

TOWARDS 300,000

Sustainability, Partnership, Benefit for All

Vanuatu Tourism Market Development Plan 2030



Vanuatu
DISCOVER WHAT MATTERS
www.vanuatu.travel



HON. BOB WEIBUR LOUGHMAN
DEPUTY PRIME MINISTER

Minister for Tourism, Trade, Industry,
Commerce and Ni-Vanuatu Business

On behalf of the Government of Vanuatu, it gives me great pleasure to present to you the 2030 Vanuatu Tourism Market Development Plan. We have set ourselves ambitious targets within this Plan with a view to growing the visitor economy in Vanuatu.

The tourism dollar is spread widely and broadly throughout our economy and provides not only employment for the people of Vanuatu but business opportunity. As such, this plan is closely linked to the Vanuatu People's Plan 2030 through the economic pillar.

Underpinning the plan are a series of key performance indicators that seek to ensure our efforts focus on dispersal of visitors throughout all provinces of Vanuatu, and that we maintain the currently high visitor spend that Vanuatu enjoys. As guided by the Sustainable Tourism Policy sharing the benefit of tourism is a critical element to success.

In development of this plan, we have taken into account stakeholder feedback, consumer research and market intelligence. These sources of information only reinforce that our vision for tourism in Vanuatu is the right one;

"Tourism celebrates Vanuatu's culture and environment, empowers its people and captivates its visitors."

Vanuatu must be committed to ensuring that our culture and environment are preserved and are central to our visitor experience. These elements are at the centre of the Vanuatu Destination 'brand' and must be at the centre of any visitor experience.

The Government of Vanuatu seeks to work with all partners and stakeholders in the achievement of the 2030 Market Development Plan for the benefit all. As an integral pillar of the 2030 Shared Vision for Aviation and Tourism, Airports Vanuatu Limited and Air Vanuatu are integral to our success.

The commitment and implementation of this plan can only make for a bright future for tourism in Vanuatu.



Hon. Bob Weibur Loughman
Deputy Prime Minister & Minister for Tourism, Trade, Industry,
Commerce & Ni-Vanuatu Business
Ministry of Tourism, Trade, Industry, Commerce & Ni-Vanuatu Business.



CHAIRMAN OF THE BOARD
ROBERT AVIO
VANUATU TOURISM OFFICE

The Board of the Vanuatu Tourism Office is proud to present the 2030 Vanuatu Tourism Market Development Plan. This plan will guide and direct the development and promotion of tourism marketing for Vanuatu for the years to come, and the work of the Vanuatu Tourism Office.

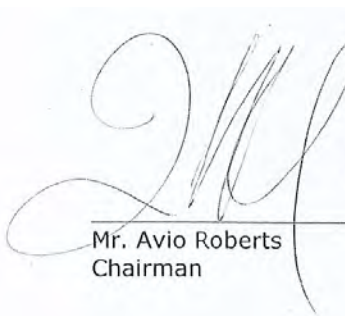
Of special note is the revitalised brand positioning that the Vanuatu Tourism Office has developed through an extensive consultation process with our stakeholders. This positioning is the essence of the Vanuatu holiday experience. It seeks to set us apart from our competitors and talk to our target markets in a meaningful and engaging way. Our destination brand positioning incorporates messages of kastom and culture, of adventures, and of the special impact that our natural environment has on our visitors as the backdrop to their holiday experience.


Our target of 300 000 is ambitious. To achieve this we will need collaboration and partnership from the government, private sector, and stakeholders.

Vanuatu does need to grow its tourism numbers simply to maintain the commercial viability of the already existing product across the country. Vanuatu's market share does need to grow and we feel this plan can guide that growth by implementing strategies and marketing activities targeting specific groups that can have the biggest impact commercially, and by growing them slowly over time.

Vanuatu remains a small country, with a small population base. Existing product is of a small and boutique nature that allows visitors a more intimate experience and a greater opportunity to connect with Vanuatu's greatest tourism - asset its people. This small, intimate nature of Vanuatu's accommodation, tours, and experiences should be maintained and considered as part of the fabric of the Vanuatu tourism offering.

A parallel program of work determining priorities for product development and infrastructure in-line with destination brand needs to be undertaken. In addition, this plan has also identified a number of enabling programs that will need consideration as we continue to grow and develop and to ensure any impact on both the environment and our culture is managed and mitigated.


Mr. Avio Roberts
Chairman





CHIEF EXECUTIVE OFFICER
ADELA ISSACHAR ARU
VANUATU TOURISM OFFICE

The 2030 Vanuatu Tourism Market Development Plan is a milestone document for the Vanuatu Tourism Office.

The purpose of this document is to provide the officials of the Vanuatu Tourism Office a tool to guide decision making and resource allocation into the future. The document highlights 6 key areas of activity

1. To identify a path forward for reaching the target of 300,000 holiday visitors by 2030 in alignment with the aviation access plans of Air Vanuatu and AVL;
2. To identify the financial resources required to make this target a reality and provide the tools to adjust based on the available resources (human and financial);
3. Establish KPIs and targets for the period 2019-2030;
4. Identify the key enabling programs that support tourism growth, development and marketing;
5. Set market strategies, targets and budgets for each source market;
6. Provide a mechanism for governance, measurement, and adjustment.

This plan, in concert with the 2030 Shared Vision for Aviation and Tourism and the 2030 Sustainable Tourism Policy, sets a clear direction for tourism in Vanuatu and the roles the various agencies will play in delivering that direction.

We are committed and excited about working with our partners on the implementation of this plan and seek your support in doing so for the benefit of Vanuatu and its people.

A blue ink handwritten signature of Adela Issachar Aru is written over a circular official stamp. The stamp contains the following text: VANUATU TOURISM OFFICE, P.O. BOX 200, PORT VILA, VANUATU, Tel: 22885/22813, Fax: 23889, and a small star at the bottom.

ADELA ISSACHAR ARU
CHIEF EXECUTIVE OFFICER



BOARD OF TOURISM MARKET DEVELOPMENT FUND

TOURISM MARKETING DEVELOPMENT FUND

The Tourism Market Development Fund (TMDF) has been an important contributor and participant in the Destination Marketing of Vanuatu for the past 13 years. Fund contributors have supported the marketing activities of the Vanuatu Tourism Office through their significant financial support by undertaking complementary marketing activities, and by support of marketing activities through the provision of prizes, accommodation and tours for a multitude of activities.

The Board of the Tourism Market Development Fund commends the 2030 Vanuatu Tourism Market Development Plan and looks forward to continuing its work with the Vanuatu Tourism Office to implement the plan and grow the benefits of tourism for all.

The support of the TMDF will be increased exponentially and with the passing of legislation currently being prepared to go to the next sitting of Parliament which will require all tourism sector operators to collect marketing fee from visitors.

The additional Private Sector funding will assist the VTO to roll out the ambitious but necessary marketing plans which will assist Vanuatu to achieve the level of holiday arrivals necessary to support the development of new routes and additional jet aircraft acquisitions.

CONTENTS

Vanuatu Market Development Plan 2019 – 2030

1. Vision, goals and targets
2. Background and Sustainability
3. Benchmark Visitation 2017
4. Economic Benefits to Vanuatu
 - a. Why Tourism?
 - b. Economic Return
 - c. Employment
 - d. Distribution of Visitor Spend
 - e. Outer Islands Dispersal
5. Tourism Enabling Programs
6. Experience Collectors
7. Destination Positioning and Brand
8. Short Haul Markets
 - a. Short Haul Market Summary
 - b. Australia
 - c. New Zealand
 - d. New Caledonia
9. Long Haul Market
 - a. Long Haul Market Summary
 - b. Europe
 - c. North America
 - d. China and Hong Kong
 - e. Japan
10. Market Segment Development
 - a. Market Segment Summary
 - b. Adventure Seekers
 - c. Meetings, Incentive and Business Events
11. Route Development Fund
12. Vanuatu Tourism Enabling Program
 - a. Training and Skills Development
 - b. Industry Programs
 - c. VTO Preparedness
 - d. Data and Market Intelligence
 - e. VTO Staff and Operational Cost Increases
13. Governance and Management
14. Appendix
 - a. Comparative Market Spend and Economic Return
 - b. Market Growth Over Time

This report was compiled using data supplied by VNSO and the Vanuatu International Visitor Survey. The strategic direction is the culmination of market intelligence, numerous research projects and stakeholder feedback. This report is directional and details a path to growing tourism numbers and the inputs required from a highline level. Detailed marketing tactics will need to follow. The implementation will not be possible without the increasing of air access.



VISION

The Vanuatu Tourism Office works in partnership with tourism stakeholders, Air Vanuatu and the Vanuatu Government to deliver this vision in order to stimulate economic growth and development through increased visitation and marketing of Vanuatu.

We believe that tourism can lead the future prosperity of Vanuatu through the capturing of new money into the economy. This benefit is threefold:-

- 1.** The new money filters through to other sectors and the informal economy of Vanuatu
- 2.** Demand created by tourists and tourism businesses flows through to sectors such as agriculture, handicraft, public transport and many more
- 3.** Government benefits through increased VAT proceeds, stronger Gross Domestic Product (GDP) and increased employment opportunities



GOAL

Vanuatu Tourism Office has a target of 166,000 holiday visitors by 2023 and 300,000 holiday visitors by 2030.

These numbers will be driven by the following principles:-

- Focus on core markets of Australia, New Zealand, and New Caledonia to maintain visitation and create a solid foundation of economic return
- Diversification of market segments to increase in visitor numbers from core markets
- Increased visitation and dispersal of visitors beyond Efate
- Increased diversity of markets to grow numbers and flatten out seasonality
- Create sustainable tourism business opportunities for all
- Increased profitability of other business sectors that are beneficiaries of tourism - such as retail, agriculture, and handicrafts
- Increased local employment opportunities in the tourism sector

The purpose of this document is to:-

- To identify a path forward for reaching the target of 300,000 holiday visitors by 2030 in alignment with the aviation access plans of Air Vanuatu and AVL in the 2030 Shared Aviation and Tourism Vision
- To identify the financial resources required to make this target a reality and provide the tools to adjust based on the available resources (human and financial)
- Establish KPI's and targets for the period (2019-2030)
- Identify the key enabling programs that support tourism growth, development and marketing
- Set market strategies, targets and budgets for each source market
- Provide a mechanism for governance, measurement, and adjustment

These are ambitious goals which can only be achieved through stakeholder collaboration, investment in marketing and focus on core objectives.

TARGET MILESTONES

	2017	2023	2030
Projected Return to the Vanuatu Economy (VUV)	18,720,000,000	29,195,298,327	79,277,890,752
Projected Arrivals to Vanuatu ¹	99,267	166,391	303,650
Total Marketing Expenditure	203 000 000	757,000,000	1,061,150,000
Number of visitors beyond dispersed beyond Efate	26,991	46,027	87,872
Dispersal of Visitors Beyond Santo, Tanna and Port Vila	6,739	11,492	21,939
ROI on every vatu spent in marketing	92	38.57	74.71
Cost PP to attract visitor	VUV 2045	VUV 4,550	VUV 4,495
Jobs Growth – Direct	11 000	12,343	15,090
Jobs Growth – Indirect	19,000	33,456	89,903
Increased VTO Staff & Service Delivery Costs	95,525,200	211,217,949	250,594,986

KEY PERFORMANCE INDICATORS

- Maintain an ROI of 30:1 or better
- Maintain minimum yield of VUV163,000 per holiday visitor per visit
- Dispersal of Visitors to Outer Islands – 30% of Total visitation as measured by VNSO
- Dispersal of Visitors Beyond Tanna, Santo, Efate – 10% of Outer Island visitation
- Maintain an average annual growth rate from short haul markets of 6% year on year
- Maintain an average annual growth rate from long haul markets of 10% for the first 5 years and 15% for the following 5 years

¹Holiday arrivals by air from markets targeted in the Market Development Plan 2019-2030– Australia, New Zealand, New Caledonia, Europe, North America, China, Japan and emerging niche MICE and Global Adventure Seeker segments.

Background

The Vanuatu Tourism Office Business Plan, entitled Tourism 2020 details a range of targets and plans. The following Vanuatu Tourism Marketing Plan 2030 details a way forward for the achievement of this target and the supporting projects, budget and resourcing required.

There is no doubt that the goals and vision in this plan are stretch targets and their achievement will require focus and commitment from all stakeholders. There are, however, significant economic outcomes that can be derived from achievement of this plan.

It should be recognised that all elements of this plan are interdependent; delays or lack of resourcing on any part or stage of the strategy will impact the achievement of these targets.

Air Vanuatu has also recently released a strategic plan that details a supporting way forward for aviation in Vanuatu. These route development plans increase capacity and frequency out of short haul markets and seek to improve connections from other ports. In addition they layout plans for services to long haul markets into the future as a second phase. Visitation cannot increase without increased aviation capacity.

Supporting infrastructure plans are also in place with Airports Vanuatu Limited (AVL) to develop airport infrastructure, runways and terminals that will support the proposed growth in aviation access and tourism and the upgraded capacity of the runways.

While the economic value of these plans is substantial the impact of this growth on the cultural and environmental aspects of Vanuatu as a holiday destination and more importantly the fabric of the society should also be considered and monitored as visitation increases. Reviews and adjustments may need to be made to mitigate such impacts in this area or any community concerns. The National Sustainable Tourism Policy can provide guidelines and direction in these areas.

The Vanuatu Tourism Marketing Plan 2030 has been developed based on the following platforms:-

- Marketing and Development Work in long haul markets must start well prior to any aviation commitment. These markets take time to develop and grow and for a return on investment to be realised. In the early stages of growth large investments are needed as relationships and awareness are established
- New target markets and segments within short haul markets have been identified to facilitate visitation growth beyond the key centres and to create a new market that is more interested in adventure experiences
- Route development will be critical to the success of this plan. A special fund will be required to support the establishment of new routes and connections. This may be with Air Vanuatu or other airline carriers.
- There are a number of additional enabling activities that need to be resolved and undertaken if the full value of this plan is to be realised. These have been detailed within this document.

This long term plan has been developed to provide consideration as to how visitation can grow overtime and the type of commitment required. Constant review and management is required to ensure the project is on target and to assess and incorporate changes to the market environment and the product that may impact success or require a change in focus.

If the budgets laid out are not available to implement it is important that targets and return on investment numbers are adjusted based on the reduced activity and market growth. This needs to be

considered over the medium and long term as tourism marketing has a cumulative effect and market development generally takes a minimum of 2 years to see the growth start and to show returns. This is longer in long haul markets where there is little or no knowledge of Vanuatu.

Budget numbers beyond 2024 should be treated as indicative as inflation and change in global travel marketing systems and trends evolve and the emphasis and market development plans may need to change to accommodate.

This plan will also need significant additional resourcing and skills for implementation and programme management both from industry and within the Vanuatu Tourism Office. This document details this investment.

It is appreciated that this plan presents significant increase in budget from existing levels. It does however need to be understood that as a major contributor to the Vanuatu economy, tourism has been under resourced over the past 10 years. Funding levels for Vanuatu marketing efforts have been well below those of our competitors and Pacific neighbours for many years. This has hindered our potential.

Mention does need to be made of the challenges that are faced in the Outer Islands and their ability to sustain increased tourism numbers. Issues around reliability of aviation, airfares, and land issues and disputes all impact on sustainability.

Research and Market Intelligence

The recommendations in this report are the culmination of a variety of research inputs, consumer trend reports, market intelligence and tourism industry consultation over a period of time.

The desktop review and data program has incorporated the following reports and documents. The document also details a number of areas where additional market intelligence is required to assist in the development of market strategies.

- Vanuatu International Visitor Survey
- Roy Morgan Holiday Tracking study (Australia and New Zealand)
- Provincial Tourism Plans
- World Travel and Tourism Report – Vanuatu
- Vanuatu Sustainable Tourism Policy
- Handicrafts Sector Action Plan
- Treksoft Report 2018
- Vanuatu Tourism Office Business Plan 2020
- Vanuatu Strategic Tourism Action Plan 2014
- Vanuatu Tourism Recovery Marketing Program Report 2018
- Vanuatu National Statistics Office – International Arrivals Update
- IFC Reports into the Adventure Market

A wide range of market trends and reference materials from tourism research publications and travel trade sources has also been considered specifically around the experiential and adventure based travel.

Vision for the Management of Vanuatu’s Tourism Development

Vanuatu remains a small country, with a small population base. Existing product is of a small and boutique nature that allows visitors a more intimate experience and a greater opportunity to connect with Vanuatu’s greatest tourism asset - its people.

This small, intimate nature of Vanuatu’s accommodation, tours, and experiences should be maintained and considered as part of the fabric of the Vanuatu tourism offering.

Future development should seek to maintain this position with well-considered and small developments that connect consumers with the environment and the culture of Vanuatu.

A parallel program of work determining priorities for product development and infrastructure in-line with destination brand needs to be undertaken.

Why 300,000 Visitors

- To balance seasonality and market share
- To enable the sustainability of air service expansion
- Manageable growth at approx. 10% year on year
- To sustain commercial viability of existing product range and experiences over the next 5 years
- To diversify markets and reliability on one group, segment, or country
- Targets are set over an 11 year period - deliberate and sustainable
- Incorporating marketing strategies that support sustainability in terms of target markets and dispersal of visitation e.g FIT target market in China
- Growth can be slowed if there is an adverse impact either environmentally or culturally - through a revision or slowdown of strategy

To provide some context to this level of growth the table below reflect the current visitation to our nearest neighbour Fiji. The table demonstrates that while the targets and growth may seem large for Vanuatu they are still significantly below Fiji.

Arrivals	2017		Vanuatu Projected	
	Fiji	Vanuatu	2023	2030
Australia	365,689	57,384	84,000	122,500
New Zealand	154,595	11,554	19,136	32,500
New Caledonia		15,827	19,955	25,000
Europe	34,638	6,801	9,000	15,000
Nth America	81,198	3,016	4,300	9,000
China	48,796	3,609	10,000	30,000
Japan	6,350	1,076	2,000	12,500
Other	151,618	9,841	18,000	57,150
	842,884	109,108	166,391	303,650

The Sustainability and Impact Considerations

While we believe these market growth targets are achievable over time, consideration does need to be given to the sustainability of these targets commercially, and the potential impacts from both a cultural and environment perspective on the community.

The availability of marketing funds is also a consideration in terms of the sustainability of this plan. Marketing funds have been heavily supplemented by Donors since 2016. If we are to succeed these funds need to be available as per the detailed plan. Visitor targets will need adjusted based on what marketing funds are allocated.

Vanuatu does need to grow its tourism numbers simply to maintain the commercial viability of the already existing product across the country. Vanuatu's market share does need to grow and we feel this plan can guide that growth by implementing strategies and marketing activities targeting specific groups that can have the biggest impact commercially and growing them slowly overtime.

The Vanuatu National Sustainable Tourism Development Policy should be allowed to guide decisions and impacts through its 5 key strategies which are detailed below. As mentioned previously this plan should be monitored in-line with impacts and concerns that may be raised through the community or other stakeholders.

GOAL 1: To develop and manage a sustainable and responsible tourism industry.

GOAL 2: Visitors connect with Vanuatu's environment, culture and its people.

GOAL 3: Sustainable and responsible tourism products and services developed, supported, and marketed to attract responsible high-value tourists.

GOAL 4: Tourism that enhances, conserves and protects the environmental and cultural resources of Vanuatu.

GOAL 5: Sustainable and responsible tourism brings improved income and well-being for Vanuatu and its people.

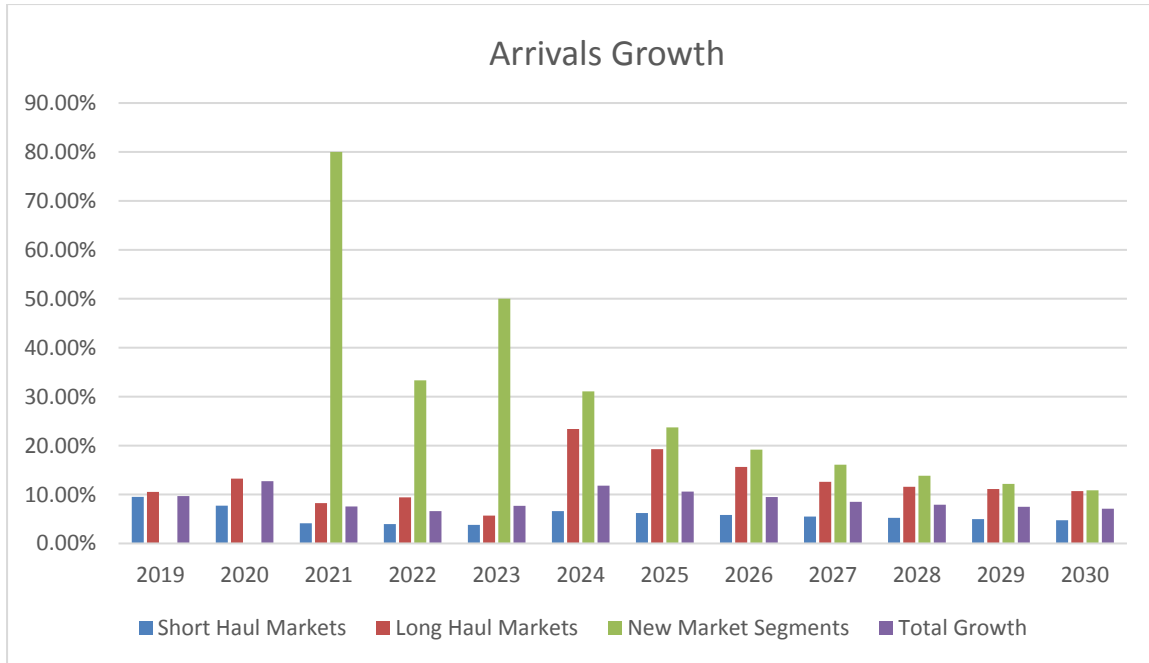
Sustainable tourism is an approach to tourism development that seeks to achieve a balance of economic viability, social acceptability and environmental responsibility.

Growth Rate Across Programs

The following graph tracks the growth rate year on year based on each program. The average growth rate year on year is approximately 10% across all markets.

The largest growth indicator falls in the area of emerging markets which is focused on groups and meetings across short haul and the greater pacific region. These increases are from a low baseline and come into effect after considerable input and development programs in partnership with industry.

These growth rates are also only attainable with increased aviation access from the markets in question and dedicated marketing and human resources to actively pursue and undertake this business development opportunity.



