



Growing Your Business Through Partnerships

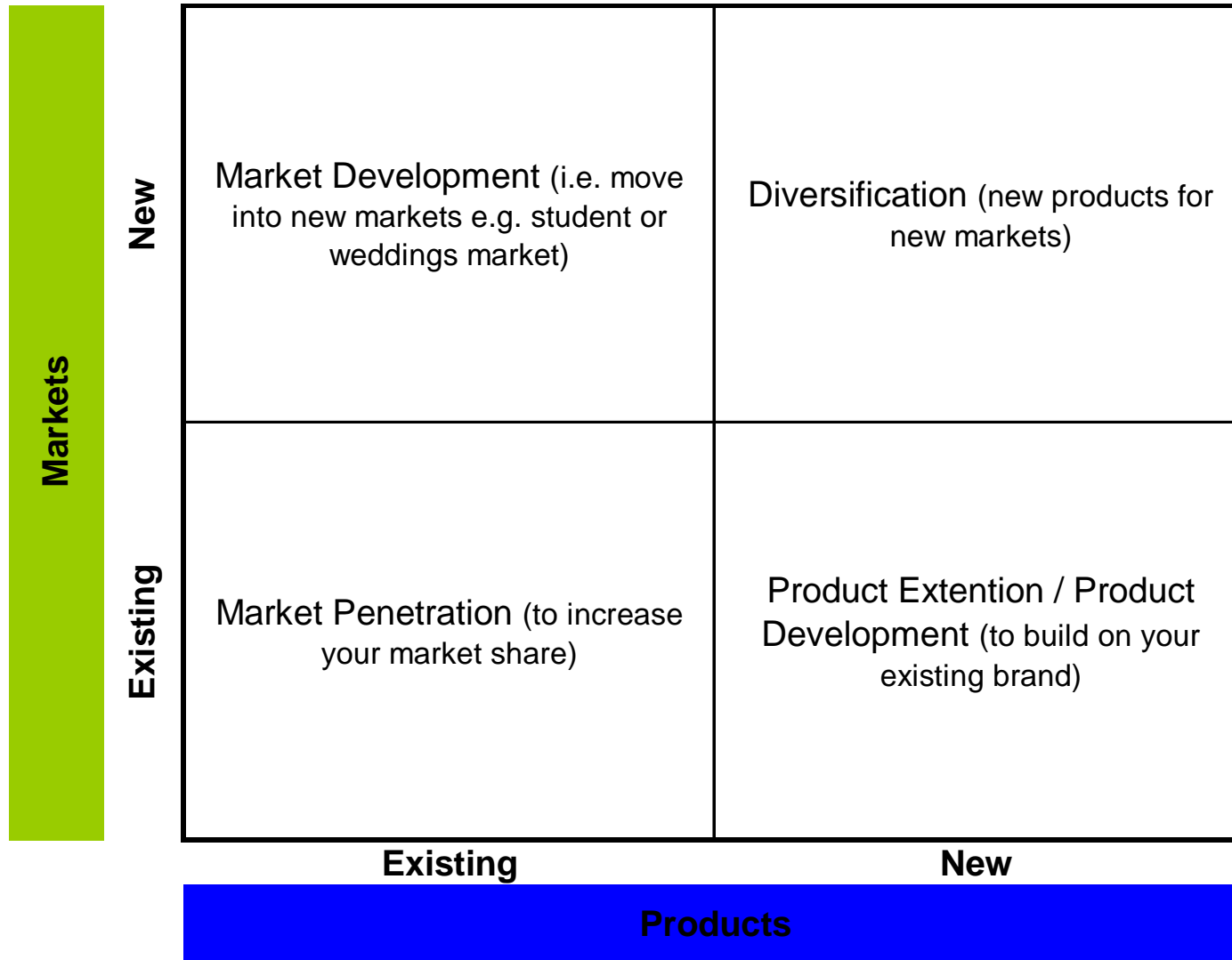
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Agenda

- Strategic options in growing your business
- Practical considerations in growing
- Collaborating to accelerate growth:
 - Working with the local community
 - New product development
 - Generating new demand
 - Working smarter
- Who should we be collaborating with?

Strategic options to consider






Growing a quality business


The four ways to grow your business:

- Increase the number of customers of the type you want to have
- Increase the number of times customers come back
- Increase the average value (or yield) of each sale
- Increase the effectiveness of each process in the business



Practical considerations in growing your business (1)

- Do I have a clear aim and purpose for the business?
- Do I regularly review progress against targets in our business plan?
- Do I have the financial resources to grow?
- Do I have the time to commit to bringing others into my business?
- Do I have the skills necessary to grow my business?
- Do I need further training or should I recruit staff with new skills?



