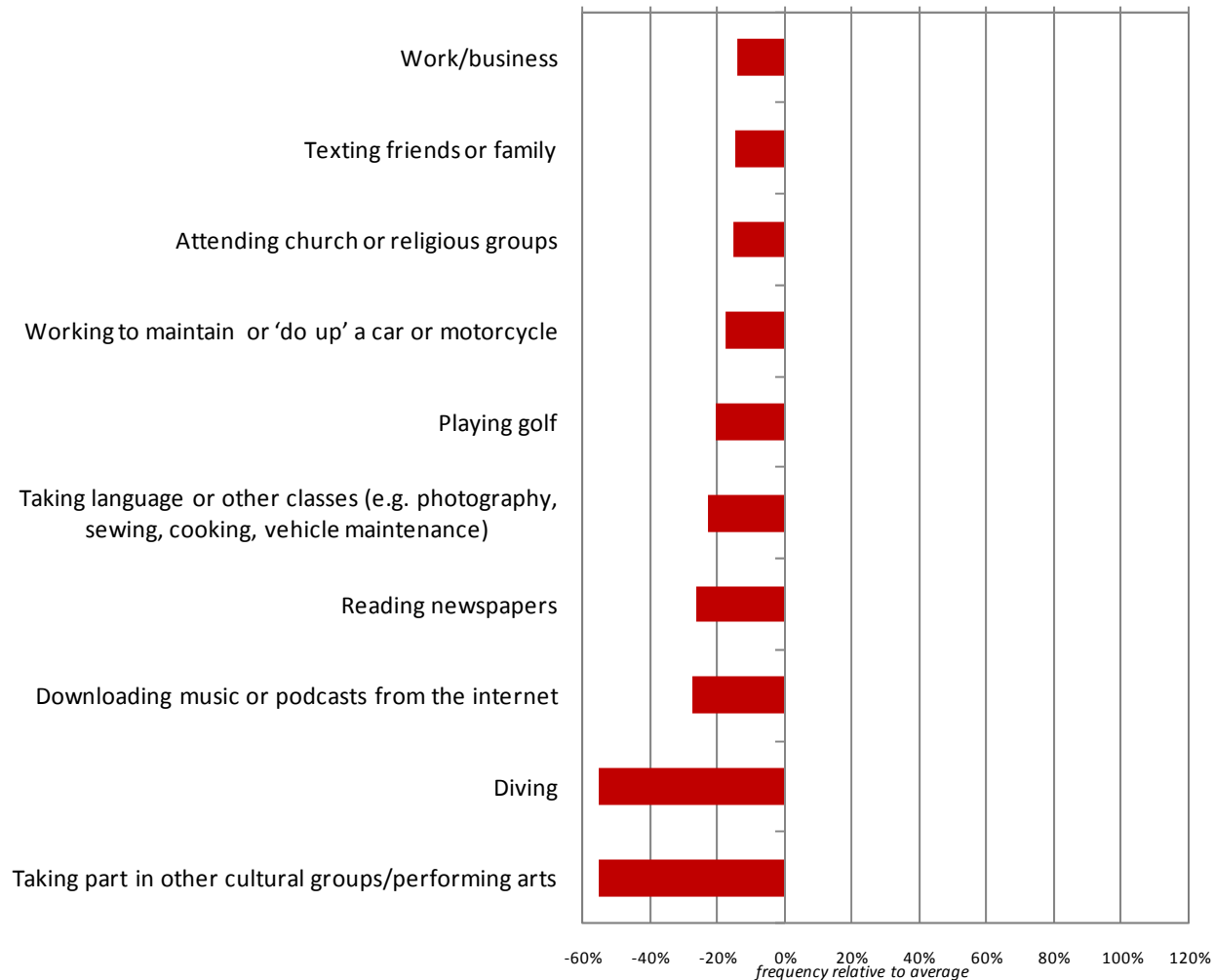
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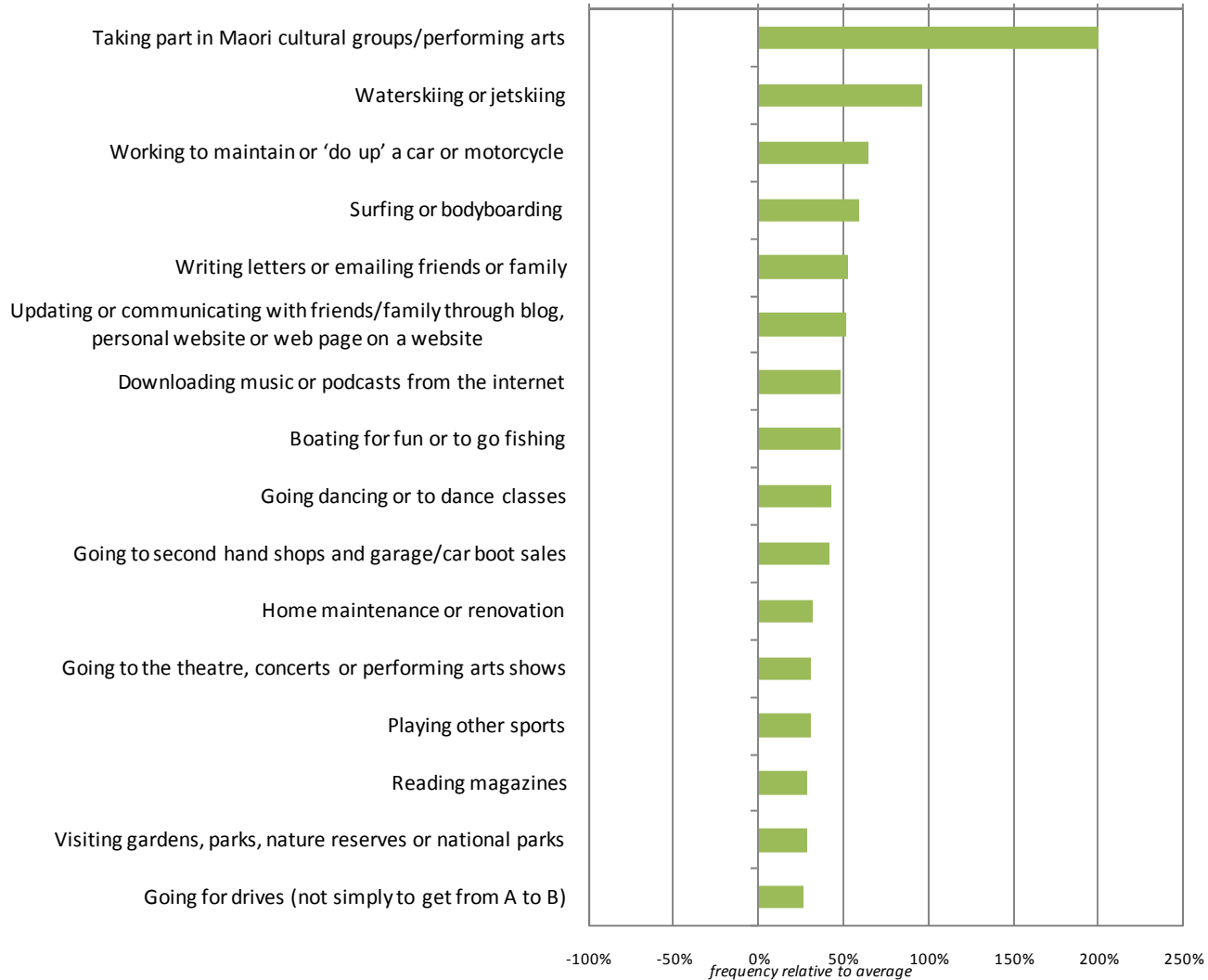
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Learnings (Stages 3 & 4)



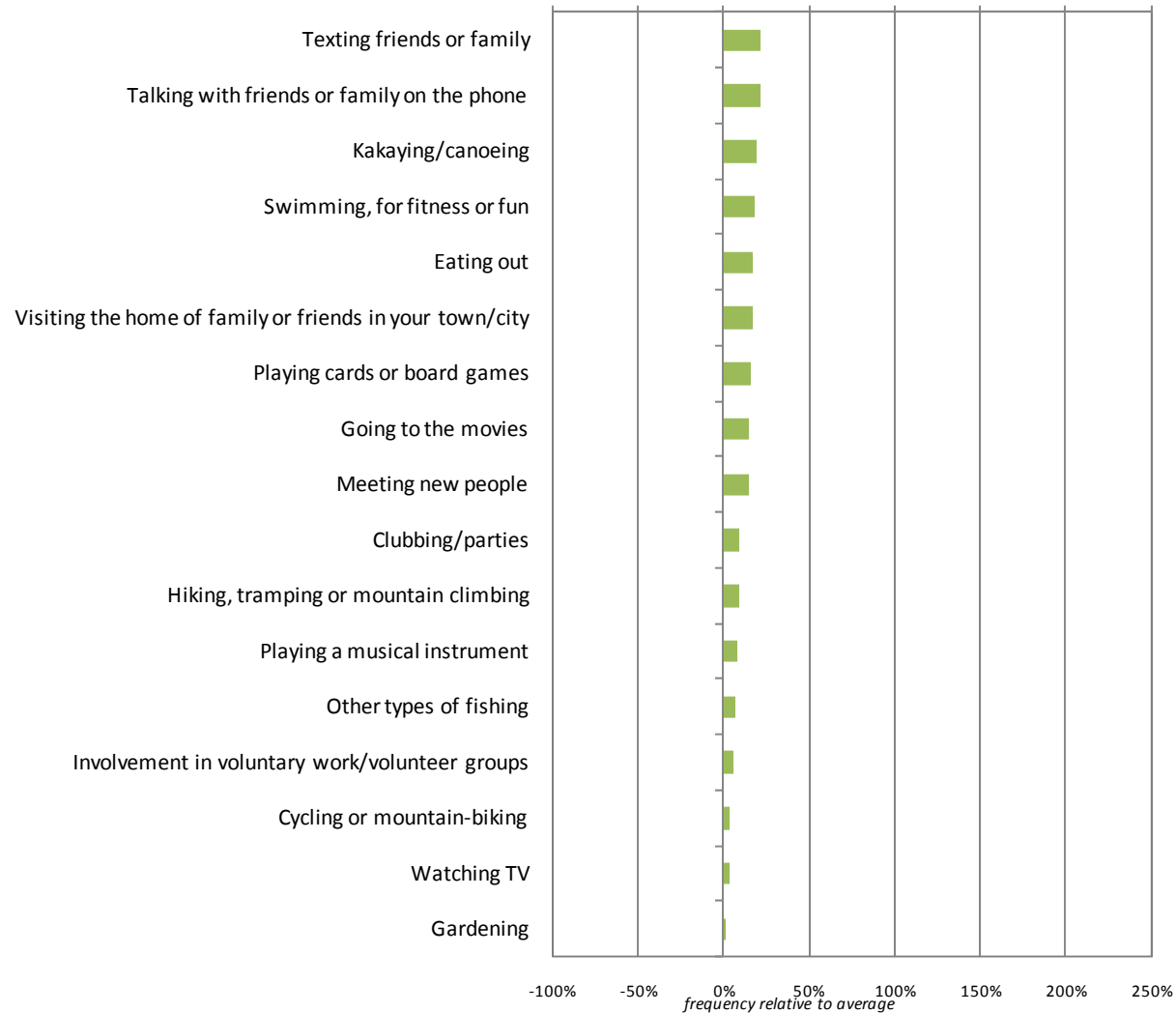
Frequency of Longer Domestic Holidays by Favourite Pastimes (Last 12 Months)



Learnings (Stages 3 & 4)



Frequency of Longer Domestic Holidays by Favourite Pastimes (Last 12 Months)



Learnings (Stages 3 & 4)



