

**Cultural Tourism Part 2:  
*Cultural Organisations and Businesses  
Attitudes to and Engagement with the  
Tourism Market***

**Report by McDermott Miller  
to Ministry for Culture and Heritage**

**2008**

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## 1. EXECUTIVE SUMMARY

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### 1.1 INTRODUCTION

As part of the development of a cultural tourism strategy for New Zealand, the Ministry for Culture and Heritage commissioned McDermott Miller to report on the nature of the cultural sector's engagement with the tourist market. The outcome of this research is presented in this report which identifies cultural businesses' attitudes to and current engagement with the tourism market. It also identifies potential options for improving and increasing engagement with that market.

### 1.2 RESEARCH OBJECTIVES AND QUESTIONS

The qualitative and quantitative research yielded data which enable the following conclusions to be drawn regarding the key research questions:

#### **What are the attitudes of cultural sector businesses to the tourism market?**

- Most organisations had a commonsense understanding of the nature of cultural tourism, defining it in such terms as:
  - *'Cultural tourists are visitors from outside the local area whose primary purpose for the visit is to attend a cultural or arts related event'.*
  - *'Sharing with visitors elements of your culture'.*
  - *'Tourism that is generated by cultural activity'.*
  - *'Activities or displays which reflect the culture, both past and current of all the communities which are established in an area.'*
  - *'Tourism that relates to 'the way we live' or 'the way we used to live' - using what and who we are and what matters to us, to generate both income and a better understanding of our country - by ourselves and overseas visitors. To me cultural tourism might include experiences and events relating to food, drink, sport, arts, religion, traditional celebrations, etc. It does not relate exclusively to Maori experiences and events although these are clearly important'.*
- Most organisations taking part in the survey perceived themselves as predominantly *cultural* organisations rather than *tourist orientated* organisations.

- Among the cultural organisations, some negative perceptions of the tourism industry emerged:
  - 48% of organisations agreed or strongly agreed that it is difficult for non-profit organisations to collaborate with commercially driven tourism organisations.
  - 46% agreed or strongly agreed that the tourism industry had a different understanding of what constitutes an authentic cultural experience.
  - 17% agreed or strongly agreed that their organizational vision and values made it difficult for them to market themselves proactively to the tourism sector.

#### **How important is the tourism market to their business?**

- When the research results are generalised across all organisational types within the cultural sector:
  - 60% of organisations considered their core market as 'Locals',
  - This compares with 13% and 9% of organisations who considered their core market as 'Domestics' and 'Internationals' respectively.
- However, there are clear differences between different types of cultural organisations regarding the relative importance of the local and tourist market. In particular
  - 91% of performing arts respondents cited the overwhelming importance of the local market compared with 8% of heritage organisations;
  - however 50% of heritage organisations cited international tourists as their core market compared with 3% of performing arts organisations.

#### **How are they currently engaging (promoting themselves or their 'products') within the tourism market?**

- Respondents to the qualitative survey claimed that they used the full range of marketing channels available to them - print, direct mail, email, web, i-sites, special promotions and events and membership, friends or subscription arrangements. They considered their marketing efforts were effective.
- The quantitative survey confirmed that cultural sector organisations used this range of marketing channels. However, it also indicated that across the sector as a whole, the organisations' overall marketing orientation was not particularly strong:
  - 55% of organisations surveyed did not set themselves a specific annual visitor target.
  - While 94% of organisations had a website, 45% of them could not indicate the number of unique visits per month.

- 47% did not gather and analyse any audience data
- 37% could not distinguish between local people, domestic and international tourists
- 38% had marketing budgets of less than \$5000
- 24% had a marketing budget between \$5001-\$20,000
- 11% did not know or did not spend any money on marketing

**Are there unmet expectations in the tourist market?**

*Demand for Cultural Tourism* (Colmar Brunton, 2003) identified a series of cultural products that are strong drivers of overall holiday satisfaction, but were perceived less favourably by international tourists.

The report also concluded that while the domestic traveler displays obvious signs of national pride in our tourism offer generally, at the specific cultural product level there is a clear sense of 'cultural cringe' apparent – New Zealanders rate our offer more negatively than international visitors do.

Three initiatives were suggested to address these issues:

- The quality of selected cultural products should be improved.
- It is critical to work with our own market to encourage domestic travellers to value our cultural tourism offer more.
- There is a need to build 'understanding of how our cultural tourism offer is a direct extension of our land and environment' – elements of the visitor experience valued by both domestic and international visitors alike.

**In light of our research, what opportunities and challenges do these initiatives present for cultural organisations?**

- Within the cultural sector, the quality of the product offering was not questioned. The quantitative survey suggested that cultural organisations believed that tourists would be attracted to their products for a variety of reasons, including their 'unique' qualities and their capacity to 'showcase [an] area or region'.
- There was no evidence of 'cultural cringe' among the interview subjects. They believed, often passionately, in the quality and significance of their product offerings.

- Within the sector as a whole, there was a strong awareness of the importance of domestic tourists as advocates for specific cultural tourism attractions (81% agreement). The cultural sector organisations also considered that local visitors and international tourists represented potential advocates for the significance of cultural tourism attractions. A total of 93% of respondents slightly agreed, agreed or strongly agreed that locals 'are likely to encourage others to visit', while 60% agreed that international tourists could perform this same function.
- Despite this, no specific evidence was presented that cultural or tourism industry representatives were actively targeting domestic tourists to recruit them as product advocates or involve them in experiences beyond 'the usual'.

**What is required to encourage selected cultural organisations to respond to these opportunities and overcome the challenges they pose?**

- The research did not establish that most cultural organisations felt they needed encouragement to engage with tourism nor that there were significant factors that prevented them from doing so. The majority of respondents to the qualitative interviews did not identify any significant constraints to their increasing success at attracting a greater share of the tourist market.
- The quantitative research showed that six out of ten statements concerning possible constraints were of some concern to the cultural sector, although not overwhelmingly so. These were:
  - We do not wish to pay commission fees to tourism operators
  - The tourism industry has a different understanding of what constitutes an authentic cultural experience.
  - It is difficult for non-profit organisations to collaborate with commercially driven tourism organisations.
  - It is more cost-effective for us to secure a loyal local audience than to position ourselves as a tourist attraction in a market where there is no repeat business.
  - The long-haul tourism market needs to operate on a 2-3 year planning cycle, whereas our planning cycles are much shorter.
  - We lack the knowledge, expertise and resources to develop new tourist-specific products and services.

- There was also consensus, particularly among museums, art galleries and heritage organisations that domestic and international tourists were 'essential' to their organisational 'survival'.
- Even those organisations not currently involved in marketing to cultural tourists indicated that this would not continue to be the case: 55% indicated that they would consider marketing specifically to tourists in future.
- The most significant factor that was identified as a means of encouraging more effective marketing to domestic and tourism markets was some type of collaborative arrangement with the tourism industry.
- Over half (52%) of the sample considered that no new initiatives were required to help them to engage more with the tourism industry.
- Where specific suggestions were made, they generally represented extensions, or intensifications, of existing partnerships including:
  - Help and guidance from RTOs/government (11%)
  - Help given with tourism marketing and promotion (8%)
  - Better funding/ more resource (6%)
- The future of cultural tourism in New Zealand was generally considered to be 'bright' and 'potentially very important to the industry'. The most enthusiastic respondent suggested that it 'could be the biggest draw card worldwide'. Among the positive features of cultural tourism the following factors were mentioned:
  - The uniqueness of the people
  - Wonderful stories
  - Authentic, unique, distinctive cultures

An important success factor was that future initiatives should be to ensure that planners and product developers should 'make people part of the [cultural tourism] experience'.

## 1.3

## INTRIGUING VARIATIONS

**Heritage and Performing Arts Organisations**

As has been noted above:

- 91% of performing arts respondents cited the overwhelming importance of the local market compared with 8% of heritage organisations;
- 50% of heritage organisations cited international tourists as their core market compared with 3% of performing arts organisations.

Two principal reasons for these differing perceptions are suggested by the research.

- The first concerns the planning cycle employed in different cultural fields. While heritage buildings and sites, because of the relatively static nature of their attractions, can confidently predict the nature of their product offering within the 2-3 year planning period used by inbound tourism operators, the same is not true of performing arts organisations.
- Apart from heritage organisations, all other groups consider that their marketing dollar can be most effectively spent on attracting repeat business from their local audience.

From a strategic perspective, this perhaps suggests that different cultural tourism products need to be targeted to different audiences.

- Heritage organisations and those with a relatively static range of attractions (museums and art galleries for example) have the potential to be marketed effectively to International tourists in partnership with inbound tour operators.
- Performing arts organisations and festivals perhaps have greater potential to be packaged up with airlines and accommodation providers for the domestic tourism market (the *Send Yourself to Wellington* strategy is a successful example of this sort of approach).
- Techniques or relationship marketing are well established as a means of transforming individuals from customers to advocates. These techniques would appear to be relevant to the continuing development of both domestic and international cultural tourism products.

### **Marketing Capabilities**

There are apparent contradictions between the responses given by respondents to the quantitative questionnaire. On the one hand it is apparent from the data summarised above that, for the sector as a whole, the marketing orientation of a majority of organisations is deficient. On the other hand, despite the fact that cultural tourism is considered essential to the survival of many cultural organisations, a majority considered that they required neither help nor encouragement to engage effectively with the tourism sector.

### **Different orientations Help Explain Apparent Inconsistencies**

The sample of 188 organisations who responded to the quantitative questionnaire was dominated by visual arts retailers (76), with a strong representation of performing arts organisations (37), followed by public art galleries and museums (37), heritage organisations (15) and 13 others (including Maori tourism and cultural organisations). This suggests that:

- Art retailers are more likely to have a sales orientation than a marketing orientation.
- Many arts organisations have a product orientation rather than a marketing orientation.
- Almost half (47%) of the total sample were charitable trusts or incorporated societies which are likely to have a not-for profit orientation.
- Over a third (38%) of the sample had minimal annual marketing budgets.

In other words, the foundation on which to base a development programme for cultural tourism is fragile. As the respondents themselves concluded, collaborations to pool skills and resources are a necessary element of future strategy, but possibly impractical without Government financial assistance.

**[END]**

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## 2. PURPOSE AND SCOPE OF RESEARCH

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### 2.1 PURPOSE OF RESEARCH

The Ministry for Culture and Heritage is developing a cultural tourism strategy for New Zealand. As part of the preparatory work for the strategy, it is researching the attitudes of cultural businesses and organisations towards engagement with the tourism market. In the process it hopes to identify potential options for improving and increasing cultural businesses and organisations involvement in domestic and international tourism.

McDermott Miller has been engaged to undertake this research on behalf of the Ministry for Culture and Heritage. The findings are presented in this report.

### 2.2 SCOPE OF RESEARCH

In order to meet the objectives of the *Cultural Tourism Part 2* report a qualitative discussion guide and a quantitative questionnaire was developed which covered the following issues:

- Defining the organisation's core business
- Defining cultural tourism
- Analysing local domestic tourism and international tourism market segments
- Identifying principal marketing channels and products
- Constraints to entry into the tourism market
- Involvement in partnerships or collaborative marketing arrangements.
- Benefits of collaboration

### 2.3 FORMAT OF REPORT

In **Section 3** we examine these key research questions:

- What are the attitudes of cultural sector businesses to the tourism market?
- How important is the tourism market to their business?
- How are they currently engaging (i.e. promoting themselves or their 'products') within the tourism market?

