



Marketing Plan Summary 2010-11

CROMWELL & DISTRICTS PROMOTION GROUP

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MARKETING PLAN SUMMARY 2010-11

NOTES:

- This Marketing Plan Summary has been approved at the Group's Management Committee's March 2010 meeting. It will be forwarded to the Cromwell Community Board for their information. At the Board's February Annual Plan 2010-11 estimates meeting a \$90,000 grant was considered and approved subject to preparation of the Marketing Plan. The grant was also included in the Council's Long Term Council Community Plan 2009/19.
- The following summary is generally an update of previous years 'Marketing Plans' using actual expenditures from 2009-10. An 'Annex' is also attached to this report for background information. It describes the following: Objective; The Group's Constitution; General Role; Promotion; the Promotional Mix; and Goals.
- Both the 'Marketing Plan' and 'Annual Report' are available for public scrutiny on the Group's website www.cromwell.org.nz. Other miscellaneous reports are available on that site.
- At the end of this Summary are some 'opportunities' that should be 'explored' by the Group, or other organisations, and which may affect the estimated budgets.

The Cromwell and Districts Promotion Group's proposed programme, income and expenditure (all excluding GST) for the 2010-11 period comprises the following:

EXPENDITURE

Advertising

Comprises Classified Advertising (mostly Holiday Guides), 'Glossy magazine' advertising (when opportunities arise eg NZ Wilderness), and Website Advertising - \$4,700. Proposed revitalization of website likely cost \$11,000 (\$5k photographs, \$6k site development) – refer report 'Revitalization of www.cromwell.org.nz'. Event advertising is separate and a 'charge' to each event. The total requirement is \$15,700.

Personal Selling

Includes Promotions Officer (\$40k), Canterbury A&P Show (\$21k) – refer report 'Canterbury Campaign 2009' (on website), and Promotional Goods (\$2k). Note Promotion Officers

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contract last reviewed in June 2004 and it is recommended that the base contract rate remain the same. Consideration to an annual bonus and/or vehicle expenses may be appropriate. Total requirement \$63k.

Publicity

Allow for Local Activity Support including Old Cromwell Town and Cromwell Races (\$1000 each), and other smaller events including: OGHT (gold panning), Lake Dunstan Boat Club, 'Light Up Cromwell', Southland Ford Falcon Club, Cycling Southland (Easter Tour), Lowburn Collie Dog Club etc etc. Also includes loss on Cherry Spitting competition of \$2k. Allow \$7,000.

Sales Promotion

This includes activities such as Town Centre including: advertising (\$3k), Mall entertainment (\$2k), 6-monthly service to surveillance cameras (\$2k), and new hardware for Mall music (\$2k) = \$9k. Note that Mall Christmas decorations are now a Council responsibility.

In addition are photographs, brochures (reprint of Discover Cromwell required at \$5k), brochure distribution by Jasons Travel Media (\$1k), new large banner, signs/banners, paint Bannockburn sign (\$2k), equipment maintenance and purchase (\$2k) and assistance to Information Centre i-Site – all (say) \$17k. No allowance made for any i-Site relocation or Tearaway Maps (Tourism Cromwell function). Total \$26k.

Infrastructure Development

This includes Walkway construction and maintenance to Bannockburn/Goldfields walkway (mainly interpretation signage) to complete the project and where costs are not recovered from the present \$62k Clutha Management Committee funds. Allow \$4,000. Development costs such as signage may form part of a funding application to gaming machine / trust funding.

Operating

Includes: Insurances (\$2k), stationery & postages (\$1.7k), copying (\$1.5k), administration (\$9.5k), AGM expenses (\$1k) and general expenses (\$0.8k). Total (say) \$17,000.

Expenditure Summary

Advertising	\$15,700
Personal Selling	\$63,000
Publicity	\$7,000

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Sales Promotion	\$26,000
Infrastructure Development	\$4,000
Operating	\$17,000

Therefore the total proposed budget for the 2010-11 period is (say) \$133,000.