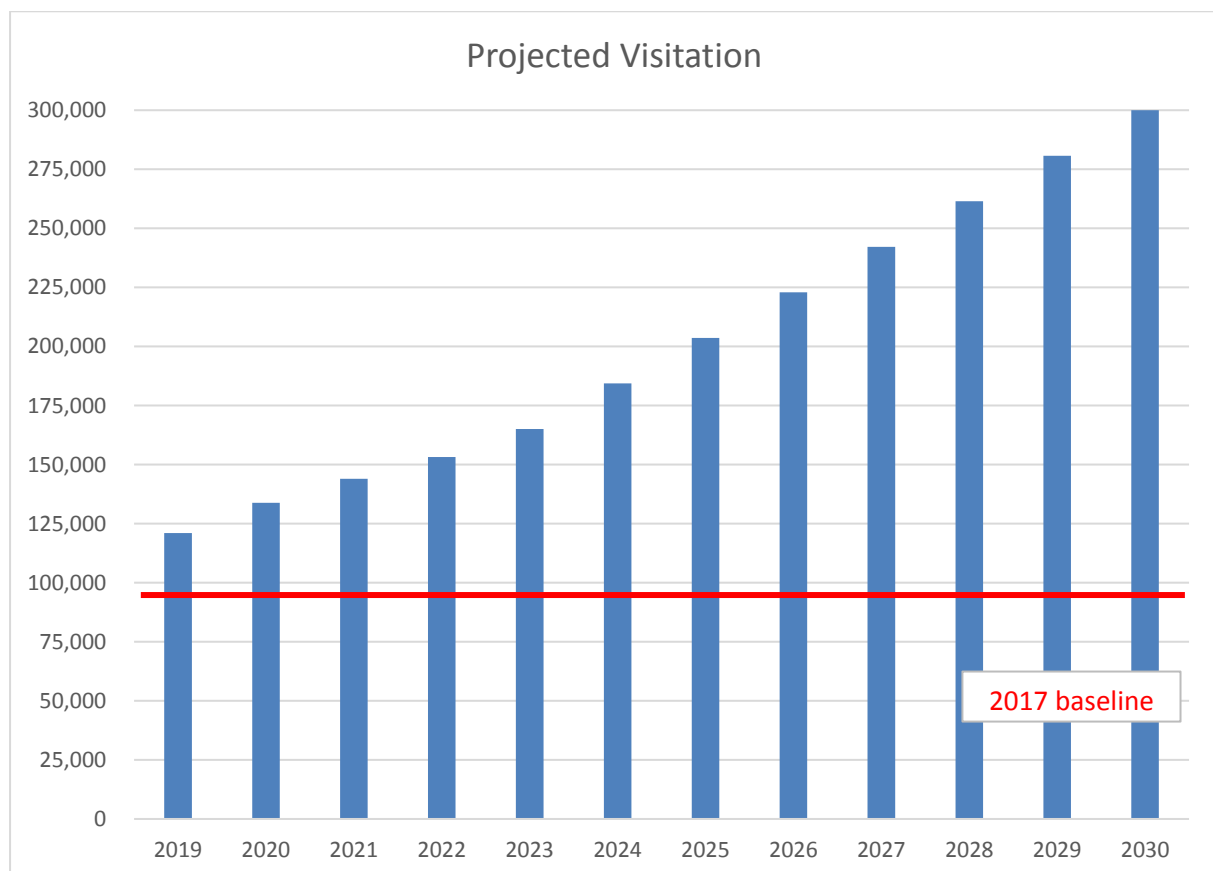
Benchmark Visitation – 2017

The following charts detail visitation as it stand in the calendar year of 2017. Early figures from 2018 would indicate that numbers for 2018 will show continued increases. This can be attributed to a consolidated and consistent market presence over the past 2 years. This has largely been funded through the support of Donor partners, specifically New Zealand through the Vanuatu Strategic Tourism Action Plan and marketing support through the Australian Government.

The following 3 charts provide a snapshot of the tourism economy in Vanuatu as at the time of writing. These charts show where our visitors come from, how much they spend and on what, and also dispersal through the various provinces.

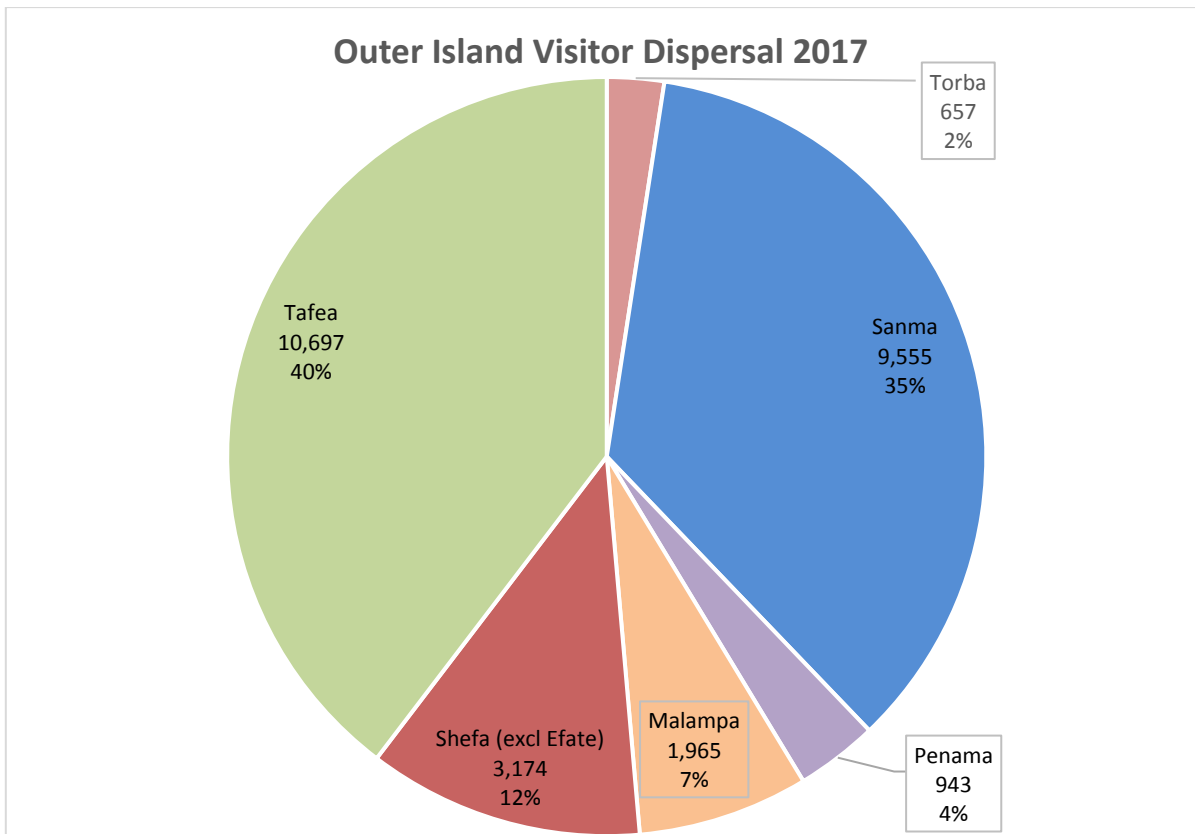
These numbers were achieved with the backdrop of the early stages of tourism recovery following Cyclone Pam, impacts of the Bauerfield airport and runway challenges, the withdrawal of Air New Zealand, and the absence of a consistent presence from the marketplace over previous years.

During this period 2016-2018 the decline in visitor numbers has been arrested and have seen the green shoots of recovery. This has held into 2018 however the green shoots need to be watered. There needs to be continued marketing investment and industry partnerships and a plan for the future that is managed with the appropriate resources applied.

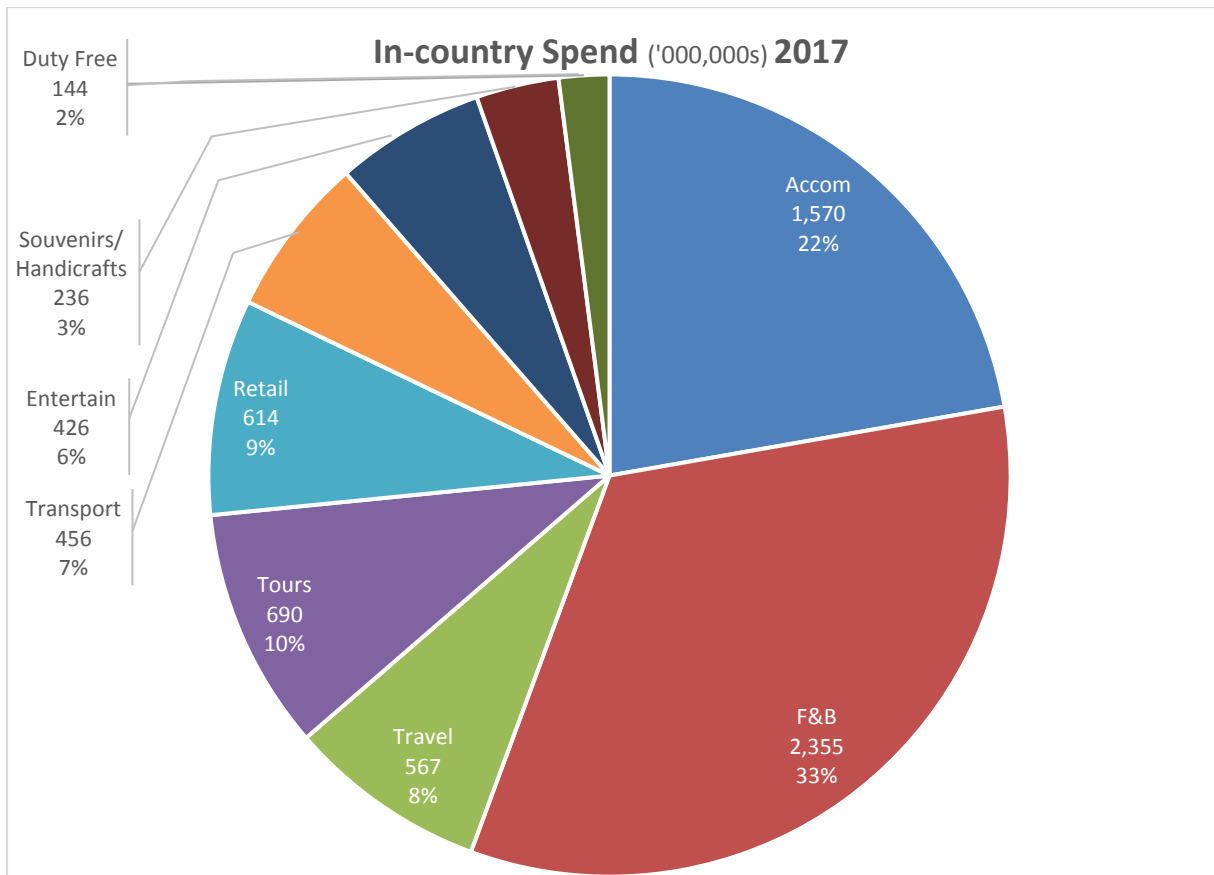




Source: VNSO Arrival Statistics 2017



Source: VNSO Arrival Statistics 2017



Source: IVS 2017



Tourism Economic Benefits for Vanuatu

WHY TOURISM

As reported in the World Travel and Tourism Council Report (2017), the economic impact of tourism in Vanuatu, contributed 18.2% to GDP or 16 343.6 million vatu. This is in a recovering tourism economy with decreased airline capacity. Indirect contribution is 46.1% of GDP or 41 325.6 million vatu. It should be noted that this is the second highest in The Pacific, after the Cook Islands.

The report also states that the relative importance of tourism's direct contribution to GDP see Vanuatu ranked as number 9 of the 185 countries included in the survey. This means Vanuatu is heavily reliant on its tourism sector.

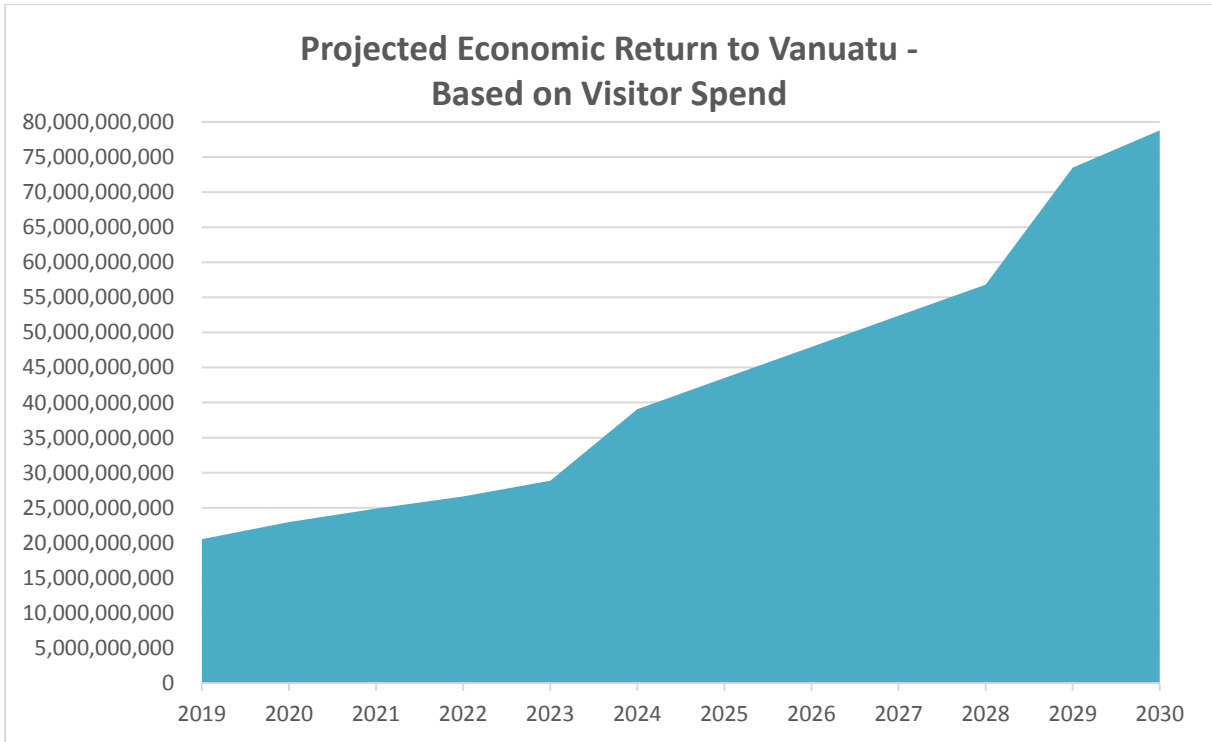
Tourism is a large contributor to the informal economy through the sales of handicrafts, local food stuffs, and in the cash economies of Vanuatu's Outer Islands.

While impossible to track there are also significant benefits through the informal economy. These include activities such as public transport, handicrafts, purchase of market food, provision of provisions to hotels and resorts, and other cash transactions.

ECONOMIC RETURN

The International Visitor Survey calculates that approximately 60% of pre-travel expenditure flows directly to the Vanuatu economy; combined with in-country spend this results in a direct economic contribution of USD184 per person per day by visitors from short-haul destinations and USD227 per person per day by visitors from long-haul destinations. Based on current average lengths of stay and conversion rates, the projected return of the proposed tourism plan to the Vanuatu economy over the term of the project is VUV519,608,026,969.





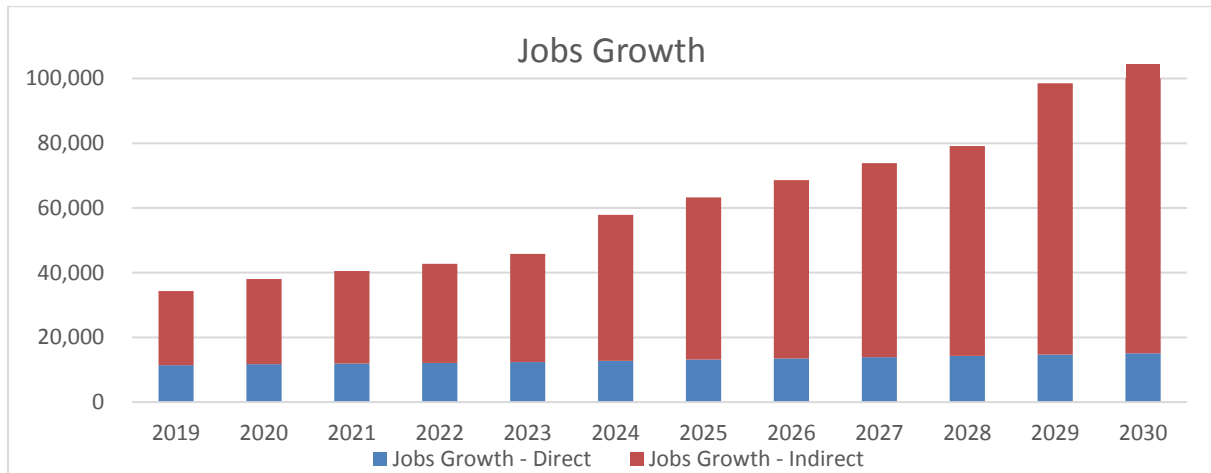
RETURN TO GOVERNMENT



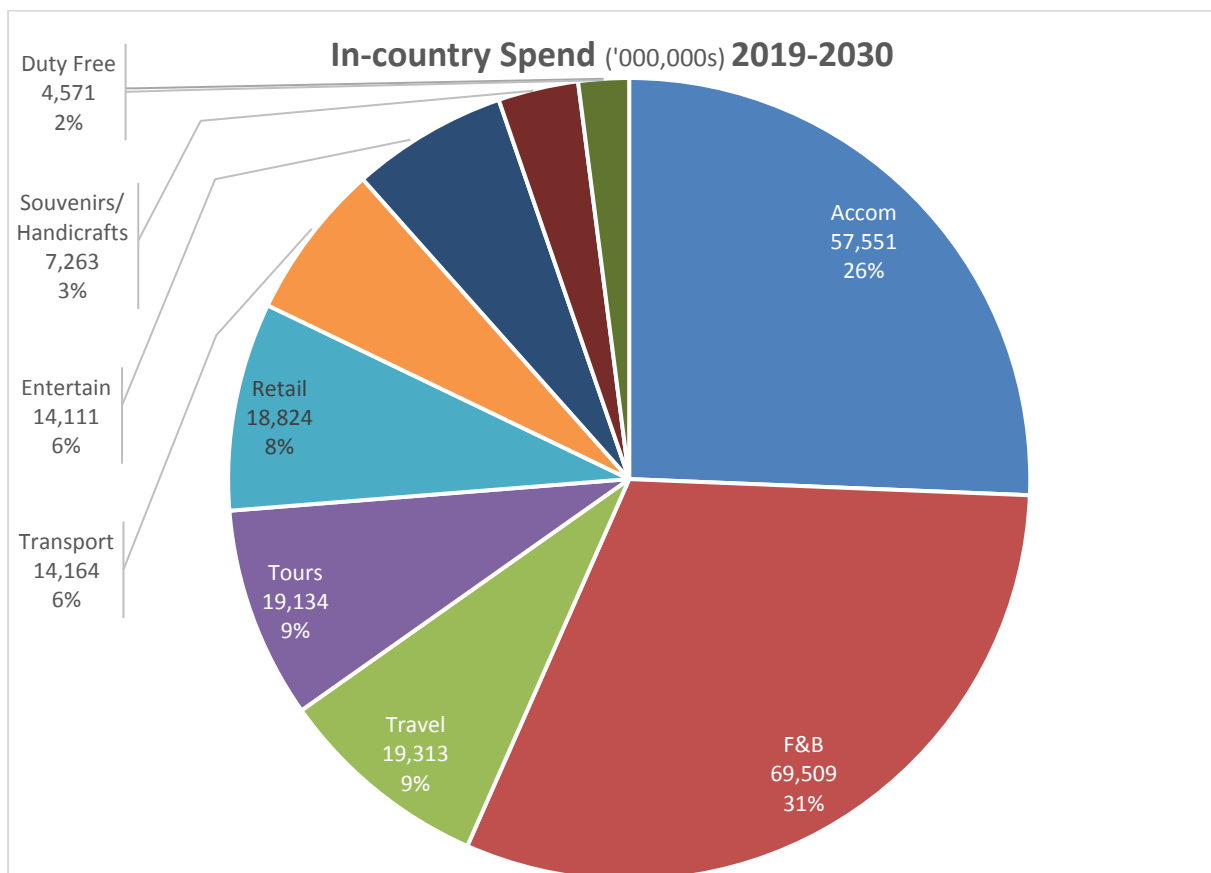
The above numbers are calculated using a per visitor spend left in country as identified in the Vanuatu International Visitor Survey (IVS). The new money which is brought into the country through tourism then flows through the economy with multiple businesses paying VAT directly to the government. In addition those people who are then receiving direct benefit from tourism spend in multiple ways again providing income to government. This is often referred to as the multiplier effect.

EMPLOYMENT

In 2017, 11 000 people were directly employed in tourism and an additional 19 000 employed through indirect and induced means. We can expect this number to increase as visitation increases. Over the 11 year period it is calculated that there will be an additional 76,715 jobs related to tourism both direct and indirect². The greatest number will be indirect jobs as tourism support businesses grow and prosper and tourism dollars flow throughout the economy.