In **Section 4** we consider these questions:

- Are there unmet expectations in the tourist market?
- What opportunities and challenges do these present for cultural organisations in meeting them?
- What is required to encourage selected cultural organisations to respond to these opportunities and overcome the challenges they pose?

In **Section 5** we offer an interpretation of apparent contradictions and inconsistencies in the research results.

## 2.4

### METHODOLOGY

In summary, the methodology consisted of a qualitative assessment drawn from the responses of twelve cultural organisations across New Zealand, and a nation-wide survey of cultural organisations to derive a quantitative assessment of the industry. The results of the qualitative and quantitative surveys were analysed and integrated in this report. The following sections highlight the principal methodological steps.

#### QUALITATIVE DEPTH INTERVIEWS

##### Participating Organisations

Interviews were conducted with a range of cultural and heritage organisations throughout New Zealand. They included major national organisations, regional galleries and museums, theatre dance and craft organisations and Maori cultural and heritage organisations.

- Three of the organisations reviewed were micro-businesses with a total FTE staff of 2-3.
- The majority were SME's with 35 – 78 staff.
- The largest organisations ranged in size from 118-250 staff.
- The annual marketing spend was as little as \$1000 and up to \$2.3 million.

#### QUANTITATIVE CATI SURVEY

The quantitative phase of research was a web based survey sent to 729 cultural organisations. The final sample size was 188 which included fully completed surveys and incomplete responses. Of the final sample there were 76 visual arts retailers, 37 performing arts organisations, 37 art galleries and museums, 15 heritage organisations and 13 others (including Maori tourism and cultural organisations).

**Full sample specifications** relating to sample selection can be found in **Technical Annex C**.

### DATA ANALYSIS AND TESTING

Data from the quantitative survey was loaded onto McDermott Miller's cross-tabulation system built with Oracle Express. This system facilitates segmentation of respondents according to their responses to one or more questions. It also allows full sets of tables to be generated quickly for a wide range of segmentation schemes (i.e. banners).

Many closed-response questions contained "Other" responses, and if these were selected by the interviewer, an open text response was collected. During the analysis phase these open responses were coded to an existing or new response option.

The responses to open-response questions were reviewed, and responses coded appropriately.

While it is possible to construct many cross-tabulations of the data, the majority of cases contain sample sizes which are too small to enable useful firm and statistically robust conclusions to be drawn from them. Cross-tabulations reported on have therefore been limited to those producing statistically robust results.

**Full survey specifications** relating to sample selection, response rate and confidence intervals can be found in **Technical Annex A**.

## 2.5

### REPORTING

The results of the qualitative research were aggregated across all organisational types. The emphasis was on identifying points of consensus as well as strongly differing perceptions (though these were less frequently encountered). In the case of the quantitative research, responses have been organised according to organisational type. We therefore report on total responses and where relevant on following segmentation, by industry type:

- Visual Arts retail
- Public museums and art galleries
- Performing arts
- Festivals
- Heritage organisations
- Other

Full survey results are given in **Annex B**

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### 3. CULTURAL SECTOR ENGAGEMENT WITH THE TOURIST MARKET

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#### 3.1 ATTITUDES OF CULTURAL SECTOR BUSINESSES TO THE TOURISM MARKET

##### Understanding Cultural Tourism

The qualitative and quantitative research revealed that the organisations had a commonsense understanding of the nature of cultural tourism, defining it in such terms as:

- *'Cultural tourists are visitors from outside the local area whose primary purpose for the visit is to attend a cultural or arts related event'.*
- *'Sharing with visitors elements of your culture'.*
- *'Tourism that is generated by cultural activity.'*
- *'Activities or displays which reflect the culture, both past and current of all the communities which are established in an area.'*
- *'Tourism that relates to 'the way we live' or 'the way we used to live' - using what and who we are and what matters to us, to generate both income and a better understanding of our country - by ourselves and overseas visitors. To me cultural tourism might include experiences and events relating to food, drink, sport, arts, religion, traditional celebrations, etc. It does not relate exclusively to Maori experiences and events although these are clearly important'.*

In some cases other qualities were identified as being a prerequisite of successful cultural tourism initiatives. Four special characteristics were stressed:

- A guarantee of authenticity based on cultural authority.
- A more intimate degree of engagement with local people than would be expected in other forms of tourism.
- The power of stories and other narratives to evoke the character and of human life in iconic places.
- A degree of learning or education involved in the consumption of a cultural tourism product.

### Cultural or Tourism Businesses?

When asked to identify their core business, the 12 organisations that were the subject of the qualitative research reported as follows:

- 10 defined their core business as involving the production and marketing of goods or services in the arts or heritage sectors;
- Two, both of them private sector organisations, defined themselves respectively as a cultural tourism business or a visitor attraction, but acknowledged that their product offering was based on culture and heritage attractions.
- Only one organization considered that their mission and values were not consistent with attracting a growing proportion of domestic and cultural tourists.

These findings were largely confirmed by the quantitative research.

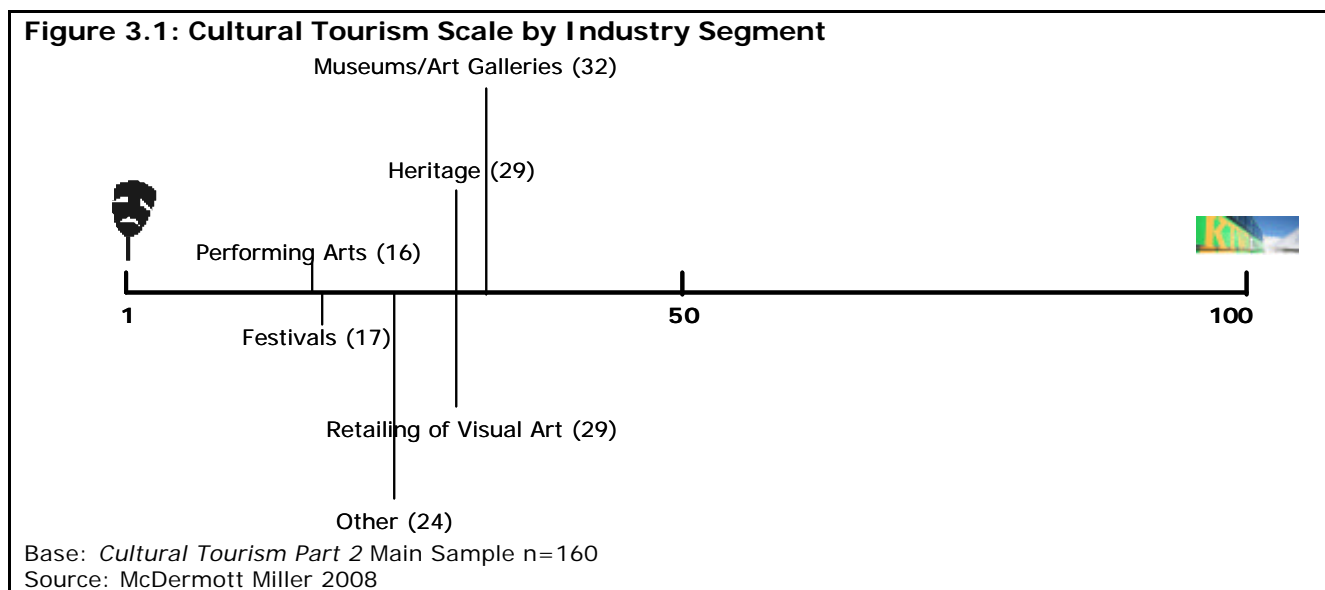
Cultural organisations' perceptions of themselves in the cultural tourism market varied across industry segments. But, although segment views are varied, all segments still perceive themselves as culturally orientated more than tourist orientated.

To reveal this, organisations were asked the following question:

*'Thinking about a purely cultural organisation, like a professional theatre group (Auckland Theatre Company) and a purely tourist orientated organisation (Kiwi Experience), please indicate where you think your organisation fits on this scale? (1 = a purely cultural organisation and 100 = a purely tourist orientated organisation)'*

- The average number recorded across the total 160 organisations is 26;
- 'Retailing of visual arts' segment recorded themselves as 29,
- 'Museums/Art Galleries', saw themselves as 32 on the cultural tourism scale,
- 'Performing Arts', gave themselves 16,
- 'Festivals' also gave themselves 17,
- The 'Heritage' segment rated themselves as 29,
- and 'Other' types of organisations felt they were a 24 on the cultural tourism scale.

**Figure 3.1** on the following page illustrates this.



### Attitudes to Tourists

Cultural organisations in the quantitative sample were asked to rate three types of visitors against a series of attribute statements on a seven point scale ranging from 'Strongly agree' (1) to 'Strongly disagree' (7).

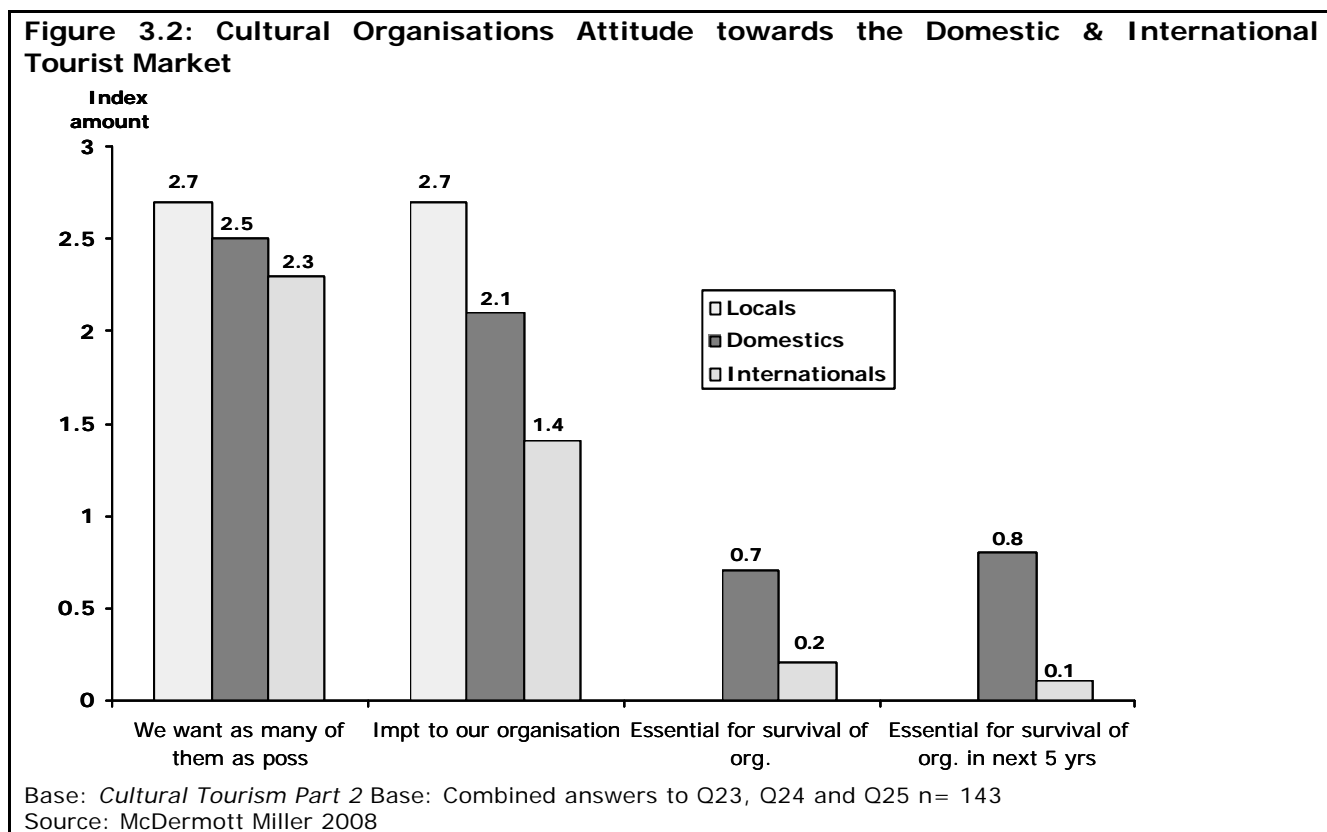
The three types of visitors are;

- Locals visitors – people who live within a 50 kilometre distance or your organization
- Domestic tourists – New Zealand holiday makers or New Zealand business people who are visiting your area from elsewhere in New Zealand
- International tourists – People who are visiting New Zealand on holiday or business who do not normally reside in New Zealand.

