



GREAT LAKE TAUPŌ  
NATURE'S ULTIMATE PLAYGROUND

THE NEXT

BIG THING

Destination Great Lake Taupō  
Strategic Document 2016



**GREAT LAKE TAUPŌ**  
NATURE'S ULTIMATE PLAYGROUND



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## KIA ORA



Great Lake Taupō is a thriving tourism destination where people can experience one of the world's most unique and picturesque areas. Close to 1.3 million visitors help drive Great Lake Taupō's economic success by directly spending half a billion dollars in the region every year. In addition to this, the flow on impact of tourism spend is estimated to be another half a billion dollars.

The Great Lake Taupō region has a permanent population of 35,600. When this is considered alongside the magnitude of our visitor numbers, it is clear that tourism is a driving force in our economy. Tourism currently provides 35% of jobs in our workforce and 25% of our GDP, but there is still significant potential to grow tourism further. The industry now needs to debate whether future growth will occur incrementally, whether there is a desire for a more radical transformation, and how we want growth to occur.

**We have an opportunity to make significant change and transform Great Lake Taupo tourism, but this will require concerted action across the local industry. The time to act is now.**

The 2016-2026 strategy provides big picture direction and guidance for some ambitious changes to Taupō district tourism, and builds on the 2006-16 work completed by the former Lake Taupō Tourism Advisory Board.

In the earlier 2006-16 Tourism Strategy, it was noted that "...the Lake Taupō visitor industry is at a crossroads..." The strategy set an ambition to "...re-position Lake Taupō in the hearts and minds of New Zealanders and our international visitors as a special and distinctive, must-see destination." This ambition remains relevant 10 years on as it has not yet been fully realised.

This new 2016-26 strategy provides a road map for the next stage of growth for Great Lake Taupō tourism.

## UNIQUE TAUPŌ



*Great Lake Taupō is one of the most spectacular holiday destinations in New Zealand. It offers authentic kiwi experiences in a world-renowned natural setting, which is underpinned by unique cultural values and stories.*

Our region is an internationally recognised holiday destination where people can experience some of the world's most picturesque yet highly accessible sights and attractions. The region boasts the largest pristine freshwater lake in Australasia and the Mine Bay Maori Rock Carvings, New Zealand's largest and one of its most extraordinary artworks. Great Lake Taupō has three of New Zealand's most iconic

tourism attractions; Huka Falls, the most popular natural attraction in the country; the Tongariro National Park which is the world's first dual World Heritage Area and home to the Tongariro Alpine Crossing; New Zealand's most popular day walk; and a trout fishery regarded by some as the best in the world.





## NATURE'S ULTIMATE PLAYGROUND

Our region has an unparalleled range of attractions based around our stunning outdoor environment, with more of NZ's best than any other region. Our current skite sheet is impressive and once appropriately harnessed and promoted, will make our destination world famous:

- ◆ **Lake Taupō**—Australasia's largest lake, the largest volcanic crater lake in the world, roughly the size of Singapore and created by one of the world's largest ever volcanic eruptions
- ◆ **Mine Bay Maori Rock Carvings**—one of New Zealand's largest and most extraordinary artworks
- ◆ **Huka Falls**—New Zealand's most visited natural attraction
- ◆ **Tongariro River**—New Zealand's best trout fishing and whitewater rafting river
- ◆ **Tongariro National Park**—the world's first dual World Heritage and National Park, home to Mt Doom, and with a recent history of active volcanism and eruption
- ◆ **Tongariro Alpine Crossing**—New Zealand's best one-day walk
- ◆ **Whakapapa**—the Southern Hemisphere's largest ski and snow play area, with NZ's highest altitude café
- ◆ **Opotaka pa site**—the birthplace of the 'Ka Mate' haka
- ◆ **Aratiatia Rapids** and other iconic Lord of the Rings filming locations
- ◆ **Orakei Korako**—the best geothermal area left in New Zealand, with the greatest number of active geysers
- ◆ **Mountain biking**—the best all-weather adventure mountain biking in New Zealand
- ◆ **Adrenaline activities**—the North Island's centre for adrenaline activities, including bungy jumping, jet boating, whitewater rafting and skydiving
- ◆ **Huka Lodge**—long considered one of the top retreats in the world
- ◆ **Golf courses**—two world class golf courses, including NZ's only Jack Nicklaus signature course
- ◆ **Bruce McLaren Motorsport Park**—New Zealand's only FIA category 2 race circuit