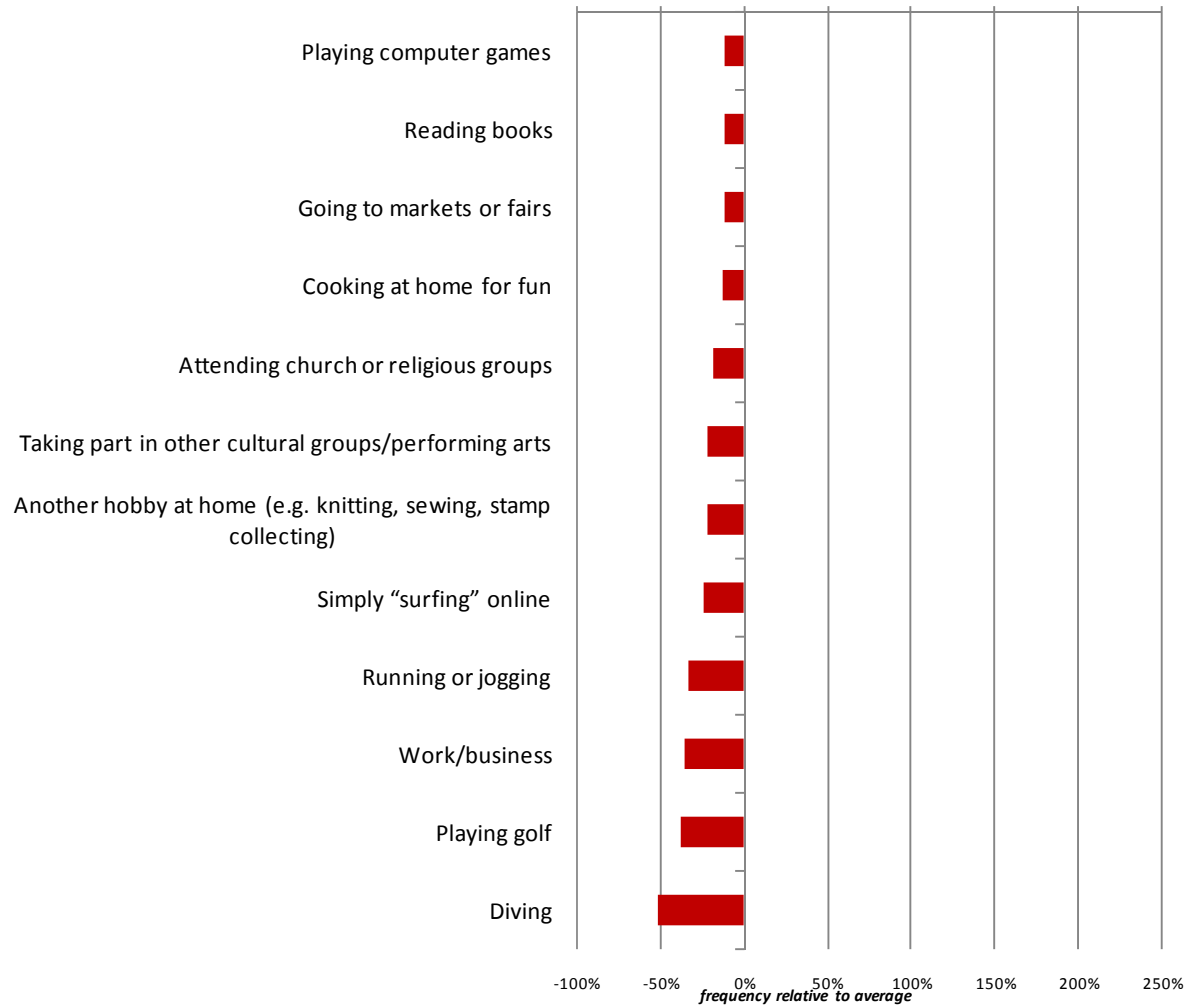
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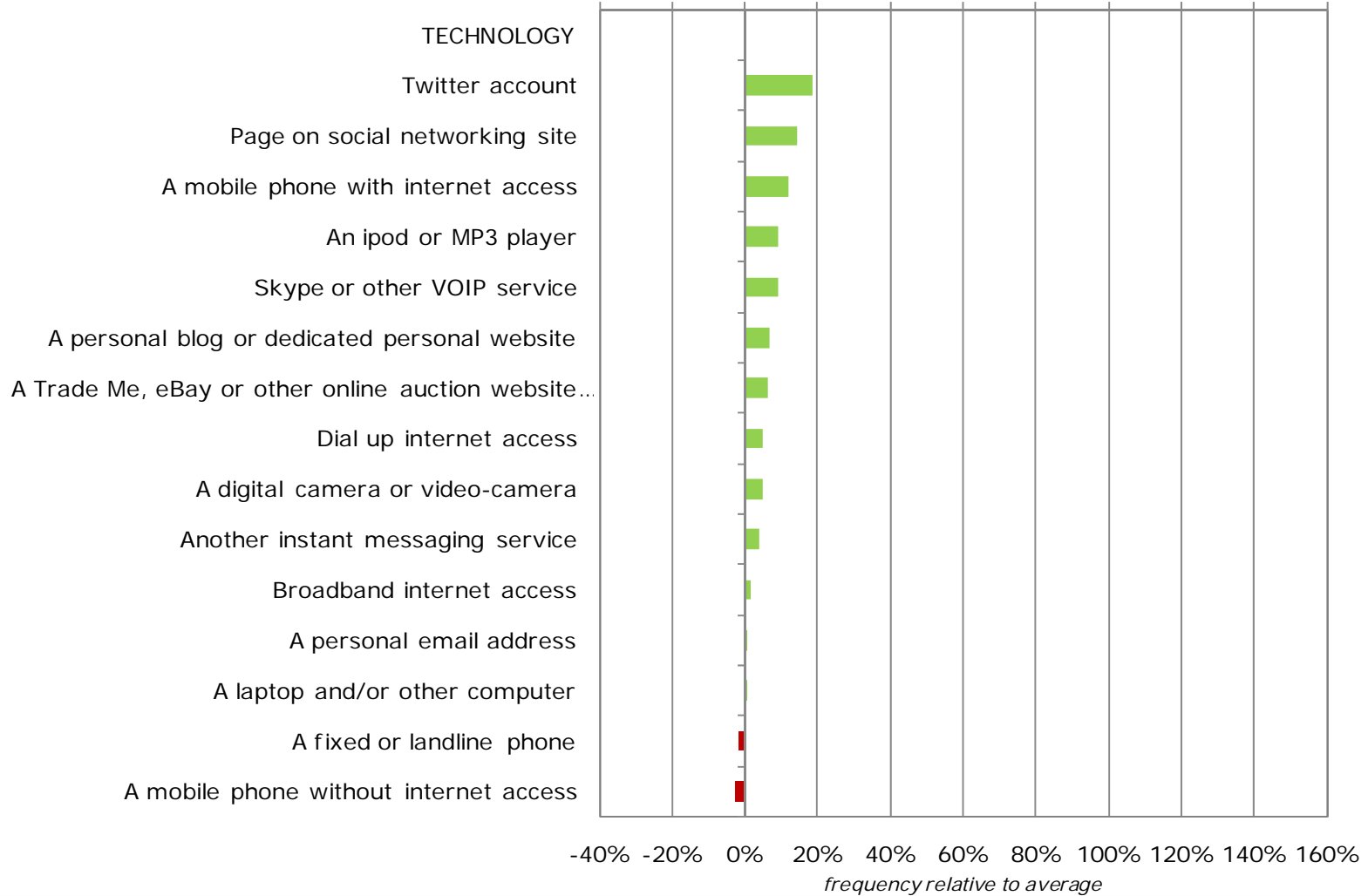
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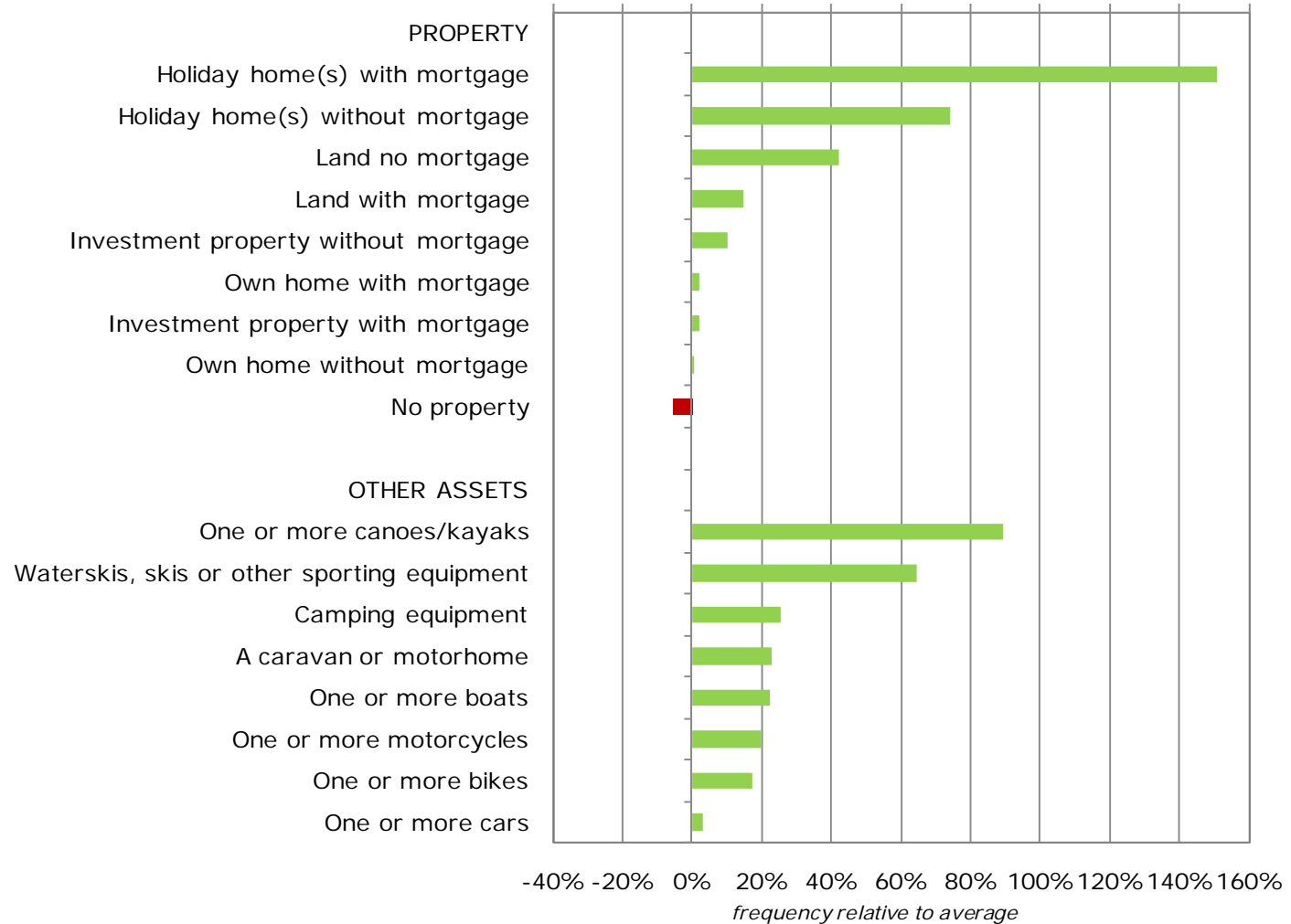
Frequency of Short Domestic Breaks by Property/Asset Ownership (Last 12 Months)



Learnings (Stages 3 & 4)



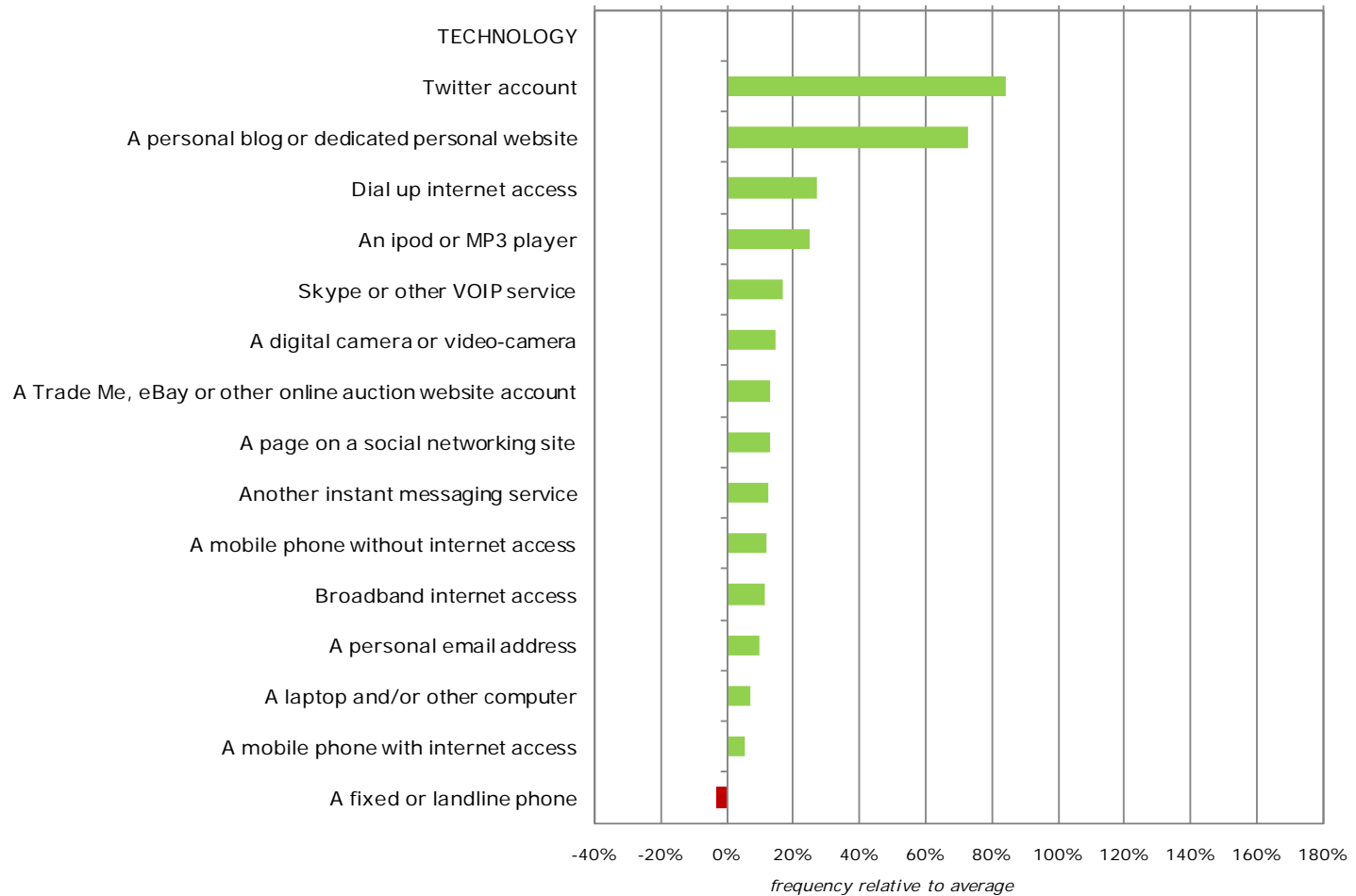
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Learnings (Stages 3 & 4)



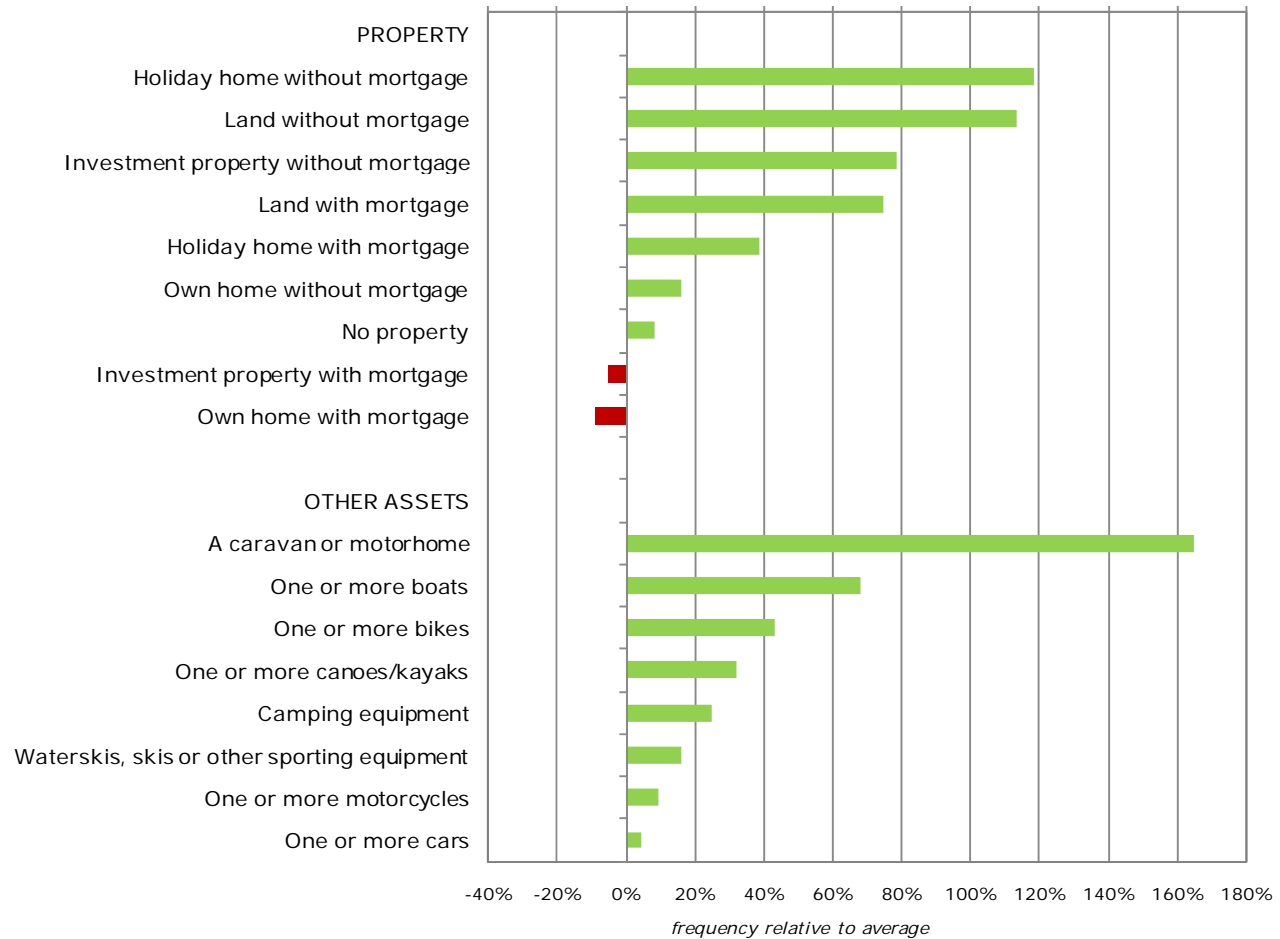
Frequency of Longer Domestic Holidays by Property/Asset Ownership
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Learnings (Stages 3 & 4)



