

# Destination Wairarapa

## 2 October 2017

### General Manager's and Marketing Manager's Report

#### More Visitors, Staying Longer & Spending More

##### Overview

##### Visitor Arrivals

International visitor guest nights are holding at around the 20% share of Wairarapa's total guest nights continues to increase. YTD July 2017 we have 19.1% international guest nights. This compares to 17.3% and 15.1% over the past two years.

This table shows the Lions series was still impacting on the Wairarapa in July.

<b>Commercial Accommodation Monitor</b>					
Statistics New Zealand					<b>July 2017</b>
	<b>Wairarapa</b>	<b>Greater Wellington</b>	<b>Hawkes Bay</b>	<b>Taupo</b>	<b>National</b>
<b>Guest Arrivals</b>					
2017	8,421	91,945	33,858	50,140	1,291,905
2016	7,575	92,288	32,664	47,790	1,259,558
Variance	11.2%	-0.4%	3.7%	4.9%	2.6%
<b>Guest Nights</b>					
2017	16,175	211,425	72,560	86,133	2,673,433
2016	13,546	211,635	69,690	83,732	2,636,046
Variance	19.4%	-0.1%	4.1%	2.9%	1.4%
<b>Occupancy</b>					
2017	20.1%	61.4%	34.9%	34.2%	37.2%
2016	17.6%	60.2%	31.4%	34.1%	36.3%
Variance	2.5	1.2	3.5	0.1	0.9
<b>Length of Stay</b>					
2017	1.80	2.30	2.14	1.72	2.07
2016	1.79	2.29	2.13	1.75	2.09
Note: Greater Wellington excludes Wellington City					

Wairarapa continues to perform well against destinations in the competitor set and against national results.

<b>Commercial Accommodation Monitor</b>					
Statistics New Zealand		<b>12 Months Ending July 2016 v 2017</b>			
	<b>Wairarapa</b>	<b>Greater Wellington</b>	<b>Hawkes Bay</b>	<b>Taupo</b>	<b>National</b>
<b>Guest Arrivals</b>					
2017	129,203	1,241,097	540,605	629,493	19,582,014
2016	120,405	1,237,758	498,237	561,145	18,908,371
Variance	7.3%	0.3%	8.5%	12.2%	3.6%
<b>Guest Nights</b>					
2017	240,898	2,688,806	1,209,718	1,124,516	38,995,323
2016	220,724	2,665,033	1,098,111	1,039,613	37,734,415
Variance	9.1%	0.9%	10.2%	8.2%	3.3%
<b>Occupancy</b>					
2017	25.7%	66.1%	44.9%	42.2%	44.5%
2016	23.2%	65.4%	39.5%	40.1%	42.7%
Variance	2.5	0.7	5.4	2.1	1.8
<b>Length of Stay</b>					
2017	1.86	2.17	2.24	1.79	1.99
2016	1.83	2.15	2.20	1.85	2.00
Note: Greater Wellington excludes Wellington City					

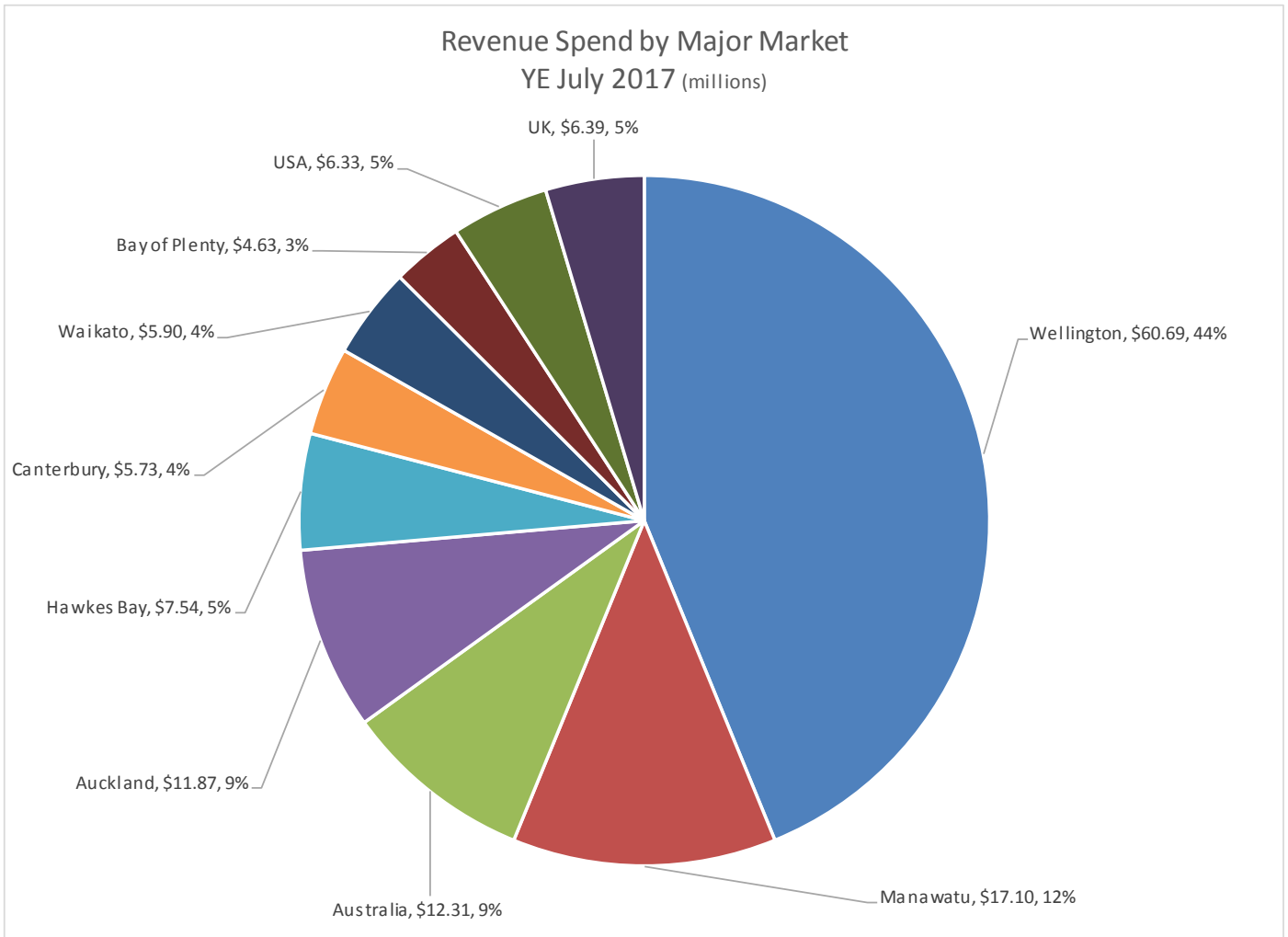
Carterton and South Wairarapa statistics are grouped together so the following table for Masterton is not available for the other two TLAs.

