

Entry category: Best new idea

Business idea: Welcome

Description: A domestic tourism rewards platform with a social conscience

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1. Idea summary

Welcome is an online domestic tourist rewards platform that will;

- grow domestic tourism revenue for local businesses,
- give Kiwi holiday makers discounts, and
- fund community projects all in one.

Welcome is a social enterprise with a mission to transform the perception of tourism for good.

2. The problem

Over time, the warm welcome for tourists to the Queenstown Lakes and Central Otago region has cooled from our local community.

Tourism is viewed by those outside of the industry as a force that takes more than it gives to the region². Visitors often leave having made little long-term contribution beyond a quick injection of cash and an Airbnb review.

3. The opportunity

As a result of the Covid-19 crisis, now is the opportunity to show how domestic tourism can be a lasting force for good - to change the perception of tourism within the region from a one-way value exchange to a win-win between domestic visitors and locals.

Now is the perfect time to appeal to the value-seeker and socially conscious domestic tourist attitude - by making Kiwi visitors to our region feel special by saving them money on holiday and enabling them to do some lasting social good at the same time.

4. The solution

An online domestic tourist rewards platform called **Welcome**. For just \$79, the membership gives New Zealand tourists access to exclusive discounts provided by a range of businesses across accommodation, transport, activities, and restaurants in the Queenstown Lakes and Central Otago region for 12 months. Examples below;



The **Welcome** point of difference is that the business is a social enterprise, whereby 80% of profits are reinvested into the local community ensuring Kiwi tourists leave our region in better shape than they found it – thanks to their up-front \$79 membership fee.

A simple value exchange that has the power to restore the local acceptance and welcoming spirit towards Kiwi visitors to the region.

5. Why this idea? Why now?

Domestic tourists seek greater value

The Covid-19 international border closure has seen the domestic tourism conversation take centre-stage. But as many recent news articles and letters to the editor reflect¹ businesses should look to reduce their prices to better align with Kiwi visitor expectations.

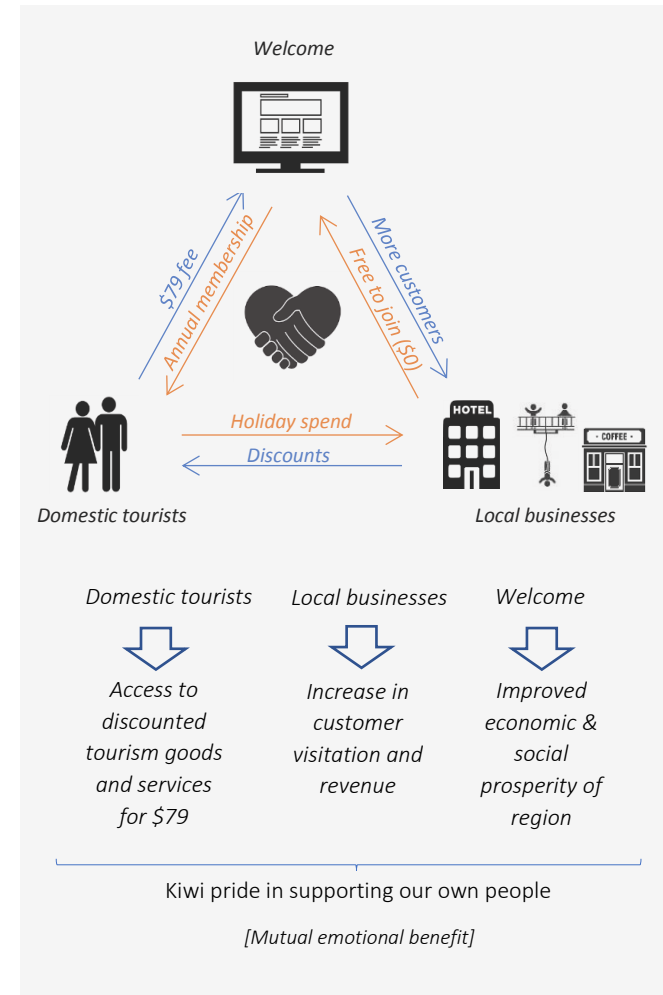
New Zealanders want to show support for Kiwi businesses

Whilst Kiwis are aware of the international tourism drought facing New Zealand, what they care about most is how it affects the local businesses and the families just like them. **Welcome** provides domestic tourists with a simple mechanism to show their support for their fellow New Zealanders in two ways;

- *Greater direct spending & visitation due to discounting*
- *A meaningful contribution to the community (80% profit locally shared)*

Welcome is a commercial product with a social conscience. It will not only protect existing businesses but generate lasting economic benefits to the region through millions in community funding and make Kiwi visitors feel good about exploring their backyard.

