KANTAR

The role of sustainability in destination and operator choice

Key Findings

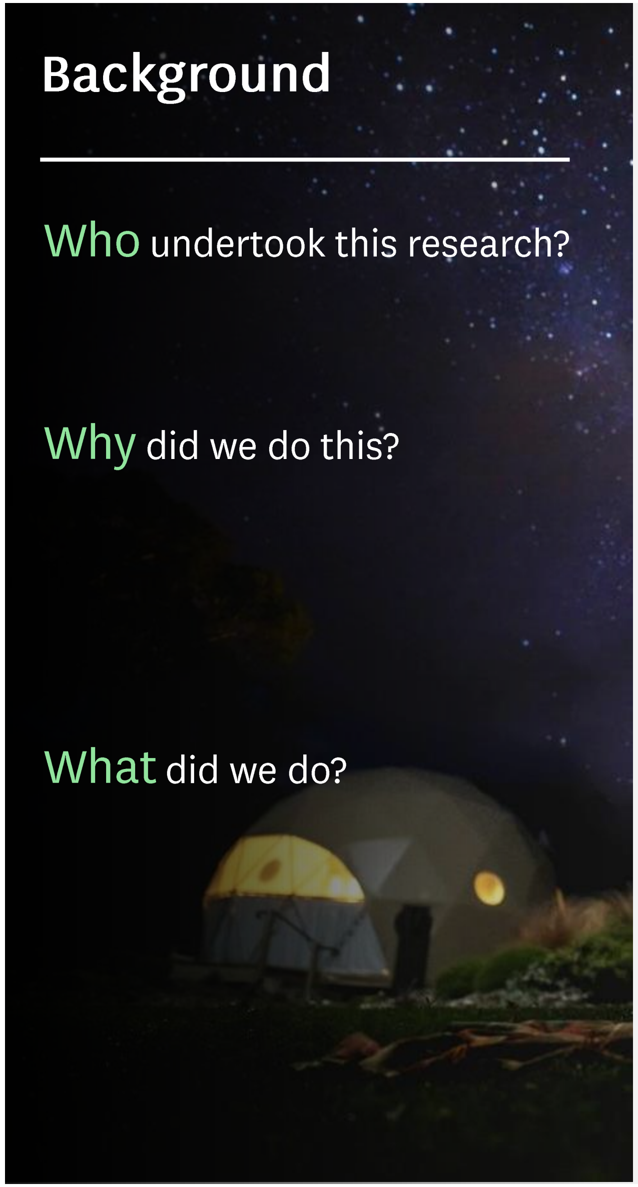
December 2023

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

NEW ZEALAND TOURISM

100% PURE NEW ZEALAND

Background



Who undertook this research?

Tourism New Zealand (TNZ) and the Ministry of Business, Innovation and Employment (MBIE) undertook research to better understand visitor perceptions of sustainability in relation to destination holidays and operator choice.

Why did we do this?

This activity supports both TNZ’s work to promote New Zealand as a visitor destination to maximise the long-term benefit of New Zealand, and MBIE’s work in support of lifting the sustainability of the tourism sector, including becoming champions for climate and biodiversity protection.

More broadly, this work represents a desire from the tourism industry to transition to a system that gives back more than it takes – a sustainable tourism system.

What did we do?

The research had two main streams:

1. Commissioned and managed by TNZ - focused on understanding the role of sustainability on destination choice, and traveller needs around sustainable and regenerative tourism.
2. Commissioned by MBIE and managed by TNZ - focused primarily on environmental sustainability in tourism purchasing.

Sample and Target audience

Phase	TNZ "Project Whā" - Sustainability and its role in holiday visitation	MBIE "Path to Purchase" - Role of sustainability in operator and purchase choice
Exploratory Qual	Five 2-hour focus groups in the United States of America, Australia, United Kingdom, China, Japan, Germany, India and four groups in New Zealand. n < 30 per market; total n < 240	2 x hour focus group discussions across 8 markets as part of the 5 groups in Project Whā - the United States of America, Australia, United Kingdom, China, Japan, Germany, India and New Zealand.
Quantitative sizing and validation	15-minute survey 7 markets - Australia (AU), USA (US), United Kingdom (UK), Germany (DE), China (CH), Japan (JP), India (IN) n = 700 per market; total n = 4900	10-minute consumer survey 8 markets - Australia (AU), USA (US), United Kingdom (UK), Germany (DE), China (CH), Japan (JP), India (IN) and New Zealand n < 450 per market; total n = 3600

The Active Considerer definition applied to this research is consistent with the definition used in all other TNZ research. To be defined as an Active Considerer the respondent needs to find New Zealand highly appealing, strongly consider it, have New Zealand a strongly preferred destinations to visit next and meet a minimum intended spend criterion

Important note on comparing results between markets

In multi-market research, we need to be careful when comparing results between markets due to potential cultural response bias. Cultural response bias is the effect of respondents from different cultures answering questions in different ways for quantitative research.

We know that it is common in some cultures to be more neutral when responding to questions, while in other cultures there is a tendency to agree with what is being asked in the survey. Specifically, for the markets we covered in this research, we need to be mindful that:

- In China and India, there is a higher tendency to overclaim, to provide more positive responses, and to agree with what is being asked in the survey (acquiescence bias). This is driven by underlying cultural traits such as being a non-confrontational society, wanting to please, wanting to avoid conflict, and "saving face.“
- In Japan, respondents have a tendency towards neutrality and using mid-response on rating scales (middling bias) and often also tendency to disagree with what is being asked.

Cultural response biases in surveys are not an issue specific to our research, but it is an issue that we (and other research agencies) observe across all projects. For this reason, we need to exercise caution when comparing results between markets. For markets like China and India, it is also recommended to look at the results in relative terms (such as ranking of the results) rather than the absolute numbers.

Sustainability and its role in holiday visitation

Key learnings

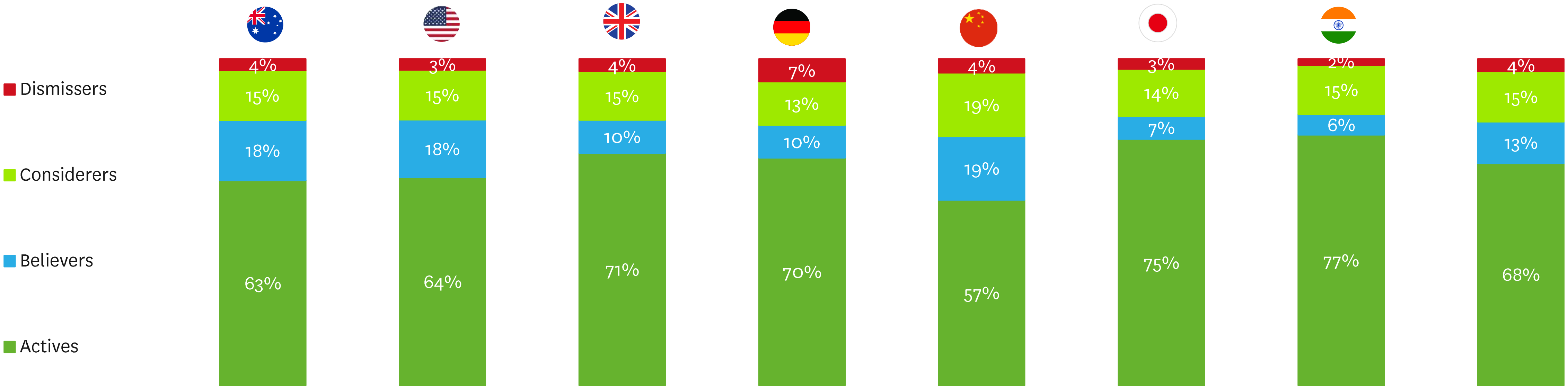
- Audience Opportunity
- Motivations and Barriers, Meaning and behaviours
- New Zealand as a sustainable holiday
- Communications guardrails

Sustainability and its role in holiday visitation – Key Findings

- Our addressable audiences are highly sustainably minded compared to the general population. 81% of people 'actively considering' a trip to New Zealand have strong sustainability beliefs compared with 52% of the general population. This presents an opportunity to develop and deliver a sustainability proposition for travellers considering New Zealand, as there is demand for it.
- Travellers generally choose destinations that fulfil their emotional and practical needs of a holiday, where the main holiday needs include a desire to rejuvenate, escape the everyday, experience something different and participate in various experiences. Sustainability is a bonus consideration.
As a result, sustainability credentials present the opportunity to stand apart as a destination (i.e. make us more unique), and further differentiate.
- There is agreement that sustainability represents the future of travel and that pursuing it is both inevitable and the 'right thing to do'. Across the markets surveyed, 85% of holiday travellers express a strong intent to increase efforts to travel more sustainably in the future. There is an opportunity for New Zealand to be proactively thinking about how to increase the sustainability of its tourism offering and communicate that sustainability potential to visitors.
- Globally, sustainable travel options and traveller uptake of these is growing fast – there has been a significant jump in the uptake of more sustainable choices. For instance, compared to 10 years ago travellers are now 3 times more likely to choose an operator/business that has been sustainably accredited and to offset carbon emissions where possible through their traveller journey. There are opportunities to drive sustainable behaviour by addressing key frictions.
- Key barriers to the uptake of sustainable choices are higher cost perceptions, a lack of information, limited options, and the perceived inconvenience of behaving sustainably on a holiday.
- The most common understanding of sustainable tourism at present is related to nature and the natural world. This association is a strength for New Zealand, which is seen as unspoiled and pristine among visitors, caring for its natural environment and having a sense of cultural integrity (particularly with respect to indigenous culture) required of sustainable destinations. We are in a strong position to amplify our efforts in this space.
- There is an opportunity to leverage the experiences and scenery for which New Zealand is known and further differentiate in the sustainable travel space via our eco-friendly activities, opportunity to immerse with culture and heritage, high quality locally sourced and sustainably produced food, and our conservation efforts. Delivering to these needs primarily, will be naturally aligned with enhancing New Zealand's sustainability credentials.
- The communication of sustainability messages needs to ensure they link to travellers' main holiday needs and aspirations - the desire to rejuvenate, escape the everyday, experience something different, and participate in a range of experiences. These messages also need to be coherent with our overall New Zealand brand positioning and deliver to travellers' associations of New Zealand as a destination with amazing landscapes, authentic and unique culture, genuine, friendly and welcoming people.

The audience TNZ targets is highly sustainably minded

Sustainability segments distribution across markets among ACs



	AU	US	UK	DE	CH	JP	IN	Average
Actives and Believers combined	81%	82%	81%	80%	76%	82%	83%	81%

General population (Kantar Barometer 2023):

Actives	33%	33%	33%	31%	26%	30%	33%	31%
Believers	20%	22%	21%	22%	20%	19%	22%	21%
(combined)	53%	53%	53%	53%	46%	49%	55%	52%

Base: AC's n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503, Average 3504

Consumers still mainly choose holiday destinations based on the need for relaxation, new experiences, discovery, and adventure

Emotive needs from a holiday by market (% ACs)

Consumers in China and Japan have stronger need for freedom and spontaneity while less need for adventures, compared to other markets

	AU	US	UK	DE	CH	JP	IN	Average
To unwind and rejuvenate	51%	44%	51%	51%	56%	63%	57%	53%
To expand my horizon	48%	55%	53%	57%	63%	38%	58%	53%
To go on an adventure and have new experiences	61%	62%	57%	55%	39%	33%	63%	53%
To do activities that bring joy and happiness	50%	46%	45%	44%	51%	36%	60%	48%
To escape the everyday routine	56%	53%	54%	35%	28%	38%	52%	45%
To have a sense of freedom and be spontaneous	33%	34%	36%	44%	63%	43%	48%	43%
To engage in personal growth and self-discovery	28%	38%	30%	26%	46%	19%	56%	35%
To reconnect with people and create memories together	28%	24%	30%	19%	24%	40%	45%	30%
To revisit beloved places or create nostalgia	22%	18%	15%	18%	22%	26%	41%	23%
To make a positive impact on the environment and local communities	14%	13%	17%	19%	27%	14%	41%	21%

Weakest need 🟥 🟥 🟩 🟩 *Strongest need*

Heat map shading is across columns, i.e. compares within the market

Base: n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503; Average 3504
Q: Thinking of going on an international holiday, what are your main reasons for going on a holiday?