INCOME

Income is derived from the following:

Grant from District Council	\$90,000
Subscriptions	\$8,000
Miscellaneous Income	\$2,000
Summer Series event 'surplus'	\$20,000

Therefore the total income is expected to be \$120,000 – leaving a shortfall of some \$13,000. This shortfall is normally 'lost' over the year with the Management Committee setting priorities for the available funds. Further, Group policy does not allow the funds to accumulate over successive years unless some 'special' project is envisaged. Normally it would be expected that the Group should aim to 'carry over' about \$15-10,000 per year.

EVENTS

The following outlines annual events that are organised and managed by the Group. Comment is made on their financial significance.

- **Cromwell Summer Series.** Comprises a series of six events including: Cromwell Half Marathon, Pub to Pub Bannockburn Gutbuster MTB, Bannockburn MTB Classic, Lake Dunstan Triathlon, Lake Dunstan Cycle Challenge and Carricktown Crusher MTB (yet to be held 2010). In the 2008/09 season, the events attracted 2042 participants, had an income of some \$56k, and expenditure of some \$38k – a 'profit' of \$18k. This figure includes a grant from New Zealand Community Trust of \$7,500 (\$10,000 for 2009/10 season) and contributes significantly to Group activity and general income. A similar amount is expected in the current season even though participation has decreased due to weather conditions on the event days. Planning for the 2010/11 season may see the deletion of the Carricktown Crusher event and substitution with another MTB event.
- **New Zealand Cherry Spitting Competition.** This is normally held in the Mall on first Saturday of December – one week following November Cromwell Races. Costs are about \$2,200 and include: prize travel to Perth, prizes, accommodation for Australian

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winner and advertising. There is negligible income. This year requires investigation and seeking of sponsorship for the event, and a possible change in date that suits the Australian Championships, cherry growers, Mall retailers and the Group.

- Cromwell Fireworks Display. This event is held on or before 5th November at Melmore Marina. The costs generally comprise \$7k for fireworks and less than \$1k for advertising/incidentals. In 2009 The Trusts Charitable Foundation provided a grant of \$5k and the Cromwell Town & Country Club \$2k (yet to be received). It is expected that a similar arrangement will be made for the Thursday 4th November 2010 event.
- Walking Track development. The Group assists Sport Central with the planning and construction of the various walking track in the Cromwell district. In the past the Group has contributed with the seeking of funding, planning and administration of walkway construction. It is expected that this activity will continue this year using a \$62k grant made by the Clutha Management Committee.

OPPORTUNITIES

The Committee should investigate and discuss the following opportunities (as well as any others) that could form part of the proposed plan. Note that some of these opportunities were not taken any further in the current year because of the shortage of funding.

#1: Reconstruction of Cromwell Chinatown

The proposal is to reconstruct the original layout on a lakeshore batter below and adjacent to Memorial Hall. Following the design phase, approvals will need to be obtained and construction commenced. At this stage it is not considered that too much work would be required and assistance from local service clubs and Community workers could be beneficial. Construction would involve levelling sites for buildings and construction of pathways. Buildings foundations/low walls only envisaged apart from (say) one fully constructed house. Information kiosk and interpretation required. Total ROC would be some \$20k at this stage.

#2: Cromwell Chinese

Work has started on a collection of information about the Chinese inhabitation in the Cromwell district. It is expected that the information would eventually be available on the Group's website.

#3: Second Hand Recreational Vehicle Sale

This would be held over busy Christmas period on the Golden Gate Lodge paddock. To be organised by Group or local service club, or both. Include boats, jetskis, 4WD's etc. Sale on

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one day only - from 8am to 4.30pm. Site would cost (say) \$10 or \$20. Once in 'compound' no vehicles allowed out for testing etc before 4.30pm.

#4: The Great Cromwell Challenge

Event organised to coincide with an Old Cromwell Fair Day. Walk/run/MTB/kayak/horse ride from Lowburn Peninsula to Old Cromwell. Auckland's Round the Bays attracts some 80,000 people but that only represents about 8% of the local population. If Cromwell could get 400 or 10% participants that would be bigger than the Auckland event. Would need to be free, and attractive to families. Could be organised by local service club or private firm using sponsorship or grant funding.