IN-COUNTRY SPEND BY 2030

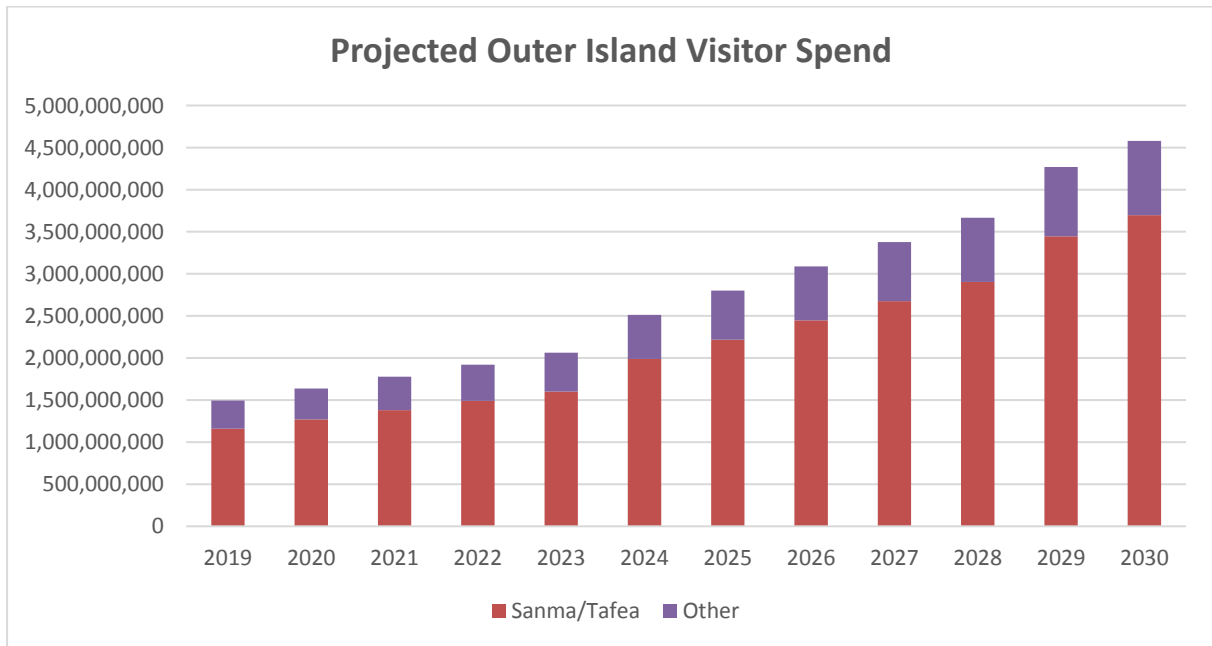


² Based on the direct employment of an additional 2 FTE personnel for every 50 additional pax; and growth in indirect employment as a function of relative growth in tourism expenditure to these areas.

Data from the International Visitors Survey calculates the direct in-country spend by visitors USD90.00 (VUV9,720) per person per day while holidaying in Vanuatu, much of it with SME businesses. Increases in visitor numbers will, similarly, boost economic diversification through growing demand for local handicrafts and souvenirs, transport service and local agricultural products to supply restaurant and dining outlets.

PROJECTED OUTER ISLAND VISITOR SPEND

It is anticipated that 100% of visitors from the newly targetted “Global Adventure Seeker” market will travel beyond Efate to explore the islands of Vanuatu, exponentially increasing the dispersal and economic benefit of visitor spend to the outer islands.



Vanuatu Tourism Enabling Programs

There are a number of complementary considerations that needs to be taken into account to ensure that Vanuatu and its tourism operators are best placed to take advantage of the opportunities brought forward in this Market Development Plan 2019-2030.

These considerations form part of the broader tourism perspective. Without action being taken on these fronts the full growth potential cannot be realised. These considerations are particularly evident in the area of Outer Island Development, Industry Preparedness, and ensuring the correct policy settings are in place.

INFRASTRUCTURE PROJECTS OF NATIONAL SIGNIFICANCE TO ENABLE TOURISM

- Completion of work on Bauerfield, Tanna and Santo airports including terminal developments
- Development of Port Vila town centre – the road and retail precincts
- Road improvement to Tanna volcano as a hero experience
- Beautification of Luganville town centre and waterfront
- Port Vila Central Mama’s markets upgrade of facilities

TOURISM INVESTMENT PROJECTS OF NATIONAL SIGNIFICANCE

- 2 Brand name hotels – Port Vila and Santo
- 2 small elite hotels (capacity 100 pax)
- 1 world class attraction, Efate - i.e Grand Canyon Skywalk
- Development of live-a-board cruising experiences (ie. diving and 3 days Vanuatu cruising)
- Organisational strengthening and policy framework of VIPA and development of a suite of priority investment profiles for key target projects in the tourism sector and policy framework
- Unique accommodation on Outer Islands

MARKET DEVELOPMENT PRIORITIES

- Maintain and grow short haul markets and existing segments in short haul markets and extend to new geographic markets
- Target new market segments in short haul markets – adventure seekers, weddings, incentives and groups, Chinese community
- Increase long haul focus on France, Germany, Netherlands and Scandinavia targeting Adventure experiences
- China – FIT and Millennials
- Commence targeting the market segments of Meetings, Groups and Incentives and Global Adventure Seekers
- Japan and North America following a research project to identify the most profitable segments

AVIATION AND ROUTE DEVELOPMENT PRIORITIES

- Improvement of Air Access from New Zealand
- Maintaining peak season schedules for the whole year
- Direct Services from Melbourne with Air Vanuatu
- Improved connections from long haul markets and code shares to making booking easy – with connections through Australia, New Caledonia, Fiji, PNG

- Charter Services from China during holiday periods (*Chinese New Year and Golden Week*)

TOURISM INDUSTRY ENABLING PRIORITIES

- Establishment of an overarching industry organisation for lobbying, co-ordination, communication and advice
- Ni-Vanuatu leadership in tourism program
- How to “Digital Marketing” program for whole of industry
- Improving the competitiveness of the destination by seeking options to reduce operational costs for tourism operators.
- “Market Ready” program for operators to ensure benefits flow to all sectors of the industry

COMMUNITY AND INDUSTRY PROGRAMS TO ENABLE VISITOR SATISFACTION

- Sharing market intelligence and data between public and private sectors
- Accreditation and Standards Program
- Keep Vanuatu Clean Program
- Improving visitor experience on arrival at Port Vila wharf
- Community tourism awareness programs (Kiwi Host/Say G’day program)
- Educating operators about weaving culture in everyday experiences giving culture the respect it deserves

OUTER ISLANDS ENABLING PRIORITIES

- Product development and marketing focus on islands with access and experiences including international consumer demand, including the support of small cultural events
- Upgrade of domestic airstrips – Norsup, Gaua, Ambrym
- Domestic airfares affordability and improve reliability
- Content Development Program for websites and social media platforms
- Digital solution for bookings and access to market

PRIORITIES FOR CRUISE TOURISM DEVELOPMENT

- Upgraded hydrographic navigational charts for Port Vila, Santo and Tanna.
- Encouragement of expedition cruises targeting outer island destinations.
- Capacity development for improved visitor experience (Concept plans)

PRIORITIES FOR CRUISE SHIP DISEMBARKATION AND VISITOR SATISFACTION

- Ensure cruise ship arrival and disembarkation experience is the best it can be to enable positive word of mouth
- Continued implementation of the City Ambassador Program
- Ensuring an effective meet and greet service
- Collecting names and addresses for database
- Social media activation for Cruise ship visitors program
- Enable with cruise ship marketing activities where possible to benefit of Vanuatu (i.e film crews, content development)

POLICY FRAMEWORK PRIORITIES

- Development of a user friendly and enabling process to encourage filming for documentaries and television programs
- Implementing of tourism industry structural changes as identified in the Pathway to Change report
- Enabling of Private Sector contributions to marketing activities that encompass all of industry and a meaningful level of contribution



Target Market - Experience Collectors

In order for our marketing activities to be more focused, relevant and engaging a clear picture of our target audience is critical. This is not just about their geographic and demographic profiles but who they are as people.

Experience Collectors do differ by market and these differences are elaborated on in the country by country marketing strategies. However who they are and what is important to them in a holiday experience brings them together as a collective or tribe.

While the product/experience focus may change by market understanding the motivators, personality traits and beliefs is critical.

EXPERIENCE COLLECTORS – BELIEFS AND PERSONALITY TRAITS

- Free spirited
- Appreciates the simple things
- Open-minded
- An explorer
- Health conscious
- Enjoy an adventure
- Gets bored easily
- Interested in cultural experiences
- Active
- Outdoorsy
- Well-read
- Young at heart
- Interested in the everyday and what makes people tick
- Selfies are not a priority, it's about being present in the moment
- Is challenged by nanny-state regulation
- Likes to learn something new
- Well-travelled
- Travel is part of life
- Spontaneous
- Don't want to do what everyone does
- Casual and practical
- Keen to engage with people and place
- Keen to understand below the surface
- See everything with eyes wide open
- Takes things in their stride
- Gets involved

WHAT DOES A HOLIDAY EXPERIENCE MEAN TO EXPERIENCE COLLECTORS?

- A holiday to an experience collector is an opportunity to enrich the mind, body and soul.
- To awaken and stimulate all the senses.
- It's a chance to learn something new, reflect and rethink, relax, refresh, challenge and be challenged.
- It's an opportunity to spend time with a loved one or loved ones and be grateful for all they have.
- An experience collector's holiday is for them, not their social media following.
- And it has a transformative power to make them a better version of themselves.

ADVENTURE SEEKERS

This document also refers to Adventure Seekers as a new market segment. This segment differs to the Experience Collectors in that they are more likely to give up their creature comforts and travel to pursue their passions, undertake off the beaten track experiences, and actively seek out remote locations. They have a greater propensity to travel to undiscovered destinations and are actively looking for challenges that focus on nature, cultural immersion, or thrill seeking.

Targeting this “tribe” or people will be of particular benefit Vanuatu’s Outer Island locations who have market ready product and provide opportunities to a lucky few to explore and connect on this basis.

There are small pockets of this market in all countries, however those with the greatest propensity to explore widely in Vanuatu can be found in European nations and core markets. This segment will be an additional pillar to the marketing program across core markets and will target a segment who will explore further and seek our local style accommodation and connection. This market will largely be targeted through digital platforms.

It should be noted that there are challenges in growing the Adventure Seeker Market. The majority of these challenges are related to product and experience delivery. These issues have been identified below as they will impact the achievement of the targets for this market specifically.

- Aviation access and reliability
- Cost structures and access to through fares to outer islands from international ports
- Disputes that relate to land issues and equal sharing of business amongst villages and operators
- Product delivery and consistency in providing a visitor experience as promised to consumers and to meet visitor expectations
- Realistic pricing expectations for accommodation and touring by tourism operators
- Ability to communicate and market products to an international audience
- Business management of small operators

These issues are being continually addresses through training and skills development, but need constant attention and focus.

Understanding which products in the Outer Islands are “market ready” and suitable for tourists is also critical. Issues such as the following need to be understood: -

- Do the products meet accreditation and experience standards
- Can these products take and manage bookings
- Does the product deliver a positive consumer experience
- Are visitors safe and secure in this location
- Do the products being developed meet consumer demand

These concerns need to be monitored as marketing activities increase to ensure a positive experience.



Destination Positioning and Brand Strategy

In August 2018 the Vanuatu Tourism Office undertook a consultation process to determine a single-minded destination positioning for Vanuatu that can lead decision making based on product development, content development and marketing strategies.

The market positioning consultation process was undertaken that incorporated:-

- Analysis of existing research data including Roy Morgan Research and the Vanuatu International Visitor Survey
- Consumer research analysis
- Industry consultation and workshops both in Vanuatu and in-market consultation
- Desk top and social media reviews
- Stakeholder Interviews
- Competitor destination reviews

The positioning allows for all islands, niche products, and tourism operators to find a place within it and provide a differentiated message to the market.

Below are the high line details of the Destination Positioning and Brand Strategy. A separate document details the complete strategy and supporting research.

Destination Positioning – *Brand positioning: the space a brand occupies relative to its competitive set, aligned to the needs of the defined target audience*

Vanuatu Offers a Real, Life Changing Adventure

Some places feel choreographed, serene and polished. Vanuatu isn't any of that. We are a rough diamond and we can't keep still. And who would want to when there's so many wonders to behold and adventure at every turn?

Vanuatu brings you back to earth. It clears your mind of all the stuff that doesn't matter – and replaces it with a head full of amazing stories to tell

Destination Brand Platform – *foundation for the organization's identity, messaging and visual presentation.*

Answer The Call of Vanuatu

Vanuatu is a real adventure. But it's much more than that. This line takes the many threads that make up the Vanuatu experience and ties them nuanced and multi-faceted way – creating a strong brand platform that can anchor any message for many years to come.

It's the sound of an ancient way of life

Resonating through the ages.

The echo of the conch horn.

The rhythm of the water music.

The thud of warriors dancing as one.



*It's the voice of Mother Nature.
The urge to wander far away from the everyday
To disconnect and reconnect.
To become part of the landscape.*

*It's the distant rumble of a volcano.
The thumping hearts of brave land divers.
And the ticking engine of a four-by-four
Waiting to take you on the best adventures by far.*

*It's the sound of wind rushing through your hair
Waves lapping on the shore
And the crackle of campfires on the beach.
The soundtrack to the good old days
When life was as it should be.*

*It's the call of the sea.
To sail away to distant shores
That lie a stone's throw away.
And to be just one step into the ocean
From another world of sunken history and breathtaking beauty.*

*It's the laughter that fills the air.
The warmest of welcomes.
The promise of arriving as a guest
And leaving as a friend.
The best places, they talk to you.
They build a lifelong bond
By inviting you to be part of their story.*

*They say life is either a great adventure or nothing.
To that, we say – Answer the call of Vanuatu*

Brand Attributes – the proof that supports the brand positioning

1. Kastom and Culture

Kastom and culture forms Vanuatu's identity. It's why Ni-Vanuatu are present in the now. It's why they are grounded & content. A cultural experience is on offer to any traveller. It can be felt in an interaction in a local food market or a visit to a Kava bar, right through to wandering through a village in a remote outer island.

2. Vanuatu is its people

Shy initially, but don't take long to open up.

Warm, kind, happy, friendly, gentle, relaxed, humble, curious, full of laughter, giving, proud, genuine, full of smiles, welcoming, content, family-orientated, sincere, live with integrity and



traditional values, keen to share, care-free, innocent, honest, eager to please, practical, resourceful, creative problem solvers, collaborative – get things done without the fuss and bother.

“These traits are woven in us.”

For travellers this means Ni-Vanuatu hospitality is heartfelt, not 5 star/silver service. 3 different languages can be spoken in one sentence. It’s not uncommon for Ni-Vanuatu people to invite guests back to their own villages.

3. A symphony of the senses

Vanuatu is where nature puts on one of the most spectacular shows on Earth. From the fire and fury of an active volcano to the vivid colours of tropical reefs; from vast swathes of untouched rainforest to incredible blue holes and the soothing sound of waves lapping on the shore, Vanuatu is a place that awakens your soul and will have you updating your bucket list.

4. Real

The people are genuine. The experiences are real. You’re not a tourist watching a polished, choreographed show; you’re part of the story.

Ni-Vanuatu people talk to you not because they have to, but because they want to. It’s this warmth and openness that invites real connection and immersion in the local way of life.

5. Raw, Edgy and Liberating

It’s a place where you can break free from the binds of bureaucracy and red tape. Vanuatu’s laid-back vibe harks back to a simpler, less-regulated time, when common sense prevailed. You’re free to ride in the tray of a Ute or light a fire on a beach. And you’re also free to be yourself – to let go and untangle from the stresses of modern life and be present in the moment. Vanuatu invites you to step outside the confines of your resort; to get out there and explore a place that is raw, edgy and liberating.

6. Vanuatu takes you on an adventure

Adventure is as much a state of mind as it is a thing to do and it’s in plentiful supply on all of the islands. Vanuatu is not the place to flop and drop. It’s the adventure capital of the South Pacific with an array of experiences to suit the soft adventure market right through to the thrill seeker. From finding a hidden local restaurant through to exploring old WWII sites where artefacts are still in situ, from discovering how to let go at a blue hole through to riding a horse through mangroves.



SUMMARY OF TOTAL INVESTMENT AND RETURNS TO VANUATU

The below table is an overview of the returns and required spending of the Vanuatu Tourism Marketing Plan 2030. This table is broken down into more detail in the following sections.

	2019	2020	2021	2022	2023	Cumulative TOTAL (2019-2023)
Total Marketing Expenditure Vatu	657,000,000	735,000,000	727,000,000	731,000,000	757,000,000	3,607,000,000
Projected Arrivals	119,519	134,739	144,923	154,508	166,391	720,080
Projected Return	20,400,840,072	23,210,686,954	25,132,627,118	26,945,552,081	29,195,298,327	124,885,004,552
ROI	31.05	31.58	34.57	36.86	38.57	34.62
Cost PP	VUV 5,497	VUV 5,455	VUV 5,016	VUV 4,731	VUV 4,550	VUV 5,009
Arrivals Growth	9.67%	12.73%	7.56%	6.61%	7.69%	8.85%
Additional Pax	10,534	15,219	10,185	9,585	11,883	57,406

VTO Staff & Service Delivery	183,145,071	183,145,071	183,145,071	183,145,071	211,297,949	943,878,233
---	-------------	-------------	-------------	-------------	-------------	-------------

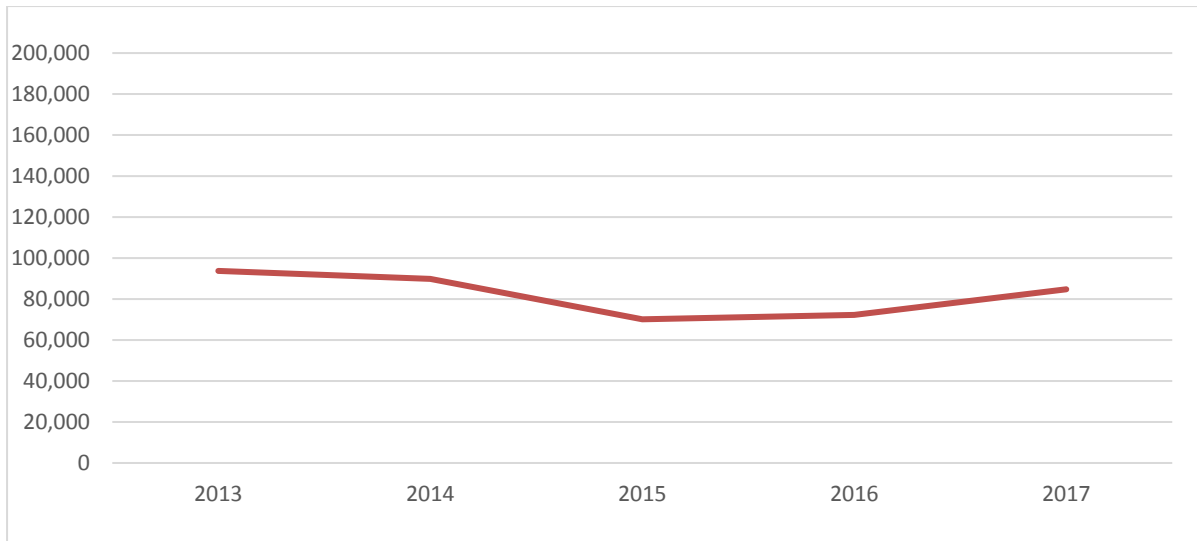
	2024	2025	2026	2027	2028	2029	2030	Cummulative TOTAL (2024-2030)
Total Marketing Expenditure Vatu	971,400,000	887,400,000	897,400,000	897,400,000	888,300,000	1,061,150,000	1,061,150,000	6,664,200,000
Projected Arrivals	186,028	205,765	225,302	244,439	263,776	283,513	303,650	1,712,473
Projected Return	39,358,446,199	43,893,937,926	48,385,387,253	52,788,751,780	57,236,158,706	73,782,449,800	79,277,890,752	394,723,022,417
ROI	40.52	49.46	53.92	58.82	64.43	69.53	74.71	59.23
Cost PP	VUV 5,222	VUV 4,313	VUV 3,983	VUV 3,671	VUV 3,368	VUV 3,743	VUV 3,495	VUV 3,892
Arrivals Growth	11.80%	10.61%	9.49%	8.49%	7.91%	7.48%	7.10%	8.98%
Additional Pax	19,637	19,737	19,537	19,137	19,337	19,737	20,137	137,259
VTO Staff & Service Delivery	211,297,949	211,297,949	211,297,949	250,594,986	250,594,986	250,594,986	250,594,986	1,636,273,791



SHORT HAUL MARKET DEVELOPMENT

SHORT HAUL SUMMARY

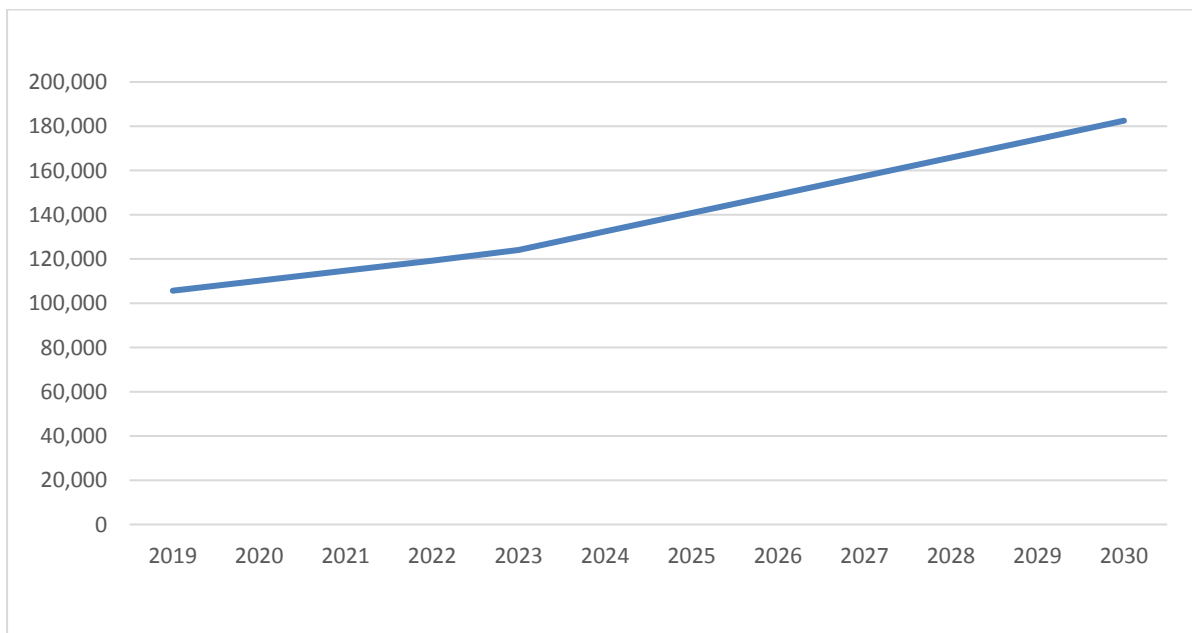
Historical Visitor Numbers and Growth ³



Visitors Snapshot ⁴

- In 2017 Vanuatu recorded 84,765 arrivals by air from core short haul markets ¹²
- In 2017 approximately 78.6% of all air visitors to Vanuatu were from core short haul markets
- In 2017 visitors from core short haul markets spent an average of 8 nights in Vanuatu
- In 2017 visitors from these markets spent an average of USD707 (VUV76,356) per person in-country
- In 2017 the total economic return from these visitors was USD1,494 (VUV161,352) per person