The percentage of organisations giving positive and negative ratings is weighted as follows:

- weighted negative responses are subtracted from weighted positive responses
- the result is then divided by the total to get a summary index of perceived strengths and weaknesses.
- The higher the weighted index amount the more positive organisations are towards the attribute tested.

**Figure 3.2** on the following page compares the three visitor types against the attributes tested.



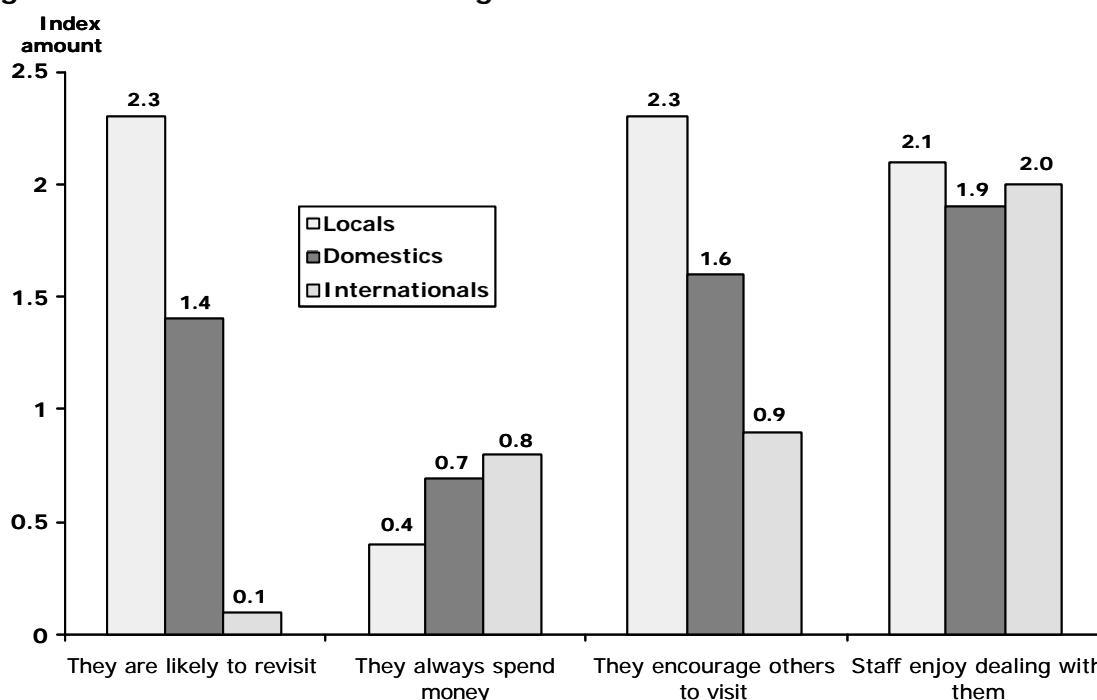
**Figure 3.2** shows that cultural organisations are fairly indiscriminate when it comes to visitation. Organisations are interested in any type of visitor, though they are marginally more interested in local visitors (rated 2.7) than domestic (rated 2.5) or international tourists (rated 2.3).

Cultural organisations become more differentiated when they rate how important each type of visitor is to their organisation; locals are seen as the most important (rated 2.7), followed by domestic tourists (rated 2.1), with international tourists lagging behind (rated 1.4).

Again, domestic tourists in comparison with their international counterparts are viewed as more essential to both the short term and long term survival of organisations (Short term survival; domestic tourists = 0.7 and international tourists = 0.2, long-term survival; domestic tourists = 0.8 and international tourists = 0.1). Please note: these statements were not tested against local visitors.

Perhaps the reason for the more positive attitude towards locals compared to tourists can be found in **Figure 3.3** on the following page.

Figure 3.3: Reasons for Cultural Organisations Attitude toward Locals and Tourists



Base: Cultural Tourism Part 2 Base: Combined answers to Q23, Q24 and Q25 n= 143  
 Source: McDermott Miller 2008

Local visitors are perceived by cultural organisations as repeat visitors (rated 2.3) who are also more likely to refer others to visit (rated 2.3). Domestic tourists rate higher than their international counterparts but they are both significantly below local visitors with the same two attributes (repeat visitor, domestic tourists = 1.4 and international tourists = 0.1, refer others to visit, domestic tourists = 1.6 and international tourists = 0.9).

On the other hand, both domestic and international tourists are more likely to spend money at a cultural organisation than local visitors (Internationals=0.8, Domestic = 0.7 and Locals = 0.4), but this difference is less significant.

On a positive note, staff in cultural organisations, seem to enjoy dealing with all types of visitors.

### Attitudes to the Tourism Industry

When organisations in the quantitative survey were asked about specific factors to do with the tourism sector, the results suggested a difference between the values and attitudes of the cultural and tourism industries, with some negative perceptions emerging:

- 48% of organisations agreed or strongly agreed that it is difficult for non-profit organisations to collaborate with commercially driven tourism organisations.
- 46% agreed or strongly agreed that the tourism industry had a different understanding of what constitutes an authentic cultural experience.
- 17% agreed or strongly agreed that their organizational vision and values made it difficult for them to market themselves proactively to the tourism sector.

It was also observed in the qualitative research that the term 'cultural tourism' was often too narrowly identified exclusively with Maori culture. It was argued that this tended to disenfranchise attractions based on non-Maori cultural traditions which as a consequence were regarded as heritage tourism experiences.

## 3.2

### THE IMPORTANCE OF THE TOURISM MARKET

#### Qualitative Findings

The qualitative survey produced a range of responses regarding the relative importance of the local, domestic and international tourism markets.

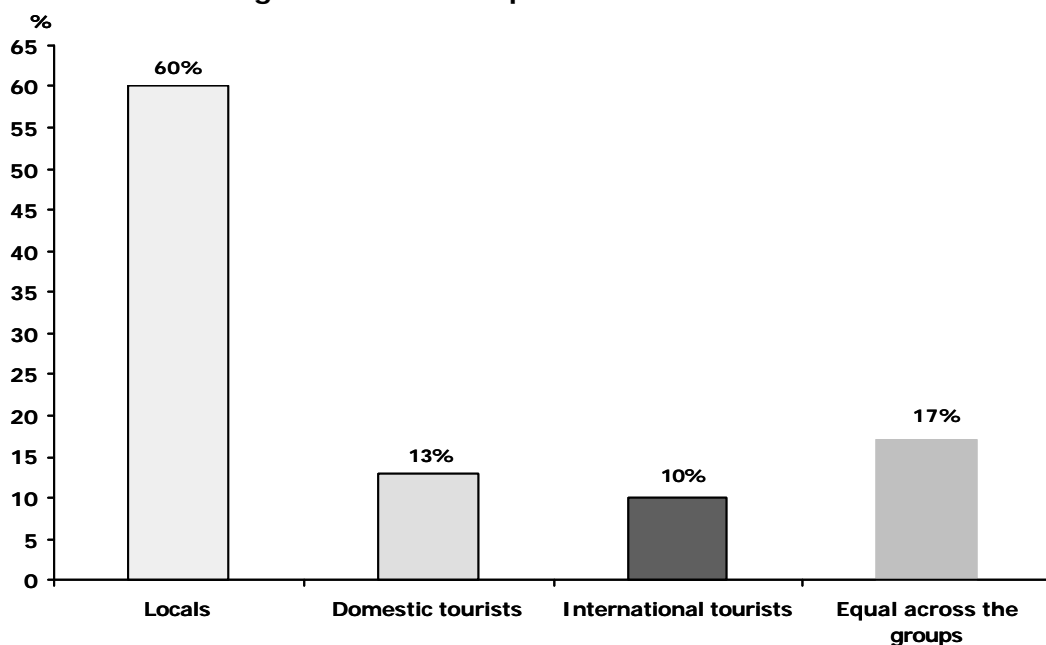
- The sample included micro businesses with an annual visitation of only 1500 to large national organization where international visits ranged from 450,000 to 600,000.
- Smaller regional attractions attracted between 24,000 and 120,000 domestic and international tourists annually.
- International visitors to attractions in dedicated tourism destinations constituted as much as 95% of their annual audience.
- Conversely, metropolitan performing arts organisations identified 90% of their audiences as local.
- Between these extremes, a number of organisations were split equally among local visitors (33%) domestic visitors (33%) and international visitors (33%).
- In most cases, the proportion of international visitors was thought to be on the increase, in one case from 30% to 50% visitation over the past 10 years.

**Quantitative Findings**

The quantitative research produced a rather different, and arguably more accurate, picture. As **Figure 3.4** indicates:

- 60% of total organisations considered their core market as 'Locals',
- This compares with 13% and 10% of organisations who considered their core market as 'Domestics' and 'Internationals' respectively.
- A further 17% said their core market was split across all groups.

