

# Lifting the lifetime value of a visitor through post-visit relationships

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On behalf of the following project partners:



Supported by the following stakeholder government agencies:



## We already know that...



- Visitors spend a large amount while they are travelling around New Zealand – tourism is NZ's number 1-2 export earner (beside dairy).
- The visitor experience exceeds their expectations.

## BUT ALSO CONSIDER

- Travel changes how we think and feel. When we return home from a particularly memorable holiday, we often want to nostalgically recreate those experiences.
- Is there unrecognised economic value of visitors once they return home beyond their holiday spending?

## AND

- What is the potential to turn the goodwill tourism creates into long term value for NZ?



# What is the potential lifetime value of visitors to NZ?

## WHAT COULD LIFETIME VALUE INCLUDE?

How we measure the value of tourism now

Other value visitors offer our economy



Spend while in NZ



Fills short term labour shortages



Buys more NZ products back home



Invests in NZ from offshore



Migrates and adds needed skills



Studies in NZ or inspires others to



Migrates as investor or entrepreneur

- > Benefits tourism industry
- > Easy to quantify
- > Short term impact

- > Benefits a wide range of industries
- > Harder to quantify
- > Long term impact

# Lifetime value is a cross-over between traditional tourism approaches, destination management, and economic + industry development

## Stakeholders



**dunedin**



## Stakeholders Agencies



# Lifetime value of a visitor is academic unless we can ‘shift the dial’ in the real world

- Measuring post-visit value is one thing, project partners have challenged us to prove we can ‘shift the dial’ of this effect in a way that is consequential for New Zealand.
- We are doing this through:
  - Market research to learn about existing and potential lifetime value of a visitor opportunities
  - Developing pilots between tourism operators and industry partners to test approaches to lifting and measuring lifetime value of visitors.

## Market research (One Picture)

- **One Picture** was commissioned to perform market research of a test market.
- A survey performed in California of ex-visitors and general population showed:
  - Proof of hypothesis – the lifetime value of a visitor effect is real.
  - Some elements of lifetime value are more developed than others.





**Visitors buy more NZ goods when they return home.**

**Over half of visitors had purchased NZ products since returning, and ex-visitors are more regular and loyal customers.**