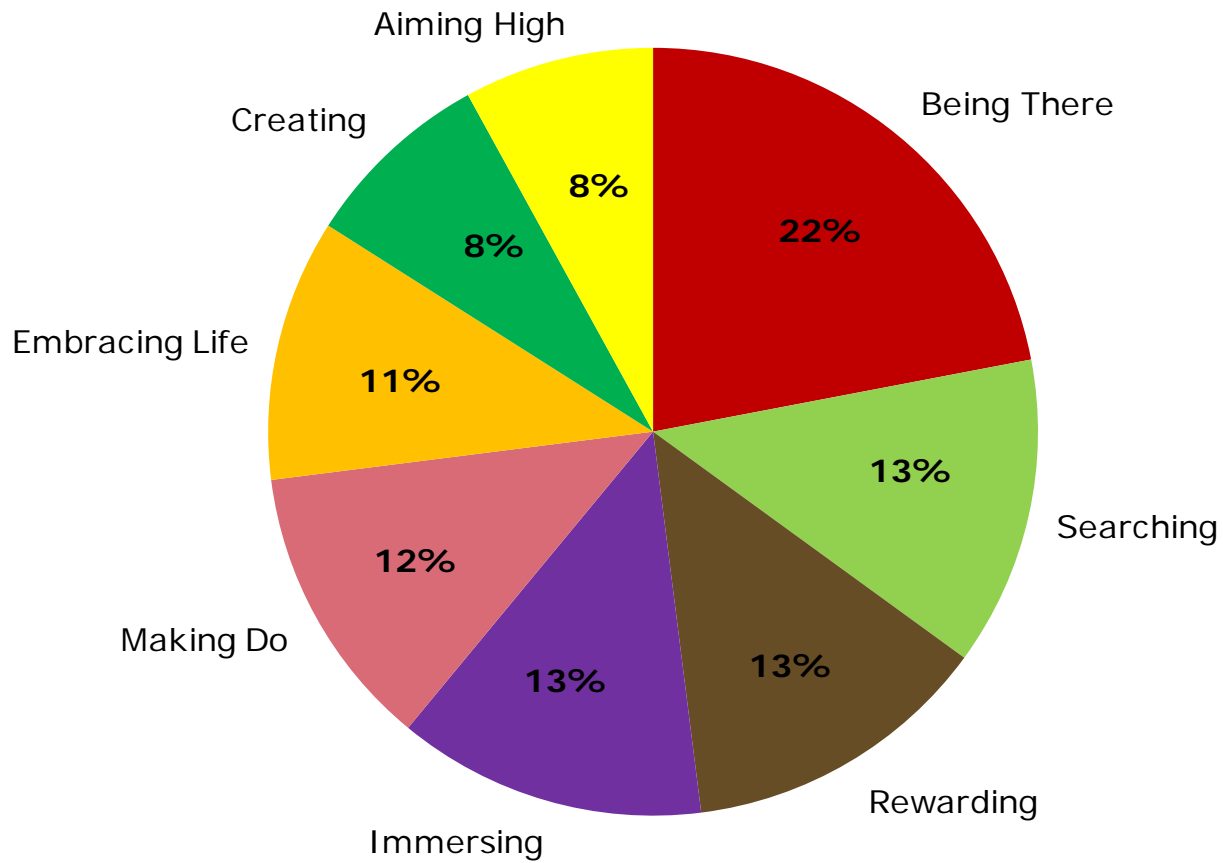
**Frequency of Longer Domestic Holidays by Property/Asset Ownership
(Last 12 Months)**



Learnings (Stages 3 & 4)



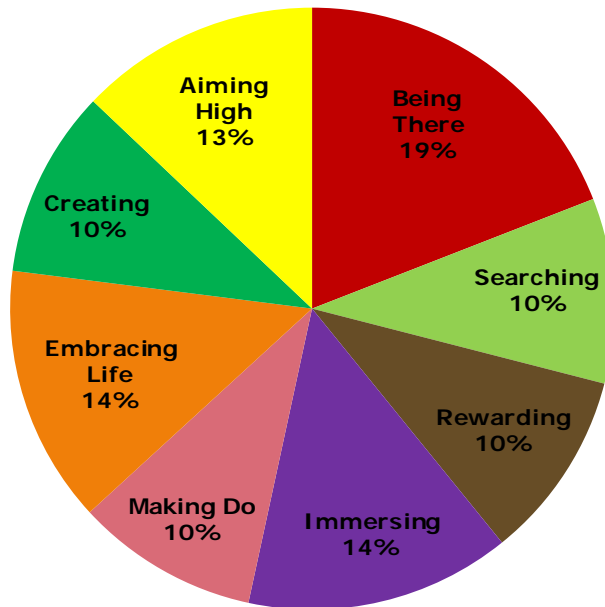
Learnings (Stages 3 & 4)



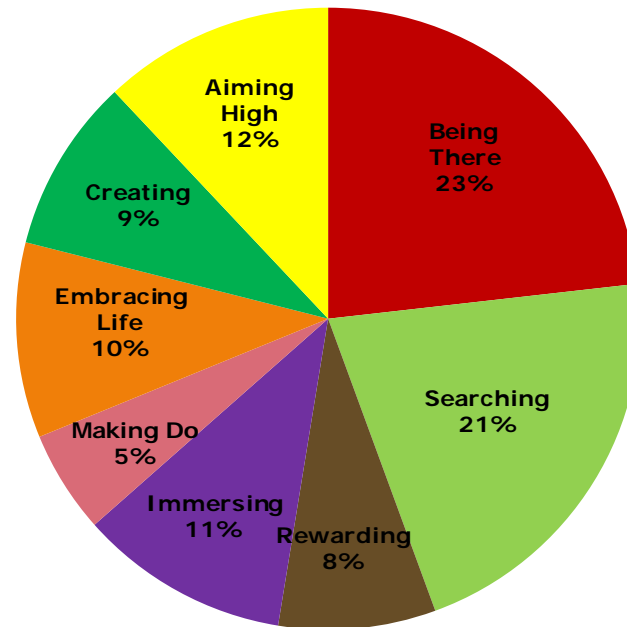
Learnings (Stages 3 & 4)



Segment Size by Contribution to all Domestic Short Breaks (Last 12 Months)



Segment Size by Contribution to all Longer Domestic Holidays (Last 12 Months)



BEING THERE

Size: 22% of the adult population

Demographic Characteristics: Likely to be older age groups, empty nesters, female bias, many live alone, under-represented in Auckland

Travel Characteristics: International travel (+), domestic short breaks (-), longer domestic holidays (+)

Key Interests: Gardening, visiting gardens, writing letters, talking to friends/family on the phone, church, volunteer work

Priorities: Health, paying bills, time with family/friends, travel and holidays, social/community groups

Travel Interests: VFR, sightseeing, shopping, natural attractions, walking/hiking, culture/heritage attractions

Key Destination Characteristics: Safe, familiar and affordable

Travel Barriers: Health/disability, travel companions

Core Marketing Proposition: Being with family and friends.

Marketing Channels: Major daily newspapers, special interest media (e.g. gardening channels/magazines/groups), affinity groups (churches, Rotary, Probus, other voluntary groups), targeted online channels (including news sites, Skype, online auction sites) and targeted email marketing.

Marketing Opportunities: Day trip/short break (activity and event-related); VFR campaigns; garden/nature product/events; history/heritage product/events; concert/theatre/performing arts product/events; small group (special interest) tours; assisted travel (transport, accommodation); cruise product.



SEARCHING

Segment Size: 13% of the adult population

Demographic Characteristics: Likely to be younger age groups, single, no children, many students, live at home/in flats, under-represented in provincial South Island towns

Travel Characteristics: International travel (+), domestic short breaks (-), longer domestic holidays (+)

Key Interests: Computer games, online gaming, watching DVDs, texting family and friends, downloading music and updating friends on social networking sites such as Facebook.

Priorities: Having a good time, finding direction, learning a new skill or trade, improving their education

Travel Interests: Beaches, shopping, sports, night life

Key Destination Characteristics: Exciting, different, entertaining, challenging (but still familiar)

Travel Barriers: Knowledge, transport options, travel companions

Core Marketing Proposition: Freedom and good times with friends

Marketing Channels: Online/web2.0; youth media; educational interest groups/institutions; events/parties; mobile apps; cinema

Marketing Opportunities: Adventure product; sports product; 'Contiki'-style domestic product; urban activities; youth related events



REWARDING

Size: 13% of the adult population

Demographic Characteristics: Strong male bias, likely to be middle to older age groups, couples with no children, empty nesters, over-represented in Auckland

Travel Characteristics: International **leisure** travel (+), domestic short breaks (-), longer domestic holidays (-)

Key Interests: Watching TV, eating out, playing golf

Priorities: Personal relationships, career/business, travel, building assets, reducing debt

Travel Interests: Eating out, playing golf, wine and food experiences.

Key Destination Characteristics: Romantic

Travel Barriers: Work commitments, annual leave

Core Marketing Proposition: You work hard, you deserve it

Marketing Channels: Business Media, special interest groups and clubs, Auckland specific media, TV sports/news channels, live sports events

Marketing Opportunities: Short breaks; Golf product; indulgence/pampering, wellness product; romantic breaks; sporting events; food and wine experiences; cruise product.



IMMERSING

Size: 13% of the adult population

Demographic Characteristics: Female bias, single or couples without children, live alone or in flats with others, over-represented in Wellington, under-represented in provincial North Island towns

Travel Characteristics: International travel (-), short domestic breaks (+), longer domestic holidays (=)

Key Interests: Many and varied. Include listening to music, watching DVDs at home, cooking for fun, eating out, looking after pets, painting, swimming, visiting gardens, going to the theatre, playing musical instruments, reading books and magazines, entertaining at home, hiking and going to markets and fairs

Priorities: Financial commitments, building career, furthering education, finding direction

Travel Interests: A complex mix of scenery, nature, cuisine, heritage, time with family and friends

Key Destination Characteristics: Peaceful, affordable, relaxing, welcoming, entertaining, different

Travel Barriers: Annual leave, money, work commitments

Core Marketing Proposition: Expand your mind, add to your experience, enrich yourself

Marketing Channels: Special interest and lifestyle media, online lifestyle channels, professional media/interest groups, tertiary education institutes.

Marketing Opportunities: Product involving nature, health, wellness, culture, arts, music, heritage, wildlife, food and wine; interactive experiences



MAKING DO

Size: 12% of the adult population

Demographic Characteristics: Likely to be middle age groups, female bias, households with children, over-representation of solo parents, under-represented in Auckland and over-represented in provincial North Island towns

Travel Characteristics: International travel (-), short domestic breaks (-), longer domestic holidays (-)

Key Interests: Watching TV, playing computer games and surfing online, keeping in touch with family and friends over the telephone or by text, visiting family and friends in their home town, watching DVDs, listening to music, playing board games, looking after a pet, cooking for fun, going shopping and visiting parks. Particular interest in going for drives and visiting second hand shops.

Priorities: Paying the bills, raising a family, health, spending time with family/friends, reducing debt

Travel Interests: Beaches, outdoor and nature-based activities, particularly those involving animals

Key Destination Characteristics: Family-friendly, easy, affordable, safe, peaceful, welcoming

Travel Barriers: Money, care responsibilities

Core Marketing Proposition - You deserve a break

Marketing Channels - Women's magazines, general and lifestyle media, daytime TV/Radio, fairs/markets

Marketing Opportunities – Family-friendly product; nature based product (especially involving animals); product with childcare facilities; anything affordable and easy.



EMBRACING LIFE

Size: 11% of the adult population

Demographic Characteristics: Likely to be middle age groups, families with children at home, male bias, high income, under-represented in provincial North Island towns

Travel Characteristics: International travel (=), short domestic breaks (+), longer domestic holidays (=)

Key Interests: Cycling and mountain biking, hiking and tramping, kayaking, boating for fun and all types of fishing, live sport, home renovation and entertaining at home

Priorities: Raising family, personal relationships, building career/business, building assets, travel, spending time with family and friends, reducing debt

Travel Interests: Outdoor and nature-based experiences, scenery and landscapes, culture and heritage, food and wine (all shared with family/friends)

Key Destination Characteristics: Family-friendly, relaxing, romantic

Travel Barriers: Annual leave, work commitments, care responsibilities, suitability for children

Core Marketing Proposition: A FULL life (for you and your family)

Marketing Channels: Business media, special interest media/online (e.g. golf, outdoor, boating, fishing), newspapers, boating/fishing/outdoor events/shows/fairs

Marketing Opportunities: Outdoor/adventure experiences for the whole family; food and wine product; cultural product; heritage experiences.



CREATING

Size: 8% of the adult population

Demographic Characteristics: Female bias, likely to be young to middle age, many live with extended family members, very high proportion of non-European descent (Maori, Pacific Island, Asian), under-represented in Otago and provincial South Island

Travel Characteristics: International travel (-), short domestic breaks (+), longer domestic holidays (+)

Key Interests: Texting family and friends, talking with family and friends by phone, keeping in touch by email and letter, updating friends/family via Facebook, visiting friends and family, entertaining at home, watching DVDs at home, listening to music, going to live music, playing music, participation in performing arts

Priorities: Raising family, financial objectives, health, career, building assets, community groups

Travel Interests: Spending time with family/friends, walking, water activities and beaches, culture and heritage, shopping, nature-based activities

Key Destination Characteristics: Family-friendly, familiar, romantic, exciting, welcoming, challenging

Travel Barriers: Care responsibilities and suitability for children

Core Marketing Proposition: Good times to share with family

Marketing Channels: Special interest groups/media (e.g. cultural focus), online channels, targeted lifestyle media, cultural and community events

Marketing Opportunity: Social experiences; events/concerts/festivals; beaches/nature product; camping, picnics/outdoor cooking; group accommodation; history and heritage; cultural product.



AIMING HIGH

Size: 8% of the adult population

Demographic Characteristics: Likely to be younger age groups, many students, many living at home or in flats, high-income households, over-represented in Auckland

Travel Characteristics: International travel (+), domestic short breaks (+), longer domestic holidays (+)

Key Interests: Texting family and friends, keeping in touch via Facebook, downloading music, eating out, tramping, boating, going to concerts and performing arts, going to the movies, listening to live music, surfing, waterskiing, diving, kayaking, swimming, going to the gym, yoga and meditation, cycling and mountain biking, going to dance classes, meeting new people, playing sports and watching live sports

Priorities: Having a good time, finding direction, fitness, travel, sport/hobbies, career, education

Travel Interests: Beaches, big cities, nightlife, shopping, sporting activities, outdoor activities, wellness and food and wine.

Key Destination Characteristics: Exciting, entertaining, challenging, different

Travel Barriers: Annual leave, work commitments, transport, travel companions

Core Marketing Proposition - More, bigger, best!

Marketing Channels - Youth media, special interest media (e.g. surfing, skiing etc.), Online channels, interest groups and clubs, cinema.

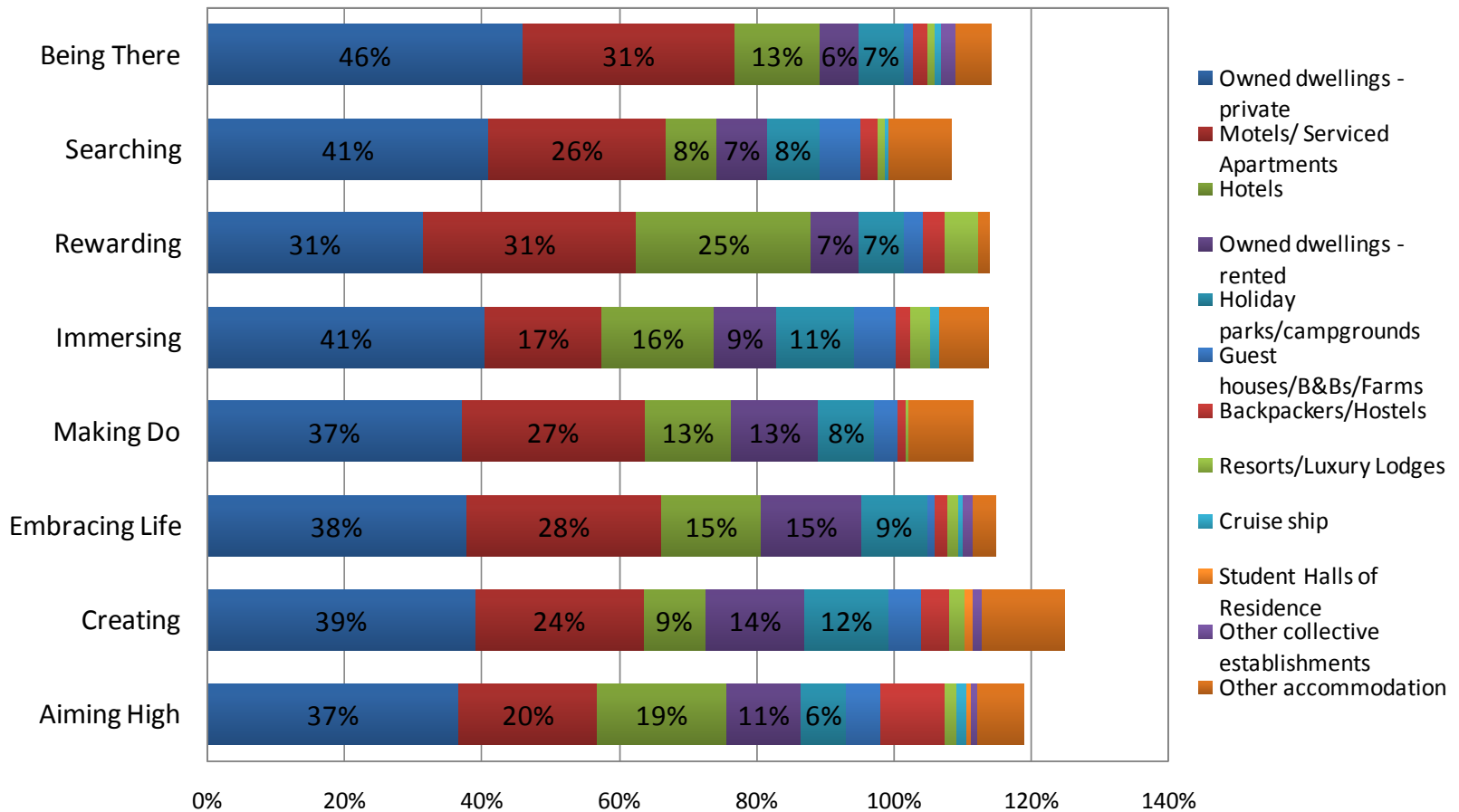
Marketing Opportunities - Adventure and sports product; youth/sporting/adventure events; urban product; wellness.



