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# The New Zealand Story

## Briefing for Incoming Ministers

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NZ Story Business Toolkit:  
**NZSTORY.GOV.T.NZ**

The New Zealand Story aims to help New Zealand businesses gain a competitive advantage in international markets by telling a more accurate and consistent story about what makes New Zealand unique.

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January 2017

Minister for Economic Development  
Cc Associate Ministers for Economic Development  
Cc Business Growth Agenda Ministers

## 1. A country reputation programme with practical application

The New Zealand Story was initiated by Hon Steven Joyce as Minister for Economic Development in response to insights from the 2010 Shanghai Expo and built on observations from Prime Minister, Rt Hon John Key.

The Chief Executives from three agencies, Tourism New Zealand (TNZ), New Zealand Trade and Enterprise (NZTE) and Education New Zealand (ENZ) were charged with:

- developing a broader, more compelling story of New Zealand beyond natural beauty to shift the conversation on from an over-simplified “100% pure, clean and green” positioning
- retaining the highly successful “100% Pure New Zealand” brand and enabling it to focus entirely on the tourism attraction brand
- building a narrative that other agencies and businesses could adopt that enables them to express their total value proposition beyond location.

In March 2012, the basic outline and mandate for the project to build the “New Zealand Story” was agreed. The outcome of the project was the creation of:

- one story that is a foundation for New Zealand’s story for global audiences to support export growth
- a communications toolkit to assist businesses and government agencies to adapt and share the New Zealand story.

The New Zealand Story is an initiative within the Business Growth Agenda (BGA) Export Markets. It supports the Government’s target of raising exports to 40 percent of GDP by 2025. The New Zealand Story Group<sup>1</sup> enables a co-ordinated private public sector approach to the development of the overarching story and is responsible for:

- articulation of a New Zealand Story to international stakeholders to enhance perceptions and favourability to increase our international competitiveness
- protection of the New Zealand national symbol (FernMark)
- alignment of storytelling and reputation enhancement across various sectors within New Zealand as shown below.

Tourism	Education	Immigration	Investment	Business/Trade
<b>The New Zealand Story</b> <b>A central narrative that links all activation, brands and campaigns together</b>				

<sup>1</sup> Refer to section 10: *New Zealand Story Governance*

## 2. Research confirmed New Zealand’s reputation as trusted, ingenious and caring

In 2012/13 research (Anholt-GfK, BrandsFinance, FutureBrand, BAV Consulting, Castalia et al) highlighted that the New Zealand brand is relatively strong. Surveys indicated that New Zealand was seen favourably in terms of natural beauty, warm welcoming people, and governance.

However, respondents rated New Zealand low in terms of:

- **Vibrancy:** we are seen as a beautiful country however respondents did not associate New Zealand with vibrant cities or a rich diverse culture. This leads to assumptions that we lack the infrastructure or capability to deliver advanced, innovative solutions.
- **Science and technology:** although we have developed some world-first solutions, scientific breakthroughs and innovations, these successes are not well-known. Alongside a perceived lack of sophistication, and a reputation for being laid back, our internationalising businesses (especially those selling non-food products or services) have to work harder to make it into buyers’ consideration.
- **Export goods and services:** we are respected as a provider of food to many nations however our portfolio of goods and services beyond this is not obvious.

These insights, along with the BGA strategy to grow export value and diversify our export revenues, prompted the creation of the New Zealand Story as a country reputation programme to shift perceptions beyond natural beauty.

New Zealand is now ranked 13<sup>th</sup> in the annual Anholt-GfK Nation Brands Index (NBI), up from 15<sup>th</sup> in 2014<sup>2</sup>. Other surveys and indices with greater emphasis on soft/smart power and social progress (such as Legatum Institutes Prosperity Index, Forbes Ease of Doing Business Index, the Good Country Index, and Transparency International Index) place New Zealand in the top 10 nations. This indicates a significant shift among global consumers to favouring nations that are open, transparent, and values based.