Sustainability can be a bonus, a differentiator once underlying needs are met

Functional needs from a holiday by market (% ACs)

	AU	US	UK	DE	CH	JP	IN	Average
Natural landscape	55%	55%	56%	58%	58%	54%	55%	56%
Local food, culinary experiences	47%	49%	40%	43%	52%	58%	38%	47%
Safety (e.g., low crime rates, safe to travel alone or at night)	41%	46%	38%	38%	51%	45%	43%	43%
Cultural attractions, historical landmarks, museums, etc.	46%	44%	44%	43%	38%	37%	44%	42%
Weather / climate of the destination	44%	43%	52%	39%	36%	31%	43%	41%
Affordability	57%	52%	41%	27%	25%	32%	42%	40%
Ease of travel / convenience	41%	35%	37%	24%	38%	35%	42%	36%
Wildlife experiences	37%	33%	40%	39%	27%	23%	41%	34%
Opportunities to immerse in local culture	34%	33%	32%	36%	30%	21%	29%	31%
Good travel infrastructure	28%	23%	24%	23%	39%	30%	44%	30%
Outdoor activities	25%	32%	24%	28%	14%	20%	34%	25%
Bustling city / vibrant urban experience	19%	18%	24%	22%	29%	26%	28%	24%
Relaxation and wellness experiences	26%	31%	23%	16%	13%	9%	32%	22%
Luxury accommodation and services	21%	24%	22%	10%	18%	16%	27%	20%
Responsible travelling that minimizes environmental impact	13%	16%	16%	15%	32%	8%	31%	19%
Festivals and events held at the destination	19%	24%	13%	10%	17%	9%	27%	17%
Local wineries, breweries, and distilleries	17%	18%	15%	16%	14%	14%	23%	17%

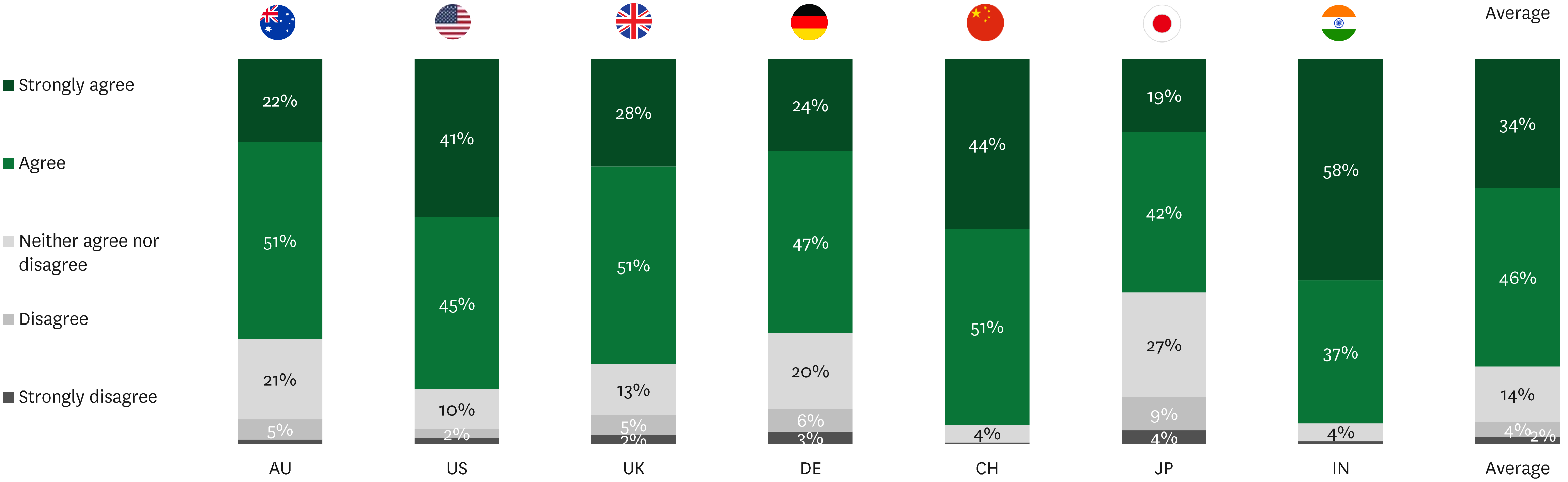
Weakest need 🟥🟥🟩🟩 *Strongest need*

Heat map shading is across columns, i.e. compares within the market

Base: n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503; Average 3504
Q: When planning an international holiday, what are the key factors that you consider in your choice of holiday destination?
Please select up to 7 most important factors you consider

Currently, most consumers are receptive to the concept of sustainable travel…

Agreement with the statement: ‘I am willing to invest my time and money to make sustainable choices when travelling’ (% ACs)

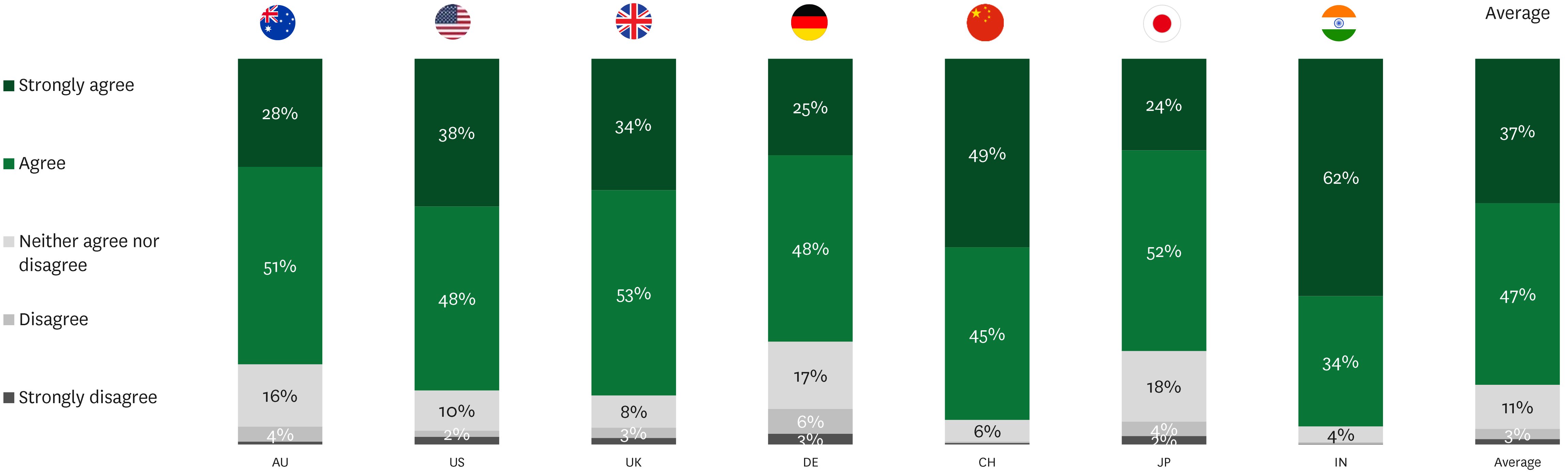


	AU	US	UK	DE	CH	JP	IN	Average
Top 2 Boxes	**73%**	**86%**	**79%**	**71%**	**95%**	**61%**	**95%**	**80%**

Base: ACs n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503
Q: To what extent do you agree or disagree with these statements, in the context of taking an international holiday?

…And it is likely to play a bigger role in the future across all markets

Agreement with the statement "In the future, I believe I will have to increase my efforts to travel in a more sustainable way" (% ACs)



Top 2 Boxes	79%	86%	87%	73%	94%	76%	95%	85%

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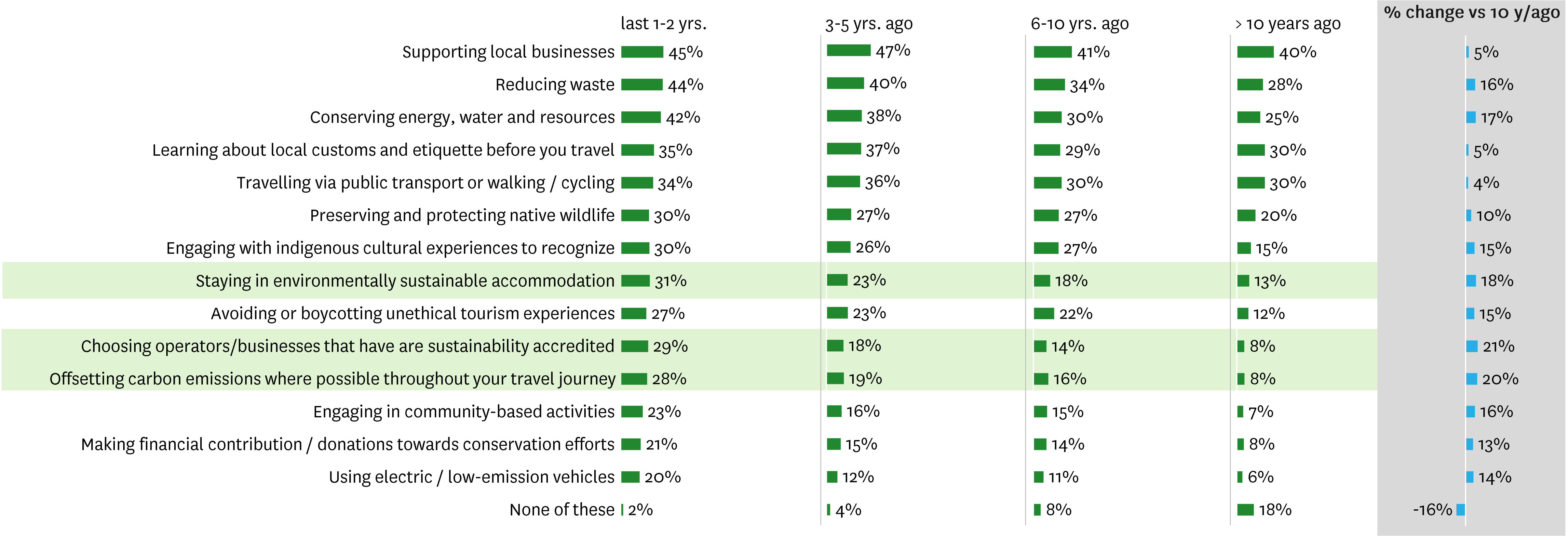
Base: ACs n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503; Average 3504
Q: To what extent do you agree or disagree with these statements, in the context of taking an international holiday?