#5: Cromwell Summer Series

Investigations should be made into the extension of the series with a MTB event on either/or both Mt Pisa Station or Bendigo. Depending on numbers this year, deletion of the Carricktown Crusher could be an option. Sport Otago were to investigate/measure possible routes but no action has occurred to date.

#6: Cromwell Districts Walkways

In the past the Group has developed various local walkways on its own, or in conjunction with Sport Otago. Although the basic trails have been developed there are more 'major' routes that should be constructed – including a link along the Kawarau Gorge to the Nevis, hence linking to Arrowtown. The Albert Town to Clyde via Cromwell Gorge route should also be constructed along the lines of the unsuccessful John Wellington report 'New Zealand Cycleway 2009-12'. The total cost of that project was \$4M and a combined application to Central Lakes Trust should be considered.

Terry Emmitt
Secretary
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1. Objective

This report has been prepared in order to inform the Cromwell Community Board, and other interested people, of the role of the Cromwell & Districts Promotion Group Inc. (the Group), and the reasoning behind the financial requirements needed to fulfil that role. The report also serves to inform new members of the Group's Management Committee of the part they play in the promotion of the Cromwell district.

2. The Group's Constitution

The Group's area of influence is the Cromwell Ward of the Central Otago District Council (CODC). That includes Lake Dunstan and (although truncated from the Cromwell Ward), the Clyde Dam. A summary of the objects of the Group is as follows:

- To promote the Cromwell district using a variety of available media.
- To communicate positively with the Cromwell Community Board, the Cromwell Information Centre & Museum, local businesses, service and sporting clubs, and the wider community.
- To plan, develop and promote local events.
- To seek and develop new strategies that will enhance the long term development of the Cromwell district.
- To encourage an excellent standard of service and amenities to ensure visitor satisfaction.

The Group holds its AGM each July, with the financial year ending on 31 May. The Management Committee comprises President, Vice-President, Secretary, Treasurer and 10-15 members. The Committee meets monthly apart from January, and all meetings are open to the public. Two main sub-committees have been formed - the Cromwell Town Centre Committee, and the Tourism Cromwell group. In 1999 the Group decided that the financial affairs should be provided by Financial Consultants, Mead & Stark, Cromwell. Reporting to the Group is monthly, using the 'CashManager V7.10' programme.

3. General Role

In general terms, the role of the Group is to **provide the promotional environment in which local organisations and operators can work within.** The Group's role is not pro-active in assisting businesses, or groups of like businesses, and individuals with their individual problems, or marketing. Its role is to work outside the area, with the aim to attract people to visit, stay, play or reside in the district for the benefit and betterment of existing residents and ratepayers. To achieve this aim, the Group needs to establish the Cromwell brand in the minds of potential 'customers' from outside the district.

The Group is also aware of the trends for more elderly tourists to visit New Zealand, and who may be more likely to visit Cromwell rather than 'the glitzy adventure capital' Queenstown, and the rapidly expanding tourist destination of Wanaka. These 'over 50's' are more interested in cultural attractions and activities such as vineyard tours, historic sites and buildings, museums and information centres. The 'baby boomers' are also affluent and looking for somewhere to retire rather than stay within the

rush of either overseas or North Island lifestyle. Many have southern connections in their earlier life and are glad to be 'back'. Cromwell is well placed to serve that market.

The Group is appreciative of the support given by local businesses and other organisations who promote Cromwell in their own right. Groups such as the real estate agencies, accommodation houses, tourist operators, fruit growers, wine growers, industrial firms, and a myriad of voluntary organisations such as speedway, Old Cromwell, boating, equestrian, sports groups etc etc. Without this support the Cromwell district would be a rather dull and backward area devoid of any economic growth - compared to our present vibrant, go ahead small town that has an abundance of growth and economic potential. Notwithstanding that, a word of caution should be made about uncontrolled 'negative' press that could undo all the good efforts put in by the Promotion Group.