*These assets and attributes give us an absolute competitive advantage. The opportunity lies in leveraging off them to transform Great Lake Taupō tourism from good to great.*



## WHERE WE HAVE COME FROM

In 2014, the Tourism Industry Aotearoa released Tourism 2025, a strategic planning document designed to align the industry nationally towards one common goal of growing tourism expenditure/yield to \$41 billion by 2025. The document outlines the need for a focus across the following key areas:

**Productivity.** With a focus on addressing seasonality and ensuring the right capability and skills sit within the industry

**Visitor Experience.** Continuing to provide a great visitor experience

**Connectivity.** Especially air connectivity

**Insight.** Making sure we have good data

**Target for Value.** Improving yield

Destination Great Lake Taupō's strategy for 2016-26 has been aligned with these focus areas, as they are also highly relevant to the region.

*In the early 2000's a tourism strategy was developed to reposition Great Lake Taupō tourism through to 2016.*

It sought to grow the tourism industry with its clear, simple aspiration to make tourism a \$496 million per year industry by 2016. Ten years on, the scale of tourism in the region is generating a spend of \$540 million but this is from a similar number of visitors to those of 2003. The last two years have seen solid growth and some recovery back to pre GFC levels, but unlike other large tourism destinations, Great Lake Taupō has not yet seen the same transformational growth in international tourists.

The setting has changed quite significantly since Great Lake Taupō's 2006-16 Tourism Strategy. Tourism in the Great Lake Taupō region is still dominated by domestic visitors, but international visitation and spending have increased in importance in the last 10 years. Despite the growth in tourism spend, seasonality remains challenging for our region with peak visitation still during summer and little to no growth during the winter months.



A number of strategies were identified in the earlier 2006-16 Tourism Strategy that are still relevant today:

- ◆ The need to grow visitation outside the very busy peak periods of Dec-March
- ◆ The need for more collaboration across the local industry, to raise destination brand awareness
- ◆ The need for additional product and activities to increase yield and to support wet weather/low season growth
- ◆ The need to leverage growth off other regions nearby
- ◆ Working more effectively with both Tourism NZ and with colleague regions/other Regional Tourism Organisations to expand awareness of the destination offshore
- ◆ Making sure we can compete against other regions for our share of growth
- ◆ Holding and enhancing connectedness
- ◆ Price point and quality for our accommodation and activities

By reviewing and updating our strategy, we will ensure that our tourism industry is armed with a strategic approach that is current and which also provides a clear vision for the future.



## WHERE WE ARE NOW

*In 2016, it is estimated that:*

- ◆ The Great Lake Taupō region still experiences 1.3 million overnight visitors who stay three million nights. However, for the year ending March 2016, tourism spend had increased significantly to \$540 million.
- ◆ Great Lake Taupō's visitor nights are based on a mixture of private and commercial accommodation and are made up of approximately 2.1 million domestic nights and 900,000 international nights.
- ◆ Roughly one third of all guest nights are in commercial accommodation, with the remainder in private (mainly holiday home) accommodation and freedom camping.
- ◆ Growth in visitation and spending is occurring largely through international visitors (10% and 17% respectively in each of the last two years), but domestic visitors are also growing at approximately 4-5% per annum.
- ◆ Tourism remains the largest employer in the region but now accounts for just over 25% of GDP.

New Zealand is going through a strong period of tourism growth, fueled by increased international arrivals. We need to capitalise on this in order to strengthen awareness of our destination, increase visitor numbers and increase the economic benefits flowing through to our communities.



## OUR DOMESTIC MARKET

Great Lake Taupō's single largest domestic market is Auckland by a significant margin, followed by Waikato, Wellington and Bay of Plenty.

Our central location means we get good visitation from Wellington right through to Auckland. However, the region is almost exclusively a North Island destination due largely to the lack of direct air connectivity to the South Island.

While Great Lake Taupō is well known by most New Zealanders as a holiday destination, there is increasing competition from other New Zealand regions and from offshore locations. Our region remains strong in the family market but the challenge is to ensure a Great Lake Taupō holiday has 'brag factor' and appeals to a wider market segment. The additional markets we will be reaching into include couples, groups and baby boomers, to buffer seasonality and increase yield.

The 'new New Zealander' domestic market of predominantly Chinese and Indian immigrants living in Auckland has also been a focus for DGLT's domestic marketing campaigns in 2015 and 2016. As a result, Chinese visitors from Auckland have increased significantly in the first two quarters of 2016.