Targets – 2019 to 2030



³ Source: Vanuatu National Statistics Office

⁴ Source: Vanuatu International Visitors Survey Report January – December 2017

Year on Year Projections and Inputs – Short Haul Markets Program (All spends in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	529,000,000	459,000,000	459,000,000	459,000,000	459,000,000
Projected Arrivals	105,670	110,192	114,714	119,236	124,091
Arrivals Growth Year on Year	9.51%	7.73%	4.13%	3.96%	3.81%
Projected Return	17,141,530,680	17,885,819,692	18,630,108,704	19,374,397,715	20,174,630,727
ROI	32.40	38.97	40.59	42.21	43.95
Cost PP	VUV 5,006	VUV 4,165	VUV 4,001	VUV 3,850	VUV 3,699

	2024	2025	2026	2027	2028
VTO Market Spend	634,800,000	550,800,000	550,800,000	550,800,000	550,800,000
Projected Arrivals	132,435	140,779	149,123	157,468	165,812
Arrivals Growth Year on Year	6.60%	6.20%	5.83%	5.51%	5.22%
Projected Return	25,875,062,462	27,540,568,052	29,206,073,642	30,871,579,231	32,537,084,821
ROI	40.76	50.00	53.02	56.05	59.07
Cost PP	VUV 4,793	VUV 3,913	VUV 3,694	VUV 3,498	VUV 3,322

	2029	2030
VTO Market Spend	660,960,000	660,960,000
Projected Arrivals	174,156	182,500
Projected Arrivals Growth Year on Year	4.97%	4.73%
Projected Return	41,043,108,492	43,041,715,200
ROI	62.10	65.12
Cost PP	VUV 3,795	VUV 3,622

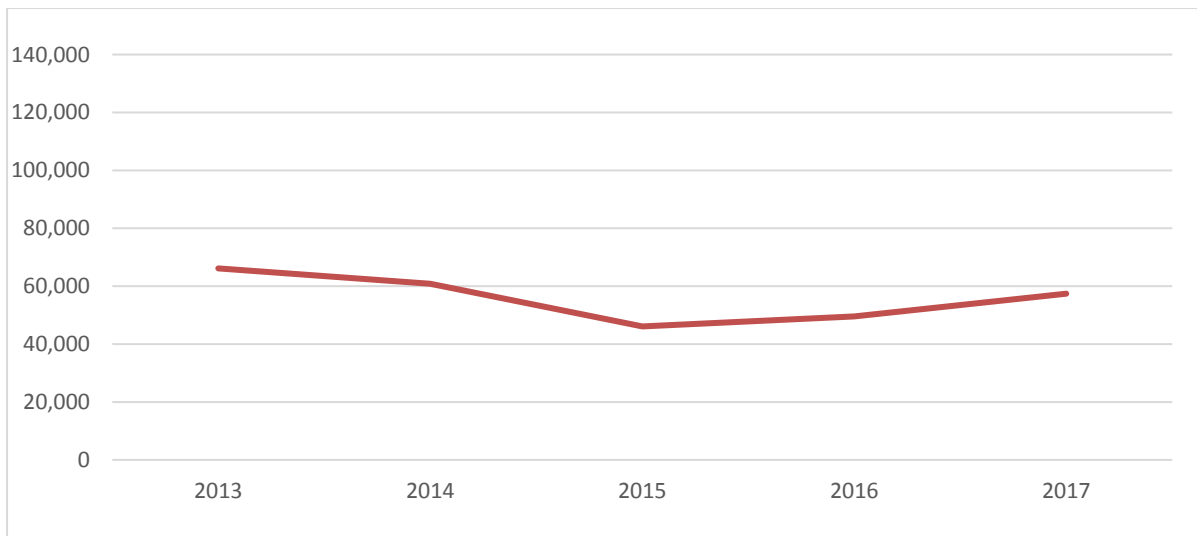
Summary Project Total Projections & Inputs – Short Haul Markets Programme (all spends in Vatu)

	2019-2023	2024-2030	TOTAL
VTO Market Spend	2,365,000,000	4,159,920,000	6,524,920,000
Projected Arrivals	566,902	1,089,273	1,656,175
Projected Return	92,031,663,518	227,304,245,660	319,335,909,178
ROI	38.91	54.64	48.94
Cost PP	VUV 4,172	VUV 3,819	VUV 3,940



AUSTRALIA

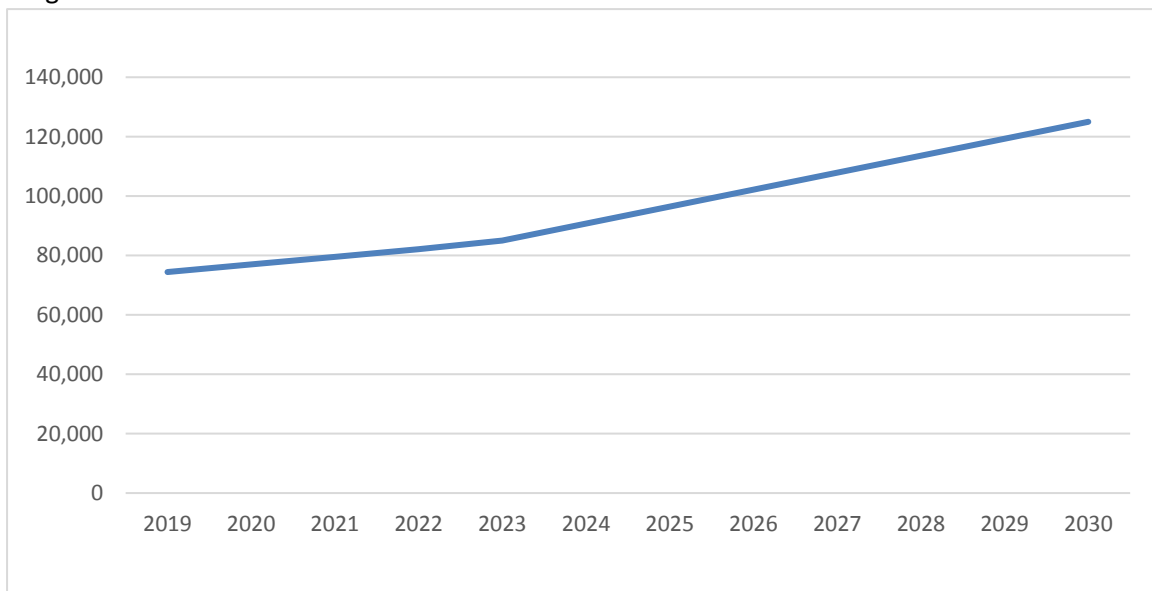
Historical Visitor Numbers and Growth ⁵



Visitors Snapshot ⁶

- In 2017 Vanuatu recorded 57,384 arrivals by air from Australia ²
- In 2017 approximately 52.6% of all air visitors to Vanuatu were from Australia
- In 2017 visitors from Australia spent an average of 8.4 nights in Vanuatu
- In 2017 visitors from Australia spent an average of USD727 per person in-country
- In 2017 the total economic return from Australian visitors was USD1,554 per person
- In 2017 Vanuatu attracted approximately 10% of total Australian visitation to the South Pacific ⁷

Targets – 2019 to 2030



⁵ Source: Vanuatu National Statistics Office

⁶ Source: Vanuatu International Visitors Survey Report January – December 2017

⁷ Source: Australian Bureau of Statistics

Year on Year Projections and Inputs – Australia (all spends in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	262,000,000	262,000,000	262,000,000	262,000,000	262,000,000
Projected Arrivals	74,416	76,979	79,541	82,104	85,000
Projected Return	12,489,386,112	12,919,483,584	13,349,581,056	13,779,678,528	14,265,720,000
ROI	47.67	49.31	50.95	52.59	54.45
Cost PP	VUV 3,521	VUV 3,404	VUV 3,294	VUV 3,191	VUV 3,082

	2024	2025	2026	2027	2028
VTO Market Spend	314,400,000	314,400,000	314,400,000	314,400,000	314,400,000
Projected Arrivals	90,714	96,429	102,143	107,857	113,571
Projected Return	18,269,712,000	19,420,560,000	20,571,408,000	21,722,256,000	22,873,104,000
ROI	58.11	61.77	65.43	69.09	72.75
Cost PP	VUV 3,466	VUV 3,260	VUV 3,078	VUV 2,915	VUV 2,768

	2029	2030
VTO Market Spend	377,280,000	377,280,000
Projected Arrivals	119,286	125,000
Projected Return	28,828,742,400	30,209,760,000
ROI	76.41	80.07
Cost PP	VUV 3,163	VUV 3,018

Priority Target Markets and Segments

A. Experience Collectors

We call our target audience “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

Australia Experience Collectors can be largely found in these demographic subsets.

1. Midlife couples who are 45 plus who are not encumbered by children. They primarily live in Brisbane and Sydney where aviation access is simple
2. Families of all ages in Brisbane and Sydney where aviation access is simple
3. Extended family groups sharing holidays and creating experiences together



B. Specific Niche Segments targeted through specific marketing strategies

1. Diving
2. Weddings

Growth Segments

A. Chinese Market in Australia

The Chinese community within Australia encapsulates both ex-patriate Chinese and an ever increasing number of students who are studying in Australia. These communities are found largely in Brisbane, Sydney and Melbourne.

This group are extensively networked back to relatives and family in China and play a significant role in advocacy and facilitating outbound travel from China.

This market has developed its own distribution and communications channels and is unlikely to be touched by existing marketing efforts. This market is highly influenced to undertake activities that others have not done and that make them appear more adventurous by nature.

B. Extend Geographic Markets

To grow numbers to Vanuatu there is a need to extend the geographic markets in which we currently operate. These markets have been selected based on population size, propensity to travel, and those areas that have shown propensity through the extrapolation of research data and past visitor data.

Priority new geographic markets are:

- Melbourne
- Tasmania – Hobart and Launceston
- Regional Centres – Canberra, Toowoomba, Newcastle

Other markets should be considered only when aviation access becomes viable.

C. Adventure Seekers

There are an estimated 6.4 million Australians who could be classified as adventure travellers. They fall into 3 categories⁸:-

- Thrill Seekers (3.2 million)
- Nature Lovers (4.4 million)
- Culturally inclined (1.2 million)

There is a strong match between the motivations and desire of these travellers and the experience that is offered by Vanuatu.

The targeting of the Adventure Seeker market supports the goal of dispersal of visitors beyond the aviation access hub of Port Vila. In Australia a particular focus should be placed on nature and the outdoors plus life-time or bucket list experiences.

⁸ Source: Roy Morgan research

Marketing Strategies

Stage 1 (2019 – 2021)

- Maintain focus on Experience Seeker visitation and niche markets.
- Position Vanuatu in the Australian market as a destination that provides “Real, life changing adventure”. Ensure all marketing activities are driven by content and messaging that deliver on this messaging and grow brand Vanuatu.
- Establish a marketing program that targets Chinese diaspora and the visiting family and friends of Chinese students in Australia.
- Develop a marketing platform and framework for targeting Adventure Seekers in Australia with a focus on natural experiences.
- Establish a route development fund that allows a nimble approach to markets where new aviation routes develop.
- Implement marketing strategies that support the advocacy of past visitors and opinion leaders who will ensure referral business and positive word of mouth of the “true Vanuatu” experience.
- Develop consumer lead marketing strategies that ensure all stages of the marketing purchasing funnel are covered – Awareness, Preference, Intention, Conversion, and post travel sharing.
- Continue to develop progressive and dynamic digital and social platforms.
- Grow and leverage content partnerships that are aligned to our target market of “Experience Seekers”.
- Extend marketing activities to new geographic markets to ensure continued growth over time.
- Continue to work with Australian Travel Providers to grow the amount of product available and look to package Vanuatu in new creative ways.
- Ensure all product in Vanuatu is easily “bookable” in the Australian market.
- Maintain priority partnership with Air Vanuatu.
- Maintain in-market presence in Australia.

Stage 2 (2022 – 2023)

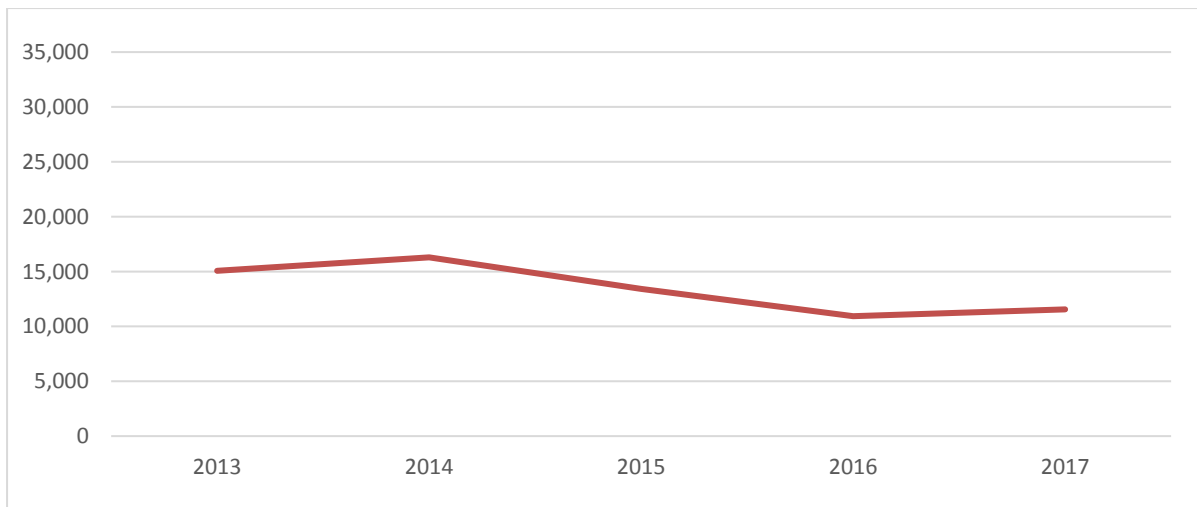
- Develop strategies that target travellers from Europe who are on extended working holidays in Australia.
- Establish a presence targeting the Meetings, Incentives, and Groups segments.
- Ongoing commitment and market presence.

Stage 3 (2024 – 2030)

- Ongoing commitment and market presence

NEW ZEALAND

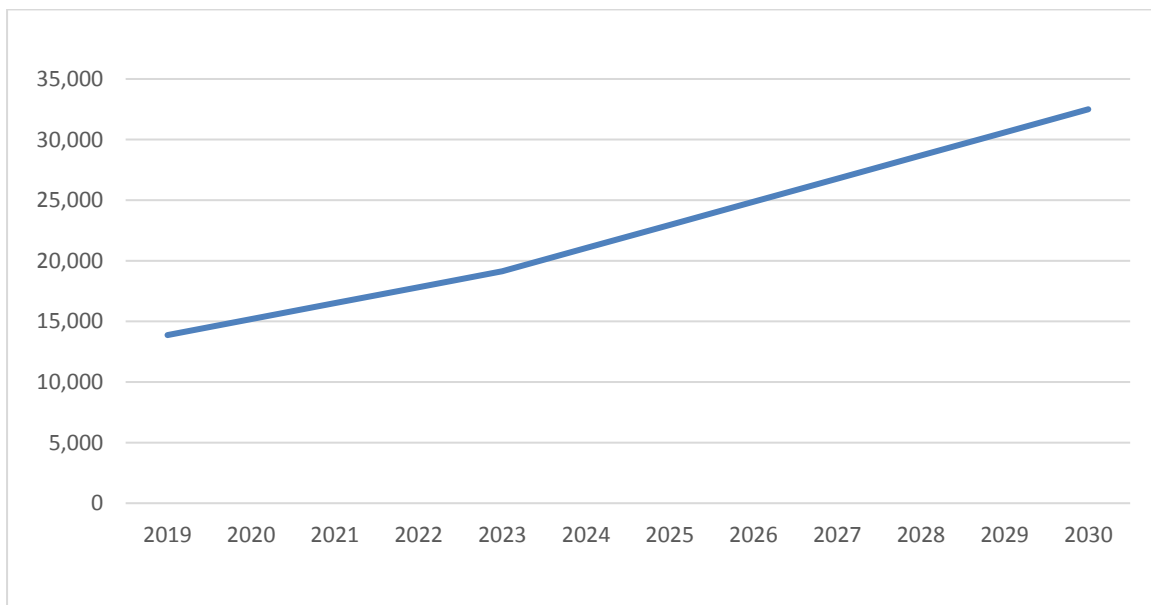
Historical Visitor Numbers and Growth ⁹



Visitors Snapshot ¹⁰

- In 2017 Vanuatu recorded 11,554 arrivals by air from New Zealand ⁶
- In 2017 approximately 10.6% of all air visitors to Vanuatu were from New Zealand
- In 2017 visitors from New Zealand spent an average of 8.6 nights in Vanuatu
- In 2017 visitors from New Zealand spent an average of USD722 per person in-country
- In 2017 the total economic return from New Zealand visitors was USD1,638 per person
- In 2017 Vanuatu attracted approximately 3% of total New Zealand visitation to the South Pacific ¹¹

Targets – 2019 to 2030



⁹ Source: Vanuatu National Statistics Office

¹⁰ Source: Vanuatu International Visitors Survey Report January – December 2017

¹¹ Source: Stats NZ


Year on Year Projections and Inputs – New Zealand

	2019	2020	2021	2022	2023
VTO Market Spend	95,000,000	95,000,000	95,000,000	95,000,000	95,000,000
Projected Arrivals	13,869	15,186	16,503	17,820	19,136
Projected Return	2,453,540,544	2,686,480,226	2,919,419,908	3,152,359,591	3,385,299,273
ROI	25.83	28.28	30.73	33.18	35.63
Cost PP	VUV 6,850	VUV 6,256	VUV 5,757	VUV 5,331	VUV 4,964

	2024	2025	2026	2027	2028
VTO Market Spend	114,000,000	114,000,000	114,000,000	114,000,000	114,000,000
Projected Arrivals	21,045	22,955	24,864	26,773	28,682
Projected Return	4,467,630,109	4,872,901,091	5,278,172,073	5,683,443,055	6,088,714,036
ROI	39.19	42.74	46.30	49.85	53.41
Cost PP	VUV 5,417	VUV 4,966	VUV 4,585	VUV 4,258	VUV 3,975

	2029	2030
VTO Market Spend	136,800,000	136,800,000
Projected Arrivals	30,591	32,500
Projected Return	7,792,782,022	8,279,107,200
ROI	56.96	60.52
Cost PP	VUV 4,472	VUV 4,209

Priority Target Markets and Segments

Experience Collectors

We call our target audience “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

New Zealand Experience Collectors can be largely found in these demographic subsets.

1. Midlife couples who are 45 plus who are not encumbered by children. They primarily live in Auckland where aviation access is simple
2. Families of all ages in Auckland where aviation access is simple



Specific Niche Segments targeted through specific marketing strategies

1. Weddings
2. Chinese Diaspora
3. Diving

Growth Segments

Extend Geographic Markets

To grow numbers to Vanuatu there is a need to extend the geographic markets in which we currently operate. These markets have been selected based on population size, propensity to travel, and those areas that have shown propensity through the extrapolation of research data and past visitor data.

Priority new Geographic Markets are:-

- Christchurch
- South Island major centres

The successful targeting of these new geographic markets could potentially lead to seasonal flights during the winter months.

Adventure Seekers

Similar to Australia, New Zealanders have a strong propensity to be interested in experiences that enable adventure. They fall into similar categories as per below.

- Thrill Seekers
- Nature Lovers
- Culturally inclined

There is a strong match between the motivations and desire of these travellers and the experience that is offered by Vanuatu. In New Zealand a particular focus should be placed on nature and the outdoors plus life-time or bucket list experiences.

The targeting of the Adventure Seeker market in New Zealand supports the goal of dispersal of visitors beyond the aviation access hub of Port Vila.

