



7th UNWTO/PATA Tourism Forum

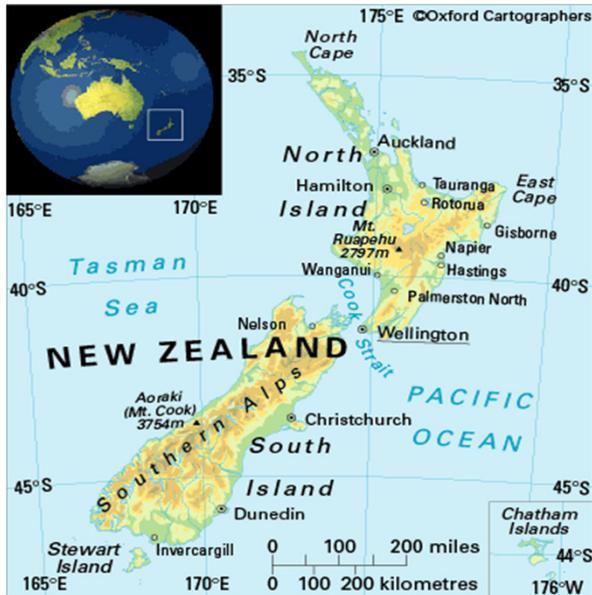
Innovation in SMEs in Tourism: The New Zealand Experience

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New Zealand

Small country, Big destination



Tourism SMEs

- The New Zealand tourism sector is dominated by a large number of SMEs (85%);
- Tourism SMEs have a big influence on tourists' experience;
- SMEs can represent a destination's character and offer personalised products to niche market;
- Tourism SMEs are valuable contributors to the social fabric of a community;
- They are important sources of innovation in an increasingly competitive industry.

Innovation in Tourism

- The evolution of innovative activities in New Zealand can be identified from both the public and private sector;
- The importance of an innovative sector was stated in the first **New Zealand Tourism Strategy** showing values and characteristics of the destination;
- The revised strategy for 2015 also linked the benefits for improving environmental performance to innovative business while highlighting the importance of introducing 'new, innovative products' (Ministry of Tourism, et al., 2007, p. 58).
- Statistics New Zealand's Business Operations Survey (2011) shows that the **tourism sector's innovation rate** of **54%** - slightly higher than the all sectors average of **46%**.

Innovation in Destination Marketing

- The New Zealand experience of innovation was reflected in the process of destination marketing;
- Before 1999, New Zealand as a country was marketed with multiple images for multiple markets.
- In North Asia (Taiwan, South Korea, Hong Kong and China), the marketing campaign was “**Let yourself go!**” to escape from urban life;
- In Japan was “**a New Discovery - the Fresh Face of the Southern Hemisphere**”;
- In USA – “**New Zealand Simply Remarkable**” and
- In Germany – “**The Most Beautiful End of the World**”.

100% Pure New Zealand

- From July 1999, the 100% Pure New Zealand campaign was developed with a strong and simple statement that embodies New Zealand characteristics as a people, a country and an experience.
- 100% Pure New Zealand campaign highlights special interest experiences – New Zealand is the youngest country
http://v.youku.com/v_show/id_XMzI1NTY50TI=.html
- New 100% Middle-earth (March 2013)
http://www.youtube.com/watch?v=RRA_eVAyH5c
- Take an exclusive journey through Middle-earth with the cast of The Hobbit: An Unexpected Journey.

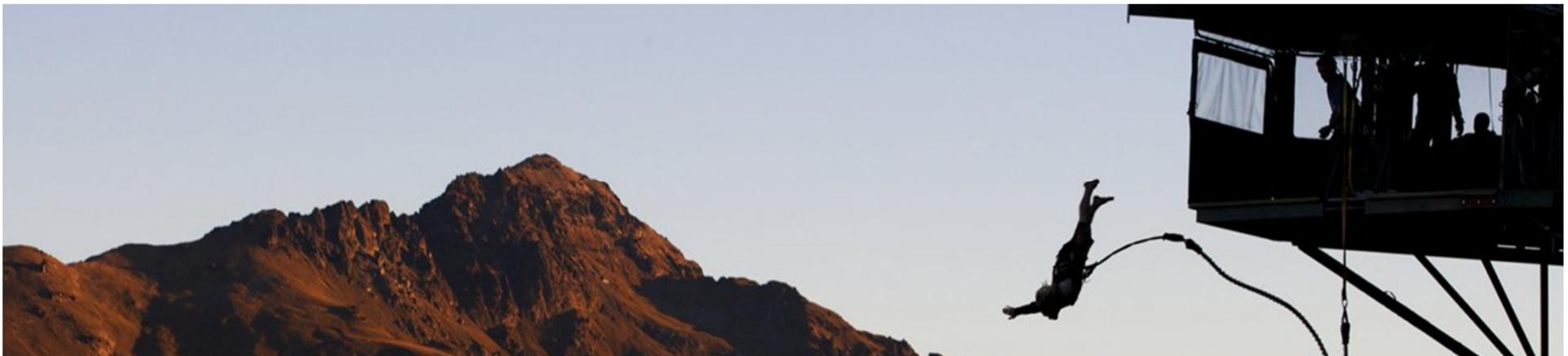
Product Innovation - Whale Watch Kaikoura

- It offers visitors an exciting up-close encounter with the Giant Sperm Whale;
- A guarantee of 80% refund if the visitor does not see a whale; Pacific Asia Travel Association Gold Award in Environment & Eco-Tourism Category (2011)
- Committed to providing a quality whale watching experience while carefully managing the use of a rare natural resource.



Tourism Product Innovation - Bungy

- Kiwi entrepreneur **A. J. Hackett** popularised the extreme sport of bungee jumping;
- He later expanded his company by founding bungy sites in Australia, France, Germany, The United States, Mexico, Indonesia, and Macau.
- AJ Hackett Bungy celebrates 25 years of bungy by November 2013. <http://www.bungy.co.nz/>



Product Innovation - Zorbing

- Zorbing is a unique Kiwi invention;
- It was originated in New Zealand in the 1990's as a novel invention by two Kiwis looking for a new adventure challenge;
- It is now a worldwide business with franchise agents in many countries.



Recent Development in Tourism Innovation

- **JUCY City Hop**, New Zealand's first and only environmentally friendly car-share business, the 2013 New Zealand international business awards winner for **Most Innovative Business Model**;
- **Tourism Growth Partnership (TGP)** - a government initiative to help drive strategic changes;
- Promoting innovation in the tourism value chain, and
- Gaining more from international visitors' spend and lifting the productivity of the tourism sector;
- **Qualmark and the Premier Kiwi Partnership (PKP)** programme to ensure the quality tourism product and experience for the Chinese visitors.

Final Remark

The experiences of New Zealand suggest that through innovation, small destinations are able to create strong destination brands and be positioned as niche players in the global tourism industry.