While the town of Taupō has close proximity to Tongariro National Park and Whakapapa Ski Area, we have not historically positioned it as a winter/ski destination. The southern settlements (Motuoapa, Turangi, Tokaanu, Omori/Pukawa/Kuratau) have benefited from some 'ski' visitation, but the ski area has largely developed over time around club or on-mountain accommodation. Snow play, as opposed to the traditional winter sports of skiing and snowboarding, is now becoming popular. There is a real winter opportunity for all parts of the region to pursue around these emerging winter activities.

*\*figures show approximate visitors per year*





## OUR INTERNATIONAL MARKET



The international visitor mix over the past 10-15 years has remained relatively unchanged and we are seeing some growth out of all traditional international markets.

Our single largest market is Australia, followed by the UK, Europe, and then the US. Our visitor mix is different to national trends, in that UK/Europe visitors (as a combination) are significantly ahead of all other markets, and at this stage, Chinese visitation is still off a very low base.



\*figures show approximate visitors per year

*The Great Lake Taupō region remains an attractive destination for international visitors, particularly backpackers and free independent travellers.*

The region has some very successful attractions that have been in place for a long period of time and are geared mostly around both the natural environment and warmer summer months.

Inbound tour operators report that the current mix of attractions and activities is well suited to the current profile of international visitors, but further product development is required if the Great Lake Taupō region is to significantly grow volume in this area, grow other markets, or increase visitation outside summer/peak periods. Historically, the region has little in the way of all-weather attractions, meaning visitor flows diminish significantly from May-October. Also, our offering is more limited for the passive traveller, due to a smaller offering of soft adventure experiences.

The industry is also dominated by smaller scale or bespoke operations targeting the backpacker and FIT markets. There is a real opportunity to grow the scale of businesses and create marketing collaborations to enable larger scale marketing initiatives that DGLT can leverage off, particularly offshore.

Despite a strong profile among backpacker and bus operators, there is real potential to increase the profile of the region offshore, and to increase the Great Lake Taupō presence in itineraries prepared by offshore wholesalers. This would significantly increase and diversify international visitation. Currently, the areas of greatest growth appear to be Chinese and Indian visitors from both New Zealand and abroad, as well as visitors from the US. Elsewhere in NZ Australian visitors have grown rapidly. There is untapped potential for growth from this market. Growth from these markets will be achieved through increased offshore activity, additional partnerships with Tourism NZ and ramped up investment/participation in campaign activity. The opportunity for diversification is from visitors less interested in active outdoor activities, who are more inclined to visit the district outside of peak periods.

We will also work to ensure that growth is evenly distributed, and small settlements like Turangi don't lose ground relative to Taupō and National Park/ Ohakune in terms of international visitors.





## SPECIAL INTEREST

### Winter ❄️

Nationally and internationally the trend is towards après ski destinations where more of a resort offering is available with greater attraction/activity and accommodation options. Snow play, as opposed to the traditional winter sports of skiing and snowboarding, is also becoming popular. There is a real winter opportunity for the district to pursue around these emerging winter activities, particularly in partnership with the Ruapehu Alpine Lifts. There is also significant redevelopment planned for Whakapapa Ski Area, which will boost year round visitation.

### Premium 🏌️

Great Lake Taupō has had a strong premium sector for some time, and this has been boosted recently with the addition of more luxury lodges as well as the two marquee golf courses. The premium sector provides an opportunity to raise the profile of Great Lake Taupō internationally. Our region has the chance to take a leadership role for the North Island in the premium space.

### Hike/Bike 🚲

The Great Lake Taupō region has been a popular hiking destination for both domestic and international visitors for a long period. The Tongariro Crossing is a key draw card, but other walks in Tongariro National Park (particularly the Ruapehu Summit climb and Tama Lakes/Taranaki Falls track) are also gaining popularity.

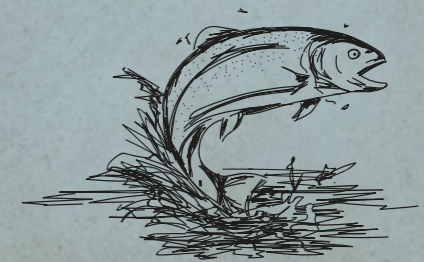
Biking has grown significantly in popularity. The Great Lake Trail, Craters Mountain Bike Park, the Huka Trails and the Taupō Lakefront Trail (Lion's Walk) are all experiencing huge growth, and they are starting to trigger visitation in their own right. Because of Taupō's pumice soils these trails are usable all year round, which gives the region a significant competitive advantage.