<b>Commercial Accommodation Monitor</b>			
Statistics New Zealand		<b>12 Months Ending July 2016 v 2017</b>	
	<b>Wairarapa</b>	<b>Masterton</b>	<b>National</b>
<b>Guest Arrivals</b>			
2017	129,203	72,939	19,582,014
2016	120,405	68,378	18,908,371
Variance	6.8%	6.3%	3.4%
<b>Guest Nights</b>			
2017	240,898	143,073	38,995,323
2016	220,724	135,673	37,734,415
Variance	8.4%	5.2%	3.2%
<b>Occupancy</b>			
2017	25.7%	29.5%	44.5%
2016	23.2%	27.9%	42.7%
Variance	2.5	1.6	1.8
<b>Length of Stay</b>			
2017	1.86	1.96	1.99
2016	1.83	1.98	2.00
Masterton's Monthly Capacity was up 713 rooms			

## Visitor Spend

This series of graphs is an aggregated view of spend but still shows growth for all visitors at YE July 2017. \$169.43 million for the year is the new benchmark for tourist spend in the Wairarapa.

Somewhat surprisingly, on the back of the Lions Tour, UK again had the largest dollar value increase in July at \$0.27million ahead of Hawkes Bay and Manawatu at \$0.17 million, USA and Australia at \$0.16 and \$0.14 million respectively.

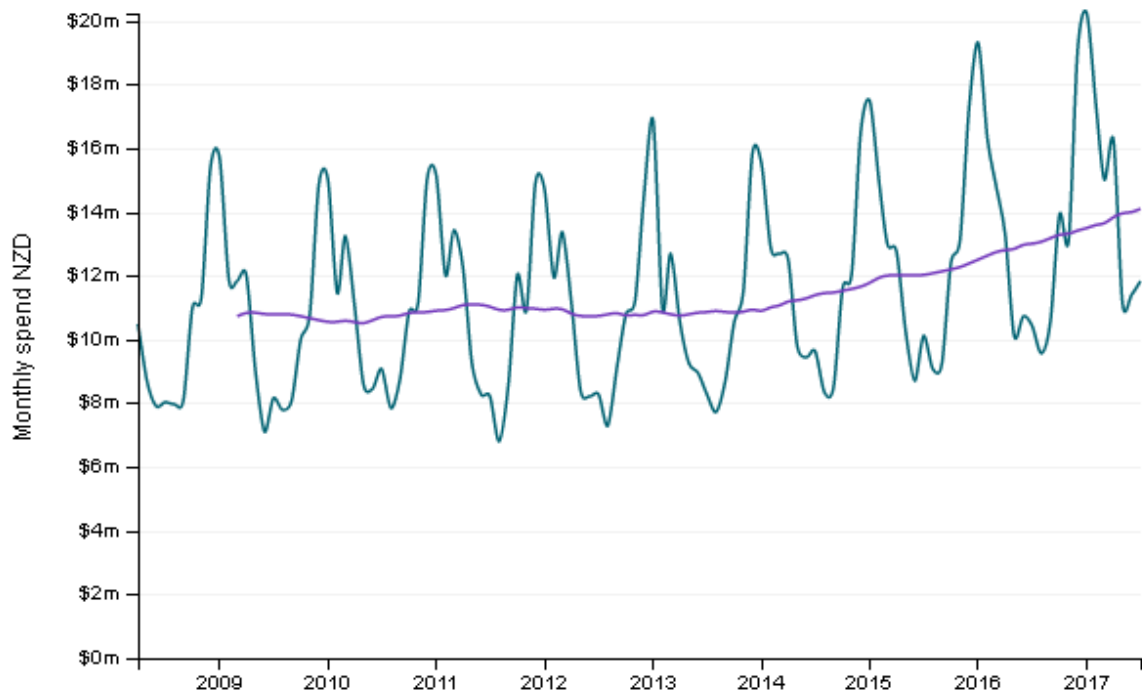


A reminder that the 2025 goal is for Wairarapa tourism to be generating \$212million dollars a year to the local economy. YE July 2017 and the industry is generating \$169.43million which is average annual growth of 11.8% from the \$134million benchmark in 2014. This is considerably better than the 5% average required per year.