Marketing Strategies

Stage 1 (2019 – 2021)

- Maintain focus on Experience Seeker visitation and niche markets
- Position Vanuatu in the New Zealand market as a destination that provides “Real, life changing adventure”. Ensure all marketing activities are driven by content and messaging that deliver on this messaging and grow brand Vanuatu.
- Establish a marketing program that targets Chinese diaspora and the visiting family and friends of Chinese students in New Zealand
- Develop a marketing platform and framework for targeting Adventure Seekers in New Zealand with a focus on natural experiences
- Establish a route development fund that allows a nimble approach to markets where new aviation routes develop - such as Christchurch



- Implement marketing strategies that support the advocacy of past visitors and opinion leaders who will ensure referral business and positive word of mouth of the “true Vanuatu” experience
- Develop consumer lead marketing strategies that ensure all stages of the marketing purchasing funnel are covered – Awareness, Preference, Intention, Conversion, and post travel sharing
- Continue to develop progressive and dynamic digital and social platforms
- Grow and leverage content partnerships that are aligned to our target market of “Experience Seekers”
- Continue to work with New Zealand Travel Providers to grow the amount of product available and look to package Vanuatu in new creative ways
- Maintain priority partnership with Air Vanuatu
- Maintain an in-market presence in New Zealand

Stage 2 (2022 – 2023)

- Extend marketing activities to new geographic markets to ensure continued growth over time
- Ongoing commitment and market presence

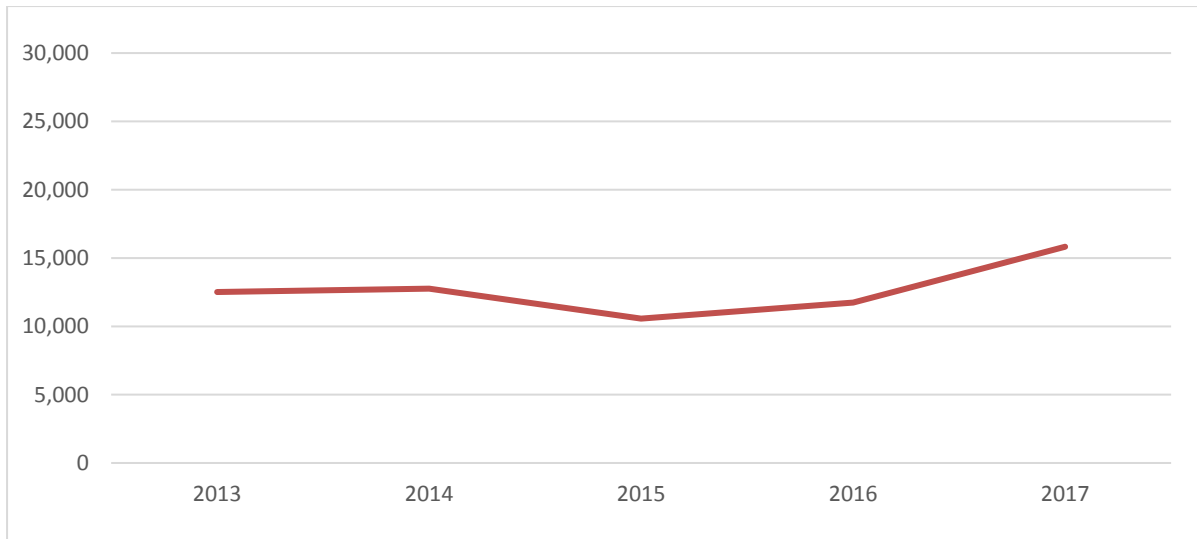
Stage 3 (2024 – 2030)

- Develop strategies that target travellers from Europe who are on extended working holidays in New Zealand
- Establish a presence targeting the Meetings, Incentives, and groups



NEW CALEDONIA

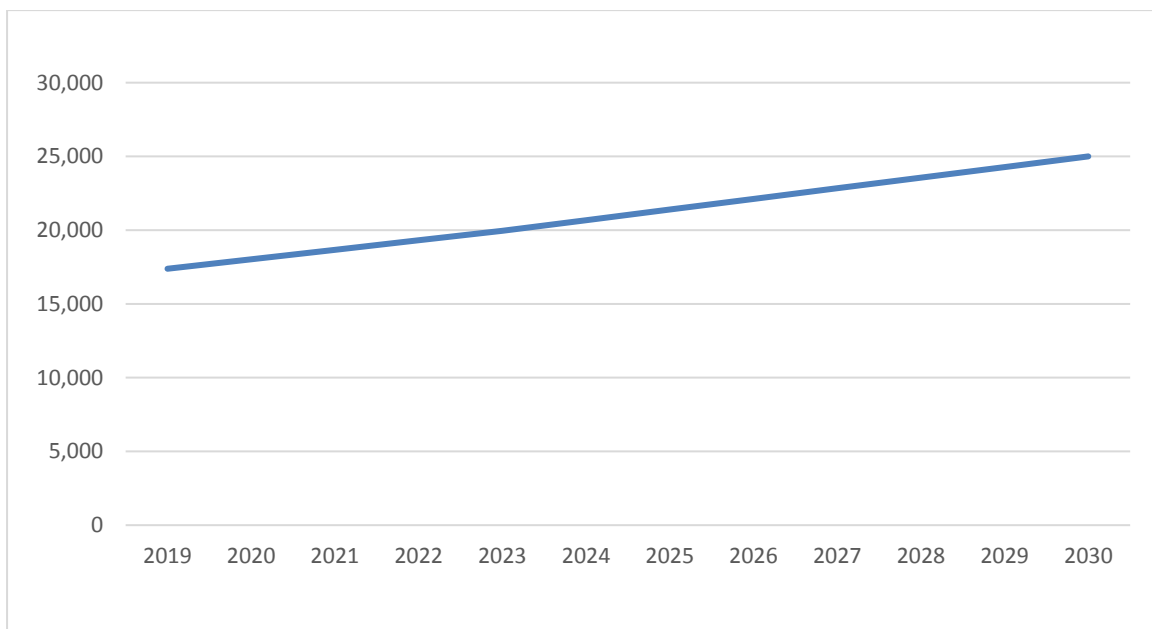
Historical Visitor Numbers and Growth ¹²



Visitors Snapshot ¹³

- In 2017 Vanuatu recorded 15,826 arrivals by air from New Caledonia ⁹
- In 2017 approximately 14.5% of all air visitors to Vanuatu were from New Caledonia
- In 2017 visitors from New Caledonia spent an average of 6.4 nights in Vanuatu
- In 2017 visitors from New Caledonia spent an average of USD623 per person in-country
- In 2017 the total economic return from New Caledonian visitors was USD1,171 per person

Targets – 2019 to 2030



¹² Source: Vanuatu National Statistics Office, statistically adjusted to account for reporting error in 2016

¹³ Source: Vanuatu International Visitors Survey Report January – December 2017

Year on Year Projections and Inputs – New Caledonia (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000
Projected Arrivals	17,385	18,027	18,670	19,312	19,955
Projected Return	2,198,604,024	2,279,855,882	2,361,107,739	2,442,359,597	2,523,611,455
ROI	81.43	84.44	87.45	90.46	93.47
Cost PP	VUV 1,553	VUV 1,498	VUV 1,446	VUV 1,398	VUV 1,353

	2024	2025	2026	2027	2028
VTO Market Spend	32,400,000	32,400,000	32,400,000	32,400,000	32,400,000
Projected Arrivals	20,675	21,396	22,117	22,838	23,558
Projected Return	3,137,720,353	3,247,106,961	3,356,493,569	3,465,880,177	3,575,266,784
ROI	96.84	100.22	103.60	106.97	110.35
Cost PP	VUV 1,567	VUV 1,514	VUV 1,465	VUV 1,419	VUV 1,375

	2029	2030
VTO Market Spend	38,880,000	38,880,000
Projected Arrivals	24,279	25,000
Projected Return	4,421,584,071	4,552,848,000
ROI	113.72	117.10
Cost PP	VUV 1,601	VUV 1,555

Priority Target Markets and Segments

We call our target audience “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

Experience Collectors from New Caledonia have a higher propensity to be seeking a more culturally inclined involvement and are interested in exploring and learning about the Ni-Vanuatu way of life.

New Caledonia already has an established Adventure Seeker market and this is reflected in the interest and the movements of visitors from New Caledonia. This coupled with the interest displayed in Outer



Islands through established consumer marketing activities dictate that there is an up scaled level of adventure desired in this market.

New Caledonian Experience Collectors can largely be found in these population groups.

- Couples 45 plus, looking for short breaks from Noumea
- Young families look for short break from Noumea
- Young Couples on contracts in New Caledonia seeking Bucket List experiences while residing in the Pacific
- Adventure Seekers looking to experience new culture while living in the Pacific
- Visiting friends and relatives of New Caledonian residents, primarily from France

Marketing Strategies

Stage 1 (2019 – 2021)

- Maintain focus on Experience Collector visitation and niche markets
- Position Vanuatu in the New Caledonian market as a destination that provides “Real, life changing adventure”. Ensure all marketing activities are driven by content and messaging that deliver on this messaging and grow brand Vanuatu.
- Develop strategies to encourage multiple trips each year and repeat visitation
- Ensure ongoing PR and coverage of new product into ensure there is always something fresh for the market to consider
- Use event marketing to provide new reasons to travel to Vanuatu and promote the brand Continue to work with New Caledonian Travel Providers to grow the amount of product available and look to package Vanuatu in new creative ways
- Grow and leverage content partnerships that are aligned to our target market of “Experience Seekers”
- Maintain priority partnership with Air Vanuatu
- Develop consumer lead marketing strategies that ensure all stages of the marketing purchasing funnel are covered – Awareness, Preference, Intention, Conversion, and post travel sharing
- Implement marketing strategies that support the advocacy of past visitors and opinion leaders who will ensure referral business and positive word of mouth of the “true Vanuatu” experience

Stage 2 (2022 – 2023)

- Encourage and support international flights from Noumea to new ports in Vanuatu – Santo and Tanna
- Ongoing commitment and market presence

Stage 3 (2024-2030)

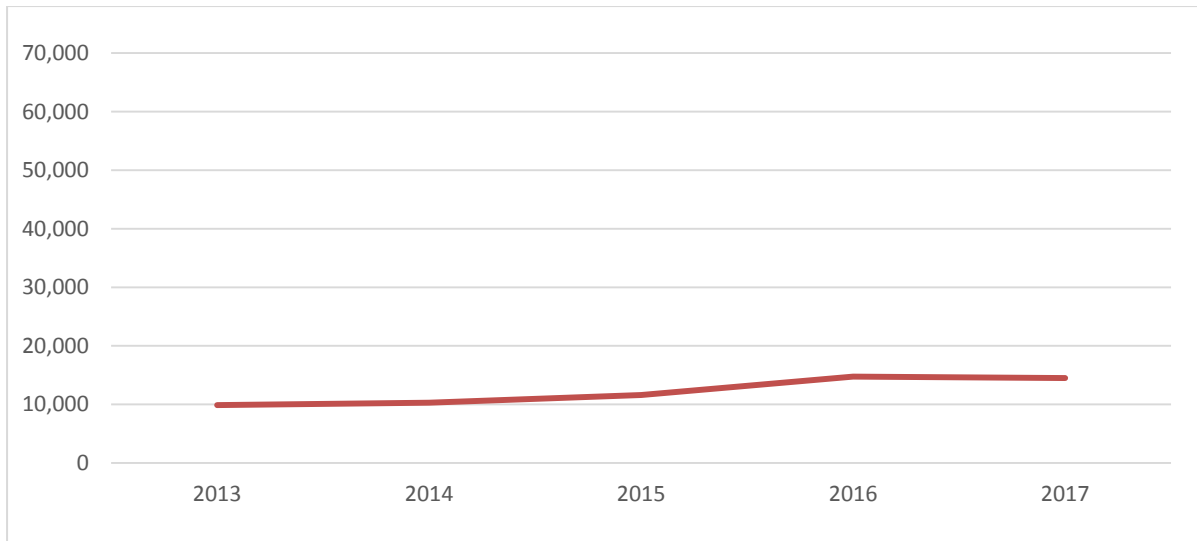
- Develop strategies that target Europeans working on mid-term contracts in New Caledonia.
- Ongoing commitment and market presence



LONG HAUL MARKET DEVELOPMENT

LONG HAUL SUMMARY

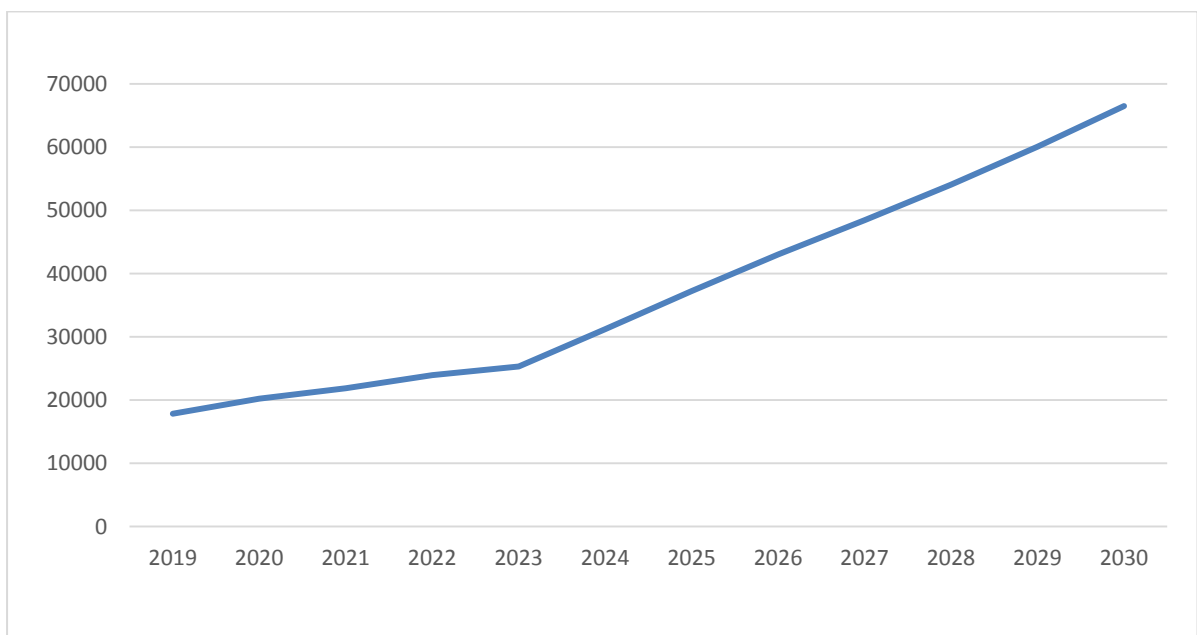
Historical Visitor Numbers and Growth ¹⁴



Visitors Snapshot ¹⁵

- In 2017 Vanuatu recorded 14,505 arrivals by air from core long haul markets ²⁰
- In 2017 approximately 13.3% of all air visitors to Vanuatu were from core long haul markets
- In 2017 visitors from long haul markets spent an average of 9 nights in Vanuatu
- In 2017 visitors from long haul markets spent an average of USD866 (VUV93,528) per person in-country
- In 2017 the total economic return from long haul visitors was USD2,039 (VUV220,212) per person

Targets – 2019 to 2030



¹⁴ Source: Vanuatu National Statistics Office

¹⁵ Source: Vanuatu International Visitors Survey Report January – December 2017

Year on Year Projections and Inputs – Long Haul Summary (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	76,000,000	194,000,000	187,000,000	191,000,000	219,000,000
Projected Arrivals	17,849	20,214	21,876	23,939	25,300
Arrivals Growth Year on Year	10.54%	13.25%	8.23%	9.43%	5.69%
Projected Return	3,930,637,392	4,451,255,262	4,817,394,414	5,271,618,366	5,571,363,600
ROI	51.72	22.94	25.76	27.60	25.44
Cost PP	VUV 4,258	VUV 9,598	VUV 8,548	VUV 7,979	VUV 8,656

	2024	2025	2026	2027	2028
VTO Market Spend	243,100,000	243,100,000	253,100,000	253,100,000	244,000,000
Projected Arrivals	31,214	37,229	43,043	48,457	54,071
Arrivals Growth Year on Year	23.38%	19.27%	15.62%	12.58%	11.59%
Projected Return	8,028,300,343	9,582,367,886	11,092,393,029	12,514,333,371	13,980,316,114
ROI	33.02	39.42	43.83	49.44	57.30
Cost PP	VUV 7,788	VUV 6,530	VUV 5,880	VUV 5,223	VUV 4,513

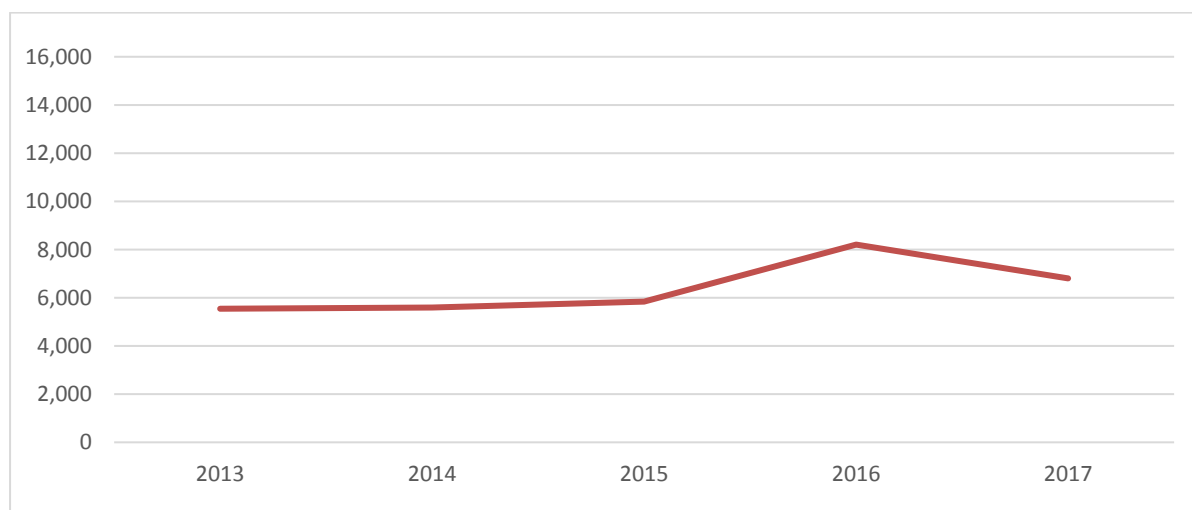
	2029	2030
VTO Market Spend	289,420,000	289,420,000
Projected Arrivals	60,086	66,500
Arrivals Growth Year on Year	11.12%	10.68%
Projected Return	18,297,729,669	20,215,461,600
ROI	63.22	69.85
Cost PP	VUV 4,817	VUV 4,352

Project Total Projections & Inputs – Long Haul Markets Programme (all spends in Vatu)

	2019-2023	2024-2030	TOTAL
VTO Market Spend	867,000,000	1,815,240,000	2,682,240,000
Projected Arrivals	109,178	340,600	449,778
Projected Return	24,042,269,034	93,710,902,011	117,753,171,045
ROI	27.73	51.62	43.90
Cost PP	VUV 7,941	VUV 5,330	VUV 5,963

EUROPE

Historical Visitor Numbers and Growth ¹⁶



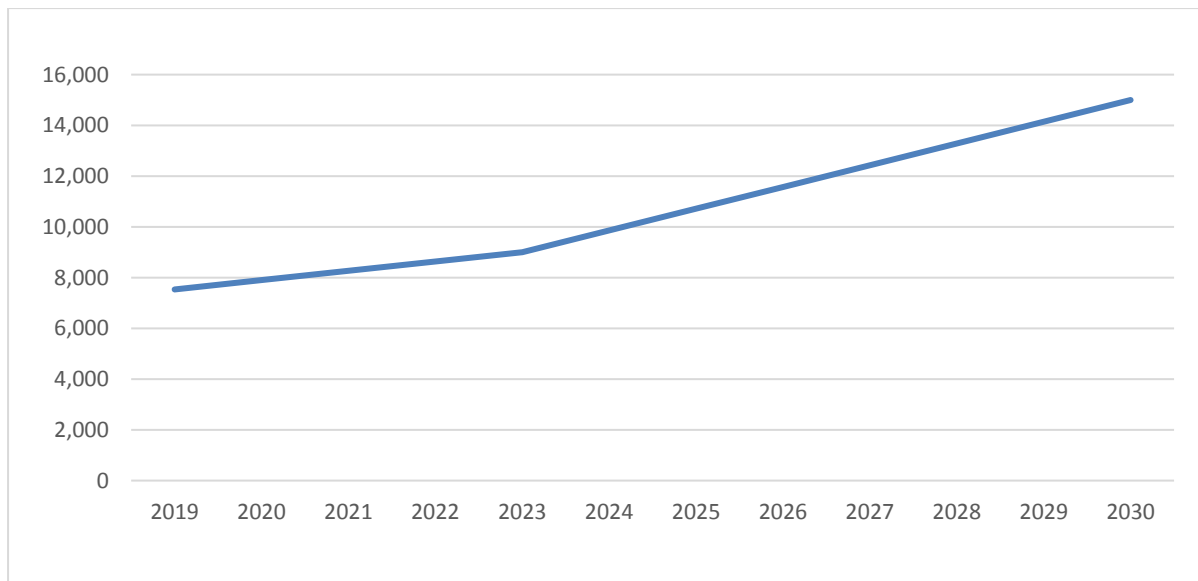
Visitors Snapshot ¹⁷

- In 2017 Vanuatu recorded 6,801 arrivals by air from Europe ¹¹
- In 2017 approximately 6.2% of all air visitors to Vanuatu were from Europe
- In 2017 visitors from long haul markets spent an average of 9 nights in Vanuatu
- In 2017 visitors from long haul markets spent an average of USD866 per person in-country
- In 2017 the total economic return from long haul visitors was USD2,039 per person

¹⁶ Source: Vanuatu National Statistics Office, statistically adjusted to account for reporting error in 2016

¹⁷ Source: Vanuatu International Visitors Survey Report January – December 2017

Targets – 2019 to 2030



Year on Year Projections and Inputs – Europe (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	2,000,000	37,000,000	37,000,000	37,000,000	37,000,000
Projected Arrivals	7,534	7,901	8,267	8,634	9,000
Projected Return	1,659,077,208	1,739,784,906	1,820,492,604	1,901,200,302	1,981,908,000
ROI	829.54	47.02	49.20	51.38	53.57
Cost PP	VUV 265	VUV 4,683	VUV 4,476	VUV 4,286	VUV 4,111

	2024	2025	2026	2027	2028
VTO Market Spend	44,400,000	44,400,000	44,400,000	44,400,000	44,400,000
Projected Arrivals	9,857	10,714	11,571	12,429	13,286
Projected Return	2,604,793,371	2,831,297,143	3,057,800,914	3,284,304,686	3,510,808,457
ROI	58.67	63.77	68.87	73.97	79.07
Cost PP	VUV 4,504	VUV 4,144	VUV 3,837	VUV 3,572	VUV 3,342

	2029	2030
VTO Market Spend	53,280,000	53,280,000
Projected Arrivals	14,143	15,000
Projected Return	4,484,774,674	4,756,579,200
ROI	84.17	89.28
Cost PP	VUV 3,767	VUV 3,552

Priority Target Markets and Segments

Experience Collectors

Our target audience are “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

Experience Collectors are prevalent across Europe, however those with the highest potential to travel to Vanuatu are found as follows:-

- France – due to the cultural ties
- Germany – with 6 weeks holiday per year and a strong commitment to understanding new cultural and exploring remote locations
- Other Europe – Netherlands and Nordic Countries

All marketing should be focused on adventure and experiential based opportunities that can be delivered on small and intimate scale, focused on the following demographic profiles:-

- Young independent travellers looking to experience new cultures and remote locations. They are driven by the need to understand and experience the world and see getting out of their comfort zone as a badge of honour
- Mid-life couples seeking to experience the world and new cultures
- People with a specific interest in hiking, diving and bucket list experiences

Marketing Strategies

Stage 1 (2019 – 2021)

- Maintain focus on Experience Collector visitation and niche markets
- Position Vanuatu in the European market as a destination that provides “Real, life changing adventure”. Ensure all marketing activities are driven by content and messaging that deliver on this messaging and grow brand Vanuatu.
- Support the filming of documentaries on Vanuatu for distribution through experiential travel channels in target markets
- Work with SPTO to ensure the Vanuatu element of the South Pacific Specialists program engenders the selling of Vanuatu
- Develop a pool of Vanuatu Specialist travel trade providers who have exceptional and deep knowledge of Vanuatu and enable booking channels for the unique product that the market