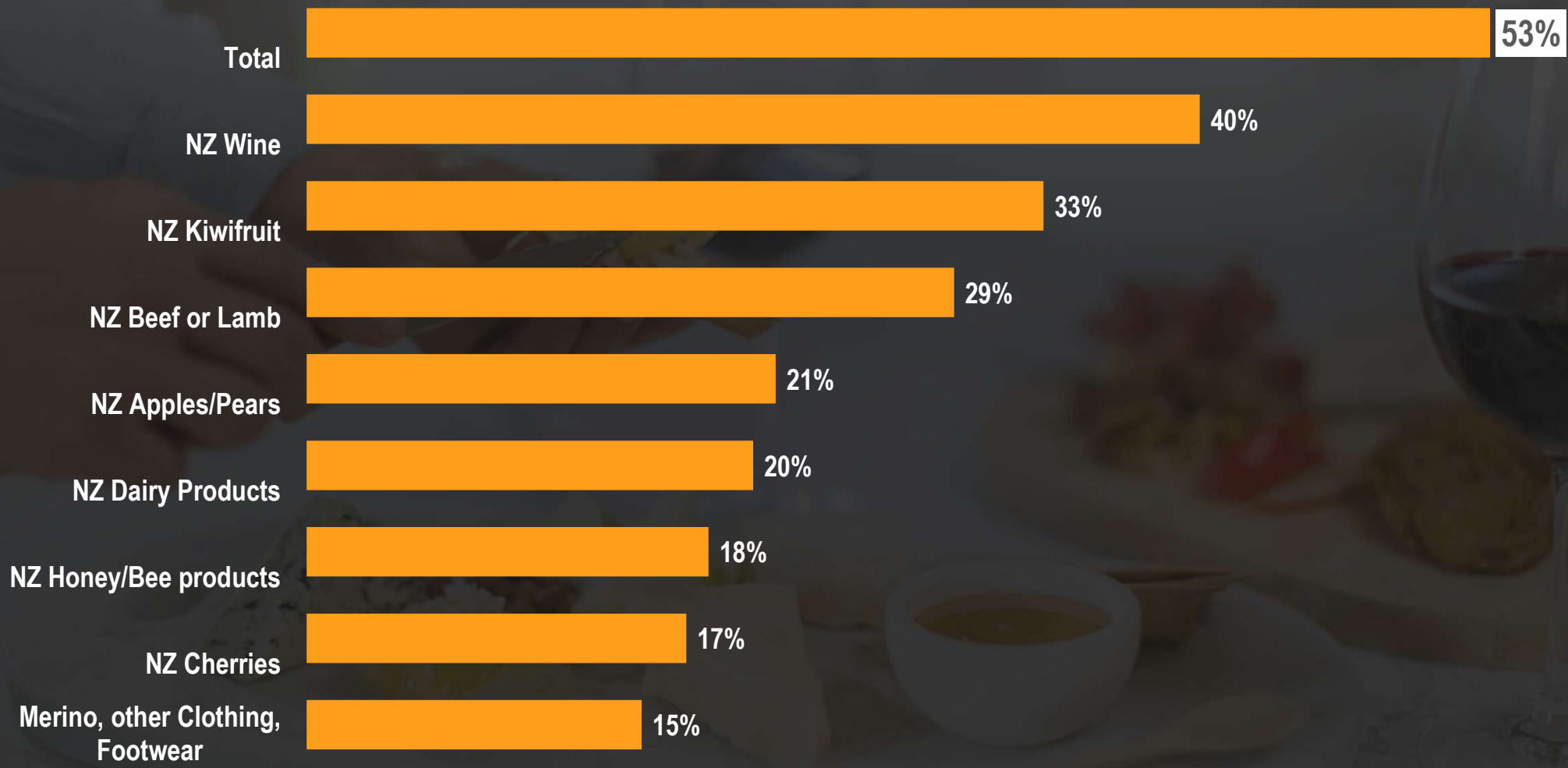


**One Picture.**

**SO: How could we make it easier for visitors to demand, recognise and buy NZ product when they return home?**

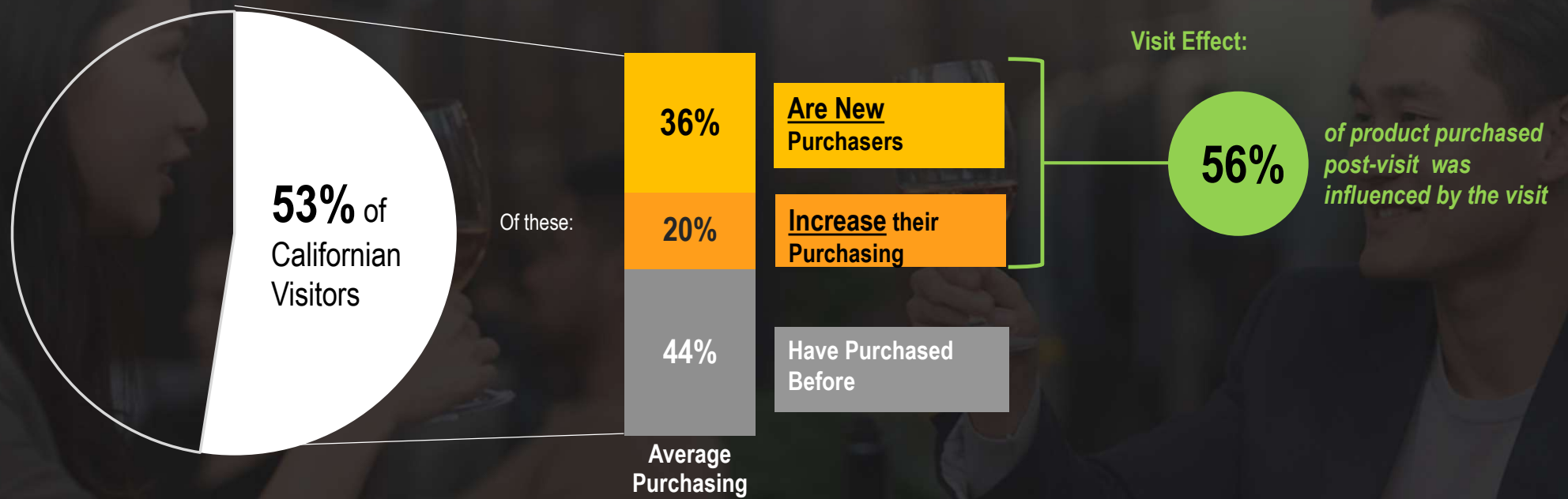


## Post-visit purchase rates of NZ goods by Californian visitors




Ex Visitor Survey with Californians n= 469

# Visits create **new** purchasers and drive **increased** purchase patterns



**Purchased NZ Product\* Post-Visit**

*\* Based on products tested*