**Figure 3.4: Cultural Organisations Perceptions of Their Core Market**



Base: *Cultural Tourism Part 2*: Everyone who answered Q9 'Who do you consider to be your core market', n=174  
 Source: McDermott Miller 2008

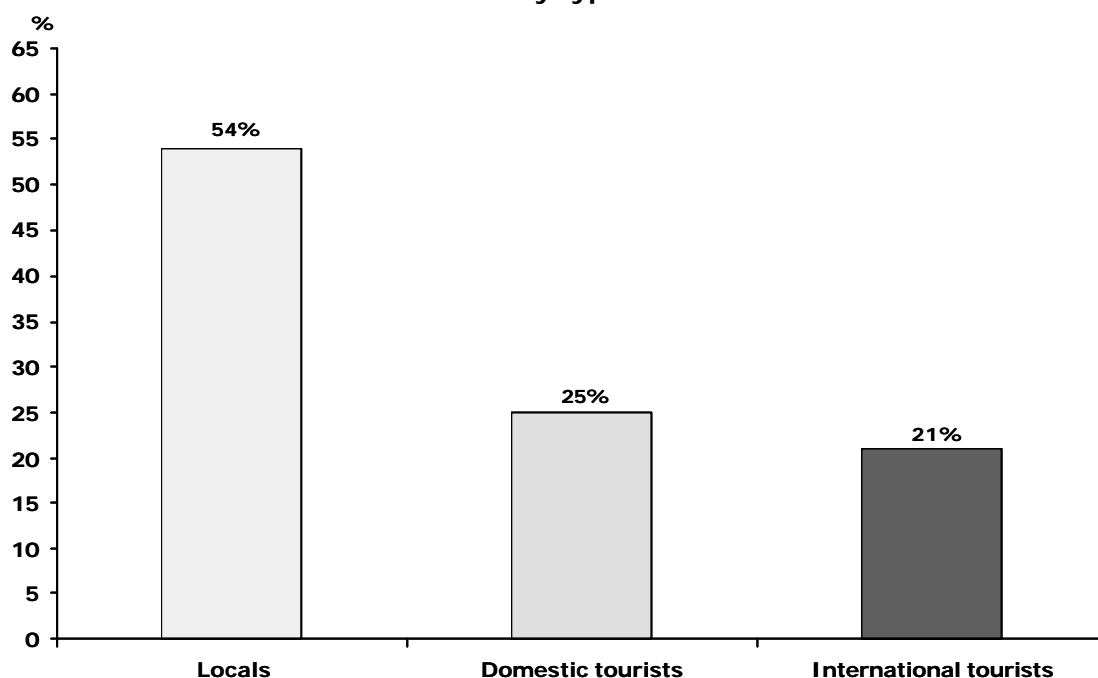
However, when organisations were asked to give actual visitor numbers split by origin, their visitor data did not correspond with their perceptions of who their core market was.

The 2007 visitor numbers given in the quantitative survey were;

- 54% of visitors were 'Locals'
- 25% were 'Domestic' and
- 21% were 'Internationals'.

These figures are illustrated in **Figure 3.5** on the page below.

Figure 3.5: Actual 2007 Visitor Numbers by type of Visitor



Base: *Cultural Tourism Part 2: Organisations who distinguish origin of visitor and collect visitor data, n=88*  
 Source: McDermott Miller 2008

Interestingly, when actual visitor numbers are recorded by type of organisation the same pattern emerges as with the total sample. Organisations' perceptions of who their market is, is unsubstantiated by their recorded visitor data. So rather than the actual visitor market influencing their views it is their perception of their core market which instead influences them.

For example the Heritage segment does not believe it is cost effective to secure a local audience because most of their audience comes from outside the local area but in actual fact 20% of their audience is local and there may be some benefit from trying to secure a loyal local audience.

Table 3.1 below illustrates the difference between industry segments' perceived market and their actual 2007 visitor data.

Table 3.1: Difference between Perceptions and Actual 2007 Visitors by Segment

	Visual Arts Retail		Museums and Art Galleries		Performing Arts		Festivals		Heritage	
	Perceived Audience	Actual 2007	Perceived Audience	Actual 2007	Perceived Audience	Actual 2007	Perceived Audience	Actual 2007	Perceived Audience	Actual 2007
Locals	56%	55%	56%	37%	91%	80%	67%	73%	8%	20%
Domestic tourists	18%	26%	9%	29%	3%	16%	11%	17%	17%	32%
International tourists	10%	19%	9%	34%	3%	4%	11%	10%	50%	43%
Unspecified	16%	0%	26%	0%	3%	0%	11%	0%	25%	5%

Base: *Cultural Tourism Part 2: Everyone who answered Q9 'Who do you consider to be your core market', n=174 and Organisations who distinguish origin of visitor and collect visitor data, n=88*  
 Source: McDermott Miller 2008

### Differing Perceptions by Organisational Type

Interestingly, there was a significant variation across organisational types regarding the current importance of cultural tourism. In particular, it is apparent that performing arts organisations and heritage organisations are at polar opposites.

As **Table 3.2** below indicates, 91% of performing arts respondents cited the overwhelming importance of the local market compared with 8% of heritage organisations; however 50% of heritage organisations cited international tourists as their core market compared with 3% of performing arts organisations.

**Table 3.2: Differing Perceptions of the Relative Importance of Audience Types by Segment**

Cultural Organisations Perceptions of Their Core Market	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage
Locals	56%	56%	91%	67%	8%
Domestic tourists	18%	9%	3%	11%	17%
International tourists	10%	9%	3%	11%	50%
Unspecified	16%	26%	3%	11%	25%

Base: *Cultural Tourism Part 2*: Everyone who answered Q9 'Who do you consider to be your core market', n=174  
 Source: McDermott Miller 2008

Two principal reasons for these differing perceptions are suggested by the research. The first concerns the planning cycle employed in different cultural fields. In the case of heritage buildings and sites, for example, there is a tendency for their attractions to be relatively static. The same range of attractions is likely to be available in three years as is available now. In the case of the performing arts (professional theatres for example) programming is based generally on monthly seasons which cannot necessarily be specified two or three years in advance. The same is true of major festivals. Despite their two to three year planning cycles, their final programmes are often not confirmed in full until within three months of launch date. As a result, the planning cycles of many cultural organisations are inconsistent with what is standard within the tourism industry. This is confirmed by the quantitative responses recorded in **Table 3.3** below:

**Table 3.3: Inconsistent Planning Cycles by Segment**

The long-haul tourism market needs to operate on a 2-3 year planning cycle whereas our planning cycles are much shorter	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
	%	%	%	%	%	%	%
Strongly agree	11	15	29	25	14	10	17
Agree	19	25	11	13	0	30	17
Somewhat agree	8	20	7	13	14	30	12
Neutral	51	30	46	49	57	30	45
Total	89	90	93	100	85	100	91

Base: *Cultural Tourism Part 2*: Everyone who answered Q29, n=126  
 Source: McDermott Miller 2008

A further possible reason concerns the perception of the various organisations about where their marketing spend might be applied most cost-effectively. As **Table 3.4** below indicates, heritage organisations are distinguished from all other groups which consider that their marketing dollar can be most effectively spent on attracting repeat business from their local audience.

**Table 3.4: Effectiveness of Marketing Spend**

It is more cost-effective for us to secure a loyal local audience than to position ourselves as a tourist attraction in a market where there is no repeat business.	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
	%	%	%	%	%	%	%
Strongly agree	26	30	43	13	0	30	29
Agree	19	5	32	38	0	60	23
Somewhat agree	11	15	11	25	0	10	12
Neutral	17	10	11	13	43	0	14
<b>Total</b>	<b>73</b>	<b>60</b>	<b>97</b>	<b>89</b>	<b>43</b>	<b>100</b>	<b>78</b>

Base: *Cultural Tourism Part 2*: Everyone who answered Q29, n=126

Source: McDermott Miller 2008

### 3.3

## CURRENT ENGAGEMENT WITH THE TOURISM MARKET

### Qualitative Findings

With one exception, all the 12 respondents used the full range of marketing channels available to them - print, direct mail, email, web, i-sites, special promotions and events and membership, friends or subscription arrangements. The majority of respondents considered their marketing arrangements were effective with some noting the increasing significance of the web (especially for FITS who tend to research destinations on the internet but make their bookings through an agent).

The significance of two other marketing opportunities was noted by a number of respondents:

- The selling power of positive listings in Lonely Planet guides and Rough Guides
- The growing importance of cruise ships for generating increased visitation especially for walkable heritage products

As noted above, in the case of the micro businesses, the annual marketing spend was as little as \$1000. The SMEs spend ranged from \$40,000 to \$350,000 annually. The larger organisations devoted between \$1 million and \$2.3 million to marketing.

There was no clear pattern to the nature of the marketing spend except that:

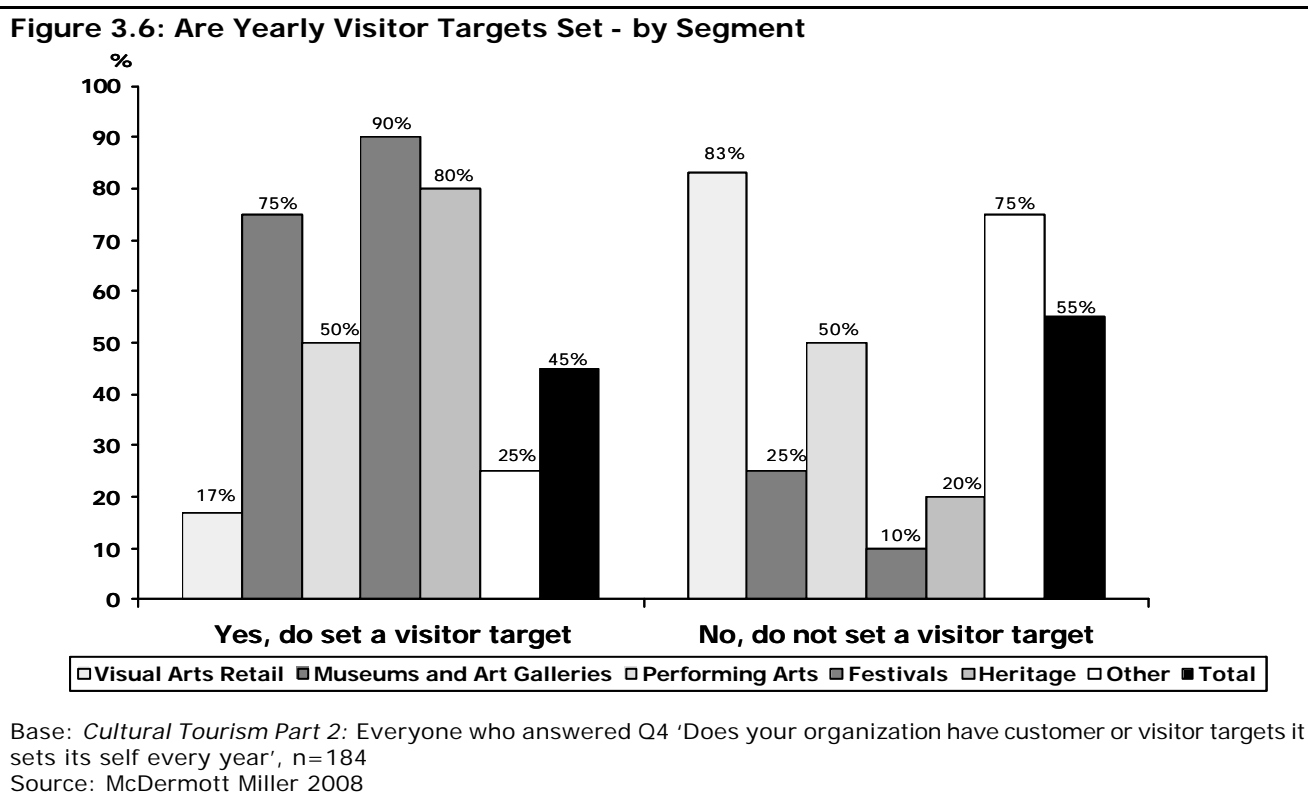
- the more successful cultural tourism marketers tended to segment their market and divide their spend among local, domestic and international tourist
- those who were not really in the tourism market tended to spend their budget generically.