- Ensure our digital marketing channels provide deep and connected content for the European market

Stage 2 (2022- 2023)

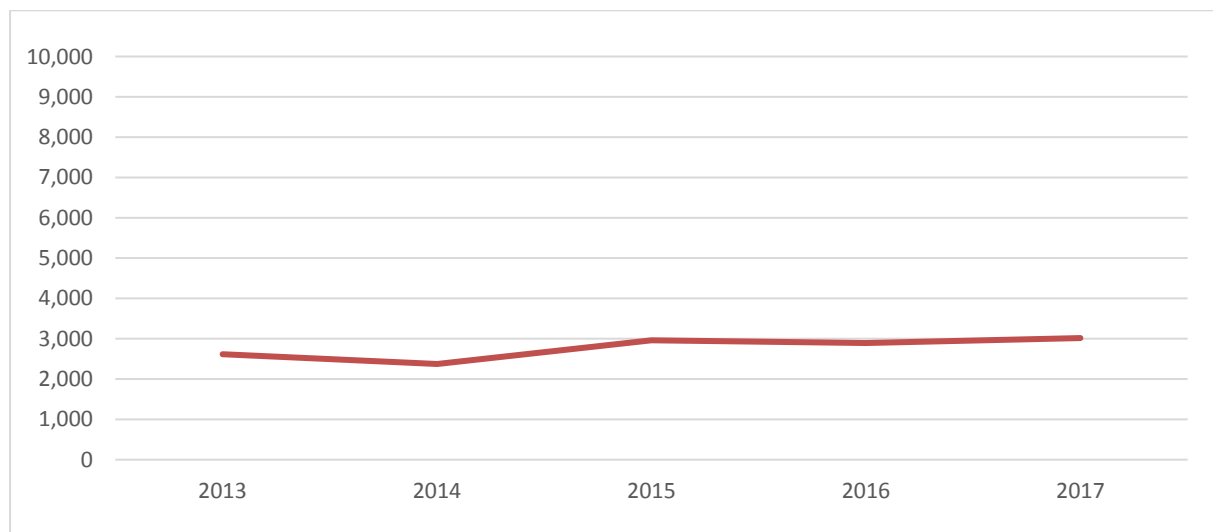
- Package with other destinations targeting the long haul market from Europe that have complementary product and develop Vanuatu as a plus one destination – Examples include New Zealand and New Caledonia
- Ensure Vanuatu’s market positioning and hero products provide a point of difference from our Pacific neighbours
- Support representation in Europe with a focus on developing public relations opportunities and digital based marketing to support the story telling of the outer island experience and events
- Work with partners to promote the special interest products of diving, hiking, and authentic cultural experiences in Vanuatu

Stage 3 (2024-2030)

- Target European’s on working holiday visa’s in Australia and New Zealand
- Ensure the appropriate collateral and digital material is presented in key European languages
- Evaluate success and changes in the market place and evolve marketing plans

NORTH AMERICA

Historical Visitor Numbers and Growth ¹⁸



Visitors Snapshot ¹⁹

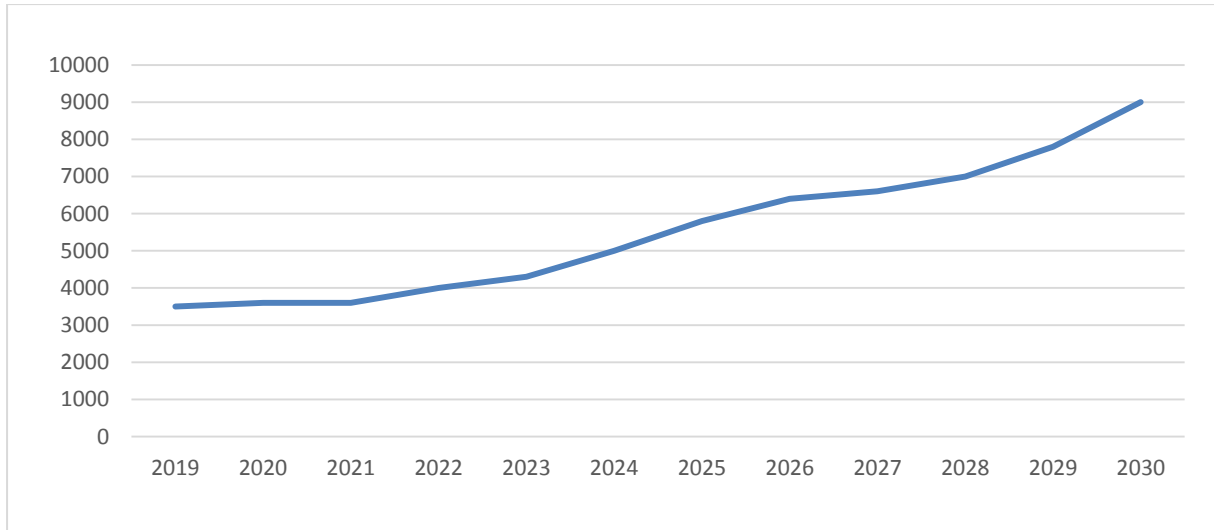
- In 2017 Vanuatu recorded 3,016 arrivals by air from North America ²⁰
- In 2017 approximately 2.7% of all air visitors to Vanuatu were from North America
- In 2017 visitors from long haul markets spent an average of 9 nights in Vanuatu
- In 2017 visitors from long haul markets spent an average of USD866 per person in-country
- In 2017 the total economic return from long haul visitors was USD2,039 per person

Targets – 2019 to 2030

¹⁸ Source: Vanuatu National Statistics Office, statistically adjusted to account for reporting error in 2016

¹⁹ Source: Vanuatu International Visitors Survey Report January – December 2017





Year on Year Projections and Inputs – North America (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	8,000,000	10,000,000	13,000,000	28,000,000	46,000,000
Projected Arrivals	3,500	3,600	3,600	4,000	4,300
Projected Return	770,742,000	792,763,200	792,763,200	880,848,000	946,911,600
ROI	96.34	79.28	60.98	31.46	20.59
Cost PP	VUV 2,286	VUV 2,778	VUV 3,611	VUV 7,000	VUV 10,698

	2024	2025	2026	2027	2028
VTO Market Spend	47,500,000	47,500,000	47,500,000	47,500,000	48,400,000
Projected Arrivals	5,000	5,800	6,400	6,600	7,000
Projected Return	1,101,060,000	1,277,229,600	1,409,356,800	1,453,399,200	1,541,484,000
ROI	23.18	26.89	29.67	30.60	31.85
Cost PP	VUV 9,500	VUV 8,190	VUV 7,422	VUV 7,197	VUV 6,914

	2029	2030
VTO Market Spend	54,700,000	54,700,000



Projected Arrivals	7,800	9,000
Projected Return	1,717,653,600	1,981,908,000
ROI	31.40	36.23
Cost PP	VUV 7,013	VUV 6,078

Priority Target Markets and Segments

Our target audience are “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

Experience Collectors in the North American Market are interested in the following product on offer in Vanuatu:-

- World class wreck diving in Vanuatu
- Bucket list experiences of volcano
- Connection and cultural immersion

The experiences needs to be delivered with the backdrop of comfortable, safe, and well serviced accommodation and transport options.

Visitation from the North American market to Vanuatu is currently small and in order to refine thinking and market access additional market intelligence and research is required to evaluate the best approach and strategy to move forward in this highly fragmented market.

Short term marketing strategies will maintain relationships with trade primarily and position Vanuatu in-line with the overall strategy of providing “real life changing experiences”.

Marketing Strategies

Stage 1 (2019 – 2021)

- Maintain current trade approach targeting travel trade partners who promote cultural exchange and diving
- Undertake research program to gain insights and understanding into the most cost effective and targeted way to target the North American market in relation to both passion points for travel and communication and distribution channels
- Leverage access opportunities through Fiji Airways connections into the United States and Canada
- Leverage activities of South Pacific Tourism Organisation in the North American market
- Develop a Vanuatu Specialists program to educate and assist trade partners in booking Vanuatu

Stage 2 (2022- 2023)

- Review North American strategies in line with research and data to determine a cost effective approach to marketing Vanuatu and the required product development to capitalise on growth potential and leverage Air Vanuatu flight services
- Develop strategies and linkages to promote the WWII history in Vanuatu



- Work with influencers and experientially based digital channels and content providers to create and distribute more digital content in the North American market
- Undertake business development targeting special interest groups in the areas of cultural immersion, diving, and nature and soft adventure
- Enhance presence at dive and adventure shows in the United States
- Develop a digital platform and targeting strategy targeting the North American market
- Work with documentary producers to increase awareness of Vanuatu and the bucket list experiences

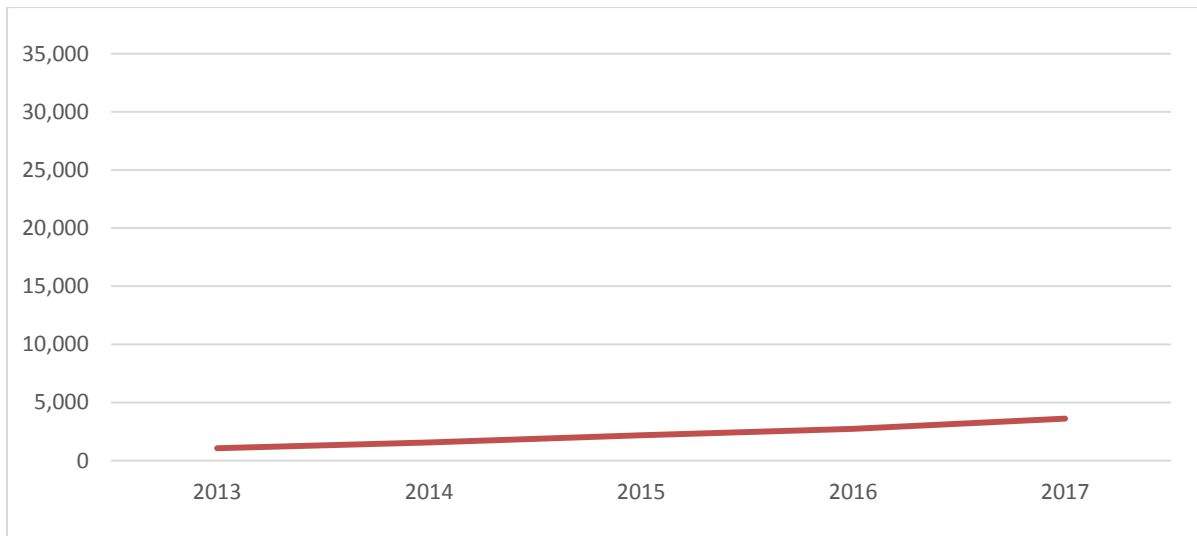
Stage 3 (2024-2030)

- Review marketing strategies and success in-line with aviation access and the changes within the market



CHINA AND HONG KONG

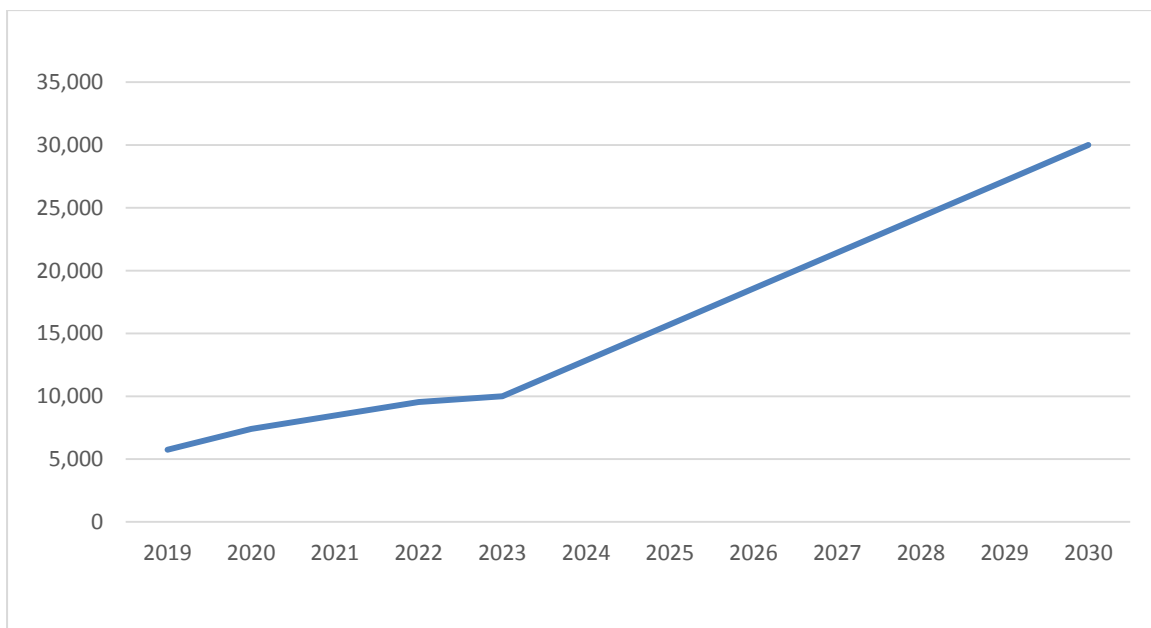
Historical Visitor Numbers and Growth ²⁰



Visitors Snapshot ²¹

- In 2017 Vanuatu recorded 3,612 arrivals by air from China ¹³
- In 2017 approximately 3.3% of all air visitors to Vanuatu were from China
- In 2017 visitors from long haul markets spent an average of 9 nights in Vanuatu
- In 2017 visitors from long haul markets spent an average of USD866 per person in-country
- In 2017 the total economic return from long haul visitors was USD2,039 per person

Targets – 2019 to 2030



²⁰ Source: Vanuatu National Statistics Office, statistically adjusted to account for reporting error in 2016

²¹ Source: Vanuatu International Visitors Survey Report January – December 2017

Year on Year Projections and Inputs – China and Hong Kong (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	16,000,000	87,000,000	77,000,000	66,000,000	76,000,000
Projected Arrivals	5,739	7,406	8,471	9,536	10,000
Projected Return	1,263,870,072	1,630,890,072	1,865,452,554	2,100,015,036	2,202,120,000
ROI	78.99	18.75	24.23	31.82	28.98
Cost PP	VUV 2,788	VUV 11,747	VUV 9,090	VUV 6,921	VUV 7,600

	2024	2025	2026	2027	2028
VTO Market Spend	79,200,000	79,200,000	89,200,000	89,200,000	79,200,000
Projected Arrivals	12,857	15,714	18,571	21,429	24,286
Projected Return	3,397,556,571	4,152,569,143	4,907,581,714	5,662,594,286	6,417,606,857
ROI	42.90	52.43	55.02	63.48	81.03
Cost PP	VUV 6,160	VUV 5,040	VUV 4,803	VUV 4,163	VUV 3,261

	2029	2030
VTO Market Spend	95,040,000	95,040,000
Projected Arrivals	27,143	30,000
Projected Return	8,607,143,314	9,513,158,400
ROI	90.56	100.10
Cost PP	VUV 3,501	VUV 3,168

Priority Target Markets and Segments

Experience Collectors

We call our target audience “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

Experience Collectors in China have the following characteristics:-

- Experienced and regular travellers looking for an adventure
- Primarily focus on the tier one cities of Shanghai and Guangzhou



- Looking for a free independent travel experience with either a small group of friends (less than 10) or travelling companion
- The group are well educated, have good disposable incomes and are generally aged between 25-24 years of age. They can be termed millennials and have travel patterns to match
- It is essential that the emotive selling points are highlights rather than just products.
- They are highly influenced by opinion leaders and on-line referrals and locally based Chinese

Marketing Strategies

Stage 1 (2019-2021)

- Position Vanuatu in China and Hong Kong market as a destination that provides “Real, life changing adventure”. Ensure all marketing activities are driven by content and messaging that deliver on this messaging and grow brand Vanuatu.
- Grow and leverage content partnerships that are aligned to our target market such as Qyer and Mafengwo
- Develop a social media strategy and resourcing model that incorporates WeChat and other social media tools
- Develop a market readiness program for the Vanuatu tourism industry to ensure market preparedness and improve conversion to sales
- Development of content for digital platforms that communicates more emotionally about experiences rather than functionally
- Development of “bragable experiences” with a focus on social sharing specifically for the Chinese Market
- Develop consumer lead marketing strategies that ensure all stages of the marketing purchasing funnel are covered – Awareness, Preference, Intention, Conversion, and post travel sharing
- Implement marketing strategies that support the advocacy of past visitors and opinion leaders who will ensure referral business and positive word of mouth of the “true Vanuatu” experience
- Ensure the appropriate collateral and digital material is presented in key languages
- Develop a program for locally based Chinese expat to assist with the promotion of Vanuatu as opinion leaders

Stage 2 (2022-2023)

- Identify and work with a Chinese celebrity Ambassador for Vanuatu
- Work with travel trade who target FIT and adventure experiences through digital channels
- Investigate Charter flight opportunities over the peak holidays seasons of Chinese New Year and Golden Week
- Identify niche market opportunities that have the greatest potential for growth for China – i.e diving
- Determine requirement for in-market representation
- Ensure the appropriate collateral and digital material is presented in key languages

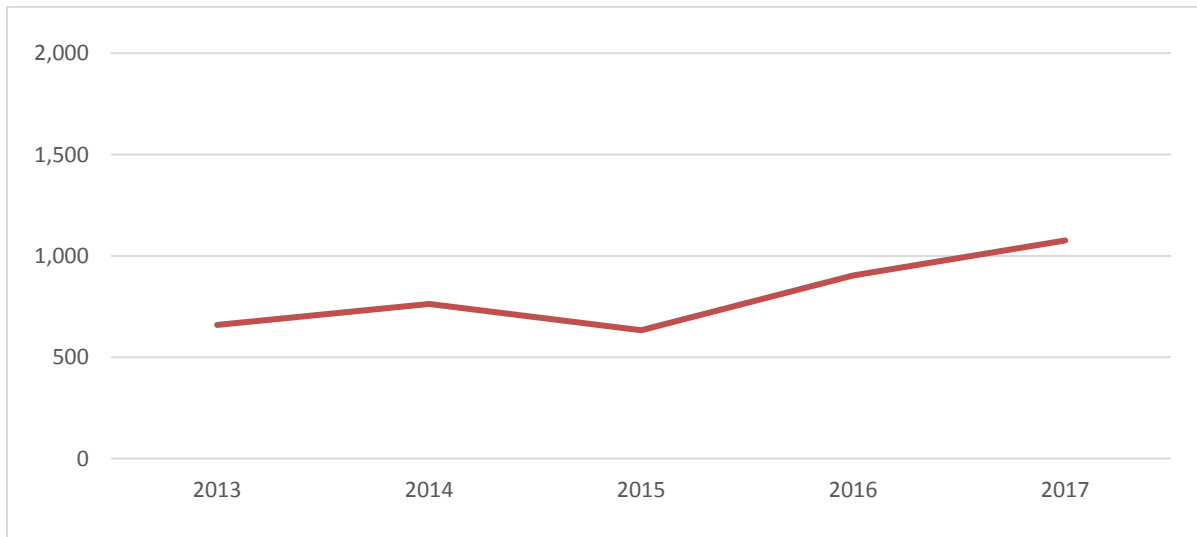
Stage 3 (2024 – 2030)

- Review market presence and activations in line with aviation and changes to the product and engagement by industry in the market place
- Ensure the appropriate collateral and digital material is presented in key languages



JAPAN

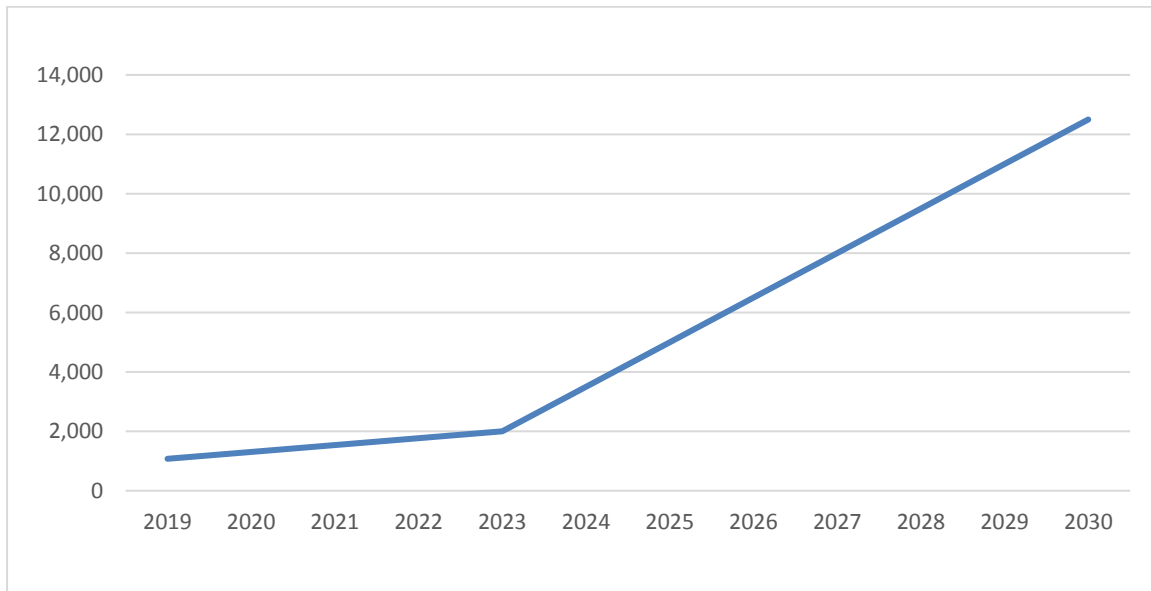
Historical Visitor Numbers and Growth ²²



Visitors Snapshot ²³

- In 2017 Vanuatu recorded 1,076 arrivals by air from Japan ²
- In 2017 approximately 1% of all air visitors to Vanuatu were from Japan
- In 2017 visitors from long haul markets spent an average of 9 nights in Vanuatu
- In 2017 visitors from long haul markets spent an average of USD866 per person in-country
- In 2017 the total economic return from long haul visitors was USD2,039 per person

Targets – 2019 to 2030



²² Source: Vanuatu National Statistics Office

²³ Source: Vanuatu International Visitors Survey Report January – December 2017

Year on Year Projections and Inputs – Japan (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend		10,000,000	10,000,000	10,000,000	10,000,000
Projected Arrivals	1,076	1,307	1,538	1,769	2,000
Projected Return	236,948,112	287,817,084	338,686,056	389,555,028	440,424,000
ROI		28.78	33.87	38.96	44.04
Cost PP	VUV 0	VUV 7,651	VUV 6,502	VUV 5,653	VUV 5,000

	2024	2025	2026	2027	2028
VTO Market Spend	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Projected Arrivals	3,500	5,000	6,500	8,000	9,500
Projected Return	924,890,400	1,321,272,000	1,717,653,600	2,114,035,200	2,510,416,800
ROI	77.07	110.11	143.14	176.17	209.20
Cost PP	VUV 3,429	VUV 2,400	VUV 1,846	VUV 1,500	VUV 1,263

	2029	2030
VTO Market Spend	14,400,000	14,400,000
Projected Arrivals	11,000	12,500
Projected Return	3,488,158,080	3,963,816,000
ROI	242.23	275.27
Cost PP	VUV 1,309	VUV 1,152

Priority Target Markets and Segments

Experience Collectors

We call our target audience “Experience Collectors”. The term Experience Collectors provides a mindset of visitors to Vanuatu. It talks about a way of thinking, things that motivate them, and how they think. This assists with targeting and crafting our marketing messages.