**Even BEFORE visiting, some visitors seek a greater connection with NZ than just vacationing**

**Prior to boarding their plane 1 in 5 Californians are interested in how they could build a connection with NZ beyond being a tourist**

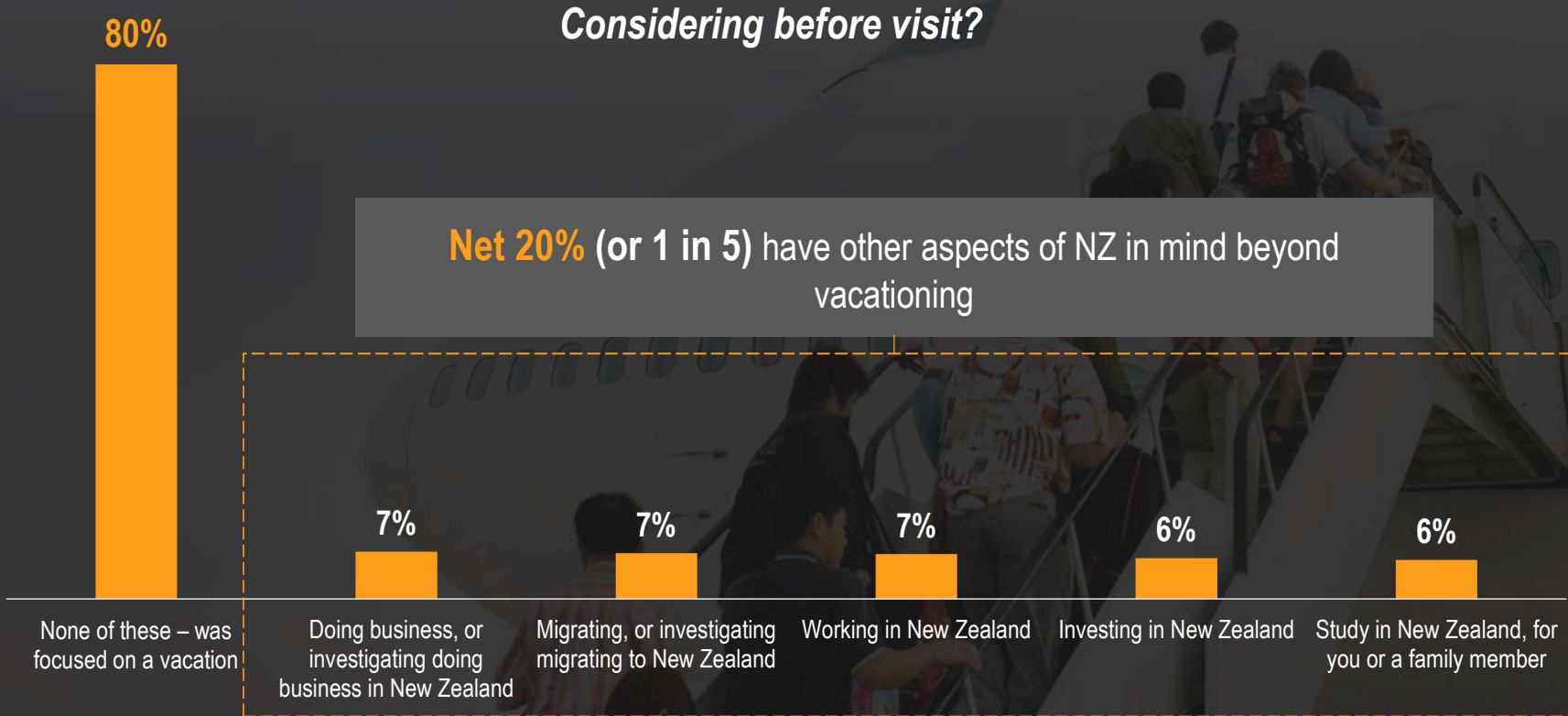


**One Picture.**

Based on 3.6m visitors in 2019/20 (from all markets), there may be 750,000+ visitors arriving with an interest in investment, study, migration or business links to NZ