The rate of behavioural change in this space has been rapid…

Actions and travel choices made during the last significant international holiday (by timing of the last significant holiday)



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Q: And thinking about your last significant international holiday, which of these travel choices did you make on that trip?
Q: When was your last significant international holiday?
Base: Last 1-2 years 2337; 3-5 years 1469; 6-10 years 482; More than 10 years ago 615 ; based on simple unweighted average across all markets

…but there are barriers to overcome

The key barriers are higher cost perceptions, lack of information, limited options, and inconvenience

Barriers that prevent travelling sustainably for an international holiday (% ACs)

	AU	US	UK	DE	CH	JP	IN
Sustainable travel options are more **expensive**	39%	27%	35%	31%	27%	32%	35%
It is **hard to identify** whether tourism operators / businesses operate sustainably	32%	24%	31%	29%	29%	26%	37%
Destinations **lack sustainable infrastructure**	24%	22%	25%	25%	38%	19%	47%
Sustainable travel options are more **time consuming** and **less convenient**	23%	25%	26%	21%	33%	21%	41%
Quality and **comfort** are a higher priority for me when taking an international	18%	20%	19%	17%	26%	25%	35%
I'm **not** sure if the sustainable claims made are **trustworthy**	26%	18%	23%	25%	14%	23%	26%
Not many people around me are making sustainable travel choices	19%	19%	18%	18%	19%	17%	33%
I don't have much information on how to travel sustainably	26%	19%	20%	18%	21%	17%	19%
It is **too much of an effort** to practice sustainability when on a holiday	15%	14%	11%	14%	25%	14%	34%
Don't see the impact of the sustainable choices I make when I am on holiday	10%	12%	13%	19%	25%	18%	21%
Even when I'm not travelling, I don't have a habit of practicing sustainability	10%	14%	10%	10%	14%	13%	27%
I **don't** think sustainable choices **offer better experiences**	11%	8%	9%	12%	20%	11%	18%

Weakest barrier 🟥 🟥 🟩 🟩 *Strongest barrier*

Heat map shading is across columns, i.e. compares within the market

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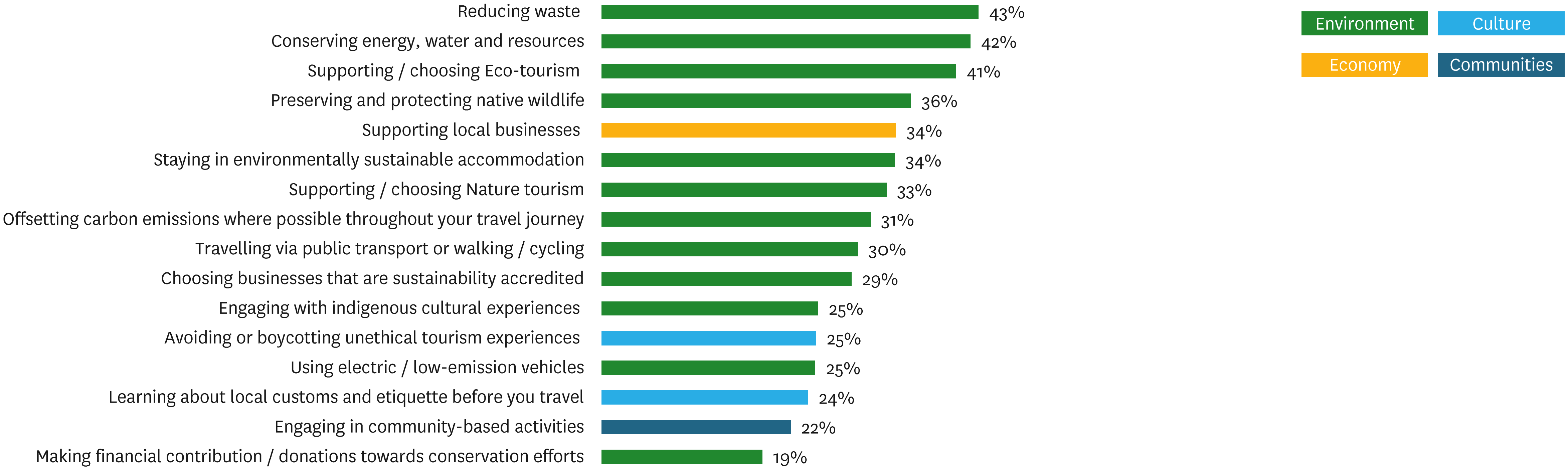
Base: ACs n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503
Q: What would be the most compelling reasons or motivating factors for you to make sustainable choices on your next international holiday?

Sustainable travel is currently understood through the lens of environment

Meaning of ‘sustainable travel’ in an international holiday context, total by market – ACs



Based on a simple unweighted average across all markets – ACs and AC Actives
Q: Thinking about taking international holidays, what does it mean to you to 'travel sustainably'?

This understanding of sustainable travel is generally consistent across markets

Meaning of ‘sustainable travel’ in an international holiday context (% ACs)

	AU	US	UK	DE	CH	JP	IN	Average
Reducing waste	47%	40%	40%	44%	47%	40%	44%	43%
Conserving energy, water and resources	39%	41%	40%	46%	53%	30%	48%	42%
Supporting / choosing Eco-tourism	33%	38%	38%	35%	59%	31%	51%	41%
Preserving and protecting native wildlife	39%	32%	36%	44%	33%	28%	37%	36%
Supporting local businesses	39%	31%	32%	36%	28%	29%	41%	34%
Staying in environmentally sustainable accommodation	35%	31%	36%	28%	35%	27%	44%	34%
Supporting / choosing Nature tourism	28%	28%	26%	29%	40%	28%	49%	33%
Offsetting carbon emissions throughout your travel journey	30%	27%	32%	29%	37%	21%	40%	31%
Travelling via public transport or walking / cycling	33%	25%	35%	18%	28%	28%	39%	30%
Choosing businesses that are sustainability accredited	26%	21%	26%	22%	45%	24%	37%	29%
Engaging with indigenous cultural experiences	22%	24%	22%	27%	24%	15%	39%	25%
Avoiding or boycotting unethical tourism experiences	25%	17%	23%	27%	32%	14%	33%	25%
Using electric / low-emission vehicles	22%	22%	24%	21%	26%	24%	34%	25%
Learning about local customs and etiquette before you travel	25%	25%	20%	19%	23%	21%	33%	24%
Engaging in community-based activities	20%	21%	21%	18%	24%	10%	37%	22%
Financial contribution / donations towards conservation efforts	16%	16%	16%	12%	17%	21%	31%	19%

Less mentions 🟥🟥🟩🟩 *Most mentions*

Heat map shading is across columns, i.e. compares within the market

Base: ACs n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503; Average 3504

Q: Thinking about taking international holidays, what does it mean to you to 'travel sustainably'?

New Zealand is spontaneously mentioned as a sustainable travel destination in all markets

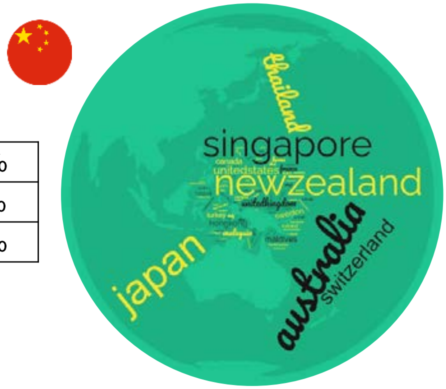
Destinations that come to mind when you think about sustainable travel (unprompted)

NZ	14%
JP	4%
AU	3%

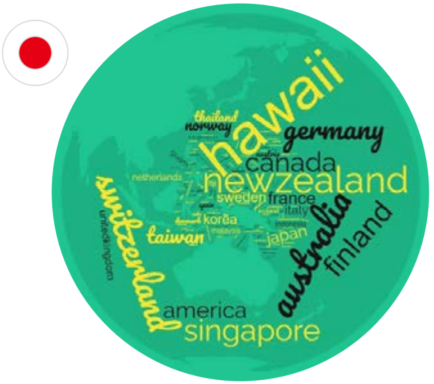
NZ	7%
AU	6%
JP	4%

NZ	10%
AU	7%
Spain	4%

NZ	6%
Sweden	5%
DE	4%



NZ	18%
AU	8%
JP	6%



NZ	15%
AU	12%
Hawaii	5%

NZ	10%
AU	9%
SG	5%

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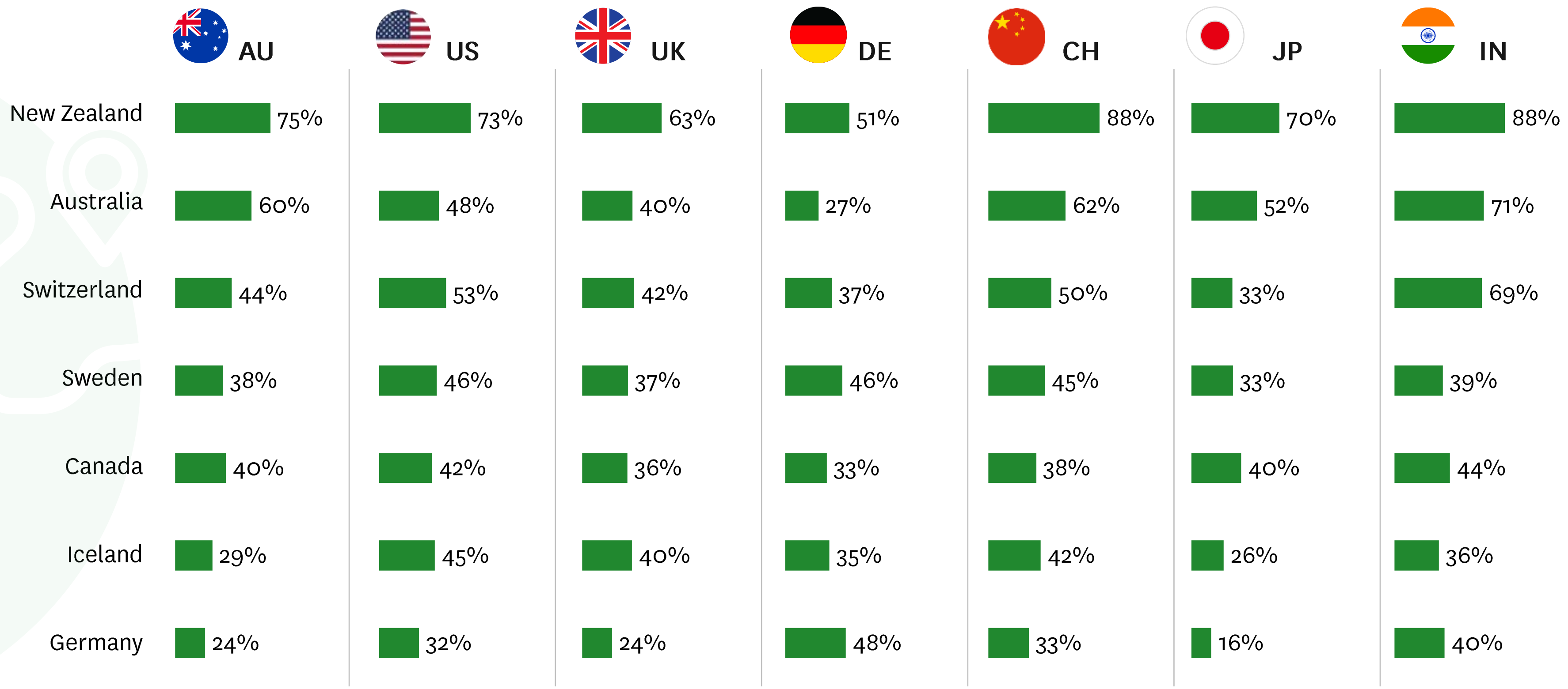
New Zealand seen as a leading sustainable holiday destination among our target audience

