

# Business Travel in New Zealand...

NORTH SHORE  
**business**travel

**Faye Spooner, North Shore Business Travel has kindly answered our questions on ‘Business Travel in New Zealand’**

**New Zealand AOTEAROA “land of the long white cloud”, population 5 Million, is located in the SW Pacific (East of their ‘cousin’ Australia)**

## A little bit about New Zealand...

**Home to the All Black Rugby team, America’s Cup sailing and well known for Hobbiton LOTR.**

**Consisting of 2 main islands (North & South) and the people are called “Kiwis” after the native bird.**

**Tourism was the largest export industry in terms of foreign exchange earnings employing around 8.4% of the workforce.**

**Export of goods accounts for one third expenditure GDP with sizeable manufacturing and service sectors complementing highly efficient agriculture.**

**There are 50 million sheep, currency is NZ dollar (NZD), and International calling code +64.**

**Could you give an overall picture of what makes New Zealand business different to other markets? Who is buying travel, and how do they do it?**

- NZ continues to be dominated by Small-medium-enterprises (SMEs), approx. 90%
- While larger TMCs handle larger accounts (e.g. Government travel, multi nationals), there is a swing toward smaller more ‘hands-on’ TMCs who offer a more bespoke service
- Some companies buy direct online, however recent Global events has seen customers switching back to travel agents who specialise in duty of care and safety while travelling



**What differentiates a New Zealand business traveller from other business travellers?**

- Because of New Zealand’s location in the Pacific, there is a constant need to travel to visit customers and suppliers, attend meetings, professional development and to market products. Most importantly, strengthening and building new partnerships
- Compared to regular tourism, business travel has a smaller section of our population with different motivations, and freedom-of-choice-limiting constraints
- Loyalty schemes and status (e.g. Air New Zealand AirPoints) are a driving incentive in the New Zealand market

**What can non-New Zealand travel buyers learn from their New Zealand counterparts?**

- New Zealand is a small country therefore relationships between a customer and a reputable TMC is still number one priority
- Having to travel such large distances, many business travellers incorporate “Bleisure” travel into their itinerary. TMC’s with talent for both corporate and leisure (e.g. NSBT) are in demand as a one-step solution. An average ‘business tourist’ spends much more than the average leisure tourist.
- MICE is a big driver of business – again because of New Zealand’s location with primary destinations Asia, Europe, South Pacific and Australia

**What experiences are unique to the New Zealand business travel markets?**

- An open economy working on free market principles, as well as one of the most globalised economies, New Zealand depends heavily on international trade – mainly with Australia, EU, USA, China, South Korea, Japan and Canada. The New Zealand dollar is the 10th most traded currency in the world.

**What challenges do New Zealand travel buyers / corporate or travellers face that are specific to this market?**

The national carrier is extremely dominant in the market, which is a double-edged sword; Air New Zealand are very good at loyalty and they drive behaviour through frequent flyer points, status points, airline lounges and more. This makes it difficult for buyers to affect behavioural change with their travellers and potentially save cost. The national carrier’s fares are also sold in a unique way compared to the rest of the world (individual fare “buckets”), which can create compatibility issues with some technology solutions.

In the accommodation space, stock is regularly an issue with many hotels running at more than 90%+ occupancy. This means that there is very little competition, making procurement tricky and volatile - negotiating volumes loses its power when rooms could easily be sold 5 times over.

It’s the same in the car rental space, particularly around peak tourism periods.

Our isolated location also comes into the equation as travellers doing business internationally face long distances and varying time zones.

## Did you know...?

- New Zealand was first sighted by Captain James Cook in 1769
- In 1840, the Treaty of Waitangi was signed between the Maori people and the British Crown, an event that is still commemorated every year on the 6 February
- New Zealand’s first recorded European sighting was a lot earlier however in 1642 by a Dutch explorer called Abel Tasman
- The Maori name for New Zealand is Aotearoa, which translates to ‘Land of the long white cloud’
- New Zealanders have been called ‘Kiwis’ since the nickname was bestowed by Australian soldiers in the First World War, but not as in the fruit – it’s New Zealand’s national flightless bird
- Wellington is currently New Zealand’s capital – but it wasn’t originally. From 1840-41, Russell in the North was the first Capital, then between 1842-65, Auckland became the second capital, until 1865 when Parliament moved to Wellington for its good harbour and as a half way point between Auckland and Dunedin, the two largest trading posts at the time.
- Sir Edmund Hilary - depicted on our five dollar note – was the first person with Tenzing Norgay to reach the summit of Mount Everest in 1958
- Kate Sheppard - depicted on our ten dollar note - was the leader of the woman’s suffrage movement who in 1893 lobbied to make New Zealand the first country to allow woman the right to vote
- In 1999, Georgina Beyer became the first transgender person globally to be voted into parliament
- New Zealand was the first country to have its three top positions of power held simultaneously by women - Prime Minister Helen Clark, Governor General Dame Silvia Cartwright and the Chief Justice Sian Elias
- New Zealand was the first country to adopt a standard time zone (1868)
- Dairy farmers produce a whopping 100kg of butter and 65kg of cheese each year for each person living in New Zealand
- There are no snakes at all in New Zealand!

**When considering a regional or global consolidation for a corporate client, what are your experiences of how New Zealand fits into the picture and what challenges should corporate travel managers or procurement teams be aware of?**

There are interesting times ahead in a Covid-19 world however the objectives remain the same.

- Value – not necessarily lowest price, flexibility and convenience are a priority
- Competing with online (able to offer booking solutions - SERKO)
- Technology - New Zealand is an exceptionally internet savvy country with over 90% of the population connected. Clients therefore expect best IT solutions in terms of maximising travel spend, compliance and reporting
- Longevity and dedication of TMC teams to ensure continuity of service
- Robust business continuity plan, to operate successfully through any unplanned disruption

**Can you share any of your successes in helping a corporation successfully integrate New Zealand into their global or regional programme?**

- Experience counts – we have been in business over 40 years and it sets us apart from the competition. Our dedicated team and Account Manager personally develop and monitor travel policies for cost savings, including KPI service level agreements.
- We negotiate preferred supplier agreements Nationally and Globally to provide significant buying power and exclusive benefits - therefore driving value
- Online booking tools (SERKO) are essential
- As well as a full corporate service we offer private travel specialists for all personal travel and for MICE

(From Ministry of Business, Innovation & Employment)