For the YE July 2017 we can see the breakdown of visitor spend by TLA.

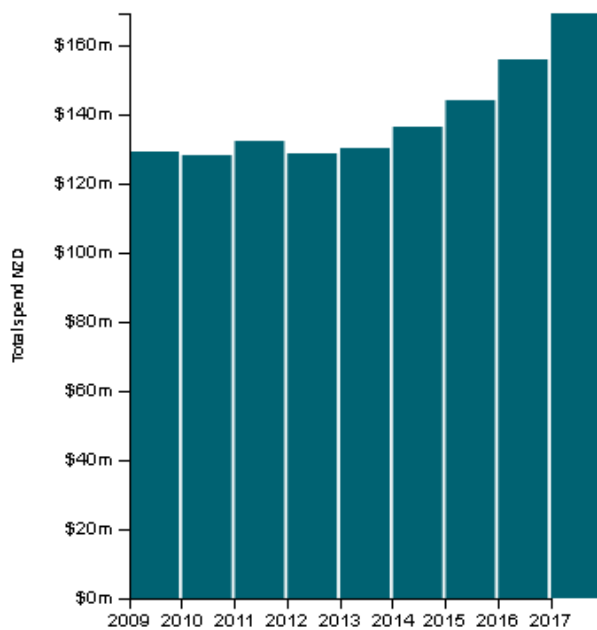


### Historical spending pattern



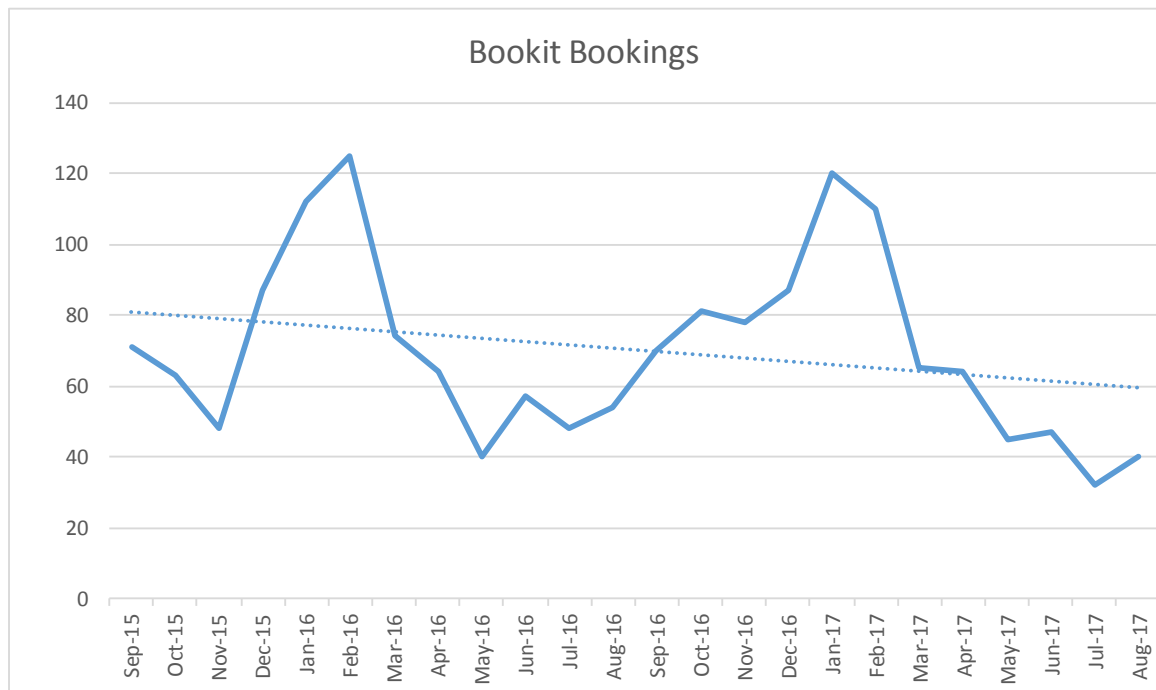
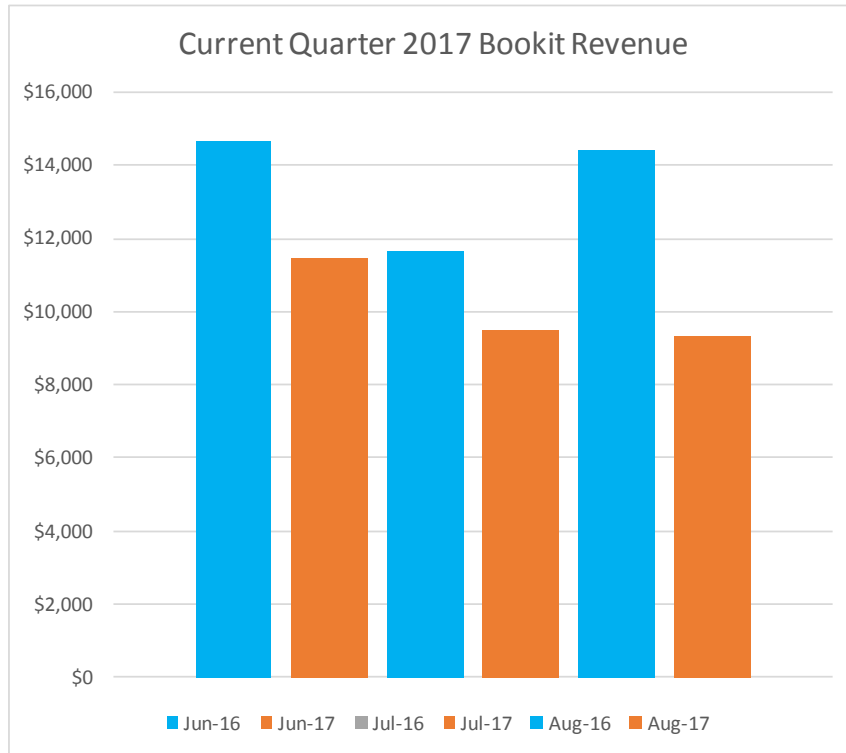
The continued shallowing of the season in terms of spend is excellent and currently shows no signs of slowing.