Top 7 countries that are considered as being a sustainable holiday destination (% ACs, prompted)



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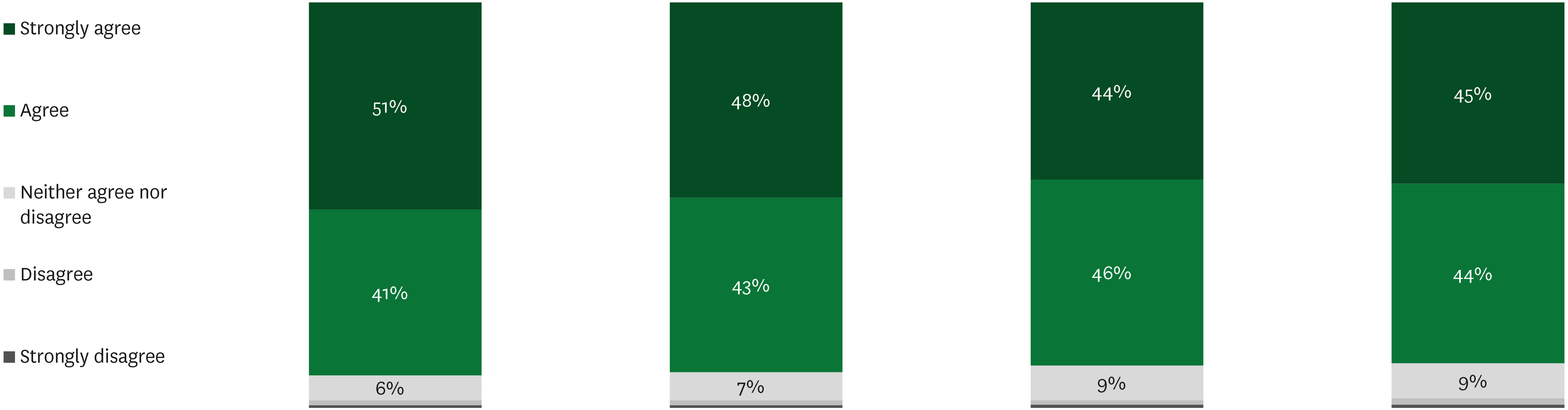
Base: Active Considerer n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503
Q: Which of these countries do you consider as being a sustainable holiday destination?

There are very strong perceptions that New Zealand actively supports sustainable tourism

Agreement with statements that New Zealand... (ACs)

Perceptions are consistently strong across all markets



	Actively seeks to protect the environment and conserve nature, wildlife and landscapes'	Shows care and respect for indigenous cultures and communities	Actively supports local businesses and communities in the tourism sector to drive local economic growth	Actively seeks to enrich the social wellbeing of its people
Top 2 Boxes	92%	91%	90%	89%

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Simple unweighted average across all markets – ACs only
Q: Thinking about New Zealand as a sustainable holiday destination, to what extent do you agree or disagree with these statements?

Nature is a strength for NZ, which is associated with having unspoiled environments, authentic cultural experiences and high quality food/ beverage options, and meaningful conservation efforts

Perceptions of New Zealand as holiday destinations by market (% ACs)

	AU	US	UK	DE	CH	JP	IN	Average
Has beautiful and unspoiled natural landscapes	80%	71%	72%	69%	66%	76%	71%	72%
Offers many eco-friendly activities	78%	68%	68%	61%	64%	66%	71%	68%
Offers opportunities to engage and immerse with culture and heritage	73%	63%	65%	58%	60%	62%	70%	64%
Takes meaningful actions to protect the environment	66%	64%	63%	52%	62%	60%	70%	63%
Offers a great range of locally-sourced and sustainably-produced food and drink options	69%	61%	62%	47%	63%	52%	71%	61%
Supports local businesses (locally-owned hotels, tour operators, community-based tourism that involve local communities	64%	60%	62%	49%	62%	51%	69%	60%
Provides many choices for environmentally sustainable accommodation	62%	61%	56%	48%	60%	52%	71%	59%
Offers sustainable transportation options and infrastructure	54%	60%	53%	39%	58%	49%	68%	55%
Is responsible for having effective waste management systems in place	56%	57%	52%	46%	58%	40%	69%	54%
Has an easy system in place to identify operators / businesses that operate sustainably	53%	56%	49%	37%	59%	47%	64%	52%

Weakest 🟥 🟥 🟩 🟩 *Strongest*

Heat map shading is across columns, i.e. compares within the market

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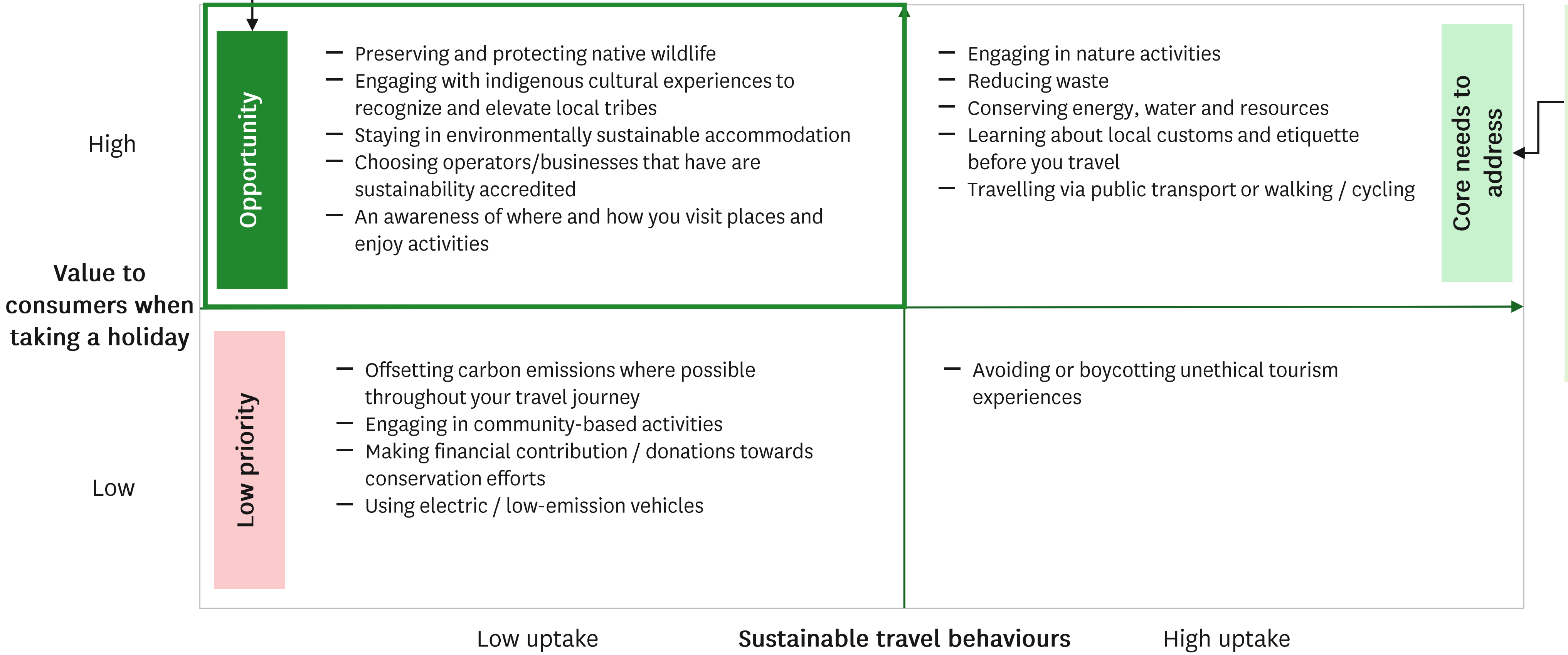
Base: ACs n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503, Average 3504
Q: Which of these holiday destinations do you associate with..? Select all that apply.

There is an opportunity to enhance the appeal of New Zealand with a sustainable holiday offer

This is the sustainable holiday most ACs are aspiring to, but not yet fully participating in - delivering in this space is both aspirational for and meets the needs of most ACs



Value to consumers when taking a holiday

High

Opportunity

- Preserving and protecting native wildlife
- Engaging with indigenous cultural experiences to recognize and elevate local tribes
- Staying in environmentally sustainable accommodation
- Choosing operators/businesses that have are sustainability accredited
- An awareness of where and how you visit places and enjoy activities

- Engaging in nature activities
- Reducing waste
- Conserving energy, water and resources
- Learning about local customs and etiquette before you travel
- Travelling via public transport or walking / cycling

Core needs to address

Low

Low priority

- Offsetting carbon emissions where possible throughout your travel journey
- Engaging in community-based activities
- Making financial contribution / donations towards conservation efforts
- Using electric / low-emission vehicles

- Avoiding or boycotting unethical tourism experiences

Low uptake **Sustainable travel behaviours** High uptake

This is the basics / hygiene needs of the sustainable travel that New Zealand needs to be delivering to – these are the things that consumers already do at home, and expect of themselves to do while on holiday

Based on quantitative and qualitative research; Q: And thinking about your last significant international holiday, which of these travel choices did you make on that trip?; Thinking about these actions, how important do you believe they are when you're taking an international holiday? Simple unweighted averages across the markets

In summary - to deliver to the sustainable holiday space, there are two jobs to be done

TNZ's 2030 Aspiration: All visitors are high quality visitors and lead to a more productive and regenerative Aotearoa New Zealand.