**Quantitative Findings**

The quantitative survey indicated that across the sector as a whole, the organisations’ marketing orientation was not particularly strong:

**Audience Data**

Just over half (55%) of total organisations surveyed do not set themselves a specific annual visitor target. This figure is even greater for ‘Visual arts retail’ and ‘Other’ types of cultural organisations, as **Figure 3.6** below illustrates.



Visitor targets vary across the six industry segments. **Table 3.5** shows the mean, median and range of visitor targets set in 2007 and 2008 by segment.

**Table 3.5: Mean, Median & Range of Visitor Targets Set in 2007 and 2008 - by Segment**

Customer or visitor target for 2007	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
Mean	96572	123388	35269	85667	32543	2750	80450
Median	30000	30000	30000	49500	20000	2750	30000
Customer or visitor target for 2008	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
Mean	79400	124876	39006	51429	30600	2750	73889
Median	10400	30000	30042	30000	17500	2750	25000

Cust./Visitor Target:	Retail Vis. Art		Muse./Art Gall		Perform Arts		Festivals		Heritage		Other		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
2007														
1-20000	4	31	7	27	5	26	1	11	4	44	2	67	23	29
20001-50000	2	15	8	31	4	21	2	22	1	11	0	0	17	22
> 50000	3	23	6	23	4	21	3	33	2	22	0	0	18	23
Don't know	4	31	5	19	6	32	3	33	2	22	1	33	21	27
<b>Total</b>	<b>13</b>	<b>100</b>	<b>26</b>	<b>100</b>	<b>19</b>	<b>200</b>	<b>9</b>	<b>200</b>	<b>9</b>	<b>200</b>	<b>3</b>	<b>200</b>	<b>79</b>	<b>100</b>
2008														
1-20000	7	47	9	39	8	47	2	29	5	63	2	100	33	48
20001-50000	2	13	5	22	4	24	3	43	1	13	0	0	15	22
> 50000	3	20	9	39	5	29	2	29	2	25	0	0	21	30
Don't know	3	20	3	13	2	12	1	14	2	25	1	50	12	17
<b>Total</b>	<b>15</b>	<b>100</b>	<b>23</b>	<b>100</b>	<b>17</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>8</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>69</b>	<b>100</b>

Base: *Cultural Tourism Part 2: Organisations who set themselves visitor targets every year*, n=79 (2007) n=69 (2008)  
 Source: McDermott Miller 2008

When organisations were asked if they systematically gather and analyse audience data, 47% said they did not. Given this it is not surprising 37% of the total sample could not distinguish between local people, domestic and international tourists.

**Cultural Products Offered**

Organisations were asked to indicate if they had specific cultural tourism products for the following markets:

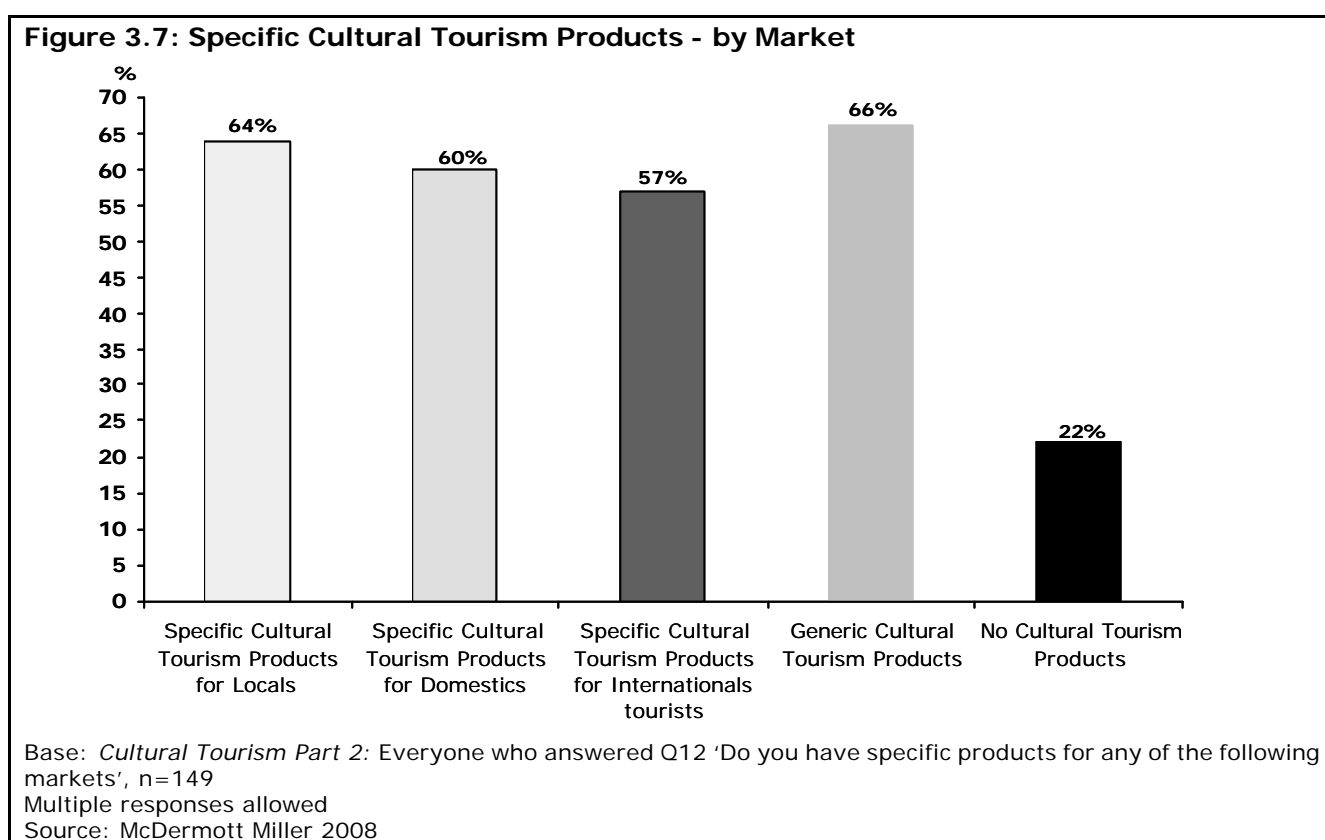
- Locals
- Domestic tourists
- International tourists
- Generic cultural tourism products across all markets
- Or, do not have any cultural tourism products.

Multiple responses were allowed across locals, domestics, internationals and generic groups.

Almost a quarter (22%), of the sample does not have specific cultural tourism products to offer.

- Of the remainder, 64% have specific cultural tourism products for locals,
- 60% have specific cultural tourism products for domestics,
- 57% have specific cultural tourism products for internationals
- and 66% have generic cultural tourism products.

**Figure 3.7** below illustrates both whether specific cultural tourism products are offered to different markets and the amount that are offered.



Organisations then went on to specify what type of cultural tourism products they offer the market. **Table 3.6** lists the percentage amount by type of product and by market segment. This table illustrates where the majority of cultural organisations activity and focus lie.

- 'Special exhibitions' are the most common cultural tourism product offered, although interestingly it is not a specific product offered to international tourists (67% local, 65% Domestic, 0% Internationals and 52% Generic).

- 'Guided tours/audio guides in English' are offered in a significant amount to all markets but almost twice as much for international tourists (37% local, 37% Domestic, 67% Internationals and 32% Generic)
- 'Yearly memberships/subscriptions', 'Special packages/loyalty discounts' and 'Special packages in collaboration with other businesses in our area' are all products that are offered only to local visitors and the generic market.
- 'Package deals' are only offered to domestic tourists and the generic market but in a limited way.
- As expected, 'Multi lingual guides' are predominantly offered to international tourists.
- 'Pre-booked tickets through concessionaires' and 'Concessions in conjunction with other tourist providers' are offered to domestic, international and generic market but again only in a limited way.
- 'Live performances' are offered in almost equal amounts across all markets (11% local, 13% Domestic, 11% Internationals and 9% Generic). And while these percentages are not large it is more a function of the industry than anything else - only certain organisations such as theatre and music groups offer live performances.

**Table 3.6: Cultural Tourism Products - by Market**

Cultural Tourism Products Being offered to Market	Local Market	Domestic market	Internat. Market	Generic Market
	%	%	%	%
Special exhibitions	67	65	0	52
Guided Tours/audio guides in English	37	37	67	32
Other	18	17	24	17
Yearly memberships/subscriptions	35	0	0	29
Information/research/education/lectures	17	13	14	10
Special packages/loyalty discounts	29	0	0	22
Live Performances	11	13	11	9
Pre-booked tickets through concessionaires	0	11	10	14
Visual art and souvenir related products	7	7	12	5
Concession in conjunction with other tourist providers	0	11	8	8
Special packages in collaboration with other businesses in our area	17	0	0	10
Package deal e.g. Weekend away experience	0	8	0	6
Multi lingual guided tours/audio guides	0	0	10	1
Special discounts	5	0	1	2

Base: *Cultural Tourism Part 2*: Everyone who answered Q13, Q14, Q15 and Q16 'What type of cultural tourism product do you offer to Locals, Domestic, Internationals, or Generic', Q13 (Locals) n=94, Q14 (Domestics) n=88, Q15 (Internationals) n=83, Q16 (Generic) n=97

Multiple responses allowed

Source: McDermott Miller 2008

This data suggests that potential opportunities for market growth through product offer exist in the areas of;

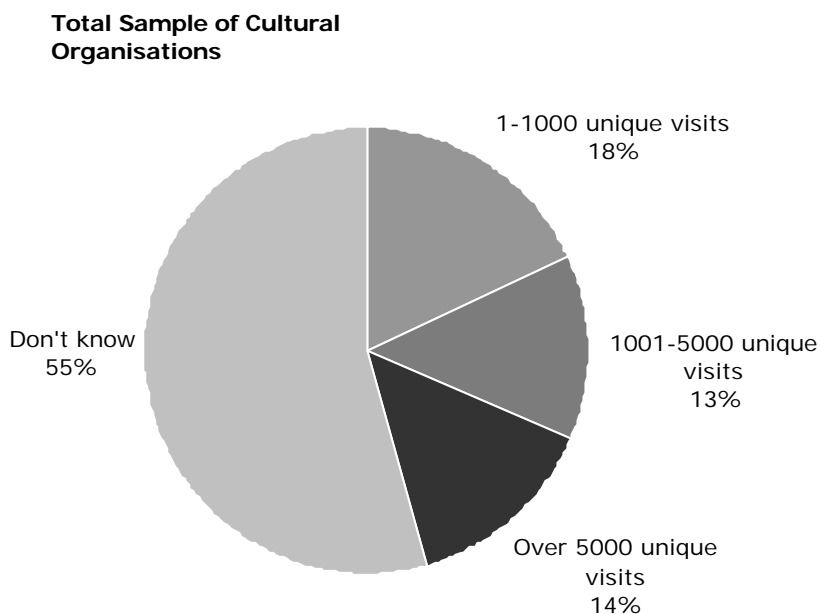
- 'Special packages/loyalty discounts'
- 'Special packages in collaboration with other businesses in our area'
- 'Package deals e.g. Weekend away experience'
- 'Yearly memberships/subscriptions'

**How Cultural Organisations' Are Marketing Themselves**

Having a website seems to be the key way cultural organisations market to their audience: 94% of organisations said they have their own website. But of this 94%, only 45% were able to indicate the average number of monthly unique visits to their website.

