



Hurunui Tourism

COVID-19 Response Marketing Plan

Background

Each year, Hurunui Tourism produce a marketing plan that outlines budgets and initiatives for that year. This is usually based on the [5-year strategy](#), which was approved and endorsed by the Hurunui District Council on 25 May 2017.

The draft plan for FY 2020–2021 was approved by the Hurunui Tourism Board in February to go out for consultation with the tourism community. During March, Hurunui Tourism held meetings with several groups and also sent the plan out by email.

However, during this time the COVID-19 (Coronavirus) pandemic escalated rapidly, leading to New Zealand closing its borders and initiating lockdown around the country. This has decimated the tourism industry. As staff at Hurunui Tourism consider the next 15 months (being the remaining 3 months of FY 2019-2020 and FY 2020-2021), it is clear that this is a unique situation requiring a unique response.

This document outlines Hurunui Tourism plans for the next 15 months. Please note that these plans are predicated on best available knowledge at the time of writing; above all, the plan needs flexibility as New Zealand, and the world, move towards a hugely different tourism industry.

This plan is also focussed on the immediate need for recovery in the market. There are undoubtedly opportunities through this crisis to look at influencing the industry, for example to be more sustainable, however in the short-term we need to look at the immediate recovery.

There are two key lessons we have learned from our previous experience with disaster recovery:

1. Timing is crucial. Money can be wasted by panicking and throwing money at a market that is not ready to be motivated.
2. Targeting is crucial. Key call to action initiatives that can deliver an experience when the market is motivated are effective - long term strategies are lost

The Current Financial Situation

Presented on page 5 are the finances for the 8 months to February 2020. This shows current reserves (at the bottom of YTD Variance) of \$214,111. These have built up over the past few years and will build further now, with an immediate cancellation of activity in the past few months, and the next few months, as the COVID-19 situation escalated.

The Tourism Industry

The COVID-19 situation has decimated the tourism industry around the world. It will take many years for the industry to recover. In New Zealand, it is apparent that with severely reduced international air connectivity, opportunities will be limited to domestic tourism in the short-term, and possibly the Australian market in the medium-term. In fact, Tourism New Zealand (TNZ) has been asked by the government to begin work on a recovery strategy that is built on encouraging domestic tourism.

The challenge will be that every region in New Zealand will be in the same situation and will be targeting the same markets. Furthermore, it is unclear what appetite New Zealanders will have to travel. The country may well be in a recession, meaning less discretionary income. People may also be unwilling to travel for fear the virus may re-emerge.

On the other hand, there may well be pent-up demand from spending months stuck at home, plus credits and refunds from cancelled International travel to spend. Furthermore, in the year-ended January 2020 New Zealanders made over 3 million overseas trips. Some of those will have been for business, but there is a significant opportunity to target those people; we are doing some work on understanding that market further.

The Objectives

To help the tourism industry in the Hurunui to recover from COVID-19, and help lead the further development of sustainable tourism in the area.

Specifically:

1. Have the Regional Tourism Estimate of spending (RTE) reach 80% of where it was at pre COVID-19 by June 2021.
2. Increase website visits to visitthurunui and visitthamerssprings by 20% compared to the 2019 calendar year.

3. Continue destination development work to encourage new products and events.

The Plan

This plan covers the next 15 months, being the end of FY2020 and all of FY2021. At this stage we don't know when we will be able to re-start our marketing, however for the purposes of planning we have looked at short-term being the next 6 months (and the expenditure being mainly contained in FY2020) and medium term being 7-15 months. The one-page plan is illustrated on the next page, with a summary of key items below.

Use reserves

Whilst reserves have not been built up by design, we are fortunate that they are there. Now is the rainy day to use them; we will need to be big and bold to compete with other regions.

Pre-recovery

Whilst the focus is on campaigns and initiatives once the country is enabling domestic travel, it is important that we continue to publish suitable content – via social media, emails, websites - to try to remain in people's minds as a potential place to visit.

New Creative

The new creative will be very much focussed on product and locational messages as opposed to the longer term Hurunui Branding strategy that we have had in place now. The reason for this is this program is very much a call to action program so we need to be more focussed on product in order to bring people in to the region "now". Typically our advertising has had a long term brand building aspect to it. Some sectors of the industry will be in crisis point so we need to be very focussed with our spend.

Increased Spend

We will need to increase spend in several areas to deliver an extensive marketing campaign:

- Digital; for example development of the website, boosted social media.
- Advertising; for example online advertising, billboards, radio.
- In-market; visiting New Zealand travel operators, attending domestic travel shows, and returning to Australian travel shows when possible.