STRATEGIC BRAND (TNZ)

Job 1:

Crafting a **sustainable brand narrative** that:

a. drives top of mind awareness and appeal of sustainable leisure travel **now**

b. **future-proofs** New Zealand's sustainability leadership

c. **is coherent** with the overall New Zealand brand positioning

d. Is authentic to who we are and delivers to the needs of travel

+

TACTICAL EXECUTION (TNZ + INDUSTRY)

Job 2:

Supporting the sustainable brand narrative:

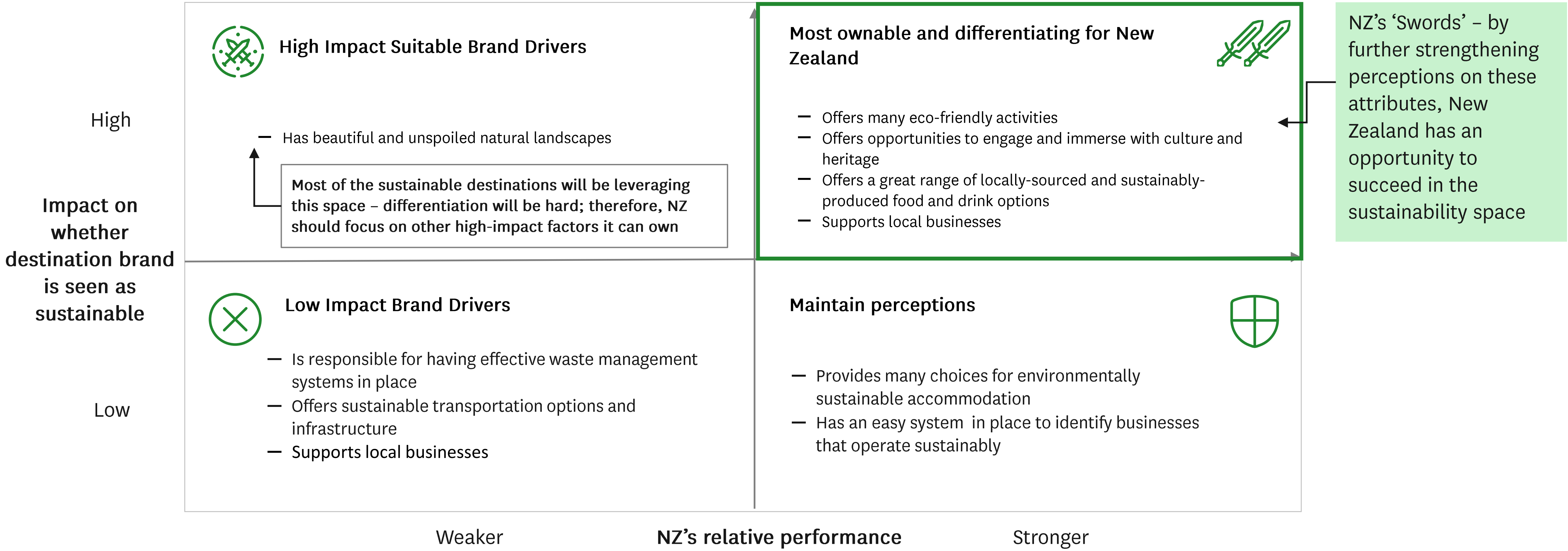
a. ensure a sufficient number of **credible hero product offers** that meet the Sustainable Holiday definition

b. address the priority **barriers** to sustainable travel through out path-to-purchase

c. make it **easy**, **meaningful** & **rewarding** for consumers to choose New Zealand and make sustainable choices once here

Job 1: crafting a sustainable brand narrative

Both the motivation to holiday sustainably and the specific, functional offer must be positively linked to what is already great about New Zealand



Impact on whether destination brand is seen as sustainable

High

Low

NZ's relative performance

Weaker

Stronger

High Impact Suitable Brand Drivers

- Has beautiful and unspoiled natural landscapes

Most of the sustainable destinations will be leveraging this space – differentiation will be hard; therefore, NZ should focus on other high-impact factors it can own

Most ownable and differentiating for New Zealand

- Offers many eco-friendly activities
- Offers opportunities to engage and immerse with culture and heritage
- Offers a great range of locally-sourced and sustainably-produced food and drink options
- Supports local businesses

NZ's 'Swords' – by further strengthening perceptions on these attributes, New Zealand has an opportunity to succeed in the sustainability space

Low Impact Brand Drivers

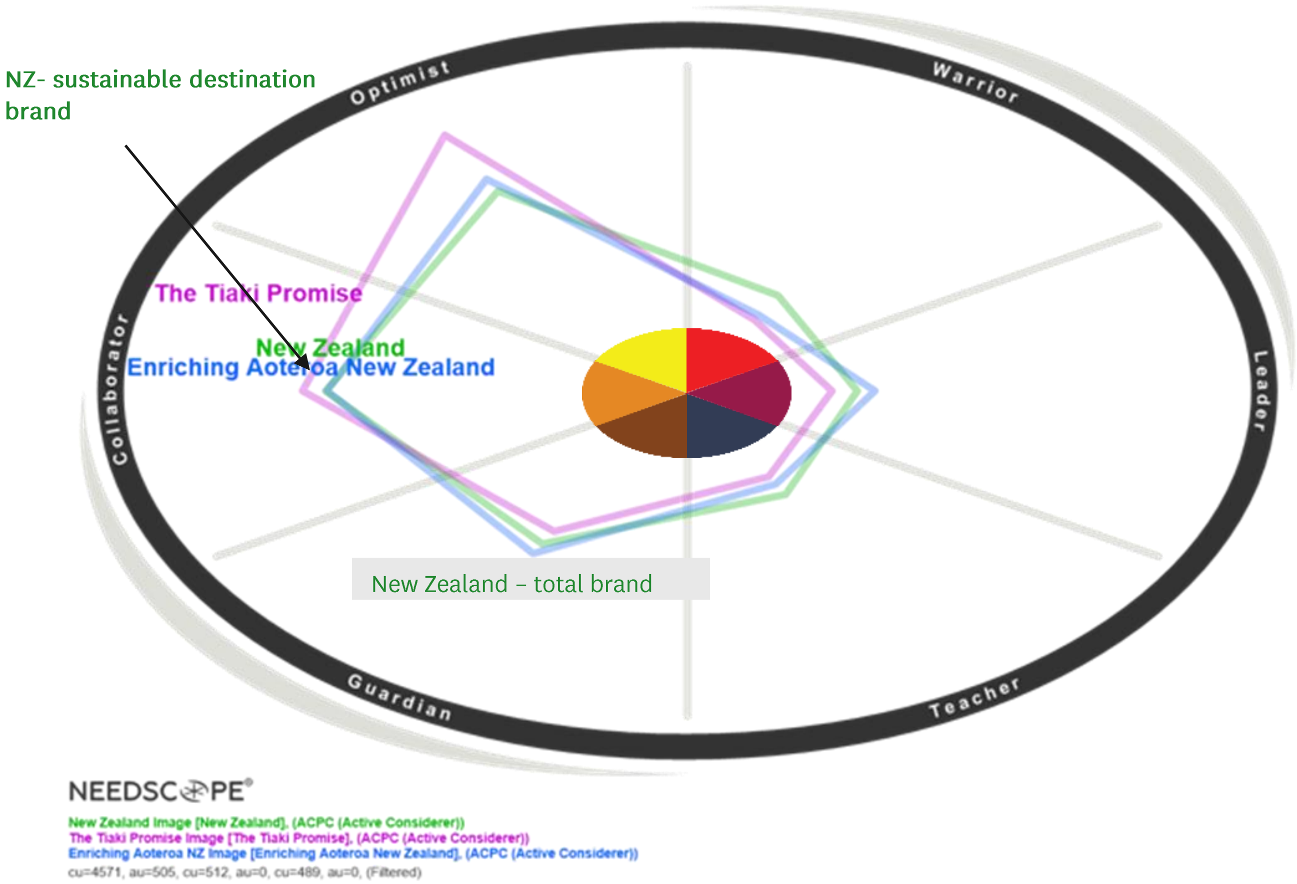
- Is responsible for having effective waste management systems in place
- Offers sustainable transportation options and infrastructure
- Supports local businesses

Maintain perceptions

- Provides many choices for environmentally sustainable accommodation
- Has an easy system in place to identify businesses that operate sustainably

Job 1: Guardrails for crafting a sustainable brand narrative

Important to ensure that sustainability is built into emotional storytelling in such way that supports its destination brand positioning



NZ- sustainable destination brand

New Zealand – total brand

- In previous brand positioning work, we looked at brands through a travel lens. In doing so, New Zealand was all about our care for people and place- pristine, clean, friendly people, welcoming, safe communities, etc. As such, its brand position is in between the Guardian space, pulling towards the Collaborator
- In this project, we had a sustainability lens, where our destination footprint as a sustainable destination is slightly different to the destination brand. The overall destination brand positioning and sustainable brand positioning are not at odds – the Collaborator space and the Guardian space are quite similar in their expression (affiliative), **but more could be done to execute sustainability through our distinct destination identity.**
- To ensure that sustainability messages support the existing brand positioning, the tonality and emotion of the sustainable messages need to follow these principles:
  - **Authentic and genuine** - It is not about big gestures, but making meaningful differences in small ways.
  - **Humble and nurturing** - Sustainability is about making **modest** changes and adopting a **real** and authentic approach (avoiding Confident & Bold tonality).
  - Getting back to **basics**, living sustainably, and **caring** for our environment in our everyday life.
  - Sustainability is making **thoughtful** and personal choices; taking the time to make a difference starts at home

Job 2: Tactical reduction in barriers along path to purchase

Sustainable travel often perceived as a compromise rather than an inspiration

Anything requiring consumers to do even a small amount of work is likely to be unsuccessful unless there is a clear benefit

Therefore, we need to make sure we are offering something meaningful to consumers to enable them to make the right choice

Easy

Remove the FRICTIONS:

- Provide more information and transparency
- Leverage certifications to build trust
- Provide more options
- Make it convenient
- Show me how – proactively drive actions to address habitual behaviours
- Drive advocacy – reviews are hugely important but are lacking

Meaningful

Motivate to FUEL the change:

- Make sustainable travel reflect what is important to consumers
- Link sustainability with authentic and meaningful experiences
- Dispels myths that sustainable travel is a compromise in quality comfort, value
- Sustainable travel is a good thing to do
- Show the impact of traveller choices
- Assure traveller it is trustworthy
- Offer better value (experience)

Rewarding

To cement the new behaviour:

- Offer better value (not price)
- Reassure about quality
- Showcase people undertaking these practices – more people doing this
- Make it a habit
- Drive advocacy

Role of sustainability in operator and purchase choice

Key learnings

- Sustainability's role in the path to purchase
- Influence of information sources
- Paying a premium
- Greenwashing concerns
- Accreditation and certification.

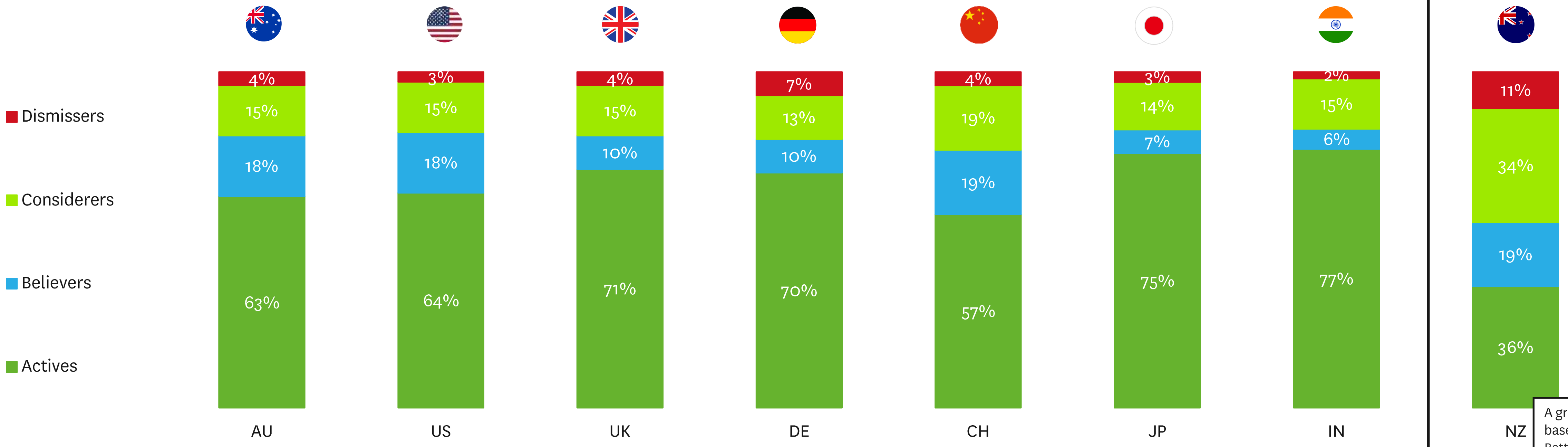
Role of sustainability in operator and purchase choice – Key findings