### Total spending for year to July



## Bookit

Bookit is the online booking engine on the Destination Wairarapa website. Bookit is starting to show some decline in bookings particularly through the winter period. More emphasis is being put on promotion of the booking engine and work is being done to make booking on the mobile version easier and more appealing.



## Winning Business Events

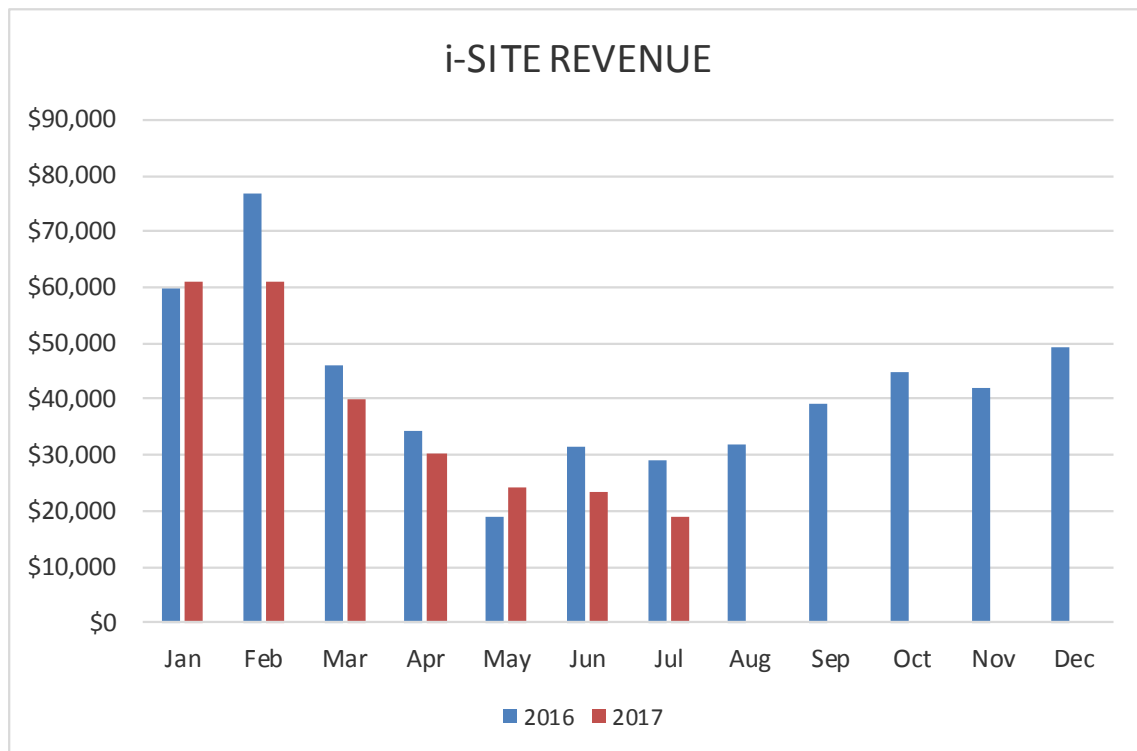
Destination Wairarapa is working with Air New Zealand and our conference partners to fly in Professional Conference Organisers who have well qualified conference leads.

The first of the business events trade shows is Show Me Wellington in February. We have four partners coming with us to this first show.

