



# Annual Business Plan 2017/2018

Brilliant

EVERY DAY



Only Marlborough





# Introduction

Visitors to Marlborough spent \$368 million to the year-end March 2017 up 1% on the previous year. This is a remarkable achievement considering the region was hampered with the closure of a key access route through State Highway 1 at the beginning of peak summer season. That equates to \$1 million a day of new money into the Marlborough economy. International visitation has been driving that growth.

Marlborough has a clearly defined growth plan for the visitor economy, a well-articulated visitor positioning and an engaged visitor industry. Destination Marlborough's activity plan, along with delivering core functions to support the regions Smart and Connected Visitor Economy Growth Plan, has been prioritised for 2017/18 to respond to the environmental challenges and market dynamics that will provide visitor spend growth potential for Marlborough.

As a result of the Kaikoura Earthquake on 14 November 2016 the SH1 road and rail link south between Marlborough and Christchurch has been closed. The road link is due to reopen December 2017. While Marlborough's visitor services and facilities were unaffected, visitor flows have been significantly impacted, especially for Cantabrians who make up one third of all domestic visitor spend in Marlborough. 90% of all Cantabrians visiting Marlborough do so by car, and 75% of Cantabrians have indicated their decreased desire to visit Marlborough due to the alternative route (*Destination Marlborough Canterbury Resident research April 2017 – Angus & Associates*). A domestic campaign to drive visitation from Auckland, Wellington/Lower North Island and Nelson/Tasman where transport links are unaffected will continue through to December 2017 leading in to a promotion to welcome back Cantabrians timed with the road reopening. Both MBIE and Marlborough District Council are supporting this campaign with one-off grant funding. Ongoing focus on campaign work around the road reopening remains key, while not losing site of growing future domestic and international visitation from further afield.

Australia remains a key growth market for Marlborough. Australians spent 21% more in Marlborough during 2016 than they did in 2015. Marlborough will continue to invest in joint venture consumer campaigns led by Tourism New Zealand during 2017/18.



The business events attraction strategy will continue to build momentum with a full time Business Development Manager promoting Marlborough as a conference and incentive destination, leading regional bids and generating targeted leads and referrals for venue and service providers.

International trade education activity will leverage off the work of Tourism New Zealand to drive regional and seasonal spread across New Zealand. Engaging in offshore partnership opportunities with key RTOs that have access to Marlborough will be undertaken – Wellington, Christchurch, Kaikoura and Nelson/Tasman

The Picton, Blenheim and Havelock i-SITE Visitor Information Centres continue to play a role influencing visitor spend generating an average GDP return of \$8.50 per \$1 of public funds invested. (*Economic Impact Analysis of the i-SITE Network by M.E. Spacial Sept 2015*) . The Centres also provide a pivotal role in supporting Marlborough's emergency management response and in delivering coordination for cruise visits over spring, summer and autumn.

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## 2017/18 action plan and service levels

### CONSUMER MARKETING

#### Ongoing:

- Use Marlborough Brilliant Every Day visitor positioning consistently through all marketing channels.
- Invest in Australia consumer campaigns led by Tourism New Zealand to drive awareness and visitation to Marlborough.
- Generate positive media coverage for Marlborough.
- Produce regional collateral and manage online and social communication channels on behalf of the region.
- Grow the library of video and photo assets of Marlborough.
- Use third party website and social media channels to build online content and conversations to influence trip planning decisions.
- Publish a monthly e-newsletter to build and engage consumer database to drive destination content and encourage repeat visitation.

#### New opportunities and initiatives:

- Domestic marketing campaign to drive visitation April to December 2017 from regions where transport links are unaffected, Auckland, Wellington/Lower North Island and Nelson/Tasman.
- Develop a campaign targeted into Canterbury to coincide with SH1 road reopening.

#### Service Levels:

- Post-Kaikoura earthquake campaign delivered with campaign KPI's met or exceeded.
- SH1 re-open campaign into Canterbury delivered with campaign KPI's met or exceeded.
- Australia JV campaign delivered with campaign KPI's met or exceeded.
- A minimum of 40 media outlets visit the region.
- A minimum of 25% of page views to MarlboroughNZ.com result in a referral to a deal, product, or event listing.
- Social media engagement grows 10% on previous year.

