TNZ Premium Strategy
Asian Market Webinar Update
19th July, 2017
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Asia Premium Manager – Tourism New Zealand

- Manages Tourism New Zealand’s Premium Strategy for Singapore & HK
- Second year at Tourism New Zealand
- 10+ years experience across PR, marketing and events specialising in consumer luxury sector
1. Why Asia?
   • A close look at our target audience – UHNWIs in Asia

2. Premium Asia Strategy Overview
   • Evolution of Premium Strategy in Asia

3. FY17 Premium Asia Activities & Performance
   • Overview of FY17 Premium Asia activations
   • Overview of FY17 JV performance YOY
   • Luxury Lodges of New Zealand FY17 performance YOY

4. Asia Luxury Travel Insights
   • What’s hot, comp set, opportunities

5. FY18 Opportunities

6. Q&A
Why Asia?
Global High Net Worth Statistics

Composition of Global HNWI Population, 2016

>USD $30m
145,200 Ultra High Net Worth Individual (UHNWI)

USD $5-30m
1,388,100 Very High Net Worth Individual (VHNWI)

USD $1-5m
13,831,600

Wealth range

Number of Adults

Source: Capgemini Finicial Service Analysis, 2016

Tourism New Zealand’s marketing strategy focuses on the top tiers representing 1.5m individuals.

*Wealth-X World Ultra Wealth Report 2017
Asian High Net Worth Statistics

*Wealth-X World Ultra Wealth Report 2017*
Singapore Wealth Snapshot

Total Population: 5.5 million
UHNW Population: 2,170
UHNW Wealth: US$ 273 billion
Next 10 yr UHNW Population Forecast: +48%

- The little red dot is only the size of Lake Taupo – easy to make impact in this compact City State
- English speaking
- The country is very conducive to business - clear regulatory framework, progressive ecosystem of financial and business services
- Excellent infrastructure, education and healthcare system makes it a desirable place to live, further promoting a vibrant economy as well as attractive for HNWs to base themselves here, further bolstering real estate landscape
Hong Kong Wealth Snapshot

Total Population: 7.3 million
UHNW Population: 7,650
UHNW Wealth: US$ 986 billion
Next 10 yr UHNW Population Forecast: +42%

- HK is historically a prominent centre of wealth as one of Asia’s leading economies after to develop and achieve institutional financial maturity
- 25 / 75 of HK’s billionaires made their money from real estate
- Hong Kong, like Singapore boasts a stable and transparent government regulations and business practices - a sound banking system, virtually no public debt, a strong legal system, ample foreign exchange reserves, rigorous anti-corruption measures and close ties with the mainland China - all of which makes HK nimble to adapt
Laying the Foundations

**Asia Market Considerations**
- Which markets?
- How do we access the luxury travellers?
- What are the opportunities to make the greatest impact?

**New Zealand as a Luxury Destination**
- NZ’s unique luxury proposition and to distinguish it from core trade
- Building capability to sell luxury holidays to NZ
- Establish NZ’s position as a world-class luxury travel destination, and best practices
Premium Strategy – FY16 onwards

FOCUS

Tighter Market Selection

Targeting higher up the wealth triangle

Explore none-trade opportunities
Premium Asia FY17 Activities & Performance
**FY17 - Activations**

**Premium Asia Activation Overview**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Channels</th>
<th>Messages</th>
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<tbody>
<tr>
<td>Consumer Events</td>
<td>JV Partners</td>
<td>Perfect escapes to NZ</td>
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<td></td>
<td>None-trade Affiliates</td>
<td>Discover luxury NZ</td>
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<td></td>
<td>Media</td>
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<tr>
<td>Product Development</td>
<td>JV Partners</td>
<td>Diverse lodges and landscapes</td>
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<td>Communications Campaigns</td>
<td>Travel Trade</td>
<td>Your natural playground</td>
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<td>Focused Consumer Events</td>
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<td>Embracing people</td>
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<tr>
<td>Training &amp; Sales Calls</td>
<td>JV Partners</td>
<td></td>
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<tr>
<td>Agent Famils</td>
<td>Travel Trade</td>
<td>Book (Conversion)</td>
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**Diagram:**
- **Dreaming:** Consumer Events, Product Development, Training & Sales Calls
- **Planning:** Consumer Events, Communications Campaigns, Focused Consumer Events
- **Booking:** Training & Sales Calls, Agent Famils
Premium Asia FY17 JV Partner Communications