Learnings (Stages 3 & 4)



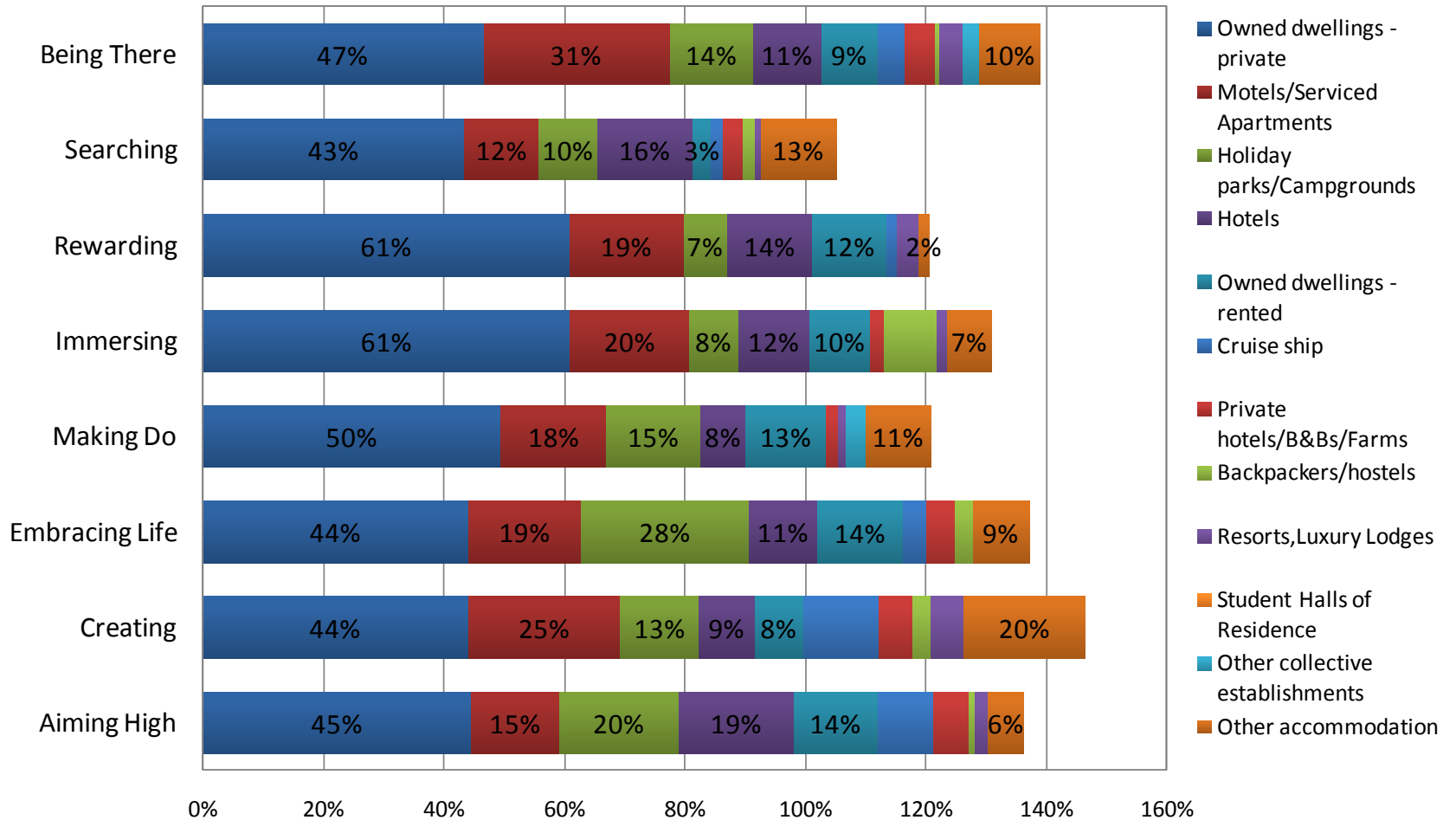
Accommodation Use By Segment - Short Break



Learnings (Stages 3 & 4)



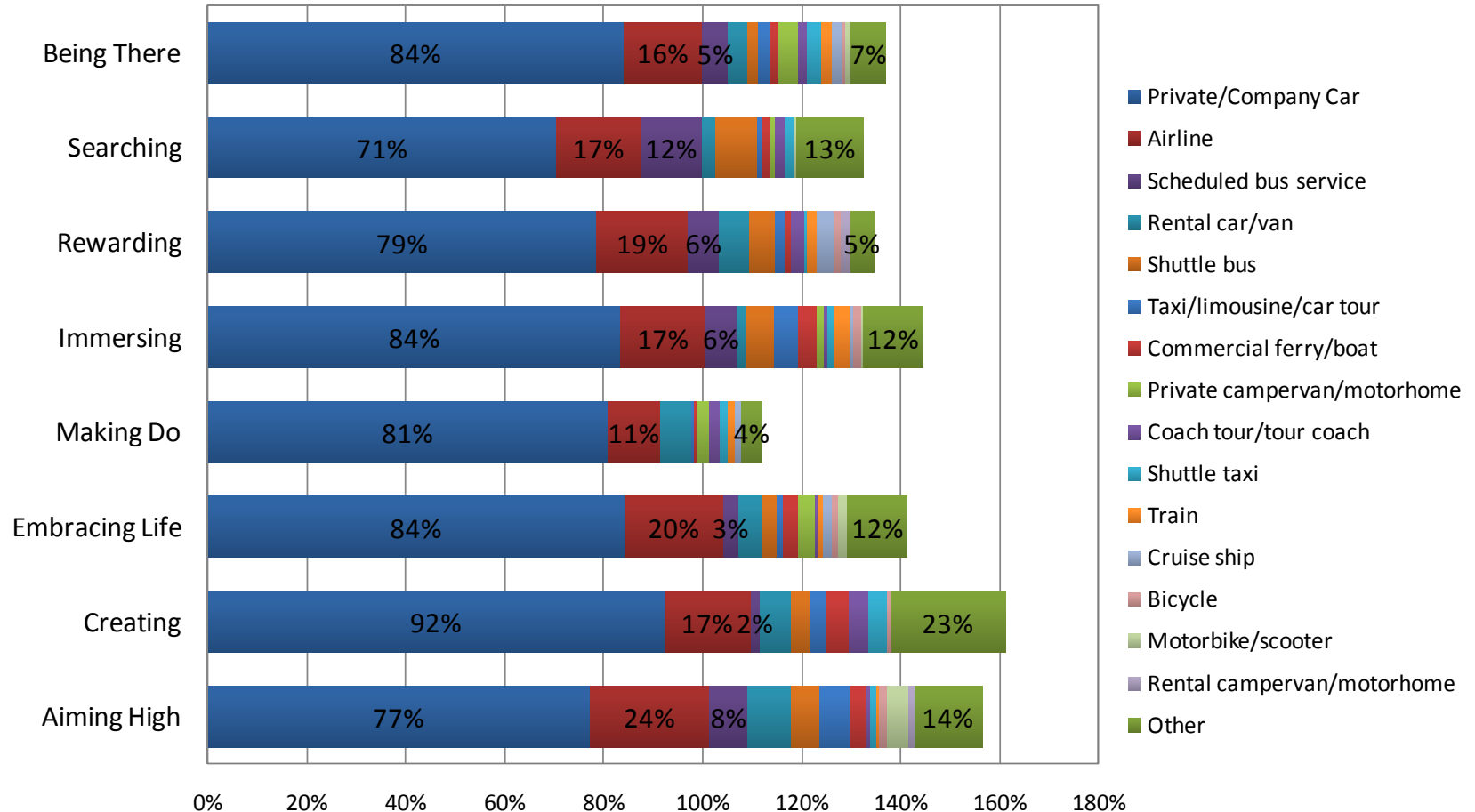
Accommodation Use By Segment - Longer Domestic Holiday



Learnings (Stages 3 & 4)



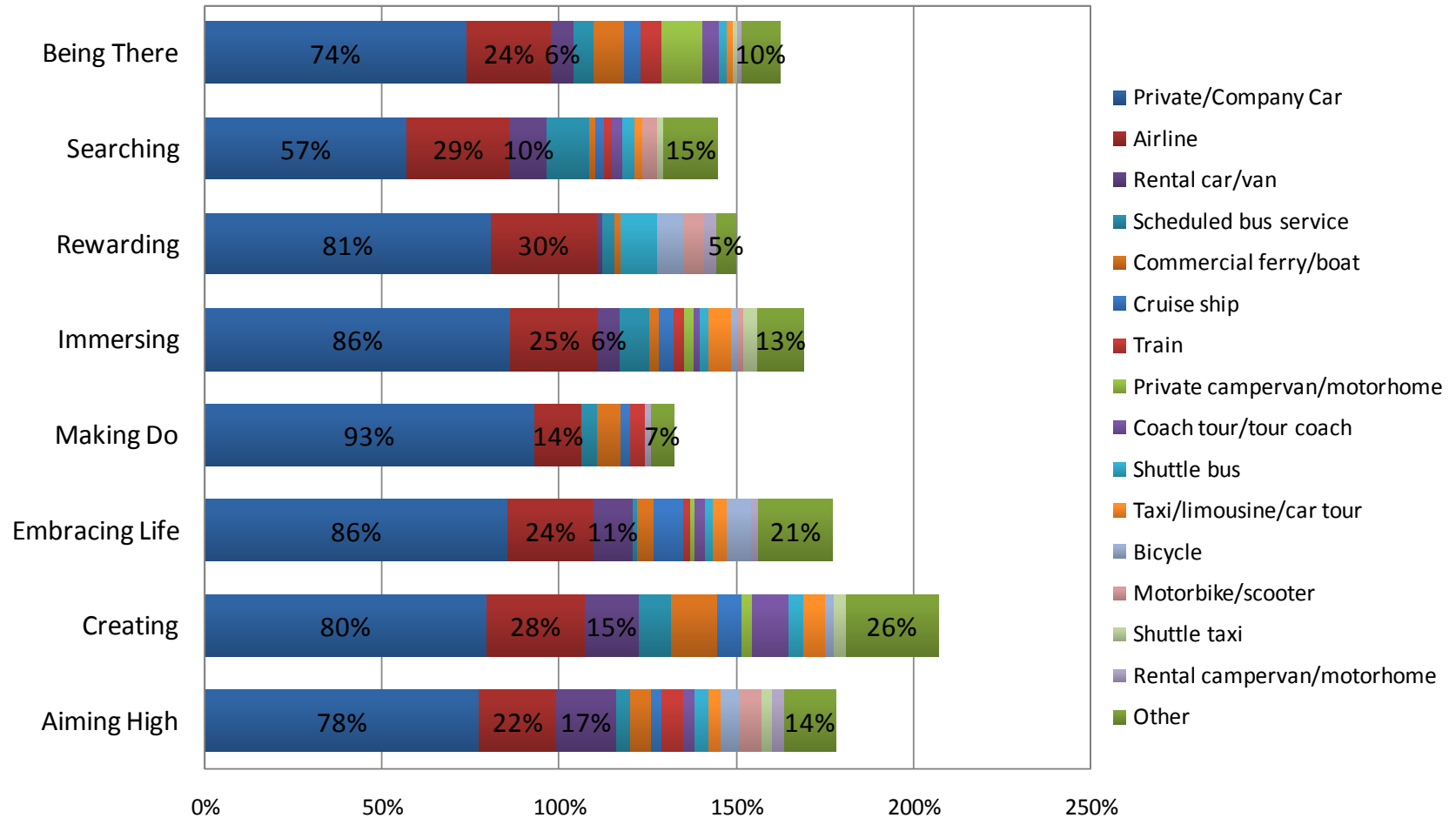
Transport Use By Segment - Short Break



Learnings (Stages 3 & 4)



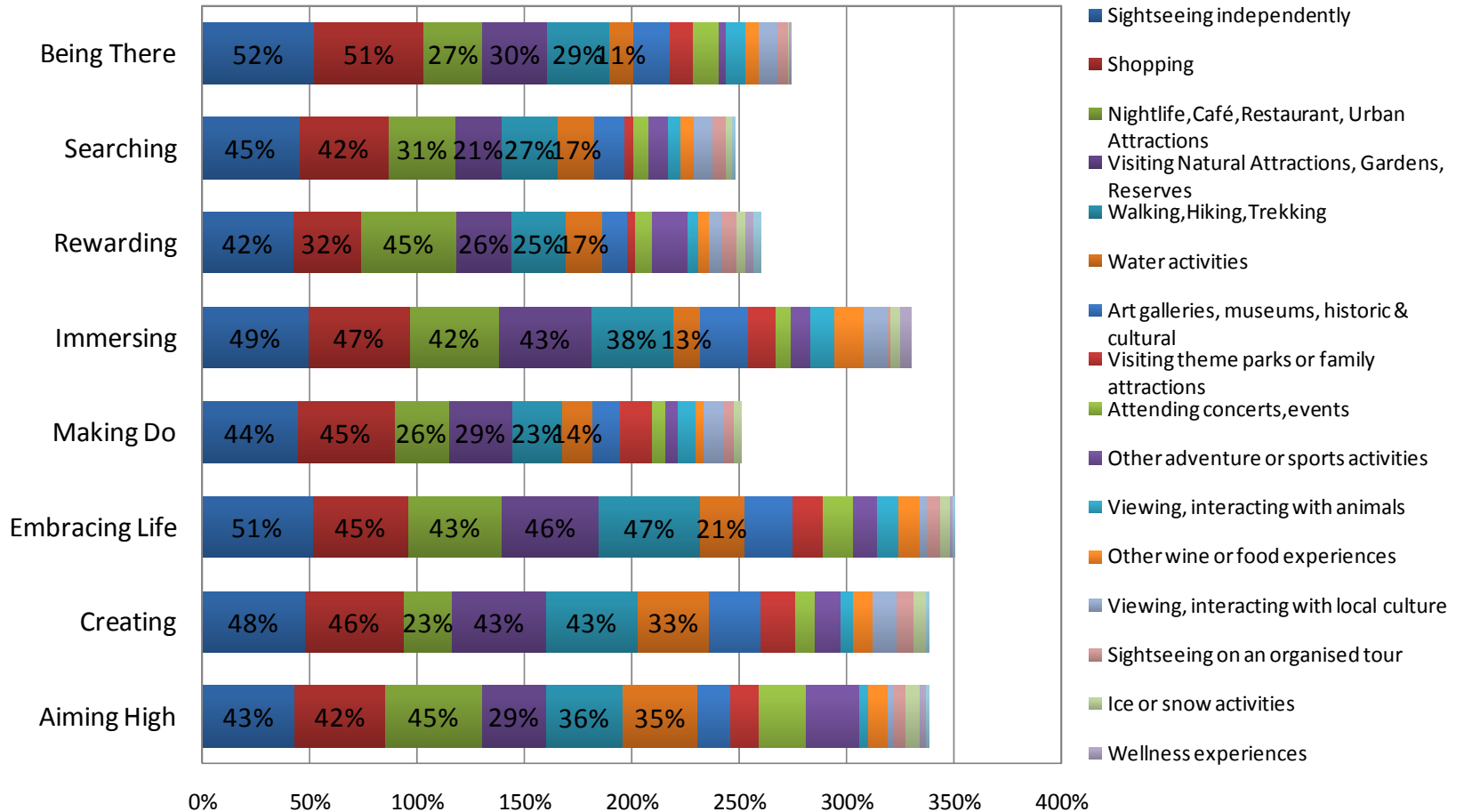
Transport Use By Segment - Longer Domestic Holiday