### Fishing 🐟

The Taupō trout fishery is internationally acclaimed and is the largest in New Zealand. There is an opportunity to grow new anglers and day visitors through more targeted marketing.

### Conference & Incentive 📁

Great Lake Taupō already has strong market share in the domestic conference market, which is important for off-peak and mid-week occupancy. There is potential to grow conference and incentive activity out of the eastern seaboard of Australia.



## NEW STRATEGIC ISSUES & OPPORTUNITIES EMERGING

By reviewing and updating our strategy, we will ensure that our tourism industry is armed with a strategic approach that is current and which also provides a clear vision for the future.

There are a number of new issues/trends that have emerged since the original strategy was adopted in 2006\*.

### 1 Growth in International Visitors

The nation wide growth in international visitors creates a significant opportunity to grow visitation in our region. However this will bring new challenges around translation, consumer preferences/tastes etc.

### 2 Shoulder Season Capacity

Tourism numbers (international and domestic) have continued to grow rapidly in peak summer months, but shoulder periods and winter still have significant capacity for growth.

### 3 Overcrowding During Peak

With the recent rebound in visitor numbers over peak periods, concerns are starting to emerge around the risk of overcrowding and the risk of environmental degradation, particularly at key iconic sites. The significant growth in freedom camping will also need to be managed to avoid impacts of growth on the region.

### 4 Special Interest

Special interest travel is becoming increasingly important especially for international visitors, as distinct from traditional touring. Great Lake Taupō has real strengths in this area. The premium sector has grown significantly, reflecting growth in attractions and accommodation. There is a new opportunity to leverage this sector to enhance our brand and reputation for all market segments. The bike market has grown significantly, with the addition of new trails and increased cycle tourism both domestically and internationally. There is an opportunity for Great Lake Taupō to position alongside and leverage off other regions with an existing strong cycle tourism market. As noted earlier, the region also has real strengths in golf and fishing which can be further developed.

### 5 Region-Wide Growth

A concern is emerging that a district wide approach to marketing may not be driving equitable growth throughout the region, particularly for Turangi, and efforts need to be targeted to maximise effectiveness.

\*These are additional to the issues identified on page 11.



## GREAT LAKE TAUPŌ – THE NEXT BIG THING

*Our vision is that Great Lake Taupō will be seen as 'the North Island holiday destination' centred around our natural environment and attractions.*

Our region's outstanding natural environment and high concentration of world-class activities gives us a unique opportunity to be the 'next big thing' in New Zealand tourism. Great Lake Taupō is the best placed region in the North Island to deliver on the 100% Pure Tourism New Zealand brand promise across all seasons.



### THE LONGER TERM DIRECTION

#### International

Our aspiration is to increase significantly the number of international tourists that visit Great Lake Taupō, especially in shoulder seasons and in winter.

**Our goal is to lift the profile of the district internationally so we become part of the must-do itinerary for a greater variety and number of international visitors.**

**We therefore need to have stronger brand recognition internationally.**

To do this we will become much more active in our international marketing and we will need an expanded offering of experiences. This will require additional efforts and resourcing both by Destination Great Lake Taupō and operators in our tourism industry.

#### Domestic

**Our goal for the Great Lake Taupō region is to significantly enhance and cement our reputation in the domestic market place.**

Our region is well recognised domestically, but needs to be marketed in a way that makes it an aspirational destination.

We need to be seen as a must visit holiday destination, not just for families and outdoor enthusiasts. We need to diversify our offering and appeal.

To do this we will be more aggressive in our approach, more aspirational and more innovative.

**We need the industry to 'row in one waka' on this journey with us so that our efforts and resources can be collectivised. We need to excite with new offerings and experiences so that our region stands out from our competition.**



When we have achieved all of this, we will have exponentially grown the scale and profitability of the region's tourism while achieving acceptance and integration of visitors into the community.

**Great Lake Taupō will be seen as:**

- ◆ The destination you come back to and recommend to others
- ◆ A must visit location for all market segments and part of the quintessential NZ itinerary for international visitors
- ◆ A holiday destination with 'brag factor'
- ◆ A destination with a variety of experiences

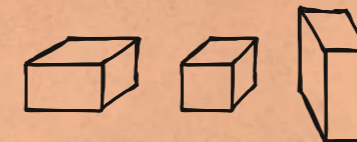
**And:**

- ◆ People will understand the unique offerings of the district, including both ends of the lake.
- ◆ Tourism growth will be accommodated without impacting on the lifestyle of residents, the physical environment nor the quality of the visitor experience.