Practical considerations in growing your business (2)

- Will experience quality drop if new staff are delivering the experience i.e. will staff exhibit the same passion and enthusiasm as the owners?
- Do I have the right systems and processes in place to ensure our experience quality remains high?
- Do I have all the management information I need to run the business?
- Will valuable opportunities to gain new business diminish if I move away from interacting directly with customers?



Practical considerations in growing your business (3)

- Seasonality – are you only growing your business during the peak season and risking under utilisation of staff and assets in the off-peak?
- Synergy – is there really a marketing or administrative cost saving in offering more products to more customers?
- Staff – attracting and retaining good staff is becoming increasingly difficult.
- Business process management – most SME's don't have documented processes so training new staff becomes difficult (particularly in the peak season).



Collaborating to Accelerate Growth



Working together

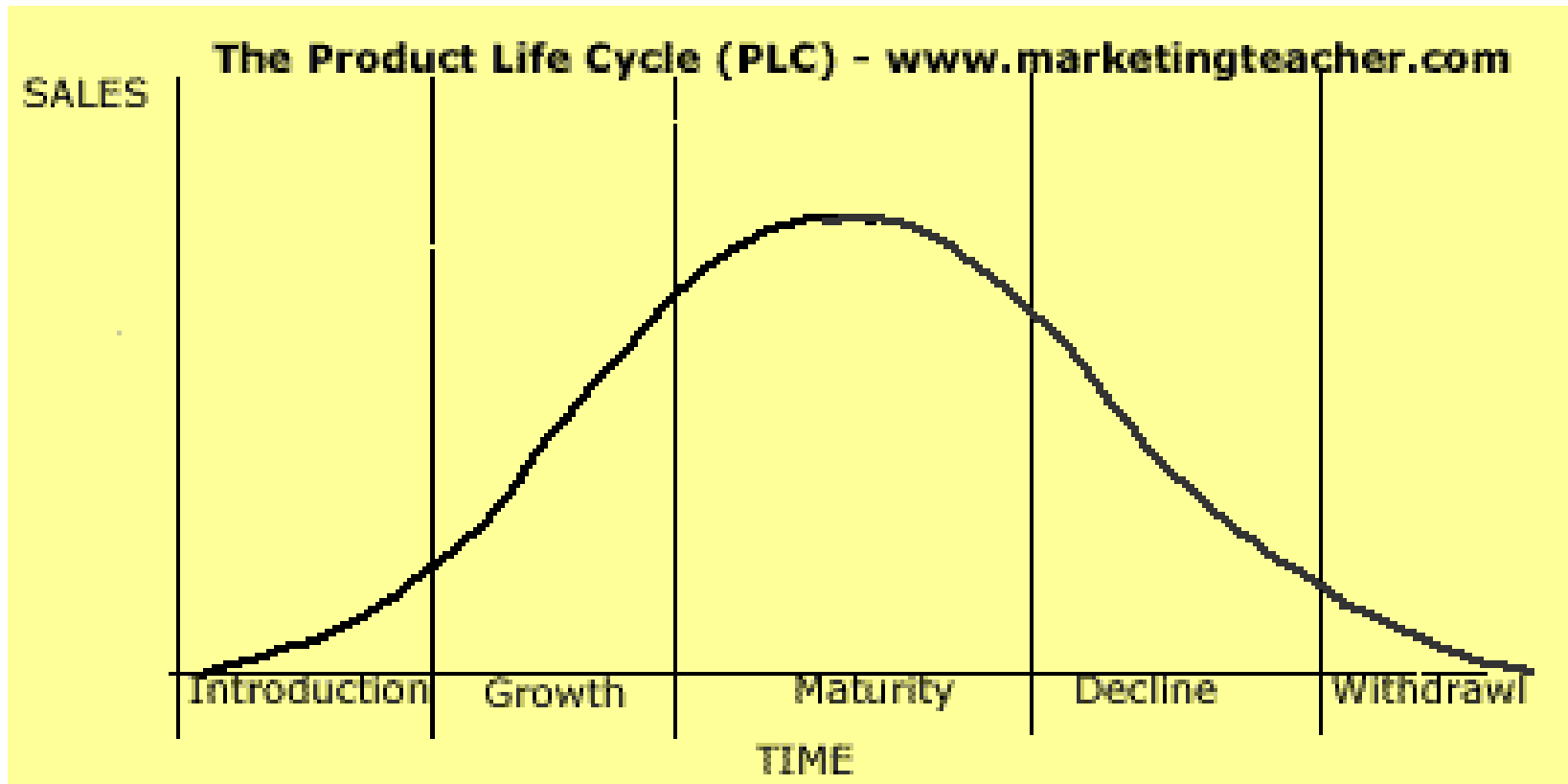
- Can we leverage more:
 - Media interest?
 - Trade interest?
 - Consumer interest?
- Can we promote each other more effectively?
 - Number of referrals, etc
- Can we save on marketing expenditure?
 - Who's your key partner and will they contribute to campaigns?
- Can we save on other costs e.g. asset sharing, administration?



Partnerships that benefit the local community

- Generate off-peak visitation resulting in referrals to visitors
- Combined environmental projects (support local area / saving on admin)
- Lobbying local government – a collective voice
- Sharing resources:
 - Retaining staff (busy “part timers” / housing, incentives)
 - Vehicles, venues etc

Partnerships to develop products





Partnerships to develop products

- Extending the growth and maturity phase of the product life cycle
- Creating higher value experiences
- Sharing marketing costs i.e. advertising, sales, trade shows etc
- Sharing media hosting, reservations and admin functions

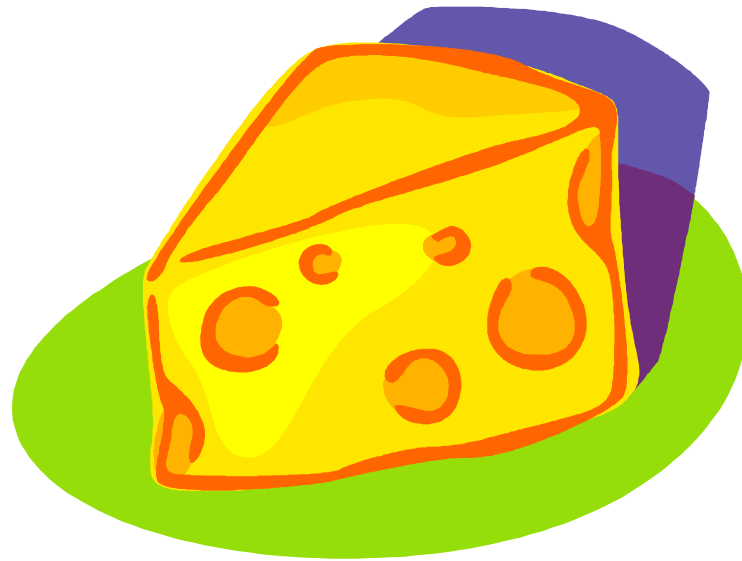


Partnerships that generate new demand

- Generate powerful distribution relationships – including informal referral networks
- Create more appealing options for media i.e. a “critical mass” of operators supporting a distinctive theme
- Create more appealing famil options for tourism trade (and share costs of getting people to your region)

Partnerships that generate new demand

- Avoid “holes” in distribution



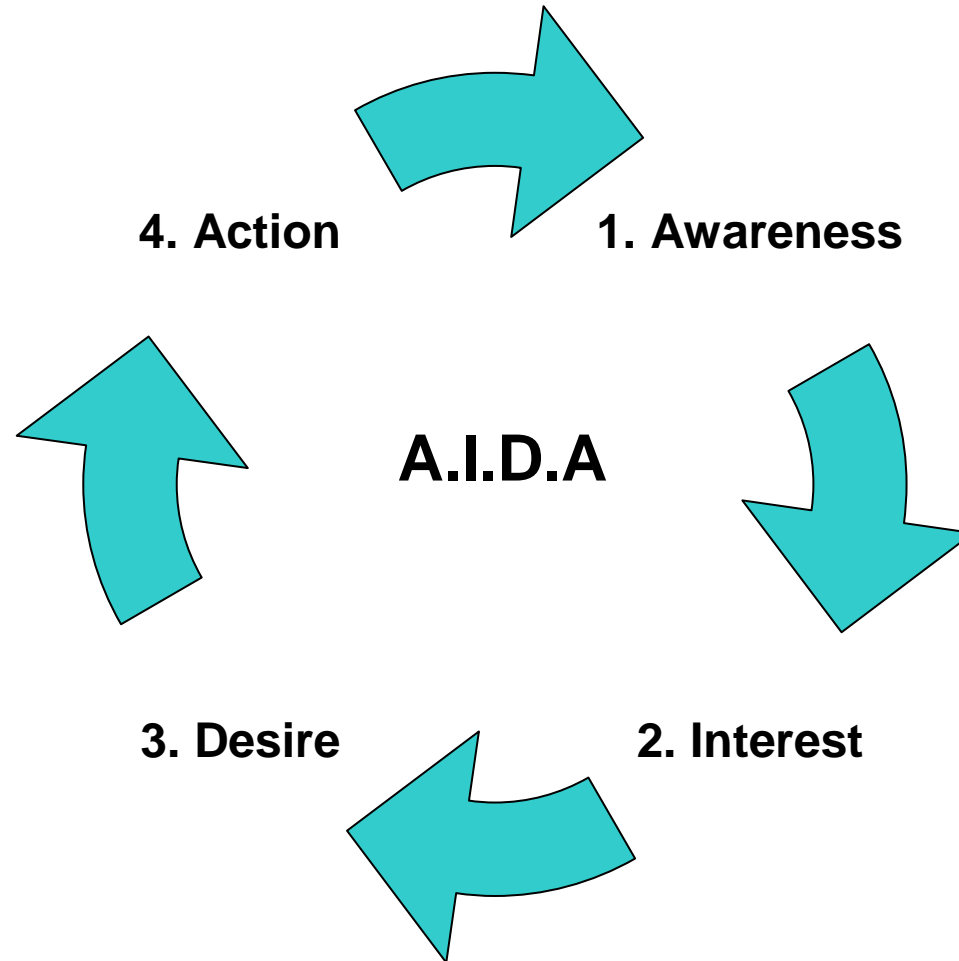


Partnerships to improve market intelligence

A group of operators in an area can:

- Communicate information and opportunities to proactive operators
- Maintain events databases so operators can plan accordingly
- Relay visitor feedback (good and not so good)
- Potentially even arrange peer reviews of quality

Collaborating to grow at each of these stages





Building awareness of our region / cluster

- Building brand awareness together:
 - Great brands are built using publicity and word of mouth
 - Maintained with advertising
 - Enhanced through consistent application – everywhere possible
 - Andpush the limits in terms of positioning (e.g. newest, oldest, smallest, largest etc) but don't be too incredible!



Building awareness of our region / cluster

- Generating positive media together:
- Leverage off events or create an event
- Write and distribute media releases
- Invite journalists to a total experience of the region or cluster rather than just one product
- Build or access an effective media database
- Follow up with more information and images
- Measure results against initial targets



Collaborating to build interest and desire

- Match your combined experience with your target audience:
 - Generating interest is measurable through positive word of mouth or referral activity
 - Viral emails are the new dinner time, café or workplace conversations!
- Desire is measured in the response to your communications e.g. the number of visitors to your website as a response to your communication or the number of phone enquiries



The ultimate result: customer action

- How can we collaborate to sell more products?
 - Generate a win:win by referring visitors to complementary businesses and upsell to multiple (or packaged) experiences
 - Share costs of marketing to create a bigger impact
 - Ultimately the action we want is a conversion from an enquiry to a sale

e.g. our joint marketing campaign might generate an article that is read by 100,000 people in The Press resulting in a response of 10% i.e.10,000 more visitors to your website and a conversion rate of 10% or 1,000 visitors making a purchase



Leading Examples of Tourism Operators Working Together



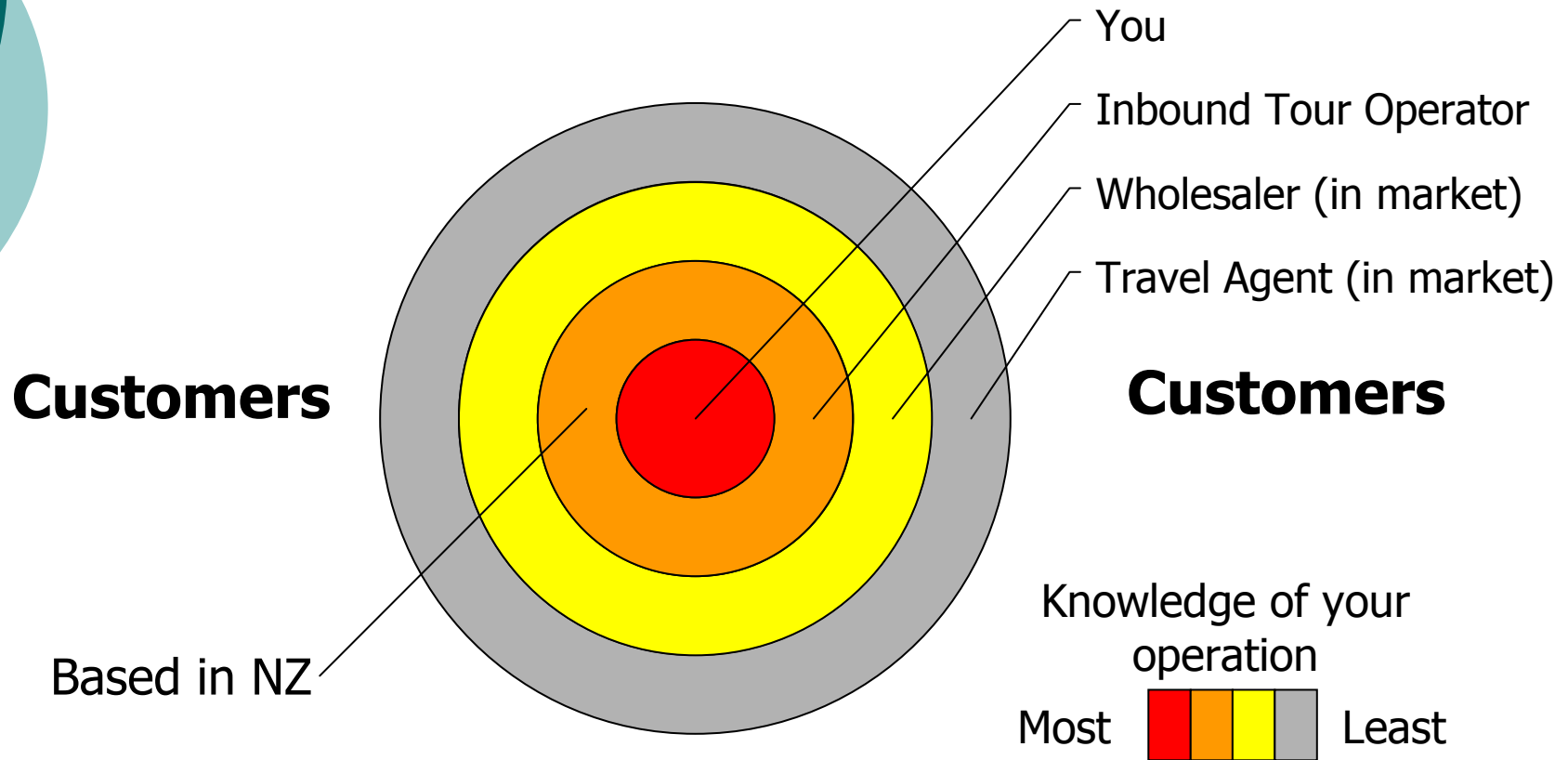
Collaborations that are working well

- Marketing collectives (e.g. tourism marketing networks, NZ Lodge association, Top 10 Holiday Parks, etc)
- Sector groups focused on quality / safety (e.g. Bus and Coach Association, Tourist Flight Operators, @Home NZ)
- Referral networks (e.g. 5 Star Accommodation, NZ's Leading Attractions)
- Local operator groups / business associations
- Events supported by local tourism industry e.g. Kaikoura Seafest



Who should we collaborate with?

International Partnerships





Important organisations / linkages domestically

- Council / Territorial Local Authority
- Regional Tourism Organisation
- Economic Development Agency
- Local media
- Local tourism operator group / association
- Sector specific clusters e.g. adventure or food and wine
- Local event organisers
- Local retail or other promotions associations
- Special interest / customer groups
- Volunteer organisations
- Central government agencies



Working together on projects to:

- Build awareness
- Generate interest and desire (consumer, trade and stakeholders)
- Increase visitation / expenditure
- Reduce marketing costs
- Operate marketing campaigns to build business outside the peak season
- Build regional / cluster capability
- Improve / disseminate market intelligence
- Reduce or share operating costs



A last word on partnerships

“Moving forward is often due less to a blinding stroke of genius than a sudden cessation of stupidity..... not having a new thought, but stopping having an old one.”

Edwin Land (Polaroid inventor)



Thank you

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