Learnings (Stages 3 & 4)



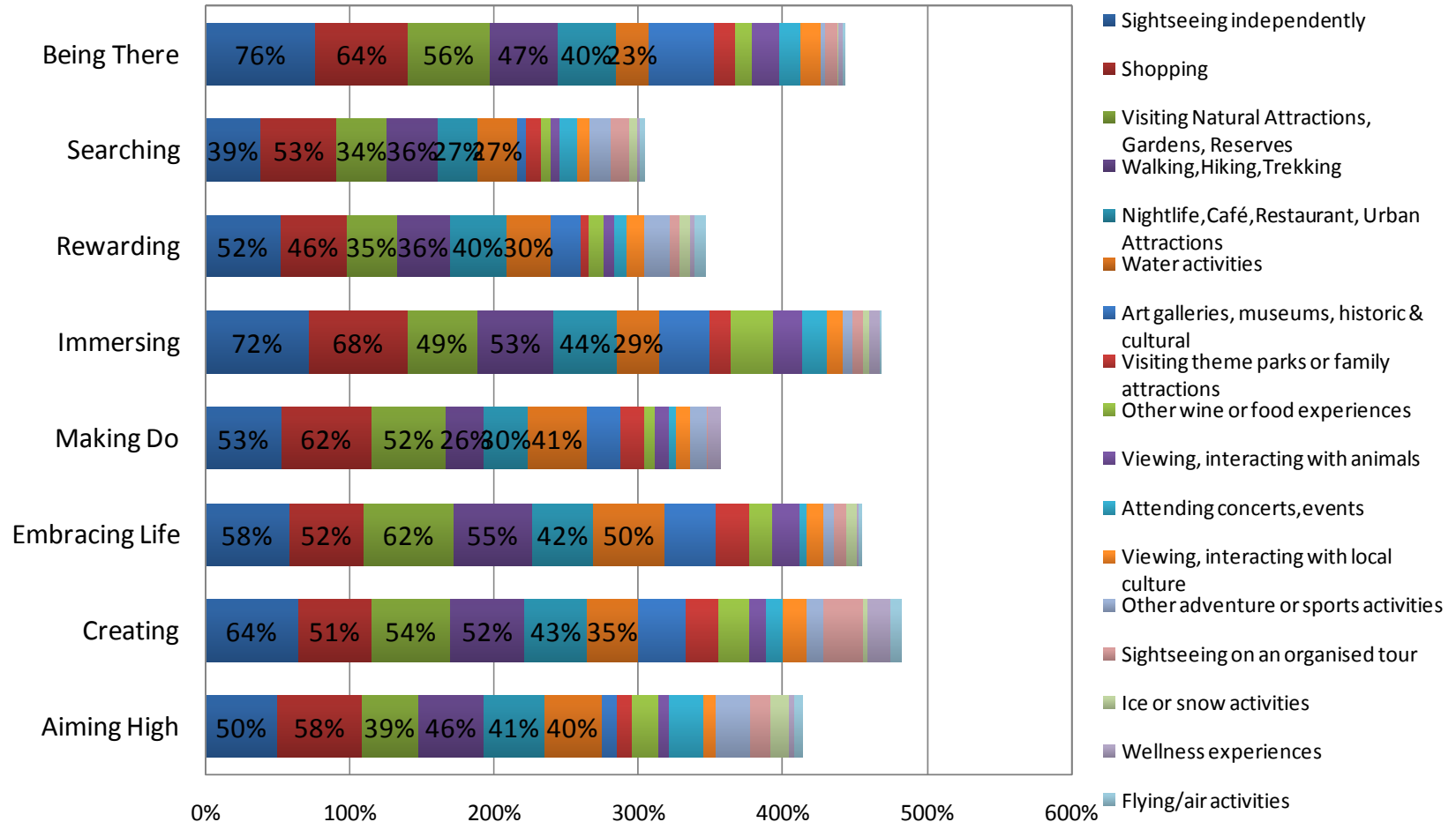
Activities & Attractions By Segment - Short Break



Learnings (Stages 3 & 4)



Activities & Attractions By Segment - Longer Domestic Holiday

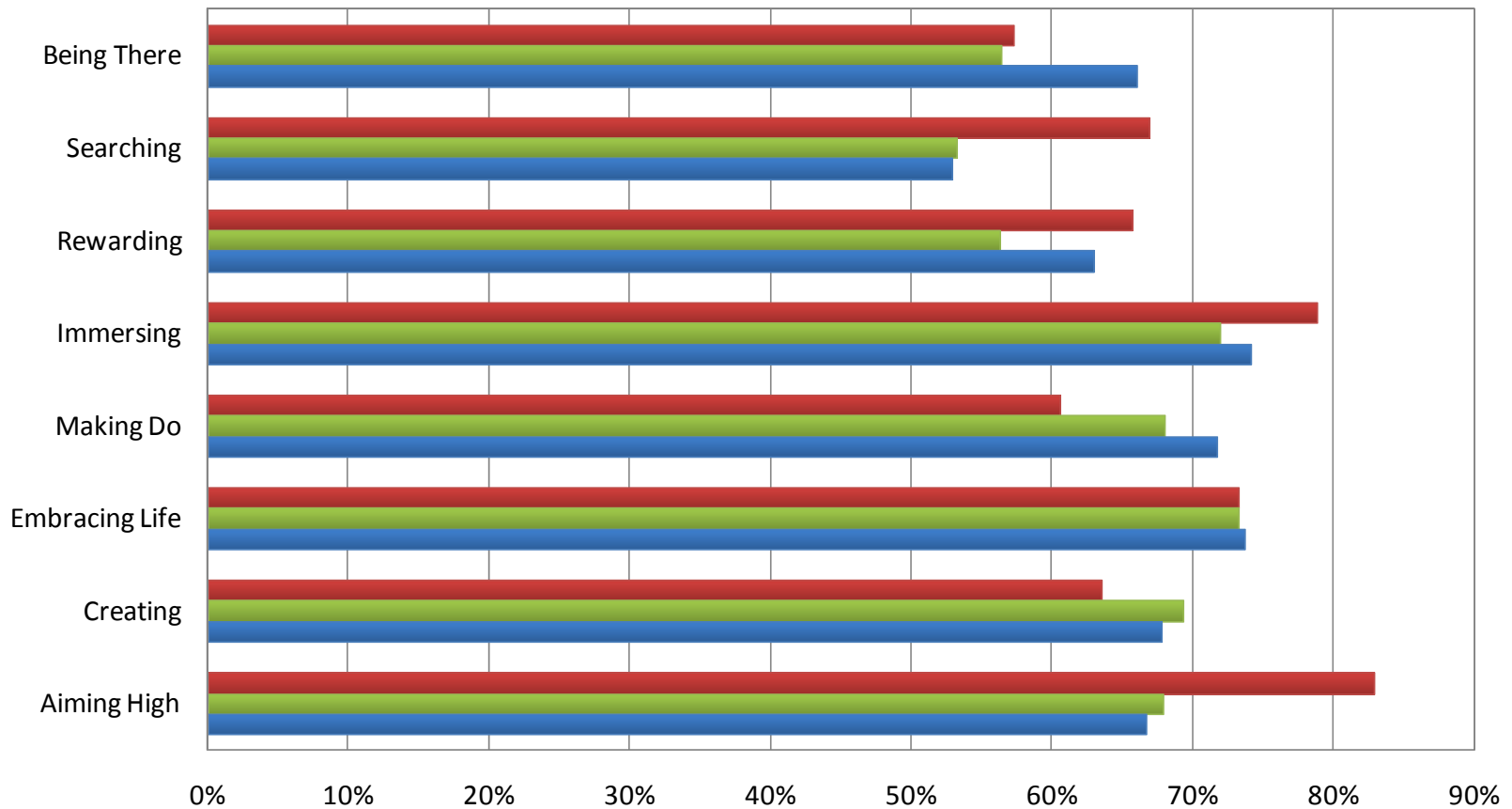


Learnings (Stages 3 & 4)



Travel Aspirations

More overseas holidays More longer domestic holidays More short domestic breaks

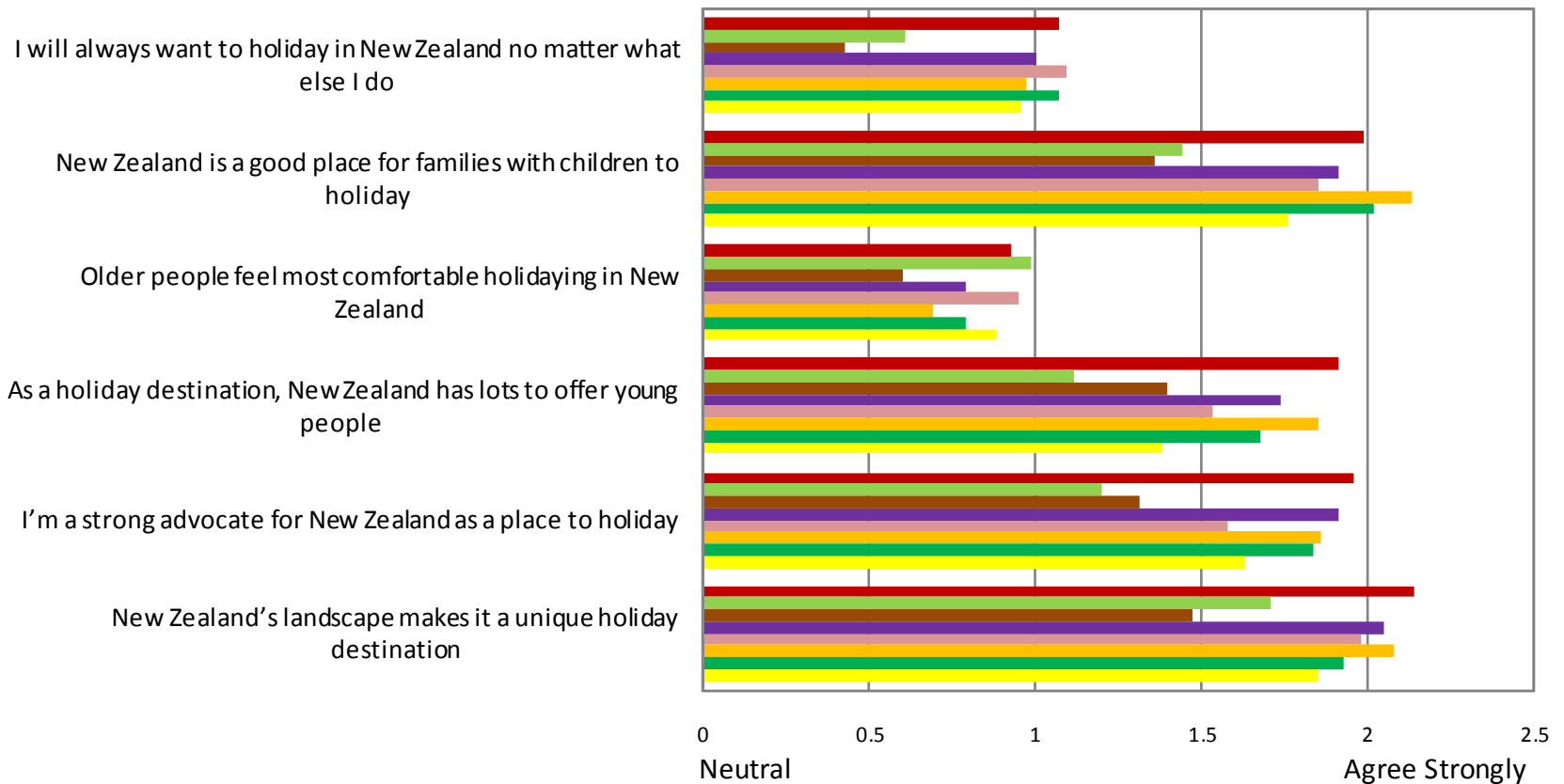


Learnings (Stages 3 & 4)



Attitudes Towards NZ as a Destination

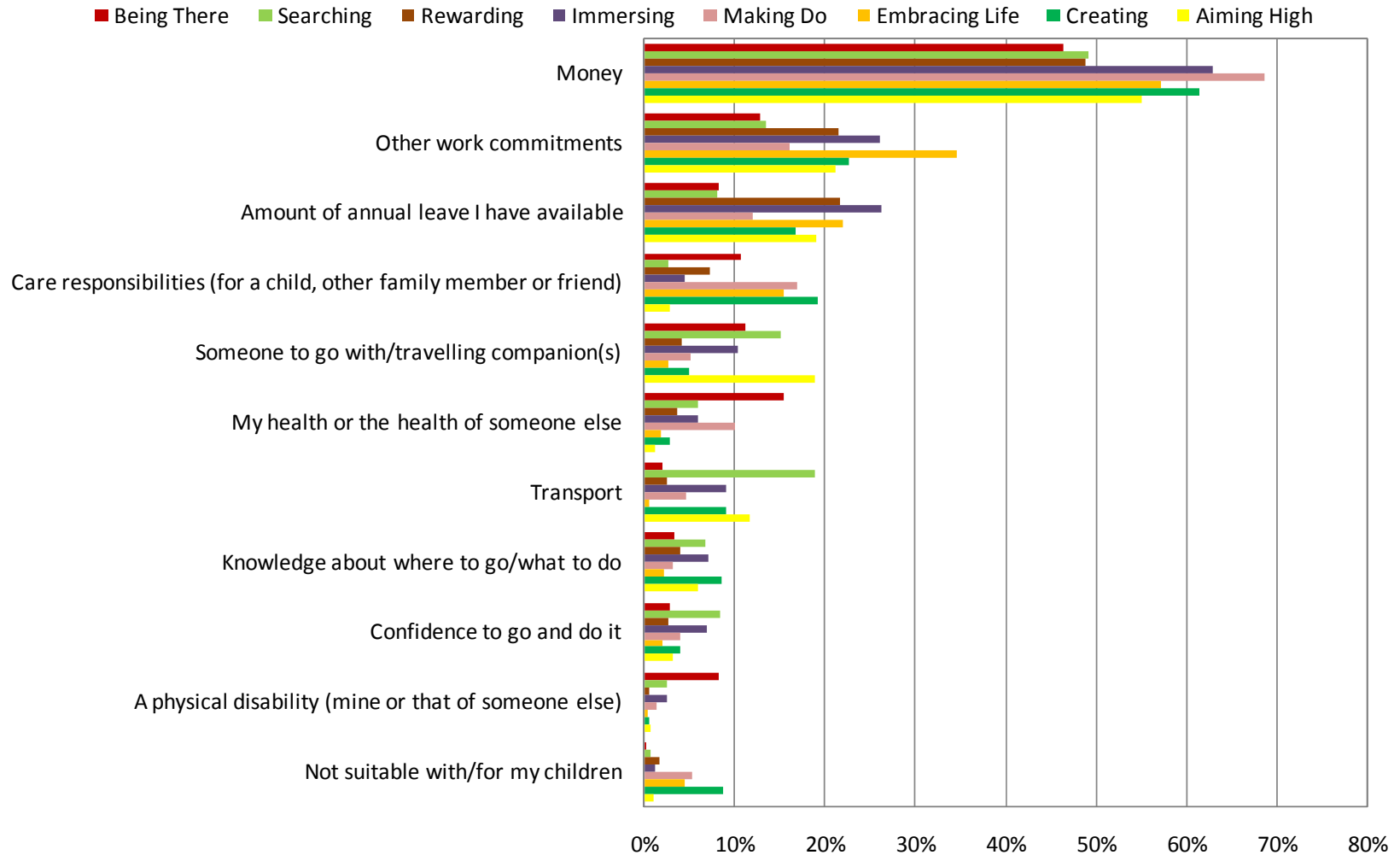
■ Being There
 ■ Searching
 ■ Rewarding
 ■ Immersing
 ■ Making Do
 ■ Embracing Life
 ■ Creating
 ■ Aiming High