New Zealand Story has conducted its own perception research in several countries<sup>3</sup> to get a deeper understanding of what global consumers and buyers believe New Zealand stands for and what they think we can credibly offer.

There has been a significant shift in perceptions of New Zealand since the launch of the New Zealand Story in 2013. Below is a summary of the insights:

- The top two words commonly used to describe New Zealand by consumers in our key trading partner countries remain “nature” and “pure”. Our natural beauty shapes first impressions, largely due to our tourism campaigns being the most visible of all our communications.
- Close behind were the words quality, preservation, caring, unspoilt and utopia. Three years ago these words had somewhat negative connotations but increased global turmoil and new views on borders mean they now have positives associations.
- Terms such as ingenious, progressive, creative, adventurous, and bold are emerging. We are seen as a developing and growing nation with educated people capable of creating unique and inventive solutions without destroying what is important.

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<sup>2</sup> Refer to section 7: *Key metrics*

<sup>3</sup> China, Viet Nam, Australia

- We are trusted to take an independent view and make our own decisions based on what we believe is right.
- Most significantly, consumers and buyers now talk less about New Zealand the place and more about the people. Integrity and trust powerfully underpin perceptions of New Zealand. We are seen as forward thinking, bold and creative in our approach to solving problems and issues.
- We have built a reputation for not accepting the status quo and striving to do what others believe is impossible. While we are not seen as an ideas hub there is a strong sense that we are the people who bring ideas to life. Our creations are not necessarily large scale but we are seen as a provider of niche and bespoke solutions. New Zealand is a boutique brand among country brands.
- We are seen as agile, flexible, forward thinking and take a fresh approach to old problems. Yet consumers and buyers see that this is always balanced with a deep sense of caring for people and the environment. There is a belief that even if all is not perfect, we sort things out with integrity. We are seen as a 'good country' and can be trusted to do the right thing even when no one is looking.

This is summed up in **our narrative**:

- *New Zealand is a progressive nation of creative idea-makers who challenge the status quo creating new solutions whilst always taking care of people and place.*

The values that continue to surface from within New Zealand and continue to be rated as authentic and true by global consumers are:

- **Kaitiaki**: Our care of people, place and planet. This care extends to everything we do and everything we create. We are considered a progressive nation yet we seek not to damage what is precious.
- **Ingenuity**: With our spirit of exploration, adventure and creativity, we turn ideas into reality and solve what others do not. Our fresh perspective to problem solving and making it happen is valued by others.
- **Integrity**: We do what we say we will do and do the right thing, because it's the right thing. This deeply engrained value delivers the trust behind our good reputation.

### 3. There is still work to do

While perception research was encouraging, there is still little known about our capability beyond nature, tourism, and food. In fact, our greatest challenge is still awareness and a clear sense of what we have to offer the world.

As student and immigration numbers show, we are becoming more known as an education destination, and a sought-after place to live and raise a family.

However, we have more work ahead for consumers, buyers, influencers and investors to believe we are competitively placed to provide technology enabled solutions.

Furthermore, consumers and buyers have become increasingly cynical. While our story is compelling and captivating, they seek more facts, evidence and proof behind our stories. Building a central bank of evidence to support storytelling is an important next step.

## 4. Our plan is simple: to make New Zealand famous for more good things

Our light on the hill is the BGA. Our goal is to grow our global reputation for the prosperity of New Zealand and our vision is to enhance New Zealand's reputation beyond natural beauty.

Our two strategies are:

- arm New Zealand business owners with the storytelling tools, skills and knowledge to grow opportunities
- arm government with tools to communicate a more compelling story about New Zealand to shift perceptions and open doors.