**Investment: \$607,735**

## TRADE MARKETING

### Ongoing:

- Deliver a trade engagement programme in conjunction with the Trade Marketing Team partners to influence and educate international travel sellers to grow Marlborough content in New Zealand travel itineraries and increase sales capability and confidence.
  - Target travel sellers in USA and to a lesser extent South East Asia to leverage off increased air capacity and new routes.
- Manage Marlborough's inclusion in Tourism New Zealand's targeted China market development strategy to target off peak China FIT travellers into Nelson, Marlborough and Wellington.
- Work with Australian travel sellers to build Marlborough product representation to support consumer campaign delivery.
- Cruise sector product development and crew influencing.

### New opportunities and initiatives:

- Top of the South touring route development with international travel sellers led by Christchurch Airport to respond to SH1 programmed re-opening.
- Trade training initiative into Canberra with Wellington to drive demand for new Singapore Airlines Canberra to Wellington direct service.
- Participate in Tourism New Zealand led Kiwilink UK trade event.

### Service Levels:

- Facilitate a visit to Marlborough for a minimum of 100 travel sellers throughout the year.
- Train a minimum of 800 wholesale and frontline travel sellers on how to include Marlborough in a NZ travel itinerary.

**Investment: \$147,774**

## I-SITE VISITOR INFORMATION CENTRES

### Ongoing:

- Deliver comprehensive visitor information and booking services 364 days a year through the Blenheim and Picton i-SITE Visitor Information Centres.
- Support cruise day operations through Picton.
- Operate the Havelock i-SITE Visitor Information Centre for seven months from 1 October 2017.
- Support domestic campaign tactical sales conversion through Blenheim team.

### Service Levels:

- Marlborough i-SITES achieve a sales turnover of \$3.0 million.

**Investment: \$718,665**

Caveat – proposed prior to SH1 reopen date confirmed

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## **BUSINESS EVENT MARKETING**

### **Ongoing:**

- Influence and educate business event organisers to bring their events to Marlborough.
- Maintain a targeted lead generation approach and support with a plan of sales calls to proactively pitch Marlborough as a conference destination.
- Attract and host business event organisers to the region to influence event commitments
- Lead regional attendance at MEETINGS, Convene South and Show Me Wellington
- Distribute leads and enquiries to venues and facilities.
- Develop content and collateral to market Marlborough as a conference destination.
- Compile regional bid documentation to compete for conference business up for tender.
- Maintain and grow a conference lead database and compile and send regular e-newsletter to keep Marlborough top of mind for future conferences.
- Work with CINZ and the Tourism New Zealand's business events team to facilitate international conference and incentive enquiries and bids.
- Encourage venue participation in Convention Activity Survey and monitor and distribute quarterly reports.

### **New opportunities and initiatives**

- Target key influencers in Marlborough's industry strength – viticulture, aquaculture, forestry, to assist with the development of sales leads and bid champions
- Attend Australian roadshow event in association with CINZ and Tourism New Zealand
- Investigate and broaden activity into the Australian incentive market

### **Service Levels:**

- Facilitate a visit to Marlborough for a minimum 45 business event planners throughout the year.
- A minimum of 10 regional conference bids compiled and submitted.
- A minimum of 5 bids won

**Investment: \$179,194**

**DESTINATION MANAGEMENT**

**Ongoing:**

- Maintain momentum with the S&C Steering Group on achieving progress and results in line with the Visitor Economy Growth Plan.
- Gather and share results, achievements and performance of the Marlborough Visitor Economy with stakeholders.
- Develop industry partnerships that will support and extend the reach of promotional activity.

**New initiatives and opportunities**

- Support and maintain a level of Product Development workshops and connectors for Marlborough SME tourism businesses.
- Increased stakeholder and industry engagement opportunities and professional networking opportunities.

**Service Levels:**

- MDC investment in destination marketing activity is matched with partner contributions at a minimum 2:1 ratio.
- 4 quarterly updates per year
- 4 industry workshops

**Investment: \$68,151**

**ORGANISATION PERFORMANCE:**

**Ongoing:**

- Maintain effective management of Destination Marlborough activity and people.