## i-SITE Visitor Centres

### Highlights:

- Door counts at the i-SITE Visitor Centres for the YE August 2017 (40,603) are down 1,763 (4.2%) on the previous year.
  - Masterton volumes of 10,326 are down 1,828 (15.0%)
  - Martinborough volumes of 30,277 are up 65 (0.2%)



## **Product Development**

- Working with NZTA to change traffic signage to Wairarapa given the indefinite closure of the Manawatu Gorge
- Working with Aratoi on tour product and their email presentation
- Working with Transdev and Greater Wellington Regional Council on tourist train product
- Worked with ACM to win the National Age Group Road Race Championships
- Attended Land Transport Review meeting
- Attended Wine Growers session with TNZ
- Worked with operators on Winter promotion campaign
- Working with TNZ China and Singapore on a day and two day tour product
- Working with a new coach tour operator largely to cater for SQ flights
- Attended trade presentations in Singapore for selling of Singapore Airlines flights to Wellington
- Attended trade presentations of Singapore agents in Auckland
- Worked with operators and surrounding regions on Lions promotion
- Worked with Transdev and GWRC to get Lions trains for the Wairarapa
- Working with a new coach tour operator

## **Operator Development**

- Members networking event in May
- Rimutaka Cycle Trail partners meeting
- Members networking event in August

**Destination Wairarapa  
Jan - Sept 2017  
Marketing Manager's Report**

**Marketing to Arriving Travelers:**

**Established Products and Markets**

**Classic New Zealand Wine Trail (CNZWT) & Australia:**

Our partnership with WREDA has seen us feature in their four substantial Australian domestic campaigns, alongside their trade and media activity. We feature in paid content delivered online, printed booklets, their own website and e-newsletters.

Barbara once again attended Tourism's NZ's RTO Workshop in Sydney (Market Insights) in March and met with product managers and wholesalers. Hugely effective and affordable event for us to attend.

In May Barbara attended TRENZ, joining Wellington's largest ever contingent, promoting the region and product to international buyers. We shared the stand with Copthorne Solway Park making it achievable cost wise. WREDA plan and lead the attendance at this event which is brilliant as it's a massive undertaking and we receive excellent guidance and connections from them.

**Singapore**

Most notably Destination Wairarapa was invited in July 2017 to join WREDA in a delegation of 15 Wellington businesses to participate in "Mission Singapore". This included a networking function, business appointments and PR opportunities. The mission aligned with TNZ's business to business event Kiwilink Singapore. Two additional Singapore events were included; a half-day of Business Events appointments and a Frontline Training day.

Working with Tourism NZ, Transit Coachlines and Destination Wairarapa stayed on for 2 busy extra days sales/training calls arranged by TNZ and found these very worthwhile. Our flights and accommodation were provided – we paid for just two nights' accommodation in order to do the sales calls.

A substantial amount of work went into preparing this trip. Product packages, business event handouts, simplified collateral, simple training powerpoints were just some things. It was a massive heave but it has put us in good stead for other Asian markets which we've subsequently been focusing on in our trade activity.

**Domestic Marketing Projects**

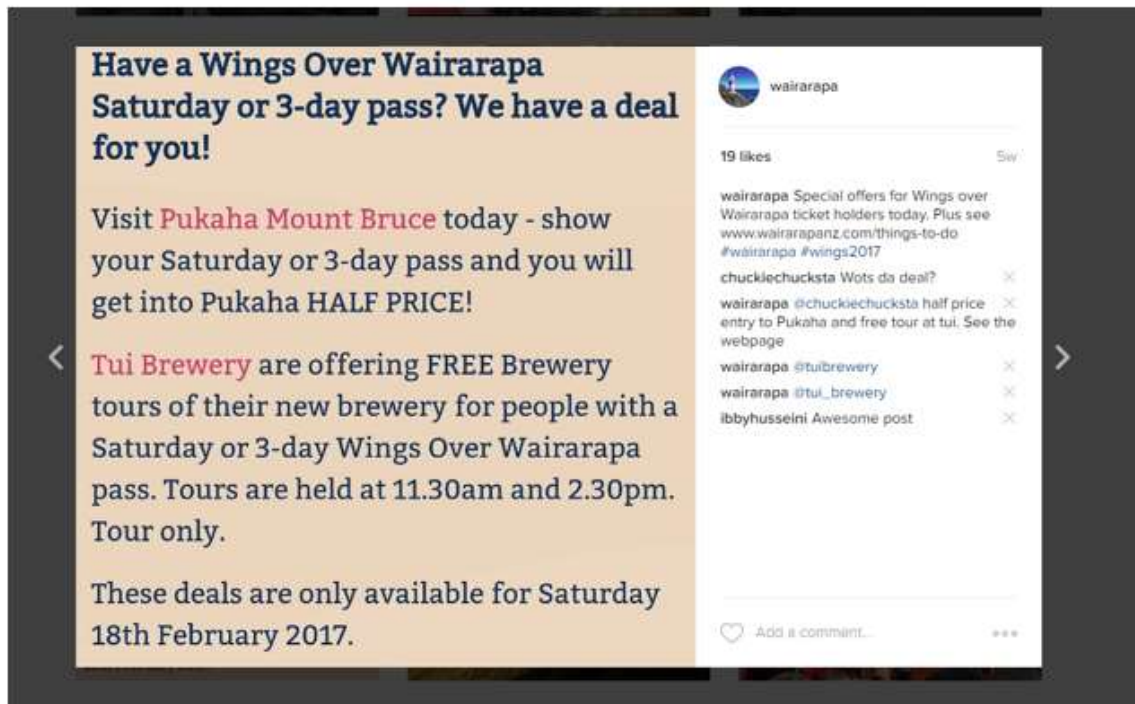
Included email database /social media campaigns supporting:

- Ladyhawke concert
- Waitangi Weekend (one of the few good weather weekends we had last summer)
- Huri Huri
- Golden Shears
- Booktown

An exceptional piece of work for us all was our management of the rained out WINGS weekend. We front-footed our response with offers ready and a webpage ready to go out



once the cancellation was announced. We promoted our handy 'things to do today' webpage (full of things they could do in the rain) in social media posts. It has been one of most highly trafficked pages of this year. We also had on stand-by some offers from our major partners e.g.