6. Business model



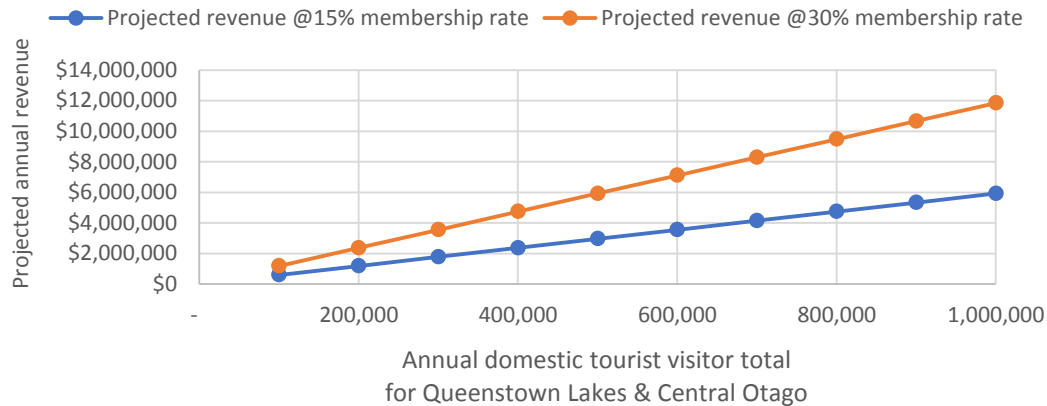
There are many ways to grow domestic tourism but few have the power to change perceptions of the industry and create lasting positive impact.

¹ New Zealand: It's too expensive to see our own country – Stuff, April 2020 | Bronwyn Bradshaw, Forbury – letter to editor, ODT, April 23, 2020

² Our love hate relationship with tourists – New Zealand's visitor fatigue, Stuff, Jun 2017

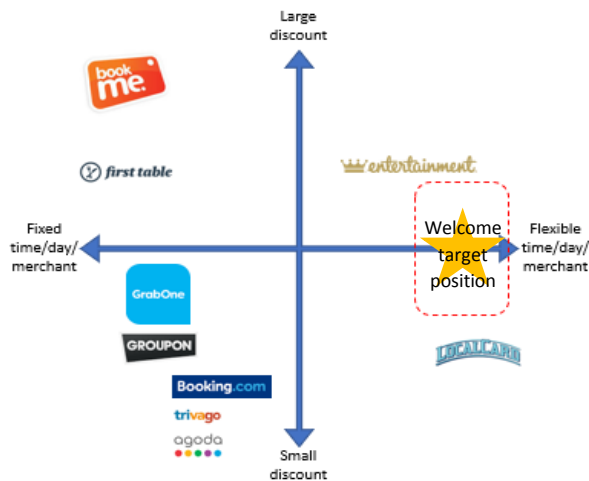
8. Membership traction & revenue forecast

Kiwis typically visit the region in pairs [2.2 people per visit⁶]. Therefore, the two revenue scenarios below assume a low (15%) and high (30%) membership purchase target against half of all Kiwis that visit the Queenstown Lakes and Central Otago region over a 12 month period. If domestic visitor numbers for the year ending Aug, 2020 reflect previous years (606,023 year ending Aug, 2018⁴), **Welcome** revenue could reach between \$3.6M [45,452 sales] and \$7.2M [90,903 sales].



NB; forecast doesn't include day trippers or residents - an additional 250,000+ potential customers

9. Competition & competitive advantages



Deal sites like Bookme and First Table provide great discounts but require commitment to a fixed day, time and merchant. Whilst voucher sites like Grabone or Groupon provide greater flexibility they offer reduced discounting as a result.

The Entertainment Book is well positioned on both fronts but sends all profit to Australia. **Welcome** is Kiwi owned, like Local Card, which is an indirect competitor but **Welcome** would be available to locals too.

10. Local market potential

Kiwis = big tourist business

40% of the \$3 billion tourism income for the Queenstown Lakes and Central Otago region comes from Kiwi wallets³.

NZ tourists spend more

On average, Kiwi tourists visiting our community spend \$1,967⁴ which is \$423 more than the typical international visitor.

Kiwi visitors spread the love

Wanaka and Cromwell have 3x as many domestic guest nights as they do international⁴, showing Kiwis are more likely to explore the whole region.

Kiwis on staycation

1.2 million Kiwis that usually take an international holiday each year⁵, will now be eyeing a domestic getaway instead.

11. About me

With my professional experience and network I have the ability to assemble and lead a team in order to get **Welcome** off the ground quickly and successfully;

- *Company vision & leadership*; In 2016 I established the New York satellite office for a NZ digital agency.

- *Digital product design & build*; A network of talented & experienced designers, and developers from my time in digital production.

- *Marketing & sales*; 7+ years advertising industry experience - creative & media.

I also hold a Bachelor of Science (psychology) & Commerce (marketing) from Victoria University.

12. Investment and timeline

Item	Cost
Concept ideation & business plan	\$15k
Prototype design & testing	\$20k
Merchant acquisition	\$10k
Brand & marketing production	\$15k
Customer acquisition (incl. media)	\$50k
Servicing & customer support	\$20k
Minimum capital investment req.	\$130k*

*Intended as ballpark costs only and are subject to change. Once investment is secured, it's realistic to suggest **Welcome** could be in market within 3-4 months. The return of initial capital investment (break-even point) would be achieved once 1,646 memberships are sold – which is between 1.8% and 3.6% of the initial 12 month sales target.

Key milestones;	Date;
- Finalise end-to-end concept, business plan & secure funding.	w/c 25 th May
- Complete MVP prototype and use to sign up merchants in Queenstown, Wanaka and Cromwell.	w/c 8 th June
- Complete platform build and produce brand collateral for customer acquisition.	w/c 29 th June
- Launch MVP to market	w/c 13 th July

³ Statistics NZ – Visitor Spend Data – year ended Aug 2018

⁴ Central Otago Tourism Strategy, Angus & Associates, March 2018

⁵ Kiwi's take a staggering amount of overseas trips now, Stuff, Feb 2018

⁶ Statistics NZ – Domestic Guest Nights by RTO – year ended Sep 2019