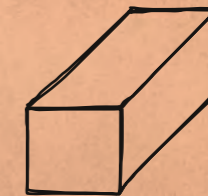
## HOW TO GET THERE

We've identified four primary strategies to achieve our goals:

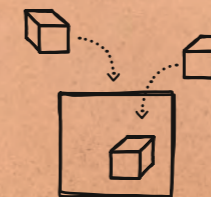
### DIVERSIFY



### EXTEND



### INVEST



### SUSTAIN



## DIVERSIFY

Diversifying what we do will result in growth in both domestic and international visitor numbers.

### Key Messaging

In order to make Great Lake Taupō an attractive destination to a wider range of market segments, key campaign messages will be diversified beyond our 'Nature's Ultimate Playground' catchphrase. We will focus on:

- Our beautiful landscapes and scenery and the ability to get up close to them without necessarily having to 'interact', ie. focus on soft adventure and passive activities
- Our strong and genuine cultural story, including the Mine Bay Māori Rock Carvings and the national birthplace of the haka



### Domestic

Domestic tourism is growing but there is competition for these visitors both within New Zealand and from long haul destinations. Whilst we are already a strong family destination, there is great potential for growth within other domestic markets throughout the North Island, specifically:

- Young professionals
- Couples
- Baby boomers
- New New Zealanders

### International

New Zealand is experiencing high growth in international arrivals and we need to ensure we are getting our fair share of this growth. Key growth markets include Australia, UK/Europe, the US, China and India. Our marketing approach will therefore be diversified to include:

- More aggressive marketing to the eastern seaboard of Australia through direct to consumer campaigns, greater activity with travel trade and partnering with Tourism New Zealand
- More marketing with the inbound travel trade to the US, UK/Europe, China and India
- Support new activities and infrastructure to meet the needs of new and emerging markets. This includes encouraging operators to invest in a more diverse range of activities, including soft adventure and passive activities



## EXTEND

Great Lake Taupō's biggest season is summer, which generates most of the year's tourism revenue.

Our objective is to create a thriving year-round tourism destination by filling capacity in quieter times and locations. We will:

- Lengthen the perceived summer season by targeting marketing activities at Oct/Nov and March/April
- Market the Great Lake Taupō region as a short break destination, particularly in times when we have capacity
- Significantly increase marketing activity in Australia as our key international market with the easiest reach and greatest potential for growth in arrivals across all seasons and visitor types
- Promote a winter holiday focus with links to ski, snow and après ski experiences, including supporting development of enhanced wet weather attractions
- Grow key international markets by increasing awareness of the destination through increased activity with the travel trade. Key markets are North America and UK/Europe
- Grow markets that are likely to travel outside of peak summer periods, like the Indian and Chinese markets
- Grow market share for Turangi through targeted and dedicated Turangi marketing campaigns, to spread visitation growth evenly across the district
- Encourage large scale events that are not summer-only



## INVEST

We will encourage and support new investment in product development.

Thoughtful, strategic and quality investment will significantly enhance attractions, increase the vibrancy of our towns and strengthen our market reach. New and enhanced product is key to providing reasons to visit at all times of the year and fill periods when there is capacity in the region, and to making sure our offerings are well suited to existing and future target markets. This means working with both existing operators and new investors to:

- Further develop revenue opportunities around existing attractions
- Link existing product
- Grow the number of operators promoted by international travel trade
- Create new product
  - Focus new product development on key gaps, including cultural product, wet weather attractions and soft adventure, to encourage new visitors, new flows and repeat visits from existing customers
  - Focus on the need for new product in Turangi
- Create large-scale attractions that help drive brand recognition





## SUSTAIN

Whilst this strategy is largely about growth and change, Great Lake Taupō is already a must-visit summer destination, particularly for families and international backpackers.

It is critical that we don't take our eye off these areas, as there is increasing competitiveness from other destinations for these markets.

