

# Re-evaluating New Zealand tourism—what the future holds

Chris Roberts

## Abstract

**Purpose** – COVID-19 plunged tourism off the cliff in New Zealand. What did this mean for the country, how did we respond and what is the future?

**Design/methodology/approach** – This is a personal account, reflecting on my thoughts and experiences as Chief Executive of Tourism Industry Aotearoa.

**Findings** – It is a challenging time to try to predict the future given all the remaining COVID-19-related uncertainties. But there are a number of consistencies that will frame the revival of tourism in New Zealand, when international visitors do return. Government, industry and the community will all look to shape the future of tourism, and it is essential we take a balanced score card approach, building back better with a focus on value. However, we must never forget the customer, who may well have the biggest influence.

**Research limitations/implications** – No specific research was completed for this article—it relies on the author's industry experience.

**Originality/value** – We can only have a successful tourism future in Aotearoa if we deliver a broad range of quality products and services that enable us to meet the promise of an economically, socially, culturally and environmentally sustainable destination. The author's message is to focus on providing customer value in order to achieve that future. It is simple as that.

**Keywords** Future of tourism, New Zealand, COVID-19

**Paper type** Viewpoint

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## Can we really predict the future?

It was rather daunting to be asked by a renowned tourism futurist to write an article on the future of tourism for an academic journal! Thank you to Dr Ian Yeoman for the opportunity. This article is drawn from my experiences leading New Zealand's peak tourism industry body since 2014. It is not particularly academic in form or content but hopefully my views from an industry perspective are of value to readers.

It is of course not possible to contemplate the future for tourism in Aotearoa New Zealand or anywhere else on our planet (or even off-planet given recent exploits by some mega-billionaires and their space toys) without reflecting on the impact of COVID-19.

## COVID-19

We had of course previously considered the potential impact of a pandemic on the global movement of people. But our points of reference included the SARs epidemic, Ebola and the Asian Flu. Devastating for those inflicted but regional and/or relatively short-lived. Speed bumps on the relentlessly upward path for tourism. COVID is very different—rather than a bump in the road, we have plunged off a cliff and despite valiant efforts to climb back up, we keep sliding back down again.

As many scientists like to say when they are wanting to communicate in layperson terms, “this is a tricky virus”. We have all become more familiar with the Greek alphabet. Alpha to start with of

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course, then later Delta and then Omicron, and who knows what is still to come. I certainly do not. For the purposes of this article, all I can do is presume that somewhere in the not too distant future, the COVID pandemic becomes endemic and as a species we have learned to live with it. And the world is operating to a “new normal”, including how we “do” tourism.

### **NZ's response**

In 2020, six months into the pandemic, New Zealand put together a Tourism Futures Taskforce of government and industry leaders. It was tasked with identifying meaningful actions that could make for a better and more sustainable tourism future. The Taskforce produced an interim report (MBIE, 2021) with some interesting and challenging ideas. However, a change of Tourism Minister saw a different approach wanted and in 2022 work is beginning on a Tourism Industry Transformation Plan (MBIE, 2022), which has a workforce orientation. There is plenty of talk about “what sort of tourism do we want?” but little or no action so far. Strikingly, what the customer wants is being largely overlooked in these discussions.

It is commonly presumed that the New Zealand tourism product is so compelling that attracting visitors back is not an issue. The focus is instead on managing visitor numbers, protecting the environment, hearing the community voice, addressing social licence concerns, fixing infrastructure deficits and identifying new funding models, new taxes, all important and necessary conversations.

### **A balanced score card**

We certainly need a balanced scorecard approach. But too often the visitor—the customer—is taken for granted. Or even somewhat demonised—the part of the tourism system we obviously need, but somehow would prefer to do without. Just send us your money and you can stay home!

The key question is—who will have the greatest influence over the future of tourism in Aotearoa? Is it the operator, determining what product and service they want to deliver, where and when and how?

Is it the Government, determining the boundaries of behaviour and types of permitted and/or encouraged activity, ways of doing things and the taxation contribution? Government acts as both a steward, making sure the tourism system is operating to some pre-determined goals and that all the participants have the right incentives, information, and capability to play their respective roles; and Government as an actor in the tourism system, directly through its investments and interventions—such as infrastructure provision and funding a national tourism organisation to address market failure.