We had additional staff on at the i-SITE and a simple handout to give to those coming in looking for things to do. All of this meant we received a really positive response from many of those who had their weekend plans disrupted.

Among the new members/product we assisted during this period was The Greytown Tour. Adding a new standard day tour out of Wellington to this increasingly well-known destination was a real win. We've been able to apply many of our learnings into action as we helped the tour set up. We welcomed them as a Platinum member too.



### **Lions campaign**

We should be really proud of the highly integrated work we did in attracting Lions fans to the region. Technology played a key role in attracting them as they're all mobile phone owner, modern travelers.

Our activity included highly targeted location based Facebook advertising, development of very concise useful itineraries and content on a range of very tightly governed websites, simple collateral used in Wellington and at entrance ways to the region and investment in popular campervan app Campermate.

Additional 'wins' were:

- the engagement we had in hosting i-SITE staff from centres outside the region (Rotorua, Wairoa, Hastings, Palmerston North, Wellington) in a pre-series famil. We really opened some eyes and the Lions Series meant we had a deadline, these advocates were super keen to come
- Development of a highly useful strap line 'Plenty to do on 2' to motivate travel on SH2
- Engagement pre-series with Wellington concierges at key hotels. Again, we had useful timely information they needed and it helped get us in the door. We've been able to develop strong relationships which we're working hard.

### **Winter Campaign**

This winter we needed to be more price focused than in past when we've relied on a prize draw for engagement. We also wanted to get behind and emphasize the existing deals our larger accommodation providers put in the market themselves to get through this quieter time.

We used a price point tactic and described the region broadly as 'Special': a key word we used to nod to being 'on sale' in an elegant way but not to promote the region as being cheap.



Very capably managed by Claire the campaign components included email, Instagram, boosted Facebook, a competition and a tie in with our attendance at the Wellington Women's Lifestyle Expo. The campaign was in place either side of the Lions series.

Overall – what a wet shocking winter – it was hard to gauge direct sales from this campaign as we for the first time pushed all response direct to operators. Their response was positive: overall we felt it had raised awareness of price/availability in the region over winter.

#### Online

We've had good steady growth with our marketing database and continue to improve our effectiveness of Facebook boosted ads. Essential!

In the last year our website session have increased 20% with mobile usage for those sessions up by 44%. We're currently redeveloping out mobile website.

#### Trade

Aside from Singapore and TRENZ we've focused on more actively making sales calls on inbound trade in Auckland. This is being done with our Platinum partners so it's a win-win. It requires real commitment to do regular trips to Auckland and follow up.

#### Media

We've had some terrific results and importantly are working hard at our very positive relationship with the WREDA media team – sharing media visits but also ideas and leads for hosting.

Locally we've got a great relationship with the Times Age and have a fortnightly column for Destination Wairarapa which allows us to comment on the industry. Three stellar results in major publications:

<https://www.stuff.co.nz/travel/destinations/nz/95400784/greytown-new-zealands-most-creative-corner>

[www.stuff.co.nz/travel/destinations/nz/90373738/nzs-rugged-and-photogenic-landscapes-capturing-the-beauty-of-castlepoint-and-cape-palliser](http://www.stuff.co.nz/travel/destinations/nz/90373738/nzs-rugged-and-photogenic-landscapes-capturing-the-beauty-of-castlepoint-and-cape-palliser)

<https://www.theguardian.com/travel/2017/mar/22/wellington-day-trips-wine-coastal-views-and-james-camerons-veggies>

**Barb Hyde**  
Marketing Manager

**Destination Wairarapa**  
**2 October 2017**  
**General Manager's Financial Report**

**Unaudited Financials 31 August 2017**

**Revenue**, YE 31 August 2017 is up \$76,407 on budget. This comes from \$29,586 Trust House grant which was applied for in the last financial year. And \$30,020 which has been moved to the RCT Project. Only \$11,000 of this is actual new revenue while the rest is a transfer from project cash held in reserves. A more accurate surplus to budget YTD would be \$46,387.

Most revenue is from the sale of space in the visitor guide which we managed to invoice a month earlier than planned.

**Expenses** are under control with corporate and i-SITE Visitor Centres expenses coming in under budget. Marketing expenses are up slightly on budget and largely due to a timing of CNZWT contribution of \$2,500.

**Net Surplus** of \$92,227 isn't the most accurate reflection with RCT cash movements, unbudgeted Trust House payment and earlier than budgeted invoicing of the visitor guide.

Discounting these anomalies and we're still operating within budget.

**New Revenue Sources & Cost Cutting**

Destination Wairarapa has approached several events for us to market and they apply for funding to pay for the work.