Learnings (Stages 3 & 4)



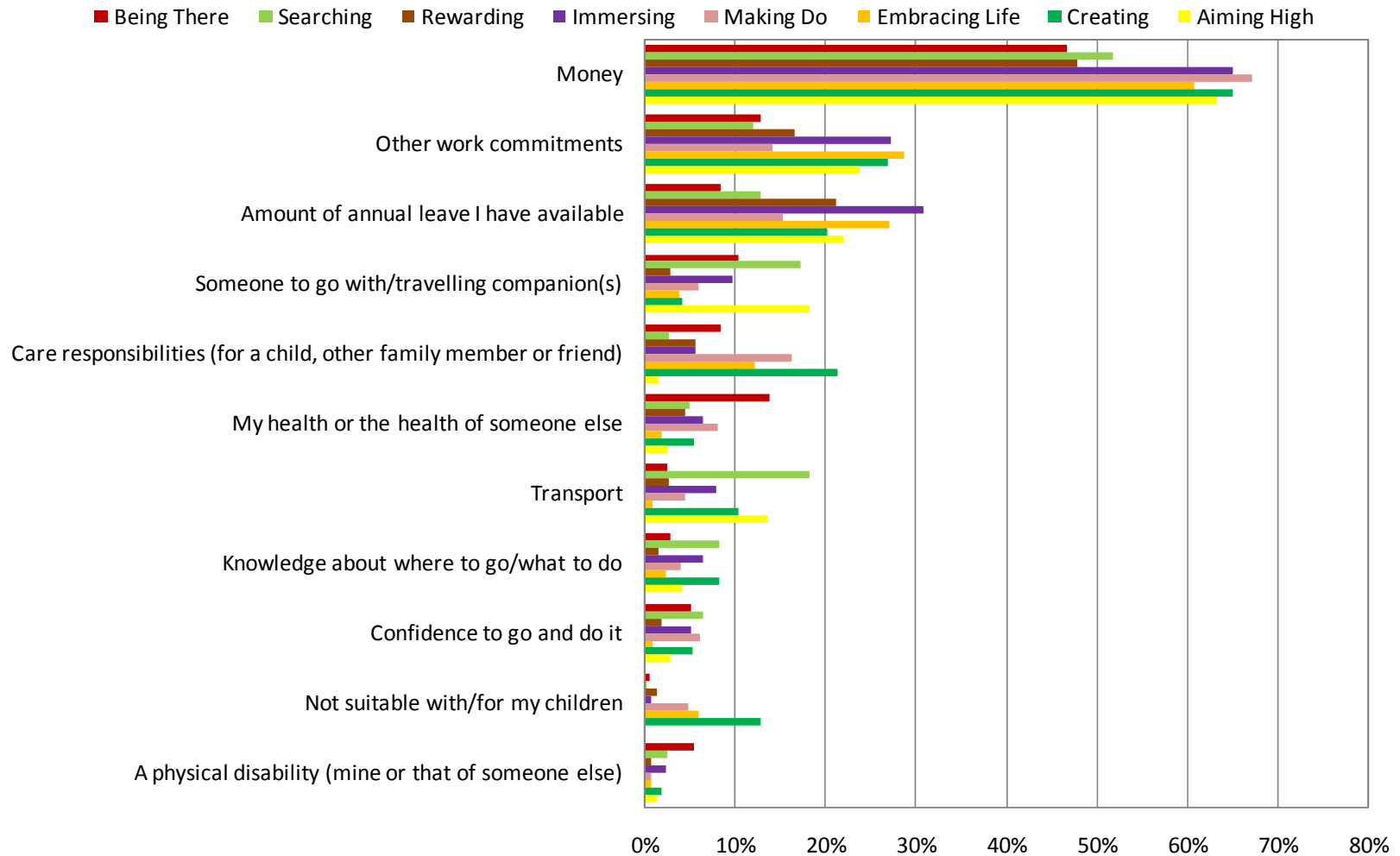
Travel Barriers - Domestic Short Breaks



Learnings (Stages 3 & 4)



Travel Barriers - Longer NZ Holidays



Learnings (Stages 3 & 4)



Characteristics (Bias) by Segment	Being There	Searching	Rewarding	Immersing	Making Do	Embracing Life	Creating	Aiming High
Size of segment	22 %	13 %	13 %	13 %	12 %	11 %	8 %	8 %
Gender	Female Bias	Slight Male Bias	Strong Male Bias	Female Bias	Female Bias	Male Bias	Slight Female Bias	Male Bias
Age	Oldest 60+	Youngest 15-24	Working Age 25-64	Younger 20-34	Middle Aged 30-54	Middle Aged 35-54	Middle Aged 25-49	Young 15-24
Life Cycle Stage	Married/Single Empty Nesters	Single No Kids	Married w children and Empty Nesters	Single/Couple No children	Single/Married children at Home	Married Children at Home	Single/Married Children at Home	Single/Married No Children
Place of Residence	Bias away from Auckland	Evenly Spread	Auckland	Auckland Wellington	Regional Not Big Cities	Auckland, Wgtn Other South Island	North Island	Auckland
Occupation	Retired	Student	Manager, Professional, Technical	Professional, Admin, Student	Home worker, Admin	Professional, Manager	Home worker, Professional, Admin	Student, Professional
Personal Income	Low \$17-28k	Low <\$10k	Higher \$45-85k	Average \$25-70k	Low <\$35k	High \$50k-100+	Varied \$15-70K	Low <\$15 or \$30-50K
Household Income	Low \$20-30k	Varied to Higher	High \$85-175k	Average	Average to Low	High \$85+	Average	High \$100+
Key Priorities	Health, Paying Bills, Spending time with Family/Friends, Travel and IHoHolidays, Social/Community Groups	Having a Good Time, Finding Direction, Education	Relationship, Building Career/ Business, Travel, Building Assets, Reducing Debt	Financial Obligations, Building Career, Education, Direction	Paying the Bills, Raising Family, Health, Spending time with family/ friends, Reducing Debt	Raising Family, Relationship, Building Career/ Business/Assets, Travel, Spending Time with F&F, Reducing Debt	Raising Family, Financial Obligations, Health, Building Career & Assets, Community Groups	Having a Good Time, Direction, Fitness, Travel, Sport/Hobbies, Career, Education
Key Interests	Reading, Writing, Gardening, Gardens/Parks, Home Hobbies, Volunteering	Clubbing/Parties, Downloading, Blogs/Websites, Texting, Cinema, Music, Computer Games	Work, Golf, Online, Watching Sports	Cultural, Painting, Theatre, Musical Instruments, Pets, Yoga, Hiking, Parks/Gardens	Markets, Fairs, Second Hand Sales, Drives	Home Maintenance, Boating, Fishing, Outdoor, Entertaining at Home, Eating Out	Community/ Cultural/ Volunteer Groups, Social Group Interactions including Family, Sports, Markets	Clubbing/Parties, Outdoor/Water Sports, Fitness, Music, Cinema, Eating Out, Meeting People
Ideal Holiday Destination Characteristics	Safe, NOT Challenging	Entertaining, Exciting, Different, Challenging	Romantic, NOT Family Friendly	Peaceful, Affordable, Relaxing, Welcoming, Entertaining, Different	Family Friendly, Easy, Affordable, Safe, Peaceful, Welcoming	Family Friendly, Relaxing, Romantic	Family Friendly, Familiar, Romantic, Exciting, Welcoming, Challenging	Exciting, Entertaining, Challenging, Different
Ideal Holiday Activities & Experiences	Scenery, Heritage, NOT Nightlife & Sporting Activities	Nightlife, Big Cities, Shopping, Beaches	Cuisine NOT Scenery/ Beaches/Nature/ Nightlife	Scenery, Nature Based, Cuisine, Heritage NOT Sports, Nightlife, City	NOT Nightlife/Big Cities/Sports/ Cultural, quite like Beaches, Wildlife, Scenery	Outdoor, Nature Based NOT Nightlife & Big Cities	Cultural, Heritage, Outdoor, Beaches, Shopping, Nature Based	Nightlife, Big Cities, Beaches, Sporting, Shopping

Learnings (Stages 3 & 4)



Characteristics (Bias) by Segment	Being There	Searching	Rewarding	Immersing	Making Do	Embracing Life	Creating	Aiming High
Shortcomings of NZ vs Ideal	Different	Affordable, Entertaining Exciting, Different, Shopping, Big Cities	Entertaining, Different, Big Cities	Affordable, Entertaining, Different, History/Heritage	Affordable, Relaxing, Different	Different	Different, Affordable	Affordable, Relaxing, Different, Nightlife, Shopping, Big Cities
Most desirable NZ destinations	Bay of Islands, Nelson, Marlborough, Golden Bay	Bay of Plenty, Coromandel, Christchurch	Bay of Islands, Marlborough, Fiordland	Bay of Islands, Coromandel, Fiordland, Golden Bay, Nelson	Far North, Bay of Islands, Nelson, Fiordland	Bay of Islands, Golden Bay, Marlborough, Fiordland	Bay of Islands, Lake Wanaka, West Coast, Christchurch	Nelson, Queenstown, Golden Bay, Coromandel, Bay of Plenty
Number of Short Trips (last 12 months)	1.6	1.4	1.5	2.2	1.6	2.5	2.3	3.1
Number of Longer Holidays (last 12 months)	0.7	1.0	0.4	0.6	0.3	0.6	0.7	1.0
Number of Overseas Holidays (last 12 months)	0.6	0.5	0.4	0.3	0.1	0.4	0.2	0.7
Travel Motivations	Family NOT Challenge/ Something New/Adventure/ Peace and Quiet	Life Experiences, Adventure, Excitement, Something New	Peace & Quiet, Share Enjoyment with Others	Relationships, Family/Friends, Peace & Quiet, Excitement, Share Enjoyment with Others	Family, Relationships, Peace & Quiet	Family, Relationships, Share Enjoyment, Peace & Quiet	Family, Relationships, Share Enjoyment, Something New, Peace & Quiet	Life Experience, Adventure, Excitement, Something New, Challenge
Travel Barriers	Health, Disability, Travel Companion	Travel Companion, Transport, Confidence, Knowledge	Work Commitments, Annual Leave	Money, Work Commitments, Annual Leave, Confidence	Money, Care Responsibilities, Suitability for Children	Money, Work Commitments, Annual Leave, Care Responsibilities	Money, Work Commitments, Care Responsibilities, Suitability for Children	Money, Work Commitments, Annual Leave, Travel Companion, Transport

MARKETING STRATEGY	Being There	Searching	Rewarding	Immersing	Making Do	Embracing Life	Creating	Aiming High
Core Marketing Proposition	<i>Being with family and friends</i>	<i>Freedom and good times with friends</i>	<i>You work hard, you deserve it</i>	<i>Expand your mind, add to your experiences, enrich your life</i>	<i>You deserve a break</i>	<i>A FULL life (for you and your family)</i>	<i>Good times to share with your family</i>	<i>More, bigger, best!</i>
Marketing Channels	<ul style="list-style-type: none"> - Major dailies - Special interest (e.g. gardening channels/mags/groups) - Affinity groups (e.g. churches, Rotary, Probus, other voluntary groups) - Targeted online channels (e.g. news sites, Skype, online auction sites) - Email Marketing 	<ul style="list-style-type: none"> - Online, Web 2.0 - Youth media - Educational interest groups/ institutions - Events/Parties - Mobile Apps - Cinema 	<ul style="list-style-type: none"> - Business media - Special interest groups/media/online (e.g. golf clubs, golf magazines, golf websites) - Auckland-specific media - TV Sports/News Channels - Live sports events 	<ul style="list-style-type: none"> - Special interest and lifestyle media (e.g. health media, yoga/wellness media) - Online channels (travel/lifestyle) - Professional media/interest groups - Tert. Education Institutes 	<ul style="list-style-type: none"> - Women's magazines - General and lifestyle media - TV/Radio Daytime - Fairs/Market 	<ul style="list-style-type: none"> - Business media - Special interest media/online(e.g. golf, outdoor-focused, boating/fishing) - Newspapers (major dailies) - Boating/Fishing - Outdoor events/show 	<ul style="list-style-type: none"> - Special interest groups/media (e.g. cultural groups, cultural media) - Online channels - Targeted lifestyle media - Cultural and Community events 	<ul style="list-style-type: none"> - Youth media - Special interest media (e.g. skiing, boarding) - Online channels - Interest groups (sports clubs, other affinity groups) - Cinema
Key Marketing Opportunities	<ul style="list-style-type: none"> - Day trip/short break (activity and event-related) - VFR campaigns (friend get friend) - Garden/nature product/events - History/heritage - Concert/theatre & performing arts - Small group tours (special interest) - Assisted travel (transport, accommodation) - Cruise product 	<ul style="list-style-type: none"> - Contiki-style domestic product (including travel with experiences and opportunities to meet new people) - Urban activities (nightlife) - Youth-related events (online gaming and sports competitions, sports exhibitions) - Adventure product - Sports product 	<ul style="list-style-type: none"> - Short breaks - Golf product - Indulgence/pampering (accommodation, wellness experiences) - Romantic weekends/short breaks - Fashion events/shows - Sports events/shows (e.g. motoring, golf) - Food and wine experiences (events, vineyard tours) - Cruise product 	<ul style="list-style-type: none"> - Nature, health, wellness, cultural, artistic, musical, heritage, wildlife, food and wine product – all with an interactive and educational focus - Workshops - Hiking groups/routes (including catered) 	<ul style="list-style-type: none"> - Family-friendly product (theme parks and family experiences) - Nature-based product (animals) - Accommodation and experiences with childcare assistance/facilities (e.g. kids' clubs) - Affordable and easy 	<ul style="list-style-type: none"> - Outdoor adventures/experiences for the whole family (e.g. cycling, fishing, canoeing, kayaking, adventure sports, boating, fishing, beaches) - Food/wine product - Cultural product - Heritage events/experiences 	<ul style="list-style-type: none"> - Social/shared experiences - Events/concerts/festivals - Beaches/nature product - Camping - Picnics/outdoor cooking - Group accommodation - History and heritage - Cultural product 	<ul style="list-style-type: none"> - Adventure and sports product (the best skiing, the best beaches, the best mountain biking tracks) - Youth/sporting/adventure events - Urban product (nightlife, bars/cafes/music events) - Wellness experiences

Learnings (Stages 3 & 4)