**Figure 3.7** below shows the average range of unique visits recorded by the total sample.

**Figure 3.7: Range of Monthly Recorded Number of Unique Visits to Organisation Websites**



Base: *Cultural Tourism Part 2*: Everyone who answered Q8a&b, n=164  
 Source: McDermott Miller 2008

**Table 3.7** expands this further by listing the mean, median and range of unique visits to organisations websites by segment.

- ‘Museums and Art Galleries’ and ‘Festivals’ are the segments with the highest amount of web traffic. Both are well above the overall total mean and median.
- Interestingly the ‘Performing Arts’ segment does not have a high volume of web traffic and perhaps this can be linked their use of ticket concessionaires like Ticketek rather than having a ticket purchasing function on their own websites.

**Table 3.7: Mean, Median and Range of Monthly Recorded Unique Visits to Organisation Websites - by Segment**

Number of Monthly Unique Visits to Organisations Website	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
Mean	2330	17732	4400	89213	5050	9133	13176
Median	1088	5001	1580	5833	1400	8000	1800

Range monthly unique visits to website	Retail Vis. Art		Muse./Art Gall		Perform Arts		Festivals		Heritage		Other		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1-1000	16	23	3	15	6	19	1	11	2	17	2	18	30	18
1001-5000	14	20	4	20	2	6	1	11	1	8	0	0	22	13
>5000	3	4	7	35	4	13	4	44	1	8	4	36	23	14
Don't know	37	53	16	80	20	63	3	33	8	67	5	45	89	54
<b>Total</b>	<b>70</b>	<b>100</b>	<b>20</b>	<b>100</b>	<b>32</b>	<b>100</b>	<b>9</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>11</b>	<b>100</b>	<b>164</b>	<b>100</b>

Base: *Cultural Tourism Part 2*: Everyone who answered Q8a&b, n=164

Source: McDermott Miller 2008

Other types of marketing promotion used in the cultural sector vary across type of visitor. The most common form of marketing promotion after an organisations’ own website are:

- ‘Flyers/brochures’ (78% Locals, 66% Domestic and 48% Internationals)
- Web-based event guides (66% Locals, 65% Domestic and 51% Internationals)
- E-marketing (67% Locals, 51% Domestic and 38% Internationals)
- ‘Collaboration with other organisations’ is the least used method of marketing promotion (3% Locals, 3% Domestic and 4% Internationals).
- And there is a small number of organisations who do not use any marketing promotion at all (6% Locals, 7% Domestic and 9% Internationals).

**Table 3.8** reveals all the forms of marketing promotion used for the different types of market.

Types of Marketing Promotion Used for Different Markets	Local Market %	Domestic market %	Internat. Market %
Organisation's own website	87	86	85
Brochures/Flyers	78	66	48
Web-based events guides	66	65	51
E-marketing	67	51	38
Print - magazines	56	61	27
Print - newspaper	82	45	13
Television/radio	78	46	13
Information on other's website	44	48	42
Direct Mail	64	34	11
Loyalty/membership Schemes	41	17	10
Other	37	18	10
Inclusion in guidebooks	14	22	28
Tradeshows and Conferences	8	12	15
Posters/Billboards/adshells	11	7	3
Competitions/special events/PR	7	4	3
Collaboration with another organisation	3	3	4
Do not use any type of marketing promotion	6	7	9

Base: *Cultural Tourism Part 2*: Everyone who answered Q26, n=137  
Source: McDermott Miller 2008

### Marketing Budgets

Marketing budgets in the cultural sector tend to be small, with the exception of a few large players;

- 38% had marketing budgets of less than \$5000
- 24% had a marketing budget between \$5001-\$20,000
- 14% had a marketing budget between \$20,001-\$100,000
- 8% had a marketing budget between \$100,001-\$300,000
- 6% had a marketing budget between \$300,001 to over \$1 million
- The remaining 11% did not know or did not spend any money on marketing.

Tying in with the perceived relative importance of locals (**refer Section 3.2**), marketing spend is not distributed equally across visitor segments, but is more likely to be spent on locals or spent generically across all types of visitors, although this differs slightly when looking at industry segments.

**Table 3.9** below shows the proportion of organisations marketing budget spent by type of visitor.

	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
Locals	35%	38%	56%	61%	17%	54%	43%
Domestic Visitors	18%	17%	6%	23%	7%	8%	14%
International Visitors	11%	8%	1%	3%	9%	3%	7%
Spend marketing budget generically	24%	32%	26%	13%	53%	35%	27%
Refused	12%	5%	11%	0%	14%	0%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Base: *Cultural Tourism Part 2*: Everyone who answered Q43, n=121  
 Source: McDermott Miller 2008

## 3.4

**CONCLUSIONS**

The data summarized above provide answers to three of the research questions.

**What are the attitudes of cultural sector businesses to the tourism market?**

- Most organisations had a commonsense understanding of the nature of cultural tourism, defining it in such terms as:

*bringing people to a destination to engage in cultural events  
sharing with visitors elements of your culture  
tourism that is generated by cultural activity.*

- Most organisations taking part in the survey perceived themselves as predominantly *cultural* organisations rather than *tourist orientated* organisations.
- Among the cultural organisations, some negative perceptions of the tourism industry emerged:
  - 48% of organisations agreed or strongly agreed that it is difficult for non-profit organisations to collaborate with commercially driven tourism organisations
  - 46% agreed or strongly agreed that the tourism industry had a different understanding of what constitutes an authentic cultural experience
  - 17% agreed or strongly agreed that their organizational vision and values made it difficult for them to market themselves proactively to the tourism sector.

**How important is the tourism market to their business?**

- When the research results are generalised across all organisational types within the cultural sector
  - 60% of organisations considered their core market as 'Locals',
  - This compares with 13% and 9% of organisations who considered their core market as 'Domestics' and 'Internationals' respectively.
- However, there are clear differences between different types of cultural organisations regarding the relative importance of the local and tourist market. In particular
  - 91% of performing arts respondents cited the overwhelming importance of the local market compared with 8% of heritage organisations;
  - however 50% of heritage organisations cited international tourists as their core market compared with 3% of performing arts organisations.

**How are they currently engaging (i.e. promoting themselves or their 'products') within the tourism market?**

- Respondents to the qualitative survey claimed that they used the full range of marketing channels available to them - print, direct mail, email, web, sites, special promotions and events and membership, friends or subscription arrangements. They considered their marketing efforts were effective.
- The quantitative survey confirmed that cultural sector organisations used this range of marketing channels. However, it also indicated that across the sector as a whole, the organisations' marketing orientation was not particularly strong:
  - 55% of organisations surveyed did not set themselves a specific annual visitor target.
  - While 94% of organisations had a website, 55% of them could not indicate the number of unique visits per month.
  - 47% did not gather and analyse any audience data
  - 37% could not distinguish between local people, domestic and international tourists
  - 38% had marketing budgets of less than \$5000
  - 24% had a marketing budget between \$5001-\$20,000
  - 11% did not know or did not spend any money on marketing

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## 4. IDENTIFYING OPPORTUNITIES

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### 4.1 UNMET EXPECTATIONS IN THE TOURIST MARKET

One important background document regarding unmet expectations in the cultural tourist market was supplied by the Ministry for Culture and Heritage, *Demand for Cultural Tourism* (Colmar Brunton 2003) identified a series of cultural products that are strong drivers of overall holiday satisfaction, but were perceived less favourably by international tourists. These included the following products which are the focus of our enquiry

- marae visits,
- sites that are important to Maori history
- exhibitions of other New Zealand history,
- dance performances,
- historic buildings,
- shopping for souvenirs / gifts / educational purposes

The report also suggested that domestic visitors were most satisfied with New Zealand's such things as festivals and events but least satisfied with arts and crafts markets, and sites that are important to Maori history.

Domestic visitors' satisfaction levels with individual cultural products were often also lower than international visitors' satisfaction levels. In the eyes of domestic visitors, New Zealand fares most poorly in our offer of historic buildings, art galleries / exhibitions, arts and craft markets, and shopping for souvenirs / gifts / educational purposes. The report concluded that while the domestic traveller displays obvious signs of national pride in our tourism offer generally, at the specific cultural product level there is a clear sense of 'cultural cringe' apparent – New Zealanders rate our offer more negatively than international visitors do. The report comments as follows:

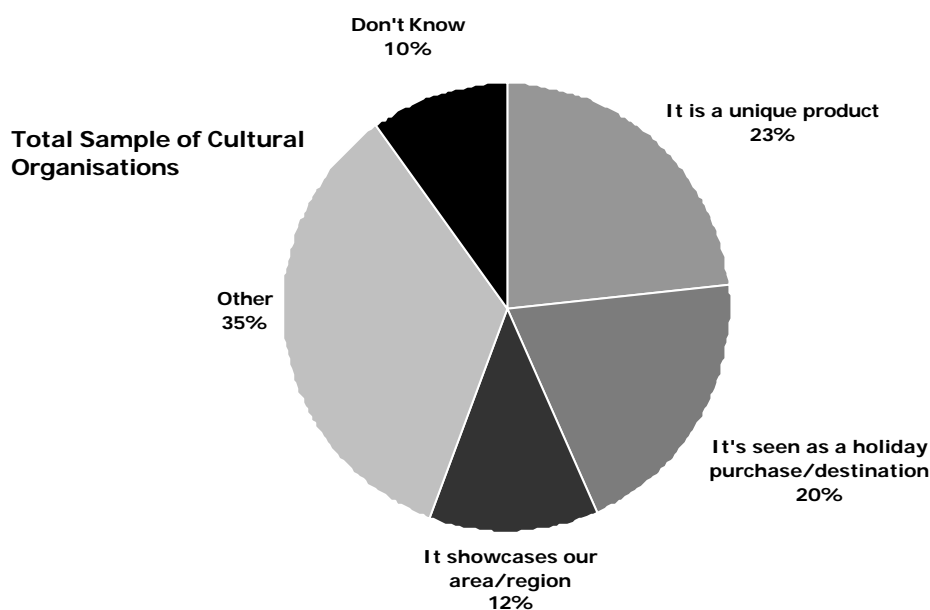
*It is important to consider the influence of international and local perceptions. If we value our cultural tourism offer, then we will transmit this sense of importance and pride to others when we speak of New Zealand. Similarly when our cultural tourism products are spoken of positively at the international level, then New Zealanders develop a greater sense of pride and success in this area. The reciprocity of influence is key; we influence international perceptions and are influenced by perceptions of international visitors. ... From this study we have concluded that it is critical to work with our own market to encourage domestic travellers to value our cultural tourism offer more ... A separate strategy related to building awareness and encouraging participation in a wider range of activities beyond 'the usual' for our domestic market is necessary for long term success.*

The report also suggested the need to build ‘understanding how our cultural tourism offer is a direct extension of our land and environment’ – elements of the visitor experience valued by both domestic and international visitors alike.