Our strategy requires we deliver to four plans:

- **New Zealand plan:** to improve the capability of our internationalising businesses providing them with a toolkit, workshops, research, and creative support to craft compelling and competitive pitches, presentations and stories.
- **International plan:** to provide our global representatives with the tools, content and support to share a compelling and consistent story of New Zealand that expands perceptions beyond natural beauty.
- **FernMark plan:** to give our exporters a mark of authenticity to leverage the trusted New Zealand brand, to cut through the competitive clutter, and increase New Zealand's share of voice.
- **Brand plan:** to maintain a relevant and competitive overall positioning for New Zealand that underpins the activation programmes of all sectors.

## 5. Remaining focused on our chosen target audiences is vital

We are an enabler for the activation agencies who have the resources, mandate and reach to communicate with consumers.

TNZ, ENZ, and Immigration New Zealand target "active considerers" with their campaigns. NZTE targets buyers, influencers and consumers to build demand for the products and services provided by the high-engagement Focus 700 companies it works with. The Ministry of Foreign Affairs and Trade (MFAT) undertakes public diplomacy activities.

The key challenge is that TNZ has the greatest reach with the largest activation budget of all agencies. This means that natural beauty will continue to be the headline act for New Zealand, however it also now delivers the largest export revenues for the country.

We have excluded international consumers or buyers from our direct audience groups. We have also chosen to exclude New Zealand consumers and community from our plan at this stage as we have neither the mandate (we are tasked with supporting the growth of exports) nor the resources to take on a domestic programme to build national pride and engagement.

## 6. A phased approach to delivering the plan

The New Zealand Story programme has evolved from a tactical toolkit to a country reputation programme.

Year 1: 2013/14	Year 2: 2014/15	Year 3: 2015/16	Year 4: 2016/17
<p>Build the New Zealand Story Advisory Board and team</p> <p>Grow understanding of the programme</p> <p>Build awareness and uptake of the assets</p> <p>Develop the FernMark programme</p>	<p>Expand the story for priority sectors (wine and seafood)</p> <p>Engage and educate NZ Inc agencies</p> <p>Accelerate uptake and reach throughout NZ's business community</p> <p>Incorporate into major events (President Xi and Chancellor Merkel visits)</p> <p>Launch FernMark programme</p> <p>Launch image testing and perception research</p>	<p>Launch workshops to aid in story and pitch development</p> <p>Expand the asset base to include more sectors and widen content</p> <p>Grow FernMark Licence programme</p> <p>Extend into more priority sectors (energy, red meat)</p> <p>Update perception research to reposition messaging</p> <p>Refresh the brand proposition (narrative and values)</p>	<p>Launch new creative expression to meet changing position of NZ</p> <p>Launch government resource centre to lift use of the story through NZ Inc internationally</p> <p>Launch regionally tailored versions of the New Zealand Story with sector priorities dialled up (first market China)</p> <p>Expand perception research into the Middle East and Latin America</p> <p>Extend sector stories to technology and film/creative</p>

## 7. Key metrics

The top line measure of success is New Zealand's ranking in the annual Anholt-GfK Nation Brands Index (NBI), which ranks New Zealand against 50 other countries. As previously noted, New Zealand is ranked 13<sup>th</sup> in the annual Anholt-GfK Nation Brands Index (NBI), up from 15<sup>th</sup> in 2014. New Zealand's overall ranking as well as in six specific categories is outlined in the table below.<sup>4</sup>

New Zealand's ranking	2014	2015	2016
Overall NBI	15	14	13
Exports	20	20	20
Governance	11	11	9
Culture	25	25	23
People	13	11	12
Tourism	16	17	14
Immigration	14	13	13

The New Zealand Story sets monthly measurement and annual targets to drive activation, awareness, retention and relevance and produces a monthly dashboard. Highlights include:

- More than 7,000 registered subscribers to the New Zealand Story newsletter and website.
- Users have downloaded almost 50,000 assets. The increase in downloads was a result of upgrading the toolkit, and improving the search and the user experience.
- Net Promoter Score of 64% in Q1 2016/17.