Collaterals coverage

Travel by Lightfoot
Frequency: Quarterly
Distribution: 1,500 print & Online
www.lightfoottravel.com inspiation
FPFC: US$2,000

Journey Weaver
Frequency: Bi-annual
Distribution: 800 print & Online
www.journeyweavermag.com
FPFC: SG$2,900
Premium Asia FY17 Events Case Study 1

Event around a NZ speaker / Major Event in NZ – Andrew Mehrtens / The Lions Tour
Premium Asia FY17 Events Case Study 2

Event around a Special Interest
Premium Asia - FY17 JV Partnership Snapshot

FY16 vs. FY17 JV Partnership Performance YOY

Total sales to NZ  
- FY16: 10%  
- FY17: 70%

Average spend per pax  
- FY16: 30%  
- FY17: 55%
Premium Asia - FY17 JV LLNZ Snapshot

FY16 vs. FY17 LLNZ Asian Performance YOY

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<tr>
<th>Total revenue by market FY16 vs. FY17</th>
<th>30%</th>
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<td>Total revenue most recent season Oct 15-Mar 16 vs. Oct 16 – Mar 17</td>
<td>50%</td>
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<td>Total revenue most recent season Oct 15-Mar 16 vs. Oct 16 – Mar 17</td>
<td>90%</td>
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Asian Luxury Travel Trends

Emerging & Trending Luxury Destinations for Asian Travellers

Cuba

Iceland / Norway

Botswana / Namibia / Mozambique

Iran / Jordan

Galapagos / Antarctica

Peru

Croatia

Bhutan / Mongolia / Nepal
Asian Luxury Travel Trends

The Real Deal
Cultural homogenisation has prompted many travellers to seek genuine experiences. From food to accommodation, authenticity is key. Generic sightseeing is out and living like a local is in.

Off The Beaten Track
Done with playing it safe, the modern traveller is looking for active experiences in fresh territories that are customised to his or her abilities.

Family First
With many families living geographically further apart, a multigenerational trip is often the only option for today's modern and mobile family.

Endangered
Rapidly changing regions, such as Cuba or the Arctic, have prompted many travellers to head to these destinations with a sense of urgency.

Asian Luxury Travel Trends & Predictions

“The next generation of luxury travellers don’t want just luxury accommodation any more - they also want to feel they have added something to their lives. A sense of enrichment and perhaps accomplishment.

We are in an age where amateurs attempt to climb Mt Everest and we can shoot ourselves to the very edge of space. We can eat at the best restaurants and also travel to places like Mexico to attend a pop-up by Noma or go on submarines and fly on fighter jets. Money can buy you much more than luxury. It can now buy you that proverbial bucket list.”

“I think that the travel trends in 2017 will continue toward an inclination for experiential travel. People will gravitate towards authentic travel where they can learn and their children grow according to the experiences.”

Asian Luxury Travel Trends & Predictions

“I think 2017 will continue to see the rise of independent travellers who are seeking experiences rather just pure luxury. Issues like environment, authenticity, heritage, social issues, interest this group of traveller much more and they consider themselves global citizens.

They arrive at a destination and they want to do what locals do and eat and shop where locals gather. They are more interested in the local scene than they are in tourist attractions.

Premium Asia - Market Opportunities
Opportunities for Premium NZ Industry in Asia - FY18

- 21st – 24th May 2018, Marina Bay Sands, Singapore

- Partnership events in Singapore / HK
  - Conservation and philanthropy
  - Arts, heritage and culture
  - Special interest – golf, sailing, other sports
  - F&B etc.

- 4th October, TNZ Premium Webinar – USA