- Wairarapa A&P – didn't get sufficient funding
- Vintage Harvest – funding approved
- Masterton Golf Club - quoted
- Aratoi - pitched
- Cobblestones - quoted
- EDA - quoted
- Golden Shears - pitched
- Booktown - pitched
- Masterton A&P – quoted
  
- Sublet of office space to WREDA for an additional \$6,000 + GST per year is pending approval from WREDA

# Profit & Loss

## Destination Wairarapa Inc. For the month ended 31 August 2017

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
<b>Income</b>								
Accommodation Commission	339	600	(261)▼	-43.6%▼	690	1,100	(410)▼	-37.3%▼
Bookit	332	450	(118)▼	-26.2%▼	710	850	(140)▼	-16.5%▼
Donation - Trust House	-	-	-	0.0%	29,586	-	29,586▲	0.0%
Interest Received	243	200	43▲	21.4%▲	479	300	179▲	59.8%▲
Membership	564	500	64▲	12.7%▲	1,094	1,500	(406)▼	-27.0%▼
Other Revenue	-	5,000	(5,000)▼	-100.0%▼	907	5,000	(4,093)▼	-81.9%▼
RCT Project - Reserves Funding	-	-	-	0.0%	20,000	-	20,000▲	0.0%
RCT Project - Revenue	-	-	-	0.0%	10,020	-	10,020▲	0.0%
Ticket Commission	238	370	(132)▼	-35.7%▼	307	420	(113)▼	-26.8%▼
Tourism Products	100	110	(10)▼	-8.7%▼	191	210	(19)▼	-8.9%▼
Travel Sales	257	150	107▲	71.5%▲	433	300	133▲	44.2%▲
Wairarapa Visitor Guide	16,235	-	16,235▲	0.0%	16,235	-	16,235▲	0.0%
<b>Council Grants</b>								
Grants - CDC	9,583	4,500	5,083▲	113.0%▲	14,000	9,000	5,000▲	55.6%▲
Grants - MDC	69,683	69,500	183▲	0.3%▲	69,683	69,500	183▲	0.3%▲
Grants - SWDC	32,500	32,500	-	0.0%	32,500	32,500	-	0.0%
<b>Total Council Grants</b>	<b>111,767</b>	<b>106,500</b>	<b>5,267</b>	<b>4.9%</b>	<b>116,183</b>	<b>111,000</b>	<b>5,183</b>	<b>4.7%</b>
<b>Retail Sales</b>								
Retail Sales	246	400	(154)▼	-38.4%▼	833	700	133▲	19.0%▲

# Profit & Loss

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Less Cost of Sales	(303)	(200)	(103)▼	-51.7%▼	(284)	(400)	116▲	29.1%▲
<b>Total Retail Sales</b>	<b>(57)</b>	<b>200</b>	<b>(257)</b>	<b>-128.5%</b>	<b>550</b>	<b>300</b>	<b>250</b>	<b>83.2%</b>
<b>Total Income</b>	<b>130,018</b>	<b>114,080</b>	<b>15,938</b>	<b>14.0%</b>	<b>197,387</b>	<b>120,980</b>	<b>76,407</b>	<b>63.2%</b>
<b>Gross Profit</b>	<b>130,018</b>	<b>114,080</b>	<b>15,938</b>	<b>14.0%</b>	<b>197,387</b>	<b>120,980</b>	<b>76,407</b>	<b>63.0%</b>
<b>Less Operating Expenses</b>								
Domestic Campaign Service	-	1,000	(1,000)▼	-100.0%▼	-	2,000	(2,000)▼	-100.0%▼
<b>Corporate Support Expenses</b>								
ACC Levies	-	-	-	0.0%	1,128	-	1,128▲	0.0%
Accounting Fees	1,200	1,200	-	0.0%	2,400	2,400	-	0.0%
Audit Fees	-	-	-	0.0%	57	-	57▲	0.0%
Bank Fees - ANZ	110	57	53▲	93.7%▲	228	114	114▲	99.6%▲
Board Members Expenses	-	38	(38)▼	-100.0%▼	-	76	(76)▼	-100.0%▼
Electricity Corporate	130	150	(20)▼	-13.2%▼	288	300	(12)▼	-4.1%▼
Entertainment	-	-	-	0.0%	-	600	(600)▼	-100.0%▼
Equipment Rental	91	100	(9)▼	-9.2%▼	182	200	(18)▼	-9.2%▼
Fringe Benefit Tax	-	-	-	0.0%	-	490	(490)▼	-100.0%▼
Information Technology	211	592	(381)▼	-64.4%▼	446	1,184	(738)▼	-62.4%▼
Insurance	398	409	(11)▼	-2.6%▼	796	818	(22)▼	-2.6%▼
Interest Expense	342	420	(78)▼	-18.6%▼	692	846	(154)▼	-18.2%▼
Kitchen Supplies Corporate	63	13	50▲	386.2%▲	120	26	94▲	363.3%▲
KiwiSaver Employer Contributions	1,131	900	231▲	25.7%▲	1,131	1,800	(669)▼	-37.2%▼
Membership Expenses	112	-	112▲	0.0%	123	-	123▲	0.0%
Merchant & BNZ Bank Fees	105	150	(45)▼	-29.7%▼	224	330	(106)▼	-32.3%▼