Experience Collectors in Japan have the following characteristics:-

- Experienced and regular travellers looking for an adventure



- Target those who are looking for an in-depth cultural experience and to connect with a community and place
- Target niche markets such as diving
- Interested in nature and the outdoors
- “Office Ladies” are the largest travelling group from Japan who are looking for soft adventure experiences in a safe environment and an FIT experience
- An older market 55+ are looking for cultural exchanges and life changing events

It is essential that the emotive selling points are highlights rather than just products.

Marketing Strategies

Stage 1 (2019 – 2021)

- Maintain presence and support through local partnerships and SPTO
- Support documentary opportunities that feature Vanuatu
- Work through existing industry partners who are targeting the Japanese market to grow and understand Vanuatu’s greatest opportunity

Stage 2 (2022 – 2023)

- Position Vanuatu in Japan market as a destination that provides “Real, life changing adventure”. Ensure all marketing activities are driven by content and messaging that deliver on this messaging and grow brand Vanuatu.
- Leverage relationships with destinations that have strong aviation connectivity from Japan and develop plus one packaging opportunities such through Fiji and New Caledonia. There is a need to ensure that complementary product is offered
- Investigate growth opportunities and develop strategy and plan

Stage 3 (2024 – 2030)

- Implement strategies and plans based on best potential and market research



NEW MARKET SEGMENT DEVELOPMENT

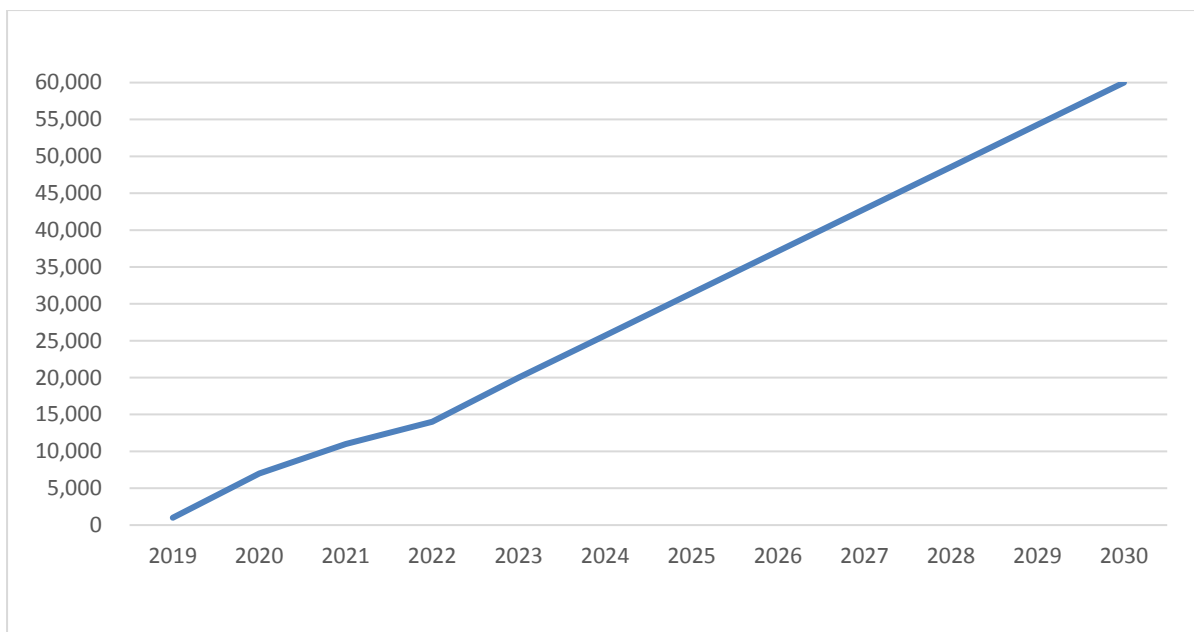
DEVELOPING MARKET SEGMENTS SUMMARY

The following 3 groupings are new market segments that will supplement visitor growth and support the existing product and increased aviation access. Vanuatu is currently missing business in this area that with proper co-ordination and targeting could prove beneficial to.

The following details a plan to grow these areas in a co-ordinated way. The new segments detailed are:-

- Meetings and Incentives
- Global Adventure Seekers
- Program of Route Development to support improved aviation access

Targets – 2019 to 2030



Year on Year Projections and Inputs (all spends in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	39,000,000	69,000,000	68,000,000	68,000,000	66,000,000
Projected Arrivals	1,000	7,000	11,000	14,000	20,000
Projected Return	220,212,000	1,425,924,000	2,237,436,000	2,851,848,000	4,057,560,000
ROI		20.67	32.90	41.94	61.48
Cost PP		VUV 9,857	VUV 6,182	VUV 4,857	VUV 3,300

	2024	2025	2026	2027	2028
VTO Market Spend	79,200,000	79,200,000	79,200,000	79,200,000	79,200,000
Projected Arrivals	25,714	31,429	37,143	42,857	48,571
Projected Return	6,260,235,429	7,651,398,857	9,042,562,286	10,433,725,714	11,824,889,143
ROI	79.04	96.61	114.17	131.74	149.30
Cost PP	VUV 3,080	VUV 2,520	VUV 2,132	VUV 1,848	VUV 1,631

	2029	2030
VTO Market Spend	95,040,000	95,040,000
Projected Arrivals	54,286	60,000
Projected Return	15,859,263,086	17,528,659,200
ROI	166.87	184.43
Cost PP	VUV 1,751	VUV 1,584

Project Total Projections & Inputs – Emerging Markets Programme (all spends in Vatu)

	2019-2023	2024-2030	TOTAL
VTO Market Spend	310,000,000	586,080,000	896,080,000
Projected Arrivals	44,000	282,600	326,600
Projected Return	8,811,072,000	73,707,874,745	82,518,946,745
ROI	28.42	125.76	92.09
Cost PP	VUV 7,045	VUV 2,074	VUV 2,744

Meetings, Group Travel and Incentives Program

Priority Target Markets and Segments

A. Pacific Island Neighbours Groups and Meetings Market

Undertake business development activities to target the following groups across the Pacific to hold events, meetings, and expositions within Vanuatu.

- Regional think tanks and policy meetings
- Regional Sporting events and carnivals
- Regional religious celebrations
- Corporate meetings and events
- Intergovernmental meetings
- Regional NGO programs
- Assistance with global group travel for leisure purposes
- Pacific Product Expositions
- Regional based training and skills development

B. Australia and New Zealand Meetings and Incentives

- Target small corporate meetings of approx. 20-40 pax and strategy sessions
- Target business conferences for groups between 100-150 pax
- Target the corporate incentives market

Marketing Strategies

Stage 1 (2019-2021)

- Undertake a review of the most suitable business structures to develop the meetings, groups and incentives market in partnership with industry, government, and aviation partners
- Employ a Business Development Manager to target business across The Pacific region
- Develop funding and support model in conjunction with industry
- Develop collateral and a digital portal for information pertaining to the encouragement of meetings, groups and incentives market
- Establish best practise organisational structure to assist with attraction of meetings and incentives from Australia and New Zealand
- Develop a mechanism for measurement of this market

Stage 2 (2022 – 2023)

- Develop collateral and a digital portal for information pertaining to the encouragement of meetings, groups and incentives market
- Work with industry to evolve and growth the packages and product offerings for the meetings, groups and incentive market across the Pacific
- Work with key stakeholders in Vanuatu to across target segments to identify potential opportunities – sporting, industry associations, clubs
- Develop a series of conference extension and partner packages
- Position Vanuatu as the closest international destination that can provide Real, Business Changing Experiences

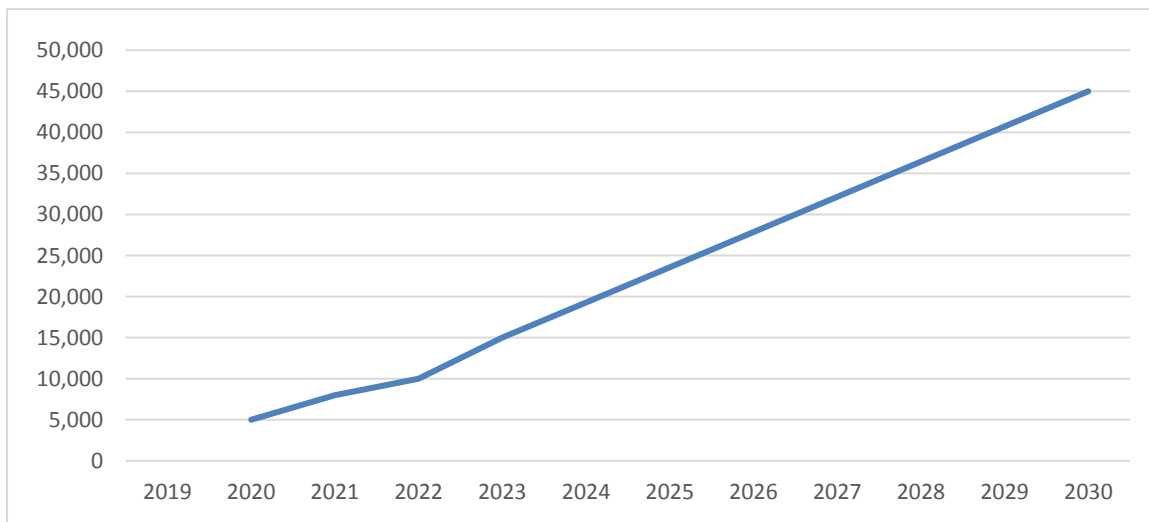


- Development of incentive packages for team building and adventure experiences in partnership with industry
- Develop relationships with brand aligned corporate business and develop a funnel of prospectus for visitation i.e sporting clubs and other closed databases
- Target meetings and incentives market in 2 segments
 - Business conferences – between 80 to 120 people
 - Small corporate meetings – between 20-40 people

Stage 3 (2024-2030)

- Grow and develop business model

Targets – 2019 to 2030



Year on Year Projections and Inputs – Meetings, Group Travel, and Incentives (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	20,000,000	45,000,000	45,000,000	45,000,000	45,000,000
Projected Arrivals		5,000	8,000	10,000	15,000
Projected Return		985,500,000	1,576,800,000	1,971,000,000	2,956,500,000
ROI	0.00	21.90	35.04	43.80	65.70
Cost PP		VUV 9,364	VUV 5,852	VUV 4,682	VUV 3,121

	2024	2025	2026	2027	2028
VTO Market Spend	54,000,000	54,000,000	54,000,000	54,000,000	54,000,000
Projected Arrivals	19,286	23,571	27,857	32,143	36,429



Projected Return	4,561,457,143	5,575,114,286	6,588,771,429	7,602,428,571	8,616,085,714
ROI	84.47	103.24	122.01	140.79	159.56
Cost PP	VUV 2,894	VUV 2,368	VUV 2,004	VUV 1,737	VUV 1,532

	2029	2030
VTO Market Spend	64,800,000	64,800,000
Projected Arrivals	40,714	45,000
Projected Return	11,555,691,429	12,772,080,000
ROI	178.33	197.10
Cost PP	VUV 1,636	VUV 1,480



Global Adventure Seekers

What is a Global Adventure Seeker?

Global Adventure Seekers is a cohort or tribe of people who revel in remote, undiscovered, and authentic destinations. Mass tourism is abhorrent to them and travelling is a lifestyle. They see themselves as people of the world seeking to understand and connect at real level.

Global Adventure Seekers is a concept developed to create focus and market developed around a mindset of travellers who are:

- Digital connected to some of the most remote and authentic experiences in the world
- They actively seek out opportunities to be where others are not or least visited places
- They are motivated to understand, experience, and connect
- Being amongst nature, thrill seeking and cultural immersion is the driver
- Global Adventure Seekers are from all nationalities and walks of life and travelling is a lifestyle.
- They do need the creature comforts – experiencing something different comes first and the journey is part of the experience
- Global Experience seekers take advice from their own tribe of travellers
- Global Adventure Seekers are motivated by the stories you tell and which they will actively seek out
- Global Adventure Seekers are highly attuned to travel stories and experience and will tend to be opinion leaders in this arena rather than followers. Other travellers will however follow them.

This tribe of people has been identified as critical to the development of travel to the Outer Islands.

Marketing Strategies

Stage 1 (2019-2021)

- Provide a reliable help desk for people seeking and booking remote location holidays
- Development of an adventure travel marketing portal and platform for Vanuatu which incorporates content and stories on remote and authentic experiences throughout Vanuatu
- Continued focus on content and distribution of content to the far flung places of Vanuatu

Stage 2 (2022-2023)

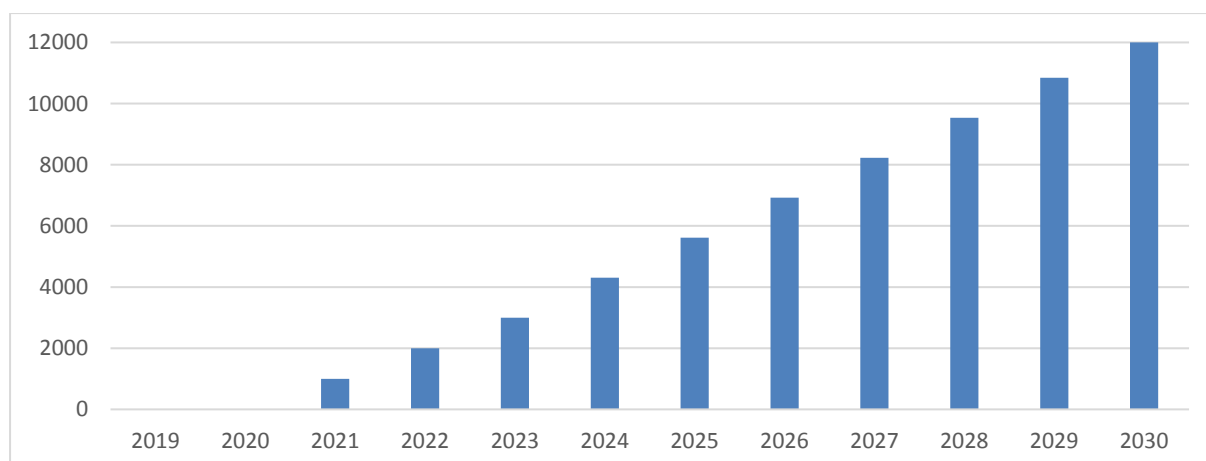
- Development of marketing partnerships across markets with providers who specialise in producing content that attracts these travellers – examples of these would include Matador Network in the United States and Go Pro productions, to name just two.
- Enabling travel documentaries and producers to tell stories of Vanuatu and create mystery and mystique
- Work with opinion leaders in specific interest areas to generate advocacy
- Develop a global digital reach and communication strategy to connect with the Adventure Seekers cohort

Stage 3 (2024 – 2030)

- Identify and develop partnerships with global distributors of adventure and remote location experiences



Targets – 2019 to 2030



Year on Year Projections and Inputs – Global Adventure Seekers (all amounts are in Vatu)

	2019	2020	2021	2022	2023
VTO Market Spend	19,000,000	24,000,000	23,000,000	23,000,000	21,000,000
Projected Arrivals			1,000	2,000	3,000
Projected Return	0	0	220,212,000	440,424,000	660,636,000
ROI	0.00	0.00	9.57	19.15	31.46
Cost PP			VUV 23,000	VUV 11,500	VUV 7,000

	2024	2025	2026	2027	2028
VTO Market Spend	25,200,000	25,200,000	25,200,000	25,200,000	25,200,000
Projected Arrivals	4,307	5,614	6,921	8,229	9,536
Projected Return	1,138,181,451	1,483,599,703	1,829,017,954	2,174,436,206	2,519,854,457
ROI	45.17	58.87	72.58	86.29	99.99
Cost PP	VUV 5,851	VUV 4,489	VUV 3,641	VUV 3,063	VUV 2,643

	2029	2030
VTO Market Spend	30,240,000	30,240,000
Projected Arrivals	10,843	12,150
Projected Return	3,438,327,250	3,852,829,152
ROI	113.70	127.41
Cost PP	VUV 2,789	VUV 2,489



Aviation Route Development – Marketing Fund

To ensure the success of new aviation routes in the early stages of establishment marketing activities need to commence well before the first flight in addition this is to create interest and desire to travel to Vanuatu from markets and cities that may never have heard of Vanuatu.

This route development fund allows for additional marketing efforts and focus to be placed on a particular route in the lead up to the first flight and provides the opportunity to establish partnerships and undertake consumer and trade destination education in the lead up. For example if a new route such as Melbourne or Christchurch is established this fund would be used in partnership with the airline to undertake agreed upon consumer and trade marketing activities. Alternatively, it may be for a new flight from New Caledonia to Santo.

This fund will have a number of criteria to it to ensure it is utilised for the correct purposes. This will include:-

- Fund are to be used to support scheduled and ongoing aviation services
- The route must be commercially sound for the long term as evidence of the viability provided
- The aviation partner must contribute to the fund
- An agreed marketing plan must be developed between the partners
- The fund is to be used for Destination Marketing purposes and education of consumers and trade
- The fund should not be used for one off services
- Airports Vanuatu Limited (AVL) should be a co-contributor to this fund
- The airlines must provide a minimum of 100 seats for the purposes of transporting travel trade and media to support the marketing of the route over the first 6 months of operation.
- Improved and enhanced connections from identified markets should also be considered provided they are deemed to provide increased visitation to Vanuatu over an extended period

The pool of funds should be managed to cover all routes planned for development within a year. The fund should expended based on the perceived benefit of the route. The establishment of this fund will enable flexibility in negotiations with aviation’s partners and a solid marketing platform.

Route Development Fund (VUV)

	2019	2020	2021	2022	2023
Short Haul	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Long Haul	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000

	2024	2025	2026	2027	2028
Short Haul	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Long Haul	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000

	2029	2030
Short Haul	60,000,000	60,000,000
Long Haul	60,000,000	60,000,000



Vanuatu Ready Program

These projects sit outside the destination marketing budget however they are none the less important to the success of this project and for the sharing of benefits across Vanuatu. This includes a combination of learning and skills development, VTO and Industry readiness programs, and data collection and market intelligence development.

Training and Skills Development Program

DIGITAL READY PROGRAM

All operators need to be fully conversant with digital marketing and content development and how to connect with the market through an ongoing program that needs to be developed to provide support and guidance at both a strategy and tactical level.

Current programs need to move to a more intensive program of activities that cover all elements and ensure there is extension to all operators across the country.

MARKET READY PROGRAM

This program needs to focus on ensuring local tourism operators have the systems and information required to ensure they can take their product to the international market successfully. This program needs to ensure. Specifically designed for locally based Ni-Vanuatu tourism operators this program is designed to assist with the commercial viability of tourism businesses and to ensure they have the skills to implement their own business and marketing plans. This program would provide mentoring to move appropriate businesses to the next level.

DOMESTIC TOURISM

The most accessible market for many tourism businesses is the corporate and tourism market based within Vanuatu itself. Developing programs that engage the local community and encourage travel to Outer Islands and more remote locations will ensure a steady business flow and improved sustainability. This local community can also then act as an advocate in promotion of these experiences. The local market is the most cost effective and easiest to target for local communities.

NI VANUATU TOURISM LEADERSHIP PROGRAM

There is currently a lack of Ni-Vanuatu leaders and influencers in the tourism industry. A program needs to be established to ensure that there is an increase in leaders and supporters of tourism from Ni-Vanuatu Tourism operators and that their perspective is continually heard.

DATA COLLECTION AND MARKETING INTELLIGENCE

The strengthening of data collection and the interpretation of this into market intelligence is critical for the development of marketing strategy and activities. More importantly they are an essential requirement for the measurement and tracking of success in line with our agreed path and direction.

Visitor satisfaction, consumer trends, visitation numbers, and spend all need to be closely monitored and evaluated to ensure targets are being met.

Furthermore, data is required to support investment plans and assist the private sector in business development and identification of market opportunities.



VTO AND INDUSTRY READINESS PROGRAMS

Both the VTO and Industry will need support to ensure the success of this program. Some of the recommendations from the Pathway to Change report and agreement on a Private Sector contribution model need to be fast tracked to ensure the organisational frameworks are in place to manage this significant transitional piece of work.

Furthermore the VTO will need additional resourcing and skills within their team to manage and implement these changes. There will need to be a strong focus on ensuring the high level skills are available and the correct number of supporting and operational staff employed.

The expected costs and staffing requirements are detailed below.