For each segment: -

- Gender profile
- Age profile
- Lifecycle profile
- Household composition
- Children in household
- Education
- Occupation
- Personal income
- Household income
- Sources of income
- Region of origin
- Ethnicity
- Property owned
- Consumables owned/available
- Technology use
- Life priorities
- Interests
- Favourite pastimes
- Thoughts on holidays
- Ideal holiday destination
- Ideal holiday activities
- Thoughts on Destination NZ
- Rating of NZ on ideal holiday attributes/activities
- Knowledge of and interest in a range of NZ destinations
- Travel aspirations
- Travel barriers

Learnings (Stages 3 & 4)



For each segment and for each type of trip

- Country/region visited
- Activities/experiences undertaken
- Transport used
- Accommodation used
- Travel party composition
- Role in planning trip
- Planning timeframes
- Travel triggers
- People contributing ideas during planning
- Other influences on trip planning
- Travel motivations
- Role in paying for trip
- How trip was paid for

Application



STAGE 1: FOUNDATION

Secondary Research
and Analysis

STAGE 2: UNDERSTANDING

Qualitative Research

STAGE 3: MEASUREMENT

Online Survey

STAGE 4: ANALYSIS

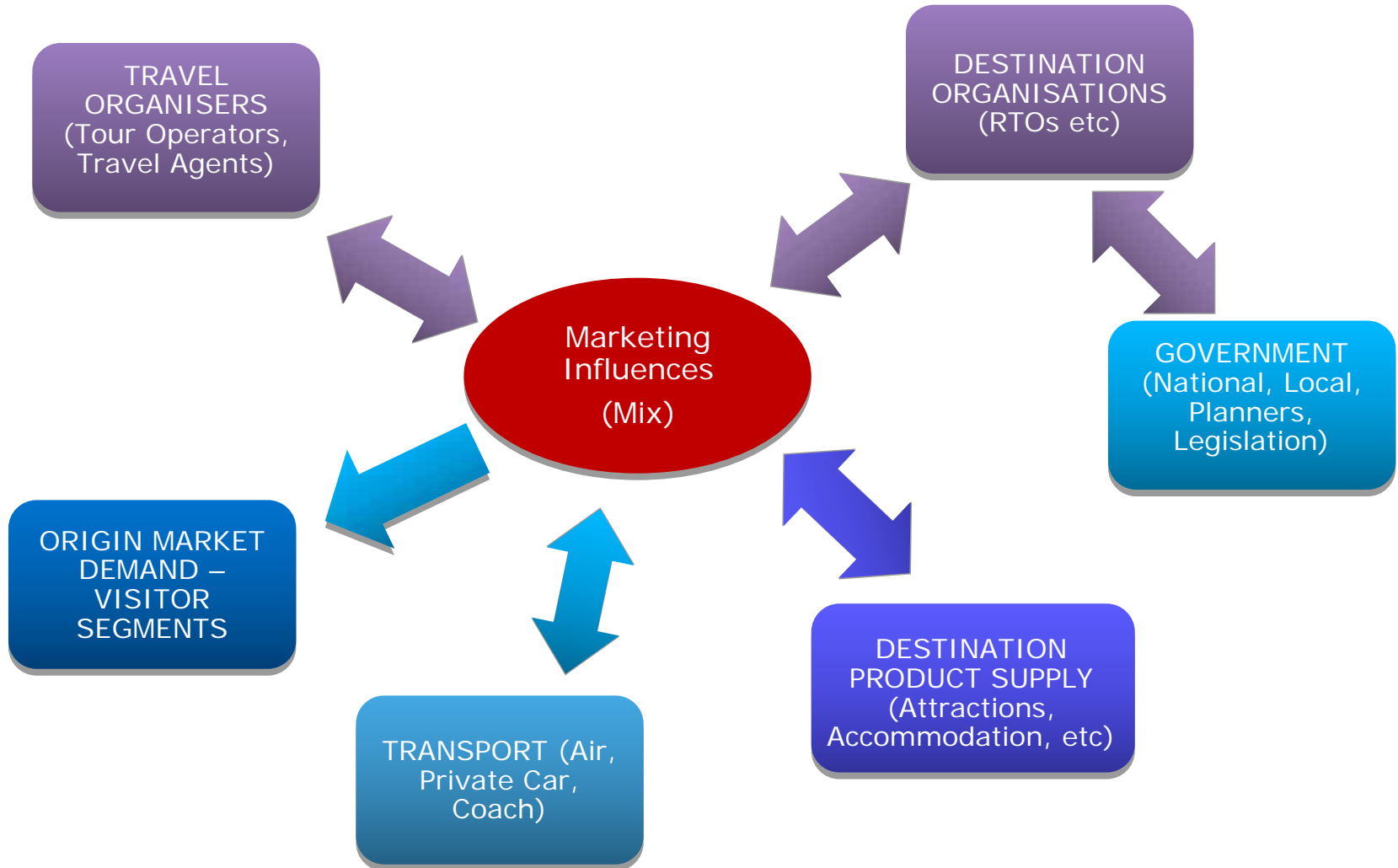
Market Segmentation

STAGE 5: APPLICATION

Marketing Process



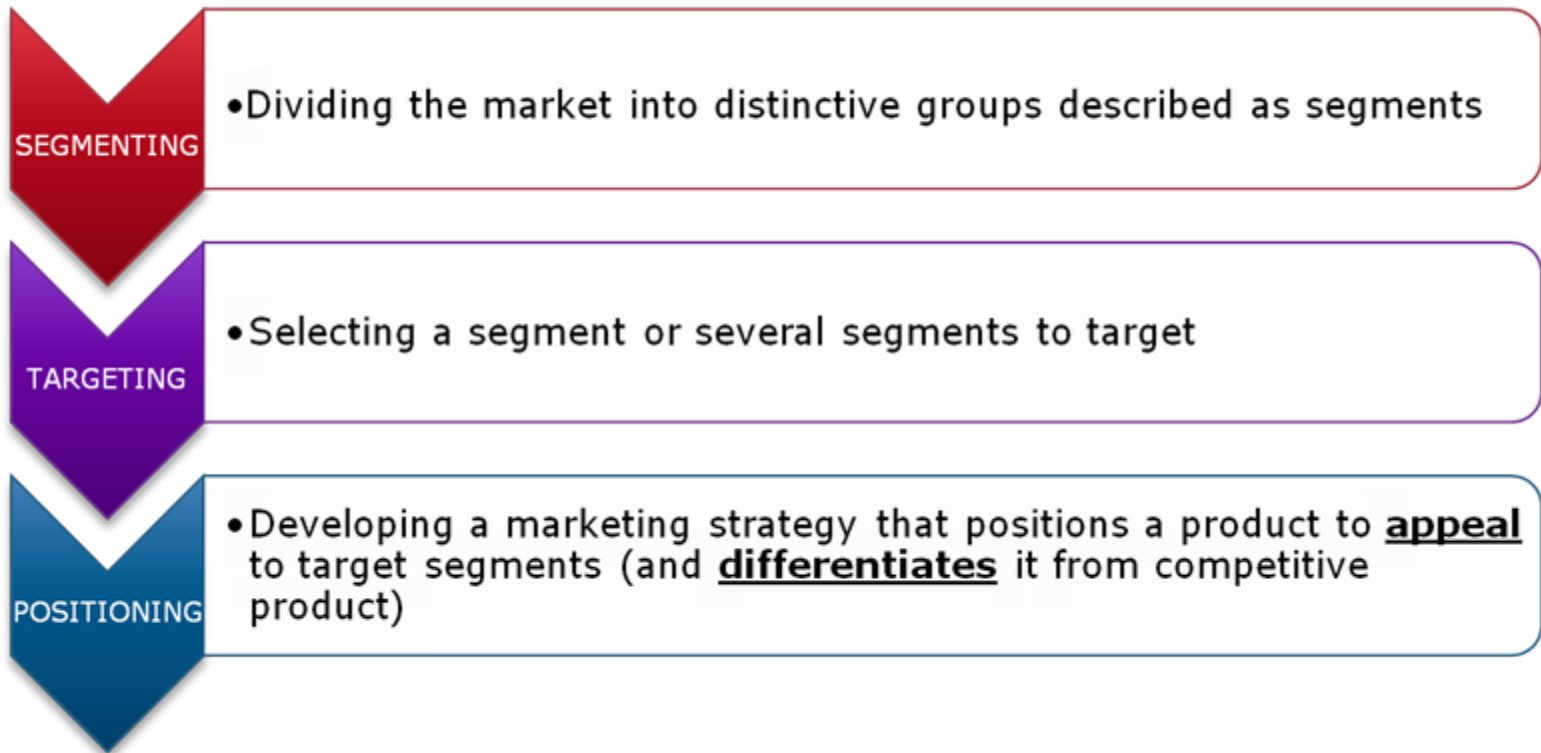