## 8. Funding the story

The New Zealand Story is jointly funded by a number of agencies, which reflects a commitment to shared story telling across government.

In Year One (2013/2014) the New Zealand Story set up was funded through an operating budget of \$3.5 million comprising:

- \$2 million of crown funding
- \$1.5 million combined contribution from six government agencies (MFAT, NZTE, Ministry of Primary Industries (MPI), TNZ, ENZ, Te Puni Kokiri (TPK)).

In Year Two (2014/15):

- ongoing activity was estimated to require \$2.3 million in funding from the same six government agencies
- Cabinet approved a contribution of \$383,000 per agency per annum indefinitely

<sup>4</sup> Colours indicate ranking changes. Red is a decline, orange is status quo, green an improvement

In Year Three (2015/16):

- three activation agencies agreed to increase contributions to \$500,000 each and three agencies opted to retain the original \$383,000 each
- NZTE supplemented the funding with an additional \$1 million.
- Crown funding of \$3.6 million over four years was approved to increase the overall investment in the programme to activate internationally.

Outer year funding from agencies is expected to continue at current levels however this will be reviewed at the New Zealand Story Advisory Board meeting in February 2017.

Funding for NZSG (\$ 000s)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Agency funding	1,500	2,298	3,298 <sup>5</sup>	2,949 <sup>6</sup>	2,649 <sup>7</sup>	2,649	2,649
Crown funding	2,000	0	0	900	900	900	900
Total funding	3,500	2,298	3,298	3,849	TBC	TBC	TBC

## 9. The FernMark Licence Programme

In 2015, a new FernMark Licence Programme was approved by Cabinet and launched. Full details of the programme purpose and criteria can be found in the Cabinet paper.

The programme was relaunched with a simple three step application process comprising:

- pre-qualifying criteria (such as the applicant needing to be a GST-registered business)
- a calculation of the applicant's "New Zealandness" determined by points allocated for
  - percentage of New Zealand based employees
  - percentage of New Zealand ownership
  - percentage of board governance based in New Zealand
- confirmation the product is either grown, made or designed in New Zealand.

Once verified and audited by our in-house team, a licence number is allocated and the FernMark brand assets are released to the applicant.

A consumer or buyer can scan the FernMark logo (via augmented reality image or QR code) on a product or go directly to the website to verify the product is authorised to carry the New Zealand FernMark.

Without promotion, we have 45 licensees and plan to double acquisition in 2017 with the launch of a refreshed website and more flexible logo options.

<sup>5</sup> Includes the additional \$1 million from NZTE's operating budget underspend

<sup>6</sup> Includes the additional \$300,000 from NZTE

<sup>7</sup> New Zealand Story is seeking to confirm the funding contributions from 2017/18 onwards in February 2017

## 10. New Zealand Story Governance

The New Zealand Story Group is governed by an advisory board. The Chair of the New Zealand Story Advisory Board reports to the Minister for Economic Development.

The Advisory Board comprises:

- Cameron Harland (Chair and General Manager of Park Road Post Productions)
- Peter Chrisp (NZTE)
- CE of TNZ (currently vacant)
- Martyn Dunne (MPI)
- Grant McPherson (ENZ)
- Michelle Hippolite (TPK)
- Brook Barrington (MFAT)
- three private sector members: Steve Smith (previously at Craggy Range), Richard Jones (Poutama Trust) and Julie Christie (Touchdown Productions).

New Zealand Story is hosted within NZTE to minimise overhead costs and reporting requirements. Initially comprising a director and four staff, two additional staff have been added to manage the FernMark programme. New Zealand Story's Director is Rebecca Smith.

## 11. Communication with Ministers

New Zealand Story reports to Ministers via:

- regular input to weekly reports via NZTE
- updates to the BGA dashboard
- input to the BGA refresh
- quarterly 1:1 progress update with the Minister for Economic Development.