**4.2 OPPORTUNITIES AND CHALLENGES FOR CULTURAL ORGANISATIONS**

Within the cultural sector, the quality of the product offering was not questioned. The quantitative survey suggested that cultural organisations believed that tourists would be attracted to their products for a variety of reasons included their ‘unique’ qualities and their capacity to ‘showcase [an] area or region’. This is outlined in **Figure 4.1** below.

**Figure 4.1: Self Assessment of Cultural and Heritage Product Attractiveness**



Base: *Cultural Tourism Part 2*: Everyone who answered Q21 ‘Do you consider that tourists represent a potential market for your organisation, n=48  
 Source: McDermott Miller 2008

Despite this belief in the market attractiveness of their product offerings, little use was made by cultural organisations of independent quality assurance products. Only 15%-16% of organisations strongly agreed that such endorsements would ‘enhance us in the eyes of domestic or international tourists’ while the vast majority (81%) of the sample did not use any independent standards.

There was no evidence of 'cultural cringe' among the qualitative interview subjects. They believed, often passionately, in the quality and significance of their product offerings. Within the sector as a whole, there was a strong awareness of the importance of domestic tourists as advocates for specific cultural tourism attractions. This is indicated by the results in **Table 4.1** below.

**Table 4.1: Advocacy by Domestic Tourists**

Domestic Tourists are likely to encourage others to visit	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
	%	%	%	%	%	%	%
Strongly agree	39	15	25	49	40	40	32
Agree	21	30	31	38	10	20	25
Somewhat agree	21	41	25	13	20	0	24
Total	81	86	81	100	70	60	81

Base: *Cultural Tourism Part 2*: Everyone who answered Q24, n= 143  
 Source: McDermott Miller 2008

Interestingly, the cultural sector organisations also considered that local visitors and international tourists represented potential advocates for the significance of cultural tourism attractions. A total of 93% of respondents somewhat agreed, agreed or strongly agreed that locals 'are likely to encourage others to visit', while 60% agreed that international tourists could perform this same function.

Despite this, no specific evidence was presented that cultural or tourism industry representatives were actively targeting domestic tourists to recruit them as product advocates or involve them in experiences beyond 'the usual'.

Techniques of relationship marketing are well established as a means of transforming individuals from customers to advocates. These techniques would appear to be relevant to New Zealand's continuing cultural tourism development.

## 4.3

**RESPONDING TO OPPORTUNITIES AND OVERCOMING CHALLENGES****Constraints on Effective Tourism Marketing****Qualitative Research**

The research did not establish that most cultural organisations needed encouragement to engage with tourism nor that there were significant factors that prevented them from doing so. The majority of respondents to the qualitative interviews did not identify any significant constraints to their increasing success at attracting a greater share of the tourist market. A relatively small minority of organisations did consider that the long planning cycle of tourism enterprises created some difficulties of coordination. A significant minority of respondents also considered that the following factors were potential constraints:

- Successful projects being imitated in other destinations.
- A lack the knowledge, expertise and resources
- It was more cost-effective to secure a loyal local audience.

The only other constraint identified by one respondent was an apparent lack of interest and cooperation from the local RTO and Tourism New Zealand. However, as noted above, these factors were not considered constraints by the majority of respondents.

**Quantitative Research**

Cultural organisations were asked to rate a series of statements illustrating examples of why some cultural organisations have not marketed effectively to the tourism market on a seven point scale ranging from 'Strongly agree' to 'Strongly disagree'.

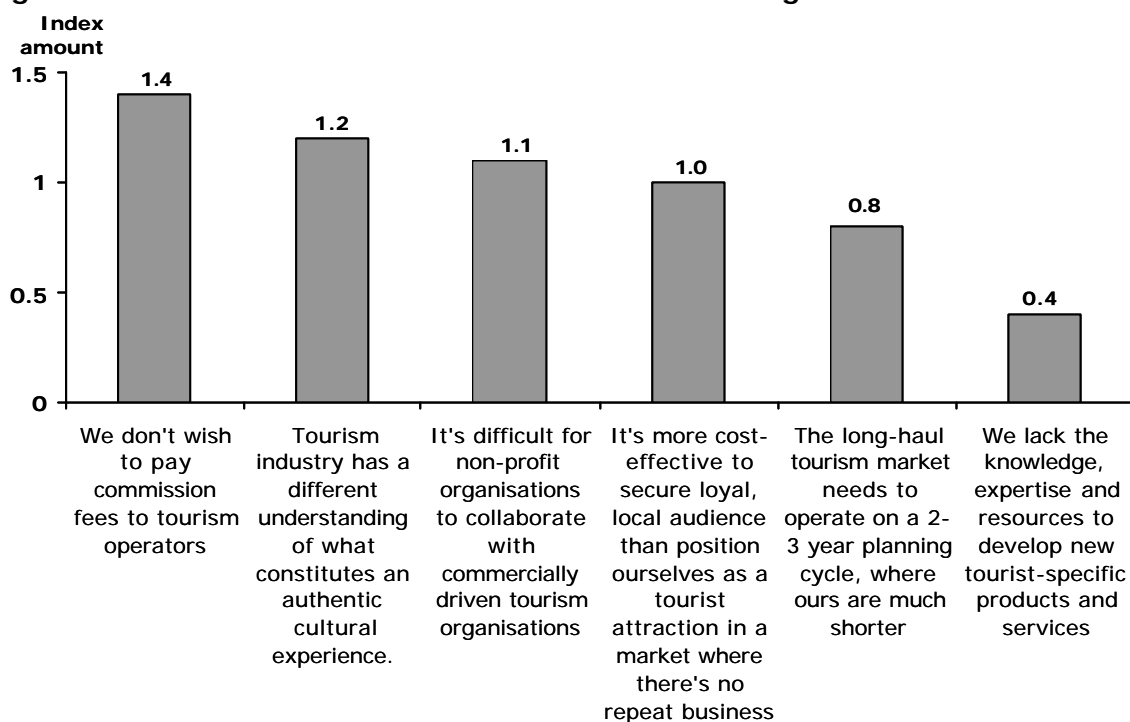
The percentage of organisations giving positive and negative ratings is weighted as follows:

- weighted negative responses are subtracted from weighted positive responses
- the result is then divided by the total to get a summary index of perceived strengths and weaknesses.
- The higher the weighted index amount the more positive organisations are towards the statement tested.

The research showed that six out of ten statements were of some concern to the cultural sector, although not overwhelmingly so. These six statements had a positive index rating (above 0).

**Figure 4.2** below illustrates this.

Figure 4.2: Perceived Constraints on Effective Marketing to Tourist Market



Base: *Cultural Tourism Part 2*: Everyone who answered Q29, n= 126  
 Source: McDermott Miller 2008

The constraints that were not seen as an issue were;

- Successful projects are quickly imitated in other destinations. This dilutes the unique appeal of our product offering.
- Our organisational vision values or objectives make it difficult for us to proactively to market ourselves to the tourist market.
- There are no financial rewards for us as we do not charge admission.
- We can not differentiate between locals and visitors and therefore can not cater our products to each market for financial reward.

When asked if there were any other constraints that might affect organisations accessing the tourist market the majority of all organisations saw no necessary constraints on success. When other issues were identified regarding barriers to current and future tourism marketing success these involved finance, skills and resources as **Table 4.2** shows, but these were again minority concerns.

**Table 4.2: Are There Any Other Constraints on Tourism Marketing Success**

	Visual Arts Retail	Museums and Art Galleries	Performing Arts	Festivals	Heritage	Other	Overall Total
	%	%	%	%	%	%	%
No. can not think of other constraints	62	80	61	75	71	60	66
The financial cost for us to do this/marketing budgets not big enough	13	5	21	13	14	0	13
Becoming commercial will dilute the cultural experience	14	0	4	0	15	10	8
Lack of human resource, knowledge & time	4	5	11	0	0	0	4
Other	7	10	3	12	0	30	9
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Base: *Cultural Tourism Part 2*: Everyone who answered Q29a, n= 126

Source: McDermott Miller 2008

Even those organisations not currently involved in marketing to cultural tourists indicated that this would not continue to be the case: 55% indicated that they would consider marketing specifically to tourists in future, while 29% did not.

### Encouragement through Collaborative Arrangements

The most significant factor that was identified as a means of encouraging more effective marketing to domestic and tourism markets was some type of collaborative arrangement with the tourism industry. The qualitative interviews indicated that collaborative arrangements and joint projects appeared to be becoming the norm. Only two of the institutions studied conducted their marketing on their own. Most were involved in some type of collaborative arrangements with peers, tourism enterprises or public agencies.

- The partnership most frequently cited was with the local I-site which was mentioned by 8 of the 12 organisations.
- The local RTO was cited as a partner by 7 of the 12 organisations. The relationship with the RTO involved such initiatives as
  - joint marketing projects, both domestically and internationally
  - representation at TRENZ
  - marketing trips to Australia
- Five organisations were packaged up with other local attractions, sometimes in association with national tourism operators, local tourism operators or accommodation providers.
- There were five instances of partnerships with Iwi organisations.
- Tourism New Zealand was cited as a partner, particularly with 'familis' for visiting journalist or trade personnel.
- Reference was made to the development of heritage themes and clusters, historic trails and cultural corridors which were 'in development' or would 'feature prominently in future strategy.'

The quantitative survey asked whether any specific actions or initiatives were required to help them to engage more with the tourism industry. 52% of the sample considered that no new initiatives were required. Where specific suggestions were made, they generally represented extensions, or intensifications, of existing partnerships including:

- Help and guidance from RTOs/government (11%)
- Help given with tourism marketing and promotion (8%)
- Better funding/ more resource (6%)

It is interesting to note that while more collaboration with the tourism industry is seen as the way forward there is already considerable collaboration currently being undertaken.

Organisations in the quantitative survey were asked to indicate if they market to domestic or international tourists in partnership with any organisations. And while around a quarter of the sample does not market in partnership with any organisation, many do and the types of organisations they partner with are varied.

Table 4.3 below illustrates this.

**Table 4.3: Collaboration Partnerships – Marketing to Domestic and International Tourists**

Market in Partnership with the following organisations to Domestic or International tourists	Domestic market %	Internat. Market %
Our local I-sites	52	47
Other organisations like yourself but in your region	42	34
Local regional tourism organisation (RTO)	36	36
Major accommodation providers	28	30
Other organisations like yourself but in another region	26	23
Other regional I-sites	23	20
Another national agency (e.g. Tourism NZ; DOC)	18	24
Other regional tourism organisations	14	15
A local tourism operator	11	15
Inbound tour operators	6	14
An iwi organisation	8	7
A national tourism operator	4	7
Other organisation	11	5
Do not collaborate with any other organisation	24	27

Base: *Cultural Tourism Part 2*: Everyone who answered Q27, Domestic n= 118 and Internationals n=86  
 Multiple responses allowed  
 Source: McDermott Miller 2008

**BENEFITS OF COLLABORATIVE VENTURES**

Respondents to the qualitative survey appreciated the benefits of collaborative ventures. **Table 4.4** below displays the ranking given by the majority of respondents to a range of benefits:

**Table 4.4: Benefit Ranking – Qualitative Research**

Ranking	Benefit
<b>Very important/important</b>	Collaboration gives each partner access to new skill sets and new ideas.
<b>Important</b>	Pooling of funds allows creation of marketing campaigns of a quality, reach and impact that could never be achieved by any single player.
<b>Very important</b>	A critical mass of experiences packaged together brings in more visitors, for a longer time.
<b>Important</b>	Collaboration between cultural-heritage and tourism tends to create better networking overall. In fact, it seems to promote partnerships among/between heritage/culture organizations that used to see themselves as competitors.
<b>Important</b>	Collaboration frees heritage and culture organizations from some of tasks at which they are not expert (e.g. packaging, marketing) and lets them concentrate on core activities.
<b>Important</b>	The results of a collaborative initiative tend to build awareness of a region and its culture/heritage over the long term
<b>Very important</b>	Bringing in more visitors through tourism tends to strengthen the culture and heritage sectors overall.