Is it the community, determining what sort of visitor activity it wants happening in its backyard, and how it wants to protect its environment and community values? And is this the community represented by local government representatives, or a more localised, genuine community voice?

Or is it the visitor? Different visitors with different motivations to travel, and with different expectations of what experience they will have and the services and products they wish to consume.

### **Building back better**

New Zealand is not alone in having a public discussion about “building back better”, about “re-imagining tourism”, “reshaping the future”. The same conversations are happening worldwide.

But is the recovery largely going to happen to us, regardless? There will of course be some significant supply side influences—two of the most important being when and under what conditions governments open their borders; and when and how airlines will provide services.

But could not the biggest single factor, by some considerable distance, be the desire of people to travel again, and where those desires take them?

Each traveller will make a personal decision about where they go and when. It might be a business decision, or desire to connect with friends and family, or to attend an event. If a leisure trip, they will consider the usual factors when deciding where to go on holiday, with an enhanced layer of safety and risk management, and for a small but growing segment, the carbon footprint of that trip.

There is only so much any destination can do to manage this return of tourism once it opens its borders. Open sky agreements mean pretty much any airline can fly to a country like New Zealand, once they have secured a landing slot at an airport and met a few other requirements. They can then sell tickets on those planes to anyone they want. And as long as those ticket buyers meet New Zealand's entry requirements, they are free to come.

The Government, largely through its national tourism organisation, can try to target its marketing messaging at certain types of visitors considered "more desirable"—but this will likely only have an impact on the fringes. The customer will make their choice, based on a whole range of factors unique to each of them, and marketing may or may not be one of those factors.

### They will come back

So, visitor will return, in all shapes and sizes—and the market will respond to those visitors and provide the services and products they desire. Despite our idealist thinking, our ambition to build a more sustainable tourism future, these positions could be overwhelmed by the major drivers: demand, plus affordable and convenient travel options—that will deliver visitation in an organic way.

The customer has the greatest influence—and I expect we will find that we have much less control over what happens, than we currently think we will.

So, New Zealand tourism will at some point re-join a highly competitive international market. There will again be so many choices, for kiwis and all other travellers. New Zealand is a premium destination at the bottom of the globe. It is not cheap to get here for most people, and it is not cheap to be a visitor here and enjoy our world-class attractions and activities.

It is universally agreed—and has been for decades—that we should target "high value visitors" and we have been successful to a degree. When we emerge from the pandemic, the focus will still be on value before volume—acknowledging that volume growth is still important, especially when starting again from zero!

### Value

But when talking of value, there is an essential point to be made.

Let us stop obsessing on the "Value visitor"—and rather focus on how we deliver value to the visitor.

The only way to ensure the long-term economic sustainability of a tourism enterprise, and of a tourism destination, is maintaining a consistently high consumer perception of the value they have been delivered.

Let us alter our language. Let us talk about attracting high *quality* visitors and delivering value *experiences* to those visitors.

Focussing on high value visitors also implies that some visitors are low value. This does not fit well with New Zealand's cultural ethos of equity and fairness. It goes against the Māori concept of *manaakitanga*—making all visitors welcome if they come with the right intentions. Arrive as strangers, leave as *whanau* (family).

But if we think about a quality visitor, not a value visitor, the quality visitor can be a freedom camping German backpacker, who will spend his lifetime returning again and again to New Zealand; the

billionaire American, who after a brief stay in a luxury lodge invests millions into a local business opportunity; or the family of five from Timaru who use the school holidays to explore a new region of the country every year.

As an industry, the future should be about delivering great value to high quality visitors who want authentic connections—be they domestic or international, rich or poor, old or young.

If we deliver a broad range of quality products and services—and every operator strives to meet or exceed the expectations of every visitor—then New Zealand will also meet all of our social tourism goals. We can have the world's most sustainable tourism industry. That is not only a good thing to do. It is an essential thing to do, and it will enhance our country brand and ensure that we are delivering the right outcomes for New Zealand and for our visitors.

## References

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## About the author

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