- While sustainability is not the primary driver of holidays or tourism purchasing for most visitors, if an operator can demonstrate sustainable credentials or practices in a way that is meaningful to consumers, this can be an effective differentiator from other operators.
- To leverage their sustainability credentials, operators must address consumer frictions/barriers with sustainable travel A key negative bias to overcome is that sustainable behaviours are viewed as a part of everyday life and behaving so on holiday can be 'work', where a holiday represents an escape from everyday chores.
- Given that sustainability can often be perceived as a compromise, operator propositions need to ensure there is a clear benefit, where we are offering something meaningful to consumers to enable them to make the right choice – sustainability needs to be seen as enhancing their experiences/holidays, and not as a compromise in quality, value, comfort, etc.
- Consumers are willing to pay a reasonable premium for sustainability credentials, where they are linked to enhancing experiences or making the holiday better in some way. This presents an opportunity for operators that have verified sustainability practices in place to charge a premium, however this needs to be strategically and meaningfully communicated to visitors and be shown to enhance their experience.
- 90% of international holiday travellers say they are willing to pay a premium for sustainable tours and activities, and 73% of domestic New Zealand travellers are willing to do the same. Similarly, 90% of international holiday travellers say they are willing to pay a premium for sustainable accommodation, compared to 69% of New Zealand holiday travellers. There is less of an opportunity to charge a premium for common 'everyday' practices such as recycling, implementing water saving procedures, and waste management as these are expected and are not perceived to tangibly enhance a visitor experience.
- Certification can signal trustworthiness and can positively influence decisions. This can be an easy way for consumers to identify sustainable tourism providers, where consumers gain confidence in choosing a provider with proven credentials. Chinese consumers are more likely to say they use certifications to make purchasing decisions that can be trusted and avoid greenwashing. US and European markets are more likely to view schemes as a 'bonus' point of difference between operators.
- Certification schemes aren't widely known yet, with 86% of respondents not aware of any. This makes it challenging to differentiate between schemes and what they represent. This shows there is room to leverage accreditation schemes to have a bigger impact as sustainable travel demand increases.
- Sustainable certifications are important, but the main levers of credibility are transparent information and advocacy from other customers, including official information from Government websites. This tells us that reviews are highly influential and trusted throughout all stages of the travel path to purchase. However, the absence of operator product/experience reviews is a significant barrier when it comes to selecting a sustainable operator.
- The insights indicated that within operator propositions, the energy and tone needs to reflect the desires of someone's holiday experience – positive and uplifting.

Globally, New Zealand considerers are more strongly sustainability-minded vs. population as a whole, and about half of our domestic audience express strong sustainability beliefs

Sustainability segments distribution across markets

Important to note the difference in sample composition: international market results are among Active Considerers, those who are more predisposed to NZ, while NZ results are among the general population



A growing segment based on Kantar's Better Futures study

General population (Kantar Barometer 2023, Better Futures 2023):

Actives	33%	33%	33%	31%	26%	30%	33%	35%
Believers	20%	22%	21%	22%	20%	19%	22%	22%

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Base: AC's n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503 – Project WHA data; NZ 450

There are four stages along the path-to-purchase for holidays where consumers' sustainable holiday choices and behaviours can be influenced

Dreaming

This stage is all about inspiration, igniting excitement, curiosity, intrigue and a desire to find out more

Planning

This stage is all about trade-offs – forced choices between competing options and preferences

Booking

This stage is all about ease, communication, responsiveness and cost

Visiting

This stage is all about maximising experience, including taking advantage of local knowledge

To spark initial interest, sustainable tourism product offers need to appeal to primary holiday needs

Emotive needs from a holiday by market (% Active Considerers)

	AU	US	UK	DE	CH	JP	IN
To unwind and rejuvenate	51%	44%	51%	51%	56%	63%	57%
To expand my horizon	48%	55%	53%	57%	63%	38%	58%
To go on an adventure and have new experiences	61%	62%	57%	55%	39%	33%	63%
To do activities that bring joy and happiness	50%	46%	45%	44%	51%	36%	60%
To escape the everyday routine	56%	53%	54%	35%	28%	38%	52%
To have a sense of freedom and be spontaneous	33%	34%	36%	44%	63%	43%	48%
To engage in personal growth and self-discovery	28%	38%	30%	26%	46%	19%	56%
To reconnect with people and create memories together	28%	24%	30%	19%	24%	40%	45%
To revisit beloved places or create nostalgia	22%	18%	15%	18%	22%	26%	41%
To make a positive impact on the environment and local communities	14%	13%	17%	19%	27%	14%	41%

There is an opportunity to communicate sustainability during the Dreaming stage, aiming to resonate with a niche (yet likely growing) segment of consumers. However, this messaging should be explicitly tied to the consumer benefit of feeling good and making a positive impact

Weakest need 🟥 🟥 🟩 🟩 *Strongest need*

Heat map shading is across columns, i.e. compares within the market

Base: n= AU 501; US 500; UK 496; DE 503; CH 501; JP 500; IN 503;

Q: Thinking of going on an international holiday, what are your main reasons for going on a holiday?

Planning

Travellers consider tourism providers based on basic holiday needs, but sustainability can be a strategic differentiator

Key drivers in choice of tourism provider

	AU	US	UK	DE	CH	JP	IN	NZ
Value for money	73%	65%	64%	74%	42%	48%	61%	74%
Quality of services / products	50%	57%	58%	59%	54%	49%	66%	50%
Affordable prices	72%	62%	57%	40%	25%	42%	48%	71%
Safety and security measures in place	45%	57%	44%	52%	57%	58%	61%	28%
Great customer service	54%	49%	52%	42%	54%	36%	58%	48%
Convenience	45%	45%	44%	45%	49%	41%	54%	48%
Online review	41%	36%	39%	24%	34%	28%	55%	43%
Accessible	33%	36%	31%	35%	35%	40%	53%	17%
Services / products can be customized to my needs	30%	42%	31%	35%	33%	31%	50%	23%
Recommended by family / friends	33%	33%	30%	29%	23%	20%	43%	39%
A well-known brand	30%	30%	33%	18%	39%	20%	49%	24%
Sustainable practices	17%	28%	23%	30%	42%	16%	51%	11%
Industry accreditations and awards received	17%	18%	21%	10%	29%	13%	31%	10%

Weakest driver 🟥🟥🟩🟩 *Strongest driver*

Heat map shading is across columns, i.e. compares within the market

Base: n= International Markets Actives 2017; All other consumers1147; NZ Actives 169 All other consumers 281
Q:When looking at booking holiday accommodation, transport, tours or holiday activities, what are the key factors that you consider in your choice of tourism provider?

KANTAR

Sustainability offers need to be explicitly linked to consumer benefits and value – making them more authentic, contribution to conservation is also meaningful

Key motivations for choosing a sustainable tourism provider

While most western markets consider a collective benefit in choosing a sustainable tourism provider, for China and India the motivation is more self-driven

	AU	US	UK	DE	CH	JP	IN	NZ
Contribute to **conservation** of the land, nature and wildlife	35%	36%	37%	48%	48%	43%	43%	36%
Support **local businesses**	44%	38%	36%	45%	30%	29%	46%	55%
Have a **unique** and **authentic experiences**	39%	46%	42%	39%	33%	31%	45%	27%
Fulfil **social responsibility** & contribute to a more sustainable tourism industry	23%	30%	27%	24%	50%	33%	52%	20%
Experience a **deeper connection** with the **destination**	28%	31%	26%	29%	36%	33%	46%	19%
Contribute to the **long-term sustainability for future generations**	32%	28%	31%	24%	28%	24%	51%	25%
Prioritize **ethical considerations**, fair treatment of employees, communities	24%	31%	26%	29%	33%	22%	42%	23%
Engage with **indigenous cultural experiences**	28%	33%	33%	41%	23%	19%	38%	14%
Support **health & well-being** with organic food options, nature experiences	24%	30%	24%	18%	44%	22%	52%	15%
Align with my personal values and beliefs in commitment to sustainability	20%	26%	23%	22%	41%	21%	44%	19%
Educate myself and learn about conservation	24%	28%	26%	17%	25%	23%	41%	15%
Engage in community-based activities	18%	27%	20%	21%	22%	12%	48%	13%
Offset carbon emissions throughout your travel journey	19%	20%	23%	26%	28%	11%	39%	12%

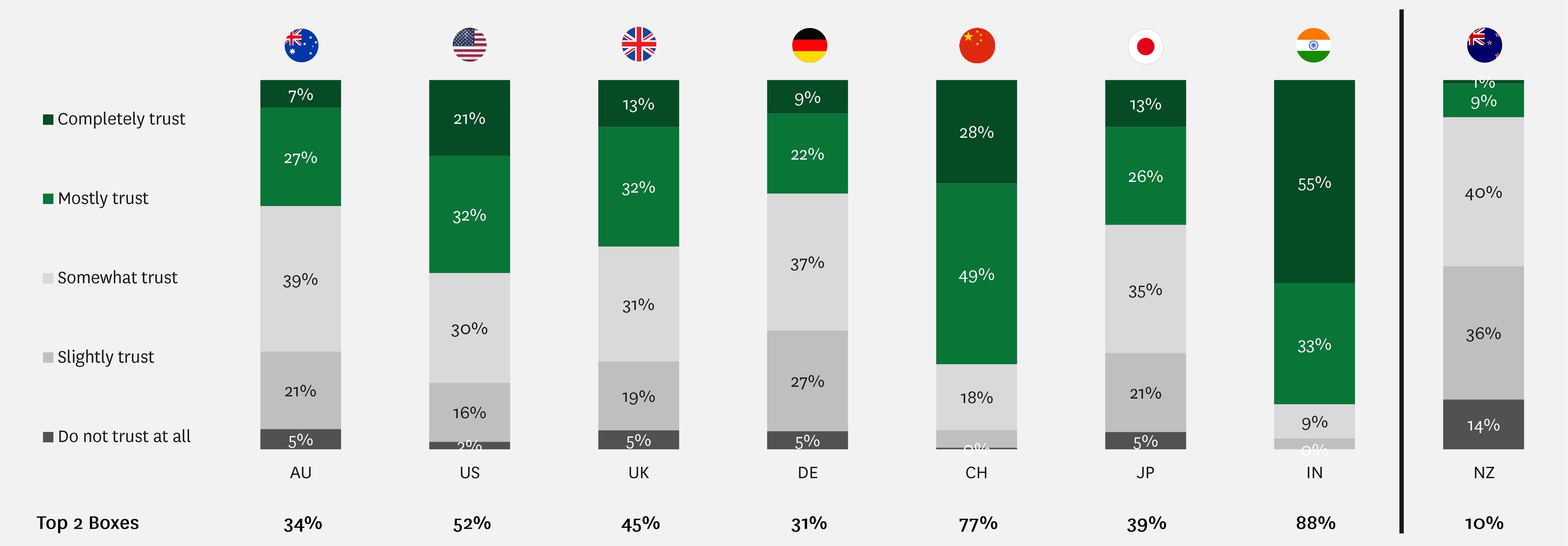
Weakest motivation 🟥 🟥 🟩 🟩 *Strongest motivation*

Heat map shading is across columns, i.e. compares within the market

Base: n= AU 450; US 450; UK 450; DE 452; CH 456; JP 456; IN 450; NZ 450
Q: If you were to choose a tourism provider that operates with sustainable practices, what would be the key motivations for your choices?