# Profit & Loss

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Office Supplies & Photocopying Corporate	42	600	(558)▼	-92.9%▼	898	1,250	(352)▼	-28.1%▼
Personnel incl. Training Corporate	857	400	457▲	114.3%▲	1,252	850	402▲	47.3%▲
Rent & Rates Corporate	1,156	1,156	-▼	0.0%▼	2,311	2,312	(1)▼	0.0%▼
Salaries	23,349	21,000	2,349▲	11.2%▲	45,321	42,000	3,321▲	7.9%▲
Subscriptions & Membership	3,986	730	3,256▲	446.0%▲	4,031	5,870	(1,839)▼	-31.3%▼
Telecom incl Mobiles Corporate	840	825	15▲	1.8%▲	1,178	1,650	(472)▼	-28.6%▼
Vehicle Leases	544	544	-▼	0.0%▼	1,088	1,088	-▼	0.0%▼
Vehicle Operating Costs	1,135	1,300	(165)▼	-12.7%▼	1,144	1,800	(656)▼	-36.5%▼
<b>Total Corporate Support Expenses</b>	<b>35,802</b>	<b>30,584</b>	<b>5,218</b>	<b>17.1%</b>	<b>65,036</b>	<b>66,004</b>	<b>(968)</b>	<b>-1.5%</b>
<b>Total I-Site Expenses</b>								
Electricity i-SITES	792	350	442▲	126.2%▲	1,204	700	504▲	71.9%▲
Kitchen Supplies i-SITES	47	25	22▲	88.8%▲	94	50	44▲	88.9%▲
Office Supplies i-SITES	107	33	74▲	225.5%▲	131	66	65▲	99.0%▲
Personnel incl Training & Conferences i-SITES	1,052	500	552▲	110.3%▲	1,052	1,000	52▲	5.2%▲
Photocopier i-SITES	108	130	(22)▼	-16.6%▼	230	260	(30)▼	-11.7%▼
Rent & Rates i-SITES	3,223	2,084	1,139▲	54.7%▲	4,890	4,168	722▲	17.3%▲
Repairs & Maintenance i-SITES	-	-	-	0.0%	70	50	20▲	39.8%▲
Telecom i-SITES	370	390	(20)▼	-5.1%▼	738	740	(2)▼	-0.3%▼
Wages	12,516	12,500	16▲	0.1%▲	22,450	25,000	(2,550)▼	-10.2%▼
<b>Total Total I-Site Expenses</b>	<b>18,216</b>	<b>16,012</b>	<b>2,204</b>	<b>13.8%</b>	<b>30,858</b>	<b>32,034</b>	<b>(1,176)</b>	<b>-3.7%</b>
<b>Total Marketing Expenses</b>								
CNZWT Marketing	-	-	-	0.0%	-	2,500	(2,500)▼	-100.0%▼
Distribution	858	820	38▲	4.6%▲	1,658	2,220	(563)▼	-25.3%▼
Domestic Marketing	200	400	(200)▼	-50.0%▼	2,035	800	1,235▲	154.3%▲

# Profit & Loss

	Actual	Budget	Var NZD	Var %	YTD Actual	YTD Budget	Var NZD	Var %
Domestic Marketing Email Distribution	217	415	(198)▼	-47.7%▼	574	825	(251)▼	-30.4%▼
Domestic Marketing Facebook	171	150	21▲	14.2%▲	171	300	(129)▼	-42.9%▼
Domestic Marketing Winter Campaign	256	1,000	(744)▼	-74.4%▼	828	4,000	(3,172)▼	-79.3%▼
Domestic Marketing Consumer Expos	1,067	1,065	2▲	0.2%▲	1,439	1,065	374▲	35.1%▲
International Marketing Alliance	-	250	(250)▼	-100.0%▼	-	250	(250)▼	-100.0%▼
Media Hosting	131	700	(569)▼	-81.3%▼	195	1,200	(1,005)▼	-83.7%▼
Relationship Marketing	80	80	▲	0.1%▲	80	160	(80)▼	-50.0%▼
Trade Events & Training	836	-	836▲	0.0%	2,220	2,200	20▲	0.9%▲
Trade Famils	615	50	565▲	1131.0%▲	615	50	565▲	1131.0%▲
Website	1,500	1,367	133▲	9.7%▲	1,700	2,734	(1,034)▼	-37.8%▼
<b>Total Total Marketing Expenses</b>	<b>5,931</b>	<b>6,297</b>	<b>(366)</b>	<b>-5.8%</b>	<b>11,517</b>	<b>18,304</b>	<b>(6,787)</b>	<b>-37.1%</b>
<b>Total Projects Expenses</b>								
Rimutaka Cycle Trail	-	-	-	0.0%	-	5,000	(5,000)▼	-100.0%▼
<b>Total Total Projects Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>5,000</b>	<b>(5,000)</b>	<b>-100.0%</b>
<b>Total Operating Expenses</b>	<b>59,949</b>	<b>53,893</b>	<b>6,056</b>	<b>11.2%</b>	<b>107,410</b>	<b>123,342</b>	<b>(15,932)</b>	<b>-12.9%</b>
<b>Operating Profit</b>	<b>70,068</b>	<b>60,187</b>	<b>9,881</b>	<b>16.0%</b>	<b>89,976</b>	<b>(2,362)</b>	<b>92,338</b>	<b>3909.0%</b>
<b>Non-operating Expenses</b>								
Entertainment - Non deductible	199	-	199▲	0.0%	212	100	112▲	111.5%▲
<b>Total Non-operating Expenses</b>	<b>199</b>	<b>-</b>	<b>199</b>	<b>0.0%</b>	<b>212</b>	<b>100</b>	<b>112</b>	<b>111.5%</b>
<b>Net Profit</b>	<b>69,870</b>	<b>60,187</b>	<b>9,683</b>	<b>16.0%</b>	<b>89,765</b>	<b>(2,462)</b>	<b>92,227</b>	<b>3746.0%</b>