Reduced Spend

We will reduce spend on the following:

- Collaboration; reduce spend on work with other Regional Tourism Organisations (RTOs) as we will all be competing in similar spaces as well. The exception being the Alpine Pacific Touring route
- Collateral; change visitors guide to have no listings and drive people to the website. This will reduce the cost of this publication dramatically. The guide is primarily aimed at the international market in its existing format.
- Destination development; we will continue to support events and facilitate product development but with a reduced budget.

Target Markets

A report Hurunui Tourism commissioned last year identified that we should be looking to expand our geographical target market by targeting other areas – particularly Auckland,

Wellington and Nelson. With the increased spend we will focus on these key markets. They are listed by priority, which will be heavily influenced by air connectivity.

- Greater Christchurch
- Nelson
- Auckland
- Wellington
- South Canterbury to Dunedin
- Australia (Eastern seaboard) – if the borders reopen

Experience from the Hanmer Springs advertising campaign last year showed that demographically, our target markets are skewed towards older and so we would be targeting females 35+, with an emphasis on pre-retirees but also families as well.



Pre-recovery
Keep publishing
content



New Creative
Based on the
Hurunui Story work
Call to action,
results focussed



Increased Spend
Advertising
Digital
In-market



Reduced Spend
Collaboration
Collateral



Target Markets
Christchurch,
Nelson, Lower
South Island,
Auckland,
Wellington



**Destination
Development**
Continue events
support
Continue
facilitating new
product



The Budget

Below is revised budgeted spend for the rest of this FY and next FY. Please note:

1. With the current situation, having stopped most activity we are forecasting underspend in some areas this year.
2. Increased advertising spend, with the bulk of the advertising being in next year.
3. The reduced Targeted Tourism Rate revenue for next year is an educated guess; some businesses will no longer be operating and some will have rates relief so revenue will definitely reduce.
4. Reduced third-party revenue due to removing Visitors Guide operator listings.

	<u>Year to Date</u> <u>Actual</u>	<u>Year to Date</u> <u>Budget</u>	<u>Year to Date</u> <u>Variance</u>	<u>Full Year</u> <u>Budget</u>	<u>Full Year</u> <u>Forecast</u>	<u>2020-2021</u> <u>Draft</u>
OPERATING STATEMENT						
Operating Revenue						
Targeted Tourism Rate	164,526	161,165	3,361	241,747	245,108	200,000
Allocation from HSTP&S	38,998	38,998	0	58,497	58,497	58,497
Product Investment	0	6,667	(6,667)	10,000	0	0
Third Party Co-operative Funding	8,482	22,661	(14,179)	33,992	33,992	15,000
Total Operating Income	212,006	229,491	(17,485)	344,236	337,597	273,497
Less Operating Expenditure						
Fixed Costs						
Wages & Salaries	9,963	42,424	(32,461)	63,636	30,963	0
Marketing Consultancy Costs (HSTP&S)	30,000	30,000	0	30,000	30,000	82,000
Other Board Expenses	922	0	922	0	922	2,000
	40,885	72,424	(31,539)	93,636	61,885	84,000
Marketing Costs						
Tourism Growth Package	17,908	40,000	(22,092)	60,000	25,000	1 20,000
Collaboration	31,145	26,667	4,478	40,000	40,000	35,000
Trade	11,460	9,333	2,127	14,000	14,000	15,000
In-Market	6,104	8,000	(1,896)	12,000	7,000	1 20,000
Conferences & Meetings	1,058	6,667	(5,609)	10,000	3,000	1 10,000
Hanmer Springs	19,165	0	19,165	0	19,165	0
Communications	1,215	10,000	(8,785)	15,000	5,000	1 12,000
Advertising	12,300	29,333	(17,033)	44,000	40,000	2 170,000
Collateral	42,817	41,328	1,489	61,992	50,000	1 38,000
Website/Digital	15,023	16,000	(977)	24,000	24,000	30,000
TRENZ	0	10,000	(10,000)	15,000	0	1 15,000
	158,196	197,328	(39,132)	295,992	227,165	365,000
Total Operating Expenditure	199,080	269,752	(70,672)	389,628	289,050	449,000
Net Surplus/(Deficit) for period	12,926	(40,261)	53,187	(45,392)	48,547	(175,503)
CAPITAL STATEMENT						
Opening Balance	173,440	173,440	173,440	173,440	173,440	209,471
Surplus/(Deficit) for period	12,926	(40,261)	53,187	(45,392)	48,547	(175,503)
Less Capital Expenditure - Information Boards	12,516	0	12,516	10,000	12,516	10,000
Closing Balance	173,850	133,179	214,111	118,048	209,471	23,968

Summarising the key figures:

Reserves at start of FY20	\$ 173,440
Forecast FY2020 funds not spent	\$ 48,547
FY2021 budgeted revenue	\$ 273,497
Total funds available	\$ 495,484