Tourism Marketing in Context



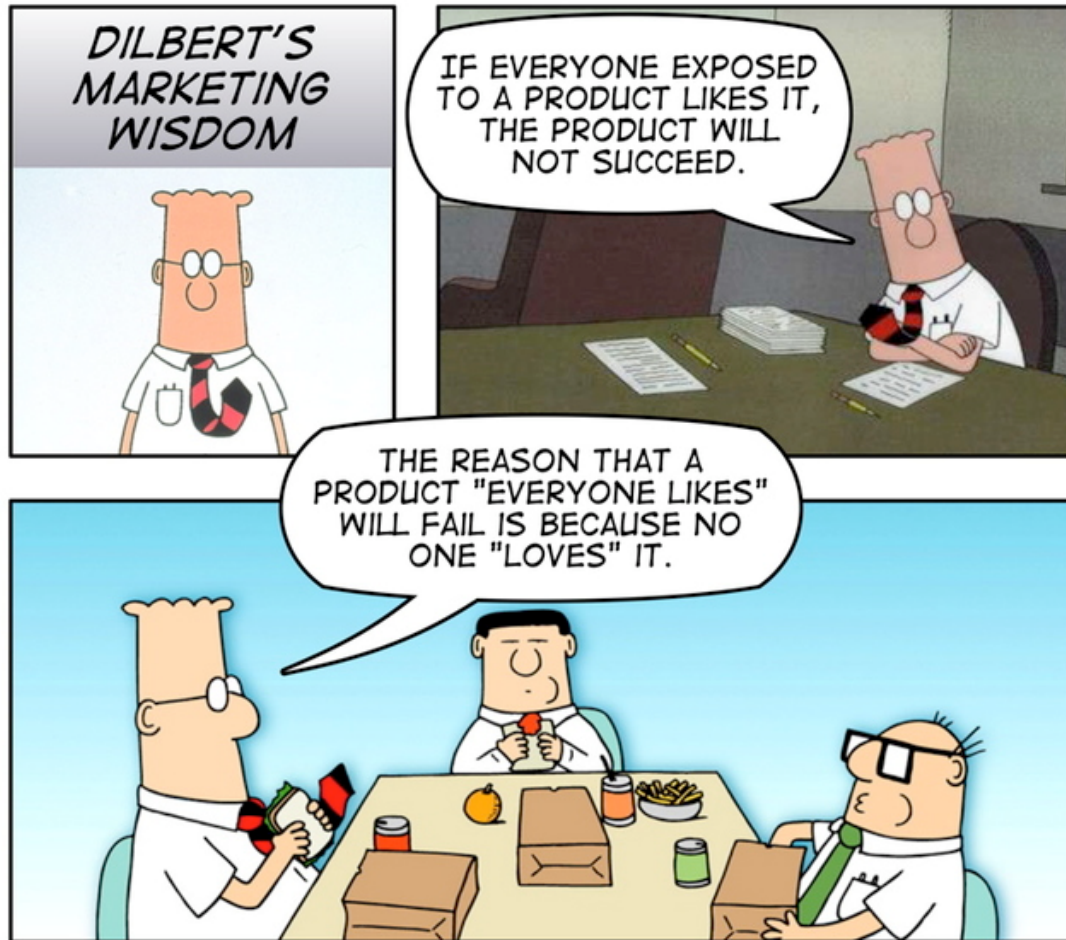
Applying Market Segmentation



A three stage process - STP



Applying Market Segmentation



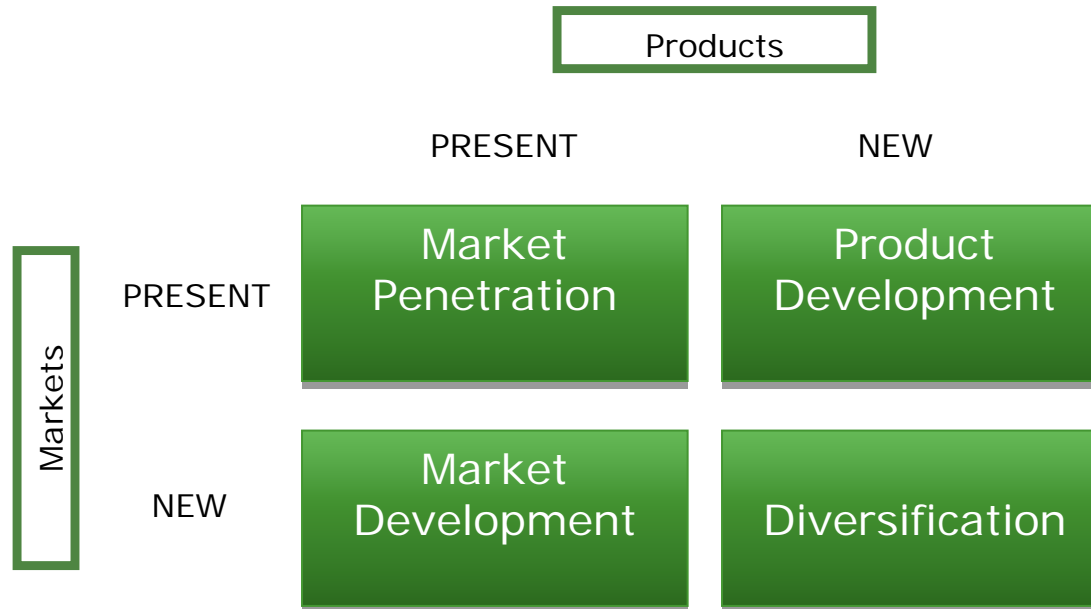
Applying Market Segmentation



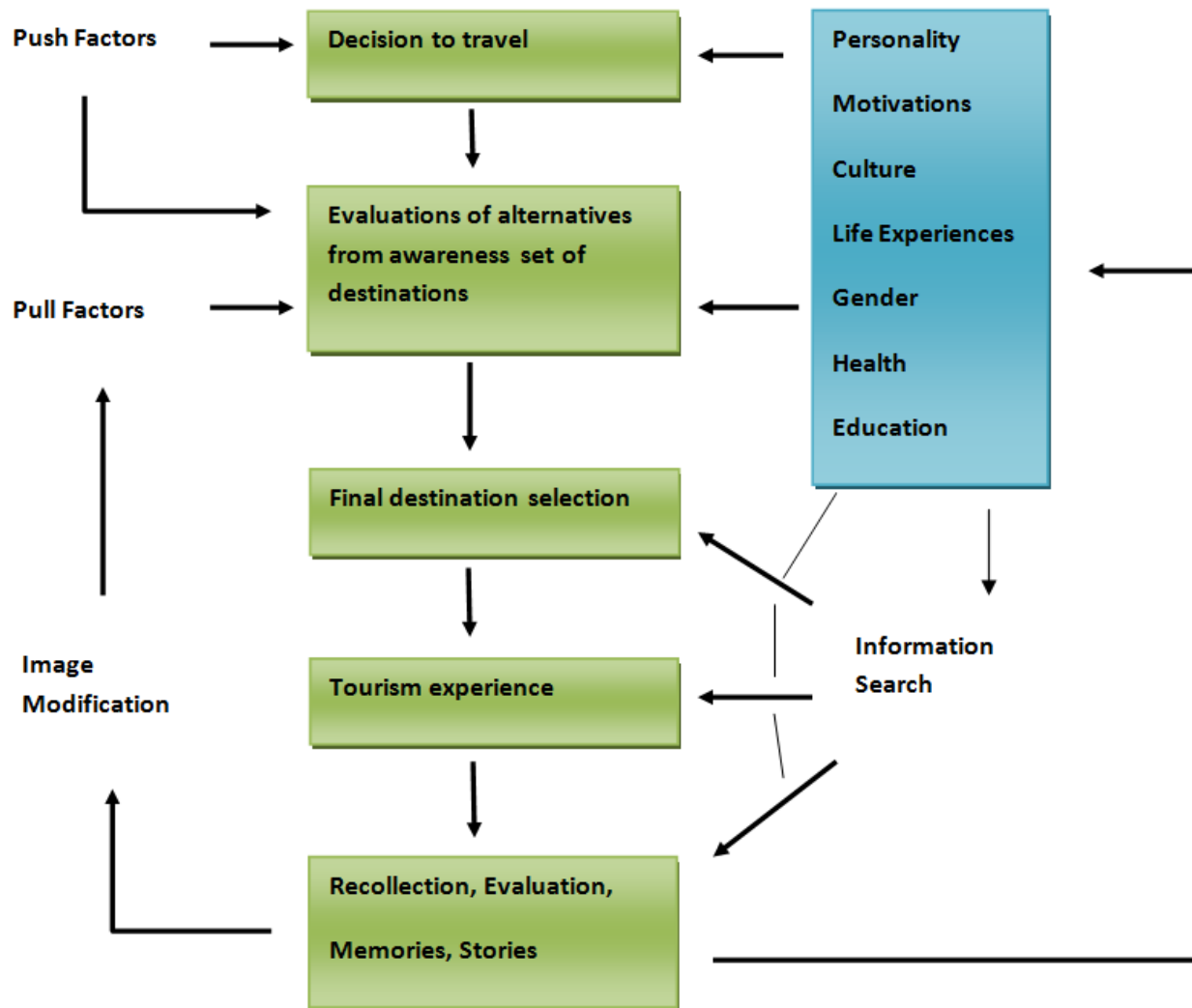
Applying Market Segmentation



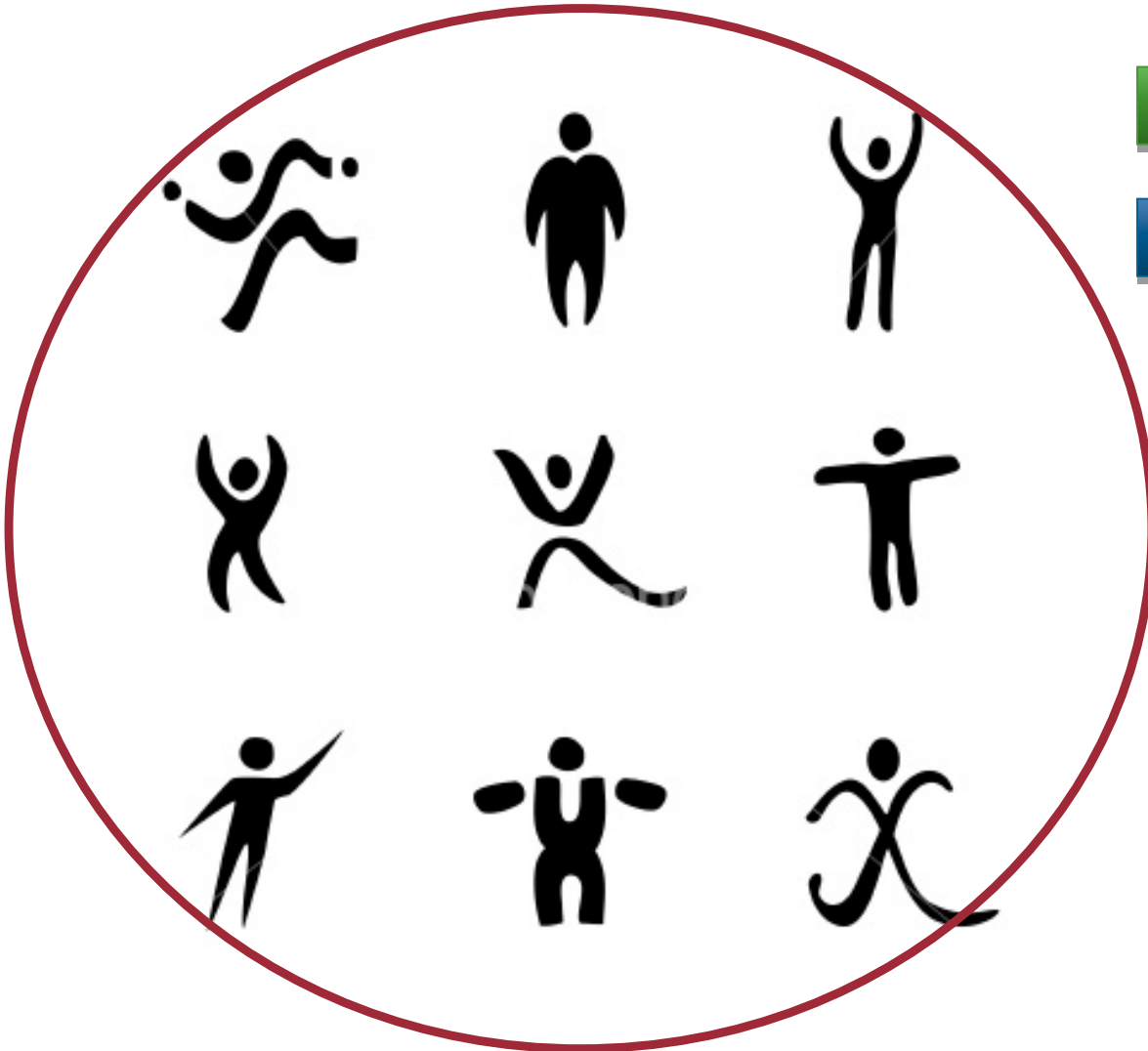
Strategy - Classic Ansoff Matrix



Applying Market Segmentation



Applying Market Segmentation

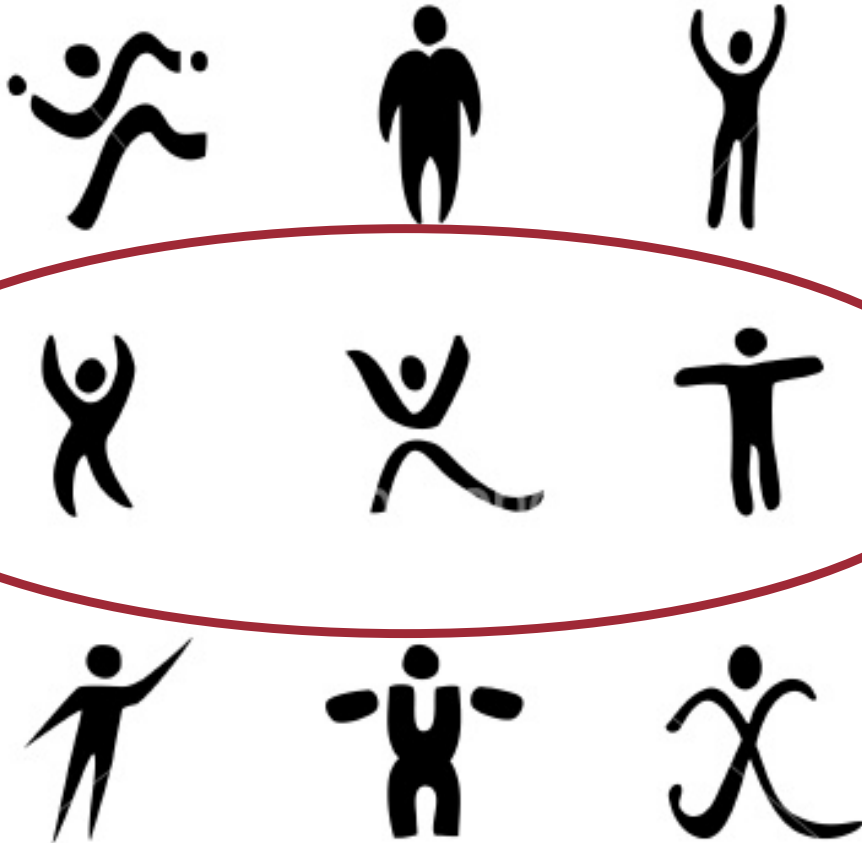


Market Coverage

'The Domestic Tourist'

Can cover the market with several products or specialise in one product for all!

Applying Market Segmentation



Simple Market Segmentation

e.g. 'Older Adults'

Can cover certain segments with several products or specialise in one product for all!

Applying Market Segmentation



Multi-level Market Segmentation

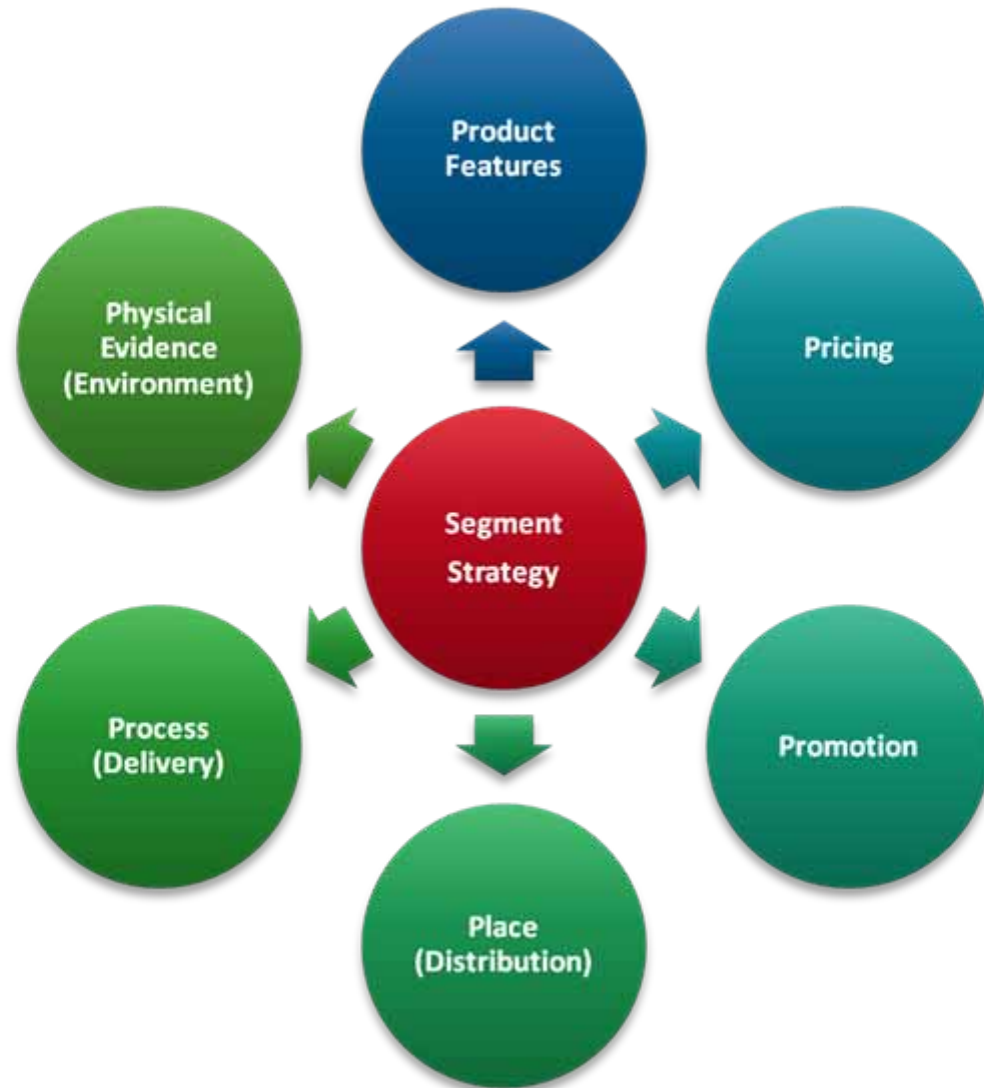
e.g. 'Being There' or 'Rewarding'

Can provide one or several products for one or several segments

Applying Market Segmentation



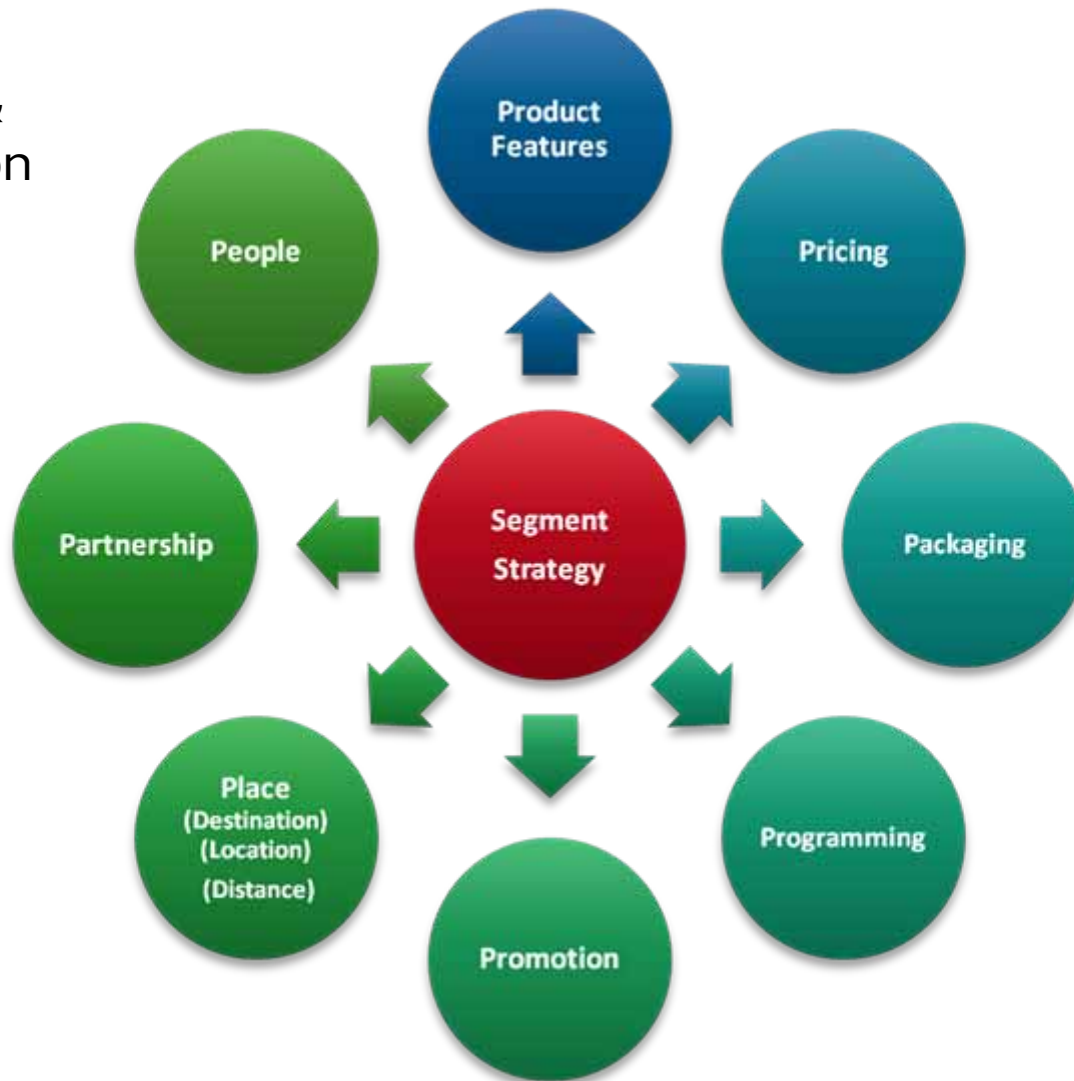
Classic
Service
Marketing
Mix



Applying Market Segmentation



Tourism & Destination Marketing Mix



For further information...



On the research: -

A full report is available, incorporating an overview of the market segmentation and detailed segment profiles -
www.tourismresearch.govt.nz/domseg