4. Brand

In the past the Group was charged with the need to change the perception of Cromwell as a 'hydro construction town' to one that has wonderful facilities, climate, people and opportunities. With the formation of Lake Dunstan the Group has progressively been marketing the town as "Cromwell (on) Lake Dunstan", with the aim to dispense with the past construction town image. By 2002 it was felt that aim had been achieved, with future emphasis being on marketing the districts facilities, Lake Dunstan, climate, horticultural resources, events and lifestyle opportunities.

Central Otago has attributes of 'peace, solitude and relaxation' and these, coupled with the 'timeless, open and dry landscape' should form part of Cromwell's image. The Group should promote all aspects of the district including industry, tourism opportunities, people and places to its target market. The value of branding is built up over a number of years and the Group should be wary of changing the brand merely to suit one interest group.

Past attempts to brand the Cromwell district have included: 'The Closest Town to Adventure Capital Queenstown', 'The Newest Old Town in the Country', 'Cherry Capital of the World', 'Fruit Bowl of the South', and 'The Centre of Attraction'. All these have problems and 'Cromwell Lake Dunstan' remains the most logical and appropriate at this time. Other thoughts include the Lincoln College initiative "Cromwell: Central to Everywhere!", and Erik Laytham's "Centre of Central". As a reflection of the J C Parcell history book, Bannockburn is known as 'Heart of the Desert'; and Tarras at times use 'New Zealand as it used to be'.

5. Promotion

Cromwell and District is a developed product and, without making potential customers aware of its existence, would not attract 'sales' such as people who visit, stay, or may come to reside in the area. Therefore it is important to communicate the attributes and benefits of the district to all likely customers. Promotion therefore is the means by which the Group communicates with its target market.

The Group's target market has been recognised as being the lower South Island, from Christchurch south, and includes the lower West Coast. Spending money on other areas would be a mistake. Non-targeted areas are adequately covered by the Cromwell internet site. The key locations are:

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- ⇒ Canterbury / Christchurch - has a population base of 500,000 whose residents have cribs at locations such as Hamner, or Tekapo; and who have the option of travelling for holidays to the Nelson region, Banks Peninsula or Central Otago. They know of Cromwell and merely require the final response to be interested in the Cromwell product, and to make a decision to visit or stop, even if it is merely on their way to Queenstown. Because of the large number of potential 'customers', this market requires adequate funding with innovative techniques using all modern media.
- ⇒ Otago / Southland - this population of 130,000 is seen as a 'captive market' in that they are well aware of Cromwell from reading papers such as Otago Daily Times and Southland Times. Although spending money on developing this market may not be worthwhile, it is best to consolidate knowledge of the Cromwell product from time to time. Events such as the six Mountain Bike / Cycle races the Group organises, as well as other large events such as speedway, Cromwell Races performs this role to the more youthful and active visitor, but who may be a potential section or crib owner. Other important family occasions such as weddings, funerals and holidays play a significant part in knowledge and 'use' of the Cromwell district.
- ⇒ West Coast - a market that has been neglected in the past by the Group. About 25 years ago Cromwell was seen as an important town for Coasters (shopping and services), but with the growth of Wanaka the market has declined. Events such as the Cromwell Races may be the only worthwhile promotional event, while use of Cromwell for a crib location 'in the sun and out of the rain' may also hold promise.
- ⇒ Queenstown - this is Cromwell's link with the rest of the world. Overseas visitors know about New Zealand, Rotorua, Mt Cook and Queenstown only. It would be foolish to try to market Cromwell overseas in opposition to Queenstown. Overseas tourists land at Queenstown airport or Port Otago and have various options open to them, if not on a packaged tour. Therefore it is important to market Cromwell as another of 'Queenstown's attractions' worthy of a half or day visit, or longer. A more specific target market is the 'older age group' and 'free independent traveller (FIT)' visitor to Queenstown. The Cromwell brochures (distributed in Queenstown/Wanaka by Jasons Travel Media) have been designed to harness that target audience and to assist in reinforcing the promotional activities of individual operators. Past use of advertising using the Queenstown Movies has been discontinued because of cost restraints.