**SO: What more value could tourism add to our economy if it played an active role in inspiring a long term relationship with interested visitors?**

# Naturally, Californians mainly come to NZ for a vacation experience – but 1 in 5 are considering other potentially value adding pursuits, prior to boarding the plane



# Visitors LOVE our people, environment and F&B and their visit builds trust and affection for NZ

Total agreement levels for each statement



Ex Visitor Survey with Californians n= 469; General Californian Population (Non-NZ visitors) Survey results n= 804

..... but they go home knowing little more than non-visitors about how they could engage longer term



**Total agreement levels for each statement**

Ex Visitor Survey with Californians n= 469; General Californian Population (Non-NZ visitors) Survey results n= 804



**The good news is that visiting sparks interest in other ways to engage with our country**

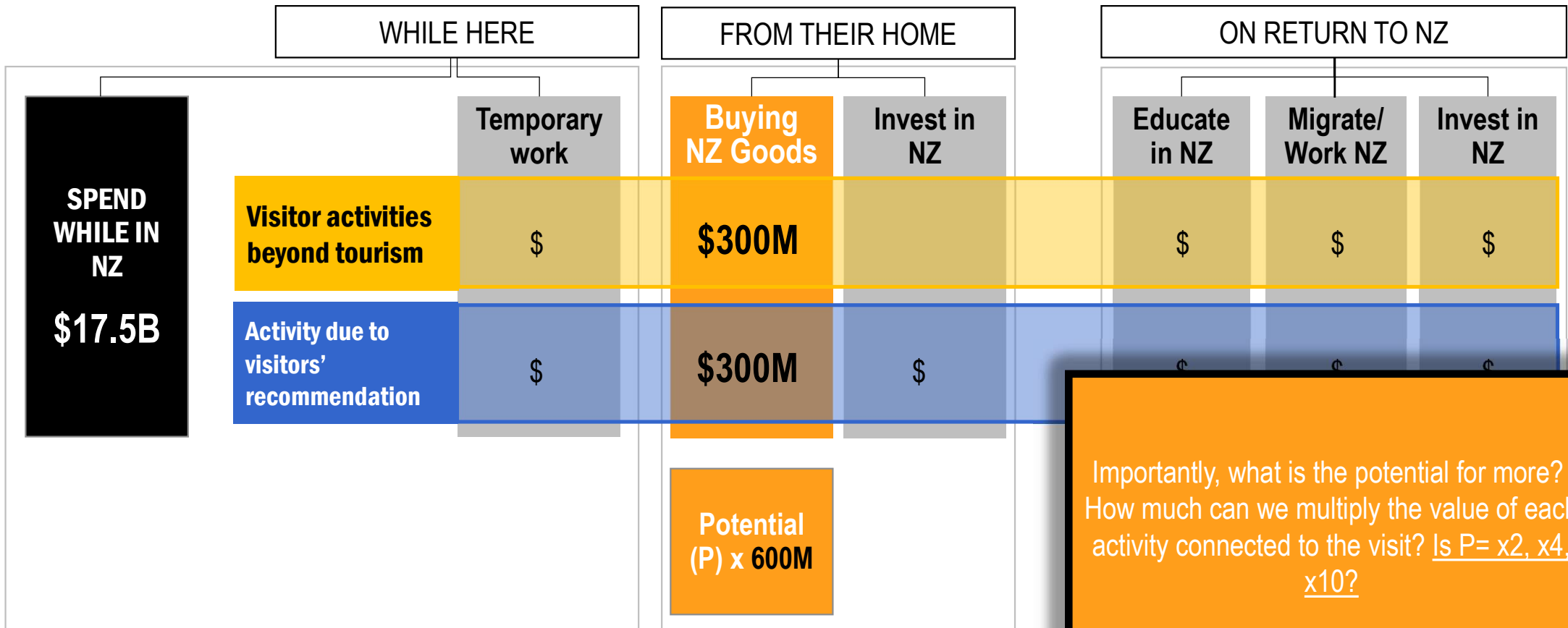


**One Picture.**

**SO: This offers fertile ground to boost NZ export sales and attract talent and investment**

# How big could the value be with more strategic marketing and alignment of sectors?

Let's just focus on Buying NZ Goods from their home...





## Pilot projects (Meneth)

- Market research validated hypotheses, pilot projects are the next step.
- Tourism Innovation Fund Stage 1 grant obtained – **Meneth commissioned to identify tourism + industry partners and design pilot projects.**
- Pilot projects are a stepping stone to demonstrating that we can lift lifetime value in the real world.



# Key considerations for pilots

Developing feasible lifetime value of visitor pilots has several key considerations:

1. Identifying appropriate tourism + industry partners
2. How do we expose the visitor to the product/opportunity, and get them enthused?
3. How do we follow that visitor home and get them to act on what they experienced?
4. Measuring the success of the pilot
5. How do we ensure that the lifetime value of visitor project is scalable and financially self-sustaining beyond these pilots?

# Partner selection criteria for pilots

## 1. Alignment



Partners align with the vision, scope, and objectives of the pilot, setting a precedent for future projects

## 2. Location



Tourism channel partners operate within the Queenstown Lakes District and at least one Pilot Project benefits an Otago exporter or organisation partner

## 3. Engagement



Partners are enthusiastic about collaboration, actively contributing to the pilot projects, and supporting ongoing refinement and optimization

## 4. Capacity & Capability



Partners demonstrate the necessary ability and resources to successfully implement the Pilot, including the capacity to convert sales after the visitor's return