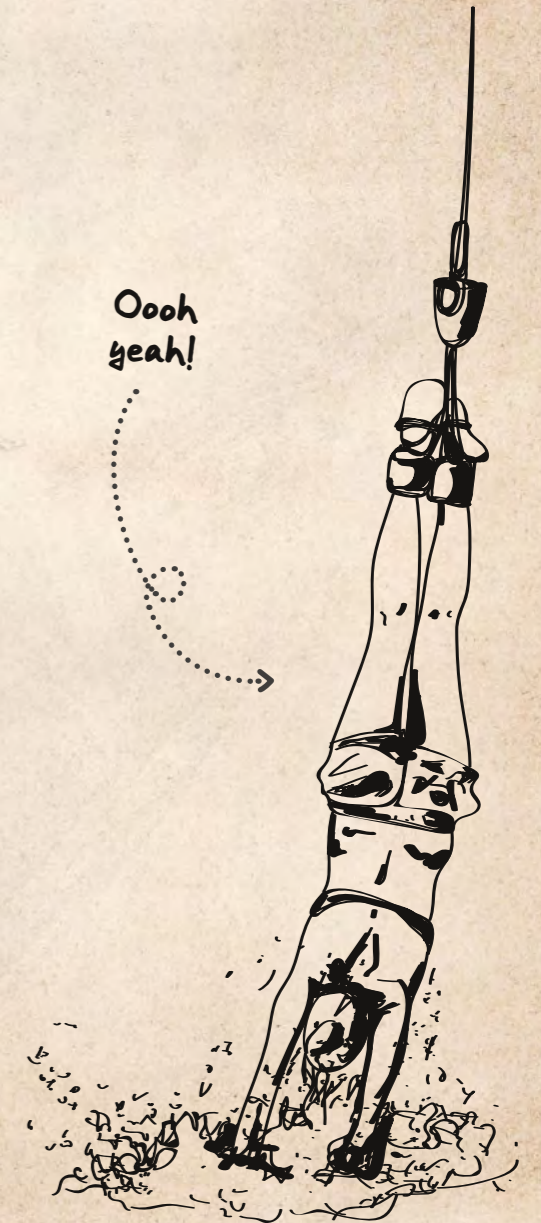
Given the aspiration for both rapid and significant growth in visitors, Great Lake Taupō as a destination must also be engineered to deal with the development challenges and opportunities that will arise. Whilst the growth trajectory is positive, it will also be important to ensure we continue to deliver a world class experience to increasing numbers of domestic and international tourists. We need to understand this growth pressure so our destination can function effectively under new demands. With good planning in place we will be a prepared, robust and resilient destination.

*"Our challenge is to increase the use of our tourism assets across the whole year. We must use all the levers in our arsenal. Taupō tourism, like many regions around New Zealand, has the capacity to contribute more strongly to the regional economy."*

- Ray Salter, Tourism 2025, Two Years On

### We will:

- ◆ Continue marketing efforts to hold and grow our market position with families and backpackers while recognising changing trends towards holiday home accommodation and freedom camping
- ◆ Collect high quality data and analyse it to help us understand our destination and identify when parts of it are experiencing pressure
- ◆ Support existing facilities and attractions to ensure our destination continues to deliver its current levels of service
- ◆ Advocate for development and works that will allow infrastructure to continue to support the expectations of visitors and industry operators
- ◆ Work with operators to ensure the region is equipped with staff with the skills and capability required to continue to deliver a quality visitor experience and meet visitors' expectations







# MEASURING SUCCESS

## Key Performance Indicators

Our vision is that Great Lake Taupō will be seen as *'the* North Island holiday destination'. When we have achieved this, tourism will become the absolute driving force of growth in the Great Lake Taupō economy.

We will track and measure our progress as follows:

### Performance Area

### Key Performance Indicators

Overall \$ Tourism Spend



Tourism spend increases from \$540M to \$800M by 2026 (a 4.8% increase year on year)

Employment



The number of direct full time equivalent tourism employees increases from 5,300 FTE's to 6,000 FTE's by 2026

Visitor Experience



Maintain a willingness to recommend score of 90%

# REVIEW

As we move forward, we will experience inevitable fluctuations in visitor numbers as we manage economic cycles, balance new projects with existing activities and make ourselves known in new and emerging markets.

An action plan and regular review periods will ensure we stay in control of our progress.

This 10 year plan will guide us through 2016-2026. The plan will be updated as required throughout this period alongside the Annual Business Plan to identify and budget for yearly action priorities. A full review will be carried out in 2019.





SITE

Visit us here

[www.GreatLakeTaupo.com](http://www.GreatLakeTaupo.com)



GREAT LAKE TAUPŌ