Scepticism (greenwashing) a key barrier to the perceived benefit of a sustainability product proposition

Level of trust consumers have in tourism providers' claims about their sustainability practices



Base: n= AU 450; US 450; UK 450; DE 452; CH 456; JP 456; IN 450; NZ 450
Q: How much do you trust the claims and information tourism providers make about their sustainability practices?

Sustainability certifications are among the levers to establish credibility, advocacy is key

Ranking of actions that tourism providers can take to build trust in their sustainability claims

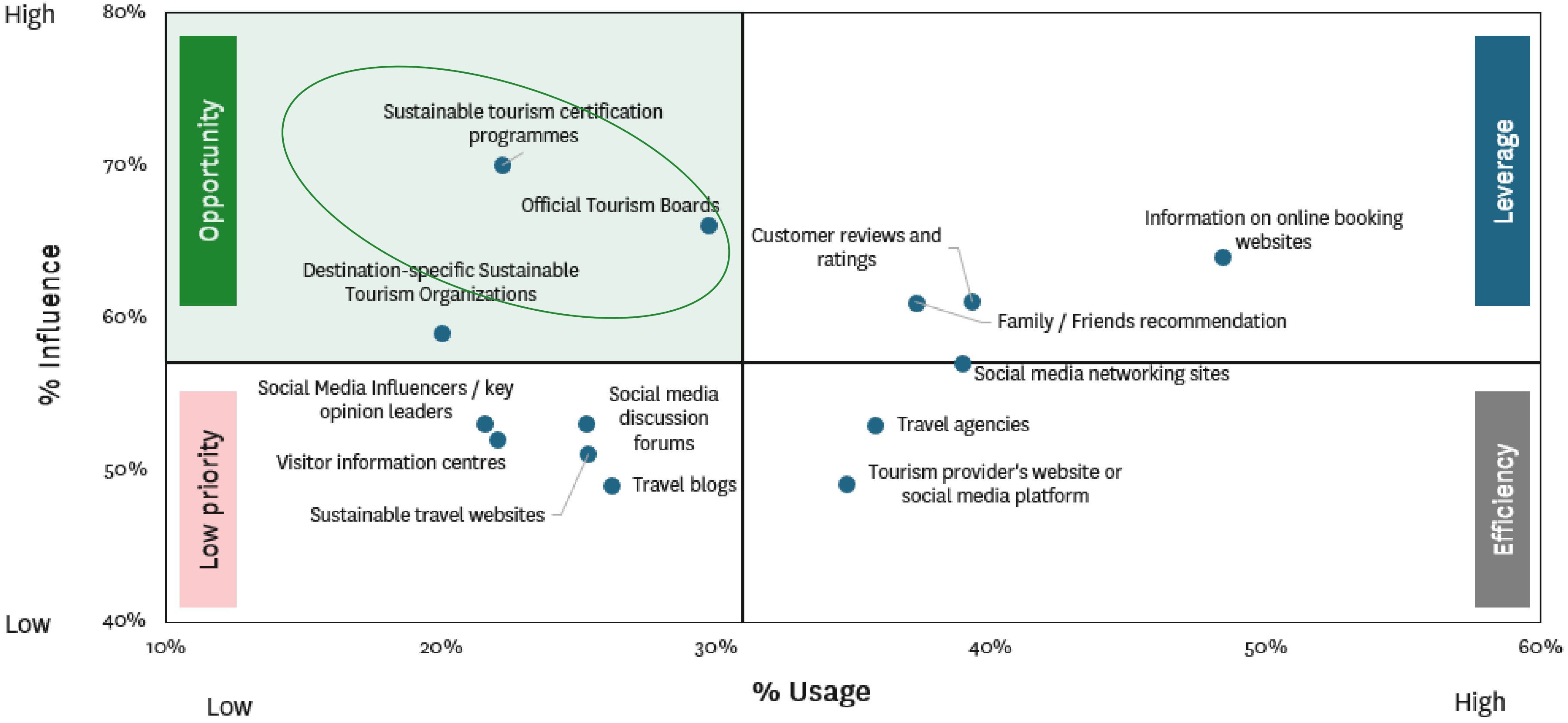
	AU	US	UK	DE	CH	JP	IN	NZ
Providing transparent information on their sustainability practices	1	3	1	1	3	1	1	1
Customer feedback and reviews online	2	1	4	2	6	2	3	3
Collaborating and working in partnerships with other sustainable organizations	3	2	2	3	4	3	2	4
Acquiring third-party certifications	4	6	6	4	1	5	6	2
Having clear sustainability goals	5	4	5	6	2	4	4	5
Providing consumer education around sustainability	6	5	3	5	5	6	5	6

Base: n= AU 228; US 253; UK 275; DE 329; CH 336; JP 226; IN 407; NZ 222
Q: Which of these would help you feel more confident that tourism providers are not greenwashing?

Certifications have the potential to be a highly influential source during the planning stage…

Planning

Sources used to search for information when choosing a tourism provider and their influence on choices: **International markets total**



Base sizes: Usage n = 3,164, Influence = 3,118
Q:Which sources do you use to search for information when choosing a tourism provider?
Q:Which of these sources do you find reliable and influential in choosing a tourism provider?

…but awareness of specific certification schemes is very low at the booking stage.

Unprompted mentions of certification and/or accreditation schemes awarded to tourism providers

86% were not aware of any certification/accreditation awarded tourism providers

Top mentions (3-5% of respondents mentioned)

GSTC

Expedia

ABTA
Travel with confidence

Booking.com

TUI

qualmark

GREEN GLOBE

Q: Are you aware of any certification and /or accreditation schemes awarded to tourism providers? Please name any that you know of

Audiences would rather see a certification than not

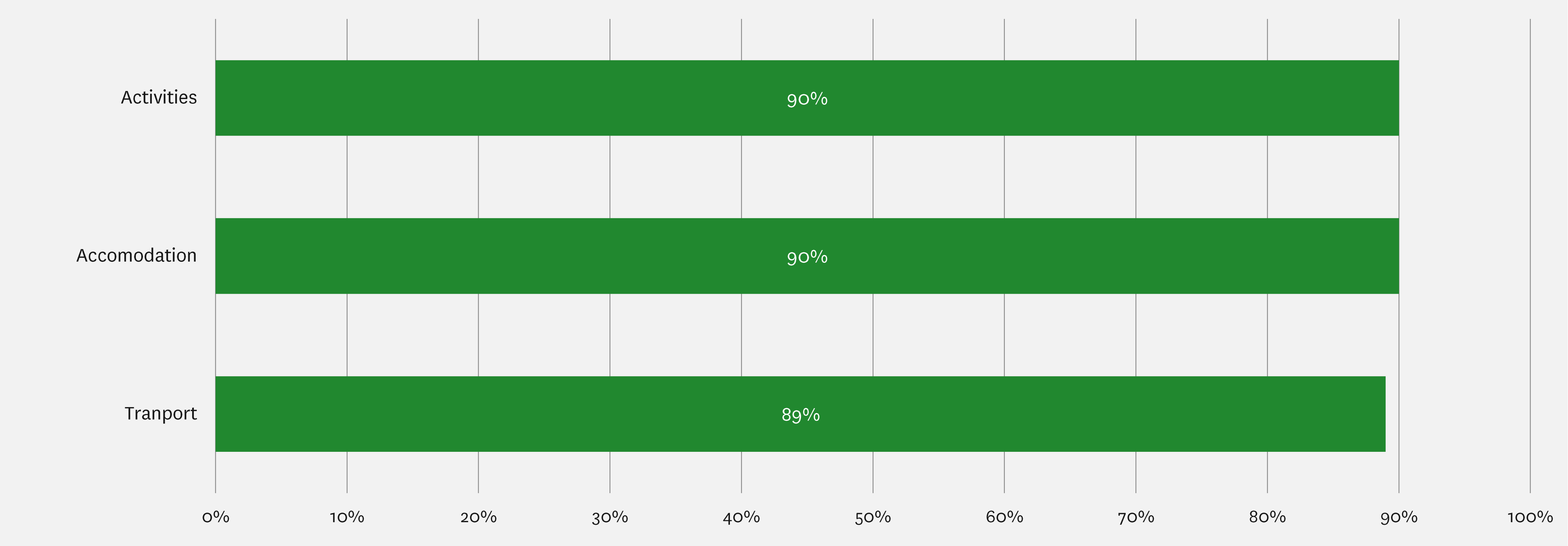
- We learned ambiguity is seen as a barrier to confident selection between sustainable products and that there is a perception of insufficient information
- Here, a certification can play the role of a powerful heuristic or mental shortcut - allowing people to make judgements quickly and easily.
- While no specific travel operator certifications appeared to be widely known or understood, travellers **would generally rather see one than not** – as something is seen as more effective than nothing
- Therefore, just the presence of a certification mark – even without recognition – prompts a heuristic response in the traveller i.e. this signifies some minimal level of compliance and values and trustworthiness
- 100% Pure in China is the most recognised and salient quality mark – with most markets registering far lower recognition and Qualmark effectively none
- In Japan, official government websites played the same role – providing sufficient and instant symbolism that this source is credible and trustworthy

- Consumers are not aware of any certifications, and as a result none hold significant meaning to them
- While **Qualmark** is mostly an unfamiliar certification to consumers, it presents a "clean slate" opportunity
- Investing in Qualmark to enhance its awareness and significance among consumers could assist them in navigating sustainable operator choices along the path-to-purchase. This, in turn, has the potential to create opportunities for operators to capitalise on the Qualmark certification

Willingness to pay a premium for operators that emphasise sustainable practices

Booking

Willingness to pay a premium for sustainable practices of tourism providers



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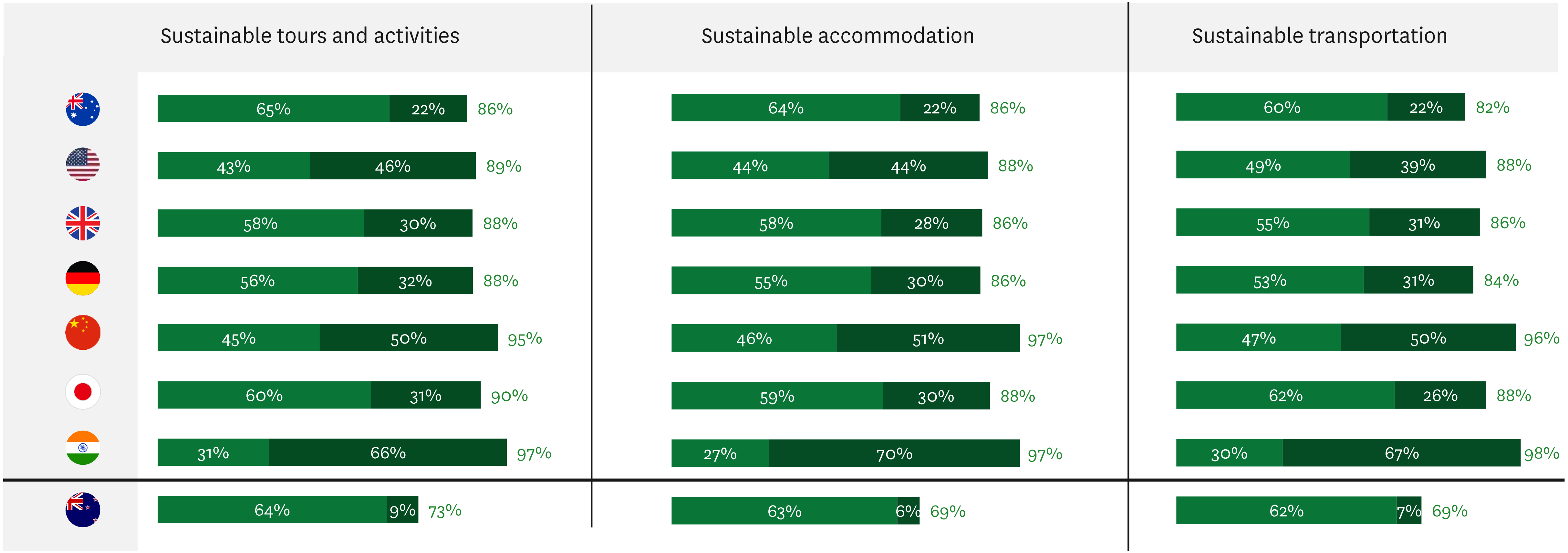
Base: n= AU 450; US 450; UK 450; DE 452; CH 456; JP 456; IN 450; NZ 450
Q: Would you be willing to pay a premium to support tourism providers that have proven sustainable practices?