## 5. Storytelling



Partners' products, services, and channels contribute to enhancing New Zealand's reputation and value on the global stage

# Recommended pilot design approach (high level stages)

Filtering Point for lower -volume pilots via direct engagement / in-room collateral

Filtering Point for higher-volume pilots via partner's e-commerce platform



## 1. Engage with Point of Sale Promotion

Audience engages with point of sale promotion

## 2. Respond to Call-To-Action with Point of Sale

Audience responds with call to action

## 3. Connected to Partners

Respondents directly connect with export / organisation partners via a dedicated landing page or partner representative

## 4. Data Captured

Initial engagement and details are captured in export / organisation partners' e-commerce platform or CRM system

## 5. Post-Visit Engagement Monitored

Ongoing interactions between export / organisation partners are monitored for duration of the in-market and post visit period

## About the pilots

- Several feasible pilots have been identified to test and refine approaches to lifting post-visit value to New Zealand. Pilots include both:
  - Post-visit product purchases of New Zealand exports
  - More impactful post-visit connections (study and investment)
- A network of industry + tourism partners have an interest in being involved (these include some big, well-known brands).

## Next steps

1. Securing funding and operationalising pilots!
  2. Monitoring and refining pilot project approach
  3. Continue working with project partners and reference group – not just on pilots, but also associated elements such as destination management and NZ branding/storytelling
  4. If initial pilot projects are successful, we can scale up:
    - Bring on other industry partners and grow the scale of pilot projects, and
    - Spread the geographical footprint of the lifetime value of a visitor project into other parts of New Zealand.
- **If we can crack this – activating post-visit relationships with ex-tourists could be a big export earner in its own right enabled through tourism! Think of tourism as a shopfront to other opportunities which New Zealand has to offer.**

## Want to learn more?

- If you want to learn more about this project, you can contact myself ([benje@benjepatterson.co.nz](mailto:benje@benjepatterson.co.nz)) or Peter Harris of Queenstown-Lakes District Council ([peter.harris@qldc.govt.nz](mailto:peter.harris@qldc.govt.nz)).
- Queenstown-Lakes District Council has been leading this work programme on behalf of the following economic development and regional tourism partners and funders:



- With involvement of the following supporting agencies:

