



## ECONOMIC

### Productivity

#### Commitment 3: Businesses innovate and have effective strategies to mitigate the effects of seasonality

##### What does this mean?

- Productivity gains can be achieved in many ways. This Commitment is focussed on the single most important structural impediment to productivity improvement within the tourism industry – seasonality.
- While some businesses appreciate seasonal demand patterns, many others can apply a number of strategies, big or small, to make a difference on seasonality, whether on their own or acting collectively.
- The individual efforts of many businesses can make a material impact on seasonality and thereby deliver gains to overall industry productivity performance.

##### How does this benefit me?

- Your businesses' productivity (and profitability) can be improved through better utilisation of capital resources and your workforce.
- Your workforce can benefit significantly with reduced seasonality – more year-round jobs, higher wages, more committed staff, higher staff retention rates and reduced costs for staff training.
- By innovating to mitigate the effects of seasonality, you can reap the benefits of that innovation in other ways – new and improved product offerings, better and more targeted marketing, and more satisfied customers.
- Your host community will benefit economically if you are able to offer more year-round permanent jobs.
- Innovative approaches to common challenges will provide your business with a strong competitive advantage.
- Creating a collaborative environment to facilitate innovative approaches to reduce the effects of seasonality can greatly enhance the above benefits for both your businesses and your collaborative partners.

##### Actions for your business

- Think outside the box. Get inspired by the cases of others in New Zealand and beyond who seem to have found a winning formula:
  - What do other businesses, sectors or regions do better than you?
  - What do other operators do better than you? What is their innovation?
  - What have other regions and sectors done to reduce seasonality? What role did innovation play? How could you emulate it?

- Keep it simple and authentic. Studies have shown that creating and offering local and authentic experiences is one of the most successful strategies to reduce seasonality.
- Innovate your marketing: Embrace the power of the internet and social media and use these channels to promote off-season offerings. 85% of all travellers nowadays make their decisions based on online content and reviews!
- Studies show that a strong and active presence on Facebook, Instagram, Twitter, Pinterest and others, in addition to your website presence, makes a significant difference for businesses and should be used in seasonality reduction strategies.
- Collaborate. Combating seasonality can be most effectively undertaken as a network of tourism operators in your region. Innovation is driven by the exchange of ideas, experiences and visions, and critical reflection.
- Work with your regional tourism organisation and engage in the initiatives they have to promote off-season travel and events.
- Consider domestic visitors as a market that can be responsive to initiatives to build off-season travel. Use TIA's [DGIT tool](#) to understand your domestic markets.
- Create knowledge. As tourism businesses, we gather extensive experience and data that provides insight into what works or doesn't work for our businesses. Ensure you systematically capture all data, experiences and observations that are relevant to your decision-making and strategy formulation.
- Sharing your knowledge with others and jointly developing innovative approaches based upon this knowledge can yield significant results far exceeding your individual efforts.
- But don't wait for others. It's your business, take charge.

*Become an inspiration for others!*

*We would love to share your contribution to creating a sustainable New Zealand tourism industry. Email us at [info@tia.org.nz](mailto:info@tia.org.nz) with your sustainability success stories and inspire others across the industry.*

**Additional information, resources and useful links can be found on [www.sustainabletourism.nz](http://www.sustainabletourism.nz)**