VTO Staff and Operational Costs

Year on Year Inputs – VTO Staff & Operational Costs (all amounts are in Vatu)

	2019	2020	2021	2022	2023
Wage Cost	74,507,373	74,507,373	74,507,373	74,507,373	85,847,397
Staff Development	7,450,737	7,450,737	7,450,737	7,450,737	8,584,740
Total Staffing	81,958,110	81,958,110	81,958,110	81,958,110	94,432,137
Office Operation	73,545,901	73,545,901	73,545,901	73,545,901	84,739,587
Service Delivery	17,029,435	17,029,435	17,029,435	17,029,435	19,621,315
Comms & Digital Assets	4,791,625	4,791,625	4,791,625	4,791,625	5,520,910
Research Costs	5,820,000	5,820,000	5,820,000	5,820,000	6,984,000
Total Service Delivery	101,186,961	101,186,961	101,186,961	101,186,961	116,865,812
TOTAL OPERATIONAL	183,145,071	183,145,071	183,145,071	183,145,071	211,297,949

	2024	2025	2026	2026	2028
Wage Cost	85,847,397	85,847,397	85,847,397	101,772,089	101,772,089
Staff Development	8,584,740	8,584,740	8,584,740	10,177,209	10,177,209
Total Staffing	94,432,137	94,432,137	94,432,137	111,949,298	111,949,298
Office Operation	84,739,587	84,739,587	84,739,587	100,458,780	100,458,780
Service Delivery	19,621,315	19,621,315	19,621,315	23,261,069	23,261,069
Comms & Digital Assets	5,520,910	5,520,910	5,520,910	6,545,039	6,545,039
Research Costs	6,984,000	6,984,000	6,984,000	8,380,800	8,380,800
Total Service Delivery	116,865,812	116,865,812	116,865,812	138,645,688	138,645,688
TOTAL OPERATIONAL	211,297,949	211,297,949	211,297,949	250,594,986	250,594,986

	2029	2030
Wage Cost	101,772,089	101,772,089
Staff Development	10,177,209	10,177,209
Total Staffing	111,949,298	111,949,298



Office Operation	100,458,780	100,458,780
Service Delivery	23,261,069	23,261,069
Comms & Digital Assets	6,545,039	6,545,039
Research Costs	8,380,800	8,380,800
Total Service Delivery	138,645,688	138,645,688
TOTAL OPERATIONAL	250,594,986	250,594,986

Project Total Inputs – VTO Staff and Operational Costs (all spends in Vatu)

	2019-2023	2024-2030	TOTAL
Wage Cost	383,876,889	664,630,547	1,048,507,436
Staff Development	38,387,688	66,463,056	104,850,744
Total Staffing	422,264,577	731,093,603	1,153,358,180
Office Operation	378,923,191	656,053,881	1,034,977,072
Service Delivery	87,739,055	151,908,221	239,647,276
Comms & Digital Assets	24,687,410	42,742,886	67,430,296
Research Costs	30,264,000	54,475,200	84,739,200
Total Service Delivery	521,613,656	905,180,188	1,426,793,844
TOTAL OPERATIONAL	943,878,233	1,636,273,791	2,580,152,024

The significant increase in marketing activity will require additional human capital and capacity as well as staff development and training. With a 353% increase in marketing activity, office operational and service delivery costs will also increase and we project costs based on the current AWP +100% per year in the first period, with a further 15% annual increase in the second half of the programme.

Governance and Management

This element is critical to the success of the Market Development Plan. In a volatile and changeable environment a well-resourced governance mechanism with relevant and adequate capacity is needed to deliver the plan and strategies and to measure success.

The data and insights element is integral to this element to allow the adjustment of plans basis on success and market intelligence.

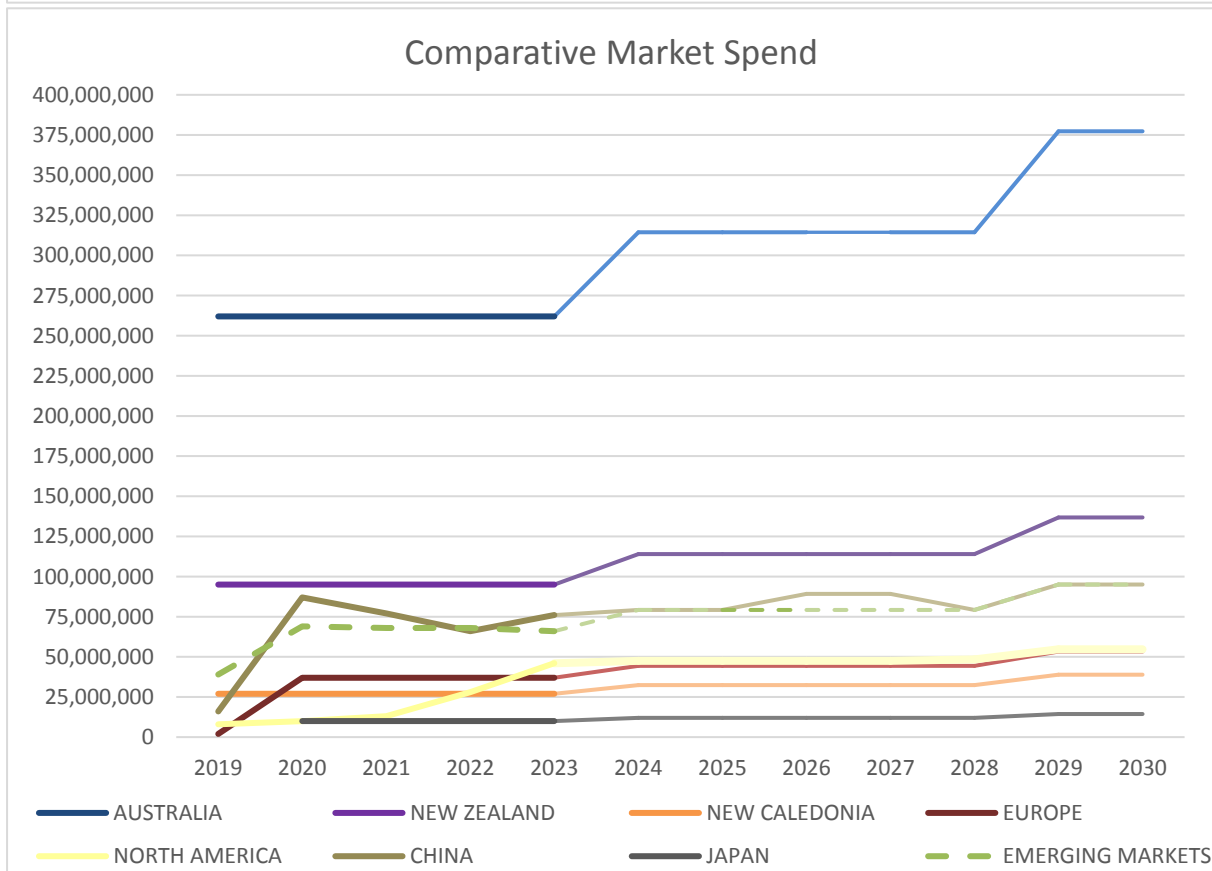
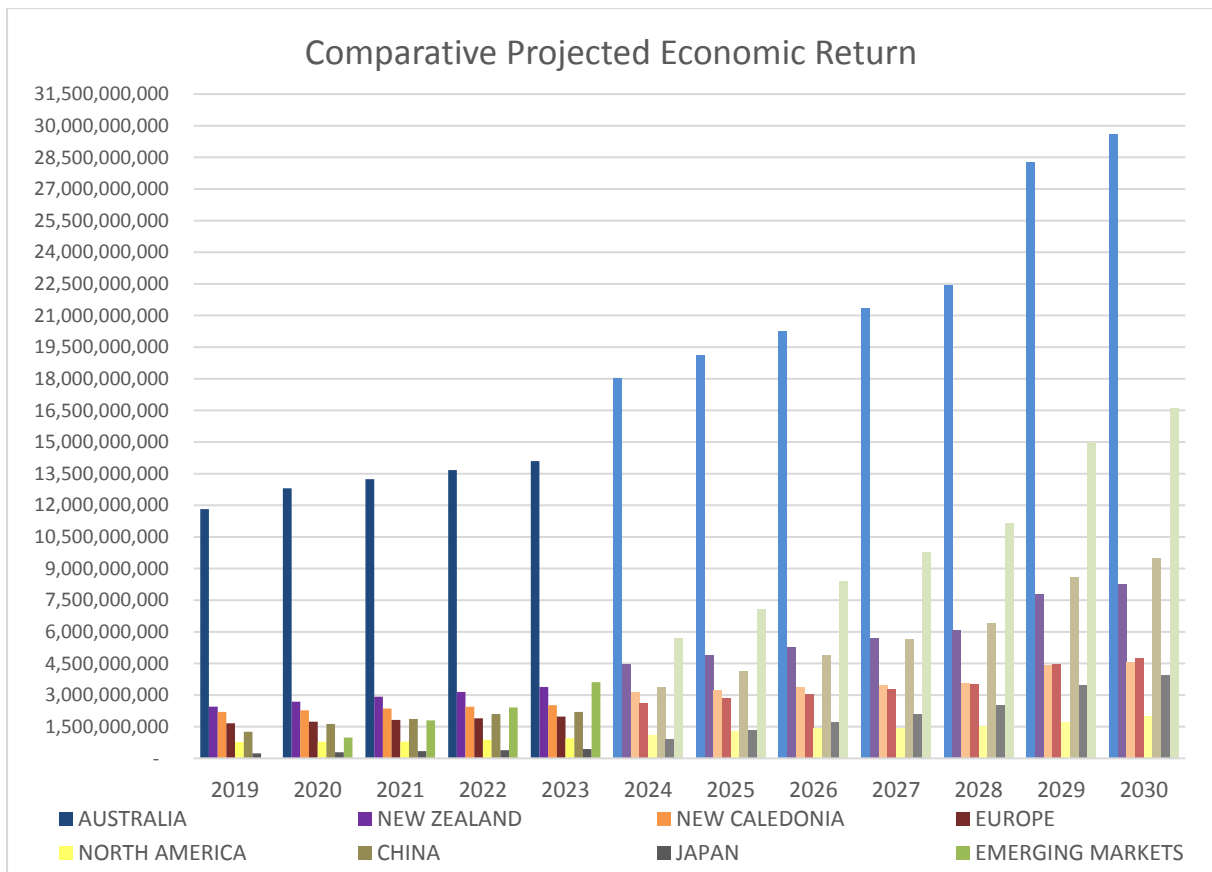
The following process needs to be in place to evaluate performance.

- 6 monthly review of spend and ensure activities are on target
- 12 monthly review and assertion of strategies, programs, markets, and alignment with government policy and priorities
- 12 monthly review of market and consumer trends
- 2 year evaluations of strategy, markets and progress and realignment of programs to match based on considerations of sustainability, community impacts and progress to date
- 2 years evaluations of budgets in-line with growth expectations

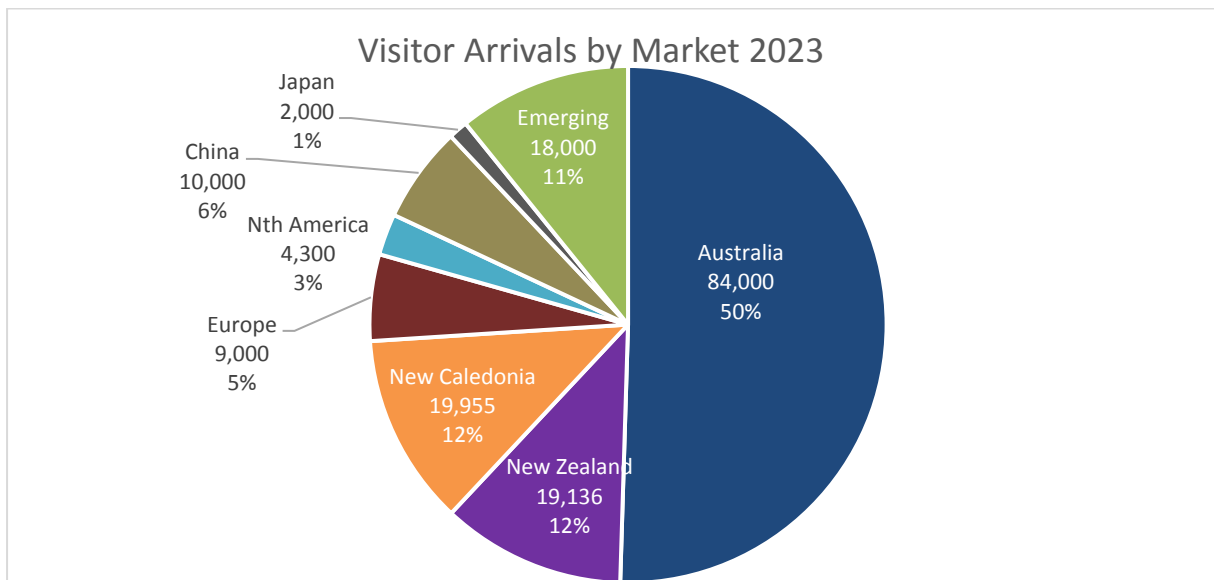
This model should follow the example set by the Marketing Steering Committee as part of the Tourism Marketing Recovery fund.

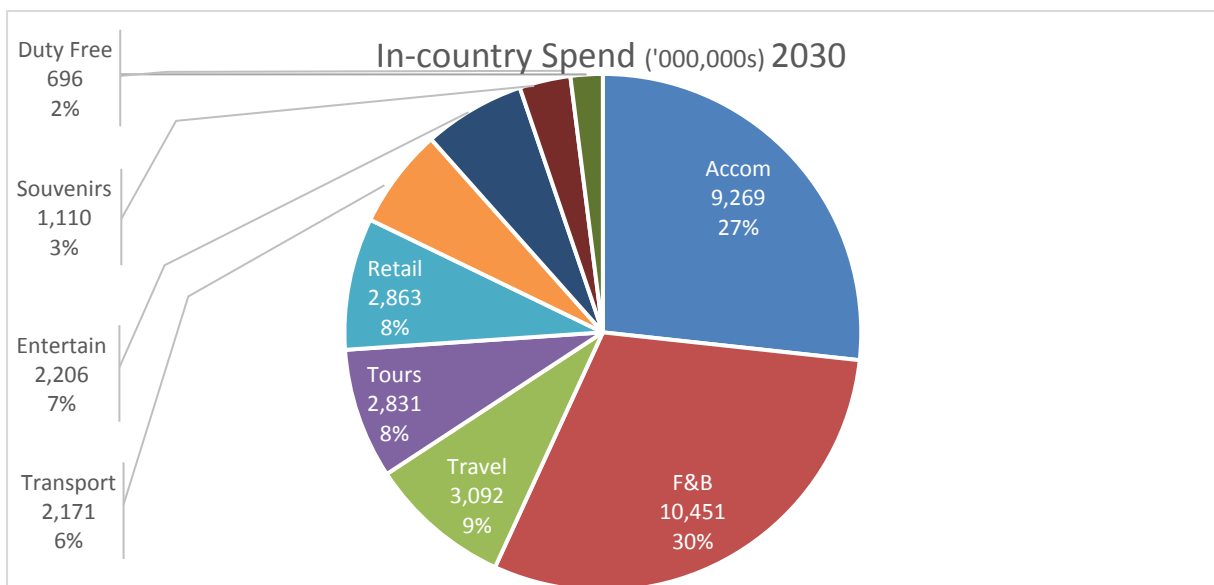
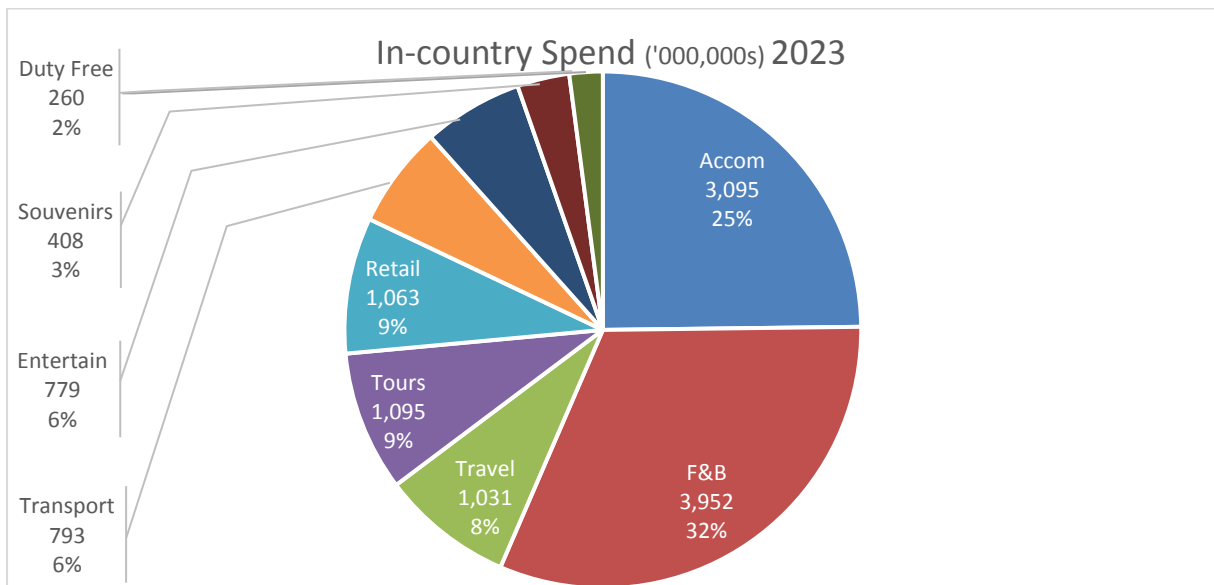
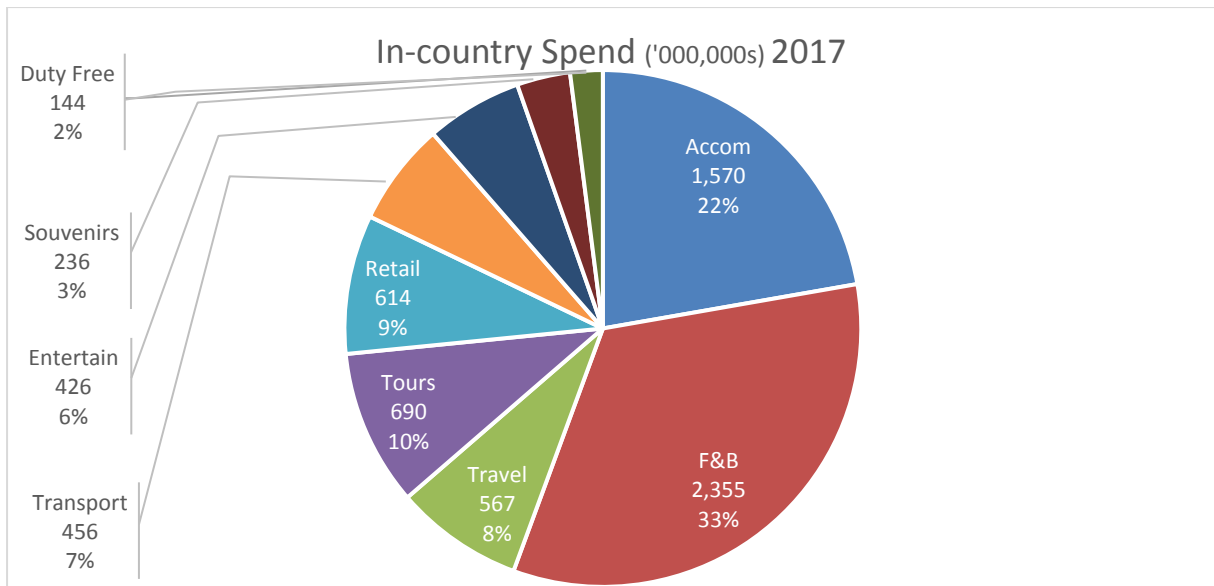
If the budgets laid out are not available to implement it is important that targets and return on investment numbers are adjusted based on the reduced activity and market growth. This needs to be considered over the medium and long term as tourism marketing has a cumulative effect and market development generally takes a minimum of 2 years to see the growth start and to show returns. This is longer in long haul markets where there is little or no knowledge of Vanuatu.

Appendix A: Comparative Spend & Economic Return

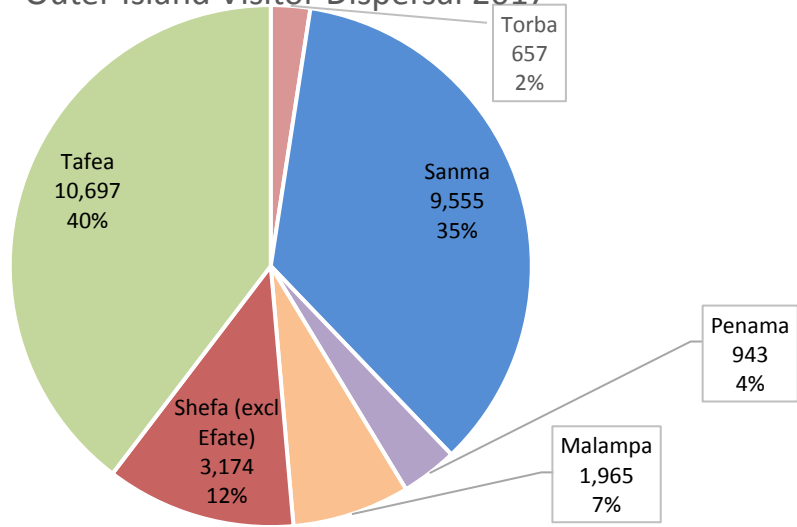


Appendix B: Market Growth Over Time

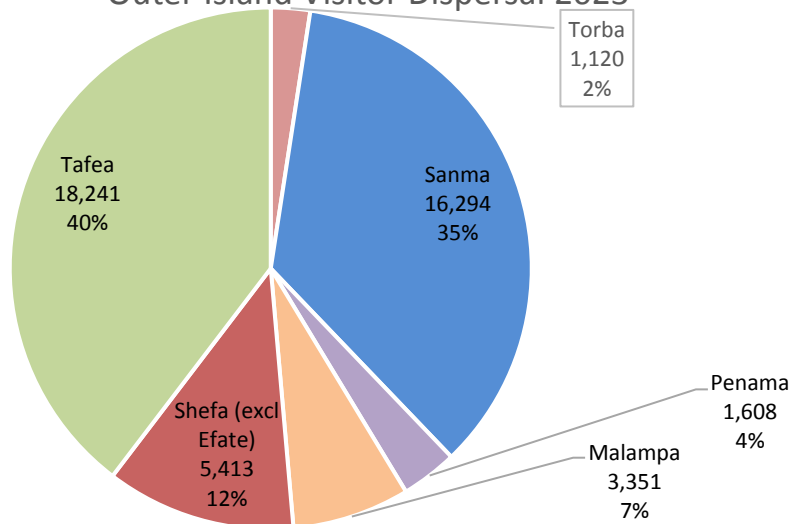




Outer Island Visitor Dispersal 2017



Outer Island Visitor Dispersal 2023



Outer Island Visitor Dispersal 2030