Base: *Cultural Tourism Part 2: Qualitative interviews, n=12*  
 Source: McDermott Miller 2008

These results were confirmed by the quantitative survey.

Cultural organisations were asked to rate a series of statements illustrating examples of why some cultural organisations have not marketed effectively to the tourism market on a seven point scale ranging from 'Strongly agree' to 'Strongly disagree'.

The percentage of organisations giving positive and negative ratings is weighted as follows:

- weighted negative responses are subtracted from weighted positive responses
- the result is then divided by the total to get a summary index of perceived strengths and weaknesses.
- The higher the weighted index amount the more positive organisations are towards the statement tested.

**Table 4.5** below shows the relative weighting of each benefit statement.

While responses from organisations were generally positive, the statement they were most positive about was

- Bringing in more visitors through tourism tends to strengthen the culture and heritage sectors overall (1.7 weighted ranking).

And the statement they are least positive about is;

- Collaboration frees heritage and culture organisations from some of tasks at which they are not expert (e.g. packaging, marketing) and lets them concentrate on core activities. (1.1 weighted ranking)

**Table 4.5: Benefit Ranking – Quantitative Research**

Weighted Ranking	Benefit
1.7	Bringing in more visitors through tourism tends to strengthen the culture and heritage sectors overall.
1.6	Collaboration gives each partner access to new skill sets and new ideas.
1.5	Pooling of funds allows creation of marketing campaigns of a quality, reach and impact that could never be achieved by any single player.
1.5	Collaboration between cultural or heritage organisations and tourism organisations tends to create better networking overall. In fact, it seems to promote partnerships among/between heritage/culture organisations that used to see themselves as competitors
1.5	The results of a collaborative initiative tend to build awareness of a region and its culture/heritage over the long term.
1.4	A critical mass of experiences packaged together brings in more visitors, for a longer time.
1.1	Collaboration frees heritage and culture organisations from some of tasks at which they are not expert (e.g. packaging, marketing) and lets them concentrate on core activities.

Base: *Cultural Tourism Part 2*: Everyone who answered Q28, n= 128

Source: McDermott Miller 2008

#### 4.4 THE FUTURE OF CULTURAL TOURISM

The future of cultural tourism in New Zealand was generally considered to be 'bright' and 'potentially very important to the industry'. The most enthusiastic respondent suggested that it 'could be the biggest draw card worldwide'. The least enthusiastic respondent considered that 'more effort' was 'needed' and the future would be 'dire' unless Tourism New Zealand bucks up its ideas'.

Among the positive features of cultural tourism the following factors were mentioned:

- The uniqueness of the people
- Wonderful stories
- Authentic, unique, distinctive cultures

An important success factor was that future initiatives should be to ensure that planners and product developers should 'make people part of the [cultural tourism] experience'.

When asked how these initiatives could best be implemented, the quantitative sample suggested that what was needed was

- Meetings/discussions/hui with all parties (24%)
- More government funding (20%)
- More accessible information (10%)
- Collaboration needed between tourism and cultural industries (14%)

## 4.5

**CONCLUSIONS**

Our terms of reference preclude us from extending our commentary on these research findings to include strategy or policy recommendations. In concluding, we therefore present the following summary of our principal conclusions as they relate to the key research questions:

**Are there unmet expectations in the tourist market?**

*Demand for Cultural Tourism* (Colmar Brunton, 2003) identified a series of cultural products that are strong drivers of overall holiday satisfaction, but were perceived less favourably by international tourists.

The report also concluded that while the domestic traveler displays obvious signs of national pride in our tourism offer generally, at the specific cultural product level there is a clear sense of 'cultural cringe' apparent – New Zealanders rate our offer more negatively than international visitors do.

Three initiatives were suggested to address these issues:

- The quality of selected cultural products should be improved.
- It is critical to work with our own market to encourage domestic travellers to value our cultural tourism offer more.
- There is a need to build 'understanding of how our cultural tourism offer is a direct extension of our land and environment' – elements of the visitor experience valued by both domestic and international visitors alike.

**In light of our research, what opportunities and challenges do these initiatives present for cultural organisations?**

- Within the cultural sector, the quality of the product offering was not questioned. The quantitative survey suggested that cultural organisations believed that tourists would be attracted to their products for a variety of reasons, including their 'unique' qualities and their capacity to 'showcase [an] area or region'.
- There was no evidence of 'cultural cringe' among the interview subjects. They believed, often passionately, in the quality and significance of their product offerings.

- Within the sector as a whole, there was a strong awareness of the importance of domestic tourists as advocates for specific cultural tourism attractions (81% agreement). The cultural sector organisations also considered that local visitors and international tourists represented potential advocates for the significance of cultural tourism attractions. A total of 93% of respondents slightly agreed, agreed or strongly agreed that locals 'are likely to encourage others to visit', while 60% agreed that international tourists could perform this same function.
- Despite this, no specific evidence was presented that cultural or tourism industry representatives were actively targeting domestic tourists to recruit them as product advocates or involve them in experiences beyond 'the usual'.

**What is required to encourage selected cultural organisations to respond to these opportunities and overcome the challenges they pose?**

- The research did not establish that most cultural organisations felt they needed encouragement to engage with tourism nor that there were significant factors that prevented them from doing so. The majority of respondents to the qualitative interviews did not identify any significant constraints to their increasing success at attracting a greater share of the tourist market.
- The quantitative research showed that six out of ten statements concerning possible constraints were of some concern to the cultural sector, although not overwhelmingly so. These were:
  - We do not wish to pay commission fees to tourism operators
  - The tourism industry has a different understanding of what constitutes an authentic cultural experience.
  - It is difficult for non-profit organisations to collaborate with commercially driven tourism organisations.
  - It is more cost-effective for us to secure a loyal local audience than to position ourselves as a tourist attraction in a market where there is no repeat business.
  - The long-haul tourism market needs to operate on a 2-3 year planning cycle, whereas our planning cycles are much shorter.
  - We lack the knowledge, expertise and resources to develop new tourist-specific products and services.
- There was also consensus, particularly among museums, art galleries and heritage organisations that domestic and international tourists were 'essential' to their organisational 'survival'.

- Even those organisations not currently involved in marketing to cultural tourists indicated that this would not continue to be the case: 55% indicated that they would consider marketing specifically to tourists in future.
- The most significant factor that was identified as a means of encouraging more effective marketing to domestic and tourism markets was some type of collaborative arrangement with the tourism industry.
- Over half (52%) of the sample considered that no new initiatives were required to help them to engage more with the tourism industry.
- Where specific suggestions were made, they generally represented extensions, or intensifications, of existing partnerships including:
  - Help and guidance from RTOs/government (11%)
  - Help given with tourism marketing and promotion (8%)
  - Better funding/ more resource (6%)
- The future of cultural tourism in New Zealand was generally considered to be 'bright' and 'potentially very important to the industry'. The most enthusiastic respondent suggested that it 'could be the biggest draw card worldwide'. Among the positive features of cultural tourism the following factors were mentioned:
  - The uniqueness of the people
  - Wonderful stories
  - Authentic, unique, distinctive cultures

An important success factor was that future initiatives should ensure that planners and product developers 'make people part of the [cultural tourism] experience'.

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## 5. INTRIGUING VARIATIONS

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### 5.1 HERITAGE AND PERFORMING ARTS ORGANISATIONS

The varying valuation of the potential importance of cultural tourism by different types of cultural organisation has been noted above.

- 91% of performing arts respondents cited the overwhelming importance of the local market compared with 8% of heritage organisations;
- 50% of heritage organisations cited international tourists as their core market compared with 3% of performing arts organisations.

Two principal reasons for these differing perceptions are suggested by the research.

- The first concerns the planning cycle employed in different cultural fields. While heritage buildings and sites, because of the relatively static nature of their attractions, can confidently predict the nature of their product offering within the 2-3 year planning period used by inbound tourism operators, the same is not true of performing arts organisations.
- Apart from heritage organisations, all other groups consider that their marketing dollar can be most effectively spent on attracting repeat business from their local audience.

From a strategic perspective, this perhaps suggests that different cultural tourism products need to be targeted to different audiences.

- Heritage organisations and those with a relatively static range of attractions (museums and art galleries for example) have the potential to be marketed effectively to international tourists in partnership with inbound tour operators
- Performing arts organisations and festivals perhaps have greater potential to be packaged up with airlines and accommodation providers for the domestic tourism market (the Send Yourself to Wellington strategy is a successful example of this sort of approach).
- Techniques for relationship marketing are well established as a means of transforming individuals from customers to advocates. These techniques would appear to be relevant to the continuing development of both domestic and international cultural tourism products.

## 5.2

**MARKETING CAPABILITIES**

There are apparent contradictions between the responses given by respondents to the quantitative questionnaire. On the one hand it is apparent that, for the sector as a whole, the marketing orientation of a majority of organisations is deficient.

- 55% of organisations surveyed did not set themselves a specific annual visitor target.
- While 94% of organisations had a website, 55% of them could not indicate the number of unique visits per month.
- 47% did not gather and analyse any audience data
- 37% could not distinguish between local people, domestic and international tourists
- 38% had marketing budgets of less than \$5000
- 11% did not know or did not spend any money on marketing

On the other hand, despite the fact that cultural tourism is considered essential to the survival of many cultural organisations, a majority considered that they required neither help nor encouragement to engage effectively with the tourism sector:

- 60% of heritage organisations and 44% of museums and art galleries considered that domestic tourism was essential to their survival; and
- 40% of heritage organisations and 44% of museums and art galleries considered that international tourism was essential to their survival; but
- 66% of the sample considered that no new initiatives were required to help them to engage more with the tourism industry.

5.3

**DIFFERENT ORIENTATIONS HELP EXPLAIN APPARENT INCONSISTANCIES**

The sample of 188 organisations who responded to the quantitative questionnaire was dominated by visual arts retailers (76), with a strong representation of performing arts organisations (37), followed by art galleries and museums (37), heritage organisations (15) and 13 others (including Maori tourism and cultural organisations). This suggests that:

- Art retailers are more likely to have a sales orientation than a marketing orientation.
- Many arts organisations have a product orientation rather than a marketing operation.
- Almost half (47%) of the total sample were charitable trusts or incorporated societies which are likely to have a not-for profit orientation.
- Over a third (38%) of the sample had minimal annual marketing budgets.

In other words, the foundation on which to base a development programme for cultural tourism is fragile. As the respondents themselves concluded, collaborations to pool skills and resources are a necessary element of future strategy, but possibly impractical without Government financial assistance.

**[ENDS]**

McDermott Miller Limited  
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