**Service Levels:**

- Destination Marlborough achieves an unqualified audit opinion on the 2016/17 financial statements presented to the Board.

**Investment: \$40,863**

# DESTINATION MARLBOROUGH TRUST INC

## Budget by activity year ending 30 June 2018

	2017/18 BUDGET	NOTES
	\$	
MDC - destination marketing grant	687,974	
MDC - tourism targeted rate	186,000	
Bank interest	3,000	
<b>Marlborough i-SITES</b>		
Display Advertising revenue	144,800	
Commission on sales	283,429	
Net merchandise sales & event ticket booking fees	145,980	
Administration fee revenue	14,071	
Havelock i-SITE operational grant	23,652	1
DOC Services	10,000	
<b>TOTAL i-SITE revenue</b>	<b>621,932</b>	<b>2</b>
Marlborough i-SITES - expenditure	718,665	
<b>Marlborough i-SITES - net investment</b>	<b>-96,733</b>	
International Trade Marketing - advertising and partnerships	76,000	
International Trade Marketing expenditure	147,774	
<b>International Trade Marketing - net investment</b>	<b>-71,774</b>	
Consumer marketing - advertising and partnerships	208,000	
Consumer marketing expenditure	607,735	
<b>Consumer marketing - net investment</b>	<b>-399,735</b>	
Conference marketing - advertising and partnerships	12,000	
Conference Marketing expenditure	179,194	
<b>Conference Marketing - net investment</b>	<b>-167,194</b>	
Destination management & stakeholder expenditure	-68,151	
Administration expenditure	-40,863	
<b>Surplus/(Deficit) before non-Cash Items</b>	<b>32,524</b>	
<b>less Depreciation</b>		
Total Depreciation Marketing Admin and i-SITE	24,984	3
Asset Write-Off	0	
<b>TOTAL SURPLUS/DEFICIT</b>	<b>7,540</b>	

### NOTES

1. 2017/18 Havelock Community Association.
2. Note of caution as dependent on SH1 reopening date.
3. Depreciation impacted by the decision to retrospectively capitalise the Blenheim building fitout.



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**DESTINATION MARLBOROUGH TRUST INC**  
**STATEMENT OF FINANCIAL POSITION AT:**

	<b>NOTES</b>	<b>Jun-18 BUDGET</b>
<b>Assets</b>		
Cash		171,500
Accounts Receivable (net)		25,000
Prepayments & Unbilled Income		10,000
Inventory		33,000
<b>Total Current Assets</b>		<b>239,500</b>
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Fixed Assets		128,974
<b>Total Non Current Assets</b>		<b>128,974</b>
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<b>Total Assets</b>		<b>368,474</b>
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<b>Liabilities</b>		
Creditors		110,000
Provisions and Accruals		85,000
Fees/Funding in Advance	<b>1</b>	80,000
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<b>Total Liabilities</b>		<b>275,000</b>
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<b>Net Assets</b>		<b>93,474</b>
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<b>Shareholder Funds</b>		
Retained Earnings		85,934
Current Year Earnings		7,540
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		<b>93,474</b>
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**NOTES**

*1. Fees/Funding in Advance includes promotion display and Marlborough Tourism Marketing Team partnerships which are invoices on a calendar year basis*

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## Marlborough Visitor Economy targets y/e June 2017

1. Marlborough will exceed, or as a minimum match, national visitor spend to year end March 2018.  
(Source, MBIE Regional Tourism Estimates released November 2018)
2. Visitor spend change in Marlborough across Spring (September October, November 2017) and Autumn (March, April, May 2018) outstrips summer.  
(Source: MBIE Monthly Regional Tourism Estimates).
3. Increase total number of delegate days from June 2017 year end level (88,207).  
(Source: MBIE Convention Activity Survey released August 2017)
4. Increase total value of single, multi-day and incentive activity from June 2017 year end level (\$12,030,197)  
(Source: MBIE Convention Activity Survey and Convention Delegate Survey released August 2017)