On a global basis, the Group's efforts are concentrated on the web site **www.cromwell.org.nz**. This site is relatively large for a regional tourist group and provides for local tourist operators and accommodation providers and links with any other organisation that may require one. In 2010, it is intended to upgrade the website which, in the past, was closely related to Queenstown via the Infocus network. That link has now been discontinued and the firm Front2Back now manages the site. The site provides a 'central inquiry desk' for Cromwell and information is fed to the Group via the email address **info@cromwell.org.nz**. The Group uses various methods to promote the web site and obtains large numbers of inquiries about Cromwell, and especially the Summer Series, from it.

6. The Promotional Mix

There are a number of promotional tools that vary in function and use different media, such as television, radio, newspapers, magazines, internet, direct mail etc. Each media has its own specific use in reaching and creating a response from a potential 'customer'. By considering the target market, the budget available, and the appropriate media, the "Promotional Mix" is determined.

The traditional elements of the promotional mix are:

- * Advertising
- * Personal Selling
- * Publicity
- * Sales Promotion
- * Direct marketing

Refer to Marketing Plan for further details.

The Group should be aware of competing use groups or sectors within the district. These include tourism operators, accommodation providers, Mall and other business retailers, industry, education, social, sporting and recreational organisations. Each of these sectors may or may not have an 'organisation' that may wish to canvas for the available Group funding. Although appreciating that these organisations may provide a significant amount of promotion in their own right, the Group should be wary not to become biased towards one or two sectors, to the detriment of others. It is important to get the promotional mix right so that each sector gains evenly from the normally limited available funding.

7. Goals

Each year the Group should set goals for the coming, and future years. The basis should be as follows:

Advertising

- *To maintain a high level of media and public exposure with local television, radio and newspapers consistent with available resources.*

Personal Selling

- *To attend the Canterbury A&P Show, on behalf of local tourist operators, and in recognition of the Group's main target market of Christchurch south. Exhibit to be in conjunction with other Central Otago tourism operators, if available.*
 - *To employ a contract 'Promotions Officer' to handle all correspondence, general inquiries, and to liaise with the Cromwell & Districts Information Centre and Museum.*
 - *To maintain positive communications with the Cromwell Community Board, local business people, horticultural and agricultural organisations, service and sporting clubs, and the wider community.*
 - *To encourage improved quality of services and hospitality to visitors to the district.*
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- *To liaise with Sport Central and assist their activities, where appropriate. Sport Central provides the technical support for the Cromwell Summer Series. They also develop local walking/cycling tracks and the Group assist with administration of these projects. Sports Central also manages other sports events that the Group assists with the provision of staff and equipment.*

Publicity

- *To assist the Cromwell Town Centre subcommittee with administration and funding for approved events and promotions.*
- *To liaise, and assist where necessary, the Tourism Cromwell subcommittee.*
- *To undertake the proposed annual activity programme for the maximum benefit of participants within given financial constraints.*

Sales Promotion

- *To assist local groups and organisations with the promotion and publicity for their events or activities.*
- *To organise event races such as the “Cromwell Summer Series”.*
- *To investigate, develop and attract new events, tourist opportunities or facilities to the district.*
- *To produce and distribute high quality promotional material.*
- *To promote Cromwell and Districts at every opportunity, and particularly through the Information Centre and media.*

Future

- *To seek and develop new strategies that focus on long term development within Cromwell and District. The Group is wholly dependant on private interests to fulfil this role, however, it should provide as much assistance as possible in order to streamline the necessary processes. Major facilities proposed at this time include the Heritage Farm Show at the Cromwell Racecourse, and Cromwell Motorsport Park.*
- *Development of various tracks/cycleways, in conjunction with Sport Central, such as Goldfields to Nevis; and Albert Town to Clyde.*
- *Development of a reconstructed ‘Cromwell Chinatown’ located adjacent to the Memorial Hall.*
- *Development of a web-based ‘collection agency’ for a possible book “How I Built The Clyde Dam. Reminiscences of a Hydro Worker”.*
- *To continue to obtain market knowledge in order to target future growth opportunities.*
- *To increase marketing potential of Cromwell and Lake Dunstan and related growth areas within the District.*

Terry Emmitt
Secretary

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