Booking

Opportunity for tourism operators to monetise their sustainability efforts

xx% Total yes

Willingness to pay a premium for sustainable practices of tourism providers



KANTAR

Base: n= AU 450; US 450; UK 450; DE 452; CH 456; JP 456; IN 450; NZ 450
Q: Would you be willing to pay a premium to support tourism providers that have proven sustainable practices?

Consumers will pay a premium for sustainability if there is tangible benefit to their experience

Willingness to pay a premium for (% who claim to be willing to pay more for this activity / credentials)

	AU	US	UK	DE	CH	JP	IN	NZ
Promoting **local culture** and traditions through **authentic experiences** and **cultural initiatives**	30%	44%	37%	39%	47%	33%	65%	20%
Supporting local communities through fair wages and community development projects	26%	45%	39%	42%	42%	28%	62%	28%
Prioritising **locally sourced products**, ingredients and services to support local economies	26%	46%	35%	40%	44%	32%	60%	28%
Using **renewable energy** sources such as solar or wind power, promoting clean energy solutions	24%	40%	31%	32%	47%	28%	65%	16%
Having efficient **waste reduction** systems including **recycling** programmes and minimizing single-use plastics	22%	44%	30%	35%	43%	25%	61%	16%
Partnering with conservation organizations to support **conservation efforts**, such as tree planting and pest control	21%	42%	29%	37%	44%	29%	58%	14%
Implementing **water-saving** measures and promoting responsible water usage	17%	40%	33%	35%	43%	28%	60%	16%
Carbon offsetting programs for guests to counterbalance their travel-related carbon emissions	21%	42%	29%	30%	47%	28%	63%	9%
Using **low-impact transportation** options such as electric vehicles or bicycles	20%	38%	29%	34%	40%	27%	57%	15%
Providing **opportunities for visitors to get involved**	20%	39%	31%	24%	43%	28%	59%	12%
Offering **educational programmes** and activities to promote environmental awareness and sustainability	22%	34%	30%	24%	45%	26%	62%	12%

Least willing to pay 🟥🟥🟩🟩 *Most willing to pay*

Heat map shading is across columns, i.e. compares within the market

Base: n= AU 450; US 450; UK 450; DE 452; CH 456; JP 456; IN 450; NZ 450

Q: Here are the things tourism providers do to operate more sustainably. Please select how you feel about paying more for these?

In summary, sustainability messages can be interwoven through path to purchase

Dreaming

- **Low focus on sustainability in this stage** - **spark interest** by appealing to the key emotive drivers, such as:
- Rejuvenation / Escape
- Meaningful experiences
- Experience something new
- Feel good
- **Some opportunity to message sustainability** to resonate with ACs of NZ
- However, messaging must be **explicitly tied to the consumer benefit** of feeling good and making a positive impact

Planning

- **Sustainability** credentials is an **opportunity to differentiate** and to be shortlisted, provided hygiene needs like value, quality, safety are met
- Showcase how sustainability credentials **enhance** consumers' **experiences**, i.e., explicit link to consumer benefits and value
- **Build trust** with transparent and easy to access information, partner with KOLs and consumers to drive advocacy
- **Certifications** are useful and signify trust –among the key levers to build credibility - opportunity to leverage **Qualmark Sustainable** – but big job to be done to increase awareness and understanding

Booking

- **An opportunity to monetise sustainability** credentials - if primary experience needs are met, consumers would pay more to use operators that are emphasising sustainable practices
- Where sustainable product offers are linked to **tangibly enhancing consumer experience,** consumers are willing to pay a price premium
- Sustainable practices, such as recycling, waste reduction, and water use reduction are expected and less likely to be monetised unless explicitly linked to consumer benefits and value

Visiting

- **Deliver on promise**
- **Drive advocacy** – reviews are highly influential and trusted throughout all stages of the path-to-purchase. However, the absence of operator product/experience reviews related to sustainability is a significant barrier when it comes to selecting a sustainable operator

Operator concepts tested spanned the entire tourism experience

Respondents were presented with 3 concepts and asked evaluate them across a number of criteria

Zipline

Lodge

Car Rental

Hotel Group

Hotel concept 1

Ecosanctuary

Forest experience

Each concept / idea was evaluated on the following criteria:

- Likeability
- Uniqueness
- Credibility Relevance
- Relevance
- Visit
- New Zealand is a sustainable holiday destination
- New Zealand is a regenerative holiday destination
- Overall opinion of New Zealand as a holiday destination
- Qualitative feedback on likes / dislikes, tension points, areas for further development

Authentic experiences involving nature performed highest across the board

Overall summary of concepts performance (% Across International markets)







	Ecosanctuary	Zipline	Forest experience	Hotel concept 1	Lodge	Hotel Group	Car Rental
Likeability '(% like a lot + like somewhat)	90%	89%	89%	86%	84%	84%	83%
Uniqueness '(% somewhat unique + very unique)	95%	93%	95%	88%	95%	91%	86%
Credibility '(% very credible + somewhat credible)	90%	90%	90%	85%	88%	85%	84%
Relevant '(% very relevant + somewhat relevant)	85%	81%	83%	81%	79%	79%	76%
Visit (% significantly more likely to consider + more likely)	83%	81%	83%	77%	78%	76%	73%

Note: results are not reported by market due to small sample sizes

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1. A simple average across international markets, and does not take into account the size and potential of the market in terms of visitors. Reported here to provide an indicative overall view

Base: International combined. On individual proposition slides, full sample is shown due to small sample sizes

Principles to enable tourism operators to communicate sustainability credentials meaningfully and credibly

There are also some key principles that can be applied to creating the content for the Dream and Planning stages

Experience comes first

The proposition needs to **address a key aspect of holiday desires** – ultimately, it's about the experience holidaymakers are seeking

Storytelling appeals

Sustainability weaved into the **storytelling is effective**, but needs to be based upon a strong holiday value proposition within it and consumers needs to be able to visualise the experience they will have

Provide a learning opportunity

One of the core desires of holidaymakers is expanding their horizon and learning something new – include **an educational** piece into the proposition

Meaningful experience

The narrative should appeal to **the key motivations** for consumers to choose a sustainable product, such as explicit contributions to conservation, opportunities to support local businesses, unique and meaningful experiences, and a deeper connection with the destination

Increase credibility through accreditation

Certification/accreditations can be an easy way for consumers to identify sustainable tourism providers – consumers gain confidence in choosing a provider with proven credentials

Show the impact that visitors are making

Consumers want **reassurance** that the operators' efforts and their actions are genuinely contributing to a positive impact - provide more details and be transparent about the impact it has across the 4 capitals

Manage price perceptions

One of the key barriers to choosing sustainable tourism providers is price, there is an innate perception that sustainable options are more expensive – be clear on value for money, the **value should always have a focus on the experience**

Next Steps

For TNZ and MBIE

Four key action areas for TNZ post-research

1. **Showcasing sustainable product to consumers**
   - Build sustainability into the New Zealand destination brand
   - Sustainable product selection and promotion
   - Incorporate more sustainable product into campaign activity and famils and events
   - Make sustainable product more visible on newzealand.com
   - Incorporate information about New Zealand’s sustainable destination offering in travel trade communications.
2. **Grow & Leverage Qualmark**
   - Position Qualmark as an accreditation that gives consumers the assurance of a sustainable tourism experience (GSTC recognised)
   - Significantly grow the pool of certified sustainable tourism business to provide greater selection for visitors.
3. **Support Industry**
   - Inform industry about what the visitor is looking for in a sustainable holiday, to support them to communicate their sustainable offering
4. **Promote Tiaki – Care for New Zealand**
   - Work with partners to embed Tiaki in the visitor experience in New Zealand
   - Reinforce NZ’s sustainability credentials and inspire positive visitor behaviour

What will MBIE do as a result of this work?

MBIE has provided the incoming Minister of Tourism with a summary of the findings from this research, and how it could support broader work to address the environmental impact of tourism.

Appendix

Target Audience and Sample Structure in detail

Phase	Project Whā	MBIE Path to Purchase
Qualitative	– 2 hour online focus group discussions with self-complete pre-tasks – Markets covered - Australia (AU), USA (US), United Kingdom (UK), Germany (DE), China (CH), Japan (JP), India (IN) and New Zealand (NZ) – 5 groups per market (4 in NZ) 2 x groups with Active Considerers 1 x group of Passive Considerers was included in offshore markets only 2 x groups of Eco Travellers (those travellers who either have or would seriously consider choosing an overseas destination based on sustainability credentials)	– 2 hour online focus group discussions with self-complete pre-tasks – Markets covered - Australia (AU), USA (US), United Kingdom (UK), Germany (DE), China (CH), Japan (JP), India (IN) and New Zealand (NZ) – 2 x groups of Eco Travellers per market (as part of the 5 groups in Whā) (those travellers who either have or would seriously consider choosing an overseas destination based on sustainability credentials)
Quantitative	– 15 min online survey to size the demand, appeal of sustainable travel, size risks and opportunities with concepts/ideas – Markets covered - Australia (AU), USA (US), United Kingdom (UK), Germany (DE), China (CH), Japan (JP), India (IN) – Approx. 700 respondents per market, with a mix of 500 as Active Considerers (ACs) of New Zealand(1) 200 Passive Considerers (PCs) of New Zealand(1)	– 10 min online survey to size role of sustainability in consumer choice of tourism operators, evaluate provider concepts. – Markets covered - Australia (AU), USA (US), United Kingdom (UK), Germany (DE), China (CH), Japan (JP), India (IN) – Approx. 450 respondents per market Active Considerers (ACs) of New Zealand(1) answered the survey in an international holiday context – New Zealand (NZ) : Those who intend to take a domestic holiday in the next 12 months answered the survey in a domestic holiday context

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The Active Considerer definition applied to this research is consistent with the definition used in all other TNZ research. To be defined as an Active Considerer the respondent needs to find New Zealand highly appealing, strongly consider it, have New Zealand a strongly preferred destinations to visit next and meet a minimum intended spend criterion